PANTHEON RESOURCES PLC

INTERIM REPORT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

Company Statement

Pantheon's strategic goal remains to bring the Ahpun field onstream as quickly as possible on the way to delivering sustainable market recognition of $5-$10 per barrel of 1C/1P recoverable resources to our shareholders by developing our world class assets - Ahpun (Final Investment Decision "FID" targeted for 2025) and Kodiak (FID targeted for 2028) - and with minimum shareholder dilution. The focus is on ways to do it quicker, cheaper and/or deliver a higher value outcome.

Highlights

During the final six months calendar year 2023 and the subsequent period in 2024, Pantheon achieved significant progress in delivering this goal:

- Netherland Sewell and Associates ("NSAI") issued its Independent Expert Report ("IER") on the Kodiak field in August 2023, with an aggregate best estimate recoverable contingent resources of 963 million barrels ("mmbbls") of marketable liquids and 4,465 billion cubic feet of gas ("bcf").
- The Company re-entered, fracked and tested the topset sands (previously referred to as the 'SMD') in the vertical portion of the Alkaid-2 well (above the deeper Alkaid ZOI horizon which was separately tested in late 2022/early 2023). Following incorporation of PVT analysis results from GeoMark, the flow rate was calculated to be 50-140 barrels per day ("bpd") of marketable liquids, substantially exceeding pre-test estimates.
- The data gathered from the recompletion suggests that the operation achieved a frac efficiency estimated at 50% (vs c.20% in the lateral that was tested in the deeper ZOI horizon in the same wellbore in late 2022 and early 2023). Furthermore, the pressure transient analysis of the data from the downhole gauges supports a greatly improved estimate of matrix permeability in this interval, even despite it being located on the feather edge of the Ahpun topset reservoir, of 0.02-0.12 milliDarcies.
- Based on these resultsengineering and environmental consultants were contracted to help progress the Company to first production at Ahpun, by commencing the process to secure a hot tap into the TAPS main oil line.
- Addition of two non-executive Directors to the Board—Allegra Hosford Scheirer and Linda Havard.
    - Allegra is a physical science Research Scientist with the Basin and Petroleum System Modelling Group at Stanford and has a PhD from MIT.
    - Linda has more than 35 years of experience as a financial and operating executive in public companies and professional services firms, including 15 years in the oil and gas industry. Linda has an MBA from UCLA.
- In December 2023, Pantheon successfully bid for 66,240 acres covering the full extent (including all of the areas interpreted as containing higher quality oil reservoirs) of both Ahpun and Kodiak, materially increasing the contained resource potential across both projects.
- Opening of Houston office and are proceeding with the work necessary for a US stock market listing in 2025, including the appointment of Tony Larkin to manage the project and promotion of Josh McIntyre to the role of Group Financial Controller.
- In addition to the $22 million of funding in May 2023 to ensure continued operation through to the end of 30 June 2024, Pantheon funded the September and December 2023 quarterly convertible loan repayments through placements of shares to long term supportive holders, including IPGL Limited, which now has an interest over more than 7% of the shares in issue. The March 2024 quarterly repayment was made with shares to enhance liquidity, given the acquisition of key leases in December 2023.

Ongoing activity in 2024

Following the success of the Ahpun topset horizon test in late 2023 and given the quality of core data in the Pipeline State #1 well, the Company has redirected SLB's modelling of the Ahpun field development to prioritise development wells in the Ahpun field topset sands. This work is underway.

Until that work is completed, Pantheon continues development planning based on2 mmbbl EUR (estimated ultimate recovery) per well and an IP30 flow rate of 4,000 bpd of marketable liquids with first year average production of 2,000 bpd. This is based on the modelled development well design of 10,000 feet lateral length, the improved frac design, and recognising the improved reservoir and fluid characteristics in the Ahpun topset reservoirs. Projections for estimated cumulative cashflows and funding requirements (estimated at $120 million to first production) reinforce the robustness of the Ahpun development strategy and the ability to deploy cashflows from the initial wells to fund the expansion to a multi-rig programme and to fund the Kodiak Field development after its FID (targeted by the end of 2028).

NSAI is continuing to update its analysis on Kodiak to include the new leases, with an update expected around the end of March 2024.Its initial assessment of Ahpun is expected around the end of June 2024.

The Company continues to work on financing initiatives with a goal to minimise shareholders' equity dilution while ensuring the financial strength to build the professional organisation necessary to deliver projects of the size, scale and complexity of Ahpun and Kodiak. Pantheon continually updates its development plans and forecasts with new data from both internal analysis and that of SLB and other consultants, while seeking to minimise the footprint, of both surface facilities and total resource development, such that development consents will minimise delays to key approvals. It is a tremendous advantage that Pantheon's assets are located exclusively on State of Alaska land and adjacent to pipeline and road transportation infrastructure, but this does not eliminate the need to work with the Army Corps of Engineers for permits covering wetland fill and the Federal Government for common carrier pipeline access. Pantheon has retained experienced engineering, regulatory and environmental experts to ensure that our plan meets all requirements and best practices, including the intention to be a zero emissions operator by 2030.

NSAI Initial Kodiak Report

Pantheon received an IER prepared by NSAI on the Lower Basin Floor Fan reservoir of the Company's Kodiak project in Q3 2023. A summary of the resource estimate is outlined below.

Gross 100% Working Interest Contingent Resources

Resource Category	Oil (mmbbls)	NGLs (mmbbls)	Residual Gas (bcf)		Total Marketable Liquids* (mmbbls)
Low Estimate (1C)	145.4	292.4	2,151.7		437.8
Best Estimate (2C)	314.6	647.9	4,465.2		962.5
High Estimate (3C)	647.8	1,366.4	8,822.7		2,014.2

** Pantheon addition of oil & NGL columns*

Successful Bidder at State of Alaska's North Slope Areawide Lease Sale in December 2023

On 13 December 2023, Pantheon was named as the successful bidder on 66,240 acres, covering substantially all of the anticipated remaining conventional reservoir potential in the Kodiak Field, where the Company expects reservoir quality to improve as they become shallower to the north and west of the existing leases. In addition, the leases covering the potential eastern extent of the Ahpun Field (including what is prognosed to be higher quality, shallower reservoirs) covers the resources that are assessed as economically developable using current technologies. The new acreage contains material resource potential, and classification of the potentially recoverable resources will be determined in the coming months in consultation with NSAI and SLB.

OIP	Gross OIP			Net OIP[1]			
Quantities in mmbbls	Low Estimate	**Best Estimate**	High Estimate	Low Estimate	**Best Estimate**	High Estimate	COS[3]
Western Kodiak Leases	-	**7,866**	11,508	-	**6,474**	9,471	>90%
Eastern Ahpun Leases	2,025	**2,243**	2,470	1,668	**1,847**	2,034	70%
Totals	-	**10,109**	13,978		**8,321**	11,505	
TRR[2]	**Gross Recoverable**			**Net Recoverable[1]**			
Quantities in mmbbls	Low Estimate	**Best Estimate**	High Estimate	Low Estimate	**Best Estimate**	High Estimate	COS[3]
Western Kodiak Leases	-	**629**	1,726	-	**517**	1,420	>90%
Eastern Ahpun Leases	280	**367**	478	242	**317**	413	70%
Totals[4]	-	**996**	2,204		**834**	1,833	

[1] Estimated based on 16.67% State royalty for Western Kodiak Leases and 12.5% State royalty for the Eastern Ahpun Leases. All subject to 1 % Overriding Royalty Interest ("ORRI") in favour of eSeis.
[2] Company estimates of TRR are based on 8% recovery factor ("RF") in tight formations and up to 20% in formations exceeding the conventional threshold. No resources are attributed to natural gas because there is currently no market on the North Slope and any gas not used for fuel is modelled to be reinjected into the reservoir.
NGL and Condensates stripped from the production stream are not explicitly recognised within these figures pending GeoMark reservoir fluid composition analysis. Until GeoMark's analysis is received, the basis of estimation is consistent with the SLB reservoir modelling report released on 8th December, 2022.
[3] COS is the Geological Chance of Success - the probability that hydrocarbons will be encountered and capable of flowing to surface. The target formations in the western leases covering the extension of the Kodiak field are the same horizons encountered in the Pipeline State, Talitha-A and Theta West-1 wells, resulting in a high COS. The eastern Ahpun leases exhibit the seismic characteristics indicating hydrocarbon pay but cannot be confirmed until penetrated by a well.
[4] The Kodiak volumes have been estimated deterministically and the Ahpun volumes have been estimated probabilistically. The totals do not represent the statistical addition of these estimates.

Pantheon's lease acquisition strategy is now complete. These latest awards protect the development schedules for Ahpun and Kodiak to the extent possible by ensuring the full fields can be included in requests for development consents from the State of Alaska. The immediate focus remains on the development of Ahpun with FID planned by the end of 2025 and appraisal of the full potential of Kodiak to support its FID in 2028.

Financing
The Company intends to provide an update on its overall financing initiatives over the coming weeks. As previously disclosed, Pantheon is in discussions with vendors, offtakers and other parties about the potential to provide non equity finance the Company in order to progress its project development at minimal equity dilution to shareholders. As previously discussed, Pantheon estimates $120 million is required to get to first production, comprised of three wells conservatively at $20 million each, $20 million to upgrade facilities, $20 million for a hot-tap into TAPS and $20 million for three years G&A. Whilst some of these components will change higher or lower, for example G&A as the Company builds its team and incurs costs associated with a US listing, at a combined level the Company remains comfortable that $120 million remains a conservative and achievable estimate.

Heading into Q2 of 2024, Pantheon is proceeding with determination, doing the small but necessary steps to advance its exciting projects towards its stated objectives of FID, project development and value recognition. Management believe the project resource potential to be of a size and scale that is material by any global standard and are extremely pleased to have been able to strategically retain a 100% working interest in all of it. Management fully recognise that financing the development of such large developments is a key hurdle and are working diligently on that objective, recognising that once achieved, the pathway to commercialisation becomes clearer for all to see, and would be expected to see significant value recognition accrete to shareholders thereafter. The Board is determined in its efforts to achieve these goals.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	6 months ended 31 December 2023 (unaudited)	6 months ended 31 December 2022 (unaudited)	Year ended 30 June 2023 (audited)
		$	$	$
Continuing operations				
Revenue		13,393	455,309	803,689
Production royalties		-	(57,101)	-
Facilities commissioning and operations		-	(837,503)	-
Cost of sales		(7,152)	(183,296)	(673,290)
Gross profit / (loss)		6,241	(622,590)	130,399
Administration expenses		(4,035,322)	(3,699,831)	(3,870,673)
Share Based payment expense		-	(2,935,897)	(3,146,170)
Operating loss		(4,029,081)	(7,258,318)	(6,886,444)
Convertible Bond - Interest expense		(2,589,141)	(3,151,102)	(6,111,118)
Convertible Bond – Revaluation of derivative		(1,206,610)	7,937,855	11,321,514
Other Income		-	-	30,000
Interest receivable		414,446	152,492	338,205
Loss before taxation		(7,410,387)	(2,319,073)	(1,307,843)
Taxation		1,726,267	743,097	(138,844)
Loss for the period		(5,684,120)	(1,575,796)	(1,446,687)
Other comprehensive income for the period				
Exchange differences from translating foreign operations		(219,659)	(97,473)	(3,185,937)
Total comprehensive loss for the period		(5,903,779)	(1,673,449)	(4,632,624)
Loss per share from continuing operations:				
Basic and diluted Loss per share	2	(0.66)¢	(0.21)¢	(0.18)¢

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Share based payment $	Total equity $
Group						
At 1 July 2023	12,464,677	297,830,078	(49,444,331)	(2,692,860)	14,271,042	272,428,607
Loss for the period	-	-	(5,684,120)	-	-	(5,684,120)
Other comprehensive income: Foreign currency translation	-	-	-	(219,659)	-	(219,659)
Total comprehensive income for the period	-	-	(5,684,120)	(219,659)	-	(5,903,779)
Issue of shares	148,722	2,644,275	-	-	-	2,792,997
Balance at 31 December 2023	12,613,399	300,474,353	(55,128,450)	(2,912,519)	14,271,042	269,317,825

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Share based payment $	Total equity $
Group						
At 1 July 2022	10,720,459	264,879,196	(48,466,591)	493,078	11,776,246	239,402,388
Loss for the period	-	-	(1,575,976)	-	-	(1,575,976)
Other comprehensive income: Foreign currency translation	-	-	-	(97,473)	-	(97,473)
Total comprehensive income for the period	-	-	(1,575,976)	(97,473)	-	(1,673,449)
Exercise of Share Options						
Issue of shares	54,759	1,701,259	-	-	-	1,756,018
Transfer of previously expensed share based payment on exercise of options	-	-	395,238	-	(395,238)	-
Convertible Bond – Amortisation and Redemption						
Issue of shares	73,543	5,683,957	-	-	-	5,757,500
Shares Issued in Lieu of Payment						
Share based payments expense	-	-	-	-	2,935,897	2,935,897
Balance at 31 December 2022	10,848,761	272,264,411	(49,647,328)	395,605	14,316,906	248,178,354

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Share Capital	Share premium	Retained losses	Currency reserve	Share based payment reserve	Total equity
	$	$	$	$	$	$
Group						
At 1 July 2022	10,720,459	264,879,196	(48,466,590)	493,078	11,776,246	239,402,388
Loss for the year	-	-	(1,446,687)	-	-	(1,446,687)
Other comprehensive income: Foreign currency translation	-	-	-	(3,185,937)	-	(3,185,937)
Total comprehensive income for the year	-	-	(1,446,687)	(3,185,937)	-	(4,632,624)
Transactions with owners						
Capital Raising						
Issue of shares	1,301,769	20,828,305	-	-	-	22,130,074
Issue costs	-	(469,920)	-	-	-	(469,920)
Issue costs paid in cash	-	(501,683)	-	-	-	(501,683)
Exercise of Share Options and RSU's						
Issue of shares	58,445	1,880,003	-	-	-	1,938,448
Convertible Bond – Amortisation and Redemption						
Issue of shares	384,005	11,032,995	-	-	-	11,417,000
Other – Reversal of over accrual relating to previous capital raise	-	181,185	-	-	-	181,185
Total transactions with owners	1,744,219	32,950,885	-	-	-	34,695,104
Transfer of previously expensed share based payment on exercise of options	-	-	468,946	-	(468,946)	-
Share based payments expense	-	-	-	-	2,963,741	2,963,741
Balance at 30 June 2023	12,464,677	297,830,078	(49,444,331)	(2,692,860)	14,271,042	272,428,607

PANTHEON RESOURCES PLC

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	6 months ended 31 December 2023 (unaudited) $	6 months ended 31 December 2022 (unaudited) $	Year ended 30 June 2023 (audited) $
ASSETS				
Non-Current Assets				
Exploration and evaluation assets	3	292,192,198	274,321,398	286,668,349
Property, plant & equipment	3	8,219	66,199	38,570
		292,200,417	274,387,597	286,706,919
Current Assets				
Trade and other receivables		793,965	2,823,089	2,559,522
Cash and cash equivalents		207,124	16,335,676	20,661,012
Fixed term cash deposit & Certificate of deposit		9,008,937	-	-
		10,010,026	19,158,765	23,220,534
Total assets		302,210,443	293,546,363	309,927,453
LIABILITIES				
Current liabilities				
Convertible Bond – Debt	5	9,582,349	9,929,027	9,755,688
Trade and other payables		1,757,257	6,336,999	2,840,610
Provisions		6,018,291	5,282,866	6,017,238
Lease Liabilities		5,341	60,007	36,435
		17,363,238	21,608,899	18,649,971
Non-current liabilities				
Lease Liabilities		-	2,956	-
Convertible Bond – Debt	5	13,819,208	19,228,219	16,619,062
Convertible Bond – Derivative	5	1,614,192	3,587,629	407,566
Deferred tax liability		95,980	940,306	1,822,247
		15,529,380	23,759,110	18,848,875
Total liabilities		32,892,618	45,368,009	37,498,847
Net assets		269,317,825	248,178,354	272,428,607
EQUITY				
Capital and reserves				
Share capital		12,613,399	10,848,761	12,464,677
Share premium		300,474,353	272,264,411	297,830,078
Retained losses		(55,128,450)	(49,647,328)	(49,444,331)
Currency reserve		(2,912,519)	395,605	(2,692,860)
Share based payment reserve		14,271,042	14,316,906	14,271,042
Shareholders' equity		269,317,825	248,178,354	272,428,607

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	6 months ended 31 December 2023 (unaudited) $	6 months ended 31 December 2022 (unaudited) $	Year ended 30 June 2023 (audited) $
Net outflow from operating activities	(3,534,998)	(6,722,549)	(11,395.855)
Cash flows from investing activities			
Interest received	414,446	152,492	338,205
Financial Investments – Fixed term cash deposit & Certificate of deposit	(9,008,937)	-	-
Funds used for drilling, exploration and leases	(5,523,850)	(36,601,678)	(48,246,055)
Property, plant and equipment	-	(3,033)	(3,251)
Net cash outflow from investing activities	(14,118,341)	(36,452,218)	(47,911,101)
Cash flows from financing activities			
Proceeds from share issues	2,792,997	1,756,018	22,746,441
Issue costs paid in cash	-	-	(501,683)
Repayment of borrowing – unsecured convertible bond	(5,561,500)	-	-
Repayment of borrowing – leasing liabilities	(32,046)	(29,696)	(60,913)
Net cash inflow from financing activities	(2,800,549)	1,726,323	22,183,845
(Decrease) / Increase in cash & cash equivalents	(20,453,888)	(41,448,445)	(37,123,110)
Cash and cash equivalents at the beginning of the period	20,661,012	57,784,121	57,784,121
Cash and cash equivalents at the end of the period[(1)]	207,124[(1)]	16,335,677	20,661,012

(1) Closing cash balance excludes US$7,000,000 fixed term deposit (included above in Financial Investments – Fixed Term cash deposit and Certificate of deposit) which matured 8th January 2024.

PANTHEON RESOURCES PLC

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES
FOR THE PERIOD ENDED 31 DECEMBER 2023

	6 months ended 31 December 2023 (unaudited) $	6 months ended 31 December 2022 (unaudited) $	Year ended 30 June 2023 (audited) $
Loss for the period	(5,684,120)	(1,575,976)	(1,446,687)
Net interest received	(414,446)	(152,492)	(338,205)
Share Based Payments non-cash expense	-	2,935,897	3,146,170
Depreciation of office equipment	1,100	245	1,869
Depreciation of right of use assets	28,802	27,154	55,700
Interest Expense	2,589,141	3,151,102	6,111,118
Convertible Bond – Revaluation of derivative liability	1,206,610	(7,937,855)	(11,321,514)
Other provisions – irrecoverable VAT	-	-	7,302
Decrease in other liabilities	-	(1,964,731)	-
Decrease / (Increase) in trade and other receivables	1,765,558	(324,642)	(61,076)
Decrease in trade and other payables	(1,083,353)	(40,987)	(4,648,183)
Effect of translation differences	(218,023)	(97,165)	(3,041,194)
Taxation	(1,726,267)	(743,097)	138,844
Net cash outflow from operating activities	(3,534,998)	(6,722,549)	(11,395,855)

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

1.1. Basis of preparation

The financial statements have been prepared on a going concern basis using the historical cost convention and in accordance with the UK Adopted International Accounting Standards ("IAS's") and in accordance with the provisions of the Companies Act 2006.

This interim report has been prepared on a basis consistent with the Group's expected accounting policies for the year ending 30 June 2024. These accounting policies are the same as those set out in the Group's Annual Report and Financial Statements for the year ended 30 June 2023, which are available from the registered office or the company's website (www.pantheonresources.com).

The Group financial information is presented in US Dollars and is unaudited. The interim financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative figures for the year ended 30 June 2023 have been taken from the Group's statutory accounts for that financial year, which have been reported on by the Group's auditors and delivered to the Registrar of Companies.

1.2. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. All the companies over which the Company has control apply, where appropriate, the same accounting policies as the Company.

1.3. Foreign currency translation

(i) *Functional and presentational currency*

The financial statements for the Group and the Company are presented in US Dollars ("$") and this is the Group's Presentation currency. The Functional currency of all entities within the Group, excluding the Parent Company, is $USD. The Functional currency of the Parent Company is £GBP.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated into US dollars at the spot rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange gain or loss is dealt with in the income statement.

The assets, liabilities of the Parent Company are translated into US dollars at the rates of exchange ruling at the year end. The results of the Parent Company are translated into US dollars at the average rates of exchange during the year. Exchange differences resulting from the retranslation of currencies are treated as movements on reserves.

1.4. Cash and cash equivalents

The company considers all highly liquid investments, with a maturity of 90 days or less to be cash equivalents, carried at the lower of cost or market value.

1.5. Going concern

In June 2023 Pantheon communicated to shareholders via RNS and accompanying webinar, its aggressive strategy to target sustainable market value recognition of $5 - $10 per barrel of 1P/1C recoverable resource by the end of 2028, FID (Final Investment Decision) on the Ahpun project by the end of 2025, and FID on the Kodiak project by the end of 2028. Executing such a strategy requires significant additional capital, most of which the Company seeks to access through non equity sources. This process is presently underway. In November 2023 the Company published a stock exchange announcement, supported by a webinar, which provided detail of the estimated $120 million capital required to achieve first production at Ahpun and the Company's strategy to secure such funding. This sum included the drilling of 3 new wells, a hot-tap into the TAPS pipeline, upgrading production facilities and several years of G&A. In accessing additional capital, Pantheon's stated goal is to achieve this in the least dilutive manner for shareholders, minimising the use of equity capital by prioritising three main alternate funding sources: (i) vendor financing (ii) offtaker financing and (iii) reserve based lending. Pantheon is presently in discussions with multiple parties, including vendors and potential offtakers with respect to these potential non-equity financing alternatives.

As reported to shareholders, the Group will need to secure additional funding for general working capital, capital commitments, to cover future liabilities as they fall due and to continue to progress its key projects as planned. The Group seeks to secure such funding by Q2 or Q3 2024, in the least dilutive manner for shareholders, ideally through one of the non equity funding sourced discussed above. The auditors made reference to this material uncertainty within their audit report within the 30 June 2023 annual financial statements.

In Q3 2023, Netherland Sewell & Associates estimated a 2C Contingent Resource for Pantheon's Kodiak project totalling 962.5 million barrels of marketable liquids. The directors believe the enormous size of the resource already appraised on Pantheon's acreage provides the potential for 1,000 - 2,000 wells. Whilst in absolute terms this would entail cumulative investment estimated in the billions of dollars over the lifetime of the project, Pantheon estimates c.$300 million on the Ahpun development (plus potentially $50 million of Kodiak appraisal costs) as the maximum cumulative cash requirement. Once in full development, it is believed that production revenues have the potential to self finance a great majority of the future development costs as is often the case in such developments. Recent modelling by SLB predicts potential for significant improvement in well performance over its original estimates.

The Group has no contractual obligation to drill any future wells and the only obligation is to suspend the Talitha-A test well, the estimated cost of which ($0.7m) has already been provided for in the financial accounts. Given the quality of the assets, the directors are confident in their ability to raise capital as and when required. Accordingly, the financial statements have been prepared on a going concern basis.

1.6. Revenue

During the year ended 30 June 2023 oil sales commenced as a result of long term production testing at the Alkaid-2 well. These sales were considered to be non-recurring because it only occurred during the testing phase and production and thus production revenues stopped once flow testing operations ended. During the period to 31 December, 2023. A modest revenue was recorded during the short testing period for the short flow test of the shallower SMD horizon. Once in production, revenue from contracts with customers will be recognised in accordance with IFRS15 Revenue from Contacts with Customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Contract balances

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1.7. Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realised, or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

1.8. Exploration and evaluation costs and developed oil and gas properties

The Group follows the 'successful efforts' method of accounting for exploration and evaluation costs. At the point of production, all costs associated with oil, gas and mineral exploration and investments are classified into and capitalised on a 'cash generating unit' ("CGU") basis, in accordance with IAS 36. Costs incurred include appropriate technical and administrative expenses but not general corporate overheads. If an exploration project is successful, the related expenditures will be transferred to Developed Oil and Gas Properties and amortised over the estimated life of the commercial reserves on a 'unit of production' basis.

The recoverability of all exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition thereof. All balance sheet carrying values are reviewed for indicators of impairment at least twice yearly. The prospect acreage is classified into discrete "prospects" or CGU's. When production commences the accumulated costs for the specific CGU is transferred from intangible fixed assets to tangible fixed assets i.e., 'Developed Oil & Gas Properties' or 'Production Facilities and Equipment', as appropriate. Amounts recorded for these assets represent historical costs and are not intended to reflect present or future values.

1.9 Impairment of exploration costs and developed oil and gas properties, depreciation of assets, plug & abandonment and goodwill

In accordance with IFRS 6 'Exploration for and Evaluation of Mineral Resources' (IFRS 6), exploration and evaluation assets are reviewed for indicators of impairment. Should indicators of impairment be identified an impairment test is performed.

In accordance with IAS 36, the Group is required to perform an "impairment test" on assets when an assessment of specific facts and circumstances indicate there may be an indication of impairment, specifically to ensure that the assets are carried at no more than their recoverable amount. Where an impairment test is required, any impairment loss is measured, presented and disclosed in accordance with IAS 36.

Exploration and evaluation costs

All exploration and evaluation assets relate to the Group's Alaskan operations. The Alaskan leasehold assets were fair valued as at the date of acquisition of Great Bear and the carrying value at 31 December 2023 represents the cost of acquisition (plus the fair value adjustment, in accordance with IFRS) and any capitalised costs incurred subsequent to the acquisition.

Decommissioning Charges

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change - for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

For all wells the Group has adopted a Decommissioning Policy in which all decommissioning costs are recognise immediately when a well is either completed, abandoned, suspended or a decision taken that the well will likely be plugged and abandoned in due course. For completed or suspended wells, the decommissioning charge is recorded against the capitalised amount and subsequently depleted over the useful life of well using unit of production method.

1.10 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets, if/where applicable, are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings (convertible bond debt), trade and other payables and embedded derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or fair value gains/(losses) on derivative financial instruments.

Embedded derivative financial instruments

A borrowing arrangement structured as a convertible bond repayable in stock over 20 quarterly instalments, in addition to the right of the lender to voluntarily convert part or all of the outstanding principal prior to the maturity date of the bond, has embedded in it a derivative. This is considered to be a separable embedded derivative of a loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of individual components with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

IFRS 9 Expected Credit Loss Model

IFRS 9 requires that credit losses on financial assets are measured and recognised using the "expected credit loss" (ECL) approach. Other than cash, the only other financial assets held is a $0.4m in drilling deposits lodged with the state of Alaska. These drilling deposits are to cover future obligations to the state of Alaska for Great Bear Pantheon to perform dismantle, removal and restoration activities at Alkaid #2. Funds held by the state of Alaska are considered to have virtually no risk of credit loss.

2. Loss per share

	6 months ended 31 December 2023 (unaudited)	6 months ended 31 December 2022 (unaudited)	Year ended 30 June 2023 (audited)
Loss per share from continuing operations:			
Basic and diluted loss per share	(0.66)c	(0.21)c	(0.18)c

The calculation above for the loss per share has been calculated by dividing the loss for the period by the weighted average number of ordinary shares in issue of 859,268,187 (December 2022: 764,186,409; June 2023: 791,082,592). As the Group recorded a loss for the period, the diluted loss per share has been made to equal the basic loss per share.

3. Non-current assets

Exploration and evaluation assets Group	Exploration & evaluation assets
At 30 June 2022	237,852,406
Additions	36,599,104
At 31 December 2022	274,451,510
Additions	11,646,951
Additions to Asset Retirement Obligations	700,000
At 30 June 2023	286,798,461
Additions	5,523,849
At 31 December 2023	292,322,310
Impairment:	
At 30 June 2022	130,112
At 31 December 2022	130,112
At 30 June 2023	130,112
At 31 December 2023	130,112
Net book value:	
At 31 December 2023	292,192,198
At 30 June 2023	286,668,349

In January 2019, the Group acquired 100% of the share capital of Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC companies (collectively, “Great Bear”). The principal assets of Great Bear are leases with the rights to explore for hydrocarbons in the State of Alaska. At the period end the exploration and evaluation assets all relate to the Alaskan operation; Alaskan assets $292.2m (December 2022: $274.3m).

Exploration and evaluation assets are constantly reviewed for indicators of impairment. If an indicator of impairment is found an impairment test is required, where the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. The directors are satisfied that no impairments are required for the current period end.

Property, plant and equipment

Group	Office Equipment	Right of Use Assets	Total
	$	$	$
Cost			
At 30 June 2022	19,467	215,862	235,329
Additions	3,053	-	3,053
Exchange difference	-	(13,371)	(13,371)
At 31 December 2022	22,520	202,491	225,011
Additions	0	0	0
Exchange difference	335	10,156	10,491
At 30 June 2023	22,855	212,647	235,502
Additions	0	0	0
Exchange difference	(6)	(239)	(245)
At 31 December 2023	22,849	212,408	235,502
Depreciation			
At 30 June 2022	16,403	127,235	143,638
Depreciation for the period	245	27,154	27,399
Exchange difference	20	(12,245)	(12,225)
At 31 December 2022	16,668	142,144	158,812
Depreciation for the period	1,624	28,546	30,170
Exchange difference	117	7,832	7,949
At 30 June 2023	18,409	178,522	196,931
Depreciation for the period	1,100	28,802	29,902
Exchange difference	5	200	205
At 31 December 2023	19,514	207,524	227,038
Net book value			
At 31 December 2023	3,335	4,884	8,219
At 30 June 2023	4,446	34,125	38,570

4. Share Capital

During the period in September 2023, the Company issued 11,905,370 new ordinary shares via a private placement.

As at 31 December, 2023 the company had on issue 919,111,769 shares.

As at 31 December, 2023 the Company also has the following options and warrants:

- 4,825,000 share options and 4,802,922 warrants; all with a £0.30 exercise price and all expiring September 2024. The warrants are identical to the share options except are convertible into non-voting shares on a 1:1 basis.
- 7,000,000 share options with an exercise price of £0.27, expiring July 2030.
- 12,430,000 share options with an exercise price of £0.33, expiring January 2031.
- 21,380,000 share options with an exercise price of £0.67, expiring January 2027.

5. Unsecured Convertible Bond

In December 2021, the Company issued $55 million worth of senior unsecured convertible bonds to a fund advised by Heights Capital Ireland LLC, a global equity and equity-linked focused investor. After settlement of the 13th December 2023 convertible bond repayment, the remaining notional principal outstanding is $29.4million.

The Convertible Bonds have a maturity of 5 years, a coupon of 4.0% per annum and are repayable in 20 quarterly repayments ("amortisations") of principal and interest over the 5 year term of the convertible bond, with the last repayment due in December 2026. Such quarterly amortisations are repayable at the Company's option, in either cash at face value, or in ordinary shares ("stock") at the lower of the conversion price (presently USD$0.9096 per share) or a 10% discount to the arithmetic average of the daily volume weighted average prices ("VWAP") in the 10 or 3 day trading period prior to pricing date. Additionally, the bondholder has the option to partially convert the convertible bond at their discretion. A full summary of the terms of Convertible Bonds is detailed in the Company's RNS dated 7 December, 2021.

The bond agreement contains embedded derivatives in conjunction with an ordinary bond. As a result, and in accordance with the accounting standards, the convertible bonds are shown in the Consolidated Statement of Financial Position, in two separate components, namely Convertible Bond – Debt and Convertible Bond – Derivative. At the time of recognition (Dec 2021) the $55m bonds were split, $39,175,363 for the Debt Component and $15,824,637 for the Derivative Component.

In order to value the derivative component, Pantheon engaged a third party expert valuation specialist group to perform the valuations, who determined that the valuation of the instrument required a Monte-Carlo simulation of share price outcomes over the 5 year life to determine the ultimate value of the conversion option. This produced a calculated Effective Interest Rate ("EIR") of 20.41%. These amounts will be revalued every balance date with the differences being accounted for in the consolidated statement of comprehensive income.For the period end date of 31 December 2023, the third party expert valuation group performed their Monte-Carlo simulation and valuation calculations to determine the new value for the equity component to be $1,614,192. The resulting movement of was posted to the consolidated statement of comprehensive income to the account "Revaluation of derivative liability".

As at 31 December 2023 eight quarterly repayments (amortisations) have been made. For the first six repayments ordinary shares were issued in full settlement of the principal and interest amortisations. The two amortization repayments during the period were paid in cash, however that same amount of cash was raised via private placements with IPGL Limited, an existing supportive long-term shareholder. Hence, the funds raised were directly allocated to these two payments, resulting in a cash-neutral position for the Company.

At 31 December 2023 the Unsecured Convertible Bond is shown in the Consolidated Statement of Financial Position in the following categories;

Convertible Bond – Debt Component (Current Liability)	$9,582,349
Convertible Bond – Debt Component (Non-current Liability)	$13,819,208
Convertible Bond – Derivative Component (Non-current Liability)	$1,614,192
Total	$25,015,749

6. Approval by Directors

The interim report for the six months ended 31 December 2023 was approved by the Directors on the 17th March 2024.

7. Availability of Interim Report

The interim report will be made available shortly on the Company's website (www.pantheonresources.com), with further copies available on request from the Company's registered office.

8. Contingent liability

Pursuant to IAS 37, a contingent liability is either: (1) a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of some uncertain future event not wholly within the entity's control, or (2) a present obligation that arises from a past event but is not recognized because either: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Kinder Morgan Treating L.P. ("Kinder Morgan") initiated a dispute over an East Texas gas treating agreement between Kinder Morgan and Vision Operating Company, LLC ("VOC"). VOC ceased making payments to the service provider in July 2019. The service provider subsequently issued a demand to VOC and, in February 2021, served Pantheon Resources plc with a petition, seeking to recover not less than $3.35m in respect of this VOC contract. Pantheon held ownership of less than 0.1% of VOC via a 66.6% interest in Vision Resources LLC. Both Vision Resources LLC and VOC filed for Chapter 7 Bankruptcy in the United States Bankruptcy Court for the Southern District of Texas Houston Division in April 2020.

No Pantheon entity is a signatory to the gas treating agreement and none are named in the agreement. Pantheon has taken legal advice on the matter and believes it has no liability to the service provider. Accordingly, Pantheon does not consider a provision should be included with the final statements and will contest any claim made.

In, July 2021, the court dismissed Kinder Morgan's claims against Pantheon Resources plc. Kinder Morgan has also asserted the same claims against two subsidiaries, Pantheon Oil & Gas, LP and Pantheon East Texas, LLC. Pantheon Oil & Gas, LP and Pantheon East Texas, LLC are contesting these claims.

9. Subsequent events

Updated project modelling

The Company has a long term contract with SLB to dynamically model the entire project area including Ahpun and Kodiak. This project is expected to continue for the foreseeable future. The Company will report on any significant results as they become available.

Appointment of Independent non executive director

On 1 January 2024, Pantheon appointed Linda Havard as an Independent Non-Executive Director. Linda has more than 35 years' experience as a financial and operating executive in public oil and gas and entertainment companies as well as professional services firms. She most recently served as Chief Financial Officer of Gensler, the world's largest architecture and design firm. Previously, she served for six years as Chief Financial Officer at the global law firm of Orrick, Herrington & Sutcliffe, 13 years as Executive Vice President and Chief Financial Officer of Playboy Enterprises and 15 years at ARCO (now BP Amoco), where she headed Corporate Planning and Investor Relations, among other senior positions.

Linda holds an MBA in Finance from the University of California at Los Angeles and a PhD (honoris causa) in Business from the Chicago School of Professional Psychology. She is a member of the Atlanta Federal Reserve Board CFO Panel, the International Women's Forum, and the Governing Body of the CFO Executive Summit.

Linda is Chair of the Finance, Audit and Risk Committee

Other key appointments

Pantheon has appointed Tony Larkin, to project manage the Company's US stock market listing process. Tony is a qualified Chartered Accountant with over 25 years investment banking experience.

Commissioning of Independent Expert Reports on the Kodiak project

Pantheon has formally appointed Netherland Sewell & Associates, an independent and highly reputable resource reporting firm, for the preparation of an updated Independent Experts Reports over its Kodiak project, estimated to be completed at or near end March 2024.

Completion of equity fundraising – private placement

In November 2023 Pantheon announced the intention to issue 16,286,343 New Ordinary Shares at a price of £0.208 per share, to raise a total of approximately US$4.15m. The placement was on deferred settlement terms which completed in January 2024. The placement was to two long term supportive shareholders. Related to this fundraising, David Hobbs, Chairman, acquired $250,000 of shares indirectly by acquiring New Ordinary Shares with an aggregate value of $250,000 at the Placement Price from one of the subscribers, immediately following closing of the Placement.

Payment of quarterly amortization of convertible loan

In March 2024, Pantheon announced that it elected to pay (i) the quarterly principal repayment of US$2.45 million and (ii) the interest payment of US$0.294 million (collectively, the "Quarterly Repayment") in respect of its senior unsecured convertible bonds due 2026 (the "Convertible Bonds"), through the issuance of 8,820,315 new shares.

GLOSSARY

bbl	barrel of oil	mcfd	thousand cubic feet per day
bopd	barrels of oil per day	Mmboe	million barrels of oil equivalent
boepd	barrels of oil equivalent per day	NPV	net present value
mcf	thousand cubic feet	$	United States dollar
bwpd	barrels water per day	IP30	