

December 19, 2006

# PANTHEON RESOURCES PLC

## Increasing Natural Gas Production at Project Wharton

The Board of Pantheon (“Pantheon”) is pleased to report that the company is now producing from two natural gas fields, Zebu and the recently discovered Mohawk. A third, Caddo, is scheduled to be commissioned early in the New Year.

When combined together, these fields will make up an attractive and growing income stream for Pantheon. This increasing natural gas production occurs at a time of improved US natural gas prices. It represents an important income stream for a small company such as Pantheon and also offers attractive near term financial returns.

This initial drilling campaign has delivered effectively a 75% success rate. This has provided sufficient confidence to boost exploration in the Project Wharton area. Pantheon has now agreed to drill two additional exploration wells, Baptist and Kant, over coming months. A further three wells in and around the recent discoveries are currently scheduled for 2007. The current three discoveries, combined with the increased exploration efforts, hopefully will yield higher natural gas production in 2007.

These fields and prospects are all small and at shallow depths. In addition, easy access to infrastructure has enabled Pantheon to generate cash flow quickly from its discoveries.

### **Zebu (Pantheon 9.375%)**

Zebu #1 was discovered in August 2006 and commenced production on September 29, 2006. The well is currently producing around 235 thousand cubic feet of natural gas per day (mcf). Zebu discovered natural gas in two Frio sands. It is producing from the deeper zone at around 4,280 feet (“ft”). The primary objective, which encountered natural gas at around 3,750 ft, remains to be completed for production. The Joint Venture intends to produce from the secondary zone until depleted and then complete the primary zone higher up the well bore. The success has led the Joint Venture to plan on drilling another Zebu well in 2007.

### **Mohawk (Pantheon 18.75%)**

Mohawk #1 was recently brought into production at 110 mcf through a 4/64 inch choke. It is expected that production will increase over the coming weeks as the choke size is increased and other mechanical improvements are implemented. Mohawk #1 encountered natural gas in both its primary and secondary Frio objectives.

The success at Mohawk has led the Joint Venture to plan to drill another Mohawk well in 2007. The Mohawk #2 will test a slightly smaller amplitude anomaly (30 acres) at 4,075 ft that is very similar to, but fault separated from the Mohawk #1 anomaly. As this is not subject to the farm-in terms, it would have a higher value to Pantheon, if successful.

### **Caddo (Pantheon 18.75%)**

Caddo #1 encountered gas in a shallow Frio formation at around 4,470 ft and was completed for production testing in November. The well was successfully tested at rates ranging from 120 mcf/d to 385 mcf/d on 4/64 and 7/64 inch choke sizes respectively. The well produced at a stabilised rate of around 250 mcf/d on a 6/64 inch choke. This well should be brought on-stream within the next few weeks.

The Caddo #1 discovery is a particularly important. It is located in an area of mutual interest that covers a large area where six other prospects exist. These target comparable Yegua and Frio anomalies, but Miocene objectives are also present in all of them

In accordance with the AIM Rules, the information in this report has been reviewed and signed off by Mr Robert Rosenthal, (BSc Geology, MSc Geology), Technical Director at Pantheon Resources Plc, who has over 30 years relevant experience within the sector.

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