

Press release

15 December 2009

Pantheon Resources – Placing of Shares

Pantheon Resources plc (“Pantheon” or the “Company”), the AIM-quoted oil and gas exploration company active in Louisiana and Texas, announces today that the Company has conditionally issued 57,708,040 new ordinary shares of one penny each in the Company (the “Placing Shares”). This is in connection with a placing to various institutional and other investors at a price of 13.25 pence per Placing Share to raise £7.3 million after expenses (the “Placing”). The placing price represents a discount of 1.8 per cent to the volume weighted average price of 13.49 pence for the three month period to 14 December 2009. This placing was oversubscribed.

The Placing Shares shall rank *pari passu* in all respects with the existing ordinary shares in the Company. Following completion of the Placing, Pantheon will have in issue 102,099,770 ordinary shares of one penny each.

Application has been made for the Placing Shares to be admitted to trading on the AIM market of London Stock Exchange plc (“Admission”). The Placing is conditional, *inter alia*, upon Admission, which is expected to be on 16 December 2009.

Use of Proceeds

The net proceeds of the Placing will be used:

- to fund the drilling costs for the next two Tyler County wells;
- to fund the balance of the back costs relating to the farm-into the Tyler County project;
- for partial repayment of the Company’s bridging loan;
- for the repayment of certain other liabilities; and
- for general working capital purposes.

Specifically the monies raised will pay Pantheon’s share of the budgeted costs of the next two wells on Tyler County plus the balance of back costs of US\$4.5 million. Once these next two wells are completed then Pantheon will have secured its full 25% working interest (19.75% NRI) in the 30,000 gross acre block. Thereafter the Company will pay only its pro-rata share of any future development and drilling costs. There is now the prospect of up to 50 wells being drilled to exploit this acreage which the operator, Vision Resources LLC, now considers proven as an Austin Chalk development play.

The first of these two wells is expected to spud in early 2010. The main objective will be the Austin Chalk and the location has been chosen to test a high potential target. The first well in the programme, Vision Rice University #1, provided geological evidence that the Brookeland field, already established in adjacent acreage to the north, extended onto Pantheon’s JV acreage.

A secondary target, the Woodbine, will also be investigated from the same location at an estimated modest incremental net cost of some US\$0.25 million. The Woodbine

formed part of Pantheon's original farm in of May 2008. It is an independent and totally separate play from Pantheon's Austin Chalk project and is located approximately 500 feet below the Chalk. The location of the next well will be close to an existing pre-farm in well currently producing from the Woodbine on Pantheon's JV acreage. Data from this well, together with additional seismic mapping, led to the operator identifying a high potential Woodbine target.

Change to Directors' Shareholdings

The Directors of Pantheon have agreed to subscribe in aggregate for 3,131,539 Placing Shares. This includes for Jay Cheatham the conversion of £134,563 of his bridging loan into equity at the placing price. As a result of the Placing, the Company was notified by its Directors on 14 December 2009 that their respective shareholdings on Admission would change as detailed in table 1.

Director	Number of Placing Shares	New Total of Shares on Admission	Percentage of the enlarged issued share capital on Admission
J. Cheatham (1)	1,468,400	2,609,249	2.56
S. Graham	45,075	160,000	0.16
J. Hondris	460,000	760,000	0.74
A. Waller	248,427	698,427	0.68
J. Walmsley (2)	909,637	1,059,637	1.04

(1) Includes conversion of £134,563 of bridging loan into equity at placing price. All bridging loan lenders were offered the opportunity to convert 20% of their loan to equity.

(2) John Walmsley's participation and resultant shareholding includes 377,358 shares registered to Lawshare Nominees Limited, of which his spouse's pension fund is the sole beneficiary.

The Directors' participation in the Placing is deemed to be a Related Party Transaction under Rule 13 of the AIM Rules for Companies. Oriel Securities Limited, the Company's nominated adviser, considers that the terms of the Placing with the directors of the Company are fair and reasonable insofar as the Company's shareholders are concerned.

Jay Cheatham CEO of Pantheon stated: *"I am extremely pleased that the Placing went so smoothly, especially as it was oversubscribed. It represents an affirmation by investors of the Directors' confidence in the Tyler County Joint Venture and also its operator, Vision Resources LLC, and partners. I and the rest of Pantheon's Board are delighted to welcome some important new shareholders to the Company and look forward with excitement to the commencement of drilling activities in early 2010"*

In accordance with the AIM Rules for Companies, the information in this announcement has been reviewed and signed off by Jay Cheatham, who has over 30 years' relevant experience within the sector.

An updated investor presentation containing important new information relating to the Company's Tyler County assets, will be available on the Company's website at www.pantheonresources.com in addition to further material on the Company.

Further information:

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