

Press release

05 September 2012

Pantheon Resources plc – Tyler County Update and disposal of Bullseye assets

Pantheon Resources plc (“Pantheon” or “the Company”), the AIM-quoted oil and gas exploration company, has received confirmation from the operator of the Tyler County project, Vision Gas Resources LLC, of its intention to spud the Kara Farms #1H well during fourth quarter 2012. This well is located on the joint venture’s (“JV”) Tyler County project.

The Directors remain of the opinion that the Tyler County project has the potential to create significant and material value for Pantheon’s shareholders. This view has been strengthened following the favourable results of an extensive Woodbine study conducted in conjunction with the Bureau of Economic Geology at the University of Texas at Austin. This evaluation has been reinforced further by additional geological, geophysical and engineering analyses conducted in recent months.

Separately, the Company also announces the divestment of its 11.25% working interest (8.15% net revenue interest) in the Bullseye project in South Louisiana, USA. All other participants in the JV are divesting their stakes on identical terms. The project has been sold to an independent and unrelated private company, Luca Operation LLC. The full and final consideration net to the Company is expected to be approximately US\$155,000 after costs.

The two producing wells on the Bullseye project had each reached their economic limits in recent months and would not have made a positive contribution to the Company’s profitability going forward. Accordingly, it is expected that the overall impact upon the Company as a result of the disposal will be negligible. All funds received from this disposal will be applied towards the Company’s primary asset, the Tyler County JV, and general working capital requirements. In the 12 months to 30 June 2011, the Bullseye assets made a gross loss of GBP31,349.

Jay Cheatham, CEO of Pantheon, stated:

“I am delighted that operations on the Kara Farms #1H well appear to be on track to commence in the fourth quarter. I remain excited about the potential of this well and for the project as a whole. Investors will be aware that the delay to date has been solely as a result of the JV’s reaction to macroeconomic conditions rather than project-specific factors. This delay may now be regarded as beneficial given the recent material asset write-downs by a number of high profile companies operating in the natural gas sector of the USA. These write-downs have demonstrated the widespread wealth erosion that has occurred to companies who failed to react to these poor conditions.”

“Separately, the divestment of the Bullseye asset is a sensible one given that both the Jumonville #1 and Jumonville #2 wells have reached their economic limits and that any new wells would require more capital investment and risk.”

Further information:

Pantheon Resources plc

+44 20 7484 5359

Jay Cheatham, CEO
Justin Hondris, Director, Finance and Corporate
Development

Oriel Securities Limited (Nominated Adviser)
Michael Shaw

+44 20 7710 7600

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

For further information on Pantheon Resources plc, see the website at:
www.pantheonresources.com

In accordance with the AIM Rules, the information in this announcement has been reviewed and signed off by Jay Cheatham, who has over 35 years' relevant experience within the sector.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.