

29th December 2014

Chairman's AGM Statement

At the Annual General Meeting of Pantheon Resources plc ("Pantheon" or the "Company"), held at 9:00 a.m. today at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG, John Walmsley, non-executive Chairman of the Company, made the following statement:

As previously noted, the period from 1 July 2013 to date, including the Accounting period for the 12 months to 30th of June, 2014, the Accounts for which period have just been approved at our Annual General Meeting, have been nothing short of transformational for your company.

However, before I recap on those events, I am sure shareholders would want me to comment on the current overriding concern of most participants in international oil and gas activities, namely the significant reduction in unit oil prices and their possible impact on exploration and development activities. Pantheon, like each and every company in the sector, is not exempt from the consequences of falling prices nor do we have any privileged insight into the future direction of prices. However, I am in a position to update the guidance previously given to shareholders and confirm that we are still actively seeking an appropriate drilling rig and plan to drill as soon as we contract one. In other words there is no change in previous guidance.

Shareholders may care to be reminded of some of the reasons for our current posture. As Chief Executive, Jay Cheatham has repeatedly advised, our primary target is not shale but sandstone. Sandstone does not require horizontal drilling or fracking and is still forecast to be profitable well below US\$50 a barrel oil price. The key reason for the superior economics of the targeted sandstone formation are the exemplary porosity and permeability characteristics of the formation which are an order of magnitude greater than that of shale. Porosity is estimated to be some 2.5 times greater and permeability as much as 50 times greater than that of the typical shale plays. Additionally, your company's projects are ideally located in an area of abundant infrastructure and low transportation costs – a key differentiator to many high profile projects in USA and abroad.

To complete the corporate picture it is necessary for me to refer to, and in part restate, the two exceptionally significant events which took place subsequent to the end of the Accounting Period under review.

Firstly, on 30 September 2014, the Company announced the successful completion of a fundraising of up to £18.5 million before expenses through the issuance of 94,256,626 new ordinary fully paid shares. This fundraising was approved in full at a general meeting of shareholders on 16 October, 2014.

Secondly, the fundraising allowed Pantheon to double its stake in its existing Tyler County Joint Venture to 50%. Additionally, the Company acquired a 50% working interest in three new projects in Tyler and Polk Counties, and acquired a 25% working interest in a further project in Polk County, East Texas. An independent expert has estimated a Gross Prospective P50 Resource (Recoverable) of the enlarged Joint Venture acreage of 301 Million Barrels of Oil equivalent ("Mmboe"), equating to 150.5 Mmboe for Pantheon's 50% working interest. Full details of the transaction can be found in the Company's announcement dated 30 September 2014.