

19 July 2016

Pantheon Resources plc

Acquisition of increased Working Interest in Polk County prospects

Pantheon Resources plc (“Pantheon” or “the Company”), the AIM-quoted oil and gas exploration company with a 50% working interest in several projects in Tyler and Polk Counties, onshore East Texas, is pleased to provide the following operational update:

Acquisition of Additional Working Interest in Polk County, East Texas

The board of Pantheon is pleased to announce the acquisition of an additional 8% working interest in the “West West Double A”^{*} and “West Double A”^{**} prospects (previously referred to respectively as “New Prospect D” and “New Prospect A”), located in Polk County, East Texas. Upon completion of the acquisition, Pantheon’s working interest in these two prospects, including the VOBM#1 discovery well, will increase from 50% to 58%. Pantheon’s working interest in its Tyler County prospects remains unchanged at 50% and its working interest in “New Prospect E” remains unchanged at 25%.

Purchase consideration for the 8% working interest comprises an up front cash payment of US\$6.5m, plus additional 20% of the drilling and completion costs of the VOBM#2H and VOBM#3H wells, estimated to be between \$1.0m and \$1.25m per well. In relation to the 8% working interest acquired, Pantheon will benefit from an accelerated payback mechanism whereby it will receive a 2.5x uplift on production revenues until such time as the acquisition cost has been recouped, at which point revenues will revert back to an 8% revenue interest.

The opportunity to acquire this additional working interest at a favourable price has arisen as a result of an internal reorganisation within the privately-owned Vision group. By mutual agreement no third parties have been involved. The transaction maintains the confidentiality of intellectual property within the group, minimises mid-drilling disruption and reinforces the excellent established relationship between Pantheon and Vision.

Jay Cheatham, CEO of Pantheon, said:

“This transaction is a fantastic opportunity for Pantheon to increase our interest in these two outstanding prospects, where we have already completed one successful discovery well and are close to completing the second well. We can comfortably fund the acquisition from existing cash resources and the price is an attractive one, given the circumstances and our ability to move quickly to complete. For commercial reasons Bobby Gray, Vision’s founder, and I are both committed to maintaining the two-party structure wherever possible and this transaction accomplishes that mission speedily and to our mutual advantage”.

Further information:

Pantheon Resources plc

+44 20 7484 5359

Jay Cheatham, CEO

Justin Hondris, Director, Finance and Corporate Development

Stifel Nicolaus Europe Limited (Nominated Adviser and broker) +44 20 7710 7600

Callum Stewart

Ashton Clanfield

Nicholas Rhodes

FTI Consulting

+44 20 3727 1000

Ed Westropp

Shannon Brushe

James Styles

Further information:

* In respect of the West West Double A prospect, on which no wells have yet been drilled, Black Stone Minerals Company ("BSMC"), which granted the leases, holds an option to participate in future wells drilled on the underlying land, or lands pooled with that land for up to a 25% working interest (proportionately reduced to the mineral interest of BSMC in the relevant well or unit). If exercised in full, this could potentially reduce Pantheon's working interest by up to 25% in that prospect.

** In respect of the West Double A prospect, BSMC also has an option to participate in future wells drilled on the underlying land, or lands pooled with that land for up to a 25% working interest (proportionately reduced to the mineral interest of BSMC in the relevant well or unit). In this case the option applies only to Pantheon's newly acquired 8% working interest, not to its existing 50% working interest. In order to exercise its option in either case, BSMC must give notice within a prescribed notice period before drilling commences and will be liable to its pro rata proportion of all costs in relation to that well.

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

The information contained within this RNS is considered to be inside information prior to its release.

In accordance with the AIM Rules - Note for Mining and Oil & Gas Companies - June 2009, the information contained in this announcement has been reviewed and signed off by Jay Cheatham, a qualified Chemical & Petroleum Engineer, who has over 40 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.