December 20, 2007

PANTHEON RESOURCES PLC

Preliminary Results for the Period Ended 30 June 2007

Pantheon Resources plc ("Pantheon" or "the Company"), the UK based independent oil and gas exploration company focused on the U.S. Gulf of Mexico region, today announces its preliminary results for the period ended 30 June 2007. The Company has published its annual report and accounts for the year ended 30 June 2007 and hard copies are being posted to shareholders. In addition, the annual report and accounts can be obtained free of charge for a period of one month following the date of this announcement from the offices of the Company's nominated adviser, Oriel Securities Limited, being 125 Wood Street, London EC2V 7AN.

HIGHLIGHTS

- First commercial discovery and production within six months of initial public offering ("IPO");
- Cash flow being generated from existing discoveries;
- Asset base expanded and diversified;
- Asset portfolio retains potential for major growth in reserves and production;
- Active drilling programme has commenced with spudding of well on Nottoway prospect;
- Board strengthened with appointment of new independent non-executive director;
- Search for CEO advanced;
- Successful placing of 1.5 million shares in November 2007 providing additional funding to help finance the drilling programme, as well as for the provision of general working capital;
- Pre-tax loss including writedowns previously announced of £5,095,034 (2006: pre tax loss £339,314).

Chairman's Report

Pantheon ended its financial year awaiting its first significant production and cash flow, on the brink of an active drilling programme and having refreshed and diversified its asset portfolio. This was achieved within 18 months of its initial public offering ("IPO") in April 2006. The scale of the transformation may be measured as, at the beginning of the period, drilling had not even commenced on any of the Group's exploration prospects.

The second half of the financial year was dominated by the drilling of the Wilson well, just as the first half had been focussed on the testing of the Plum Deep prospect. Success was attained at Wilson with a declaration of commerciality on 18 June 2007. At the end of the financial year work was underway to tie this well into the sales pipeline. Since the end of the financial year, Wilson has been brought on-stream and is now in an extended production test phase.

The disappointment and uncertainty created by the deeper zones at Plum Deep only served to intensify Pantheon's efforts to secure other potential high impact ventures. Since May 2007, two high impact ventures, Bullseye and South Louisiana, have been added to the portfolio, both located in Louisiana. The South Louisiana venture has had a number of benefits to Pantheon. Apart from adding another high impact project to Pantheon's portfolio, it also provided lower risk targets with the Point Clair prospect. Moreover, since the acquisition of South Louisiana, additional exploration prospects have been identified on the venture.

Pantheon continues to analyse further opportunities in conjunction with established operators. The aim is to enhance shareholder value and returns. This is in line with its stated strategy. Since the financial year end, Pantheon has farmed-into the Dunn Deep #2 well on Padre Island, which has subsequently proved a natural gas discovery. The period from farm-in to first production amounted to just over six weeks. This highlights the ability to obtain rapid cash flow and good returns in an energy-thirsty, low sovereign risk market with excellent infra-structure.

The changed asset base has led to a consideration of the resources that Pantheon needs to deploy in the future. Pantheon has maintained a strategy of keeping corporate overheads low since its IPO. However the company is now at a stage of development where additional senior management is required. The board has already been strengthened by the appointment of John Walmsley as a non-executive director in August 2007. His extensive experience in the oil and gas industry has proven invaluable in his short tenure.

With six producing wells from a total of nine wells drilled since the Company's formation and heading into a period of further drilling, the Company believes it an ideal time to appoint a Chief Executive Officer. The search is now advanced. The Company is delighted with the response which has identified several high calibre candidates to date, and detailed discussions are underway in relation to this matter. Once this key appointment is confirmed, then it should be followed by further positions.

High oil and natural gas prices may have led to a resurgence of the global oil and gas industry over the past years but they have also heralded a less welcome trend. Costs have risen, wells have been delayed due to a tight rig market and the general workforce has suffered from inexperience following years of under-investment and cut-backs. Pantheon has not been immune to these trends. Both the Wilson and Plum Deep wells recorded cost over-runs from initial budgets. While testing programmes account for some of the additional cost burden, these factors have contributed.

Since the year-end, Pantheon has raised £900,000 by way of a placing of 1,500,000 ordinary fully paid up shares at a price of 60p per share with institutional investors. This was oversubscribed. The proceeds have provided Pantheon with additional funding to help finance the drilling programmes in South Louisiana and Texas, as well as for the provision of general working capital.

Pantheon is now facing a period of rising production and cash flow. Drilling has commenced on the Nottoway prospect with the spudding of the Fay Weill et al well on 12 October. This well should be followed by others, Bullseye and Point Clair, over the coming months as the exploration programme gathers pace. In its relatively short time as a public company, Pantheon has made significant progress. This should provide a foundation on which to build a focused exploration and production company.

Post-balance sheet events

Appointment of Director

On 1 August 2007, Pantheon announced the appointment of Mr John Walmsley as a director of the company. Mr Walmsley's extensive experience in the oil and gas industry has proven invaluable since his appointment.

Capital Raising

Since the year-end, Pantheon has raised £900,000 by way of a placing of 1,500,000 ordinary fully paid up shares at a price of 60p per share with institutional investors. This was oversubscribed. The proceeds have provided Pantheon with additional funding to help finance the drilling programmes in South Louisiana and Texas, as well as for the provision of general working capital.

Dunn Deep #2

In early August 2007, Pantheon farmed-into an appraisal/development well of the Mid-Frio La Playa #1 natural gas find ("Dunn Deep #1"). Although located on Padre Island, Dunn Deep #2 is separate from the Padre Island Joint Venture. Pantheon had a 10% paying interest to earn approximately a 7.5% working interest ("WI"). This equated to a one-third for one-quarter farm-in. This represented very favourable terms relative to normal industry agreements for a farm-in to a development well. It should be noted that Pantheon does not have an interest in Dunn Deep #1. The operator is BNP, a private Texas-based company.

The Dunn Deep #2 well commenced drilling on 15 August, 2007. The main objective in Dunn Deep #2 was the Marg Tex 35 formation. This is the same zone as that tested successfully at the Wilson discovery. Planned total measured depth of 10,542 feet was achieved and electric logs were run. Net pay of 20 feet was encountered within a 50 feet gross interval in the main objective. No flow testing was undertaken. On 7 September 2007, it was announced that Dunn Deep#2 would be completed as a natural gas producer.

Dunn Deep #2 came on-stream on 17 September 2007, less than two weeks from confirmation of a commercial discovery. An early hook-up to the sales grid was achievable as the well had been drilled from an existing site.

Initial gross production from the field was 3 million standard cubic feet of gas per day and 60 barrels a day of condensate. This has risen to a stabilised rate of 4.8 mmcfd of natural gas.

Wilson

Subsequent to the financial year-end, Pantheon has seen the start-up of the Wilson #1 well on 10 September 2007 in which it has a 31.77% working interest. Initial gross output from Wilson was 2.5 mmcfd of natural gas.

Production

Subsequent to the financial year-end, Pantheon has seen the commencement of production from two of its wells located on Padre Island. These have augmented existing output from the four producing wells on Project Wharton. Average production to Pantheon for the July to September period was 359 mcfd on a working interest basis compared with the 74.1 mcfd averaged for the previous three month period. Table 2 provides a quarterly breakdown of production.

Table **Error! Bookmark not defined.** :Pantheon Quarterly Natural Gas Production on Working Interest Basis (mcfd)

	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (Apr-Jun)
2006	0.7	32.3	81.7	74.1
2007	359.2			

South Louisiana

The first well on Pantheon’s South Louisiana venture, Fay Weil Ross et al #1, commenced drilling on 12 October 2007. This well is scheduled to be a 15,498 feet test of the Nottoway Prospect, a salt feature unknown until a new 3D seismic survey was shot in late 2005. This well is located to the south of Baton Rouge near the small community of White Castle, Louisiana.

On 17 December it was announced that the well had reached a measured depth ("MD") of 12,025 feet at which point 7 ⅝ inch casing is being set. The target horizons have yet to be reached. Hydrocarbon shows were encountered in the mud logs in shallower zones. These shallower zones have been logged. The results of these electric logs suggest the presence of a thin hydrocarbon pay zone.

Two factors should be highlighted. First, these shows were encountered in a reservoir that was not considered either a primary or secondary objective prior to drilling. Secondly, the occurrence of hydrocarbons at this shallower depth should not be interpreted as an indication of the presence of hydrocarbons in either the primary or secondary zone.

The Nottoway Prospect is located between two existing oil and gas fields, White Castle Dome and Laurel Ridge. Deeper exploration was undertaken on both fields in 2006. New discoveries were made in both White Castle Dome and Laurel Ridge Field in the deeper Oligocene section in 2006. Similar zones are objectives in the Nottoway Prospect.

Padre Island

Pantheon notes that BNP and Golden Gate Petroleum are in current discussions concerning the terms and conditions for the drilling of the Manzano well. Following the outcome of these discussions Pantheon will gain greater visibility on the timing of this well.

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2007

The Directors present their report together with the audited accounts of Pantheon Resources Plc ("Pantheon" or "the Company") and its subsidiary undertakings (together "the Group") for the year ended 30 June 2007.

Principal activity

The Company is registered in England and Wales, having been incorporated on 8 March 2005 under the Companies Act with registered number 5385506 as a public company limited by shares.

The principal activity of the Group is the investment in oil and gas exploration and development. The Group operates in its parent undertaking and in the USA through subsidiary companies, details of which are set out in the note 8 to these accounts.

Results and dividends

The Group results for the period are set out on page 18. The Directors do not propose to recommend any distribution by way of a dividend for the year ended 30 June 2007.

Use of financial instruments

Pantheon's financial risk management objectives are to minimise debt, to fund exploration activity through equity financing and to ensure sufficient working capital for the Group's overhead and capital expenditure commitments. This is achieved by prudent financial management and careful management of the Group's cash balances, both short and long term. The Group does not use derivative financial instruments. The financial risk management objectives and policies of the Group set out in Note 18 of the Financial Statements include the Group's exposure to price, liquidity and credit risk.

Information to shareholders – website

The Group maintains its own website (www.pantheonresources.com) to facilitate provision of information to external stakeholders and potential investors and to meet the new AIM guidance.

Group structure and changes in share capital

Details of movements in share capital during the period are set out in Note 14 to these accounts.

Report on Directors' remuneration and service contracts

The service contracts of all the Directors are subject to a six month termination period.

Pensions

The Group does not operate a pension scheme for Directors or employees.

Directors' remuneration

Remuneration of Directors was as follows:

	Fees/basic salary	Employers NI	Benefits in kind	2007 Total
	£	£	£	£
S Graham	44,269	5,731	-	50,000
R Rosenthal	44,269	5,731	-	50,000
J Hondris	37,002	4,665	-	41,667
A Waller	25,000	-	-	25,000
	150,540	16,127	-	166,667

Supplier payment policy

The Company’s policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, providing that all trading terms and conditions have been complied with.

Political and charitable contributions

There were no political or charitable contributions made by the Company during the year ended 30 June 2007.

Remuneration and Audit committees

The company does not at present operate a Remuneration committee. It is expected that such a committee will be established in the forthcoming year as the company grows.

The audit committee meets twice per year to discuss half yearly and annual results. For the annual results, the independent auditors, UHY Hacker Young LLP, are invited to discuss the results and their assessment of internal controls.

The Chairman of the Audit committee is John Walmsley, and the other participating member is Justin Hondris.

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2007

Statement of directors’ responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards. Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure to the auditors

So far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- all the Directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

On 30 April 2007 the Company's auditors, UHY Hacker Young, transferred their business into a limited liability partnership, UHY Hacker Young LLP ("the LLP"), and the office of auditor has passed to the LLP. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young LLP be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANTHEON RESOURCES PLC FOR THE PERIOD ENDED 30 JUNE 2007

We have audited the Group and Parent Company financial statements (the "financial statements") of Pantheon Resources plc for the year ended 30 June 2007 which comprise the Group income statement, the Group and Parent Company statements of changes in equity, the Group and Parent Company balance sheets, the Group and Parent Company cash flow statements and the related notes. These financial statements have been prepared in accordance with the basis and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the

Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors’ responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (“IFRS”) as adopted by the European Union are set out in the Statement of Responsibilities of Those Charged with Governance.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the Company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman’s Statement, Review of Operations and Directors’ Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company’s and the Group’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2007 and of the Group's loss for the year then ended;

- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 30 June 2007;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' report is consistent with the financial statements.

UHY Hacker Young

19 December 2007

Chartered Accountants

Registered Auditors

St. Alphage House

2 Fore Street

London EC2Y 5DH

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 £	2006 £
Turnover	3	23,693	-
Cost of sales		(877)	-
Gross profit		22,816	-
Administrative expenses before share based payments and impairment losses		(427,679)	(238,536)
Share based payments	19	(487,540)	(161,513)
Impairment of intangible assets	12	(4,438,420)	-
Total administration expenses	4	(5,353,639)	(400,049)
Operating loss	4	(5,330,823)	(400,049)
Finance revenue	6	235,789	60,535
Loss before taxation		(5,095,034)	(339,514)
Taxation	7	-	-
Loss for the year		(5,095,034)	(339,514)
Loss per ordinary share – basic and diluted	2	(32.76)p	(8.33)p

The comparative amounts represent the results for the period from the date of incorporation on 8 March 2005 to 30 June 2006.

All of the above amounts are in respect of continuing operations.

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Share capital £	Share premium £	Retained earnings £	Currency reserve £	Equity reserve £	Total £
Group						
At 1 July 2006	155,524	9,698,748	(339,514)	-	161,513	9,676,271
Net loss for the year	-	-	(5,095,034)	-	-	(5,095,034)
Foreign currency	-	-	-	(234,275)	-	(234,275)
Share based payment	-	-	-	-	487,540	487,540
Balance at 30 June 2007	155,524	9,698,748	(5,434,548)	(234,275)	649,053	4,834,502
Company						
At 1 July 2006	155,524	9,698,748	(301,025)	-	161,513	9,714,760
Net loss for the year	-	-	(4,969,235)	-	-	(4,969,235)
Share based payment	-	-	-	-	487,540	487,540
Balance at 30 June 2007	155,524	9,698,748	(5,270,260)	-	649,053	5,233,065

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007	2006
		£	£
Fixed assets			
Intangible fixed assets	12	3,792,161	1,818,024
Tangible fixed assets	13	249,566	-
		4,041,727	1,818,024
Current assets			
Trade and other receivables	9	69,049	109,907
Cash and cash equivalents	10	1,447,432	8,409,699
		1,516,481	8,519,606
Creditors: amounts falling due within one year	11	723,706	661,359
Net current assets		792,775	7,858,247
Total assets less liabilities		4,834,502	9,676,271
Capital and reserves			
Called up share capital	14	155,524	155,524
Share premium account		9,698,748	9,698,748
Retained losses		(5,434,548)	(339,514)
Currency reserve		(234,275)	-
Equity reserve		649,053	161,513
Shareholders' funds		4,834,502	9,676,271

The financial statements were approved by the Board on 19 December 2007

COMPANY BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007	2006
		£	£
ASSETS			
Fixed assets			
Tangible fixed assets	12	2,077	-
Debtors: amounts falling due after one year	9	3,801,339	1,240,113
Current assets			
Trade and other receivables	9	60,098	109,907
Cash and cash equivalents	10	1,434,390	8,409,699
		1,494,488	8,519,606
Creditors: amounts falling due within one year	11	64,839	44,959
Net current assets		1,429,649	8,474,647
Total assets		5,233,065	9,714,760
Capital and reserves			
Called up share capital	14	155,524	155,524
Share premium account		9,698,748	9,698,748
Retained losses		(5,270,260)	(301,025)
Equity reserve		649,053	161,513
Shareholders' funds		5,233,065	9,714,760

The financial statements were approved by the Board on 19 December 2007

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007	2006
		£	£
Net cash (outflow)/ inflow from operating activities	15	(424,943)	312,916
Cash flows from investing activities			
Interest received		235,789	60,535
Acquisition of tangible fixed assets		(2,769)	-
Net funds used for capital expenditure		(6,536,068)	(1,818,024)
Net cash inflow from investing activities		(6,303,048)	(1,757,489)
Cash flows from financing activities			
Proceeds from issue of shares		-	10,420,061
Issue costs		-	(565,789)
Net cash inflow from financing activities		-	9,854,272
Net (decrease)/increase in cash and cash equivalents		(6,727,991)	8,409,699
Effect of foreign currency translation reserve		(234,276)	
Cash and cash equivalents at the beginning of the year		8,409,699	-
Cash and cash equivalents at the end of the period	10	1,447,432	8,409,699

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007	2006
		£	£
Net cash (outflow)/ inflow from operating activities	15	(424,454)	(155,087)
Cash flows from investing activities			
Interest received		235,789	60,535
Acquisition of tangible fixed assets		(2,769)	-
Loans to group companies		(6,783,875)	(1,350,021)
Net cash inflow from investing activities		(6,550,854)	(1,289,486)
Cash flows from financing activities			
Proceeds from issue of shares		-	10,420,061
Issue costs		-	(565,789)
Net cash inflow from financing activities		-	9,854,272
Net (decrease)/increase in cash and cash equivalents		(6,975,309)	8,409,699
Cash and cash equivalents at the beginning of the year		8,409,699	-
Cash and cash equivalents at the end of the period	10	1,434,390	8,409,699

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

1.1. Basis of preparation

The financial statements have been prepared using the historical cost convention. In addition, the financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") including IFRS 6, Exploration for and Evaluation of Mineral Resources, as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 1985.

The group's financial statements for the year ended 30 June 2007 were authorised for issue by the board of Directors on 19 December 2007 and the balance sheets were signed on the Board's behalf by Mr J Hondris.

The group financial statements are presented in UK pounds sterling.

In accordance with the provisions of the Section 230 of the Companies Act 1985, the Company has not presented a profit and loss account. A loss for the year ended 30 June 2007 of £4,969,235 (2006: loss for period of £301,025) has been included in the income statement.

1.2. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

All the companies over which the Company has control apply, where appropriate, the same accounting policies as the Company.

1.3. Revenue

Oil and Gas revenue represents amounts invoiced (exclusive of sales related taxes) for the Group's share of oil and gas sales in the year.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

1.4. Foreign currency translation

(i) Functional and presentational currency

Items included in the Group's financial statements are measured using United States Dollars ("US$"), which is the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the functional currency of the Company and is the Group's presentation currency.

The individual financial statements of each Group company are presented in the functional currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange gain or loss is dealt with in the income statement.

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into Sterling at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements on reserves.

1.5. Cash and cash equivalents

The company considers all highly liquid investments, with a maturity of 90 days or less to be cash equivalents, carried at the lower of cost or market value.

1.6. Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

1.7. Exploration and development costs

All costs associated with oil, gas and mineral exploration and investments are capitalised on a project by project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general corporate overheads. If an exploration project is successful, the related expenditures will be transferred to Developed Oil and Gas Properties and amortised over the estimated life of the commercial reserves on a unit of production basis. Where a licence is relinquished or project abandoned, the related costs are written off. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the group to obtain necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition thereof.

Amounts recorded for these assets represent costs and are not intended to reflect present or future values.

1.8. Impairment of exploration and development costs and depreciation of fixed assets

The carrying value of unevaluated areas is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

Developed Oil and Gas Properties are amortised over the estimated life of the commercial reserves on a unit of production basis.

The cost of other fixed assets is written off by equal annual instalments over their expected useful lives, as follows:

Office equipment – two years.

1.9. Financial instruments

International Accounting Standard 32 requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

The Group's policies include that no trading in derivative financial instruments shall be undertaken.

These disclosures have been made in Note 18 to the accounts.

1.10. Share based payments

In the prior year the Company made share-based payments to certain directors and advisers by way of issue of share options. The fair value of these payments is calculated by the Company using the Black-Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company’s best estimate of shares that will eventually vest.

1.11. Critical accounting estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Group’s accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

Impairment of intangible assets

Determining whether an intangible asset is impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

Expenditure and Development

Expenditure and development costs are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. If the amount of economically proven reserves varies, this will impact on the amount of the asset which should be carried on the balance sheet.

Share based payments

The Group records charges for share based payments.

For option based share based payments management estimate certain factors used in the option pricing model, including volatility, exercise date of options and number of options likely to be exercised. If these estimates vary from actual occurrence, this will impact on the value of the equity carried in the reserves.

1.12. New standards and interpretations not applied

During the year, the IASB and IFRIC have issued a number of new standards, amendments and interpretations with an effective date after the date of these financial statements. Of these, only the following are expected to be relevant to the Group:

IFRS 7	Financial instruments: Disclosures	1 January 2007
IFRS 8	Operating segments	1 January 2009
IAS1	Presentation of Financial Statements:	
	Capital Disclosures	1 January 2007
IFRIC 10	Interim Financial Information and Impairment	1 November 2006

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

2. Loss per share

The basic loss per share of 32.76p (2006: 8.33p) for the Group is calculated by dividing the loss for the year by the weighted average number of ordinary shares in issue of 15,552,329 (2006: 4,074,045).

Share options issued on 4 April 2006 are anti-dilutive. Full details of the share options issued are set out in note 19.

3. Segmental information

The primary segmental reporting is determined to be geographical segment according to the location of the assets. The Directors do not believe that there is a secondary segment that could be reported.

All turnover relates to income from the Group's oil and gas assets and is derived from the United States.

The loss for the year is analysed by geographical area as follows:

Geographical segment (Group)	United Kingdom	United States	Total
	£	£	£
Turnover:	-	23,693	23,693
Cost of sales	-	(877)	(877)
Interest receivable	235,789	-	235,789
Impairment of investment	-	(4,438,420)	(4,438,420)
Share-based payments	(487,540)	-	(487,540)
Administration expenses	(406,198)	(21,481)	(427,679)
Loss before taxation	(657,949)	(4,437,085)	(5,095,034)

The net operating assets are analysed by geographical area as follows:

Geographical segment (Group)	United Kingdom	United States	Total
	£	£	£
Developed oil & gas properties	-	247,489	247,489
Exploration and development costs	-	3,792,161	3,792,161
Fixed assets	2,077	-	2,077
Trade and other receivables	60,098	8,951	69,049
Cash and cash equivalents	1,447,432	-	1,447,432
Trade and other payables	(64,837)	(658,869)	(723,706)
Net assets	1,444,770	3,389,732	4,834,502

4. Operating loss

	2007	2006
	£	£
This is stated after charging:		
Auditors' remuneration		

- In capacity as auditor (group and company)	12,000	8,000
- Other services pursuant to legislation	4,962	-
Foreign exchange loss	-	38,489

5. Directors' emoluments

	2007	2006
	£	£
Wages and salaries	150,540	121,875
Social security costs	16,127	9,642
	166,667	131,517

There are no employees other than the Directors.

6. Finance revenue

	2007	2006
	£	£
Bank interest	235,789	60,535

7. Taxation

	2007	2006
	£	£
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(5,095,034)	(339,514)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax of 30.00%	(1,528,510)	(101,854)
Effects of:		
Non deductible expenses	153,762	12,445
Timing differences not recognised		48,454
Tax losses carried forward	1,374,748	40,955
Current tax charge	-	-

Factors that may affect future tax charges

At the balance sheet date, the Group has unused United Kingdom tax losses available for offset against suitable future profits in the United Kingdom. A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

8. Subsidiary entities

The Company currently has the following wholly owned subsidiaries all of which were incorporated on 3 February 2006:

Name	Country of Incorporation	Percentage ownership	Activity

Hadrian Oil & Gas LLC	United States	100%	Holding company
Agrippa LLC	United States	100%	Holding company
Pantheon Oil & Gas LP	United States	100%	Oil & gas exploration company

Pantheon Oil & Gas LP is 99% owned by Agrippa LLC as its limited partner and 1% by Hadrian Oil & Gas LLC as its general partner.

9. Trade and other receivables

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Amounts falling due within one year:				
Trade receivables	8,951	-	-	-
Prepayments and accrued income	54,286	73,457	54,286	73,457
Other receivables	5,812	36,450	5,812	36,450
	69,049	109,907	60,098	109,907
Amounts falling due after more than one year :				
Amount due from subsidiary undertakings	-	-	3,801,339	1,240,113

10. Cash and cash equivalents

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Cash at bank and in hand	1,447,432	8,033,232	1,434,390	8,033,232
Cash equivalents	-	376,467	-	376,467
	1,447,432	8,409,699	1,434,390	8,409,699

11. Trade and other payables

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade creditors	1,005		1,005	

Other payables	-	36,959	-	36,959
Accruals	722,701	624,400	63,834	8,000
	723,706	661,359	64,839	44,959

12. Intangible assets

	Exploration and development costs
	£
Group	
Cost	
At 30 June 2006	1,818,024
Additions	6,536,068
Reclassified to Tangible assets	(268,823)
At 30 June 2007	8,085,269
Impairment	
At 30 June 2006	-
Impairment during the period	4,438,420
Foreign exchange movement	(145,312)
At 30 June 2007	4,293,108
Net book value	
	3,792,161
At 30 June 2007	
At 30 June 2006	1,818,024

The Company had no intangible assets at either 30 June 2007 or 30 June 2006.

13. Tangible assets

	Developed Oil & Gas Properties £	Office Equipment £	Total £
Group			
Cost			
At 30 June 2006	-	-	-
Reclassified from Intangible assets	268,823	-	268,823
Additions	-	2,769	2,769
At 30 June 2007	268,823	2,769	271,592
Depreciation			
At 30 June 2006	-	-	-
Depreciation for the year	21,334	692	22,026
At 30 June 2007	21,334	692	22,026
Net book value			
At 30 June 2007	247,489	2,077	249,566
At 30 June 2006	-	-	-

	Office Equipment
	£
Company	
Cost	
At 30 June 2006	-
Additions	2,769
At 30 June 2007	2,769
Depreciation	
At 30 June 2006	-
Depreciation for the year	692
At 30 June 2007	692
Net book value	
At 30 June 2007	2,077
At 30 June 2006	-

	2007	2006
	£	£
14. Called up share capital		
Authorised:		
1,000,000,000 ordinary shares of £0.01 each	10,000,000	10,000,000
Allotted, issued and fully paid:		
15,552,329 ordinary shares of £0.01 each	155,524	155,524

There were no changes to the issues share capital during the year.

15. Net cash (outflow)/ inflow from operating activities

	Group 2007 £	Group 2006 £
Operating loss	(5,330,823)	(400,049)
Impairment	4,438,420	-
Depreciation	22,027	-
Cost of issuing share options	487,540	161,513
Decrease/(increase) in trade and other receivables	40,858	(109,907)
Increase in trade and other payables	62,347	661,359
Net cash (outflow)/ inflow from operating activities	(424,943)	312,916

	Company 2007 £	Company 2006 £
Operating loss	(5,205,023)	(361,560)
Impairment	4,289,948	-
Depreciation	692	-
Cost of issuing share options	487,540	161,513
Decrease/(increase) in trade and other receivables	49,809	-
Increase in trade and other payables	19,880	44,960
Net cash (outflow)/ inflow from operating activities	(424,454)	(155,087)

16. Control

No one party is identified as controlling the Company

17. Decommissioning expenditure

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation. In their view, no provision is necessary for any future costs of decommissioning or any environmental damage.

18. Financial instruments

At 30 June 2007, the Group had cash on one month term deposits of £nil (2006:£7,000,000). The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, was as follows:

Financial assets:	Weighted Average Interest Rate 2007 %	Fixed interest rate 2007 £	Non - Interest Bearing 2007 £
Cash on Deposit	4.1	1,434,390	-

Net Fair Value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the balance sheet and in the related notes.

Currency Risk

The functional currency for the Group's operating activities is the Pound Sterling and for exploration activities the United States of America dollar. The Group has not hedged against currency depreciation but continues to keep the matter under review.

Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

19. Share based payments

Included within administration expenses is a charge for issuing share options.

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Cost of issuing share options	487,540	161,513	487,540	161,513

Exercise price Pounds	Value Pence	Number of Options granted and held at 30 June 2007
1.00	42.474	483,284
1.25	35.116	250,000
1.50	31.116	650,000
2.00	23.806	650,000

The share options, detailed above, were granted on 4 April 2006 and will be exercisable between the first and fifth anniversary of Admission to AIM and are non-transferable.

No options were exercised, forfeited or expired during the period.

The option values were calculated with reference to the Black-Scholes option pricing model taking into account the following input assumptions:

Share price	£1.00
Exercise Price	As stated above
Expected volatility	50%
Vesting period	1 year
Expected dividends	Nil
Risk free interest rate	5.42%

The volatility percentage is an estimation of the expected volatility in the share price for a junior exploration Company which is listed on AIM having regard to comparative companies, quantum of cash raised, targeted (institutional) investment group and risk profile.

20. Post balance sheet events

Appointment of Director

On 1 August 2007, Pantheon announced the appointment of Mr John Walmsley as a director of the company. Mr Walmsley's extensive experience in the oil and gas industry has proven invaluable since his appointment.

Capital Raising

On 21 November, 2007 Pantheon raised £900,000 by way of a placing of 1,500,000 ordinary fully paid up shares at a price of 60p per share with institutional investors.

Issue of Options to new Director

On 2 November, 2007 Pantheon granted options to subscribe for 300,000 shares to its newly appointed director, Mr John Walmsley. The price payable for these shares is 100p for the first 100,000 shares, 150p for the second 100,000 shares and 200p for the remaining 100,000 shares.

New Projects

On 17 July, 2007 Pantheon announced its farm-in to the Bullseye prospect in Louisiana, and on 7 August 2007 Pantheon farmed into a development well at Padre Island which was subsequently announced as a discovery. On 16 October, 2007 Pantheon announced the spudding of the Fay Weil Ross et al#1 well designed to test the Nottoway prospect. This well is still currently being drilled.

For further information:

Pantheon Resources Plc

Sue Graham, Chairman — +44 (0) 20 7379 0118

Oriel Securities Limited

Scott Richardson Brown — +44 (0) 20 7710 7600