

Press release

Date: 25 March 2015

OPERATIONAL UPDATE

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

Drilling Timetable

Pantheon is pleased to announce that the JV has agreed heads of terms for the contracting of a suitable rig for the drilling of two wells in its upcoming drilling programme. The severe weather conditions of recent weeks, which have included torrential rainfall and localised flooding in certain areas of East Texas where drilling is planned, have resulted in what is expected to be a modest delay to the start of operations at the drilling site. Standing water has made access roads impassable for heavy equipment. Once the standing water subsides and conditions are suitable, the rig will be formally contracted and site preparation and drilling can start. Once the rig contract is signed it begins to incur standby charges so it is imprudent to sign the contract until ground conditions improve. Based on current weather forecasts it is possible this could be within the next two to three weeks.

The first well in the programme is located on the JV’s original Tyler County acreage and will offset the LP2 production well located on the JV acreage⁽¹⁾. The first well has been repositioned from the original Kara Farms location to a seismically defined location deeper into the heart of the same structure, yet still offsetting the LP2 well. Importantly, this location offers two separate and independent targets:

- (1) The Woodbine/Eagleford Sandstone (the primary target), and
- (2) The Austin Chalk (the secondary target). The Austin Chalk is considered by the Operator (Vision Resources LLC) to be a development play, de-risked by neighbouring, analogous wells having enjoyed a 93% commercial success rate⁽²⁾.

The second well location is planned to be drilled immediately following the first well and is located on the JV’s Polk County acreage, both west and adjacent to the prolific Double A Wells field. The Double A Wells field has produced 20 million barrels of oil and 415 Billion Cubic feet of gas to date. The second well location appears geologically analogous to the Double A wells field for the target Woodbine/Eagleford sandstone reservoir.

Both targets have been selected following the completion of an extensive geological study completed in conjunction with the Bureau of Economic Geology at the University of Texas, Austin over a period of three years. This study identified the key ingredients for the successful identification and exploitation of the Woodbine/Eagleford sandstone in the area.

Of particular importance in the context of the recent falls in oil and gas prices, is that both wells are conventional and if successful, are forecast to be economic below current commodity prices. Additionally, the JV acreages are located onshore East Texas in an area of abundant infrastructure and low transportation costs.

Jay Cheatham, CEO, said, *"It is frustrating that unseasonally heavy rainfall has delayed the start of our drilling programme but that is unfortunately outside our control. The JV has*

been meticulous in selecting the optimum rig, crew and site location for this pivotal event in the company's history at sensible commercial terms. As I have said before, this is one of the most exciting plays that I have been associated with in my 30 years in the oil and gas business, one backed by substantial science and geological analysis. We are keenly looking forward to finally implementing this great opportunity and I am hopeful that we will see activity as early as April."

- (1) Pantheon has no financial interest in the LP2 well because it was drilled prior to Pantheon joining the joint venture.
- (2) Operator estimate

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