

Press release

30 March 2015

**Pantheon Resources plc (“Pantheon” or “the Company”)**

**Interim Results for the six months ended 31 December 2014**

Pantheon Resources plc, the AIM-quoted oil and gas company with a 50% working interest in several projects in Tyler and Polk Counties, East Texas, announces its results for the six months ended 31 December 2014.

**Highlights**

***Operational***

- Successful completion of £18,500,000 (before expenses) fundraising in October 2014
- Transformational transaction for the business, allowing the Company to double working interest in its Joint Venture with Vision Resources LLP, acquire significant new acreage positions and provide financing for the upcoming drilling programme
- Continued work during the period alongside the Bureau of Economic Geology at the University of Texas, Austin high-grading the drilling targets in the Eagleford/Woodbine and the Austin Chalk identified following the conclusion of an extensive three year geological study

***Financial***

- Reported loss after tax of £612,005 (2013: £337,676)
  - impacted by additional administrative expenses associated with the October 2014 fundraising, restructuring of the JV and the issuance of share options during the period
- The Group has no debt and is fully funded for the drilling of two high impact wells
- Cash and cash equivalents as at 31 December 2014 were £6,943,806

The successful completion of the fundraising has been transformational for the Company. It allowed Pantheon to double its working interest in its existing joint venture from 25% to 50% (for less than a doubling of shares on issue). It also enabled the Company to acquire a 50% interest in three new prospects and a 25% interest in a fourth prospect, all in Tyler and Polk Counties, East Texas. These prospects were identified following the conclusion of an extensive three year geological study completed in conjunction with the Bureau of Economic Geology at the University of Texas, Austin and appear geologically analogous to the prolific Double A wells field located nearby.

Pantheon is fully funded for the drilling of two wells, the first of which is located on the JV’s existing Tyler County acreage and has potential for two separate and independent targets, both proven to exist on the acreage; the Austin Chalk and the Eagleford/Woodbine sandstone. The first well will offset an existing well on the JV acreage which is already producing from the Eagleford/Woodbine sandstone. Pantheon does not have an economic interest in this producing well as it was drilled before Pantheon entered the joint venture in 2008. However the existence of this producing well is material because it confirms the presence of the Eagleford/Woodbine sandstone on the acreage.

Following completion of this transaction, Pantheon has moved from being a company with a 25% working interest in a single high quality project into one with a 50% interest in a

prospective resource of c.300 mmboe (million barrels of oil equivalent), spread across several prospects. These prospects are all located onshore East Texas in adjoining counties, ideally located in an area of abundant infrastructure, low transportation costs and of course low sovereign risk. The Board considers this a significant and material differentiator to other projects in other parts of the USA and the world. Should the upcoming wells be successful it is estimated that the JV could be earning revenues in as little as 60 days, potentially allowing the Company to self-fund future wells.

The JV has agreed heads of terms for the contracting of a drill rig and crew at sensible commercial rates, having benefited from the recent downturn in rig activity levels. Recent unseasonal weather conditions in East Texas have caused localised flooding in the immediate drilling area, making access roads being impassable. Once surface conditions improve the rig will be formally contracted and preparation for drilling will commence shortly thereafter.

### **Financial Review**

For the six month period ended 31 December 2014 the Group made a loss of £612,005 (unaudited) compared with a loss of £337,676 (unaudited) for the equivalent period of last year.

During the period the Company raised circa £18,500,000 before costs through an equity placement at £0.20 per ordinary share. These funds were raised at only a 10% discount to the prevailing share price at a time of challenging equity market conditions for the sector, indicating the strong demand for the offering and the quality of the project. The Company also issued 10 million share options with an exercise price of £0.30 per share. The results for the period were dominated by the impact of completing these transactions.

As of 31 December 2014 the Company had on issue 196,356,396 Ordinary Fully Paid shares and 10,000,000 share options, each with an exercise price of £0.30. The Group has no debt and is fully funded for the drilling of two high impact wells.

Cash and cash equivalents as at 31 December 2014 were £6,943,806.

### **Pantheon CEO Jay Cheatham commented that:**

“The first half of this financial year was a significant period for the business and has created a well-financed platform with a transformational drilling programme due to commence in Q2 2015. Despite all the noise and speculation about energy prices in financial markets, I would like to remind shareholders that for our Company, nothing has changed geologically. I have spent the majority of my career working at energy prices below present levels. The Eagleford sandstone is a conventional target with vastly superior porosity and permeability to the unconventional shale based plays which have become so high profile in recent times. Even at today’s energy prices, therefore should these wells be successful, it has the potential to create spectacular value accretion for shareholders.”

Further information:

**Pantheon Resources plc**  
Jay Cheatham, CEO  
Justin Hondris, Director, Finance and  
Corporate Development

+44 20 7484 5359

**Stifel Nicolaus Europe Limited**

+44 20 7710 7600

*(Nominated Adviser and broker)*

Michael Shaw  
Ashton Clanfield

**FTI Consulting**

Ed Westropp  
Shannon Brushe  
James Styles

+44 20 3727 1000

For further information on Pantheon Resources plc, see the website at: [www.pantheonresources.com](http://www.pantheonresources.com)

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.

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. The technical disclosure in this announcement complies with the SPE/WPC standard.