



4 June, 2018

Pantheon Resources plc

Operational Update

Pantheon Resources plc (“Pantheon” or “the Company”), the AIM-quoted oil and gas exploration company with a 50% - 75% working interest in several conventional project areas in Tyler and Polk Counties, onshore East Texas, provides the following operational update.

VOBM#5, Polk County (75% working interest) – independent technical analysis completed

Following the announcement of the VOBM#5 well results on 9 April 2018, Pantheon appointed Sierra Hamilton, a leading independent oil and gas consultancy to conduct a detailed technical analysis of the well in order to better understand the cause of, and implications of, the water production.

The results of the analysis concluded that the large volume of produced water in the VOBM#5 well is not believed to be sourced from the perforated intervals in the targeted Eagle Ford sandstone, and is more likely a result of frac operations communicating with a deeper water source below the perforations. Future wells will most likely only perforate the upper portion of the Eagle Ford sandstone and will be designed (in collaboration with third party experts) to avoid possible communication with deeper water sources. Encouragingly, the analysis also concluded that absent fracking, the perforated intervals should have produced hydrocarbons and water volumes comparable to analogue wells in the nearby Double A Wells Field.

VOBM#1 sidetrack and future operations

Pantheon confirms that the operator has identified two appropriate drill rigs for the planned sidetrack of the VOBM#1 well. Discussions are presently underway and aim (subject to contracts and scheduling) for spudding as early as late July. The original VOBM#1 well was tested at 1,500 boepd on a 12/64th inch choke before production was subsequently impacted by collapsed casing. The VOBM#1 sidetrack is considered to have a high probability of success by the operator.

Pantheon also confirms that in Tyler County, negotiations are in late stages for the processing and transportation of natural gas for the VOS#1 and future Tyler County operations.

Jay Cheatham, CEO, said:

“This is extremely good news for Pantheon shareholders because the analysis concludes that the Eagle Ford sandstone in our West AA prospect is not water saturated, and that the water has likely been introduced from a source below the perforations as a result of the frac. The analysis of the VOBM#5 and other Polk County wells was a very comprehensive undertaking, involving extensive analysis of regional data which took considerable time to complete. The analysis also concluded that 100% of the perforated intervals in our wells were in fact hydrocarbon bearing pay zones and following this analysis the consulting geologist Art Berman has confirmed his assessment of potential P50 Prospective Resource of our project has not changed, remaining at 301mmboe. Certainly, any future fracking operations will be undertaken carefully to avoid possible communication with deeper water sources, but we will carefully consider this in well design and planning, and in this regard I am also pleased to report that Pantheon and the operator have made a concerted effort to improve our future operational capabilities with some key appointments.

“I hope the conclusions of this independent analysis restores shareholder confidence in our play, which Pantheon and the operator are firmly committed to. Our issues have been operational, and we are being vigilant in doing everything possible to minimise such issues going forward.”

-Ends -

Further information:

Pantheon Resources plc +44 20 7484 5361
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
James Styles

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

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 document complies with the SPE/WPC standard.

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

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.

Glossary

boepd	barrels of oil equivalent per day
frac	fracture stimulation procedure
mmboe	million barrels of oil equivalent
P50 Prospective Resource	the best estimate of petroleum which, on a given date, is potentially recoverable from undiscovered accumulations