

## **Pantheon Resources plc**

### **Final Results for the Year Ended 30 June 2018**

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company with a working interest in several conventional projects in Tyler and Polk Counties, onshore East Texas, today announces its final results for the year ended 30 June 2018.

#### **HIGHLIGHTS**

##### ***Operational***

- A mixed year for Pantheon, completing its transition from a pure exploration company to a full cycle E&P business and achieving first production in November 2017, whilst also experiencing challenging operational issues and the unexpected death of its partner Bobby Gray, principal of Vision, the operator of the projects
- Significant achievements during the year and post year end included commencement of first production and commissioning of gas processing and distribution arrangements in both Polk and Tyler Counties
- Confirmed the presence of two new and potentially significant zones of interest on the acreage; the Wilcox and Navarro, in addition to the proven Eagle Ford sandstone and Austin Chalk
- Announced intention to acquire all of Vision's interests to increase Pantheon's working interests to between 95% and 100% across the acreage for non cash (shares and success based royalty) consideration. Intention to assume operatorship
- Non-binding agreement announced this week to acquire Kaiser Francis' ("KF") 66.67% interest in the Vision Group, increasing control for Pantheon
- New pipeline connected the VOS #1 well to the Enterprise gas gathering and processing system in November 2018. The well was brought onstream in a conservative manner (given that the well had been shut in for over 2.5 years) and is currently producing at a rate of 1,425 mcfpd natural gas through a narrow 7/64<sup>th</sup> choke
- Phillip Gobe, currently Non-Executive Director to become Chairman following forthcoming AGM. John Walmsley to become non-executive Director

##### ***Financial & Corporate***

- Revenues for the year ended 30 June 2018 of \$1,009,570 (2017: Nil).
- Loss from operations of \$8.75m (2017:\$1.74m), dominated by a non-cash impairment of intangible assets of \$6.8m (2017: Nil)
- Impairment for the year represented costs associated with the unsuccessful sidetrack of VOBM#4 (initially disclosed in the interim accounts) and for non-renewed acreage deemed non-core
- Cash and Cash equivalents at year end \$3.4m (2017: \$4.4m)
- Net total sales production volumes for the year ended 30 June 2018 was 203,565 mcf of natural gas (2017: Nil) and 7,326 bbl of oil (2017: Nil)

- Issued 22,379,097 new fully paid ordinary shares at an issue price £0.43 per share in August 2017, raising cash proceeds of c.\$12.7m before expenses
- Audit report has highlighted an Emphasis of Matter - going concern noting that future production revenues cannot be estimated with certainty and that in the absence of a capital raising/and or a farm out of the Group's prospects, the Group would be unable to drill future wells, renew significant leases, or potentially meet its liabilities as they fall due over the next 12 months

### **Outlook**

- Despite a number of operational and services-based challenges, confidence in the geological potential of the acreage remains undiminished
- Pantheon's strategy to delineate the prospectivity across its acreage position and seek a full value exit for shareholders remains unchanged
- Process to acquire Vision for non cash consideration and to ultimately assume operatorship is underway

### **Jay Cheatham, CEO, said:**

*"During the year we maintained progress towards our stated objective, but it was not without challenges. Operational difficulties and mixed quality of service providers all contributed to hampering the rate of progress made during this time. However, we have strengthened the operational and technical capabilities of the Company. Looking forward, the [agreement-plan](#) to buy 2/3 of Vision allows Pantheon to take control of the operatorship and direction of the project. I now believe that we are in a superb position to deliver on the Company's long-term strategy"*

### **Annual Report and Accounts**

The Annual Report and Accounts for the financial year ending 30 June 2018 will be posted to shareholders today, together with a Notice of Annual General Meeting. Copies will be available today on the Company's website at: [www.pantheonresources.com](http://www.pantheonresources.com)

The Annual General Meeting of the Company will be held at the offices of FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD on Monday 14 January 2019 at 10.00 a.m.

**Pantheon** 020 7484 5361  
Jay Cheatham, CEO  
Justin Hondris, Director, Finance and Corporate Development

**Arden Partners plc** (Nominated Adviser and Broker) 0207 614 5900  
Paul Shackleton / Dan Gee-Summons – Corporate Finance

**FTI Consulting** 0203 727 1000  
Ben Brewerton

The Company's internal estimates of resources contained in this announcement were prepared in accordance with the Petroleum Resource Management System guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers.

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