

March 23, 2007

PANTHEON RESOURCES PLC

Padre Island leases update

The Board of Pantheon Resources plc ("Pantheon") notes that Golden Gate Petroleum Ltd ("GGP"), the Operator of the Padre Island Project, has issued its interim results for the year. Within these, GGP has written-down costs on the Plum Deep prospect. Pantheon confirms that the Company will also write down these costs with its interim results for the period to end December 2006. These are due to be announced by end March.

The Board further notes that the Operator has also written-off carried forward expenditure on both the Murdoch and Kingsway prospects. The reason cited is pending expiry of leases. Pantheon was unaware of this decision prior to release and has been actively seeking clarification of the reasons behind it.

GGP has reverted that leases over both the Murdoch and Kingsway prospects are due to expire in 2007. It also indicated that at this stage it is unlikely that drilling will be initiated prior to the expiry dates. In this event, the leases would automatically lapse. Further, while the Joint Venture may reapply for the leases in question, there is no guarantee that it would be successful.

Pantheon thus takes the view that it would be prudent also to adopt a similar policy and write-down its carried forward expenditure on these leases. The charge expected to be levied is estimated to amount to approximately US\$280,000. The Company stresses that this is an estimate and remains subject to confirmation by the company's US accountants.

Separately, Pantheon confirms that analysis of the cores taken at Plum Deep has not been completed. Initial examination established that the sands in the deep section had very low permeability due primarily to the presence of calcite cement. GGP stated in its interim report that research continues to determine if this is a localised occurrence or if it has regional implications that might impact on the other deep prospects. It should be emphasised that no conclusions have been reached as yet.

The next prospect scheduled to be drilled is Manzano where lease expiry is not until 2008.

In accordance with the AIM Rules, the information in this report has been reviewed and signed off by Mr Robert Rosenthal, (BSc Geology, MSc Geology), Technical Director at Pantheon Resources Plc who has over 30 years relevant experience within the sector.