PANTHEON RESOURCES PLC

INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

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Pantheon Resources plc – Interim results

Preliminary Results for the period Ended 31 December 2006

Pantheon Resources plc ("Pantheon" or "the Company"), the UK based independent oil and gas exploration company focussed on the U.S. Gulf of Mexico region, today announces its maiden interim results for the period ended 31 December 2006,

Executive Chairman, Sue Graham, commented:

"Pantheon has encountered mixed fortunes in the six month period ended 31 December 2006. Drilling on the deeper zones of the Plum Deep prospect on the Padre Island Project Area ("PI Project Area") proved disappointing ultimately, despite initial encouragement. Core analysis conducted in early 2007 confirmed very low permeability in the three deepest zones due primarily to the presence of calcite cement. With these zones of Plum Deep deemed to be non-commercial, a decision has been made to take an impairment charge against this prospect of US$5.83million.

Indications of a shallower natural gas bearing zone in Plum Deep were recorded over a 25 feet interval. Testing of this fourth shallower zone will be initiated once the results of the Wilson well are known. This zone compares with those tested successfully elsewhere on Padre Island.

Research is in progress to determine if the very low permeability encountered in the deep section of Plum Deep is a localised occurrence or if it has regional implications that might impact on the other deep prospects. Until this is resolved then drilling on the remaining deep prospects is being held in abeyance. It should be emphasised that no conclusions have been reached as yet.

Pantheon has been informed by the Operator of the PI Project Area that leases over both the Murdoch and Kingsway prospects are due to expire during 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 fiscally prudent to write-down its carried forward expenditure on these leases. This has led to the decision to take a further impairment charge of US$0.277 million.

On a more positive note, Pantheon has commenced drilling on the Wilson prospect in the PI Project Area since the period end. This target differs from Plum Deep as it is targeting a shallow prospect in the Upper Frio system. Similar prospects have been found to be productive elsewhere on Padre Island. Pantheon has increased its WI to 31.77%, subject to final documentation.

Results to date have provided encouragement. During drilling through the first of three objectives, a "kick" was taken and natural gas flowed to surface. As a result of subsequent mechanical problems, the well has now been deviated. The prospective natural gas zone is being re-drilled and evaluated with electric logs. The electric logs will enable the identification of any gas/water contact and thereby the thickness and quality of the natural gas zone. However, the final outcome remains dependent on the results of further drilling/logging.

Positive news has occurred on Pantheon's other venture, Project Wharton. Commercial success was achieved, with three of four wells drilled during the period encountering natural gas. First natural gas to Pantheon was recorded on September 29 2006 when the Zebu field (Pantheon 9.375%) was brought on-stream. This was augmented by the commissioning of the Mohawk field (Pantheon 18.75%) on December 1 2006. Average production to Pantheon on a working interest basis totalled 16.5 thousand cubic feet a day ("mcfd") for the six months ending 31 December 2006.

Since 31 December 2006 the Caddo well (Pantheon WI 18.75%) was brought on-stream. This has nearly tripled Pantheon's net production on a WI basis. Net output averaged 113 mcfd in February 2007 compared with 42 mcfd in January 2007. A further well, Kant, was drilled (Pantheon 18.75%). This was plugged and abandoned as non-commercial. Impairment charges of £0.277 million have been taken against both the Dakota and Kant wells.

Pantheon expects further drilling on its Project Wharton acreage in 2007. The Company has a further 13 prospects remaining on its acreage. The Baptist well (Pantheon 11.25%) spudded on March 29, 2007. In addition, three wells are planned in and around the discoveries made to date.

Management recognises and shares the disappointment and uncertainty created around the deep section of the PI Project Area. These have only served to intensify Pantheon's efforts to secure other ventures with the potential to enhance shareholder value. At present, the Company is analysing a number of opportunities. The Company re-affirms its strategy of focussing on the near and onshore Gulf of Mexico region in conjunction with established operators. Pantheon intends to spread its risk and enhance the probability of success through holding small working interests (10-25%) across its exploration portfolio.

Pantheon also re-iterates its intention of keeping its corporate overhead costs as low as possible by having very few full time staff at this early stage in its corporate development. It is the Company's intention to increase its management and staffing levels as the Company evolves."

Chairman's Report

Pantheon Resources plc ("Pantheon") was formed in 2005 to be an independent UK based oil and gas exploration company focused on hydrocarbon producing basins onshore or near shore the Gulf of Mexico ("GoM").

Pantheon's initial focus was on the deep geological plays under and around Padre Island, south Texas. Pantheon entered into a Farmout Agreement which provided the right to participate initially in six specific, defined exploration targets which were ready for drilling from a geological and geophysical perspective. Pantheon is paying 33.33% of the costs associated to casing point with each of the wells to earn a 25% working interest.

In June 2006, Pantheon expanded its operations by farming-into a natural gas exploration venture in Wharton County, south Texas, located broadly between Houston and Corpus Christi. This venture is operated by the Everest Resource Company ("Everest") which has a long and successful history in the Texas Gulf Coast Area. The Project Wharton farm-in comprised three prospects initially. In December 2006, this was expanded to six through a further farm-in.

The prospects have been identified using high-quality 3D seismic. Each of these is of an order of magnitude lower in terms of estimated size and of lower risk. Reserves estimates per well range from 0.5 to 4.0 billion cubic feet ("bcf"). This farm-in was considered complementary in terms of risk to the high impact PI Project Area. The exploration risk is regarded as low, with probability of success ranging from 50-80%. Each well has multiple objectives. As not all objectives have been included in the evaluation, this provides additional upside potential

PI Project Area

The Kindee ST 212#1 well on the Plum Deep structure commenced drilling on August 1, 2006. This well reached target depth of 16,392 feet (measured depth) on November 15, 2006. Well logging identified four natural gas bearing zones spanning 1,000 feet, which initiated a flow testing and coring programme. One of these zones was at a shallower depth than the other three. A decision was made to sidetrack the well and focus the testing programme on the three deepest zones initially.

A conventional core in a sidetrack well was retrieved. Initial analysis of this core indicated that the interval primarily to be inter-bedded silty sandstone and siltstone, with thin beds of sand and shale. Preliminary interpretation of the DST in the shallowest of three potential zones confirmed the presence of a tight reservoir formation. Preliminary determination of porosity and permeability showed this zone to be primarily water wet, and unlikely to be productive as a reservoir.

At 31 December 2006, drilling to the next planned core point was underway. With the deeper zones of Plum Deep deemed to be non-commercial, a decision has been made to take an impairment charge against this prospect relating to costs incurred up to and including 31 December 2006. This amounts to US$5.83 million.

Project Wharton

During the six months to end December 2006, four wells were drilled on Project Wharton and a fifth commenced drilling. Three (Caddo, Mohawk and Zebu) were successful, discovering natural gas, with one (Dakota) plugged and abandoned as non-commercial during the period. The fifth well (Kant) was spudded on 29 December and completed in early January. This well was declared non-commercial. It has been decided to take an impairment charge of US$0.277 million against both the Dakota and Kant prospects.

Two of Pantheon's three discoveries were brought on-stream during the period. First natural gas production to Pantheon flowed on September 29, 2006 when the Zebu field was brought on-stream. This was augmented when the Mohawk well was commissioned on December 1, 2006. Pantheon's net natural gas production on a working interest basis ("WI") averaged 16.5 thousand cubic feet a day ("mcfd") during the six months ended December 31, 2006. Table 1 shows Pantheon's historic monthly net production on a WI basis

Table 1: Monthly Net Production on Working Interest Basis (mcfd)

	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2006	-	-	-	2.1	33.5	28.3	35.1

Zebu (Pantheon 9.375%): Zebu #1 was discovered in August 2006 and commenced production on September 29, 2006. Zebu discovered natural gas in two Frio sands. The decision was made to produce from the deeper zone at around 4,280 feet ("ft"). The primary objective, which encountered natural gas at around 3,750 ft, remains to be completed for production. The Joint Venture intends to produce from the secondary zone until depleted and then complete the primary zone higher up the well bore.

Dakota (Pantheon 18.75%): Dakota #1 was plugged and abandoned as non-commercial in late September 2006. Both natural gas and formation water were recovered from three zones.

Mohawk (Pantheon 18.75%): Mohawk #1 was discovered in October 2006 and brought onstream on December 1, 2006. Mohawk #1 encountered natural gas in both its primary and secondary Frio objectives.

Caddo (Pantheon 18.75%): Caddo #1 encountered natural gas in a shallow Frio formation at around 4,470 ft and was completed for production testing in November, 2006.

Kant (Pantheon 18.75%): This well was plugged and abandoned as non-commercial in early January 2007, having spudded on late December 2006. Hydrocarbons were present in the primary objective. However the well was deemed non-commercial due to low natural gas saturation and thin reservoir sands.

Post-Period End Events

Subsequent to the financial year-end, Pantheon has been active on both its project areas.

PI Project Area

Plum Deep

At the beginning of January 2007, a second core was taken in the deepest zone which spanned over 800 gross feet. A comprehensive logging and sampling programme was undertaken once the well reached target depth of 15,450 feet (measured depth). This programme determined that the deepest three zones in the sidetrack well were non-commercial, despite the encouraging preliminary indications. Consequently the sidetrack was plugged and abandoned.

Core analysis results were received in January 2007. These confirmed that the sands in the deep section of Plum Deep have very low permeability. This is due primarily to the presence of calcite cement. For Plum Deep, this means that the deep reservoirs sampled are non-prospective. Research is in progress to determine if this is a localised occurrence or if it has regional implications that might impact on the other deep prospects.

Testing of Plum Deep's shallow zone, located behind the 7-inch liner, will be initiated once the results of the Wilson well are known. If testing is required on Wilson, the same rig would be used on both wells. This would deliver cost savings.

Wilson

The Kindee ST 212 #1 well on the Wilson structure was spudded on 7 February 2007 (Texas, USA). The planned total depth of the well is 12,400 feet (measured depth). Wilson is the second in a multi-well programme. It is targeting a shallow prospect in the Upper Frio system. Similar prospects have been found to be productive elsewhere on Padre Island. Pantheon has increased its WI to 31.77%, subject to final documentation.

During drilling a "kick" was taken and natural gas flowed to surface. Standard well control procedures were taken. The well was shut in and the drilling fluid (mud) weight increased before cont continuing to drill through the prospective natural gas zone. Subsequently a water influx caused the mud properties to deteriorate. This resulted in the drill string becoming stuck in the bottom of the well. A decision was made to stabilise the well by running 9 ⅝" casing.

The well is now being deviated. The prospective natural gas zone is being re-drilled and evaluated with electric logs. The electric logs will enable the identification of any gas/water contact and thereby the thickness and quality of the natural gas zone.

This zone is the first of three objectives in the well and the results to date are very encouraging. However, the final outcome remains dependent on the results of further drilling/logging.

Murdoch/Kingsway

Pantheon has been informed by the Operator of the PI Project Area that leases over both the Murdoch and Kingsway prospects are due to expire during 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 to write-down its carried forward expenditure on these leases. This has led to the decision to take a further impairment charge of US$0.277 million.

Project Wharton

Pantheon's third natural gas field, Caddo, commenced production on February 8, 2007. The Company is now producing from three natural gas fields, Caddo, Mohawk and Zebu. Pantheon's production on a WI basis has nearly tripled since Zebu was brought onstream in late September 2006 (see table 2). This natural gas production represents an important income stream for a small company such as Pantheon with attractive near term financial returns.

Table 2: Monthly Net Production on Working Interest Basis (mcfd)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2006									2.1	33.5	28.3	35.1
2007	42.1	113.1										

Drilling Programme

The Company has at least a further 13 prospects on its Project Wharton venture remaining to be drilled. Pantheon commenced drilling another exploration well, Baptist, on March 29, 2007. A further three wells in and around the discoveries are currently scheduled for 2007. The current three discoveries, combined with the increased exploration efforts, hopefully will yield higher natural gas production in 2007.

Prospect	Pantheon Working Interest	Status
Zebu #1	9.375%	Producing
Caddo #1	18.75%	Producing
Dakota #1	18.75%	P&A non-commercial shows
Mohawk #1	18.75%	Producing
Baptist #1	11.25%	Drilling
Kant #1	18.75%	P&A non-commercial shows
Source: Everest Resource Company		

The Caddo #1 discovery is a particularly important. It is located in an area of mutual interest that covers a large area where six other prospects exist. These target comparable Yegua and Frio anomalies, but Miocene objectives are also present in all of them

Seven additional prospects are located on the Dakota area of mutual interest ("AMI") which covers around 1,950 acres. These still remain attractive targets for future drilling. As these are not subject to the farm-in terms, they would have a higher value to Pantheon.

The success at Mohawk has led the Joint Venture to plan to drill another Mohawk well. The Mohawk #2 will test a slightly smaller amplitude anomaly (30 acres) at 4,075 ft that is very similar to, but fault separated from the Mohawk #1 anomaly.

All the additional prospects in the Caddo, Dakota and Mohawk AMIs are not subject to the farm-in terms. This means that these would have a higher value to Pantheon, if successful.

PANTHEON RESOURCES PLC

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2006

	Note	(Unaudited) Six months ended 31 Dec 2006 £	(Audited) Period ended 30 June 2006 £
Revenue		6,823	-
Amounts written off against assets		(3,260,859)	-
Gross profit		(3,254,036)	-
Administrative expenses		(444,240)	(400,049)
Operating loss		(3,698,276)	(400,049)
Interest received		149,833	60,535
Loss before taxation		**(3,548,443)**	(339,541)
Taxation		-	-
Loss for the period		(3,548,443)	(339,514)
Loss per share	2	(22.82)p	(8.33)p

PANTHEON RESOURCES PLC

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	Notes	(Unaudited) 31 December 2006		(Audited) 30 June 2006	
		£	£	£	£
ASSETS					
Non Current Assets					
Intangible assets	5		911,074		1,818,024
Tangible Assets	6		2,077		-
Current Assets					
Trade and other receivables	4	125,253		109,907	
Cash at bank and in hand	3	5,348,887	5,474,140	8,409,699	8,519,606
Total Assets			**6,387,292**		**10,337,630**
Capital and Reserves					
Called up share capital	8		155,524		155,524
Share premium account	9		9,698,748		9,698,748
Retained Loss	9		(3,887,957)		(339,514)
Other reserves	9		161,513		161,513
			6,127,828		9,676,271
Total Equity					
Current Liabilities					
Trade and other payables	7	220,975		-	661,359
Other Liabilities		38,489	259,464		-
Total Equity and Liabilities			**6,387,292**		**10,337,630**
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PANTHEON RESOURCES PLC

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

	(Unaudited) Six months ended 31 December 2006	(Audited) Period ended 30 June 2006
	£	£
Operating loss	(3,698,276)	312,916
Add back: depreciation, depletion costs	4,385	-
Increase in receivables	(15,348)	-
Decrease in payables	(405,922)	-
Add back: amount written off investments	3,260,859	-
Cash outflow from operations	(854,302)	312,916
Cashflows from investing activities		
Interest received	149,833	60,535
Net funds used for investing in exploration	(2,353,574)	(1,818,024)
Expenditure on tangible assets	(2,769)	-
Net cash inflow from investing activities	(2,206,510)	(1,757,489)
Cash inflow from financing activities		
Proceeds from issue of shares	-	10,420,061
Issue costs	-	(565,789)
	-	9,854,272
Net cash used in operating activities		
Net increase in cash and cash equivalents	(3,060,812)	(8,409,699)
Cash and cash equivalents at the beginning of the period	8,409,699	-
Cash and cash equivalents at the end of the period	5,348,887	(8,409,699)

NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

1. **Basis of preparation**

The interim financial information for the six months ended 31 December 2006, which has been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards, is unaudited and does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. It has been prepared using accounting bases and policies consistent with those used in the preparation of the audited financial statements for the Group for the year ended 30 June 2006. It was approved by the board of directors on 31 March 2007.

The comparative figures for the period ended 30 June 2006 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contain an unqualified audit report.

The group financial statements are prepared in UK pound sterling.

These financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with the Companies Act 1985.

Basis of Consolidation

The consolidated financial statements include the financial statements of the company and each of its subsidiary undertakings after having eliminated all inter-company transactions and balances.

Foreign Currency translation

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at balance sheet date and the resultant exchange gain or loss is dealt with in the income statement.

Exploration and development costs

All costs associated with oil, gas and mineral investments are capitalised on a project by project basis, pending determination of the feasibility of the project. If an exploration project is successful then related expenditure will be transferred to mining assets and amortised over the life of the project. When a licence is relinquished or a project abandoned, the related costs are written off. Where the group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

Taxation

No liability to UK or overseas taxation has arisen during the period and no provision for deferred tax was considered necessary.

2. **Loss per ordinary share**

The basic loss per ordinary share has been calculated using the loss for the financial period of £3,548,443 (period ended 30 June 2006 – loss of £339,541) and the weighted average number of ordinary shares in issue of 15,552,329 .

3. **Cash and Cash Equivalents**

	31 Dec 2006	30 June 2006
	£	£
Cash in bank and at hand	5,344,295	8,033,232
Cash equivalents	4,592	376,467
	5,348,887	8,409,699

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NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

4. **Trade and other receivables**

	31 Dec 2006	30 June 2006
	£	£
Other receivables	39,510	36,450
Prepayments and accrued income	85,745	73,457
	125,255	109,907

5. **Intangible assets**

The movements during the period were as follows:

	£
Cost	
As at 1 July 2006	1,818,024
Additions	2,353,909
At 31 December 2006	4,171,933
Impairment	
Impairment during the period	(3,260,859)
Net book value	
At 31 December 2006	911,074

6. **Tangible Fixed assets**

	£
Cost	
At 30 June 2006	-
Additions	2,769
Depreciation	
At 30 June 2006	-
Charge for the period	692
At 31 December 2006	692
Net book value	
At 31 December 2006	2,077

The Directors have assessed the value of the exploration and appraisal expenditure carried in the accounts as intangible fixed assets and in their opinion no provision for impairment is necessary.

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

7. **Trade and other payables**

	31 Dec 2006	30 June 2006
	£	£
Other payables	-	36,959
Accruals	220,974	624,400
	220,974	661,359

8. **Share Capital**

	31 Dec 2006	30 June 2006
	£	£
Authorised		
1,000,000,000 ordinary shares of £0.1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
15,552,329 ordinary shares of £0.1 each	155,524	155,524

9. **Reserves**

The movements in the reserve accounts and profit and loss accounts during the six month period were as follows:

	Other Reserve	Share Premium	Profit and loss
		£	£
As at 1 July 2006	161,513	9,698,748	(339,514)
Net loss for the period	-	-	(3,548,443)
Balance as at 31 December 2006	161,513	9,698,748	(3,887,957)

10. **Post Balance Date Events**

In January, 2007 it was announced that the deep section of Plum Deep was deemed non commercial and it was announced that the Kant prospect in Wharton county would be plugged and abandoned as non commercial. The group has taken the decision to record an impairment charge equal to the total carrying value of these prospects as of 31 December 2006.

The group has also recorded an impairment charge equal to the total carrying value of the Kingsway and Murdock prospects due to lease expiries.