



PANTHEON
RESOURCES PLC

Corporate Presentation

15 December 2009

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Summary

- Tyler County considered proven as a development play by operator. Up to 50 wells may be drilled across the 30,000 gross acres.
- First well confirmed existence of Austin Chalk and petroleum system.
- Upside potential in Austin Chalk from higher average reserves per well and increased liquids yield.
- Additional upside from separate and independent Woodbine play already proven on acreage.
- Next well estimated for January 2010 to drill both Austin Chalk and Woodbine at low net incremental cost to Pantheon.
- Future wells now engineered for the encountered high pressure/rubble zone conditions. Should avoid recurrence of VRU#1's mechanical difficulties.

Tyler County Project- Austin Chalk

- Partners
- Regional Context.
- Location Maps.
- Pantheon JV Acreage.
- VRU#1 Well Review.
- Upside Potential.

Partners in Tyler County JV

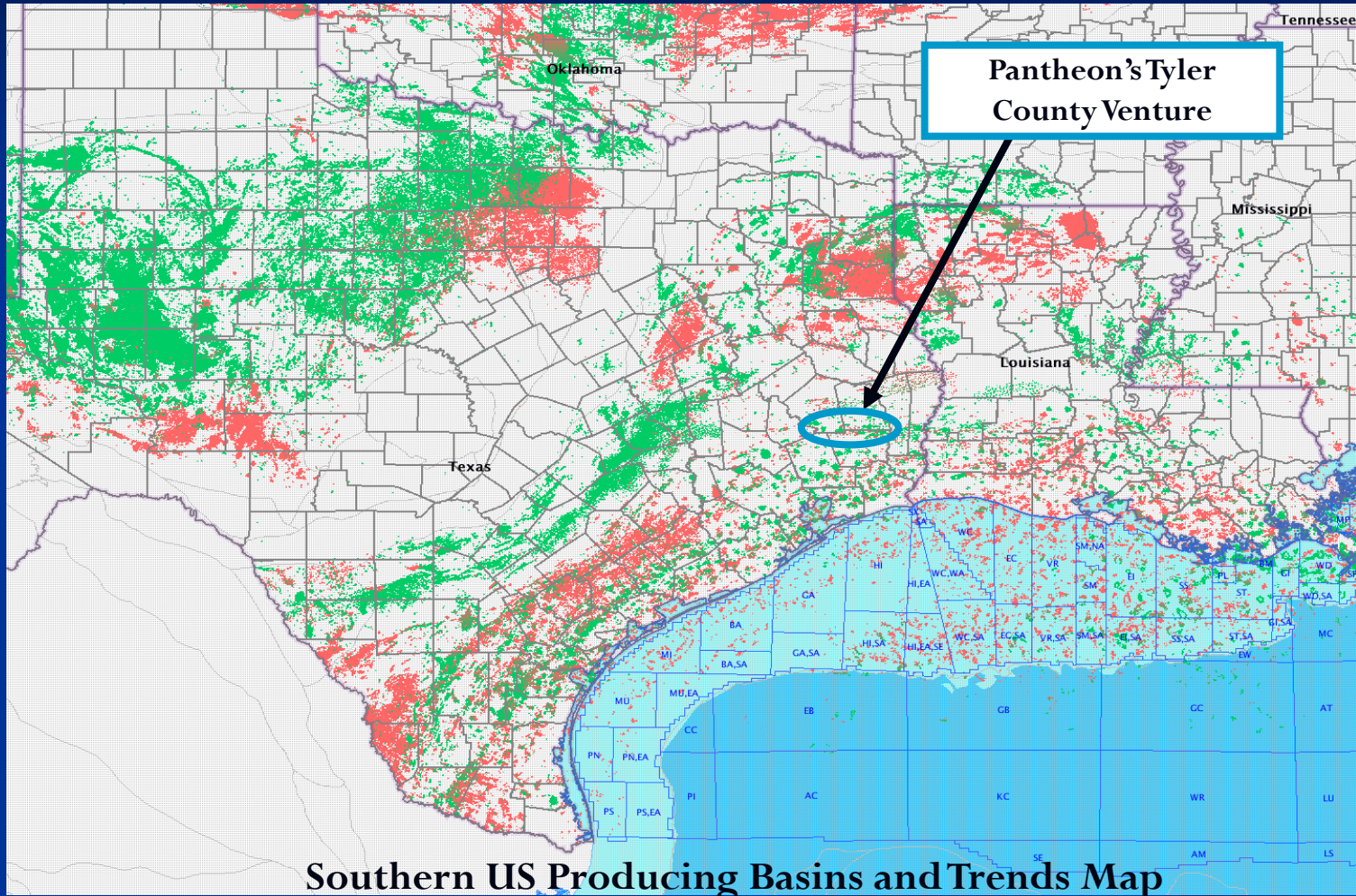
Company	Working Interest	Comments
Vision Resources LLC (operator)	37.5%	Private company.
		Long term presence in East Texas.
		Majority owned by George Kaiser.
Kaiser Francis Oil Company	25.0%	Private company.
		Owned by George Kaiser.
		<i>"Amongst world's biggest private energy producers" Forbes 400, Oct. 2009.</i>
W.R. Huff	12.5%	New York private equity fund.
		Took over Noram's interest .
Pantheon	25.0%	

Regional Context – Proven Hydrocarbon Basin

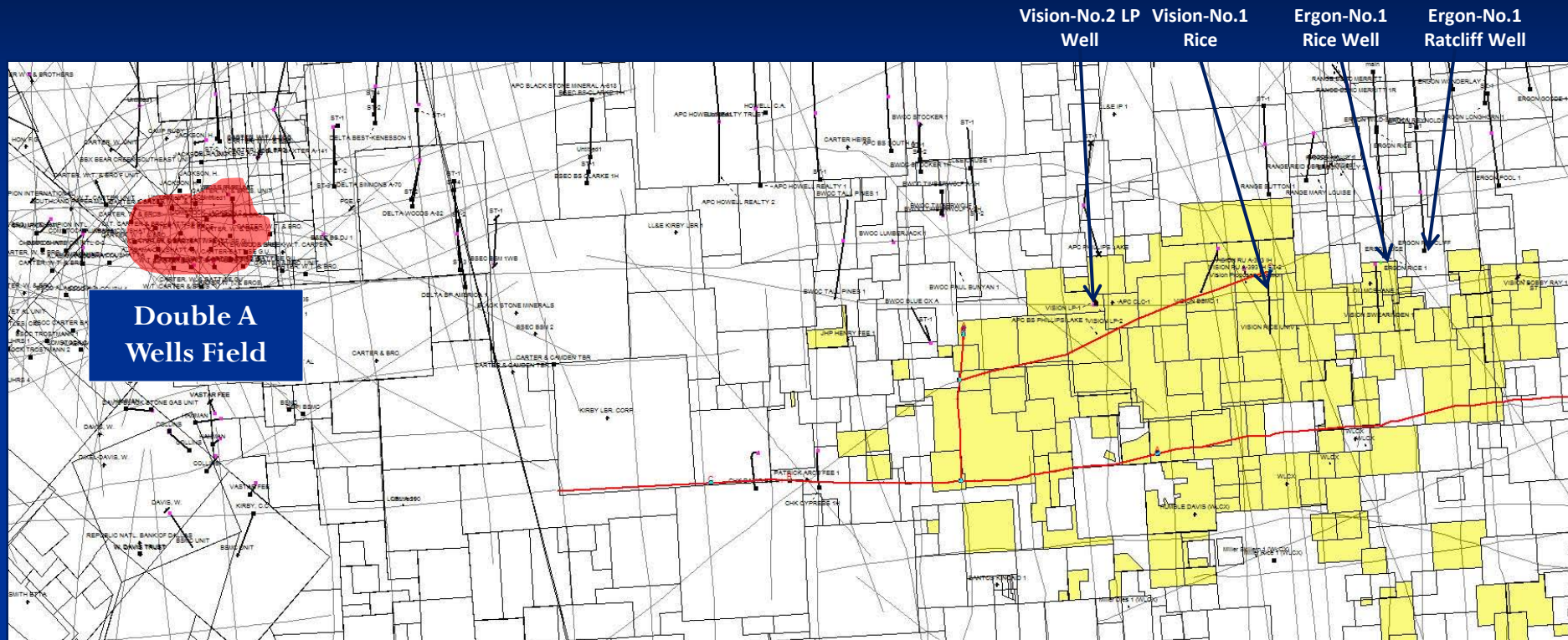
- Brookeland field has produced for over 20 years.
- Austin Chalk directly above source rock. Whole area hydrocarbon charged.



Location Map



JV Acreage Position



Tyler County Acreage

- Production from Austin Chalk adjacent to JV acreage.
- Historic vertical wells drilled on JV acreage were targeted at deeper horizons but proved existence of Austin Chalk.
- Prolific Ergon Ratcliff and Ergon Rice wells both offset JV acreage.
- Since farm-in in May 2008, Brookeland field has been proven to extend south to Pantheon's acreage.
- Geological confirmation. VRU#1 well proved extension of Brookeland field onto Pantheon's acreage.
- Acreage now considered a development project by operator.

Analysis of VRU #1 - Success

- Proven petroleum system on acreage. Natural gas, condensate and oil flowed to surface.
- Acreage now considered as a proven development project by operator.
- Appears connected to deeper Austin Chalk down-dip. Indicative of much larger drainage area.
- Rubble zones typically exhibit greater porosity and permeability. Also laterally extensive.
- In similar geological setting to Ergon Ratcliff and Ergon Rice University wells.
- Modelled potential flow rates at VRU#1 show similarity to Ergon Ratcliff well.*

*Operator calculations based on flow data and pressures encountered

Analysis of VRU #1 - Issues Encountered

- Pressures encountered greatly exceeded well design parameters.
- Existence of the unconsolidated rubble zone not anticipated.
 - Caused well bore blockages.
 - Caused time overruns from scheduled 75 days to nine months.
 - Caused cost overruns .
 - Ultimately led to P&A of well.
- Future wells engineered for these conditions. Operator confident of mechanical success.
- Higher reservoir pressures ($>13,000$ psi) generally indicate higher potential reserves and productivity.

Analysis of VRU #1- Positive Attributes from High Pressure and Rubble Zone

- Expected to deliver production rates in upper tier of Austin Chalk producers.
- Has led to estimates of gross reserve per well increasing by 60% from 5 bcfe to 8 bcfe.*
- Potential for future cost savings with drilling fewer wells with higher recoverability and production rates.

*Source: Ledgerock Consulting, technical consultant.

Flare at VRU#1

Presence of Hydrocarbons



Rubble Zone

Enhances permeability and porosity



Austin Chalk - Upside Potential

- Average JV reserve estimates of 8 bcfe per well potential may be exceeded.
 - VRU#1 shows similarities to down-dip Giddings Field (Austin Chalk) wells.
 - Average down-dip Giddings wells >10 bcfe per well.
 - Pantheon's JV acreage is down-dip portion of the Brookeland Field - similar geological setting.
- Liquids yield may be greater than the 15 barrels per mmcf modelled.

Illustrative Individual Well NPV (\$USD)

Austin Chalk

Pricing Sensitivities*	NPV10 US\$ million based on average Chalk well gross bcfe (Pantheon 25% working interest)		
	5	8	20
US\$4 per mcf natural gas and US\$65 per bbl oil	1.5	3.5	11.4
Forward Curve	3.0	6.0	17.8
Forward Curve <u>Minus</u> US\$1 per mcf	3.8	4.9	15.0
Forward Curve <u>Plus</u> US\$1 per mcf	4.2	7.1	20.6

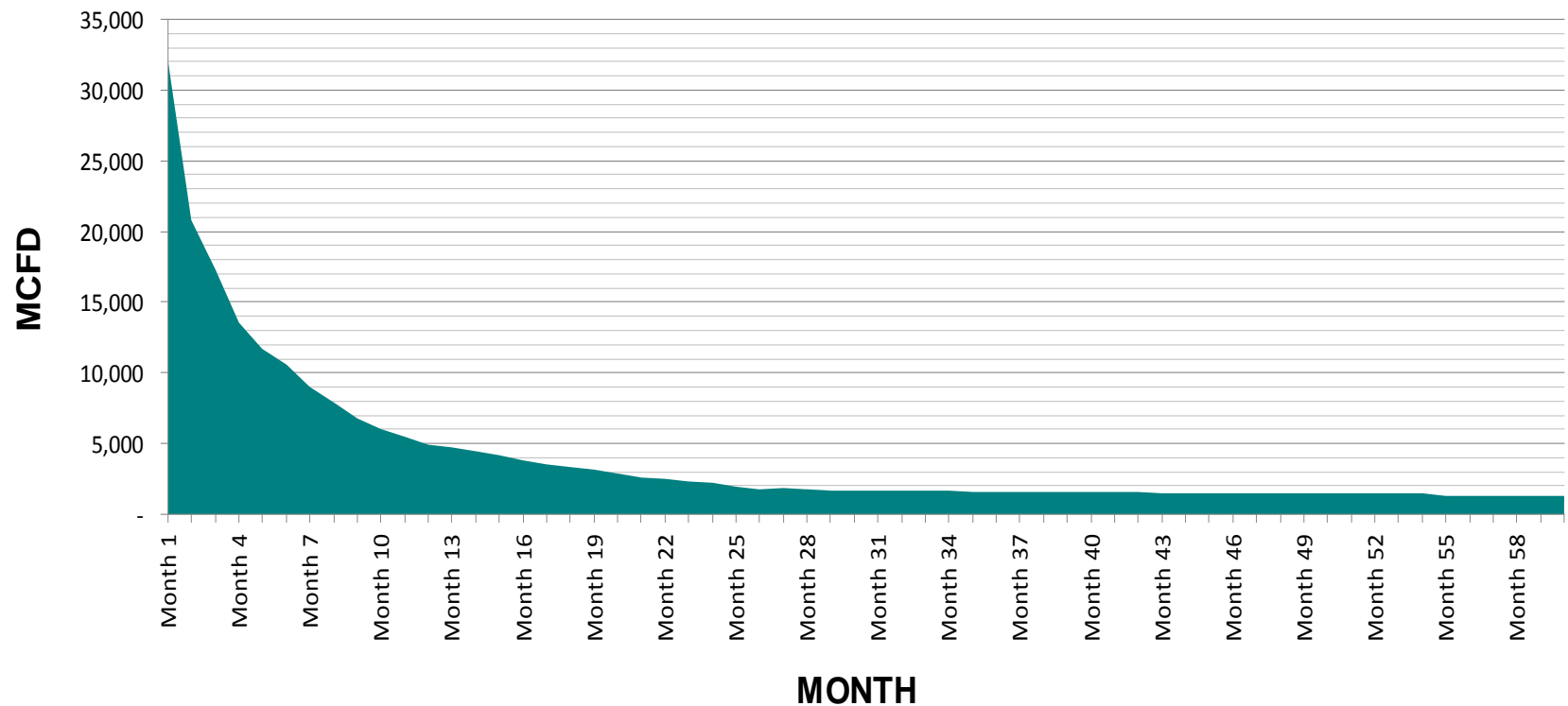
*Pricing assumptions see slide 29

*10% discount rate used for NPV calculations

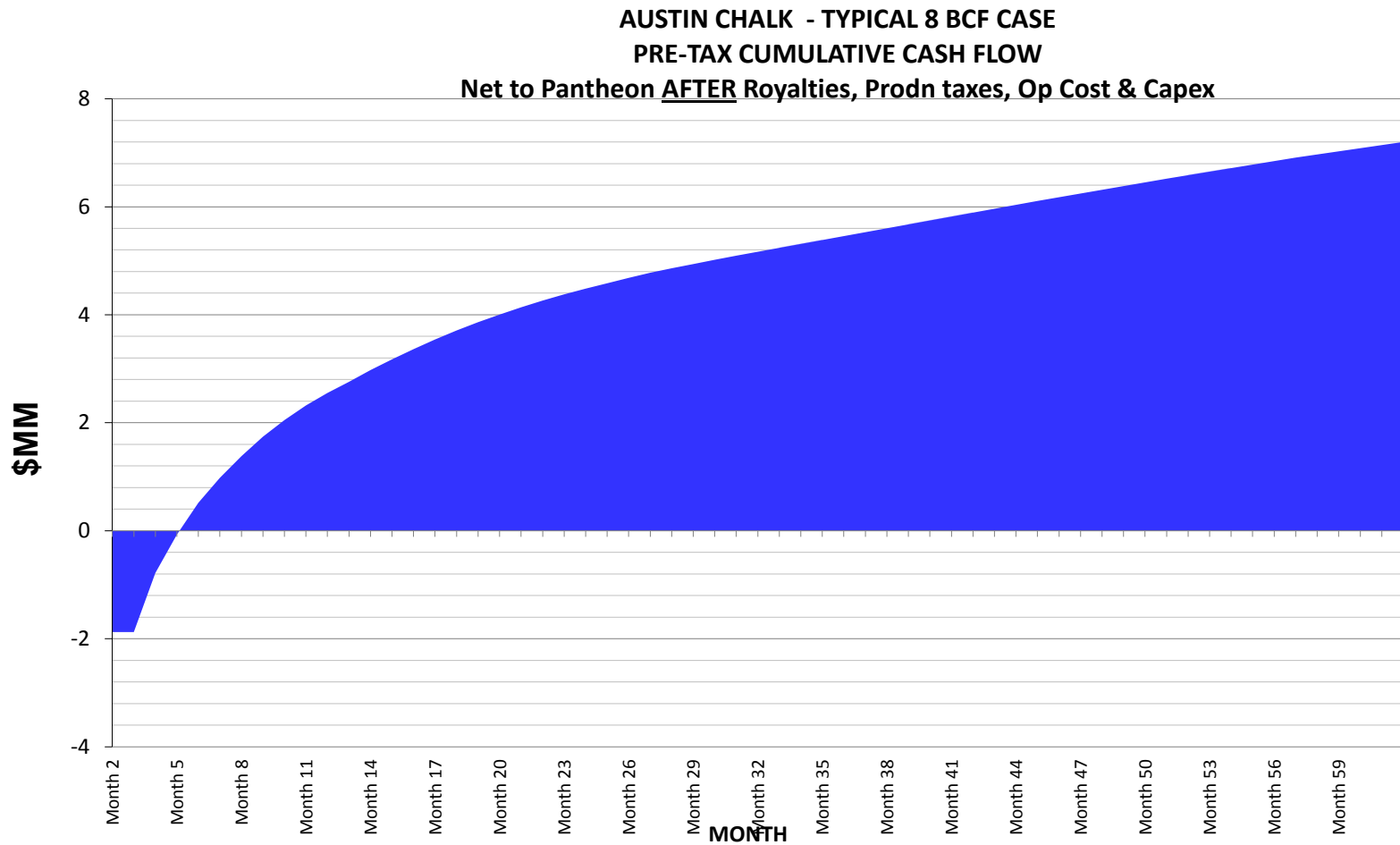
Illustrative Individual Chalk Well Production Profile

Very high initial production = early cash flow

**AUSTIN CHALK 8 BCF WELL
GROSS PRODUCTION PER DAY**



Illustrative Individual Austin Chalk Well Cash Flow*



Tyler County Project- Upside Potential in Woodbine

- Introduction
- Woodbine Regional Context
- Location Map

Woodbine - Introduction

- Formed part of original farm-in of May 2008.
- Woodbine is an independent and totally separate play from Pantheon's Austin Chalk project.
- Sits directly below Austin Chalk target.
- Existing Woodbine fields are generally prolific producers.
- Austin Chalk remains primary target but next well permits testing of Woodbine.

Woodbine Regional Context

- East Texas and Double A Wells fields are both producing from Woodbine (see map).
- East Texas field reserves 5,400 mmboe (see map).
- Double A Wells field around 90 mmboe (reserves > 500 bcfe).
 - Approx. six miles from Pantheon's acreage.
 - Ultimate recovery average > 20 bcfe per well.
 - Initial production rates* of > 20 mmcfd.
 - Typical 17.6 bcf well* generates US\$120 million of revenues over 15 years at current prices versus US\$6 million well cost.
 - NPV10 US\$84 million (after capital spending, operating costs, royalties and severance taxes) using forward curve.**

*Comstock Champion #2 well.

**Management estimates. Based on Comstock Champion #2 well. See slide 29 for pricing assumptions.

Tyler County - Woodbine

■ Reservoir/Geology

- Geologically complex.
- Woodbine situated immediately below (ca. 500ft) Austin Chalk zone.
- Sandstone reservoir with extremely high flow rates and recoveries.

■ Woodbine zone proven to exist on Pantheon's acreage

- Vision LP#2 (pre-farm in) well is currently producing on acreage. Estimated reserves of 5 bcfe.
- Subsequent seismic mapping on Pantheon's acreage has occurred **after** LP#2.
- As a result the operator has identified a high potential Woodbine target.
- Target offsets LP-2 and is in a similar geological setting to Double A Wells field.
- Potential for **material** upside for modest incremental cost (US\$0.25 million net to Pantheon) for second well.

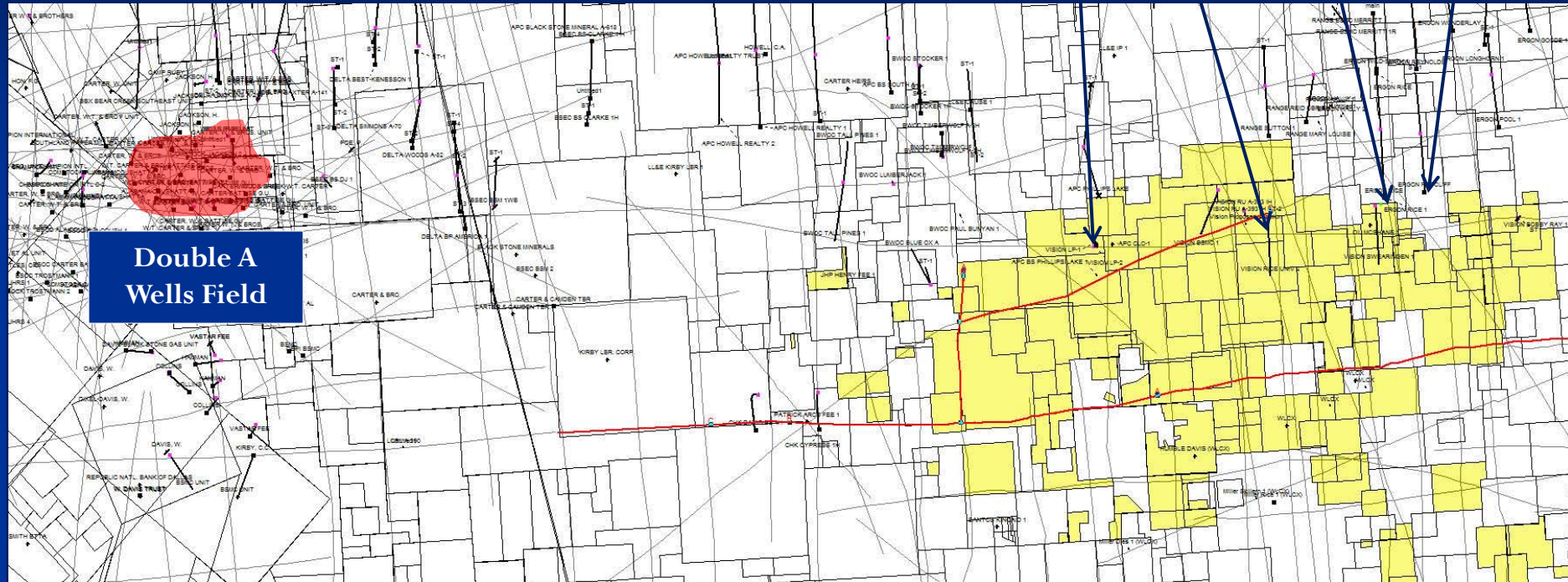
JV Acreage Position

Vision-No.2 LP
Well

Vision-No.1
Rice

Ergon-No.1
Rice Well

Ergon-No.1
Ratcliff Well



Illustrative Woodbine Potential NPV10 Upside Net to Pantheon*

- Single well financial analysis indicates major potential

Pricing Sensitivities	NPV10 US\$ million Pantheon 25% working interest based on Woodbine gross bcfe		
	6	18	30
US\$4 per mcf natural gas and US\$65 per bbl oil	US\$2.7	US\$10.7	US\$19.3
Forward Curve**	US\$6.2	US\$21.0	US\$36.8

*Comstock Champion #2 well

**Pricing assumptions see slide 29

Tyler County – Future drilling programme

- Second location identified.
- Targeting both
 - Austin Chalk – primary target.
 - Woodbine – secondary target.
- Offsets Vision's existing and producing LP#2 well on JV acreage.
- Future wells now engineered for the encountered high pressure/rubble zone conditions (see specification).
- Revised drilling plan should avoid recurrence of VRU#1's mechanical difficulties.
- Estimated US\$ 1m (gross) incremental cost to drill Woodbine in next well.

Planned New Well Design Engineered for Revised Conditions

Item	New	VRU#1
Casing (inches)	13 $\frac{3}{8}$, 9 $\frac{5}{8}$, 7 $\frac{5}{8}$	10 $\frac{3}{4}$ and 7 $\frac{5}{8}$
Drill pipe	5 inches to top of 7 $\frac{5}{8}$	4 inch in 7 $\frac{5}{8}$ liner
Unconsolidated Fracture	7 $\frac{5}{8}$ set <u>within</u> upper chalk isolating this zone	7 $\frac{5}{8}$ set <u>above</u> chalk above this zone
Directions Drilling	More subtle angle build easier to control	Acute angle build
Slotted liner	$\frac{1}{4}$ inch or smaller	$\frac{1}{2}$ inch

- Overall benefits: reduction in building of cuttings, circulating time and number of wiper trips.
- Less rig time.

Illustrative Purposes Only - Corporate NPV10 Based on Tyler County Austin Chalk Only

- The following figures are presented for illustrative purposes only and should not be taken as management's view of the true underlying value of the company.
- Any figures should be viewed in conjunction with the assumptions laid out in slides 28 and 29.
- Base case potential corporate NPV10 estimated US\$142 million (£86 million). This is for Tyler County Austin Chalk project only.
- Move of US\$1 per mcf in natural gas pricing has +/- US\$28 million impact on corporate NPV10 using forward curve (slide 29)
- Liquids yield. Increase in yield from 15 barrels per mmcf to 25 barrels per mmcf increases NPV10 by US\$23 million.

Model Assumptions

- **Austin Chalk success case only.**
- Includes corporate overheads, operating costs, production tax and royalties (21%).
- Bullseye modelled on existing wells. Excludes Woodbine.
- Pantheon working interest 25% (NRI 19.75%) in Austin Chalk.
- Gross reserves of eight bcfe per well drilled.
- Production of natural gas 55% in year one with liquids yield 15 barrels per mmcf natural gas.
- Gross cost per well US\$7.5 million. Back costs of US\$4.5 million incorporated for wells 2 and 3 only.
- No external financing beyond Dec 09 placement.
- Assumes 45 well programme over five years. Excludes revenues beyond 5 years.

Base Oil and Natural Gas Price Assumptions

- Using forward curves for oil and US natural gas prices estimated and provided by financial institution.

Year	Oil US\$ per barrel	Natural gas US\$ per mcf
2009	79.50	4.50
2010	75	5.50
2011	80	6.50
2012	85	7.00
2013	90	7.30
	flat nominal thereafter	flat nominal thereafter

Full Cycle Corporate NPV10 Sensitivities

Tyler County Austin Chalk

For Illustrative Purposes Only

Pricing Scenario	NPV10 US\$ million based on average Chalk well		
Gross Bcfe	5	8	20
US\$4 per mcf gas/US\$65 oil per barrel flat	\$15	\$65	\$263
Forward curve*	\$63	\$142	\$455
Forward curve* <u>Less</u> US\$1 per mcf	\$46	\$114	\$387
Forward curve* <u>Plus</u> US\$1 per mcf	\$80	\$169	\$523
Management estimates *See slide 29 for pricing assumptions estimated and provided by financial institution. *See slide 28 for model assumptions. *Excludes Woodbine prospect.			