PANTHEON RESOURCES PLC

INTERIM REPORT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

The half year ended 31 December 2018 and the period beyond has been one of immense change for our Company. Most significantly, we completed the acquisition of Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC (together, "Great Bear"). The transaction added to our portfolio over 250,000 leased acres onshore North Slope of Alaska which had a pre-drill estimated P50 Technically Recoverable Resource (Gross) of over 2.0 billion barrels oil. We also acquired a technical and operational team of the highest calibre which will greatly benefit our East Texas assets going forward.

At the same time, Pantheon also acquired a controlling 66.6% ownership of Vision Gas Limited and Vision Resources LLC (together, "Vision") including its working interest in the VOS#1 well and associated Tyler County acreage. This transaction has allowed Pantheon to assume management control of the Vision entities which is strategically and operationally of great importance to the future direction of the play, following the passing of Vision's principal Bobby Gray in June 2018.

Pantheon's strategy to delineate its now enlarged acreage position and to seek a full value exit for shareholders remains unchanged and is a strategy shared by Great Bear management. Pantheon now also has operating control of Vision and is working towards potentially increasing its working interest in the East Texas assets to 100%. In Alaska, Pantheon has between 75% and 90% working interest positions in the prospects (except Winx at 10%). Such dominant working interest positions provide the Group with greater freedom to pursue farm-out or other partnering opportunities to subsidize or fund future drilling. Together with Great Bear personnel, Pantheon has a comprehensive network of oil and gas contacts which will be accessed where relevant for farm out or other opportunities in both Texas and Alaska.

In March 2019, Pantheon announced the successful flow test of the Brookian zone of interest ("ZOI") in the Alkaid well. This result is significant both economically, but also commercially because it greatly enhances Pantheon's negotiating position for possible farm out discussions. Further, the positive result has a positive impact on the nearby Phecda prospect, where the seismic signatures are similar, and confirms the efficacy of our high tech geophysical analysis in modelling the sub surface geology in the region.

Pantheon Great Bear Merger

Pantheon completed an opportunistic 51%/49% merger of Great Bear in January 2019. This was accomplished by issuing 205 million consideration shares, 9.6m share options (exercise price £0.30) and a US$6.1m cash payment. At the same time the company raised c. US$20.9m before costs through the issuance of 108 million new ordinary shares at a price of £0.1525 per share. It was a very complex transaction, involving multiple jurisdictions and multiple interested parties, and took nearly 6 months to consummate in extremely difficult market conditions. It is a credit to our advisors and to our team that there were no leaks in what was such a significant and successful transaction.

The Great Bear transaction resulted in the acquisition of a majority interest in 250,000 acres of leasehold on the North Slope of Alaska in close proximity to the Trans Alaska Pipeline System (TAPS) and the Dalton Highway. Close proximity to infrastructure offers us tremendous economic and logistical benefits, and in a success case will greatly improve per barrel NPV's. Pantheon benefits from over US$200 million sunk cost already invested into the Alaskan assets to date, including over 1,000 square miles of 3D seismic. A prospect resource summary from the time of the transaction is provided below. It should be noted that Pantheon has since moved to a 100% working interest in the Alkaid well.

Great Bear P50 Technically Recoverable Resource Table

Anticipated Program			Oil in Place mmbl	Recoverable mmbl	Possible Zones	GBP Interest	
2019	Alkaid Production	Test Zone					**Alkaid drilled and not tested due to extreme weather**
		ZOI	250	25	1	75%	Testing to confirm productivity in net 240 ft oil pay ZOI
		West Sak	890	134	1	75%	Logs indicate oil pay - shows not conclusive - need test
		Ugnu	2600	390	1	75%	Logs indicate oil pay - shows not conclusive - need test
2019	Winx Exploration[1]	Exploration	1385	400	5	10%[1]	Located some 4 miles from giant (1.2bn) Horseshoe discovery
2020	Talitha Appraisal	Appraisal	2643	508	4	90%	Some 900 million bbls discovered OIP in 3 zones plus 1.7 billion exploratory upside
2020/21+	Theta Exploration	Exploration	3790	600	2	90%	2 zones, Kuparuk & Brookian (Nanushuk)
2020/21+	Megrez Exploration	Exploration	660	99	1	90%	Prospect near pipeline & highway
2020/21+	Phecda Prospect	Exploration	345	34	1	75%	Prospect & Possible extension of Alkaid discovery
2020/21+	Tania & Alula	Exploration	TBD	TBD	3	90%	2 "Leads" near pipeline & highway
Total barrels (bn)			**12.5**	**2.1**	**18**		

Note (1): The Winx-1 well was plugged and abandoned in March 2019. Accordingly, the resource estimate for this Western Blocks acreage which contains Winx is subject to downward revision.

The merger also brought several outstanding additions to strengthen the existing Pantheon management team and Board. We have already appointed Bob Rosenthal as Technical Director and plan to appoint Jeremy Brest and Carl Williams as Non Executive Directors over the coming weeks. Other additions include Michael Duncan, VP Operations, Pat Galvin, Chief Commercial Officer Alaska, Josh McIntyre, CFO Alaska and Dr. Ed Duncan, a founder and previous CEO of Great Bear, has joined as consulting Geologist, further strengthening the team. The Company is currently working with the remuneration specialists at Deloitte to implement an employee share option scheme to align the interests of all staff and to attract and retain key personnel.

East Texas Update

Following the Great Bear merger, we have commenced a comprehensive technical review of our East Texas assets. Included in this has been a re-engagement with the Bureau of Economic Geology at the University of Texas at Austin, the same group who completed a comprehensive +3 year geological study on our play in conjunction with the technical team at Vision. The Great Bear team will also undertake a comprehensive review of the drilling and completion history of our Polk and Tyler County wells and will apply high tech geophysics to our East Texas portfolio, the same technique used to great success in Alaska. The review has commenced and is ongoing, although at present, the focus is on the current testing operations in Alaska.

In Polk County we have installed compression facilities at the inlet to the Kinder-Morgan gas processing facility. Although early days, the VOBM#1 and VOBM#3 wells combined are producing c.1125 thousand cubic feet per day ("mcfpd") wet gas and 30-35 bopd ("barrels of oil per day"). This is a marked improvement versus previous months of intermittent production and a welcome boost to cash flow.

In Tyler County the VOS#1 well has been a disappointment. Production is averaging c.650 mcfpd through the Enterprise pipeline. The historical operational and wellbore problems with VOS#1 have been well documented but we have not yet analysed the VOS#1 for possible remedial work. This will be undertaken after completion of our Alaskan operations.

Our belief in the potential of East Texas is undiminished, and has not become a lower priority versus Alaska, which has seasonal operational constraints. As previously reported, the P50 Technically Recoverable Resource (Gross) for the Tyler & Polk County acreage reduced from 301million barrels of oil equivalent (“mmboe”) to 157mmboe last year, which was simply a function of a reduced acreage footprint and does not reflect a downgrade in acreage under lease. The Company is not aware that any of the dropped leases have been leased by third parties and might be available should the Group wish to renew them some time in the future.

We have great confidence that the East Texas Assets will strongly benefit from the input of Pantheon’s new and highly regarded technical team who have already spent considerable time reviewing the geological work on the prospects. We can bring East Texas wells into production rapidly after well completions, which is a major benefit.

A proposed sidetrack of the VOBM#1 well is intended to be the next operational activity in East Texas. Timing of this well has been pushed back to allow the technical team to undertake, after completion of Alaskan operations, a detailed analysis to determine whether it makes sense to drill a new well rather than to sidetrack the existing wellbore, given the relatively modest cost differential of $4m - $4.5m for a new well versus $2.8m for a sidetrack. The VOBM#1 well flow tested at over 500 barrels of oil per day (“bopd”) and 6,000 thousand cubic feet per day (“mcfd”) before the well suffered collapsed casing and at those rates would be highly cash generative at current prices.

Since attaining operational control of Vision, Pantheon has parted ways with the previous operational team. The highly skilled technical team from Great Bear has assumed operating control of operations.

Alaska Update

Alkaid (100% Working Interest): Testing the Alkaid vertical test well is underway. As reported, the lower Brookian Zone of Interest was tested after a successful frac. The testing period was truncated due to extreme weather events on the North Slope and a need to test the upper West Sak and Ugnu zones prior to the impending Spring thaw. A 6 foot interval (out of c.240 feet of net pay) was perforated and flow tested at 80-100 bopd light (40 degree API) oil. This test was an excellent result and indicates the potential for materially higher flow rates when wells are drilled in the typical manner for Brookian wells in Alaska - horizontally, fracture stimulated and with larger intervals perforated. The Brookian ZOI (zone of interest) was the primary target of this well, hence the “ZOI” name, and even if the West Sak or Ugnu secondary targets prove unsuccessful in flow testing, which for the avoidance of doubt has not yet occurred, the Alkaid well is still considered to be a great success.

Pantheon’s working interest in the Alkaid well increased from 75% to 100%, however Haliburton does have a back in right which would allow them to “back in” to a 25% working interest for an approximate 400% of the applicable sunk cost.

The Alkaid result also has positive implications for Pantheon’s other Brookian prospects in the portfolio.

The process to begin testing the upper zones has now commenced and the Company will report back at the conclusion of testing operations. The Company will begin work on a development plan after completion of testing.

Winx 1 Exploration Well 10% Working Interest: The Winx 1exploration well drilled by 88 Energy tested the Torok and Nanashuk Topset formations on our Western Blocks. After reaching target depth a comprehensive logging suite was acquired through the potential targets. Petrophysical analysis of the data done by the operator and JV partners indicated that only low saturation hydrocarbons were present in the reservoirs and the partners decided to plug and abandon the well without further testing. A review of the all the data gathered during drilling and logging is underway to assess the potential of these 4 blocks.

Future Activities
In East Texas, a full technical review of the assets in consultation with the Bureau of Economic Geology plus the application. of high tech geophysics will be completed following completion of Alaskan testing operations. The objective is to build upon the geological successes of Vision and improve future operational performance. We will then decide whether to sidetrack the VOBM#1 well or drill a new well nearby. In parallel, the Alaskan dataset will be worked up to prepare for possible farmout discussions on parts of the Alaskan acreage and prepare for drilling operations next season.

Financial & Corporate
The interim results show a loss for the period of $1.27m (2017: $2.57m) included certain transaction costs related to the Great bear acquisition. The 2017 period loss included an impairment charge of $1.83m.
At 31 December 2018, cash and cash equivalents amounted to $4.0m (2017: $7.6m). Trade and other receivables amounted to $2.0m (2017: $0.5m).

At a General Meeting held on the 14th of January 2019, shareholders ratified the acquisition of two wholly owned companies from Great Bear Petroleum Operating LLC, Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC (together the "Great Bear Companies"). The Company also completed an equity fundraising raising US$20.9m before expenses, issuing 108,335,266 shares at an issue price of £0.1525, in connection with the acquisition of the Great Bear Companies. On the same day the Company also acquired 66.6% (and management control) of Vision from Kaiser Francis and others for a total consideration of 3.5m ordinary fully paid shares.

As at 28 March, 2019 the company has on issue 557,001,521 shares (which includes 102,471,055 non-voting shares which are convertible into ordinary shares on a 1 for 1 basis, subject to certain conditions) and 19,607,843 share options with a £0.30 exercise price.

Other
Finally, is was with great sadness last week that the we announced the passing of John Walmsley, our Non-executive Director and former Chairman.

John served our company with distinction and honour for over 10 years. His wisdom, integrity, team spirit and sense of humour will be dearly missed by all.

PANTHEON RESOURCES PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Notes	6 months ended 31 December 2018 (unaudited) $	6 months ended 31 December 2017 (unaudited) $	Year ended 30 June 2018 (audited) $
Continuing operations				
Revenue		356,598	514,303	1,009,570
Production royalties		(93,130)	(122,885)	(244,783)
Depletion of developed oil & gas assets		(39,980)	(48,625)	(88,293)
Cost of sales		(397,744)	(84,797)	(562,986)
Gross (loss)/profit		(174,256)	257,997	113,508
Administrative expenses		(985,487)	(966,781)	(1,922,917)
Impairment of intangible assets	3	-	(1,825,051)	(6,805,537)
Depreciation of production & pipe line facilities		(116,053)	(37,404)	(145,516)
Operating loss		(1,275,796)	(2,571,239)	(8,760,462)
Interest receivable		1,140	2,731	6,858
Loss before taxation		(1,274,656)	(2,568,508)	(8,873,604)
Taxation		-	-	-
Loss for the period		(1,274,656)	(2,568,508)	(8,753,604)
Other comprehensive income for the period:				
Exchange differences from translating foreign operations		(10,234)	(555,180)	277,183
Total comprehensive income for the period		(1,284,890)	(3,123,687)	(8,476,421)
Attributable to:				
Equity holders of the company		(1,284,890)	(3,123,687)	(8,476,421)
Loss per ordinary share				
Loss per ordinary share – basic and diluted from continuing operations	2	(0.54)c	(1.10)c	(3.72)c

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Equity reserve $	Total Equity $
Group						
At 30 June 2018	3,852,673	106,678,805	(48,137,398)	(41,554)	902,854	63,255,380
Net loss for the period	-	-	(1,274,656)	-	-	(1,274,656)
Other comprehensive income:						
Foreign currency translation	-	-	-	(10,234)	-	(10,234)
Total comprehensive income for the period	-	-	(1,274,656)	(10,234)	-	(1,284,890)
Balance at 31 December 2018	3,852,673	106,678,805	(49,412,054)	(51,788)	902,854	61,970,490

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Equity reserve $	Total Equity $
Group						
At 30 June 2017	3,557,582	94,914,770	(39,383,794)	(318,737)	902,854	59,672,675
Net loss for the period	-	-	(2,568,508)	-	-	(2,568,508)
Other comprehensive income:						
Foreign currency translation	-	-	-	(555,180)	-	(555,180)
Total comprehensive income for the period	-	-	(2,568,508)	(555,180)	-	(3,123,687)
Capital Raising						
Issue of shares	293,461	11,917,829	-	-	-	12,211,290
Issue of shares in lieu of fees	1,630	68,459	-	-	-	70,089
Issue costs	-	407,523	-	-	-	407,523
Balance at 31 December 2017	3,852,673	107,308,581	(41,952,301)	(873,916)	902,854	69,237,890

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Equity reserve $	Total Equity $
Group						
At 30 June 2017	3,557,582	94,914,770	(39,383,794)	(318,737)	902,854	59,672,675
Net loss for the period	-	-	(8,753,604)	-	-	(8,753,604)
Other comprehensive income:						
Foreign currency translation	-	-	-	277,183	-	277,183
Total comprehensive income for the period	-	-	(8,753,604)	277,183	-	(8,476,421)
Capital Raising						
Issue of shares	292,941	12,303,543	-	-	-	12,596,484
Issue of shares in lieu of fees	2,150	90,271	-	-	-	92,421
Issue costs	-	(629,779)	-	-	-	(629,779)
Balance at 30 June 2018	3,852,673	106,678,805	(48,137,398)	(41,554)	902,854	63,255,380

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	6 months ended 31 December 2018 (unaudited) $	6 months ended 31 December 2017 (unaudited) $	Year ended 30 June 2018 (audited) $
ASSETS				
Non-Current Assets				
Exploration and evaluation assets	3	37,306,625	54,019,102	43,498,422
Developed oil and gas assets	3	21,256,907	4,933,129	13,736,007
Property, plant & equipment	3	2,121,396	2,556,352	2,237,698
		60,684,928	61,508,584	59,472,127
Current Assets				
Trade and other receivables		1,920,505	515,445	700,939
Cash and cash equivalents		3,980,942	7,567,362	3,399,290
		5,901,447	8,082,808	4,100,229
Total assets		66,586,375	69,591,391	63,572,356
LIABILITIES				
Current liabilities				
Trade and other payables		4,615,885	353,501	316,976
Total liabilities		4,615,885	353,501	316,976
Net assets		61,970,490	69,237,890	63,255,380
EQUITY				
Capital and reserves				
Share capital		3,852,673	3,852,673	3,852,673
Share premium		106,678,805	107,308,581	106,678,805
Retained losses		(49,412,054)	(41,952,301)	(48,137,398)
Currency reserve		(51,788)	(873,916)	(41,554)
Equity reserve		902,854	902,854	902,854
Shareholders' equity		61,970,490	69,237,890	63,255,380

PANTHEON RESOURCES PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018

	6 months ended 31 December 2018 (unaudited) $	6 months ended 31 December 2017 (unaudited) $	Year ended 30 June 2018 (audited) $
Net cash outflow from operating activities	(1,853,093)	(1,632,713)	(2,082,803)
Cash flows from investing activities			
Interest received	1,140	2,731	6,858
Funds used for drilling, exploration and leases	(1,369,083)	(6,102,396)	(10,679,594)
Developed oil & gas assets	-	(248)	(495,183)
Property, plant & equipment	-	(1,771,119)	208,682
Net cash outflow from investing activities	(1,367,943)	(7,871,032)	(10,959,237)
Cash flows from financing activities			
Proceeds from share issue ratified post period end	3,802,688	-	-
Proceeds from issue of shares	-	13,096,425	12,596,484
Issue costs paid in cash	-	(407,523)	(537,360)
Net cash inflow from financing activities	3,802,688	12,688,902	12,059,124
Net increase/(decrease) in cash and cash equivalents	581,652	3,185,157	(982,916)
Cash and cash equivalents at the beginning of the period	3,399,290	4,382,206	4,382,206
Cash and cash equivalents at the end of the period	3,980,942	7,567,362	3,399,290

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	6 months ended 31 December 2018 (unaudited) $	6 months ended 31 December 2017 (unaudited) $	Year ended 30 June 2018 (audited) $
Loss for the period	(1,274,656)	(2,568,508)	(8,753,604)
Net interest received	(1,140)	(2,731)	(6,858)
Unrealised (gains)/losses on assets held for sale	-	(132)	-
Impairment of intangible assets	-	1,825,051	6,805,537
Depreciation of office equipment	215	895	1,436
Depletion of developed oil & gas assets	39,980	48,625	88,293
Depreciation of production & pipeline facilities	116,053	37,404	145,516
Increase in trade and other receivables	(1,219,566)	(186,994)	(372,620)
Increase/(decrease) in trade and other payables	496,223	(231,111)	(267,636)
Effect of translation differences (fixed assets)	34	(32)	(50)
Effect of translation differences	(10,235)	(555,180)	277,183
Net cash outflow from operating activities	(1,853,093)	(1,632,713)	(2,082,803)

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

1.1. Basis of preparation

This financial information has been prepared on a going concern basis using the historical cost convention and in accordance with the International Financial Reporting Standards ("IFRSs"), including IFRS 6 'Exploration for and Evaluation of Mineral Resources', as adopted by the European Union ("EU") and in accordance with the provisions of the Companies Act 2006.

This interim report has been prepared on a basis consistent with the Group's expected accounting policies for the year ending 30 June 2019. These accounting policies are the same as those set out in the Group's Annual Report and Financial Statements for the year ended 30 June 2018, which are available from the registered office or the company's website (www.pantheonresources.com).

The Group financial information is presented in US Dollars and is unaudited. The interim financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative figures for the year ended 30 June 2018 have been taken from the Group's statutory accounts for that financial year, which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, however did contain an emphasis of matter – going concern, to which the auditors drew attention without qualifying their report and did not contain any statement under section 498 (2) or 498 (3) of the Companies Act 2006.

1.2. Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

All the companies over which the Company has control apply, where appropriate, the same accounting policies as the Company.

1.3. Foreign currency translation

(i) Functional and presentational currency
The financial statements are prepared in US Dollars ("$") which is the functional currency of the Company and is the Group's presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are translated into US Dollars at the average exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange gain or loss is dealt with in the income statement.

1.3 Foreign currency translation continued

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into US dollars at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements on reserves.

1.4. Cash and cash equivalents

The company considers all highly liquid investments, with a maturity of 90 days or less to be cash equivalents, carried at the lower of cost or market value.

1.5. Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Oil and Gas exploration and development is a capital intensive business, requiring sufficient capital to prosecute a Company's strategy. Despite the high quality of Pantheon's assets, as a growth company it will require additional capital in the future. In January 2019 the Company concluded a successful fund raising of $20.9m (before expenses), through an equity offering. In March 2019 the Company announced the successful flow test and discovery of the Brookian Zone of Interest in the Alkaid well. Pantheon has a 100% working interest in this well which was estimated to contain a P50 Technically Recoverable Resource of 25 million barrels of oil. The Directors believe this, and the Groups other assets, have significant potential value and are confident it could farm down prospect(s) or seek other forms of financing (including but not limited to equity) if desired. Should Haliburton exercise their back in right to acquire 25% working interest in Alkaid, Pantheon would expect to receive a significant cash payment, equivalent to 400% of the prorated costs associated with present operations. The Directors believe for the reasons above that the Group's use of a going concern basis is appropriate. Accordingly, the Directors have prepared the financial statements on that basis.

The Directors have reviewed the Group's overall position and outlook and are of the opinion that the Group is sufficiently well funded to be able to operate as a going concern for at least the next twelve months from the date of approval of these financial statements.

1.6. Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

1.7. Exploration and evaluation costs and developed oil and gas properties

The Group follows the 'successful efforts' method of accounting for exploration and evaluation costs. All costs associated with oil, gas and mineral exploration and investments are classified into and capitalised on a 'cash generating unit' ("CGU") basis, in accordance with IAS 36. Costs incurred include appropriate technical and administrative expenses but not general corporate overheads.

1.7 Exploration and evaluation costs and developed oil and gas properties continued

If an exploration project is successful, the related expenditures will be transferred to Developed Oil and Gas Properties and amortised over the estimated life of the commercial reserves on a 'unit of production' basis.

The recoverability of all exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition thereof. The prospect acreage has been classified into discrete "prospects" or CGU's. When production commences the accumulated costs for the specific CGU is transferred from intangible fixed assets to tangible fixed assets i.e. 'Developed Oil & Gas Properties' or 'Production Facilities and Equipment', as appropriate. Amounts recorded for these assets represent historical costs and are not intended to reflect present or future values.

1.8. Impairment of exploration costs and developed oil and gas properties, and depreciation of assets

In accordance with IFRS 6 'Exploration for and Evaluation of Mineral Resources' (IFRS 6), exploration and evaluation assets are reviewed for indicators of impairment. Should indicators of impairment be identified an impairment test is performed.

In accordance with IAS 36, the Company is required to perform an "impairment test" on assets when an assessment of specific facts and circumstances indicate there may be an indication of impairment, specifically to ensure that the assets are carried at no more than their recoverable amount. Where an impairment test is required, any impairment loss is measured, presented and disclosed in accordance with IAS 36

In accordance with IAS 36 the Company has determined an accounting policy for allocating exploration and evaluation assets to specific 'cash-generating units' ("CGU").

Exploration and evaluation costs
In relation to the Tyler and Polk County projects, the carrying value as at 31 December 2018 represents back costs and direct costs paid in relation to the project, seismic, land and drilling costs relating to the prospects as well as prepaid costs towards future drilling.

Developed Oil and Gas Properties
Developed Oil and Gas Properties represent four wells (VOS#1, VOBM#1, VOBM#2H & VOBM#3) located in Polk and Tyler Counties. These costs were transferred from "Exploration and Evaluation costs" to "Developed Oil & Gas properties" when the wells were commissioned. The wells are depleted over the estimated life of the commercial reserves based on the "Unit of production basis" based upon a typeset P50 well estimated at 1.4Mmboe P50 prospective resource (recoverable).

Other property, plant and equipment
Other property, plant and equipment are stated at historical cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its estimated useful life as follows:

- Production facilities and equipment are depreciated by equal instalments over their expected useful lives, ranging from 3 to 30 years.

- Office equipment is depreciated by equal annual instalments over their expected useful lives, being three years.

1.9. Revenue

Revenue, excluding production tax and similar taxes, represents net amounts invoiced for the Group's share of oil and gas revenues in the year.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

2. Loss per share

	6 months ended 31 December 2018 (unaudited)	6 months ended 31 December 2017 (unaudited)	Year ended 30 June 2018 (audited)
Loss per ordinary share from continuing operations:			
Basic	(0.54)c	(1.10)c	(3.72)c

The calculation above for the basis loss per share has been calculated by dividing the relevant loss for the period by the weighted average number of ordinary shares in issue of 237,336,555 (December 2017: 233,606,706; June 2018: 237,336,555).

3. Non-current assets

Exploration and evaluation assets Group	Exploration & evaluation assets $
Cost:	
At 30 June 2018	43,498,422
Additions	1,369,083
Transfer to developed oil and gas assets	(7,560,880)
Transfer to PP&E	-
At 31 December 2018	37,306,625
Impairment:	
At 30 June 2018	6,805,537
At 31 December 2018	-
Net book value:	
At 31 December 2018	37,306,625
At 30 June 2018	43,498,422

3. Non-current assets continued

Developed Oil and Gas Assets **Group**	Developed Oil & Gas assets $
Cost:	
At 30 June 2018	13,736,007
Additions	-
Transferred from exploration & evaluation assets	7,560,880
Depletion of developed oil & gas assets	(39,980)
At 31 December 2018	21,256,907
Net book value:	
At 31 December 2018	21,256,907
At 30 June 2018	13,736,007

Property Plant and Equipment **Group**	Property, Plant & Equipment $
Cost:	
At 30 June 2018	2,237,698
Additions	-
Depreciation office equipment	(215)
Transferred from exploration and evaluation assets	-
Depreciation of production & pipe line facilities	(116,053)
Exchange difference	(34)
At 31 December 2018	2,121,396
Net book value:	
At 31 December 2018	2,121,396
At 30 June 2018	2,237,698

Exploration and Evaluation assets includes direct drilling, technical and accumulated leasehold costs in relation to the prospects. Once a well commences production, costs are reclassified to “Developed Oil & Gas properties” and subject to relevant depletion and amortisation charges as appropriate. In November, direct costs associated with the VOS#1 well were reclassified to Developed Oil and Gas properties.

4. Approval by Directors

The interim report for the six months ended 31 December 2018 was approved by the Directors on the 27th of March 2019.

5. Availability of Interim Report

The interim report will be made available shortly on the Company's website (www.pantheonresources.com), with further copies available on request from the Company's registered office.

6. Subsequent events

Completion of the acquisition of two wholly owned companies from Great Bear Petroleum Operating LLC ("Great Bear")

At the EGM held on the 14th of January 2019 the shareholders ratified the acquisition of two wholly owned companies from Great Bear Petroleum Operating LLC, Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC (together the "Great Bear Companies"). The main assets of the Great Bear Companies are leases with the rights to explore for hydrocarbons in Alaska. The Great Bear Companies have over 250,000 leased acres onshore North Slope of Alaska, which are well located to infrastructure, and whose acreage has an estimated P50 Technically Recoverable Resource (Gross) of 2.0 billion barrels oil. The estimated P50 Technically Recoverable Resource (Gross) included 400 million barrels oil attributable to the Winx Well. The acquisition of the assets of Great Bear Petroleum completed on 17 January 2018 in accordance with its terms.

Acquisition of controlling interest in Vision

Pantheon acquired 66.6 per cent ownership of Vision Gas Limited and Vision Resources LLC (together, "Vision") including its working interest in the VOS#1 well 33.3 per cent and associated Tyler County acreage. Vision Gas Limited owns certain physical assets and its intellectual property (comprising, inter alia, seismic, well logs, and production histories). The acquisition allows Pantheon to assume management control of the Vision entities. As consideration, Pantheon issued 3.5million new fully paid ordinary shares.

Completion of Capital Raising

At the EGM held on the 14th of January 2019 the shareholders ratified the Capital Raising of approximately US$20.9 million (before expenses). 108,335,266 new Ordinary Shares were issued at an issue price of 15.25 pence per share.

Appointment of Technical Director

Appointment of Mr Robert (Bob) Rosenthal as Technical Director of Pantheon on 11th of March 2019. Mr. Rosenthal, 66, has over 40 years' experience in the oil and gas industry globally as an Exploration Geologist and Geophysicist. He has held various senior exploration positions and spent a large part of his career at Exxon and at BP, where he gained key relevant regional experience in the geology of North Slope of Alaska and of Texas. Since 1999, Mr Rosenthal has run his own successful consulting business and has led the exploration efforts of a number of private and public companies.

6. Subsequent events continued

Passing of John Walmsley

In March 2018 John Walmsley, Non-executive Director and former Chairman sadly passed away.

Winx well - Western Blocks acreage – 10% working interest, Alaskan North Slope

The Winx well hit target Depth of 6,800’ on the 3rd March, with all pre-drill targets successfully intersected. A comprehensive wireline logging program was successfully completed, and a full petrophysical analysis and review was commenced. Provisional petrophysical analysis of the wireline logging program indicated low oil saturations in the primary Nanushuk Topset objectives; testing and fluid sampling indicated that reservoir quality and fluid mobility at this location was insufficient to warrant production testing.

Zones of interest in the Torok formation, secondary objectives, were identified on wireline logs, which similarly exhibited low oil saturations and did not flow hydrocarbons.

The estimated P50 Technically Recoverable Resource (Gross) attributable to the Winx Well was 400 million barrels of oil and this estimate will be subject to downward revision by the operator in due course..

Alkaid well, Alaska North Slope, PANR 100% working interest

The first of the 3 targeted horizons, the Brookian ZOI, confirmed as an oil discovery, following a successful flow test where results exceeded expectations. A 6 foot interval (from a c.240 foot interval of net pay) was perforated and flow tested at 80- 100 BOPD light oil (40 degree API). Such flow rates are considered to be an excellent result and indicate the potential for materially higher flow rates when wells are drilled in the typical manner for Brookian wells in Alaska - horizontally, stimulated, and with larger intervals perforated.

The Alkaid well was drilled as a vertical test well with the primary objective to obtain sufficient data to make an assessment as to the potential commerciality of the targeted horizons The plan is to now isolate the Brookian ZOI zone, and to flow test the shallower West Sak and Ugnu horizons prior to shutting down operations later in April.

GLOSSARY

bbl	barrel of oil	mcfd	thousand cubic feet per day
bopd	barrels of oil per day	Mmboe	million barrels of oil equivalent
boepd	barrels of oil equivalent per day	NPV	net present value
mcf	thousand cubic feet	$	United States dollar
bwpd	barrels water per day		