Company Number 05385506
Incorporated in England & Wales

PANTHEON RESOURCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	John ("Jay") Cheatham (Chief Executive Officer) Justin Hondris (Executive Director, Finance and Corporate Development) Phillip Gobe (Non-Executive Chairman) Robert (Bob) Rosenthal (Technical Director) Jeremy Brest (Non-Executive Director)
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Clearly, 2019 was a transformational year for Pantheon with the Great Bear Petroleum ("GBP") acquisition that now underpins and drives our corporate strategy. Great Bear's assets on the Alaska North Slope ("ANS" or the "North Slope") delivers an opportunity for our company to become a very significant oil and gas company in terms of reserves and production. The ANS is experiencing an oil exploration and development revival, boasting some of the world's largest onshore oil discoveries in recent times. Pantheon has a very material position in this prolific basin, which has taken a decade and over $200 million to establish, and which contains numerous discoveries of oil which we are continuing to evaluate. Of most importance is the fact that our acreage and discoveries are all located in close to proximity to the established infrastructure which includes the Trans Alaska Pipeline and the Dalton Highway. Having managed the largest oilfield in North America, less than 25 miles away at Prudhoe Bay, I can't stress highly enough the importance of our ideal geographical location of our assets in relation to the export infrastructure. This is a significant advantage over other ANS plays, allowing much quicker times to first production, materially lower capex requirements, and the possibility for year-round drilling in certain locations, all of which enhance the economics of our projects. This was a critical factor in our decision to acquire Great Bear. We haven't forgotten East Texas, but given the significant value differential between Texas and Alaska, it is clear that the Company's primary focus must now be Alaska.

As we look to Alaska, a key to unlocking the vast potential resources on the Arctic Slope is fully exploiting our existing high-quality 3D seismic data over our lease positions. Over $80 million has been spent to date on this seismic, which is proprietary to Pantheon and is not available to anyone else. This is a significant competitive advantage. As Pantheon looked to merge and process the many surveys, our Technical Director Bob Rosenthal and his team focused on the best technology and people to provide the service. Pantheon selected eSeis as the service provider due to their proprietary geophysics technology and world-class team. The eSeis team has had a hand in multiple discoveries on the North Slope, including the billion-barrel Alpine field. After reviewing the data over our blocks, eSeis elected to work as a partner on the project rather than purely on a fee basis and hence are completely aligned with the interests of all shareholders. It is also an assertive validation of the prospectivity of our acreage.

Also indicative of validation, we were pleased that the Lee Keeling and Associates report confirmed our earlier estimates of recoverable resources and excellent project economics at Greater Alkaid, which in fact lies almost directly beneath the Dalton Highway and pipeline. Jay Cheatham will give more specifics in his CEO statement below on both our Alkaid-Phecda discovery (now referred to as "Greater Alkaid") along with other exciting prospect potential on our acreage.

At East Texas, it has been a complicated and frustrating year. All of our historic wells had logged excellent reservoirs, similar to the offset wells that have been producing significant volumes of hydrocarbons for many years. Despite the apparent excellent log responses, the operator's ability to effectively complete and successfully flow hydrocarbons was unsuccessful. The death of the principal of Vision, the operator, in 2018 significantly impacted operations. This year we acquired of 66% of Vision Resources LLC, which was crucial to obtain management control to help protect the value of our assets. We have now been able to have Pantheon's technical team commence a detailed field-wide study including geological and geophysical data, historic drilling operations and completion methods. These initiatives will put us in a stronger position to continue to evaluate this project and determine a future plan for this asset. Jay will expand on this in his CEO Statement.

Finally, we strengthened our Board with the addition of Bob Rosenthal, Technical Director and Chief Geologist, who was also a founder of Great Bear, and Jeremy Brest, who was a director at Great Bear and has a wealth of experience. Jeremy has a law degree and is a specialist in structured financings. We have also retained key members of the Great Bear team, which we have supplemented with some extremely talented technical personnel. We also honour John Walmsley who we lost during the year. He was a true gentleman who we all miss greatly.

In closing, as we start a new decade your company is a very different company to where we were last financial year. With hard work and some good fortune we have emerged as a company with a focus on Alaska, where we have established an exceptional position in an area where the stakes and potential rewards are an order of magnitude greater not only than East Texas, but than in most other parts of the world.

Phillip Gobe
Chairman

24 February 2020

2019 has been an incredibly busy year for Pantheon.

Great Bear Acquisition

The acquisition of Great Bear Petroleum ("GBP") this year was a transformational event for Pantheon. The Alaskan North Slope ("ANS") is experiencing an oil exploration and development revival. The recent discoveries rate amongst the world's largest onshore oil discoveries which has resulted in the ANS now being rated as a "Super Basin" by the industry experts IHS Markit. The acquisition of GBP has positioned Pantheon as a major leaseholder in this world class province, where we now have large discovered oil resources and outstanding exploratory potential. The Board of Pantheon, with deep experience on large scale energy projects and important relevant experience in Alaska, understands the exciting opportunity of this portfolio as well as the challenges of operating in such a location. As our Chairman has earlier discussed, all of the Pantheon assets in Alaska are located in one core geographic location, adjacent to the Dalton Highway and the Trans Alaska Pipeline. This location enhances the commercial potential of any discoveries with reduced logistical challenges, more rapid development potential, resulting in much lower hurdles to economic viability—critically important for a small company like ours operating on the ANS, and an incredible competitive advantage when compared to other projects.

Our team began negotiations with GBP in July 2018 and completed the acquisition in January 2019. We were able to acquire the GBP assets on the North Slope at an effective valuation significantly less than the +$200 million invested in the project over the last decade. I want to again congratulate the Pantheon and GBP teams for completing this transaction and the subsequent capital raising in what were extremely challenging circumstances in December of 2018. Global equity markets were under extreme pressure due to US – China trade issues, the UK Brexit crisis, and collapsed oil prices. Despite all this, Pantheon emerged debt-free with what we view as a world class portfolio in Alaska which offers incredible upside potential. We enhanced the Board and management team with additional technical and financial skills and delivered an operational capability to progress its projects. Our two major focus projects in Alaska are Alkaid and Talitha, which both contain discovered resources and are both very large. Alkaid has been successfully tested and, after receiving an Independent Expert Report and certified Contingent Recoverable Resource as recently as last month, is being readied for pilot production testing as soon as we drill our next well. Talitha contains confirmed oil at numerous levels but is yet to be production tested. Further drilling at Talitha will delineate the resource and ascertain the productive potential across the numerous stratigraphic levels, however detailed geophysical work has been undertaken on Talitha over recent months in collaboration with our partners at eSeis. This work is ongoing, however is pointing to a very significant upgrade in management's estimate of potential resource. We are also very excited by our success at the recent lease sales where we acquired another two possible oil accumulations at Theta West and Leonis, adjoining our core acreage, which combined have multi-billion-barrel potential. It is important to stress that these projects were identified from GBP's proprietary 3D seismic, unavailable to any third parties, which has provided a significant competitive advantage in acreage selection.

As Operator and 89.2%-100% working interest owner of all its projects, Pantheon is in an enviable position. We have continued to expand our technical capabilities both in house, and by engaging additional external expertise to work with our team and assist us to evaluate and promote our current projects. We are extremely happy with the performance of our entire team which have already added significant value to our projects in Alaska our focus for this year. The high working interest provides greater control over the project area and ability to continue funding operations through farm out activities.

Lee Keeling & Associates

The Company engaged the independent experts at Lee Keeling & Associates ("LKA") to initially perform a reservoir study on the Alkaid and Phecda (now referred to collectively as "Greater Alkaid") oil discovery, and we will shortly engage them to commence work on our Talitha project. LKA is a highly regarded USA based engineering firm located in Tulsa Oklahoma that has decades of experience with great expertise in the type of projects we have at Alkaid and Talitha; horizontal multistage reservoir development.

In the past few weeks LKA completed the initial phase of their work at Greater Alkaid, and their analysis has supported our internal assessment that Alkaid and Phecda were indeed one continuous accumulation. The key takeaways were the certification of a 76.5 million barrels of oil ("MMBO") Contingent Recoverable Resource (a higher resource classification than our previous resource estimate) with a $595million NPV10 from a phase 1 field development which modelled a 44 well development of 70 MMBO over a 20 year period at a flat $55 oil price. LKA estimated an EUR (estimated ultimate recovery) per well of 2.25MMBO, and a 10% recovery factor. Additionally, they risked 20 of the 44 wells by 50%, yielding the 76.5 MMBO. When considering Greater Alkaid it is important to remind ourselves that when the Alkaid#1 well was originally drilled in 2015, drilling activities were terminated prematurely under the direction of the regulators, due an unseasonal weather event which resulted in extensive regional flooding. The well was immediately suspended and the rig moved off location. The well was within the targeted section of the reservoir, which was oil bearing, precisely at the time when operations were halted. As a result, there remains a potentially significant section of untested pay deeper in the hole which was unable to be accessed. Importantly, none of this potential has been considered in the calculation of the Contingent Resource, which provides potential for increases in the resource when the next well is drilled. It is also worth noting that there is additional upside potential if we can deliver increased recovery factors above the modelled 10%, which is a reasonable possibility with further engineering experience in these reservoirs. Elsewhere on the ANS, Companies have used secondary recovery techniques such as water flooding with great success, substantially increasing recovery factors.

eSeis Consulting Agreement

Over $80m has been invested in our proprietary 3D seismic acquisition which spans over 1,000 square miles. No other groups have access to this. The most prospective play types across our leases are mostly stratigraphic in nature, and these cannot be matured to drill-ready prospects without 3D seismic. We engaged eSeis to assist us in extracting the maximum amount of information from our seismic data set. eSeis is a specialist geophysics consultancy with a highly talented team and state-of-the-art proprietary analytic tools used to determine fluid and possible reservoir characteristics in target formations from seismic data. These techniques have proven very successful in discovering oil elsewhere on the ANS. The eSeis team have in depth expertise on the ANS with a proven track record of discovering oil in that area and are expert in this type of analysis. Pantheon signed a contract with eSeis in June to provide their proprietary geophysical analysis over our project area in exchange for a 1% overriding royalty interest (ORRI) over our acreage excluding the discovered Greater Alkaid oil accumulation. eSeis is also assisting Pantheon in preparing the technical material and a data room for farmout presentations. eSeis, who are experts in their field, have forgone a significant consultancy fee in exchange for the ORRI, which is a major endorsement of the technical merits and perceived commercial value of our project. I have been extremely impressed with the quality of the eSeis work, which has enabled us to identify significant additional potential on our acreage. eSeis were also integrally involved in the identification of the new Leonis and Theta West projects acquired in December 2019. eSeis has been extremely helpful in our farmout process, which is discussed in more detail below.

Alkaid Oil Accumulation

As discussed already, GBP drilled the Alkaid well in 2015, but had to suspend drilling operations after flooding of the Dalton Highway led to road closure. This foreclosed the possibility of production testing operations during the 2015 campaign, and the well was suspended. Pantheon created a funding solution for the successful 2019 testing of Alkaid, which delivered results which exceeded our expectations, underpinning our asset base.

The Alkaid well encountered 400 feet of gross pay with 240 feet of net oil pay and no oil/water contact, testing high quality, light 35-40 deg API oil. This result upgraded the adjoining Phecda prospect which is mapped with Alkaid as part of one large "Greater Alkaid" structure, with estimated OIP of 900 million barrels. The Alkaid well tested an average 100 bopd via a very small single frac through casing. Only 6 ft of the 240 ft net pay interval was perforated, demonstrating good productivity despite testing only a tiny fraction of the oil zone. Horizontal development wells are estimated to produce around 2,000 bopd, with recoveries of around 2.25 million barrels per well. These are excellent numbers considering the size and location of the field. Primary recovery is conservatively estimated at 10-15% but other fields on the ANS have achieved significantly higher (25% +) recovery factors with optimally located and designed wells. Secondary recovery techniques could increase ultimate recoveries further, adding major additional upside potential to this project. The company plans to use an early production unit (EPU) as part of a pilot testing operation to generate early cashflow while acquiring valuable production data to underpin full-field development planning. The Greater Alkaid oil accumulation sits virtually under the TAPS pipeline and along the major Dalton Highway, making it uniquely suited for a year-round, highly cost-effective phased development plan, offering early production potential and significant long-term financial and operational advantages to more remote oil field developments on the ANS.

In the event of a successful farmout, one or two development wells are planned for 2020 that will be completed as pilot test producers which modelling suggests could produce in excess of 2,000 bopd peak rate if successful. Once a commercial well has been drilled and tested, part of the contingent resource numbers will be reclassified as reserves which should have major positive valuation implications and significantly enhance funding options for future development.

Talitha Project

The Talitha project is effectively an appraisal of a discovery well named Pipeline State #1 which was drilled in the late 1980's. That well encountered several oil-bearing intervals as well as strong oil shows in other formations but was not considered attractive at that time when the oil price was circa $25 and horizontal drilling and fracking technologies were vastly inferior to today's standards. The forward program at Talitha involves evaluating discoveries of oil in several reservoir zones, and the testing of an exploration zone analogous to the large Horseshoe discovery. The proven oil-bearing reservoirs include Brookian slope and basin floor fans and the deeper Kuparuk Formation with combined potential of 2.6 billion barrels of OIP. The Kuparuk oil play is located updip from 47 feet of net oil pay encountered in the Pipeline State #1 well and has the potential to be much larger. More recent work completed at Talitha with the eSeis team has indicated that the fan systems identified as discrete pay zones could in fact be part of one very large continuous section that extends several thousand feet which, if correct, has the potential to materially increase the estimated oil in place (OIP).

Farmout/Data Room

The farmout process is well underway with a number of high-quality parties having entered the data room or planning to enter the data room. Since the publication of the LKA report last month, we have had experienced increased interest from a number of new parties interested in reviewing our portfolio for a possible transaction. We are seeing interest from a broad spectrum of groups spanning from National Oil Companies at one extreme, to smaller more boutique players at the other extreme. We are happy to consider farmin offers across the entire portfolio, or smaller farmin transactions over individual discrete projects such as Greater Alkaid. We cannot know how long the farmout process might take, but with the LKA report on Greater Alkaid and the excellent work from eSeis, we are optimistic that this period has been shortened.

East Texas

In January 2019 Pantheon acquired a 66% stake in Vision Resources LLC, gaining management control. This was an important transaction to enable Pantheon to preserve the value of its East Texas assets following the death in 2018 of Mr Bobby Gray, the principal of Vision and operator of the East Texas assets. Under the technical oversight of Bob Rosenthal and his team, we have commenced a comprehensive geological review of the East Texas portfolio, including a detailed analysis of the results of historic drilling and testing operations. This analysis is ongoing, but it is clear that East Texas is secondary to Alaska, which is a higher priority due to its greater size and scale. Notwithstanding, our knowledge of the project has increased to a level where we are beginning to understand the poor operational results of the past, allowing us to better plan for the future. As an example, we recently employed an expert consultant who completed many of the successful wells in the large analogous Double-A Wells gas/condensate field adjoining our discovery area. We have learned that some of the operational decisions made by the previous operator have been less than ideal for successfully completing or stimulating the Woodbine/Eagle Ford formation. The previously utilized techniques have resulted in substantial well bore formation damage, severely restricting production and resulting in very poor performance.

Frac jobs will be required to alleviate the damage caused, and workovers of the existing well bores are not guaranteed to deliver the desired results. We have commenced a detailed geophysical analysis of the structures across the project area, incorporating wireline logs and production data, with the aim of planning a way forward in this project area. We do expect to do more work on our East Texas project in 2020, and it is worth remembering that we have discovered hydrocarbons in all of our East Texas wells, hence we still believe there is a substantial resource to be evaluated in this area. Our analysis to date, while not yet complete, supports the belief that the East Texas acreage offers tremendous geological potential, yet has been clearly hampered by poor operational performances, and more recently, poor natural gas prices. Currently, the Polk County wells are shut in due to poor performance and recent winter record low gas prices. In light of the changed strategic direction of the group to focus on Alaska as the priority, the Group has written down the value of the East Texas assets in the Group's accounts, also reflecting that any funding in place will be prioritized to Alaska over the medium term given the potential value creation for bringing the Greater Alkaid project into production.

At an operational level in Texas, Pantheon's Chief Operating Officer, Michael Duncan, has taken operational control of East Texas. All previous operational personnel associated with Vision are no longer involved with the project. Michael has undertaken a number of commercial initiatives to streamline operations.

All leasing in East Texas for the last 18 months has been in Pantheon's name and as a result Pantheon owns 100% of the leasehold, excluding a small working interest held by Vision and its partners in some of the wells. These are considered to be immaterial in value. Pantheon has paid all costs for the last 18 months, which was essential in order to preserve the value of the assets. Further consolidation of these small interests is not a priority for the Company given it now essentially controls all the leasehold.

Strategic Overview

Whilst the East Texas project offers excellent geological potential, it is clear that the Alaskan North Slope assets dwarf them in both size and scale. The Great Bear team did a fantastic job putting this portfolio together over many years, with over $200m of investment to date, which we are fortunate to benefit from. Following the successful flow test at Alkaid, and the receipt of the Contingent Resource from LKA, the Group has commenced a 'high grading' of its entire portfolio, ranking the projects in order of priority. Within the Alaskan portfolio itself, Greater Alkaid is our immediate priority given its proximity to early cashflows and the value creation that could create for shareholders. Talitha continues to mature as an outstanding project which could be much larger than we ever expected. We look forward to sharing with shareholders an anticipated upgrade to our oil in place estimates, when our evaluation is complete over the coming weeks or months. Our assessments to date of the new Leonis and Theta West projects look to be extremely promising, with a risk/reward profile ahead of our existing Theta project, and which we expect will be high graded over the coming year. Over the next few months we anticipate releasing a completely refreshed project inventory with associated resource estimates.

An important aspect to our company is that over the past year we have progressed our portfolio to a level where Pantheon now has an inventory of oil and gas discoveries; we are not just a speculative junior oil and gas company. Some of our discoveries could be very large, and with continued drilling and testing we have the potential to transition these discoveries to reserves and, hopefully, world class oil projects. Having an inventory of projects each with the potential in a success case to be worth multiples of our current valuation both diversifies risk and positions ourselves with an incredible opportunity for growth.

In closing I want to commend all the Pantheon team for their tireless work in executing on the acquisition of Great Bear. I also welcome the highly talented Great Bear team to their new roles in Pantheon. At all levels, operational, management and technical, I have been super impressed with the high calibre Great Bear team who I am very proud to now call colleagues.

It's been an amazing year!

Jay Cheatham
Chief Executive Officer

24 February 2020

Financial Review

The Group made a total profit for the financial year ended 30 June 2019 of $35.5m (2018: Loss $8.8m). The large increase in profitability was dominated by the large gain on bargain purchase of $100.8m resulting from the acquisition of the Great Bear companies, and an impairment of $48.6m (2018: $6.8m) against carrying values of Pantheon's East Texas assets, mainly reflecting the strategic decision of the Group to prioritise Alaska over Eat Texas as the primary asset base of the Group. The accounting standards require that the assets and liabilities acquired in the acquisitions of the Great Bear Companies and of Vision Resources LLC during the year be recorded at their fair value at the acquisition date and measured against the consideration paid. To the extent that the fair value of the assets acquired exceeds the purchase consideration paid, a 'bargain purchase' is brought to account, and conversely where the fair value is less than the consideration paid then that amount is accounted for as goodwill. The total operating loss for the year, including all impairments but excluding the gain on bargain purchase was $55.2m (2018: Loss $8.8m).

Production

The Group's net total sales production for the financial year ended 30 June 2019 amounted to 191,024 (2018: 203,565) mcf of natural gas and 2,317 (2018: 7,326) bbl of oil. Average realisations for the year for natural gas and oil were US$2.58 (2018: $2.40) per mcf and US$62.54 (2018: $61.11) per barrel respectively.

Revenue

Revenues for the year ended 30 June 2019 were $724,589 (2018: $1,009,570).

Cost of Sales

Cost of sales for the year ended 30 June 2019 was $737,208 (2018: $562,986). The year on year increase in costs reflects the poor operational condition of the historic East Texas wells, and the increased interventions and remedial operations required to maintain production levels. "Production royalties" for the year ended 30 June 2019 was $205,458 (2018: $244,783). "Depletion of developed oil & gas assets" for the year ended 30 June 2019 was $148,485 (2018: $88,293).

Impairments

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.

The Group has reviewed these assets for indications of impairment. Where impairment indications have been found we have performed impairment tests. Impairments losses have been measured, presented and disclosed in accordance with IAS 36.

Reflecting the Group's strategic decision to focus on its North Slope of Alaskan assets as its priority, an impairment charge of $48.6m (2018: $6.8m) has been taken against the Company's East Texas assets. The impairment charge consists of; $13.1m (2018: $Nil) of developed oil and gas assets, $34.1m (2018: $6.8m) of intangible exploration and evaluation assets and $1.4m (2018: $Nil) of property plant and equipment. Whilst the geological potential of the East Texas assets remains undiminished, the Group's immediate and highest priority is to fund and exploit its Alaskan operations, in particular, the drilling of a well at its 100% owned Greater Alkaid project where the Group recently received an Independent Expert Report certifying a Contingent Recoverable Resource of 76.5 million barrels of oil, and an NPV10 estimated at US$595 million for the project. Given the Group has no current plans for the drilling of new wells in East Texas until a comprehensive geological and technical review of those assets has been completed, and given sufficient budget is not presently available after prioritizing Alaskan drilling operations, the Group has impaired all leasehold to the most recent comparable lease acreage prices paid regionally, being $650 per acre in Tyler County and $350 per acre in Polk County. The Group is presently engaged in discussions with a number of interested parties for the potential farm out of a working interest in some or all of its Alaskan operations and is seeking an upfront cash component together with funded drilling.

Accounting policies

There have been no major changes to accounting policies during the year. See note 1.13 for the new accounting standards that came into effect.

Capital structure

The Company issued 217,193,911 new fully paid ordinary shares during the year in relation to the acquisition cost of Great Bear, the acquisition of 66% of Vision Resources LLC, an associated capital raising in January 2019 (raising cash proceeds of c.$20.9m before expenses) and payment of advisors. As at 30 June 2019 there were 454,530,466 ordinary shares in issue (2018: 237,336,555).

Additionally, the Company issued 102,471,055 non-voting convertible shares during the year as part of the acquisition cost of Great Bear. As at 30 June 2019 there were 102,471,055 non-voting convertible shares in issue (2018: Nil). The non-voting convertible shares are convertible on a 1:1 basis into ordinary fully paid shares.

As at 30 June 2019 total shares in issue, both ordinary and non-voting was 557,001,521 (2018: 237,336,555).

The Company issued 9,607,843 warrants to acquire non-voting convertible shares during the year as part of the acquisition of Great Bear. The warrants have an exercise price of £0.30 per share, expire on 30 September 2024 and are all fully vested. As at 30 June 2019 there were 9,607,843 warrants in issue (2018: Nil).

The Company has 10,000,000 options outstanding to acquire ordinary shares (2018: 10,000,000) at an exercise price of £0.30 per share and expire on 30 September 2024. As at 30 June 2019 all share options were fully vested.

Going concern

The Directors are satisfied with the Group's ability to operate as a going concern for the next 12 months, as documented further in Note 1.4.

Taxation

The Group incurred a profit for the year and has incurred a taxation expense of $10m (2018: Nil). Accordingly, the Directors have recognized a deferred tax liability of the same amount.

Risk assessment

The Group's oil and gas activities are subject to a variety of risks, both financial and operational, including but not limited to those outlined below. These and other risks have the potential to materially affect the financial performance of the Group. For additional detail see section Key Operational Risks and Uncertainties in the Strategic Report on page 12.

Liquidity and Interest Rate Risk

Liquidity risk remains elevated for many companies in the natural resources sector for a number of reasons including but not limited to global macro-economic conditions, the volatility in commodity prices, recent political and other influences, which have impacted energy prices and created economic uncertainty.

Oil & Gas Price Risk

Future oil and gas sales revenues are subject to the volatility of the underlying commodity prices throughout the year. Over the past year the energy sector has been impacted by volatility in commodity prices, which may continue to impact the Group going forward. The Group did not engage in any commodity price hedging activity during the year.

Currency Risk

Almost all capital expenditure and operational revenues for the year were denominated in US dollars. The Group keeps the majority of its cash resources denominated in US dollars to minimise volatility and foreign currency risk. The Group did not engage in any foreign currency hedging activity during the year.

Financial Instruments

At this stage of the Group's activities it has not been considered appropriate or necessary to enter into any derivatives strategies or hedging. Once the Group's production revenues increase substantially, such strategies will be reviewed on a more regular basis.

Justin Hondris
Director

24 February 2020

Principal activity

The Company is registered in England and Wales, having been incorporated under the Companies Act with registered number 05385506 as a public company limited by shares. The principal activity of the Group is the investment in oil and gas exploration and development. The Group operates in the U.K. through its parent undertaking and in the U.S.A. through subsidiary companies, details of which are set out in the Note 9 to these accounts.

Review of the Business and Key Performance Indicators

2018/2019 KPI	Measurement	2018/2019 Performance
Pursue farmout opportunities for East Texas assets	Completion of farmout process	Farmout discussions were initiated, however were hampered by the complications resulting from the death of the principal of Vision, the operator of the East Texas assets. Pantheon commenced discussions with Great Bear in June 2018 which culminated in the acquisition of the Great Bear portfolio of Alaskan assets, a highly talented technical team in January 2019, and ultimately a change in focus whereby Alaska became the main focus of the Group, reflecting the vastly superior size and scale of those projects
Ensure business adequately funded	Fund raise where appropriate	Successful fund raisings announced in Dec 2018 & July 2019
Move to control of East Texas operations to preserve the value of the assets following the death of the principal of the operator, Vision	Acquire control of Vision Resources LLC	Acquired 2/3rds controlling interest in Vision Resources LLC in January 2019
To successfully execute acquisition of Great Bear Petroleum	Completion of acquisition & associated fund raising	Acquisition announced December 2018 and finalised in January 2019
Operational activity in East Texas	Drilling / testing wells	A number of remedial operations have occurred to maintain the modest production from these historic wells which are known to be compromised and subsequently impaired
Operational activity in Alaska	Drilling / testing wells	Alkaid Well successfully flow tested resulting in a certified Contingent Recoverable Resource of 76.5MMBO by an independent expert
Pursue farmout of Alaskan assets	Completion and opening of data room. Admission of potentially interested parties into data room	Preparation of Data room which opened late Summer 2019
Ensuring continued high-quality technical consultant relationships	Establish and maintain relationships with industry experts and review performance	Sierra Hamilton relationship leveraged to deliver valuable high quality technical advice in East Texas. Post Great Bear acquisition, technical consulting team significantly strengthened which is being applied to both Alaska and East Texas. Experts such as eSeis and others contracted. Pantheon has recently added a Geophysicist to its established team. Pantheon has also re-engaged with the Bureau of Economic Geology at the University of Texas, at Austin, the same group who had undertaken a technical study of the East Texas acreage with the previous operator

Financial Position and Future Prospects

Please refer to the Chief Executive Officer’s statement and operation review on page 5 for an overview of the Company position and prospects.

Key operational risks and uncertainties

The Company may be unable to meet its lease obligations

In general, the Company's properties are held under oil and gas leases. The terms of the Company's leases often provide for yearly rental payments. Such yearly rentals may vary depending upon the particular lease and whether the Company has commenced activities in the property. If the Company defaults on its lease payments, its leases may be automatically terminated. If the Company is unable to make these payments and its leases are terminated, there could be a material adverse effect on its business, financial condition and results of operations.

The Company may be unable to renew and/or extend its leases once they expire

The Company's lease agreements contain terms whereby the lease may be terminated if the Company does not fulfil certain obligations. These obligations include conducting exploration and/or production activities. If the Company is unable to satisfy these conditions on a timely basis, it may lose its rights in these properties. In addition, given that it may not be able to renew certain leases unless it begins exploration or production activities within specific timeframes, the Company may be required to invest significant funds at timetables not optimal to it in order to meet the capital requirements required under the terms of the leases. If the Company is unable to meet its obligations under the terms of its leases, there could be a material adverse effect on its business, financial condition and results of operations.

Our operations require the Company to obtain licensing, planning permissions and other consents

The development of its current and future leases may be dependent on the receipt of planning permission from the appropriate local authorities as well as other necessary consents such as environmental permits and regulatory consents. Obtaining the necessary consents and approvals may be costly, and they may not be granted or may be withdrawn or made subject to limitations and conditions. Certain permits and consents may also become contentious in the future, which may lead to these not being granted or withdrawn. For instance, in 2015, Repsol only received approval from the North Slope Borough (local government) for a portion of its requested drill sites on the North Slope of Alaska. The failure to gain such permissions, or gain such permissions on terms or at a cost acceptable to the Company, may limit the Company in its ability to develop and extract value from its leases and could have a material adverse effect on its business, results of operations, financial conditions and prospects.

Political conditions and government regulations could change and have a material effect on the Company's results of operations

Although political conditions in the Northern Slope Borough, the State of Alaska, the State of Texas and the United States federal government are generally stable, changes may occur in their political, fiscal and/or legal systems, which might adversely affect the Company's operations. The Company's strategy has been formulated in the light of the current regulatory environment and probable future changes to the regulatory regime.

Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration or development of the Company's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing the Company's operations and activities, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Company's business, results of operations and financial condition.

Future legal proceedings could adversely affect the Company's business, results of operations or financial condition

The Company may face legal proceedings that may result in the Company having to pay material damages and/or other remedies. While the Company would assess the merits of each legal proceeding and defend the Company accordingly, it may be required to incur significant expenses or devote significant resources to defend against such legal proceedings. In addition, legal proceedings are also difficult to predict, which may force the Company to enter into settlement arrangements even in the absence of any culpability from its part.

Furthermore, the adverse publicity surrounding legal proceedings may negatively affect the Company's relation with local communities, government and non-government organizations, which could also impact the Company's activities. As a result, legal proceedings could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Failure to manage relationships with local communities, environmental groups and non-government organizations could adversely affect the Company's future growth potential

The activities of oil and gas companies often face scrutiny from the public and receive negative publicity. Although the Company's operations are not located in or near large communities, the Company's ability to further expand its operation may be hindered by communities that may regard oil and gas activities as detrimental to their environmental, economic or social circumstances. Furthermore, oil and gas companies are also increasingly facing scrutiny by environmental groups regarding the effect operations may have on the animal life in the region. Negative reaction to its operations could have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could give rise to material reputational damage.

These disputes are not always predictable and may cause disruption to projects or operations. Failure to manage relationships with local communities, environmental groups and non-government organisations may adversely affect the Company's reputation, as well as its ability to commence production projects in certain locations, which could in turn affect its long-term prospects and the Company's business, financial condition and results of operations.

Any change to government regulation/administrative practices may have a negative impact on the Company's ability to operate and its profitability

The business of oil and gas exploration and development is subject to substantial regulation under federal, state, local laws relating to the exploration for, and the development, upgrading, marketing, pricing, taxation, and transportation of oil and gas and related products and other matters. Amendments to current laws and regulations governing operations and activities of oil and gas exploration and development operations could have a material adverse impact on the Company's business. In addition, there can be no assurance that tax laws, royalty regulations and government incentive programs related to the Company's oil and gas properties and the oil and gas industry generally, will not be changed in a manner which may adversely affect the Company's prospects and cause delays, inability to explore and develop or abandonment of these interests.

Furthermore, permits, leases, licenses, and approvals are required from a variety of regulatory authorities at various stages of exploration and development. There can be no assurance that the various government permits, leases, licenses and approvals sought will be granted in respect of the Company's activities or, if granted, will not be cancelled or will be renewed upon expiry. There is no assurance that such permits, leases, licenses, and approvals will not contain terms and provisions which may adversely affect the Company's exploration and development activities. Any of the forgoing were to occur, it could have a material adverse effect on the Company's business, financial condition and results of operations.

By order of the board.

Justin Hondris
Director

24 February 2020

The Directors present their report together with the audited accounts of Pantheon Resources plc ("Pantheon" or the "Company") and its subsidiary undertakings (together the "Group") for the year ended 30 June 2019.

Results and dividends

The Group results for the period are set out on page 27. The Directors do not propose to recommend any distribution by way of a dividend for the year ended 30 June 2019.

Information to shareholders – website

The Group maintains its own website (www.pantheonresources.com) to facilitate provision of information to external stakeholders and potential investors and to comply with Rule 26 of the AIM Rules for Companies.

Group structure and changes in share capital

Details of the Group structure and the Company's share capital during the period are set out in Notes 9 and 17 to these accounts.

Directors

The Directors who served at any time during the year were:

Name	Role	Note
Phillip Gobe	Non-Executive Chairman	
John Cheatham	Chief Executive Officer	
Justin Hondris	Director, Finance & Corporate Development	
John Walmsley	Non-Executive Chairman	cessation on 18 March 2019
Robert Rosenthal	Technical Director	appointed on 11 March 2019

Jeremy Brest was appointed as a non-executive director on 2nd October, 2019.

Directors' interests

The beneficial and non-beneficial interests in the Company's shares of the Directors and their families were as follows:

Name	Number of Ordinary shares of £0.10 30 June 2019
Phillip Gobe	230,881
John Cheatham	2,639,142
Justin Hondris*	1,378,233
Robert Rosenthal	647,622

*Some of these ordinary shares are beneficially owned by the spouse of J Hondris.

Share options

The Directors held the following share options for Ordinary shares of £0.01, at the beginning and end of the year:

Director	At 30 June 2018	Granted during the year	At 30 June 2019	Exercise price	Latest date of exercise
John Cheatham	4,385,000	-	4,385,000	£0.30	30 Sept 2024
Justin Hondris	3,865,000	-	3,865,000	£0.30	30 Sept 2024
Total	8,250,000		8,250,000		
These are 100% vested as at 30 June 2019					

Former Directors held the following share options for Ordinary shares of £0.01, at the beginning and end of the year:

Director	At 30 June 2018	Granted during the year	At 30 June 2019	Exercise price	Latest date of exercise
J Walmsley	1,000,000	-	1,000,000	£0.30	30 Sept 2024
Total	1,000,000		1,000,000		
These are 100% vested as at 30 June 2019					

Report on Directors' remuneration and service contracts

The service contracts of all the Directors are subject to a six-month termination period.

Directors' remuneration

Director	Fees/basic salary (US$)	Share-based payments (US$)	Pension Contributions (US$)	Health Insurance (US$)	2019 Total (US$)	2018 Total (US$)
J Cheatham	496,820	-	-	-	496,820	496,540
J Hondris	363,439	-	19,128	4,832	387,399	361,983
J Walmsley	66,064	-	-	-	66,064	111,399
P Gobe	62,132	-	-	-	62,132	52,460
R Rosenthal	31,592	-	-	-	31,592	-
Total	1,020,047	-	19,128	4,832	1,044,007	1,022,382

Director incentive scheme

In 2012 the Company implemented a short-term executive director incentive scheme ("the scheme") developed in conjunction with executive remuneration specialists at Deloitte LLP. Any incentive bonus resulting from the scheme will be shared by executive Directors and will be calculated as 2.25% of the value of "net-booked reserves" for a period (deducting any net-booked reserves recognized in earlier periods for this purpose). For the purposes of the scheme, net-booked reserves will include 100% of proved reserves and 25% of probable reserves booked to the Group, as determined by an independent third party, where relevant, in accordance with the classification definitions as mandated by the Society of Petroleum Engineers.

The remuneration committee will determine the extent to which any annual bonus resulting from the scheme will be settled in cash or share options with a discounted exercise price. The cash component will be at least one third of the total and there is no obligation to pay any of the annual bonus by way of share options. In the event of a sale of the Company or other change of control, the calculation will be undertaken by reference to the equity value of the Company (less the value of net booked reserves recognized in earlier periods). The remuneration committee believes that the scheme, together with the granting of share options provides an appropriate and reasonable structure to reward and motivate the executive Directors for performance that is aligned to the interests of shareholders and provides a balance of long term and short-term performance measurement. Any potential benefit from the scheme is linked to the booking of net-booked reserves which is considered to be a key milestone reflecting potential "value add" for the benefit of shareholders. The value of share options is directly linked to the longer-term share price performance and is therefore also considered to be a suitable metric as a basis for executive remuneration.

Given the Group's strategy has shifted from non-operating participation in East Texas to an operating company with vast reserve potential in Alaska, the directors view that evaluating the current plan consistent with the new strategy is appropriate and should take into account other members of management participating, in addition to executive directors. Any review would include consultation with the remuneration experts at Deloitte LLP. No awards have been paid from this scheme since inception.

Staff long term share option plan

As announced on 18 July 2019, the board intends to award up to 13.7m share options to management and all staff under a long-term incentive scheme, representing c.2.0 per cent of the fully diluted share capital of the Company. It was proposed that the options will be exercisable at a price of £0.27, representing a 50 percent premium to the most recent placing price. It is intended that the options will be granted by the remuneration committee and approved by the Board in the near term.

Subsequent events

Details of subsequent events can be found at Note 26.

Substantial shareholders

The Company has been notified, in accordance with Chapter 5 of the FCA Disclosure and Transparency Rules, of the under noted interests in its ordinary shares as at 20 February 2020:

Shareholder	Ordinary Shares	% of Share Capital
Chons LLC	101,681,373	20.22%
Jim Nominees Limited	57,428,699	11.42%
Vidacos Nominees Limited	29,187,420	5.81%
Vidacos Nominees Limited	16,450,000	3.27%
Rock (Nominees) Limited	15,442,190	3.07%

Political and charitable contributions

There was a single charitable contribution made by the Company to during the year ended 30 June 2019 (2018: £Nil). The donation (£250) was to Battersea Cats and Dogs Home and was made in honour of Pantheon's late Chairman, Mr John Walmsley, who passed away during the year.

Committees

Following the passing of Mr John Walmsley, it was decided to reconstitute some of the Company's committees. This was actioned in October 2019 following the appointment of two new directors: R Rosenthal and J Brest.

Remuneration and Nomination Committee

The Board of Directors has established the Remuneration and Nomination Committee of the Board. Phillip Gobe is the Chairman of the committee and Jay Cheatham, Jeremy Brest and Justin Hondris are the other members. John Walmsley ceased to be a member on 18 March 2019. Other Directors may attend meetings by invitation.

The Remuneration and Nomination Committee meets as required but aims to meet at least annually. Its role is to determine the remuneration arrangements and contracts of executive Directors and senior employees, and the appointment or re-appointment of Directors. It also has the responsibility for reviewing the performance of the executive Directors and for overseeing administration of the Company's share option scheme(s). No Director is however involved in deciding his own remuneration.

Audit Committee

An Audit Committee of the Board has been established. The Audit Committee consists of Phillip Gobe as Chairman and Jay Cheatham and Jeremy Brest as members. This Committee provides a forum through which the Group's finance functions and auditors report to the non-executive Directors. Meetings may be attended, by invitation, by the Company Secretary, other Directors and the Company's auditors. John Walmsley ceased to be a member on 18 March 2019.

The Audit Committee meets at least twice a year. Its terms of reference include review of the Annual and Interim Accounts, consideration of the Company and Group's accounting policies, the review of internal control, risk management and compliance procedures, and consideration of all issues surrounding the annual audit. The Audit Committee will also meet with the auditors and review their reports relating to accounts and internal control systems.

To follow best practice the external auditors have held discussions with the Audit Committee on the subject of auditor independence and have confirmed their independence in writing.

Conflicts Committee

A Conflicts Committee of the Board has been established. This Committee consists of Phillip Gobe as Chairman, Jay Cheatham, Bob Rosenthal and Jeremy Brest. John Walmsley ceased to be a member on 18 March 2019.

The role of the Conflicts Committee is to assist the Board in monitoring actual and potential conflicts of interest under the definitions of the Companies Act 2006. Under the Companies Act 2006 Directors are responsible for their individual disclosures of actual or potential conflict. To follow best practice, the Conflicts Committee holds discussions with the Company's UK lawyers.

Anti-Corruption & Bribery Committee

An Anti-Corruption & Bribery Committee has been established. This committee consists of Justin Hondris (as Chairman), Jay Cheatham, Phillip Gobe and Jeremy Brest.

The purpose of the Anti-Corruption & Bribery Committee is to ensure the Company's compliance with the Bribery Act 2010.

Corporate Governance

The Company adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") on 28 September 2018. The Board takes account of the requirements of the QCA Corporate Governance Code. Corporate Governance adherence will be the responsibility of the Chairman and will take steps to ensure compliance by the Board and applicable employees with the terms of the code. The Company has adopted a share dealing code for the Board and employees of the Company. More information detailing the Company's application of the principles of, and variances (if/where relevant) from the Code can be found on our website http://www.pantheonresources.com/investors/governance.

EU Market Abuse Regulations

The EU Market Abuse Regulation came into effect in the UK on 3 July 2016 and the company has implemented relevant policies and procedures to ensure compliance with the requirements of the regime.

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and International Financial Reporting Standards ("IFRS") as adopted by the European Union. Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;
b) make judgements and estimates that are reasonable and prudent;
c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure to the auditors

So far as the Directors are aware:

a) there is no relevant audit information of which the Company's auditors are unaware; and
b) all the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that UHY Hacker Young be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

By order of the board

Justin Hondris
Director

24 February 2020

Phillip Gobe, Non Executive Chairman

Phillip Gobe has over 40 years' experience in the oil and gas business both in the U.S.A. and internationally. Phillip has held senior positions in Energy Partners Ltd (President & COO), Nuevo Energy Co. (COO), Vastar Resources (COO) and several senior positions with Atlantic Richfield Company, including a role as Operations Manager of Prudhoe Bay in Alaska, the largest oilfield in the USA. Throughout his career Phillip has successfully overseen several corporate exits at substantial premiums to pre-deal valuations. Phillip also has a background in drilling, human resources and health & safety. He is currently a non-executive director of the S&P 500 company, Pioneer Natural Resources and Scientific Drilling International Inc, the fifth largest provider of directional drilling and measurement equipment and operational services. He is also Executive Chairman of ProPetro, a Texas-based oil services group providing hydraulic fracturing and other services. Phillip acts as Chairman of Pantheon's Remuneration and Nominations Committee, Audit Committee, and Conflicts Committee.

Jay Cheatham, Chief Executive Officer

Jay Cheatham has more than 40 years' experience in all aspects of the petroleum business. He has extensive international experience in both oil and natural gas, primarily for ARCO. At ARCO, Jay held a series of senior appointments. These include Senior Vice President and District Manager (ARCO eastern District) with direct responsibility for Gulf Coast US operations and exploration and President of ARCO International where he had responsibility for all exploration and production outside the U.S. Jay's most recent appointment was as President and CEO of Rolls-Royce Power Ventures, where he had the key responsibility for restructuring the Company.

Jay also has considerable financial skills in addition to his corporate and operational expertise. He has acted as Chief Financial Officer for ARCO's US oil and natural gas company (ARCO Oil & Gas). Moreover he has understanding of the capital markets through his past position as CEO to the Petrogen Fund, a private equity fund.

Justin Hondris, Director, Finance and Corporate Development

Justin Hondris has over 14 years' experience in public company management in the upstream oil and gas sector and has wide ranging experience in corporate finance, private equity and capital markets in the UK and abroad. Prior to Pantheon, Justin was involved in the private equity sector where he gained valuable experience in both investment and exit strategies for growth companies.

He is responsible for the financial, legal, administrative and corporate development functions of the company.

Robert (Bob) Rosenthal, Technical Director

Bob Rosenthal 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, Bob has run his own successful consulting business and has led the exportation efforts of a number of private and public companies.

Jeremy Brest, Non-executive Director (appointed 2 October, 2019)

Jeremy has more than 20 years' experience in investment banking and financial advisory. Jeremy is the founder of Framework Capital Solutions, a boutique Singapore-based advisory firm specialized in structuring and execution of private transactions. Prior to founding Framework, Jeremy was the head of structuring for Indonesia at Credit Suisse and a derivatives trader at Goldman Sachs.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PANTHEON RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial statements of Pantheon Resources Plc for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our assessment of risks of material misstatements

We identified the following risks of material misstatement that we believe had the greatest impact on our overall audit strategy and scope, the allocation of resources in the audit; and directing the efforts of the engagement team. This is not a complete list of all risks identified by our audit.

Key audit matter	**How our audit addressed the key audit matter**
Impairment of exploration and evaluation assets The Group has capitalised significant costs in respect of the Tyler and Polk County projects in Texas and the Alkaid and Talitha projects in Alaska in accordance with International Financial Reporting Standard 6 'Exploration for and Evaluation of Mineral Resources'	We tested a sample of additions to E&E assets to confirm they meet the criteria for capitalisation in accordance with IFRS 6. We reviewed and challenged management's impairment assessment which was carried out in accordance with IFRS

Key audit matter	How our audit addressed the key audit matter
(IFRS 6), therefore there is a risk of impairment. There are a significant number of leases covering the areas over which the Exploration and Evaluation ("E&E") assets are located, therefore the renewal and good standing of the leases is vital in order to ensure no impairment of the exploration assets is required. The carrying value of the exploration assets held in Alaska that were acquired during the year have been considered below, under the 'Key Audit matter' ; "Fair value of assets acquired from Great Bear Petroleum".	6 in order to determine whether there were any indicators of impairment. Indicators of impairment were identified this year. Reflecting the Group's strategy to prioritise its Alaskan assets over East Texas, and reflecting that available and expected funding from possible farmout transactions would be applied to Alaska over East Texas, the Group has impaired the carrying value of its East Texas assets to a dollar value per acre equal to recent comparable market value benchmarks. Additionally, a number of leases (representing a small acreage footprint) were allowed to lapse in East Texas during the year. Impairments of \$34m have been recognised in the income statement. In respect of the remaining assets, we confirmed there is an ongoing plan to develop each prospect. We also obtained evidence that a sample of key leases relating to the remaining exploration assets remain valid and are in good standing or are in the process of renewal. There were no further impairments identified in respect of the remaining exploration and evaluation assets.
Impairment of developed oil & gas properties If production has not met initial estimates this may indicate that the developed oil and gas properties in Polk County are impaired. In addition if any of the key licenses/leases were to expire or were not renewed this would lead to impairment of these assets. Reviews should be undertaken by the directors to confirm that there are no indications, or requirement for, impairments of their carrying values. The results of these reviews by the directors should be documented formally in the company's board minutes.	We assessed the developed oil and gas properties in East Texas for impairment and considered whether the leased acreage was correctly pooled together in line with IAS 36. Whilst the West AA prospect generated revenues from the VOBM#1, VOBM#2 and the VOBM#3 wells, recent production levels from this CGU have been disappointing. Following the year end these wells have now been shut in due to poor performance and recent winter record low gas prices, and the carrying value of all Polk County wells have been fully impaired. At the year end there was no value in use in respect of the Polk County wells, therefore we consider that impairment of this prospect of £13m to be appropriate. The VOS#1 well sits within the LP2 Offset Acreage. Net present value calculations were reviewed and sensitivity analyses performed, in order to assess the carrying value of the developed oil & gas property. The revenues generated from this well since November 2018 along with the latest reserves estimates, and management assessment of the geological data of the acreage and potential for further drilling, were considered to provide sufficient headroom to support its carrying value not being impaired. We also tested a sample of leases to ensure the related lease remain in good standing. Furthermore we understand that management believe there is scope to continue to develop or sidetrack this well. We consider the total impairments of \$13m to be appropriate and are satisfied with the residual carrying value of the development oil and gas properties.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans due from subsidiary companies The Company has a significant loan balance due from its subsidiary Pantheon Oil and Gas LP. This has increased significantly following the acquisitions in the year.	We assessed the recoverability of the loans due from subsidiary companies in conjunction with our review of the Group's exploration assets for impairment and the discounted cash flow model prepared to support the carrying value of the developed oil and gas properties. No indications of impairment were identified.
Fair value of assets acquired in Vision Resources On 14 January 2019 the group acquired a controlling interest in Vision Resources LLC, the general partner of Vision Gas Limited. The acquisition allowed the group to direct and manage the activities of the operator of the group's assets in which the group has a working interest in East Texas. In accordance with International Financial Reporting Standard 3 'Business Combinations' (IFRS 3) all the assets and liabilities of the acquired companies need to be measured at fair value. The company has 12 months from the date of acquisition to reassess the value of the assets acquired. This is a non-routine calculation and the goodwill balance is also likely to be material. Upon acquisition of Vision Resources LLC, there was uncertainty surrounding the composition of certain balance sheet items and the accuracy of the accounting records themselves given the Company had never been audited. Therefore, there is a risk that the accounting records are incomplete or misstated and thus there is a material misstatement in the financial statements.	Vision Resources LLC is the general partner and therefore controller of Vision Gas Limited, however Vision Resources LLC only owns 0.1% of the equity in Vision Gas Limited. With reference to this equity interest and the powers of Vision Resources LLC as the General Partner, we concluded that Vision Gas Limited and its subsidiary Vision Operating Company did not meet the criteria within IFRS 10 'Consolidated Financial Statements' for control, therefore should not be consolidated. The value of any oil and gas interests acquired as part of the transaction was considered to be minimal, however the Group did acquire control over Vison Resources LLC . Following discussions and review of supporting documentation from management it was determined that these assignments did not in fact have any intrinsic value to Pantheon due to them already having 100% working interest in the oil and gas leases and therefore this purely reflected transfer of the legal title in respect of the items listed in the Purchase Sale Agreement. The main benefit to Pantheon of making the acquisition was to obtain 'control' of Vision Resources LLC, thereby allowing it a greater ability to preserve and protect the value of the East Texas assets. Whilst we have been able to corroborate management's conclusions, there is still inherently some uncertainty in respect of the fair value of the assigned assets, however we do not consider this to be material.
Fair value of assets acquired from Great Bear Petroleum Operating Company LLC In January 2019 the group announced the acquisition of Great Bear Petroleum Ventures I and II from Great Bear Petroleum Operating Company LLC. The key assets acquired related to leases over acreage historically explored by Great Bear Petroleum Operating Company LLC. In accordance with IFRS 3 all assets and liabilities for acquired companies need to be measured at fair value. The company has 12 months from the date of acquisition to reassess the value of the assets acquired. Considering the acquisition balance is so high the gain on the bargain purchase is highly material.	The group commissioned an independent expert, Lee Keeling and Associates Inc to consider the data available for the Alkaid-Phecda region in Alaska following the flow testing of the Alkaid 1 discovery well, to assess the potential value of the recoverable resources. This report was then provided to us along with a valuation model prepared by management. Whilst there is less data available in respect of the Talitha Prospect, we were provided with a recent report from eSeis Inc which disclosed the estimated number of barrels of oil in the Talitha region as well as other geological

Key audit matter	How our audit addressed the key audit matter
The exploration assets of significant value and the valuation of the resources held within this acreage is extremely judgemental, therefore there is a risk that an inappropriate valuation at the date of acquisition and the year end could lead to a material misstatement of the value of these assets.	interpretations. The reserve estimate was deemed to be a key estimate in the model. Third party evidence as noted above along with further information provided by management was obtained in order to gain comfort that the underlying resource to the estimates could be supported. However, there were a number of further key inputs into the valuation model reducing the value based on various risk factors. These factors primarily comprised the geological risk, commercial risk and funding risk discount rates that require significant judgement in the allocation of risk weighting to the valuation. Changing one of these factors by as little as one percentage point would have a material impact on the value output by the model. Whilst the approach taken to preparing the valuation model is considered reasonable, due to the significant number of judgements required and inherent uncertainties in respect of oil and gas reserves, it is not possible to conclude with minimal uncertainty that this figure is materially correct. There is therefore a material uncertainty in respect of the fair value of the leases acquired from Great Bear Operating Company LLC at the date of acquisition and at the year end.
Revenue recognition During the prior year, Pantheon commenced production in Polk County within the West AA prospect. This is only the second year of production therefore there is a risk that revenue may be incorrectly recognised.	We reviewed revenue on a sample basis agreeing income to customer statements to confirm its completeness and that it had been recorded in the correct period in the nominal ledger. Our audit procedures did not identify any material errors in respect of completeness or cut-off.
Going concern The Group's ability to maintain sufficient working capital in order to continue to meet its liabilities as they fall due remains dependent upon the existing cash reserves, the level of production from developed wells and the ability to raise finance either through the issue of debt and/or equity or farming out part of their exploration assets.	We reviewed the group's cash flow forecasts for the 12 month period following the estimated date of signing the financial statements, critically assessing the estimates, workings, and assumptions used in its preparation, in order to conclude on their reasonableness as to support the going concern basis of preparation. We also reviewed the appropriateness of the disclosures in the financial statements around the going concern basis of preparation. The group had \$1.9m of cash reserves at the year-end and completed a placing raising \$10.7m before expenses on 17 July 2019. The cash reserves estimated to be \$6.5m as at 20 February 2020 are forecast to be sufficient to maintain positive cash reserves throughout the forecast period up to and including February 2021. The Group is presently in discussions to farm out a working interest in some or all of the Alaskan projects in order to fund further exploration, however the timing, quantum and completion of the farm-out remains uncertain. The company continued to generate revenue during the

Key audit matter	How our audit addressed the key audit matter
	year, however following drilling issues such as collapsed piping towards the end of the prior year, the wells in Polk County have now been shut in due to poor performance and current low gas prices. The group currently expects to continue producing throughout 2020 from VOS#1 well in Tyler County. The level of exploration is discretionary due to the Pantheon Group having control over the operatorship in both its exploration interests in East Texas and Alaska following the acquisition of the Alaskan assets from Great Bear Petroleum Operating Company LLC and 66.6% of Vision Resources LLC, during the year. From review of the Groups' forecasts the post year end acquisition of additional leases in Alaska can be satisfied from existing cash reserves, but to undertake additional exploration activity will require further funds to be raised or the conclusion of the farm out process. The directors have concluded that any such expenditure can be deferred until such time as funding is available therefore there is no material uncertainty in respect of the application of the going concern assumption. We are satisfied that the disclosures provided within the financial statements are sufficient to provide the users with a full understanding of basis of preparation in this regard.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Overall materiality	We determined materiality for the financial statements as a whole to be $1,670,000 (2018: 612,628).
How we determine it	Based on the main key indicator, being 1% of net assets of the Group.
Rationale for benchmarks applied	We believe net asset values is the most appropriate benchmark due to the size and stage of development of the Company and Group.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and this was rounded to $1,252,500.

All misstatements over $83,500 identified during the audit were reported to Audit Committee, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the

Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company and the Group, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

Our Group audit scope includes all of the group companies. At the parent company level, we also tested the consolidation procedures. The audit team met and communicated regularly throughout the audit with the Finance Director in order to ensure we had a good knowledge of the business of the Group. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of

UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London E1W 1YW

24 February 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
Continuing operations			
Revenue	4	724,589	1,009,570
Production royalties		(205,458)	(244,783)
Depletion of developed oil & gas assets		(148,485)	(88,293)
Cost of sales		(737,208)	(562,986)
Gross (loss)/profit		(366,562)	113,508
Administration expenses		(3,438,239)	(1,922,917)
General & Administrative expenses – Vision	3	(1,744,730)	-
Impairment of exploration & evaluation assets	14.1	(34,138,156)	(6,805,537)
Impairment of developed oil & gas assets	14.2	(13,092,684)	-
Impairment of property plant and equipment	14.3	(1,397,950)	-
Impairment of Goodwill	14.4	(796,236)	-
Depreciation of production & pipeline facilities		(275,665)	(145,516)
Operating loss	5	(55,250,222)	(8,760,462)
Gain on bargain purchase	3	100,757,286	-
Less: deferred tax thereon		(28,783,396)	
Interest receivable	7	25,781	6,858
Profit before taxation		16,749,449	(8,753,604)
Taxation	8	18,757,633	-
Profit / (loss) for the year		35,507,082	(8,753,604)
Other comprehensive income for the year			
Exchange differences from translating foreign operations		(179,284)	277,183
Total comprehensive income / (loss) for the year		35,327,798	(8,476,421)
Less: Net income / (loss) attributable to noncontrolling interests		-	-
Net income / (loss) attributable to Pantheon Company		35,327,798	(8,476,421)
Profit / (loss) per share			
Profit / (loss) per ordinary share – basic and diluted from continuing operations	2	10.54¢	(3.72)¢

The profit for the current and loss for the prior year and the total comprehensive profit for the current and loss for the prior year are wholly attributable to the equity holders of the parent company, Pantheon Resources Plc.

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Share based payment $	Non controlling Interests $	Total equity $
Group							
At 1 July 2018	3,852,673	106,678,805	(48,137,398)	(41,554)	902,854	-	63,255,380
Net profit for the year	-	-	35,507,082	-	-	-	35,507,082
Other comprehensive income: Foreign currency translation	-	-	-	(179,284)	-	-	(179,284)
Total comprehensive income for the year	-	-	35,507,082	(179,284)	-	-	35,327,798
Capital Raising							
Issue of shares	1,394,037	19,865,021	-	-	-	-	21,259,058
Issue of shares in lieu of fees	23,753	(23,753)	-	-	-	-	-
Issue costs	-	(890,304)	-	-	-	-	(890,304)
Acquisitions							
Issue of shares	2,693,665	38,384,733	-	-	1,261,044	-	42,339,442
Other							
Shares issued in lieu of fees	1,947	30,218	-	-	-	-	32,165
Business Combination							
Business combination	-	-	-	-	-	(54,708)	(54,708)
Balance at 30 June 2019	7,966,075	164,044,718	(12,630,316)	(220,838)	2,163,898	(54,708)	161,268,831

COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Share premium	Retained losses	Currency reserve	Share Based payments	Total equity
	$	$	$	$	$	$
Company						
At 1 July 2018	3,852,673	106,678,805	(19,837,455)	(13,241,579)	902,854	78,355,298
Net loss for the year	-	-	(1,463,533)	-	-	(1,463,533)
Other comprehensive income: Foreign currency translation	-	-	-	(3,625,534)	-	(3,625,534)
Total comprehensive income for the year	-	-	(1,463,533)	(3,625,534)	-	(5,089,067)
Capital Raising						
Issue of shares	1,394,037	19,865,021	-	-	-	21,259,058
Issue of shares in lieu of fees	23,753	(23,753)	-	-	-	-
Issue Costs	-	(890,304)	-	-	-	(890,304)
Acquisitions						
Issue of shares	2,693,665	38,384,733	-	-	1,261,044	42,339,442
Other						
Shares issued in lieu of fees	1,947	30,218	-	-	-	32,165
Balance at 30 June 2019	7,966,075	164,044,720	(21,300,988)	(16,867,113)	2,163,898	136,006,592

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Share reserve $	Total Equity $
Group						
At 1 July 2017	3,557,582	94,914,770	(39,383,794)	(318,737)	902,854	59,672,675
Net loss for the year	-	-	(8,753,604)	-	-	(8,753,604)
Other comprehensive income: Foreign currency translation	-	-	-	277,183	-	277,183
Total comprehensive income for the year	-	-	(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

	Share capital $	Share premium $	Retained losses $	Currency reserve $	Equity reserve $	Total Equity $
Company						
At 1 July 2017	3,557,582	94,914,770	(18,700,160)	(14,366,568)	902,854	66,308,478
Net loss for the year	-	-	(1,137,295)	-	-	(1,137,295)
Other comprehensive income: Foreign currency translation	-	-	-	1,124,989	-	1,124,989
Total comprehensive loss for the year	-	-	(1,137,295)	1,124,989	-	(12,306)
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	(19,837,455)	(13,241,579)	902,854	78,355,298

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 $	2018 $
ASSETS			
Non-current assets			
Exploration and evaluation assets	15	160,887,260	43,498,422
Developed oil & gas assets	16	6,961,445	13,736,007
Property, plant and equipment	16	2,494,464	2,237,698
		170,343,169	59,472,127
Current assets			
Trade and other receivables	10	1,843,649	700,939
Cash and cash equivalents	11	1,853,986	3,399,290
		3,697,635	4,100,229
Total assets		174,040,804	63,572,356
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,410,347	316,976
Provisions	13	1,335,863	-
Deferred tax liability	8	10,025,763	-
		12,771,973	316,976
Total liabilities		12,771,973	316,976
Net assets		161,268,831	63,255,380
EQUITY			
Capital and reserves			
Share capital	17	7,966,075	3,852,673
Share premium		164,044,718	106,678,805
Retained losses		(12,630,316)	(48,137,398)
Currency reserve		(220,838)	(41,554)
Share based payment reserve	23	2,163,898	902,854
Non controlling interests	3	(54,708)	-
Shareholders' equity		161,268,831	63,255,380

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2020 and signed on its behalf by:

Justin Hondris
Director
Company Number 05385506

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 $	2018 $
ASSETS			
Non-current assets			
Property, plant and equipment	16	635	1,099
Loans to subsidiaries	10	134,985,268	77,770,641
		134,985,903	77,771,740
Current assets			
Trade and other receivables	10	57,167	100,110
Cash and cash equivalents	11	1,312,164	687,768
		1,369,331	787,878
Total assets		136,355,234	78,559,618
LIABILITIES			
Current liabilities			
Trade and other payables	12	348,642	204,320
Total liabilities		348,642	204,320
Net assets		136,006,592	78,355,298
EQUITY			
Capital and reserves			
Share capital	17	7,966,075	3,852,673
Share premium		164,044,720	106,678,805
Retained losses		(21,300,988)	(19,837,455)
Currency reserve		(16,867,113)	(13,241,579)
Share based payment reserve	23	2,163,898	902,854
Shareholders' equity		136,006,592	78,355,298

In accordance with the provisions of Section 408 of the Companies Act 2006, the Company has not presented an income statement. A loss for the year ended 30 June 2019 of $1,463,533 (2018: loss of $1,137,295) has been included in the consolidated income statement.

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2020 and signed on its behalf by:

Justin Hondris
Director
Company Number 05385506

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
Net outflow from operating activities	18	(5,513,085)	(2,082,803)
Cash flows from investing activities			
Interest received		25,781	6,858
Funds used for drilling, exploration and leases		(10,579,750)	(10,679,594)
Developed oil & gas assets		(523,934)	(495,183)
Decommissioning Provision (Exploration & Evaluation)		676,464	-
Decommissioning Provision (Developed Oil & Gas Assets)		409,400	-
Property, plant & equipment		(312,637)	208,682
Acquisition of a subsidiary (Great Bear), net of cash acquired	3	(6,098,215)	-
Acquisition of a subsidiary, (Vision Resources LLC) net of cash acquired	3	1,920	-
Net cash outflow from investing activities		(16,400,971)	(10,959,237)
Cash flows from financing activities			
Proceeds from share issues	17	21,259,057	12,596,484
Issue costs paid in cash		(890,304)	(537,360)
Net cash inflow from financing activities		20,368,753	12,059,124
Decrease in cash & cash equivalents		(1,545,304)	(982,916)
Cash and cash equivalents at the beginning of the year		3,399,290	4,382,206
Cash and cash equivalents at the end of the year	11	1,853,986	3,399,290

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
Net cash (outflow) / inflow from operating activities	18	(4,894,845)	65,107
Cash flows from investing activities			
Purchase of plant and equipment		-	(1,318)
Interest received		25,671	5,861
Loans to subsidiary companies		(14,875,183)	(13,701,062)
Net cash outflow from investing activities		(14,849,512)	(13,696,519)
Cash flows from financing activities			
Proceeds from share issues	17	21,259,057	12,596,484
Issue costs paid in cash		(890,304)	(537,359)
Net cash inflow from financing activities		20,368,753	12,059,125
Increase / (decrease) in cash and cash equivalents		624,396	(1,572,287)
Cash and cash equivalents at the beginning of the year		687,768	2,260,055
Cash and cash equivalents at the end of the year	11	1,312,164	687,768

1. Accounting policies

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

1.1 Basis of preparation

The financial statements have 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.

The Group's financial statements for the year ended 30 June 2019 were authorised for issue by the board of Directors on 24 February 2020 and were signed on the Board's behalf by Mr J Hondris.

The Group and Company financial statements are presented in US dollars.

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. 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 Interests in joint arrangements

IFRS 11 defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

1.4 Going concern

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

Subsequent to year end, in July 2019, the Company raised c.$10.7m through an equity fund raising at a price of £0.18 per share. The Group is under no contractual obligation requiring it to drill any wells or renew any specific leases. The Group does however have an obligation to drill a delineation well at Alkaid prior to May 2021; whilst this is not compulsory, failure to do so would likely result in the Group forfeiting those particular leases. The Group is presently in discussions with a number of interested parties to potentially farm out a working interest in some or all of the Alaskan projects is confident of meeting its drilling obligation. Pantheon is seeking potential farminee(s) to fund the cost of drilling one or more future wells as well as make a material up-front payment as reimbursement for back costs incurred to date. As a result, the Directors believe that the Group is sufficiently funded and believe the use of the going concern basis is appropriate. Accordingly, the Directors have prepared the financial statements on a going concern basis.

1.5 Revenue

The Group is engaged in the business of extracting oil and gas. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Contract balances

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

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

1.6 Foreign currency translation

(i) Functional and presentational currency

The financial statements are presented 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 year. 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.

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.

1.7 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.

1.8 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.

1.9 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. 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. All balance sheet carrying values are reviewed for indicators of impairment at least twice yearly. 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.

1.10 Impairment of exploration costs and developed oil and gas properties, depreciation of assets, plug & abandonment and goodwill

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 Group 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 Group has determined an accounting policy for allocating exploration and evaluation assets to specific 'cash-generating units' ("CGU") for East Texas.

Exploration and evaluation costs

In relation to the East Texas projects, the carrying value as at 30 June 2019 represents back costs and direct costs paid in relation to the project, seismic, land and drilling costs relating to the prospects. Reflecting the strategic decision to prioritize the Alaskan assets over the East Texas assets in the Group's portfolio, due to their size, scale, and progress made, and reflecting that the Group's current available funding and anticipated cash inflows from a successful farmout would likely be applied to the Alaskan assets, the Group has made an impairment to the carrying values of the East Texas Exploration and Evaluation Costs. The Group has valued its acreage footprint in Tyler and Polk Counties, East Texas at the most relevant recent sale prices per acre in those Counties, being $650 per acre and $350 per acre respectively. To the extent that carrying values exceeded these amounts, an impairment was taken.

The Alaskan exploration and evaluation leasehold assets have been fair valued as at the date of acquisition of Great Bear. The carrying value at 30 June 2019 represents the cost of acquisition plus the fair value adjustment, in accordance with IFRS, that has been recognised in the consolidated statement of comprehensive income as a gain on bargain purchase.

Decommissioning Charges

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change — for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

For all wells the Group has adopted a Decommissioning Policy in which all decommissioning costs are recognise immediately when a well is either completed, abandoned, suspended or a decision taken that the well will likely be plugged and abandoned in due course. For completed or suspended wells, the decommissioning charge is recorded against the capitalised amount and subsequently depleted over the useful life of well using unit of production method.

Goodwill

Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the asset to which the goodwill relates. Where the recoverable amount is less than its carrying amount, an impairment loss is recognised. If an impairment is recognised it is reflected in the statement of profit or loss and other comprehensive income as part of other operating expenses.

Developed Oil and Gas Properties

Developed Oil and Gas Properties only represent the capitalised costs associated with oil and gas properties, assessed on a CGU (cash generating basis) which have been transferred from “Exploration and Evaluation costs” to “Developed Oil & Gas properties” when the well was commissioned. 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). The carrying values of Developed Oil and Gas properties are tested for indicators of impairment, and the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement. During the year, all historical East Texas wells were impaired to zero except VOS#1 in Tyler County, reflecting their poor performance.

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. Pipeline and associated costs are depreciated over 30 years; tankage, generators and generator systems over 20 years and equipment associated with the Gas Plant over 3 years.
- Office equipment is depreciated by equal annual instalments over their expected useful lives, being three years.

1.11 Financial instruments

IFRS 7 requires information to be disclosed about the impact of financial instruments on the Group's risk profile, how the risks arising from financial instruments might affect the entity's performance, and how these risks are being managed.

The Group's policies include that no trading in derivative financial instruments shall be undertaken. These disclosures have been made in Note 22 to the accounts.

1.12 Critical accounting estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRSs also require management to exercise its judgement in the process of applying the Group’s accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of tangible and intangible assets

The first stage of the impairment process is the identification of an indication of impairment. Such indications can include production difficulties, significant reductions in estimates of resources, a significant revision of Group Strategy or of the plan for the development of a field, operation issues which may require significant capital expenditure to remediate and others. This list is not exhaustive and management judgement is required to decide if an indicator of impairment exists. The Group regularly assesses the tangible and non-tangible assets for indicators of impairment. When an impairment indicator exists an impairment test is performed; the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Value of exploration assets on acquisition

In accordance with IFRS 3 Business Combinations, exploration assets acquired as part of a business acquisition, and hence combination, are recorded at their fair value as opposed to the fair value of the consideration paid. For more detail on the basis for the fair value calculation of the Great Bear Petroleum exploration assets see note 3.

Developed Oil & Gas Properties

Developed Oil & Gas Properties are amortised over the life of the area according to the unit of production method. If the amount of economically recoverable reserves varies, this will impact on the amount of the asset which should be carried on the balance sheet. The group categorises its leases (intangible assets) and its Developed Oil and Gas Properties (tangible assets) into a few discreet geological prospects ("cash generating units" or "CGU's").

Share-based payments

The Group records charges for share-based payments.

For option-based share-based payments, to determine the value of the options management estimate certain factors used in the option pricing model, including volatility, vesting date, exercise date of options and the number of options likely to vest. At each reporting date during the vesting period management estimate the number of shares that will vest after considering the vesting criteria. If these estimates vary from actual occurrence, this will impact on the value of the equity carried in the reserves.

1.13 New and amended International Financial Reporting Standards adopted by the Group

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. Due to the nature of the groups revenues there has been no impact from the application of this standard.

IFRS 9 'Financial Instruments'

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

The adoption of standard has not required any restatement of comparative information.

The adoption of IFRS 9 has only affected the descriptions of the categories in which financial assets and liabilities are included. All of the Group's financial assets and financial liabilities continue to be held at amortised cost.

1.14 New standards and interpretations not applied

As of the date of these financial statements the IASB and IFRIC have issued a number of new standards, amendments and interpretations. These new Standards, Amendments and Interpretations are effective for accounting periods beginning on or after the dates shown below. Of these, only the following are expected to be relevant to the Group:

Standard	*Impact on initial application*	*Effective date*
IFRS 16	Leases	1 January 2019
IFRS 3*	Business Combination	1 January 2020
IAS 1*	Presentation of Financial Statements	1 January 2020
IAS 8*	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
* Amendments		

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements in the period of initial adoption.

1.15 Share based payments

On occasion, the Company has made share-based payments to certain Directors and advisers by way of issue of ordinary shares and share options. The fair value of these payments is calculated by the Company using the Black-Scholes option pricing model. The expense is recognised on a straight-line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of the number of shares that will eventually vest.

During the year, no share-based payments were made.

2. Profit per share

The total profit per ordinary share for the group of 10.54 US cents (2018: (3.72) US cents) is calculated by dividing the loss for the year from continuing operations by the weighted average number of ordinary shares in issue of 336,744,317 (2018: 235,471,630).

The diluted profit per share has been kept the same as the basic profit per share because the 19,607,843 options in issue were out of the money at 30 June 2019 and as a result have not been included in the weighted average number of shares number.

The diluted weighted average number of shares in issue is 336,744,317 (2018: 235,471,630).

3. Business combinations – Great Bear & Vision

The Group made two acquisitions during the year ended June 2019, as detailed below:

Great Bear Petroleum Ventures I LLC & Great Bear Petroleum Ventures II LLC

In January, 2019, the Group acquired 100% of the share capital of Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC companies (together "Great Bear" or "the Great Bear companies"). The principal assets of Great Bear are leases with the rights to explore for hydrocarbons in the State of Alaska. At the date of acquisition these leases were estimated to offer potential for over 2 billion barrels of oil in place across the existing project inventory plus the additional exploratory potential identified in these leases. Additionally, Great Bear had around 1000 square miles of proprietary 3D seismic data which was acquired, as well as intellectual property and technical data relating to the properties under lease. Prior to Pantheon's acquisition, Great Bear had invested over US$200m on evaluating the hydrocarbon potential of this Alaskan acreage.

In addition to the acquisition of the Great Bear companies and the projects identified in the Alaskan portfolio, Pantheon acquired a highly talented technical and commercial team which the Directors believe will be of great value to the Group in both Alaska and Texas.

The provisional fair values of the identifiable assets and liabilities of Great Bear are:

	Provisional fair value US$ million
Exploration and evaluation assets (Note 13)	148.5
	148.5
Total identifiable net assets at fair value	148.5
Bargain purchase	100.8
Total consideration	47.8
The cash outflow on acquisition is as follows:	
Cash paid	6.1
Net cash acquired with the subsidiary	-
Net consolidated cash outflow	6.1

Total consideration for the Great Bear Companies totalled US$47.8m as follows: Cash consideration of US$6.1m, 103.3m new fully paid ordinary shares (US$20.3m) valued at 15.25 pence per share, 102.5m new fully paid non-voting B-class shares (US$20.1) valued at 15.25 pence per share, and 9.6m new warrants (US$1.3). The warrants have an exercise price of £0.30 per warrant and mirror the terms of the Company's existing share options except they are only convertible into non-voting Class B shares.

Pursuant to IFRS3, the Directors have undertaken a fair value assessment of the assets acquired in the Great Bear acquisition. No liabilities were acquired in the acquisition. IFRS3 affords a period of 12 months from the date of acquisition to finalise the measurement of such assessments.

For accounting purposes, the Directors have adopted a conservative methodology in making a fair value assessment of the assets acquired. Whilst this approach is prudent from an accounting perspective, in reality these are accounting judgements and the real commercial value of those assets acquired may differ significantly from these accounting judgements over the fullness of time. In determining the appropriate fair value, consideration was given to a number of risks associated with the various projects, which have then been 'discounted' or 'risked' in three primary categories:

1) Geological Risk – the chance of finding oil or successfully appraising the existing discoveries.
2) Commercial Risk – involves the risk factors associated with commercialising the discovered oil. Not all oil discoveries are commercially viable. These risk factors relate to the technical factors affecting the extraction of the oil and also the logistical factors relating to the geographical location and fiscal regime of the region.
3) Funding Risk – relates to the ability of Pantheon to attract partners and raise sufficient capital to undertake the evaluation and development of the oil. These factors include oil prices and the state of equity and debt markets.

In making a fair value assessment of the various projects in the portfolio, the Directors have adopted a rigorous high-grading exercise, only applying a fair value to the projects reasonably expected to be funded and drilled within the lease term. This is because at the time of acquisition, certain leases had lease terms remaining of less than 18 months and there is no certainty that the Group will have activity on those leases or renew those leases upon expiry. A key consideration in this process was the fact that the Group is currently engaged in a process to secure a farm-in partner for some or all of its Alaskan projects, which have been prioritised with Greater Alkaid and Talitha being the immediate targets. Given the uncertainty in predicting the financial capacity and likely drilling programme desired by a future farm-in partner, the Directors have undertaken the fair value assessment on the basis that any funding would be applied to either the Greater Alkaid or Talitha projects only at this early stage and no value applied to the remaining exploration acreage. The Directors have therefore applied a fair value of nil to the Winx project, a nil valuation to the Megrez prospect on the basis that the Group has dropped the leases on this non-core project, and likewise applied a nil valuation to the Theta project on the basis that it is a higher risk drilling project and therefore unlikely to be drilled in the lease term. At this stage Pantheon believe it prudent to prioritise Greater Alkaid and Talitha given these projects host oil discoveries and hence lower risk potential for earlier cashflows due the close proximity to existing infrastructure. The Group adopted a conservative approach in making these accounting judgements, and at Greater Alkaid has applied a 70% Commercial Risk and a further 50% funding risk, reflecting the fact that the farmout process is not yet completed and that the introduction of a farm-in will involve the Company reducing its working interest. The discovered oil at Greater Alkaid was then evaluated through a conceptual development plan resulting in a Net Present Value (NPV) per barrel of oil of $8, lower than the $8.50 per barrel of oil NPV estimated by the independent experts at LKA, reflecting management conservatism in accounting judgements. At Talitha, a 50% Geological Risk was applied reflecting the fact that despite ARCO having encountered oil at this location in 1988, the well was not production tested at the time. This is a conservative, yet prudent approach, given the Pipeline State-1 well was drilled and logged, on our acreage. A 75% Commercial Risk was then applied due the uncertainty of the reservoir parameters and hence production performance of the oilfield, and a further 70% discount applied for Funding risk which incorporates the numerous variables associated with financing this oil accumulation. The modelled Funding Risk was higher than at Alkaid, reflecting the projects' greater level of uncertainty on the technical parameters and geographic location in relation to its distance from the road and pipeline. An NPV per barrel of oil of $5 - $6 was applied for the 2 key horizons, reflecting certain geological factors and its location as described above which would result in higher development costs.

After application of the aforementioned assumptions and risk parameters, the fair value assessment of the bargain purchase of Great Bear Petroleum Ventures I, LLC and Great Bear Petroleum Ventures II, LLC (the "Ventures Entities") for US$100.8 arises principally because of the following factors:

1. Great Bear Petroleum Operating, LLC ("GBPO") was a financially distressed seller of Great Bear Ventures I and II, having borrowed against encashable production tax credits issued by the State of Alaska. The State did not appropriate funds for the encashment of tax credits, resulting in GBPO going into payment default under its borrowings.
2. Key leases of the Ventures Entities in Greater Alkaid were set to expire if testing operations did not occur within the Winter/Spring drilling season of 2018/2019. The time pressure for the Ventures Entities to secure funding for these operations was another factor in GBPO's bargaining position.
3. Pantheon's existing team had significant Alaskan expertise, and was able to quickly and efficiently evaluate the attractiveness of the prospective investment.
4. The existing owners of GBPO wanted to maintain exposure to the Ventures Entities' assets, hence a primarily equity transaction was undertaken, which resulted in Pantheon completing the transaction, raising funding and preserving the Greater Alkaid leases through the, ultimately successful, 2019 testing campaign. Additionally, all Great Bear shareholders have maintained their exposure to the Alaskan assets through Pantheon.
5. In light of the above, Pantheon was able to negotiate an attractive acquisition price for the Ventures Entities.

From the date of acquisition in January 2019 to 30 June 2019, Great Bear contributed US$549,092 loss to the Group profit.

Vision Resources LLC

During the year, the Group acquired a 66.6% interest in Vision Resources LLC ("Vision"). As consideration, Pantheon issued 3.5m (US$0.7m) new fully paid ordinary shares as full and final payment. The acquisition, which was completed on 14 January 2019, was to allow Pantheon to assume control of Vision Resources LLC, the General Partner of the Vision Group of Companies, and to preserve the value of the East Texas assets following the death of the Principal of the Vision companies in 2018, and the significant associated disruption and uncertainty caused by this event.

The provisional fair values of the identifiable assets and liabilities of Vision are:

	Provisional fair value US$
Cash and cash equivalents	1,920
Other current assets	1,596
	3,516
Trade and other payables	(167,641)
Net liabilities	(164,125)
Total identifiable net assets at fair value	(164,125)
Minority interest	54,708
Total identifiable net assets at fair value attributable Pantheon Group	(109,417)
Goodwill arising on acquisition (Note 14.4)	796,236
Total consideration	686,819
The cash outflow on acquisition is as follows:	
Cash paid	-
Net cash acquired with the subsidiary	1,920
Net consolidated cash outflow	1,920

The consideration for Vision was 3.5m new fully paid ordinary shares (US$0.7m).

From the acquisition date, 14 January 2019, to 30 June 2019, Vision Resources LLC contributed US$ Nil to the Group loss. This is because Vision Resources LLC acts as a General Partner and does not engage in day to day operations. During the period, Pantheon incurred expenditures of $1.7m through Vision, relating to the East

Texas assets. Following the death of the principal of Vision in 2018, significant uncertainty and disruption occurred, and Vision's capacity to continue to participate in the project was assessed as being unlikely. It was important for Pantheon to preserve the value of the assets. Pantheon has continued to increase its leasehold position to what is now 100% ownership of all leases. It is expected that the costs will drop significantly going forward, now that Pantheon has implemented its own technical team to manage and rationalise operations. The Group has ended relations with all operational personnel associated with Vision's historical drilling of the East Texas wells.

One third of Vision Resources LLC (33.3%) is not owned by the Pantheon Group. This portion is termed a non-controlling interest ("NCI"). A NCI of ($54,708) is shown in the consolidated statement of financial position which is made up of a NCI of ($54,708) on the total fair value of net assets on the acquisition, and a current year NCI of Nil as shown in the consolidated statement of comprehensive income.

The goodwill on acquisition of US$796,236 arose principally because Vision Resources LLC had an excess of liabilities over assets of US$164,125 on 14 January 2019 on a fair value basis. Pantheon paid US$0.7m in new shares to acquire the 66% interest in Vision Resources LLC. The purpose of the acquisition was to allow Pantheon to obtain management control of Vision Resources LLC, the General partner of the Vision group of Companies, and to preserve the value of the East Texas assets following the death of the Principal of the Vision companies in 2018. None of the goodwill recognised is expected to be deductible for income tax purposes.

4. Segmental information

The Group's activities involve production of and exploration for oil and gas. There are three reportable operating segments: USA (Texas), USA (Alaska) and Head Office. Non-current assets, income and operating liabilities are attributable to the USA, whilst most of the corporate administration is conducted through Head Office.

Each reportable segment adopts the same accounting policies.

In compliance with IFRS 8 'Operating Segments', the following tables reconcile the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the year ended 30 June 2018.

Oil and Gas production commenced in East Texas in late 2017.

The Group's net total sales production for the financial year ended 30 June 2019 amounted to 191,024 (2018: 203,565) mcf of natural gas and 2,317 (2018: 7,326) bbl. of oil. Average realisations for the year for natural gas and oil were US$2.58 (2018: $2.40) per mcf and US$62.54 (2018: $61.11) per barrel of oil respectively.

Revenues for the year ended 30 June 2019 were $724,589 (2018: $1,009,570).

Year ended 30 June 2019

Geographical segment (Group)	Head Office	Texas	Alaska	Consolidated
	$	$	$	$
Revenue	-	724,589	-	724,589
Production royalties	-	(205,458)	-	(205,458)
Depletion of developed oil & gas assets	-	(148,485)	-	(148,485)
Cost of sales	-	(737,208)	-	(737,208)
Administration expenses	(1,489,204)	(1,400,323)	(549,092)	(3,438,619)
General & Administrative expenses - Vision	-	(1,744,730)	-	(1,744,730)
Impairment of intangible assets - Goodwill	-	(796,236)	-	(796,236)
Impairment of intangible assets – E&E		(34,138,156)	-	(34,138,156)
Impairment developed oil & gas assets	-	(13,092,684)	-	(13,092,684)
Impairment PP&E	-	(1,397,950)	-	(1,397,950)
Plug & abandonment costs	-	380	-	380
Depreciation of production & pipeline facilities	-	(275,665)	-	(275,665)
Interest receivable	25,671	110	-	25,781
Un-realised gains	-	-	100,757,286	100,757,286
Less: deferred tax thereon	-	-	(28,783,396)	(28,783,396)
Taxation	-	-	18,757,633	18,757,633
Loss by reportable segment	(1,463,533)	(53,211,816)	90,182,431	35,507,083

Exploration & evaluation assets	-	7,303,800	153,583,460	160,887,260
Developed oil & gas assets	-	6,961,445	-	6,961,445
Property, plant & equipment	635	2,493,829	-	2,494,464
Trade and other receivables	57,167	358,813	1,427,668	1,843,649
Cash and cash equivalents	1,312,164	541,445	377	1,853,986
Intercompany balances	134,985,268	(128,981,374)	(6,003,894)	-
Total assets by reportable segment	136,355,234	(111,322,042)	149,007,612	174,040,804
Total liabilities by reportable segment	(348,642)	(1,348,989)	(11,074,342)	(12,771,973)
Net assets by reportable segment	136,006,592	(112,671,031)	137,933,270	161,268,831

Year ended 30 June 2018

Geographical segment (Group)	Head Office $	USA (Texas) $	Consolidated $
Revenue	-	1,009,570	1,009,570
Production royalties	-	(244,783)	(244,783)
Depletion of developed oil & gas assets	-	(88,293)	(88,293)
Cost of sales	-	(562,986)	(562,986)
Administration expenses	(1,143,157)	(779,760)	(1,922,917)
Impairment of intangible assets	-	(6,805,537)	(6,805,537)
Depreciation of production & pipeline facilities	-	(145,516)	(145,516)
Interest receivable	5,862	996	6,858
Loss by reportable segment	(1,137,295)	(7,616,309)	(8,753,604)
Exploration & evaluation assets	-	43,498,422	43,498,422
Developed oil & gas assets	-	13,736,007	13,736,007
Property, plant & equipment	1,099	2,236,599	2,237,698
Trade and other receivables	100,110	600,829	700,939
Cash and cash equivalents	687,768	2,711,522	3,399,290
Intercompany balances	77,770,641	(77,770,641)	-
Total assets by reportable segment	78,559,618	(14,987,262)	63,572,356
Total liabilities by reportable segment	(204,320)	(112,656)	(316,976)
Net assets by reportable segment	78,355,298	(15,099,918)	63,255,380

5. Operating loss

	2019 $	2018 $
Operating loss is stated after charging:		
Depreciation – production facilities & equipment	275,665	145,516
Depreciation – office equipment	431	1,436
Auditor's remuneration		
- group and parent company audit services	85,000	23,250
Auditor's remuneration for non-audit services		
- taxation services and compliance services	-	11,725

6. Employment costs

The employee costs of the Group, including Directors' remuneration, are as follows:

	2019 $	2018 $
Wages and salaries	1,187,223	1,071,015
Social security costs	68,082	89,606
Statutory pension costs	22,693	21,611
	1,277,998	1,182,232

The summary of the directors' remuneration is shown in the directors' report.

	2019	2018
Number of employees (including Executive Directors) at the end of the year	number	number
Management and administration	5	5

7. Interest receivable

	2019 $	2018 $
Bank interest received	25,781	6,858

8. Taxation

	2019 $	2018 $
Current tax		
US federal corporate tax	-	-
US state and local tax	-	-
UK corporate tax	-	-
Factors affecting the tax charge for the period		
Income (loss) on ordinary activities before taxation	16,749,449	(8,756,152)
Income (loss) on ordinary activities before taxation multiplied by the standard US corporate tax rate of 21% (2018: UK corporate tax rate of 19%)	3,517,384	(1,663,669)
Effects of:		
State of Alaska tax benefits associated with temporary book-to-tax differences	(51,615)	-
US federal tax benefit associated with temporary book-to-tax differences	(14,267,460)	-
US federal tax benefit associated with reassessed future utilization of loss carryforward	(7,955,942)	-
Effects of:		
Non-deductible expenses	-	1,293,052
Capital allowances	-	-
Tax losses carried forward not recognized as deferred tax asset	-	370,617
Total tax charge	**(18,757,633)**	**-**

Factors that may affect future tax charges

The Group's deferred tax assets and liabilities as at 30 June 2019 have been measured at 21% for items subject to US federal income tax only, items subject to state of Alaska and US federal income tax are reflected at an Alaska rate of 9.4% and a US federal rate, net of state of Alaska tax deduction, of 28.426%. At June 30, 2019 the net deferred tax liability reflected on the balance sheet is $10,025,763 (2018: nil). Movement in the statement of comprehensive income accounting for the increase in net deferred tax liability is comprised of a deferred tax benefit of $18,757,633 resulting from ordinary operations, and a deferred tax expense of $28,783,396 resulting from the bargain purchase gain (in 2018 there was no change in deferred tax asset or liability).

At the year-end date, the Group has unused losses carried forward of $47.6m (2018: $34.5m) available for offset against suitable future profits. Unused US tax losses incurred prior to January 1, 2018 expire in general within 20 years of the year in which they are sustained. Losses sustained after December 31, 2017 do not expire.

At June 30, 2018, the directors did not consider it appropriate to recognise a deferred tax asset in respect of such losses, due to the uncertain nature of future revenue streams. At June 30, 2019, given the deferred tax liabilities recognized in conjunction with the Great Bear Acquisition, the directors believe it is appropriate to recognize the previously unrecognized deferred tax asset associated with losses carried forward. This recognition resulted in a deferred tax benefit of $7,955,942 reflected in the results for year ended June 30, 2019.

9. Subsidiary entities

The Company currently has the following wholly owned subsidiaries:

Name	Country of Incorporation	Percentage ownership	Activity
Hadrian Oil & Gas LLC	United States	100%	Holding Company
Agrippa LLC	United States	100%	Holding Company
Pantheon Oil & Gas LP	United States	100%	Oil & gas exploration
Great Bear Petroleum Ventures I, LLC	United States	100%	Lease Holding Company
Great Bear Petroleum Ventures II, LLC	United States	100%	Lease Holding Company
Great Bear Pantheon, LLC	United States	100%	Operating Company
Pantheon East Texas, LLC	United States	100%	Holding Company
Vision Resources, LLC	United States	66.6%	Operating Company

Pantheon Oil & Gas LP is 99% owned by Agrippa LLC as its limited partner and 1% by Hadrian Oil & Gas LLC as its general partner.

10. Trade and other receivables

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Amounts falling due within one year:				
Prepayments & accrued income	332,000	672,468	13,214	74,301
Other receivables	1,511,649	28,471	43,953	25,809
Total	1,843,649	700,939	57,167	100,110

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Amounts falling due after one year:				
Loans to subsidiaries	-	-	134,985,268	77,770,641

An annual impairment review of the amount due from subsidiary undertakings (loans to subsidiaries) is performed by comparing the expected recoverable amount of the subsidiary's underlying tangible and intangible assets to the carrying value of the loan in the Company's statement of financial position. This has been assessed in line with IFRS 9 for credit losses however recoverability is supported by the underlying assets.

The Company fully transitioned from IAS 39 and adopted IFRS 9 from 1 July 2018 onwards. The adoption of standard has not required any restatement of comparative information. On the basis of ongoing annual assessments, the lifetime expected credit losses are recognised against loans and receivables when they are identified and are recorded in the statement of comprehensive income.

11. Cash and cash equivalents

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Cash at bank and in hand	1,853,986	3,399,290	1,312,164	687,768

12. Trade and other payables

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Trade creditors	398,312	106,619	174,690	106,619
Accruals	1,012,035	210,357	173,952	97,701
Total	1,410,347	316,976	348,642	204,320

13. Provisions

Plug and Abandonment Provision

The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the field location. A breakdown of these costs is detailed at Note 20.

Legal Costs

Legal costs have been provided for due to an ongoing dispute with a third-party vendor.

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Plug and Abandonment	1,085,863	-	-	-
Legal costs	250,000			
Total	1,335,863	-	-	-

14. Impairments

14.1 Impairment of non-current assets - exploration and evaluation assets

During the year ended 30 June 2019 impairment losses of US$34.1m (2018: $6.8m) were recognised in respect of exploration and evaluation assets in East Texas. The major element of this was a charge of US$28.4m relating leased acreage across the various CGU's, with in Polk & Tyler County, with the remaining charge of US$5.7m relating to historic Austin Chalk back costs in the West AA Prospect CGU.

Since the acquisition of Great Bear, the Alaskan acreage, due to its materially larger size and scale, has become the primary focus for the Group. The potential for the Texas acreage in Polk and Tyler County remains undiminished, however, given the change in geographical focus there is a reduced probability mid-term operational activity in East Texas. As a result, an impairment loss was recognised in the statement of profit or loss and other comprehensive income as part of other operating expenses. To the extent that carrying values exceeded these amounts, an impairment was taken. The Tyler County and Polk County leases within each of the CGU's were measured at the most recent and relevant per acre lease sale transaction costs in Tyler County of $650 per acre (Core Offset Prospect CGU & LP2 Offset CGU) and Polk County of $350 per acre (West West AA Prospect CGU and West AA Prospect CGU). The Prospect E CGU has been impaired to a nil carrying value.

In assessing whether an impairment is required, the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Where impairment indications have been found we have performed impairment tests. The indicator for impairment was the Group's change in strategic focus from East Texas to Alaska, the prioritising of funding to Alaska, and the resulting reduced scheduled activity in East Texas. Where impairment indications have been found we have performed impairment tests. Impairment losses have been measured, presented and disclosed in accordance with IAS 36.

Given the nature of the Group's activities, information on the fair value of an asset can be difficult to obtain unless negotiations or similar transactions are taking place. Consequently, the recoverable amount in use in assessing the impairment charges to the E&E assets was the current price to re-new the held leased in both Tyler and Polk County in East Texas.

Impairment losses – exploration and evaluation assets	**2019**	**2018**
	$	**$**
West AA Prospect - CGU		
West AA (prospect A leased acreage) - Polk County	10,312,298	-
VOBM#5 Well - Polk County	3,445,153	-
Austin Chalk (back costs) - Polk County	5,751,637	-
Kara Farms (previously leased acreage) - Polk County	139,757	-
West West AA Prospect - CGU		
West West AA (prospect D leased acreage) - Polk County	1,980,518	3,181,493
Prospect E – CGU		
Prospect E (leased acreage) - Polk County	57,204	1,798,993
Core Offset Prospect (aka Prospect B&C) - CGU		
Core Offset (prospect B&C leased acreage) - Tyler County	8,343,593	-
LP2 Offset – CGU		
LP2 offset (leased acreage) - Tyler County	955,517	-
VOBM#4 Well - Tyler County	3,152,480	1,825,051
Total	34,138,157	6,805,537

14.2 Impairment of non-current assets – Oil & Gas producing properties

Impairment losses of US$13.1m (2018 Nil) were recognised in respect of the producing oil and gas properties within the West AA Prospect CGU in Polk County. All Polk County wells were written down to zero. As has been well documented, these wells have experienced significant operational issues historically and are heavily compromised. The board considers them to be uneconomic and accordingly an impairment charge has been determined for the year of $13.1m (2018: Nil). The carrying value of all three wells in the CGU have been written down to Nil.

Impairment losses – oil & gas producing properties	**2019**	**2018**
	$	**$**
West AA Prospect - CGU		
VOBM#2H – Polk County	7,426,917	-
VOBM#1 – Polk County	2,533,041	-
VOBM#3 – Polk County	3,076,644	-
Acreage – Polk County	56,082	-
Total	13,092,684	-

14.3 Impairment of non-current assets – Property Plant & Equipment

Impairment losses of US$1.4m (2018: Nil) were recognised in respect of property plant and equipment. This charge relates to the impairment of the capitalised costs relating to Pantheon's share of the gas processing plant and associated equipment and facilities in Polk County which serviced the West AA Prospect - CGU. These assets have been written down to their current recoverable amount less costs to sell.

Impairment losses – Property Plant & Equipment	**2019**	**2018**
	$	**$**
Polk County		
Polk County Gas Plant	1,397,950	-
Total	1,397,950	-

14.4 Impairment of non-current assets - Goodwill

Impairment losses of US$0.8m (2018: Nil) were recognised in respect of goodwill. This goodwill was recorded as a result of the acquisition of 66% of Vision Resources LLC in January 2019. The acquisition of Vision was undertaken primarily to give the Group control of Vision Resources LLC in order to preserve the value of the Group's East Texas operations following the unexpected death of the principal of the Vision Group of Companies, and the uncertainty over future operations that followed. The fair value of the identifiable net assets acquired was less than the fair value of the consideration, giving rise to an intangible asset of goodwill. The acquisition was considered strategically important to Pantheon, delivering the intangible asset of 'control' of Vision Resources LLC, and greater opportunity to preserve the value of Pantheon's assets.

The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. Carrying includes the carrying amount of only those assets that can be attributed directly, or allocated on a reasonable and consistent basis, to the unit. This also includes carrying amount of acquired goodwill allocated to the unit. IAS 36 requires goodwill to be impaired where the recoverable amount is less than the carrying amount. The Group is unable to allocate the goodwill to the unit and as a result an impairment loss was recognised in the statement of comprehensive income as an impairment charge.

Impairment of Goodwill	**2019**	**2018**
	$	**$**
Impairment goodwill – Vision	796,236	-
	796,236	-

15. Exploration and evaluation assets

Group	**2019**	**2018**
	$	**$**
Cost		
At 1 July	50,303,959	55,545,596
Additions	10,579,750	10,679,595
Acquisitions	148,508,125	-
Transfer to developed oil & gas assets	(7,560,880)	(13,329,117)
Transfer to production facilities & equipment	-	(2,592,115)
At 30 June	201,830,954	50,303,959
Impairment		
As at 1 July	6,805,537	-
Charge for year	34,138,157	6,805,537
At 30 June	40,943,694	6,805,537
Net book value		
At 30 June	160,887,260	43,498,422

The Group additions for the year comprise the direct costs associated with the preparation and drilling of oil and gas wells, together with costs associated with leases and seismic acquisition and processing. The acquisitions for the year comprise of the fair value of the Alaskan Leases acquired as part of the Great Bear acquisition in January 2019.

Details of the impairments for the year are disclosed in note 14.

16. Property, plant and equipment

Group	Developed Oil & Gas Properties $	Production Facilities & Equipment $	Office Equipment $	Total $
Cost				
At 1 July 2017	-	-	14,780	14,780
Additions	495,183	(210,000)	1,319	286,502
Transfer from exploration & evaluation assets	13,329,117	2,592,115	-	15,921,232
At 30 June 2018	13,824,300	2,382,115	16,099	16,222,514
Additions	523,934	312,637	-	836,571
Transfer from exploration & evaluation assets	7,560,880	-	-	7,560,880
Transfer from developed oil & gas assets	(1,618,208)	1,618,208	-	-
At 30 June 2019	20,290,906	4,312,960	16,099	24,619,965
Depreciation				
At 1 July 2017	-	-	13,614	13,614
Depreciation for the year	-	145,516	1,436	146,952
Exchange difference	-	-	(50)	(50)
At 30 June 2018	-	145,516	15,000	160,516
Depreciation for the year	-	275,665	431	276,096
Exchange difference	-	-	33	33
At 30 June 2019	-	421,181	15,464	436,645
Depletion				
At 01 July 2017	-	-	-	-
Depletion for the year	88,293	-	-	88,293
At 30 June 2018	88,293	-	-	88,293
Depletion for the year	148,485	-	-	148,485
At 30 June 2019	236,778	-	-	236,778
Impairments				
At 30 June 2017 & 2018	-	-	-	-
Impairment for the year	13,092,684	1,397,950	-	14,490,634
At 30 June 2019	13,092,684	1,397,950	-	14,490,634
Net book value				
As at 30 June 2019	6,961,444	2,493,829	635	9,455,908
As at 30 June 2018	13,736,007	2,236,599	1,099	15,973,705

In accordance with IAS 36 'Impairment of Assets' (IAS 36), the prospect acreage in East Texas has been classified into discrete "prospects" or cash generating units ("CGU's").

All 'Developed oil & gas properties' relate to East Texas. This category represents one well in Tyler County, namely VOS#1, which is in the LP2 offset CGU.

The recoverable amount of the developed oil and gas properties and loan to the subsidiary Pantheon Oil & Gas LP is based upon value in use calculations. The use of this method requires the estimation of future cash flows from the underlying assets, discounted using a suitable pre-tax discount rate. For the purposes of these calculations the Company's Tyler & Polk County Eagle Ford sandstone project currently under lease was modelled on a P50 basis using a discount rate of 10%. The key assumptions upon which the cash flow projections were based include recoverable resource, number of wells drilled, leasehold position, cost of drilling and the future prices of both oil and natural gas. For the purpose of the calculations the following assumptions were used:

Average reserves per well	1.4Mmboe
Oil price ($/bbl)	$59.02
Natural gas price ($/mcf)	$2.17
Cost of drilling modelled vertical well	$4.50m

These key assumptions have been determined by reference to a number of sources including external market information, published futures pricing for oil and natural gas and management's expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Management has performed sensitivity analysis on the key assumption of changing commodity prices.

The Group has performed value in use calculations of its developed oil and gas properties. These involved NPV calculations with a variety of sensitivity assumptions for both commodity prices and well recoverabilities using the geological estimates provided by a geological consultant. The Directors are satisfied that the NPV of the Group's developed oil and gas properties supports the carrying values after recording an impairment charge of $13.1m for the developed oil and gas properties (2018: Nil)

17. Share Capital

	2019 $	**2018** $
Allotted, issued and fully paid:		
557,001,521 ordinary and non-voting convertible shares of £0.01 each (2018: 237,336,555)	7,966,075	3,852,673

Issued share capital:	**Number**	**Issued and fully paid capital**
As at 30 June 2019		
454,530,466 ordinary shares of £0.01 each (2018: 237,336,555)	454,530,466	6,647,498
102,471,055 non-voting convertible shares of £0.01 each (2018: Nil)	102,471,055	1,318,577
Total	557,001,521	7,966,075

The Company issued a total of 217,193,911 new fully paid ordinary shares and 102,471,055 non-voting convertible shares during the year.

In January 2019 the Company completed a placing of 108,335,226 new fully paid ordinary shares with a nominal value of £0.01, raising gross proceeds of c.$16.5m before expenses of the share issue. 1,845,900 ordinary shares were issued to advisors.

In January 2019 the Company acquired Great Bear Ventures I and II. As part of the purchase consideration the Company issued 100,000,000 ordinary shares and 102,471,055 non-voting convertible shares. An additional 3,362,745 ordinary shares were issued as part of an antidilution clause that was triggered upon the issuing of equity for the Vision Resources LLC acquisition.

In January 2019 the Company acquired 66.6% of Vision Resources LLC. As consideration the Company issued 3,500,000 ordinary shares.

In October 2018 the Company issued 150,000 new ordinary shares in lieu of cash to a service provider.

The ordinary shares rank pari passu in all respects including the right to receive dividends and other distributions declared, made or paid.

As at 30 June 2019 there were 454,530,466 ordinary shares (2018: 237,336,555) and 102,471,055 non-voting convertible shares (2018: Nil) in issue.

18. Net cash outflow from operating activities

	Group 2019 $	Group 2018 $
Profit / (loss) for the year	35,507,082	(8,753,604)
Net interest received	(25,781)	(6,858)
Unrealised gains	(100,757,286)	-
Less: deferred tax thereon	28,783,396	-
Impairment of intangible assets - Goodwill	796,236	-
Impairment of intangible assets – E&E	34,138,156	6,805,537
Impairment developed oil & gas assets	13,092,684	-
Impairment of PP&E	1,397,950	-
Plug & abandonment costs	(380)	-
Legal costs provision	250,000	
Vision General & Administrative costs (non-cash)	682,125	
Depreciation of office equipment	431	1,436
Depletion of developed oil & gas assets	148,485	88,293
Depreciation of production & pipeline facilities	275,665	145,516
Decrease in trade and other receivables	(1,823,240)	(372,620)
Increase/(decrease) in trade and other payables	926,109	(267,636)
Shares issued in lieu of fees	32,166	-
Effect of translation differences (fixed assets)	33	(50)
Effect of translation differences	(179,284)	277,183
Taxation	(18,757,633)	-
Net cash outflow from operating activities	(5,513,085)	(2,082,803)

	Company 2019 $	Company 2018 $
Loss for the year	(1,463,533)	(1,137,295)
Net interest received	(25,671)	(5,862)
Depreciation	431	1,436
Decrease in trade and other receivables	42,942	22,965
Increase in trade and other payables	144,321	58,923
Shares issued in lieu of fees	32,166	-
Effect of translation differences (fixed assets)	33	(50)
Effect of translation differences	(3,625,534)	1,124,990
Net cash inflow (outflow) from operating activities	(4,894,845)	65,107

19. Control

No one party controls the Company.

20. Decommissioning expenditure

Plug & Abandonment

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation. As at 30 June 2019 the Group has fully provided for the future plug and abandonment charges in relation to all of its wells in both East Texas and on the Alaskan North Slope.

	2019 $	2018 $
Alaska		
Greater Alkaid #1 test well	500,000	-
	500,000	-
Texas - Polk County		
VOBM#1 well	95,579	-
VOBM#2H well	111,861	-
VOBM#3 well	98,141	-
VOBM#4 well	81,162	-
VOBM#5 well	95,302	-
	482,045	-
Texas – Tyler County		
VOS#1 well	103,438	-
	103,438	-
	1,085,483	

21. Exploration and evaluation commitments

A number of lease commitments exist in relation to the Group's leases in Alaska, as follows:

Theta

Some of the leases located on the Theta project area have been extended to 1 May 2021 and carry a well commitment. At this stage, Pantheon has no current plans to drill a well at Theta as Greater Alkaid and Talitha are considered to be higher priority targets which are more attractive on a risk/reward basis. It is possible that the DNR may take action to attempt to terminate the leases prior to their expiration date if there is no activity, or Pantheon may allow these leases to expire, or may elect to voluntarily drop certain leases if it is unlikely they will be drilled. If Pantheon desired it could bid for any relinquished leases at the next lease sale, renewing them for a 10 year period if successful. The Leonis and Theta West leases acquired in December 2019 appear superior to Theta in terms of risk/reward and will likely be drilled before Theta.

Greater Alkaid

The Greater Alkaid area leases are subject to a work commitment to drill a delineation well by 1 May 2021. If the delineation well is not drilled by mid-2020, Pantheon would expect to receive a notice of default from the Department of Natural Resources ("DNR") with a one-year opportunity to cure, in order to complete the well. The Group is currently engaged in farm out discussions and is confident of achieving this commitment, particularly given the excellent flow tests at the Alkaid#1 discovery well and the LKA report confirming a large contingent resource on the acreage.

22. Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. Financial assets and liabilities are initially measured at fair value plus transaction costs.

The main purpose of cash and cash equivalents financial instruments is to finance the Group's operations. The Group's other financial assets and liabilities such as receivables and trade payables, arise directly from its operations. It is, and has been throughout the entire period, the Group's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Group's financial instruments is market risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Market risk

Market risk is the risk that changes in market prices, and market factors such as foreign exchange rates and interest rates will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company does not use derivative products to hedge foreign exchange risk and has exposure to foreign exchange rates prevailing at the dates when funds are transferred into different currencies.

Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's cash and cash equivalents with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The Group has no policy as to maximum or minimum level of fixed or floating instruments.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

	Weighted average interest rate 2019	**Fixed interest rate 2019**	**Non – interest bearing 2019**
Financial assets:	**%**	**$**	**$**
Cash on deposit	0.05	-	-
Trade and other receivables	-	-	-

Net fair value

The net fair value of financial assets and financial liabilities approximates to their carrying amount as disclosed in the statement of financial position and in the related notes.

Currency risk

The functional currency for the Group's operating activities and exploration activities is the US dollar. The Group has not hedged against currency depreciation but continues to keep the matter under review.

Financial risk management

The Directors recognise that this is an area in which they may need to develop specific policies should the Group become exposed to wider financial risks as the business develops.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The entity has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring actual and budgeted cash flows and longer-term forecasting cash flows;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows; and
- Monitoring liquidity ratios (working capital).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main counterparties are the operators of the respective projects. Funds are normally only remitted on a prepayment basis a short period before the expected commencement of drilling. The Group has adopted a policy of only dealing with what it believes to be creditworthy counterparties and would consider obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Capital management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects, while in the meantime safeguarding the Group's ability to continue as a going concern. This is aimed at enabling it, once the projects come to fruition, to provide appropriate returns for shareholders and benefits for other stakeholders. Capital will continue to be sourced from equity and from borrowings where appropriate.

23. Share-based payments

Movements in share options and share warrants in issue

Exercise price	Number of options issued as of 30 June 2018	Warrants Issued during year	Expired during year	Number of options and warrants issued as of 30 June 2019
£0.30	10,000,000	-	-	10,000,000
£0.30		9,607,843	-	9,607,843
Total	10,000,000	9,607,843	-	19,607,843

The Group has previously issued share options to directors and employees. These are equity settled share-based payments as defined in IFRS 2 Share-based payments. A recognised valuation methodology (using the Black & Scholes valuation model) was employed to determine the fair value of options granted as set out in the standard. The charge incurred relating to these options was recognised within operating costs. All share options have been fully expensed as at 30 June 2019. The weighted average exercise price of share options outstanding and exercisable at the end of the period was £0.30 (2018: £0.30).

As part of the consideration for the acquisition of Great Bear Petroleum 9,607,843 (2018: Nil) warrants were issued. The terms of these warrants mirror the terms of the current share options in issue, however if exercised they convert to non-voting shares as opposed to ordinary shares.

The Equity reserve account represents expired share options that were originally expensed through the profit and loss account.

24. Related party transactions

There were no related party transactions during the year other than the payment of remuneration to Directors and key management personnel.

25. Contingent liability

Vision Operating Company LLC ("VOC") is in dispute with a third-party service provider over the intended early termination of a gas processing agreement in East Texas. VOC ceased making payments to the service provider in July 2019. The service provider has subsequently issued a demand to VOC and more recently to Pantheon seeking payment of $4.2m, which represents an acceleration of all future monthly payments that would have been owed from that date up until the end date of the contract. It is unknown what action the service provider may take.

Pantheon has ownership of less than 0.1% of VOC via a 66.6% interest in Vision Resources LLC. Pantheon was not a signatory to the gas processing agreement, is not named in the agreement, and explicitly declined to provide any financial support in relation to the agreement. Pantheon has taken legal advice on the matter and believes it has no liability to the service provider. Accordingly, Pantheon do not consider a provision should be included with the final statements and will contest any claim made.

26. Subsequent events

Appointment of non-executive Director

Jeremy Brest, Non-executive Director was appointed on the 2nd of October 2019. Jeremy has more than 20 years' experience in investment banking and financial advisory. Jeremy is the founder of Framework Capital Solutions, a boutique Singapore-based advisory firm specialized in structuring and execution of private transactions. Prior to founding Framework, Jeremy was the head of structuring for Indonesia at Credit Suisse and a derivatives trader at Goldman Sachs.

Acquisition of Halliburton's 25% working interest in Alkaid/Phecda

In October 2019 Pantheon executed a contractual agreement with Halliburton to acquire its 25% working interest in the six leases jointly held with Pantheon on the North Slope of Alaska. Under the agreement, which is subject to a customary approval process by the State of Alaska Department of Natural Resources, Halliburton will transfer to Pantheon their entire working interests in the leases in exchange for Pantheon accepting full responsibility for all future lease obligations. As a result of this transaction Pantheon now holds 100% working interest in the 22,804 acres that make up the Alkaid/Phecda project, and 92% working interest in two additional adjacent leases comprising 11,367 gross acres. At the year end, 30 June 2019, the Group held 75% working interest in Alkaid / Phecda, which was increased to 100% in October 2019.

Capital Raising - July 2019

A Capital Raising of 47,788,563 new Ordinary Shares raised approximately US$10.7 million (before expenses) at an issue price of 18 pence per share.

Talitha Appraisal - Sept 2019

Material advancements have been made in the understanding of the Talitha Appraisal (Brookian) and Talitha exploration (Kuparuk) projects. In conjunction with the experts at eSeis, the Company has undertaken a detailed review and analysis of these projects over recent months. The result of this work has increased its understanding of the geology which the Directors believe will lead to an increase in estimates for oil in place and recoverable resource at Talitha in due course.

Acquisition of additional Leases: North Slope Alaska - December 2019

Pantheon acquired 27,840 acres in the State of Alaska's North Slope Areawide Lease sale in December 2019. The new leases are strategically positioned in two areas, named Leonis and Theta West, contiguous or adjacent to Pantheon's current acreage on its northern and southwestern boundaries. The leases were identified following a period of extensive analysis supported by the experts at eSeis. When the leases are officially awarded by the State of Alaska, estimated to be in 6 to 12 months, they will come with a 10-year initial term, an annual rental of $10 per acre for the first seven years, and a royalty rate of either 12% (8 leases) or 16.67% (9 leases).

Estimated Oil in Place: Leonis & Theta West- January 2020

Management has completed an initial management estimate of the newly acquired 'Theta West' and 'Leonis' projects acquired in December 2019 and estimates that they have the potential to contain in excess of 1 billion barrels of oil in place ("OIP").

Official Contingent Recoverable Resource Confirmation: Greater Alkaid – January 2020

The Group received an Independent Expert Report and Resource Statement from the International Petroleum Consultants Lee Keeling & Associates, Inc. ("LKA"), on its 100% owned 'Greater Alkaid' Project (formerly referred to as 'Alkaid/Phecda').

The report confirmed a Contingent Resource of 76.5 Million Barrels of Recoverable Oil. Other highlights of the report include:

- $595 million NPV10 based on modelled 44 wells, and c.70 MMBO (1) Phase 1 field development over a 20 year term at an oil price of $55 held flat
- NPV10 per barrel of oil estimated at $8.50
- Field peak flow rate 30,000 Barrels of oil per day ("BOPD")
- Individual well EUR (estimated ultimate recovery) of 2.25 MMBO per well for 24 wells

- The LKA report supports the Company view that Alkaid and Phecda is one continuous accumulation. Now called "Greater Alkaid"
- Located underneath and adjacent to the Dalton Highway & Trans-Alaska Pipeline (TAPS)
- This estimate comprises Contingent Resource only – does not include Prospective Resource

GLOSSARY

bbl	barrel of oil	mcfd	thousand cubic feet per day
bopd	barrels of oil per day	Mmboe	million barrels of oil equivalent
mmbo	million barrels of oil	NPV	net present value
boepd	barrels of oil equivalent per day	NPV10	net present value at 10%pa discount rate
mcf	thousand cubic feet	$	United States dollar
NCI	non-controlling interest	OIP	Oil in place