

July 19, 2006

# PANTHEON RESOURCES PLC

## **Padre Island – Rig on Location Ahead of Planned Drilling Programme Commencing End July**

- Drilling rig on location at Padre Island
- First well to be drilled, Kindee ST 212 #1 on Plum Deep structure, projected to commence on or about 25 July
- Start of active drilling programme on Padre Island for Pantheon with four wells scheduled to be drilled over 18 month period
- Three have potential for major reserve additions and early cash flow to Pantheon
- Will co-incide with low risk exploration programme in south Texas which complements the moderate risk Padre Island drilling programme

Pantheon Resources Plc ("Pantheon") announces that it has been informed by the Operator of the Padre Island Project Area, ("PI Project Area"), Golden Gate Petroleum Ltd ("Golden Gate") that Parker Drilling's rig number 122 is now on location on Padre Island. Spudding of the Kindee ST 212 #1 well on the Plum Deep structure is scheduled on or around 25 July. The rig will be on contract to Golden Gate for twelve months with options to extend for up to a further two years by six month intervals.

This well will initiate an active drilling programme on the Padre Island Joint Venture ("PIJV"). Pantheon expects to be involved in the drilling of four exploration wells over an 18 month period (see table 1). The exact timing and order of the drilling programme remain dependent on the receipt of final location approvals from the relevant authorities.

Table 1: Pantheon - Projected Drilling Programme

Prospect / Well	Target / Type	Estimated Start Date	Pantheon Resources	Golden Gate	IB Daiwa
Plum Deep*	Deep / exploration	July 2006	25%	37.5%	37.5%
Wilson*	Shallow / exploration	September 2006	25%	37.5%	37.5%
Manzano*	Deep / exploration	October 2006	25%	37.5%	37.5%
Murdock South*	Deep / exploration	First quarter 2007	25%	37.5%	37.5%

\*Operated by Golden Gate

The Plum Deep well is considered a key exploration well with gross best estimate potential resources (previously described as "P50 potential reserves") estimated to be in a 161-293 bcf range. This represents potential material upside for Pantheon's shareholders in the event of success. Drilling costs are estimated to be around US\$10.3 million.

Plum Deep lies within the same fault trap as Plum Shallow but is targeting deeper reservoirs at 9,500 to 15,000 feet. Plum Shallow was confirmed as a discovery in early 2006 and is currently flowing natural gas at a rate of 1.9 mmcf/d. The discovery of hydrocarbons in the shallow section provides encouragement for Plum Deep as it confirms that it underlies a natural gas accumulation.

Plum Deep is expected to be the first of three exploration wells targeted at the deep section over the next 18 months. Extensive evaluation has confirmed six mature high quality exploration targets of which Plum Deep, Manzano and Murdock have been identified as the three largest prospects. Each of the latter offers the potential for significant additional reserves and early cash flow to Pantheon. The fourth prospect to be drilled in which Pantheon has an interest is Wilson, which is small, see table 2.

Table 2 – Drilling Programme

Prospect Name	P50 Potential BCF (gross)*	Current Planned Start Date	Budgeted Drilling Cost
Plum Deep	161-293	July 2006	US\$ 10.3 million
Wilson	5-10	Second half 2006	US\$5.4 million
Manzano	178-337	Second half 2006	US\$9.1 million
Murdock South	94-232	First Half 2007	US\$9.7 million
Lemonseed	87-123	Tba	n.a.
Kingsway	16-20	Tba	n.a.

\*This range is based on various studies conducted on the acreage including Golden Gate and Pantheon's Independent Technical Adviser

All the currently defined prospects are planned to be drilled from onshore locations, with the probable exception of Kingsway. This offers the advantage of substantially reduced costs (both for exploration and development) compared with the offshore. It also reduces substantially the lead times to production in the event of successful exploration.

Pantheon is participating initially in six prospects as a result of a farm-out agreement with Golden Gate concluded in April 2006. The prospect inventory comprises primarily large, high-quality natural gas plays in an under-explored deep section of the Gulf of Mexico. As a result of this agreement Pantheon will earn a 25% working interest in each prospect by paying 33.333% of the costs associated with drilling each prospect up until the point of casing. The prospects covered by this farm-in are:

Plum Deep, from 9,500 to 15,000 feet;

Manzano Deep, from 10,500 to 16,500 feet;

Murdock, all depths from surface;

Lemonseed, all depths below 9,100 feet;

Wilson, all depths from surface; and

Kingsway, all depths from surface.

These prospects are all covered by 3D seismic. In the view of the Board of Pantheon, the deep JV of the PI Project Area is a moderate risk (POS 15% to 36%), high reward exploration venture. It offers the potential, if successful, of major value accretion to the Company and its shareholders.

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

19 July 2006

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