

August 3, 2006

PANTHEON RESOURCES PLC

First Well Spuds on Project Wharton Targeting Zebu Prospect

- **Pantheon's first well on Project Wharton spudded on July 31**
- **Targeting the small Zebu prospect with potential reserves in a 0.5 to 1.6 billion cubic feet range**
- **Well projected to take less than one month to drill on trouble-free basis**
- **Good potential for early, tax efficient cash flow generation. Payback per well projected at less than 12 months**
- **Low risk exploration complements the Padre Island drilling programme**
- **Pantheon has now embarked on an aggressive exploration campaign with drilling of Zebu and Plum Deep underway**

The Board of Pantheon Resources plc ("Pantheon") announces that it has been informed by the operator, Everest Resource Company ("Everest"), that the Zebu #1 well spudded on July 31 2006. This well is located in Colorado County south Texas.

The Zebu #1 well is targeting a seismic anomaly at 3,575 feet. This primary objective has a conservative reserve potential of 0.5 billion cubic feet ("bcf") and a high-side potential of 1.6 bcf. Zebu #1 also has additional potential to find thinner Frio and Miocene reservoirs that do not produce seismic anomalies. As the planned well depth is less than 5,000 feet, drilling time is scheduled to be less than one month.

The Zebu prospect is on trend with prolific shallow producers. Shallow Frio and Miocene reservoirs in the immediate vicinity have produced as much as 7.9 bcf with peak rates averaging 600 thousand cubic feet a day ("mcf/d"). Everest has drilled 14 exploratory wells in this area of Colorado County targeting Frio seismic anomalies. The Frio success rate has been 78.6% (11 out of 14). The Zebu #1 well is targeting a trough anomaly like the successful wells.

Zebu #1 is the first well to be drilled on Project Wharton, a farm-in concluded with Everest in June 2006. The initial obligation covers three prospects which are ready to drill. Pantheon is paying 12.5% to earn 9.375% interest in Zebu and will pay 25% of the drilling costs to earn an 18.75% working interest in the remaining two; Dakota and

Mohawk. A further farm-in prospect is being evaluated. The expected total dry hole cost outlay is around US\$400,000 and the successful completed total cost outlay is around US\$650,000 for four wells. In the event of success, there is easy access to infrastructure.

This project provides Pantheon with low risk/reward plays to balance the higher risk/reward plays at the PI Project Area. Overall exploration risk for the Project Wharton prospects is regarded as low, ranging from 50% to 80%. This compares with 15% to 36% for the deep JV of the PI Project Area.

Each well has multiple objectives, not all of which were included in the original evaluation. These provide additional upside potential. There is additional reserve potential in both Frio and Miocene targets on the Zebu leasehold. A second anomaly is present at a slightly deeper objective, (4,280 feet) which might be tested with a second well. The reserve range is estimated at 0.4 to 1.28 bcf.

Success with any of these exploration wells comprising Project Wharton will lead to numerous additional drilling opportunities within surrounding acreage. There are another 13 prospects that could be pursued in the event of success which would represent a material reserve addition to Pantheon. These are also regarded as low risk with good early cash flow generation potential. These would not be subject to the farm-in terms and hence have a higher value.

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.

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