

October 3, 2006

# PANTHEON RESOURCES PLC

## Third Well Spuds on Project Wharton Targeting Mohawk Prospect

- **Pantheon's third well on Project Wharton spudded on September 29, 2006**
- **Targeting the Mohawk prospect with potential reserves in a 0.5 to 2.24 billion cubic feet range**
- **Well projected to take less than one month to drill on trouble-free basis**
- **Pantheon is paying 25% of the drilling costs to earn an 18.75% working interest in Mohawk**
- **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 is conducting an aggressive exploration campaign on both Padre Island and Project Wharton**

The Board of Pantheon Resources plc ("Pantheon") announces that it has been informed by the operator, Everest Resource Company ("Everest"), that the Mohawk #1 well spudded on September 29, 2006. This well is located in Wharton County south Texas.

The Mohawk #1 well is testing an extensional prospect in the Chesterville Field complex. It is targeting a Frio amplitude anomaly at 4,100 feet ("ft"). The prospect being targeted by the Mohawk #1 well is considered very low risk with conservative reserve potential of 0.5 billion cubic feet ("bcf") and high side reserve potential of 2.24 bcf. Two wells would be required to produce any discovery. In addition to the Frio anomaly, the proposed well will also test weaker Frio anomalies at 3,660 ft and 3,900ft. These weaker events compare favourably with anomalies from thinner pay zones in offset wells. As the planned well depth is 5,000 ft, drilling time is scheduled to be less than one month.

The anomaly being targeted by the Mohawk #1 well is in the same stratigraphic interval which is producing in the Samson Chesterville GU #14 well. This zone averaged around one million cubic feet a day ("mmcf") for three years before beginning to decline.

In addition to the Frio anomalies, this well might encounter other pay zones in the Frio, and Miocene sections. Non-anomaly associated pay in the Miocene and Frio increase the high side reserve potential. A second Mohawk prospect is located on the leasehold. The Mohawk #2 will test a slightly smaller amplitude anomaly (30 acres) at 4,075 ft that is very similar to, but fault separated from the Mohawk #1 and Samson Chesterville #14 anomalies. As this is not subject to the farm-in terms, it would have a higher value to Pantheon, if successful.

Mohawk #1 is the third well to be drilled on Project Wharton, a farm-in concluded with Everest in June 2006. Pantheon is paying 25% of the drilling costs to earn an 18.75% working interest in Mohawk. 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.

*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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