OAK Securities
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Pantheon Resources

PANR-GB **20.65p**

Fair Value Estimate **52.3p**

Show Me

22 May 2025

Rec: High-Conviction BUY

NAV:

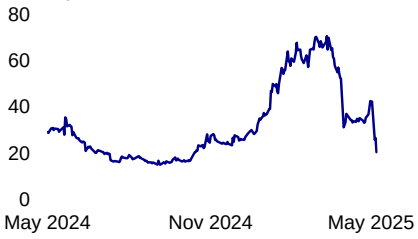
Full-success case value:	343.9p
Fair value estimate:	52.3p
Upside to full-success case:	1,565%
Upside to fair value estimate:	153%

Market Data:

Market cap:	£236m
EV:	£214m
Shares outstanding:	1,143m

Share price:

Change 1m:	-40%
Change 3m:	-65%
Change 12m:	-33%



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We are increasing our fair value estimate for Pantheon Resources to 52.3p from 48.6p to reflect the extraordinarily strong support coming from the US Administration to rapidly progress an Alaskan natural gas pipeline and associated LNG export facility, which stands to be transformationally positive for Pantheon Resources. In effect, we are now including in our fair value estimate 25% of our full success case valuation estimate for the company's Ahpun-West asset, up from 20%, to reflect the growing potential for that resource to supply natural gas into the planned gas pipeline. We are also updating our exchange rate assumption from USD:GBP 1.24 to 1.30. The key change reflects the accelerated momentum of the pipeline and LNG project due to i) exceptionally strong support from the Administration of President Trump and ii) accelerated final investment decision ("FID") and first gas timelines. Specifically, Alaskan Governor Dunleavy announced on 12 May 2025 that he expects an FID for the pipeline stage of the project in the Autumn of the current year with first gas flows in the pipeline as early as 2028.

Robust support from US Federal and Alaskan Governments:

It is becoming increasingly clear that the Alaskan pipeline and LNG project is a top priority for the US Federal Government and the State of Alaska. We have also observed that Japan, South Korea, Taiwan and Thailand have all expressed very strong interest in the project. Notably, President Trump and Japanese Prime Minister Ishiba held a joint press conference to announce their intention in principle to together advance the pipeline and LNG project.

Valuation references:

Pantheon Resources is trading at a valuation of $0.14 per barrel of recoverable liquids (2C) in a context where the most relevant M&A metric in Alaska is $3.33 per barrel (Oil Search's acquisition of Pikka/Horseshoe from Armstrong Energy; 1 November 2017); therefore, we see tremendous upside potential from the unlocking of the latent value of Pantheon Resources' resource base through further appraisal efforts.

Near-term "Show Me" Catalyst:

Pantheon Resources intends to drill a "show me" well at Aphun-West in the summer of 2025 with potential to significantly unlock our success-case valuation estimate of that resource amounting to 120p. Success at Aphun-West, we believe, would have positive read-across on the company's operational capabilities to unlock the full success case value at Kodiak, which we estimate to amount to 203p. The intention of the forthcoming well, the Dubhe-1 well, is to definitively prove-up the productivity of a long-reach lateral well completed with multi-stage fracture stimulations by applying lessons from prior wells combined with ameliorated drilling and completion operations.

Comprehensive Update Note

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Summary

Pantheon Resources (PANR): High-Conviction BUY

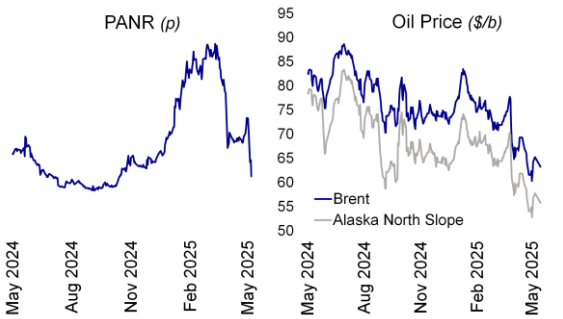
Market Data and Key Figures

Share price (last close; p)	20.65
Shares outstanding (m)	1,143.0
Shares outstanding fully diluted (incl. converts; m)	1,242.7
Market capitalisation basic (£m)	236.0
Market capitalisation fully diluted (£m)	256.6
Net cash (after $25m Megrez-1 capex; $m)	14.4
Assumed cash from options ($m)	28.0
Enterprise value ($m)	214.2

Market Valuation Metrics

EV/2C barrels (liquids only; $/b)	0.14
EV/2C barrels of oil equivalent (liquids and gas; $/boe)	0.08

Share and Oil Price Dynamics



Asset Summary and Valuation (After Royalties and Income Tax; NPV10)

	Source of Resource Estimate	Class. (SPE)	Liquids (mb)	Nat. Gas (bcf)	Oak Sec. Full Success Case Value ($m)	Value / Barrel of Liquids ($/b)	Full Succes-Case Value (p/sh)	Risking Factor (Com+ dilut)	Oak Sec. Risked Fair Value Estimate (p/sh)	Assumed First Oil to Last Drill (year)
Kodiak	NSAI	2C	1,208	5,396	3,277	2.71	202.8	10.0%	20.3	*2034-2042*
Ahpun - Alkaid	LKA	2C	79	424	348	4.40	21.5	10.0%	2.2	*2030-2034*
Ahpun - West	CGA	2C	282	804	1,931	6.85	119.5	25.0%	29.9	*2028-2034*
Total			**1,569**	**6,624**	**5,555**	**3.54**	**343.9**		**52.3**	

Key commodity and forex assumptions: Brent oil price of $65.00/b, inflated at 2% p.a.; USD:GBP forex rate of 1.30
Key assumption: full dilution of options, warrants, RSUs and all $35m of convertibles
Key consideration: We see significant scope for resource growth at Kodiak, Ahpun-W & Ahpun-E
Key consideration: Particularly for Kodiak, we see significant potential upside from accelerated drilling to capture the time value of money

Summary Income Statement ($m; June Year-End)

	2022A	2023A	2024A	2025E
Revenues	-	0.8	0.0	-
Production costs	-	(0.7)	(0.0)	-
Gross profit	**-**	**0.1**	**0.0**	**-**
Admin. exp.	(7.4)	(3.9)	(8.8)	(9.1)
Share based comp.	(8.3)	(3.1)	-	(1.0)
Operating profit	**(15.7)**	**(6.9)**	**(8.8)**	**(10.1)**
Covert. bond exp.	(4.6)	(6.1)	(4.9)	(3.6)
Other	4.4	11.7	0.3	0.7
Profit before tax	**(16.0)**	**(1.3)**	**(13.4)**	**(13.0)**
Tax	2.0	(0.1)	1.8	-
Gain (loss) for period	**(14.0)**	**(1.4)**	**(11.5)**	**(13.0)**

Summary Balance Sheet ($m; June Year-End)

	2022A	2023A	2024A	2025E
Cash	57.8	20.7	7.9	14.4
Other	2.5	2.6	2.9	3.0
Long-term assets	237.8	286.7	293.8	329.4
Total assets	**298.1**	**309.9**	**304.6**	**346.9**
Payables	6.4	2.8	0.7	3.4
Borrowings	43.3	26.8	21.0	33.9
Other liabilities	9.0	7.9	6.1	8.3
Total liabilities	**58.7**	**37.5**	**27.7**	**45.6**
Equity	239.4	272.4	276.9	301.3
Total liabs. & equity	**298.1**	**309.9**	**304.6**	**346.9**

Summary Cashflow Statement ($m; June Year-End)

	2022A	2023A	2024A	2025E
Cash from ops.	(0.9)	(11.4)	(11.4)	(7.9)
Capital expenditure	(47.6)	(47.9)	(6.3)	(33.4)
Cash from debt	54.9	(0.1)	(5.3)	17.6
Cash from equity	45.7	22.2	10.3	30.1
Change in cash	**52.1**	**(37.1)**	**(12.7)**	**6.5**

Key Asset Locations: Alaska, USA



Sources: Pantheon Resources, Oak Securities Research, NSAI, LKA, CGA, Bloomberg

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Catalysts – High-impact Outlook

Pantheon Resources is progressing on multiple independent paths of value creation.

Critically, each of the company's three core assets is geologically compartmentalised and independent.

Each of the company's core assets, namely, Ahpun-West, Kodiak and Ahpun-Alkaid has been ascribed best estimate contingent recoverable resource estimates by third party resource evaluators on the basis that that they have each i) produced oil and natural gas liquids to surface and ii) been controlled by high-quality 3D seismic that has delineated their subsurface geometry.

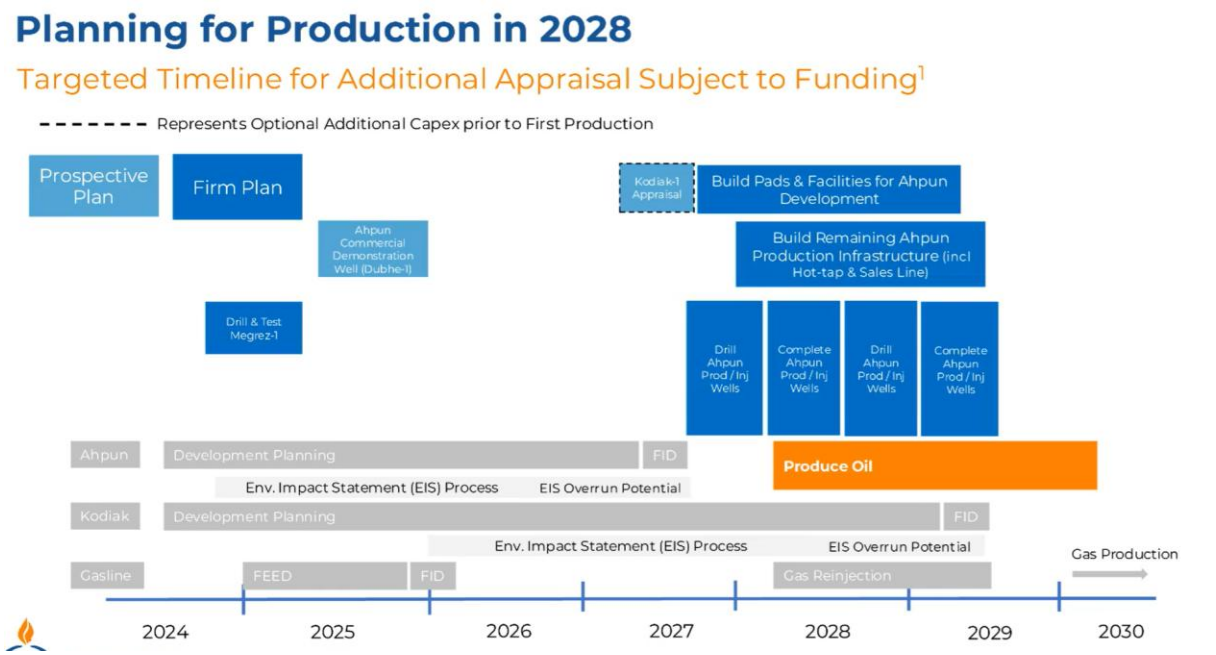
Further appraisal efforts that prove the commerciality of the company's contingent resources stand to unlock the considerable latent value of the company's resource base.

Notably, the failed Megrez-1 exploration well drilled and tested in 1H 2025 has no bearing on the contingent resource estimates of the company's core assets.

Multiple Independent Pathways for Catalyst-Rich Value Creation

Pantheon has a catalyst-rich outlook and significant optionality involving multiple independent pathways to create shareholder value (Figure 1).

Figure 1 Pantheon Resources' Catalyst Rich Outlook (Commercial Production by 2028)



Source: Pantheon Resources

Alaskan Governor, Mike Dunleavy, stated that a final investment decision ("FID") for the Alaskan natural gas pipeline is expected for this autumn with first production

expected as early as 2028. We observe that momentum for the pipeline is building on an accelerated basis, with direct and positive read across for Pantheon Resources' timescales – with scope for an accelerated development.

A link to the statement by Governor Dunleavy can be found below:

https://www.hudson.org/events/alaskas-role-global-energy-security-governor-mike-dunleavy-kenneth-weinstein

Show Me – The Critical Appraisal Well Intended to Unlock Latent Value

The company is intending to drill an appraisal well, the Dubhe-1 well, to provide definitive, direct proof of commerciality of the Ahpun-West field.

The resource potential at Ahpun-West is estimated to consist of 68% liquids and 32% natural gas. Whereas the substantial entirety of the value of Ahpun-West is attributable to the liquids, the natural gas has tremendous strategic value in the context of the planned Alaskan gas pipeline and LNG export facility. We hold that view because we believe the natural gas from Ahpun-West is uniquely advantageous as feedstock for the pipeline on account of its proximity to the pipeline and because it can be fed into the pipeline with limited processing (unlike the gas from Prudhoe Bay). For that reason, we would expect that the development of the circa $44 billion Alaskan gas pipeline and LNG project would likely facilitate funding the development of the Ahpun-West project. We note that the profitability of the Ahpun-West project, based on the cash generated by the liquids, would make the project self-funding with relative ease. In that context a "show me" well that proves the productivity of Ahpun-West would likely serve as a key to unlock both the latent value of the project and a funding solution to develop it (assuming the Alaskan gas pipeline project proceeds as expected). The planned Dubhe-1 well is intended to be the "show me" well for Ahpun-West.

The Dubhe-1 well is intended to be an appraisal well consisting of a long-reach horizontal lateral well that the company expects to complete with multi-stage horizontal fractures (fracks) – replicating a commercial well and intended to establish the definitive commercial production potential of Ahpun-West.

The company intends to drill the Dubhe-1 well in the summer of 2025.

We have included only 25% of our full-success case value of Ahpun-West, amounting to 29.9p in our fair value estimate. We believe that a successful well result at Dubhe-1 would substantially unlock the full 119.5p of latent value attributable to the field, based on our estimates (premised on the 2C resource potential of the field as determined by Cawley, Gillespie & Associates).

It is notable that we believe that success at Ahpun-West would also have positive read across on the operational capabilities of the company to unlock the latent potential of the nearby but geologically distinct Kodiak field (202.8p of success case latent value, based on our estimates premised on the 2C resource potential of the field as determined by Netherland Sewell and Associates).

For reference, Ahpun-West has been ascribed 282 million barrels of recoverable liquids and 804 billion cubic feet of recoverable natural gas on a 2C basis (best estimate contingent resources) by Cawley, Gillespie & Associates, a third party resource evaluator. The Dubhe-1 well is intended to unlock the value of that resource.

We highlight that since Tony Beilman was brought into the company to lead its operational/engineering efforts in December 2022, Pantheon Resources' operations have been successful in their entirety: Without exception all drilling and completion operations under Mr. Beilman have been completed successfully. In contrast, the company's initial long-reach multi-stage fracked lateral well at Ahpun-West, the Alkaid-2 well, was operationally compromised. We believe that the petroleum engineering experience of the newly appointed CEO, Max Easley, in similar reservoir conditions (Permian Basin in the USA and the Montney in Canada) further bolsters the operational capabilities of the company.

The Dubhe-1 well has, in our opinion, a higher chance of success than any prior wells because i) Pantheon Resources is drilling into a known resource that has been ascribed 282 million barrels of recoverable liquids and 804 billion cubic feet of natural gas on a best-estimate contingent resource basis (2C), ii) the company has strengthened its operational capabilities iii) the company will optimize the well design to incorporate learnings from prior wells, and iv) the company intends to drill Dubhe-1 into an optimal well location in the heart of the resource.

Success at the Dubhe-1 well would consist of establishing a commercial production rate (establishing a definitive, directly-observed type-curve showing commercially attractive production rates over time).

Operational, Corporate, Financial and Geopolitical Catalysts

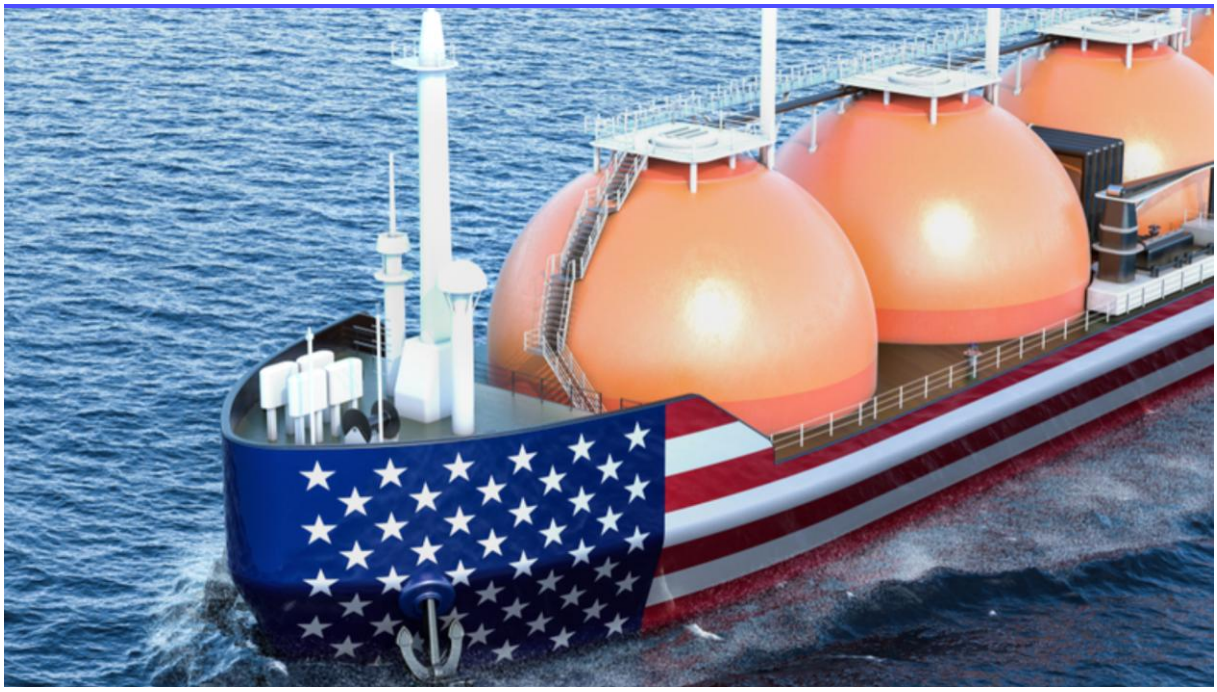
In addition to its high-impact operational developments, Pantheon Resources will be progressing strategies to secure optimal funding solutions to maximise shareholder value. In this regard, all progress to advance the monetisation and development of the natural gas potential of Alaska's North Slope would be of heightened interest for Pantheon Resources – this is explained in the section entitled *"Alaskan Gas Pipeline – Funding Implications".*

Pantheon Resources has also advanced the preparatory work for a US stock listing and IPO, which, subject to market conditions and an acceptable valuation could serve to increase its profile in capital markets and provide funding solutions to develop its resources. Finally, we do not rule out the possibility of the announcement of funding solutions that are not necessarily expected.

We highlight that energy politics are creating a supportive backdrop for the development of Pantheon Resources' assets, which is also creating potential for a catalyst rich news outlook. We highlight for example, that in February 2025, Mitsui, the Japanese conglomerate, announced it was considering plans to support a $44 billion pipeline and LNG export project to monetise the North Slope's natural gas

resources, of which Pantheon Resources' assets are the most suitable, in our view, for development. In April 2025, US Secretary of the Treasury Scott Bessent confirmed that Taiwan and South Korea have also indicated they have strong interest in participating in the project.

Figure 2 Pantheon Resources: Expect Positive Political Catalysts



Source: Shutterstock.com

On balance, for the remainder of 2025 and into the mid-term, we see a value accretive and catalyst rich outlook for Pantheon Resources, with key news streams relating to operations, funding, corporate developments, and geopolitics.

Pantheon Resources – General Background

Pantheon Resources is a Houston based, London listed oil & gas company that is advancing the commercialisation of discovered oil & gas assets on the North Slope of Alaska, USA.

Overview

Pantheon Resources holds 258,000 acres (1,044 km^2) of licence area in Alaska. Pantheon Resources' licence area is distinguished for three reasons. Firstly, it is immediately to the south of Prudhoe Bay, the largest conventional oilfield in the Americas. Secondly, and related to its proximity to Prudhoe Bay, the company's licence area is transected by the most important oil and gas infrastructure in Alaska, namely, the Dalton Highway and the Trans Alaska Pipeline System. Thirdly, Pantheon Resources has high-quality onshore assets of very significant scale.

Location, Location, Location

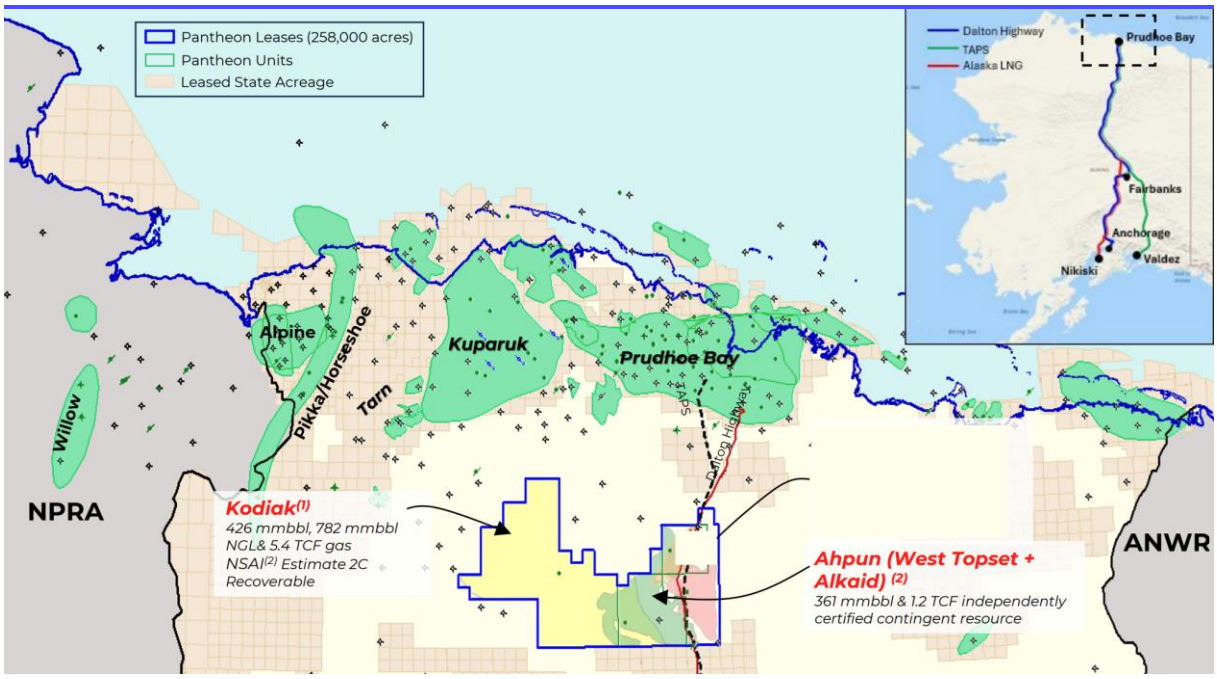
For reference, the Trans Alaska Pipeline System is 800 miles long and delivers oil from the North Slope of Alaska to Valdez, Alaska, which provides a year-round, ice-free port for oil exports on Alaska's southern coast. At it peak (in 1988) the pipeline piped 2.1 million barrels of oil per day. To date, the pipeline has delivered over 18.9 billion barrels of oil. The pipeline is anticipated to produce approximately 500 kb/d in the immediate future, with modest declines anticipated into the mid-term in the absence of investments in upstream oil projects on the North Slope.

The state of Alaska has a land mass that is six-times larger than the UK in which the Dalton Highway and the Trans Alaska Pipeline System represent the single-most important component of the state's oil and gas infrastructure. The state of Alaska has a pristine but delicate, natural, tundra, arctic setting with some of the highest environmental standards for oil and gas permitting globally. As a result, project costs inclusive of exploration drilling costs escalate considerably with distance from the Dalton Highway and the Trans Alaska Pipeline System.

The location of Pantheon Resources' assets in the immediate proximity of the Trans Alaska Pipeline System and the Dalton Highway is advantageous because it i) facilitates permitting, ii) reduces timescales associated with exploration drilling and commercial production, and iii) reduces exploration and developmental costs.

A map showing the locations of Pantheon Resources' assets is provided in Figure 3. On that map it is helpful to locate the Dalton Highway and the Trans Alaska Pipeline System (labelled TAPS).

Figure 3 Pantheon Resources – Asset Map



Source: Pantheon Resources

Scale and Third-Party Endorsement

Pantheon Resources assets have been endorsed by recognised industry leaders including: SLB (formerly Schlumberger), Netherland Sewell & Associates, Lee Keeling & Associates, Cawley Gillespie & Associates, VAS Analysis (a Baker Hughes Company) and eSeis.

The 2C resource estimates on which we have based our financial modelling and valuation have been provided by Netherland Sewell & Associates (Kodiak; 1.2 billion barrels of liquids; 5.4 trillion cubic feet of natural gas), Lee Keeling and Associates (Ahpun-Alkaid; 79 million barrels of liquids; 424 billion cubic feet of natural gas) and Cawley Gillespie and Associates (Ahpun-West; 282 million barrels of liquids; 804 billion cubic feet of natural gas).

Significant Investment in Resource Appraisal to Date

Pantheon Resources' assets benefit from $80 million of 3D seismic data coverage and the drilling of three successful appraisal wells (Talitha A, Theta West and Alkaid 2) in addition to legacy wells, which substantiate their third-party contingent resource estimates.

Max Easley, Newly Appointed CEO

We believe that Pantheon Resources has a strategically, technically and commercially strong leadership team, led by Chairman David Hobbs (see section entitled "*Experienced Leadership Team*").

We believe that the appointment of native-born Alaskan Max Easley as Chief Executive Officer of Pantheon Resources on 20 February 2025 significantly enhances the company's strong leadership team.

Mr. Easley brings over thirty years of experience as a highly respected energy executive, drawing on extensive domestic and international experience in the upstream industry. Over the course of his career, Mr. Easley has held executive roles at BP, Apache Corporation and PETRONAS Canada.

Mr. Easley graduated from the University of Alaska in 1991 with a degree in Petroleum Engineering. Following his experience as a petroleum engineer at Prudhoe Bay, he worked overseas for over a decade, primarily in the UK and Trinidad, in a variety of technical, financial and leadership roles before returning to Alaska as Senior Vice President of Resource Development for BP Alaska. Over the past decade, he has been a driving force in the capital efficient appraisal, development and production of unconventional resources both in the Permian Basin in Texas and the Montney in British Columbia. We believe that Mr. Easley's operational and commercial experience in the Permian and Montney, combined with his experience on Alaska's North Slope, will be particularly advantageous for Pantheon Resources.

We also highlight that Mr. Easley's experience has been focused on the development of world-class assets, namely, Prudhoe Bay (the largest oilfield in the Americas), the Permian (the growth engine that has made the US the #1 oil producer globally) and the Montney (supplying natural gas to LNG Canada). We believe that makes Mr. Easley's background particularly relevant for the development of Pantheon Resources' assets, which we also consider to be world-class assets based on the third-party resource estimates provided by globally recognised industry experts.

Alaskan Gas Pipeline – Funding Implications

Pantheon Resources is committed to the self-sufficient development of its resources in order to ensure the monetisation of its assets without being beholden to third-parties.

Nevertheless, the company is pursuing alternative funding strategies, without necessarily relying on them.

The advancement of a project to build a natural gas pipeline from the north of Alaska to the South of Alaska would be optimally developed, we believe, by developing the liquids-rich hydrocarbons of Pantheon Resources to exploit their associated natural gas. The key point is that any natural gas pipeline project connecting the North Slope to the population centres and ice-free export terminals in the South of Alaska would involve, we believe, a funding solution to develop the assets of Pantheon Resources.

Specific Advantages of Pantheon Resources' Assets

Pantheon Resources assets are i) immediately adjacent to the Trans Alaska Pipeline System, which would be twinned by the planned new natural gas pipeline and ii) Pantheon Resources assets produce natural gas that can be piped without significant processing.

In contrast, the natural gas at Prudhoe Bay, to the immediate north of the Pantheon Resources' licence area, contains 12%+ CO2 – making it too acidic and corrosive to travel in an 800-mile steel pipeline, without first investing in complex, costly CO2 separation facilities.

Background on Alaska's Natural Gas Crisis

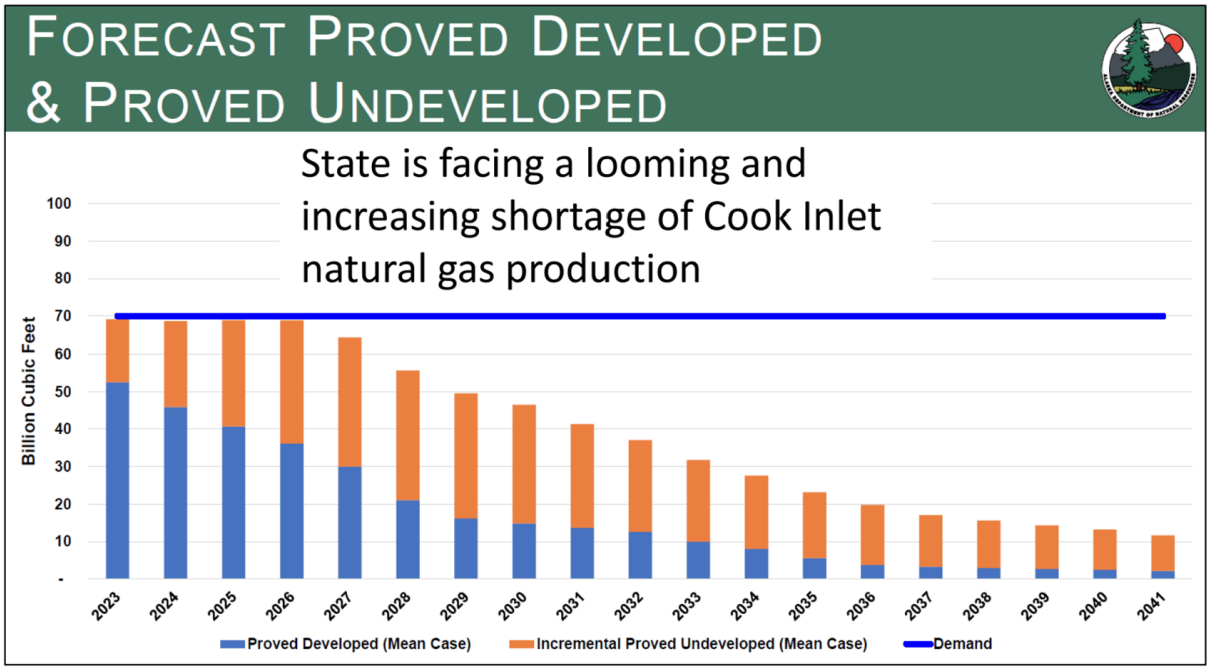
Longstanding risks related to forward-looking natural gas supply deficiencies have risen to become an issue of primary concern for the state of Alaska.

For context, natural gas is indispensable for the state of Alaska due to i) its extremely cold arctic weather conditions, ii) a desire to maintain the population of the state, iii) a desire to support the growth of industry in the state, and iv) the existence of a major joint US Army and US Airforce base at Anchorage, Alaska (the Elmendorf-Richardson joint base).

For further context, much of the Alaskan population and the city of Anchorage are supplied with gas from the Cook Inlet. Hillcorp has become the operator that dominates natural gas supply from the Cook Inlet; however, that company has indicated to the purchasers of its natural gas that it cannot be relied upon to supply natural gas beyond its existing contracts.

The scale of the projected shortfall in Alaskan natural gas supplies based on the estimates of the Alaskan Department of Natural Resources is provided in Figure 4.

Figure 4 Alaska is Facing a Looming Natural Gas Shortage



Source: Alaska Department of Natural Resources

Alaska Gasline Development Corporation (AGDC)

AGDC was formed to pipe natural gas from the North Slope of Alaska to i) Fairbanks, ii) Anchorage and iii) other population centres near the pipeline's right of way and iv) potentially to an LNG export facility.

AGDC has recognised the advantages of the associated natural gas (produced with oil) of Pantheon Resources' Ahpun field combined with the location of that field immediately adjacent to the existing right of way provided by the Trans Alaska Pipeline System.

On 5 June 2024, AGDC and Pantheon Resources jointly announced that they together entered a Gas Sales Precedent Agreement. Frank Richards, AGDC's President commented that the agreement is intended "to resolve Southcentral Alaska's looming energy shortage" with the provision of "pipeline-ready" natural gas from the Ahpun field.

For more information on AGDC: https://agdc.us/

Adding further momentum to the Alaska LNG project, on 10 January 2025, Glenfarme announced that is had partnered with AGDC to advance that project. Glenfarme is a recognised global leader in the development, ownership, operatorship, and industrial management of energy and infrastructure assets. On 27 March 2025, Glenfarme announced it had signed agreements to become majority owner of Alaska LNG, the LNG export project, and lead developer of the greater project to

monetise Alaskan natural gas. Glenfarne further indicated that the final investment decision in respect of an Alaskan natural as pipeline is anticipated in 2025.

For more information on Glenfarme: https://glenfarnegroup.com/

A Robustly Supportive US Administration

President Trump, Energy Secretary Wright, Secretary of the Interior Burgum, Secretary of the Treasury Bessent and Alaska's Governor Dunleavy have all recently, robustly and publicly endorsed the development of an Alaska gas pipeline and LNG project, which is adding positive momentum to Pantheon Resources.

For further information:

US Presidential Executive Order: Unleashing Alaska's Extraordinary Resource Potential: https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-alaskas-extraordinary-resource-potential/

Secretary of the Interior Doug Burgum Signs First Round of Secretary's Orders to Unleash American Energy: https://www.doi.gov/pressreleases/secretary-doug-burgum-signs-first-round-secretarys-orders-unleash-american-energy

US Presidential Address to Alaska – Supporting Alaskan Natural Gas Pipeline: https://www.facebook.com/GovDunleavy/videos/president-trump-addresses-alaska/514641971572044/

US President Trump and Japan Prime Minister Ishiba Agree to Partner on Alaskan Pipeline: https://www.youtube.com/watch?v=FAP6uOr7q9g

US President Trump Robustly Advocates for Alaskan Pipeline and LNG Project in Congressional Address: https://www.whitehouse.gov/remarks/2025/03/remarks-by-president-trump-in-joint-address-to-congress/

Alaskan Governor Dunleavy's statements on geopolitical importance of the Alaskan Pipeline and LNG Project and his statement on final investment decision ("FID") timing and first gas: https://www.hudson.org/events/alaskas-role-global-energy-security-governor-mike-dunleavy-kenneth-weinstein

US Tariffs

US tariffs are encouraging countries to buy LNG from the US in order to equilibrate their balance of payments with the US. In effect, countries will be increasingly inclined to import LNG from the US in order to gain access to the US consumer market – the largest market in the world.

Geopolitics and Energy Security

Geopolitics and energy security are becoming paramount relative to short-term commodity prices for decision making. We believe this is favourable for Pantheon Resources.

We believe that Japan's strong interest in supporting Alaska's pipeline and LNG project reflect the changing geopolitical backdrop and an increased focus on long-term energy security.

A critical implication from this context is that unlike most investments in the energy sector, benchmark energy commodity prices are not necessarily of primary relevance for the final investment decision ("FID") in relation to the Alaska natural gas pipeline and LNG export project. In contrast, the key decision-making parameters for the project may relate to energy security, geopolitical considerations and gaining access to the US consumer market.

Perspective: Liquids Based Investment Thesis, Unchanged

Pantheon Resource's oil and natural gas liquids form the basis of our investment thesis – we have ascribed no value at all to the company's natural gas.

Pantheon Resource is intending to develop its assets with or without the advancement of an Alaskan natural gas pipeline and LNG export facilities. The natural gas produced in association with the company's liquids can be reinjected at low-cost (and used on site), which is the norm for North Slope operators.

Nevertheless, we believe that any final investment decision relating to an Alaskan natural gas pipeline and LNG export terminal would be transformationally positive for Pantheon Resources. We hold this view because the assets of Pantheon Resources are, we believe, the best natural gas assets for the provision of feedstock into pipeline in the immediate proximity of the planned pipeline's right of way.

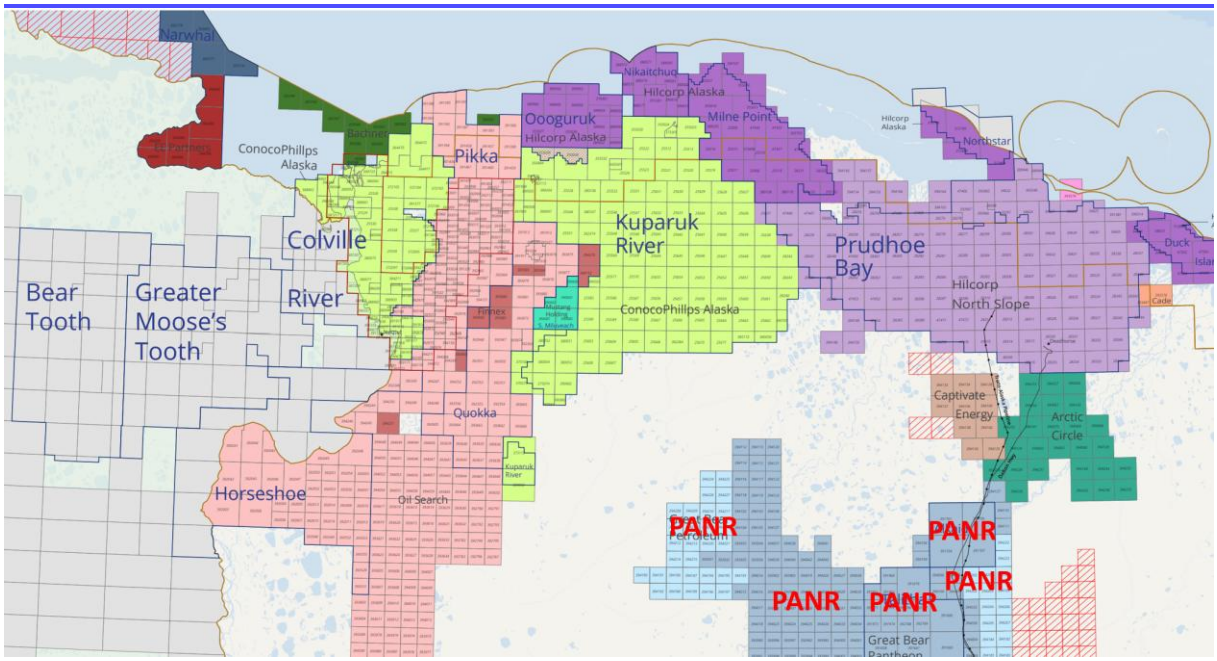
Regional Geology

Exploration on the North Slope Since 2002, In a Nutshell

On the North Slope of Alaska exploration for oil that would be commercially attractive when completed with fracture stimulations (comparable to "shale oil" in Lower-48 states of the US) started in the Western North Slope with a serendipitous well result (ConocoPhillips' Hunter A well in the Greater Mooses Tooth lease area; 2002; see Figure 5) and moved eastward towards Pantheon Resources' lease areas. Luck, not geology, is the singular reason exploration started in West before trending closer to the pipeline, where resources are much more valuable and easier to monetise, other things being equal.

To be clear on this point, there has never been an *a priori* geological rationale, in our view, that would suggest that the licence areas of Pantheon Resources, which are in the immediate vicinity of the Dalton Highway and the Trans Alaska Pipeline System, would not be equally as prospective as the licence areas to the West, where significant commercial discoveries have been made.

Figure 5 North Slope Lease Areas West of Pantheon Resources' Lease Areas

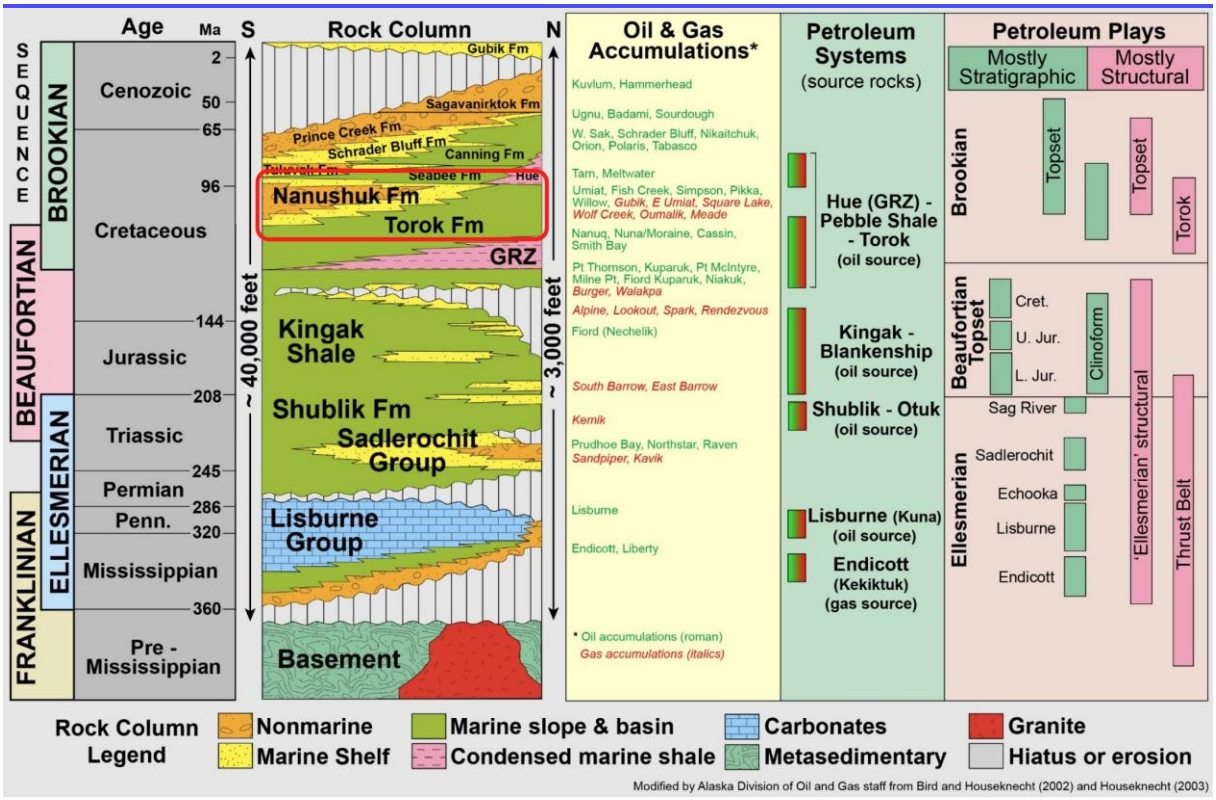


Source: Alaska Department of Natural Resources

Regional Geology Background

A stratigraphic column showing the petroleum systems that dominate the North Slope is provided in Figure 6. Pantheon's core assets, namely Kodiak and Ahpun, are both within the Brookian sequence.

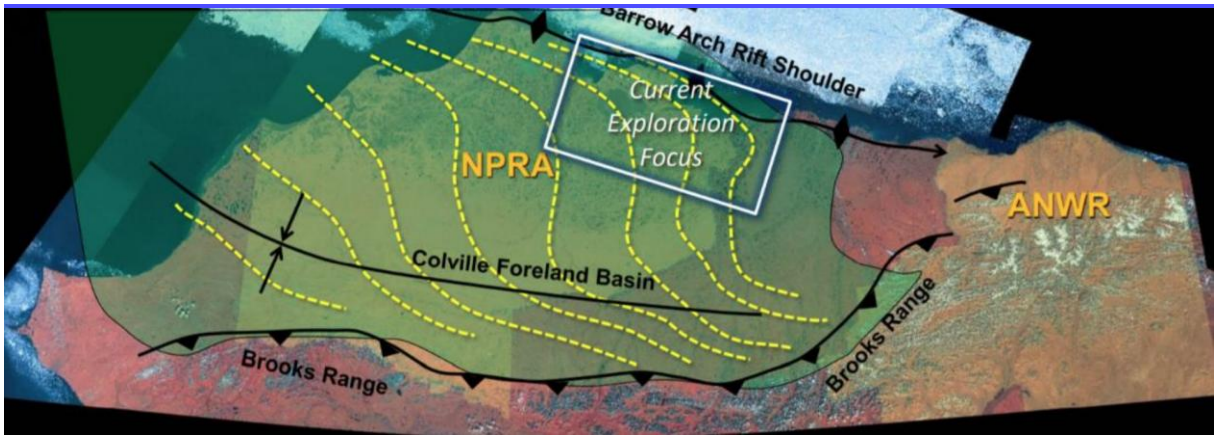
Figure 6 North Slope Stratigraphic Column



Source: Alaska Department of Natural Resources

The Cretaceous Brookian sequence in its entirety is one geological system related to the progradation of a delta on the North Slope from South West to North East, supplied by sediments from the Brooks Mountain Range and its associated foreland basin. This progradation is shown schematically in Figure 7.

Figure 7 Progradation of Alaskan Delta on North Slope from Brooks Range



Source: Alaska Department of Natural Resources

The depositional settings have three broad labels depending on where they were situated relative to the marine shelf as it prograded to the North East, as follows:

1. **Topsets:** sand-prone coastal plain and shallow marine shelf;

2. **Foresets:** muddy slope and sandy turbidite channels and slope apron fans;

3. Bottomsets: sandy basin-floor turbidites, organic rich condensed shales.

Recent Exploration History on the North Slope

The discovery, appraisal and development of oil resources within the Brookian sequence occurred initially, by fluke of circumstance, specifically by the unexpected discovery of oil shows in the ConocoPhillips Hunter A well in the Greater Mooses Tooth lease area (drilled by ConocoPhillips; plugged and abandoned in 2002) in a Brookian topset geological sequence. That result, led to nearby exploration and the successful discoveries of Pikka/Horseshoe and Willow – in that chronological sequence.

The Pikka field was discovered by Armstrong Energy and Repsol with the drilling of Qugruk 3 discovery well in 2013. Armstrong and Repsol reported the Horseshoe discovery 32km south of Pikka in March 2017. The Horseshoe-1 and Horseshoe-1A wells were drilled between 2016 and 2017. Combined 1.2 billion barrels of oil, and potentially more, are expected to be recovered from the Pikka and Horseshoe units.

ConocoPhillips announced the discovery of the Willow oilfield on 13 January 2017 within the Greater Mooses Tooth lease area. The Willow discovery wells, Tinmiaq 2 and 6, were drilled in early 2016 and encountered 72 feet and 42 feet of net pay, respectively, in the Brookian Nanushuk. ConocoPhillips expects to produce between 450 million and 800 million barrels of oil from Willow.

The key point is to appreciate that the Brookian sequence was developed initially so far away from the Dalton Highway and the Trans Alaska Pipeline System because the well that unlocked the prospectivity of the Brookian sequence was drilled in the Greater Mooses Tooth lease area far away from that pipeline and highway (see Figure 5). There has never been an a priori geological rationale that would suggest that the resources of Pantheon Resources would not be equally as prospective as the resources that are significantly more westward.

On the other hand, the resources of Pantheon Resources on an equivalent dollar-for-barrel basis should be expected to be much more valuable than those in the Pikka, Horseshoe and Greater Mooses Tooth (Willow) unit developments, due to the tremendously advantageous location of Pantheon Resources' assets relative to the Trans Alaska Pipeline System and the Dalton Highway.

3D Seismic, Essential for Modern Explorationists on the North Slope

As a final point to appreciate why the assets of Pantheon Resources were not explored, appraised and developed earlier given their proximity to infrastructure, it is essential to appreciate that within the Brookian sequence explorationists have been targeting stratigraphic targets that are essentially invisible without 3D seismic.

From 2012 to 2015, Great Bear Petroleum, before being acquired by Pantheon Resources, acquired 1,043 square miles of proprietary 3D seismic data at a cost of approximately $80m which illuminated the subsurface within Pantheon Resources' licence areas. The possession and interpretation of that proprietary 3D seismic data

would have been a pre-requisite to appreciate the prospectivity of Pantheon Resources' acreage.

Experienced Leadership Team

David Hobbs, Chairman of the Board

Petroleum Engineer, 40 years' experience in operations and commercial management in North America and Internationally. Global energy expert & strategist (CERA & KAPSARC), Chairman Proton Green (industrial gas producer).

Max Easley, Chief Executive Officer and Director

Petroleum Engineer, 30+ years' experience, balanced between North America and international, including extensive experience operating in Alaska. Previous executive roles include BP, Apache Corp. and PETRONAS. Over past decade has been focussed entirely on unconventional development in US and Canada.

Robert (Bob) Rosenthal, Technical Director

Geologist 40+ years' experience. Founding Manager of Great Bear Petroleum. Former BP explorationist in a variety of senior roles. Expert in seismic stratigraphy and high-tech geophysics. Successful track record of E&P start-up companies.

Tony Beilman, SVP Engineering

Petroleum Engineer, 40+ years' management, operations, A&D experience, incl. for: Phillips Petroleum, David Arrington Oil & Gas, Cairn Energy. Cofounded (as COO) two PE-backed unconventional shale companies (Foreland Operating & Novus Exploration), focusing on Marcellus Shale, Eagle Ford & Permian Basin.

Philip (Phil) Patman, Jr., Chief Financial Officer

30+ years' experience in finance operations, capital formation, M&A / business development, and law for companies engaged in global energy and infrastructure markets. He has previously served as CFO of VAALCO Energy, Inc. (NYSE:EGY, LSE:EGY).

Justin Hondris, SVP for Finance and International Investment

15+ years' experience in public company management in upstream O&G sector focusing on corporate finance, private equity and capital markets. Priorly held senior roles in the private equity sector.

Patrick Galvin, Chief Commercial Officer / Group General Counsel

Previously Alaska State Commissioner of Revenue, Former Petroleum Land Manager for the Alaska Dept of Natural Resources. Former partner at K&L Gates.

Josh McIntyre, Group Financial Controller

CPA, former Senior Manager, BDO USA, and CFO Great Bear Petroleum

Mario Traviati, Adviser to the Board

Previously head of Asia Energy research, Merrill Lynch. Founder Great Bear Petroleum. Previously at Woodside Petroleum.

Research Analyst Disclosures

Brendan Long, CFA

Brendan Long has over 20 years of experience valuing oil & gas projects globally. He has worked for many of the most well-known financial organizations supporting the oil & gas sector including Scotia Capital, BNP Paribas and Bank of Scotland. He holds an MSc. in Finance from the London School of Economics, a Certificate in Petroleum Reservoir Evaluation from the Harold Vance Department of Petroleum Engineering of Texas A&M University, a Masters from Sciences-Po, Paris and he is a Certified Financial Analyst (CFA) charterholder.

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