

Pantera Drilling Income Trust Announces Results for the Third Quarter Ended September 30, 2009 And Declares November Distribution

Calgary, Alberta, November 12, 2009
(TSX: RIG.UN)

Pantera Drilling Income Trust (“Pantera” or the “Trust”) is pleased to release its third quarter 2009 financial and operating results. Additional information relating to the Trust, including the Trust’s financial statements and management’s discussion and analysis for the three and nine months ended September 30, 2009 is available under the Trust’s profile on SEDAR at www.sedar.com or the Trust’s website at www.panteradrilling.com.

HIGHLIGHTS						
FINANCIAL	Three months ended September 30,			Nine months ended September 30,		
	2009	2008	Change	2009	2008	Change
(\$000s, except for units and per unit amounts)			(%)			(%)
Revenue	3,091	13,679	(77)	13,239	25,022	(47)
Gross margin ⁽¹⁾	2,117	5,359	(60)	5,250	9,167	(43)
Net earnings	388	2,579	(85)	748	3,062	(76)
Per unit - basic	.04	.38	(89)	.08	.46	(83)
- diluted	.04	.38	(89)	.08	.45	(82)
Cash flow from operating activities	(1,390)	(2,226)	38	4,458	1,058	321
Per unit - basic	(.15)	(.33)	55	.50	.16	213
- diluted	(.15)	(.33)	55	.48	.15	220
Cash distributions declared per basic unit	.09	.09	-	.27	.27	-
EBITDA ⁽²⁾	1,534	4,221	(64)	3,357	6,495	(48)
Total assets (end of period)	56,138	65,350	(14)	56,138	65,350	(14)
Total long-term financial liabilities (end of period)	16,575	23,905	(31)	16,575	23,905	(31)
Units outstanding (weighted average)						
- basic	9,210,141	6,703,827	37	8,997,565	6,625,380	36
- diluted	9,505,641	6,872,348	38	9,305,363	6,846,214	36
Units outstanding (end of period)	9,310,583	6,745,111	38	9,310,583	6,745,111	38
OPERATING						
Number of rigs	7	7	-	7	7	-
Operating days ⁽³⁾	326	496	(34)	683	929	(26)
Industry utilization average ⁽⁴⁾	20%	46%	(57)	22%	40%	(45)
Pantera utilization rate ⁽⁵⁾	51%	77%	(34)	36%	48%	(25)

Notes:

- (1) Gross margin represents revenue less operating expenses. Readers are cautioned that gross margin does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. However, Pantera does compute gross margin on a consistent basis for each reporting period. Management believes gross margin is a useful supplemental measure of operating performance and is particularly relevant to readers within the investment community. Refer to “Non-GAAP Measures” later in this discussion for a quantitative reconciliation of these numbers.
- (2) EBITDA means net earnings before interest, taxes, depreciation, amortization, and gain or loss on disposal of property and equipment. Readers are cautioned that EBITDA does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. However, Pantera

does compute EBITDA on a consistent basis for each reporting period. Management believes that, in addition to net earnings, EBITDA is a significant indication of success for Pantera and is particularly relevant to readers within the investment community. Refer to “Non-GAAP Measures” later in this discussion for a quantitative reconciliation of these numbers.

- (3) Operating days is the total of all drilling days from spud to release and excludes stand-by, moving, rig-up and rig-out days.
- (4) Source: Canadian Association of Oilwell Drilling Contractors (CAODC).
- (5) Pantera utilization rate is based on utilization of all rigs operating in Canada and Mexico.

Pantera recorded net earnings of \$388,000 (\$.04 per unit) for the quarter ended September 30, 2009 a decline of 85% compared with net earnings of \$2.6 million (\$.38 per unit) recorded for the third quarter of 2008. For the nine months ended September 30, 2009, net earnings decreased to \$747,600 (\$.08 per unit) from \$3.1 million (\$.45 per unit) in 2008, a decrease of 76%. The decline in Pantera’s results for the three and nine months ended September 30, 2009 compared to the prior year reflects reduced industry activity levels and recessionary global economic conditions that have persisted through 2009.

In late June and early July, three of the Trust’s telescopic double rigs were sub-contracted under short term lease agreements extendible for up to one year for one of the rigs and two years for the other two. The contracts provide guaranteed revenue with minimum day requirements, achieving more stability of the Trust’s revenue stream in a time of lower industry activity and greater uncertainty than experienced in recent years. The leasing arrangement is with a Canadian drilling services company that deployed the rigs to the Chicontepec region in Mexico and is responsible for the direct operating costs, including but not limited to, labour, repairs and maintenance.

Pantera’s utilization rate for the three months ended September 30, 2009 was 51% as compared with 77% achieved in 2008. On a year to date basis, Pantera’s utilization rate was 36% a 25% decrease from the prior year’s rate of 48%. The utilization rate for the rigs located in Mexico was 92% for the third quarter whereas the utilization rate for the rigs located in Canada was 19%, consistent with the industry utilization rate of 20%.

On October 27 2009, the Canadian Association of Oilwell Drilling Contractors (CAODC) released a revised forecast of drilling activity for 2009. The CAODC now expects 8,278 wells to be drilled in 2009, as compared to the 16,844 wells drilled in 2008 and 19,144 wells drilled in 2007. CAODC expects an average industry drilling utilization rate of 24% in 2009, down from the 40% rate experienced in 2008.

Of the Trust’s three telescopic double rigs that remain in Western Canada, one is under a term contract to January 2011 and provides guaranteed revenue with minimum day requirements. The two remaining telescopic double rigs will be working under open day work contracts for the winter drilling season in the northern Alberta and northeast BC regions. The Trust’s only telescopic single rig is being utilized in Ontario primarily drilling gas storage wells for two major gas distribution companies.

During the three months ended September 30, 2009, the Trust determined that certain pieces of equipment were not required to support its ongoing drilling operations and began to actively market the equipment to potential buyers. The net book value of the equipment was \$2.1 million. The Trust recognized an impairment of \$282,800 to write-down the equipment to its fair value less costs to sell of \$1.8 million. The impairment charge was recorded in depreciation expense.

Included in revenue for the three months ended September 30, 2009 is \$626,700 in consideration for the termination of a term contract with minimum day requirements. The telescopic double rig is now committed to another operator for their winter drilling program in BC scheduled to commence in December 2009.

On October 27, 2009, the CAODC released a forecast for drilling activity for 2010. The forecast calls for 8,523 well completions and an industry rig utilization of 27%. This is a modest improvement over the 2009 forecast for 8,278 well completions and an industry rig utilization of 24%. For 2010, CAODC expects a continuation of the trend in higher days per well or increased drilling time, and is suggesting 9.3 days, up from an expected 9 days for 2009. CAODC also expects a continued decrease in the Canadian fleet, with equipment moving outside of the country or being retired. The fleet is expected to average 800 rigs in 2010, down from the 862 in the first quarter of 2009, and the 840 expected for the fourth quarter 2009. The Canadian rig fleet peaked at 902 rigs in the first quarter of 2009.

The surplus availability of rigs in Western Canada has created tremendous downward pressure to day rates. The decrease in day rates coupled with lower utilization has and is expected to continue to negatively impact revenue.

Pantera has a fleet of seven drilling rigs and management expects to have four rigs working under term contracts for the remainder of 2009 that provide a guaranteed number of revenue generating days at a fixed daily amount for the duration of the contract, and three rigs that will continue to compete in Canada under open day work contracts.

The Trust today declared a cash distribution relating to the period November 1, 2009 to November 30, 2009, in the amount of \$0.03 per trust unit payable on December 15, 2009 to unitholders of record on November 30, 2009.

Cash distributions are not guaranteed and will fluctuate with the performance of its operating entity, Pantera Drilling LP, which is dependent upon oil and natural gas prices, the level of activity in the oil and gas industry, seasonal weather patterns, competition, major customers, third party suppliers, key personnel and workforce availability, among other risk factors.

Certain statements included in this release constitute forward-looking statements including, without limitation, such things as revenue expectations, capital expenditures, legislative changes, changes in industry conditions, the impact of weather and other seasonal factors that affect business operations, fluctuations in prevailing commodity prices, the competitive environment to which Pantera is, or may be, exposed in all aspects of its business and expected future availability and utilization of Pantera's rigs. Such forward-looking statements that involve unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Pantera, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, general economic and business conditions, the ability of Pantera to implement its business strategy, and changes in, or failure to comply with government regulations, especially health, safety and environment laws, regulations and guidelines. Additional information on these and other factors that could affect Pantera's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) under Pantera's profile. Forward-looking statements in this release may include, but are not limited to, revenue, commodity prices, rig utilization and availability, capital expenditures and legislative changes. For this purpose, any statements that are contained in this discussion that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects", "intends", and similar expressions. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Furthermore, the forward-looking statements contained herein are made as at the date hereof and Pantera does not undertake any obligation to update publicly or to revise any of the included forward-looking

statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

The Trust is an open-ended, investment trust governed by the laws of the Province of Alberta pursuant to the Deed of Trust. The Trust was established for the purpose of investing in property, including the securities of Pantera Drilling Limited Partnership and Pantera Drilling Inc. The beneficiaries of the Trust are the holders of the trust units. The business of Pantera involves the provision of contract drilling services to oil and natural gas exploration and production companies operating in Canada.

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