

Pantera Drilling Income Trust Announces Results for the First Quarter Ended March 31, 2010 And Declares May Distribution

Calgary, Alberta, May 12, 2010
(TSX: RIG.UN)

Pantera Drilling Income Trust (“Pantera” or the “Trust”) is pleased to release its first quarter 2010 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 months ended March 31, 2010 is available under the Trust’s profile on SEDAR at www.sedar.com or the Trust’s website at www.panteradrilling.com.

HIGHLIGHTS			
<i>Three months ended March 31</i>	2010	2009	Change
FINANCIAL			
(\$000s, except for units and per unit amounts)			(%)
Revenue	7,602	9,228	(18)
Gross margin ⁽¹⁾	2,922	3,853	(24)
Net earnings	1,065	2,032	(48)
Per unit – basic	.11	.23	(52)
- diluted	.11	.22	(50)
Cash flow from operating activities	2,304	2,772	(17)
Per unit - basic	.24	.32	(25)
- diluted	.23	.31	(26)
Cash distributions declared per basic unit	.09	.09	-
EBITDA ⁽²⁾	2,198	3,174	(31)
Total assets (end of period)	57,666	62,389	(8)
Total long-term financial liabilities (end of period)	17,575	21,408	(18)
Units outstanding (weighted average) - basic	9,576,890	8,769,686	9
- diluted	9,870,334	9,092,546	9
Units outstanding (end of period)	9,657,983	8,889,185	9
OPERATING			
			(%)
Number of rigs (end of period)	7	7	-
Operating days ⁽³⁾	344	308	12
Industry utilization average ⁽⁴⁾	53%	36%	47
Pantera utilization rate	55%	49%	12

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.
- (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.
- (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).

Pantera Drilling Income Trust generated revenue of \$7.6 million for the three months ended March 31, 2010, an 18% decrease from the \$9.2 million achieved in 2009. Net earnings for the quarter decreased to \$1.1 million or \$.11 per unit (diluted) from \$2.0 million or \$.22 per unit (diluted) in 2009. The decreases in revenue and net earnings were primarily due to the reduction in customer pricing compared to 2009. More than 40% of the revenue in Q1 2009 was generated from two term contracts with rates that had been established in June 2008. Both of those contracts ended at spring break-up of 2009. Additionally, the downward trend in spot day rates continued through 2009 resulting in an average decrease of 18% on contracts re-negotiated in the third and fourth quarters of 2009.

The increased utilization of Pantera's seven drilling rigs partially offset the reduction in customer pricing. The number of operating days for the three months ended March 31, 2010 increased by 12% to 344 from 308 in 2009. Operating days is the total of all drilling days from spud to release and excludes stand-by, moving, rig-up and tear-out days.

Pantera's rig utilization improved to 55% in the first quarter of 2010 compared to 49% in 2009. Pantera continues to outperform the industry in terms of rig utilization. The CAODC reported an average industry utilization of 53%, up from the 36% reported in the first quarter of 2009.

In 2009, Pantera relocated three rigs (Rigs No. 4, 5, and 7) to the Chicontepec region in Mexico under short term lease arrangements. Due to reduced activity in the Chicontepec region, all three rigs have been or are in the process of being returned to Canada. These three rigs have been contracted in western Canada for the duration of 2010. Two of those rigs will be drilling horizontal heavy and conventional oil wells in central and northern Alberta and one will be drilling horizontal conventional oil wells in south east Saskatchewan. This will be the first venture into Saskatchewan for Pantera.

Rig No. 3 is still located in Ontario and will remain there as long as reasonable utilization of the rig is obtained. Rig No. 3 is the Trust's smallest rig (rated to 1,600 metres) and has been in Ontario for the past two years.

Pantera's remaining three rigs (Rigs No. 6, 8, and 9) have been committed to clients with drilling programs expected to continue through to at least the end of 2010. Two of those rigs will be drilling horizontal gas wells in the northeastern area of B.C., and one will be drilling horizontal heavy oil wells in the Peace River area of Alberta.

After spring break up management expects to have all seven of its rigs active - one under a term contract that provides a guaranteed number of revenue generating days at a fixed daily revenue amount for the duration of the contract and the other six under open day work contracts. One of Pantera's rigs remained active during spring break up.

Future growth of the Trust will consist of new rig construction and the possible acquisition of other businesses complimentary to that of the Trust. The decision to proceed with the construction of each new rig is based on a number of factors, which may include obtaining a long term drilling commitment.

The Trust provides a distribution reinvestment plan (the "Plan") to unitholders of the Trust. The Plan provides eligible unitholders with the opportunity to reinvest their cash distributions payable toward the purchase of additional trust units from treasury at a price equal to 95% of the average market price on the applicable distribution payment date, as defined in the Plan. Participation in the Plan in the first three months of 2010 averaged approximately 63% and resulted in the issuance of 164,408 units for net proceeds of \$539,500. Funds reinvested in the Trust through the Plan will be available to fund capital expenditures and reduce debt.

In accordance with the policy adopted by the Trustees, the Trust continues to make regular monthly cash distributions. Monthly distributions of \$0.03 per trust unit were paid during the first quarter of 2010.

The Trust today declared a cash distribution relating to the period May 1, 2010 to May 31, 2010, in the amount of \$0.03 per trust unit payable on June 15, 2010 to unitholders of record on May 31, 2010.

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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