

**Pantera Drilling Income Trust Announces
Results for the Second Quarter and Expanded 2008 Capital Program
and Declares August Distribution**

**Calgary, Alberta, August 14, 2008
(TSX: RIG.UN)**

Pantera Drilling Income Trust (“Pantera” or the “Trust”) is pleased to release its second quarter 2008 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 six months ended June 30, 2008 will be available by August 15, 2008 under the Trust’s profile on SEDAR at www.sedar.com or the Trust’s website at www.panteradrilling.com.

Pantera’s utilization rate was higher in the second quarter of 2008 at 18% as compared to 2% in 2007, which resulted in an increase in revenue of 175% to \$3.3 million for the three months ended June 30, 2008 from \$1.2 million for the prior year. Pantera recorded a net loss for the three months ended June 30, 2008 of \$780,100 as compared with a net loss of \$1.1 million in 2007, an improvement of 28%.

Pantera’s utilization rate for the six months ended June 30, 2008 was 34%, a significant increase over the prior year of 14%, and consistent with the industry average of 37%. Revenue for the six months ended June 30, 2008 was \$11.3 million as compared with \$13.6 million in 2007, a decrease of 16% primarily due to lower day rates. And on a year to date basis Pantera recorded net earnings of \$483,000 in 2008 as compared with \$2.0 million in 2007. This decrease was largely due to a combination of lower day rates and higher repairs and other operating costs.

Activity continues to improve and as at August 13, 2008, Pantera's fleet of seven rigs is fully utilized. Six of the seven rigs are located in Western Canada and are currently working with commitments to spring break-up 2009. The seventh rig, located in Ontario, continues to be busy on short term contracts and is committed into Q4 2008 at this time. Of the six rigs operating in Western Canada, four are under contracts of greater than one year length, and two of those contracts contain minimum day commitments.

The Board recently approved an increase of \$6.2 million in 2008 capital expenditures for the acquisition of certain assets to be utilized on the Trust's own rigs that are typically rented by the Trust’s customers, including top drives, hevi-wate drill pipe and other ancillary equipment. Contracts with existing clients have been amended to include these capital items and equipment which are expected to deliver a favorable return to the Trust. Pantera intends to finance these capital expenditures through a combination of funds from operations, debt financing, and the possible future issuance of trust units and other securities of the Trust. Discussions are ongoing with certain clients regarding the provision of additional rigs or other equipment in order to meet their needs.

The Trust today declared a cash distribution relating to the period August 1, 2008 to August 31, 2008, in the amount of \$0.03 per trust unit payable on September 16, 2008 to unitholders of record on August 29, 2008.

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.

HIGHLIGHTS FINANCIAL	Three months ended June 30,			Six months ended June 30,		
	2008	2007	Change	2008	2007	Change
(000s, except for units and per unit amounts)			(%)			(%)
Revenue	3,289	1,195	175	11,343	13,563	(16)
Gross margin ⁽¹⁾	740	(170)	535	3,808	4,935	(23)
Net earnings (loss)	(780)	(1,086)	28	483	1,980	(76)
Per unit (basic and diluted)	(.12)	(.17)	29	.07	.32	(78)
Cash flow from operating activities	3,204	7,081	(55)	3,284	5,370	(39)
Per unit - basic	.48	1.14	(58)	.50	.87	(43)
Per unit - diluted	.46	1.14	(60)	.49	.87	(44)
Funds from (used in) operations ⁽¹⁾	(406)	(1,027)	60	1,599	2,860	(44)
Per unit (basic and diluted)	(.06)	(.17)	65	.24	.46	(48)
Cash distributions declared per unit	.09	.20	(55)	.18	.40	(55)
EBITDA ⁽²⁾	(44)	(632)	93	2,348	3,613	(35)
Units outstanding (weighted average) - basic	6,629,407	6,214,028	7	6,585,726	6,164,952	7
- diluted	6,629,407	6,214,028	7	6,744,957	6,164,952	7
Units outstanding (end of period)	6,664,017	6,256,701	7	6,664,017	6,256,701	7
OPERATING						
			(%)			
Number of rigs (end of period)						
Conventional	7	7	-	7	7	-
Coil	-	1	(100)	-	1	(100)
Total	7	8	(13)	7	8	(13)
Number of rigs (weighted average)	7	8.0	(13)	7	7.5	(7)
Operating days ⁽³⁾	115	16	619	433	409	6
Industry utilization average ⁽⁴⁾	19%	16%	19	37%	37%	-
Pantera utilization rates						
Conventional	18%	3%	500	34%	19%	79
Coil ⁽⁵⁾	-	-	-	-	-	-
Weighted average	18%	2%	800	34%	14%	143

- (1) Funds from operations as used in this report represents cash flow from operating activities before changes in non-cash operating working capital. Gross margin represents revenue less operating expenses. Readers are cautioned that funds from operations and gross margin do 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 funds from operations and gross margin on a consistent basis for each reporting period. Management believes that in addition to net earnings, funds from operations is a useful supplemental measure as it provides an indication of the funds that are available for investing

and financing activities, including distributions to unitholders. 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 unit-based compensation. 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 in the period 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) In 2007 Pantera had two coil rigs, one was converted to a conventional rig in Q1 2007 and the other was de-listed in Q3 2007.

Certain statements included in this press 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 press 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 press release 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.

For further information please contact:

Terry Rosentreter
President and Chief Executive Officer

or

Lorna Pollock
Chief Financial Officer at:

Ph: (403) 515-8400

Fax: (403) 515-8405

E-mail: terryr@panteradrilling.com
lpollock@panteradrilling.com

NOT FOR DISSEMINATION INTO THE UNITED STATES