



**ASX/Media Release**  
**18<sup>th</sup> May 2016**

### **Pantheon Resources Plc**

**Melbourne, 18<sup>th</sup> May 2016** - Argo Exploration Ltd ("Argo"; ASX Code 'AXT') would like to refer to the announcement by Pantheon Resources Plc ("Pantheon") to the London Stock Exchange (AIM –Quoted) in relation to an Operational Update.

Argo continues to hold 7,000,000 fully paid ordinary shares in Pantheon. The value of Argo's investment in Pantheon is ~\$A20.4m as at the date of this announcement.

*Argo Director Chris Martin said "We are excited with the commencement of the 2016 Pantheon drilling campaign with a horizontal step out well at Polk County VOBM#2H. We believe this to be a relatively low risk development well, but given 3,500 feet of lateral length with this horizontal well, we can expect significantly higher production rates than the very successful VOBM#1 well drilled last year "*

**For further information please contact:**

Chris Martin - Director  
Andrew Van Der Zwan - Director

Telephone (03) 9692 7222

Email: [argoexploration@iinet.net.au](mailto:argoexploration@iinet.net.au)

Or visit the website [www.argoexploration.com.au](http://www.argoexploration.com.au)



17 May 2016

Pantheon Resources plc

### **Operational Update**

#### **Spudding of the Vision Operating Blackstone Minerals #2H ("VOBM#2H") well and commencement of fracking operations at the VOS#1 well**

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company with a 50% working interest in several projects in Tyler and Polk Counties, onshore East Texas, is pleased to provide the following operational update:

#### **Spudding of VOBM#2H well, Polk County, onshore East Texas**

Pantheon is pleased to announce that the Nabors F12 drill rig has spudded the VOBM#2H well on the JV's Polk County acreage. The VOBM#2H well is the first well of the JV's 2016 multi-well drilling programme, which follows the two successful discovery wells, VOBM#1 and VOS#1, drilled by the JV last year. VOBM#2H will be a horizontal development well, stepping out from the VOBM#1 discovery well and targeting the Eagleford sandstone at a depth of approximately 13,500 feet and at a lateral length of approximately 3,500ft.

Drilling operations are expected to take approximately 55-60 days on a trouble free basis and results from the well will be announced when drilling and, if appropriate, testing operations are complete.

#### **Update on VOS#1 well, Tyler County, onshore East Texas**

Operations are underway for the planned fracture stimulation procedure at VOS#1. Results from the procedure will be announced when completed, which is anticipated to be by the end of May 2016.

#### **Update on VOBM#1 well, Polk County, onshore East Texas**

As previously guided the operator is finalising negotiations for the processing and transportation of natural gas from the field. However, given current market dynamics, both Pantheon and the operator believe superior economics can be achieved by undertaking the gas processing component themselves. Given the lack of horizontal wells drilled in the region, it has been decided that the most prudent approach, particularly in a low gas price environment, is to first evaluate the results of the upcoming VOBM#2H well, prior to bringing VOBM#1 onstream, in order to better determine the optimum processing facility requirements for the field.

**Jay Cheatham, CEO of Pantheon, stated,**

*“I am very pleased to announce the spudding of the first well in our fully funded 2016 drilling programme. The development well at VOBM#2H is significant in that it will be the first horizontal well on our Polk County acreage following the successful VOBM#1 vertical well.*

*“I am also pleased to note that fracture stimulation operations are due to commence at the VOS#1 well in Tyler County; given the extensive hydrocarbon bearing sandstone section discovered here, and commercial flow rate already achieved from this well; the results from this operation will be key to increasing the sustainable flow rates and de-risking the extensive aerial extent of the discovered resource.”*