



**ASX/Media Release
14th September 2017**

Pantheon Resources Plc

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 ~\$A5.78m as at the date of this announcement.

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Operational Update

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company with a working interest in several conventional projects in Tyler and Polk Counties, onshore East Texas, provides the following update following the recent extreme weather in Texas, USA caused by tropical storm Harvey ("Harvey"):

Tyler County

Pantheon is pleased to announce that early assessments indicate that our Tyler County locations and roads appear to have come through Harvey without material enduring damage. The operator, Vision Operating ("Vision"), has been informed that the drilling rig contracted for the planned sidetrack of the VOBM#4 well is estimated to be on location on or about the second week of October 2017. Drilling operations are estimated to take about 30 days on a trouble-free basis, with testing to follow if warranted.

Polk County

Pantheon's Polk County operations were more impacted by the extreme rainfall than its Tyler County operations, however we are pleased to report that workers are now back on location and have resumed laying the gas sales pipeline from the VOBM#3 pad to the Gulf South trunk line. The VOBM#3 pad has been constructed large enough to accommodate the Kinder Morgan gas processing facility, which is scheduled for installation in October. Early assessments indicate that our Polk County well locations appear to have been spared significant damage, requiring relatively straightforward repair. However, the roads accessing the locations are in need of essential repair prior to commencing flow testing of the VOBM#2H well. A further update will be provided once flow testing operations have been completed.

Vision has also been informed by the Gulf South pipeline operator that gas sales remain on track to begin in early November, following planned maintenance works, with receipt of first production revenues to follow in December.

The timing estimates above are based upon current, limited, information provided to Vision by various counterparties and should be considered guidance only and may be subject to change. The flooding in East Texas resulting from Harvey has been significant and all levels of the industry have been impacted. In addition to the obvious damage to infrastructure and roads, many service personnel are still dealing with serious personal issues arising from the flooding.

Jay Cheatham, CEO of Pantheon said: "Both Pantheon and Vision were truly fortunate that our drilling locations have not been materially impacted by the severe flooding in both Tyler and Polk Counties, and that our staff and personnel are safe. It's also great news that the contracted drilling rig for VOBM#4 is estimated to be on location in early October to commence the sidetrack, targeting the Wilcox formation which was encountered during drilling of the main wellbore. We will also commence the 2H operations as soon as is practical. If gas production into the main pipeline does begin in November in accordance with the guidance provided to us, it will be a remarkable outcome for all shareholders. On a personal level, we extend our sympathies to Vision employees and third party personnel we rely on who were not so fortunate. The industry will be dealing with the humanitarian crisis for some time."