



**ASX/Media Release
10 April 2018**

Pantheon Resources Plc

Melbourne, 10 April 2018 - 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 ~\$A3.3m as at the date of this announcement.

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9 April, 2018

Pantheon Resources plc

Operational Update

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company with a 50% - 75% working interest in several conventional project areas in Tyler and Polk Counties, onshore East Texas, provides the following operational update.

VOBM#5 - Frac operations

Fracking operations commenced at VOBM#5 on 27 March 2018. The frac was executed on plan and on schedule with all frac fluid and proppant displaced as anticipated. After weather delays the well was placed into test on 30 March 2018. Gas production commenced in the following days along with frac fluid and later formation water.

The well was shut in for a short period to observe shut in pressure build up and then tested again. Following the recommencement of testing and after recovery of the majority of the frac fluid, the well tested at an average of 1150 mcfpd along with 170 bwpd and no oil, on a 10/64ths choke and 5900 psi flowing tubing pressure. During testing the well began freezing up and production flow was interrupted repeatedly. A decision was made to shut the well in until heaters become available, which is currently anticipated to be during the week commencing 9 April 2018. Testing will resume once these have been fitted.

Based upon the extremely good log responses for VOBM#5 which showed 60-feet of net pay in the targeted Eagle Ford sandstone, and which appeared superior to the logs of our VOBM#1 well and of comparable Double A Wells field wells, we expected to see very good flow rates. Therefore, the produced volumes of water and the fact that no oil has been produced is unexpected. It is believed that the frac most likely went down a fracture plane into a deeper water source which was not seen on the logs and the water produced is impeding hydrocarbon production. Additional analysis is being undertaken in conjunction with third party experts to better understand the behaviour of VOBM#5 and to determine the appropriate course of action for this well and our West AA acreage in Polk County.

By comparison, the nearby VOBM#1 well produced during its testing period at over 6000 mcfpd and over 500 bopd without formation water prior to its shut-in and the collapse of the casing in that well. The presence of such quantities of water in this well is anomalous when compared to all our other wells and to those wells which we believe to be analogous in the Double A Wells Field, none of which produced water at these rates, and all of which produced oil/condensate.

VOBM#1- Remediation works

The Company and operator have confirmed a remediation plan for the collapsed casing within the VOBM#1 well; to conduct a sidetrack operation or possibly a redrill. It is anticipated that remediation works will take c.45 days from their start, and it is our expectation that this should significantly increase production from this well. That operation

will begin after analysis of VOBM#5 has been completed. The Company looks forward to reporting on the progress of this operation.

London Roadshow

Jay Cheatham, CEO, will be in London this week meeting with investors. The Company advises that it is not undertaking any fundraising activities.

Jay Cheatham, CEO, said:

"At the VOBM#5 discovery well, the representation of the Eagle Ford Sandstone in the log responses were some of the cleanest I have seen to date and, such logs would be expected to result in upper tier wells. It is perplexing that we have produced water in such quantity while on test and that production rates differ so much from the pre-shut in VOBM#1. We have one of the most experienced teams in the region addressing the issue and are using the time while we wait for heating elements to calibrate the seismic to the well logs to determine if we have encountered a deeper water bearing zone which was unseen on the logs and which is impeding hydrocarbon production. Once we have completed our analysis and have more production test data we will be in a far better position to assess the productivity of this well.

"I can also report that last week the operator and I met with one of the entities exploring the possibility of participating in a Wilcox and Navarro play on our Tyler County acreage. Those discussions are ongoing."

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