

QUARTERLY REPORT December 2018

Argo Exploration Limited
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Investment in Pantheon Resources Plc ("Pantheon")

Tyler County pipeline

Pantheon announced that the pipeline connecting the VOS#1 well and the Enterprise gathering and processing system in Tyler County, East Texas is now hooked up and that flowing operations have commenced. The Company intends to bring the well online slowly to allow it to gradually clean up as a result of its prolonged shut-in period and will report flow rates in due course.

First production Tyler County

The VOS#1 well was connected to the Enterprise pipeline system on 1 November. Cleaning up the well, which had been shut-in for over 2 years, has taken time. The well is being conservatively managed and is today producing at a rate of 2,000 mcfpd with a trace of oil on a 10/64ths choke. The flowing tubing pressure ("FTP") is 7800 psi.

Proposed acquisition of Controlling Interest in Vision

Pantheon has agreed non-binding terms with Kaiser Francis and associated limited partners ("KF") to acquire KF's 66.6% ownership of Vision Gas Limited and Vision Resources LLC ("Vision") including its working interest in the VOS#1 well and associated Tyler County acreage. As consideration, Pantheon expects to issue to KF 3.5 million new fully paid ordinary shares in Pantheon in full and final settlement (the "KF Acquisition"). Vision Gas Limited owns certain physical assets of Vision and its intellectual property (comprising, inter alia, seismic, well logs, and production histories). The acquisition remains subject to definitive documentation which the parties are in the process of agreeing. Whilst negotiations are at an advanced stage until definitive documentation is entered into, there can be no certainty that the acquisition will occur or the terms of any such acquisition.

Proposed Placing and Subscription to raise a minimum of approximately US\$16.0 million Acquisition of Great Bear Companies

Pantheon announced a proposed Capital Raising to raise a minimum of US\$16.0 million (before expenses).

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Alongside the placing, Pantheon intends to acquire two wholly owned companies from Great Bear Petroleum Operating LLC, Great Bear Petroleum Ventures I LLC and Great Bear Petroleum Ventures II LLC. The main assets of the Great Bear Companies are leases with the rights to explore for hydrocarbons in Alaska.

SUMMARY OF ACTIVITY

The Board of Argo continues to review a number of new projects to augment its investment in Pantheon but has yet to find a project that has the potential on a risk/reward basis that compares favorably to the upcoming drilling program of Pantheon.

As at the end of the December 2018 quarter Argo did not hold any interest in exploration licences.

More details on Pantheon can be found on the Pantheon website www.pantheonresources.com

CORPORATE

Cash reserves at the end of the December 2018 quarter stood at approximately \$15,000 with no secured debt while the value of the Pantheon Resources Plc investment as at the end of December 2018 amounted to \$2 million.

Subsequent to the end of the December 2018 quarter, the Company sold 200,000 shares in its listed investment Pantheon Resources Plc to fund general working capital. The consideration for the sale was \$60,360. The Directors considered that the sale of shares in Pantheon was the most cost-efficient, non-dilutive and expedient method available to it at the time.

The Board continues to review and evaluate potential corporate opportunities in the natural resource sector and is of the view that present market conditions will provide increased opportunities going forward at more sensible valuations than seen in recent years.

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CORPORATE DIRECTORY

Board of Directors

Christopher Martin
Justin Hondris
Andrew Van Der Zwan

Joint Company Secretaries

Melanie Leydin
Justin Mouchacca

Issued Share Capital

Argo Exploration Ltd has 182,970,000 ordinary shares currently on issue.

Registered Office

Argo Exploration Limited
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Share Registry

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Please direct shareholding enquiries to the share registry