



**ASX/Media Release  
26 February 2019**

### **Pantheon Resources Plc Announcements**

**Melbourne, 26 February 2019** - 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).

Argo continues to hold 6,800,000 fully paid ordinary shares in Pantheon. The value of Argo's investment in Pantheon is ~\$A3m as at the date of this announcement.

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**Pantheon Resources plc  
Preparations for commencement of testing operations of the Alkaid well underway**

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company with working interests in several conventional project areas in Tyler and Polk Counties, onshore East Texas, as well as onshore North Slope of Alaska following its recent acquisition of the assets of Great Bear Petroleum in January 2019, is pleased to provide the following update:

The Alkaid exploration well drilled as a vertical test well in 2015 was not flow-tested at that time due to an extreme weather event which caused extensive flooding to the region and to the Dalton Highway, the main haul road for the North Slope of Alaska. The well was suspended to avoid equipment being stranded at location after logging all zones, and after sidewall coring the deepest zone. The data obtained confirmed indications of oil in three major zones, the shallowest at c.4000 ft to the deepest zone at c.8100 feet. Pantheon plans to production test each of these zones subject to suitable borehole conditions.

Pantheon has commenced field operations in preparation to re-enter the suspended Alkaid well. Construction of an ice road to the location is well underway and the All-American Oilfield Services Rig 111 rig has been contracted and is estimated to arrive on site during the first week of March. The condition of the borehole to determine suitability for testing all three zones will be ascertained by pressure testing the casing and running a cement bond log. Each of these zones has major productive oil field analogues nearby, providing confidence in understanding the potential reservoir development options in the event of successful testing operations. Updates will be provided at the conclusion of testing operations, or as otherwise required in accordance with AIM rules.

The test objective is to gather data to maximise the understanding of the geological and geophysical properties of the play and to assess the potential commerciality of the three targeted zones. If successful, the conceptual development plan for the primary zone of interest at Alkaid will likely see Pantheon utilize more strategic locations and designs for development, incorporating horizontal wells with multi-stage fracks as is typical on the North Slope.

Alkaid is a potentially vast oil accumulation with significant follow-on drilling opportunities in the immediate area where prospects have already been delineated. The P50 Technically Recoverable Resource at Alkaid is estimated to be 549 million barrels of recoverable oil across the three independent zones. The Alkaid prospect benefits greatly from being located near both the Dalton Highway and the Trans-Alaska Pipeline System ("TAPS"), where its geographic location would expedite and minimize cost of commercial development of any discovered oil.

Pantheon will hold a 100% working interest in the production testing operations at Alkaid and a 75% interest in the event of a plug and abandoning operation, with its Joint Venture partner Halliburton paying the remaining 25% share.

**Jay Cheatham, CEO of Pantheon, said:**

*"We have worked tirelessly to be in a position to test Alkaid so soon after completion of the Great Bear acquisition last month. We hope and expect that Alkaid borehole conditions will allow us to undertake a full evaluation of the oil encountered in the three independent zones. The Alkaid project along with Winx, currently drilling, provide enormous potential for Pantheon shareholders with both these exploration wells targeting multi-hundred million barrel oil accumulations, augmenting a portfolio of other major projects on the North Slope on our acreage. A success in Alkaid or Winx could herald a major discovery, following the major regional discoveries such as Pikka, Willow and Horseshoe over recent years.*

*Following the acquisition of 2/3 of the Vision entities from Kaiser Francis last month, I am very pleased to report work has already commenced on a detailed geological review of our Tyler & Polk County assets in East Texas. Our new technical team has already had initial discussions with the Bureau of Economic Geology at the University of Texas, in Austin, the very group that partnered the +3 year geological study of our East Texas assets a number of years ago. The team see great similarities to the geology of our assets in Alaska and are convinced the application of some of the techniques (such as 'high-tech geophysics') that have been so successful in Alaska over recent times would have great efficacy in East Texas. Discussions are underway with leading practitioners of 'high-tech geophysics' with a view to undertaking such work on our East Texas assets to enhance our understanding and maximise future drilling and operational efforts. Once we have completed this additional work and completed our analysis, which we are confident will yield an additional layer of understanding, we will provide an update on the anticipated drilling plans in East Texas. With Pantheon having now assumed control over operatorship of the East Texas assets, we are committed to doing everything possible to minimise a repeat of the operational issues we have experienced in the past. With the depth of talent we have acquired in the recent acquisition it is obvious to me that we should utilize this to its maximum."*

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