



**ASX/Media Release
7 March 2019**

Pantheon Resources Plc Announcements

Melbourne, 7 March 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 ~\$A3.7m as at the date of this announcement.

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**Pantheon Resources plc
Operational update: Winx-1 and Alkaid wells, Alaska**

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 January 2019 acquisition of the assets of Great Bear Petroleum, is pleased to report the following update:

Winx-1 Exploration Well, Alaska, PANR 10% working interest + 10% back-in right

- Total Depth of 6,800' reached on 3rd March, all pre-drill targets successfully intersected
- Multiple potential pay zones identified, including in primary target zone (Nanushuk topsets)
- Wireline logging program underway to confirm prospectivity ahead of possible production testing

The Winx-1 exploration well intersected all the of the pre-drill targets safely and efficiently. Total Depth of 6,800' was reached on the 3rd March 2019, with multiple potential pay zones identified in the Nanushuk Formation Topset Play (primary targets) and Torok Formation (secondary targets).

A comprehensive wireline logging program has now commenced to verify the prospectivity of the zones of interest. This program, including first pass interpretation, is expected to take ~10 days to complete. Based on the results of the interpretation, a decision will be made on whether to proceed with production testing of the most prospective zone within the Nanushuk Formation.

Alkaid well, Alaska, Commencement of testing operations, PANR 100% working interest

Construction of the ice road to the Alkaid well pad has been completed and the *All American Oilfield Rig 111* has been mobilized to location in preparation for well re-entry and testing. The State of Alaska has issued all permits necessary for operations. Flow testing operations are planned to commence imminently and the Company will update shareholders at the conclusion of testing operations.

The Alkaid exploration well was drilled as a vertical test well in 2015 however was not flow-tested at that time due to 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.

Wellbore integrity has now been evaluated through the performance of a Cement Bond Log (CBL) procedure and a casing mechanical integrity (pressure) test. Results indicate that the condition of the casing and cement is sufficient for the planned perforating and testing operations. It is expected that additional cement work may be required if fracture stimulation is undertaken.

Similar to the discovery wells in Horseshoe and Willow, Alkaid was designed primarily as a vertical test well with the objective to assess the potential commerciality of its (three) targeted horizons. If successful, the conceptual development plan will likely see Pantheon utilizing horizontal wells with multi-stage fracks as is typical on the North Slope, in more strategic locations for development.

Flow testing of the primary ZOI (Brookian) target is designed to evaluate the reservoir parameters including reservoir pressure and permeability. Reservoir fluids will be sampled through a swab test and potentially with a fracture stimulation. It is anticipated that the shallower West Sak and Ugnu (secondary target) formations may be evaluated without the need for fracture stimulation.

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 is located near the Dalton Highway and the Trans Alaska Pipeline where its geographic location would expedite and minimize cost of commercial development of any discovered oil.

Jay Cheatham, CEO of Pantheon, said:

"I am extremely pleased with the progress at Alkaid. The ice road and rig mobilization were accomplished ahead of schedule. We are now poised to test three large potential hydrocarbon accumulations. Success in any one of the three could be a huge success for Pantheon shareholders, opening up the potential for expedited development because of the location. The entire team of Pantheon employees and contractors is to be commended. I look forward to reporting the results of the program in due course."

"I am also very encouraged by the developments at Winx-1 where we have also encountered multiple potential pay zones in the primary target as well as in one of the secondary targets. We will need to await logging operations before we can make a more meaningful assessment as to the potential of the well, and we look forward to these operations with cautious optimism."

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