



**ASX/Media Release
14 March 2019**

Pantheon Resources Plc Announcements

Melbourne, 14 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 ~\$A2.6m as at the date of this announcement.

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13 March 2019

**Pantheon Resources plc
Winx-1 Exploration Well drilling update**

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, advises the following update in relation to the Winx-1 well ("Winx-1") located on the Western Blocks, North Slope of Alaska:

Highlights: Winx-1 Exploration Well, Alaska, PANR 10% working interest

- Comprehensive wireline logging program successfully completed at Winx-1, full petrophysical analysis and review commenced
- Provisional petrophysical analysis of the wireline logging program indicates low oil saturations in the primary Nanushuk Topset objectives; testing and fluid sampling indicates that reservoir quality and fluid mobility at this location is insufficient to warrant production testing, despite encouragement from oil shows and logging while drilling (LWD) data
- Zones of interest in the Torok formation, secondary objectives, were identified on wireline logs, which similarly exhibited low oil saturations and did not flow hydrocarbons during the Modular Formation Dynamics Test (MDT) pressure testing and fluid sampling program

The operator, 88 Energy Limited, has advised that petrophysical interpretation of the LWD data at Winx-1 indicated elevated resistivities associated with increased mud gas ratios (C1 - C5) in the distinctive Nanushuk Topset sequence comparable with other successful neighbouring wells in the Nanushuk play fairway. Early indications were encouraging and, on this basis, a comprehensive wireline program was undertaken to further evaluate the interval of interest.

The wireline program was designed to fully evaluate and quantify the reservoir potential and associated shows in the Nanushuk Topsets. The suite comprised specialist logging tools capable of quantifying laminated pay zones, including nuclear magnetic resonance; a triaxial induction tool that measures both horizontal and vertical resistivity, FMI (formation micro imager) and an MDT program to determine pressure gradients and sample fluids from the zones of interest.

Provisional wireline results indicate low oil saturations in the Nanushuk Topsets not conducive to successfully flowing the formation, as borne out by the MDT sampling results, which did not retrieve hydrocarbon samples. Reservoir properties appear to be compromised by dispersed clay in the matrix at Winx-1. This clay is often present in other successful Nanushuk wells but in discrete laminations with decent quality, high resistivity, oil saturated sandstones in between. The dispersed clay in the Nanushuk at Winx impacts both fluid mobility and oil saturations. The clay serves to bind much of the fluid present in place so it cannot flow. It also occupies pore space within the formation, resulting in a lower relative hydrocarbon saturation. This means that, whilst oil is present in the reservoir, there is less of it and it is not mobile. Further evaluation will be undertaken post drill to fully understand the implications of the petrophysical results.

The reservoir performance in the Torok Channel Sequence was better than the Nanushuk in the Winx-1 well as evidenced by relatively faster influx of fluid during MDT sampling. On completion of the wireline logging program it is apparent that the oil saturations in the zone of interest are also low and not conducive to hydrocarbon flow. While the oil saturations are evidence of an active petroleum system and charge, further work is required to determine whether there is an effective trapping mechanism at this location.

The forward plan is to further evaluate and integrate the valuable data acquired at Winx-1 and reprocess the Nanuq 3D seismic (2004) in order to evaluate the remaining prospectivity on the Western Leases including the Nanushuk Fairway potential. Winx-1 will now be plugged and abandoned.

Jay Cheatham, CEO, said:

"The wireline logging program at Winx-1 did not confirm the operator's and our earlier optimism which was based on mudlog shows and LWD (logging while drilling). Data analysis is continuing and more evaluation is necessary to determine the next steps for the Western Blocks. While disappointing, this does not condemn the Western Blocks where Winx-1 is located.

The Winx prospect where we have a 10% carried interest with an additional 10% back in right, is wholly independent of the other large appraisal projects and exploration prospects in the Pantheon/Great Bear portfolio. These other six projects, where Pantheon has working interest positions ranging from 75% to 90%, are all located in our core area approximately 30 - 50 miles to the east of Winx, near to the Trans Alaskan Pipeline, and have a combined P50 Technically Recoverable Resource estimated of 1.7 billion barrels of oil. Alkaid, drilled in 2015 and suspended due to regional flooding, is testing currently. Shareholders will be aware that wireline logging (and sidewall coring of the ZOI horizon) took place in the Alkaid well in 2015. The data collected and analysed from that historical activity drove the decision to proceed with the current testing program. The Alkaid is targeting the West Sak, Ugnu and ZOI formations all of which are completely independent of the results of the Winx well. We will of course report Alkaid results upon the conclusion of testing operations."

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