

QUARTERLY REPORT MARCH 2019

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Investment in Pantheon Resources Plc ("Pantheon")

Pantheon is a 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, advises the following:

Alkaid Well, Alaska North Slope, Pantheon 100% working interest-

- The first of the 3 targeted horizons, the Brookian ZOI, was confirmed as an oil discovery, following a successful flow test where results exceeded expectations.
- A 6 foot interval (from a c.240 foot interval of net pay) was perforated and flow tested at 80- 100 BOPD light oil (40 degree API).
- These flow rates were considered to be an excellent result and indicate the potential for materially higher flow rates when wells are drilled in the typical manner for Brookian wells in Alaska - horizontally, stimulated, and with larger intervals perforated.
- Following the successful flow test of the primary target, the Brookian Formation ("ZOI"), flow testing operations moved up the hole to the shallower West Sak and Ugnu secondary targets.
- Testing of the West Sak secondary target occurred, with the well encountering low salinity (brackish) water. The Ugnu and West Sak secondary targets were independent of the Brookian ZOI, however the presence of brackish water in the West Sak significantly downgraded the probability of success in the the Ugnu Formation, given these zones are close to each other and have very similar log responses.
- As a result of the confirmation of the oil discovery in the Brookian ZOI, Pantheon decided to suspend and seek approval to 'freeze protect' the Alkaid well bore, preserving it as a future development well.

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- The Brookian ZOI is estimated to have 400 feet of gross pay and 240 feet of net pay. Flow testing and data received exceeded expectations and have material positive implications for reserve and production potential for the Alkaid project, as well as for increasing probabilities of success of other Brookian targets on the acreage, most notably Phecda, the adjoining prospect.
- An Application has been made to the State of Alaska to suspend and 'freeze protect' the wellbore or use as a future development well and producer.

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 March 2019 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 March 2019 quarter stood at approximately \$23,000 with no secured debt while the value of the Pantheon Resources Plc investment as at the end of March 2019 amounted to \$3.6 million.

In January 2019, 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

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Share Registry

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Please direct shareholding enquiries to the share registry