

QUARTERLY REPORT JUNE 2018

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Investment in Pantheon Resources Plc ("Pantheon")

VOBM#5, Pork County (75% working interest) – independent technical analysis completed

Following the announcement of the VOBM#5 well results on 9 April 2018, Pantheon appointed Sierra Hamilton, a leading independent oil and gas consultancy to conduct a detailed technical analysis of the well in order to better understand the cause of, and implications of, the water production.

The results of the analysis concluded that the large volume of produced water in the VOBM#5 well is not believed to be sourced from the perforated intervals in the targeted Eagle Ford sandstone, and is more likely a result of frac operations communicating with a deeper water source below the perforations. Future wells will most likely only perforate the upper portion of the Eagle Ford sandstone and will be designed (in collaboration with third party experts) to avoid possible communication with deeper water sources. Encouragingly, the analysis also concluded that absent fracking, the perforated intervals should have produced hydrocarbons and water volumes comparable to analogue wells in the nearby Double A Wells Field.

VOBM#1 sidetrack and future operations

Pantheon confirmed that the operator has identified two appropriate drill rigs for the planned sidetrack of the VOBM#1 well. Discussions are presently underway and aim (subject to contracts and scheduling) for spudding as early as late July. The original VOBM#1 well was tested at 1,500 boepd on a 12/64th inch choke before production was subsequently impacted by collapsed casing. The VOBM#1 sidetrack is considered to have a high probability of success by the operator.

Pantheon also confirmed that in Tyler County, negotiations are in late stages for the processing and transportation of natural gas for the VOS#1 and future Tyler County operations.

Bobby Gray

On 5 June 2018, Pantheon announced with great sadness the sudden passing of Bobby Gray, principal of Vision Resources, Pantheon's working interest partner and Operator of its East Texas projects.

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Strategic Review

On 16 July 2018, Pantheon announced that following the recent death of Bobby Gray, the principal of Vision Resources ("Vision"), Pantheon has commenced a strategic review of its Tyler & Polk County project.

Pantheon has commenced discussions (and indeed had already commenced discussions prior to Bobby's death) for the potential acquisition of some or all of Vision's working interest positions in the jointly leased Tyler and Polk County project (the "Project"), to increase Pantheon's working interests up to 100% and to assume operatorship and control of the Project. Pantheon believes this to be an obvious and prudent step which would afford Pantheon increased freedom and flexibility to conduct corporate and operational activities.

Discussions are ongoing, however terms have not yet been finalised. Pantheon's objective is for the acquisition to be on accretive terms for its shareholders. The purchase consideration is anticipated to be non-cash, subject to credits for any prepayments/advances made to Vision by Pantheon, and will be correlated to the future success of the Project. Consideration may take the form of any or a combination of equity, premium priced warrants, a success based royalty or other non-equity consideration. Whilst Pantheon is confident of a successful outcome to these discussions, there can be no guarantee that an agreement will be concluded. Further announcements will be made in due course in accordance with regulatory requirements.

In addition and as previously stated, Pantheon believes a farm out to be the preferred method to finance forward drilling operations and confirms that it is presently in discussions with a number of parties in regards to a possible farm-out of a working interest in the project. Discussions with a USA based industry party are already at an advanced stage. Having both ownership and operatorship (subject to a successful transaction with Vision) would provide greater flexibility in terms of commercial negotiations with potential new partners.

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 June 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 June 2018 quarter stood at \$41,000 with no secured debt while the value of the Pantheon Resources Plc investment as at end June 2018 was ~\$2.3 million.

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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