

QUARTERLY REPORT DECEMBER 2015

Argo Exploration Limited
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KEY POINTS

Investment in Pantheon Resources Plc ("Pantheon")

- Pantheon was pleased to announce the successful completion of flow testing operations at VOBM#1 well, Polk County, East Texas.
- VOBM#1 well was flow tested and gross production equated to over 1,500 boepd through a 12/64ths choke.
- Pantheon announced the successful conclusion of drilling operations on the VOS#1 well, Tyler County, East Texas.
- Data from electric logs indicated the presence of a potentially significant reservoir on the Eagle Ford sandstone.
- The JV secured a low cost workover rig to undertake flow testing operations. Results will be announced at the conclusion of these testing operations.
- Argo continues to hold 7,000,000 fully paid ordinary shares in Pantheon.

Corporate

- Argo announced the raising the \$860,000 by the issue of 10,750,000 fully paid ordinary shares at \$0.08 (8 cents) per share to sophisticated investors.

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 similar to the upcoming drilling program of Pantheon.

As at the end of the December 2015 quarter Argo did not hold any interest in exploration licences.

More details on Pantheon can be found on the Pantheon website www.pantheonresources.com

Should the Pantheon JV drilling enjoy some success, then this should provide material capital appreciation for Argo shareholders, and provide the company with more options to raise capital to deploy to new opportunities.

CORPORATE

Cash reserves at the end of the December 2015 Quarter stood at \$868,605 with no secured debt while the value of the Pantheon Resources Plc investment as at 31 December 2015 was ~\$21,870,000.

Subsequent to the end of the December 2015 Quarter and as at the date of this announcement, the value of the Pantheon Resources Plc investment is ~ \$10,900,000.

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. This has become increasingly evident in the junior resource sector, where many companies are trading well below tenement valuations.

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