

QUARTERLY REPORT MARCH 2016

Argo Exploration Limited
ACN: 120 917 535
Level 4, 100 Albert Road
South Melbourne, Victoria 3205
Australia

Phone: (61 3) 9692 7222
Fax: (61 3) 9077 9233

www.argoexploration.com.au

Email
argoexploration@iinet.net.au

KEY POINTS

Investment in Pantheon Resources Plc ("Pantheon")

- Pantheon was pleased to announce an update on flow testing operations at VOS#1, Tyler County, East Texas, which encountered 107 feet of net pay;
- The net pay and initial flow rates were consistent with a well exceeding a PMean ultimate recovery of c.3 million barrels of oil equivalent;
- Testing operations confirmed a downhole blockage issue with a remedial action necessary. After completing a secondary flow test where the well flowed at a sustained rate of over 750 barrels of oil eq per day on a 12.64th choke, analysis confirmed a standard fracture stimulation as the optimal remediation technique.
- At VOBM#1 well, Polk County, East Texas, the JV concluded arrangements for the processing of gas production and extraction of natural gas liquids with the preferred natural gas processing plant.
- Pantheon announced a successful placing of ~18.3m new Ordinary shares at 115p to raise ~US\$30million
- Argo continues to hold 7,000,000 fully paid ordinary shares in Pantheon.

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 March 2016 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 2016 Quarter stood at \$365,857 with no secured debt while the value of the Pantheon Resources Plc investment as at end March 2016 was ~\$17.4m.

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 increasing 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

Argo Exploration Limited
Level 4, 100 Albert Road
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Australia

Phone (61 3) 9692 7222
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Share Registry

Advanced Share Registry Ltd
150 Sterling Highway
Nedlands Western Australia 6009
Australia

Phone (61 8) 9389 8033
Fax (61 8) 9389 7871
www.advancedshare.com.au

Please direct shareholding enquiries to the share registry