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ASX/Media Release
08 June 2010

Pantheon Resources Plc drilling update

Melbourne, 08 June 2010 - Argo Exploration Ltd ('Argo'; ASX Code 'AXT') advises that it has received an update from Pantheon Resources plc ('Pantheon'; AIM Code 'PANR') estimating that Vision William Baggatt #1 (VWB#1) well is estimated to spud in July 2010. The full copy of Pantheon's media release to London Stock exchange follows.

The VWB#1 well is located in the productive, on-shore Brookeland Field in Tyler County, East Texas and is designed to test two separate and independent formations, including the Austin Chalk as the primary target. Either of these targets would justify drilling a well on its own merits. The ability therefore to test both with a single well at a modest incremental cost is compelling both from a geological and economic standpoint. Pantheon has a 25% working interest in the Tyler County Joint Venture operated by Vision Resources LLC.

Argo became Pantheon's largest shareholder by acquiring ~7% of the Company's securities in a placement during December 2009.

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ABOUT ARGO EXPLORATION

Argo Exploration Limited ('Argo') (ASX Code 'AXT') is a junior exploration company searching for IOCG, gold, uranium and base metal deposits in prospective locations of the Gawler Craton, South Australia. Argo is a focused explorer searching for world-class ore deposits within two key project areas, namely Intercept Hill and Toondulya.

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Compliance Statement

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Dr HK Herbert, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Herbert has sufficient experience which is relevant to the styles of mineralization and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Dr Herbert consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Company [Pantheon Resources PLC](#)
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Press release

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Operations Update - Vision William Baggett #1, Tyler County, East Texas

Pantheon Resources plc ("Pantheon" or "the Company"), the AIM-quoted oil and gas exploration company active in Louisiana and Texas, issues the following update on Tyler County, East Texas:

Pantheon has been informed by the operator, Vision Resources LLC ("Vision"), that drilling of the Vision William Baggett #1 ("VWB#1") well is now estimated to commence in July 2010. Vision has assessed that deferral of drilling operations may lead to improved total economics for the VWB#1 well. This is based on its analysis that rig demand should weaken leading to lower rig rates and drilling costs. This decision also reflects the potential for an upward natural gas price movement later in the year and thus higher unit revenues.

Geologically the Joint Venture's ("JV") confidence both in the VWB#1 well and the overall Tyler County project remains undiminished. The VWB#1 well is designed to test two separate and independent formations, including the Austin Chalk as the main target. Either of these targets would justify drilling a well on its own merits. The ability, therefore, to test both with a single well at a modest incremental cost is compelling both from a geological and economic standpoint. Further studies conducted in recent months reinforce the JV's optimism for the well.

Vision has retained the JV's "first refusal" rights on two specialist rigs capable of drilling the VWB#1 well to the stringent standards specified in the well engineering plan. This well design was revised post the completion of the Vision Rice University #1 well. These rights confer on the JV the necessary flexibility to optimise its drilling programme. This is especially beneficial during a period of shifting market circumstances. The options on either rig do remain subject to the operations of other companies.

The JV continues to be active in building its acreage portfolio in the region which remains an on-going process. This has led to the addition of material acreage which it considers of strategic importance. This further emphasises the JV's positive view of its position.

Vision's analysis of a weakening rig market is based on declining natural gas prices feeding through to lower drilling activity. Paradoxically this has not occurred earlier with rig rates in the East Texas and North Louisiana area rising by up to 50% since the start of 2010. This is attributable to a major surge in the drilling of unconventional natural gas plays such as the Haynesville and Marcellus shales, which has led to utilisation rates for horizontal rigs to be at or near record highs (see figure 1 which displays a chart of the US horizontal gas rig count. Note that this will not be displayed on the RNS

version of the announcement, however will be available for viewing on the announcement version as posted on the company's website).

Jay Cheatham, CEO of Pantheon stated:

"Pantheon is extremely sympathetic to the need to maximise returns for the well, the project and, crucially, its shareholders. The critical point for all of Pantheon's shareholders to appreciate is that this delay reflects purely the operator's assessment of a softening rig market in the coming months and the prospect of lower costs for drilling the VWB#1 well. Whilst anxious to commence drilling soon, the corollary of Vision's analysis is the potential for a material and beneficial impact on the well's NPV.

From Pantheon's perspective, I am sure that shareholders would agree with me wholeheartedly when I say that I am eager to drill the VWB#1 at the earliest appropriate moment to provide certainty as to its geological potential. Shareholders may be certain that Pantheon's management is looking for the earliest point of balance between economic efficiency and geologic certainty"

In accordance with the AIM Rules, the information in this announcement has been reviewed and signed off by Jay Cheatham, who has over 30 years' relevant experience within the sector.

For further information on Pantheon Resources plc, see the website at pantheonresources.com.

Further information:

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This information is provided by RNS, the company news service from the London Stock Exchange

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