

SEPTEMBER 2009 QUARTERLY REPORT

ABOUT ARGO EXPLORATION LTD

Argo Exploration Limited ('Argo') (ASX Code 'AXT') is a junior exploration company searching for iron oxide copper-gold, 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.

Argo Exploration Limited
ACN: 120 917 535
Suite 304, 22 St Kilda Road
St Kilda Victoria 3182
Australia

Phone (61 3) 9692 7222
Fax (61 3) 9529 8057

www.argoexploration.com.au

**Dr Hugh K Herbert, Chairman
& Managing Director**

Phone (61 7) 4636 2788 (Direct)
Fax (61 7) 4635 6867 (Direct)

Email
hugh.herbert@argoexploration.com.au

SUMMARY OF ACTIVITY

During the Quarter, the Company:

Intercept Hill (EL4164)

- Continued to seek potential Joint Venture partners to spread drilling risk. The Company's geophysical and geological data base is currently being externally reviewed and models developed;
- Planned down-hole time domain transient electromagnetic (TEM) surveys of completed drill holes;
- Planned semi-quantitative mineral analysis of iron oxide-altered basement intersections at Emmie North and Winjabbie East Prospects;
- Further assessed results of completed drilling; and
- Monitored drill site rehabilitation for environmental compliance.

Toondulya (EL4284)

- Received notification of grant of subsequent Exploration License EL4284 (replacing EL3156) without reduction; and
- Evaluated calcrete geochemical data and selected samples for confirmatory analysis.

New Opportunities

- Reviewed under Confidentiality Agreements a number of potential acquisition/joint venture opportunities in the resource sector. While a number were of high technical merit, negotiations were terminated due to adverse commercial terms and/or sovereign risk factors. No decision to acquire, farm-in, joint venture or merge has been made and the review process is continuing as opportunities arise.

CORPORATE

Strategies implemented to reduce overhead costs while evaluating the extent and depth of the global economic recession have proven effective. Cash reserves at the end of the September Quarter stood at \$4,045,709 with no secured debt.

Given encouraging signs in economic outlook, the Company is re-engaging with its exploration activities and has implemented cost effective surveys aimed at generating mineralogical and geophysical vectors to potentially higher-grade mineralization at Intercept Hill.

CORPORATE DIRECTORY

Board of Directors

Hugh Herbert Chairman & MD
 Meredith Bird Non-Executive Director
 Justin Hondris Non-Executive Director

Company Secretary

Melanie Leydin

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.

Issued Share Capital

Argo Exploration Ltd has 82,800,000 ordinary shares currently on issue.

In addition, there are 30 million options issued to cornerstone investors, directors and employees with an expiry date of 10 December 2010. The options are exercisable at \$0.20.

Quarterly Share Price Activity

	High	Low	Last
Sept 2008	\$0.160	\$0.030	\$0.070
Dec 2008	\$0.075	\$0.025	\$0.030
Mar 2009	\$0.060	\$0.027	\$0.035
Jun 2009	\$0.050	\$0.031	\$0.032
Sept 2009	\$0.053	\$0.030	\$0.053

Registered Office

Argo Exploration Limited
 Suite 304, 22 St Kilda Road
 St Kilda Victoria 3182
 Australia

Phone (61 3) 9692 7222
 Fax (61 3) 9529 8057
www.argoexploration.com.au

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.