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ASX/Media Release
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Drilling Commences at Oak Dam South Prospect

Melbourne, 12 May 2011 - Argo Exploration Ltd **('Argo'; ASX Code 'AXT')** announced today that Xstrata Copper Ltd has confirmed that drilling contractor, Australian Mineral and Waterwell Drilling Pty Ltd has mobilized a DR 800 MK2 diamond drill rig to Oak Dam South prospect and has commenced drilling vertical diamond drill hole ODSDH001. Modelled depth to the top of the basement-hosted target at Oak Dam South is about 650 meters. The hole, to be cored from surface is designed to test the central area of the well-constrained residual gravity feature (Fig. 1).

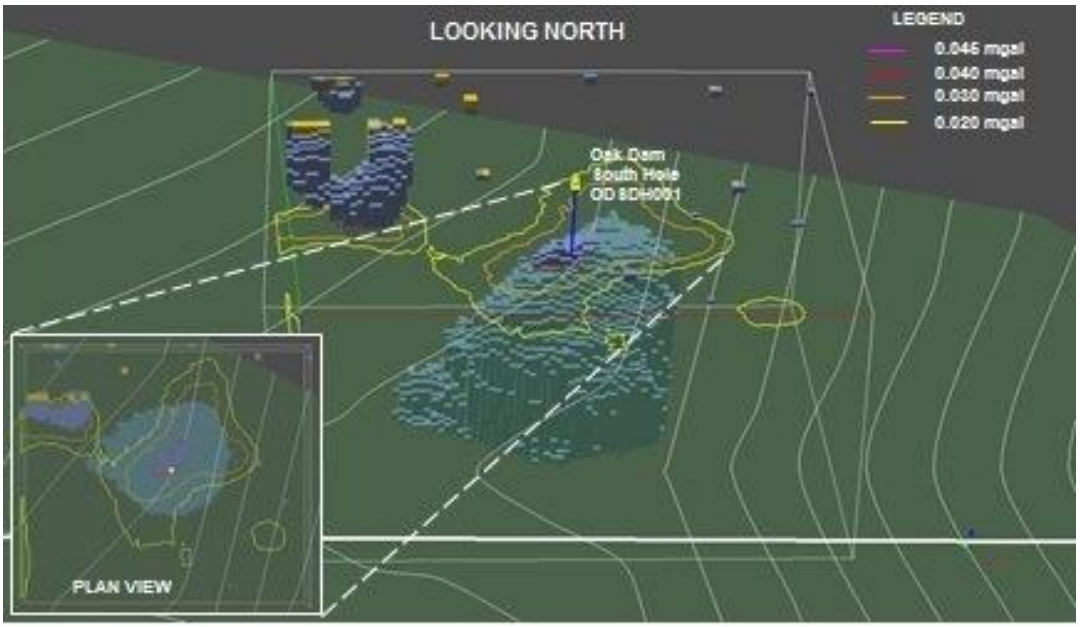

Figure 1: 3-D model of Oak Dam South residual gravity showing 0.040mgal density difference shell and approximate position of the first drill hole, ODSDH001, designed to test the central area of the gravity feature. Modelling by Xstrata Copper Ltd.

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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.