Suite 304, 22 St Kilda Road St Kilda Vic 3182
Ph: +61 3 9692 7222; Fax: +61 3 9529 8057

ASX/Media Release
06 May 2011

Xstrata Copper Ltd on track to commence drilling at Oak Dam South – Winjabbie East prospects mid-May, 2011

Melbourne, 06 May 2011 - Argo Exploration Ltd **('Argo'; ASX Code 'AXT')** announced today that it has been advised by joint venture partner Xstrata Copper Ltd ('Xstrata Copper') that drilling at Oak Dam South prospect is expected to commence during the second week of May, to be followed by drilling of the Winjabbie East prospect.

Argo and Xstrata Copper consider the Oak Dam South and Winjabbie East geophysical targets to be high priority targets within the Intercept Hill tenement with the potential to host significant iron oxide copper-gold (IOCG) mineralized systems.

Australian Mineral and Waterwell Drilling (AMWD) has been contracted to undertake the drilling program and is presently expected to mobilize the drill rig to site on or about 9th May 2011. Logistics for the operation are well in hand; access is currently being up-graded and initial drill sites prepared ahead of rig arrival.

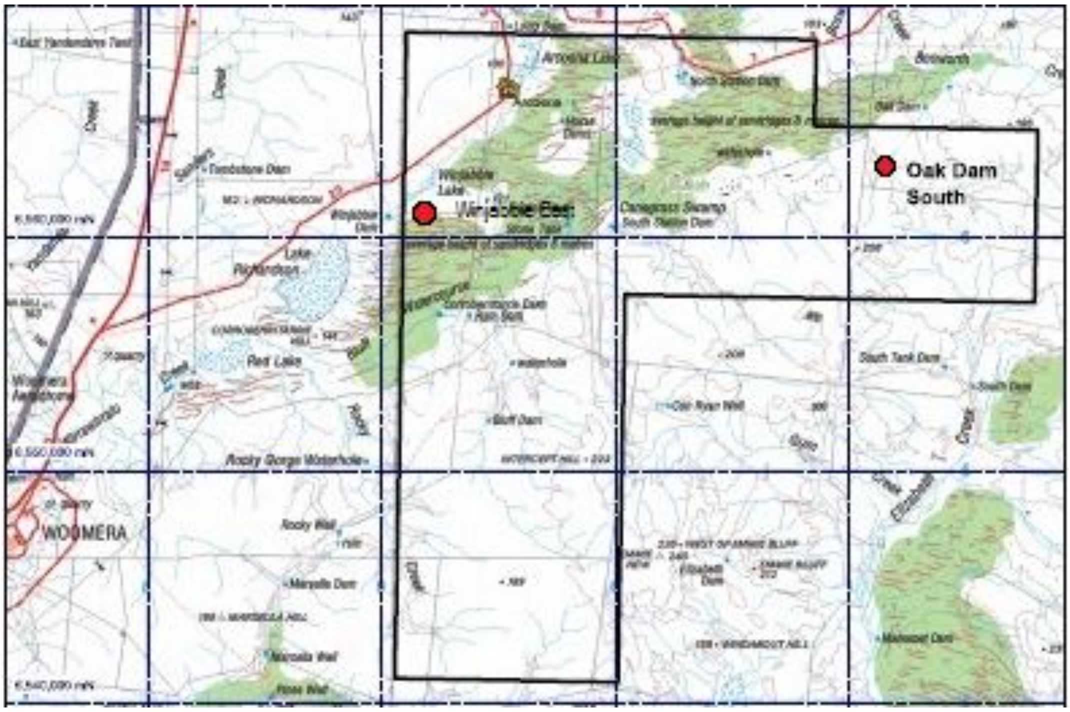

Figure 1: EL4164 Intercept Hill showing relative positions of Oak Dam South and Winjabbie East Prospect areas.

The Oak Dam South feature comprises a large, well constrained, roughly circular residual gravity feature some 2 km in diameter and open at depth (Fig. 2). An initial vertical diamond hole, ODSDH001, is planned to test the centre of the feature. Depending upon the results of this hole, additional cleared drill sites may be sequentially drilled.

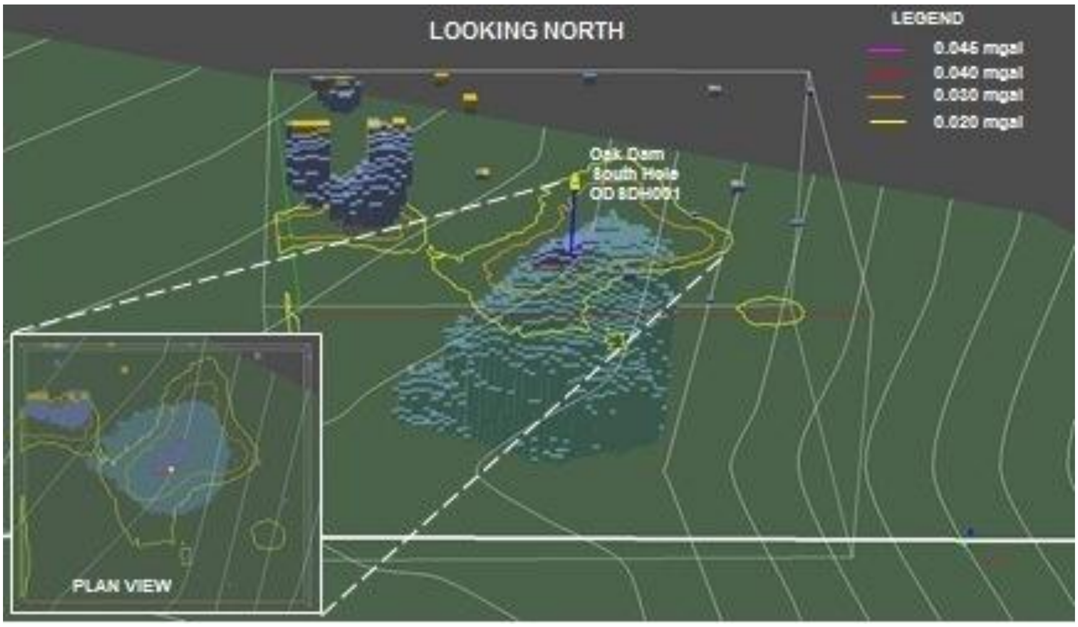

Figure 2: 3-D model of Oak Dam South residual gravity showing 0.040mgal density difference shell and approximate position of the first drill hole ODSDH001. Modelling by Xstrata Copper Ltd.

Costs of drilling the first hole at Oak Dam South prospect are partially subsidized in the amount of $60,000 through the Plan for Accelerating Exploration (PACE) program. The PACE program is an initiative of the South Australian Government administered by Primary Industries and Resources SA (PIRSA). Applications for funding support are internally and externally peer reviewed against stringent technical, scientific and commercial criteria.

The Winjabbie East prospect has been tested by one diamond drill hole to date, Argo's hole IHAD8. More recent 3-D modelling by Xstrata Copper indicated that drill hole IHAD8 grazed the margin of the gravity feature. Notwithstanding, IHAD8 intersected copper mineralised, basement-hosted IOCG alteration with intense calc-silicate alteration overprinting, and is worthy of additional drill testing.

Following testing of the Oak Dam South anomaly, the rig will be moved to Winjabbie East to further test this target at which four sites have been cleared for drilling by the Native Title claimants. As with Oak Dam South, the results of the further hole at Winjabbie East will indicate whether additional cleared sites will be drilled.

ends-

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.

For further information please contact:
Dr Hugh K Herbert
Managing Director
Tel: +61 7 4636 2788;
Fax: +61 7 4635 6867 (Direct)
Mobile: 0417 005 465
E-mail: hugh.herbert@argoexploration.com.au
Or visit the website www.argoexploration.com.au

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.