

QUARTERLY REPORT MARCH 2014

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KEY POINTS

Investment in Pantheon Resources Plc ("Pantheon") Argo 6.83%

- As previously announced, the Pantheon JV has conducted an extensive geological study on the acreage, greatly enhancing the understanding of the play and resulting in a reduced risk profile and an increase in the potential for reserves.
- Pantheon has advised that discussions between the operator and interested parties in respect of the restructuring of the Tyler County Joint Venture ("JV") are at an advanced stage. A further announcement will be made when the restructuring has been successfully concluded, following which the operator intends to commit to a suitable rig and then drill the Kara Farms #1H well.
- The value of Argo's investment in Pantheon is now valued at \$2,493,686.87 at an exchange rate of 0.5544 at the end of the March Quarter.

Argo continues to preserve cash to avoid shareholder dilution whilst awaiting Pantheon drilling. The Directors of Argo have agreed to continue to defer payment of director fees.

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 2014 quarter the Company did not hold any interest in exploration licences.

Corporate Strategy

Argo continues to hold a 6.83% interest in Pantheon Resources Plc ("Pantheon"). The value of Argo's investment in Pantheon is \$2,493,686.87 at an exchange rate of 0.5544 as of 31st March 2014. Pantheon has announced that JV discussions with new parties are underway and upon the conclusion of these it is intended that drilling of the prospect should occur soon thereafter.

Should the Pantheon JV commence drilling and enjoy some success, then this should provide material capital appreciation for Argo shareholders, and provide the company with more options to raise capital to deploy to new opportunities.

PANTHEON RESOURCES PLC (*Argo 6.83% shareholder*)

Pantheon Resources plc

Unaudited Interim Results for the six months ended 31 December 2013.

Pantheon Resources plc ("Pantheon" or "the Company") presents its interim results for the six months ended 31 December 2013.

Pantheon reports a loss of £337,676 for the six months to end 31 December 2013 compared with a similar loss of £339,471 for the six months to end 31 December 2012. This reflects the Company's rigorous cost control in order to preserve capital during a period of relative operational inactivity as extended negotiations have ensued over the licence arrangements in respect of the Tyler County Joint Venture.

The recently established General Electric Financial Services/Vess Eagleford shale/Woodbine acreage play west of Tyler County has heightened interest in the region. Declining US natural gas inventories and strengthening gas prices further enhance the long term value of acreage in the region. Pantheon has reported that an Asian group has been negotiating to farm-in to the Tyler County Joint Venture. Its period of exclusivity has now expired. This has permitted Vision Gas Resources LLC, the operator, to authorise another large international company to enter the data room. This company is currently evaluating the information. Additionally, another entity is currently assessing the opportunity.

In addition, Mr Art Berman has provided an independent review of the potential of the Tyler County Joint Venture acreage containing the Kara Farms prospect. Mr Berman is a well-respected, independent consulting geologist with over 30 years of geological experience in the oil and gas industry with an M.S. (Geology) from the Colorado School of Mines. Mr Berman has concluded that on a P50 basis, the Kara Farms prospect has the potential to contain gross prospective recoverable resources of 14 million barrels of oil ("mmbo") and 350 billion cubic feet of gas ("bcfg") from the Eagleford/Woodbine feature. This estimate, prepared in accordance with the Petroleum Resource Management System guidelines produced by the Society of Petroleum Engineers, is broadly in line with Pantheon's earlier statements that the Kara Farms acreage has the potential to contain a field similar in size to that of the Double A Wells field. The Double A Wells field has produced an estimated 20 mmbo and 415 bcfg to date.

CORPORATE

Cash reserves at the end of the March 2014 Quarter stood at \$95,849 with no secured debt while the value of the Pantheon Resources Plc investment was \$2,493,686.87 at an exchange rate of 0.5544. This represents a value gain from Purchase of \$802,824.37.

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 increasingly evident in the junior resource sector, where many companies are trading well below tenement valuations.

CORPORATE DIRECTORY

Board of Directors

Andrew Van Der Zwan
Christopher Martin
Justin Hondris

Joint Company Secretaries

Melanie Leydin
Justin Mouchacca

Issued Share Capital

Argo Exploration Ltd has 125,220,000 ordinary shares currently on issue.

Registered Office

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Please direct shareholding enquiries to the share registry