

**PRESS RELEASE  
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May 14, 2010

**ARGOSY ENERGY INC. ANNOUNCES FIRST QUARTER 2010 RESULTS**

ARGOSY ENERGY INC. (“Argosy”) (GSY.TSX), a junior energy company focused on the acquisition, exploration, exploitation and development of oil and natural gas in Western Canada is pleased to announce the results of its operations for the first quarter ended March 31, 2010.

**Highlights**

(Unaudited) 000’s except volume, drilling and share data	3 Months Ended March 31, 2010	3 Months Ended December 31, 2009	3 Months Ended March 31, 2009
<b>Cash flow from operating activities <sup>(1)</sup></b>			
Total	1,095	(17)	415
Per share basic	0.08	-	0.07
<b>Net income (loss)</b>			
Total	(191)	(1,757)	(1,490)
Per share basic	(0.01)	(0.16)	(0.25)
Per share diluted	(0.01)	(0.16)	(0.25)
Common shares outstanding	14,353,201	12,853,197	5,835,834
Debt, including working capital deficiency before fair value of derivatives	22,594	20,801	25,225
<b>Operational :</b>			
Sales plus realized gain on financial instruments	3,193	2,296	3,214
Royalties	522	194	892
Operating and transportation costs	537	547	691
Field Net Back <sup>(2)</sup>	2,134	1,555	1,631
Net Back/ bbl <sup>(2)</sup>	24.85	23.35	17.25
General and administrative	801	1,224	1,012
<b>Volumes :</b>			
Natural gas (mcf/d)	5,006	3,869	5,476
Oil (bbl/d)	25	17	30
NGL's (bbl/d)	95	62	108
Total Boe/d	954	724	1,051
<b>Wells Drilled (Gross) :</b>			
Oil	0	1	0
Gas	3	1	1
D&A	1	1	0
Total	4	3	1
Capital Expenditures	5,375	3,685	422

<sup>(1)(2)</sup>Argosy’s definition of cash flow from operating activities and/or netbacks may not be comparable to that reported by other companies.

Argosy has made significant progress since its last financial report.

The Company estimates that it has added approximately 805,000 barrels of oil equivalent as a result of its first quarter activity. Capital expenditures for the period were \$5,375,000 resulting in finding costs including future capital of under \$10.00 per barrel of oil equivalent.

During the quarter ended March 31, 2010, Argosy drilled 2 (2 net) wells in the Claresholm area and completed the drilling of 2 (1 net) wells in the Saxon area resulting in 3 (2.5 net) natural gas wells and 1 (.5 net) dry hole.

Cash flow for the first quarter 2010 increased significantly because of increased production, increased prices, lower operating and lower general and administrative costs. These gains were offset in part by higher royalty costs.

Production from these wells, together from those drilled and put on stream late in the final quarter of 2009 boosted production from an average of 724 boe/d for the final quarter of 2009 to 954 boe/d for the first quarter of 2010.

Royalties increased from about 8.4% in the final quarter of 2009 to 16.3% for the first quarter of 2010 because natural gas prices increased.

Operating costs decreased from the final quarter of 2009 because of a concerted effort to control costs.

The Company chose to expense the costs of Radius Resources Corp. A significant amount of these costs were incurred in the final quarter of 2009 and are included in fourth quarter 2009 general and administrative costs.

At March 31, 2010 the Company's credit facilities comprised a Revolving Operating Demand Loan Facility with a credit limit of \$26,000,000 and an Acquisition/Development Demand Facility with a credit limit of \$2,000,000. At that date the Company had drawn \$18,799,000 against the Revolving Operating Demand Loan Facility and nil against the Acquisition/Development Demand Facility.

The bank initiated a review of the Company's borrowing limits as of April 1, 2010. The credit limit of \$26,000,000 for the Revolving Operating Demand Loan Facility was maintained and the credit limit of the Acquisition/Development Demand Facility was increased to \$4,000,000.

In December 2009, Argosy entered in to an agreement for a business combination with Radius Resources Inc. ("Radius"). The proposed business combination is part of a proposal that was put forward by Radius pursuant to the provisions of the Bankruptcy and Insolvency Act (BIA) (the "Proposal"). Radius received approval of its unsecured creditors on April 6, 2010 and on April 13, 2010 received an order issued by the Court of Queen's Bench of Alberta that provided, among other things, approval of the Proposal.

On March 19, 2010, Argosy entered into a definitive purchase and sale agreement (the "Definitive Agreement") to complete the business combination. Total consideration will comprise \$2.4 million in cash and 748,000 common shares of Argosy. Argosy also agreed to pay an additional \$225,000 in transaction expenses of Radius. This transaction is expected to close in May, 2010.

The Radius acquisition will add approximately 194,000 barrels of oil equivalent of proven reserves, 396,000 proven plus probable reserves, over 19,000 acres of undeveloped land and 60 barrels of oil equivalent per day to Argosy's production. Radius's properties are primarily concentrated in the Ante Creek area of Alberta. Radius has approximately \$12.3 million in unused income tax pools which may be utilized to offset future taxable income.

The Company has entered into financial fixed price puts for 2,000 gigajoules per day of natural gas at a strike price of \$5.00 per gigajoule for the period from April 1, 2010 to March 31, 2011 and for 2,000 gigajoules per day of natural gas at a strike price of \$3.50 per gigajoule for the period from May 1, 2010 to December 31, 2010. It has also entered into a financial fixed price call for 2,000 gigajoules of natural gas at a strike price of \$7.70 for the period from April 1, 2010 to March 31, 2011.

The Company will focus on core projects that can deliver quality, low cost production and reserve additions with a bias towards oil over natural gas. To this end, an enhanced oil recovery pilot project has been implemented in the Pearce area. If pressure is restored and maintained, capital spending will be focused on this area later in 2010.

We continue to review last season's drilling results from the Saxon area and are in the process of investigating the feasibility of horizontal drilling and multi staged completion technologies in the Edson area. We have adopted a cautious approach to these potentially capital intensive areas.

We expect there will be a continuous supply of industry divestitures in the near future and we will continue to analyze and evaluate these for accretive opportunities.

We will in turn, review our current inventory and focus on those projects that fit our corporate mandate while rationalizing those projects that cannot be capitalized in a reasonable time frame.

Argosy has filed its Unaudited Financial Statements and related Management Discussion and Analysis and for the three months ended March 31, 2010. Copies of all of these documents can be obtained on Argosy's website, on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting Argosy.

### **Disclaimer**

Certain information contained herein constitutes forward-looking information under applicable securities laws. All statements, other than statements of historical fact, which address activities, events or developments that this Company expects or anticipates may or will occur in the future, are forward-looking information. This news release contains forward-looking information on management expectations regarding future plans and intentions including future production, future drilling, project start-ups and future capital spending. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Actual results or estimated results could differ materially due to changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors or revisions. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include but are not limited to changes in general economic and market conditions and those described in the Corporation's public filings on SEDAR. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances. Any forward-looking information contained herein is expressly qualified by this statement.

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