

ARGOSY ENERGY INC.

PRESS RELEASE

ARGOSY ENERGY INC. CLOSES \$11.45 MILLION BOUGHT DEAL FINANCING

FOR IMMEDIATE RELEASE – December 1, 2011. ARGOSY ENERGY INC. (“Argosy”) (GSY.TSX) is pleased to announce that it has closed its previously announced bought-deal financing by way of short form prospectus for 1,725,000 common shares (“**Common Shares**”) of Argosy at a price of \$2.00 per Common Share, which includes the exercise in full of the over-allotment option of 225,000 Common Shares at \$2.00 per Common Share, and 3,404,256 Common Shares issued as “flow-through shares” (“**Flow-Through Shares**”) within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) at a price of \$2.35 per Flow-Through Share for aggregate gross proceeds of \$11.45 million (the “**Offering**”). The Offering was completed through a syndicate of underwriters led by Haywood Securities Inc. and including GMP Securities L.P., Canaccord Genuity Corp and Desjardins Securities Inc.

Proceeds of the Offering will be used to fund capital expenditures and for general corporate purposes and, in the case of the Flow-Through Shares, will be used to incur Canadian Exploration Expenses (as such term is defined in the Tax Act) prior to December 31, 2012 (the “**Flow-Through Commitment**”). Argosy will renounce such Canadian Exploration Expenses to the subscribers of the Flow-Through Shares effective on or before December 31, 2011.

Argosy is a junior oil and gas company focused on the exploration for and development of oil and natural gas in western Canada.

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For further information please contact:

Mr. Peter Salamon
President and CEO

Mr. Tom Dalton
Vice President Finance and CFO

Argosy Energy Inc.
2100, 500 – 4th Avenue S.W.
Calgary, Alberta
Telephone (403) 269-8846
Email: investor@argosyenergy.com
Website: www.argosyenergy.com

Advisory Regarding Forward-Looking Information

This press release contains forward-looking information concerning the anticipated use of the net proceeds of the Offering and renunciation of Canadian Exploration Expenses to subscribers of the Flow-Through Shares. Although Argosy believes that the expectations reflected in the forward-looking information is reasonable, undue reliance should not be placed on it because Argosy can give no assurance that it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. The intended use of the net proceeds of the Offering by Argosy might change if the board of directors of Argosy determines that it would be in the best interests of Argosy to deploy the proceeds for some other purpose. The forward-looking information contained in this press release is provided as of the date hereof and Argosy undertakes no obligations to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of Argosy within the United States. The securities of Argosy have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws. Accordingly, the Common Shares and Flow-Through Shares may not be offered or sold in the United States or to U.S. persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.