

ARGOSY ENERGY INC.

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

Argosy Energy Inc. Announces Issuance of Common Shares Underlying Special Warrants

October 13, 2009 - Calgary, Alberta: Argosy Energy Inc. (the “Corporation”) (TSX: GSY) is pleased to announce the release on October 9, 2009 from escrow of the proceeds of its previously announced private placement of 4,800,000 special warrants of the Corporation (“Special Warrants”) at a price of \$1.25 per Special Warrant for gross proceeds of \$6,000,000 (the “Offering”) and the issuance to the holders of the Special Warrants of one common share of the Corporation for each Special Warrant held. As a result of the foregoing, the Special Warrants are now cancelled.

The net proceeds of the Offering will be used by the Corporation to fund on-going capital expenditures expected to be incurred in connection with the Corporation’s drilling program in the Claresholm area of Alberta, as well as land, seismic and property purchases, all relating to the Corporation’s 2009 capital expenditure program and completion and equipping operations.

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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Cautionary Statements

This media release contains certain statements which constitute forward-looking statements or information, including the use of the Offering proceed. Although the Corporation believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. Risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Corporation, risks associated with the oil and gas industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The Corporation assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in filings of the Corporation with Canadian securities regulators, which filings are available under the Corporation’s profile at www.sedar.com.