

26 November, 2009



The Manager
Company Announcements
ASX Limited

Dear Sir,

Pursuant to the Argo Investments Limited Executive Performance Rights Plan, 411,900 five year performance rights, issued in three equal tranches (structured as zero exercise price options) with vesting opportunities occurring in the third, fourth and fifth year, were granted by the Company on 25 November, 2004 as remuneration to the Managing Director and Company executives.

The performance condition provided that pro-rata vesting of the performance rights would occur when the Company's Total Portfolio Return (based on net tangible asset backing per share, plus dividends reinvested) outperformed the S&P ASX All Ordinaries Accumulation Index movement over a scale from 0.1% through to 3% for the measurement period.

The performance condition was re-measured so that the tranche 1 rights (which had an initial expiry date of 25 November, 2007) were re-tested in the fourth and fifth years to the extent that they had not vested and tranche 2 rights (which had an initial expiry date of 25 November, 2008) were re-tested in the fifth year to the extent that they had not vested. Tranche 3 rights (expiry date of 25 November, 2009) were not subject to re-testing.

A total of 411,900 performance rights were tested on 25 November, 2009 pursuant to the terms of the Plan and they lapsed, due to the performance condition not being satisfied.

Yours faithfully,
ARGO INVESTMENTS LIMITED

A handwritten signature in black ink, appearing to read "B.R. Aird".

B.R. Aird
Company Secretary

Argo Investments Limited

ABN 35 007 519 520

**Head Office and
Share Registry Enquiries**

GPO Box 2692
Adelaide, South Australia 5001
Level 12, 19 Grenfell Street
Adelaide, South Australia 5000

Telephone (08) 8212 2055
Facsimile (08) 8212 1658
Toll Free 1300 300 770
Email invest@argoinvestments.com.au

Sydney Office

GPO Box 4313
Sydney, New South Wales 2001
Level 25, Suite 2502, 259 George Street,
Sydney, New South Wales 2000

Telephone (02) 8274 4700
Facsimile (02) 8274 4777