

28th August 2012

ASX ANNOUNCEMENT / MEDIA RELEASE

CAMPOONA GEOPHYSICS UPDATE

AIRBORNE EM HIGHLIGHTS

- Preliminary data has been received for the western surveys of the Cleve tenements
- “Tram track” EM responses indicate that the graphite at Campoona Shaft is open along strike to the north
- The Campoona structure can be traced for over 14km
- The EM Survey highlights the prospectivity of the Wildhorse Plain and Cleve West tenements to host further areas of graphite mineralisation
- Processing of the entire EM data set will continue over the next month and should lead to the identification of further drill targets

ELECTROMAGNETIC SURVEY

Archer completed a detailed 2,000 line km airborne RepTEM survey over large portions of EL4693 Wildhorse Plain and EL4893 Cleve West on 6th August 2012. The EM survey covered Archer’s Campoona Graphite Deposit and its north-eastern and south-western strike extensions as well as covering the main regional graphite targets (Figure 1).

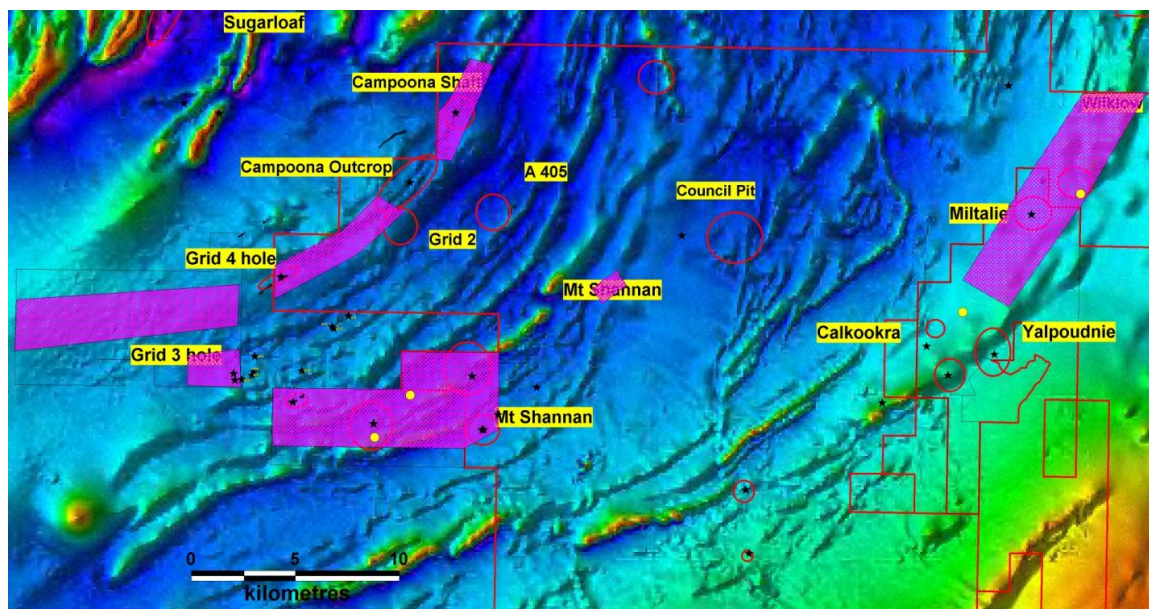


Figure 1. Location of EM Survey areas shown on image of regional magnetics

An early aerial survey was conducted over the Campoona Central Area, immediately around the Campoona South outcrop. The data collected from that airborne survey enabled accurate position of drilling in areas where graphite was concealed beneath soil cover.

The survey flown by Geosolutions Pty Ltd was divided into 3 areas:

- Areas 1 to 3 (Fig. 1) cover the extension of the Campoona Graphite Deposit.
- Areas 4 to 6 cover the widespread Mt Shannon graphite occurrence.
- Area 7 covers the Wilklow to Miltalie occurrences that have previously recorded large flake graphite. Archer has not drilled these two highly prospective areas as yet.

RepTEM is a proprietary time domain EM system that is slung below a helicopter with the system sensor positioned 30 metres above ground surface.

The survey, conducted on flight lines spaced 100m apart, has provided high quality mapping of the highly conductive graphitic horizons.



Plate 1. RepTem survey (Photo courtesy of Geosolutions Pty Ltd)

Preliminary images from the western portion of the surveys have shown:

1. The Campoona Shaft graphite deposit extends north of the drilled area.
2. The Campoona shear structure continues to the south for several kilometres.
3. Mt Shannan target offers the compelling mix of well defined structure and high EM response.
4. Other parallel conductive bodies occur to all target areas, which have not been drill tested at this time.

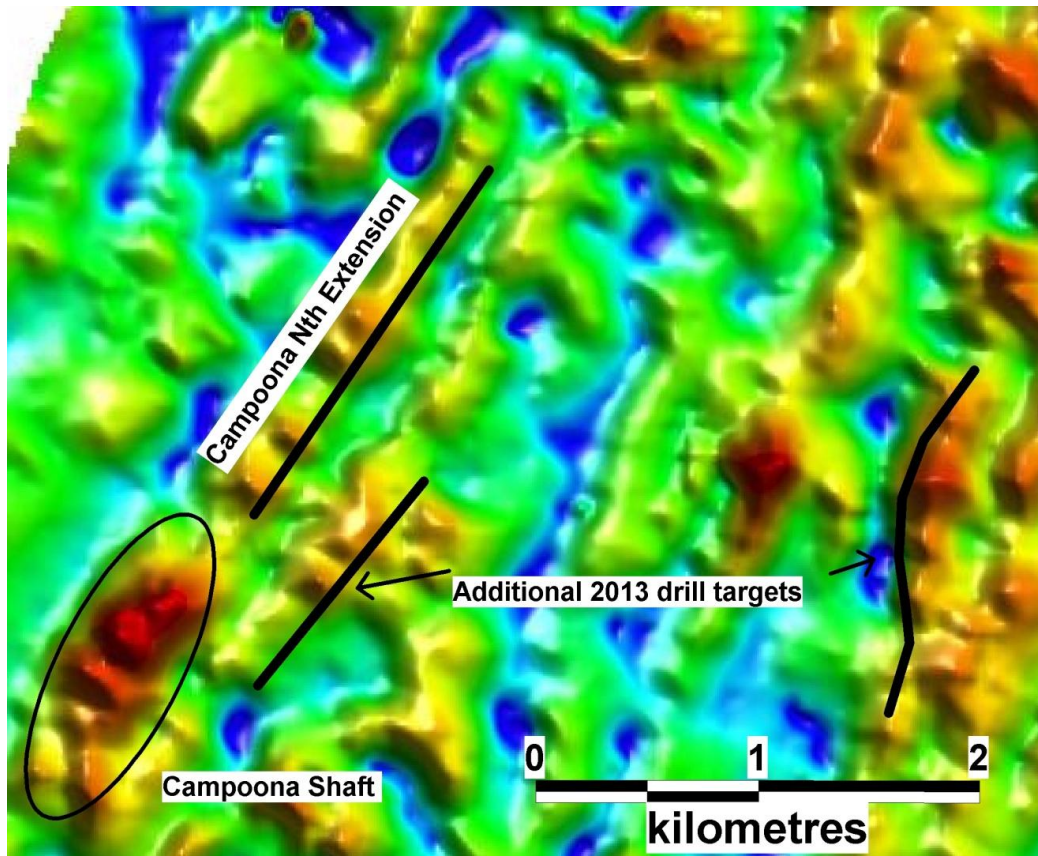


Figure 2. EM image of area north of Campoona Shaft showing “tram track” extensions to the host shear zone.

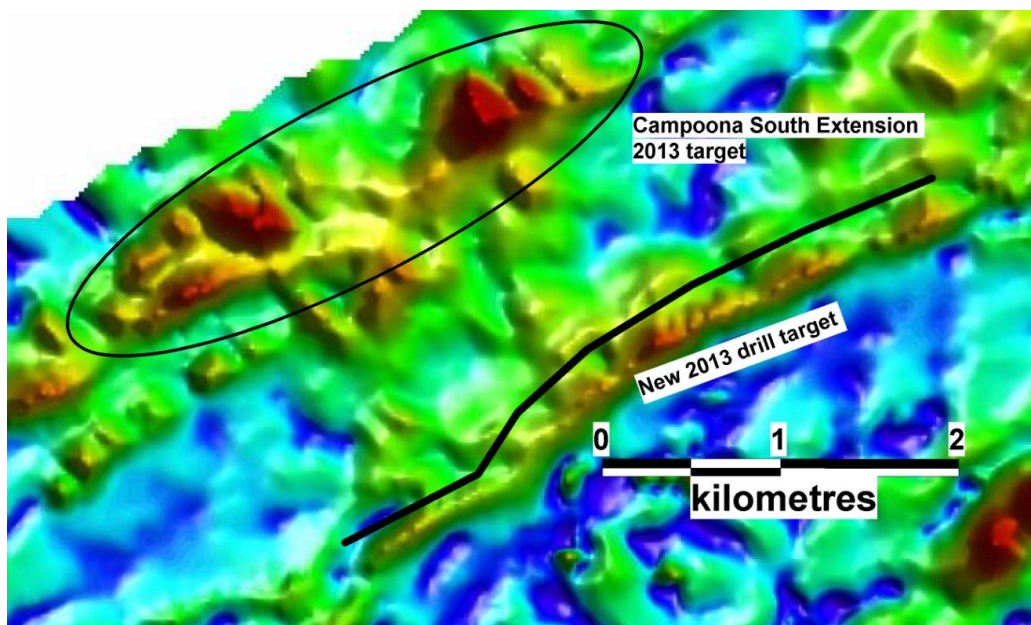


Figure 3. The Campoona structure extends for over 3kms south of the Campoona South outcrop.

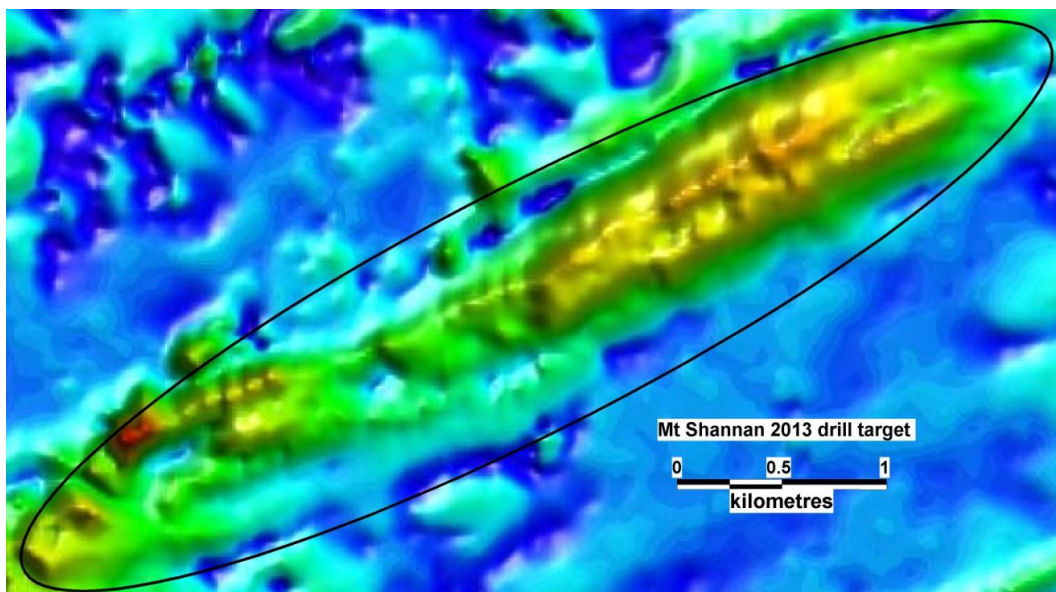


Figure 4. Mt Shannan presents as a pronounced elongate EM structure over several kilometres.

Processing of the entire EM data set will continue over the next month and should lead to the identification of further drill targets.

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The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than eighteen years experience in the field of activity being reported. Mr Bollenhagen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" relating to the reporting of Exploration Results. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.