



29 March 2012

## SHARE PLACEMENT AND SHARE PURCHASE PLAN TO RAISE UP TO \$4.5 MILLION

The board of Archer Exploration Limited ("**Company**") is pleased to announce:

- Archer (ASX: "AXE") has received applications and firm placement commitments from sophisticated and professional investors to raise \$3.0 million at \$0.30 per share ("**Placement**").
- Share Purchase Plan of up to \$1.5 million to be offered to all eligible shareholders at \$0.30 per share ("**SPP**").

The Placement and SPP are both priced at \$0.30 per share which represents a discount of 7.7% to Archer's last closing price on ASX and a 3.1% discount to Archer's 5 day volume weighted average price on ASX.

Further information on the Placement and SPP, including key dates, is set out below.

### PURPOSE OF THE CAPITAL RAISING

The funds raised under the Placement and SPP will be used to progress work on Archer's South Australian projects, including:

- Accelerate resource drilling at the 100%-owned Campoona high grade flake graphite project where previous drilling has identified wide intercepts of graphite grading over 15%C near Cleve on Eyre Peninsula.
- Commence resource drilling at the Sugarloaf graphite project, also on Eyre Peninsula.
- Continue metallurgical test work at the Leigh Creek magnesite project.
- Further drilling of the Wildhorse Plain epithermal gold project where previous drilling identified wide intervals of >0.5g/t Au in argillic+fluorite+iron alteration.
- Provide the Company with working capital to enable it to support its current operations and to meet the costs of the Placement and SPP.

### DETAILS OF THE PLACEMENT

The Placement has been arranged by InSync Equity Services (Authorised Representative for Dayton Way Financial AFSL 338943) and was made to professional and sophisticated investors. The Placement was made under the Company's 15% capability under ASX Listing Rule 7.1 with shares to be allotted. The Company received firm commitments for more than \$3.0 million resulting in the need for some applicants being scaled back.

### DETAILS OF THE SHARE PURCHASE PLAN

The SPP is available only to Australian and New Zealand shareholders who were registered as holders of fully paid ordinary Shares in the Company at 7.00pm (AEDT) on 28 March 2012 ("**Eligible Shareholder**").

The SPP will enable each Eligible Shareholder irrespective of the size of their shareholding, to purchase up to \$15,000 worth of new paid ordinary Shares in the Company (ranking equally with existing fully paid ordinary Shares) ("**Shares**") at an attractive price, free of all brokerage and commissions.

Under the SPP, Eligible Shareholders will be offered new Shares for subscription at a price of 30 cents per Share. Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this announcement and the date when the new Shares are issued under the SPP.

The SPP is capped at \$1.5 million and is not underwritten. Accordingly, if the Company receives valid applications in excess of \$1.5 million under the SPP, then the Company will scale back applications and return excess funds to applicants without interest.

The complete terms and conditions of the SPP will be mailed to all Eligible Shareholders by the date specified below. Participation in the SPP is entirely voluntary. Shareholders are urged to read the SPP terms and conditions in their entirety before deciding whether to participate in the SPP and if in doubt you should seek advice from your stockbroker, accountant, solicitor or other professional adviser.

#### KEY Dates\*

Key dates for the Placement and Share Purchase Plan are set out below:

Event	Date	Explanation
Record Date for SPP	28 March 2012	Date for determining Eligible Shareholders
Placement and SPP announced	29 March 2012	Details announced to ASX and trading halt lifted
Placement share issue date	2 April 2012	Date that shares are issued to sophisticated and professional investors under the Placement
Placement shares trading date	2 April 2012	Date that Placement shares commence trading on ASX
Opening Date	5 April 2012	Date that SPP offer documentation is despatched to Eligible Shareholders and the SPP opens.
Closing Date	7 May 2012	Offer closes at 5:00pm (ACST) on this date
Issue Date	16 May 2012	Shares to be issued under the Plan are allotted
Despatch Date	18 May 2012	Confirmation of transaction despatched to shareholders

\* Dates are indicative only and the Company retains the right to vary each of these dates without advance notification to Eligible Shareholders. However, any alteration to these dates will be notified to the ASX.

For further information please contact:

Greg English  
Chairman  
ARCHER EXPLORATION LIMITED  
Tel: (08) 82723288

*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 seventeen years experience in the field of activity being reported. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*