



4th May 2012

ASX ANNOUNCEMENT / MEDIA RELEASE

Archer Exploration Limited

ABN 64 123 993 233

Level 1, 28 Greenhill Road

Wayville, SA 5034

Australia

Telephone +61 (0)8 8272 3288

Facsimile +61 (0)8 8272 3888

info@archerexploration.com.au

www.archerexploration.com.au

FURTHER GRAPHITE INTERVALS AT CAMPOONA

Highlights

- **Further drilling results confirm the continuity of high grade graphitic schist at Campoona.**
- **Two separate areas of graphite mineralisation defined with approximate lengths of 1.4km at the Campoona Central area (open to the south) and 0.6km at the Campoona Shaft area (open to the north).**
- **Drill intervals report graphite down to 100m vertically and up to 17.7% TGC with best intercepts including:**

Campoona Shaft Area

CSRC12_014 15m @ 10.2%C from 75m including 8m @ 11.7%C from 79m

CSRC12_016 11m @ 10.8%C from 62m

Campoona Central Area

CSRC12_019 11m @ 14.9%C from surface

CSRC12_020 8m @ 9.0%C from 25m and 11m @ 16.7%C from 38m

CSRC12_023 17m @ 12.2%C from 39m including 4m @ 17.7%C from 44m

- **Exploration plan submitted to PIRSA to enable resumption of resource drilling.**

On the 15th March 2012 the Company announced that it had commenced a staged resource drilling programme at the Company's 100% owned Campoona Graphite Deposit located approximately 12km north of the township of Cleve on Eyre Peninsula, South Australia.

The first stage of drilling was conducted between 14th March and 7th April 2012 and consisted of thirty RC and RC aircore drill holes aggregating 1,528 drill metres. Drilling was conducted to test the consistency of the Campoona Graphite Deposit along strike.

The drilling was concentrated in two main areas around the northern portion of the deposit immediately south of the Campoona Shaft and in the Campoona Central area north of the Campoona outcrop. Most holes intersected significant graphite which occurs either as an intense graphitic schist unit or as graphitic proto-gneiss.

All drill intervals have now been reported to Archer for the Campoona Shaft area. Figure 1 below shows the extent of the 2012 drilling and the visual potential of the drill holes.

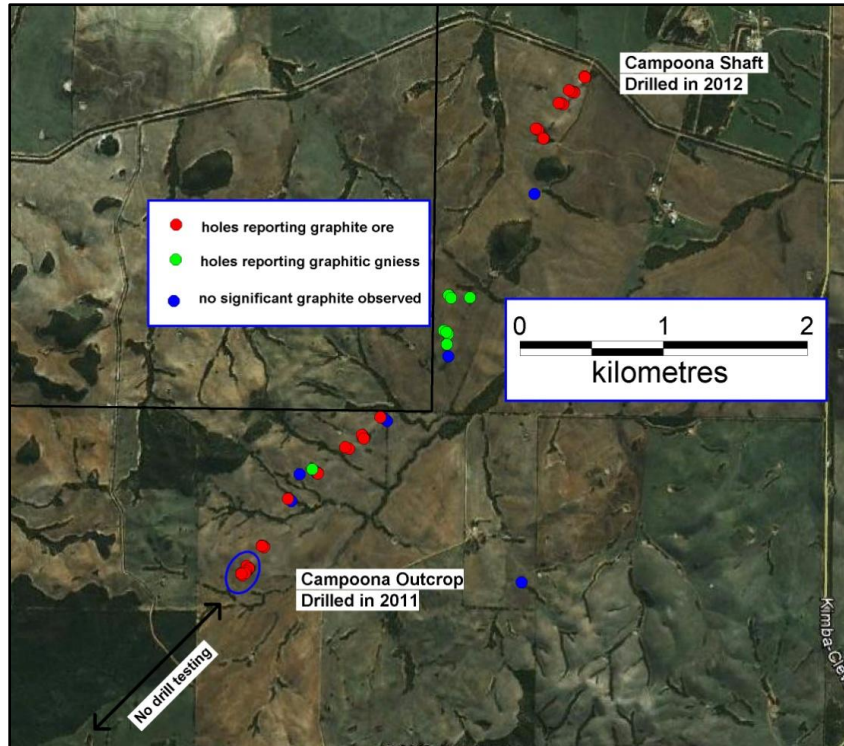


Figure 1. Location of March – April 2012 drilling at Campoona

Figure 2 below, shows the areas being reported for the first time.

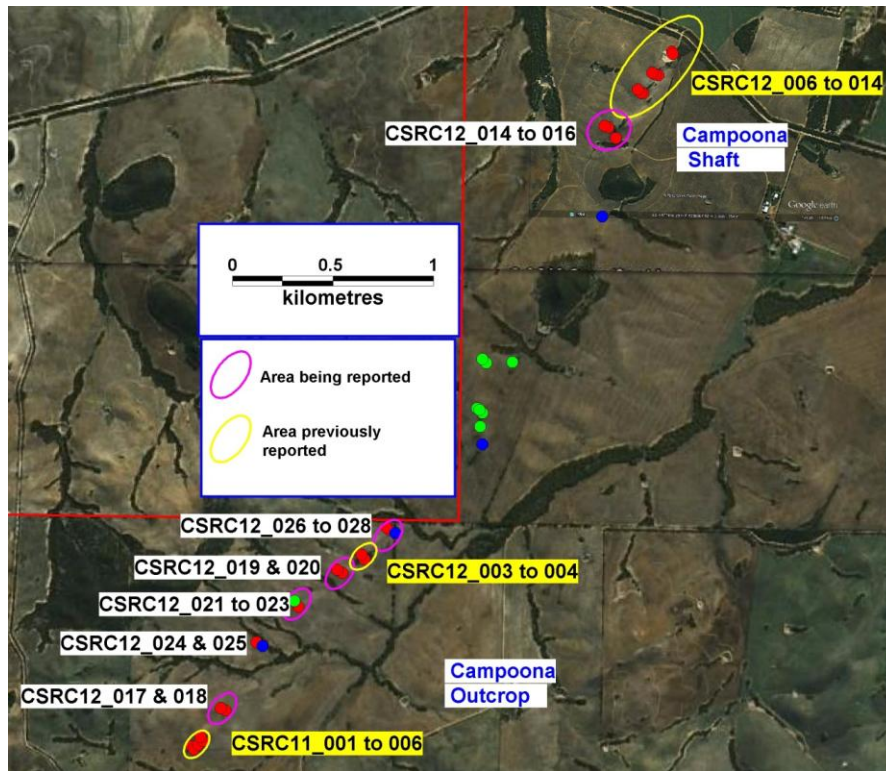


Figure 2. Status of drill hole assays

Campoona Shaft Area Drill Results

The assay results for holes CSRC12_014 – CSRC12_028, which were drilled in April 2012, have been received and are reported below. The results show the continued performance of the Campoona graphitic schist structure.

Assays for holes CSRC12_014 – CSRC12_016 complete the first pass drilling of the Campoona Shaft area. Figure 3 is shows in cross section the graphitic intervals.

Results for the Campoona Shaft area included:

- CSRC12_014 **15m @ 10.2%C from 75m downhole**
Including **8m @ 11.7%C from 79m**
- CSRC12_015 **3m @ 10.6%C from 0m downhole**
and **2m @ 11.6%C from 12m**
- CSRC12_016 **11m @ 10.8%C from 62m downhole**

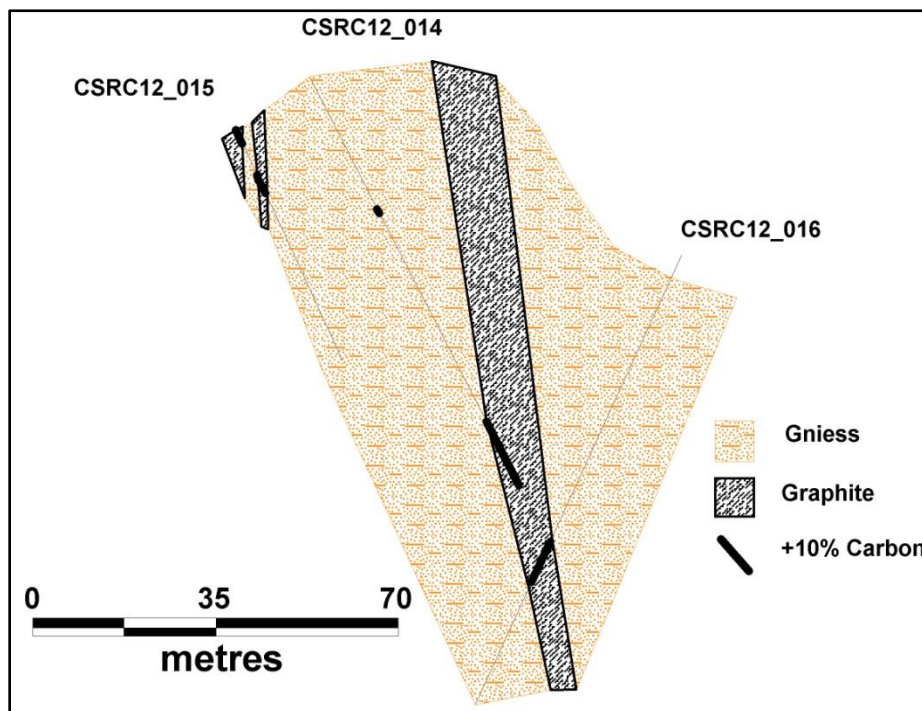


Figure 3. Cross Section showing high grade graphite 250m south of the Campoona Shaft. Intervals averaging greater than 10%C are highlighted with black bars

Campoona Central Drill Results

Results for the Central Campoona area (north of the Campoona South Outcrop) included:

- CSRC12_019 **11m @ 14.9%C from 0m downhole**
- CSRC12_020 **8m @ 9.0%C from 25m downhole**
 and 11m @ 16.7%C from 38m
- CSRC12_023 **17m @ 12.2%C from 39m downhole**
 including 4m @ 17.7%C from 44m
- CSRC12_028 **25m @ 9.3%C from 6m downhole**
 including 10m @ 14.8%C from 8m

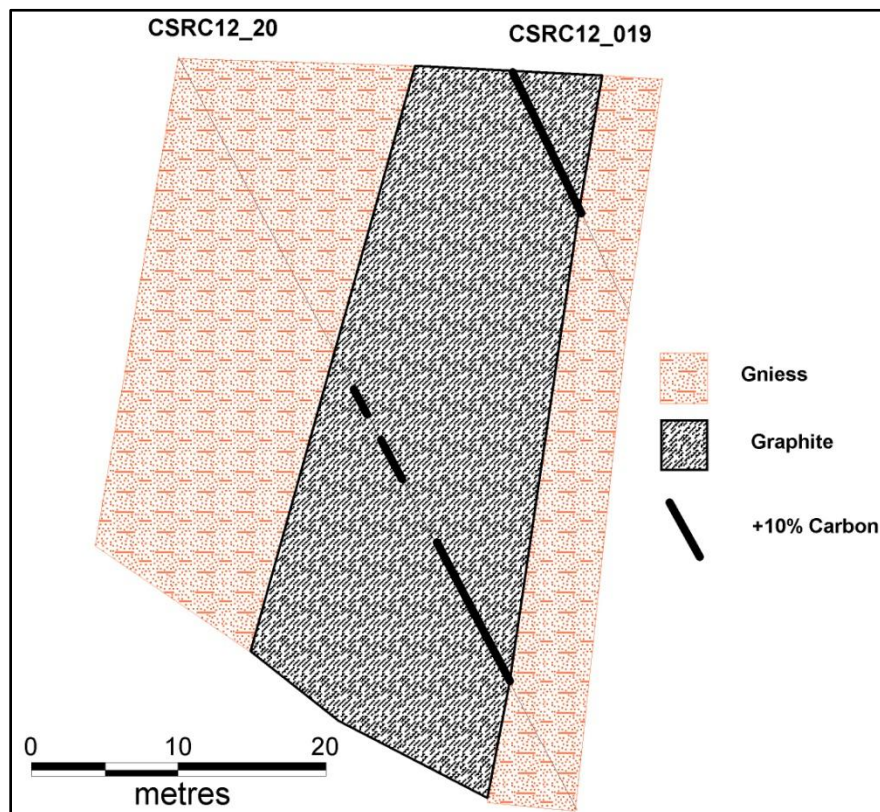


Figure 4. Cross section of holes 19 and 20 showing the significant graphitic intervals

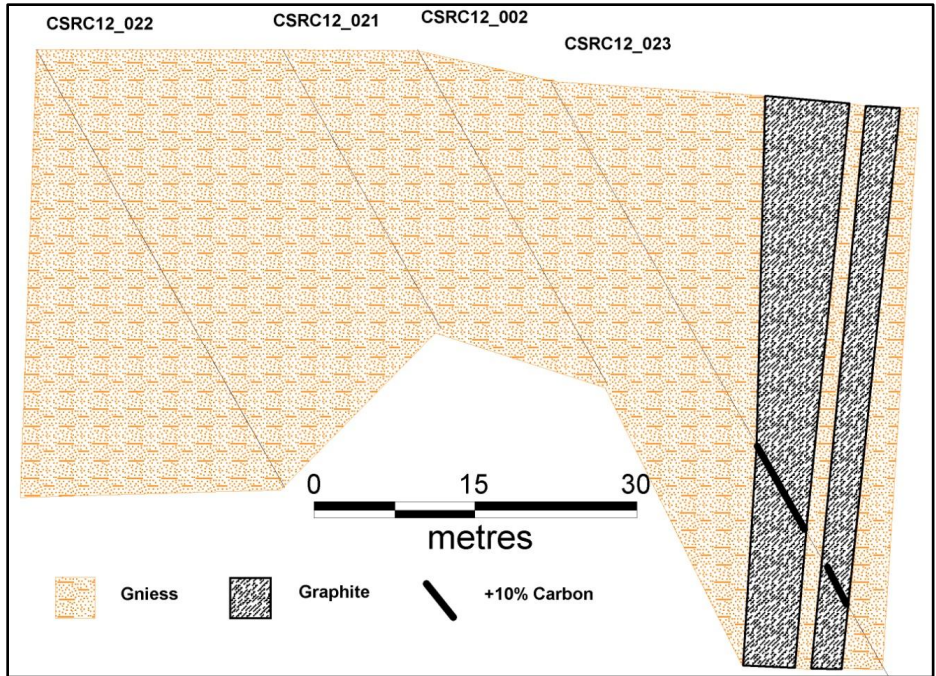


Figure 5. Cross section of CSRC12 holes 21 to 23

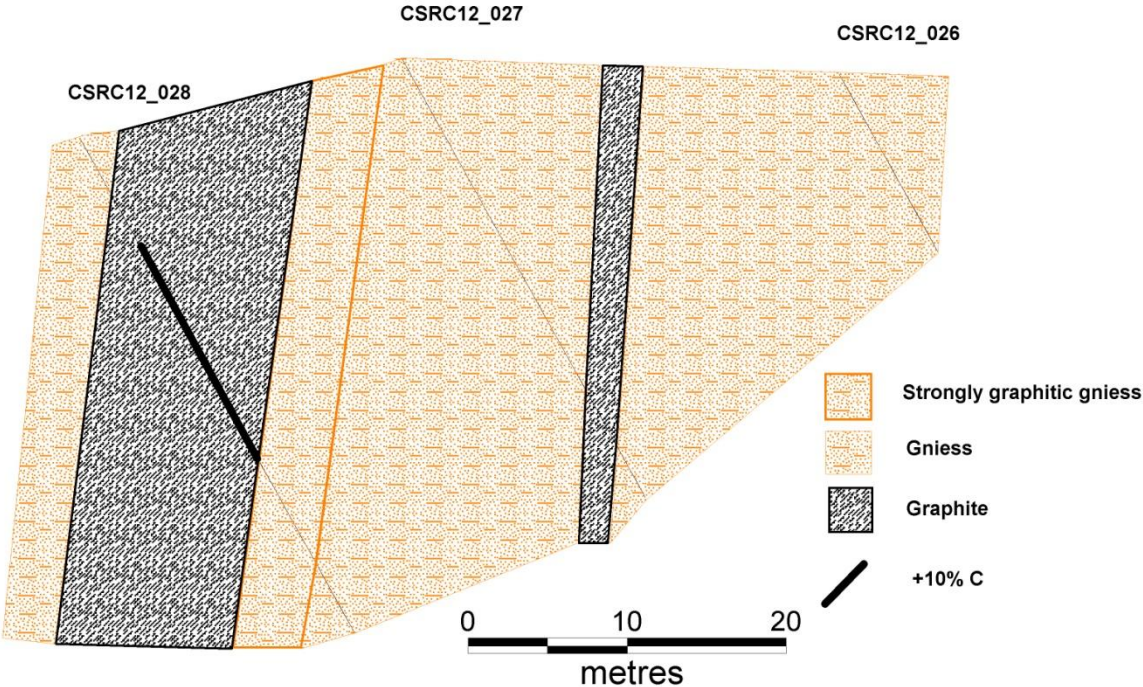


Figure 6. Cross section of CSRC12 holes 26 to 28

The latest drilling confirms that the graphitic schist pinches and swells along strike. At least two sections of continuous graphitic schist have been defined. The first, Campoona Central, is from

the Campoona outcrop and runs continuously for at least 1,400m to the north and is open along strike to the south. The second is the area immediately south of the Campoona Shaft and runs for at least 600m. This second section is open to the north along strike.

Further results for holes CSRC12_029 – CSRC12_037 are pending however they are only expected to report low grade graphitic gneiss.

Immediate Exploration Plan

Archer has secured landowner consent to drill the graphite immediately south of the Campoona Shaft. The Company has submitted a EWA to PIRSA and expects, weather permitting, to resume Resource drilling once PIRSA has approved the work. The EWA also proposes campaigns of diamond drilling and RC drilling through the sub-cropping graphite.

Exploration has covered less than 1% of the total area under tenure. Several graphite prospects are already known through historic work conducted by many exploration and mining companies in the 1980s and 1990s. Archer is planning to augment the above programs with a far more detailed and extensive airborne EM survey aimed at identifying all the major graphite targets in the tenement holding as a precursor to drill testing each prospect.

For further information please contact:

Mr Greg English
Chairman
Archer Exploration Limited
Tel: (08) 8272 3288

Mr Gerard Anderson
Managing Director
Archer Exploration Limited
Tel: (08) 8272 3288

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 consents to the inclusion in the report of matters based on his information in the form and context in which it appears.