

Archer Exploration Limited

ABN 64 123 993 233

SHORT FORM PROSPECTUS

For a pro rata non-renounceable issue of approximately 32,211,000 new free Bonus Options on the basis of one (1) new Bonus Option for every two (2) Shares held by holders of Shares who are registered as at 5:00pm AEST on 13 February 2008.

The Bonus Options are being offered free to Eligible Shareholders.

SHAREHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RELATION TO THE ISSUE OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS

IMPORTANT NOTICE

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document, the information of which is deemed to be incorporated in this Prospectus.

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CORPORATE DIRECTORY

Directors

Tom Phillips AM Chairman
Alice McCleary Non-Executive Director
Greg English Non-Executive Director

Registered and Principal Office

32 Beulah Road
Norwood SA 5067
Telephone: (08) 8132 0003
Facsimile: (08) 8132 0766
Email: executive@archerexploration.com.au

Company Secretary

Craig Gooden

ASX Code

Archer's ASX code is "AXE".

INDICATIVE TIMETABLE

Activity	Indicative Date
Prospectus lodged with ASIC and ASX and Appendix 3B lodged with ASX	1 February
Shares quoted ex-bonus entitlement	7 February
Bonus Options quoted on ASX on a deferred settlement basis	7 February
Record Date for determining entitlements to Bonus Options	13 February
Despatch date of holding statements and Prospectus	22 February
Trading in Bonus Options commences on a normal settlement basis	25 February

These dates are indicative only and subject to the Listing Rules may be varied by the Directors without prior notice.

IMPORTANT NOTICE

This Prospectus is dated 1 February 2008.

A copy of this Prospectus was lodged with ASIC and ASX on 1 February 2008. ASIC and ASX takes no responsibility for the contents of this Prospectus.

No Bonus Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Bonus Options will comprise a new class of securities of the Company and application will be made by the Company to ASX within 7 days after the date of this Prospectus for admission of the Bonus Options to Official Quotation.

Pursuant to ASIC Class Order 00/1092 this Prospectus is not required to contain or be accompanied by an application form. Accordingly, there is no application form attached to or forming part of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. In making representations in this Prospectus, regard has been given to the fact that ASX maintains a file containing publicly disclosed information about the Company and that the Company is a disclosing entity for the purpose of the Corporations Act, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

Certain abbreviations and other defined terms used throughout this Prospectus have defined meanings which are set out at the end of this Prospectus.

A copy of this Prospectus can be downloaded from the Company's website at www.archerexploration.com.au.

The Company has decided that it is unreasonable to issue Bonus Options to Shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of Shareholders in such places, the number and value of the Bonus Options they would be issued and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Shareholders should be aware that there may be taxation liabilities arising from the issue of Bonus Options pursuant to this Prospectus, the exercise and/or sale of the Bonus Options and/or the sale of Shares issued on exercise of the Bonus Options. For this reason, it is important that Shareholders obtain their own independent professional advice in connection with the taxation implications of acquiring Bonus Options.

The Company does not propose to give any taxation advice and neither the Company, nor its advisers and officers accept any responsibility or liability for any taxation consequences resulting from the issue of Bonus Options under the Issue.

Definitions of certain terms used in this Prospectus appear in the Glossary.

1. DETAILS OF THE ISSUE

1.1 The Issue

The Company is making a non-renounceable free bonus issue of approximately 32,211,000 of Bonus Options to Eligible Shareholders.

The Bonus Options will be issued on the basis of one (1) Bonus Option for every two (2) Shares held by Eligible Shareholders at the Record Date. In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

The Bonus Options will form a new class of securities of the Company and a summary of the terms and conditions of the Bonus Options is set out in section 5.1 of this Prospectus.

1.2 Existing Options

At the date of this Prospectus the Company has no share options on issue.

1.3 Purpose of the Issue

The Issue was foreshadowed in the June 2007 Prospectus and accordingly, the purpose of the Issue is to reward Eligible Shareholders for their support of the Company and to provide for future exploration funds for the Company's prospects.

1.4 Action Required by Shareholders

As the Bonus Options are issued for no cost, **Eligible Shareholders are not required to take any action to accept and be issued with their Entitlement of Bonus Options.**

The Offer is non-renounceable and accordingly, Shareholders may not dispose of or trade any part of their entitlement to receive Bonus Options.

1.5 Issue of Bonus Options

The Bonus Options will be issued and holding statements dispatched as soon as practicable after the Record Date and otherwise in accordance with the Indicative Timetable given in the front of this Prospectus.

It is the responsibility of each Shareholder to determine their Bonus Option holding before trading in the Bonus Options. Shareholders who sell Bonus Options before they receive their transaction confirmation statement do so at their own risk.

1.6 ASX Quotation

The Bonus Options will form a new class of securities of the Company and application to ASX for admission of the Options to Official Quotation will be made by the Company within seven (7) days of the date of this Prospectus.

If the Bonus Options are not admitted to Official Quotation within three (3) months after the date of this Prospectus, or such later date as is permitted by the Corporations Act, none of the Bonus Options offered by this Prospectus will be granted. If approval to list the Bonus Options is not granted by ASX and the Bonus Options are not issued, the Company will prepare a prospectus for the issue of Options on the same terms except that the Options will not be admitted to Official Quotation.

1.7 Enquiries

If you have any questions concerning the Issue, please contact your professional advisor, or the Company on telephone +61 (0)8 8132 0003 or by email at info@archerexploration.com.au.

2. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

2.1 June 2007 Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates, by reference, information contained in the disclosure document lodged by the Company with ASIC on 29 June 2007 for the offer of up to 35 million Shares at an issue price of 20 cents per Share (**June 2007 Prospectus**) and pursuant to which 35 million Shares were issued.

In referring to the June 2007 Prospectus, the Company:

- (a) identifies the June 2007 Prospectus as being relevant to the issue of Bonus Options under this Prospectus and containing information that will assist investors and their professional advisers in making an informed assessment of:
 - (i) the rights and liabilities attaching to the Bonus Options and the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers Shareholders and their professional advisers or analysts to the section of this Prospectus which summarises the information in the June 2007 Prospectus deemed to be incorporated in this Prospectus;
- (c) informs Shareholders and their professional advisers or analysts that during the Issue Period they are able to obtain, free of charge, a copy of the June 2007 Prospectus and a copy of this Prospectus by contacting the Company during normal business hours or by **downloading a copy from the Company web site at www.archerexploration.com.au**; and
- (d) advises that the information in the June 2007 Prospectus will be primarily of interest to Shareholders and their professional advisers or analysts.

2.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the June 2007 Prospectus that is deemed to be incorporated in this Prospectus. The headings and page numbers referred to below are references to the June 2007 Prospectus.

Investment Opportunity (page 1): An overview of the Company, its Directors, its property portfolio and prospects.

Chairman's Message (pages 3-4): A summary of the corporate strategy and exploration business of the Company.

Directors Overview (pages 6-13): This section provides an overview and discussion of the Company's property portfolio and proposed exploration program for the Company's West Roxby, Cariewerloo, South Gawler Ranges and Carrapee Hill Projects in South Australia.

Directors and Management (pages 14-15): This section provides profiles of the Board of Directors and of key UraniumSA Limited personnel who will providing services to the Company under the Services Agreement (also described in this section) together with an overview of the Company's policy with respect to corporate governance.

Details of the Offer (pages 16-20): This section contains an indicative budget for the Company for years 1 and 2. This section also provides a summary of the Company's dividend and privacy policies.

Independent Geologist's report (pages 21-29). Written by Flagstaff GeoConsultants Pty Ltd the report provides detail of the geology, exploration history, exploration potential and the proposed exploration program and budget for the Company's tenements.

Independent Accountant's report (pages 30-40). Prepared by Grant Thornton South Australian Partnership the report dated 21 June 2007 contained historical and pro-forma financial information for the purposes of the offer of Shares under the June 2007 Prospectus.

Solicitor's report (pages 41-47). Prepared by Kelly & Co Lawyers, the report details the Company's interests in the exploration tenements and assets described in the June 2007 Prospectus. Among other things, the report details the Company's interests in the tenements, the status of the tenements and all native title claims relevant to them.

Summary of Material Agreements (pages 48-50): This section summarises relevant to the Company, the tenements the Company holds an interest in and the management of the Company and those tenements. This section also contains details of the Archer Exploration Employee Share Option Plan.

Additional Information (pages 51-57): Provides a range of information for investors that was required to be disclosed in the June 2007 Prospectus, including:

- Risk factors - this sub-section lists a number of risks that may have a material effect on the financial position and performance of the Company and the value of its securities, as well as the Company's exploration and development activities and an ability to fund those activities. Risks include those relating to regulation and politics, tenement title, public perception, exploration risk, economic risk, market conditions, native title, operating risk, mineralisation estimates, commodity price volatility and exchange rate risks, environmental risks, requirement for capital, key management, valuations and the speculative nature of the investment;
- Rights attaching to Shares;
- Interests of Directors;
- Interests and consents of Experts, Advisors and other persons named in the June 2007 Prospectus;
- Expenses of the Offer; and
- Director's Statement.

3. COMPANY OVERVIEW

3.1 Overview and Reference to June 2007 Prospectus

A comprehensive overview of the Company is set out in the June 2007 Prospectus that was lodged with ASIC on 29 June 2007 for the public offering of up to 35,000,000 Shares. Persons acquiring Bonus Options under this Prospectus should refer to previous sections of this Prospectus for a summary of the information contained in the June 2007 Prospectus deemed to be incorporated in this Prospectus.

In August 2007, 35,000,000 Shares were allotted and issued at an issue price of 20 cents each pursuant to applications received under the June 2007 Prospectus and the Company was subsequently admitted to the Official List on 13 August 2007 with Official Quotation of its Shares commencing on 14 August 2007.

Other than as stated in this Prospectus, the Company is not aware of any other material matter or circumstance that would impact on the contents of the June 2007 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisers making an informed assessment of relevant matters.

3.2 Matters Subsequent to June 2007 Prospectus

The Shares of the Company were initially quoted on the ASX on 14 August 2007 and the Company presently has a total of 64,418,477 Shares on issue.

Under the Listing Rules a total of 26,418,477 Shares are classified as restricted securities and are subject to escrow as follows:

- 18,604,798 Shares subject to 24 months escrow commencing on 14 August 2007;
- 2,500,000 Shares are subject to escrow for 12 months escrow commencing on 18 May 2007; and
- 5,313,679 Shares are subject to escrow for 12 months escrow commencing on 20 July 2007.

The balance of the issued share capital of the Company, being 38,000,000 Shares, is quoted on ASX.

3.3 Continuous Disclosure

The Company is admitted to the Official List of ASX and its Shares are quoted on ASX. The Company is a “disclosing entity” for the purposes of the Corporations Act. It is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information which it has or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities in the Company.

All documents used to notify ASX of information relating to the Company under the provision of the Listing Rules can be viewed on the Company web site at www.archerexploration.com.au or on the ASX web site at www.asx.com.au. At the time of lodging this Prospectus the only such documents were:

Date	Headline
29/01/2008	Quarterly Cashflow Report
29/01/08	Quarterly Activities Report
23/1/08	High Potential Targets
17/1/08	Issue of Bonus Options
30/11/2007	SA Explorers Conference Presentation 30 November 2007
26/10/2007	Quarterly Cashflow Report
26/10/2007	Quarterly Activities Report
22/10/2007	Positive Survey
28/09/2007	Gravity Surveys
11/09/2007	Gravity Surveys

Date	Headline
21/08/2007	Change of Director's Interest Notice
15/08/2007	Initial Director's Interest Notice
15/08/2007	Initial Director's Interest Notice
15/08/2007	Initial Director's Interest Notice
15/08/2007	Notice of Initial Substantial Holder
14/08/2007	Exploration Start on West Roxby Project
13/08/2007	Corporate Governance Manual Summary
13/08/2007	Appendix 1A - ASX Listing application and agreement
13/08/2007	Constitution
13/08/2007	Status of Mineral Expl Licence Applications
13/08/2007	Rules of Employee Share Option Plan
13/08/2007	Restricted Securities
13/08/2007	Top 20 shareholders
13/08/2007	Distribution Schedule
13/08/2007	Market Release: Pre-quotations Disclosure
13/08/2007	Commencement of Official Quotation
13/08/2007	Admission to Official List
10/07/2007	Disclosure Document

4. EFFECT OF THE OFFER ON THE COMPANY

4.1 Capital Structure of the Company

Approximately 32,211,000 (subject to rounding) Bonus Options will be issued. Upon completion of the Issue, the issued capital of the Company will comprise:

Shares	Number
Shares at the date of this Prospectus	64,418,477
Offered pursuant to this Prospectus	Nil
Post Completion of the Offer	64,418,477
Options	Number
Bonus Options issued pursuant to this Prospectus*	32,211,000

4.2 Effect on immediate Financial Position

No amounts will be raised by the Company by the issue of Bonus Options under this Prospectus. The issue of Bonus Options pursuant to this Prospectus will not have a material impact on the Company's current financial position other than the decrease in cash reserves of approximately \$32,000 being the expenses of the Issue as set out later in this Prospectus.

4.3 Principal Effects of the Offer

If all of the Bonus Options that may be issued pursuant to this Prospectus are exercised, then:

- Ø the number of Shares on issue will increase by approximately 32,211,000. On the basis of the current Share capital this will increase the number of Shares on issue to 96,629,477; and
- Ø the Company will receive \$0.25 for each Bonus Option exercised and raise additional funds of approximately \$8,052,750. The likelihood of the Company raising the additional capital through the exercise of the Bonus Options is dependent on the price of the Shares from time to time until the Bonus Options expire.

5. TERMS AND CONDITIONS OF BONUS OPTIONS AND SHARES

5.1 Terms and conditions of Bonus Options

The terms and conditions of the Bonus Options are as follows:

1. Each Bonus Option will entitle the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) in the Company (subject to possible adjustments referred to in paragraphs 10, 11 and 12 below).
2. Each Bonus Option is exercisable at any time before 5:00pm Adelaide time on 13 February 2010 (**Expiry Date**). Bonus Options not exercised before the Expiry Date will lapse.
3. The exercise price of each Bonus Option is \$0.25 (**Exercise Price**).
4. Bonus Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
5. Some or all of the Bonus Options may be exercised at any one time or times prior to the Expiry Date.
6. Shares issued pursuant to the exercise of any of the Bonus Options will rank in all respects on equal terms with the existing Shares in the Company and the Company will make application for new Shares allotted on exercise of the Bonus Options to be admitted to the Official List of ASX.
7. The Company has applied to the ASX to have the Bonus Options admitted to the Official List of ASX.
8. Subject to any restriction agreement executed by the Optionholder and the Company in accordance with the official listing rules of the Australian Securities Exchange (**Restriction Agreement**), each Bonus Option will be freely transferable at any time before the Expiry Date.
9. Bonus Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Bonus Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least seven business days after the date the issue is announced.
10. If there is a bonus issue to the holders of Shares:
 - (a) the number of Shares over which the Bonus Option is exercisable will be increased by the number of Shares which the holder of the Bonus Option would have received if the Bonus Option had been exercised before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price of the Bonus Option.
11. If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the Optionholders may be varied to comply the listing rules of ASX which apply to the reconstruction.

12. If the Company makes a rights issue (other than a bonus issue), the Exercise Price of Bonus Options on issue will be reduced in accordance with the following formula:

$$\text{New Bonus Option Exercise Price} = O - \frac{E(P - (S + D))}{(N + 1)}$$

Where:

- O = the old Exercise Price of the Bonus Option;
- E = the number of underlying Shares into which one Bonus Option is exercisable;
- P = the volume weighted average price per Share recorded on the stock market of ASX during the 5 trading days immediately preceding the ex rights date or ex-entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

5.2 Rights attaching to Shares upon conversion of Bonus Options

There is only one class of Share on issue in the Company being fully paid ordinary Shares. The rights and liabilities attaching to Shares in the Company are:

- (a) set out in the constitution of the Company, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Voting. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per share on a poll. In the case of a vote on a poll, the person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share.

Dividends. Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the holders of Shares equally and in proportion to the number of Shares held by them, and among the holders of partly paid shares in proportion to the amounts paid (not credited as paid) on the shares in respect of which the dividend is paid.

Future Issues. Subject to the constitution of the Company, the Corporations Act and Listing Rules, the Directors may allot, issue, grant Options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regard to dividends, voting or return of capital as the Directors from time to time determine.

Transfer of Shares. Subject to the constitution of the Company, the Corporations Act, the Listing Rules and any other applicable laws, Shares are freely transferable.

Meetings and Notices. Each Shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

Winding Up. If the Company is wound up and there remain assets available for distribution, then the liquidator may, with the sanction of a special resolution:

- Ø divide the assets of the Company among the members in kind and for that purpose fix the value the value of the assets and decide how the division is to be carried out as between the members and different classes of members; and
- Ø vest assets of the Company in trustees of any trusts for the benefit of members as the liquidator thinks appropriate.

Shareholder Liability. As the Shares are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration of Capital. Unless otherwise determined by the terms of issue of shares in a certain class, the rights attaching to shares of that class may be varied with the consent in writing of the holders of 75% of the issued shares of the relevant class, or with the sanction of a special resolution passed at a meeting of the holders of the shares in that class.

6. ADDITIONAL INFORMATION

6.1 Market Price of Ordinary Shares

The Shares of the Company commenced Official Quotation on the ASX on 14 August 2007.

The highest and lowest recorded market sale prices of the Shares quoted on ASX from 14 August 2007 to the date of this Prospectus were \$0.22 on 8 October 2007 and \$0.14 on 14 January 2008 respectively.

The last market sale price of the Shares on ASX on 31 January 2008 was \$0.16.

6.2 Legal Proceedings

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against or involving the Company.

6.3 Interests of Directors and Experts

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the issue of the June 2007 Prospectus is set out in the "Additional Information" (pages 51-57) section of that document and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

Directors	Shares
Tom Phillips	1,075,000*
Alice McCleary	1,500,000
Greg English	11,604,798

* Tom Phillips held 500,000 Shares on the date of lodgement of the June 2007 prospectus (29 June 2007) and acquired an additional 375,000 of Shares on 15 August 2007 and a further 200,000 shares on 17 August 2007 (refer to ASX announcements dated 15 August 2007 and 21 August 2007).

The Directors and their associates will receive the same entitlement to Bonus Options as all other Shareholders under the Issue in respect of Shares in which they hold an interest on the Record Date.

Watsons Layers has acted as Solicitors to the Company in relation to the Issue. The Company estimates it will pay Watsons Lawyers \$8,000 (exclusive of goods and services tax) for these services.

6.4 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$32,000 including legal costs, accounting fees, ASX fees, printing and other administrative expenses.

6.5 Material Contracts

Investors and their professional advisers are referred to the "Summary of Material Agreements" section of the June 2007 Prospectus (pages 48-50) which is referred to earlier in this Prospectus. Other than the contracts referred to in the June 2007 Prospectus, the only other contract material to investors is the contract entered into by the Company in 15 August 2007 for the acquisition of gravity data over certain parts of the West Roxby Project for an approximate cost of \$350,000.

6.6 Consents

The following persons have each consented to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included or referred, and have not withdrawn that consent before lodgement of this Prospectus with ASIC:

Grant Thornton South Australian Partnership have given and as at the date hereof have not withdrawn their consent before lodgement of this prospectus with ASIC, to be named in this prospectus as the Auditor of the Company in the form and context on which they are named, and to the incorporation by reference in this prospectus of their Independent Accountant's Report, dated 13 June 2007.

Other than as referred to above, Grant Thornton South Australian Partnership are not responsible for any part of the Prospectus and have not authorised or caused the issue of any part of this Prospectus.

Flagstaff GeoConsultants Pty Ltd has given its consent to the incorporation of and reference to the Independent Consulting Geologist's Report in the June 2007 Prospectus and the reference to that report in this Prospectus and reference being named in the June 2007 Prospectus as Independent Consulting Geologist to the Company.

Kelly & Co Lawyers has given its consent to the incorporation of and reference to the Solicitors Report on the Tenements in the June 2007 Prospectus.

Watsons Lawyers has given its consent to being named in this Prospectus as Solicitors to the Company.

6.7 Authority of directors

This Prospectus is issued by the Company and in accordance with section 720 of the Corporations Act, each Director has consented and has not withdrawn their consent to the lodgement of this Prospectus with ASIC.

Dated: 1 February 2008.

A handwritten signature in black ink, appearing to read 'Tom Phillips', written in a cursive style.

Tom Phillips

Chairman

Archer Exploration Limited

DEFINITIONS

AEST means Australian Eastern Standard Time.

ASIC means Australian Securities and Investments Commission.

June 2007 Prospectus means the replacement prospectus lodged by the Company with ASIC on 29 June 2007.

ASX means Australian Securities Exchange Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Bonus Option means an Option to be issued under this Prospectus.

Company and **Archer** means Archer Exploration Limited (ABN 64 123 993 233).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means the holder of a Share registered as the Shareholder on the Record Date.

Entitlement means the non-renounceable right of a Shareholder to receive Bonus Options under the Issue.

Issue means the bonus issue of Bonus Options pursuant to this Prospectus.

Issue Period means the period commencing on the date of this Prospectus and ending on the date of despatch of Bonus Option holding statements to Shareholders.

Listing Rules means the Listing Rules of ASX.

Official List means the Official List of ASX.

Official Quotation means quotation of securities by the ASX in accordance with the Listing Rules.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Prospectus means this prospectus dated 1 February 2008.

Record Date means 5:00pm (AEST) on 13 February 2008.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.