



Archer Exploration Limited
ABN 64 123 993 233
32 Beulah Road
Norwood, South Australia 5067
Australia
Telephone +61 (0)8 8132 0003
Facsimile +61 (0)8 8132 0766
info@archerexploration.com.au
www.archerexploration.com.au

22 February 2008

General Manager

The Company Announcements Office
Australian Securities Exchange Limited
ASX Code AXE

ALLOTMENT OF BONUS OPTIONS

The Company confirms that 32,205,201 options with an exercise price of 25 cents and an expiry date of 13 February 2010 (“Bonus Options”) were issued today pursuant to the Bonus Options Issue announced on 17 January 2008. The relevant holding statements and disclosure document will be dispatched today to holders of Bonus Options.

Attached is a copy of a letter sent to holders of Bonus Options simultaneously with the relevant holding statements and disclosure documents.

In accordance with the Appendix 9B.11 of the ASX listing rules, a total of 13,209,239 Bonus Options are restricted securities as follows:

No. of Bonus Options	End of Escrow Period
1,250,000	18 May 2008
2,656,840	20 July 2008
9,302,399	14 August 2009
Total 13,209,239	

In addition, 250,000 bonus options have been voluntarily restricted until 14 August 2009.

The balance of the Bonus Options totalling 18,745,962 have been admitted to the official list of ASX and are tradeable on the ASX.

The current issued capital of the Company after taking into account the issue of the Bonus Options is as follows:

- 64,418,477 ordinary fully paid shares (of which 26,418,477 are restricted securities, including 2,500,000 to be held in escrow until 18 May 2008, 5,313,679 to be held in escrow until 20 July 2008 and 18,604,798 to be held in escrow until 14 August 2009);
- 32,205,201 options exercisable at 25 cents on or before 13 February 2010 (of which 13,459,239 are restricted securities as per the table above including the 250,000 voluntary restriction).

Yours faithfully,

Craig Gooden
Company Secretary



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Dear Shareholder,

I have pleasure in enclosing your Holding Statement for your Bonus Option entitlement. This offer was formally announced by the Company on 1 February 2008 when the Short Form Prospectus was filed with ASIC. A copy is now enclosed together with an application form to exercise the Bonus Options. The terms and conditions for the exercise of the Bonus Options are stated on the application form.

The Bonus Options have been approved and quoted by the ASX and are listed under the code AXEO. Bonus options issued to shareholders with existing restriction agreements in force are not quoted and cannot be traded until the restriction agreements are completed.

The Board looks forward to your support as we continue our exploration program that commenced the day the Company listed on the ASX.

Yours truly,

A handwritten signature in black ink, appearing to read "Tom Phillips".

Tom Phillips AM
Chairman