

8 July 2008

SUCCESSFUL RESULTS FROM NEW DRILLING OF S.A. PROJECTS A BOOST FOR ARCHER

Confirmation of a previously identified manganese belt in the west of South Australia, and a potential new copper and gold exploration target nearby, have resulted from a new drilling program undertaken by Archer Exploration Limited (ASX “AXE”) in the area.

The drilling comprised a Reverse Circulation (RC) program of 2,001 metres over 18 holes at Archer’s wholly-owned Carapsee Hill Project, located within EL 3711 on Eyre Peninsula, approximately 115km southwest of Whyalla.

The drill focus was on the high grade Jamieson Tank Prospect and a new prospect, Bender, located southeast of Jamieson Tank.

Jamieson Tank (Manganese)

The new drilling at Jamieson Tank confirmed the extent of the previously identified manganese mineralisation, with the recent Archer drill holes intersecting manganese and magnetite mineralisation within 50 metres of the surface. The holes were drilled in the vicinity of the historic drilling undertaken by Western Mining Corporation Ltd in 1991 and the drilling undertaken by Monax Mining Ltd last month – with data collected by Archer confirming and extending these drill results.



Figure 1: Drilling at Carapsee Hill

Surficial hematite and magnetite (intercepted downhole) were also encountered during the Jamieson Tank drilling. A total of 1,100 metres was drilled at Jamieson Tank with holes to an average depth of 127 metres below surface.

Bender (Copper gold)

Analysis of geophysical data acquired by Archer identified a potential new target, the Bender Prospect, which is located southeast of Jamieson Tank. Drilling of geophysical targets by the Company at Bender last week found significant alteration. Interpretation of the drill samples and associated field data will commence next week.

“Drilling at Bender has exceeded our expectations and we are excited by the potential of this new prospect,” Mr Greg English (Director, Archer Exploration). “The positive early indications from the 2,001 metre drilling and the presence of old mine workings in the Bender Prospect area, lend confidence that this Prospect is potentially a high quality copper and gold exploration target which will be vigorously explored by the Company during the next 12 months”.



Figure 2 : Drilling at Bender Prospect with Carappee Hill in the background

Mr English said “Archer has submitted the Jamieson Tank and Bender RC drill samples for analyses, with the hope of receiving assay results within 6–8 weeks.”

“The Bender prospect also compliments the Company’s other copper targets further north in South Australia at West Roxby, Wilmington and Burra.”

West Roxby Project (Copper)

As announced to the ASX on 23 May, 2008, Archer has engaged UTS Geophysics to undertake a high resolution aeromagnetic survey of the Evelyn Dam, Island Lagoon and Apollo Prospects at the Company’s wholly-owned West Roxby Project, located approximately 60km southwest of Roxby Downs in SA.



UTS has advised the Company that it hopes to complete the 3,760 line kilometre survey this week.

Data collected will enable Archer to accurately target the deep diamond drilling of these highly prospective prospects.

For further information please contact:

Mr Greg English
Director
Archer Exploration Limited
Tel: (08) 8132 0003

Mr Wade Bollenhagen
Exploration Manager
Archer Exploration Limited
Tel: (08) 8132 0003

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 and is a Member of the Australasian Institute of Mining and Metallurgy who has more than 10 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.

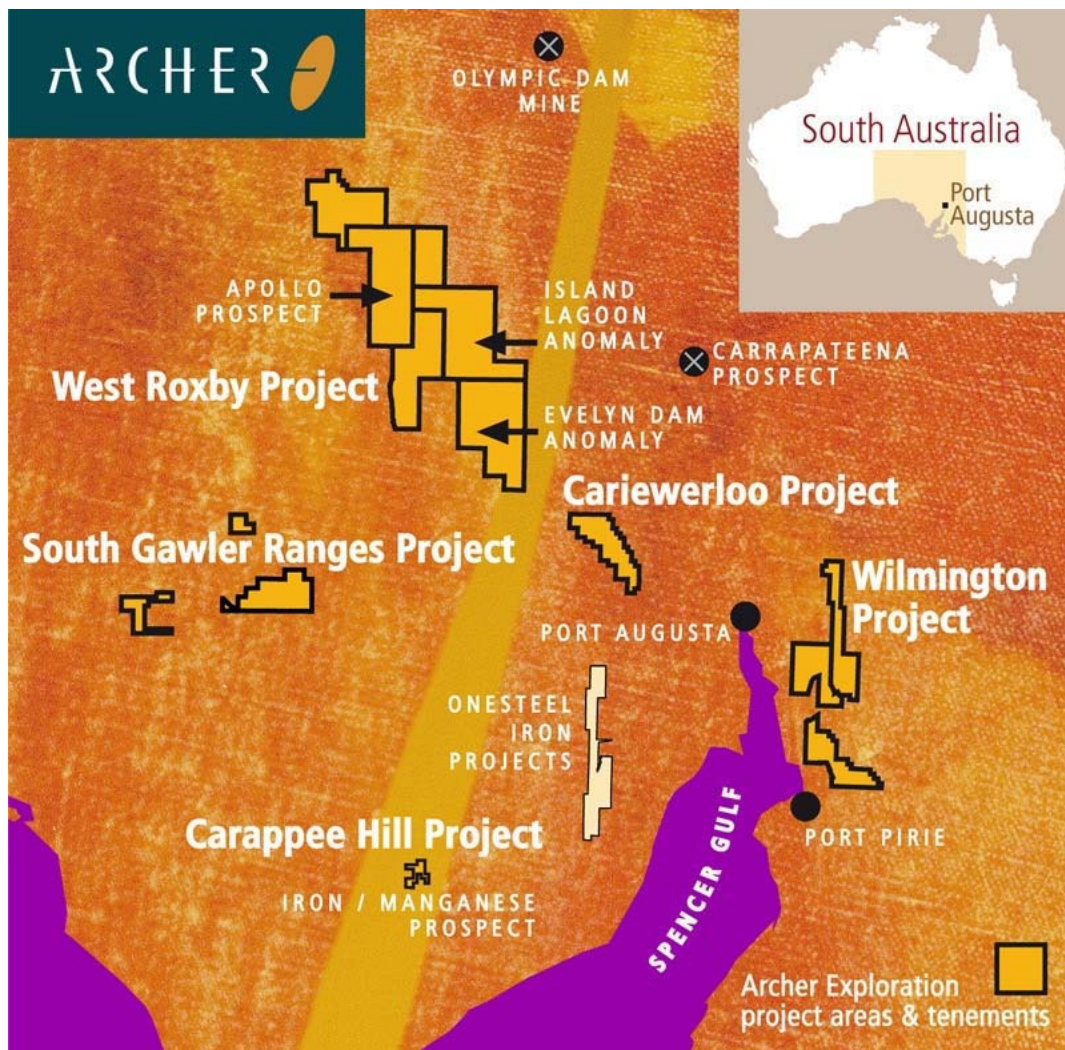
ABOUT ARCHER EXPLORATION

Archer Exploration Limited is a iron ore, manganese, copper and phosphate explorer focused on the discovery of world-class deposits. The Company has carefully acquired a portfolio of wholly-owned projects in the highly prospective Gawler Craton region of South Australia.

The Company's Carapee Hill Project on South Australia's Eyre Peninsula contains iron ore grades of up to 57% and manganese grades of up to 53.8%. The Company is undertaking further exploration at Carapee Hill and is assessing a range of options for the further development of this exciting project.

The Company is also well advanced on the exploration of its Olympic Dam style iron oxide-copper-gold-uranium (IOCG-U) deposit. The Evelyn Dam anomaly has early geophysical characteristics similar to those of Olympic Dam and the recent Carrapateena discovery.

The World's End Project area covers the historic Fairview Phosphate Mine which was last mined in 1903 when it yielded 100 t of hand-picked phosphate ore grading 25% P₂O₅.



Archer's project areas and tenements, covering prospective iron, manganese, copper and phosphate tenements in the Gawler Craton region of South Australia.