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Maiden RC drilling underway on Archer's key Ketchowla manganese project near Burra in SA

A maiden Reverse Circulation (RC) drilling program comprising 42 holes has been commenced by Archer Exploration Limited (ASX code: "AXE") on its flagship Ketchowla manganese project near Burra in South Australia's mid-north.

The schedule comprises a total of 2,500 metres of drilling, with the first phase focused on shallow testing of multiple targets defined by rock chip sampling.

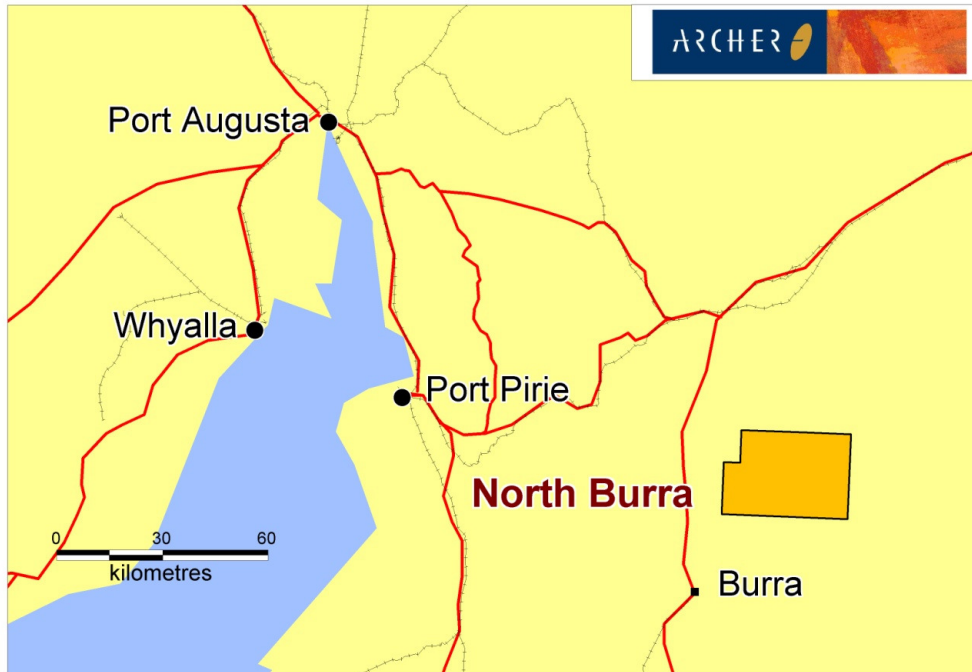
Initial analysis results are expected in mid-March. The schedule will move into a more intense second phase involving deeper drilling and a larger capacity drilling rig, from mid March.

Background

Archer Exploration acquired the 100%-owned North Burra Exploration Licence, 4266, on the 15th June 2009. The licence is located 43km NNE of the historic Burra township and 36 km from the standard gauge east-west Trans Australian Railway. The North Burra tenement covers a total area of 810 km², with the drilling program announced today covering a footprint of about 140 km².

Results of reconnaissance sampling of the Ketchowla Manganese Deposits have been previously released by Archer Exploration on the 23rd September and the 16th November 2009 and the 14th January this year. This work identified nine larger manganese exposures and many smaller occurrences within a 135 square kilometre area of poor outcrop.

Ketchowla is one of two main areas of manganese mineralisation under assessment by Archer in South Australia. The second, its Jamieson Tank project near Kimba on Eyre Peninsula, recently secured a A\$600,000 60% four-year farm-in deal by major Australian manganese producer, OM Holdings Limited and which if successful, will see the Archer and OM form a joint venture to subsequently develop the deposit.



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The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenbagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenbagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than fifteen years experience in the field of activity being reported. Mr. Bollenbagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.