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ASX ANNOUNCEMENT / MEDIA RELEASE

Substantial ground gravity anomaly over Wildhorse Plains iron targets

Highlights

- A ground gravity survey completed during February 2011 has outlined a substantial gravity anomaly covering the Campoona Syncline and Mt Desperate. Such a substantial residual gravity signature may indicate the presence of hematite.
- Previous rock chip sampling at Wildhorse Plains returned peak values of 66.3% iron at Mt Desperate and High Bluff from Lower Middleback Banded Iron Formation. Iron values to 50.7% were recorded from the Campoona Syncline.
- Synclines are important in the formation of many hematite deposits and the coincidence of the gravity anomaly with the Campoona Syncline is seen as a positive exploration vector to the presence of hematite.
- Drilling is planned for late March – early April 2011 to test for the presence of hematite.

Preliminary interpretation of a ground gravity survey completed by Archer at Wildhorse Plains located on Eyre Peninsula in South Australia, has identified a substantial gravity anomaly that may indicate the presence of hematite at both Campoona Syncline and Mt Desperate.

The Eyre Peninsula is the most prominent area for South Australia's iron deposits, figure 1.

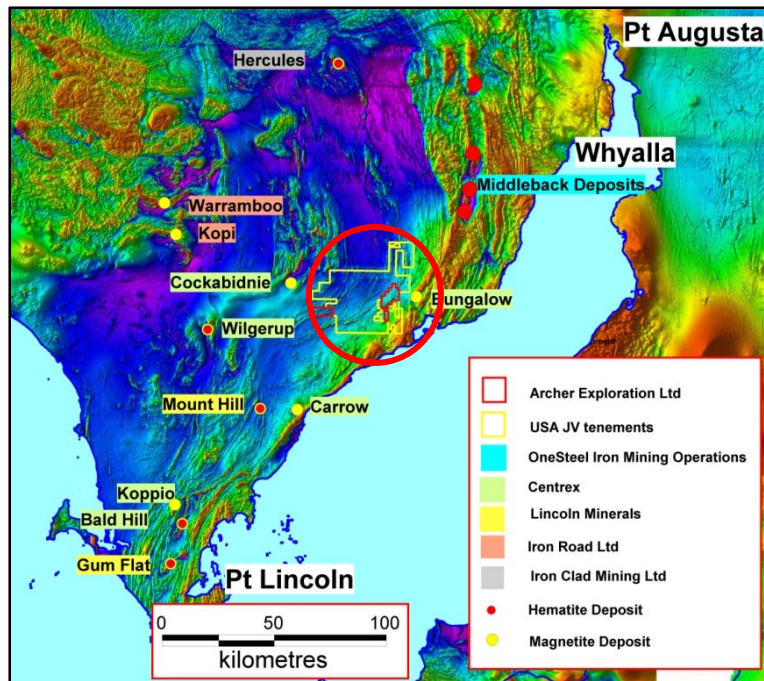


Figure 1 Location of iron deposits and mines on the Eyre Peninsula, South Australia (Wildhorse Plains tenements highlighted in red circle)

Previous work by Archer on the USA JV tenements has identified significant hematite rich rocks (>66% Fe) at the surface in cropping paddocks, figure 2.

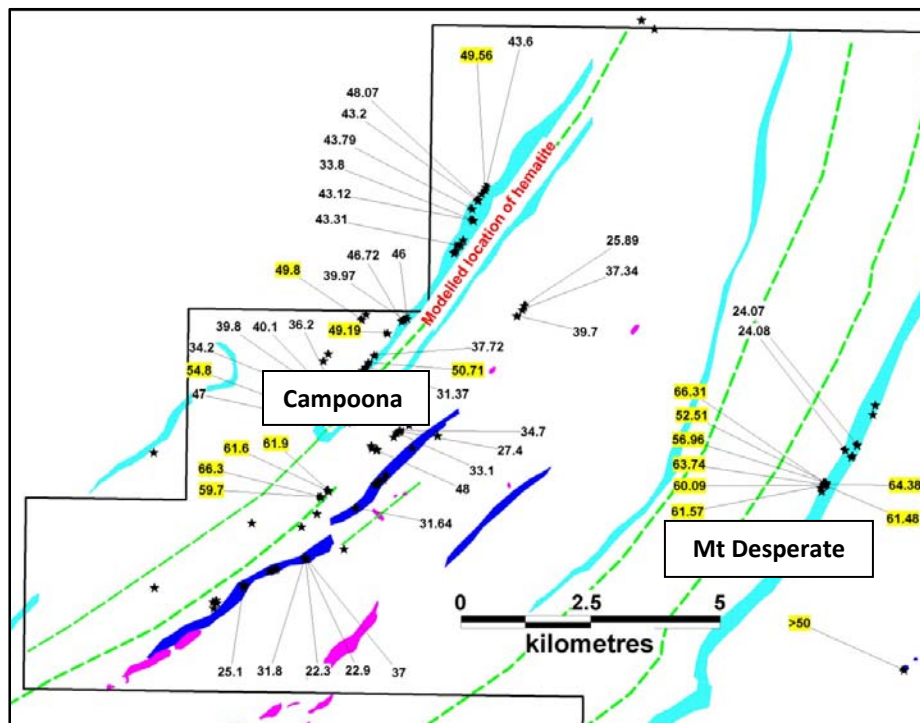


Figure 2. Rock chip sampling results for iron at Mt Desperate and Campoona

Archer adopted a geological model for hematite mineralisation similar to that of the Middleback Iron Deposits worked by OneSteel. In addition to surface mapping and rock chip sampling, a gravity survey was conducted to determine if a gravity anomaly was present to support the geological model. Initial results indicate the presence of a substantial +4km gravity anomaly occurs within the hinge of the Campoona Syncline, figure 3.

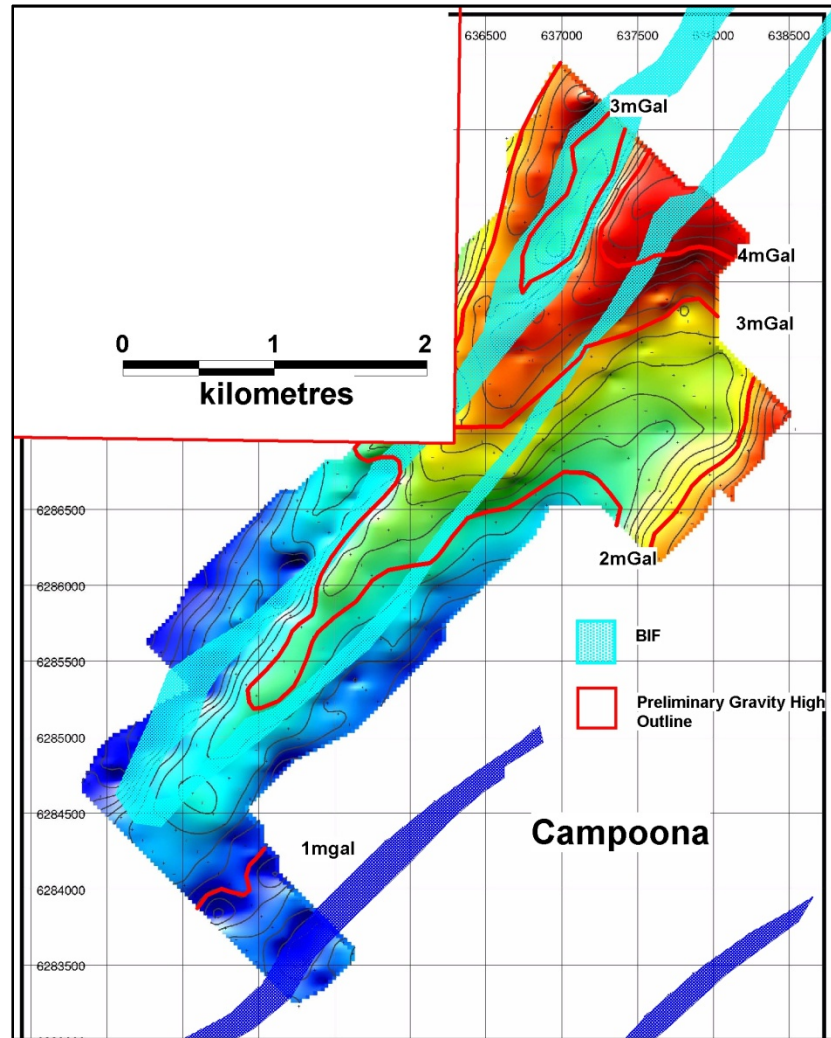


Figure 3. Preliminary residual gravity image of Campoona, the contours on the image represent 0.2mGal increments.

Figure 3 shows residual gravity after applying a gravity correction of 2.6g/cc to eliminate the presence of Banded Iron Formation. The resultant gravity anomaly highlights those areas with rock mass in excess of 2.6g/cc that may indicate the presence of hematite.

Additional gravity highs can also be observed to the NW and to the east of the syncline.

Topography decreasing to the north further supports the iron potential of the area. Decreasing topography means that there is less mass in the northern area to contribute to the anomalous gravity readings giving further weight to the anomalous gravity results.

A similar ground gravity survey was conducted over Mt Desperate. Preliminary interpretation of Mt Desperate gravity data is shown below in figure 4. As with figure 3, the BIF unit is shown as the light blue shaded area.

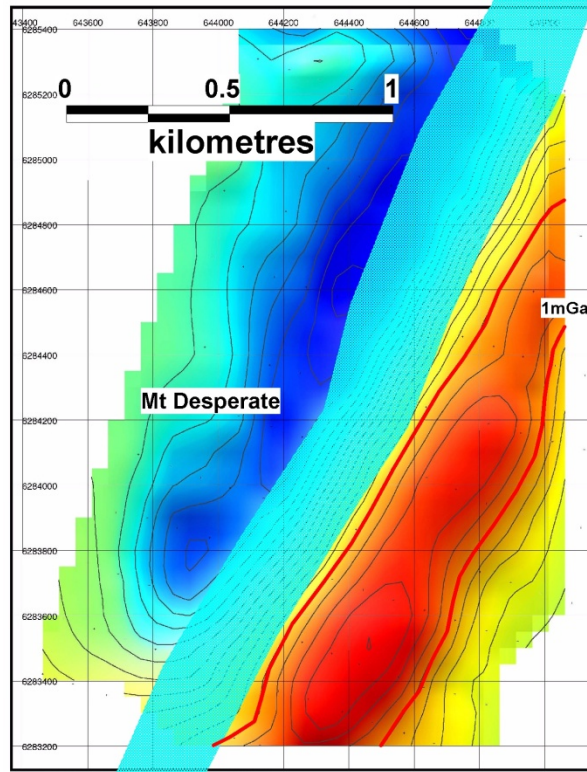


Figure 4. Preliminary gravity image for Mt Desperate, contours on the image are 0.2mGal increments

Summary

Although at a preliminary stage, modelling the gravity data on Wildhorse Plains appears to validate the hematite model and has enabled Archer to target drilling to test for the presence of hematite.

Should drilling confirm that the gravity anomaly reflects the development of hematite then considerable strike length is available for follow-up drilling. This potential can be seen in figure 5, where the north-east strike extension of the BIF has remained untested.

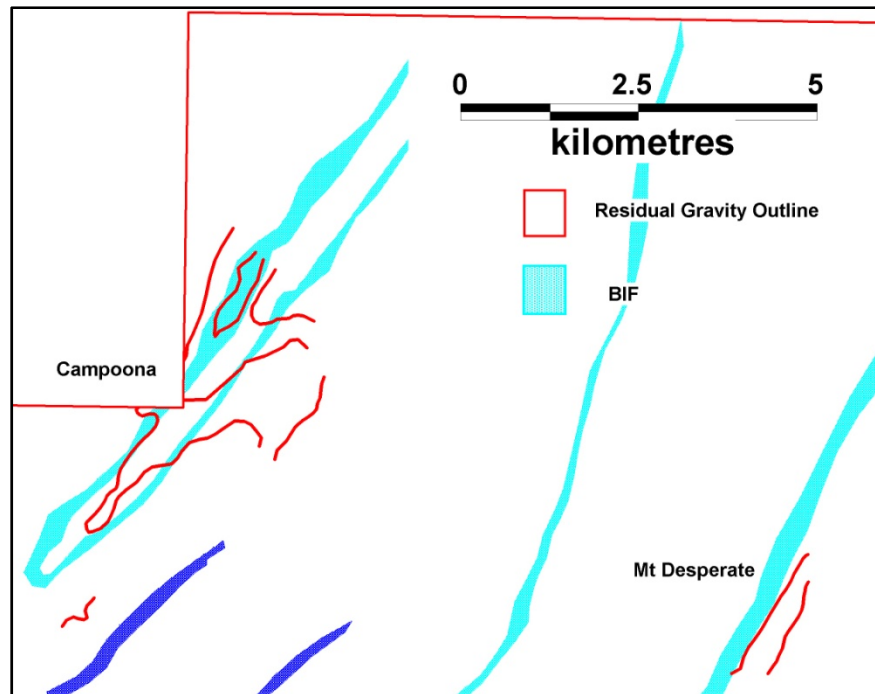


Figure 5. The location of the gravity highs (red contours) identified to date compared with the strike potential.

The location of the gravity anomaly at Campoonna is in line with the hematite model prediction, indicating potential for a large dense body buried within the hinge of the syncline. The mineralisation being targeted is similar to that of the Middleback iron deposits where pods of hematite between 500 to 1000m long occur discontinuously adjacent to the Middleback jaspilite, within the hinge zones of synclines.

A Reverse Circulation (RC) drill program to confirm the hematite potential of the area will be conducted in late March – early April 2011. Landowner approval for drilling the gravity anomaly has been received. Drilling will commence upon PIRSA approval of the Subsequent EL, expected in late March 2011.

The drilling for hematite will be part of a larger drill program at Wildhorse Plains that will target both the Salt Creek manganese prospect (3km outcrop with widths to 30m and grades to 30% Mn) and the Emu Creek copper anomaly (historic oxide intercepts of >7% Cu over widths to 5m).

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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 sixteen 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.