

Notice Of Annual General Meeting

Archer Exploration Limited ABN 64 123 993 233

Notice is hereby given that the Annual General Meeting of the shareholders of Archer Exploration Limited will be held at Level 1, 28 Greenhill Road, Wayville South Australia 5034 on Friday, 26 October 2012 at 11.30 am (Adelaide time) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

The Explanatory Memorandum that accompanies and forms a part of this Notice of Annual General Meeting describes the Ordinary Business to be considered.

Ordinary Business:

Financial Statement and Report

To receive and consider the financial statements of the Company for the year ended 30 June 2012, and related Directors' Report, Directors' Declaration and Auditors' Report.

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions:

1) Remuneration Report

'That the Remuneration Report for the year ended 30 June 2012 as set out in the 2012 Annual Report is adopted.'

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2) Re-Election of Tom Phillips AM as a Director

'That Tom Phillips, a Non-Executive Director retiring by rotation in accordance with Listing Rule 14.5 and clause 2.5 of the Constitution of the Company, being eligible is re-elected as a Non-Executive Director of the Company.'

3) Ratification of Placement of 10,000,000 Shares

'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders approve and ratify the issue of 10,000,000 Shares, to sophisticated investors, all being qualified clients of member firms of the ASX or other eligible investors, at an issue price of \$0.30 per Share, which were issued on 2 April 2012, and on such terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

The Company will disregard any votes cast on this ordinary resolution by any person who participated in the issue (Participating Party) and any associate of the Participating Party. However, the Company will not disregard a vote if:

- a) it is cast by the Participating Party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- b) it is cast by the Participating Party who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

4) Issue of Share Options to Financial Advisor

'That approval be given for the issue of 1,500,000 Options (and the issue of any shares upon the exercise of those options) to InSync Equity Services Pty Ltd, a Financial Advisor to the Company, any such grant to take place within one month of the resolution, and otherwise on the terms set out in the accompanying Explanatory Memorandum.'

The Company will disregard any votes cast on this ordinary resolution by any person who may participate in the issue or any person who might obtain a benefit (Participating Party) and any associate of the Participating Party. However, the Company will not disregard a vote if:

- a) it is cast by the Participating Party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- b) it is cast by the Participating Party who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

5) Appointment of Auditor

'That, subject to the Australian Securities and Investments Commission granting its consent to the resignation of the Company's current auditor, Grant Thornton South Australian Partnership, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the directors be authorised to set its remuneration.'

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

6) Approval of 10% Placement Facility

"That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the Shares on issue (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.

The Company will disregard any votes cast on this special resolution by any person who may participate in the issue or any person who might obtain a benefit (Participating Party) and any associate of the Participating Party. However, the Company will not disregard a vote if:

- a) it is cast by the Participating Party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- b) it is cast by the Participating Party who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

You may view the 2012 Annual Report at the Archer website.

www.archerexploration.com.au/index.php?PID=132

By order of the Board



Craig Gooden

Company Secretary
11 September 2012

Notes On Voting

The Board has determined that, in accordance with the Company's Constitution and the Corporations Regulations, that the Shareholders entitled to attend and vote at the Annual General Meeting shall be those persons who are recorded in the register of members at close of business on Wednesday, 24 October 2012.

Resolution 1 – VOTING PROHIBITION BY CERTAIN PROXY HOLDERS

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of the following persons (each an Excluded Person):

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration report; or
- b) a Closely Related Party of such a member.

However, an Excluded Person may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of an Excluded Person and either:

- c) the Excluded Person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- d) the Excluded Person is the Chair and the appointment of the Chair as proxy;
 - i) does not specify the way the proxy is to vote on Resolution 1; and
 - ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Appointment of Proxy

A Shareholder who is entitled to attend and vote at the Annual General Meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder. A proxy need not be a Shareholder. A proxy form is included with this Notice of Annual General Meeting.

If a Shareholder appoints two proxies, then the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

A proxy form must be signed by the Shareholder or their duly appointed attorney, or in the case of a body corporate, executed in accordance with the Constitution, or signed by a duly authorised officer or attorney.

To be effective, the Company must receive the completed proxy form signed by the Shareholder and, if the form is signed by the Shareholder's attorney or authorised officer of a corporation, the authority under which the proxy form is signed (or a certified copy of the authority). The proxy's appointment and, if applicable, the authority appointing an attorney, must be received by post or fax no later than 11.30am (Adelaide time) on Wednesday, 24 October 2012 to:

- the Company's registered office at Level 1, 28 Greenhill Road Wayville, South Australia 5034 (facsimile number (08) 8272 3888); or
- the Company's share registrar, Computershare Investor Services Pty Limited, as listed below.

Mail:	In person:	Fax:
Archer Exploration Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia	Archer Exploration Limited C/- Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5001 Australia	Archer Exploration Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +613 9473 2555

If you require an additional proxy form, please contact Computershare Investor Services Pty Limited.

Notes On Voting *continued*

Voting by proxies

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit. If a proxy abstains from voting and the directions on the proxy require that person to vote, the votes not exercised by the proxy will be given to the chair to vote in accordance with the directions on the proxy form.

Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

Please read the directions on the proxy form carefully, especially if you intend to appoint the Chairperson of the meeting as your proxy.

Appointment of company representative

A body corporate may elect to appoint a representative, rather than appoint a proxy, in accordance with the *Corporations Act*. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

Custodian Voting

Custodian Voting is available for Intermediary Online subscribers only (Custodians) by visiting www.intermediaryonline.com to submit your voting intentions.

Nomination of Auditor

Appointment of Auditors

Following the resignation of Grant Thornton South Australian Partnership, subject to ASIC consent, I wish to nominate Grant Thornton Audit Pty Ltd as auditor of Archer Exploration Limited at the forth coming Annual General Meeting.

I request that a copy of the nomination is sent to all persons entitled to receive notice of the AGM and Grant Thornton Audit Pty Ltd.

Signed:



Gerard Anderson

Member Name

11 September 2012

Annual General Meeting – Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the Annual General Meeting of Shareholders to be held at:

Level 1, 28 Greenhill Road, Wayville South Australia 5034, on
Friday, 26 October 2012 at 11.30 am (Adelaide time).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting, and is a brief explanation of Agenda Items 1 to 6 (both inclusive) in the Notice of Annual General Meeting and why the Company is seeking this Shareholder approval.

FINANCIAL STATEMENTS AND REPORTS

The *Corporations Act* requires the financial report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and Auditor's Report to be put before the Annual General Meeting.

There is no requirement either in the *Corporations Act* or the Constitution for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

Whilst no resolution is required in relation to this item, the auditor of the Company or their representative will be available to receive questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Auditor's Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – Remuneration Report

The Directors' Report set out in the 2012 Annual Report contains a Remuneration Report, which sets out the policy for the remuneration of the Directors, company secretaries and the senior managers. Shareholders who did not elect to receive a hard copy of the 2012 Annual Report and financial statements can view them on the Company's website at www.archerexploration.com.au

The Remuneration Report provides information on the following issues:

- the policies adopted by the Board for determining the nature and amount of remuneration of Directors, the company secretary and senior managers;
- the relationship between the remuneration policies and the Company's performance;
- the performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen and how performance is measured against them; and
- remuneration details for Directors and senior executives.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objective and current and emerging market practices.

Pursuant to section 250R(2) of the *Corporations Act*, a resolution that the Remuneration Report be adopted must be put to the vote at the Company's Annual General Meeting. Shareholders should note that the vote will be advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Under recent changes to the *Corporations Act*, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, then Shareholders will be required to vote at the second of those AGMs on a resolution ("Spill Resolution") that another meeting be held within 90 days at which all of the Company's Directors (except the Managing Director) must stand for re-election. The *Corporations Act* also contains a re-setting mechanism so that a spill resolution could only be considered by Shareholders at every second AGM.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Proxy restrictions

If you elect to appoint an Excluded Person as a proxy, then *you must direct the proxy how they are to vote*. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish them to exercise your vote on Resolution 1, however please carefully read the proxy form before completing it. In completing the proxy form enclosed with this Notice of Meeting, if you appoint the Chairman as your proxy and do not direct the Chair how to vote, this will allow the Chair to exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel, which includes the Chairman.

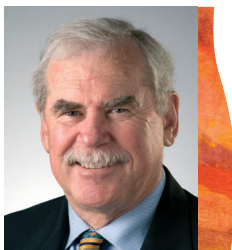
If your proxy is not an Excluded Person and is not the Chair, then you do not need to direct your proxy how to vote, and you do not need to tick any further acknowledgement on the proxy form.

Board Recommendation

The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Shareholders vote in favour of adopting the Remuneration Report.

RESOLUTION 2 – Re-Election of Tom Phillips as a Director

In accordance with Listing Rule 14.5 and clause 2.5 of the Constitution, at every Annual General Meeting one third of the Directors for the time being (excluding executive Directors) must retire from office and are eligible for re-election. Accordingly, Tom Phillips retires by rotation and offers himself for re-election. The qualifications and experience of Tom Phillips are set out below.



Tom Phillips AM MBA FAICD
Director (Non-Executive)

Tom Phillips holds board positions with several not-for-profit Organisations. Tom is the Chair of Safework Australia and also Chairs the Southern Adelaide Development Board and Flinders Partners Pty Ltd. He is a Non-Executive Director of UraniumSA Limited (ASX listed) and a former director of Australia Post.

Tom's extensive experience in Australian industry and his knowledge of international business is a significant asset to the Company.

Special Responsibilities - Member, Audit & Risk Committee.

Board Recommendation

The Directors (other than Tom Phillips, who makes no recommendation) recommend that Shareholders approve Resolution 2 for the re-election of Tom Phillips as a Director of the Company.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Tom Phillips.

RESOLUTION 3 – Ratification of Placement of 10,000,000 Shares

Background to Resolution 3

On 2 April 2012, the Company issued and allotted 10,000,000 Shares ("the Placement") to sophisticated investors introduced by InSync Equity Services Pty Ltd ("InSync") at a price of 30 cents per Share ("the Placement Shares") which raised \$3,000,000 before costs. The Placement was made in accordance with the Company's discretion under ASX Listing Rule 7.1.

The Placement Shares were not issued to related parties of the Company.

Shareholder Approval

The Board seeks Shareholder approval for the issue of the Placement Shares pursuant to Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital to enable the Company to consider additional funding initiatives over the next 12 months consistent with the provisions of Listing Rule 7.1 and the *Corporations Act*.

ASX Listing Rules

Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, more than 15% of the number of shares on issue 12 months before the date of the issue.

Accordingly, pursuant to Listing Rule 7.1, the prior approval of Shareholders was not required to issue the Placement Shares because those Shares, when aggregated with securities issued in the previous 12 months (other than any securities issued with Shareholder approval), did not exceed 15% of the number of equity securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting subsequently approves a previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

RESOLUTION 3 – continued

Terms of the Placement and the Placement Shares

Listing Rule 7.5 sets out a number of matters which must be included in a notice of meeting seeking an approval under Listing Rule 7.4. Accordingly, for the purposes of Listing Rule 7.5, the following information is provided in relation to the Placement and this resolution:

- a) A total of 10,000,000 Shares were issued and allotted under the Placement.
- b) The Placement Shares were issued at an issue price of \$0.30 per Share.
- c) The Placement Shares ranked equally in all respects with all other Shares on issue as at the date of their issue.
- d) The Placement Shares were issued and allotted to institutional, sophisticated and professional investor clients of InSync who are exempt from the disclosure requirements of Chapter 6D of the *Corporations Act*, none of whom were related parties of the Company (for the purposes of Section 708 of the *Corporations Act*).
- e) The funds raised by the Placement were, or will be, used for exploration and drilling in the Company's graphite projects in South Australia and for working capital.
- f) A voting exclusion statement has been included in the Notice of Annual General Meeting.

Effect of Shareholder approval of Resolution 3

The proposed resolution is effectively a retrospective approval or ratification to refresh the Company's capacity to issue further equity securities pursuant to Listing Rule 7.1.

If Shareholders approve the Resolution 3, then the Company will then have the flexibility to issue more securities in the next 12 months if an opportunity arises which the Board believes is in the best interests of the Company. For the purpose of Listing Rule 7.1, the Placement would be treated as having been made with prior Shareholder approval. The Placement would then cease to use up part of the 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities.

If Resolution 3 is not approved

If Shareholders do not approve Resolution 3, it will not invalidate the Placement. However, the Placement used approximately all of the 15% limit and the Company will have no ability to issue further securities in the 12 month period following the Placement without Shareholder approval unless Resolution 6 for the 10% Placement Facility is approved.

The Company may issue further securities within the limit of the existing capacity within Listing Rule 7.1 without seeking Shareholder approval.

Board Recommendation

The Board considers that the approval of the issue of the Placement Shares described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1 in the next 12 months (without further Shareholder approval), should it be required. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 3.

RESOLUTION 4 – Issue of Share Options to Financial Advisor

Background to Resolution 4

The Placement was managed by InSync and the fees charged by InSync included the issue of 1,500,000 share options with a 2 year exercise term and a \$0.40 exercise price per option.

The Company proposes to issue 1,500,000 Options to InSync, or its nominee. If approved, the Options will be granted at no cost to InSync, but will, if capable of being exercised, require the payment of the exercise price. The terms and conditions of the Options are set out in Annexure A. The exercise price will be 40 cents per share subscribed for and the Options will be exercisable at any time before 1 April 2014

Reasons for Seeking Shareholder Approval

The Board seeks shareholder approval to issue the options as under the ASX Listing Rules the Company may not issue shares, or options over unissued shares, comprising more than 15% of its issued share capital, in any 12 month period without shareholder approval. This is subject to limited exceptions. For this reason shareholder approval is sought for the proposed issue of share options to retain its full 15% capacity for opportunities that may arise and be considered in the future.

Board Recommendation

The Board recommend that shareholders approve Resolution 4 for the issue of 1,500,000 Options to InSync Equity Services. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

RESOLUTION 5 – Appointment of Auditor

Background to Resolution 5

The Company's auditor, Grant Thornton South Australian Partnership has acted as the company's auditors since 2007.

Grant Thornton has recently combined from a state based federation of firms into a single national firm. Accordingly, they are transferring all of their audit appointments into a new single national audit entity (Grant Thornton Audit Pty Ltd) to replace their various state based audit entities. For public companies the appointment of a new audit entity requires a resolution of shareholders at the Annual General Meeting.

The audit committee has considered and agreed to this change and the Board has agreed to this resolution being presented to the shareholders of the company for formal vote. To give effect to the change the current Grant Thornton audit entity has requested Australian Securities & Investments Commission ("ASIC") consent to resign in favour of their new national Authorised Audit Company, Grant Thornton Audit Pty Ltd. The resolution is conditional upon ASIC's consent to the resignation of Grant Thornton South Australian Partnership, and the Company anticipates that this consent will be forthcoming.

In accordance with section 328B of the Corporations Act, notice in writing nominating Grant Thornton Audit Pty Ltd has been given to the Company by a shareholder. A copy of this notice is included in this Notice of Meeting. The appointment of Grant Thornton Audit Pty Ltd will be by vote of shareholders as an ordinary resolution.

Subject to approval by shareholders, the appointment of Grant Thornton Audit Pty Ltd will be effective for the 2013 financial year. Grant Thornton South Australian Partnership remained responsible for the audit for the 2012 financial year.

Board Recommendation – The Board considers that the approval of the appointment of Grant Thornton Audit Pty Ltd is beneficial to the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

RESOLUTION 6 – Approval of 10% Placement Facility

Background to Resolution 6

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities Listed Shares and Unlisted Options.

Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- 1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- 3) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

RESOLUTION 6 – *continued*

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 82,362,763 Shares and therefore has a capacity to issue:

- 1) 12,354,441 Equity Securities under Listing Rule 7.1 (subject to approval of Resolution 3); and
- 2) subject to Shareholder approval being sought under this Resolution 6, 8,236,276 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- 2) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Unlisted Options, only if the Unlisted Options are exercised). There is a risk that:
 - 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

RESOLUTION 6 – continued

- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1 A(2) as at the date of this Notice.

The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing rule 7.1A.2		Dilution		
		\$0.08 50% decrease in issue price	\$0.16 Issue Price	\$0.32 100% increase in issue price
Current Variable A 82,362,763 shares	10% voting dilution	8,236,276 Shares	8,236,276 Shares	8,236,276 Shares
	Funds raised	\$658,902	\$1,317,804	\$2,635,608
50% increase in current Variable A 123,544,144 shares	10% voting dilution	12,354,414 Shares	12,354,414 Shares	12,354,414 Shares
	Funds raised	\$988,353	\$1,976,706	\$3,953,412
100% increase in current Variable A 164,725,526 shares	10% voting dilution	16,472,552 Shares	16,472,552 Shares	16,472,552 Shares
	Funds raised	\$1,317,804	\$2,635,608	\$5,271,216

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - ii) No Unlisted Options (including any Unlisted Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - vii) The issue price is \$0.16, being the closing price of the Shares on ASX on 10 September 2012.
- c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- d) The Company may seek to issue the Equity Securities for the following purposes:
- 1) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

RESOLUTION 6 – *continued*

- 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 3) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- 4) the effect of the issue of the Equity Securities on the control of the Company;
- 5) the financial situation and solvency of the Company; and
- 6) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Board Recommendation

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the notice of meeting, the Company has no plans to use the Placement Facility should it be approved. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 6.

DEFINITIONS

In the Explanatory Memorandum and Notice of Annual General Meeting:

10% Placement Facility means the shares issued under Listing Rule 7.1A

Archer or the Company means Archer Exploration Limited (ABN 64 123 993 233).

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of directors of Archer.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Excluded Person means a member of the Key Management Personnel or a Closely Related Party.

Key Management Personnel means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules means the listing rules of ASX.

Meeting means the Annual General Meeting of Shareholders to be held at Level 1, 28 Greenhill Road, Wayville, South Australia 5000, on Friday, 26 October 2012 at 11.30 am. (Adelaide time).

Member or Shareholder means each person registered as the holder of a Share.

Notice means this Notice of Annual General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Placement means the issue and allotment of the Placement Shares.

Placement Shares means the placement by the Company to sophisticated investors of InSync Equities of 10,000,000 Shares at an issue price of 30 cents per Share which raised \$3,000,000 before costs.

Resolution means a resolution referred to in this Notice.

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

Spill Resolution means, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, then the members will be required to vote at the second of those AGMs on a resolution ("Spill Resolution") that another meeting be held within 90 days at which all of the Directors (except the Managing Director) must stand for re-election.

Unlisted Options means the options of the Company with an exercise price of \$0.20 and expiry dates of 31 December 2012 and 30 November 2013.

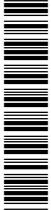
ANNEXURE A – Terms and conditions of options to be issued to InSync Equity Services or its nominee

- 1) Each Option will entitle the holder (Optionholder) to subscribe for one fully paid ordinary share (Share) in Archer Exploration Limited ACN 123 993 233 (Company) (subject to possible adjustments referred to in paragraphs 9, 10 and 11 below).
- 2) Each Option is exercisable at any time after 9:00 am Adelaide time following the grant of the options and before 5:00 pm Adelaide time on 1 April 2014 (Expiry Date). Options not exercised before the Expiry Date will lapse.
- 3) The exercise price of each Option is 40 cents (Exercise Price).
- 4) 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 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 Options will rank in all respects on equal terms with the existing Shares in the Company.
- 7) The Company will not seek to have the Options admitted to the official list of ASX and the Options will not be listed on ASX. The Company will make application for new Shares allotted on exercise of the Options to be admitted to the official list of ASX.
- 8) Each Option will be freely transferable at any time before the Expiry Date.
- 9) Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the 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 Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - b) no change will be made to the Exercise Price.
- 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 ASX Listing Rules which apply to the reconstruction.



Archer Exploration Limited

ABN: 64 123 993 233



000001 000 AXE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 738 349
(outside Australia) +61 3 9415 4649

Proxy Form

For your vote to be effective it must be received by 11:30 am (Adelaide time) Wednesday 24 October 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

	View your securityholder information, 24 hours a day, 7 days a week:
www.investorcentre.com	
<input checked="" type="checkbox"/> Review your securityholding <input checked="" type="checkbox"/> Update your securityholding	<p>Your secure access information is:</p> <p>SRN/HIN: I9999999999</p> <p> PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Archer Exploration Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Archer Exploration Limited to be held at Level 1, 28 Greenhill Road, Wayville South Australia 5034 on Friday, 26 October 2012 at 11:30am (Adelaide time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 1** (except where I/we have indicated a different voting intention below) even though **Item 1** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 1** by marking the appropriate box in step 2 below.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-Election of Tom Phillips AM as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Ratification of Placement of 10,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Issue of Share Options to Financial Advisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Item 6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____