

ARCHER LIMITED
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
SEPTEMBER 18, 2015

NOTICE IS HEREBY given that the Annual General Meeting of the Shareholders of Archer Limited (the “**Company**”) will be held on September 18, 2015 at 10:00 a.m., at the Elbow Beach Hotel, 60 South Shore Road, Paget PG04, Bermuda for the following purposes, all of which are more completely set forth in the accompanying information statement:

To receive and adopt the audited consolidated financial statements of the Company for the period ended December 31, 2014.

To consider the following Company proposals:

1. To re-elect Alf Ragnar Løvdal as a Director of the Company.
2. To re-elect Kate Blankenship as a Director of the Company.
3. To re-elect Harald Thorstein as a Director of the Company.
4. To re-elect Ørjan Svanevik as a Director of the Company.
5. To re-elect Giovanni Dell’Orto as a Director of the Company.
6. To re-elect John Reynolds as a Director of the Company.
7. To consider and if thought fit to approve that, with effect from 12:00 noon (Bermuda time) on September 25, 2015 or such other time as may be determined by the Directors of the Company (the “**Effective Date**”) the reorganization of the Company’s share capital be undertaken as more particularly set out in the Proxy Statement attached hereto.
8. To re-appoint PricewaterhouseCoopers LLP, as auditor and to authorize the Directors to determine their remuneration.
9. To approve the remuneration of the Company’s Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended December 31, 2015.

By Order of the Board of Directors

Georgina Sousa
Secretary

Dated: August 10, 2015.

Notes:

1. *The Board of Directors has fixed the close of business on July 24, 2015 as the record date for the determination of the shareholders entitled to attend and vote at the Annual General Meeting or any adjournment thereof.*
2. *No Shareholder shall be entitled to attend unless written notice of the intention to attend and vote in person or by proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially-certified copy of that power of attorney, is sent to the Company Secretary, to reach the Registered Office by not later than 48 hours before the time for holding the meeting.*
3. *A Form of Proxy is enclosed for use in connection with the business set out above.*
4. *Each of the resolutions set out above is an Ordinary Resolution, approval of which will require the affirmative vote of a majority of the votes cast.*

INFORMATION CONCERNING SOLICITATION AND VOTING FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (THE “MEETING”) OF ARCHER LIMITED TO BE HELD ON SEPTEMBER 18, 2015.

PRESENTATION OF FINANCIAL STATEMENTS

In accordance with Section 84 of the Companies Act 1981 of Bermuda, the audited consolidated financial statements of the Company for the period ended December 31, 2014 will be presented at the Meeting. These statements have been approved by the Directors of the Company. There is no requirement under Bermuda law that such statements be approved by the shareholders, and no such approval will be sought at the Meeting.

The Company's audited consolidated financial statements are available on its website at www.archerwell.com.

COMPANY PROPOSALS

PROPOSALS 1, 2, 3, 4, 5 and 6 - ELECTION OF DIRECTORS

The Board has nominated the six persons listed below for selection as Directors of the Company. All nominees are presently members of the Board of Directors. As provided in the Company's Bye-laws, each Director is elected at each Annual General Meeting of Shareholders and shall hold office until the next Annual General Meeting following his or her election or until his or her successor is elected.

Nominees For Election To The Company's Board Of Directors

Information concerning the nominees for Directors of the Company is set forth below:

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Position with the Company</u>
Alf Ragnar Løvdal	57	2015	Director
Kate Blankenship	50	2007	Director and Audit Committee member
Harald Thorstein	35	2015	Director
Ørjan Svanevik	49	2015	Director
Giovanni Dell'Orto	70	2011	Director
John Reynolds	45	2011	Director and Audit Committee member

Alf Ragnar Løvdal was appointed to the Board of the Company in May 2015. Mr. Løvdal has served as Chief Executive Officers of North Atlantic Management since January 2013. He served as Senior Vice-President of Seadrill in the Asia Pacific region from April 2009 until December 2012. He was previously Chief Executive Officer of Seawell Management. Mr. Løvdal has 35 years of experience in the oil and gas industry, 10 years of which he was responsible for the well services business for the drilling contractor Smedvig, which Seadrill acquired in early 2006. Mr. Løvdal has held several senior positions including general manager of operations for the mobile units. Prior to his employment with Smedvig and Seadrill, Mr. Løvdal held various positions in different oil service companies, including five years of offshore field experience with Schlumberger. He has a degree in mechanical engineering from Horten Engineering Academy in Norway.

Kate Blankenship has served as a Director and Audit Committee member of the Company since its incorporation in August 2007. Mrs. Blankenship has also served as a director of Seadrill Limited since 2005 and as a director of Frontline Ltd since 2004. Mrs. Blankenship joined Frontline Ltd., in 1994 and served as its Chief Accounting Officer and Secretary until October 2005. Mrs. Blankenship has been a director of Ship Finance International Limited since October 2003. Mrs. Blankenship has also served as a director of Frontline 2012 Ltd., since 2011, Independent Tankers Corporation Limited since February 2008, Golar LNG Limited since July 2003, Golden Ocean Group Limited (formerly “Knightsbridge Shipping Limited”) since March, 2015, Golar LNG Partners LP since September 2007, North Atlantic Drilling Ltd., since February 2011 and Avance Gas Holding Ltd., since October 2013.. She is a member of the Institute of Chartered Accountants of England and Wales.

Harald Thorstein was appointed to the Board of the Company in May 2015. He is currently employed by Frontline Corporate Services in London, prior to which he was employed in the Corporate Finance division of DnB NOR Markets, specializing in the offshore and shipping sectors. Mr. Thorstein has an MSc in Industrial Economics and Technology Management from the Norwegian University of Science and Technology. Mr. Thorstein has served as a director of Ship Finance International Limited since 2011, Seadrill Partners LLC since 2012 and Northern Offshore Limited since 2012 and as Chairman of the Board of Directors of Deep Sea Supply Plc., since May 2013. Mr. Thorstein served as a Director of North Atlantic Drilling Ltd., from 2013 to 2015, Golden Ocean Group Limited (prior to merger with Knightsbridge Shipping Limited) from 2014 to 2015 and Frontline 2012 Ltd., from 2014 to 2015.

Ørjan Svanevik was appointed to the Board of the Company in 2015. Mr. Svanevik has served as a Director of Seadrill Limited since 2014 and as a Director of North Atlantic Drilling Ltd., since April 2015. Mr. Svanevik joined Seatankers in July 2014 and has a broad industry background, with special knowledge of the oil and gas, maritime, shipbuilding and engineering sectors. He has extensive experience in global operations, investment management and corporate finance. Mr. Svanevik was previously Managing Director of the investment advisory firm Oavik Capital from October 2008 to July 2014. Prior to this he was Head of M&A and a Partner at Aker ASA from 2005 to 2008, and COO and EVP of Kværner ASA from 2004 to 2005. Prior to this, Mr. Svanevik also worked in corporate advisory and investment banking for Arkwright from 1994 to 2001. He started his career at Schlumberger, where he held various international financial management positions from 1991 to 1994. Mr. Svanevik has an AMP from Harvard Business School and an MBA from Thunderbird.

Giovanni Dell’Orto has served as a Director of the Company since February 2011. Mr. Dell’Orto was President and Chief Executive Officer of DLS Drilling, Logistics and Services from 1994 to August 2006. He is a member of the board of directors of Energy Developments and Investments Corporation (EDIC), supervising EDIC’s gas marketing activities in Europe and other upstream projects in North Africa. He is also a non-executive member of the board of directors of Gas Plus S.p.a., an Italian company listed on the Milan Stock Exchange. Mr. Dell’Orto has also served as the Chairman and CEO of Saipem and was a former member of the board of directors of Agip and Snam.

John Reynolds has served as a Director and Audit Committee member of the Company since February 2011 and was appointed Chairman of the Board in 2013. Mr. Reynolds co-founded Lime Rock Partners in 1998, where he is currently Managing Director. Mr. Reynolds remains an active member of the Lime Rock Partners’ investment team, investigating and executing primarily energy service investment opportunities worldwide. Prior to co-founding Lime Rock, Mr. Reynolds worked at Goldman Sachs where he spent six years in the Investment Research Department and had senior analyst responsibility for global oil service sector research and was one of the top-rated analysts in the sector. He currently serves on the board of directors of Tesco Corporation, EnerMech, Ltd., Revelation Energy Holdings, LLC, Tercel Oilfield Products and Shelf Drilling. He previously served on the board of directors of Hercules Offshore, Inc., Eastern Drilling ASA, IPEC, Ltd., Noble Rochford Drilling, Ltd., Patriot Drilling, Roxar ASA, Sensa, Ltd., Torch Offshore Inc. and VEDCO Holdings, Inc. Mr. Reynolds is a graduate of Bucknell University, where he received his B.A.

PROPOSAL 7 – CAPITAL REORGANISATION

At the Meeting, the Board will ask the shareholders to approve the reorganisation of the Company’s share capital (the “**Capital Reorganisation**”) This Capital Reorganisation is proposed due to the fact that the Company’s shares are currently trading at less than their par value, which inhibits the ability of the Company to issue further shares. The current

authorised share capital of the Company is US\$1,200,000,000 divided into 1,200,000,000 shares of a par value of US\$1.00 each, of which 579,159,787 shares of US\$1.00 each have been issued and fully paid.

The proposed Capital Reorganisation would involve:

- (a) the consolidation of the authorised share capital and issued share capital of the Company so that 10 shares of par value US\$1.00 each become 1 share of par value US\$10.00 each, with the resulting authorised share capital of the Company being US\$1,200,000,000 divided into 120,000,000 shares of par value US\$10.00 each, of which 57,915,978 shares of US\$10.00 each would be in issue and fully paid or credited as fully paid;
- (b) in accordance with Bye-law 49 of the Company's Bye-laws, the purchase by the Company for cancellation of all of the shares of the Company of par value US\$1.00 each not consolidated into shares of par value US\$10.00 each pursuant to paragraph (a) above, due to the creation of resulting fractional entitlements to shares, for a cash payment equal to the closing price per share for the Company's shares on the Oslo Stock Exchange at the end of the trading day on the record date set by the directors of the Company in accordance with Bye-law 125 of the Company's Bye-laws;
- (c) the reduction of the issued and paid-up share capital of the Company by reducing the paid-up capital of the Company by US\$9.99 on each of the issued shares of the Company such that the par value of each such issued share be reduced from US\$10.00 to US\$0.01 ("**Capital Reduction**");
- (d) upon the Capital Reduction taking effect, each of the authorised, but unissued, shares of par value US\$10.00 each in the capital of the Company being sub-divided into 1,000 shares of par value US\$0.01 each;
- (e) the authorised share capital of the Company being reduced from \$1,200,000,000 to \$10,000,000, consisting of 1,000,000,000 shares of par value US\$0.01 each, of which 57,915,978 shares of par value US\$0.01 each would be in issue and fully paid or credited as fully paid;
- (f) that subject to, and forthwith upon, the Capital Reduction taking effect, the amount of credit arising from the Capital Reduction be credited to the contributed surplus account of the Company;
- (g) that the Directors of the Company shall be authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws of the Company, the Companies Act and all other applicable laws.

Subject to shareholder approval, the Board of Directors has set the date for the effectiveness of the Capital Reorganisation as September 25, 2015. If the Capital Reduction is approved, the par value of each share in issue on the effective date will be reduced to US\$0.01 and the Company's share registers will be amended to reflect this change.

Upon the proposed Capital Reduction becoming effective, there will be no change in the percentage level of shareholding of each shareholder of the Company ("**Shareholder**"). The shares of par value US\$0.01 each will rank pari passu in all respects with each other. Other than the expenses incurred in relation to the proposed Capital Reduction, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

The Company's shares are fully paid and consequently the proposed Capital Reduction will not involve the diminution of any liability in respect of unpaid share capital. It will also not result in a return of any share capital or other assets to Shareholders. The amount of credit arising from the proposed Capital Reduction will be transferred to the contributed surplus account of the Company.

PROPOSAL 8 – RE-APPOINTMENT OF INDEPENDENT AUDITORS

At the Meeting, the Board will ask the shareholders to approve the re-appointment of PricewaterhouseCoopers LLP, as the Company's independent auditors and to authorise the Board of Directors to determine the auditors' remuneration.

Audit services provided by PricewaterhouseCoopers LLP in fiscal year 2014 included the examination of the consolidated financial statements of the Company and its subsidiaries.

PROPOSAL 9 – TO APPROVE DIRECTORS’ FEES

At the Meeting, the Board will ask that shareholders to approve the remuneration of the Company’s Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended December 31, 2015.

OTHER BUSINESS

Management knows of no business that will be presented for consideration at the Annual General Meeting other than that stated in the Notice of Annual General Meeting.

By Order of the Board of Directors

Georgina Sousa
Secretary

August 10, 2015
Hamilton, Bermuda

Archer Limited (the “Company”)
Form of Proxy for use at Annual General Meeting to be held on September 18, 2015.

I/We
(NAME IN BLOCK CAPITALS)

Of

being (a) holder(s) of Ordinary Shares of \$1.00 each of the above-named Company on the record date of July 24, 2015, hereby appoint the duly appointed Chairman of the meeting or to act as my/our proxy at the Annual General Meeting of the Company to be held on September 18, 2015, or at any adjournment thereof, and to vote on my/our behalf as directed below.

Please indicate with an X in the spaces provided how you wish your vote(s) to be cast on a poll. Should this card be returned duly signed, but without a specific direction, the proxy will vote for all Proposals.

<i>Proposals</i>	<i>For</i>	<i>Against</i>	<i>Abstain</i>
1. To re-elect Alf Ragnar Løvdal as a Director of the Company .			
2. To re-elect Kate Blankenship as a Director of the Company.			
3. To re-elect Harald Thorstein as a Director of the Company.			
4. To re-elect Ørjan Svanevik as a Director of the Company.			
5. To re-elect Giovanni Dell’Orto as a Director of the Company.			
6. To re-elect John Reynolds as a Director of the Company.			
7. To approve the Capital Reorganisation of the Company as set out in the Proxy Statement.			
8. To re-appoint PricewaterhouseCoopers LLP as auditor and to authorize the Directors to determine their remuneration.			
9. To approve the remuneration of the Company’s Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended December 31, 2015.			

Date Signature

Notes:

1. A Shareholder entitled to attend and vote at a meeting may appoint one or more proxies to attend and, on a poll, vote instead of him.
2. Proxies appointed by a single Shareholder need not all exercise their vote in the same manner.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of Members.
4. In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by a duly authorized officer or attorney.
5. If it is desired to appoint by proxy any person other than the Chairman of the Meeting, his/her name should be inserted in the relevant place, reference to the Chairman deleted and the alteration initialled.
6. This proxy should be completed and sent to the following address by not later than 48 hours before the time for holding the meeting:

Nordea Bank Norge ASA
Issuer Services
PO Box 1166 Sentrum
0107 Oslo, Norway
Fax: +47 22 48 49 90/ +47 22 48 63 49
Or via e-mail to: issuerservices.no@nordea.com