



ASX/Media ANNOUNCEMENT
9 November 2009

TRENGGALEK KP CONVERSION TO IUP COMPLETED

Arc Exploration Limited (ASX Code: ARX) is pleased to announce that the conversion of the Trenggalek KP to a Mining Business Licence (IUP) has been completed in accordance with the new Indonesian Mining Law.

The Exploration IUP, covering the original KP area of 30,044 hectares, has been signed by the Regent of Trenggalek and is valid for 4 years. This conversion to the new IUP title is in accordance with the Indonesian Mining Law, promulgated on 12 January 2009, which requires the conversion of all pre-existing tenements.

The Company recently announced that it has entered into a strategic alliance with a leading drilling contractor in Indonesia to undertake a 5,000-m diamond drilling program on the Trenggalek Project at its own cost in exchange for shares and options in ARX. Preparations for this drilling are on track to commence early in 2010.

The primary targets of the drilling program are multiple prospects containing epithermal gold-silver-bearing quartz veins, high-level hydrothermal breccias and silica cappings having geological settings and mineralization characteristics analogous to known high-grade gold deposits found along Indonesia's highly prospective magmatic arcs (Eg. Gosowong, Pongkor). Collectively, these multiple prospects represent a series of mineralized epithermal systems with potential to host a major new gold district.

For further information please contact:

Andrew J. Cooke
Company Secretary

Tel: + 61 2 9419 8044

Email: andrewcooke@arx.net.au

Or visit the website www.arcexploration.com.au

ABOUT ARC EXPLORATION LIMITED

Arc Exploration Limited (**ASX Code: ARX**) is an Australian listed gold company focused on exploration in Indonesia.

ARX aims to generate value through the discovery of high-grade gold, silver and associated base metal deposits within Indonesia's highly prospective magmatic arcs.

The company has a 95% joint venture interest with PT Sumber Mineral Nusantara in the Trenggalek tenement located in East Java prospective for low sulphidation epithermal gold-silver deposits and also holds a 95% interest in the Bima tenement located in East Sumbawa of West Nusa Tenggara Province.

In addition, in association with Anglo American Group, the company is also exploring for large porphyry copper-gold deposits in Papua.

Arc Exploration Limited
ABN 48 002 678 640
www.arcexploration.com.au

Sydney
Suite 1502, Level 15
Tower B
799 Pacific Highway
Chatswood NSW 2067
Australia

T + 61 2 9419 8044
F + 61 2 9419 8099
E info@arx.net.au

Jakarta
The Garden Centre
5th Floor, Suite #5-01
Cilandak Commercial Estate
Jl. Raya KKO Cilandak
Jakarta, Indonesia

T + 62 21 782 7020
F + 62 21 782 7021