



ASX ANNOUNCEMENT

14 DECEMBER 2009

PLACEMENT OF RIGHTS ISSUE SHORTFALL

Arc Exploration Limited (ASX Code: "ARX") is pleased to announce that the Company has today allotted 9,570,000 shares and 4,785,000 attaching ARXOA options as the third and final tranche of the Rights Issue Shortfall.

The shares were issued at the Rights Issue price of 1.8 cents raising \$172,260.

The ARXOA options were issued on the basis of one option for every 2 new shares subscribed for. The options are exercisable at 3.6 cents per share at any time until 31 January 2011.

These shares and options were issued to Directors of the Company following the approval of Resolution 3 at the Company's General Meeting held on Friday 11 December 2009 dealing with their participation in the Rights Issue Shortfall Facility/Placement of the Shortfall.

As a result of this placement the Company now has the following securities on issue:

Ordinary fully paid shares: 344,451,974

ARXOA – Listed Options 31 January 2011 @ 3.6 cents: 97,345,239

ARXO – Listed Options 30 June 2012 @ 75 cent: 7,940,729

ARXAK – Unlisted Options expiring 6 July 2012 @ 2.5 cent: 17,775,000

Unlisted Directors & Senior Management Options @ 3.6 c expiry 11/12/14: 39,945,191

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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 exploration and the discovery of high-grade gold, silver and associated base metal deposits within Indonesia's highly prospective magmatic arcs and associated terranes. ARX plans to build a pipeline of exploration projects to be farmed out to established mining companies once ARX has created value through exploration and resource definition.

The Company has a 95% joint venture interest with PT Sumber Mineral Nusantara in the Trenggalek tenement located in East Java and a 95% interest in the Bima tenement located in East Sumbawa of West Nusa Tenggara Province.

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

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