



ASX ANNOUNCEMENT

19 July 2010

Allotment - Section 708A Notice

Arc Exploration Limited ("ARX" or "the Company") has today effected an allotment of 9,740,898 ordinary fully paid shares and 4,870,449 ARXOA options in the Company in respect of the drilling undertaken on the Company's Trenggalek Gold Project in Indonesia.

The allotment was made pursuant to Section 708 of the Corporations Act 2001. All of the shares and options issued under the placement will rank pari passu with existing ARX ordinary shares and ARXOA options.

In accordance with Section 708A (5)(e) of the Act, the Company gives notice that:

- The Company has issued these shares and options without disclosure to the placee under Part 6D.2 of the Act;
- As at the date of this notice, the Company has complied with:
 - the provisions of Chapter 2M of the Act as they apply to the Company;
 - Section 674 of the Act
- As at the date of this notice there is no excluded information (as defined in Section 708A (7) of the Act) which is required to be disclosed by the Company.

For further information please contact:

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

ARC EXPLORATION LIMITED

ABN

48 002 678 640

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | ARX – Ordinary Shares
ARXOA - Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 9,740,898 ARX – Ordinary Shares
4,870,449 ARXOA - Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | ARX – Ordinary Shares
ARXOA Options @ 3.6 cents, Expiry Date – 31 January 2011 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>								
<p>5 Issue price or consideration</p>	<p>ARX – Ordinary Shares 1.8 Cents / share ARXOA – attaching on a 1 for 2 basis</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Consideration for Drilling Services – announced 7 October 2009</p>								
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>19 July 2010</p>								
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td>370,818,081</td> <td>Ordinary Fully Paid Shares</td> </tr> <tr> <td>185,262,439</td> <td>Jan 2011 Options</td> </tr> <tr> <td>7,940,728</td> <td>June 2012 Options</td> </tr> </tbody> </table>	Number	+Class	370,818,081	Ordinary Fully Paid Shares	185,262,439	Jan 2011 Options	7,940,728	June 2012 Options
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370,818,081	Ordinary Fully Paid Shares								
185,262,439	Jan 2011 Options								
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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	17,775,000	Unlisted Options ARXAK @ 2.5 c expiry 06/07/12
	39,945,191	Directors & Senior Management Options ARXAL @ 3.6 c expiry 11/12/14
	3,000,000	Senior Management Options ARXAL @ 4.6 c expiry 31/03/13
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders
- 25 If the issue is contingent on ⁺security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a

+ See chapter 19 for defined terms.

	broker?	<input style="width: 95%; height: 15px;" type="text"/>
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input style="width: 95%; height: 35px;" type="text"/>
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	<input style="width: 95%; height: 35px;" type="text"/>
33	+Despatch date	<input style="width: 95%; height: 25px;" type="text"/>

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

