



ASX ANNOUNCEMENT

23 DECEMBER 2009

ALLOTMENT OF OPTIONS

Arc Exploration Limited (ASX Code: "ARX") is pleased to announce the allotment of 56,250,000 ARXOA Options at an issue price of 0.2 cents per option raising \$112,500.

The allotment of options was made, following the approval of Resolution 4 by shareholders at the Company's General Meeting held on 11 December 2009, to investors pursuant to Section 708 of the Corporations Act 2001. All of the options issued under the placement will rank pari passu with existing ARXOA options.

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

- The Company has issued these options without disclosure to the places 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.

A further allotment of 18,750,000 ARXOA Options at an issue price of 0.2 cents per option will be effected on or before 11 March 2010 to complete the placement of options in accordance with the terms of Resolution 4 approved by shareholders at the Company's General Meeting held on 11 December 2009.

For further information please contact:

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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 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.

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