



ASX ANNOUNCEMENT

28 JUNE 2010

**GOLD-COPPER MINERALISATION INTERSECTED
AT BULUROTO PROSPECT, TRENGGALEK PROJECT, INDONESIA**

- *Potential for porphyry-related gold-copper mineralisation highlighted by drill result of 24.55 m at 0.51 g/t gold, 0.21% copper & 16 ppm molybdenum*

Arc Exploration Limited (ASX Code: ARX) is pleased to announce the results of two holes that were recently completed on its Buluroto Prospect at Trenggalek in East Java. These holes are part of the current 5,000 m scout drilling program that is testing multiple epithermal targets identified on the Company's 30,044 hectare Exploration IUP area. Buluroto is located about 0.8 km west of Sentul Prospect, where ARX has previously reported encouraging gold intersections of up to 17 g/t Au from scout drilling.

Buluroto Results

The Buluroto Prospect is defined at surface by a 100-120 m long and 10-15 m wide gossanous breccia zone developed near the confluence of two narrow quartz veins (see Figure below). Previous trenching on this breccia has returned up to 10 m at 12.7 g/t Au and 96 g/t Ag in channel samples. Shallow diamond drilling of the breccia by a previous explorer returned an intercept of 11.9 m at 4.9 g/t Au in oxidised sulphidic breccia.

The two holes drilled by ARX test the breccia zone below the base of oxidation and have intersected the target at about 50 m and 90 m below surface, respectively. These holes returned gold intercepts of 7.2 m at 0.63 g/t Au from 48.8 m down-hole (TRDD 23) and 24.55 m at 0.51 g/t Au from 138.55 m down-hole (TRDD 25). The gold intercept in the deeper hole, TRDD 25 also returned elevated copper and molybdenum results of 24.55 m at 0.21% Cu & 16 ppm Mo, including narrow individual intercepts of up to 1.12% Cu & 82 ppm Mo.

The intercepts were obtained in silicified, sulphidic hydrothermal breccia and peripheral quartz stockwork developed on the contact of a clay-pyrite altered andesite-dacite intrusion and volcanoclastic rocks. The deeper intersection is associated with pyrite-chalcopyrite mineralisation in a silicified breccia zone that appears to be increasing in thickness and intensity with depth (see Interpretive cross section and photo below).

Potential for a gold-copper system

The mineralised intercept in TRDD 25 is unlike any other intercept previously reported from Trenggalek. In the opinion of the Company the results are encouraging because they highlight potential for porphyry-related gold-copper mineralisation in the project area. Trenggalek is located about 250 km west of the Tujuh Bukit gold-copper project where deep drilling by Intrepid Mines has confirmed the presence of a potentially large porphyry and high-sulphidation gold-copper system in the same belt of volcanic rocks that comprise the Southern Mountains of East Java.

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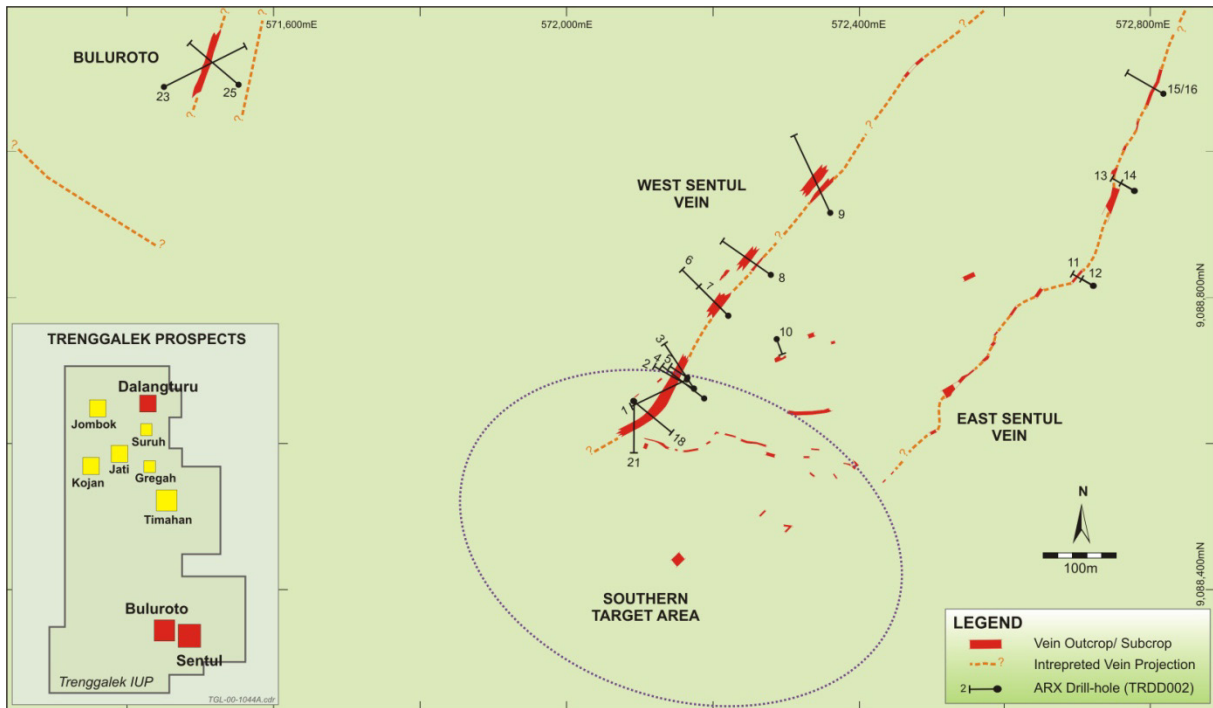
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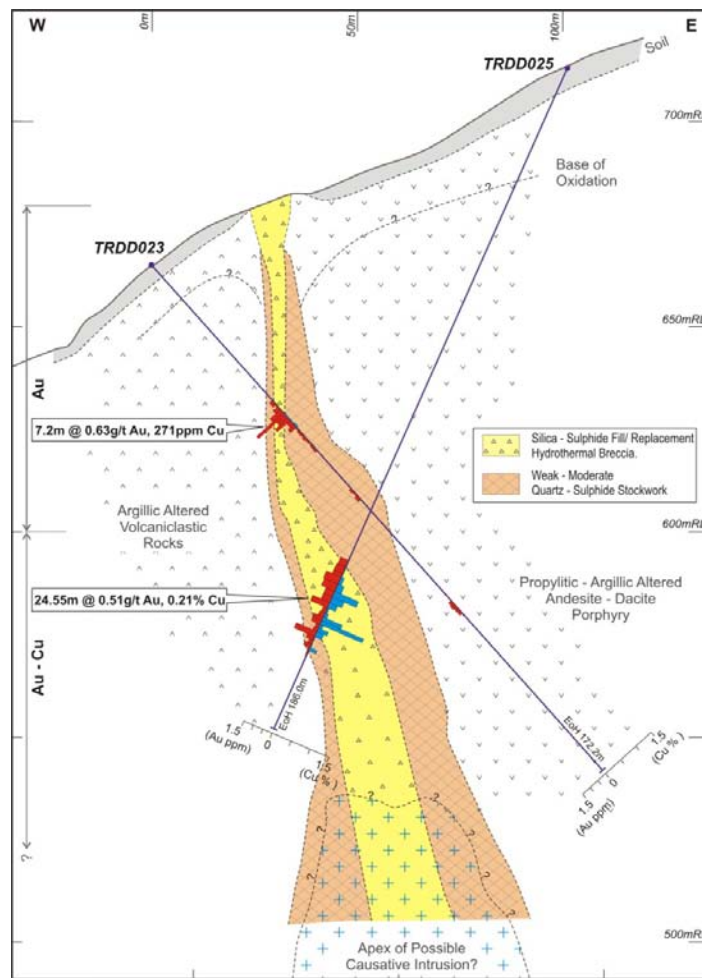
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Petrological work will be undertaken to evaluate the nature of the mineralization and further drilling is planned to test the potential for strengthening gold-copper mineralization in the breccia at depth and for the presence of a deeper mineralized intrusion.



BULUROTO - SENTUL PROSPECTS
Drill - hole Locations & Vein Outcrops



BULUROTO PROSPECT
Drill Section - TRDD023 & TRDD025 (Projected)
Gold - Copper Intercepts & Interpretive Geology



PHOTO: Strong silicified breccia with silica-pyrite-chalcopryrite (yellow) fill (NQ3 drill core)

**TRENGGALEK PROJECT, EAST JAVA
Summary of Drill-hole Details**

Hole ID	Target	Coordinates			Dip	Azimuth	Final Depth (m)
		mN	mE	mRL			
TRDD023	Buluroto	9,089,088	571,454	665	-45°	063°	174.2
TRDD025	Buluroto	9,089,090	571,555	713	-60°	310°	186.0

Significant Mineralised Drill-hole Intercepts

Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu ppm	Mo ppm
TRDD023	48.80	56.00	7.20	0.63	13	271	3
	Incl 50.90	51.70	0.80	1.73	13	353	1
TRDD025	138.55	163.10	24.55	0.51	13	0.21%	16
	Incl 155.55	156.60	1.05	0.47	41	1.12%	40
	158.60	160.10	1.50	1.09	16	0.19%	82

- Notes: 1) Assay results are from half-core samples split with a power saw. Logging, allocation of sample intervals, sampling & dispatching were done under the strict control of the Company's geologists.
 2) Sample preparation and analyses were conducted by P.T. Intertek Utama Services in Jakarta.
 3) Gold assayed by 50g Fire Assay/AAS Finish.
 4) Silver & Copper assayed by Mixed Acid Digest/AAS Finish.
 5) Molybdenum assayed by Pressed Pellet/XRF Finish.

The Company has three projects. **Trenggalek, in East Java, the subject of this announcement**, Bima in East Sumbawa, and a Strategic Alliance with the Anglo American group in Papua.

The information in this report that relates to Exploration Results is based on information compiled by Mr Brad Wake, who is a member of the Australian Institute of Geoscientists, and Dr Renato Bobis, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Wake and Dr Bobis have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wake and Dr Bobis are full time employees of Arc Exploration Limited and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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