

NON-RENOUCEABLE RIGHTS ISSUE

Arc Exploration Limited (**Company**) (ASX Code: ARX) is pleased to announce a capital raising by way of a non-renounceable pro-rata rights issue at an issue price of \$0.51 per new share on the basis of one new share for every two ordinary shares held. Under the offer, a maximum of 2,100,122 shares will be issued to raise up to \$1,071,062. Funds raised from the rights issue will be used to pay the costs of the issue, to enable the Company to investigate and fund new project acquisitions or joint ventures, and for general working capital.

The issue price of the new shares under the rights issue is equal to the volume weighted average price of the Company's shares during the 14 trading day period up to and including 8 November 2017.

Each eligible shareholder registered on the Company's register of members at 7.00 pm (Sydney time) on 14 November 2017 (**Record Date**) will be entitled to subscribe for one new fully paid ordinary share in the Company for every two ordinary shares held as at the Record Date at a price of \$0.51 per new share. Please note that the Company's shares will be quoted on an 'ex' basis from 13 November 2017 and therefore any of the Company's shares bought on-market on and after this date will not be entitled to participate in the rights issue.

In addition to being able to apply for new shares under the rights issue, eligible shareholders will also have the ability to apply for additional new shares that are not subscribed for under the rights issue.

The indicative timetable for the rights issue is as follows:

Activity	Date
Announcement of Entitlement Offer and Appendix 3B lodged with ASX	9 November 2017
Offer Booklet lodged with ASX	9 November 2017
Shareholder notice despatched	10 November 2017
Shares traded on an 'ex' Entitlement basis	13 November 2017
Record Date for eligibility to participate in the Entitlement Offer	14 November 2017 at 7.00 pm (Sydney time)
Offer Booklet and Entitlement and Acceptance Form despatched to Shareholders	17 November 2017
Opening Date for the Entitlement Offer	17 November 2017
Last day to extend the Closing Date for the Entitlement Offer	28 November 2017
Closing Date for the Entitlement Offer	4 December 2017 at 5.00 pm (Sydney time)
Securities quoted on a deferred settlement basis	5 December 2017
Notify ASX under subscriptions	7 December 2017
Issue of New Shares issue under the Entitlement Offer and deferred settlement trading ends	11 December 2017
Normal ASX trading for New Shares commences	12 December 2017

The timetable is indicative only and the Company reserves the right to vary it at any time without prior notice subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth).

Full details of the rights issue will be contained in the Offer Booklet to be despatched to eligible shareholders in accordance with the timetable set out above.

The Board looks forward to shareholder support of the rights issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. O'Loughlin', written in a cursive style.

Simon O'Loughlin
Chairman