



ASX ANNOUNCEMENT

2 SEPTEMBER 2016

PLACEMENT INCREASED TO RAISE \$570,000

BOARD CHANGES

Arc Exploration Limited (ASX Code: ARX) refers to the placement announced on 19 August 2016 and is now pleased to advise that the Board has subsequently agreed to increase the proposed placement to 950,000 shares at a price of \$0.60 per share to raise \$570,000.

ARX is working with Taylor Collison Limited as the Lead Manager for this placement which is subject only to shareholder approval to be sought at a general meeting of the Company which is to be held on or about Wednesday 5 October 2016.

As previously advised the funds will be used to provide the Company with additional working capital and to investigate the acquisition of further exploration opportunities.

It is contemplated that following completion of the placement Mr. Bruce Watson, Dr. Jeff Malaihollo, Mr. John Carlile and Mr. Max Ramajaya will resign as Directors while Mr. Simon O'Loughlin, Mr. Simon Taylor and Mr. Andrew Cooke will be appointed to join Mr. Robert Willcocks on the Board as non-executive directors. These Board changes are being made with the full support of both incoming shareholders and the current Board as a first step in a strategy to re-establish Arc Exploration as a regional explorer. This strategy will continue to be centred around the Company's existing commitment to the Trenggalek gold project in East Java.

Mr. O'Loughlin is a Partner of O'Loughlins Lawyers Real Estate and Corporate & Commercial Groups. Simon holds a Law Society (SA) Certificate in Law as well as a Bachelor of Arts (Accounting) from the University of South Australia. He is admitted to the South Australian and New South Wales Supreme Courts and High Court of Australia. Simon was a Partner at O'Loughlin Robertson, and also Minter Ellison Baker O'Loughlin, where he was a member of the Executive Committee and the Finance Partner. He founded O'Loughlins Lawyers in 1993.

Mr. Taylor is a geologist with over 25 years' experience in exploration, project assessment and development in the resources sector. He has had a diversified career as a resources professional providing services to resource companies and financial corporations at both a technical and corporate level. His experience spans a range of commodities including gold, fertilisers (phosphate and potash), base metals, nickel, uranium, coal and coal seam methane. Whilst his experience includes Australia a majority of his projects have been overseas in countries including Brazil, Turkey, Uganda, Tanzania, Mali, China, UK and North America. He is currently Managing Director of Oklo Resources Limited and a non-executive director with Chesser Resources Limited. He is a member of the Australian Institute of Geoscientists and a graduate of Sydney University.

Mr. Cooke holds a law degree from the University of Sydney and has over 20 years' involvement in the corporate arena primarily engaged in the resource, biotech and property sectors. He has worked throughout the Australasian region and in North America and acquired extensive experience in capital raising, joint ventures, strategic alliances, project financing, corporate governance and listing requirements. He has worked with Arc Exploration Limited since 1992 and been involved with its operations over that time in both Australia and Indonesia.

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