



An invitation to shareholders of Arc Exploration Limited to purchase additional ordinary shares in Arc Exploration Limited under the terms and conditions of this Share Purchase Plan.

Dear Shareholder

22 July 2015

On 15 July 2015, Arc Exploration Limited (Arc or Company) announced an offer to eligible shareholders to participate in a Share Purchase Plan (SPP).

Arc is focused on exploration for gold and associated base metals in Australia and Indonesia.

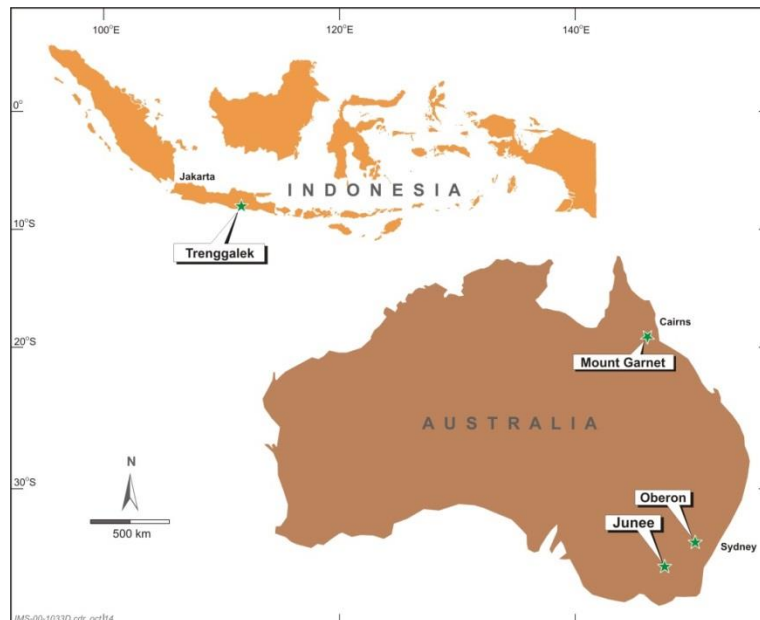
The Company has interests in Australia where it is farming-in to two gold properties in New South Wales, Junee and Oberon and holds an Option to farm-in to another gold property in the Mount Garnet district of Far North Queensland. All three projects in Australia are located within well known mining districts and each project contains a drill-delineated gold resources with potential for expansion through further exploration.

In Indonesia the Company has a joint venture on the Trenggalek Project in East Java. This project lies on the Sunda-Banda magmatic arc and is prospective for high-grade epithermal gold-silver veins and porphyry copper-gold systems.

The Company is currently engaged in ongoing discussions with potential joint venture partners who may wish to farm-in to each of the Company's projects.

The SPP is being undertaken to raise new funds for working capital purposes while the Company pursues joint venture interest for the longer term exploration and development of its projects.

Shareholder support for the Company through a capital raising has not been sought since 2010. Since then the Company has progressed exploration projects in both Australia and Indonesia:



Australian and Indonesian Project Locations

AUSTRALIA

Arc holds agreements with New South Resources Pty Ltd ("NSR") to farm-in to their Junee and Oberon projects located in New South Wales (see ASX announcements of 3rd July 2013 and 30th June 2014). These two projects occur within the Lachlan Orogen, a complex geological province endowed with world-class gold and gold-copper deposits.

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Arc also holds an option to farm-in to a gold property owned by Snowmist Pty Ltd ("Snowmist") located in the Mount Garnet mining district of Far North Queensland. This option period extends until August 2015.

Junee Project, NSW (100% NSR; ARX earning up to 80%)

The **Junee Project** is located close to existing mine operations and development infrastructure and near the major regional centre of Wagga Wagga. It comprises three Exploration Licences (EL's 6516, 6768 & 8152). The total area of this tenement package is about 73 square-kilometres.

EL 6516 contains the 77,000-ounce *Dobroyde* gold deposit (see ASX announcements of 3rd and 10th July 2013) on which historic drilling has produced some spectacular high-grade gold intercepts within a low-grade mineralisation envelope, including 22m at 37.3 g/t gold, 16m at 10.5 g/t gold and 6m at 18.2 g/t gold (see ASX announcements of 9th October 2013).

The Junee Project is prospective for high-sulphidation epithermal gold and porphyry copper-gold styles of mineralisation.

Oberon Project, NSW (100% NSR, ARX earning up to 80%)

The **Oberon Project** is located close to existing mine operations and development infrastructure near the major regional centre of Bathurst. It comprises three Exploration Licences (EL's 6525 & 8349). The total area of this tenement package is about 189 square-kilometres.

EL 6525 contains the 150,000-ounce *Murphys* gold deposit (see ASX announcements of 3rd and 10th July 2013) from historic drilling which has produced some broad low-grade gold intercepts including 49m at 0.75 g/t gold, 23m at 1.05 g/t gold and 34m at 0.62 g/t gold.

The Oberon Project is prospective for porphyry copper-gold and VMS-related gold-silver-base metal styles of mineralisation.

Mount Garnet Project, Queensland (100% Snowmist, ARX has option to earn in)

The **Mount Garnet Project**, located near the major regional centre of Cairns, comprises three Mining Leases (ML's 4363, 4390, 20018) covering about 150 hectares that are 100% held by Snowmist, and an exploration tenement (EPM 25343) covering about 17 square-kilometres that is held by Arc.

Arc holds an option agreement with Snowmist Pty Ltd ("Snowmist") to farm into their package of mining tenements containing the Triple Crown gold deposit, which contains a drill-indicated gold resource estimated to be 69,000 ounces and includes a small oxide resource of about 25,000 ounces gold (see ASX announcement of 21st August 2013). Historic drilling at Triple Crown has produced some broad low to moderate grade gold intercepts including 22m at 2.33 g/t gold, 51m at 1.73 g/t gold and 35m at 1.39 g/t gold.

The Mount Garnet Project is prospective for granite/breccia pipe-hosted and skarn-hosted gold-silver-base metal styles of mineralisation.

INDONESIA

ARX has been exploring for gold and base metal deposits along Indonesia's highly prospective magmatic arcs and associated geological terranes. The primary exploration targets are porphyry-related copper-gold and high-grade epithermal gold-silver veins.

Trenggalek Project, East Java (95% ARX)

ARX operates a joint venture with its local Indonesian partner, P.T. Sumber Mineral Nusantara, which holds the Trenggalek Exploration IUP tenement, located in the Southern Mountains of East Java. The Southern Mountains is composed of an older segment of the Sunda-Banda magmatic arc which hosts the Tumpangpitu porphyry copper-gold located about 200 kilometres to the east of Trenggalek, and the large Batu Hijau and Elang porphyry copper-gold deposits located on Sumbawa Island. Trenggalek contains a similar package of rocks to those hosting these three major porphyry deposits.

The Trenggalek Exploration IUP tenement is valid until November 2016 and covers a large area of about 300 km².

Several epithermal gold-vein prospects on the Trenggalek IUP have had limited drill testing but have produced some significant gold-silver intercepts including 9 m at 4.5 g/t gold & 8 g/t silver at Sentul, 13.7 m at 3.2 g/t gold & 60 g/t silver at Buluroto, and 6.6 m at 4.9 g/t gold & 149 g/t silver at Kojan. High-grade gold-vein float identified at the Jati and Jombok prospects have yet to be traced to source and are priority exploration targets.

Scout drilling of targets identified at the Jerambah and Singgahan prospects in the south-eastern corner of the IUP in late 2013 – early 2014 confirmed the occurrence of large porphyry-style alteration systems containing low-grade copper-gold-molybdenum mineralisation at both prospects. These large alteration systems remain open and have only been partly explored.

CORPORATE AND PROJECT OBJECTIVES FOR THE SECOND HALF OF 2015

ARX believes that each of the projects that it currently has an interest in have considerable value and excellent prospects.

The strategy of the Company remains to attract joint venture partners to farm-in and fund development of properties, a recent example being the joint venture with Anglo-American at Trenggalek where Anglo-American expended US\$3.5 million, at no cost to ARX, which generated a wealth of new data that significantly advanced our understanding of the porphyry potential at Trenggalek. While Anglo-American elected not to proceed with the Trenggalek project, ARX considers that this is the most appropriate way for junior exploration companies to advance their projects in difficult markets where their own access to equity funding may be constrained.

For the second half of 2015 the Company will continue to conserve cash by undertaking only such work on its existing projects which is essential or involves minimal cash outlay while it pursues joint venture interest for their longer term development. There is no guarantee that joint venture partners will be secured within any particular time frame but seeking partners will be the Company's key focus over this period.

Until market conditions improve, the work program will primarily involve further analysis of existing data with the following objectives in mind:

PROJECT	OBJECTIVE FOR SECOND HALF OF 2015
Junea	Increase understanding of resource and seek joint venture partner
Oberon	Evaluation of Cu-Au potential and seek joint venture partner
Mount Garnet	Exercise option, review project feasibility and seek joint venture partner
Trenggalek	Evaluation of gold and copper potential and seek joint venture partner

The Company may undertake all or some of the above in the order it considers most likely to increase shareholder value. Recognising that the Company has limited cash resources, the extent to which the above occurs will depend upon the level of free cash available, including funds that may be raised from the SPP. The Board will continue to seek alternate funding sources over the next six months and may also pursue appropriate corporate opportunities where they are complementary to the Company's existing projects or have the potential to add value for the benefit of existing shareholders.

COST REDUCTION PROGRAM

ARX has recently commenced a cost reduction program to conserve cash across all of its operations in both Australia and Indonesia. Directors and senior management of the Company have elected to forgo 50% of their remuneration to the end of calendar 2015. The remaining 50% of their remuneration which they are to receive will be paid by the issue of shares in the Company rather than in cash and as a result no cash remuneration will be paid to Directors or senior management for the remainder of this year. In the case of Directors these arrangements are subject to shareholder approval which will be pursued at the next general or annual general meeting of the Company.

SHAREHOLDER PURCHASE PLAN

The SPP is being undertaken to give existing eligible shareholders the opportunity to invest in ARX to meet the project objectives outlined above and for working capital purposes. The SPP gives eligible shareholders the opportunity to purchase up to \$15,000 of new Arc fully paid ordinary shares (New Shares) without incurring brokerage or transaction costs on the terms and conditions (Terms and Conditions) enclosed with this letter.

Participation in the SPP is voluntary and is available exclusively to shareholders who are registered as holders of Arc Fully Paid Ordinary Shares (Shares) at 7pm (AEST) on the Record Date of 14 July 2015 and whose registered address is in Australia, New Zealand, Singapore or Indonesia (Eligible Shareholders).

The SPP entitles Eligible Shareholders to purchase parcels of Shares valued at \$2,000, \$3,000, \$5,000, \$7,500, \$10,000 or \$15,000, irrespective of the size of their shareholding.

The New Shares will be issued at 0.18 cents per share, which is a 14.3% discount to the volume weighted average market price for the Company's shares, calculated over the last 30 days on which sales were recorded before the SPP was announced on 15 July 2015.

INDICATIVE TIMETABLE

<i>SPP Record Date</i>	<i>Tuesday 14 July 2015</i>
<i>Announcement of Share Purchase Plan</i>	<i>Wednesday 15 July 2015</i>
<i>Share Purchase Plan Opens</i>	<i>Wednesday 22 July 2015</i>
<i>Offer Document Dispatched</i>	<i>Wednesday 22 July 2015</i>
<i>Share Purchase Plan Offer Closes</i>	<i>Monday 10 August 2015</i>
<i>Allotment of Shares</i>	<i>Monday 17 August 2015</i>

The Company may vary the above timetable if appropriate and permitted by the Corporations Law, Listing Rules and any other relevant legislation.

In conclusion, the Board of ARX believes that the Company has a valuable suite of assets. They have been under development by ARX or others for a long period with considerable amounts expended on them to date. We would not be pursuing them if we did not think they were prospective. While the ARX share price is low and in the opinion of the Board does not reflect the value of these projects, all shareholders have the opportunity to participate.

Yours faithfully



Bruce Watson
Chairman

Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Brad Wake, BSc (Applied Geology), who is a member of the Australian Institute of Geoscientists. Mr Wake has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wake is a full time employee of Arc Exploration Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the *Dobroyde* and *Murphys* gold resources is extracted from the report entitled Junee and Oberon Projects - Statement of Resources created and released to the ASX on 10 July 2013.

The information in this report that relates to the *Triple Crown* gold resource is extracted from the report entitled Mount Garnet Project - Statement of Resources created and released to the ASX on 21 August 2013.

The reports referred to above is available to view on the Company's website: www.arcexploration.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

SHARE PURCHASE PLAN

An invitation to shareholders of Arc Exploration Limited to purchase additional ordinary shares in Arc Exploration Limited under the terms and conditions of this Share Purchase Plan.

This is an important document and should be read in its entirety.

The Share Purchase Plan provides Eligible Shareholders with the opportunity to purchase additional Arc Exploration Limited shares without brokerage and transaction costs.

The Share Purchase Plan does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to subscribe for Shares in the Share Purchase Plan, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

TERMS AND CONDITIONS

1. Share Purchase Plan (SPP) Offer

- a. This SPP is an invitation to Eligible Shareholders made by Arc Exploration Limited (**Arc**) to subscribe for new fully paid ordinary shares in Arc (**New Shares**) at 0.18 cents per New Share.
- b. The minimum application amount under the SPP is \$2,000.
- c. The amount an Eligible Shareholder can apply for will be restricted to a cumulative total of \$15,000.
- d. The SPP is conducted under ASIC Class Order CO09/425 which grants relief from the requirement to prepare a prospectus for the offer of New Shares under the SPP.
- e. You are not obliged to accept or otherwise participate in the SPP. Participation is optional.
- f. The SPP is made to each Eligible Shareholder on the same terms and conditions.
- g. The offer under the SPP is non-renounceable, which means that you may not transfer your right to apply for New Shares under the SPP to any other person.

2. Opening and Closing Date

The SPP opens on 22 July 2015 and is scheduled to close at 5:00pm (Sydney time (AEST)) on 10 August 2015 (**Closing Date**). No late applications will be accepted.

Arc reserves the right to change the closing date of the SPP.

3. Eligible Shareholders

- a. You are eligible to participate in the SPP (**Eligible Shareholder**) if you were a registered holder of fully paid ordinary shares in Arc (**Shares**) at 7:00pm (Sydney time (AEST)) on 14 July 2015 (**Record Date**) whose address in the security register of Arc is in Australia, New Zealand, Singapore or Indonesia unless:
 - (i) you hold Shares on behalf of another person who resides outside Australia, New Zealand, Singapore or Indonesia and do not hold Shares in any other capacity;
 - (ii) you are resident in the United States or acting for the account or benefit of a person resident in the United States; or
 - (iii) you are ineligible to participate in the SPP because of the aggregate limit explained in clause 7.
- b. This SPP does not constitute an offer in any jurisdiction in which or to any person to whom it would be unlawful to make such an offer. Arc reserves the right to reject any acceptance which it believes comes from a person who is not an Eligible Shareholder.
- c. **Single Holders:** If you are the only registered holder of Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for New Shares up to a maximum aggregate value of \$15,000.
- d. **Joint Holders:** If you are recorded with one or more other persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purposes of the SPP. Subject to the conditions of eligibility as set out in this clause 3, the joint holders are entitled to participate in the SPP in respect of that single holding only. The certification under clause 9 by one of the joint holders will be effective in respect of the other joint holder(s). If the same joint holders receive more than one offer under the SPP due to multiple registered holdings, the joint holders may only apply for New Shares up to a maximum aggregate value of \$15,000.
- e. **Custodians:** If you are a custodian within the definition of "Custodian" in ASIC Class Order CO09/425 and you are a registered holder of Shares on behalf of another person (**Beneficiary**) and you apply to acquire New Shares on behalf of the Beneficiary, you must certify in writing Arc a number of matters relating to such beneficiaries (**Custodian Certificate**).

- f. If you are a Custodian, please contact Arc Exploration Limited, on +61 2 8076 6004 for the Custodian Certificate required under these SPP terms and conditions.
- g. If you are a Custodian and you hold shares or interests jointly on behalf of two or more persons, the \$15,000 limit applies jointly in relation to those persons as if you hold the shares or interests on behalf of a single person.
- h. **Trustees and Nominees:** If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate as a Beneficiary in the manner described above. In this case, the rules for multiple single holders (as above) will apply.
- i. Nominees and other registered holders of Shares that are acting on behalf of a person in the United States or any other country outside Australia, New Zealand, Singapore and Indonesia, must not:
 - (i) send this document or any other document relating to the SPP to any person in the United States or any other country outside Australia, New Zealand, Singapore and Indonesia; or
 - (ii) purport to exercise rights under this offer on behalf of a person in the United States or any other country outside Australia, New Zealand, Singapore and Indonesia.

4. Making an application for New Shares

- a. Applications under the SPP may only be made for the following amounts:

Total Investment	\$2,000	\$3,000	\$5,000	\$7,500	\$10,000	\$15,000
New Shares issued	1,111,111	1,666,667	2,777,778	4,166,667	5,555,556	8,333,333

- b. Eligible Shareholders are not permitted to acquire more than \$15,000 worth of New Shares in aggregate, even if you receive more than one SPP Application Form (**Application Form**) or hold Shares in more than one capacity, e.g. if you are both a sole and joint holder of Shares (**Aggregate SPP Participation**).

5. Issue Price of New Shares under the SPP

- a. The price per New Share on offer under the SPP (**Issue Price**) will be 0.18 cents.
- b. The current Share price can be obtained from the ASX website (www.asx.com.au) (ASX code: ARX) and is listed in the financial and business section of major daily newspapers circulated in Australia.
- c. The Issue Price represents a discount of:
 - (i) 14.3% discount to the volume weighted average market price for the Company's shares, calculated over the last 30 days on which sales were recorded before the SPP was announced on 15 July 2015;
 - (ii) 13.4% discount to the volume weighted average market price for the Company's shares, calculated over the last 5 days on which sales were recorded before the SPP was announced on 15 July 2015.
- d. You acknowledge that the market price of Shares may rise or fall between the date of this SPP, the date of calculation of the Issue Price and the date that New Shares are allotted to you under the SPP (**Issue Date**) and that the effect of this is that the Issue Price you pay for the New Shares may exceed the market price of New Shares on the Issue Date.

6. Scale back

- a. Arc does not intend to issue more than 330,000,000 (29.9% of ordinary shares already on issue) New Shares under the SPP.
- b. Arc reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the SPP, or no New Shares. Any determination by the Directors in respect of any scale back will be final.
- c. If a scale back occurs, Arc will refund the balance of application monies, without interest, following allotment by way of cheque to the applicant's registered address.

7. Applying for Shares under the SPP

- a. If you are an Eligible Shareholder and wish to participate in the SPP, you must follow the instructions on the Application Form and:
 - (i) make payment by BPAY® equivalent to the value of the parcel of New Shares you wish to apply for, using the information provided on the Application Form; or
 - (ii) complete the Application Form and provide a cheque or money order made payable to "Arc Exploration Limited", delivered to the Share Registry, so that payment is received by the Share Registry by 5:00pm (AEST) on the Closing Date. Payments must be denominated in Australian dollars.

SHARE REGISTRY DETAILS:

Postal delivery
Arc Exploration Limited C/- Computershare Investor Services Pty Limited GPO Box 2987 Adelaide South Australia 5001 Australia

- b. If you apply for New Shares, you will apply for a specified value, rather than a specified number of New Shares. Subject to clause 7(c), Arc will divide the parcel value that you select by the Issue Price in order to determine the number of New Shares for which you have applied (rounded down to the nearest whole number of New Shares). Any balance of monies sent by you that is remaining as a result of rounding will be refunded to you except where the amount is less than \$2.00 (or an amount advised by Arc).
- c. Eligible Shareholders who receive more than one offer under the SPP (for example because they hold Shares in more than one capacity) may apply on different Application Forms for New Shares, but may not apply for New Shares with an aggregate value of more than \$15,000.
- d. Arc may accept or reject your application for New Shares, either in whole or in part, at its absolute discretion. For example, Arc may reject your application in circumstances such as the following (among others):
 - (i) it appears that you are applying to purchase a number of New Shares that will mean that your Aggregate SPP Participation will exceed \$15,000;
 - (ii) your Application Form is incorrectly completed, incomplete or otherwise determined by Arc to be invalid;
 - (iii) your cheque is dishonoured or the cheque or money order that you enclose with your Application Form is not made out for the amount corresponding to the value of the parcel of New Shares for which you have applied;
 - (iv) your Application Form is received after the Closing Date; or
 - (v) Arc believes you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).
- d. You should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment, and you should therefore take this into consideration when making payment.
- e. The lodgement of the Application Form with the application monies, or the remittance of funds via BPAY® will constitute the Eligible Shareholder's offer to subscribe for shares on the terms and conditions of this SPP. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided.

8. **Shortfall**

The offer under the SPP is not underwritten. To the extent that there is a shortfall in the subscription for New Shares under the SPP (**Shortfall**), the Directors reserve the right to place any New Shares under the Shortfall at their absolute discretion at a price no less than the price of New Shares offered under the SPP, to the extent that any such placement of New Shares under the Shortfall can be made having regard to Listing Rule 7.1.

9. **Certification by Eligible Shareholders and Custodians**

- a. If you submit a BPAY® payment or complete and return an Application Form together with a cheque or money order:
 - (i) you acknowledge that you are an Eligible Shareholder;
 - (ii) you irrevocably and unconditionally agree to the Terms and Conditions and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP or these Terms and Conditions;
 - (iii) you acknowledge that your application is irrevocable, unconditional and cannot be withdrawn once returned;
 - (iv) you certify that the aggregate of the application price for the following does not exceed \$15,000:
 - 1. New Shares under the SPP the subject of your application;
 - 2. any other New Shares or interests under the SPP or any Shares or interests in the class of shares issued that you acquired under any similar arrangement in the 12 months before the date of your application;
 - 3. any other New Shares or interests in the class of shares issued which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - 4. any other Shares or interests in the class of shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in the shares or interests in the class, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;

- b. If you are a Custodian, you make additional representations that you either:
- (i) hold an Australian financial services licence that:
 1. covers the provision of a custodial or depository service (as defined by section 766E of the Corporations Act); or
 2. includes a condition requiring you to comply with the requirements of ASIC Class Order CO13/763; or
 - (ii) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 1. paragraph 7.6.01(1)(k) or paragraph 7.6.01(1)(na) of the *Corporations Regulations 2001* (Cth);
 2. ASIC Class Order CO05/1270 to the extent that it relates to ASIC Class Order CO03/184;
 3. ASIC Class Orders CO03/1099, CO03/1100, CO03/1101, CO03/1102, CO04/829 or CO04/1313;
 4. an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in paragraph (iii) above;
 5. paragraph 911A(2)(h) of the Corporations Act; or
 - (iii) are otherwise a Custodian as defined in Class Order CO09/425 and that you have provided a Custodian Certificate to Arc;
- c. you authorise Arc to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor information;
- d. you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on Arc's share register;
- e. you acknowledge that no interest will be paid on any application monies held pending the allotment of the SPP Shares or subsequently refunded to you for any reason;
- f. you acknowledge that Arc and the Share Registry have not provided any investment advice or financial product advice, and that none of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- g. you acknowledge that Arc (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in the SPP;
- h. you acknowledge that the SPP Shares have not, and will not be, registered under the US Securities Act of 1933 or the securities law of any other jurisdiction outside Australia, New Zealand, Singapore or Indonesia and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- i. you agree not to send the SPP or any other material relating to the SPP to any person in the United States or any other country outside Australia, New Zealand, Singapore or Indonesia;
- j. you acknowledge that Arc may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective;
- k. you are responsible for any dishonour fees or other costs that Arc may incur in presenting a cheque or money order for payment that is dishonoured; and
- l. if two or more persons are recorded in Arc's register of members as jointly holding Shares or interest in Arc, they are taken to be a single registered holder and a certification given by any of them is taken to be a certification given by all of them.

10. **Issue of New Shares**

Arc will not be obliged to allot New Shares and the applicant will not be entitled to receive or be issued New Shares until the Board resolves to allot the New Shares. New Shares under the SPP will be allotted and issued on or about 24 August 2015. After all New Shares have been allotted, Arc will promptly make application to ASX Limited for the New Shares to be admitted to quotation.

11. **Indicative Timetable**

<i>SPP Record Date</i>	<i>Tuesday 14 July 2015</i>
<i>Announcement of Share Purchase Plan</i>	<i>Wednesday 15 July 2015</i>
<i>Share Purchase Plan Opens</i>	<i>Wednesday 22 July 2015</i>
<i>Offer Document Dispatched</i>	<i>Wednesday 22 July 2015</i>
<i>Share Purchase Plan Offer Closes</i>	<i>Monday 10 August 2015</i>
<i>Allotment of Shares</i>	<i>Monday 17 August 2015</i>

These dates are indicative only. Arc may vary the dates and times of this offer or withdraw it without notice. Accordingly, Eligible Shareholders are encouraged to submit their Application Forms as early as possible.

12. **Additional Terms of this SPP**

The requirements of the Australian Securities and Investments Commission's Class Order CO 09/425 are incorporated into this SPP.

Under that Class Order, the yearly limit that can be raised from a participant in a share purchase plan is \$15,000. Accordingly, no Eligible Shareholder (including through joint holdings, multiple share accounts or any holding in which the Eligible Shareholder may have a beneficial interest) will be issued with shares under this or any other share purchase plan with an application value totalling more than \$15,000 in any consecutive 12 month period.

All New Shares issued under the SPP will rank equally with existing Shares.

The SPP is administered by the Board or Arc which may determine in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, or application, or Shares and the determination of the Board will be conclusive and binding on all participants and other persons to whom the determination relates. The Board reserves the right to withdraw this SPP and any offer under it at any time prior to the allotment of Shares and to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. If the SPP is withdrawn, all application monies will be refunded without interest.

13. *Costs of Participation*

There is no brokerage, commissions or other participation costs payable by you in respect of any acquisition of New Shares under this SPP.

14. *Risks*

Potential investors should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stockbroker, accountant, lawyer or other professional adviser.

15. *New Zealand, Singapore and Indonesia*

- a. The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Arc with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).
- b. This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.
- c. The New Shares are not being offered or sold to the public within Singapore or Indonesia other than to existing shareholders of Arc with registered addresses in Singapore or Indonesia. This document has not been registered, filed with or approved by any Singapore or Indonesian regulatory authority and is not an investment statement or prospectus under Singapore or Indonesian law and may not contain all the information that an investment statement or prospectus under Singapore or Indonesian law is required to contain.

16. *United States*

- a. This document may not be released or distributed in the United States. The Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States.
- b. The Shares may not be taken up by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. The Shares may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

17. *Queries*

If you have any queries concerning the SPP or Arc, please call Mr Andrew Cooke, Company Secretary, Arc Exploration Limited on +61 (0) 412 090 826.


Further Information

Please refer to the latest releases on Arc's website www.arcexploration.com.au

In addition, information on Arc's recent activities is available from the Company's ASX announcements which can be accessed on the ASX website at www.asx.com.au (ASX Code: ARX).

For all enquiries:

Phone:
 (within Australia) 02 8076 6004
(outside Australia) +61 2 8076 6004




└ 000001 000 ARX
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 5:00pm (AEST) Monday 10 August 2015**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Arc Exploration Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Arc Exploration Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$15,000.

Arc Exploration Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Arc Exploration Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Arc Exploration Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Arc Exploration Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Arc Exploration Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.


Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Share Purchase Plan Application Form

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STEP 1**Registration Name & Offer Details** For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: **14 July 2015**

Minimum value available to purchase: **\$2,000**

Maximum value available to purchase: **\$15,000**

STEP 2**Make Your Payment**

Bill Code: 40741
Ref No: 1234 5678 9123 4567 89

Pay by Mail:

Make your cheque, bank draft or money order payable to "**Arc Exploration Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 2987 Adelaide South Australia 5001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) Monday 10 August 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Arc Exploration Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) Monday 10 August 2015. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Arc Exploration Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

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Purchase Details for Arc Exploration Limited (choose one option)

☐ \$2,000 (1,111,111 Shares) OR ☐ \$3,000 (1,666,667 Shares) OR ☐ \$5,000 (2,777,778 Shares)

☐ \$7,500 (4,166,667 Shares) OR ☐ \$10,000 (5,555,556 Shares) OR ☐ \$15,000 (8,333,333 Shares)



Entitlement No: 12345678

Payment must be received by 5:00pm (AEST) Monday 10 August 2015

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-5002+15