



Arc Exploration Limited
ACN 002 678 640

Notice of General Meeting and Explanatory Statement

**THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR ATTENTION**

This document does not take into account your individual circumstances. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

**10.00 am
Wednesday 26 August 2015
Level 16, 1 Market Street
Sydney NSW 2000**

Notice of General Meeting

NOTICE is given that a General Meeting of Arc Exploration Limited (the “**Company**”) will be held at Level 16, 1 Market Street, Sydney NSW Australia at 10.00 am on Wednesday 26 August 2015.

ORDINARY BUSINESS

Resolution 1: Removal of Auditor - as an ordinary resolution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, KPMG the current auditor of the Company, be removed as the auditor of the Company in accordance with the Corporations Act, effective from the date of the Meeting.”

SPECIAL BUSINESS

Resolution 2: Appointment of Auditor - as a special resolution

To consider and, if thought fit, with or without amendment, to pass the following resolution as a **special resolution**:

“That, subject to the passing of Resolution 1, Nexia Court & Co being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the Company’s auditor in accordance with the Corporations Act, effective from the date of the Meeting and the Directors be authorised to agree the remuneration.”

By Order of the Board



Andrew Cooke
Company Secretary

Dated at Sydney, on the 17th day of July 2015

Proxies

- A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two proxies to attend and vote instead of the shareholder.
- Where two proxies are appointed:
 - (i) a separate proxy Form, should be used to appoint each proxy;
 - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held e.g. “the Chair of the Meeting”.
- In the case of shareholders who are individuals, the Proxy Form must be signed:
 - (i) if the shares are held by one individual, by that shareholder;
 - (ii) if the shares are held in joint names, by any one of them.
- In the case of shareholders who are companies, the Proxy Form must be signed:
 - (i) if it has a sole director who is also sole secretary, by that director (and stating the fact next to, or under the signature on the Proxy Form);
 - (ii) in the case of any other company by either two directors or a director and secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.

- If the person signing the Proxy Form is doing so under a power of attorney, or is an officer of a company outside those referred to above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy form, must be received by the Company by the time and at the place specified below.
- A Proxy Form accompanies this notice. To be effective, your proxy must be received by the Company no later than 48 hours before the time for the holding of the meeting:
 - (i) by **facsimile** : on 1 800 783 447 (within Australia) or +61 3 9473 2555 (from outside of Australia) ;
or
 - (ii) by **mail** :

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia; or
 - (iii) **Lodge your vote Online** : www.investorvote.com.au using the Control Number and your SRN/HIN which are provided on the front side of your Proxy Form.

Custodians : Intermediary Online subscribers only, cast the shareholder’s vote online by visiting www.intermediaryonline.com

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with the *Corporations Act 2001 (Cth)*, the directors have determined that a person’s entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00 pm on 24 August 2015.

EXPLANATORY STATEMENT

Resolution 1 – Removal of KPMG as Auditor

The Company has received notice of intention to move a resolution for the removal of KPMG as auditor of the Company. A copy of such notice has been provided to KPMG in accordance with the Corporations Act.

KPMG have provided audit services to the Company since 2007 and there has not been any disagreement with KPMG at either the Board or management level of the Company in relation to the conduct of the audit or in relation to any accounting treatment or the application of accounting policies or otherwise. The Company has been pleased with the service level KPMG has provided over the past eight years.

The Company is actively reducing its operating expenses and has established that material cost savings can be made by appointing a quality mid-tier audit firm to provide audit services rather than utilising top-tier audit firm.

The Company does not believe that the audit quality will be diminished as a result of changing auditors.

Resolution 2 – Appointment of Nexia Court as Auditors

The Board received and reviewed proposals from three audit firms to provide independent external audit services to the Company.

The Board resolved to recommend the appointment of Nexia Court & Co as the Company's auditors (to be supported by KAP Kanaka Puradiredja, Suhartono as auditors of PT Indonusa Mining Services in Indonesia).

Nexia Court & Co have provided their consent to be appointed as Auditor.

A nomination from a shareholder to appoint Nexia Court & Co has been received and is incorporated in these meeting materials below.

Interdependence

Resolution 1 and 2 are interdependent, with the result that if only one Resolution is passed by members, the other does not become effective.

Recommendation

The Board recommends that shareholders approve Resolutions 1 and 2.

Chairman's Proxies

The Chairman intends to vote all available proxies in favour of Resolutions 1 and 2.

Nomination of Auditor

Mr. Andrew J. Cooke
Company Secretary, Arc Exploration Limited
Level 8, 65 York Street, Sydney NSW 2000

1 July 2015

Dear Andrew

Nomination of Auditor – Arc Exploration Limited

For the purposes of Section 328B(3) of the Corporations Act 2001, I, Bruce Watson, being a Director and member of Arc Exploration Limited ("Company"), hereby nominate Nexia Court & Co for appointment as auditor of the Company.

Yours faithfully



Bruce Watson
Director
Arc Exploration Limited



ARC EXPLORATION LIMITED
ABN 48 002 678 640

— 000001 000 ARX
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am (Sydney time) Monday 24 August 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Arc Exploration Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Arc Exploration Limited to be held at Level 16, 1 Market Street, Sydney NSW Australia on Wednesday 26 August 2015 at 10:00am (Sydney time) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

1 Removal of KPMG as Auditor

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

2 Appointment of Nexia Court as Auditors

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

ARX

999999A

Computershare +