



## Notice of Annual General Meeting and Explanatory Statement

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is given that the Annual General Meeting of the Company will be held at **Mantra Chatswood, 10 Brown Street, Chatswood NSW, Australia at 2.30pm on Friday, 22 May 2009.**

### ORDINARY BUSINESS

#### 1. Receipt of the Financial Report for the year ended 31 December 2008

Receipt of the Company's Financial Report and the Directors' Report and the Auditor's Report for the year ended 31 December 2008.

#### 2. Remuneration Report

To consider and, if thought fit, pass the following Resolution:

"That the Remuneration Report in the Company's Annual Report be adopted."

#### 3. Elect Mr Robert Willcocks as a Director of the Company

To elect Mr Robert Willcocks as a Director of the Company, who, having been appointed as a Director since the date of the last Annual General Meeting, retires in accordance with the Constitution of the Company, and being eligible, offers himself for election.

#### 4. Re-elect Mr Bruce Watson as a Director of the Company

To re-elect Mr Bruce Watson as a Director of the Company, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election.

Dated at Sydney, on the 16th day of April 2009

A handwritten signature in black ink, appearing to read "Andrew Cooke".

By order of the Board  
Andrew J. Cooke  
Company Secretary

### 2008 ANNUAL REPORT:

The 2008 Annual Report is available on the Company's Website:  
[www.arcexploration.com.au](http://www.arcexploration.com.au) and <http://www.arcexploration.com.au/2008AnnualReport.html>

## 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 eg “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, you 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 1 800 873 447 (with Australia) or +61 3 9473 2555 (from outside of Australia); or
  - ii. by **mail**:  
Computershare Investor Services  
GPO Box 242 Melbourne  
Victoria 3001 Australia; or
  - iii. **Lodge your vote Online**: [www.investorvote.com.au](http://www.investorvote.com.au) using the Control Number and your SRN/HIN which are provided on the front side of your Proxy Form.

## 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 7.00pm on 20 May 2009.

## EXPLANATORY STATEMENT

### Financial Report – Year ended 31 December 2008

The Corporations Act requires the financial report (which includes the financial statements and the directors' declaration), the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the financial report.

### Resolution 2 – Remuneration Report

The Directors' Report for the year ended 31 December 2008 contains a Remuneration Report which sets out the policy on remuneration of the directors of the Company and specified executives on the Company.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory and does not bind the directors of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### Resolution 3 – Election of Robert Willcocks as a Director

Mr Willcocks is a former senior partner with Mallesons Stephen Jaques, the major Australian law firm and is now a corporate adviser. Mr Willcocks has represented clients in the energy and mining sectors for more than 30 years. He is a Bachelor of Arts and Bachelor of Laws (Australian National University) and Master of Laws (University of Sydney).

Mr Willcocks is currently a non-executive director of CBH Resources Limited (listed on the ASX) and of APAC Resources Limited (a Hong Kong listed company) and an alternate director of Mt Gibson Iron Limited (listed on the ASX). Mr Willcocks has had an extensive business career having been at various times a director of BanPu Australia Pty Ltd, Oakbridge Pty Ltd, Emperor Mines Limited, Energy World Corporation Limited, eStar Online Trading Limited, RIMCapital Limited (Chairman) and Bond University Limited. Mr Willcocks was appointed by the Australian Government to be a member of the Australian International Legal Advisory Committee for the term of its program in the 1990s. Mr Willcocks is a former member of the Australia-Vietnam Business Council.

Mr Willcocks was appointed as a Non-Executive Director of the Company on 14 July 2008, and is also a member of the Audit Committee.


### Resolution 4 – Re-election of Bruce Watson as a Director


Mr Watson is the Managing Director of Cubic Corporate Advisory Pty. Limited and was previously Head, Corporate Advisory & Equities at Westpac Institutional Bank and prior to that a founding director of Grant Samuel & Associates Pty. Limited. Mr Watson has a diverse and comprehensive background across the Australian banking and investment community and a high level of technical capability within the core areas of legal and financial structuring. Mr Watson was also formerly a director of Arc Exploration from 1998 until April 2001.

Mr Watson was appointed as a Director of the Company on 3 April 2005 and as Non-Executive Chairman on 23 June 2005. Mr Watson is also a member of the Audit Committee. He holds degrees in Commerce and Law.

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 all enquiries call:**  
 (within Australia) 1300 556 161  
 (outside Australia) +61 3 9415 4000

**Proxy Form**

 Vote online or view the annual report, 24 hours a day, 7 days a week: <b>www.investorvote.com.au</b>	
<input checked="" type="checkbox"/> <b>Cast your proxy vote</b>  <input checked="" type="checkbox"/> <b>Review and update your securityholding</b>	<b>Your secure access information is:</b> <b>Control Number: 999999</b>  <b>SRN/HIN: I9999999999      PIN: 99999</b>   <b>PLEASE NOTE:</b> For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 2.30pm (Sydney time) Wednesday 20 May 2009**

**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 as they choose. 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.

**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.computershare.com.

**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.



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## 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 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, as the proxy sees fit) at the Annual General Meeting of Arc Exploration Limited to be held at Mantra Chatswood, 10 Brown Street, Chatswood NSW, Australia on Friday, 22 May 2009 at 2.30pm and at any adjournment 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.

	For	Against	Abstain
2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr. Robert Willcocks as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Mr. Bruce Watson as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### 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 \_\_\_\_/\_\_\_\_/\_\_\_\_

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Computershare