

POLICY ON DEALINGS IN ARX SECURITIES

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or “engage in dealings” of any securities in ARX if;

- a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available; **and**
- b) The person knows, or ought reasonably to know, that:
 - i. The information is not generally available; and
 - ii. If it were generally available, it might have a material effect on the price of the securities.

A person does not need to be directly associated with the Company to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies (“Related Third Parties”).

Policy:

1. Directors, officers and employees of ARX and its subsidiary companies **shall not** engage in any dealings in the securities of ARX without giving prior notice as follows:

<i>Party seeking to deal in securities</i>	<i>Prior Notice to be Given to:</i>
Employees of ARX or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of ARX (or their Related Third Parties)	The Company Secretary of ARX
Directors of ARX or subsidiary companies (or their Related Third Parties)	The Company Secretary of ARX who shall provide details to the Chairman of ARX

2. The Board should be advised of all dealings by directors, officers and employees at periodic Board meetings. Details to be advised shall include: Type of dealing, Date of dealing, Number of securities, Seller, Purchaser and Price;
3. Directors, officers and employees **shall not** engage in any dealings in ARX securities during the period:
 - a) **two weeks prior** to and within **24 hours after** the date of the announcement to the ASX of the Company’s annual or half year results;
 - b) **two weeks prior** to and within **24 hours after** the date of the announcement to the ASX of the Company’s quarterly activities reports;
 - c) notwithstanding a) or b), **at any time** while in *possession of inside information*.
4. Directors, officers and employees **are prohibited** from trading in financial products issued or created over or in respect of the entity’s securities.

For further information please contact:

Andrew J. Cooke
Company Secretary

Tel: + 61 2 9419 8044

Email: andrewcooke@arx.net.au

or visit the website: www.arceexploration.com.au