



ASX ANNOUNCEMENT

16 APRIL 2010

DRILLING EXTENDS STRIKE OF WEST SENTUL VEIN AT TRENGGALEK

Arc Exploration Limited (ASX Code: ARX) is pleased to announce further results from its scout drilling programme at Trenggalek in East Java.

On 12 and 29 March 2010, ARX announced encouraging gold results from its first five holes TRDD 1- 5 drilled at Trenggalek. Since that time, results have been received for the latest 3 holes (TRDD 6, 7 and 8) completed along the southern portion of the West Sentul Vein.

Holes TRDD 6 and 7 were drilled on a section 100 metres to the northeast of the section containing holes TRDD 2, 4 and 5, and hole TRDD 8 was drilled 200 metres to the northeast.

TRDD 6 returned two separate intersections of 2.6 m at 4.3 g/t Au & 7 g/t Ag and 1.95 m at 5.32 g/t Au & 7 g/t Ag within an 11.95 m intersection of 2.12 g/t Au & 5 g/t Ag from 37.45 m down-hole.

TRDD 7 returned two separate intersections of 6 m at 1.19 g/t Au & 7 g/t Ag and 6.9 m at 1.63 g/t Au & 9 g/t Ag within a 34.5 m intersection of 0.69 g/t Au & 4 g/t Ag from 75.5 m down-hole.

TRDD 8 returned a narrow intersection of 4 m at 1.29 g/t Au & 4 g/t Ag from 99.1 m down-hole.

The true width of the vein on section TRDD 6/7 is about 7-8 metres, slightly wider than on the section 100 m to the southwest. To the northeast, the vein splits into several narrow veins in hole TRDD 8. The lower gold grades in holes TRDD 6, 7 and 8 are explained by lower sulphide content and a greater volume of barren carbonate within the vein. These holes differ from the previous holes by the presence of limestone and lack of an andesite intrusion.

These holes confirm extensions of the strike of the mineralised vein system for 200 metres to the northwest but at present, potential for high-grade ore shoots appears to be greater at the southern end of West Sentul where surface vein outcrops and drill intersections have returned the widest and highest grade gold intersections to date. To the southwest, strike and down plunge extent of the mineralised vein remains open.

Drilling continues to test the vein targets at Sentul and a second rig is being mobilised to accelerate progress and commence testing of other prospects within Trenggalek so that they can be ranked for follow-up drilling.

Total reported meterage to-date is 924 metres, or just over 18% of the 5,000 metre programme to be conducted this year.

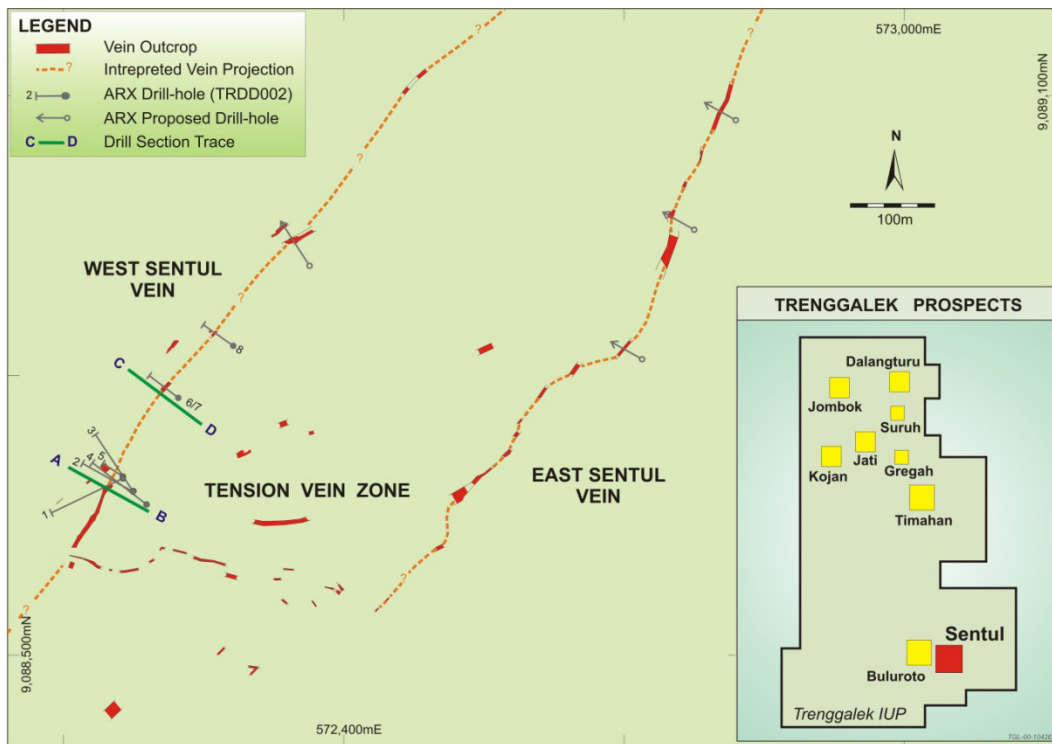
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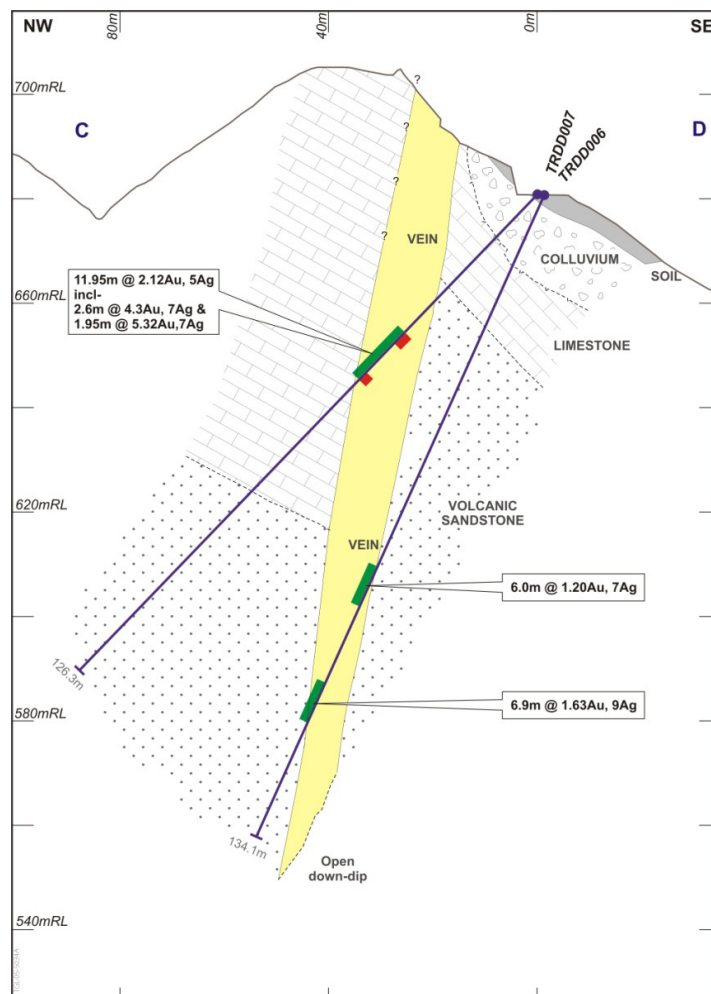
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SENTUL PROSPECT
Drill-hole Locations and Vein Outcrops



WEST SENTUL VEIN
Drill Section Showing Hole Projections & Intersections
TRDD006 & TRDD007

Holes TRDD 6 and 7 are shown in the section and a complete list of drill hole details and significant gold intersections are presented in the tables.

**Sentul Prospect
Significant Mineralised Intercepts**

Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t
TRDD006	37.45	49.40	11.95	2.12	5
	Incl 37.45	40.05	2.60	4.30	7
	47.45	49.40	1.95	5.32	7
TRDD007	78.50	81.50	6.00	1.19	7
	103.10	110.00	6.90	1.63	9
TRDD008	99.10	103.10	4.00	1.29	4

- Notes: 1) Core recovery in these mineralised intercepts is generally greater than 95%
2) Assay results are from half-core samples split with a power saw. Logging, sample intervals, sampling & dispatching were done under the strict control of the Company's geologists
3) Sample preparation and analyses were conducted by P.T. Intertek Utama Services in Jakarta.
4) Gold was assayed by 50g Fire Assay/AAS Finish.

**Sentul Prospect
Drill Hole Location & Collar Information**

Hole ID	Coordinates			Dip	Azimuth	Final Depth (m)
	mN	mE	mRL			
TRDD001	9,088,689	572,164	711	-55 ⁰	244 ⁰	150.3
TRDD002	9,088,674	572,176	698	-53 ⁰	300 ⁰	100.7
TRDD003	9,088,675	572,176	698	-45 ⁰	327 ⁰	109.8
TRDD004	9,088,659	572,189	689	-60 ⁰	310 ⁰	152.2
TRDD005	9,088,690	572,164	711	-45 ⁰	305 ⁰	34.55
TRDD006	9,088,775	572,225	681	-45 ⁰	315 ⁰	126.3
TRDD007	9,088,775	572,226	681	-65 ⁰	315 ⁰	134.1
TRDD008	9,088,831	572,284	664	-45 ⁰	305 ⁰	114.2



ARX is exclusively focussed on exploration for gold and associated metals in Indonesia. The Company aims to generate value through the discovery, exploration and proving up of gold-silver and copper-gold deposits within Indonesia's highly prospective magmatic arcs and associated terrains.

The Company has three projects. **Trenggalek**, in East Java, the subject of this announcement, Bima in East Sumbawa, and a Strategic Alliance with the Anglo American group in Papua.

The information in this report that relates to Exploration Results is based on information compiled by Mr John Carlile, who is a Fellow of the Australian Institute of Mining and Metallurgy, and Mr Brad Wake, who is a member of the Australian Institute of Geoscientists. Mr Carlile and Mr Wake have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr. Carlile and Mr. Wake are full time employees of Arc Exploration Limited and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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