

**RECOMMENCEMENT OF EXPLORATION AT BIMA PROJECT  
EAST SUMBAWA, INDONESIA (ARX 95%)**

Arc Exploration Limited (ASX Code: ARX) is pleased to report that exploration field work has recommenced at its Bima Project.

Since recommencing work the Company has undertaken regional reconnaissance at various locations throughout the tenement and soil sampling and trenching at the Soro prospect.

Field activities were previously put on hold following civil disturbances reported in February. Since that time, the Company has focussed on three aspects to allow normal activities to resume:

1. Meetings with local people, community leaders and government authorities to secure their long term support;
2. Preparation of flexible work programs and logistical arrangements to allow efficient resumption of field activities (including drilling); and
3. Reducing costs, to ensure adequate cash is available to test the numerous prospects at Bima.

Whilst ongoing civil disturbances remain a risk, and could lead to further delays, ARX is pleased that the extensive consultation process with local community leaders and authorities has resulted in these parties confirming their support for ARX's activities.

The Company's sole focus at Bima remains to commence drilling as soon as possible. The Company's cash position of approximately \$6 million is sufficient to fund an extensive drilling program at Bima.

Managing Director, Mr. John Carlile commented:

*We are very pleased to have restarted field work in Bima after the civil disturbances earlier in the year. Bima is an important project for us and to date has delivered some very positive surface results.*

*With the local authorities and communities lending their support to our activities our clear objective is now to commence drilling as soon as is appropriate.*

**About Bima**

The Bima Exploration tenement covers 250 square kilometres and is prospective for intermediate to high-sulphidation epithermal gold and porphyry copper-gold deposits. The project has excellent infrastructure with a network of sealed to graded roads traversing almost all of the tenement area.

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

For further information please contact:

**Andrew J. Cooke**

**Company Secretary**

Tel: + 61 2 9419 8044

Email: [andrewcooke@arx.net.au](mailto:andrewcooke@arx.net.au) or visit the website: [www.arcexploration.com.au](http://www.arcexploration.com.au)