



ASX ANNOUNCEMENT

8 FEBRUARY 2011

SUCCESSFUL CAPITAL RAISING

Arc Exploration Limited (ASX: ARX) has successfully raised \$6.9 million through the exercise of ARXOA options at 3.6 cents per share. Over 95% of the options were taken up.

Managing Director Mr. John Carlile commented:

"This substantial cash inflow significantly enhances our financial position. We are now able to fund a very active exploration program, including 15,000 metres of drilling, on our Bima and Trenggalek projects in Indonesia.

The drilling contract has been signed and we plan to start drilling at Bima before the end of this quarter.

Over 95% of the total options on issue were exercised which is a tremendous outcome.

I believe the success of this capital raising shows that shareholders have confidence in our management team, the quality of our assets and our exciting future prospects."

The Company has three projects; Bima, in East Sumbawa, Trenggalek in East Java and a Strategic Alliance with the Anglo American group in Papua.

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