

**NEW TRENCH RESULTS EXPAND GOLD POTENTIAL
AT THE SORO PROSPECT, BIMA, EAST SUMBAWA**

Arc Exploration Limited (ASX Code: ARX) is pleased to report further gold results from trenching and soil sampling at the Soro Prospect in the Bima Exploration IUP in East Sumbawa, Indonesia.

- **Disseminated gold mineralisation extended**
- **Extensive gold-multielement soil anomaly identified**

Results from another three trenches testing a strong gold soil anomaly at the northern end of the Soro Prospect have been received. One of these trenches, ST18, intersected strongly silicified limestone and returned **59m at 0.84 g/t gold** and **26m at 1.31 g/t Au**.

Trench ST18 is located about 80m south of trench ST13 where a recently reported result of **38m at 2.88 g/t gold** includes a high-grade zone of **2m at 35.4 g/t gold**. The broad zone of disseminated gold mineralisation hosted by silicified limestone ("jasperoid") in the northwestern part of the Soro prospect now extends for at least 180 metres in a north-easterly direction. The mineralisation is open to the southwest and is contained within an extensive 3km x 2km gold-multielement soil anomaly that extends to the south. These two broad intercepts are separated by a narrow access track that was not trenched. The other two trenches, ST19 and ST20, were weakly mineralised in moderately silicified and fresh limestone.

Managing Director Mr. John Carlile commented:

"These results are very positive. The new trench gold intercepts are significant because they expand the area of potentially economic gold mineralisation that we have found so far in the silicified limestone at the northern end of the prospect and the mineralisation is still open.

The size and intensity of the surrounding soil anomaly is also significant as it suggests a very large zone of gold-bearing silicification with potential to host a bulk tonnage gold resource and high-grade feeder zones.

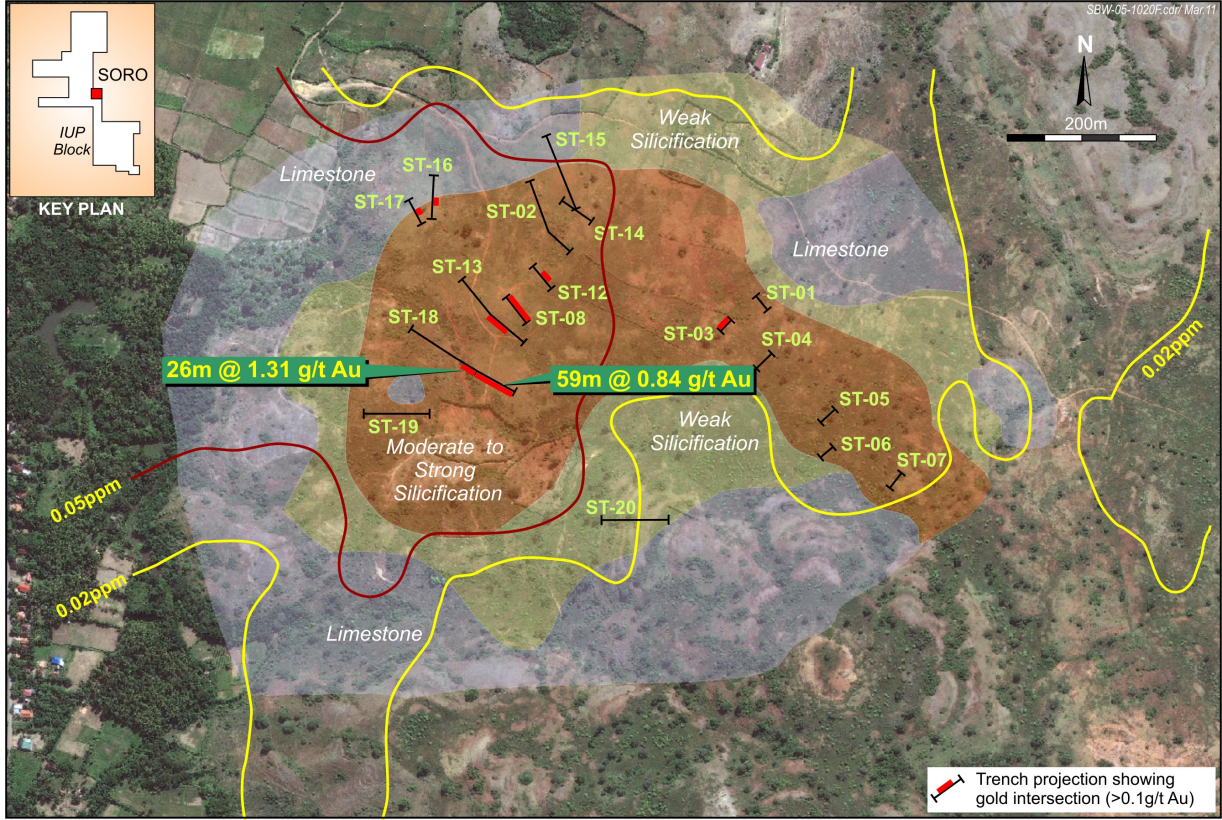
So far, only the northern part of the anomaly has been tested by trenching and therefore the potential to find more disseminated gold mineralisation is regarded as high."

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, the subject of this announcement**, Trenggalek in East Java 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 Brad Wake, who is a member of the Australian Institute of Geoscientists and Dr Renato Bobis, who is a member of the Australasian Institute of Mining and Metallurgy. The samples were analysed by Intertek Laboratory in Jakarta. Standards and duplicate samples were routinely inserted in the sample batches. The results indicate acceptable precision levels. Mr Wake and Dr Bobis 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.' Dr Bobis 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.



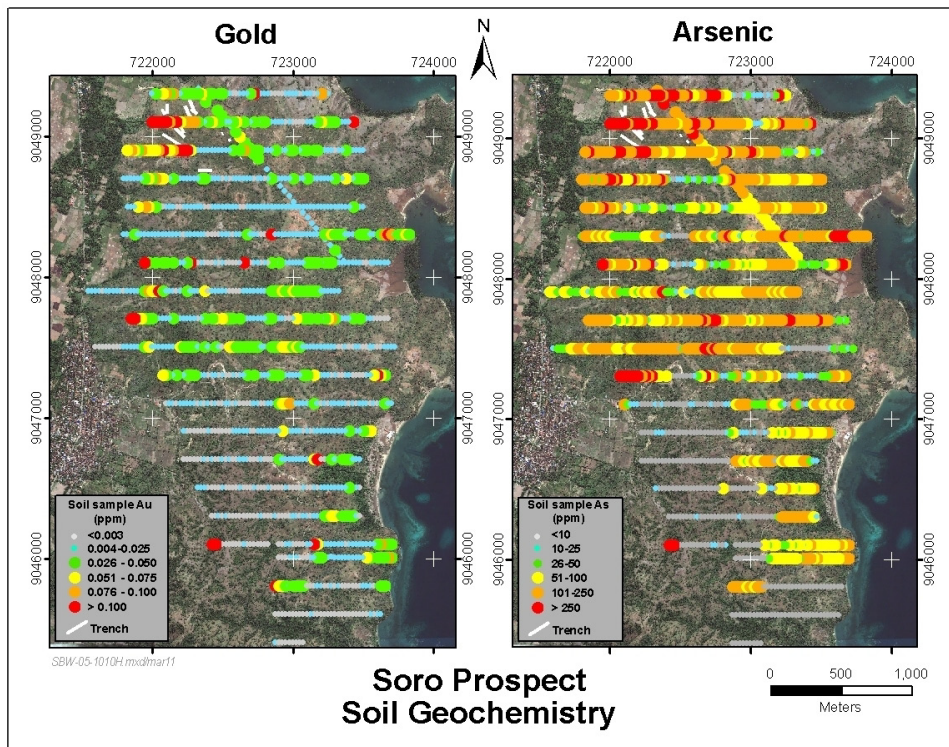
**Soro Prospect
Simplified Geology Showing Trench Locations**



Irregular mineralised jasperoid replacing grey limestone



Residual mineralised jasperoid boulders (Up to 35 g/t Au)



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