



ASX ANNOUNCEMENT

26 DECEMBER 2011

FURTHER ANTI-MINING DEMONSTRATIONS AT BIMA

Arc Exploration Limited (ASX Code: ARX) advises that further anti mining demonstrations have occurred in the Bima area in East Sumbawa, Indonesia. The demonstrators have stated that they are opposed to mining and now seek the revocation of the exploration licence under which ARX operates in Bima.

Since April 2011, ARX has, in conjunction with local government, conducted extensive consultation concerning its activities, which involve non-intrusive early stage exploration. No gold mine is being constructed. As a consequence of the positive responses received from the local communities and authorities, limited field work was recently resumed.

Last week the demonstrators blockaded the local port of Sape. On Saturday December 24, police moved to reopen the port, clashing with demonstrators, resulting in two fatalities, with subsequent attacks by the demonstrators on government and private property.

While ARX remains in full compliance with all legal, regulatory and licence requirements, the Company has halted exploration activities at its Bima Project until the situation is resolved.

Further details will be provided as material information comes to hand.

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