

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity ARC EXPLORATION LIMITED
ABN 48 002 678 640

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	JOHN C. CARLILE
Date of last notice	3 June 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Registered Holder HSBC Custody Nominees (Australia) Limited on behalf of John C. Carlile
Date of change	24 May 2012
No. of securities held prior to change	19,679,593 Ordinary Shares (Indirect) 73,511 ARXO Options (Indirect) 9,986,298 Unlisted 11 Dec 2014 Options @ 3.6 c 6,165,000 Unlisted Exp 27 May 2016 Options @ 4.2 c
Class	Ordinary
Number acquired	10,765,746
Number disposed	Nil

+ See chapter 19 for defined terms.

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Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	0.68 cents
No. of securities held after change	19,679,593 Ordinary Shares (Indirect) 10,765,746 Ordinary Shares (Direct) 73,511 ARXO Options (Indirect) 9,986,298 Unlisted 11 Dec 2014 Options @ 3.6 c 6,165,000 Unlisted Exp 27 May 2016 Options @ 4.2 c
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Shares allotted pursuant to the approval of Shareholders at the Company's Annual General Meeting held on 24 May 2012 as a repayment of loan.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Nil
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	24 May 2012
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	Nil
Interest disposed	Repayment of loan in part by the issue of shares approved by shareholders at the Company's Annual General Meeting held 24 May 2012.
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	Loan repayment by the issue of 10,765,746 shares @ 0.68
Interest after change	Nil

+ See chapter 19 for defined terms.

Part 3 – +Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	
If prior written clearance was provided, on what date was this provided?	

This notice is dated 28 May 2012

+ See chapter 19 for defined terms.