



ASX ANNOUNCEMENT

29 JANUARY 2012

REVOCAION OF BIMA EXPLORATION LICENSE

ARC Exploration Limited (ASX Code: ARX) previously advised the Australian Stock Exchange that the Bima Exploration License (IUP) held by its Indonesian partner, PT Sumber Mineral Nusantara (PT SMN), had been temporarily suspended until 23 December 2012.

ARX and PT SMN ceased activities in the Bima area in December 2011 and have had no exploration personnel in the area since then.

Further demonstrations occurred in Bima on 26 January 2012 that resulted in the destruction of a number of buildings including the office of the Regent of Bima.

On 28 January 2012 PT SMN received formal advice from the Regent stating that PT SMN's Bima exploration IUP has been revoked, citing civil disturbances and security issues in the Bima area.

ARX and PT SMN remained in full compliance with all legal and regulatory license requirements at the times the IUP was suspended and subsequently revoked.

ARX is assessing the situation and reviewing alternatives open to it.

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