

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	BRUCE JAMES WATSON
Date of last notice	10 May 2012

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 (transferor) and Indirect (transferee).
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Oblique Pty Limited ATF Watson Superannuation No 2 Fund as registered holder. Bruce Watson is a director of the Trustee of the Fund.
Date of change	30 June 2012
No. of securities held prior to change	12,869,907 Ordinary Shares (Direct) 480,000 Ordinary Shares (Indirect) 18,000 ARXO Options (Indirect) 3,328,766 Unlisted 11 Dec 2014 Options @ 3.6c (Direct) 2,055,000 Unlisted Exp 27 May 2016 Options @4.2c (Direct).
Class	ARXO Options – Exercise Price 75.0 cents
Number acquired	Nil
Number disposed	18,000 – expired 30 June 2012
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	N/A

+ See chapter 19 for defined terms.

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No. of securities held after change	12,869,907 Ordinary Shares (Direct) 480,000 Ordinary Shares (Indirect) 3,328,766 Unlisted 11 Dec 2014 Options @ 3.6c (Direct) 2,055,000 Unlisted Exp 27 May 2016 Options @4.2c (Direct).
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	ARXO Option expired – not exercised.

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	N/A
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
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	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

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?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

2 July 2012

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