

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	5 December 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 (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	6 and 9 May 2012
No. of securities held prior to change	13,289,907 Ordinary Shares (Direct) 60,000 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	Ordinary shares
Number acquired	420,000
Number disposed	420,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$2,520.00

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

<p>No. of securities held after change</p>	<p>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). There has been no change in the overall number of securities held directly or indirectly for the purposes of the Corporations Act.</p>
<p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	<p>Off market sale at market on 6/5/12 from Bruce Watson to L. Watson (spouse). L. Watson on 9/5/12 transferred these shares at market to her superannuation fund. B. Watson is a director of the fund's trustee and thus has an indirect interest in them under the Corporations Act.</p>

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.

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

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

10 May 2012

+ See chapter 19 for defined terms.