

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	JEFFREY MALAIHOLLO
Date of last notice	8 September 2015

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
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	2 June 2016
No. of securities held prior to change	29,272,284 – Fully Paid Ordinary Shares 16,215,435 – Options Exp 31 Dec 2018 @ 0.9 cents
Class	Fully Paid Ordinary Shares
Number acquired	95,833,333
Number disposed	0
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$138,000 being 50% of Salary for the period from 1 April 2015 to 31 March 2016
No. of securities held after change	125,105,617 – Fully Paid Ordinary Shares 16,215,435 – Options Exp 31 Dec 2018 @ 0.9 cents

+ See chapter 19 for defined terms.

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<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>Issued in lieu of salary fees owing for the period from 1 April 2015 to 31 March 2016 period as part of a cost reduction program. Directors of the Company had elected to forgo 50% of their Directors Fees/salary for this period. The remaining 50% of their remuneration was to be paid by the issue of shares in the Company rather than in cash and as a result no cash remuneration was paid to Directors for this period. The allotment of these shares was approved by shareholders at the annual general meeting of the Company held on 31 May 2016.</p>
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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 June 2016

⁺ See chapter 19 for defined terms.