

**SOUTHERN ARC DRILLING PROGRAM UNDERWAY AT THE
MENCANGGAH PROSPECT, WEST LOMBOK, INDONESIA**

August 4th, 2011 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA) (“Southern Arc”) is pleased to announce that it has commenced drilling at its Mencanggah prospect in Indonesia. One diamond drill rig started drilling on July 24th and two more rigs began drilling today. A further two rigs have been mobilized for Mencanggah from Jakarta and will bring the fleet on site at Mencanggah to five by mid August.

The Mencanggah Prospect comprises a large cluster of west-northwest to north trending, gold-bearing epithermal mineralized structural breccia bodies (“MSBs”) concentrated in a 6.5 km by 4.5 km area within the West Lombok Mineral Belt (Figure 1). This is a 13 km long by 7 km wide zone containing epithermal gold and porphyry copper-gold mineralisation located within Southern Arc’s West Lombok property. At Mencanggah, in excess of 18 km cumulative strike extent of structurally controlled epithermal breccias have been mapped. Surface channel sampling has returned high grade intervals up to 7.1 m @ 53.5 g/t gold and 5.0 m @ 12.2 g/t gold, as well as some very wide intervals of lower-grade gold mineralization up to 66 m @ 1.1 g/t gold. These breccia bodies range in true width between 3 m and 100 m.

The preliminary drill plan for this Phase 1 drilling program is shown in Figure 2. At least 37 drill holes are planned (7,500 m) to test the strike length of main mineralized breccias and further drilling (approximately 4,500 m) will infill areas that show encouraging results. Southern Arc expects this Phase 1 program will be complete by the end of October.

Mike Andrews, President and Chief Operating Officer of Southern Arc, commented: *“The Mencanggah drill program is initially focused on testing the strike extent of the epithermal mineralized structural breccia mineralization. We’ll focus Phase 1 drilling on zones with better gold grades, as identified by surface sampling, and will drill approximately 100-metre-spaced sections to target lodes around 80 metres below surface.”*

“With five rigs at Pelangan and another five drilling at Mencanggah by mid-August, we expect to be drilling an average of 6,000 meters a month at our West Lombok project by September, with the objective of collecting enough information to complete National Instrument 43-101 resource estimates at both Pelangan and Mencanggah in the first half of 2012.”

**On behalf of the Board of
Southern Arc Minerals Inc.**

“John Proust”

Chairman and CEO

About Southern Arc

Southern Arc Minerals Inc. is an Indonesia-based Canadian mineral exploration company with an aggressive exploration, acquisition and growth strategy. The Company's portfolio includes four active exploration projects with epithermal gold and gold-copper porphyry prospects on the Lombok and Sumbawa islands in Indonesia, three of which are being advanced in partnership with major mining companies. The Company's key exploration property is its West Lombok project, with several gold-rich copper porphyry and epithermal gold vein prospects. Southern Arc is listed on the TSX Venture Exchange under the symbol SA. More information is available at www.southernarcminerals.com or by emailing info@southernarcminerals.com.

Southern Arc Contact

Rhylin Bailie

Vice President, Communications & Investor Relations

Phone: 604-676-5241

Email: info@southernarcminerals.com

Qualified Person and Quality Control and Assurance

The information in this release has been compiled under the supervision of Southern Arc's Chief Geologist, Andrew Rowe B. App. Sc. Geology, MAusIMM. Mr. Rowe has over 18 years of international mineral exploration experience throughout SE and Central Asia and Australia. During this time he has held such positions as Chief Geologist – Feasibility Studies, Senior Geologist and Consulting Geologist. Mr. Rowe has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.

All assaying of samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System for sample tracking, quality control and reporting.

Forward-looking Statements

This news release contains forward-looking statements relating to expected or anticipated future events and operations, timing of projects and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the company's capability to execute and implement future plans. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. There is no representation by the company that actual results achieved during the forecast period will be the same in whole or in part as that forecast.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Figure 1. West Lombok Property – Mineralized Structural Breccia Zones

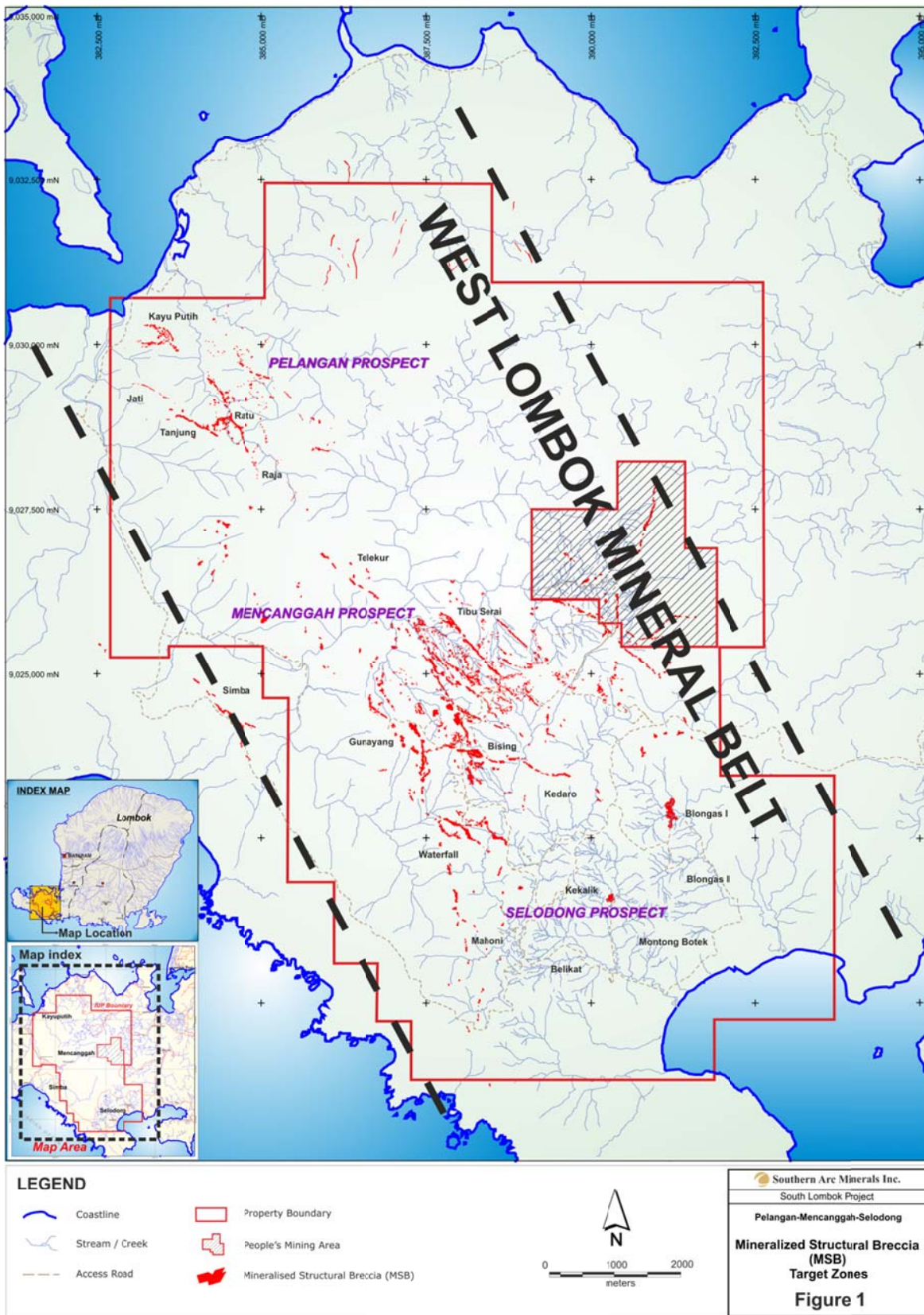


Figure 2. Mencanggih Prospect – Phase 1 Proposed Drillhole Plan

