

STATUS OF SOUTHERN ARC FORESTRY PERMITS

Vancouver, B.C.: Southern Arc Minerals Inc. (“Southern Arc” or the “Company”) (TSX Venture: SA) would like to confirm the status of the various forestry permits and applications on its principal mineral projects. The majority of the Company’s lands either do not require forestry permits or they lie within the Production Forests areas which are favourable for open pit and underground mining.

A Summary of the Current Forestry Permitting Process in Indonesia

State forests in Indonesia are grouped into three principal categories: a) Conservation Forests; b) Protected Forests; and c) Production Forests. Conservation Forests cover areas such as national parks and nature reserves. No mining activities are permitted in these areas. In Protected Forests, mineral exploration and the development of underground mines is permitted but open pit mining is not permitted. In Production Forests, mineral exploration, underground mining and open pit mining are permitted, provided that the proper permits are obtained and local mining and forestry laws are adhered to.

Status of the Company’s Forestry Permits

West Lombok Project

A small percentage of this property (1.1%) falls within an area designated as Protected Forest. The majority of the permit area (55.1%) is designated as Production Forest. The balance of the area covered by the project (43.8%) is not subject to any designation as State forest by the MOF, and therefore permitting from the MOF is not required. Authority over land use in these non-State forest areas lies with the local Regent.

As previously announced, the Company has applied for a Mining Business License (“IUP”) on the West Lombok Project. Upon receipt of the IUP, the Company will apply for a forestry permit.

Taliwang Project

A small percentage of this property (3.7%) falls within an area designated as Conservation Forest. The permit area also covers areas designated as Protected Forest (10.9%) and areas designated as Production Forest (29.7%). The balance of the area covered by the project (55.7%) is not subject to any designation as State forest by the MOF and therefore permitting from the MOF is not required. Authority over land use in these non-State forest areas lies with the local Regent. As previously announced, the Company has received an IUP license on the Taliwang Project and the extension of the Company’s previous MOF permit is currently being processed by the relevant central government authorities.

Sabalong Project

A total of 36.3% of the area covered by this project is designated as Protected Forest while 13.7% is designated as Production Forest. The balance of the area covered by the project (50.0%) is not subject to any designation as State forest by the MOF, and therefore permitting from the MOF is not required. Authority over land use in these non-State forest areas lies with the local Regent. As previously announced, the Company has received an IUP license on the Sabalong Project and the Company’s application for a forestry permit is currently being considered by the MOF.

East Elang Project

A total of 60.3% of the area covered by this project is designated as Protected Forest while 34.2% is designated as Production Forest. The balance of the area covered by the project (5.5%) is not subject to any designation as State forest by the MOF, and therefore permitting from the MOF is not required. Authority over land use in these non-State forest areas lies with the local Regent. As previously announced, the Company has received an IUP license on the East Elang Project and the Company's application for a forestry permit is currently being considered by the MOF.

Exploration activities

In order to carry out exploration activities on a mineral concession in an area where mining activities may be permitted (i.e. a Protected Forest or a Production Forest), a party must obtain an Exploration Activities License from the Indonesian Ministry of Forestry ("MOF"). In order to obtain such a license, the concession holder must, among other things, provide the MOF with a Forestry Area Usage Plan and Working Plan. Such licenses are valid for two years, subject to extensions being granted by the MOF. They provide the holder with the right to carry out mineral exploration activities in accordance with the Working Plan.

Mining activities

In order to carry out mine construction or production activities, a mineral concession holder must apply for and obtain a *Pinjam Pakai* (borrow and use permit). This process involves the submission to the MOF of an environmental impact analysis (among other items). Upon initial approval of the application for a *Pinjam Pakai*, the MOF issues a Principle Approval which is valid for two years, but does not permit the holder to conduct mining activities. Once the obligations set out in this Principal Approval are met, a final *Pinjam Pakai* is granted, the term of which is the same as the term of the mining license covering the area in question. The *Pinjam Pakai* is evaluated by the MOF every five years.

The Company will report on the status of pending forestry permits as they are issued by MOF.

For more information about Southern Arc, please refer to the Company website at:
<http://www.southernarcminerals.com>

On behalf of the Board of Southern Arc Minerals Inc.

"John Proust"

President and CEO

For Further Information Please Contact:

John G. Proust, President and CEO

Southern Arc Minerals Inc.

Suite 1500, Box 1078, 885 West Georgia Street, Vancouver, BC V6C 3E8 Canada

Telephone: (604) 676-5241 Fax: (604) 676-5246

Email: info@southernarcminerals.com

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 will be the same in whole or in part as described above.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release. 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.