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NEWS RELEASE

June 13, 2011

**SOUTHERN ARC EXERCISES OPTION TO ACQUIRE 1.3 MILLION SHARES FROM
INDOTAN INC., ADOPTS BONUS AND COMPENSATION PLAN AND ASSIGNS OPTION
TO ACQUIRE 200,000 SHARES TO DIRECTOR**

Vancouver, B.C.: Southern Arc Minerals Inc. (TSX Venture: SA) reports that it has acquired 1.3 million shares of Southern Arc for \$0.90 per share from Indotan Inc. (“Indotan”). The shares were part of a total of 3.5 million Southern Arc shares issued to Indotan in a transaction previously announced on October 29, 2009. As part of the transaction, Indotan granted Southern Arc the option to acquire 1.5 million of the Southern Arc shares at \$0.90 per share (the “Option”).

The 1.3 million shares acquired pursuant to the Option will be held by Southern Arc subject to a bonus and compensation plan. Pursuant to the bonus and compensation plan, the shares may be distributed or optioned to eligible persons, including directors, officers, employees or consultants of Southern Arc. The bonus and compensation plan is subject to approval of the TSX Venture Exchange and the shareholders of Southern Arc.

The balance of the shares underlying the Option were assigned to Robert J. Gallagher, a director of Southern Arc, in consideration for his services as a director. Mr. Gallagher subsequently exercised the remainder of the Option, acquiring 200,000 Southern Arc shares.

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

“John Proust”

Chairman and CEO

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Forward Looking Statements: This news release contains forward looking statements relating to expected or anticipated future events 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 Southern Arc that actual results achieved will be as expected.

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.