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NEWS RELEASE

August 9, 2011

**LOCAL DEMONSTRATIONS DELAY DRILLING AT SOUTHERN ARC'S  
WEST LOMBOK PROJECT**

**August 9, 2011 – Vancouver, BC – Southern Arc Minerals (TSX-V: SA)** (“Southern Arc” or “the Company”) has halted drilling activities at its West Lombok project in Indonesia while the Company works with local authorities and community leaders to resolve local unrest.

On August 8, a group of demonstrators arrived at Southern Arc’s Mencanggih property and set fire to three drill rigs before proceeding to the Company’s Pelangan property, where an additional five rigs were damaged. No one was injured, and all of our employees and contractors are safe and accounted for. The West Lombok project was subject to a similar demonstration in May 2011, and based on that event, the Company had hired both police and army representatives to provide additional security for its workers and to protect Southern Arc’s property. Faced with a large group of armed intruders, security personnel focused on the safety of Southern Arc’s employees and contractors.

Since receiving its mining business license in January 2011, Southern Arc has proactively engaged with local communities to discuss its exploration and development plans and address questions and concerns. The Company offers extensive employment and training programs and employs approximately 400 people from local communities. Southern Arc believes the demonstrations have been organized by a fringe group of individuals who are participating in illegal mining activities in the region outside of Southern Arc’s properties.

“We will not let these recent events interfere with our objective of exploring and developing the West Lombok project to create value for local communities, the government of Indonesia and Southern Arc shareholders,” said John Proust, Southern Arc’s CEO. “Southern Arc will work with community leaders and government officials to find a long-term solution to these challenges. Clearly we need a multifaceted solution that involves enhanced security, comprehensive community engagement to increase local awareness, and collaboration with local authorities and community leaders to bring stability and security to the region.”

Southern Arc has engaged a number of experts in security and Indonesian affairs to conduct a thorough analysis of both demonstrations and update the Company’s security plan to ensure its workforce and equipment are protected. Southern Arc remains committed to the region and its workforce, and will take the steps necessary to prevent further disruptions to its exploration program.

The Company is already working with the drilling contractor to replace the damaged equipment and believes full-scale drilling could resume in September. With five rigs drilling at both Pelangan and Mencanggih, Southern Arc anticipates drilling an average of 6,000 meters a month at the West Lombok project, with the objective of completing National Instrument 43-101 compliant resource estimates 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](http://www.southernarcminerals.com) or by emailing [info@southernarcminerals.com](mailto:info@southernarcminerals.com).

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