



12 July 2010

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(4 pages by email)

Dear Madam

LATEST DRILLING ENCOUNTERS BONANZA GRADES AT BELINAU

- **Highest grade intersection of 1.95 metres @ 81.92 g/t Au and 208.1 g/t Ag returned from Belinau area of Tembang project in South Sumatra province, Indonesia**
- **Intersection extends shoot to the south and at depth**
- **Further confirms potential for a high grade epithermal-style mineralised system to be hosted at Tembang**
- **10,000m follow-up drilling program to be initiated**

Summary

The Directors of Sumatra Copper and Gold plc (ASX: SUM), are pleased to advise of a material intercept returned from the current Tembang project drilling program.

Core from hole RDD10070 from the Belinau area of the Tembang project has returned an assay result of:

- **1.95 metres @ 81.92 g/t Au and 208.1 g/t Ag from 170 metres**

The result from hole RDD10070 extends the ore shoot to the south and at depth.

Managing Director, Jocelyn Waller, comments: "The 5,000 metre drilling program just completed at Tembang has been very successful. To cap this off the latest bonanza drill intercepts at Belinau demonstrate the upside potential of the ore shoots at depth and along strike. Plans are now well advanced for a follow-up 10,000 metre drilling program."

Tembang Drilling Update

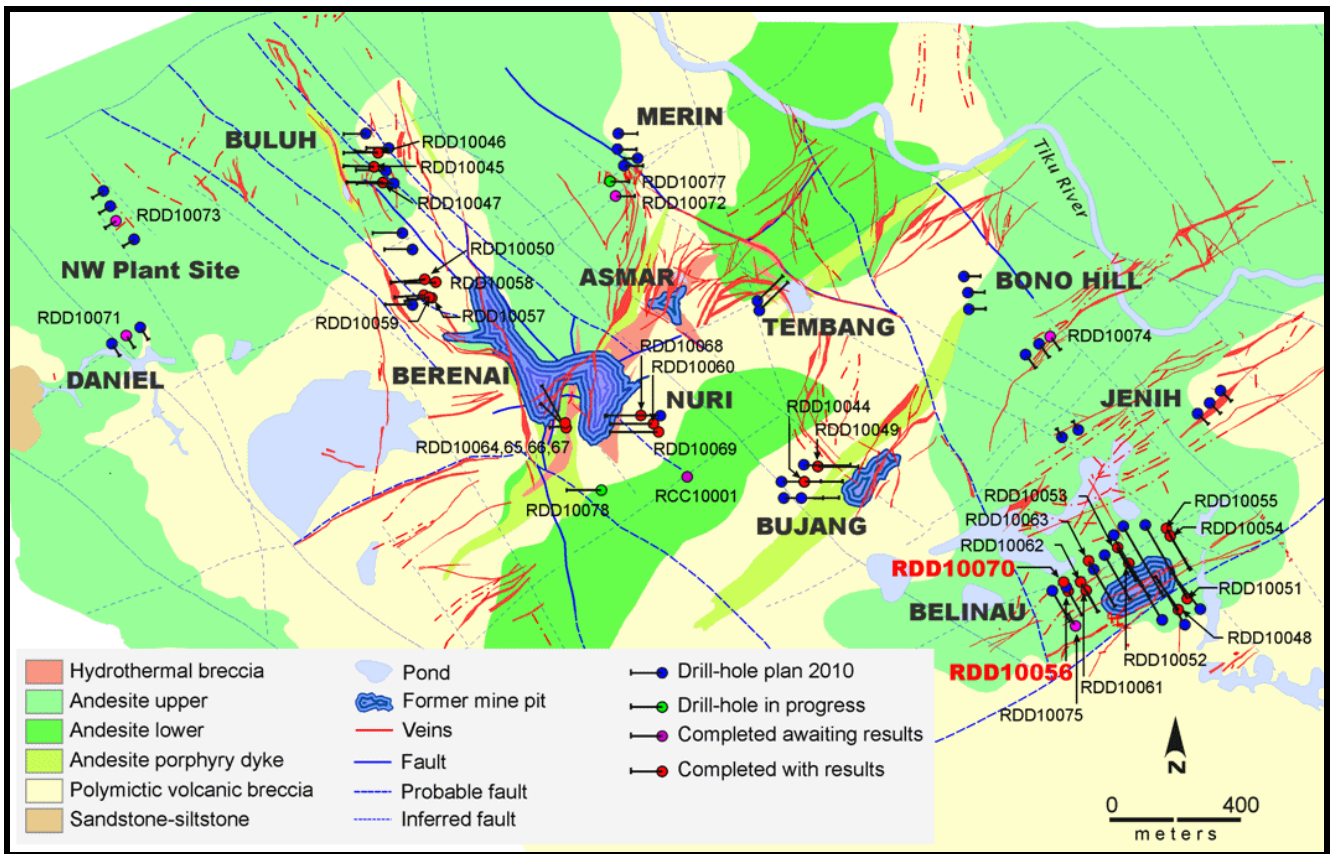
The Tembang project is located approximately 120 kilometres north-northeast of Bengkulu in South Sumatra province. Tembang is a large intermediate-sulphidation epithermal deposit comprising gold-silver bearing quartz veins hosted by Tertiary volcanics. The Company has rights to two IUPs totalling an area of some 850 km² over and around the former Rawas mine that operated between 1997 and 2000.

A 5,000 metre drilling program, designed to test the down dip extensions of the higher grade vein systems at Buluh, Bujang, Nuri and Belinau has now been completed. This program has been highly successful in delineating two major mineralised shoots at both Belinau and Berenai.

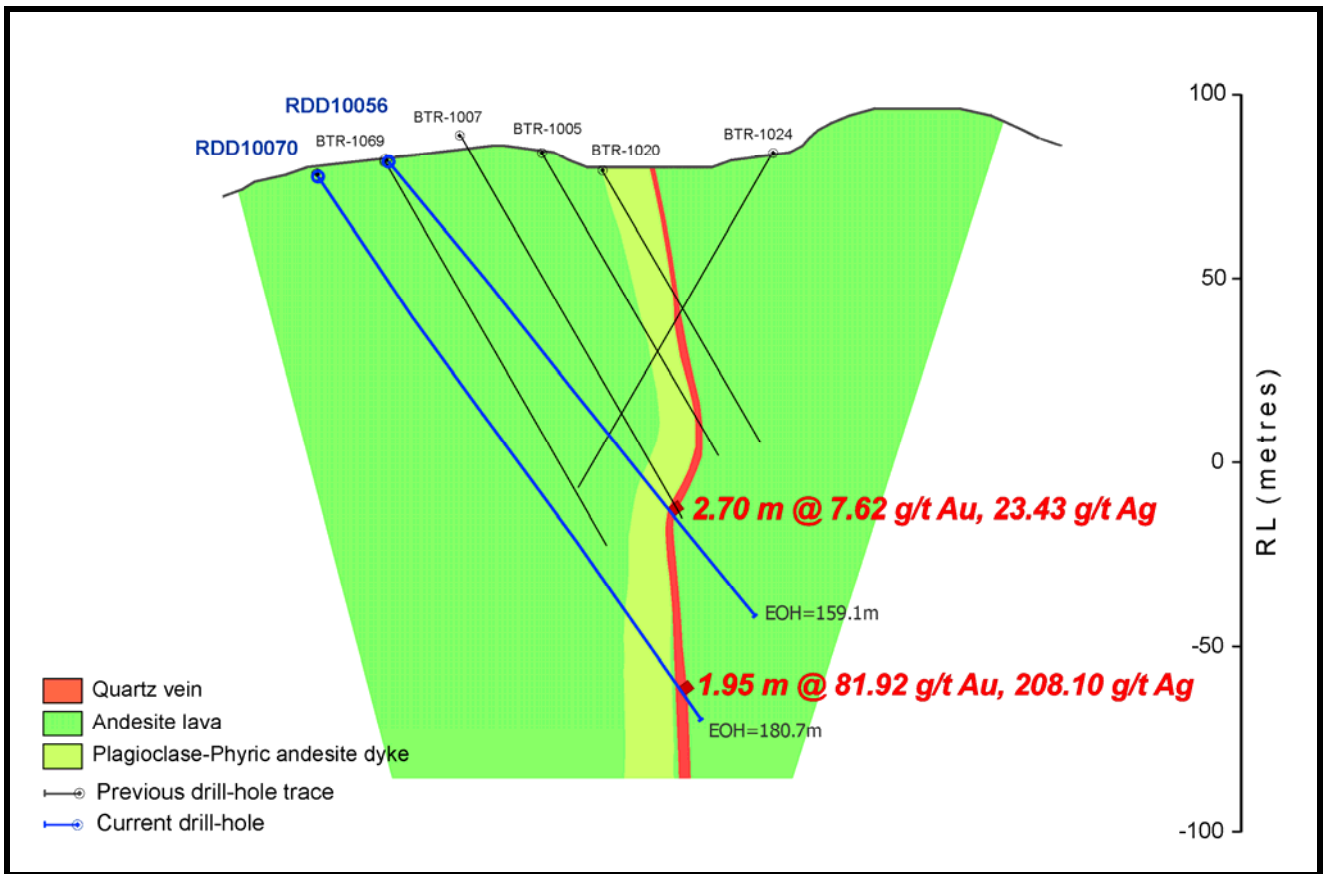
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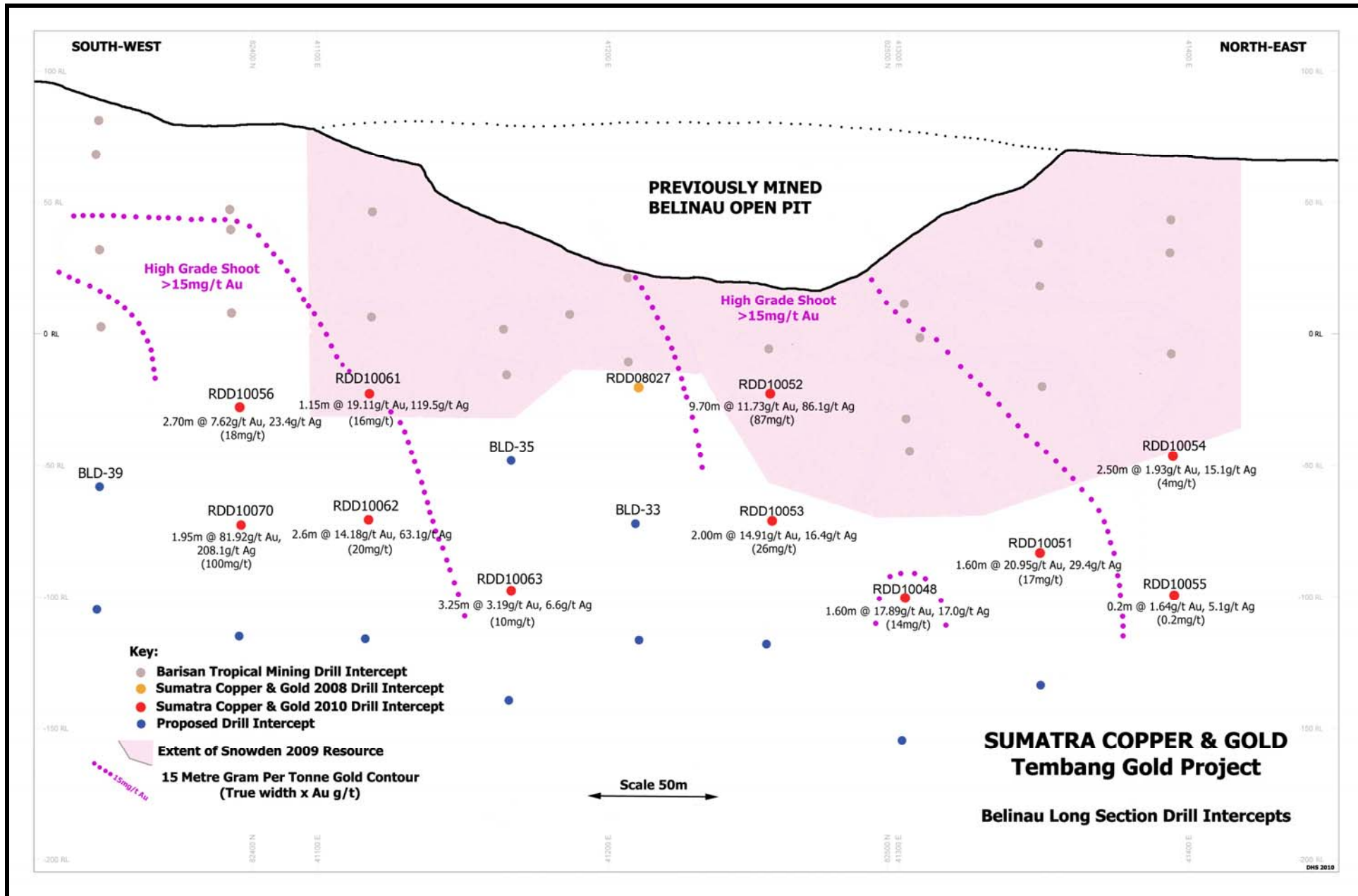
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Plan of Tembang Drilling Program



Belinau Drill Section RDD10056 and 10070



Long Section through Belinau Showing Drill Pierce Points

At Nuri, RDD10068 intersected 27 metres @ 0.57 g/t Au in waste dumps from surface before intersecting a thick zone of both halo (9.30 metres @ 0.79 g/t Au and 19.8 g/t Ag) and vein (6.9 metres @ 1.08 g/t Au and 21.6 g/t Ag). Although the vein is moderate grade this is still encouraging as a significant width of veining is still evident at depth.

The Company is now in advanced planning for a further 10,000 metre drilling program to explore and define these higher grade shoots underneath what appears to be a lower grade cap. These holes hold the promise to multiply the resource potential of Tembang several times.

**Tembang 2010 Resource Drilling Significant Intersections Au >0.35 g/t
from 15 June 2010 to 12 July 2010**

Hole No	Location	Type	From	To	Length	Au g/t	Ag g/t	Comments
RDD10068	Nuri	Vein	44.65	45.25	0.60	24.10	92.6	
RDD10068	Nuri	Halo	52.25	53.20	0.95	3.35	20.9	
RDD10068	Nuri	Halo	98.30	107.60	9.30	0.79	19.8	Includes 4m <0.35g/t Au
RDD10068	Nuri	Vein	143.30	150.20	6.90	1.08	21.6	Includes 0.3m <0.35g/t Au
RDD10068	Nuri	Halo	160.80	163.00	2.20	0.91	10.5	
RDD10069	Nuri	W.Dump	0.00	27.00	27.00	0.57	1.6	Includes 5m <0.35g/t Au
RDD10069	Nuri	Halo	136.40	138.40	2.00	1.14	11.6	Includes 1m <0.35g/t Au
RDD10069	Nuri	Vein	237.10	239.00	1.90	1.63	11.4	Includes 1m <0.35g/t Au
RDD10069	Nuri	Halo	247.80	249.80	2.00	0.74	2.1	
RDD10070	Belinau	Vein	170.65	172.60	1.95	81.92	208.1	

Other

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Matthew Farmer, geologist, who is a member of the Australian Institute of Mining and Metallurgy. Matthew Farmer is an employee of the Company who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Matthew Farmer has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information please contact Warrick Morris, Peter Nightingale or Richard Edwards on (61 2) 9300 3377.

Yours faithfully

Warwick Morris
Chairman

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