



16 July 2010

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(2 pages by email)

Dear Madam

AGREEMENT TO ACQUIRE MINORITY INTERESTS IN INDONESIAN OPERATING ENTITIES

Sumatra Copper & Gold plc ('Sumatra' or 'the Company') is pleased to announce that it has reached agreement with Adi Adrianyah Sjoekri ('Adi Sjoekri') to restructure their current arrangements resulting in Sumatra acquiring all of Adi Sjoekri's interests in five operating entities for a consideration of 3,800,000 new Sumatra CHESSE depository interests ('CDIs') for shares and A\$368,000 in cash. A binding Heads of Agreement has been signed by the parties.

Completion of the transaction is conditional on local approvals, particularly from BKPM, the Indonesian Investment Coordinating Board. This process is under way.

This transaction is made possible by the provisions of the 2009 new Mining Law that now allows up to 100% foreign ownership of local companies that hold exploration and mining licences ('IUPs').

Completion of this transaction will have the effect of raising Sumatra's economic interest and/or ownership in 5 local companies holding IUPs and one with an application from 92.5% to 100%. The companies holding IUPs are PT Dwinad Nusa Sejahtera (Tembang project), PT Nusa Palapa Minerals (Sontang project), PT Bengkulu Utara Gold (Tandai project), PT Musi Rawas Gold and PT Jambi Gold.

On completion of the transaction Adi Sjoekri's equity holding in the Sumatra will be approximately 3.6%. Adi Sjoekri will be invited to join the Board of Sumatra as an Executive Director with responsibilities for External and Governmental Relations.

Sumatra's Chairman, Warwick Morris, comments: "I am delighted that we have signed this agreement with our local partner, Pak Adi Sjoekri. It gives the Company full control of its operating entities and for Pak Adi it converts his interests into an ASX listed investment. By the same token this agreement retains Pak Adi in the management structure of the Company and we will have the benefit of his wise counsel at Board level. Pak Adi has been the leading executive in Sumatra in first making our mining tenement applications and, subsequently, successfully converting them to IUPs under the new Mining Law".

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

Yours faithfully

A handwritten signature in blue ink, appearing to read 'W. Morris', is positioned above the typed name.

Warwick Morris
Chairman
pjn5460