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The Manager Companies
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

(4 pages by email)

UPDATED RESOURCE FOR TEMBANG PROJECT

Highlights

- **More robust higher grade resource at Tembang of + 1 million ounces Au**
- **Potential underground high grade resource of 130,330 ounces at Belinau**
- **Measured and Indicated Categories now 76% of total resource**

Sumatra Copper & Gold plc (ASX: SUM, Sumatra, the Company) is pleased to release an updated resource for its Tembang Gold and Silver Project, located in central Sumatra, Indonesia.

The drilling programs at Belinau and Berenai targeting and encountering higher grade zones have resulted in an overall more robust and higher grade resource of **23.54 Mt @ 1.32 g/t Au and 17.3 g/t Ag**. This represents a 39% increase in grade from the 2009 resource estimate by Snowden.

The Belinau deposit, by itself, represents a potential underground resource of **0.49 Mt @ 8.24 g/t Au and 71.8 g/t Ag**. This makes Belinau broadly comparable to Kingsrose Mining's Way Linggo mine also in Sumatra. Drilling in 2010/11 has added 99,700 ounces Au and 746,400 ounces Ag at an average grade of 9.17g/t Au and 68.7g/t Ag. A recently commissioned scoping study by Mining Plus has confirmed the potential viability of mining Belinau by underground means.

The vein component is now **79%** of the total resource mainly due to the decrease in the halo resource. This better reflects the most important style of mineralisation in the deposit. The Measured and Indicated categories have also increased from 47% of the total resource to 76%. As presaged in our Tembang drilling update announcement on 12 October 2010 the inferred halo mineralisation has been materially reduced to 12.18 Mt @ 0.54 g/t Au and 7 g/t Ag due to a more rigorous review of the geological model.

**Tembang Mineral Resource March 2011 presented in accordance with
the JORC reporting Code and Guidelines**

Type	Category	Mt	Au g/t	Ag g/t	Au oz	Ag oz
VEIN	Measured	3.42	2.25	36.5	247,700	4,017,700
	Indicated	4.38	2.39	29.2	335,900	4,114,300
	Inferred	3.55	1.81	19.9	207,200	2,266,900
	Sub-Total	11.36	2.17	28.5	790,800	10,398,900
HALO	Measured	-	-	-	-	-
	Indicated	10.27	0.54	7.2	178,500	2,389,200
	Inferred	1.91	0.51	5.4	31,200	333,300
	Sub-Total	12.18	0.54	7.0	209,700	2,722,400
TOTAL		23.54	1.32	17.3	1,000,500	13,121,300

NOTES:

Rounding errors may occur. Vein above 0.5g/t Au cut-off, halo material above 0.3g/t cut-off.

The following is an extract from a review by Hellman and Schofield of the methodology and results of the resource modelling which is the work of the Company's Consulting Resource Geologist, Mr David Stock:

"Sumatra Copper and Gold ("Sumatra") commissioned Hellman & Schofield Pty Ltd ("H&S") to review the process used by Sumatra for their updated March 2011 resource estimates. In addition, H&S was asked to comment on the differences between these results and the previously released May 2009 estimates that were completed by an external consulting group. H&S has not assessed the underground potential of Sumatra's resources.

H&S regards the Sumatra estimation methodology for the primary **vein** mineralization as being appropriate.

H&S recommends that a different estimation methodology be used for the **halo** mineralization for the Definitive Feasibility Study. This highly variable and discontinuous mineralization style requires a technique that accounts for the short scale continuity of the higher grade veinlets as well as the longer continuity of the lower grades in order to minimize over-smoothing of higher grades into large volumes of low grade material. H&S concludes that the 2011 estimates are within the meaning of Indicated and Inferred and a change of methodology is unlikely to materially affect these estimates.

There is broad agreement between Sumatra's 2011 resource estimates of the **vein** mineralization and the corresponding 2009 results. The total Sumatra 2011 vein resource above a 0.5 g/t Au cut-off is 11.4 Mt of 2.2 g/t Au and 29 g/t Ag (74% of Au ounces is Measured and Indicated) compared with the 2009 estimates of 12.0 Mt of 1.9 g/t Au and 29 g/t Ag (75% of Au ounces is Measured and Indicated). There is an increase of total gold ounces of 9% in the 2011 estimates compared with those of 2009.

The 2009 resource for the **halo** mineralization above a 0.35 g/t Au cut-off totals 0.9 million ounces (25% Indicated, 75% Inferred) compared with the current estimates above a 0.3 g/t Au cut-off of 0.2 million ounces (85% Indicated, 15% Inferred), a reduction of 77% (i.e. 23% of the 2009 ounces). There is also a 70% reduction in Ag ounces.

H&S concludes that the much larger 2009 **halo** estimates have primarily resulted from the use of extremely large search radii of up to 600 metres for Inferred Resources coupled with other significantly different estimation parameters. These include variogram models that have lower nuggets and longer ranges of their first structures.”

A 5,000 metre in-fill drilling program is in progress and on its completion Hellman and Schofield will be commissioned to undertake and sign off on the resource estimates which will be the basis for the definitive feasibility study to be carried out in the second half of 2011.

Sumatra’s Managing Director, Jocelyn Waller, said the updated resource estimates at Tembang underpin the Company’s decision to advance the Project into production.

“We now have an overall higher grade resource dominated by vein style mineralisation, and certainly a robust foundation on which to base the mine development. At Belinau we have a new high grade resource which looks like lending itself to underground exploitation to supplement and sweeten the open pit feed. It’s now all systems go to take this through feasibility into production.” said Mr Waller.

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.

The Tembang Mineral Resource was estimated by Mr David Stock MAusIMM who is a Geological Consultant to Sumatra Copper & Gold and is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2004 Edition) and has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd. Mr. Spiers 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Spiers has consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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Yours sincerely



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