

Update to the application of the UK City Code on Takeovers and Mergers to Sumatra Copper & Gold plc

Sumatra Copper & Gold plc (ASX: SUM) (“Sumatra” or the “Company”) has sought and received confirmation from the UK Panel on Takeovers and Mergers (the “Panel”) that the Company is not subject to the UK City Code on Takeovers and Mergers (the “City Code”) at this time.

As a Company with its registered office in the United Kingdom (the “UK”) but not listed in the UK, the City Code will normally only apply if the Company is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man (commonly referred to as the “Residency Test”). In its Prospectus dated December 2009, the Company stated that it was subject to the City Code as, at the time, Sumatra’s Managing Director and two of the three Non-Executive Directors were resident in the UK. However, in early 2012, Mr Julian Ford was appointed Managing Director and in the period since the listing of Sumatra on the Australian Securities Exchange, both UK resident Non-Executive Directors of the Company have resigned.

Sumatra approached the Panel regarding the application of the City Code because in December 2012, a major investor registered a substantial shareholder notice of 26% in Sumatra. The City Code includes, amongst other rules, mandatory offer obligations on any person who alone or acting in concert comes to hold an interest in shares carrying 30% or more of the voting rights in a company that is subject to the City Code. Therefore the Company sought and obtained confirmation from the Panel that Sumatra is not subject to the City Code at this time. Accordingly, investors should be aware that shareholders are currently able to increase their interests in voting rights in the Company to 30% or more without having to make a mandatory offer under the City Code.

On 5 July 2012, the Panel published a Public Consultation Paper (“PCP 2012/3”) which, amongst other things, proposed to remove the Residency Test from the City Code. If and when these amendments are implemented, the City Code may apply to the Company. Until such time the Company is outside the City Code. If the Company is to become subject to the City Code it will make an announcement.

A copy of the City Code and the proposed amendments in PCP 2012/3 are available at <http://www.thetakeoverpanel.org.uk>.



Directors

Warwick Morris

Non-Executive Chairman

Julian Ford

Managing Director and CEO

Adi Sjoekri

Executive Director

Jocelyn Waller

Director (Non-Executive)

Contact

Ground Floor, 20 Kings Park Rd, West Perth, WA, 6005

T: +61 8 9389 2111

F: +61 8 9389 2199

E: info@scgplc.com

Registered in England and Wales

Registered address

39 Parkside, Cambridge
United Kingdom CB1 1PN

Registered Number 5777015

ASX Code: SUM

www.sumatracoppergold.com

For further information please contact:

Julian Ford
Managing Director
Sumatra Copper & Gold plc
+61 8 9389 2111

Nicholas Read / Paul Armstrong
Read Corporate
T: +61 8 9388 1474
M: +61 419 929 046
Nicholas@readcorporate.com.au

About Sumatra Copper & Gold

Sumatra Copper & Gold plc (ASX: SUM) is an emerging gold and silver producer and the pre-eminent precious metals explorer in southern Sumatra, Indonesia. The Company has a significant project portfolio covering an area of more than 3,200km² and encompassing a pipeline of projects ranging from greenfields exploration projects to brownfields, near-production opportunities.

Sumatra's flagship asset, the 100%-owned Tembang Gold-Silver Project, is on track for production during 2014. Tembang has Proven Reserves of 2.4Mt at 2.5 g/t Au and 38.7 g/t Ag for a total of 0.2Moz of gold and 3Moz of silver and Probable Reserves of 3.1Mt at 2.1 g/t Au and 25.6 g/t Ag for a total of 0.2Moz of gold and 2.5Moz of silver (total of 0.4Moz of gold and 5.5Moz of silver) which are compliant with the 2004 JORC Code.

The Stage 1 production plan is a low-cost, high-grade operation targeting 400,000 tonnes per annum (tpa) process capacity to produce 30,000oz per annum of gold and 200,000oz per annum of silver. Sumatra plans to fund the Stage 2 upgrade from cash flow, increasing throughput to 900,000tpa and production to 50,000oz of gold per annum and silver production to 500,000oz per annum. The ramp-up is expected to take place over a one year period. The current life-of-mine plan is for 7.5 years based on the current resource inventory.

Under a joint venture with Newcrest Mining Ltd, Sumatra is currently exploring the Tandai project (30% Sumatra; 70% Newcrest). Newcrest has already met its minimum expenditure position of US\$1.75 million and has an option to earn a 70% interest by spending US\$12 million over 5 years. Sumatra has identified significant gold mineralisation at Tandai, which has historic high-grade production of 1.4Moz ounces gold.

Sumatra also has the 100%-owned Sontang Project, which is an early-stage high-grade zinc, gold and silver exploration project.

Competent Person's Statement – Mineral Resources

The information relating to Mineral Resources is based on information compiled by Mr David Stock MAusIMM who is an independent Geological Consultant to the Company and is a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 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. In addition, the Mineral Resource estimates were reviewed by Mr Robert Spiers who is a member of AIG and 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'.

Competent Person's Statement – Ore Reserves

The information in this report that relates to Open Pit and Underground Ore Reserves is based on information compiled by Mr Shane McLeay of Entech Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McLeay 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 McLeay consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.