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The Manager Companies  
ASX Limited  
20 Bridge Street  
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(4 pages by email)

Dear Madam

## UPDATED RESOURCE FOR TEMBANG PROJECT

### Highlights

- **Improved overall gold and silver grades at Tembang**
- **Findings underpin staged development plan for Tembang**
- **Southern high grade shoot at Berenai remains open at depth**
- **Belinau deposit confirmed as a potential stand alone underground resource**

Sumatra Copper & Gold plc ('Sumatra' or 'the Company') is pleased to announce the updated resource for its Tembang gold and silver project, located in central Sumatra, Indonesia.

A 5,618 metre infill drilling program has further defined the resource and formed the basis of the upcoming Feasibility Study. The Company also carried out an extensive Specific Gravity verification of various lithological groups as recommended by Hellman and Schofield.

The project has a total combined resource of 22.6 million tonnes with 976,000 ounces of gold at a grade of 1.35 g/t Au and 12,794,000 ounces of silver at a grade of 17.6 g/t Ag. Further definition has been added to the ore zones, improving resource confidence in some key areas.

Sumatra Chief Executive Officer Julian Ford said the updated resource produced in line with the JORC guidelines and the confirmation of Belinau's potential as a stand alone underground resource gives the Company confidence to proceed with its two stage development plan at Tembang.

"Our strategy, as outlined in the June quarterly report, is to move our high grade Belinau deposit (as well as two smaller satellite pits) into production during stage 1. By doing so, we will substantially reduce the time and capital costs required to move into production. We aim to move the remaining larger pits at Tembang into production following completion of stage 1", said Mr Ford.

"In line with our development plan, we published the Belinau Resource as a discrete underground resource using a higher cut-off grade.

"The latest resource is very similar to the previous global resource albeit with a tighter drill pattern and an increased data set. We will provide an updated development plan and schedule in the coming weeks."

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## Increased Definition at Belinau and Berenai

The infill drilling program succeeded in better defining the resource at Belinau and Berenai, with further scope to add to Berenai's resource following the extension of the southern high grade shoot which still remains open at depth.

Drilling at Belinau increased the size of the Northern high grade shoot and gave further definition to the Southern high grade shoot. The size and grade of the Belinau resource now constitutes a stand alone potential underground resource. Both high grade shoots at Belinau are now closed off, though potential remains to explore for additional vein development along the strike of this highly prospective structural corridor.

Follow up work on rock densities has added a much better defined set of density values for modeling. Tighter search parameters have resulted in a reduction in inferred resources and a limitation on the influence of high grade assays. Drilling at Buluh and Bujang trimmed away some inferred high grades.

A revision of the use of density data has resulted in a slight loss of tonnage in the veins as the Company now models density values for each block which recognises that in some areas the vein includes intercalated mineralised wall rocks which have lighter densities. Halo mineralisation, renamed as peripheral sheeted veins (PSV) to more correctly reflect the style of mineralisation, saw a 5% drop in tonnages due to the revision downwards by some 20% for the density of oxidised zone.

As with the previous March resource the new model and estimate have been reviewed by Hellman & Schofield.

<b>Tembang Mineral Resource August 2011 Reported to JORC Code Standards</b>						
<b>Belinau Above 2.78g/t Underground Cut-Off</b>						
<b>BELINAU VEIN</b>		<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
	Measured	149	7.22	75.5	35	361
	Indicated	266	8.02	67.9	69	580
	Inferred	72	10.50	81.4	24	188
	<b>Sub-Total</b>	<b>487</b>	<b>8.14</b>	<b>72.2</b>	<b>127</b>	<b>1,130</b>
<b>All Veins Excluding Belinau Above 0.5g/t Open Pit Cut-Off</b>						
<b>OTHER VEINS</b>		<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
	Measured	2,598	2.27	37.8	190	3,156
	Indicated	4,423	1.80	25.6	256	3,637
	Inferred	3,554	1.80	20.3	202	2,319
	<b>Sub-Total</b>	<b>10,575</b>	<b>1.91</b>	<b>26.8</b>	<b>648</b>	<b>9,112</b>
<b>PSV Material Above 0.3g/t Open Pit Cut-Off</b>						
<b>PSV</b>		<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
	Measured					
	Indicated	11,323	0.54	6.9	198	2,523
	Inferred	194	0.50	4.6	3	29
	<b>Sub-Total</b>	<b>11,517</b>	<b>0.54</b>	<b>6.9</b>	<b>201</b>	<b>2,552</b>
<b>Combined Total Resource Open Pit + Underground</b>						
<b>ALL</b>		<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
	Measured	2,747	2.54	39.9	224	3,517
	Indicated	16,012	1.02	13.1	522	6,741
	Inferred	3,820	1.90	20.7	229	2,536
	<b>Total</b>	<b>22,579</b>	<b>1.35</b>	<b>17.6</b>	<b>976</b>	<b>12,794</b>
<p><b>Note: Rounding errors may occur, reporting cut-offs as indicated, significant figures do not imply any added level of precision.</b></p>						



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Yours sincerely



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