



7 November 2011

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(4 pages by email)

Dear Madam

Tandai Gold Discovery Announcement – Clarifying Statement

I refer to the announcement of Sumatra Copper & Gold plc ('Sumatra' or 'the Company') dated 2 November 2011 regarding the new gold discovery at the Lusang North prospect within the Tandai project. The wording that the Tandai project is an "under-explored area with strong potential to be a multi-million ounce district" is not meant to imply that the Lusang North drill intersection is a multi million ounce "Exploration Target" or "Mineral Resource"; as this interpretation does not comply with the JORC Code, Clause 18. As such, the company withdraws this statement.

The Lusang North drill intersection as reported on the 2 November was the first drill hole targeted to intersect the Lusang North vein. The Lusang North vein is interpreted to run parallel to the Tandai Vein, which is approximately 200 metres to the south. However the continuity of the Lusang North vein is not yet fully understood and will need to be determined by drill testing. The Company is currently awaiting drill assays from TD 11025 which may confirm the continuity of the mineralisation at depth. The Company has been applying numerous advanced exploration techniques, including the controlled source audio-frequency magnetotellurics ('CSAMT') survey over the region. These modern exploration techniques are assisting in the targeting of the current drill program, especially in areas previously obscured by recent volcanic cover, which would have been overlooked by previous explorers.

By way of clarification, the Tandai lode, 200 metres to the south of Lusang North as shown in Figure 1, has a long history of formal mining from the early part of the 20th century until post World War II, where at least three Dutch companies worked portions of the system. The old Dutch mining town at Tandai still remains, and was re-furbished by PT Lusang Mining Ltd (in a joint venture with CSR, then Billiton) when the mine was re-developed and worked between 1985 and 1995. Reported historic gold production from Tandai is 1.4 million ounces Gold and 15 million ounces Silver. Historic formal production was from underground, where highest grades were mined from mineralised structures and lower values were left in situ and can be seen on the composite long section in figure 2.

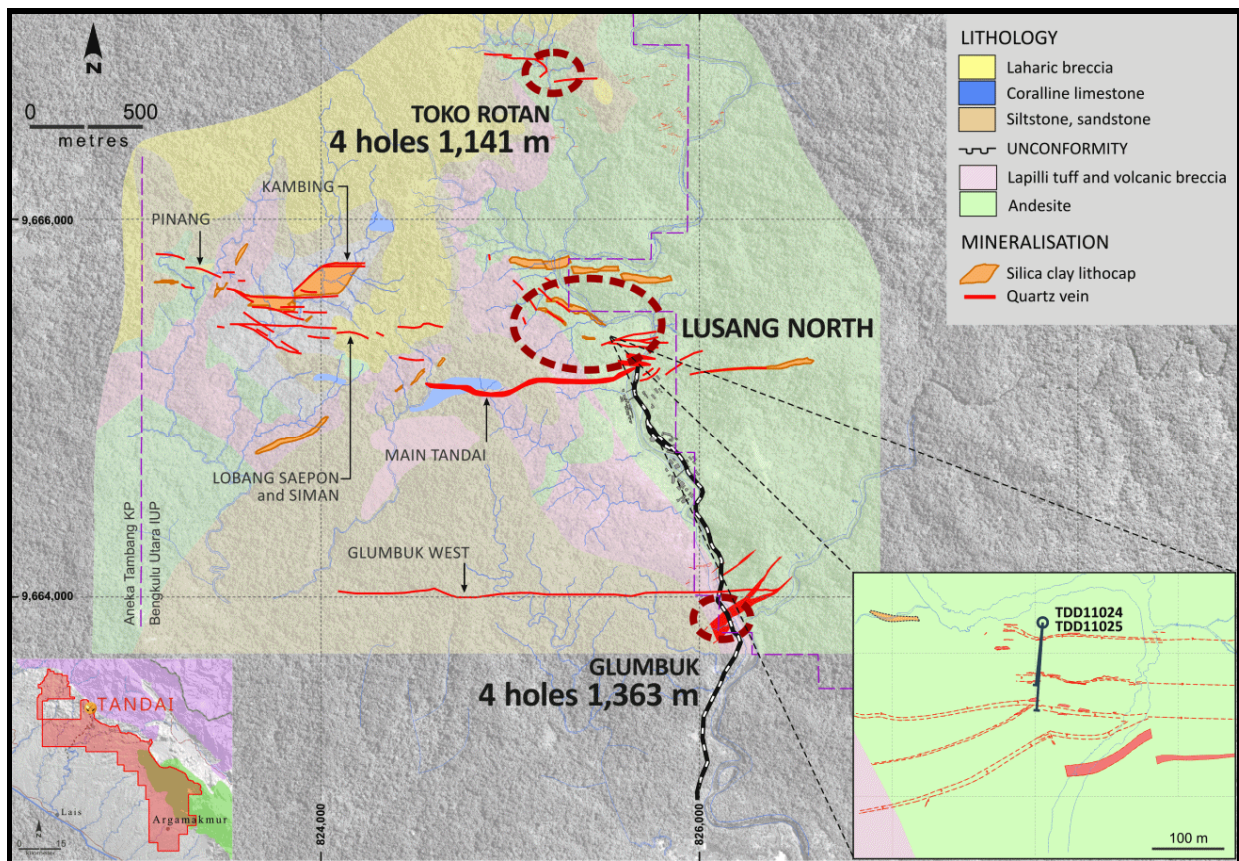


Figure 1 – Tandai district with Lusang North drilling

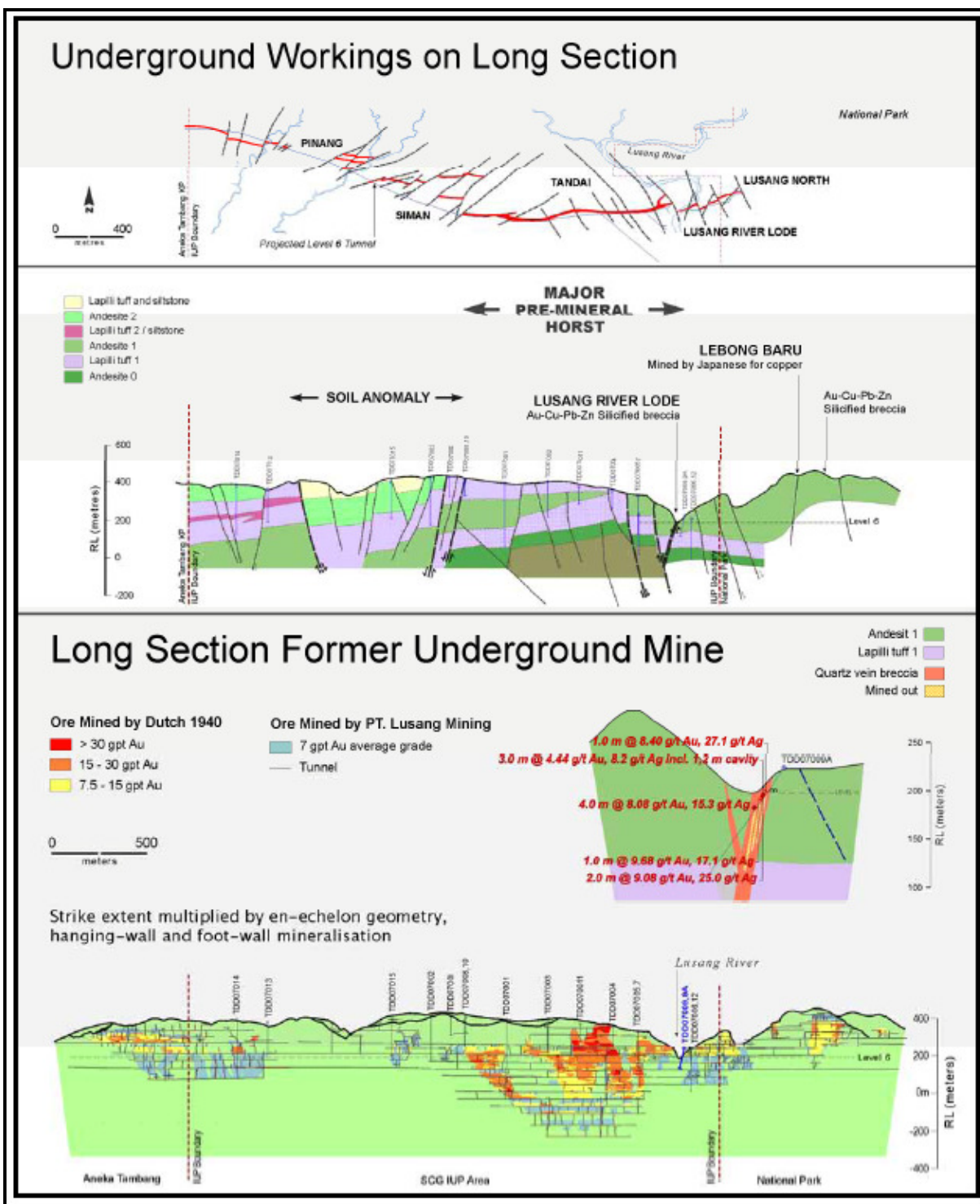


Figure 2 – Tandai Main Lode, Composite Long Section

Competent Person

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 Australasian 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 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.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'R Edwards', written in a cursive style.

Richard Edwards
Company Secretary

pjn6329