



13 January 2010

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

Dear Madam

GRANT OF 3 IUPS AND COMMENCEMENT OF DRILLING

The Directors of Sumatra Copper & Gold plc ('Sumatra Copper & Gold' or 'the Company') are pleased to announce that the Company has been granted a further 3 Exploration IUPs (Izin Usaha Pertambangan).

The Directors are also pleased to announce the commencement of drilling at the Company's Tembang project.

- **Tembang project enhanced by grant of 2 IUPs totalling 850 km²**
- **New drilling commenced at the Tembang project**
- **Tenure of Jambi prospects secured by grant of IUP totalling 975 km²**
- **Total area secured under issued IUPs now exceeds 2,000 km²**

IUPs

The Company now holds 4 Exploration IUPs (mining business permits) which have been granted in accordance with the 'grandfathering provisions' of the new Indonesian Mining Law promulgated on 12 January 2009.

The Exploration IUPs give the Company the right to complete its exploration programs and, subject to positive feasibility studies, are convertible into Production IUPs for an initial period of 20 years and extendable for a further 20 years (by way of two 10 year extension periods). The grant of the IUPs demonstrates that the new Indonesian Mining Law is functioning effectively and provides the Company with long term security of tenure.

Two IUPs have been granted by the Bupati (Regent) of Musi Rawas regency in the province of South Sumatra and one by the Governor of Jambi province.

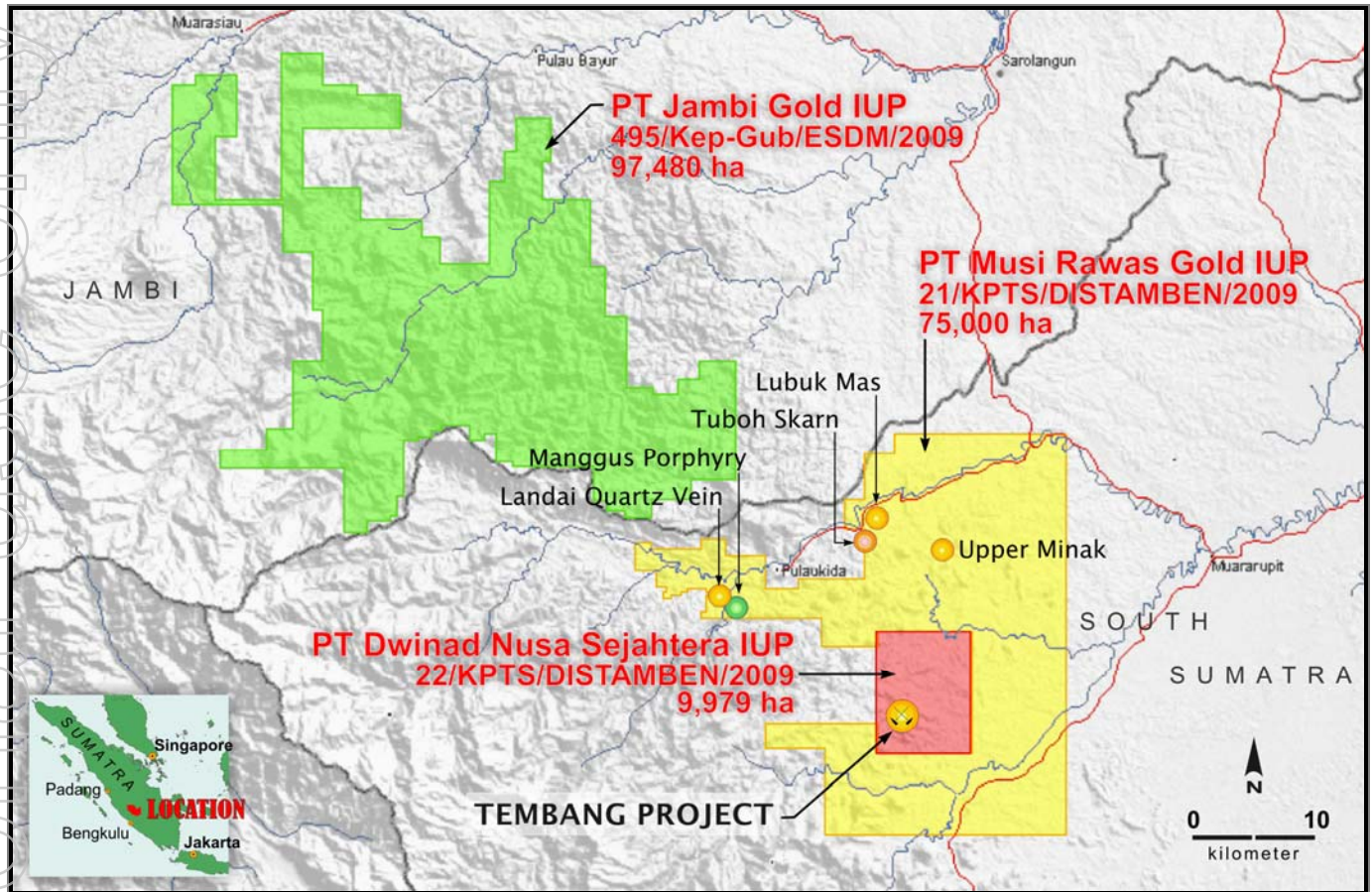
One Musi Rawas IUP (22/KPS/DISTAMBEN/2009) which covers 9,979 hectares (99.8 km²), was issued to PT Dwinad Nusa Sejahtera (Dwinad), a company owned by Sumatra Copper & Gold's Indonesian partner, Adi Adriansyah Sjoekri, and in which under a Co-Operation Agreement Sumatra Copper & Gold has a 92.5% economic interest. This IUP, which has a validity of 4 years, covers the Company's Tembang project with reported JORC compliant resources of 1.6 million ounces gold and 19.8 million ounces silver as described in the Tembang Project Update announcement to the ASX on 20 November 2009.

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The second Musi Rawas IUP (21/KPTS/DISTAMBEN/2009) which covers an area of 75,000 hectares (750 km²), was issued to PT Musi Rawas Gold, a PMA company whose shareholders are Sumatra Copper & Gold (92.5%) and PT Nusa Palapa Minerals (7.5%), owned by Adi Adriansyah Sjoekri. This IUP has a validity of 8 years and abuts the Dwinad IUP's north, east and south boundaries. It includes known gold prospects at Lubuk Mas, Upper Minak and Landai, a skarn at Tuboh and a porphyry showing at Manggus.



New IUPs Location Map

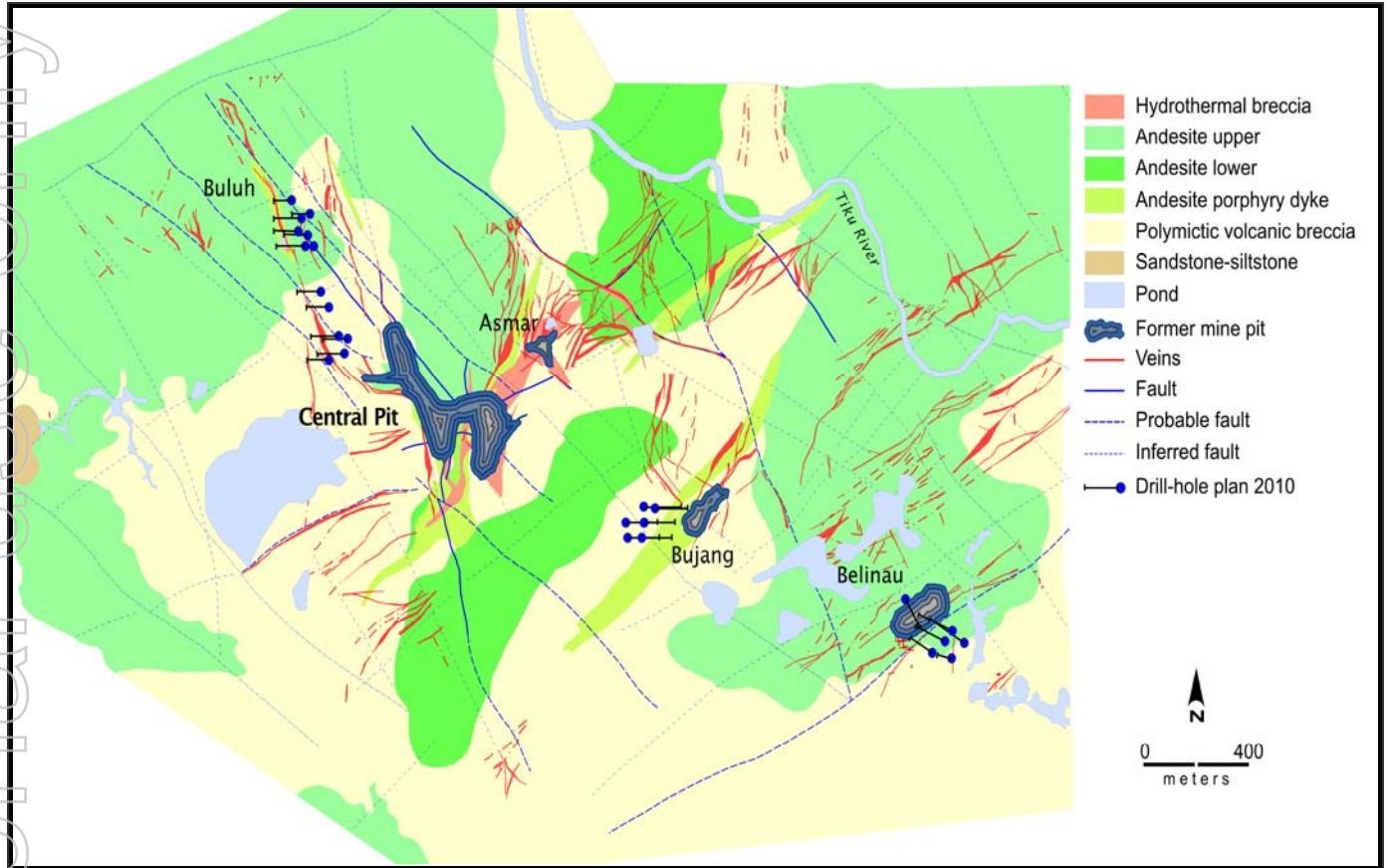
The Jambi province IUP (495/Kep-Gub/ESDM/2009) which covers 97,480 hectares (975 km²), was issued to PT Jambi Gold, another PMA company owned 92.5% by Sumatra Copper & Gold and 7.5% by PT Nusa Palapa Minerals. The Jambi IUP, which has a validity of 7 years, covers the Company's Jambi prospect, a greenfields prospect containing a number of areas that are geochemically anomalous.

The issue of these three IUPs means that Sumatra Copper & Gold and its Indonesian partner now have four IUPs issued. The Company's fourth IUP covers 24,850 hectares (249 km²) in the regency of Pasaman in the province of West Sumatra and was issued to PT Nusa Palapa Minerals on 15 May 2009. It covers the polymetallic discovery at Sontang.

Sumatra Copper and Gold's Managing Director, Jocelyn Waller, comments: "The issue of these three IUPs brings the total area under secure IUP title to more than 2,000 km², a substantial area by any yardstick. They cover two of our main exploration projects, Tembang and Sontang, both of which have work programs and drilling planned for 2010, and many other prospects. To have solid security of tenure underpins the value of these tenements and prospects. It has involved a lot of hard work by our Indonesian partner, Pak Adi Sjoekri, and his team and the co-operation of the Mines Department and the local administrations in Sumatra. We are grateful to them for entrusting the development of these lands to us. We are also excited by the start of a new drilling program at Tembang".

Tembang Drilling

The Company is also pleased to report the start of drilling at Tembang. A first program of 25 diamond drill holes, for some 5,000 metres, is designed to test the down dip extensions of mineralisation at Bujang, Belinau and Buluh. Historical production grades for Bujang and Belinau were 4 g/t to 5 g/t gold and 70 g/t to 130 g/t silver. Both ore bodies remain open at depth. At Buluh the production grade was 2.8 g/t gold and 36 g/t silver. The Buluh system comprises a zone of up to four veins all of which remain open at depth.



Tembang Project Drilling Plan

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by David Stock, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. David Stock is a consultant to 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'. David Stock has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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

Yours sincerely

Warwick G. Morris
Chairman

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