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The Manager,
Company Announcement Office,
Australian Stock Exchange Limited.

HIGH GRADE COPPER DISCOVERED AT PEELWOOD

SP001:

1m at 9.03% Cu, 5.43% Zn and 90.8g/t Ag and 0.35% Pb

(from 32 – 33 metres)

This intersection is contained within broader intersection of:

4 metres at 3.16% Cu, 1.64% Zn, 62g/t Ag & 0.35% Pb

from 30-34m

Second Deeper Mineralisation Lode SP001:

3 metres at 1.99% Zn, 1.04% Pb, 0.15% Cu and 6.2 g/t Ag.

from 81-84m

Sultan Corporation Limited is pleased to report it has received assay results from the 3-hole reconnaissance program at the Peelwood project. This project is located 75km south of Bathurst in central New South Wales.

Drilling at SP001 has identified near surface high grade Copper, Zinc and Silver mineralisation as detailed above.

This mineralisation was discovered only 25 metres below surface.

Peelwood is an historic silver and base metal mining area and is located approximately 1km south of Sultan Corporation Limited's John Fardy Project where a previously announced JORC resource of 862,000 tonnes at 6.7% zinc equivalent has been identified (see Figure 1).

Sultan's JORC resource has been estimated in the categories of measured, indicated and inferred with decreasing levels of confidence as seen in Table 2



A full interpretation of results is underway, however the intersection from 30-34 metres is west of the projected extensions of the historical Cornish and Magazine Lodes and probably represents a separate 'western lode' with strike potential to the north.

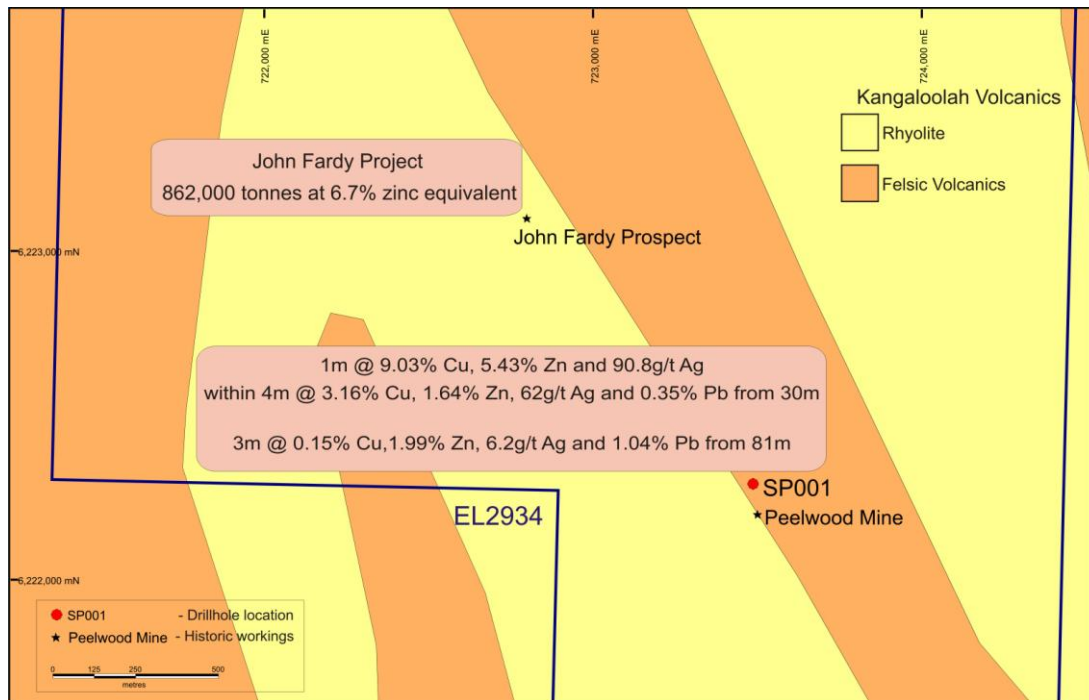


Figure 1 Location of drillhole SP001 at the Peelwood project

A silver and base metal lode was discovered at Peelwood in 1870 and the Peelwood mine was worked intermittently during the periods 1870-1883, 1888-1895 and 1927. There is an incomplete recorded production of 487 tonnes of copper, 2326 tonnes of lead, 4054 tonnes of zinc, 141,000 ounces of silver and around 200 ounces of gold.

Twelve diamond core holes were drilled at Peelwood between 1951-2002.

Most drilling has been aimed at intersecting the previously worked Cornish and Magazine Lodes at depth, below and immediately north of the mined area however unmined 'western lodes' were also intersected.

Significant intercepts from this historical drilling are given in Table 1 and they are all considerably deeper than the upper SP001 intersection of the recent programme. Additionally the shallow intersection in SP001 is relatively enriched in copper and silver rather than zinc and copper in the deeper intersections of earlier programmes.



Table 1 Significant Historical Diamond Drill-hole Intercepts in the Peelwood project

Hole No.	From (m)	To (m)	Length (m)	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
NP 5	140.21	140.51	0.30	3.54	11.5	25.0	214	1.8
	160.78	171.45	10.67	1.14	0.8	5.8	37	0.2
NP 7	97.54	102.41	4.87	0.72	0.8	2.3	22	<0.1
	120.24	123.29	3.05	0.58	5.84	11.42	50	<0.1
	125.73	127.41	1.68	0.65	2.0	3.3	28	<0.1
PD 1	77.20	77.75	0.55	0.60	8.32	20.4	72	0.2
PD 2	109.4	110.4	1.00	0.31	9.3	0.45	50	<0.1
	123.8	124.7	0.90	0.7	9.6	16.7	110	<0.1
APR30	135.5	136.0	0.50	0.2	0.3	2.4	na	na
	137.77	138.13	0.36	0.21	0.1	2.9	na	na
APR31	100.0	101.0	1.0	0.48	2.3	1.46	135	<0.1
	116.0	119.0	3.0	0.29	1.2	2.49	30	<0.1
	123.0	124.0	1.0	0.10	1.05	1.0	12	<0.1



Table 2 JORC Code-Compliant Resource at John Fardy Deposit

Resource Category	Tonnes	Zn%	Cu%	Pb%	Ag g/t	Zinc Equiv.
Measured	470,000	4.9	0.9	0.7	14	7.4
Indicated	301,000	3.3	1.1	0.3	13	5.8
Inferred	91,000	3.3	1.1	0.3	13	5.8
Total	862,000	4.2	1.0	0.5	13	6.7

These estimates should be read in conjunction with the descriptions of the nature and mode of occurrence of the John Fardy deposit and its drill hole intersections with a plan and sections that were published in Sultan's announcements on 5 and 26 June 2007.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Kevin Alexander. Mr. Alexander is a full time employee of Sultan Corporation Limited. Mr. Alexander is a member of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralization under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves". Mr. Alexander consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Derek Lenartowicz
Managing Director