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SCOTGOLD INTERSECTS TARGET VEIN AT CONONISH GOLD-SILVER PROJECT IN SCOTLAND

Gold exploration company Scotgold Resources Limited (Scotgold Resources or the company) (**ASX: SGZ**) has completed the first drill hole at its 100% owned Cononish Gold and Silver project in Scotland.

The drill hole was targeted below the JORC compliant resource which has been detailed in previous announcements.

The drill hole, which was terminated at 277m, intersected the target quartz vein close to the predicted down hole depth of 250m. Overall the alteration zone is approximately 14.6m in down hole length, and consists of pink-coloured altered wallrock surrounding a 3m interval of white quartz and breccia.

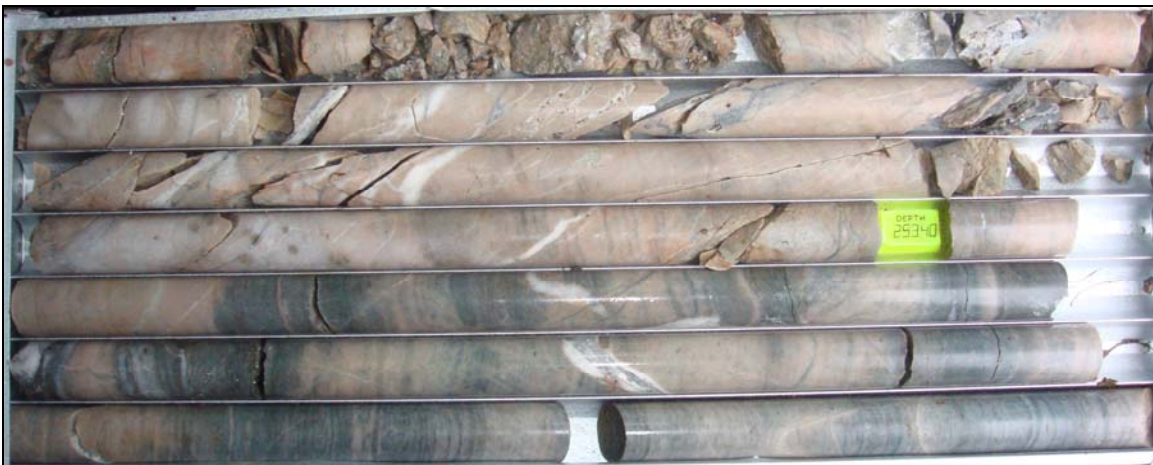
This intersection shares some of the characteristics of the main part of the mineralised vein, with significant pyrite and some galena throughout the zone.

Samples from the zone will be sent to OMAC Laboratories, based in Galway, Ireland. OMAC Laboratories will assay the samples for gold and silver and the results are expected to be received within the next few weeks.

The drill hole forms part of the recently commenced 2000m diamond drilling program targeting possible down dip and strike extensions to the existing JORC code compliant resource.

The rig will be moved by helicopter to commence the second drill hole in the program, the second hole aims to test possible extensions down dip of the initial hole.

The photos below show part of the alteration zone and the breccia / quartz vein intersection



Previous Scotgold announcements can be viewed on the Scotgold website
www.scotgoldresources.com.

Chris Sangster
Chief Executive Officer



Competent Persons Statement:

The Information in this release that relates to Exploration Results is based on information compiled by Dr R Thom MAusIMM. Dr Thom has sufficient experience that is relevant to the style of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves. Dr Thom, who is a Director of Scotgold, consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This release includes certain “forward looking statements.” All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements.

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