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The Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

Scotgold prepares for drilling

HIGHLIGHTS

- **Scotgold Resources purchases new diamond drilling rig**
- **Drilling operations to commence in May/June**
- **Draft JORC compliant resource statement received from Snowdens**
- **Experienced geologists appointed**

Newly listed Australian gold exploration company Scotgold Resources Limited (Scotgold Resources, the Company) (ASX SGZ) is pleased to announce the following major developments at its exploration project in the Grampian Highlands of mid-western Scotland:

Purchase of Diamond Drilling Rig

To ensure that Scotgold Resources has a dedicated rig at its disposal at all times for its exploration programs in Scotland, the Company has purchased an Explorer Plus MD3 diamond drill rig from Ingetrol Ltda of Chile. The overall cost of the rig, including mobilization to Scotland, is about US\$215,000.

Scotgold Resources chose this rig specifically for its 'portable' nature. The rig is demountable into sections, with the maximum weight of any component being 157kg. This feature facilitates transport by low ground pressure All Terrain Vehicles and is ideal for working in the environmentally sensitive and difficult terrain within the Company's License areas. The manufacturer has quoted that, with an 'N' head Chuck, the rig is capable of reaching a minimum depth of 450m NQ core (or 600m BQ core), which is well within the range of planned holes for the Company's 2008 drilling program.

The Explorer Plus MD3 rig, together with a comprehensive inventory of spare parts, will be air-freighted to site in early May. The Company is at an advanced stage of discussions with an established local drilling company to operate and maintain the rig on its behalf.

The drill rig will be commissioned at the Cononish prospect with a phased program of diamond drilling. This will be followed by drill programs at Inverchorachan and Tom a Chro (which have not been subject to any previous drilling), subject to obtaining any necessary permissions. It is likely that another drill rig will be used this year to augment the work undertaken by the Explorer Plus MD3 rig.



"Explorer Plus MD" working at Yanacocha in Peru"

JORC Compliant Resource Statement

Scotgold Resources previously announced the commissioning of Snowden Mining Industry Consultants (Snowden) to compile a JORC compliant resource statement for the Cononish gold-silver deposit. The Company is pleased to announce that it has now received a draft report from Snowden and will release an inaugural resource statement for the deposit within the next month.

Exploration Program Staffing

Exploration Director Dr Ron Thom transferred from Western Australia to take up residence in Scotland in March. Dr Thom will remain in Scotland for the remainder of 2008 where he is in charge of an aggressive exploration program focused on the Company's Grampian Project.

Dr Thom is supported by a number of very experienced geologists who have been working on contract to the Company over the last few months and who are familiar with the Cononish gold-silver deposit and the Company's extensive exploration database.

Mr David Catterall, who was the Exploration Manager for Caledonia Mining Corporation, the previous operator of the project until 2000, has been contracted to the Company from Mike Scott Associates. In addition to field activities, Mr Catterall has been compiling a GIS - based database of the extensive historical exploration information obtained by the British Geological Survey and previous project operators. Interrogation of this data using modern electronic techniques may reveal more gold occurrences meriting follow up, in addition to the prospects already identified.

Scotgold Resources has also contracted the services of Mr Jeff Smith, who was previously the Vice President Exploration for Caledonia Mining Corporation between 1995 and 2000. Both Mr Catterall and Mr Smith have an extensive knowledge of the Grampian Project area and together they complement the considerable in-house expertise already available to the Scotgold Resources team operating in Scotland.

Shane Sadleir
Chairman

ENDS

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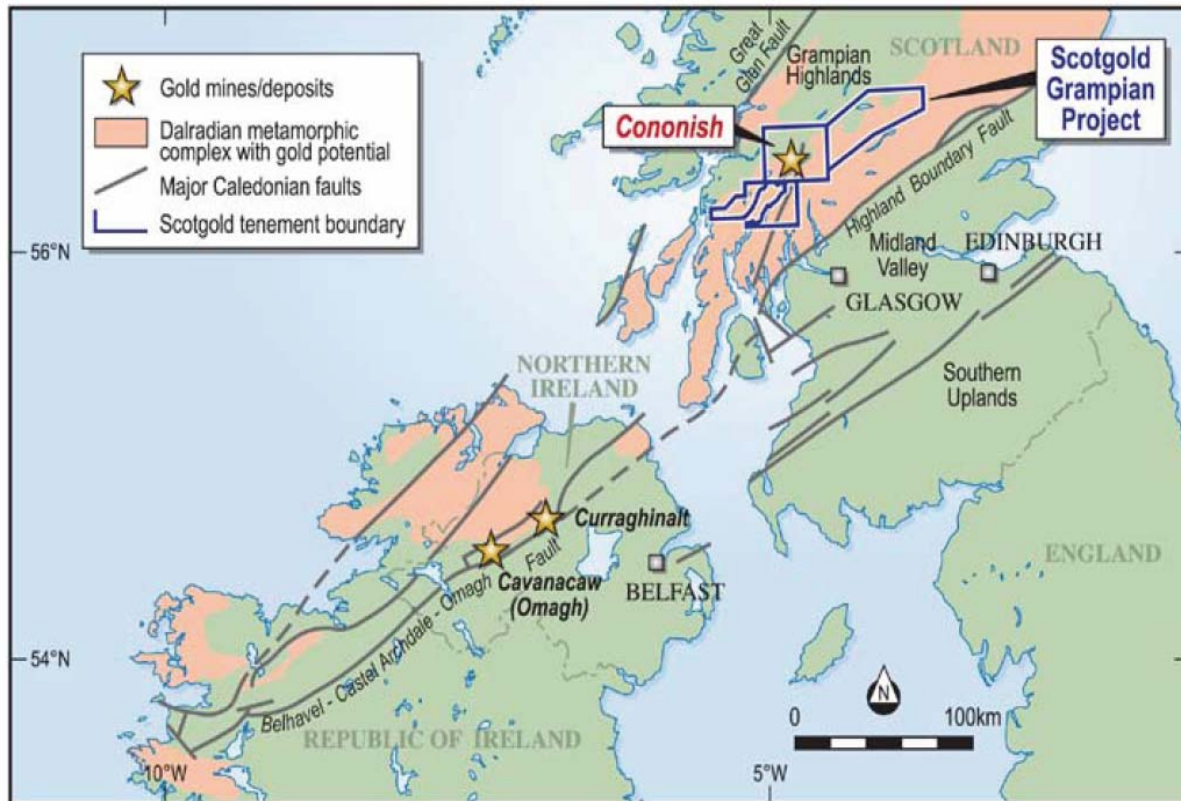
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Competent Person Statement:

The Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr R Thom BSc. (Hons), 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 consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Editors Notes:

Company Background



Scotgold Resources Grampian Exploration Project and major gold mines/deposits in the Dalradian rocks of Northern Ireland and central Scotland

Perth-based gold exploration company Scotgold Resources Limited listed on the ASX in January 2008, after successfully raising A\$4.9M through its IPO. The company plans to fast-track development at its advanced gold project in Scotland and become that country's only significant gold producer.

The Company's key assets are:

- The Cononish gold and silver deposit (100% Scotgold Resources) - estimated to contain an historic "resource" of 564,656 tonnes grading 10.55 g/t of gold and 55.0 g/t of silver (non JORC compliant)*;
- An extensive gold, silver and base metal exploration database covering Grampian Gold Project in Scotland; and
- Three granted Exploration Licences (100% ownership) covering about 2,200 sq km in Central Scotland.

* Scotgold Resources has been granted a waiver by the Australian Securities Exchange from listing rule 5.6 regarding the publication of historical resource estimates of "mineralization" for the Cononish Gold and Silver Project which are not compliant with Appendix 5A of the Listing Rules.



The Company's key project is at Cononish near Tyndrum, 90km north of Glasgow. Drilling of defined exploration targets in 2008 will focus on increasing the extent of known gold and silver mineralisation around Cononish and, subject to successful exploration, the preparation of a Bankable Feasibility Study, including an up-to-date Mine Plan and appropriate environmental management practices.

The Company plans to carry out regional exploration activities within its large tenement position where a number of exciting gold prospects have been identified. This includes the Inverchorachan Prospect where rock chip sampling (up to 247 g/t gold), deep soil sampling and trenching have revealed lode-hosted gold mineralization over a strike length of 600m and a width of 50m that represents high-quality, ready-to-drill target.

The Company is particularly keen to drill test the Tom a Chro Prospect where extensive gold in soil anomalies indicate a mineralized structure up to 2km long and located close to a cluster of boulders with spectacularly high gold assays, up to 257 g/t (refer to ASX announcement of 30 January 2008).

Scotgold's directors and management are of Australian, Scottish and English origins and collectively they have over 100 years of professional experience in the exploration, production, environmental, legal, financing and administration fields of the mining industry.