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First Cambodian drill holes intersect gold grades

Gold grades have been intersected in the first batch of holes drilled into gold-in-soil anomalies by Southern Gold Limited under its maiden exploration foray into Cambodia in South East Asia.

The highest grade intersection was 3.45 grams per tonne gold (g/t au) over one metre at just 74 metres below surface.

The assay results are for three holes and are the first to come from an initial 11 hole diamond drilling program completed by Southern Gold (ASX:SAU) last month for a total of 1,236 metres over four targets on the Snoul Concession.

Southern Gold has an 80% interest in Snoul – one of eight concessions held or under application by the Company as part of its ‘first mover’ strategy to build a gold business in Cambodia to parallel its Australian initiatives.

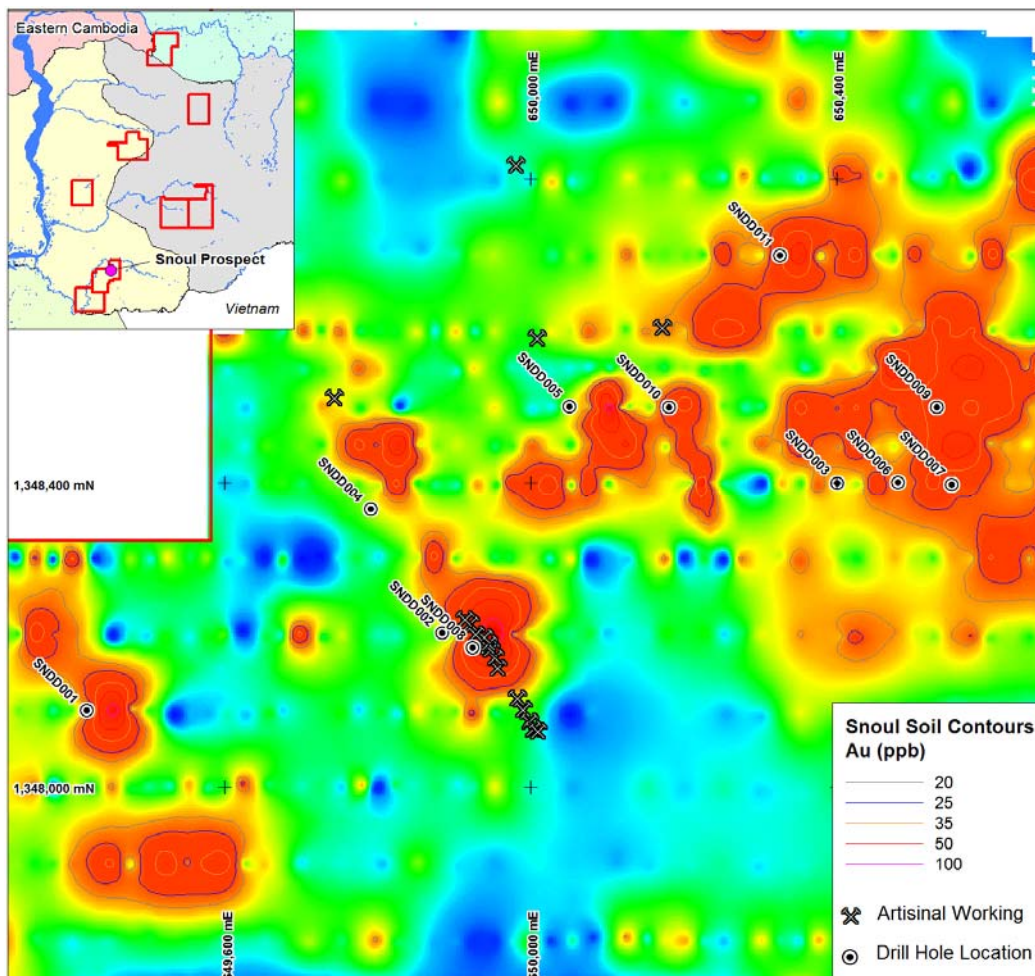


Figure 1. Drill Hole Locations Over Gold In Soils Image

Table 1 lists the anomalous intercepts returned for the three drill holes (SNDD001 to 003). One of the holes (Hole SNDD002) targeted a 530m line of artisanal workings (Fig. 1). Drill results for the remaining eight Snoul holes are expected in coming weeks.

Table 1. Snoul Drilling Anomalous Intercepts (Feb 2008)

Hole ID	Easting*	Northing*	Dip (°)	Az (°)	From (m)	To (m)	Width (m)	Grade (g/t Au)
SNDD001	649418	1348101	-60	045	24	29	5	0.45
Including					28	29	1	1.13
SNDD002	649883	1348202	-60	045	74	75	1	3.45
SNDD003	650400	1348400	-60	090				NSA

* UTM WGS84, zone 48N

The dominant lithology intersected in all holes was diorite, with minor dykes of basalts. Pyrite was logged in many of the holes, as well as minor arsenopyrite and chalcopyrite.

Southern Gold selectively sampled only the visually sulphide mineralised sections of the core for analysis by fire assay for gold.

Hole SNDD001 tested a NNW-oriented gold-in-soil anomaly orientated parallel to the Snoul line of workings and 500m to the west. The gold intercept in SNDD001 is associated with calcite-pyrite veining with minor clay alteration in a diorite host rock.

Hole SNDD002 tested the mineralised structure hosting Snoul's artisanal workings. The drill hole intersected the target structure which was represented by a narrow zone of quartz – pyrite veining (Fig. 2). The 1m @ 3.45 g/t au intercept from this zone suggests the hole did not intersect a dilational part of the structure.

Southern Gold is now extending Snoul's soil sampling grid in most directions to better define the limits and magnitude of anomalism.



Figure 2. Mineralised NQ Core from SNDD002, 74 to 75m.

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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as an employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.