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**SOUTHERN GOLD PREDICTS “MAJOR”
DISCOVERY IMMINENT IN CAMBODIA**

Asian equity market and resources investors have been told Adelaide-based explorer, Southern Gold Limited (ASX code: SAU) is on the verge of making a “major” gold discovery in Cambodia.

Addressing the peak Asia Mining Congress in Singapore, Southern Gold’s Managing Director, Mr Stephen Biggins, said recent investments in the Company’s Cambodian campaigns had enabled it to “significantly” step up exploration activities at three of its eight gold projects in the country’s northeast.

“We have now cemented our early mover advantage in Cambodia, and are on the verge of making a major gold discovery,” Mr Biggins told the mining and investment Congress.

Southern Gold is the sole or majority owner of eight Cambodian tenements, covering a total of 1,800 km² in the highly prospective northeast region, where artisanal mining has long pointed to extensive high-grade gold and base metals mineralisation.

Exploration licences have been granted for three of Southern Gold’s wholly-owned tenements, with applications pending on a further four.

The Company’s first drilling at its Snoul concession, completed in December last year, intersected gold in three holes. Detailed geochemistry and geological programs are currently being undertaken.

“All eight tenements suggest the potential for high-grade gold finds, with widespread mineralised intrusive bodies and highly anomalous regional soils,” Mr Biggins said in Singapore.

“In some places, there is undrilled gold mineralisation literally protruding out of the ground and this continues to add to our confidence of an imminent large discovery.”

Last month, the Company's exploration program received a fillip when the Japanese Government-owned Japan Oil, Gas and Metals National Corporation (JOGMEC) agreed to invest US\$4.5 million over three years in exploration at the Australian explorer's Phnum Khtong, Preak Khlong and O'Kthung tenements.

Through the agreement, JOGMEC joined a list of major Southern Gold shareholders that includes Chinese resource investor, CITIC and Australia's Macquarie Bank.

"The Joint Venture with JOGMEC has enabled us to significantly bring forward our exploration schedules – and potential discoveries – in Cambodia, which we regard as one of the world's great mining frontiers," said Mr Biggins.

"As well as enabling us to commit to much larger surveying and drilling budgets, these investments also provide substantial potential for us to acquire additional projects."

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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as a full-time 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.