

14th April 2008

Explanatory Information: Southern Gold targets major discovery in Cambodia

Further to Southern Gold's announcements last week, substantial steps forward have been made recently to increase the Company's confidence in Southern Gold's potential to make a future major discovery in Cambodia.

Recent advances by Southern Gold in its ground breaking exploration in the previously unexplored mining frontier in the north eastern provinces in Cambodia include:

1. **US\$4.5 million Joint Venture with JOGMEC** (Japanese Government backed investor in global resources) to fund accelerated exploration programs in Cambodia specifically, over the next 3 years.
2. **Initiation of one of Cambodia's largest detailed airborne geophysical surveys.** 16,000 line kilometres of magnetics and radiometrics is currently being flown by UTS at 100m and 200m spacing across all tenure. The data being collected over coming weeks will make a major, positive step change toward discovery.
3. **High grade gold in artisanal mining and rock chips.** Sampling has characterised mineralisation to include high grade gold and substantial base metal contents. (copper/zinc/lead)
4. **Large, high magnitude soil anomalies** defined by detailed soil sampling are high in gold and copper. Recent geochemical soil surveys on the O'Kthung, Preak Khlong, P.Khtong and Snoul concessions have identified substantial, large scale, high magnitude soil anomalies that are coincidentally anomalous in gold, arsenic and copper (Figure 1 & 2).
5. **Large intrusive systems (15km) associated with anomalous gold levels** have been confirmed by Southern Gold's regional soil sampling and mapping (Figure 1).
6. **RC and diamond drill rigs will be available soon in Cambodia** after discussions with major drilling Company.

In the context of the artisanal nature of Cambodia's current and previous mining activity, and the initial results of Southern Gold's modern and well financed exploration initiatives, the Company's Cambodian program offers high potential for substantial discoveries of large scale, world class ore deposits.

Southern Gold is also currently compiling assays and down hole geological information from 5 of the 8 remaining holes from recent drilling at Snoul. The range of gold grades intercepted in these 5 holes is of a similar tenor to those announced for the first 3 holes

(significant assays include 1m @ 0.41 g/t Au from 92m in SNDD004 and 1m @ 0.58 g/t Au from 70m in SNDD005, also refer ASX release 14/3/08). A complete report on the drilling program, including assays for the final 3 holes still being awaited, will be reported in coming weeks.

In addition, a total of 440 soil samples collected in February to extend the Snoul sampling grid have identified an Au in soil anomaly to the west that is an order of magnitude higher than those previously drilled at Snoul. At a 50ppb Au contour, this anomaly is 650 X 250m in dimensions, and has a peak value of 484ppb Au. This anomaly is oriented NW-SE (parallel to the existing anomalies at the Snoul Prospect) and is still open to the north-west. Sampling also indicates there may be another parallel Au anomaly further to the west.

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.

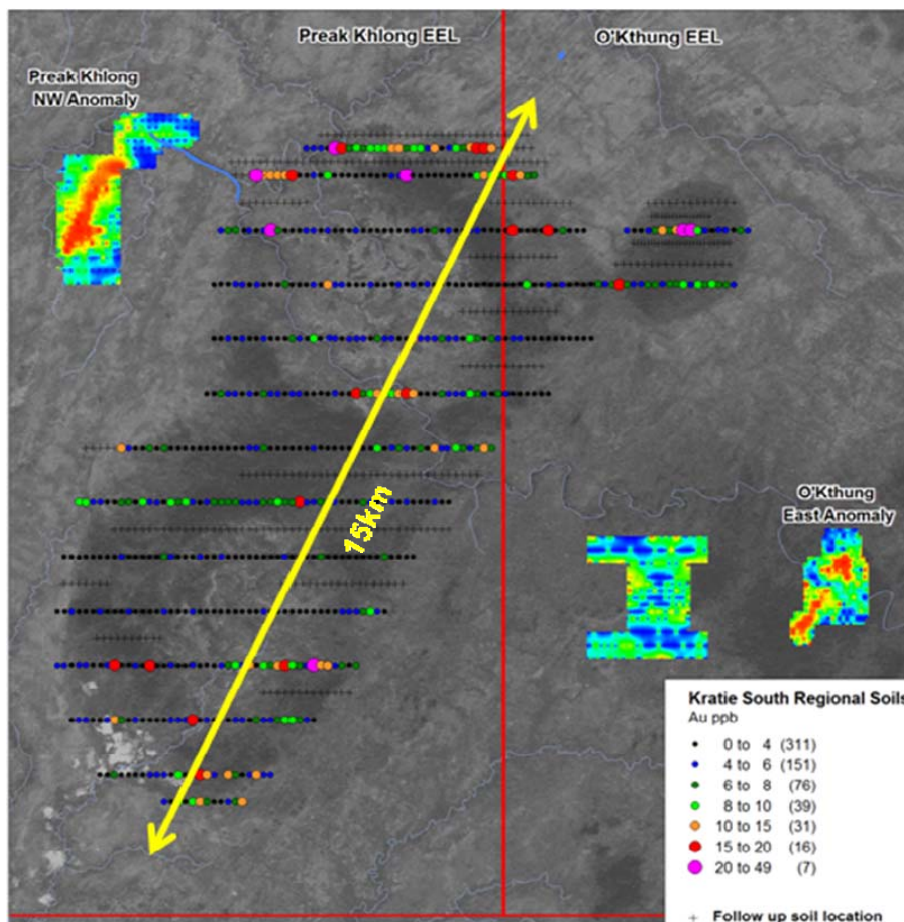


Figure 1. Gold in soil anomalism associated with large intrusive centres, Preak Khlong and O'Kthung EEL's (SAU 100% - JOGMEC earning 51%), Mondulkiri Province, Cambodia.

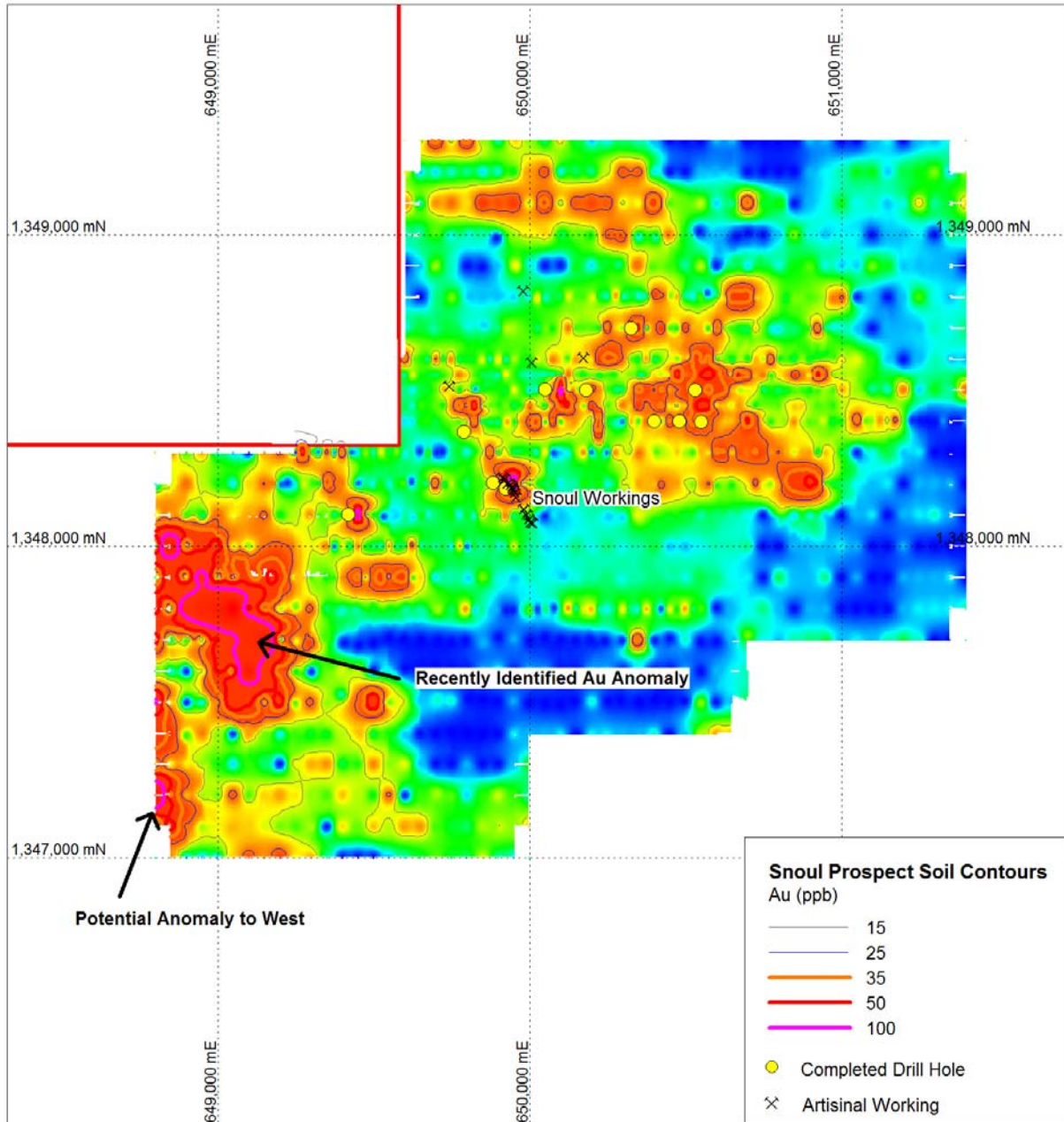


Figure 2. High magnitude gold in soil anomaly extended south west of current drilling at Snoul Prospect, Snoul MOU (SAU 80%).

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