

19th May 2008

JOGMEC formally commits to Adelaide explorer's US\$4.5 million Joint Venture in Cambodia

The large Japanese government organisation, JOGMEC, has formally committed to a US\$4.5 million Joint Venture with Adelaide's Southern Gold Limited (ASX:SAU) to accelerate exploration on three Cambodian gold and base metal projects.

JOGMEC (Japan Oil, Gas and Metals National Corporation) and Southern Gold have confirmed an earlier Letter of Intent announced in March to enter into a Joint Venture (JV) over three of Southern Gold's wholly-owned granted Exploration Licences in Cambodia.

Under the now formal terms of the JV, JOGMEC must spend a minimum of US\$1 million on the projects over the next 12 months before withdrawing. This is part of a total US\$4.5 million (A\$4.94 million) investment over 3 years to earn a 51% interest in the three tenements – Phnum Khtong (Kratie North Project), and two adjoining blocks, Preak Khlong and O'Kthung (Kratie South Project), all to the northeast of Phnom Penh.

The three tenements are among eight gold and base metal projects wholly or majority owned by Southern Gold under its "first mover" strategy to establish a cornerstone gold business in Cambodia to compliment the Company's Australian gold focussed projects across three states.

The JV is the first Japanese, and JOGMEC's first, investment in Southern Gold's projects, whose larger shareholders include Chinese resource investor CITIC as well as Australia's Macquarie Bank Limited.

Southern Gold is currently flying one of Cambodia's largest airborne geophysical surveys on both its wholly owned and JV projects. Based on numerous examples from other frontier regions, this detailed, 16,000 line kilometre survey will lead a step change in understanding and targeting gold and base metal mineralisation in NE Cambodia.

About JOGMEC

Japan Oil, Gas and Metals National Corporation's (JOGMEC) objectives are to secure a stable supply of oil, natural gas, nonferrous metals and minerals to Japan. Typically, JOGMEC carries out mineral exploration jointly with various organisations such as major or junior mining companies that hold mineral properties. JOGMEC usually acquires an option for an equity interest in the project, if the results of exploration are positive, then the equity interest is transferred to a Japanese private-sector company.

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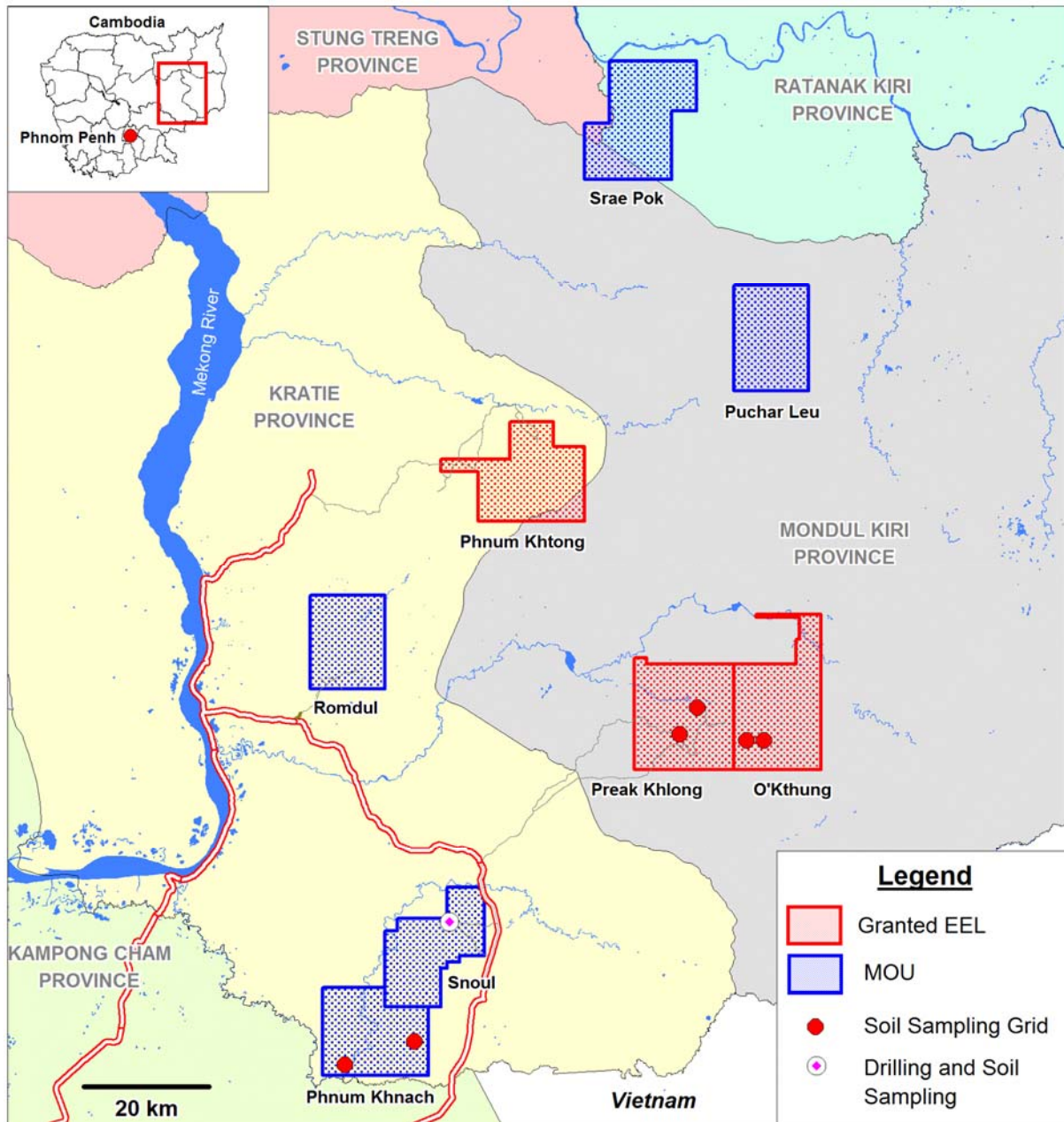


Figure 1. Southern Gold's 8 mineral concessions in Cambodia covering approximately 1,800km². JOGMEC JV Exploration Licences (EEL) are highlighted in red.

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.

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ASX Announcement

SOUTHERN GOLD LIMITED BROADCAST

SOUTHERN GOLD LIMITED (SAU) provides the opportunity to listen to an audio broadcast with **Mr Stephen Biggins, MD** in a presentation titled "**SAU - JOGMEC Formalises Joint Venture with Southern Gold - Mr Stephen Biggins, MD**".

To listen, simply click on the link below:

<http://www.brr.com.au/event/45686>

The presentation details are as follows:

- **SAU - JOGMEC Formalises Joint Venture with Southern Gold - Mr Stephen Biggins, MD**
- **Presented by Mr Stephen Biggins, MD**
- **Mon, 19 May 2008 10:00AM AEST**