SOUTHERNGOLD

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Cambodia Exploration Update : Trenching and Drilling JOGMEC JV Projects

Current Exploration Highlights

- **Multiple veins sets up to +900m long in trenching over gold soil anomaly, Big Toe Prospect (Kratie South JV)**
- **Gold mineralisation is consistent over 1.3km of trenching and open at both ends, Preak Khlong Prospect (Kratie South JV)**
- **Trenching and RC drilling completed over 3km x 1km gold/silver/lead soil anomaly, Oh Tron Prospect (Kratie North JV)**

Currently awaiting results from:

- **660 metre Phase 1 RC drilling on Kratie North JV with JOGMEC**
- **15 trenches on Kratie North for 2,600m**
- **28 trenched in Kratie South for 4,700m**

Southern Gold Limited (ASX code "SAU") has completed its first exploration programme of the 2009 field season in Cambodia. A substantial program of drilling and trenching exploration work has been completed with a large number of assay results expected to be received in respect of this work during May.

Exploration on three of Southern Gold's seven tenements in Cambodia, is being fully funded by the Japanese Government-backed JOGMEC pursuant to a Joint Venture agreement whereby JOGMEC can fully fund exploration activity to a total of US$4.5 (~A$7) million over 3 years to earn a 51% interest in these 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.

All three tenements are to the northeast of Phnom Penh (Figure 4).

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Big Toe Prospect (Kratie South JV)

Twelve trenches for a total of 2,056m have been completed in the Big Toe prospect area (Figure 1). Although no assay results have yet been received, visuals to date have been very encouraging:

- **Laminated Pyrite (Gold + Silver) + Galena (Lead) Veins:** Multiple laminated veins of variable thickness have been identified in the Big Toe area. One vein has been traced over 0.9km of strike length through 3 trenches. In addition a vein field of at least 4 parallel veins has been discovered to the south of the main prospect area in 3 trenches.
- **Laminated Pyrite and Mo Veins:** A laminated Pyrite and Mo veins in trenches have been mapped over 350m.
- **Low angle Quartz-Pyrite Veins:** Low angle Quartz-Pyrite veins have been mapped in trench hosted within a diorite intrusive. Although the mineralised potential of these veins is currently unknown they do coincide with the highest gold results from soil sampling in the area.
- **Silicified Shear Zone + Pyrite and Quartz Veining:** A silicified shear zone within siltstones has been uncovered in trench. This is coincident with up to 5% pyrite and multiple stockwork quartz veins.

Assay results from trenching are expected in May.

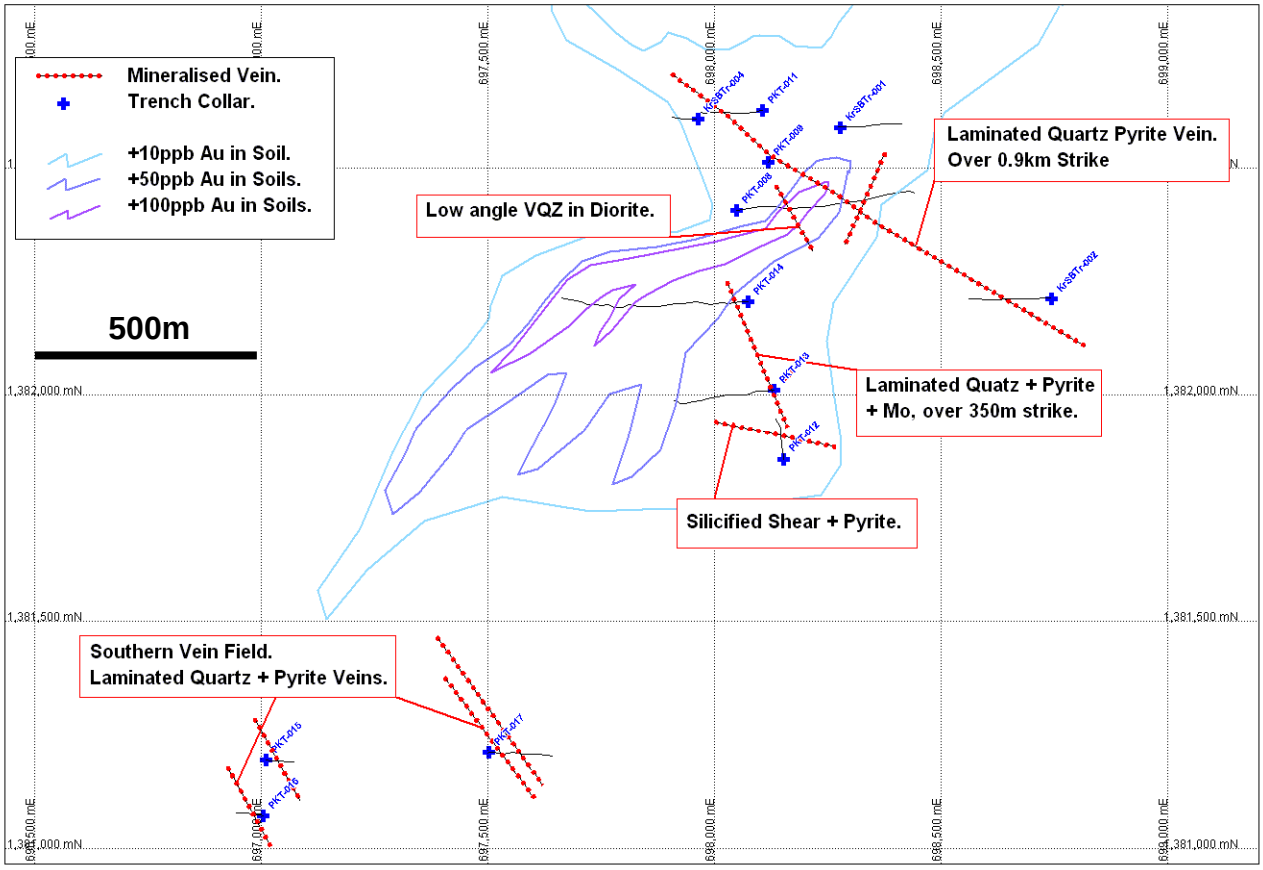

Figure 1: Big Toe: Mineralized veins identified from trenching.

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Preak Khlong NW Prospect (Kratie South JV)

Results from 6 trenches on the Preak Khlong NW anomaly trenches have all successfully uncovered potentially significant mineralisation. A 100m wide alteration zone hosts a consistent mineralized corridor of low-grade gold mineralisation with a thickness averaging between 10m and 30m.

Laminated and brecchiated Quartz-Adularia-Pyrite (+/-gold) veins were identified in the trenches at Preak Khlong and which have returned surface rock chip results of up to 65g/t gold coincident with significant silver grades. In addition, a second corridor of gold mineralisation has been identified over a strike length of more than 600m and is open to the south.

This large-scale target for follow-up is at least 1.3km in length and is open at both ends (Figure 2).

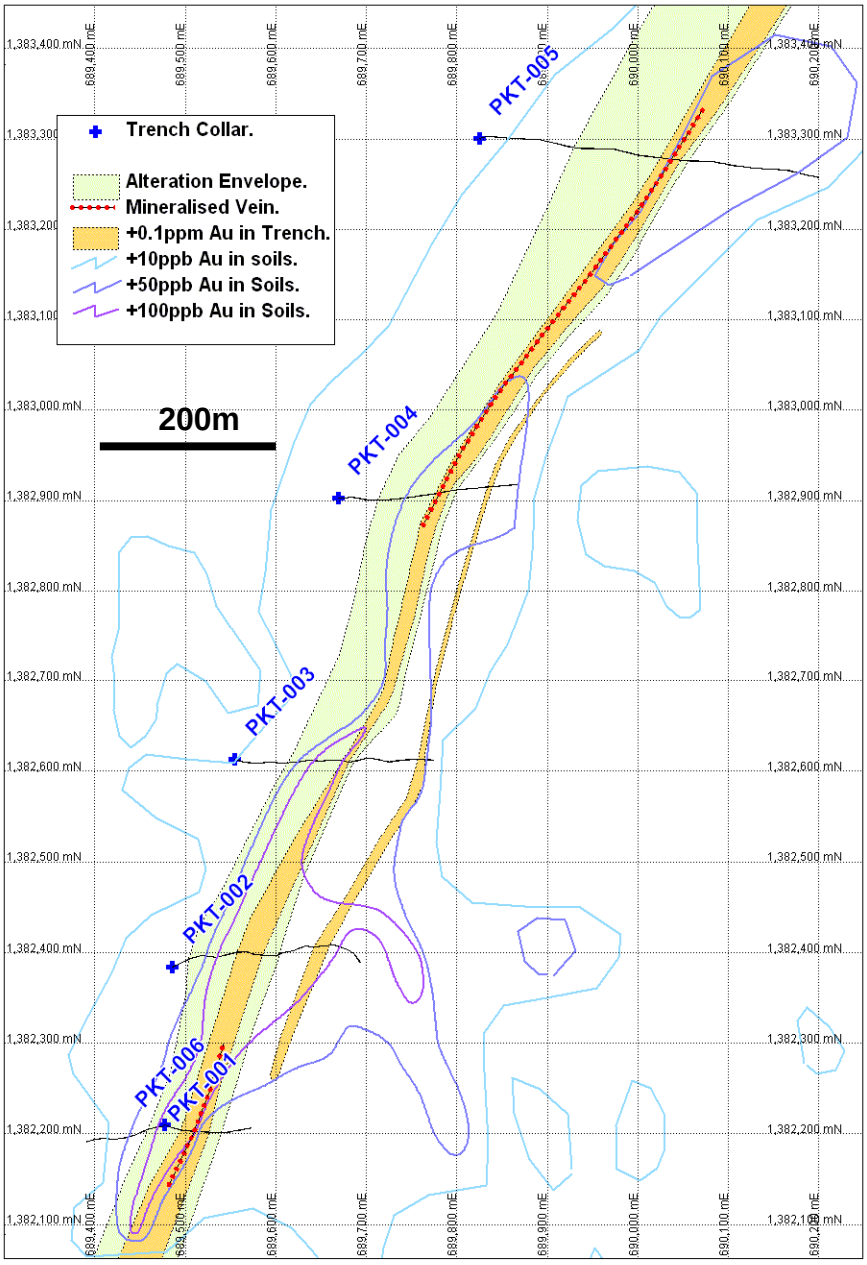

Figure 2: Preak Khlong: Mineralized trend identified from trenching.

Oh Tron Prospect (Kratie North JV)

A large 3km x 1km irregular anomaly of gold, silver and lead has been identified around the margin of diorite intrusives at the Oh Tron prospect.

A comprehensive trenching program has tested the main trends of gold, silver, lead and copper. The 2,124m trenching completed this month expands upon previously completed trenching work to the west of the tenement and has returned significant intercepts of up to 32m@ 2.74g/t gold on surface(Figure 3).

7 RC holes for 367m were drilled this month to test this significant anomaly(Figure 3 below). Widespread alteration is observed in nearly all drillholes in the Oh Tron area coincident with observations from trenching. This alteration is possibly suggestive of a large hydrothermal system.

Assay results from trenching and drilling are anticipated in May.

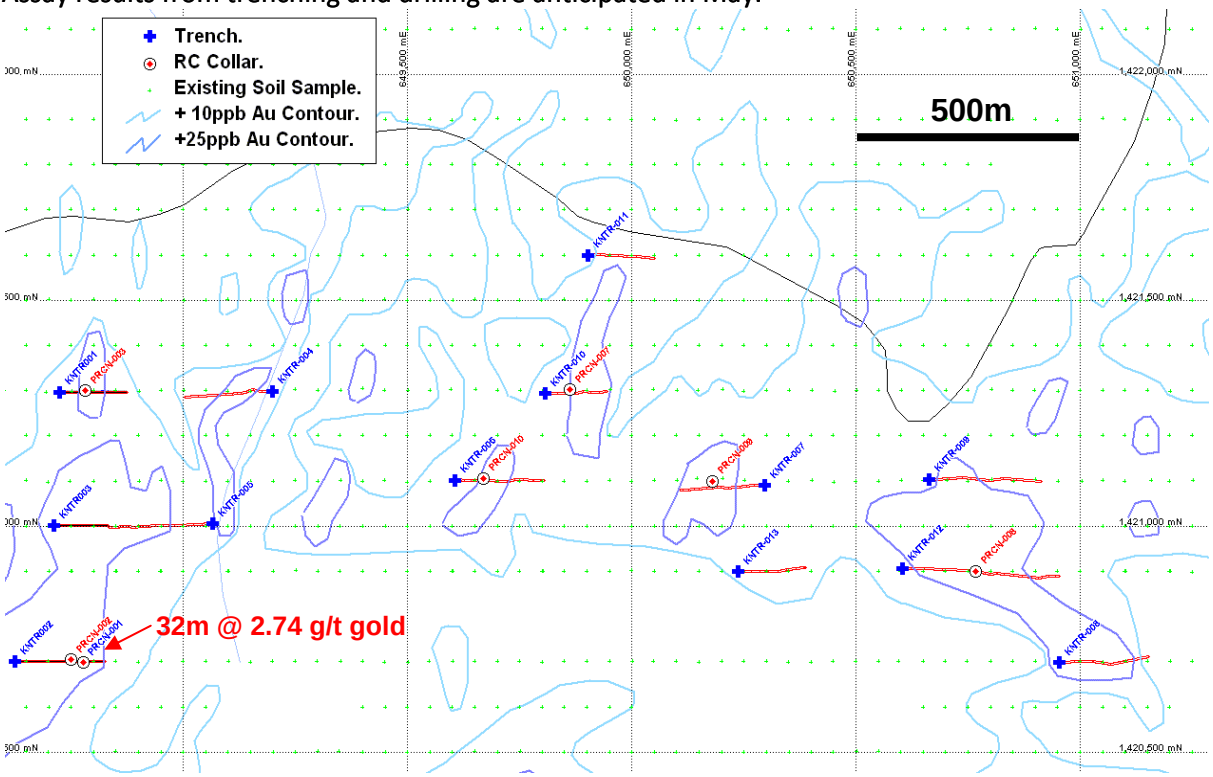

Figure 3: Summary of work completed in Oh Tron Project Area over gold in soil anomalism

Central Area (Kratie North JV)

Regional soils delineated nickel, zinc, copper anomaly in the area which, combined with the aeromagnetics suggest the intrusive is of mafic composition (Gabbro). Further soil sampling were completed in the area last month closing the grid to 400x100m.

294m of RC drilling was completed in the central area, targeting the source of the highly anomalous soils. The drilling intercepted dolerite dykes within variably hornfelsed sandstones which dominate the local geology. Quartz-pyrite stringers were also occasionally intercepted.

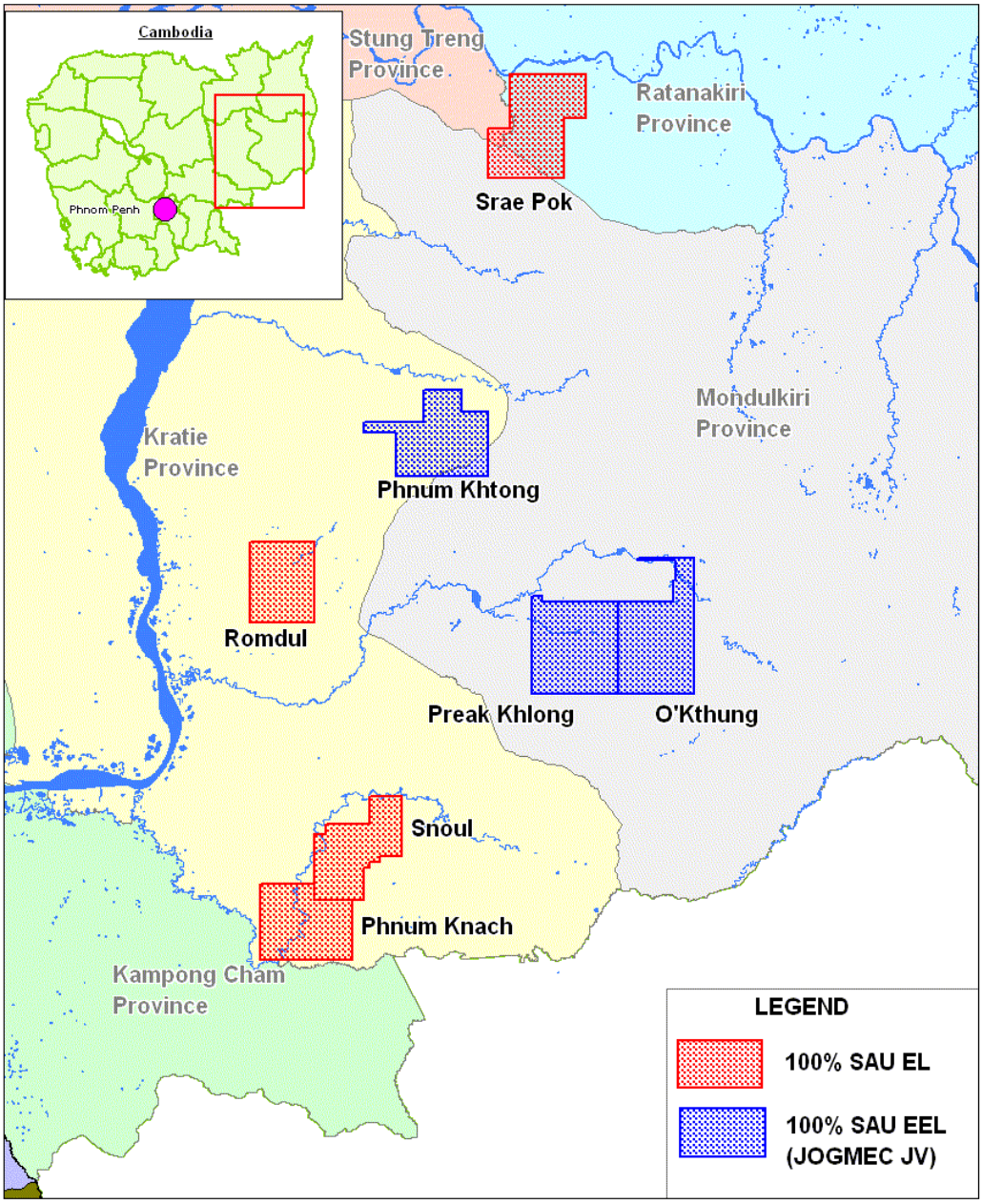

Figure 4. Southern Gold's four 100% and three JV tenements in north eastern Cambodia

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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.