

Wednesday 2nd September 2009

Former Managing Director of Tianshan Goldfields appointed Southern Gold's General Manager in Cambodia

Southern Gold Limited (ASX code "SAU") is continuing to enhance the management and exploration resources behind its expanding Cambodian gold programs, announcing today the appointment of former Tianshan Goldfields Managing Director, Mr Grant Thomas as Southern Gold's new General Manager in Phnom Penh.

The appointment reflects the transition of Southern Gold's gold and base metal exploration projects in Cambodia from exploration success toward development and feasibility.

In his former Tianshan role, Mr Thomas was responsible for earlier this year, managing and delivering the Pre-Feasibility study on the Xinjiang Gold Mountain 2.4 million ounce gold deposit in western China. In this role, he successfully led the gold project's development through a number of exploration discoveries to build the 2.4 million ounce resources and then delivered a successful pre-feasibility mining study.

He also managed teams of Australian and local geologists and support staff exploring for gold in northern Xinjiang province China, where exploration included 85,000m of diamond core drilling. He was also accountable for the technical, commercial, environmental, safety and government and community relations of Tianshan's exploration projects.

Prior to this, Mr Thomas worked for a number of years in China for Rio Tinto's Mining and Exploration Group where he successfully negotiated establishment of the Group's first exploration projects. Mr Thomas was Rio Tinto's Principal Geologist in Brazil for a period after a range of exploration management roles in CRA and Hammersley Iron in Australia.

Southern Gold is sole funding exploration on the Company's four 100%-owned tenements in Cambodia. This includes exploration work at the Anchor Prospect on the Snoul EL and also the Srae Pok EL. First pass drilling intersections of **8m @ 5.9g/t gold** at the Anchor Prospect were announced by Southern Gold in July 2009.

Exploration on the remaining 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 million over 3 years to earn a 51% interest in these tenements. Southern Gold's drill ready prospects on the Kratie South Project (two adjoining blocks, Preak Khlong and O'Kthung) are located approximately 10km south of Oz Mineral's (ASX:OZL) Okvau Project in northeast Cambodia.

Drilling and exploration field work on Southern Gold's 100% owned and also its Joint Venture tenements is planned to re commence in November 2009 at the start of the region's dry season. Drilling activity includes deeper drilling to follow-up the significant gold intersections at Anchor Prospect and also completion of the first pass drilling program at Anchor. The first drilling programs on the Kratie South JV are planned for 3 prospect areas.

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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.

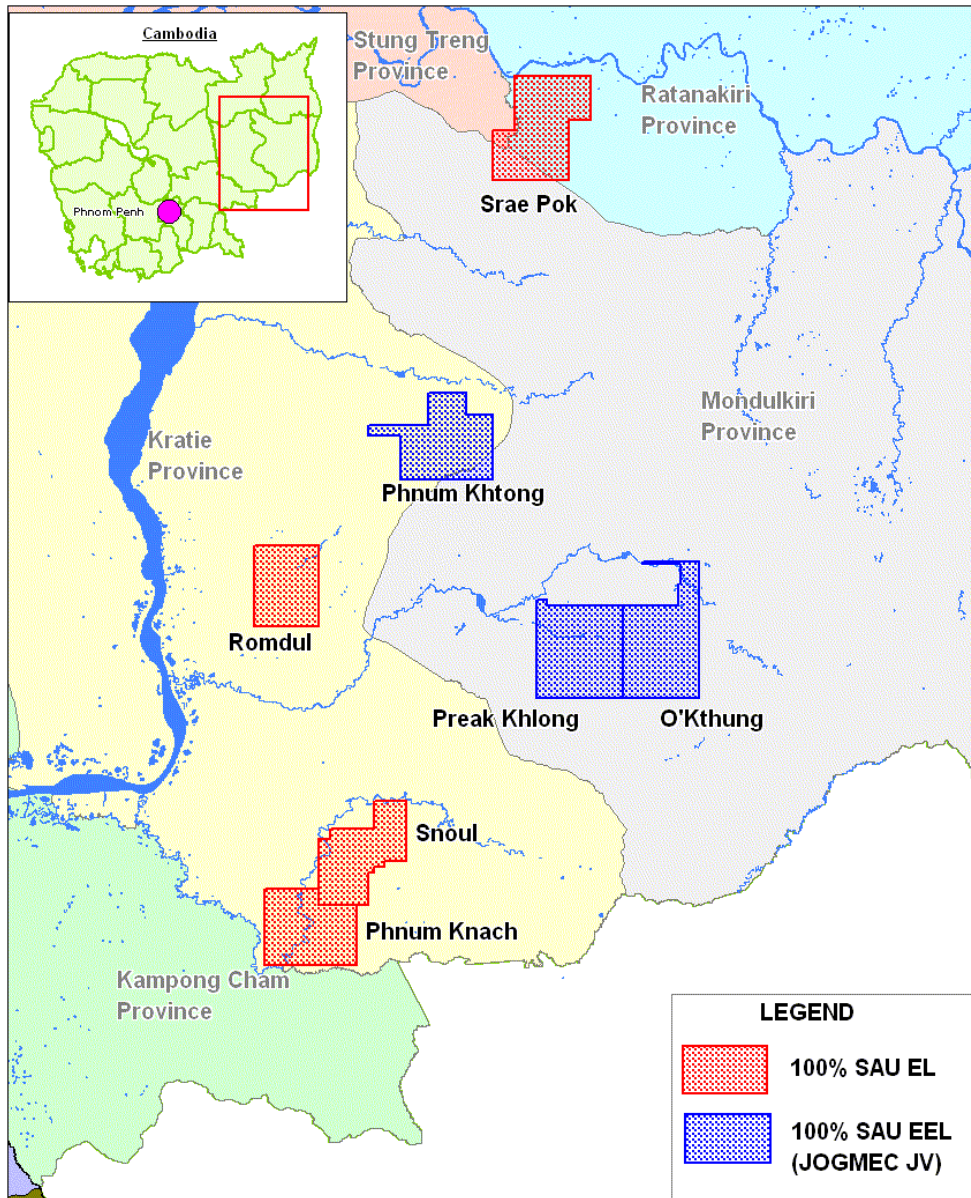


Figure 1. Southern Gold's four 100% and three JV tenements in north eastern Cambodia