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2009-2010 Gold Drilling Program Commences in Cambodia

- **Gold drilling operations have commenced on Southern Gold's 100%-owned Snoul tenement in Cambodia**
- **2,500m of diamond core planned at Anchor Prospect and nearby Oh Pok Prospect to follow-up previous gold intersections including 8m @ 5.9gt gold**
- **Drilling operations on Kratie North and South JV tenements will commence shortly**
- **Continuous six month flow of drilling results from Cambodia expected from late January**
- **Aggressive wider exploration drilling in Cambodia for 2010 field season includes 4,000 geochemical samples, 8,600m of trenching and a minimum of 8,000m of drilling**

Southern Gold Limited ("Southern Gold" "the Company") (ASX:SAU) is pleased to advise that the Company's drilling operations for the 2009-1010 Field Season have commenced on its Cambodian gold and base metals tenements.

Diamond core drilling has commenced on Southern Gold's 100%-owned Snoul tenement. The 2,500m program is testing the continuity of gold mineralisation intersected at the Anchor Prospect including **8m @ 5.9g/t gold** (SNRC09) and at the nearby Oh Pok prospect and will also test several other prospects identified from soil and/or trenching results.

These drilling operations are the first of an extensive program of diamond core and Reverse Circulation (RC) drilling, that will be completed by Southern Gold on its Cambodian Projects over the next few months. It is planned that drilling operations will be carried out utilising 2-3 man portable diamond core drill rigs and 2 RC (multi-purpose) drill rigs.

A soil sampling program completed last week on the Snoul tenement collected 895 samples to identify new gold and base metal anomalies which can be prioritised for trenching and/or drill testing. This program will also include infill sampling of previously identified targets within the tenement.

A soil sampling program has also commenced on the Kratie South JV (JOGMEC) tenements, Preak Khlong and O'Kthung, with the aim of identifying new gold and base metal anomalies for trench and/or drill testing.

Drilling operations will commence shortly on the Kratie North and South JV tenements, which are located in the same intrusive related gold district as Oz Minerals Ltd's (ASX:OZL) Cambodian gold exploration projects.

Exploration on the joint venture tenements is fully funded by the Japanese Government-backed JOGMEC, pursuant to a Joint Venture agreement. JOGMEC can fully fund exploration activity to a total of US\$4.5 million over 3 years to earn a 51% interest in three tenements – Phnum Khtong (Kratie North Project), and two adjoining blocks, Preak Khlong and O’Kthung (Kratie South Project).



Photo 1. Southern Gold’s drilling operations in 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.

