

4th August 2008

Broad gold intersections follow successful extension of nickel sulphide discovery at Bulong South Project, WA

- Multiple gold intersections over 550m strike length, including 14m @ 2.11g/t and 6m @ 4.09g/t gold, at Monument Prospect
- Broad gold intersections of 33m @ 1.85g/t gold from only 28m drill depth at Cannon Prospect
- Nickel Sulphide intersections of up to 2m @ 2.44% Ni, including 4m @ 1.78%Ni, at Euston Prospect

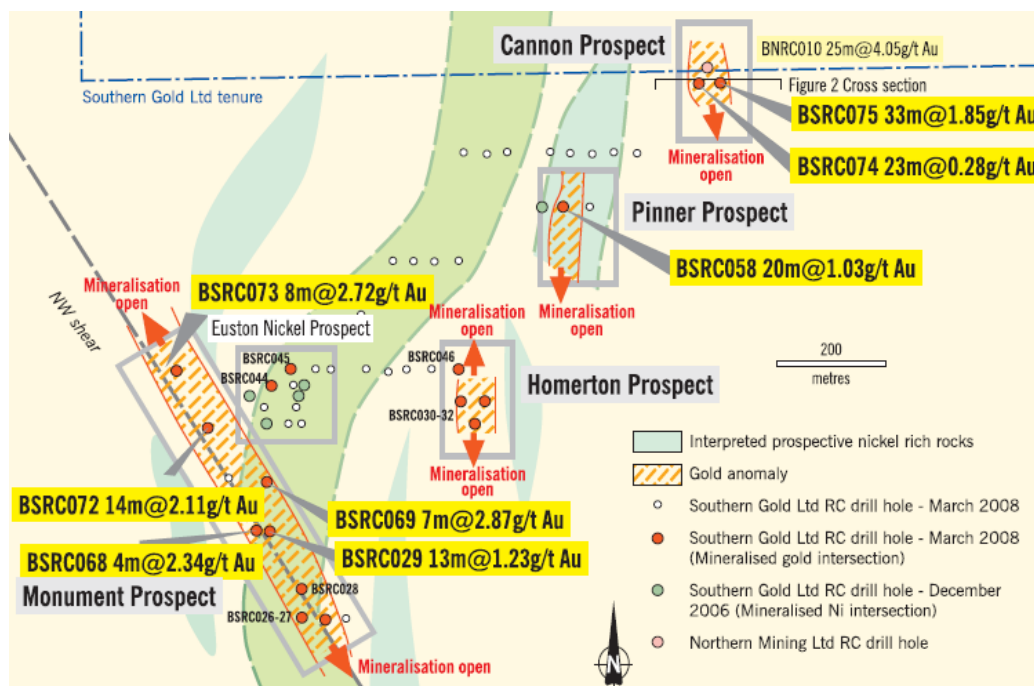


Figure 1: Monument, Cannon and Pinner gold prospects at Bulong South Project

Southern Gold is pleased to release the final gold assays from the RC drilling campaign undertaken at its Bulong South Project in March and April 2008. In addition to the komatiite-hosted nickel sulphides discovered at the Euston Prospect (refer to announcement on 10 July 2008), the Company has also discovered and delineated two new high tenor gold zones.

The volume of mineralisation represented by consistent broad gold intersections at the Monument and Cannon Prospects warrants additional drilling to extend the depth and strike of mineralisation and to calculate the potential for gold resources at Bulong South.

Cannon Prospect

Southern Gold's first round of drilling at the Cannon Prospect has confirmed a broad low grade zone of mineralisation in BSRC075 of **33m @ 1.85g/t Au from 28m**, which contains a **higher grade zone of 11m @ 4.1g/t Au from 48m** associated with a quartz veined ultramafic schist (Figure 2). This mineralisation is immediately south and along strike from Northern Mining's recent intersection of 6m @ 9.5g/t Au in BNRC020 (Figures 1 and 2).

Preliminary interpretation of the magnetic and cross sectional data suggests that mineralisation is associated with a series of sub-vertical north-south trending structures. Importantly, the mineralisation appears to be open to the north and south (Figure 1).

Monument Prospect

Drilling has consistently intersected gold over a 550m strike length, which is open to the northwest and the southeast. The findings include a number of broad intersections of mineralisation (Figure 1), in addition to higher grade intersections (6m @ 4.09 g/t).

Recent drilling established the continuity and grade of gold mineralisation indicated by earlier shallow RAB drilling, surface sampling, and Southern Gold's aeromagnetics data. Interpretation of magnetic images shows an association with a prominent NW trending vertical fault/shear zone.

Its proximity to the Euston nickel Prospect further accentuates the mineral fertility of the Bulong Greenstone Belt.

Pinner Prospect

A best intercept of 20m @ 1.03g/t Au from 100m was recorded in drill hole BSRC058 at the Pinner Prospect (Figure 1). The drill hole targeted the down-dip extension to gold mineralisation discovered in SAU's earlier drilling.

Exploration in the Forthcoming Quarter

Follow-up drilling is planned for September and has been designed to extend the zone of mineralisation along strike and at depth, with the objective of delineating economic gold and nickel mineralisation with the potential to host an economic Au or Ni ore body.

For further information please contact:

Mr Stephen Biggins
Managing Director
Phone: +61 (0) 8 8368 8888
Fax: +61 (0) 8 88368 8899

Southern Gold Limited
ABN 30 107 424 519

47 Tynne Street
North Adelaide
South Australia 5006

PO Box 1016
North Adelaide
South Australia 5006

email: info@southerngold.com.au telephone 08 8368 8888
www.southerngold.com.au facsimile 08 8368 8899

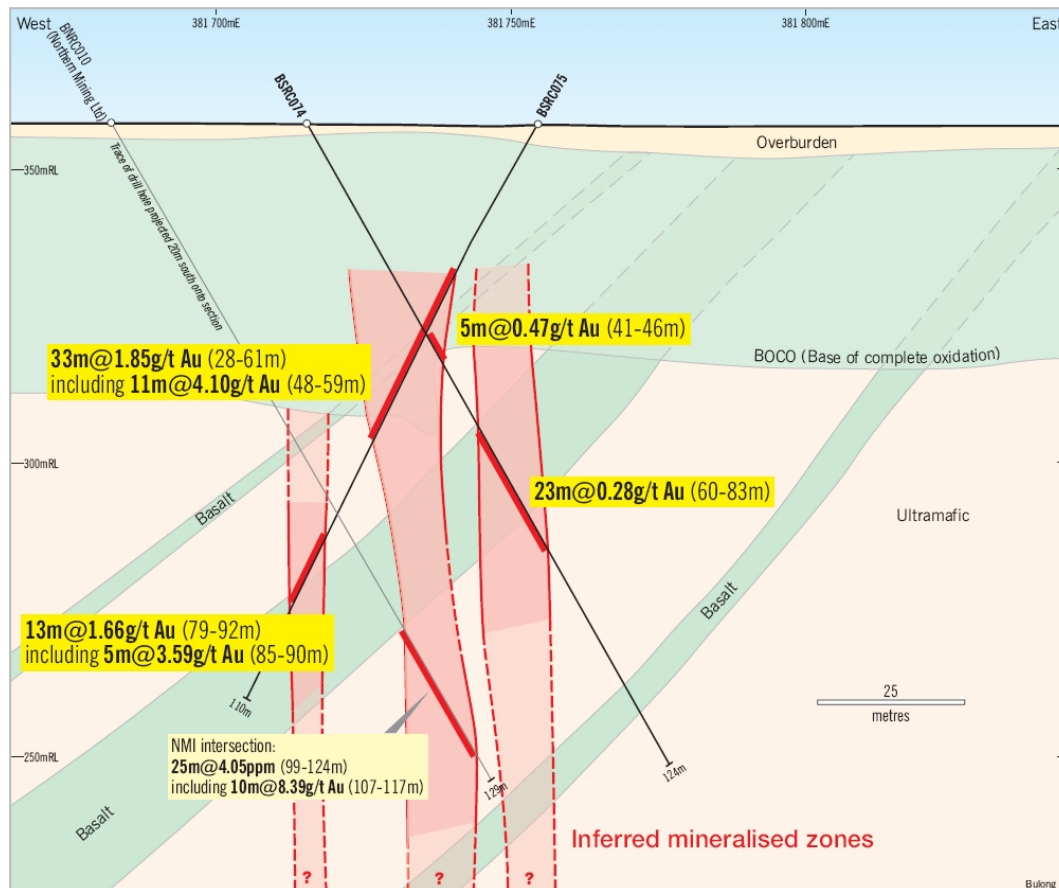


Figure 2: Cannon Prospect Geological Cross Section showing significant gold intercepts (Section 6589200mN looking north).

Table 1: Significant Assay Results

Bulong South Project, RC drilling								
Hole Number	Local Grid Co-ordinates				Intersections			
	Easting (Mga)	Northing (Mga)	Dip/Azimuth	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)
BSRC028	380985	6589250	-60/090	100	65 87 92	82 89 96	17 2 4	0.39 0.52 1.99
BSRC029	380920	6589360	-60/090	54 including	20 25	33 26	13 1	1.23 8.65
BSRC030	381295	6589560	-60/090	107 including	68 68	73 70	5 2	1.41 3.17
BSRC031	381320	6589600	-60/090	70 including	35 38	51 39	16 1	0.33 1.03
BSRC068	380897	6589359	-60/090	74 including	49 49	53 50	4 1	2.34 5.19
BSRC069	380874	6589457	-60/090	70	53	57	4	0.43

				including	62 67	69 68	7 1	2.87 12.55
BSRC072	380806	6589550	-60/090	70 including	33 35	47 41	14 6	2.11 4.09
BSRC073	380749	6589655	-60/090	82 including	25 27	33 28	8 1	2.72 13.91
BSRC074	381716	6590187	-60/090	124	41 60	46 83	5 23	0.47 0.28
BSRC075	381754	6590190	-60/270	110 including	28 48 79 including	61 59 92 90	33 11 13 5	1.85 4.10 1.66 3.59
1m-riffle-splits. Analysis by 25gm Fire Assay, Genalysis, Perth. Lower grade cut-off 0.1g/t Au; Maximum 2m internal dilution.								

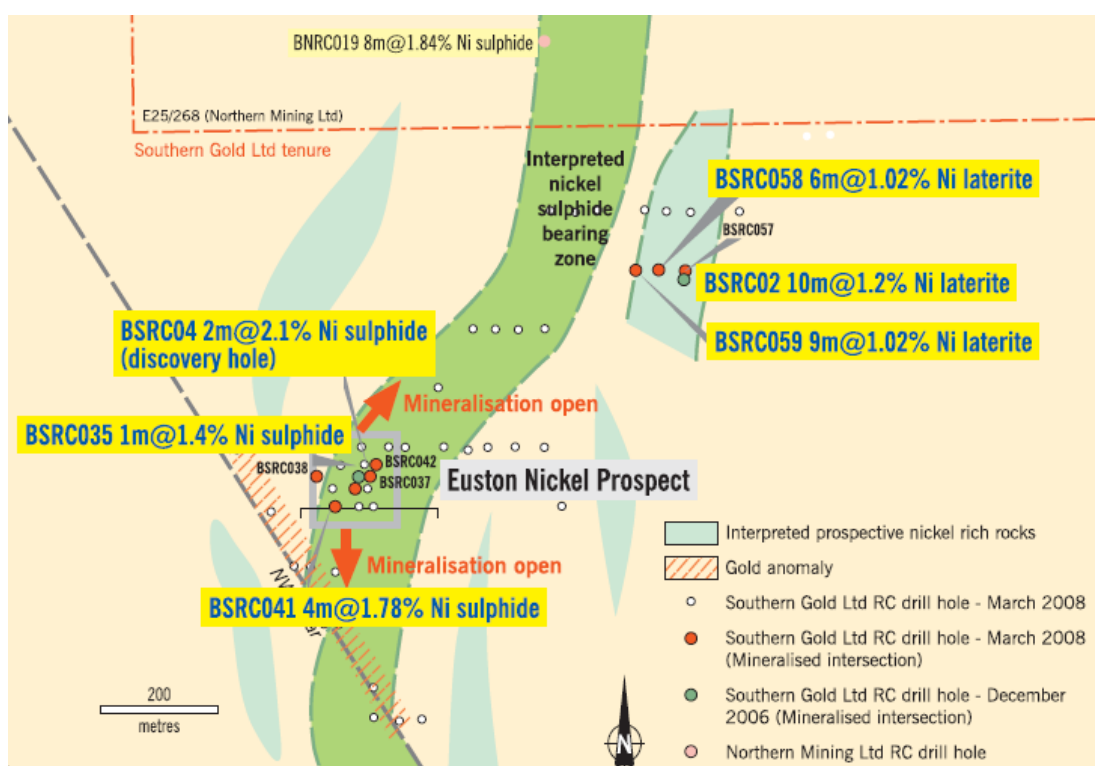


Figure 3: Location plan showing significant nickel intercepts, March 08 RC holes, and interpreted basement geology, Euston Nickel Prospect, Bulong South Project, W.A.

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.