SOUTHERNGOLD

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JOGMEC-backed Cambodian exploration re-commences

- **Trench sampling and soil surveys have commenced**
- **RC drilling of existing and new targets to commence in first half 2009**
- **Exploration work funded by US$4.5 (~A$7) million JV with JOGMEC**

With the onset of the dry season, field activity has been resumed at Southern Gold Ltd's (ASX:SAU) Cambodian gold and base metals tenements in readiness for the scheduled first half drilling next year of the Company's maiden Reverse Circulation (RC) campaigns.

The new work includes commitments under Southern Gold's joint venture agreements with the Japanese Government backed JOGMEC, whereby JOGMEC is fully funding exploration activity on three of the Company's seven project areas in the northeast provinces of Cambodia considered, prospective for gold and base metals.

The resumption of work is being co-ordinated through Southern Gold's exploration team based in the Company's Phnom Penh office.

The objective of Southern Gold's first RC drilling program is to confirm the scale and grade of gold and base metal mineralisation identified at surface. Additional drill targets are expected to be drill ready as the results from current exploration programs are received.

Substantial trench sampling programs have commenced to collect more direct information about near surface mineralisation style, size and grades.

Detailed soil sampling to define additional drill targets is also underway on anomalies identified earlier in 2008. In addition, regional soils are being collected overlying large zones of hornfels and potential skarn alteration mapped by Southern Gold's 100m spaced airborne geophysical surveys flown May 2008.

JOGMEC is spending a minimum of US$1 million as part of a total US$4.5 (~A$7) million investment 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), all to the northeast of Phnom Penh.

The three tenements are among seven 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.

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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.