

Monday 23rd March 2009

Drilling campaign commences on second Cambodian gold prospect

- **First round of RC drilling underway on Southern Gold's 100%-owned Anchor Prospect**
- **Drilling is following-up mineralised trends over a 1.2 km strike length at Anchor**
- **Phase 1 drilling successfully completed on Kratie North JV with JOGMEC**

Southern Gold Limited (ASX:SAU) is pleased to advise that the first round of Reverse Circulation (RC) drilling has commenced on the Company's 100%-owned Anchor gold prospect in Cambodia.

The 10-hole, 500 metre program is designed to target the source of significant gold trench intercepts at Anchor, part of the Snoul project, northeast of Phnom Penh. This is the second RC drilling campaign commenced by the Company in Cambodia in 2009.

Earlier this month, Southern Gold conducted an initial RC drilling campaign at the Kratie North gold and base metals project in joint venture with the Japanese Government-backed JOGMEC.

Reporting of drill results from both drilling campaigns is expected to commence by May 2009.

Anchor Prospect : Gold Trench Intersections

Eight trenches have been excavated and sampled on a 1.2km gold and arsenic soil anomaly for a total of approximately 1,500m of trenching. Significant gold trench intercepts include:

SNTR008:	8m @ 2.8g/t	and	20m @ 0.4g/t gold
SNTR002:	36m @ 0.2g/t	and	16m @ 0.8g/t gold
SNTR001:	7m @ 0.8g/t	and	6m @ 0.5g/t gold
SNTR006:	8m @ 0.6 g/t gold		

Anomalous silver results were occasionally associated with anomalous gold. Best result was 4m @ 10.5 g/t silver, which was associated with a 4.4 g/t gold result.

The relatively wide mineralised trench intersections (up to 36m) sampled material that was weathered and possibly leached of metals. Lithologies exposed in the trenches were dominantly highly weathered claystone/mudstone, fine grained diorite and hornfelsed sandstone.

Anchor Prospect : RC Drilling Program

The RC drilling program announced today is following up two mineralised trends over a 1.2km strike length. Ten angled RC drillholes totalling 500m have been planned to test the anomalous results received from the first trenches excavated on the Snoul tenement.

Six angle over-lap RC holes have been planned to test the central trench, with four holes planned on the southern trench (refer map).

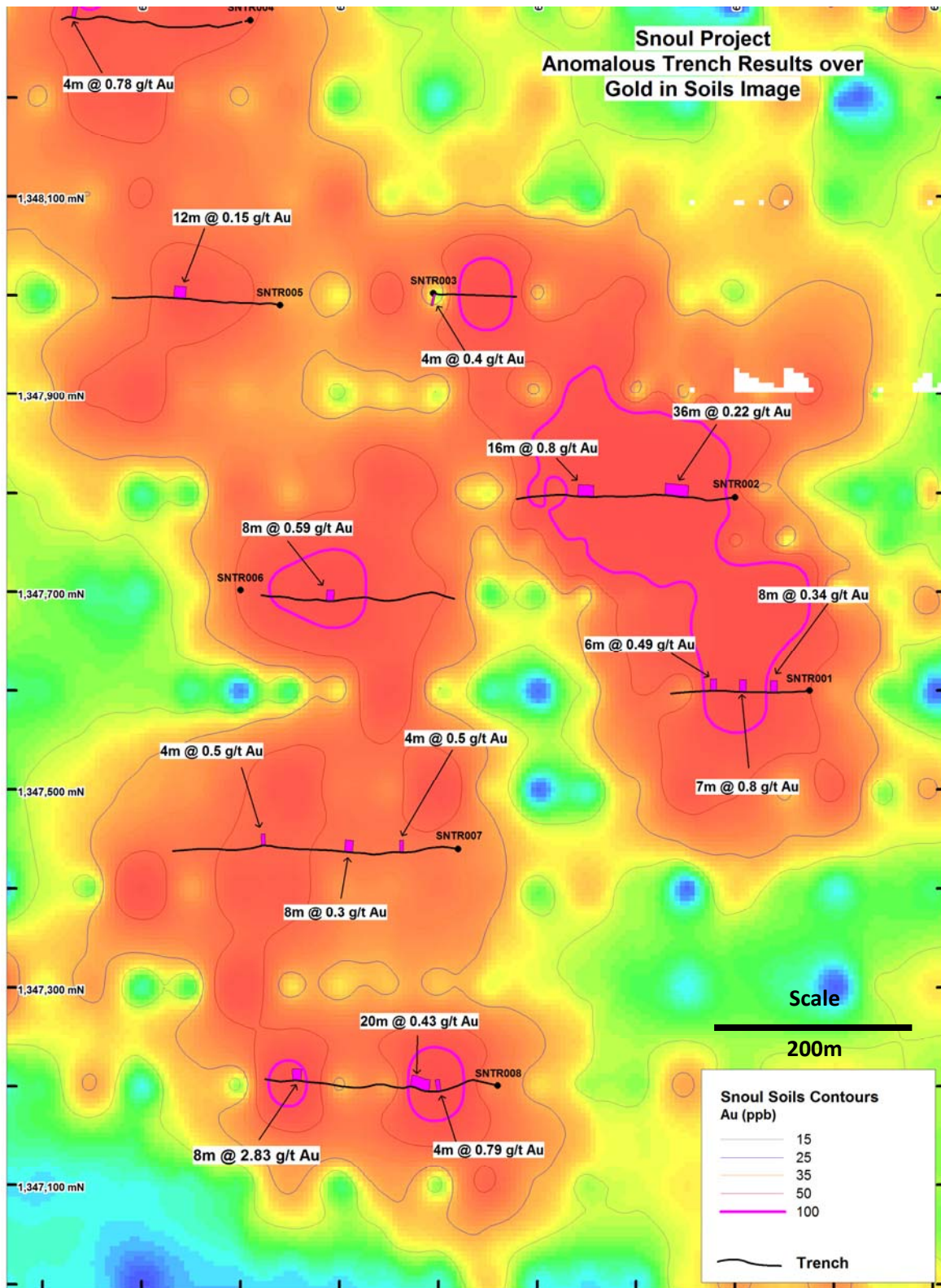


Figure 1. Significant gold intersections in trenching overlain on gold in soil image
Anchor Prospect, Snoul EL (SAU 100%).

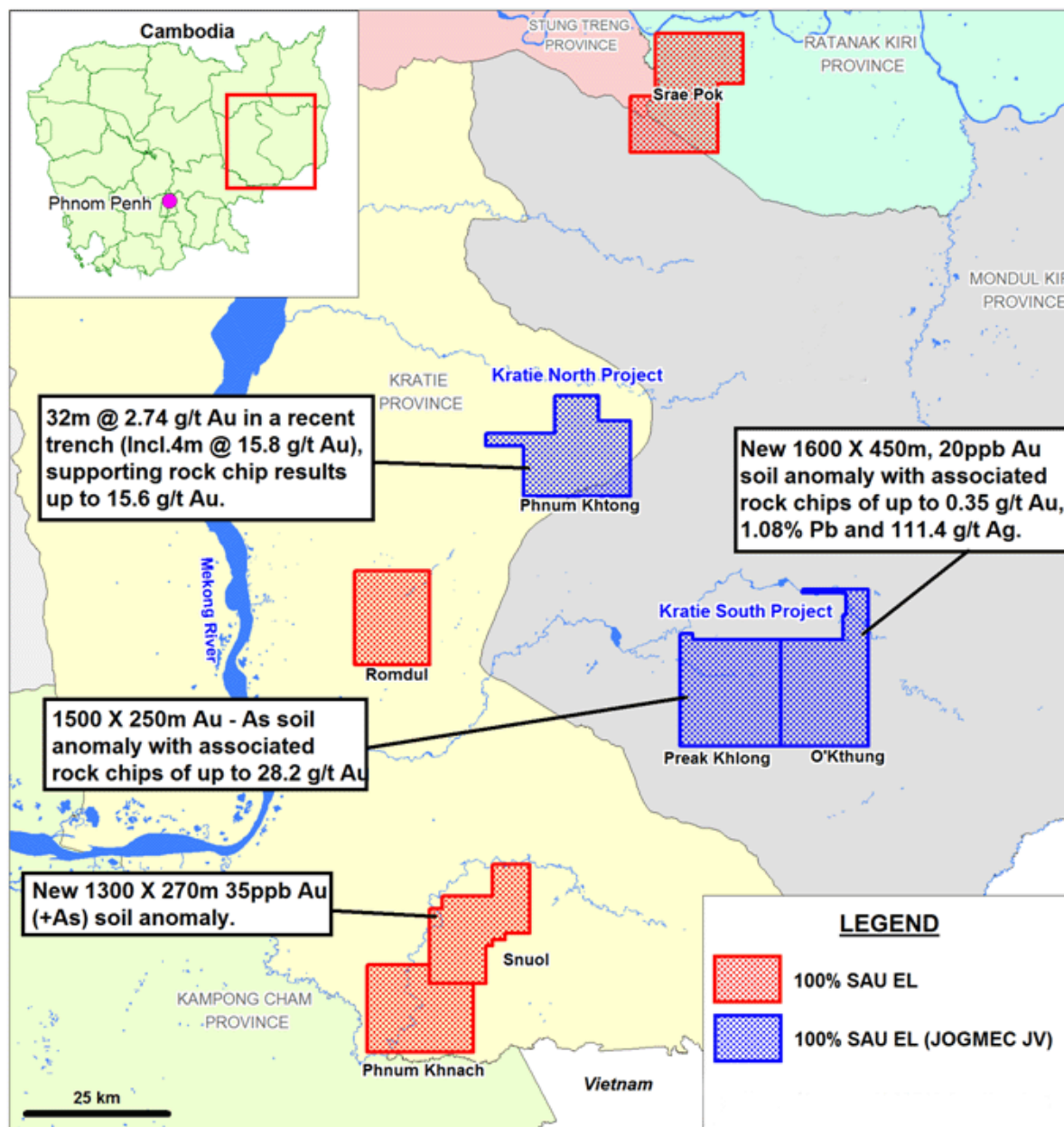


Figure 2. Southern Gold's four 100% and three JV tenements in north eastern Cambodia

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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.