

12 June 2009

**SOUTHERN GOLD RAISES \$1.6 MILLION
TO FUND EXPLORATION PROGRAMS IN AUSTRALIA AND CAMBODIA**

Southern Gold Limited (“**Southern Gold**” or “**the Company**”) is pleased to announce that it has reached in-principle agreement with Hartleys Limited to raise up to \$1.6 million through the placement of up to 16 million ordinary shares at 10 cents per share to sophisticated and professional investors. Hartleys Limited is Broker to the issue.

Southern Gold is also pleased to report that its largest shareholder, Talbot Group Holdings, is participating in the placement to maintain its 23.24% shareholding in the Company.

The funds raised will allow Southern Gold to progress its current exploration program on its highly prospective projects in both Australia and Cambodia.

In Australia Southern Gold’s exploration programme will primarily involve:

- Follow up reverse circulation (RC) and diamond drilling on the Challenger Area Gold Project in South Australia. Drilling will commence in July and will follow-up previous high-grade gold intersections, with the Company targeting its maiden resource estimate at the Golf Bore prospect for Q4 2009; and
- Follow-up drilling on the Bulong Gold and Nickel Sulphide Project in Western Australia to test broad gold intersections discovered at the Monument and Cannon Prospects, and nickel sulphides at the Euston Prospect.

In Cambodia Southern Gold will progress exploration on its four 100% owned tenements. Exploration of Southern Gold’s other three tenements in Cambodia will continue to be fully funded by Southern Gold’s joint venture partner, Japan Oil, Gas and Metals National Corporation (“**JOGMEC**”), up to a total of US\$4.5 million, as JOGMEC earns a 51% interest in these three tenements. Initial assay results from recent drilling in Cambodia are expected in early July 2009.

The issue of the securities will fall within Southern Gold’s 15% placement capacity under ASX Listing Rule 7.1. The shares will rank equally in all respects with all other ordinary shares on issue in Southern Gold.

For further information please contact

Mr Stephen Biggins
Managing Director
T: +61 (0) 8 8368 8888
F: +61 (0) 8 8368 8899
E: info@southerngold.com.au
W: southerngold.com.au