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Japan's JOGMEC commits to second year on Cambodian JV projects with Australia's Southern Gold

The large Japanese government organisation, JOGMEC, has committed to its second year expenditure to explore for gold and base metals in Cambodia in joint venture with Australia's Southern Gold Limited (ASX code "SAU").

The commitment is part of a three year, US\$4.5 million joint venture to accelerate exploration on three Cambodian gold and base metal projects.

JOGMEC is earning a 51% interest in three Southern Gold 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.

Southern Gold's Managing Director, Mr Stephen Biggins, said today JOGMEC had now met its full first year commitment of US\$1 million expenditure on the JV projects and had now committed to the second year program – expected to be around the same level of exploration expenditure.

"The commitment ensures the joint venture can continue to build on its early work in modelling, selecting targets, initiating drill schedules and focusing on resource definition in this very under-explored but highly prospective province," Mr Biggins said.

"It is still relatively early days but JOGMEC's commitment to a second year of work programs allows the exploration pace to be maintained and gives us an additional level of confidence to persist in the growth of Cambodia's new mining sector."

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 Adelaide-based Company's Australian gold focussed projects.

Drilling and exploration work on the Joint Venture tenements is planned to start at the commencement of the new field season in November 2009. Southern Gold's drill ready prospects on the Kratie South Project are located approximately 10km south of Oz Mineral's (ASX:OZL) Okvau Project in Cambodia and are targeting similar styles of mineralisation.

About JOGMEC

Japan Oil, Gas and Metals National Corporation's (JOGMEC) objectives are to secure a stable supply of oil, natural gas, nonferrous metals and minerals to Japan. Typically, JOGMEC carries out mineral exploration jointly with various organisations such as major or junior mining companies that hold mineral properties. JOGMEC usually acquires an option for an equity interest in the project, if the results of exploration are positive, then the equity interest is transferred to a Japanese private-sector company.

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

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.

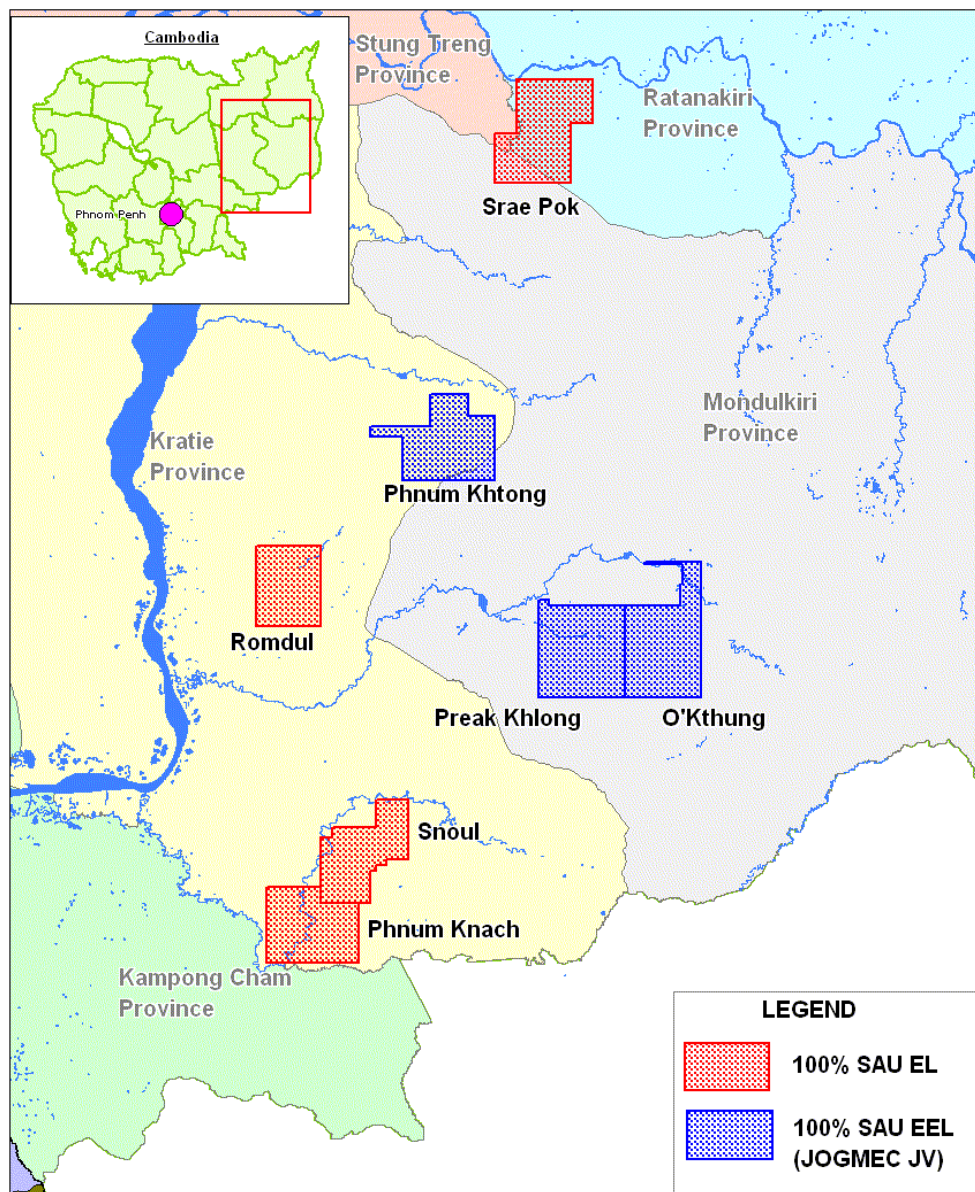


Figure 1. Southern Gold's four 100% and three JV tenements in north eastern Cambodia