

14th April 2010

Cambodia Exploration Update

- **Aggressive exploration programmes progressing in Cambodia as planned**
- **New assay results of 3m @ 5.54 g/t gold, including 1m @ 16.12 g/t gold confirm gold mineralisation at the Preak Khlong NW prospect**
- **Initial result at Anchor includes 1m @ 9.09g/t gold and 307g/t silver from first drillhole (see previous announcement). Assay results for the remaining 16 drillholes at the Anchor prospect demonstrate alteration, veins and sulphides and are expected to be received in April and May**
- **Diamond core drilling of 4,050m completed to date (5,050m planned)**
- **Reverse Circulation drilling of 3,400m completed to date (5,500m planned)**
- **Soil sampling programme completed on Kratie South JV (JOGMEC), and Southern Gold's 100% owned tenements (1,391 and 1,838 samples collected respectively)**
- **Trenching of 4,900m completed to date (8,500m planned)**
- **A total of 17 Anchor Prospect drillholes completed to date**
- **Continuous flow of drilling, soil sampling and trenching assay results expected from mid April**

Southern Gold Limited ("Southern Gold" "the Company") (ASX:SAU) is pleased to advise that the Company's exploration activities for the 2009-2010 field season are progressing as planned on its Cambodian gold and base metals tenements.

Diamond core and RC drilling has been carried out on the Kratie North JV (JOGMEC), Kratie South JV (JOGMEC) and Southern Gold's 100%-owned Snoul tenement. To date 4,050m of diamond core and 3,400m of reverse circulation drilling has been completed. Trenching of 4,900m has also been completed. A continuous flow of drilling, soil sampling and trenching assay results is expected from mid April with the best results to be followed-up immediately with trenching and/or drill testing.

Anchor Prospect, Snoul EL (SAU 100%)

To date 17 drillholes have been completed at the Anchor prospect during the 2009-2010 field season but assays have only been received for drillhole DD09ANC011 (as previously reported on 10th March 2010, see Table 1).

Table 1. Core drilling gold intersections above 1 g/t Au in drillhole DD09ANC011

Drillhole	from	to	interval	gold (g/t)	silver (g/t)
DD09ANC011	33	34	1	1.43	1
DD09ANC011	49	50	1	9.09	307

Alteration, veins and sulphides have been intersected in all drillholes at the Anchor prospect including the recently completed drillhole DD10ANC025, which intersected a significant width of sulphide mineralization. The sulphide interval in drillhole DD10ANC025 is similar to the mineralization intersected in drillhole DD10ANC011, which encountered 1m @ 9.09g/t gold and 307g/t silver, but over a much wider interval of 4.5m (Figure 1).

Assay results for the remaining 16 drillholes at the Anchor prospect are eagerly anticipated and are expected to be available during April and May.

Preak Khlong NW Prospect, Kratie South JV (SAU 100%, JOGMEC earning 51%)

To date 8 drillholes (i.e. seven RC and one diamond core) have been completed at the Preak Khlong NW prospect within the Kratie South JV (JOGMEC) during the 2009-2010 field season. New assay results from the reverse circulation drilling have confirmed significant gold mineralisation, with 3m @ 5.54 g/t gold from 74m, including 1m @ 16.12 g/t gold (Figure 2, Table 2). Assay results for the diamond core drillhole are expected to be received in late April early May.

At the Preak Khlong NW prospect a 100m wide alteration zone hosts a consistent gold mineralized corridor with a thickness of 10m to 30m. Laminated and brecciated quartz-pyrite (+/-gold) veins were identified in the trenches.

Table 2. Significant diamond core drilling gold intersection above 1 g/t Au.

Drillhole	from	to	interval	gold (g/t)
RC10PKL001	74	75	1	16.12

Trenching and Soil Programs

Soil sampling programmes have been completed on the Preak Khlong and O'Khtung tenements within the Kratie South JV (JOGMEC). 479 and 912 samples were collected on each tenement respectively and these samples have been dispatched for analysis.

Soil sampling programmes have also been completed on Southern Gold’s 100%-owned Snoul and Phnum Khnach tenements (965 and 873 samples collected on each tenement respectively) with samples having also been dispatched for analysis.

The soil sampling programmes were completed to identify new gold and base metal anomalies which will be prioritised for trenching and/or drill testing.

Extensive trenching of previously identified soil anomalies has been carried out on the Kratie North JV (JOGMEC) Phnum Khtong (2,000m), Kratie South JV (JOGMEC) O’Khtung (2,000m) and Southern Gold 100%-owned Snoul tenements (2,000m). Trench samples are now being dispatched for analysis.

A continuous flow of drilling, soil sampling and trenching assay results is expected from mid April with the best results to be followed-up immediately with trenching and/or drill testing before the field season ends in late May.

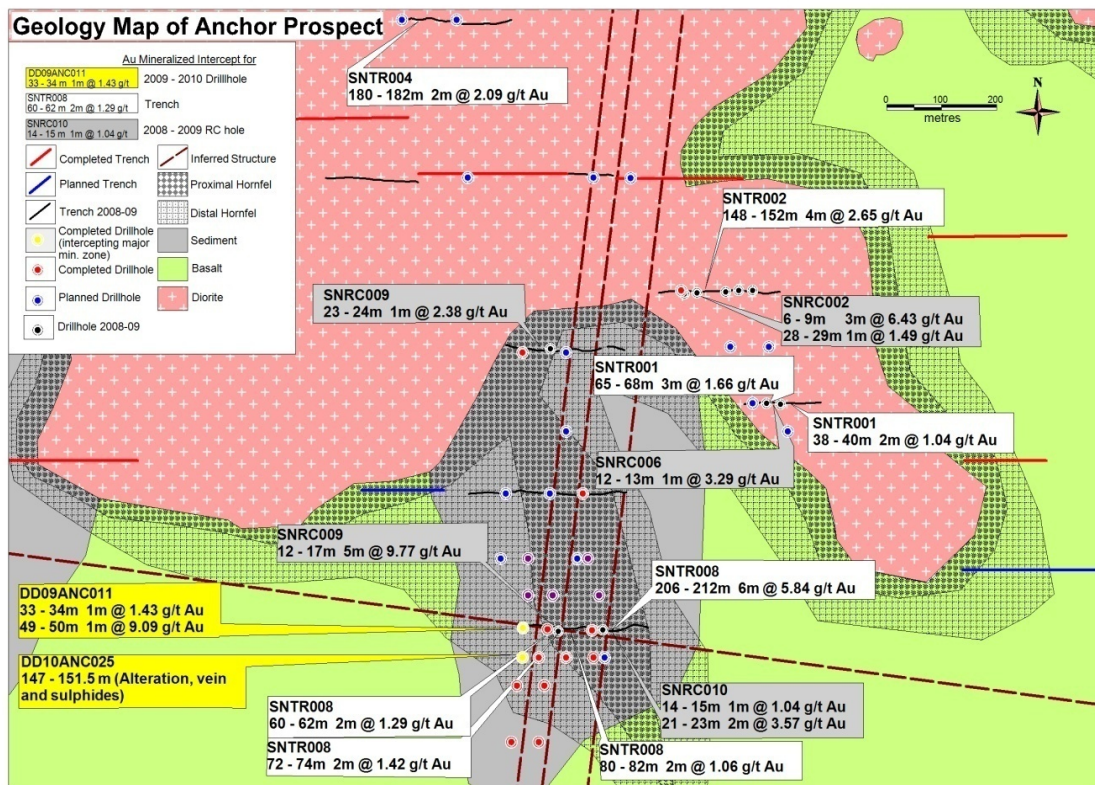


Figure 1. Geology Map of Anchor Prospect with significant gold (Au) intersections in trenches and drillholes, Snoul EL (SAU 100%).

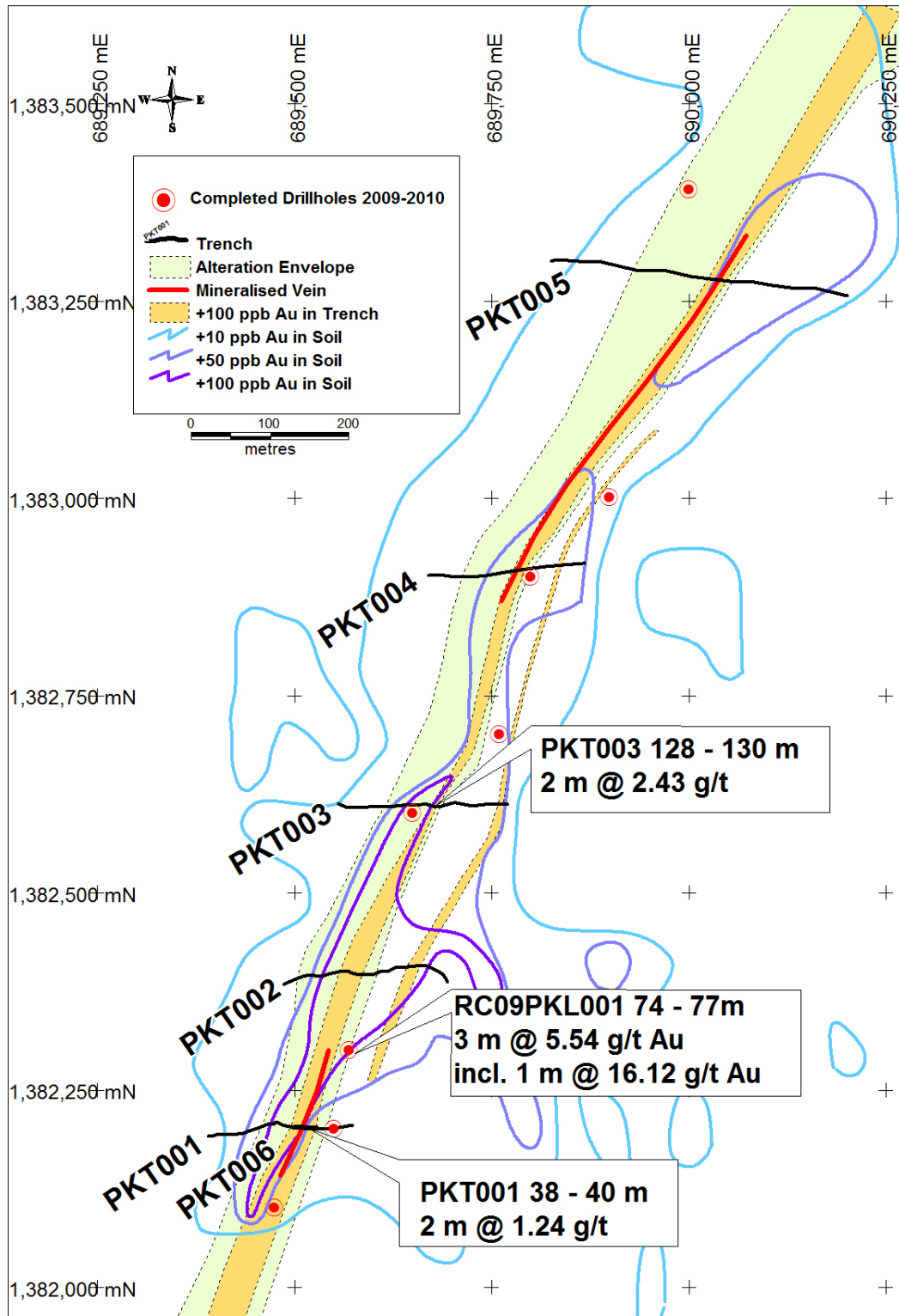


Figure 2. Significant gold trench intersections and proposed and completed 2009-2010 drillhole locations overlain on gold in soil contours
Preak Khlong NW Prospect, Preak Khlong tenement (SAU 100%, JOGMEC JV)

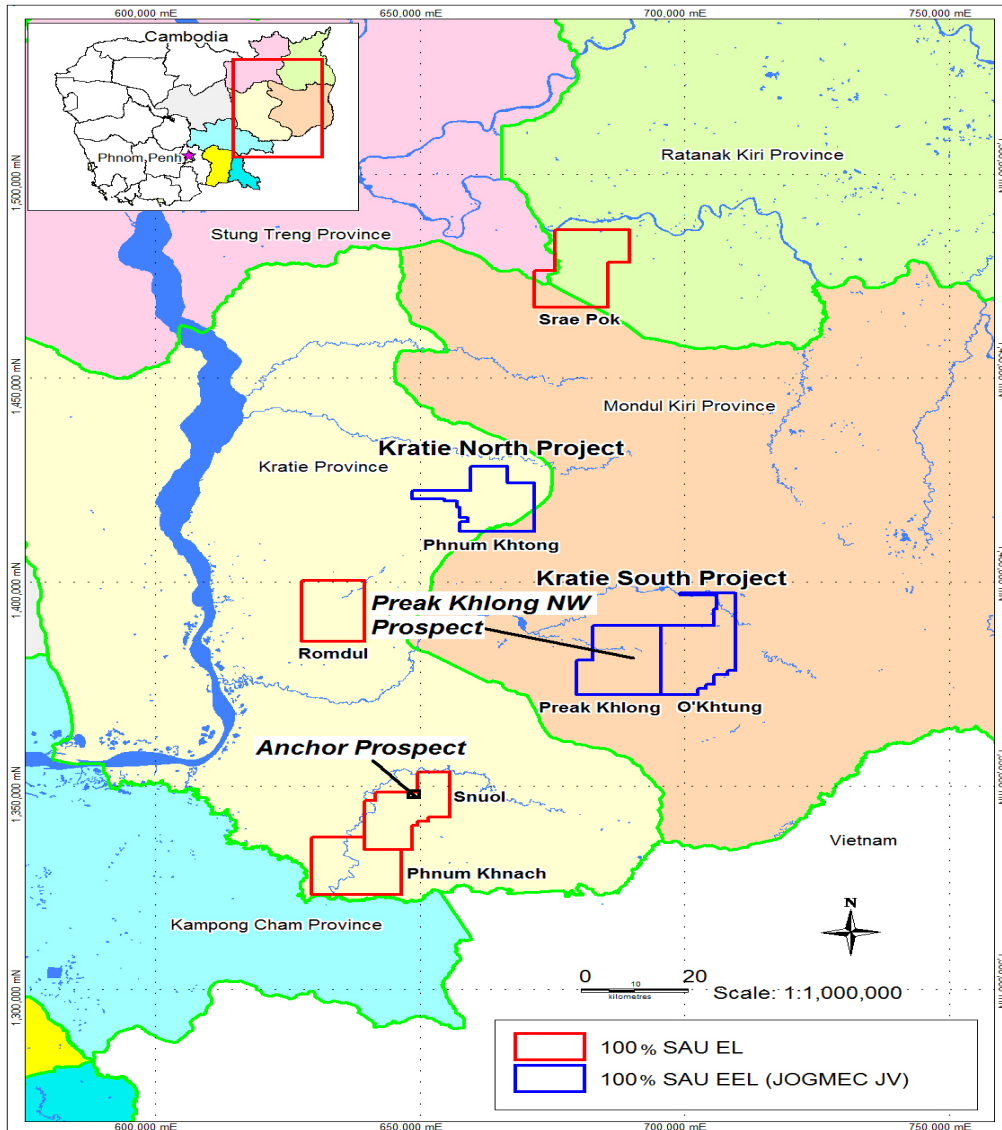


Figure 3. Southern Gold's four 100% and three JV tenements in eastern Cambodia and Anchor Prospect location.

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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.