SOUTHERNGOLD

ASX ANNOUNCEMENT **29 MARCH 2012**

NOTICE OF ADJUSTMENT TO OPTION EXERCISE PRICES

Southern Gold Limited (ASX : SAU) refers to the Offer Memorandum lodged with ASX on 22 March 2012 for a fully underwritten two (2) for seven (7) non-renounceable rights issue of up to approximately 77 million new shares in SAU priced at $0.043 per new share to raise approximately A$3.31 million before costs ("Rights Issue").

Southern Gold Limited gives notice that the exercise price of existing options to subscribe for SAU shares will be adjusted in accordance with the terms and conditions of the issue of options, effective on 6 April 2012.

The new exercise prices of those options are shown in the table below.

ASX Code	Expiry Date	Old Exercise Price	New Exercise Price
SAUAA	21 October 2012	$0.35	$0.349
SAUAB	1 December 2015	$0.105	$0.104
SAUAD	28 November 2012	$0.75	$0.749
SAUAE	30 September 2013	$0.15	$0.149
SAUAI	1 December 2014	$0.105	$0.104
SAUAK	30 October 2013	$0.15	$0.149
SAUAO	25 May 2013	$0.20	$0.199
SAUAS	30 June 2014	$0.30	$0.299
SAUAW	29 June 2012	$0.15	$0.149

For and on behalf of

Southern Gold Limited

Nick Harding
Company Secretary

Southern Gold Limited
ABN 30 107 424 519

Ground Floor, Unit 1
229 Greenhill Road
Dulwich SA 5065

PO Box 255
Kent Town
SA 5071

email info@southerngold.com.au
web southerngold.com.au

telephone 08 8368 8888
facsimile 08 8431 5619