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Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings ascribed to them as in the prospectus dated January 15, 2010 (the "Prospectus") issued by SouthGobi Energy Resources Ltd. (the "Company").



SOUTHGOBI ENERGY RESOURCES LTD.

南戈壁能源有限公司*

(a company continued under the laws of British Columbia, Canada with limited liability)

(Stock Code: 1878)

CLARIFICATION ANNOUNCEMENT

This announcement is made by the Company at the request of the Stock Exchange pursuant to Rule 11.13 of the Listing Rules.

PRESS ARTICLES

The Directors wish to clarify that the statements made by Mr. Alexander Alan Molyneux (“Mr. Molyneux”), President and Chief Executive Officer of the Company, at his interviews with South China Morning Post and The Wall Street Journal as featured in the respective newspapers on January 18, 2010 were intended to describe his own personal career development and management experience, to be featured in the management column of the newspapers. The interviews were not intended to cover the proposed international offering or the Company’s proposed listing of its Shares on the Stock Exchange. The statements made by Mr. Molyneux at the above interviews do not intend to provide any material information relating to the Company or do not actually reflect a forecast of the operating results of the Group, and should not be interpreted as such. In addition, such statements were Mr. Molyneux’s personal views and should not be interpreted as the opinion of or information provided by the Company.

The Company is of the view that all material information relevant to the offer of its Shares and the Group has been disclosed in the Prospectus. The Company does not currently have any additional information relating to the offer of its Shares that would warrant an amendment to the Prospectus or issuance of a supplemental prospectus with regard to the statements made by Mr. Molyneux in the interviews.

ADDENDUM

The Directors also confirm that no other information which is not included in the Prospectus has been released, save that the Company intends to issue an addendum to the Prospectus (the “Addendum”) shortly to principally disclose certain additional land use rights held by the Group in Mongolia which were granted by the relevant authorities in Mongolia during 2009. The Directors confirm that the Company’s property valuer, American Appraisal China Limited, has made an assessment of the additional land use rights as having no commercial value and, having considered the materiality of the information to be included in the Addendum, have concluded that the information relating to the additional land use rights to be included in the Addendum to be issued by the Company is not sufficiently material to affect the decision of a reasonable prospective investor in making an investment decision in respect of its Shares.

The Directors would like to remind the Shareholders and potential investors in the Shares that any information or representations relating to the Group, the Shares or the offer of our Shares not included in the Prospectus and the Addendum, when issued, or the related application forms must not be relied upon as having been authorised by the Company, the Joint Sponsors, the Joint Lead Managers, the Underwriters, any of their respective directors, employees, agents or representatives or any other person or party involved in the offer of our Shares. Shareholders and potential investors are urged to rely only on information contained in the Prospectus and the Addendum, when issued, before making investment decision in respect of the Shares.

This announcement is made by the Company at the request of the Stock Exchange pursuant to Rule 11.13 of the Listing Rules.

1. PRESS ARTICLES

The Directors noted that there were articles that appeared in the South China Morning Post and The Wall Street Journal on January 18, 2010 which contained statements relating to company value, management structure, production plans and regulatory environment for mining industry in Mongolia, as well as a description of certain government investment involving the Company’s parent company, Ivanhoe.

The Directors wish to clarify that the statements made by Mr. Molyneux at his interviews with South China Morning Post and The Wall Street Journal as featured in the respective newspapers on January 18, 2010 were intended to describe his own personal career development and management experience, to be featured in the management column of the newspapers. The interviews were not

intended to relate to the proposed international offering or the Company's proposed listing of its Shares on the Stock Exchange. The statements made by Mr. Molyneux at the above interviews do not intend to provide any material information relating to the Company or do not actually reflect a forecast of the operating results of the Group, and should not be interpreted as such. In addition, such statements were Mr. Molyneux's personal views and should not be interpreted as the opinion of or information provided by the Company.

The Company is of the view that all material information relevant to the offer of its Share and the Group has been disclosed in the Prospectus and the statements made by Mr. Molyneux at the above interviews are not material information relating to the Company, and does not need to be disclosed in the Prospectus. The Company does not currently have any additional information relating to the offer of its Shares that would warrant an amendment to the Prospectus or issuance of a supplemental prospectus with regard to the statements made by Mr. Molyneux in the interviews.

2. ADDENDUM

The Directors also confirm that no other information which is not included in the Prospectus has been released, save that the Company intends to issue an addendum to the Prospectus (the "Addendum") shortly to principally disclose certain additional land use rights held by the Group in Mongolia which were granted by the relevant authorities in Mongolia during 2009. The Directors confirm that the Company's property valuer, American Appraisal China Limited, has made an assessment of the additional land use rights as having no commercial value and, having considered the materiality of the information to be included in the Addendum, have concluded that the information relating to the additional land use rights to be included in the Addendum to be issued by the Company is not sufficiently material to affect the decision of a reasonable prospective investor in making an investment decision in respect of its Shares.

The Directors would like to remind the Shareholders and potential investors in the Shares that any information or representations relating to the Group, the Shares or the offer of our Shares not included in the Prospectus and the Addendum, when issued, or the related application forms must not be relied upon as having been authorized by the Company, the Joint Sponsors, the Joint Lead Managers, the Underwriters, any of their respective directors, employees, agents or representatives or any other person or party involved in the offer of our Shares. Shareholders and potential investors are urged to rely only on information contained in the Prospectus and the Addendum, when issued, before making investment decision in respect of the Shares.

By order of the Board
SouthGobi Energy Resources Ltd.
Mr. Peter Graham Meredith
Chairman

Hong Kong, January 19, 2010

As of the date of this announcement, the executive Director is Mr. Alexander Alan Molyneux, the non-executive Directors are Mr. Peter Graham Meredith, Mr. John Anthony Macken and Mr. Raymond Edward Jr. Flood and the independent non-executive Directors are Mr. Pierre Bruno Lebel, Mr. Robert William Hanson, Mr. Andre Henry Deepwell and Mr. Robert Stuart Angus.

** For identification purposes only*

This announcement is published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).