



November 19, 2009

SouthGobi Energy Resources closes convertible debenture financing

HONG KONG – Alexander Molyneux, President and CEO of SouthGobi Energy Resources Ltd. (**SGQ: TSX-V**), announced today that, further to its news release of October 26, 2009, it has completed the US\$500 million convertible debenture financing with a subsidiary of China Investment Corporation.

The net proceeds of the offering will be used to expand the company's coal mining and exploration activities in southern Mongolia and for general corporate purposes.

About SouthGobi Energy Resources

SouthGobi Energy Resources is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, Plans to supply a wide range of coal products to markets in Asia; Conversion price; Conversion timing; and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions are forward-looking statements. Although SouthGobi Energy Resources believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" in SouthGobi Energy's Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended Dec. 31, 2008, and for nine months ended September 30, 2009, all of which are available at www.sedar.com.