

SouthGobi Energy Resources to promote Mongolian art and culture by sponsoring the Mongolian Altan Urag Band

HONG KONG – Alexander Molyneux, President and CEO of SouthGobi Energy Resources Ltd. (**SGQ: TSX**), is proud to announce cooperation with the renowned Mongolian folk rock band, Altan Urag. The cooperation will take the form of a sponsorship grant that will allow the band to travel internationally and promote three new albums.

“We are thrilled to invest in such talented, young artists and to continue to see them flourish. Altan Urag’s music is a rare fusion of traditional Mongolian folk and rock music. Their rhythms and vocals are truly powerful and innovative,” said Mr. Molyneux.

The Altan Urag Band was formed in 2002 by six graduates of the Music and Dance College of Mongolia. Motivated by their passion for Mongolia’s rich tradition and culture, and their goal to perform for Mongolia and beyond, the band introduced a new fusion of music that could move and speak to the world.

“There was a time when people lost interest in our traditions. We combined traditional folk music with modern day rock to draw people’s attention back to the depth and spirit of Mongolia and its culture. We’re grateful for SouthGobi’s support. Our partnership will help promote Mongolian music to the world and to Mongolians. We look forward to a fruitful long-term partnership with SouthGobi,” stated Erdenebat, leader of Altan Urag.

Altan Urag’s first international tour was to Russia in 2004. Since then they have performed at prominent international film and music festivals and concerts in Vietnam, Thailand, Uzbekistan and the United States. Altan Urag also was featured in the closing ceremony of the Eurasia film awards in Kazakhstan, performing Ochigdor I, from the official soundtrack from the film *Mongol*, directed by Sergei Bodrov and nominated for an Academy Award for Best Foreign Language Film.

SouthGobi encourages people to familiarize themselves with the Altan Urag's great work by accessing the band's website (www.altanurag.mn) and by viewing videos of their performances available on YouTube.

The partnership with Altan Urag is emblematic of SouthGobi's program to support the communities in which it operates. SouthGobi has played a significant role in contributing to infrastructure development in the South Gobi, which has helped to enhance trade and economic activity in surrounding local communities.

SouthGobi also has improved living and working conditions for Mongolian border officers by building accommodation facilities at the Shivee Khureen border station. It has also renovated the Gurvantes secondary school dormitory to provide the students with a better learning and living environment. In addition, SouthGobi runs a university scholarship program, and provided six students from Gurvantes soum with scholarships this year. Among other contributions, SouthGobi has donated 10 million

tugrugs to the Gobi Development Fund, computers and beds to the Gurvantes hospital and office furniture to local organizations.

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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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; 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.