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January 21, 2010

SouthGobi Energy Resources announces pricing of Global Equity Offering

HONG KONG – Alexander Molyneux, President and CEO of SouthGobi Energy Resources Ltd. (**TSX:SGQ**), (the "Company" or "SouthGobi") announced today that the previously announced global offering of 27,000,000 Common Shares in the capital of SouthGobi ("Common Shares") has been priced at C\$17.00 (HK\$126.04) per Common Share. The Company has entered into underwriting agreements in connection with a public offering in Hong Kong and an international private placement (together, the "International Offering") for the sale of 24,300,000 Common Shares, and expects to enter into an underwriting agreement in connection with the public offering in Canada (the "Canadian Offering") for the sale of a further 2,700,000 Common Shares, to raise total gross proceeds of C\$459,000,000. Pursuant to the underwriting agreements, the Company will grant the underwriters an option to purchase up to an additional 4,050,000 Common Shares, to cover, among other things, over-allotments and for market stabilization purposes. If the underwriters exercise their full option to acquire additional Common Shares, gross proceeds raised would be C\$527,850,000.

The International Offering is being conducted through Citigroup Global Markets Asia Limited and Macquarie Capital Securities Limited as joint global coordinators, bookrunners, lead managers and sponsors of the International Offering, in conjunction with a concurrent application for a secondary listing of the Company's Common Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Canadian Offering will be conducted through Citigroup Global Markets Canada Inc., Macquarie Capital Markets Canada Ltd., Genuity Capital Markets and Salman Partners Inc.

Upon completion of the International Offering and the Canadian Offering (together, the "Global Offering") and the secondary listing of the Common Shares on the Hong Kong Stock Exchange, all Common Shares of the Company will trade on the Hong Kong Stock Exchange under stock code "1878" and on the Toronto Stock Exchange, under the symbol "SGQ".

The Global Offering is scheduled to close on January 29, 2010.

This news release has been prepared for publication outside the United States and may not be released (directly or indirectly) in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction outside of Canada, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Common Shares offered have not been, and will not be, registered under the 1933 Act, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed

information about the company and management, as well as financial statements. SouthGobi does not intend to register any part of the proposed Global Offering in the United States.

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.

Information contacts, SouthGobi Energy Resources

Alexander Molyneux, President & CEO – +852 6111 4281

Steven Feldman, Investor Relations Manager – +1 604 681 6799

Website: www.southgobi.com

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 "plan," "estimate," "expect," "intend," "may," and similar expressions are forward-looking statements. Although SouthGobi 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's Management 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.