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January 22, 2010

SouthGobi Energy Resources announces filing of Canadian Final Prospectus

HONG KONG –SouthGobi Energy Resources Ltd. (**TSX:SGQ**), (the "Company" or "SouthGobi") confirmed today that a receipt has been issued by Canadian securities regulators for a final prospectus of the Company in respect of the previously announced Canadian offering (the "Canadian Offering") of 2,700,000 Common Shares for gross proceeds of C\$45,900,000. The Company also granted the underwriters an option to purchase up to an additional 405,000 Common Shares to cover over-allotments and for market stabilization purposes. If the underwriters exercise the option in full, the gross proceeds of the Canadian Offering would be C\$52,785,000.

The Canadian Offering is being conducted through Citigroup Global Markets Canada Inc., Macquarie Capital Markets Canada Ltd., Genuity Capital Markets and Salman Partners Inc and is scheduled to close on January 29, 2010. The Canadian Offering is part of a global offering by the Company of an aggregate of 27,000,000 Common Shares conducted in conjunction with the listing of its Common Shares on the Stock Exchange of Hong Kong Limited, as previously announced January 11, 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 Canadian 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.

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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; the over-allotment option of the Canadian Offering; the scheduled closing date for the Canadian Offering; 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.