

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**南戈壁資源有限公司\***

*(a company continued under the laws of British Columbia, Canada with limited liability)  
(Stock Code: 1878)*

**SouthGobi Resources completes initial delivery to Risun Mining  
500,000-tonne China delivery contract a first for SouthGobi**

**HONG KONG** – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) announced today that it has completed its first “direct delivery” coal sale from its Ovoot Tolgoi coal mine in southern Mongolia to Risun Mining Co. Ltd. (“Risun”).

Please see the attached announcement for more details.

By order of the Board  
**SouthGobi Resources Ltd.**

**Mr. Peter Graham Meredith**  
*Chairman*

Hong Kong, 25 January 2011

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

\* *For identification purposes only*



January 25, 2011

## **SouthGobi Resources completes initial delivery to Risun Mining**

### **500,000-tonne China delivery contract a first for SouthGobi**

**HONG KONG** – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) announced today that it has completed its first “direct delivery” coal sale from its Ovoot Tolgoi coal mine in southern Mongolia to Risun Mining Co. Ltd. (“Risun”).

All previous coal sales by SouthGobi were “mine-gate” sales, in which customers took delivery and ownership of the coal at the Ovoot Tolgoi mine site and made their own arrangements to transport the coal to China.

The initial delivery to Risun was the first delivery under a 500,000-tonne, 2011 sales contract. Using a logistics service provider, SouthGobi transported coal to a customs bonded yard at Ceke, China, approximately 50 kilometres south of SouthGobi’s Ovoot Tolgoi coal mine. Ceke is a major Chinese coal distribution terminal with rail connections to key coal markets in China. Risun then undertakes its own logistics from there, with the coal destined for use in coke-making.

“This coal delivery is significant because it establishes that SouthGobi can offer customers coal inside China at the Ceke rail terminal as an alternative to mine-gate collection,” said Mr. Molyneux. “We’re also delighted to welcome Risun as a new customer, which has annual coal requirements.”

#### **About SouthGobi Resources**

SouthGobi 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 Resources***

Matthew O’Kane, Vice President Commercial Operations (Hong Kong) +852 2156 7012

Steven Feldman, Investor Relations Manager (Vancouver) +1 604 331 9813

Website: [www.southgobi.com](http://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, 2009, and quarter ended September 30, 2010 which are available at [www.sedar.com](http://www.sedar.com).