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南戈壁能源有限公司*

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

Appointment of Director

The board of directors of SouthGobi Resources Ltd. (the “Company”) is pleased to announce that Mr. W. Gordon Lancaster (“Mr. Lancaster”) has been appointed as an independent non-executive Director with effect from May 11, 2010.

Mr. Lancaster, aged 66, is a Chartered Accountant and has had a distinguished career in executive and board positions. Mr. Lancaster is an independent non-executive Director and Chairman of the Audit Committee for both Ainsworth Lumber Co. Ltd. (TSX) and Realm Energy International Corporation (TSX-V). From 2004 to 2009 he was Chief Financial Officer for Ivanhoe Energy Inc. (TSX; NASDAQ). Save as disclosed above, Mr. Lancaster has not held any directorship in other listed companies in the last three years.

There is no service contract between the Company and Mr. Lancaster, however; as an independent non-executive Director Mr. Lancaster will receive an annual retainer of C\$25,000 per year and C\$1,500 per in-person meeting attended and C\$600 per conference call meeting attended. Mr. Lancaster is appointed for a term of one year and subject to re-election annually at the Company’s Annual General Meeting.

Save as disclosed above, Mr. Lancaster has no other major appointments or qualifications. Other than the directorship in the Company Mr. Lancaster does not hold other positions with the Company or other members of the Company, nor does he have a relationship with any Director, senior management, management shareholders or substantial or controlling shareholders of the Company. Mr. Lancaster does not have any interest in shares of the Company with the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and there are no other matters relating to the appointment of Mr. Lancaster that needs to be brought to the attention of the shareholders of the Company.

By order of the Board
SouthGobi Resources Ltd.

Mr. Peter Graham Meredith
Chairman

Hong Kong, 26 May 2010

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

** For identification purposes only*