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SOUTHGOBI RESOURCES LTD.

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 to comply with Hong Kong disclosure of interests regime

HONG KONG – SouthGobi Resources Ltd (TSX: **SGQ**, HK: **1878**), its shareholders, directors and chief executives will be required to comply with all of the disclosure of interests requirements under Part XV of the Securities and Futures Ordinance with effect from 1 January 2011.

Please see the attached announcement for more details.

By order of the Board
SouthGobi Resources Ltd.

Mr. Peter Graham Meredith
Chairman

Hong Kong, 18 November 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 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*



November 18, 2010

SouthGobi Resources to comply with Hong Kong disclosure of interests regime

HONG KONG – SouthGobi Resources Ltd (**TSX: SGQ, HK: 1878**) (“**SouthGobi**”), today announced that its shareholders, directors and chief executives will be required to comply with all of the Hong Kong disclosure of interests requirements under Part XV of the Securities and Futures Ordinance (the “**Ordinance**”) with effect from January 1, 2011.

From January 1, 2011 all shareholders with a notifiable interest (5% or more), and all directors and chief executives of SouthGobi will have to file copies of the relevant notices on the occurrence of relevant events, including acquisition and disposal of interests in shares of SouthGobi. All shareholders, whether or not they are resident in Hong Kong, and including those shareholders who trade their shares on the TSX, will be required to comply with the regime if they hold a relevant interest.

Notices must be filed with Stock Exchange of Hong Kong Limited (“**HKEx**”) and with SouthGobi, at the same time or immediately one after the other.

Further information, and links to resources relating to disclosure and filing obligations, is set out in the compliance section below.

Background

SouthGobi, its shareholders, directors and chief executives were granted a partial exemption from compliance with Part XV of the Ordinance (other than Divisions 5, 11 and 12 of Part XV of the Ordinance) in respect of the listing of its shares on the HKEx. The Securities and Futures Commission (“**SFC**”) exemption was granted based on SouthGobi’s submission, among others, that it did not expect its turnover on the SEHK to exceed 20% of its average daily worldwide share turnover, given the relatively small amount of shares initially listed on the HKEx.

Instead of full compliance with Part XV of the Ordinance, under the exemption SouthGobi is only required to file any disclosures of interests made in another jurisdiction with the HKEx as soon as is practicable. Notices filed by SouthGobi can be found here:

<http://sdinotice.hkex.com.hk/di/NSC6Sum.aspx?src=MAIN&lang=EN&in=1>.

The SFC has now revoked the exemption, effective from January 1, 2011, because SouthGobi’s trading on the HKEx has, since listing, been consistently higher than 20% of its average daily worldwide share turnover.

Compliance

As noted above, the regime applies to all shareholders of SouthGobi with an interest of 5% or more (regardless of whether their shares are traded on the TSX or HKEx), and all directors and chief executives of SouthGobi. Those persons will have to file disclosure of interest forms on the occurrence of relevant events, including acquisition and disposal of interests in shares.

Shareholders, directors and chief executives should note that there are serious offences for non-compliance with the Ordinance, including fines and imprisonment.

Understanding compliance obligations

None of SouthGobi, the SFC or the HKEx can advise shareholders on whether they are required to file disclosure of interest forms, how to fill in the forms or answer queries on individual cases. However there are detailed resources available to help understand compliance obligations.

The “Outline of Part XV” published by the SFC gives extensive guidance on the situations in which a disclosure of interest notice will have to be filed under Part XV of the Ordinance. A copy of the Outline of Part XV can be downloaded from the SFC’s web site:

<http://www.sfc.hk/sfc/html/EN/legislation/securities/partxv/partxv.html>.

The HKEx also provides detailed notes on each type of disclosure of interest form which can be found at <https://sdinotice.hkex.com.hk>. The notes describe what is a “notifiable interest” and also provide advice on how to calculate the total number of shares in which the relevant person has an interest. An interest in shares may include, among others, a joint interest, an interest held through equity derivatives and an interest held by other entities, including spouses, children under 18, trusts and controlled corporations.

The notes provided by the HKEx also list “relevant events” and “initial notification” events that trigger the filing of a disclosure of interest form for each type of interest. Please note that the timing of the obligation to file a disclosure of interest form depends on the type of relevant event or initial notification, as set out in each of the notes provided by the HKEx. For some relevant events the disclosure of interest form must be filed within three business days of the day on which the person became aware of the relevant event.

Further, the notes provide detailed advice on completing each box on each form and include relevant examples.

Directors and chief executives of SouthGobi also have obligations to disclose interests they hold in any “associated corporation” of SouthGobi that is:

- (i) a subsidiary, or holding company, of SouthGobi;
- (ii) a subsidiary of SouthGobi’s holding company (e.g. a fellow subsidiary); or
- (iii) a corporation in which SouthGobi holds 20% or more of the issued shares of any class of its share capital.

All shareholders, directors and chief executives must satisfy themselves of the requirements of the Ordinance, and if in doubt, seek professional advice on whether or not they are required to file disclosure of interest forms and how to complete those forms.

Disclosure of interest forms

Forms for disclosure of interest can be downloaded from the HKEx website at <https://sdinotice.hkex.com.hk> (click “Download DI Form”). Forms are available in Adobe Portable Document format (“PDF”) for printing out and completion by hand, or in Microsoft Excel format for completion offline using the Excel program. Notices may be filed using either format.

There are 6 different forms of notice:

Form 1 – Individual Substantial Shareholder Notice: if you are an individual with an interest of 5% or more of the voting shares of a listed corporation (and are not a director or chief executive of the listed corporation).

Form 2 – Corporate Substantial Shareholder Notice: if you are a corporation with an interest of 5% or more of the voting shares of a Hong Kong listed corporation making a disclosure.

Form 3A – Director’s / Chief Executive Notice – Interests in Shares of Listed Corporation: if you are notifying interests in shares of the listed corporation of which you are a director or chief executive.

Form 3B - Director’s / Chief Executive Notice – Interests in Shares of Associated Corporation: if you are notifying interests in shares of a corporation that is associated with the listed corporation of which you are a director or chief executive.

Form 3C - Director’s / Chief Executive Notice – Interests in Debentures of Listed Corporation: if you are notifying interests in debentures of the listed corporation of which you are a director or chief executive.

Form 3D - Director’s / Chief Executive Notice – Interests in Debentures of Associated Corporation: if you are notifying interests in debentures of a corporation that is associated with the listed corporation of which you are a director or chief executive.

Filing with the HKEx

You may file the disclosure of interest forms by post, by hand, by fax, or if you have completed the form using Microsoft Excel, you may file it electronically using the HKEx electronic filing system. More details, including and filing addresses and instructions are included in the HKEx notes to each form.

Filing with SouthGobi

You must also file the disclosure of interest forms with SouthGobi at its registered office or principal place of business in Hong Kong. Forms may be filed by post, by hand, by fax or by email to any of the following addresses:

Hong Kong filing details:

Address	By Fax	By email
22 Floor China Hong Kong Tower 8-12 Hennessy Road Hong Kong	+852 2802 0323	SDIfiling@southgobi.com

Vancouver filing details:

Address	By Fax	By email
654 – 999 Canada Place Vancouver, B.C. V6C 3E1	+1 604 682 2060	SDIfiling@southgobi.com

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

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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 "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.