



June 8, 2010

SouthGobi Resources announces common share repurchase program

HONG KONG – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**), (the “Company” or “SouthGobi”) announced today that its Board of Directors has authorized a share repurchase program to purchase up to 2.5 million common shares of the Company on each or either of the Toronto Stock Exchange (“TSX”) and the Hong Kong Stock Exchange (“SEHK”), in aggregate representing approximately up to 5 million common shares or 2.7% of the current outstanding common shares of the Company. Except for exceptions related to block trades, for purchases made on the TSX the Company also is subject to a daily restriction of purchasing no more than 28,003 common shares representing 25% of the average daily trading volume for the last 6 months. At the close of business on June 8, 2010 the Company had 183,779,817 issued and outstanding common shares.

The share repurchase program will commence on June 15, 2010 and will remain until June 14, 2011, or until the purchases are completed or the program is terminated by the Company. All repurchased common shares under the share repurchase program will be cancelled. SouthGobi has not repurchased any of its shares within the past 12 months. SouthGobi has engaged Macquarie Capital Markets Canada Ltd. to undertake the share repurchase program on the TSX and Macquarie Capital Securities Ltd. to undertake the share repurchase program on the SEHK.

SouthGobi’s Board of Directors believes that a share repurchase program at this time is in the best interests of the Company and its shareholders as the current market price may not reflect the underlying value of SouthGobi’s common shares. Furthermore, the program will not impact on SouthGobi’s growth plans. Any shares purchased under the program will increase the proportionate interest of, and may be advantageous to, all remaining shareholders of SouthGobi.

The price that SouthGobi will pay for any shares under the share repurchase program on the SEHK shall be, on any date, an amount that is not more than the lesser of: (A) the simple average of the closing price of the Company’s common shares on the TSX for the 20 business days preceding the purchase; and (B) 1.05 times the average closing market price for the five preceding trading days on which the common shares were traded on the SEHK and on the TSX shall be an amount that is not more than the last independent trade of a board lot of the common shares.

As part of its secondary listing in Hong Kong, the Company was granted a ruling by the Securities and Futures Commission in Hong Kong that it is not a “public company in Hong Kong”. SouthGobi is, therefore, not subject to Hong Kong’s Codes on Takeovers and Mergers and Share Repurchases. As a result, the share repurchase program on the SEHK will be governed by Canadian law relating to issuer bids conducted on foreign exchanges and relevant Hong Kong Listing Rules, while purchases made on the TSX will be undertaken in accordance with the TSX’s listing rules covering Normal Course Issuer Bids.

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

Investors: Steven Feldman +1 604 681 6799

Media: Bob Williamson +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, the share buy back being advantageous to the remaining SouthGobi shareholders, 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 March 31, 2010 which are available at www.sedar.com.