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SouthGobi Energy Resources Appoints Peter Meredith as CEO and John Macken as Chairman

Ivanhoe Mines' Executives to Help Lead SouthGobi's Transition from Explorer to Mongolian Coal & Energy Producer

VANCOUVER, CANADA – SouthGobi Energy Resources Ltd. (**SGQ: TSX-V**) is pleased to announce the appointment of two senior members of the management team of Ivanhoe Mines (**IVN: TSX, NYSE, NASDAQ**) to help guide the company through its next phase of corporate growth and into production of coal and energy. Peter Meredith, Ivanhoe Mines' Deputy Chairman, has been appointed SouthGobi's new Chief Executive Officer (CEO) and John Macken, Ivanhoe Mines' President and CEO, has been appointed Chairman. Pierre Lebel, SouthGobi's current Chairman, has been appointed Lead Independent Director.

As the new CEO of SouthGobi Energy, Mr. Meredith will assemble and lead the management team tasked with starting commercial production at the company's world-class, Permian-age coal discoveries in Mongolia's South Gobi region, near the border with China.

Mr. Meredith is a seasoned executive with a strong background in corporate management and in key facets of the mining industry, including exploration, mine construction, financing and operations. He has been a director of SouthGobi Energy Resources (formerly Asia Gold) since it went public in December 2003. He is Ivanhoe Mines' Deputy Chairman, overseeing the company's business development and corporate relations. Mr. Meredith joined the Ivanhoe Group in 1996 and was CFO of Ivanhoe Mines prior to his appointment as Deputy Chairman. A Chartered Accountant, he previously spent 31 years with Deloitte and Touche LLP.

Mr. Meredith succeeds Edward Flood as SouthGobi's CEO. Mr. Flood, who will remain as a director of the company, was recently appointed Managing Director, Investment Banking, Haywood Securities (UK) Limited.

Mr. Macken, Ivanhoe Mines' President and CEO, has been appointed Chairman of SouthGobi Energy Resources. Mr. Macken joined Ivanhoe in November, 2003, after a 19-year career with mining giant Freeport McMoran Copper and Gold, most recently as Freeport's Senior Vice-President of Strategic Planning and Development, based in New Orleans. He spent a total of 13 years with Freeport's operating unit, P.T. Freeport Indonesia (PTFI), culminating in the position of Executive Vice-President and General

Manager at Freeport's Grasberg mining complex in Papua, the world's largest single copper and gold mine. As SouthGobi Energy Resources continues to evolve toward production, the appointment of Mr. Macken as Chairman secures proven leadership service and extensive operating experience.

Mr. Lebel, appointed Lead Independent Director, has been a member of the SouthGobi Energy Resources' board since 2003. He is Chairman and a Director of Imperial Metals Corporation, a mine developer and operator with whom he has been associated for more than 20 years. He also has been involved in the development of other junior mining companies and has broad experience in the mineral development industry.

SouthGobi Energy Resources recently acquired the Coal Division of Ivanhoe Mines. With the acquisition, SouthGobi Energy Resources now controls 54 coal exploration licences covering more than 22,700 square kilometres in southern Mongolia. The company's coal portfolio includes the Ovoot Tolgoi (formerly Nariin Sukhait) mine development project and five other exploration and development projects. Ivanhoe Mines is SouthGobi Energy Resources' largest shareholder, currently owning approximately 87% of the issued and outstanding shares.

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 to supply a wide range of coal products and electricity to markets in Mongolia and China. The company is investigating the implementation of clean coal technologies in the development of an electricity generating plant to benefit all of its stakeholders. As the company increases its resource base, SouthGobi Energy Resources plans to pursue the potential application of Coal-to-Liquids (CTL) technology to convert a portion of its resources into low-sulphur diesel, gasoline and naphtha.

Ivanhoe Mines, the parent company of SouthGobi Energy Resources, announced a strategic partnership last October with Rio Tinto plc, based in London, England, and Melbourne, Australia, to develop Ivanhoe's world-class Oyu Tolgoi copper-gold deposit in southern Mongolia, 80 kilometres north of the Mongolia-China border.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the company's plans to develop and supply various coal products and electrical energy to markets in Mongolia and China, and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions

are forward-looking statements. Although SouthGobi Energy Resources believe 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 Energy's Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2007, which is available at www.sedar.com.