



August 12, 2009

SouthGobi Energy Resources receives mining licence for Tsaagan Tolgoi coal deposit

HONG KONG -- Alexander Molyneux, President of SouthGobi Energy Resources Ltd., announced today that Mongolian authorities have issued a mining licence for the Tsaagan Tolgoi coal property that is held by the company's Mongolian subsidiary, Southgobi sands LLC.

The Tsaagan Tolgoi property is in the South Gobi Region, approximately 415 kilometres east of SouthGobi's Ovoot Tolgoi coal mine.

An independent NI 43-101 resource estimate for Tsaagan Tolgoi was prepared in February, 2008 by Norwest Corporation of Salt Lake City, USA. Norwest estimated 23.4 million tonnes of measured resources, 13.0 million tonnes of indicated resources and 9.0 million tonnes of inferred resources. The coal is of volatile bituminous B to C in rank based on ASTM D 388 standards and is suitable for use as a thermal coal. The resources appear to be amenable to surface extraction down to a planned depth of 150 metres. Details of the assumptions and parameters used to calculate these coal resources and coal quality estimates are set out in the Technical Report entitled "Coal Geology and Resources – Tsagaan Tolgoi Property" dated March 25, 2008 and available at www.sedar.com.

The deposit has the potential to supply any future coal-fired power plant that may be developed to produce electricity for Ivanhoe Mines' planned Oyu Tolgoi copper-gold mining complex, which is approximately 115 kilometres northeast of Tsaagan Tolgoi.

SouthGobi is required to submit a Technical and Economic Study to the government agency in charge of mining within 60 days of the receipt of the mining licence. The study is almost complete and SouthGobi intends to meet the submission deadline. The General Environmental Impact Assessment (EIA) for the Tsaagan Tolgoi Project was approved by Mongolia's Ministry of Nature and Environment in June 2009. A more detailed EIA is underway and will be submitted following approval of the Technical and Economic Study.

Mr. Molyneux said a decision to mine coal at Tsaagan Tolgoi will depend on the receipt of additional required permits and would follow the results of more detailed studies.

"Tsaagan Tolgoi is an important asset in SouthGobi's portfolio and the receipt of a mining licence is an important step," Mr. Molyneux added. "It speaks to the hard work and diligence of our employees, and the commitment the company has to Mongolia."

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 and its Eocene-age metallurgical and thermal coal deposits in East Kalimantan, Indonesia. 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 and electricity to markets in Asia.

Ivanhoe Mines (IVN: TSX, NYSE, NASDAQ) is SouthGobi Energy Resources' largest shareholder, currently owning, directly and indirectly, approximately 80% of the issued and outstanding shares.

Qualified Person

Disclosure of a scientific or technical nature in this release was prepared under the supervision of Stephen Torr (P.Geol.), the Company's Resource Manager, a "qualified person" for the purposes of National Instrument 43-101 of the Canadian Administrators ("NI 43-101").

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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, the company's plan to submit a Technical and Economic Study and detailed EIA for Tsaagan Tolgoi, plans to supply coal products and electricity to markets in Asia, 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 year end Dec. 31, 2008, which is available at www.sedar.com.