

The information set out in this appendix does not form part of the Accountant's Report prepared by the reporting accountants of the Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong as set out in "Appendix I — Accountant's Report" to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with "Financial Information" in this prospectus and "Appendix I — Accountant's Report" to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a true picture of the financial position of the Group as at September 30, 2009 or at any future date.

For illustration purpose only, the following statement of unaudited pro forma adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes as set out below is to illustrate the effect of the Offerings on the consolidated net tangible assets attributable to the equity holders of the Company as at September 30, 2009 as if it had taken place on September 30, 2009 and based on the audited consolidated net tangible assets attributable to equity holders of the Company as at September 30, 2009 as shown in "Appendix I — Accountant's Report" to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets attributable to equity holders of the Company as of September 30, 2009	Estimated net proceeds from the International Offering ⁽¹⁾	Estimated net proceeds from Canadian Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets attributable to equity holders of the Company as of September 30, 2009	Unaudited pro forma adjusted net tangible assets attributable to equity holders of the Company as of September 30, 2009 per Share ⁽³⁾⁽⁴⁾⁽⁵⁾		
	US\$	US\$	US\$	US\$	US\$	HK\$	C\$
Based on a maximum Offer Price/maximum Canadian Offer Price of HK\$133.50/ C\$17.00 per Share	60,676,493	377,990,782	63,380,640	502,047,915	3.11	24.11	3.22

Notes:

- (1) The estimated net proceeds from the International Offerings are based on 22,950,000 Offer Shares at the maximum Offer Price of HK\$133.50 per Offer Share, after deduction of the underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses payable by the Company in relation to the International Offering assuming pro rata allocation of underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses between the International Offering and the Canadian Offering. No account has been taken of the Shares that may be issued pursuant to any exercise of Over-allotment Options or Options granted under the EIP.
- (2) The estimated net proceeds from the Canadian Offering are based on 4,050,000 Canadian Offer Shares at the maximum Canadian Offer Price of C\$17.00 per Canadian Offer Share, after deduction of the underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses payable by the Company in relation to the Canadian Offering assuming pro rata allocation of underwriting commissions (exclusive of any discretionary incentive fees) and other estimated expenses between the International Offering and the Canadian Offering. No account has been taken of the Shares that may be issued pursuant to any exercise of Over-allotment Options or options granted under the EIP.
- (3) The unaudited pro forma net tangible assets attributable to equity holders of the Company as of September 30, 2009 per Share is based on 161,523,562 Shares, which includes 134,523,562 fully paid Shares as at the Latest Practicable Date, and 22,950,000 Offer Shares and 4,050,000 Canadian Offer Shares, expected to be in issue immediately following completion of the Offerings. No account has been taken of the Shares that may be issued pursuant to any exercise of Over-allotment Options or Options granted under the EIP.

- (4) The unaudited pro forma net tangible asset attributable to equity holders of the Company per Share is translated into Hong Kong dollars at an exchange rate of US\$1 to HK\$7.7567, the rate of the Bank of Canada prevailing on the Latest Practicable Date. No representation is made that the U.S. dollar amounts have been, could have been or may be converted to Hong Kong dollars or vice versa, at that rate.
- (5) The unaudited pro forma net tangible assets attributable to equity holders of the Company per Share is translated into Canadian dollars at an exchange rate US\$1 to C\$1.0372, the rate of the Bank of Canada prevailing on the Latest Practicable Date. No representation is made that the U.S. dollar amounts have been, could have been, or may be converted to Canadian dollars, or vice versa at that rate.

B. UNAUDITED PRO FORMA ESTIMATED LOSS PER SHARE

The following unaudited pro forma estimated loss per Share for the year ended December 31, 2009 has been prepared on the basis of the notes as set out below for the purpose of illustrating the effect of the Offerings as if they had taken place on January 1, 2009. The unaudited pro forma estimated loss per Share has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial results of the Group for the year ended December 31, 2009 or any future period.

Estimated net loss and comprehensive loss attributable to equity holders of the Company for the year ended December 31, 2009 ⁽¹⁾	not more than US\$111.2 million
Unaudited pro forma estimated loss per Share ⁽²⁾	not more than US\$0.69

Notes:

- (1) The bases and assumptions on which the estimated net loss and comprehensive loss attributable to equity holders of the Company for the year ended December 31, 2009 has been prepared are set out in Appendix III to this prospectus.
- (2) The calculation of the pro forma estimated loss per Share is based on the estimated net loss and comprehensive loss attributable to equity holders of the Company for the year ended December 31, 2009 and 161,523,562 Shares which includes 134,523,562 fully paid Shares, at the Latest Practicable Date, and 22,950,000 Offer Shares and 4,050,000 Canadian Offer Shares as if the Offerings had been completed on January 1, 2009 in accordance with Listing Rule 4.29(8). It does not take into account any Shares which may be issued upon exercise of the Over-allotment Options or any options granted under the EIP.

C. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this prospectus, in respect of the Group's unaudited pro forma financial information, received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

**ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF SOUTHGOBI ENERGY RESOURCES LTD.**

We report on the unaudited pro forma financial information of SouthGobi Energy Resources Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed Offerings of SouthGobi Energy Resources Ltd. might have affected the financial information presented, for inclusion in Appendix II to the prospectus dated January 15, 2010 (the "Prospectus"). The basis of preparation of the unaudited pro forma financial information is set out in Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose

of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it has been carried out in accordance with those standards.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of:

- the financial position of the Group as at September 30, 2009 or any future date; or
- the loss per share of the Group for the year ended December 31, 2009 or any future period.

Opinion

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
January 15, 2010