



FOR IMMEDIATE RELEASE

Southern Andes Energy Inc.

Special Meeting of Shareholders Approves Disposition of Silver Assets

TORONTO, ON, May 19, 2011 – At a Special Meeting held on May 19, 2011, shareholders of Southern Andes Energy Inc. (“**Southern Andes**” TSXV SUR) approved the sale of all of the issued and outstanding shares of Caracara Silver Inc. (“**Caracara**”) and indirectly all of the shares of Alpaca Exploraciones SAC, as well as all of the issued and outstanding shares of Solex del Peru SAC (“**Solex**”) to Ansue Capital Corp. (“**Ansue**”) pursuant to a qualifying transaction to be transacted by Ansue in accordance with the “capital pool company” rules of the TSX Venture Exchange (“**TSXV**”) (the “**Acquisition**”). As a result of the Acquisition, Ansue will acquire all of the silver assets of Southern Andes which comprise 24,600 hectares of concessions located approximately 200 kilometres north of Juliaca, Peru. Solex currently also owns certain uranium assets located in Peru. These assets do not form a part of the Acquisition and will be transferred out of Solex to Southern Andes on a non-cash basis. Southern Andes has agreed to remain liable for all costs and obligations in connection with such uranium assets.

As consideration for the Acquisition, Ansue has agreed to issue 100 million common shares to Southern Andes and to assume intercorporate debt owing to Southern Andes by Caracara and/or Alpaca Exploraciones SAC and/or Solex in the estimated amount of C\$250,000. Ansue has also agreed to assume the obligation of Caracara to issue shares to Cybersonic Ltd (“**Cybersonic**”) which arose pursuant to a purchase agreement, as amended, dated September 27, 2010 further to the purchase by Caracara of a certain technical data base relating to mineral claims located in the Pilunani region of Peru. As a result of this assumption agreement, upon completion of the Acquisition, Ansue will have the obligation to issue to Cybersonic 5,676,000 pre-consolidation common shares and an additional 2,924,000 pre-consolidation common shares on the one year anniversary of the completion of the Acquisition. Caracara retains the obligation to make certain cash payments to Cybersonic aggregating US\$400,000.

The Acquisition is conditional upon the receipt of all requisite and regulatory and third party consents, including without limitation, the consent of the TSXV, the completion by Ansue of the minimum portion of the previously announced financing for a minimum amount of C\$4.0 million and Ansue having C\$150,000 in net-free available cash on completion of the Acquisition.

Other Information and Updates

Southern Andes’ shares are currently listed for trading on the TSXV and Ansue’s shares are currently also listed for trading on the TSXV. However, in accordance with TSXV policy, Ansue’s shares are currently halted from trading and will remain halted until such time as determined by the TSXV which, depending on the policies of the TSXV, may not occur until the completion of the Acquisition and the Financing.

Ansue will provide further details of the Qualifying Transaction in due course by way of a filing statement to be prepared. Ansue will in due course make available to the TSXV, all financial information as required by the TSXV and will provide, in a press release to be disseminated at a later date, summary financial information derived from such statements.

About Southern Andes Energy Inc.

Southern Andes Energy Inc. is focused on exploring and developing uranium resources to meet the world's growing demand for clean energy. The Company is the largest landowner in the emerging Macusani Uranium District in Peru with holdings of more than 100,000 hectares of land. The Company also owns a 10% interest in Macusani Yellowcake Inc., which controls two advanced stage uranium projects in the district. Southern Andes owns a 100% interest in Caracara Silver Inc., which has been created to advance and develop the Company's extensive silver and zinc projects in Peru.

This news release may contain forward-looking statements that are based on Southern Andes Energy Inc. expectations, estimates and projections regarding their business and the economic environment in which they operate. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and Southern Andes undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release and has in no way passed upon the merits of the Acquisition and has neither approved nor disapproved of the contents of this press release.

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Completion of the Acquisition is subject to a number of conditions including but not limited to TSXV acceptance (in respect of each of Southern Andes and Ansue) and if applicable pursuant to the TSXV requirements, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approval is obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

FOR ADDITIONAL INFORMATION CONTACT:

For: Southern Andes

Nick Tintor

President and CEO
Southern Andes Energy Inc.
Office: 416-987-0855
ntintor@southernandes.ca

Leslie Haddow

Corporate Secretary
Southern Andes Energy Inc.
Office: 647-259-0730
lhaddow@southernandes.ca