

21 April 2009

Baobab Resources plc

TETE PROJECT – DIAMOND DRILLING COMMENCES

Baobab Resources Plc ("Baobab" or the "Company"), the iron ore, base and precious metals explorer with a portfolio of exploration projects in Mozambique, is pleased to announce that, further to the Company's announcement of 5 February 2009, drilling at its Tete magnetite project has now commenced.

The Company has commenced diamond drilling at the Chitongue Grande prospect, one of the four deposits that make up the Massamba Group prospects. The drilling program is designed to assess the widths and continuity of the vanadiferous titano-magnetite mineralization at the Chitongue Grande prospect.

Thirteen diamond drill holes are programmed to be drilled at -60° to a maximum down hole depth of 225m. Collars are at 100m centres along traverses spaced 100m and 200m apart. The drilling is designed to test two NE trending magnetic targets over strike lengths of 550m and 300m.

Project Overview

The Tete project is located immediately north of the Provincial capital of Tete and comprises three contiguous Exploration Licenses that straddle the central portion of the Tete Mafic Complex, covering an area of approximately 632km². The Licenses contain 5 known vanadiferous titano-magnetite deposits: Singore, located approximately 30km due north of Tete; and the cluster of prospects known collectively as the Massamba Group, located 55km north-northeast of Tete.

Baobab formed a strategic partnership with IFC (International Finance Corporation) in January 2009 whereby IFC earned a 15% direct interest in the Tete project.

Tete is fast becoming a major investment centre with mining majors Vale and Riversdale in the process of opening up the Moatize and Benga coal fields. The railway connecting Tete to the deep water port of Beira is being refurbished, as is the port. Power is readily available from the Cahora Bassa hydroelectric scheme with an additional scheme on the Zambezi in advanced planning stages. Coal fired power plants have also been proposed for Moatize and Benga.

Exploration results

Rock chip sampling from Massamba Group prospects returned average grades of 49% Fe, 21% TiO₂ and 0.5% V₂O₅. Sampling from the Singore prospect returned similar results. Bulk density determinations of titano-magnetite rock samples from the Massamba area returned an average in-ground specific gravity of 4.3 g/cm³ (*refer to AIM announcement dated 20 May 2008 for full details*).

The Company completed a high resolution airborne aeromagnetic and radiometric survey in early 2008. Geophysical modeling of the magnetic anomalies associated with known prospects in the Massamba area indicates that the magnetite bodies are near surface (for the most part 0m to 50m), sub-vertical, varying in width from 50m to 450m and continuous over strike lengths of up to 3.5km, with a combined strike length in excess of 8km. Follow up field investigations identified additional, previously unrecorded, magnetite outcrops both in the Massamba and Singore areas (*refer to AIM announcement dated 18 June 2008 for full details*).

Beneficiation test work of the bulk samples collected from outcrops of the Massamba Group indicate that a high mass yield concentrate containing 57.5% Fe, 0.71% V₂O₅ and 13.6% titanium dioxide TiO₂ may be achieved from a 75 micron (µm) feed and low intensity magnetic separation

at 800 Gauss. Deleterious elements of SiO₂, P and S are all very low and Al₂O₃ reports 2.7% (refer to AIM announcement dated 5 February 2009 for details).

The information in this release that relates to Exploration Results is based on information compiled by Technical Director Ben James (BSc). Mr James is a Member of the Australasian Institute of Mining and Metallurgy, is a Competent Person as defined in the Australasian Code for Reporting of exploration results and Mineral Resources and Ore Reserves, and consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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Download of this announcement and sample location plan is available from the Baobab website at:
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