

15 May 2009

Baobab Resources plc

TETE PROJECT – DIAMOND DRILLING UPDATE

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 21 April 2009, drilling at its Tete magnetite project is proceeding, and has now completed a total 1,300 metres. Approximately 2,600metres of diamond drilling is planned for the current drilling campaign.

Diamond drilling is being carried out 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 aeromagnetic anomalies indicative of vanadiferous titano-magnetite mineralization at the prospect.

The first round of drilling samples have been dispatched to the laboratory for assaying and DTR analysis and results will be released as they become available to the Company.

Download of this announcement and previous announcements relating to the Tete Project are available from the Baobab website at: www.baobabresources.com

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Tete 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 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.