



BAOBAB RESOURCES PLC

PLACING AND CHANGE IN DIRECTOR'S HOLDINGS

29 July 2009

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 the completion of a placing of 5,750,000 Ordinary Shares on 29 July 2009 (the "Placing Shares") at a price of 2p, raising £115,000 before expenses ("the Placing"). Funds raised will be used for ongoing working capital.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading will commence on 4 August 2009.

The new ordinary shares will rank *pari passu* with the existing ordinary shares of the Company.

Following the issue of the Placing shares, the Company will have 101,828,502 Ordinary Shares in issue.

Related Party Transaction

Mr Jeremy Dowler, non-executive Chairman of the Company, subscribed for 1,500,000 Ordinary Shares in Baobab at a price of 2p for a total consideration of £30,000. The share issue to Mr Dowler is therefore classified as a related party transaction for the purposes of the AIM Rules. Accordingly the Directors (other than Mr Jeremy Dowler), having consulted with Grant Thornton UK LLP (in its capacity as the Company's nominated adviser), confirm that they are satisfied that the terms of Mr Dowler's participation in the placement are fair and reasonable insofar as the shareholders of the Company are concerned.

Following this transaction, Mr Dowler holds 6,915,169 Ordinary Shares in the Company, representing 6.79% of the issued share capital. In addition, Mr Dowler is interested in 375,000 options over ordinary shares in the Company as follows:

Stock options held	Option exercise price	Expiry date
250,000	£0.10	1 February 2012
125,000	£0.11	1 February 2012

Mr Alexander ('Jon') Irwin Crowe, the market relations manager of the Company subscribed for 1,750,000 Ordinary Shares in Baobab at a price of 2p for a total consideration of £35,000. The

share issue to Mr Crowe is therefore classified as a related party transaction for the purposes of the AIM Rules. Accordingly the Directors, having consulted with Grant Thornton UK LLP (in its capacity as the Company's nominated adviser), confirm that they are satisfied that the terms of Mr Crowe's participation in the placement are fair and reasonable insofar as the shareholders of the Company are concerned.

Following this transaction, Mr Crowe's beneficial interest in the Company is as set out below:

Name	Ordinary shares held	% of interest of issued share capital
Jon Crowe	9,190,001*	9.02%

*Mr Crowe holds 2,550,001 directly, has an interest in 6,500,000 Ordinary Shares held indirectly by R J Broadhurst (Mr Crowe's wife) and himself as trustee for the R & J Superannuation Fund and 140,000 Ordinary Shares held indirectly through Millridge Holdings Pty Limited of which Mr Crowe is a shareholder.

Following the issue of the Placing shares, IFC's (International Finance Corporation) relevant interest in 11,000,000 Ordinary Shares in the Company, represents 10.8% of the Company's total voting rights.

Commenting today, Brett Townsend, Baobab's Managing Director, said: *The placing provides a secure cash base for Baobab to continue to progress the potential of the Tete project through the finalization of a resource estimate. We look forward to reporting further analytical results from the Chitongue Grande drilling campaign as they become available along with the resulting resources estimate anticipated for quarter four of 2009. "*

For Further Information please contact:

Baobab Resources plc
Brett Townsend: Managing Director

Tel: +61 (0)8 9430 7151

Baobab Resources plc
Jeremy Dowler: Non -Executive Chairman

Tel: +44 (0)1372 450529

Grant Thornton UK LLP
Fiona Owen

Tel: +44 (0)20 7383 5100

Fox-Davies Capital Limited
Daniel Fox-Davies

Tel: +44 (0)20 7936 5200