



BAOBAB REPORTS FINAL ROUND OF SIGNIFICANT INTERCEPTS AT TETE IRON PROJECT

26 August 2009

Baobab Resources Plc. ("Baobab" or the "Company") is an iron ore, base and precious metals explorer with a portfolio of exploration projects in Mozambique. Further to the announcements dated 6 July, 14 July and 10 August 2009, the Company is pleased to present the drilling results from traverse 99,900mN and orientation drill hole TDH0001 at its Tete iron / vanadium / titanium project.

HIGHLIGHTS

- Further positive iron and vanadium concentrate grades have been returned from analysis of core sampling from drill section 99,900mN.
- All holes drilled on the section intersected significant mineralisation from as shallow as 7.5m below surface. Mineralisation remains open both up-dip and down-dip.
- The diamond drilling programme has tested a 500m portion of the +8km strike potential of the Massamba Group.
- International consultancy, Coffey Mining Limited, has been commissioned to calculate a JORC Resource Estimate and Exploration Target - anticipated for completion by early Q4 2009.
- Significant concentrate intercepts include:

TDH0013 – six significant concentrate intercepts, totaling 77.5m, including:

16.0m @ 62.0% Fe & 0.72% V₂O₅ from 23.0m (21.8% mass recovery)

22.5m @ 57.7% Fe & 0.57% V₂O₅ from 46.5m (27.9% mass recovery)

27.5m @ 59.8% Fe & 0.65% V₂O₅ from 72.5m (17.6% mass recovery)

TDH0014 – seventeen significant concentrate intercepts, totaling 111.5m, including:

15.5m @ 59.5% Fe & 0.60% V₂O₅ from 40.0m (31.6% mass recovery)

23.0m @ 63.4% Fe & 0.74% V₂O₅ from 87.0m (27.6% mass recovery)

23.0m @ 63.8% Fe & 0.72% V₂O₅ from 124.0m (14.1% mass recovery)

13.5m @ 65.5% Fe & 0.73% V₂O₅ from 164.5m (15.1% mass recovery)

TDH0015 – six significant concentrate intercepts, totaling 42.5m, including:

7.0m @ 59.0% Fe & 0.66% V₂O₅ from 43.0m (29.7% mass recovery)

22.0m @ 59.7% Fe & 0.63% V₂O₅ from 56.0m (23.0% mass recovery)

Commenting today, Ben James, Baobab's Technical Director, said: "This final round of results further demonstrates the continuity of mineralisation within the drill area and will assist in estimating the exploration potential of the greater Massamba Group project. Baobab looks forward to declaring a Resource Estimate and Exploration Target in early quarter four."

Tete Project overview

The Tete project is located immediately north of the Provincial capital of Tete and comprises three contiguous Exploration Licences that straddle the central portion of the Tete Mafic Complex, covering an area of approximately 632km². The Licences contain 5 known vanadiferous titanite-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/Tata Steel in the process of opening up the Moatize and Benga coal fields. The railway connecting Tete to the port of Beira is being refurbished, as is the port. Low tariff hydro-electric power is readily available from the 2,075megawatt Cahora Bassa dam, with an additional 1,500 megawatt scheme at Mphanda N'kuwa, also on the Zambezi, in advanced planning stages. Coal fired power plants have been proposed for Moatize and Benga.

Tete Project Exploration

Baobab commenced exploration activities at the Tete Project in 2008 completing an aeromagnetic survey, field mapping and sampling and metallurgical test work. For a detailed review of this work, please refer to the AIM announcements dated 20 May 2008, 18 June 2008, 27 October 2008 and 5 February 2009 (which are available for download from the Company's website www.baobabresources.com).

The Company has focused its 2009 activities on the Massamba Group area where exploration has identified magnetite mineralisation over 8km of strike.

Diamond Drilling

Diamond drilling at the Chitongue Grande prospect, one of four deposits that make up the Massamba Group, commenced in April 2009. The programme is composed of 15 holes (3092m) drilled at an inclination of 60 degrees along 4 northwest-southeast traverses spaced 100m and 200m apart covering a strike length of approximately 500m.

Drilling has intersected stacked packages of magnetite mineralisation intercalated with gabbroic and anorthositic country rock. The packages dip at shallow angles of 10 degrees to 30 degrees southeast from surface and are composed of individual horizons, varying in width from 0.5m to 30m. Vertical, fine grained mafic dykes intrude the area. Mineralisation remains open down dip on all sections. To view location plan and interpreted cross sections, please refer to the AIM announcement dated 26 June 2009 on the Company website.

The mineralisation may be divided into two distinct domains:

- broad zones of breccia-textured material where clasts of highly altered gabbroic/anorthositic material are supported in a matrix of fine grained magnetite and;
- subordinate, coarse grained massive magnetite veins (up to 5m in width).

Analytical Results

Analytical results have been returned from composite sampling of diamond drill holes TDH0001, 13, 14 and 15. TDH0001 was a preliminary diamond drill hole drilled at the outset of the programme to determine the orientation of the mineralised zones. Drill holes TDH0013, 14 and 15 were drilled on section 99,900mN.

Significant results from drilling on sections 100,000mN, 99,700mN and 100,100mN were reported in the AIM announcements dated 6 July, 14 July and 10 August 2009 respectively. Sample preparation was completed by ACT-UIS laboratories in Tete, Mozambique prior to despatch to ALS Chemex laboratories in Perth, Western Australia for Davis Tube Recovery (DTR) and XRF analysis.

Significant intercepts are presented below:

TDH0001				575295.77mE 8266014.2mN 337.89mRL Total Depth: 229m Collar Dip/Azi: -60 / 87.56								
FROM	TO	INTERVAL	COMP	REC %	Fe %	V2O5 %	TiO2 %	Al2O3 %	P %	S %	SiO2 %	
63	70	7	MAGS	15.1	64.4	0.72	3.82	3.27	<0.001	0.0212	1.80	
			HEAD		22.0	0.16	8.18	14.26	0.023	0.1347	32.79	
111.5	113.5	2	MAGS	18.5	65.6	0.71	2.92	2.44	0.001	0.0680	1.88	
			HEAD		26.2	0.18	9.03	12.50	0.048	0.3610	29.30	
124	127.5	3.5	MAGS	20.4	61.9	0.66	7.30	3.19	<0.001	0.2140	1.38	
			HEAD		23.8	0.17	8.49	13.15	0.024	0.2260	31.30	
131	145	14	MAGS	27.5	61.4	0.66	6.34	3.77	<0.001	0.5324	1.50	
			HEAD		29.6	0.21	11.16	11.13	0.018	0.3416	24.76	
147.5	155.5	8	MAGS	25.0	61.6	0.70	6.37	3.75	<0.001	0.3738	1.49	
			HEAD		26.2	0.20	9.21	12.48	0.023	0.1820	29.37	
171	178	7	MAGS	19.0	67.4	0.40	1.58	1.56	0.001	0.3545	1.02	
			HEAD		27.8	0.10	9.44	10.33	0.022	0.4097	26.30	
185	195.5	10.5	MAGS	15.3	66.9	0.75	2.02	1.82	<0.001	0.3067	1.23	
			HEAD		24.2	0.16	8.89	10.54	0.020	0.2089	22.82	
202	206.5	4.5	MAGS	10.1	68.7	0.73	1.06	1.08	0.001	0.0539	1.24	
			HEAD		20.8	0.13	8.03	14.04	0.027	0.2070	33.96	
210.5	214	3.5	MAGS	11.7	69.5	0.62	0.73	0.82	<0.001	0.0210	1.00	
			HEAD		18.4	0.11	6.42	15.00	0.034	0.2800	36.90	

TDH0013				575302.2mE 8265864.27mN 335.12mRL Total Depth: 206.3m Collar Dip/Azi: -60 / 321.24								
FROM	TO	INTERVAL	COMP	REC %	Fe %	V2O5 %	TiO2 %	Al2O3 %	P %	S %	SiO2 %	
7.5	10	2.5	MAGS	11.9	66.3	0.74	3.85	2.20	0.002	0.010	0.72	
			HEAD		26.1	0.18	10.70	15.30	0.007	0.012	28.00	
23	39	16	MAGS	21.8	62.0	0.72	8.59	2.81	0.002	0.010	1.10	
			HEAD		33.9	0.26	13.84	10.76	0.014	0.022	20.13	
46.5	69	22.5	MAGS	27.9	57.7	0.57	11.98	3.93	<0.001	0.243	1.24	
			HEAD		24.3	0.17	9.29	10.73	0.027	0.231	22.94	
72.5	100	27.5	MAGS	17.6	59.8	0.65	7.55	3.95	<0.001	0.656	1.67	
			HEAD		20.2	0.13	7.54	10.00	0.026	0.234	25.96	
149.5	151	1.5	MAGS	16.6	69.0	0.72	1.15	1.16	0.001	0.034	0.86	
			HEAD		29.0	0.22	11.65	11.75	0.015	0.210	23.80	
161	168.5	7.5	MAGS	16.8	64.9	0.72	3.72	2.09	<0.001	0.449	1.46	
			HEAD		25.5	0.18	10.26	11.18	0.017	0.262	24.80	

TDH0014				575371.87mE 8265788.94mN 321.56mRL Total Depth: 220m Collar Dip/Azi: -60 / 316.48								
FROM	TO	INTERVAL	COMP	REC %	Fe %	V2O5 %	TiO2 %	Al2O3 %	P %	S %	SiO2 %	
40	55.5	15.5	MAGS	31.6	59.5	0.60	9.04	3.95	<0.001	0.443	1.24	
			HEAD		28.9	0.20	9.65	6.76	0.021	0.389	14.93	
58.5	63.5	5	MAGS	27.4	59.4	0.62	8.49	4.04	<0.001	0.573	1.57	
			HEAD		27.4	0.19	9.53	12.25	0.035	0.250	27.80	
66	71.5	5.5	MAGS	27.8	60.6	0.67	7.22	4.06	<0.001	0.637	1.26	
			HEAD		29.7	0.22	11.46	12.55	0.031	0.283	24.16	
77.5	79.5	2	MAGS	28.3	60.3	0.66	3.35	3.16	0.002	1.485	3.54	
			HEAD		31.0	0.22	11.90	10.60	0.024	0.559	22.80	
87	110	23	MAGS	27.6	63.4	0.74	5.95	2.50	<0.001	0.358	1.14	
			HEAD		33.5	0.26	12.11	10.35	0.018	0.254	19.24	
112	116	4	MAGS	28.1	62.6	0.71	5.44	3.47	<0.001	0.610	1.06	
			HEAD		30.8	0.22	11.05	10.64	0.019	0.357	23.80	
124	147	23	MAGS	14.1	63.8	0.72	3.33	2.78	0.002	0.817	1.57	

			HEAD		20.7	0.14	7.21	9.90	0.042	0.255	24.95
158.5	160	1.5	MAGS	21.4	62.2	0.70	3.77	3.70	0.002	0.845	1.98
			HEAD		24.3	0.18	9.04	14.50	0.024	0.281	30.40
161	161.5	0.5	MAGS	15.0	61.4	0.70	3.01	3.81	0.003	0.877	3.33
			HEAD		20.7	0.14	7.53	14.55	0.025	0.331	35.00
164.5	178	13.5	MAGS	15.1	65.5	0.73	2.58	2.17	0.002	0.362	1.80
			HEAD		20.7	0.15	7.48	8.82	0.015	0.209	19.83
188	192	4	MAGS	20.0	67.4	0.76	1.28	2.44	0.001	0.110	1.18
			HEAD		28.2	0.22	10.75	11.78	0.018	0.220	24.40
195.5	197.5	2	MAGS	24.8	65.3	0.78	2.61	2.37	0.002	0.458	1.53
			HEAD		26.3	0.22	10.11	7.36	0.008	0.241	13.90
200	204	4	MAGS	19.4	69.2	0.61	1.01	0.79	0.003	0.088	0.96
			HEAD		27.1	0.18	10.01	10.06	0.024	0.393	26.83
206	210	4	MAGS	18.5	65.9	0.69	2.47	1.89	0.002	0.538	1.43
			HEAD		26.4	0.18	10.24	11.95	0.018	0.369	27.55
212.5	213.5	1	MAGS	28.3	66.9	0.69	2.68	2.14	0.001	0.028	0.94
			HEAD		34.0	0.26	12.90	9.72	0.025	0.299	19.80
216.5	217	0.5	MAGS	16.9	66.7	0.71	1.78	2.68	0.002	0.035	1.45
			HEAD		22.5	0.16	7.98	13.10	0.014	0.136	33.60
217.5	220	2.5	MAGS	10.5	67.8	0.80	1.99	1.62	0.002	0.037	0.95
			HEAD		15.0	0.12	5.86	7.54	0.008	0.139	17.92

TDH0015				575230.57mE 8265930.68mN 336.73mRL							
				Total Depth: 149.5m Collar Dip/Azi: -60 / 317.4							
FROM	TO	INTERVAL	COMP	REC %	Fe %	V2O5 %	TiO2 %	Al2O3 %	P %	S %	SiO2 %
16.5	21	4.5	MAGS	11.7	62.3	0.74	6.86	3.24	0.005	0.010	1.36
			HEAD		31.4	0.24	13.24	12.24	0.016	0.028	22.26
43	50	7	MAGS	29.7	59.0	0.66	11.84	3.30	<0.001	0.012	1.19
			HEAD		31.5	0.26	11.85	7.84	0.004	0.014	15.60
56	78	22	MAGS	23.0	59.7	0.63	8.43	3.97	<0.001	0.438	1.64
			HEAD		23.1	0.16	8.73	10.54	0.022	0.233	24.22
93	98	5	MAGS	26.3	63.2	0.70	7.08	2.32	<0.001	0.084	1.21
			HEAD		30.3	0.21	11.96	11.11	0.019	0.125	23.50
102.5	105	2.5	MAGS	29.7	63.2	0.71	5.61	3.25	0.001	0.136	1.25
			HEAD		32.8	0.24	13.65	8.78	0.029	0.327	21.20
108	109.5	1.5	MAGS	27.2	63.7	0.74	4.66	3.59	0.002	0.106	1.23
			HEAD		29.0	0.22	11.65	10.65	0.103	0.266	25.60

Coordinate system WGS84 UTM zone 36S. All samples were submitted to Davis Tube Recovery (DTR) analysis conducted at the ALS Laboratory Group in Perth, Western Australia, at a 38µm fraction and 3000G. Head and magnetic concentrate sub-samples were analysed by X-ray Fluorescence Spectrometry (XRF). All values are calculated as weighted averages over the reported interval. Maximum length of internal dilution = 2m. Only intervals with a calculated mass recovery of >10% are presented.

Resource Estimate & Exploration Target Studies

Internationally respected consultants, Coffey Mining Limited, have been commissioned to complete a Resource Estimate based on the completed drilling programme at Chitongue Grande and an Exploration Target calculation encompassing the greater Massamba area. Both studies will be conducted in accordance with the JORC code and are expected for completion by early quarter four 2009.

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.

Download of this announcement is available from the Baobab website at: www.baobabresources.com

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