



SOUTH ZONE DRILLING CONTINUES TO DELIVER

19th February 2010

Baobab Resources plc ("Baobab" or the "Company"), the iron ore, base and precious metals explorer with a portfolio of mineral projects in Mozambique, is pleased to present results from the last of three diamond drill holes completed prior to the close of the 2009 field season at the South Zone prospect of the Tete magnetite-ilmenite project.

Highlights:

- **TDH0017 has returned a significant mineralised intercept recording concentrate grades of:
43.5m @ 64.5% Fe, 0.66% V₂O₅, 6.23% TiO₂ from 56m (36.6% mass recovery)**
- **The South Zone prospect, comprising the southern 2.5km of the Massamba Group trend, was first identified by the Company in 2008. No previous exploration had been carried out in the area prior to the Company completing three diamond drill holes at the close of the 2009 field season.**
- **Drilling intersected broad zones of cumulate-style mineralisation similar to that of the 47.7mt Inferred Resource at Chitongue Grande, located 7km to the north, as well as massive magnetite-ilmenite intrusive dykes.**
- **Significant concentrate intercepts from drill holes TDH0016 & TDH0018 were announced on 1 February 2009.**
- **Continuation of the 12,000m scout drilling campaign at Massamba Group is on schedule for early March 2010.**

Commenting today, Ben James, Baobab's Managing Director, said: "taking into account width, grade and mass recovery, the TDH0017 result is quite probably our best to date. We look forward to opening the 2010 drill season next month on the Massamba Group trend and will focus initially on the South Zone prospect before moving north into the Chimbala area. The objectives of the programme are two-fold; to improve our confidence in the 400 to 700Mt Exploration Target and to clarify geological domains for continued metallurgical test work."

Tete Project – Overview

The Tete Project, covering an area of 632km², is located immediately north of the provincial capital of Tete and shares licence boundaries with Vale and Riversdale's mega coal projects. The project is strategically located to access abundant, low tariff hydro-electric power from existing and developing schemes on the Zambezi River. The ports of Beira and Nacala are being refurbished, as are the rail corridors through to Tete.

The project contains two areas of magnetite-ilmenite mineralisation; the Singore area to the south and the Massamba Group in the north. The 8km long Massamba Group is composed of a series of five prospects including Chitongue Grande and Pequeno, Caangua, Chimbala and South Zone.

The Company commenced exploration initiatives in mid 2008 and has focused its efforts to date on the Massamba Group area. The Singore area remains largely untested and highly prospective.

Work completed by the Company has culminated in the estimation of a 47.7mt maiden Inferred Mineral Resource over a 500m portion of the Chitongue Grande prospect and a 400mt to 700mt Exploration Target over the broader Massamba Group area. Independent scoping metallurgical studies and financial modelling indicates positive project economics in the production of high quality magnetite (iron and vanadium) and ilmenite (titanium) concentrate commodities (refer to announcements dated 24 September 2009, 29 September 2009 and 8 October 2009).

Baobab has entered into a strategic partnership with International Finance Corporation (IFC), the commercial arm of the World Bank, at both the corporate and project equity levels.

South Zone Exploration Programme – Detail

The South Zone prospect was first recognised by the Company during its 2008 high resolution aeromagnetic survey, as a 2.5km long north-south zone of high magnetic response immediately south of the known Massamba Group prospects. An initial field verification survey in late 2008 mapped out large, previously unrecorded massive magnetite-ilmenite outcrops.

Detailed mapping during November 2009 has further resolved the geological parameters of the prospect (refer to announcement dated 17 December 2009).

The primary iron, vanadium and titanium mineralisation occurs as cumulate sequences within the gabbro / anorthosite suite. The enrichment of the ore bearing minerals of magnetite and ilmenite varies from 10% to 90% over widths ranging from one to in excess of fifty metres. The mineralisation is similar to that observed in the Chitongue Grande drill core and appears to be steeply dipping.

A secondary phase of mineralisation, in the form of a vertical massive magnetite-ilmenite intrusive dyke, outcrops as a chain of small ridges along the western margin of the magnetic anomaly. The dyke has an apparent thickness in excess of 20m and appears to crosscut the primary mineralisation.

Post-mineralisation tectonics has segregated the prospect into at least 5 discrete fault blocks. Dolerite dykes crosscut the area in a northeast-southwest orientation and are up to 10m thick.

Three diamond drill holes (TDH0016 to 18) have been completed to date at South Zone for an aggregate total of 532.5m, targeting the downdip extensions to outcrops of the massive intrusive style mineralisation. Drilling has intersected significant widths of both the primary and secondary styles of mineralisation. The drilling has provided valuable geological and structural information that will assist in the development of the ongoing scout drilling programme.

Sample preparation at 1m composite intervals was completed by ACT-UIS laboratories in Tete, Mozambique prior to despatch to ALS Chemex laboratories in Perth, Western Australia for further compositing (maximum composite length of 4m), Davis Tube Recovery (DTR) and XRF analysis.

Analytical results (including DTR determinations) have been returned from all drill holes, with TDH0016 and TDH0018 results announced on 1 February 2010. TDH0017 returned a single significant intercept as tabulated below.

TDH0017				Collar Location: 571,512mE 8,259,045mN 329mRL							
Total Depth: 129m				Collar Dip/Azi: -60 / 300							
FROM	TO	INTERVAL	COMP	REC	Fe	TiO2	V2O5	Al2O3	P	S	SiO2
				%	%	%	%	%	%	%	%
56	99.5	43.5	MAGS	36.6	64.5	6.23	0.66	2.20	0.001	0.0797	0.52
			HEAD		37.0	14.94	0.27	5.59	0.023	0.3182	9.60

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 = 4m. Only intervals with a calculated mass recovery of >10% are presented.

Forward Programme 2010

The Company will be continuing its programme of scout drilling to assess the South Zone and Chimbala prospect areas in 2010. The programme includes both diamond and reverse circulation (RC) drilling for a combined total of approximately 12,000m. Drilling is expected to recommence in early March 2010.

The information in this release that relates to Exploration Results is based on information compiled by Managing 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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