



Baobab Resources plc

13 DECEMBER 2007

BAOBAB PLACING RAISES £1.1M FOR ONGOING EXPLORATION & EVALUATION AND CHANGE IN DIRECTOR'S SHAREHOLDING

Baobab Resources Plc. ("Baobab" or the "Company"), the Mozambique copper, iron ore and precious metals explorer with a portfolio of exploration projects, is pleased to announce a placing undertaken with the assistance of Fox-Davies Capital Limited ("FDC") of 9,970,000 ordinary shares (the "Placing Shares") at a price of 11.5p, raising £1,146,550 before expenses.

Funds raised will be used in the ongoing development of the Mundonguara project with the objective of completing a pre-feasibility study by the middle of 2008. This will include defining a high-grade copper resource, quantifying the copper gold oxide cap and determining the tenor and extent of potential lower grade haloes. The Company will also continue with its focused exploration activities on its existing portfolio in Mozambique.

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 18 December 2007. Under the placing, FDC has been granted broker warrants to subscribe to 460,040 ordinary shares exercisable at the Placing price and expiring on 13 December 2010.

Pursuant to the Placing, Non-Executive Chairman Jeremy Dowler acquired 1,500,000 ordinary shares, bringing his total holding to 4,415,169 ordinary shares, representing 7.51% of the Company.

The Placing Shares represent 20.4% per cent of the existing issued share capital of the Company. Following issue and allotment of the Placing Shares today, the Company will have 58,789,502 ordinary shares in issue.

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For further information please contact:

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ADDITIONAL INFORMATION ON BAOBAB RESOURCES

Baobab Resources is an AIM listed company (BAO-AIM) with a balanced portfolio of exploration projects in Mozambique ranging from advanced resource definition drill targets to brownfield exploration, and greenfield prospects boasting an array of commodities. Baobab has implemented a focused exploration strategy, with proposed and current exploration programmes designed to lead to staged feasibility studies over the next 12 to 24 months. Baobab's most advanced project is the potential re-opening of the Mundonguara high-grade copper / gold / silver mine where completion of a pre-feasibility study is targeted for mid 2008.

Download available from the Baobab website at: www.baobabresources.com