



## **Baobab Resources plc**

**25 JANUARY 2007**

### **BAOBAB PLACING RAISES TOTAL OF £723,235 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 the second tranche of the placing undertaken with the assistance of Fox-Davies Capital Limited ("FDC") of a further 6,289,000 ordinary shares (the "Placing Shares") at a price of 11.5p, raising £723,235 before expenses.

The second tranche, combined with the first tranche of 9,970,000 ordinary shares completed in December 2007, totals 16,259,000 ordinary shares and raises £1,869,785 before expenses for the Company.

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 31 January 2008. Under the placing, FDC has been granted broker warrants to subscribe to 151,860 ordinary shares exercisable at the Placing price and expiring on 24 January 2011.

Pursuant to the Placing, Non-Executive Chairman Jeremy Dowler acquired 600,000 ordinary shares, bringing his total holding to 5,015,169 ordinary shares, representing 7.7% of the Company. Standard Bank plc have subscribed for 4,252,000 ordinary shares in tranche two of the placing, and now have an interest in the Company of 6.5%.

The Placing Shares represent 10.7% per cent of the existing issued share capital of the Company. Following issue and allotment of the Placing Shares today, the Company will have 65,078,502 ordinary shares in issue.

**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](http://www.baobabresources.com)