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AIM : BAO



BAOBAB
RESOURCES

£192,500 DRAWDOWN ON EQUITY LINE

29 November 2011

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 announce that it has drawn down £192,500 of its £17million Equity Line Facility ("ELF") with Dutchess Opportunity Cayman Fund, Ltd ("Dutchess"), announced on 25 October 2010. The funds will be used to assist with the development of the Company's flagship project at Tete and following this drawdown the outstanding balance of the ELF will be £14,848,800.

Under the terms of the ELF, the Company has allotted, conditional on admission, 1,375,000 ordinary shares ("Ordinary Shares") to Dutchess at a price of 14.00 pence per share. This price is calculated by a formula under the terms of the ELF based on the prevailing market price.

Application has been made to the London Stock Exchange for 1,375,000 Ordinary Shares to be admitted to AIM and it is expected that dealings will commence on 2nd December 2011.. These shares will rank pari passu in all respects with the existing issued Ordinary Shares in the Company. The total issued share capital of Baobab following this allotment will be 189,012,900 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury and so the total number of voting rights in the Company is 189,012,900.

Jeremy Dowler, Chairman, commented:

"This modest injection of funds ensures that the Company retains sufficient working capital whilst pursuing a number of financing options for the planned pre-feasibility studying 2012."

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