

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt about the contents of this document or about the action you should take you should consult immediately your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in the Company, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

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# **BAOBAB RESOURCES PLC**

*(Registered in England and Wales with company number 5590467)*

## **Notice of Annual General Meeting**

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A notice of an Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 3 September 2007 at 4.00pm is set out at the end of this document.

Shareholders are requested to complete and deliver the enclosed Form of Proxy to Baobab Resources plc at 49 Phillimore Street, Fremantle WA 6160, Australia or return the Form of Proxy by mail to PO Box 1229, Fremantle WA 6959, Australia or by facsimile on facsimile number +61 8 9430 7664 by 4pm on 1 September 2007, whether or not they propose to be present at the Annual General Meeting.

If you are not able to attend the meeting in Australia, a teleconference facility has been established to enable you to dial into the meeting and hear the meeting's proceedings. If you wish to use this facility, please contact the Company on +61 8 9430 7151 and you will be provided with the appropriate dial in information for your location.

## LETTER FROM CHAIRMAN

### BAOBAB RESOURCES PLC

*(Registered in England and Wales with company number 5590467)*

*Directors:*

Jeremy Dowler, Non-executive Chairman  
Ian Cullen, Managing Director  
Brett Townsend, Executive Director  
Tony Walsh, Non-executive Director  
Jonathan Beardsworth, Non-executive Director

*Registered Office:*

27/28 Eastcastle Street  
London W1W 8DH  
United Kingdom

*To Shareholders and, for information purposes only, Optionholders*

#### NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder

#### 1 INTRODUCTION

I am writing in connection with the resolutions to be proposed at the forthcoming Annual General Meeting of Baobab Resources plc (the “**Company**”) on 3 September 2007.

#### 2 RESOLUTIONS

The resolutions to be proposed at the Annual General Meeting are set out in full in the notice of meeting attached to this document. The special business to be proposed at the Annual General Meeting is:

- (a) to authorise the Company to send or supply documents or information to Shareholders by making them available on the Company’s website or by other electronic means (for further information on this resolution, please see paragraph 3 below); and
- (b) the renewal by the Board of its authority to allot relevant securities:
  - (i) up to an aggregate nominal amount of £710,000; and
  - (ii) as if statutory pre-emption rights did not apply to any such allotment,

to provide the Company with sufficient capacity to allot further shares over the relevant period pursuant to, *inter alia*, one or more fundraisings by the Company to raise up to £6,000,000 (in aggregate) to principally accelerate development of the Company’s assets if the Directors consider this appropriate and in the best interests of the Company.

#### 3 ELECTRONIC COMMUNICATIONS

As above, the Company is seeking Shareholders’ consent to send or supply documents and information (“**Documents and Information**”) to them in electronic form and via the Company’s website. Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to Shareholders. The reduced use of paper will also have environmental benefits.

Under the provisions of the Companies Act 2006, we are required to ask you individually to confirm your agreement to the Company sending or supplying the Documents and Information to you as a Shareholder of the Company via [www.baobabresources.com](http://www.baobabresources.com) (the “**Website**”).

Assuming that the resolution to permit website communications (as set out in the Notice of General Meeting attached to this document) is passed by Shareholders and if we do not receive a response from you within 28 days of the date of this document, then you will be deemed to have agreed (under paragraph 10 of Schedule 5 to the Companies Act 2006) that the Company may send or supply the Documents and Information to you via the Website. Therefore, if you agree to the Company sending or supplying the Documents or Information to you via the Website, you need take no further action in relation to this part of the letter. If you would prefer to receive the Documents and Information in paper form rather than via the Website, you will need to let us know by completing the reply slip attached to this document and returning it to the Company at 49 Phillimore Street, Fremantle WA 6160, Australia or by mail to the Company at PO Box 1229, Fremantle WA 6959, Australia or by facsimile on facsimile number +61 8 9430 7664.

We will notify you when Documents and Information are available to access on the Website and we will provide you with:

- (a) the address of the Website;
- (b) the place on the Website where Documents and Information may be accessed; and
- (c) details of how to access Documents or Information.

Please also confirm your agreement to the Company sending or supplying the Documents and Information to you in electronic form (other than via the Website). If you agree to this, please provide your email address.

Please note that there may be particular circumstances in which the Company needs to send Documents or Information to you in hard copy rather than by Website or email, in which case the Company reserves the right to do so.

Please detach the reply slip attached to this document and sign and return it to the Company at 49 Phillimore Street, Fremantle WA 6160, Australia or by mail to PO Box 1229, Fremantle WA 6959, Australia or by facsimile on facsimile number +61 8 9430 7664, indicating your preference to the form in which you will receive Documents and Information from the Company in the future.

#### **4 FINANCIAL STATEMENTS**

It is proposed that the Directors' and Auditors' reports and the financial statements for the financial year ended 30 June 2006 will be received at the Annual General Meeting. A copy of the Directors' and Auditors' reports and the financial statements are enclosed with this document and are also available on the Company's website ([www.baobabresources.com](http://www.baobabresources.com)).

#### **5 ACTION TO BE TAKEN**

A Form of Proxy is enclosed for use by Shareholders at the Annual General Meeting. If you are a Shareholder, you are requested to complete, sign and return the Form of Proxy, whether or not you intend to be present at the meeting, and return it to Baobab Resources plc at 49 Phillimore Street, Fremantle WA 6160, Australia or by mail to Baobab Resources plc, PO Box 1229, Fremantle WA 6959, Australia or by facsimile on facsimile number +61 8 9430 7664 by 4pm on 1 September 2007. The completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you subsequently wish to do so.

#### **6 RECOMMENDATION**

The Directors consider that the proposed resolutions are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions being proposed at the Annual General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holding.

Yours faithfully

Jeremy Dowler  
*Non-executive Chairman*

**BAOBAB RESOURCES PLC**  
(Registered in England - No 5590467)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting of the above-named Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 3 September 2007 at 4pm for the transaction of the following business:

**ORDINARY BUSINESS**

- 1** To receive the Directors' and Auditors' reports and the financial statements for the financial year ended 30 June 2006.
- 2** To re-appoint Grant Thornton UK LLP as the Company's auditors until the next Annual General Meeting and to authorise the Directors to fix their remuneration.
- 3** To re-elect Mr. Jeremy Dowler as a Director of the Company.

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass the resolutions set out below, of which resolutions 4 and 5 will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution:

**THAT:**

- 4** the Company may send or supply documents or information to Shareholders by making them available on a website or by other electronic means.
- 5** the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £710,000. The authority referred to in this resolution shall be in substitution for all other existing authorities, and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot relevant securities in pursuance of such offer or agreement as if the authority had not expired.
- 6** the Directors, pursuant to Section 95 of the Act, be empowered to allot equity securities (within the meaning of Section 94(2) of the Act) for cash pursuant to the authority conferred by Resolution 5 as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
  - (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and
  - (b) the allotment, other than pursuant to (a) above, of equity securities:
    - (i) arising from the exercise of options and warrants outstanding at the date of this resolution;
    - (ii) pursuant to one or more placings of equity securities by the Company for cash to raise up to £6,000,000 (in aggregate); and

(iii) other than pursuant to (i) and (ii) above, up to an aggregate nominal value of £110,000,

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

*By Order of the Board*



Susan Hunter  
Joint Company Secretary  
Dated: 8 August 2007

*Registered Office:*

27/28 Eastcastle Street  
London W1W 8DH  
United Kingdom

1. A member entitled to attend and vote at the above-mentioned Annual General Meeting may appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not also be a member of the Company. Appointment of a proxy will not preclude a member from attending the meeting and voting in person.
2. A Form of Proxy is enclosed with this notice for use in connection with the business set out above. To be valid, this Form of Proxy should be completed and sent, together with any authority (if any) under which it is executed, or a notarially certified copy of that authority, to reach Baobab Resources plc not less than 48 hours before the time for holding the meeting. If the meeting is adjourned, or, in the case of a poll taken subsequently to the date of the meeting or the adjourned meeting, the proxy must be received at the above address not less than 24 hours before the time of the adjourned meeting or appointed for the taking of the poll.
3. In the case of a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
4. Copies of the Directors' service contracts will be available for inspection at the Registered Office of the Company during normal business hours on any weekday from the date of the Notice until the date of the Annual General Meeting and will be available for inspection for at least fifteen minutes prior to and during the Meeting.
5. A copy of the Directors' and Auditors' reports and the financial statements are enclosed with this document and are also available on the Company's website ([www.baobabresources.com](http://www.baobabresources.com)).
6. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjournment thereof.

**BAOBAB RESOURCES PLC**  
(Registered in England - No 5590467)

**FORM OF PROXY**  
**for use by shareholders at the Annual General Meeting**  
**to be held at 4pm on Monday, 3 September 2007**

I/We, the undersigned shareholder(s) of Baobab Resources plc (the "Company") hereby appoint the Chairman of the Meeting \*(see note 1) as my/our proxy to vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 3 September 2007 at 4pm and at any adjournment thereof.

Please indicate with an "X" in the appropriate boxes below how the proxy should vote and then sign in the space provided below. If no specific direction as to voting is given, the proxy may vote or abstain at his discretion.

**ORDINARY BUSINESS**

For                      Against                      Withheld

**Resolution 1** - (adoption of Report and Accounts)

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**Resolution 2** - (re-appointment of Auditors)

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**Resolution 3** - (re-elect Mr. Jeremy Dowler as a Director)

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**SPECIAL BUSINESS**

For                      Against                      Withheld

**Resolution 4** - (approve electronic communications)

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**Resolution 5** - (general power to allot shares)

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**Resolution 6** - (disapplication of pre-emption rights)

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I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the Meeting (including in respect of the question whether to adjourn such meeting) and at any adjournment of such Meeting.

Signature(s) .....

Dated.....

Name: .....  
(in block capitals)

Address .....

.....

.....

Initials and surnames of joint holders, if any .....

**Notes:**

- 1 \*If you wish to appoint any person other than the Chairman of the Meeting as proxy, please delete the words "Chairman of the Meeting" and insert his or her name and address in the space provided and initial the alteration. The person appointed to act as a proxy need not be a member of the Company.
- 2 In the case of a corporation, this form must be expressed to be executed by the corporation and must be signed by a director and the secretary or by two directors or under the hand of a duly authorised officer or attorney.
- 3 In the case of joint holders the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
- 4 To be valid, this form and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with Baobab Resources plc at 49 Phillimore Street, Fremantle WA 6160, Australia or delivered by mail to PO Box 1229, Fremantle WA 6959, Australia or sent by facsimile on facsimile number +61 8 9430 7664 not less than 48 hours before the commencement time of the meeting, that is, by 4pm on 1 September 2007.
- 5 Any alteration to this form must be initialled.
- 6 The lodging of this form will not preclude you from attending and voting at the Meeting in person.

**BAOBAB RESOURCES PLC**  
(Registered in England - No 5590467)

**ELECTRONIC COMMUNICATIONS REPLY SLIP**

I/We agree to the Company's request to send or supply documents and information to me/us in electronic form.

My/our address for such purposes is .....

Signed .....

Name.....

Date.....

.....

**ONLY COMPLETE IF YOU DO NOT WANT TO RECEIVE DOCUMENTS AND INFORMATION  
BY ELECTRONIC MEANS AND ELECT TO CONTINUE TO RECEIVE DOCUMENTS AND  
INFORMATION IN HARD COPY FROM THE COMPANY BY POST**

I/We elect to continue to receive documents and information in hard copy from the Company by post.

Signed .....

Name.....

Date.....

**Please detach this reply slip and sign and return it to the Company at  
49 Phillimore Street, Fremantle WA 6160, Australia or  
return it by mail to Baobab Resources plc, PO Box 1229, Fremantle WA 6959, Australia or  
by facsimile on facsimile number +61 8 9430 7664.**