



RUONI SOUTH DELIVERS HIGH QUALITY CONCENTRATE VALUES

5th OCTOBER 2011

Baobab Resources Plc ('Baobab' or the 'Company') is an iron ore, base and precious metals explorer with a portfolio of exploration projects in Mozambique. The Company is pleased to present an update of activities at the Massamba Group iron / vanadium / titanium project where a 160Mt resource upgrade was announced on 30 August 2011, the first of three resource statement updates expected before the end of 2011. The Company continues to target a resource base of 300Mt of iron ore by the end of 2011.

HIGHLIGHTS

- First results from Ruoni South resource drilling have been returned and represent some of the best concentrate grades thus far encountered in the Massamba Group. Of particular interest is the consistent 1% V₂O₅ concentrate grade.
- Significant drill intercepts, up to 72m in length, report an average head grade of 30% Fe with DTR concentrate grades reporting a weighted average of 64% Fe, 1% V₂O₅ and 5% TiO₂ at a mass recovery of 26%.
- Consultant, Coffey Mining Pty Ltd, has commenced geological modelling of the Chitongue Grande Expansion area and the Ruoni North and Ruoni South blocks in preparation for resource statements scheduled for release in October and November 2011.

Commenting today, Ben James, Baobab's Managing Director, said: *"These initial results from Ruoni South are particularly encouraging and further endorse Management's belief that Tenge/Ruoni will become the cornerstone deposit of the Massamba Camp."*

Resource Drilling: Tenge/Ruoni Prospect

Tenge/Ruoni is the easternmost prospect area of the Massamba Group. Drilling at Tenge/Ruoni is progressing rapidly and has intersected a heavily mineralised package varying in thickness from 60m to 150m. Mineralisation has been synformally folded with the fold hinge plunging gently to the west-northwest. Exploration campaigns in the prospect area have been divided into three resource blocks:

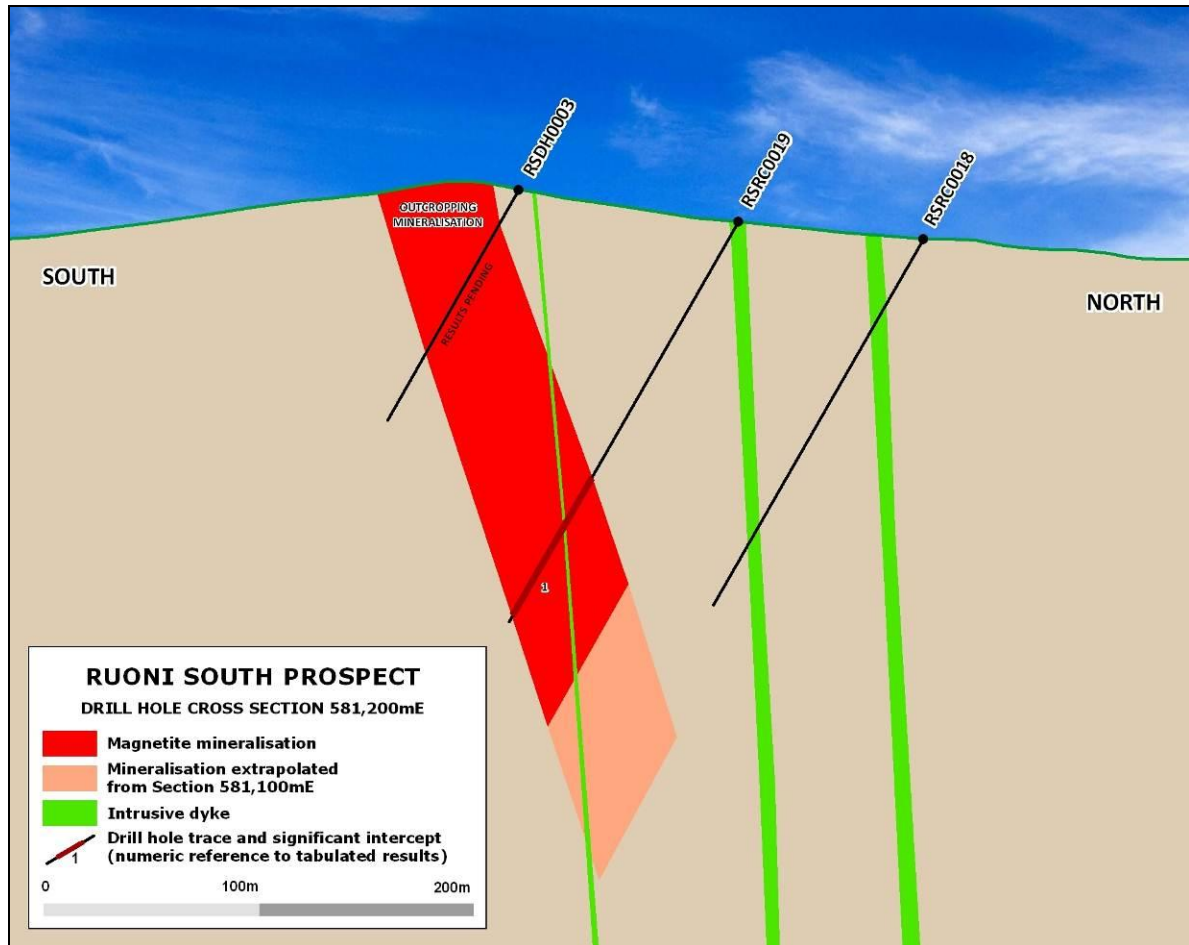
- Ruoni North: representing 1km of strike along the northern limb of the fold. Thirty reverse circulation (RC) and diamond holes have been completed to date across seven traverses for an aggregate total of 5,750m. Drilling has intersected a substantial package of mineralisation from surface dipping at 25° to 50° to the southwest.
- Ruoni South: representing 1.2km of strike along the southern limb of the fold. Twenty seven RC and diamond holes have been completed for an aggregate total of 5,200m. Mineralisation in the Ruoni South area is generally steeper dipping (c.65° to the north).
- Tenge: representing the hinge zone of the fold and covering a strike length of approximately 1.3km. A drilling programme of approximately 3,000m has commenced.

Consultant, Coffey Mining Pty Ltd, has commenced preliminary data validation and geological modelling of the Ruoni North and Ruoni South blocks in preparation for resource statements scheduled for release in October and November 2011.

Analytical results for the first 13 Ruoni North RC drill holes were announced on 7 and 28 September 2011. Results for the first three Ruoni South RC holes (RSRC0012, 14 and 19) have been returned. 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 6m), Davis Tube Recovery (DTR) and X-ray Fluorescence Spectrometry (XRF) analysis.

Drill hole collar details and significant intercepts are tabulated below. The results represent some of the best concentrate grades thus far encountered in the Massamba Group. Of particular interest is the consistent 1% V₂O₅ concentrate grade which is 25% higher than results reported from Ruoni North and some 40% higher than indicated concentrate grades from South Zone and Chitongue Grande resource areas.

Ruoni South 581,200mE Cross Section



Ruoni South Drilling Results: Significant Intercepts

HOLEID	Depth From (m)	Depth To (m)	Length (m)	Fe Head (%)	Mass Recovery (%)	Davis Tube Recovery (DTR) Product							Section Reference
						Fe Conc (%)	V ₂ O ₅ Conc (%)	TiO ₂ Conc (%)	Al ₂ O ₃ Conc (%)	P Conc (%)	S Conc (%)	SiO ₂ Conc (%)	
RSRC0012	162	170	8	26.4	22.7	62.3	1.00	5.1	3.5	<0.001	0.34	1.90	
RSRC0012	179	202	23	26.5	23.9	62.9	1.01	4.9	3.4	<0.001	0.32	1.35	
RSRC0014	113	121	8	32.1	33.1	62.0	1.04	7.9	2.5	<0.001	0.14	0.92	
RSRC0014	129	136	7	30.8	25.0	64.3	1.09	4.6	2.3	<0.001	0.31	1.15	
RSRC0014	141	148	7	30.0	24.6	63.2	1.09	5.2	2.7	<0.001	0.40	1.32	
RSRC0014	160	211	51	29.8	26.8	61.8	0.97	6.7	3.1	<0.001	0.54	1.02	
RSRC0019	132	204	72	32.5	24.7	65.4	1.06	3.8	1.9	<0.001	0.17	0.86	1

Ruoni South Drill Hole Location Details

HOLEID	TOTAL DEPTH (m)	EAST (m)	NORTH (m)	RL (m)	AZIMUTH (Deg)	DIP (Deg)
RSRC0012	250	581452	8261208	296	180	-60
RSRC0014	248	581599	8261248	294	180	-60
RSRC0019	207	581201	8261198	313	180	-60

Tete Project Overview: located in Africa's emerging mining & industrial hub

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 Rio Tinto'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 titano-magnetite / ilmenite mineralisation; the Singore area to the south and the Massamba Group trend in the north. The Massamba Group is composed of a series of five prospects (Chitongue Grande, Pequeno, Caangua, Chimbala and South Zone) forming an 8km long trend and the 3.5km long Tenge / Ruoni prospect to the east.

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.

Tete Exploration Summary: resource base fast approaching targeted 300Mt

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, but highly prospective.

Work completed by the Company during 2009 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 completed in 2009 indicate positive project economics in the production of high quality titano-magnetite/vanadium and ilmenite (titanium) concentrate commodities from a resource base of 300Mt.

A scout drilling programme, designed to assess the Chimbala and South Zone prospects of the Massamba Group trend, has been completed during 2010 for an aggregate total of approximately 7,500m. The purpose of the campaign has been two-fold: to improve confidence in the Company's Exploration Target and to clarify geological domains for continued metallurgical test-work.

South Zone was prioritised for resource drilling and the Company announced an 113Mt JORC Inferred Mineral Resource on 30 August 2011. The resource remains open at depth and along strike.

As well as completing the resource drilling at South Zone and Tenge/Ruoni, an expansion resource drilling campaign at Chitongue Grande has been completed with thirty six RC holes drilled for an aggregate total of 6,275m. Down dip and along strike projections of the existing resource have been intersected. All samples have arrived at the ALS laboratory in Australia. Consultant, Coffey Mining Pty Ltd, has commenced preliminary data validation and geological modelling in preparation for a resource update scheduled for release in October and November 2011.

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.

A COPY OF THIS ANNOUNCEMENT, INCLUDING ISOMETRIC VIEWS OF THE PROSPECT GEOPHYSICS & GEOLOGICAL MODEL, IS AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S NEW WEBSITE: www.baobabresources.com

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