

BAOBAB RESOURCES Plc
27/28 Eastcastle Street London W1W 8DH United Kingdom

BAOBAB MINING SERVICES Pty Ltd
Unit 25 South Terrace Piazza Fremantle Western Australia 6160 Australia
Post: PO Box 1229 Fremantle Western Australia 6959 Australia
Tel: (+61) 8 9430 7151 | Fax: (+61) 8 9430 7664 | Web: www.baobabresources.com
AIM : BAO



BAOBAB
RESOURCES

£420,000 DRAWDOWN ON EQUITY LINE

6th December 2010

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 £420,000 of its £5,000,000 million 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.

Under the terms of the ELF, the Company has allotted, conditional on admission, 3,787,196 ordinary shares ("Ordinary Shares") to Dutchess at a price of 11.09 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 3,787,196 Ordinary Shares to be admitted to AIM and it is expected that dealings will commence on 9 December 2010. 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 163,385,699 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury and so the total number of voting rights in the Company is 163,385,699.

Jeremy Dowler, Chairman, commented:

"This modest injection of funds is obviously welcome, but the real purpose of the exercise was to road-test the ELF entered into in October to ensure that the mechanics of the facility operate in shareholders best interests.

The Company has been able to raise additional funds at a modest discount to the closing mid-market price of 11.51p on 1st December 2010, the day after the drawdown pricing and amount were determined. On that basis it would appear that the ELF is operating as management hoped, and provides a cost-effective and flexible option to draw down on as required over the remaining term of the facility".

For Further Information please contact:

Baobab Resources plc
Ben James: Managing Director

Tel: +61 (0)8 9430 7151

Baobab Resources plc
Jeremy Dowler: Chairman

Tel: +44 (0)1372 450529

Strand Hanson
James Harris / Angela Peace

Tel: +44 (0)20 7409 3494

Northland Capital Partners

Tel: +44 (0)20 7492 4763

Charles Vaughan / Gavin Burnell