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BAOBAB
RESOURCES

AEROMAGNETIC SURVEY DEFINES ROBUST NEW TARGET AT TETE

29th MARCH 2011

Baobab Resources plc ('Baobab' or the 'Company') is an iron ore, base and precious metals explorer with a portfolio of mineral projects in Mozambique. Baobab's flagship asset is the Tete iron/vanadium/titanium project. On 17 November 2010, the Company announced that, through an alteration of its 1035L licence boundary (one of three licences comprising the Tete project), it had acquired the Tenge-Ruoni magnetite prospect located 7.5km to the east of the Massamba Group trend.

The Company commissioned New Resolution Geophysics (NRG) to complete a heli-borne aeromagnetic and radiometric survey of the newly acquired area at a 100m line-space density. The Massamba Group trend was also re-flown at a higher, 50m line-space, resolution. The Company is pleased to present a summary of the survey outcomes.

Summary:

- **A coherent, 3.5km long, folded trend of strong magnetic response underlies the Tenge-Ruoni magnetite prospect where field investigations indicate an average mineralised width of 75m to 100m. First pass rock chip sampling at the prospect returned head grades averaging 48.9% Fe.**
- **Higher resolution coverage of the Massamba Group trend has clarified substantially the morphology of the mineralised zones and will assist in the targeting of drilling campaigns going forward.**

Mr Ben James, Baobab's Managing Director, said: *"The robust geophysical response at Tenge-Ruoni is nothing short of spectacular and further endorses the potential for a substantial magnetite deposit in the area. The Company has designed a 4,000m scout drilling campaign to test the prospect scheduled to commence during April 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 AND DIAGRAM IS AVAILABLE FOR DOWNLOAD FROM THE COMPANY'S WEBSITE www.baobabresources.com

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