

BAOBAB RESOURCES PLC

EXERCISE OF WARRANTS AND APPOINTMENT OF NON-EXECUTIVE DIRECTOR

30 JANUARY 2013



Baobab Resources plc ('Baobab' or the 'Company'), the iron, base and precious metals explorer with a portfolio of mineral projects in Mozambique, is pleased to report that further to the announcement of 6 July 2012, Redbird Investments Ltd. ('Redbird'), a fully owned investment vehicle of African Minerals Exploration & Development SICAR SCA ('AMED' or 'the Fund') has exercised the 25,000,000 warrants over the Company's Ordinary Shares of 1p each ("Ordinary Shares") at an exercise price of 12p per share that were granted as part of the Fund's initial investment of £4 million in Baobab. By exercising these warrants the Fund's total investment in the Company has increased to £7 million.

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Application will be made to the London Stock Exchange for the 25,000,000 new Ordinary Shares to be admitted to trading on AIM and it is expected that Admission will become effective and that trading will commence on 5 February 2013. 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 298,373,426 Ordinary Shares and Redbird will hold 80,693,158 Ordinary Shares representing 27.04% of the Company's total voting rights.

The Fund is a substantial shareholder in the Company. Therefore, the exercise of the warrants constitutes a related party transaction under AIM Rule 13. The Directors of the Company excluding David Twist (who is a nominee of the Fund) consider, after consultation with the Company's Nominated Adviser, that the terms under which the Fund has exercised the warrants are fair and reasonable in so far as its shareholders are concerned.

As mentioned in the announcement dated 6 July 2012, the Fund has the right to appoint a second nominee to the Company's board (in addition to Dr. David Twist) upon the exercise of the 25,000,000 warrants. The Company is therefore pleased to announce the appointment of Mr. Carlo Baravalle as a Non-Executive Director to the Company with immediate effect.

Mr. Carlo Baravalle (aged 52) holds an MBA from INSEAD and brings a wealth of corporate finance experience to the board. Carlo spent several years in strategic consulting, working on assignments for many large French conglomerates between Paris and the USA, before entering the telecoms industry, firstly with BT and then as a Director of the Corporate Finance Telecoms team at Warburg, followed by a senior global position at Lucent Technologies. Carlo first entered the Private Equity sector by taking a senior assignment with a company owned by Apax Partners, and later as Senior Vice-President for LCC, a telecoms engineering company initially invested in by the Carlyle Group. In 2007 Carlo launched a c.\$150 million private equity fund of funds aimed mainly at Italian institutional investors that successfully invested in mid-caps, restructuring funds and co-investments globally. In 2012 he co-founded AMED with Rudolph de Bruin and David Twist. The Fund is currently investing in mineral exploration and development opportunities, predominantly in Africa.

Commenting today, Jeremy Dowler, Baobab's Chairman, said: *'We are delighted to welcome Carlo to the board and his considerable experience in senior roles within international corporations together with his expertise in raising funds in international markets will be of great benefit in the future.'*

'The funds raised through this exercise of warrants ahead of the expiry date is a further vote of confidence in the Company and will greatly assist in the final planning of the Definitive Feasibility Study. This will commence immediately after the publication of the Pre-Feasibility study which is now due for release in the second half of February 2013.'

Carlo Baravalle currently holds, and has held (including all appointments during the five years preceding the date of this announcement), the following directorships and partnerships, other than of the Company:

Current Directorships/Partnerships	Past Directorships/Partnership (in the last 5 years)
Network Capital Partners Srl Bames Partners LLP AMED GP Sarl African Nickel (BVI) Ltd Kokoya Iron Ltd	LLC Pakistan Private Ltd. LLC United Kingdom, Ltd. LLC Deployment Services UK, Ltd. LLC Southern Europe Holdings LLC Italia, Srl LLC Wireless Communications Espana, SA Detron LLC Network Services, B.V. LLC International GmbH LLC Middle East Holdings LLC Middle East FZ – LLC LLC Detron Belgium NV LLC Projects BV LLC Professionals BV LLC Fixed BV LLC UK – Saudi Branch LLC UK – Spain Branch

Carlo Baravalle has no direct interest in the shares or options of Baobab but is a founding partner of the Fund, which through its investment vehicle Redbird Investments Ltd. holds 80,693,158 Ordinary Shares of 1 pence each representing 27.04% of Baobab's total voting rights.

There are no further disclosures to be made in relation to Carlo Baravalle under Schedule Two, paragraph (g) (i)-(viii) of the AIM Rules for Companies.

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