



Baobab Resources plc

Interim Results for the 6 Months Ended 31 December 2007

Baobab Resources plc (AIM:BAO) ('Baobab' or 'the Company'), a Mozambique copper, iron ore and precious metals exploration company with a portfolio of advanced and early stage projects, announces its Interim Results for the period ended 31st December 2007.

Corporate

- Successful placing completed in two tranches in December 2007 and January 2008, totalling 16,259,000 ordinary shares and raising a total of £1,869,785 before expenses. The issued capital of the Company as at January 2008 was 65,078,502 ordinary shares.

Mundonguara Advanced and Brownfield Project

- Completion of over 3km of underground diamond drilling at the Company's advanced Mundonguara copper and gold project.
- Completion of 2 km of underground channel sampling.
- Significant results from the Mungonguara and Seymour reverse circulation (RC) drilling programme confirm the persistence of the Mundonguara mineralising system over a strike length of some 3km.

Project Generation

- Acceleration of the exploration activity at the Tete iron ore project which is targeting vanadiferous titanomagnetite and reef-type Platinum Group Metals (PGMs) mineralisation analogous to the Bushveld Complex.
- Grant of two tenements forming the Company's Senga – Senga Project area increasing tenement holding from 23 to 25 prospecting licences, 100% owned, with a total area of 4,759.8 km².



Jeremy Dowler, Chairman, commented:

“During the next 12 months Baobab will remain focused on moving its two lead projects, the copper and gold project at Mundonguara and the vanadiferous magnetite prospects in Tete, from exploration through to feasibility as quickly as possible, with the goal of creating significant value for shareholders. In addition the Company will continue to explore and develop business opportunities with strategic partners”.

The 31 December 2007 Financial Statements are available on the Company’s website www.baobabresources.com . Extracts from these financial statements are set out below.

28 March 2008

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ADDITIONAL INFORMATION

Baobab Resources is an AIM listed company (AIM: BAO) with a balanced portfolio of exploration projects in Mozambique ranging from advanced, resource definition, drill targets to brownfield and greenfield exploration prospects boasting an array of commodities. Baobab has implemented a focused exploration strategy, with proposed and current exploration programmes designed to lead to staged feasibility studies over the next 12 to 24 months.



BAOBAB RESOURCES plc
INTERIM RESULTS FOR THE 6 MONTHS ENDED
31 DECEMBER 2007

DIRECTORS' REPORT

Baobab Resources plc has made significant progress during the period in Mozambique. The permit portfolio has been increased and the exploration and resource verification programmes for the Company's flagship copper -gold and iron ore projects advanced.

At the corporate level, the Company raised £1,869,785 before expenses following the successful placing of 16,259,000 ordinary shares in December 2007 and January 2008. The funds will be used in the ongoing evaluation of the Mundonguara Project with the objective of completing a preliminary resource estimate by the middle of 2008. The Company will also continue with its focused exploration activities on its Tete iron ore prospect and other prospects within the Mozambique portfolio.

The Board and management team remain committed to building a long term, sustainable exploration and mining business in Mozambique. The next 12 months will be an exciting period for Baobab and its shareholders as the Company progresses the project through staged feasibility studies and building strategic business alliances.

Project Report

Mundonguara Advanced Brownfield Copper - Gold Project

The Company has made significant progress at the priority advanced and brownfield exploration area which includes the historic Mundonguara copper-gold mine. The prime focus for the Company is to define JORC compliant resources on the Mundonguara line of strike.

Progress of work programmes to date consists of:

- Completion of over 3 km of underground diamond drilling. The drilling programme has tested the down plunge continuity of the main ore blocks from the 8 Level to intersect the projected mineralised blocks at around 55m and 110m below the 8 Level RL.
- RC drilling totalling 4 km completed with significant intercepts reported over the westernmost extremities of the historic workings.
- Completion of 2 km of channel sampling of the 9½, 8, 6 and 4 Levels.
- Aeromagnetic and radiometric survey covering the Greater Manica Region completed.
- MMI soil programme of approximately 1000 samples has been completed to date to test the Mundonguara Brownfield area. Phase four of the MMI programme is currently in progress. This geochemical survey is designed to:



1. Trace the surface Cu, Au and Ni signatures of the historic Mundonguara mine.
2. Test for mineralisation along strike to the east and west.
3. Confirm Ni anomalies generated by previous explorers in 1960's.
4. Test soil geochemistry responses north of the Dillon Ridge where lithologies are favourable for Au mineralisation.

The Company is focussed on defining a JORC compliant resource on the Mundonguara line of strike during 2008 that will lead to staged feasibility studies.

Seymour Prospect

During August 2007, the first RC drilling programme over the Mundonguara mineralised system commenced and was completed in late October 2007. The programme tested the near surface, copper - gold, oxide mineralisation above the Mundonguara workings, over a strike length of 1.2km and to a depth of approximately 85 metres below surface. In addition drilling also tested the depth extensions of surface mineralisation identified by trench sampling and mapping at the new Seymour prospect which is located 1km west of the Mundonguara mine workings.

The initial RC assay results at the Seymour prospect are very encouraging and have confirmed the along strike potential of the Mundonguara mineralised corridor. Further assays results are due shortly.

The 10 drill hole RC programme was designed to transect the Seymour Prospect across the location of the Seymour shaft, thought to have been sunk on a high grade shear-hosted mineralised zone (the Seymour Trend), and an outcropping mineralised felsic intrusive approximately 100m to the north. All previously reported results were centred around the felsic intrusive and included:

- 17m at 2.1% copper from 13m in MRC 032;
- 8m at 1.3 % copper from 6m in MRC 030; and
- 3m at 9.59 g/t gold from 103m (including 2m at 14.27 g/t gold from 104m) in MRC031.

The new intercept of 27m at 0.7% Cu (including 4m at 1.6% Cu) is from drillhole MRC034, collared immediately along strike from the Seymour shaft and drilled at -60 degrees to the south. This intercept defines a previously unidentified low grade mineralised zone located to the south of, and presumably sub-parallel to the shear hosted Seymour Trend. Drilling to date has failed to intercept the Seymour Trend at depth.

Further intercepts are presented in the table below.

Table : RC Drill Hole Assay Results (as at 17 March 2008)

Drill hole ID	Co ordinates		Dip	Azi	Total Depth (m)	From (m)	To (m)	Interval width (m)	Cu %	Au g/t	Ag %	Comment
	N	E										
MRC013	7906990	477782	-60	135	112	12	13	1	0.5			
MRC013	7906990	477782	-60	135	112	51	52	1	0.7			
MRC027*	7907188	476872	-60	180	86	16	52	36	1.3			
inc			-60			17	19	2	0.8			
and			-60			22	28	6	0.8			
and			-60			30	44	14	2.6	0.33	3.53	
and			-60			51	52	1	1.97			
MRC027	7907188	476872	-60	180	86	74	75	1	1.8	0.58	2.1	
MRC027	7907188	476872	-60	180	86	80	81	1	0.8	0.49		
MRC027	7907188	476872	-60	180	86	85	86	1	0.7			End of hole
MRC034*	7907194	476114	-60	135	120	86	113	27	0.7			
inc			-60			86	89	3	0.5			
and			-60			93	95	2	1.0			
and			-60			100	104	4	1.6			
and			-60			108	109	1	0.9			
and			-60			111	113	2	2.0			
and			-60			112	113	1	2.9	0.28	5.89	

Project Generation

Iron Ore Project

The Company has accelerated the exploration of a vanadiferous titano-magnetite, iron ore project located within the Tete Complex, north western Mozambique. This project benefits from established infrastructure, including abundant hydroelectric power, a refurbished railway linking the provincial town of Tete to the deep water port at Beira, a distance of 550 km. The iron ore project represents an exciting new opportunity to explore and appraise what could be a major new development.

A high resolution aeromagnetic and radiometric survey has been commissioned and will be flown in the second quarter 2008. A reconnaissance field programme has been completed and has collected some 41 rock chip samples and 14 bulk samples for bench scale metallurgical test work. Results are expected early in the second quarter.



Ian Cullen
Managing Director

28 March 2008



**CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2007**

	Consolidated 6 Months Ended 31 Dec 07 (Unaudited) GBP	Consolidated 6 Months Ended 31 Dec 06 (Unaudited) GBP	Consolidated Year Ended 30 June 07 (Audited) GBP
Other Operating Income	1,017	740	740
Administrative Expenses	(1,198,155)	(29,929)	(1,572,701)
Loss from operations	(1,197,138)	(29,189)	(1,571,961)
Finance income	31,391	1,171	21,298
Loss before tax	(1,165,747)	(28,018)	(1,550,663)
Income tax expense	-	-	-
Loss for the period attributable to equity holders of the parent	(1,165,747)	(28,018)	(1,550,663)
Loss per share (basic and diluted)	(0.023)	(0.001)	(0.049)
Total Number of shares on Issue	58,789,502	25,759,502	48,819,502
Weighted average number of shares	49,666,626	14,820,450	31,761,373



**CONSOLIDATED BALANCE SHEET
FOR THE 6 MONTHS ENDED 31 DECEMBER 2007**

	Consolidated 6 Months Ended 31 Dec 07 (Unaudited) GBP	Consolidated 6 Months Ended 31 Dec 06 (Unaudited) GBP	Consolidated Year Ended 30 June 07 (Audited) GBP
Non-Current Assets			
Property, Plant & Equipment	100,055	12,715	77,458
Mineral Properties	-	175,035	-
Total Non-Current Assets	100,055	187,750	77,458
Current Assets			
Trade and other receivables	60,313	2,813	44,106
Other assets	-	682	12,147
Deferred Fund Raising Costs	-	291,407	-
Cash and cash equivalents	949,032	47,334	1,183,733
Total Current Assets	1,009,345	342,236	1,239,986
Total Assets	1,109,400	529,986	1,317,444
Current Liabilities			
Trade and other payables	340,462	203,293	127,021
Total Current Liabilities	340,462	203,293	127,021
Total Liabilities	340,462	203,293	127,021
Net Assets	768,938	326,693	1,190,423
Equity			
Share Capital	587,895	484,362	488,195
Share Premium	2,583,316	-	2,004,308
Reserves - Options	444,506	-	393,630
Reserves - Currency Translation	(2,818)	(2,100)	(17,496)
Retained Earnings	(2,843,961)	(155,569)	(1,678,214)
Total Equity	768,938	326,693	1,190,423

1. The interim results are unaudited and do not comprise full accounts within the meaning of Section 240 of the Companies Act 1985. They are prepared under International Financial Reporting Standards in accordance with accounting policies set out in the 2007 annual accounts and those it will use for the year ended 30 June 2008.
2. No interim dividend is being paid or proposed.
3. Earnings per share have been calculated on ordinary shares in issue.
4. Accounting policies adopted in preparing these accounts are as per those as described in the annual report dated 30 June 2007 and those it will use for the year ended 30 June 2008



**CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2007**

	Consolidated 6 Months Ended 31 Dec 07 (Unaudited) GBP	Consolidated 6 Months Ended 31 Dec 06 (Unaudited) GBP	Consolidated Year Ended 30 June 07 (Audited) GBP
Cash flows from operating activities			
Net Loss for the period	(1,165,747)	(28,018)	(1,550,663)
Movement in Receivables	(16,207)	(711)	(16,546)
Movement in Depreciation	14,563	2,553	8,873
Movement in Accruals	104,662	-	-
Movement in Payables	108,779	188,700	112,428
Mineral Properties Written Off	679,119	-	606,159
Currency translation adjustment	14,678	(3,693)	(11,091)
Movement in Prepayments	12,147	30,684	(6,239)
Non Cash Benefits	50,876		393,630
Net cash used in operating activities	(197,130)	189,515	(463,449)
Cash flows from investing activities			
Purchases of Mineral Properties	(679,119)	(175,035)	(515,258)
Purchases of property, plant and equipment	(37,160)	(5,853)	(75,815)
Net cash flows used in investing activities	(716,279)	(180,888)	(591,073)
Cash flows from financing activities			
Proceeds from issues of shares	753,073	279,132	2,561,538
Share Issue Costs	(74,365)	(291,407)	(297,859)
Proceeds from borrowings	-	-	(76,406)
Net cash flows from financing activities	678,708	(12,275)	2,187,273
Net (decrease)/increase in cash and cash equivalents	(234,701)	(3,648)	1,132,751
Cash and cash equivalents at beginning of the period	1,183,733	50,982	50,982
Cash and cash equivalents at end of the period	949,032	47,334	1,183,733