



ASX Announcement

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Andean Resources Limited is listed on the ASX with the symbol "AND"

ANDEAN STARTS 17,000 METRE PHASE 3 DRILL PROGRAM AT CERRO NEGRO

- A 17,000 metre extension and infill drill program has commenced at Cerro Negro.
- Programs scheduled to run continuously until July 2007.
- Drilling will test strike extensions at the Vein Zone gold deposit and existing regional targets, designed to increase the current resource base.

Andean Resources Limited (**ASX:AND**) is pleased to announce the commencement of the Company's Phase 3 drill program at its 100% owned Cerro Negro gold project in Southern Argentina. This program will follow up on the highly successful Phase 2 drill program at the Vein Zone area completed in July 2006.

The planned 17,000 metre drill program is the largest undertaken to date at Cerro Negro and is designed to:-

- Expand the current gold resource at Vein Zone with further exploration along strike, at depth and up-dip of currently-known mineralisation;
- Test Vein Zone;
 - to the East at Herradura, where drilling had intersected ore-grade gold mineralization late last season ;and
 - along strike to the west, beneath two old MIM holes which returned 2 meters of 17 g/t Au and 2 meters of 34 g/t Au;
- Drill test the Eureka Vein at depth and the recently discovered higher-grade western portion of the vein with chip samples of up to 8 g/t Au;
- Drill test two north-west trending quartz vein structures parallel to Vein Zone – Vein Zone North and Bajo Negro; and
- Infill drilling at Vein Zone, as the basis for completion of future engineering, feasibility and financial studies into mining options at Cerro Negro.

The two drill-rigs undertaking the program will focus first on expanding the gold Resource at Vein Zone followed by the drill testing the Eureka Vein towards the end of the year. **The overall Phase 3 program is anticipated to run until July 2007.**

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