



ASX Announcement

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

EUREKA DRILLING CONTINUES TO EXPAND HIGH-GRADE GOLD POTENTIAL AT CERRO NEGRO

- Results from a further 5 diamond drill holes at the Eureka prospect intersect more high-grade gold and silver values
- Eureka West Vein open along strike and at depth
- Eureka Main Vein open along strike to the east and at depth
- Two drill-rigs now on the Eureka discovery with a third rig on its way

SUMMARY

Further drilling by Andean into the Eureka West Vein and the Eureka Main Vein continues to intersect high-grade gold and silver mineralisation. Material results from the latest diamond drill-holes, (*at an assumed underground cut-off of 2.5 g/t gold*) are shown below:

At Eureka West Vein

- EDD-707: 23m of 14.4 g/t gold and 224 g/t silver from 204m

At Eureka Main Vein

- EDD-708: appears to have defined the western limit of the Main Vein (or an associated fault) as the drilling did not intersect the vein or significant values;
- EDD-709: 6m of 10.2 g/t gold and 38 g/t silver from 182m;
- EDD-710: 4m of 9.7 g/t gold and 62 g/t silver from 224m;
- EDD-711 encountered five mineralized intersections comprising:
 - 7m @ 14.2 g/t Au and 323 g/t Ag from 164m
 - 1m @ 5.8 g/t Au and 12 g/t Ag from 174m
 - 1m @ 3.9 g/t Au and 90 g/t Ag from 176m
 - 4m @ 6.5 g/t Au and 258 g/t Ag from 181m
 - 2m @ 4.8 g/t Au and 81 g/t Ag from 188m

At the Eureka West Vein, EDD-707 was drilled approximately 50m beneath previously released EDD-706 (*17m at 7.8g/t Au and 165 g/t Ag*) returned a broad intercept with both gold and silver grades improved to 14.4 g/t Au and 224 g/t Ag. This supports Andean's belief that the outcropping veins at Eureka reflect the upper portions of the epithermal system and that the favourable gold and silver horizon could be largely preserved at depth.

At Eureka Main Vein, EDD-709 and EDD-711 extend the strike potential by ~150 meters to the west of previously drilled EDD-702. The consistent high-grades and good widths are encouraging.

Early this month, a second rig has been moved from Vein Zone and is now focused on extending the strike and depth extent at Eureka West Vein. A third core rig has been contracted from Major Drilling and will begin initial drill testing on the ~4 km's of outcropping Eureka Main Vein structure, which can be traced from surface but has had no prior drilling.

Continued...

CERRO NEGRO GOLD PROJECT *(Andean 100%)*

Andean Extends Strike and Depth Extent of High-Grade Gold Mineralisation at Eureka

Andean Resources Limited (ASX: AND) is pleased to report that further drilling on the Eureka veins at the Company's 100% owned Cerro Negro epithermal gold project in Southern Argentina continues to intersect wide zones of high-grade gold and silver mineralisation.

Andean believes the current series of outcropping veins at the Eureka Main structure and Eureka West vein reflect the upper part of a strong hydrothermal system based on the high-level quartz with chalcedony, strong resistivity anomalies over discrete vein segments, and surface rock chip samples. **Consequently, Andean has targeted its initial drilling of the Eureka system beneath the shallow drill holes of prior explorers, and also on the parallel Eureka West Vein, that was identified by Andean's exploration team.**

The following tabulated values of the five new holes are reported at a cut-off grade of 2.5 g/t gold on the assumption of an underground mining scenario for the Eureka veins. Coordinates tabulated below are provisional and subject to final survey by a licensed surveyor.

A drill plan showing the detailed positioning and reported values for all the diamond drill holes reported so far at Eureka and Eureka West (including the holes covered by today's announcement), is attached.

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	Elevation (m asl)	Easting	Northing	Azimuth	Inclination	Depth (m)
EDD-707	204	227	23	14.4	224	644	2394250	4808099	360	-70	279
including	204	210	6	25.9	585						
EDD-708	27	28	1	4.1	15	646	2394750	4807975	360	-70	351
EDD-709	182	188	6	10.2	38	639	2394800	4808000	360	-60	322
EDD-710	224	228	4	9.7	62	626	2394850	4807975	360	-70	296
EDD-711	164	171	7	14.2	323	616	2394900	4808000	360	-70	200
	174	175	1	5.8	12						
	176	177	1	3.9	90						
	181	185	4	6.5	258						
	188	190	2	4.8	81						

(1) Intersections are drilled widths, not true widths. True widths are less than drilled intersections.

Commentary on Results

The results from these latest Phase 3 drill holes at the Eureka prospect are encouraging for several reasons:

- The holes appear to confirm the continuity of high-grade mineralisation in the Eureka West vein with all 5 reported holes (EDD - 703 – 707) intersecting consistent grade and widths over a combined strike extent in excess of 150m and vertical extent of at least 150 meters (see attached drill plan).
- EDD-707 drilled 50m beneath EDD-706, showed improved gold and silver grades. True width of the mineralization on EDD-707 is estimated to be 40 to 50% of the intercept width.
- EDD-708 drilled to the west of the outcropping Eureka Main Vein failed to intersect the vein, either defining the western extent of the structure or a fault displacement of the mineralization.
- EDD-709, EDD-710 and EDD-711 extend high-grade mineralization along strike on the Main Vein by ~150 meters
- At a lower cut off grade of 0.7 g/t gold, consistent with open pit mining, three holes encountered substantial intercept widths of mineralisation, including some internal waste, as follows:
 - 30m of 11.1 g/t gold, 175 g/t silver from 204m in EDD-707
 - 9m of 7.1 g/t gold, 31 g/t silver from 179m in EDD-709
 - 26m of 5.8 g/t gold, 142 g/t silver from 164m in EDD-711

- Significant silver grades continue to be encountered when compared to Vein Zone (which has low silver values), and which could provide a meaningful by-product and reduced cash cost in any future mining operation at Cerro Negro
- Eureka is located about 20 road kilometres over fairly flat terrain from Vein Zone **and could potentially represent a second, high-grade deposit within the Cerro Negro tenements**, which could substantially enhance the economics of the overall project. Given Eureka West's relatively high-grades and flat topography, it potentially may be amenable to both open pit and underground mining methods.
- Good exploration potential exists along strike of the entire 4 kilometre outcropping Eureka vein system. To date, only 900m of the outcropping 4 km's identifiable from surface, has been tested.
- A new low sulfidation epithermal vein corridor of about 700m by 200m has been discovered in the Mariana area to the north of Eureka.

Project Status and Planned Drilling Strategy

Andean has now drilled 16 holes into the Eureka vein, for which assays have been reported for 11 holes. The remaining five holes: EDD-712, & EDD-713 in the Main Vein and EDD-714, EDD-715, EDD716 in the West Vein **have all intersected zones of quartz and breccia similar to those encountered in previous holes** and assays will be reported in batches as they become meaningful.

Early in April, the second drill-rig from Vein Zone was moved to Eureka in order to focus on expanding gold and silver resources at Cerro Negro. Resource expansion at Eureka has been prioritized over the planned infill drilling at Vein Zone for the next couple of months. In addition, a third core rig has been contracted from Major Drilling and is scheduled to be onsite in the second half of April. The current Phase 3 drill program is expected to continue with all three rigs operating continuously through to June 2007.

For further information please contact, in Australia;

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Or in North America;

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Note:

The information in this Report that relates to exploration results is based on information provided by John Clifford who is a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Clifford has extensive experience relevant to the style and type of mineralisation and deposits under consideration, and to the activity undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves" (the J.O.R.C. Code). Mr Clifford consents to the inclusion in this Report on his work in the form and context in which it appears.

