



ASX Announcement

9 Jan 2008

ANDEAN RESOURCES LIMITED

A.C.N. 064 494 319
1/1 Nairn Street
Fremantle WA 6160
t: 61 8 9430 9966
f: 61 8 9430 9965

Website

www.andean.com.au

For further information on this release and Andean generally please contact:

Wayne Hubert

Managing Director
Tel: + 1 801 763 7671
E-mail wayne.hubert@andean.com.au

Morrice Cordiner

Director
Tel: + 61 (0) 412 270 761 (cell) OR + 61 (2) 9276 1245 (office)
E-mail morrice@bigpond.net.au

Warren Gilmour

Director
Tel: + 61 8 9430 9966
E-mail warren@andean.com.au

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

ANDEAN PROVIDES AN UPDATE ON THE PRE-FEASIBILITY STUDY AT CERRO NEGRO

Andean Resources (**AND:ASX**; **AND:TSX**) has selected several contractors for the preparation of a Pre-Feasibility Study (PFS) including the following:

- Ausenco Services Pty. Ltd. Of Queensland, Australia has been awarded the bid for Plant Design, Supervision of Metallurgical test work, and preparation of the PFS document. Ausenco (www.ausenco.com) has significant experience in Argentina with Feasibility Studies and Construction Management. Project infrastructure requirements will be determined by both Andean and Ausenco.
- The metallurgical test work will be completed by PRA Labs, Vancouver, British Columbia, Canada. Approximately 790 meters of core samples have been shipped to PRA for a complete metallurgical analysis as defined by Ausenco. Testing will begin in January 2008.
- Golder Associates Argentina has been selected to complete a geotechnical investigation of a potential open pit at Vein Zone and a potential underground development at Eureka. Golder will construct a comprehensive geotechnical model of both resources, based on the current geological interpretation by using existing drill-hole logs.
- Vector Argentina will be preparing the Environmental Baseline Study for both the PFS and in support of EIS permitting requirements. Vector will also test both potential ore and waste rock for acid generating potential.
- Hidroar S. A. of Argentina will be developing an overall hydro-geological model of the area in preparation of drilling for a suitable water source for processing and potable water for the future operation.
- Micon International, of Canada, will prepare a new resource model during the first quarter of 2008, updated with the infill and extensional drilling completed in the recent quarter. The PFS mine plans will be developed based on this updated resource estimate.

A Community Relations assessment of the project has also been initiated and will be incorporated in the overall PFS.

During the first half of 2008, Andean will complete its 30,000m (Phase 4) drilling program at Cerro Negro focusing on finding additional precious metal resources on the property. The Eureka vein system (over 5 km of outcropping veins) remains open along strike with the Eureka West Vein (about 600m) being the only ore-shoot having been defined with infill drilling. Drilling has recommenced today, following the Christmas break. Drill results from December's activity will be released in the second half of January once assays have been received from the Alex Stewart labs in Mendoza, Argentina.

Andean expects the results of the PFS to be released in the third quarter of 2008. Once the Phase 4 drilling program has been completed in June, Andean will prepare another resource estimate for release in October, which will provide the basis for the Final Feasibility Study.

Wayne Hubert, Andean's CEO, summarized, "I am pleased that we have been able to put together such a high quality team to prepare the Cerro Negro Pre-Feasibility Study, especially in light of the industry resources being extended. I look forward to seeing the results of these studies, which should support my view that Cerro Negro is rapidly becoming a world-class epithermal vein system. "