



**Media Release**

**17 April 2008**

**ANDEAN INCREASES TOTAL CERRO NEGRO MINERAL RESOURCE  
TO 2.7 MILLION OUNCES GOLD EQUIVALENT <sup>(1)</sup>**

**HIGHLIGHTS:**

- **Updated independent Resource Estimate for Eureka West deposit of 1.4 m ounces gold and 23.7 m ounces silver**
- **Eureka West gold grade of 12.3g/t *plus* silver grade of 213g/t rate Eureka West as one of the highest grade projects of this size owned by an Australian gold explorer**
- **Combined Cerro Negro Resources increased to 2.3 m ounces gold and 23.7 m ounces silver ( 2.7 m ounces Gold Equivalent)**
- **Recently completed A\$42 m capital raising places Andean in strong financial position**

**Andean Resources Ltd. (ASX/TSX: AND)** (“Andean”) today reported a 119 percent increase in its updated independent resource estimate for the Eureka West Veins on the company’s 100 percent owned Cerro Negro gold project located in southern Argentina, rapidly progressing Andean’s transition towards producer status.

During the past six months, Andean has more than doubled drilling activities at the Eureka West Veins in order to include this deposit in the already well-progressed Pre-Feasibility Study. Today’s estimate is compliant with NI 43-101 and JORC, and was carried out by independent mining consultants Micon International Ltd.

The new mineral resource for Eureka West is 1.36 million ounces of gold (compared with 624,000 ounces reported in October 2007) and 23.7 million ounces of silver (compared with 8.0 million ounces previously), at an assumed underground cut-off grade of 3 g/tonne gold equivalent. Importantly, the average gold grade has increased from 6.4g/t in the previous resource to 12.3g/t in the updated resource estimate. The average silver grade has also increased from 82g/t in the previous resource to 213g/t in the current resource.

On a gold equivalent basis, the Eureka West veins contain an impressive 1.8 million ounces at an average grade of 15.8 g/tonne, one of the highest grade resources of this size owned by an Australian gold explorer.

“Our drilling over the last six months has more than doubled the previously estimated grade of the Eureka West Veins (10 October 2007 news release) and increased the tonnage, resulting in a significantly larger mineral resource,” **said Managing Director Mr Wayne Hubert**. “There are several other exciting parts to this resource: first, the bulk of the mineralization is contained in one ore-shoot

**Andean Resources Limited**

A.C.N. 064 494 319

Lv 7, 151 Macquarie Street Sydney 2000 t 61 2 9276 1245 f 61 2 9276 1266

that remains open to the west and this type of geologic system seldom has ore-shoots in isolation; second, the average silver grades are very high and when used as a by-product, the resulting operating cash cost per ounce of gold is expected to be low; and finally, we have a further four kilometres of outcropping vein at Eureka to test. Our work is far from finished here.”

“We believe the Cerro Negro property has the potential to host one of the most significant gold resources established by an Australian gold explorer in recent years,” said Mr Hubert. “The new high-grade resource will have a very beneficial impact on future operating costs and projected returns, potentially making Cerro Negro one of the lowest-cost emerging mid-tier gold producers.”

A summary table detailing the two parallel veins (labelled 1.0 and 1.1) contained in the Eureka West resource estimate is shown below:

<u>Category</u>	<u>Tonnes<sup>2</sup></u>	<u>Au g/t</u>	<u>Gold Oz<sup>3</sup></u>	<u>Ag (g/t)</u>	<u>Silver Oz</u>	<u>AuE (g/t)<sup>1</sup></u>	<u>AuE (oz)</u>
<b>Indicated</b>							
1.0 Vein	1,805,000	15.79	916,400	297.8	17,286,200	20.75	1,204,503
1.1 Vein	683,000	5.18	113,800	69.9	1,534,500	6.34	139,375
<b>Total, Indicated</b>	<b>2,488,000</b>	<b>12.88</b>	<b>1,030,200</b>	<b>235.3</b>	<b>18,820,700</b>	<b>16.80</b>	<b>1,343,878</b>
<b>Inferred</b>							
1.0 Vein	728,000	12.80	299,600	188.3	4,408,000	15.94	373,067
1.1 Vein	245,800	4.57	36,100	62.4	493,400	5.61	44,323
<b>Total, Inferred</b>	<b>973,800</b>	<b>10.72</b>	<b>335,700</b>	<b>156.5</b>	<b>4,901,400</b>	<b>13.33</b>	<b>417,390</b>
<b>Total Resource</b>	<b>3,461,800</b>	<b>12.27</b>	<b>1,365,900</b>	<b>213.1</b>	<b>23,722,100</b>	<b>15.82</b>	<b>1,761,268</b>

(1) Gold equivalent grades estimated based on a ratio of recovered gold price to recovered silver price of 1:60 based on a \$650 gold price and a \$12.50 silver price and gold recoveries in the 90% range and silver recoveries in the 80% range. The formula used was:  $AuEq(g/t) = Au(g/t) + [1/60 \times Ag(g/t)]$

(2) Tonnage is metric tonnes, where one metric tonne is 1000 kilograms, or 2,200 pounds

(3) Ounces are troy ounces, where one troy ounce equals 31.103 grams

In addition to the resource estimate announced today for Eureka West, Andean’s Cerro Negro project also hosts a well defined and previously released mineral resource at the Vein Zone deposit (located 15km’s east of Eureka West) which contains an additional 900,000 ounces of gold. **Combined with today’s resource estimate at Eureka West, this brings the total resource inventory for the Cerro Negro project to approximately 2.3 million ounces of gold and 23.7 million ounces of silver (or 2.7 million ounces of Gold Equivalent).**

An updated resource estimate, incorporating recent infill drilling, is currently also being completed on Vein Zone as part of the Pre-Feasibility Study.

To date, Andean has drilled only two (Eureka West and Vein Zone) of seven known epithermal vein occurrences at Cerro Negro.

In other news, Andean also announced that the Company has completed a A\$42 million underwritten fundraising with the majority of the funds raised from North American and Australian institutional investors. The terms of the raising were announced previously on 27 March 2008.

Andean is based in Australia and is listed on the Australian Securities Exchange and the Toronto Stock Exchange under the ticker AND. For more information about the updated resource estimate, please see today’s ASX and TSX Announcements at [www.andean.com.au](http://www.andean.com.au)

For further information please contact:

**In Australia:-**

**Morrice Cordiner  
Director**

Tel: 02 9276 1245  
Mobile: 0412 270 761  
Email: [morrice@bigpond.net.au](mailto:morrice@bigpond.net.au)

**Kevin Foley  
Savage & Partners**

Tel: 02 8281 3235  
Mobile: 0410 325 605  
Email: [kevin@sandp.com.au](mailto:kevin@sandp.com.au)

**In North America:**

**Wayne Hubert**

Managing Director  
Tel: (0011 1) 801-763-7671  
Mobile: (0011 1) 801 369 7860