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Operational Report 37: Expansion of gold anomaly at Una Deriam EEL

Dated: 26th April, 2010.

Sheba Exploration Plc, an Ethiopian based gold and metal explorer, continues to make excellent progress in defining a wider gold anomaly on its Una Deriam Exclusive Exploration Licence (EEL).

New soil sampling results from the southern part of goldfield

Exploration is currently focused on the south end of the EEL where a regional soil survey is proceeding in a northerly direction to link up with the highly anomalous area which has already been well defined by the company in previous exploration activities in this region (see Operational Report No.33, dated 1 June, 2009). Results from 80 soil samples analysed in the past several weeks show a new gold soil anomaly which trends for about 800 metres, peaking at between 210 and 560 ppb gold at the Dashedan artisanal mining locality. This discovery strongly suggests that the overall length of the gold belt on Sheba's Una Deriam Licence area is now approaching twelve kilometres.

Trenching to commence in the central part of the goldfield

In addition to the above a series of trenches and channel samples will commence this week in the central part of the gold field at Datalian, a century-old mining and prospecting locality, where strong gold soil anomalies were defined last year. The soil anomaly here trends for about one kilometre with peak soil values ranging between 470 and 7300 ppb gold and is open in both directions along strike. Adits and trenches from the previous gold workings have been encountered with at least twelve sites of primary (bed-rock hosted) gold mineralization within the soil anomaly. Trenching will focus on the area where gold soil values reach their highest levels.

Current exploration strategy at Uni Deriam

The strategy at Una Deriam is to define a single large gold resource from a series of closely spaced satellite prospects within 'truckable' distance of a central locality with a favourable topographical position, good power and road access and sufficient water availability. Exploration strategy will focus on the 'bigger picture', with concurrent activities continuing at the various prospects where gold has been encountered in commercially interesting grades and widths, with the objective of defining specific drill targets and undertaking a broad-based drill programme.

The Managing Director of Sheba Exploration (UK) Plc accepts responsibility for the contents of this announcement.