



Andean Completes \$2.16 million Placement to Sentient Global Resources Fund

In a second major funding initiative completed this month, the Directors of Andean Resources Limited (**ASX:AND**) are pleased to announce that the international resources investment group, the Sentient Global Resources Fund ("Sentient"), has agreed to subscribe for 22.7 million new ordinary shares at a price of 9.5 cents per share raising a total of \$2.16 million.

Sentient is a US\$160 million private equity fund which invests principally in the development of resource projects world wide. The fund's global spread of investors includes government and corporate pension plans, institutional investors and resource industry participants (see www.thesentientgroup.com).

As part of its investment and in keeping with the fund's overall investment mandate, Sentient will be entitled to nominate one director to the Board of Andean.

The Chairman of Andean, Mr Warren Gilmour, said the Company was delighted to welcome Sentient as a new major strategic shareholder and potential longer term partner for the Company's activities in Argentina and specifically the development of its Cerro Negro gold project in Patagonia.

Today's investment by Sentient follows the raising of \$2.7 million via a placement to clients of Southern Cross Equities announced on 13 December 2004.

The Company now has exploration funding and available working capital of approx. \$4.7 million which will be used to carryout an aggressive drilling and exploration program at the Cerro Negro project, commencing early in 2005.

Secondary Trading and ASIC Relief

In accordance with the requirements of the Corporations Act Section 708 (A), the Company confirms that there is no information of the kind that would require to be disclosed under sub-section 713 (5) of the Corporations Act if a prospectus were to be issued by the Company in reliance on Section 713 of the Corporations Act.

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ASX Announcement

Date: 23 December 2004

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