



**SERABI MINING plc
("Serabi" or "the Company")**

**Exploration Update
Piaui Strike Length could now extend to 1,400 metres
Additional drilling planned at Piaui and Currutela Prospects**

Serabi Mining plc (AIM:SRB, TSX:SBI and SBI.WT), the Brazilian focused gold exploration Company, is pleased to provide an update on both the Piaui and Currutela Prospect exploration activities.

A recently completed geophysical Induced Polarization (IP) survey has indicated the possibility that the recent Piaui discovery, which was initially estimated to have a 300 metre strike length could now extend to a strike length of over 1,400 metres. The same IP survey between the Currutela prospect and the recent Espeto discovery indicates strong geophysical anomalism between the two, a strike length of some 900m.

Mike Hodgson, Chief Executive, commented:

"We are very pleased by these results. The Piaui drilling to date has rewarded us with some excellent intersections over the initial target strike length of 300 metres, so the potential to extend and test this zone over 1,400 metres is highly encouraging.

In addition, the obvious potential to explore the 3.5km strike length upon which the Palito Main Zone (PMZ), Espeto and Currutela prospects lies is clearly an exciting proposition. We now have further indications from preliminary IP data that the mineralised potential extends a further 500 metres east of Currutela, potentially making this fertile mineralised structure over 4.0km in length and remaining open along strike".

Piaui

The IP survey was carried out to the east of the Piaui Prospect and delineated a 200 metre long chargeable anomaly, 400 metres along strike from the original 2010 Piaui chargeable anomaly. Initial discovery drilling of this anomaly in March 2011 returned significant intercepts including 1.93 metres @ 22.86g/t Au, 2.5 metres @ 6.22g/t Au, 9.1 metres @ 2.24g/t au, 10.7 metres @ 1.17g/t Au and 4.5 metres @ 2.75g/tAu (as detailed in the Company's news release of 7 April 2011).

This new target has the potential to extend the strike length of the Piaui target by at least a further 1,100 metres. The newly defined IP target is also coincident with a 300ppb soil geochemistry anomaly and a high priority electromagnetic (EM) anomaly derived from Serabi's 2008 Airborne Geophysical VTEM survey.

The Company also completed a trench located 250 metres (TC056) to the west of the Piaui mineralisation, which subject to external assaying has intersected anomalous gold bearing laterite material. Follow-up soil auger geochemical sampling is planned around the trench area to ascertain the extent of this geochemical anomalism in the coming months.

The strike length of the potential mineralisation along the Piaui trend from trench TC056 to the eastern extent of the recent IP anomaly indicates a possible mineralised trend of 1,400 metres.

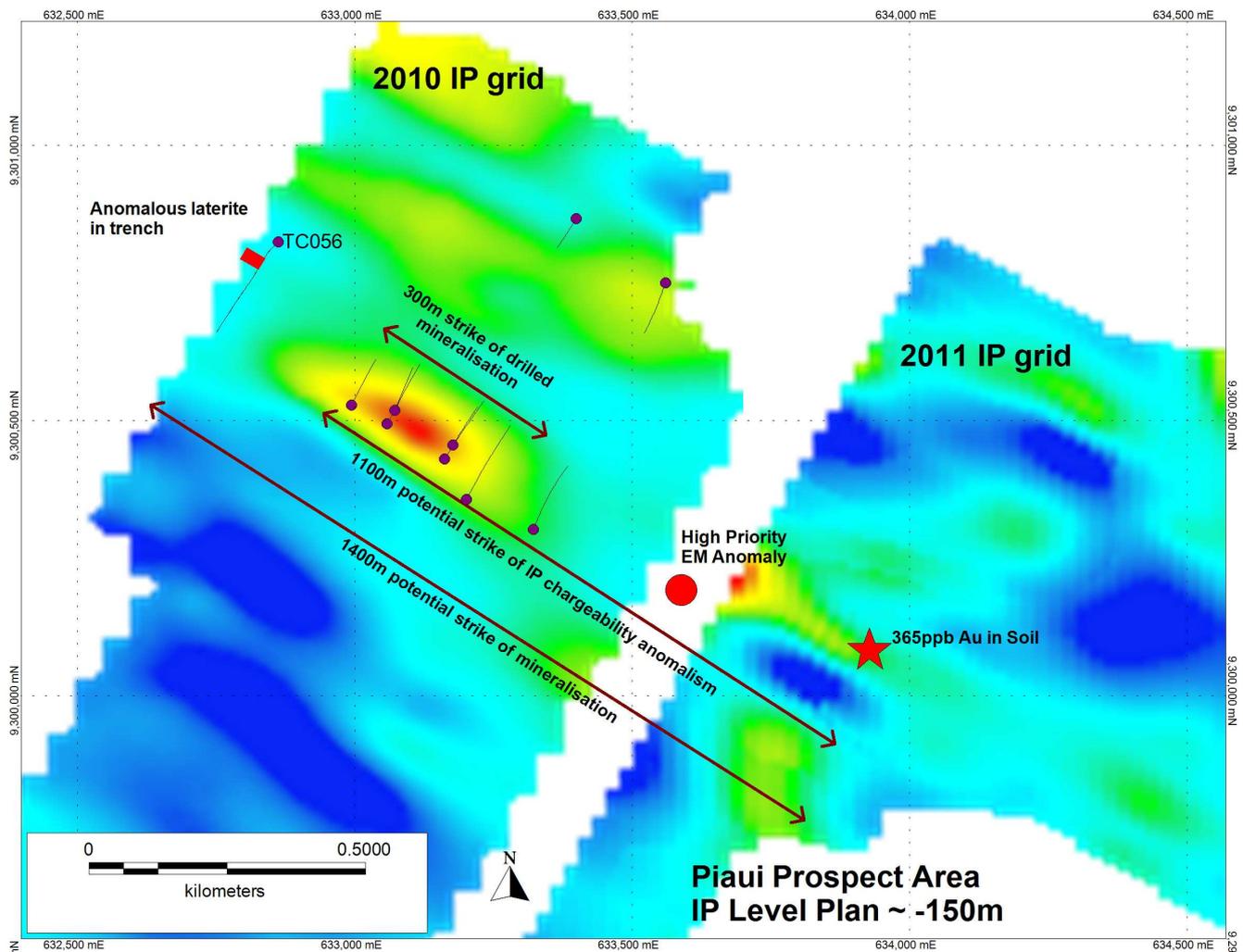
As a direct result of this newly acquired geophysical and geochemical data, Serabi have extended their current 8,100 metres discovery drill programme adding a further 2,000 metres of drilling with much of this initially focussed on the Piaui mineralised target. On 12 September 2011, a program of 1,700 metres of shallow infill and extension drilling will commence at Piaui to test the central 300 metres strike of the prospect. A further 500 metres of drilling will also target the new coincident anomaly area along strike to the east.

Currutela-Espeto-Palito

Serabi is also in the process of continuing an ongoing IP survey between the recently drilled Espeto prospect which returned a drill result of 17.06 metres @ 1.17g/t Au (as detailed in the Company's news release dated 15 July 2011) and the Currutela prospect which has returned drill results including 2.14 metres @ 12.92g/t Au, 0.76 metres @ 5.30g/t Au, 1.20 metres @ 6.39g/t Au & 1.03 metres @ 5.10g/t Au (as detailed in the Company's news releases of 13 June 2011 & 11 July 2011).

Results to date demonstrate that a continuous chargeable zone exists between the two prospects, having a strike length of some 900 metres. More significantly, the structural modelling supported by drill intercepts, airborne magnetic surveying and this recent induced polarization data suggest the Palito Main Zone (PMZ), Espeto and Currutela prospects can be interpreted as the same structural mineralised zone, which has a strike length of over 3.5 kms when measured from the most westerly end of the Palito mineralisation to Currutela in the east. Once the IP programme is complete, the results will be used to assist the optimisation of a follow up drill programme.

The following plan illustrates the original Piaui IP anomaly, along with the latest IP survey extended to the south east.



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Copies of this release are available from the Company's website at www.serabimining.com

Forward-looking statements

This press release contains forward-looking statements. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding the estimation of mineral resources, exploration results, potential mineralization, potential mineral resources and mineral reserves) are forward-looking statements. Forward-looking statements are often identifiable by the use of words such as “anticipate”, “believe”, “plan”, “may”, “could”, “would”, “might” or “will”, “estimates”, “expect”, “intend”, “budget”, “scheduled”, “forecasts” and similar expressions or variations (including negative variations) of such words and phrases. Forward-looking statements are subject to a number of risks and uncertainties, many of which differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure to establish estimated mineral resources, the possibility that future exploration results will not be consistent with the Company's expectations, the price of gold and other risks identified in the Company's most recent annual information form filed with the Canadian securities regulatory authorities on SEDAR.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.

Qualified Persons Statement

The information contained within this announcement has been reviewed and verified by Michael Hodgson, CEO of the Company. Mr Hodgson is an Economic Geologist by training with over 25 years' experience in the mining industry. He holds a BSc (Hons) Geology, University of London, a MSc Mining Geology, University of Leicester and is a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer of the Engineering Council of UK, recognizing him as both a Qualified Person for the purposes of Canadian National Instrument 43-101 and by the AIM Guidance Note on Mining. Oil and Gas Companies dated March 2006.

Quality Assurance and Quality Control Procedures Disclosure

The Company has implemented and maintains a Serabi quality assurance/quality control (QA/QC) protocol at its JDO Project as defined in its “NI 43-101 Technical Report for the Jardim Do Ouro Project, Para State, Brazil” dated 22 December 2010. This ensures best industry practice in sampling and analysis of exploration and resource definition samples. The insertion of field duplicates, certified standards and blank samples into the sample stream form part of the Serabi procedure (these act as an independent check on contamination, precision and accuracy in the analytical laboratory).

Assay results are reported once rigorous QAQC procedures have been approved

Neither the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this news release.

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