

KEEGAN ANNOUNCES ACQUISITION OF ASUMURA GOLD PROJECT, WEST GHANA

Keegan Resources Inc. is pleased to announce that it has entered into an option agreement with GTE Resources ("GTE"), a privately held Ghanaian Company, whereby Keegan may, subject to regulatory approval, acquire 100% of the Asumura Property in western Ghana. Under the terms of the agreement Keegan is required to complete \$1 Million USD of work on the property and deliver cash payments totaling \$100,000 USD and a total of US\$100,000 worth of Keegan Resources Inc. shares to GTE over a period of three years. After meeting these commitments, the Company will have an undivided 100% interest in the Property subject to a 3.5% Net Smelter Return, 50% of which may be purchased for \$2 million USD. The first year's payments are \$10,000 USD and \$10,000 USD in Keegan shares to be determined at the date of exchange approval. The first years work commitment totals \$80,000 USD. A finders fee with respect to the property is payable to Hunter Dickinson Group Inc.

The Property is located 65km southwest of Newmont's Ahafo gold deposit, where as of December 31, 2004, Newmont announced updated proven and probable reserves (including the Yamfo and satellite deposits), totaling over 10M ounces at an average grade of 0.068opt gold with a projected metallurgical recovery of 88%. Newmont is continuing an extensive exploration program within the district as it builds the Ahafo mine toward a planned start up in the second half of 2006. Ahafo is located on the Western Belt Boundary Shear of the Sefwi Greenstone Belt. Like most giant greenstone gold deposits, Ahafo is associated with a flexure of the belt bounding shear zone. The Company's Property, like Ahafo, is also located on the Western Belt Boundary Shear of the Sefwi Greenstone Belt. It covers the next large flexure southwest of Ahafo and is thus prospective for similar deposits.

Over the next three months, the Company will conduct a reconnaissance geologic mapping/ stream sediment sampling program on the Property followed up by more detailed soil sampling and prospect mapping. The Company will then evaluate and prioritize the geologic data and geochemical anomalies in order to prioritize drill targets.

Dan McCoy, President and CEO of Keegan Resources Inc. states: "Although geographically, this acquisition deviates from our primary strategy, which is to focus on high quality gold assets within North America, it does fit our strategy of exploring for geologic analogues to the truly giant gold deposits, which Ahafo is quickly becoming. The Asumura Property occupies one of the last large, unexplored greenstone belt flexures in Ghana and we consider Ghana the friendliest and most stable of African countries. We see excellent exploration and development opportunities executable at relatively low costs using established, straightforward exploration methodologies".

For further information, please refer to the Company's website at www.keeganresources.com, or by telephone at 604-683-8193.

ON BEHALF OF THE BOARD OF DIRECTORS

Dan McCoy, PhD
President and CEO

This release includes certain statements that may be deemed forward-looking statements. All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's filings that are available at www.sedar.com.