



News Release

Keegan to Make Minor Amendments to Option Plan

9/21/2011

VANCOUVER, BRITISH COLUMBIA—(Marketwire - Sept. 21, 2011) - Keegan Resources Inc (TSX:KGN)(NYSE Amex:KGN) ("Keegan" or the "Company) announces as a result of comments received from independent proxy review agencies the Company will propose minor amendments to its proposed option plan from the floor of the shareholders meeting. These amendments will make certain provision of the Option Plan which now apply to Insiders apply to all eligible option participants namely: 1) Any reduction in exercise price or cancellation and reissue of options or other entitlements; 2) Any amendment that extends the term of options beyond the original expiry; and, 3) Any amendment to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation.

In addition, at the request of the proxy review service the Company confirms that the following provisions are already included in the Option Plan and to the extent not already specifically addressed in the meeting proxy circular are as follows: 1) The maximum number of shares reserved under the Option plan cannot exceed 10% of the issued and outstanding common shares of the Company; 2) Any amendment that would permit options granted under the Option Plan to be transferable or assignable, other than for normal estate settlement purposes, requires shareholder approval; 3) The Company cannot alter the definition of "participants" under the Option Plan and make changes to limits in place on Non-executive Directors; and, 4) Any amendment to the Option Plan amendment provision requires shareholder approval.

Shawn Wallace, Executive Chairman, commented, "We were requested to make these changes and clarifications in order to enjoy the support of the proxy review service and after consideration have agreed that option plan restrictions that are applicable to insiders should apply across the board to all Option Plan participants."

About Keegan Resources Inc.

Keegan is a junior gold company offering investors the opportunity to share ownership in the rapid exploration and

development of high quality pure gold assets. The Company is focused on its wholly owned flagship Esaase Gold project (3.23 million ounces gold indicated resources with an average grade of 1.2 g/t Au at a 0.4 g/t Au cutoff and 1.68 million ounces in an inferred category at an average grade of 1.0 g/t Au applying a 0.4 g/t Au cut-off for a total inferred and indicated resource of 4.91 Moz) as well as its Asumura gold project, both of which are located in Ghana, West Africa, a highly favourable and prospective jurisdiction. Managed by highly skilled and successful technical and financial professionals, Keegan is well financed with no debt. Keegan is also strongly committed to the highest standards for environmental management, social responsibility, and health and safety for its employees and neighbouring communities. Keegan trades on the TSX and the NYSE AMEX under the symbol KGN.

More information about Keegan is available at www.keeganresources.com.

On Behalf of the Board of Directors,

Shawn Wallace, Executive Chairman

Forward Looking and other Cautionary Information

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 estimated resource quantities, grades and contained metals, possible future mining, exploration and development activities, are forward-looking statements. In particular, Preliminary Economic Assessments are preliminary in nature, including Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the findings of the Preliminary Assessment will be realized. Although the Company believes the expectations expressed in the Preliminary Economic Assessment and other forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as 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 for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all. The Company is subject to the specific risks inherent in the mining business as well as general economic and business conditions. For more information on the Company, Investors should review the Company’s annual Form 20-F filing with the United States Securities Commission and its home jurisdiction filings that are available at www.sedar.com.

Information Concerning Estimates of Measured, Indicated and Inferred Resources

This news release also uses the terms, “measured resources”, “indicated resources” and “inferred resources”. Keegan Resources Inc. advises investors that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission (SEC) does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves as defined by SEC standards. In addition, ‘inferred resources’ have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Assessment as defined under 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Neither TSX Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

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