

13 November 2014

## Update on Georgina Basin Exploration

**Baraka Energy & Resources Ltd (ASX:BKP)** (“the Company” or “Baraka”) wishes to advise that Statoil Australia Theta B.V (“Statoil”) has informed Baraka that it has concluded the drilling and testing campaign on the Company’s permits, EP127 and EP128 in the Georgina Basin, Northern Territory, Australia, and based on the disappointing results, Statoil has decided to withdraw from any further activity on these permits. We expect to receive a formal notice from Statoil regarding this in the very near future.

Baraka has not yet been informed by Petrofrontier Corp (TSX-V:PFC) (“Petrofrontier”) or Statoil as to whether Statoil also intends to withdraw from any further activity on Petrofrontiers adjoining permits EP103 and EP104 and will pursue this with Petrofrontier immediately.

It is unclear as to whether Statoil will continue as Operator of Baraka’s permits and indeed of the permits EP103 and EP104 adjoining Baraka’s permits, or whether Petrofrontier will once again become Operator of all the permits.

Baraka will be seeking clarification of all of these issues in the immediate future and will keep the market informed.

Whilst this is disappointing news from the perspective of Statoil withdrawing, Baraka has nevertheless been approached by a Canadian Group interested in pursuing exploration on the Conventional targets within EP127, and this will form part of the communications Baraka intends to seek with both Statoil and Petrofrontier in the near future. Baraka shareholders will recall that Baraka’s board pressed for these conventional targets to be considered in the 2014 work program, but were unsuccessful at that time.

Baraka’s final working interest on each permit is yet to be resolved as a result of dilution as previously announced to the market and this will also be subject to discussions with Statoil.

Importantly, all minimum expenditures required on EP127 and EP128 permits for the 2015 year have been met and any further exploration on these areas will now be subject to discussions with the joint venture partners and regulator, including the offer of exploration by the Canadian Group to pursue conventional oil and gas targets within EP127.





Baraka has been in discussions on a number of different fronts and especially in regards to new projects, which includes distressed oil and gas permits in an unlisted Australian company in Texas and these discussions are ongoing but incomplete.

Baraka is debt free, and as announced in its latest quarterly activity report, has some \$4.69m of net current assets including cash, and as such is well placed to take advantage of any opportunity that arises in the near future as a result of the current market conditions, especially distressed assets.

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