

7<sup>th</sup> January 2016

**Expiry of EP128 in the Georgina Basin**

**Baraka Energy & Resources Ltd** (ASX Code: BKP) wishes to announce that it has requested and been granted the right to withdraw from the renewal process for EP128.

Baraka applied for renewal of this permit in March of 2015 and went through a detailed process in attempting to retain the large area of ground within the Georgina Basin for future assessment.

The NT Government DME insisted on relinquishment of 50% of the permit, and at a subsequent meeting insisted on increased expenditures over the permit without providing us a prudent period to assess the area with our Consultants and/or potential farm-in partners.

Based on the increased expenditure requirements, reduced area of the permit and the lack of indicated Conventional targets within this permit, the board decided to withdraw its application for renewal.

EP 128 was the most Northerly permit held by Baraka and based on the Basins known structure of dipping to the South East, the shallowest area was in EP128 and hence viewed as the least prospective.

Baraka is however pursuing renewal of EP127, and has lodged a revised work program with amended expenditures on the 31<sup>st</sup> December 2015.

The board of Baraka believed the commitments required by the DME for EP128 could be better utilised by the company elsewhere in 2016 based on a risk versus reward basis and the current market conditions of the Oil & Gas industry.

Baraka will keep the market informed of the progress of EP127 renewal.

END

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