

ASX Announcement

7th June 2012

DRILLING OPERATIONS RECOMMENCE AT "MACINTYRE-2" WELL

Baraka Energy and Resources Ltd's (ASX:BKP) (Frankfurt Exchange RBD:GR) ("Baraka" or "the Company"), is pleased to announce along with its joint venture partner, Petrofrontier Corp ("Petrofrontier"), the first phase of the two phase 2012 capital program is underway. The Ensign rig has arrived at the Macintyre-2 well site and is being prepared to kick off the horizontal leg in the Basal Arthur Creek "Hot Shale" for an initial 500 metres, up to 1000 metres dependant on the ease of drilling. The drilling is expected to take approximately two weeks. Once the drilling is completed, Petrofrontier will have earned a 75% working interest and operatorship in permits EP127 and EP128, whilst Baraka retains the remaining 25% working interest in each of the permits.

After drilling Macintyre-2H, the Ensign rig will relocate approximately 300 km to the eastern border of EP 104 to drill a high angle pilot hole at the third location, Owen-3 in EP 104 (PFC 100% working interest) and if Petrofrontier considers conditions to be favourable, a subsequent horizontal section at that same location. Mobilization of Ensign Rig to the Owen-3 well site is anticipated to take one week, with the expected drilling timeline for the vertical and horizontal sections at Owen-3H being approximately four weeks.

Subsequent to this drilling activity, the second phase of the 2012 capital program will commence with the mobilization of a coil tubing unit and service rig for the completion, fracturing and flow testing of Baldwin-2Hst1 (EP 103), MacIntyre-2H (EP 127) and Owen-3H (EP 104), in that order. Both the Baldwin-2Hst1 and the MacIntyre-2 wells encountered very encouraging hydrocarbon responses while they were being drilled in the latter part of 2011. Relevant to the Macintyre-2 well, the logging results showed;

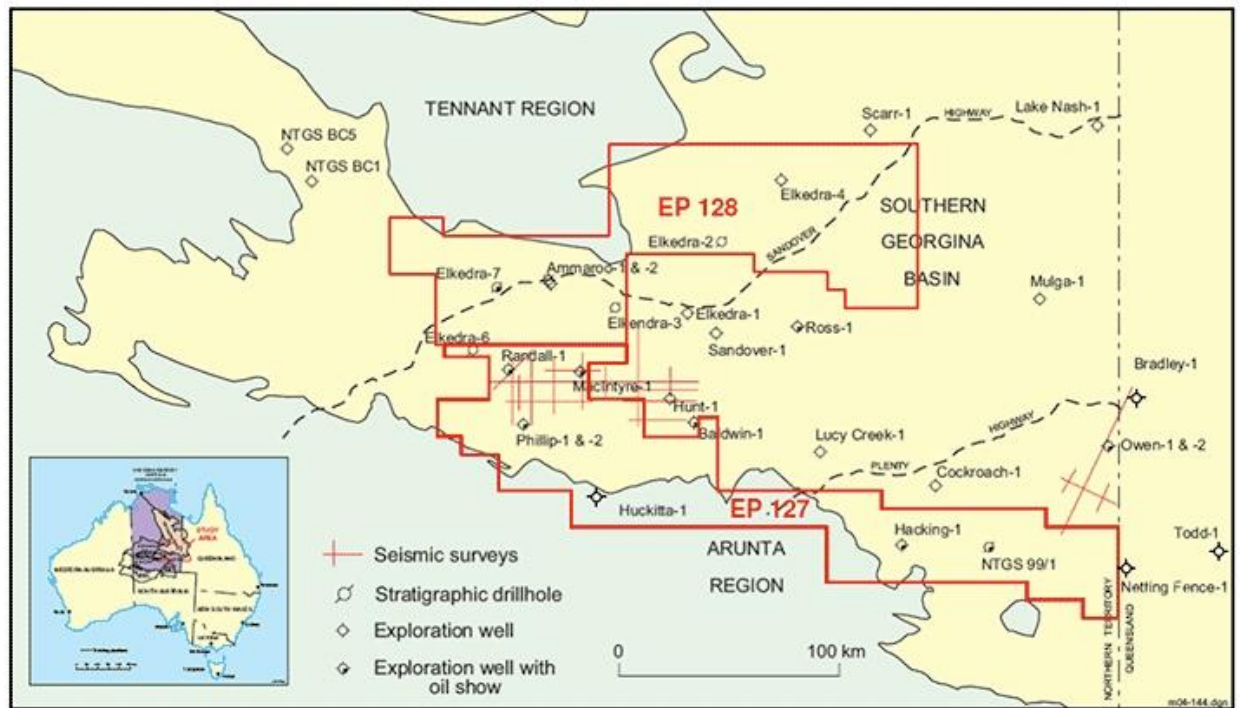
- 22 metres of true vertical depth ("TVD") pay with porosities varying between 5-11%
- Sweet Spot at 815m with peak log porosity of 12%
- Hydrocarbon shows recorded throughout Basal Arthur Creek "Hot Shale" 2-3 times greater than Baldwin-2Hst1
- Hydrocarbon shows of C1-C5 recorded in entire vertical sections, indicating vertical fractures throughout the zone
- In addition to the gas readings (samples were effervescing), there was some evidence of oil on the samples (Comments by Paul Bennett, CEO of Petrofrontier)

This type of unconventional oil play requires the use of advanced horizontal drilling and completion techniques to be economic, and the use of proven North American

technologies is expected to give Baraka and Petrofrontier a good chance of establishing commercial production. The company is currently receiving daily drilling reports and if information of a material nature arises from the reporting we will release the information promptly.

Furthermore we look forward to hearing an update on the program embarked on by PetroFrontier to find a suitable Joint Venture partner to maintain its financial flexibility.

The Company would like to clarify the locality of the Elkedra-7 well. Previously, It has been inadvertently stated to date Elkedra-7 is located on EP127 where in fact the well is located west on EP128. Baraka retains an undivided 75% working interest in approximately 75km² around the Elkedra-7 well. Previous drilling has indicated oil shows and this zone could be of significant value in the event of a discovery.



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Forward-Looking Statements

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