

2 June 2014

## Drilled and Cased OzBeta-1 Well on EP127 in Georgina Basin, Northern Territory

Baraka Energy & Resources Ltd (ASX:BKP) (Baraka) reports the successful drilling and casing of the OzBeta-1 well, located in Exploration Permit 127, in the Georgina Basin, Northern Territory.

All of the planned open hole well evaluation activities have been completed and are now being analysed. A total of 99.1 metres of core was recovered in a continuous coring process, which penetrated the Lower Arthur Creek and Thornton formations.

This was the first of up to three vertical test wells to be drilled as part of the 2014 Work Plan and Budget (2014 WP&B), under the Joint Operating Agreement (JOA) for each permit.

### 2014 Work Program for EP-128

#### EP128 "OzDelta – 1"

Is the second vertical test well and is proposed to be drilled in approximately July of 2014, once again close to the border of EP103, held by the Operator 80% and PFC 20%.

This test well will be drilled down to approximately 900m and is not considered to have any potential for the Thorntonian formation, but possibly in an oil window. A well of similar status is to be drilled by the Operator and PFC close to and over the southern boundary of EP128 into EP103. The target of interest is the Arthur Creek Hot Shale and possibly a section above the shale.

#### EP128 "OzEpsilon – 1"

Is the third vertical test well and is proposed to be drilled in approximately August 2014, down to approximately 800m and is in the North East section of EP128, closer to EP(A)132. This test well is to examine the target formation to the North of the licences and possibly define the basin to the North and any oil window, as well as test for maturity.

Subject to the success of the vertical well on EP127 currently being drilled, the Operator proposes to return to that well and carry out a Completion and Test of "OzBeta-1" in September 2014, after finalising the vertical "OzDelta-1" and "OzEpsilon-1" test wells in July and August of 2014.

As previously reported, Baraka commenced Supreme Court proceedings in March to challenge the validity of the 2014 work programs and budgets for EP 127 and EP 128, and

(alternatively) to challenge Statoil's rejection of Baraka's election not to contribute to the work program and budget. As part of the proceedings, Baraka sought an interlocutory injunction to prevent Statoil and PFC from exercising rights against Baraka on the basis that Baraka is a defaulting party, pending the trial of the action.

Statoil and PFC gave undertakings to the Court which preserve Baraka's rights until trial, with one exception: Statoil and PFC declined to allow Baraka to have access to information on the progress of the 2014 work program, on the basis that Baraka is not a contributing party. Baraka pressed its request for access to this information, through its application to the Supreme Court for an interlocutory injunction.

The application was argued on Thursday 29 May 2014. Late on Friday 30 May 2014 the Supreme Court issued its decision refusing Baraka's application, on the basis that Baraka was unable to establish that it would suffer damage as a result of being excluded from access to information on the 2014 work program pending trial of the action. The Court also observed that information on the work program is likely to become available to Baraka in the near future, through the process of discovery in the lead-up to an expedited trial of the main action.

The Court recommended that the parties continue negotiations in an attempt to settle the action through mediation.

Baraka is giving detailed consideration to the Court's decision and will continue to report to ASX on the 2014 work program, to the full extent of the relevant information available to it.

END

Mr Collin Vost  
Executive Chairman  
Baraka Energy and Resources Ltd  
Email: [info@barakaenergy.com.au](mailto:info@barakaenergy.com.au)