

ASX Announcement

11 March 2014

Dispute affecting Baraka's interests in permits EP127 and EP128 – Georgina Basin, Northern Territory

Baraka Energy & Resources Ltd (ASX:BKP) (Baraka)
Statoil Australia Theta B.V. (Operator)

Reference is made to previous announcements by Baraka concerning the dispute over the validity of 2014 work programs on EP127 and EP128 (see announcement released on 7 January 2014, and quarterly report released 31 January 2014).

As stated in those announcements, Baraka gave notice under the Joint Operating Agreement for each permit electing not to contribute to the 2014 work programs, while maintaining its claim that the work programs themselves were invalid.

The Operator of the permits, Statoil ASA, has today issued default notices based on the alleged failure of Baraka to pay cash calls under the 2014 work program for each permit. These default notices would, if they were valid and the alleged defaults were not rectified, lead to the forfeiture of Baraka's interests in the permits.

The carefully-considered view of Baraka is that our notices of election not to contribute are valid, and therefore the purported notices of default are invalid. Baraka also maintains its claim that the work programs for both permits were not validly adopted.

Baraka intends to take legal action seeking (among other things) an urgent declaration that the purported default notices are invalid, and an injunction to prevent forfeiture of Baraka's interest in the tenements.



Collin Vost
Chairman