

9 May 2014

Baraka and partners Spud Well on EP127 in Georgina Basin, Northern Territory

Baraka Energy & Resources Ltd (ASX:BKP) (Baraka) is very pleased to announce that the OzBeta-1 well has now spud and drilling is underway. The OzBeta-1 is a vertical exploration well located in Exploration Permit 127, in the Georgina Basin, Northern Territory.

This is 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. Baraka holds a 25% participating interest in each JOA on the tenements EP127 and EP128, with Statoil Australia Theta B.V. (Statoil or Operator) holding 60% and Petrofrontier Australia Pty Ltd (PFC) 15%.

OzBeta-1 is a vertical test well close to the border of EP104 and drilling is anticipated to take approximately 28 days, to an approximate depth of 1300m. The purpose of this well would be to test 3 potential pay zones within the structures and formations in that area and particularly targeting a 40-50m section expected within the Thorntonian Limestone formation. This same formation produced the 32m intersection in Owen 3 on EP104, seeped oil and showed extensive fluorescence throughout. This area of EP127 is close to or incorporated in the Toko Syncline on the South Eastern border of EP127 and the permit stops on the Queensland border.

Subject to results of the initial drilling it is expected that this well, the OZBeta-1, will be cased for future hydraulic fracture stimulation and production testing.

This work follows the recently successful drilling and casing of the OzAlpha-1 well on the adjoining tenement of Baraka's JV partners. All of the planned and open hole well evaluation activities have been completed and are now being analysed. A total of 196 metres of core was recovered in a continuous coring process, which penetrated the Lower Arthur Creek and Thorntonian formations.

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.

In addition to the current activity on Baraka’s permits this year, Total and Central Petroleum are reportedly commencing drilling on its 3 permits to the immediate south east of EP127 as outlined in its 31 March 2014 Quarterly Review of Operations.

Extract from Central Petroleum release

“Processing of the seismic acquired in the Southern Georgina Basin in 2013 was finalised this Quarter. Data quality is excellent, and interpretation has identified multiple locations across ATP’s 909, 911 and 912. These have been scouted in preparation for drilling, scheduled to commence from May/June 2014”

Baraka is continuing its discussions with Statoil and Petrofrontier and is hopeful of resolving the outstanding issues with them for the 2014 period, but will if necessary and reluctantly return to the courts if a settlement cannot be reached during May.

END

Mr Collin Vost
Executive Chairman
Baraka Energy and Resources Ltd
Email: info@barakaenergy.com.au

