ASX Announcement

15 October 2012

Confirmation of Oil in the Southern Georgina Basin

Baraka Energy & Resources Ltd (ASX:BKP, RBD:GR)("Baraka" or " the company"), is pleased to provide an operational update released by our joint venture partner, PetroFrontier Corp ("PetroFrontier"), regarding the current well completion operations in the Southern Georgina Basin, Northern Territory, Australia.

Owen-3H

A successful hydraulic stimulation was performed on the Owen-3H well over ten open-hole stages. PetroFrontier is very encouraged by the low fluid injection pressures and high injection rates evident during the stimulation. Log data and core samples have been obtained and appear positive, confirming the existence of oil in the Lower Arthur Creek and Thorntonia Carbonate Formations.

PetroFrontier is now preparing to conduct an extended flow-test of the Owen-3H well prior to the wet season. PetroFrontier and its joint venture partner (Statoil Australia Oil & Gas AS) are encouraged by these early stage results and look forward to flow-testing this well. This data will be used to guide the 2013 capital program as it supports the potential for oil recovery in PetroFrontier's unconventional acreage.

MacIntyre-2H

A successful hydraulic stimulation was performed on the MacIntyre-2H well over nine open-hole stages. However, after recovering approximately one-third of the hydraulic stimulation fluid, traces of biogenic hydrogen sulfide gas, produced from naturally occurring organisms in the completion fluid, were detected and the well had to be suspended. PetroFrontier is actively sourcing the specialized equipment to allow flowtesting to resume.

Based on the experience at the MacIntyre-2H well, additional treatment of the completion fluid was performed prior to stimulation operations at the Owen-3H and Baldwin-2Hst1 wells to avoid a reoccurrence of this problem.

Baldwin-2Hst1

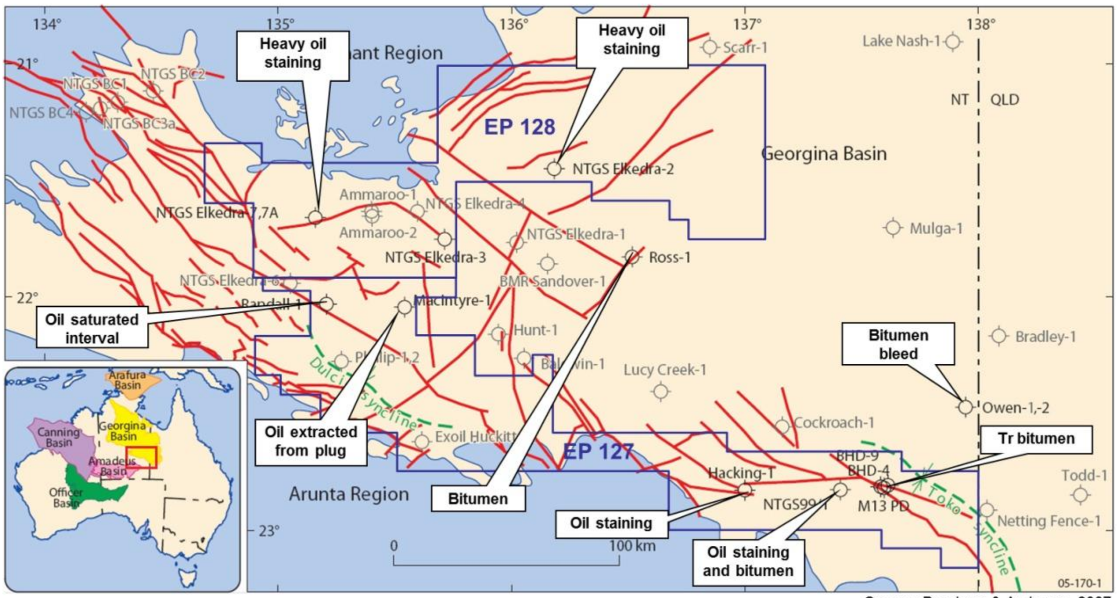
During the hydraulic stimulation program of the Baldwin-2Hst1 well, a shallow casing failure occurred and as a result, PetroFrontier was unable to complete the program. As expected, the multiple casing design protected the shallow aquifers. PetroFrontier plans to carry out remedial work to repair this well so that the planned hydraulic stimulation program can be completed.

As a result of these unforeseen operational delays at MacIntyre-2H and Baldwin-2Hst1, test results on these wells are not likely until 2013, depending on regulatory approvals, weather and the availability of required equipment and services. The operations referred to above are "firsts" in the Northern Territory, Australia and are critically important operations for PetroFrontier. PetroFrontier (in conjunction with its partners, Statoil Australia Oil & Gas AS and Baraka Energy & Resources Limited) intends to continue assessing the most efficient and cost effective way to explore and develop its unconventional resource potential in the Southern Georgina Basin.

Baraka's view on the Owen-3H results are that it is excellent for Baraka as it is located just a short distance directly north of EP127's south eastern boundary (where BKP holds a undivided 25% working interest), meaning Baraka can place a lot of weight on the EP127 south eastern area displaying similar or identical results if and when any drilling programs in that area are embarked on in the future.

Over the next 1-3yrs substantial funds are expected to be spent on exploration by Hess Corporation, Statoil, Santos and it is speculated another major joint venture partner expected to be announced by Central Petroleum. This doesn't include a number of smaller explorers in the shale Basins within the Northern Territory & expanding across into Queensland.

As disappointing as the operational & engineering failures on MacIntyre-2H & Baldwin-2Hst1 were, they have in no way diminished the possible productivity of these wells or the prospectivity of the entire basin as a successful flow-test of Owen-3H would substantiate this. We will need to wait until next year when MacIntyre-2H will be flow-tested and Baldwin-2Hst1 repaired and the stimulations program can be completed before they can be evaluated.



Source: Boreham & Ambrose, 2007

**This map in particular, indicates numerous holes with Oil staining, Oil Staining and Bitumen etc located just a short distance from the Owen well.*

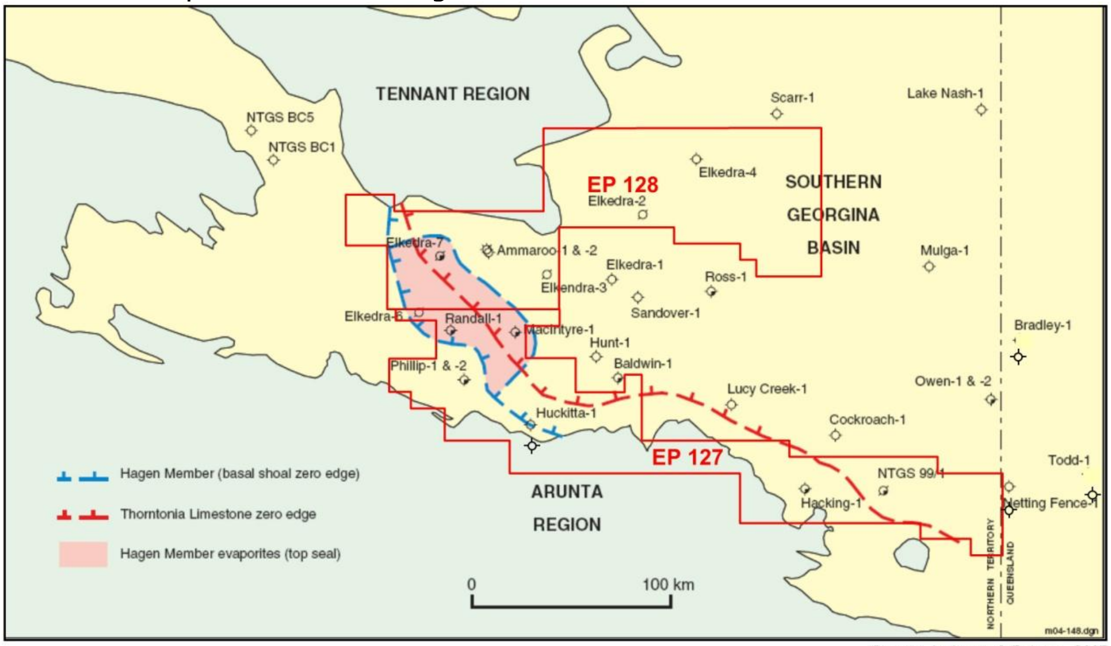
Whilst the current exploration program is focussed on unconventional targets Baraka would like to reiterate there are a number of conventional targets within all of the tenements yet to be directly targeted with an exploration program. The Ryder Scott report states that there are "conventional carbonate zones" with potential conventional oil pools that may be up-dip from some 11 vintage wells. One of those potential target zones is the "Hagen Member". Baraka will be pursuing further discussions with PetroFrontier(the Operator) to consider their interest in participating with Baraka in testing "Conventional" targets within Baraka's areas as early as possible in 2013.

CONVENTIONAL SUMMARY TABLE 3B (Oil Volumes)
Unrisked Estimates of Undiscovered OOIP and Prospective Recoverable Oil Resources in the
Hagen and Arthur Creek Shoal
Southern Georgina Basin – Northern Territory, Australia
As of November 1, 2010

Prospect	Unrisked Undiscovered OOIP (MMbls)			Unrisked Prospective (Recoverable) Oil Resources (MMbls)		
	Low	Best	High	Low	Best	High
H-A	125.85	221.59	374.02	12.7	24.77	47.04
Sh_Mctyr	6.5	11.6	19.4	0.7	1.3	1.3
Total	**132.35**	**233.19**	**393.42**	**13.4**	**26.07**	**48.34**

*Baraka's interests in the above Prospects H-A and Sh_Mctyr oil volumes is 25%
(Source: Ryder Scott) full report found on Baraka website
www.barakaenergy.com.au

This below map indicates the "Hagen Member" on EP127 & EP128.



Source: Ambrose & Putnam, 2007

Both of the above maps were extracted from the '***Isis full Report – Petroleum Prospectivity of EP127 and EP128***' found on our website www.barakaenergy.com.au under the '*News Centre*' tab on the '*Reports & Presentations*' page. This report, as the title describes, covers the conventional and unconventional prospectivity of Baraka's EP-127 and EP-128 in great detail.

As previously announced, Baraka retains 25% working interest in both EP 127 and EP 128, including a 75% undivided working interest in the 75km² around the Elkedra-7 well on EP128, and will meet our contributions on EP127 and EP128 when and if required.

About Baraka Energy & Resources Ltd

Baraka is an Australian ASX listed company focused on identifying, exploring and developing Energy & Resource assets within Australia and globally. Baraka has an undivided 25% working interest in both EP 127 and EP 128 including a 75% undivided working interest in the 75km² around the Elkedra-7 well on EP128, Southern Georgina Basin, Northern Territory, Australia. Baraka's head office is in Perth, Western Australia.

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Forward-Looking Statements

This press release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Baraka, including, without limitation, statements pertaining to management's future plans and operations. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this release and Baraka does not assume any obligation to update or revise them to reflect new events or circumstances.