ASX Announcement

12th November 2012

Operational Update
<u>Plus</u>
Further Global credibility added to the Southern Georgina Basin

Baraka Energy & Resources Ltd (ASX: BKP, RBD: GR)("Baraka") is pleased to provide the following operational updates provided by our joint venture partner *PetroFrontier Corp. ("PetroFrontier").*

<u>Operational Update</u>

Owen-3H

At PetroFrontier's third horizontal well, Owen-3H (located in EP104, Northern Territory, Australia), a high capacity jet pump has been installed, along with the necessary surface tankage and piping to conduct the cleanup and production testing on this well. Like the MacIntyre-2H well, Owen-3H encountered nuisance levels of hydrogen sulphide in the initial flow back of the stimulation fluid. PetroFrontier was able to accelerate the purchase and assembly of the hydrogen sulphide resistant testing equipment planned for MacIntyre-2H and has installed it at the Owen-3H well. This testing has now commenced and is anticipated to take up to 6 weeks depending on weather, equipment reliability and the nature of the recovered fluids.

MacIntyre-2H

As previously reported, the MacIntyre-2H well encountered nuisance levels of hydrogen sulphide while in the initial phases of post stimulation cleanup and flow back and the well was subsequently suspended. Engineering and procurement work on a hydrogen sulphide scavenging system was completed ahead of schedule and the required equipment has been assembled for use at the Owen-3H well. Following completion of the cleanup and production testing of the Owen-3H well, this equipment will be moved to the MacIntyre-2H well to perform its cleanup and production test, the timing of which is now earlier than previously announced. PetroFrontier intends to conduct field operations continuously barring weather interruptions, equipment availability and government approvals.

*For the full announcement by PetroFrontier, please refer to their website.

Further Global credibility added to the Southern Georgina Basin

Central Petroleum ("Central") announced on 6th November a multi-staged farm-out agreement with French energy giant Total SA("Total") on approximately 6 million acres within the Southern Georgina Basin for a potential $190m expenditure over three years. Total is the 5th largest Oil & Gas company in the world and their involvement in the exploration of the Southern Georgina Basin not only adds further credibility to the area but also to the potential identified by Baraka and others some time ago.

The joint venture will begin with an investment of $60 million for stage one, and, at Totals election, US$130 million for stages two and three, for a total of $190 million. Of the four prospective areas covered in the farm-out, EP(A) 132 directly adjoins Baraka's EP 128. The other 3 tenements are located to the South East of the south Eastern border of Baraka's EP127, which is itself only just south of the recent Oil discovery by Petrofrontier at Owen 3, currently being Flow tested.

The farm-out agreement by Total based on our calculations appears to amount to a cost to earn in per acre of $37.25/acre, representing a 51% premium to Statoil's farm-in cost per acre of $24.70/acre. Baraka retains some 2m Net prospective acres within the Southern Georgina basin. The combined farm-ins by Total and Statoil reflects a potential total expenditure in the Southern Georgina Basin alone in excess of $400 million over the next few years.

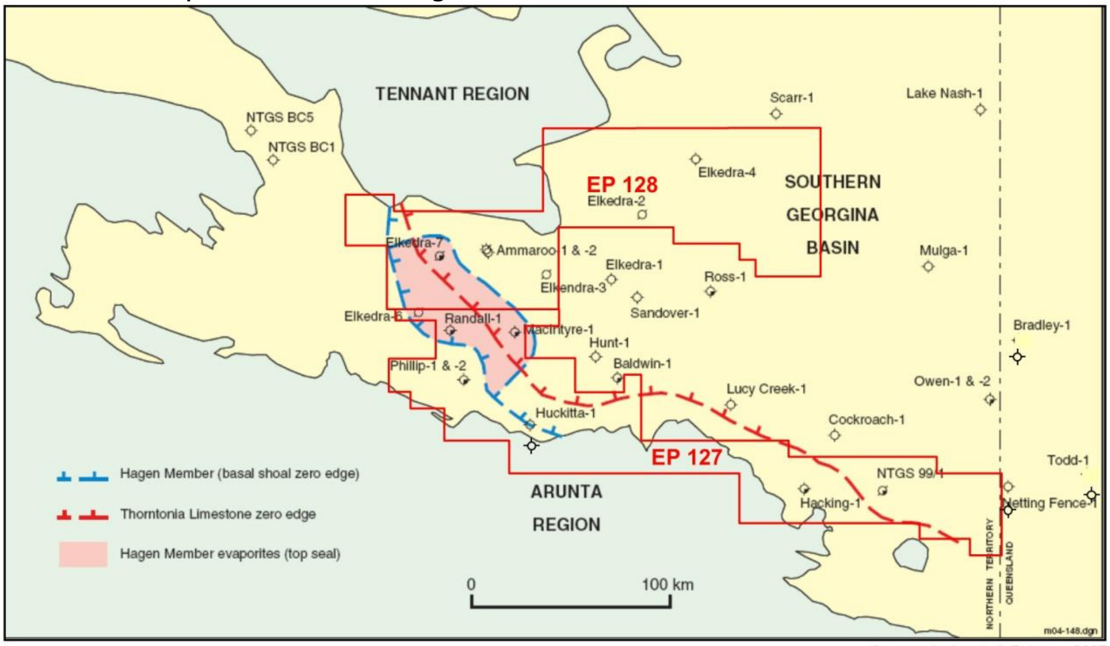
Comments from Collin Vost, Executive Chairman of Baraka:
"You now have the presence of some of the world's largest and most experienced oil and gas companies in Australia's Shale Plays including BG Group, Hess, Total, Statoil, Mitsubishi Corporation, ConocoPhillips and Santos. It continues to enhance the validity in the future of Australian Shale Plays. We eagerly await the results from PetroFrontier's flow-test of their Owen-3H well prior to the wet season as well as results from the flow testing of Macintyre-2H when possible".

Whilst the Majors are currently concentrating on Unconventional Shale targets, we reiterate our previous announcements that Baraka is pursuing discussions with our farm in partner for Baraka to pursue either together with our partners or in our own right, some highly potential Conventional targets contained in the Hagen Member.

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

The map was 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 changed focus in 2009 to Australian projects and now has an undivided 25% working interest in both EP 127 and EP 128 including a 75% undivided working interest in the $75km^2$ 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.