

ASX Announcement

5th December 2012

Operational Update

Baraka Energy & Resources Ltd (ASX: BKP, RBD: GR) ("Baraka") provides the following operational updates recently announced by our joint venture partner *PetroFrontier Corp. ("PetroFrontier")* regarding their Owen-3H well located on EP-103 and possible Corporate strategies.

PetroFrontier announcement

Owen-3H Update

After 20 days of testing, the Owen-3H well flowed back fluids approximately equal to the amount injected during stimulation and 90% of the amount lost during drilling. However, no hydrocarbons were recovered. As a result the test was stopped and the well shut in pending a further review of the data obtained.

During the hydraulic stimulation of this well, PetroFrontier utilized an advanced chemical tracer application to allow subsequent flow differentiation from each of the ten ports. The analysis of these tracer samples is ongoing and once they have been fully evaluated, a remedial work over program may be developed and risk assessed for implementation.

Laboratory analysis of the Owen-3 core indicated porosities ranging from 1.6% to 6.7% and low permeability, all as expected. This analysis also indicated that the core fluids contained 90% oil and 10% water. Oil was observed dripping from the core which indicated that it is "movable". Furthermore, no water was apparent on the logs in either the Owen-3 pilot hole or the Owen-3H well.

The crew and equipment used to flow test Owen-3H is now contracted to another operator and has demobilized from the Southern Georgina Basin. PetroFrontier has made every effort to source alternative equipment from other Australian service companies to allow operations to continue during the wet season but none is currently available until Q1/Q2 of 2013.

The Board of Directors and senior management are frustrated with the recent operational results and would prefer to have achieved proof of concept at this early stage of exploration. However, PetroFrontier and Statoil remain positive about the prospectivity of PetroFrontier's massive exploration acreage, which is supported by the favourable Owen-3 core analysis and the recent Total/Central Petroleum farm-in announcement.

The Corporation's 2013 exploration program is currently being planned in conjunction with Statoil and is expected to be finalized in the near future.

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

Obviously the Operational part of the current program and the lack of results has been disappointing, however the Baraka board still has confidence in the future success of the area. A currently unsuccessful but incomplete 2012 program won't determine the success of our acreage or the entire basin. MacIntyre-2H remains to be tested after the wet season & Baldwin-2H(PetroFrontier well) still needs to be stimulated and completed.

Again, the Baraka board remains positive about the prospectivity of the Southern Georgina Basin joint venture project with PetroFrontier with some approx 14.1 acres yet to be fully explored. Further credibility was recently added when Statoil (13th largest Oil & Gas Company in the World) farmed in to PetroFrontier/Baraka tenements committing to conditionally spend US\$210m on exploration over the next few years and Total (5th largest Oil Company in the World) farmed into Central Petroleum tenements committing to conditionally spend \$190m on exploration over the next few years.

Baraka's board look forward to discussions with PetroFrontier and Statoil early next year in relation to the next stage of the exploration program.

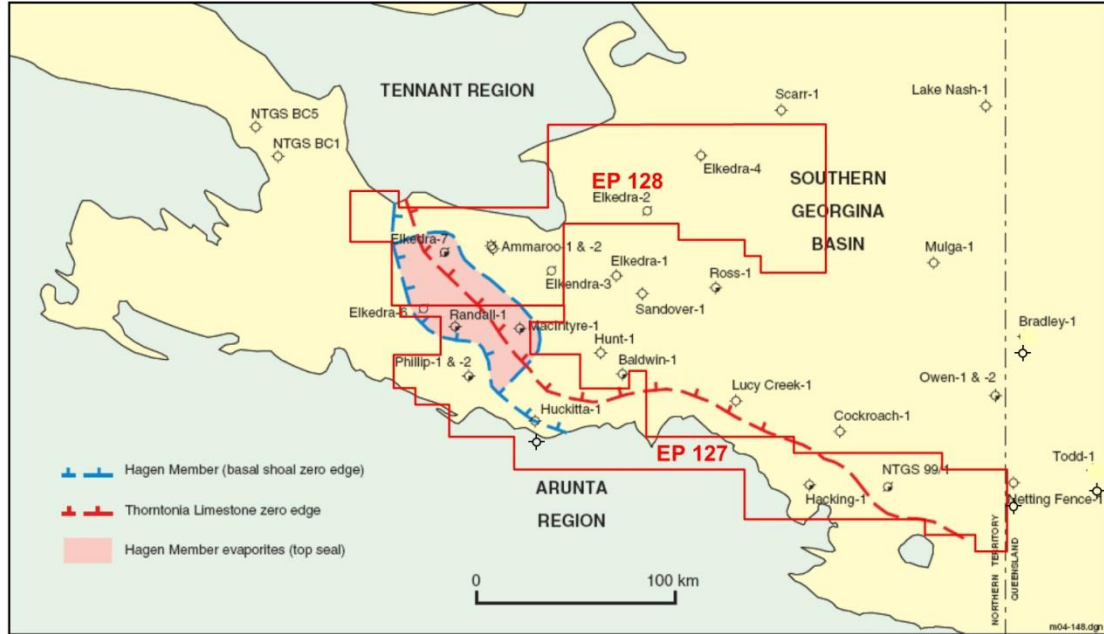
Whilst the Majors are primarily concentrating on Unconventional Shale targets, we reiterate as per our previous announcements that Baraka is pursuing discussions with our farm in partner for Baraka to pursue either together with our partners or in our own right, some highly potential Conventional targets 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 (MMbbls)			Unrisked Prospective (Recoverable) Oil Resources (MMbbls)		
	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 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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Mr Collin Vost
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Baraka Energy and Resources Ltd





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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.

