11 November 2011

**Drilling Progress Update**

**Baraka Energy and Resources Ltd**’s (ASX:BKP) and (Frankfurt Exchange: RBD:GR) (“Baraka” or “the Company”), and joint venture partner PetroFrontier Corp, (TSX VENTURE:PFC) (“PetroFrontier”), are pleased to announce that the current drilling of MacIntyre-2 has reached a measured depth of 517m as of this morning and are currently drilling at a rate of 7m/hr.

Shortly after spudding on 28th Oct, drilling encountered a delay at the 50-70m which took until 5th Nov to rectify.

The primary target in MacIntyre-2 is the unconventional Basal Arthur Creek “Hot Shale”, with a conventional secondary target being the Dolomitic Shoal above the Basal Arthur Creek “Hot Shale”.

MacIntyre-2 is being drilled as a high angle (75 degrees) pilot hole to an estimated vertical depth of 900 meters, through the Arthur Creek “Hot Shale” unit and into the Thorntonian carbonate formation. The well will then be logged and drill stem tested (“DST”) if well conditions permit.

The well will then be plugged back a short distance and then deviated horizontally into the Basal Arthur Creek “Hot Shale” for approximately 1,000 metres. Drilling is expected to take approximately four weeks, not including unexpected delays. Once drilled to its total horizontal distance, MacIntyre-2 will be evaluated with an extended leak off test if well conditions permit.

This test is expected to provide valuable reservoir data that will be used to calculate the most efficient frac program. This new well design is expected to result in greater drilling efficiencies and cost savings.

**Modified Georgina Basin Exploration Program**

In early 2011, management of PetroFrontier implemented an exploration program to drill horizontal wells at Baldwin-2 then MacIntyre-2 in the Basal Arthur Creek “Hot Shale”, with the installation of a Packers Plus multi-stage frac completion string in each. These completions would be similar to those being used in many North American formations, such as the Bakken formation in Saskatchewan, North Dakota and Montana. With very high mobilization costs PetroFrontier’s plan has been to mobilize the frac’ing equipment when the drilling of MacIntyre-2 was nearing completion. MacIntyre-2 would then be frac’ed, followed by Baldwin-2. Thereafter, all of the frac’ing and drilling equipment would be released before the onset of the wet season, as this is an area where the rains can effectively shut down operations for an extended time period.
Having experienced significant delays that occurred earlier this year due to the severe wet season experienced in Northern Australia, PetroFrontier’s management has had to consider changes to this plan as the onset of this year’s rains may occur within the next few weeks. Indeed, the Australian Government Bureau of Meteorology has forecast an increased probability of heavier than normal rains again this season.

As a result, PetroFrontier is evaluating the potential mobilization of a service rig to the Baldwin-2Hst1 well (about 3,000 km) to arrive approximately one week before drilling operations at the MacIntyre-2 well are completed. Management is also in discussions with the two available frac’ing companies in Australia to secure equipment for back-to-back fracs of the two wells for the corresponding time period.

However, readers are cautioned that a number of factors will come into play before this revised plan can be successfully implemented, including the availability and mobility of frac’ing equipment and the actual timing of the onset of the wet season. If this revised plan cannot be accomplished, it is probable that frac’ing and completion operations of the two wells may be delayed for as long as four months due to the wet season, potentially causing a delay of such operations until March of 2012.

Additional seismic acquisition is also planned in EP 104 and EP 128 (subject to Northern Territory government clearances) after the wet season in March 2012.

Unless a material event occurs in the interim, Baraka expects to issue its next drilling update report approximately Friday of next week.

Baraka has a carried undivided 25% working interest up to completion of a minimum of 500 meters of horizontal drilling into the Basel Arthur Creek Shale on either EP 127 or EP 128. This zone commences at a depth of approximately 770 meters vertical depth on EP 127. Baraka also retains an undivided 75% working interest in approximately 75kms2 around the Elkedra-7 well on EP 127, where previous drilling has indicated oil shows. This zone could be of significant value in the event of a discovery.

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