

30th June 2014

BARAKA SETTLES DISPUTE WITH STATOIL AUSTRALIA THETA B.V. & PETROFRONTIER RESOURCES

Baraka Energy & Resources Ltd (ASX:BKP) (Baraka)
Statoil Australia Theta B.V. (Statoil)
Petrofrontier Corp (TSX-V:PFC) (Petrofrontier)

Baraka is pleased to announce that the parties have agreed to settle the court action referred to in Baraka's announcement on the 20 March 2014 and referred to in its announcement of the 2 June 2014.

The agreement provides for full and final settlement of the action with the effect that:

- Baraka's claim that the 2014 work program and budget is invalid will be withdrawn.
- The claim by Statoil and Petrofrontier that Baraka is in default under each JOA as a result of Baraka not paying cash calls in respect of the 2014 work program and budget will be withdrawn.
- Statoil and Petrofrontier will agree that Baraka has elected not to contribute to the 2014 work program and budget.
- Baraka's participating interest in each joint venture and each permit EP127 and EP128 will be diluted as a result of its non contribution, based on the expenditures and inputs as calculated at the time of dilution. The final extent of dilution will not be known until after the work program expenditures are incurred and calculations carried out, at which time a further announcement will be made.
- As a result of this agreement Baraka will be entitled to receive data and information relating to the joint operations for the 2014 work program and budget.

Subject to execution of a deed of settlement and release reflecting those terms, the court action will be dismissed on the basis that each party pays its own costs.

END

Mr Collin Vost
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Baraka Energy and Resources Ltd
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