



# Research Report Extract

## Baraka Energy & Resources: Bakken Style Oil Shale play goes Down Under in Southern Georgina Basin

By Andrew McCrea

### Executive Summary

The Southern Georgina Basin in the Northern Territory represents one of the few remaining virtually unexplored onshore oil and gas basins in the world. Yet the rewards are potentially vast to the company that threads the needle in the Basin.

Very few wells have been drilled within the Basin by North American standards – relative to successful Bakken oil shale discoveries in North America.

Baraka Energy & Resource's (ASX: BKP) two Exploration Permits over 31,750 square kilometres (7.4 million acres) are situated over a potentially highly prospective part of the Southern Georgina Basin.

Ryder Scott Petroleum Consultants has estimated Baraka's unrisksed, prospective Arthur Creek "Hot Shale" resource at 7.5 billion barrels (25% interest, P50 estimate).

Potential Bakken style oil plays in the Northern Territory are understandably exciting North American explorers, fund managers and investors given the scale of Bakken oil discoveries to date.

Tellingly, Canadian oil companies have arrived in the Southern Georgina Basin and by consolidating ownership of it, have provided a risked opportunity for Baraka. Baraka's fortunes are currently tied to well funded Toronto listed JV partner PetroFrontier Corp (TSX-V: PFC).

Pound for pound, Baraka offers investors an enormous independent, unconventional oil and gas exploration play. Investors in Baraka are the beneficiaries of the Canadian rush to drill the Southern Georgina Basin.

Baraka represents the earliest way investors can "play" an ASX-listed stock in the Southern Georgina Basin.

On a 5% risked valuation analysis guide, this would assign a risked valuation on Baraka of \$0.068 a share. At a 10% chance of success the implied share price guide would be \$0.12. At the higher risked valuation of 20% it would be valued at above \$0.20 a share. Altogether, this underscores a high risk/high potential return scenario.

There will likely be a "window" of opportunity on offer with the current valuation of Baraka – in the lead-up to spud date of first well by PetroFrontier Corp. As the drilling date nears for JV partner PetroFrontier's well expected in the next month, the Baraka share price is likely to be a beneficiary.

### Valuation

For the full report and valuation, please email [action@proactiveinvestors.com.au](mailto:action@proactiveinvestors.com.au) or phone +61 2 9222 2832.

**Date:** May 2011  
**Price:** A\$0.018  
**Market Cap:** A\$35.1M

#### 1 Year Share Price Graph



#### Share Information

**Code:** BKP  
**Listing:** ASX  
**52 week High Low**  
**A\$0.03 A\$0.003**  
**Sector:** Materials  
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