

29<sup>th</sup> October 2015

**QUARTERLY ACTIVITIES AND CASH FLOW REPORT**  
**PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2015**

**CONTACTS:**

Collin Vost

Telephone: 08 6436 2350

**ISSUED CAPITAL:**

2,225,337,344 Ordinary Shares

**Directors:**

Collin Vost (Executive Chairman)

Justin Vost (Non Executive)

Ray Chang (Non-Executive – Chinese Division)

**Australian Securities Exchange (ASX)**

Code: BKP (Ordinary Shares Fully Paid)

**Company Secretaries:**

Tim Clark

John Greeve

**Cash (30<sup>th</sup> September 2015)**

\$690,000



## SEPTEMBER 2015 QUARTERLY ACTIVITY REPORT

**Baraka Energy & Resources Limited (“Baraka “ or “ the Company “) ( ASX: BKP) provides its quarterly activities report for the period ended 30<sup>th</sup> September 2015.**

During the quarterly period the board of directors have been extensively involved with discussions and negotiations with Petrofrontier Corporation and Statoil, the past and current Operators and equity holders of the Georgina Basin permits EP127 and EP128, in which Baraka currently has a 25% working interest.

Petrofrontier and Statoil have elected to withdraw from both permits as a result of insufficient Hydrocarbon results from their exploration programs which were seeking to uncover an Elephant sized Unconventional Oil Basin discovery similar to the World renowned Canadian/USA Bakken oil field. A combined 4 wells were drilled into the 2 permits by these partners in permits covering an area of some 8 million acres, over 6 years, of which 3 were drilled in the far east of the permits, as data collection wells to be plugged and abandoned on completion. The results on these last 3 wells and other work carried out did not provide sufficient hydrocarbons to entice the parties to continue further exploration for a very large sized Unconventional Oil Basin discovery.

The initial well on EP127, Macintyre II, drilled in August 2011 by Petrofrontier located in the western side of the permit, allegedly the first Horizontally drilled and fraced well in Australia, recovered high grade quality gas results, but unfortunately encountered water and H<sub>2</sub>S, which is a dangerous gas, able to be managed in all wells, but operations were suspended.

Statoil when becoming operator elected to plug and abandon that well, as well as pursue the Non Conventional oil prospects of the basin with 3 wells in the eastern side of the permits.

Baraka and its previous exploration consultants believed that the western side of EP127, and in particular the Hagen Member and Dulcie Syncline, held considerable potential for Conventional Oil & Gas, to the extent that at that time interest was expressed by a Canadian group wanting to pursue exploration of those area. Discussions may be reinstated at a later date subject to the outcome of our current actions.

Baraka appointed experienced Lawyers and Tenement Administrators in the Northern Territory, as well as RISC , a world renowned Oil and Gas consulting firm, to assist in expediting the renewal of both permits under the sole ownership of Baraka as 100% Permit Holders.

Submissions have been made and the process is ongoing in regards to both permits.

In the meantime all expenditures have been met for 2015 and depending on the renewal terms and conditions Baraka will not need to commence any new expenditure until after the first quarter of next year.

Baraka will initially work with RISC and review all of the data contained in the previous work programs, pursue discussions with interested parties in regards to any farm in and then resolve the work programs for 2016.

The Iron Sands secured loan, interest bearing, profit sharing agreement in the Philippines is currently undergoing a mediation and resolution process in regards to a dispute over the original vendor agreement. In the meantime a force majeure action has been lodged in the Philippines, and the board is hopeful of a cooperative, successful outcome in due course, to allow the venture to proceed to further discussions with interested parties in regards to joint ventures, a farm out and or sale or part sale of the venture. Baraka has the right to a direct participation in the project subject to certain conditions and discussions with the ASX, which may be pursued in due course.

Baraka has also been successful with its previous applications for R & D and received payments within the last quarter, and has since lodged an additional application. In the event that application is successful we would expect another cash injection before the end of 2015 to further enhance our cash and current asset position.

Substantial additional funds are also expected before the end of 2015 as a result of converting selected current assets to cash, further adding to our cash reserves.

Baraka as at the 30<sup>th</sup> June 2015 had some \$5.4m of cash and current assets, with very minimal debtors or commitments.

The board of Baraka continues to seek other opportunities as well assess offers made to the company to participate in ventures, or consider cash injections simultaneously with asset acquisitions, but to date discussions have not progressed sufficiently to the degree of any certainty whereby announcements are able to be made.

Appendix 5B

The Appendix 5B for the quarter ended 30 September 2015 is attached.

### ***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.***



**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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Rule 5.5

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Baraka Energy & Resources Limited

ABN

80 112 893 491

Quarter ended ("current quarter")

30 September 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (three months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(98)	(98)
	(151)	(151)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid		
1.7 Other (provide details if material)	896	896
<b>Net Operating Cash Flows</b>	<b>653</b>	<b>653</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		

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See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities	(298)	(298)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>	(298)	(298)
1.13	Total operating and investing cash flows (carried forward)	355	355

1.13	Total operating and investing cash flows (brought forward)		
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	0	0
	<b>Net increase (decrease) in cash held</b>	355	355
1.20	Cash at beginning of quarter/year to date	335	335
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	690	690

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	139
1.24	Aggregate amount of loans to the parties included in item 1.10	

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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Explanation necessary for an understanding of the transactions

1.25

1.7 Other is the Research and Development Tax Offset  
1.23 Includes serviced office and book keeping fees of \$21,000 provided by Directors company  
1.2(a) R & D fee exploration costs include GST

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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#### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

#### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	
4.3 Production	
4.4 Administration	112
<b>Total</b>	<b>137</b>

#### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8	335
5.2 Deposits at call	682	
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>690</b>	<b>335</b>

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	2,225,337,344	2,225,337,344	



**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## **Compliance statement**

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Signed:



Date: 29<sup>th</sup> October 2015

Timothy Clark  
(Company Secretary)

## **Notes**

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**Baraka Energy & Resources Ltd**  
**Schedule of Tenements as at 30 September 2015**

Project	Tenement	Nature of Company's Interest
Southern Georgina Basin Northern Territory	EP 127	25%
Southern Georgina Basin Northern Territory	EP 128 <sup>1</sup>	25%

- 1 including a 75% undivided working interest in the 75kms<sup>2</sup> around the Elkedra-7 well on EP128.