

29th July 2016

QUARTERLY ACTIVITIES AND CASH FLOW REPORT
PERIOD ENDED 30th JUNE 2016

CONTACTS:

Collin Vost
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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 Fully Paid Shares)

Company Secretaries:

Tim Clark
John Greeve

Cash (30th June 2016)

\$868,000



June 2016 Quarterly activity report

Baraka Energy & Resources Limited (“Baraka” or “The Company”) (ASX:BKP) provides its quarterly activities report for the period ended 30th June 2016.

Baraka has followed through the necessary procedures in regards to renewing, what we believe, the most prospective of the 2 permits, being EP127 in the Southern Georgina Basin in The Northern Territory, Australia.

The renewal and transfer process has been completed during the month of July 2016. The necessary security bond required by the NT Department of Mines and Energy has been lodged, both joint venture partners have been removed and EP127 is now 100% in the name of Baraka.

During the quarter Baraka also received the ATO R & D tax incentive funds, some \$1.1m before fees.

A review of the historical data and reports on EP127 has been carried out and a new Map and summary has been incorporated into this quarterly. The result of this review has been very exciting and has unearthed a number of new prospects and leads of Conventional Oil & Gas within EP127 as highlighted in the maps below.

Discussions with a Canadian group in relation to a farm in has been an on, and off affair, and we will be seeking other interested parties, if they elect to stay on the sidelines.

Baraka is also in the process of reducing and winding down exposure to the Iron sands venture in the Philippines until a clearer picture of the change in the Philippine Government is apparent, and their policy on foreign investment is determined.

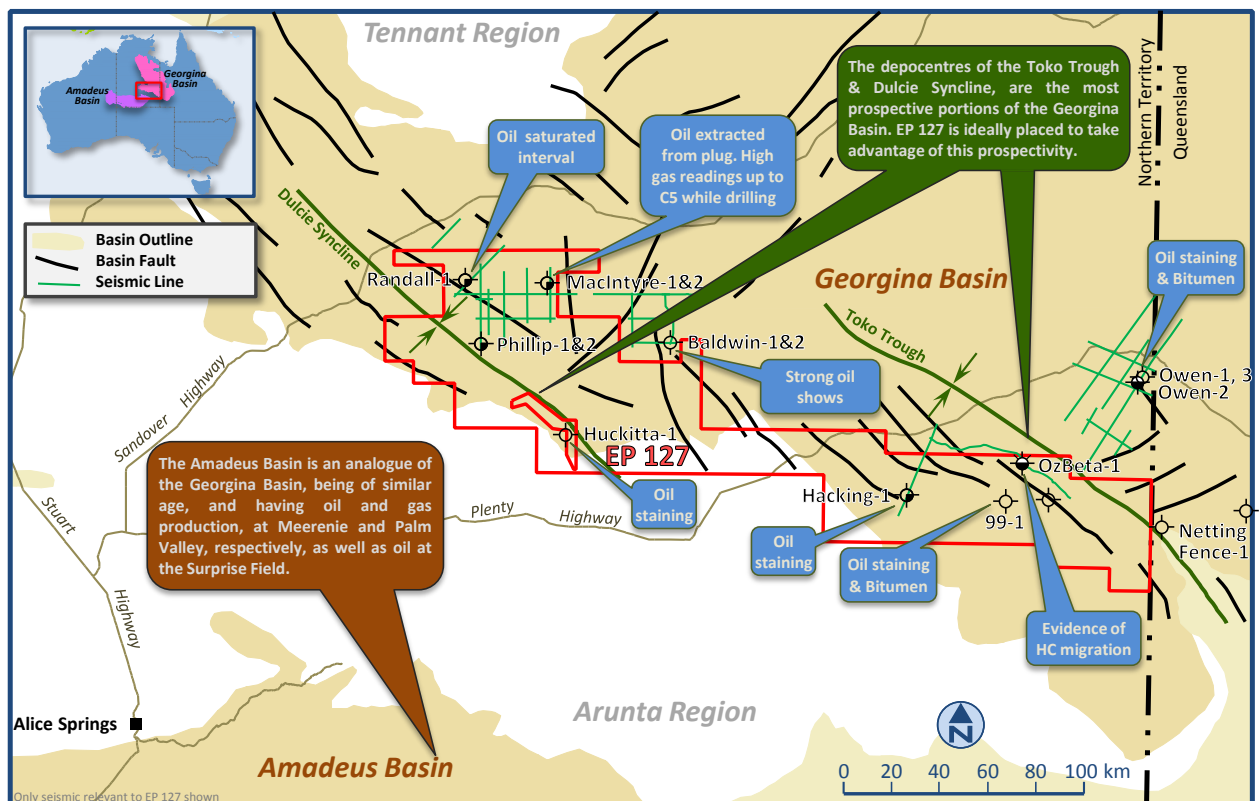
Baraka is more determined to seek diversification of their activities going forward and in the event a suitable project is secured for assessment, we will keep the market informed.

Conversion of additional liquid assets to provide cash reserves for any diversified activities that may be more market attractive than the oil and gas sector going forward is currently underway.

As referred to above, the Company has completed a review of the southern Georgina Basin utilizing its database of historic reports and reports from the most recent round of drilling and associated post well evaluations by international consultants. The review also incorporated publically available reports and presentations related to the Georgina Basin and potential analogues. Re-interpretation of seismic and historic well data which is limited was not

required as part of this review. This review focused on the basins conventional potential.

The figure below highlights the EP127 permit in the southern Georgina Basin along with key structural elements, including the Toko Trough and the Dulcie Syncline. Shown in blue are the numerous hydrocarbon shows around the permit, evidence of an active petroleum system being present. Also shown is the sparse seismic coverage of the permit.



Review Highlights

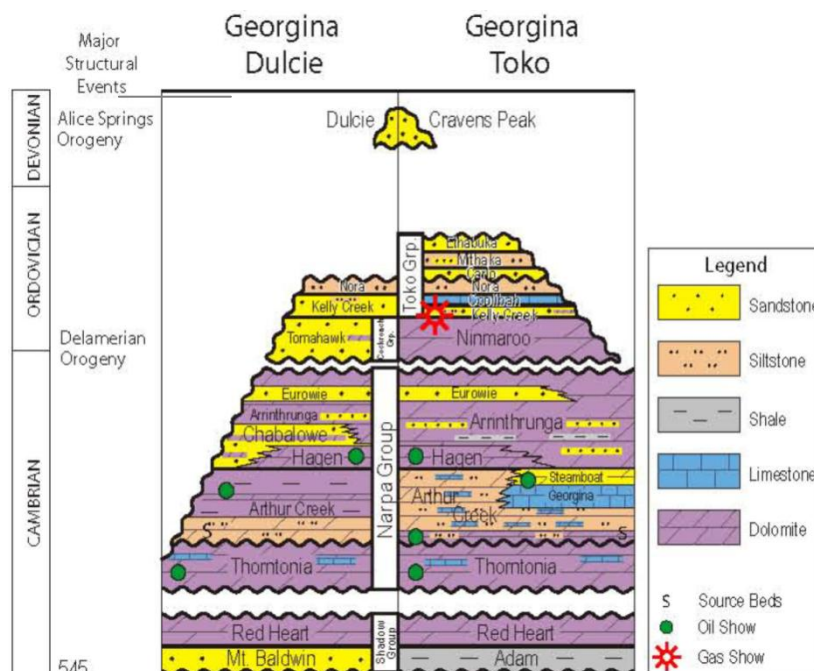
- As a result of industry and government work done to date it is clear; that the Toko Trough and the Dulcie Syncline, are the most prospective portions of the southern Georgina Basin and that EP 127 is ideally placed to take advantage of this relatively high prospectivity area of the basin.
- The conditions for conventional petroleum accumulations appear to be present in the southern Georgina Basin. The basin contains good source rocks, which have been thermally mature and have expelled oil and gas. Hydrocarbons have migrated through various porous reservoirs and sealing formations are evident in wells. Structural and combination structural/stratigraphic traps can be expected given the basins architecture. Although current seismic data coverage is poor.

- There appears to have been a historical miss-correlation of some of the prospective zones and possible bypassed pay zones. This new correlation has significant positive implications for geologic understanding of the basin.
- Several wells previously described as “dry holes” have untested; potential bypassed oil and gas pay zones which are conventional in nature.

A number of conventional play types have been identified in the area. The most prospective areas are likely to be where:

- Early formed structures, preferably basement related, or palaeogeographic reef-like or debris related mounds, with sealing shales or anhydrites providing both cross fault, top or draping seals;
- There has been a general lack of deformation and new faulting during the later phases of the Alice Springs Orogeny;
- Prospects are in relatively close proximity to depo-centres where favourable migration could occur from areas with prolonged oil maturity, and where;
- Suitable reservoir at a drillable depth, where porosity and permeability is either retained by early charge into the reservoir or enhanced by vugs or fractures.

The following figure represents a stratigraphic chart of the area highlighting the relationship of the lithologic formations.



'PetroFrontier 2014 Investor presentation'

The most Prospective Plays recognised to date are:

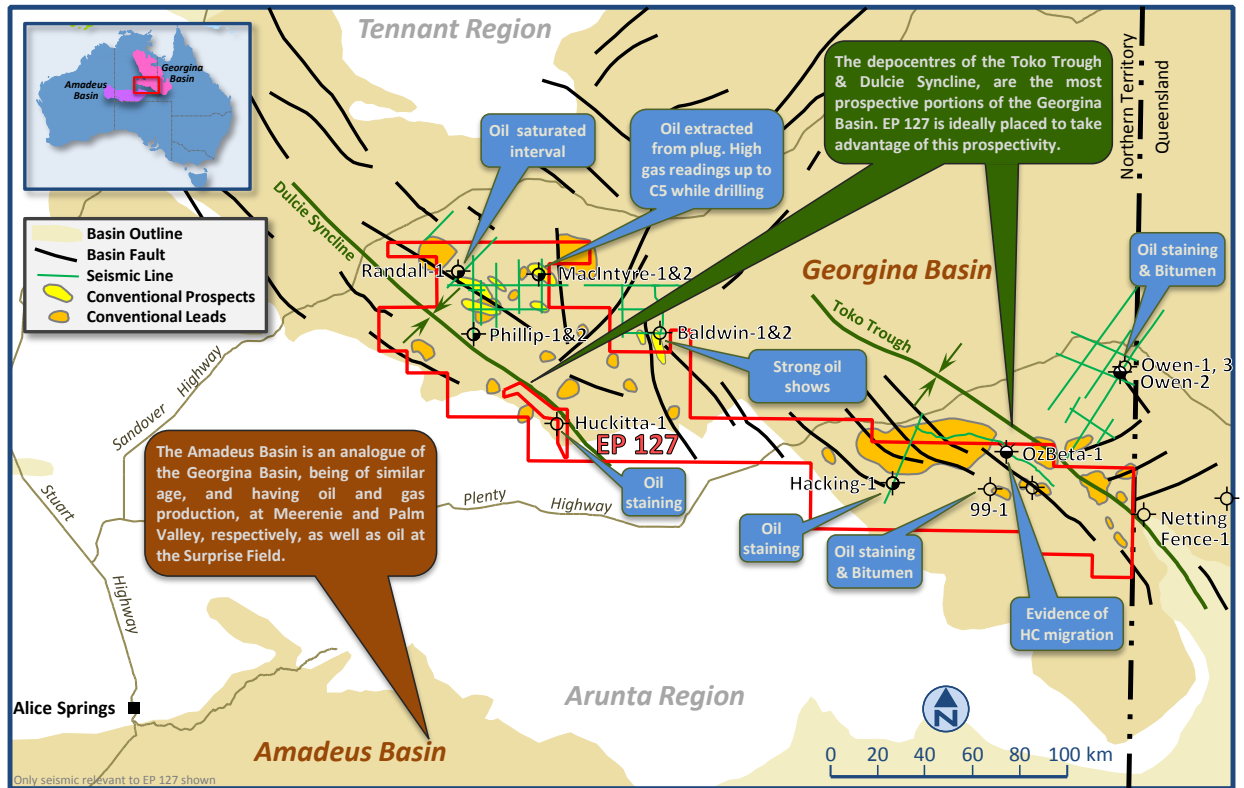
- The Thornton Limestone including both the upper limestone sealed by the Arthur Creek formation shales and the basal dolomite grainstone reservoir sealed intra-formationally.
- The Hagen Member porous carbonates at the base of the Chabalowe Formation, sealed by overlying shales or anhydritic sediments.
- The Arthur Creek Formation shoals and debris reservoirs in combined structural-stratigraphic pinch-out traps, sealed intra-formationally.
- Arthur Creek Formation dolomitic grainstones in the lower section.
- Sandstones of the Early Cambrian Mount Baldwin Formation and Red Heart Dolomite, associated with basement related structural traps and sealed by the overlying Thornton Limestone sediments.

Seismic data is very sparse within EP127 and thus the trap risk is relatively high for all conventional plays.

A number of leads have been identified from gravity and magnetics data and where these have seismic coverage good positive correlation can be seen between these leads and basement structure. Where this occurs leads have been upgraded to prospects. There are also a number of reef-like or debris related mounds identified as prospects on seismic that are not directly related to basement structuring.

The figure below has the addition of the prospects and leads referred to above.





Risk Reduction Strategy / The use of Advanced Technology

Baraka is considering a Resource Imaging Technology (RIT) survey utilizing advance Seismo-Electric (SE) technology which has just been introduced to Australia in order to better define the hydrocarbon presence within prospects and leads.

The Company is in discussions regarding a trial survey around existing wells, prospects and leads. A full-scale study across EP127 will be implemented based on initial results in order to better define the distribution of hydrocarbons prior to a relinquishment decision later in the year.

This new and innovative technology has the ability to identify hydrocarbons in the subsurface without the need to drill an exploration well, therefore significantly reducing the uncertainty of a prospect pre-drill and enhancing the chance of success. The technology is based on the seismoelectric effect which is influenced by both the quality of the reservoir and the characteristic of the fluid within that reservoir, it can therefore help determine the quality of the reservoir and movability of fluids within that reservoir.

The ability to identify the presence of hydrocarbons in the subsurface and to be able to rank the prospects within the permit in terms of reservoir quality and movability of fluids is a great advantage in an area with sparse seismic coverage and allows for better direction of exploration money.

Resource Imaging Technology Background

Hydrocarbon exploration is expensive with the chance of successful commercial discoveries low due to inherent uncertainties related to the traditional exploration and interpretation methods. These methods are used to indirectly characterise if all the necessary elements exist in the subsurface for hydrocarbons to be trapped.

The imaging technology deployed by Black Ridge Mining NL (BRD) is designed to directly detect the presence of hydrocarbons trapped in the subsurface, significantly reducing the uncertainty of discovery and allowing for better direction of exploration money.

BRD's exclusively licensed technology represents major advances over the original seismoelectric technology and represents the next generation of oil and gas exploration equipment of this type.

Further details of the theory behind this technology and the patented design improvements can be found in Black Ridge Mining NL (BRD) Website and in their latest Investor Presentation

Appendix 5B

The Appendix 5B for the quarter ended 30 June 2016 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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Baraka Energy & Resources Limited

ABN

80 112 893 491

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(111)	(269)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	20
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid		
1.7	Other (provide details if material)	1,098	1,995
	Net Operating Cash Flows	883	1,279
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(6)	(8)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	51	70
1.10	Loans to other entities	(116)	(808)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(71)	(746)
1.13	Total operating and investing cash flows (carried forward)	812	533

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	812	533
Cash flows related to financing activities			
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)		
	Net financing cash flows	0	0
	Net increase (decrease) in cash held	812	533
1.20	Cash at beginning of quarter/year to date	56	335
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	868	868

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	75
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions Directors fee, serviced office, bookkeeping and consulting fees.	

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

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- 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

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+ See chapter 19 for defined terms.

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

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	37
4.2 Development	
4.3 Production	
4.4 Administration	96
Total	133

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	10	3
5.2 Deposits at call	848	53
5.3 Bank overdraft		
5.4 Other (Bond)	10	
Total: cash at end of quarter (item 1.22)	868	56

+ See chapter 19 for defined terms.

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	Preference +securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	2,225,337,344	2,225,337,344	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

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

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<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	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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 ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 29 April 2016

Print name: Timothy Clark
(Director/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

+ See chapter 19 for defined terms.

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

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 June 2016

Project	Tenement	Nature of Company's Interest
Southern Georgina Basin Northern Territory	EP 127	**100%

**As announced 18 March 2016, Baraka had commenced renewal of EP127 and transfer of interests from JV partners to give Baraka 100%. This has now been completed.

+ See chapter 19 for defined terms.