

Appendix 4D  
Half-year report  
Period ended 31 December 2016

Name of Entity  
BARAKA ENERGY & RESOURCES LTD  
ACN 112 893 491

(ASX code: BKP)

1 Financial Half Year ended (current period) 31 December 2016  
Financial Half Year ended (previous period) 31 December 2015

**2 Results for announcement to the market**

		Change		31/12/2015	31/12/2016
		\$	%	\$	\$
Revenue from ordinary activity	Nil	-	-	-	-
Profit (Loss) after tax	Decrease	(942,648)	118	802,013	(140,635)
Net Profit (Loss) for the period attributable to members	Decrease	(942,648)	118	802,013	(140,635)

**2.4 Dividends**

Dividends	Amount per Security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil

**2.5 Record date for determining entitlement to the dividend**

Not Applicable

**2.6 Brief explanation of figure reported above to enable the figures to be understood.**

An increase in fair value of held-for-trading investments contributed to the recording of a decreased loss after tax during this period.

**3 Net tangible asset per security.**

Reporting period (0.26)c  
Previous corresponding period (0.27)c

**4 Gain or loss of control of entities**

Not Applicable

**5 Details of dividends**

Not Applicable

**6 Details of dividend reinvestment plans**

Not Applicable

**7 Details of associates & joint ventures**

Not applicable

**8 Foreign entities**

Not applicable

**9 Audit/review status**

The review of the half-year financial statements has been completed by Rothsay. The half-year financial statements are not subject to a review dispute or qualification.



Company Secretary  
Dated: 14 March 2017

**BARAKA ENERGY & RESOURCES LTD**

**A.B.N. 80 112 893 491**

**AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**



**BARAKA**  
ENERGY & RESOURCES LTD

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**BARAKA ENERGY & RESOURCES LTD (ABN 80 112 893 491)**  
**AND CONTROLLED ENTITIES**  
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**BARAKA ENERGY & RESOURCES LTD (ABN 80 112 893 491)**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**

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Your Directors present their report, together with the financial statements of the Group, being the Company and its controlled entity, for the half-year ended 31 December 2016.

**DIRECTORS**

The names of the Company's directors in office during the half-year period and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Collin Vost	Managing Director/Chairman	Appointed 18 May 2009
Justin Vost	Non-Executive Director	Appointed 15 March 2011
Ray Chang	Non-Executive Director	Appointed 23 November 2011

**Operating Results**

The consolidated net loss from continuing operations after income tax for Baraka and its subsidiaries ("the Group" or "the consolidated entity") for the half-year ended 31 December 2016 was \$(140,635) (31 December 2015: \$802,013 profit).

**Review of Operations**

***Permit EP 127 - Southern Georgina Basin, Northern Territory***

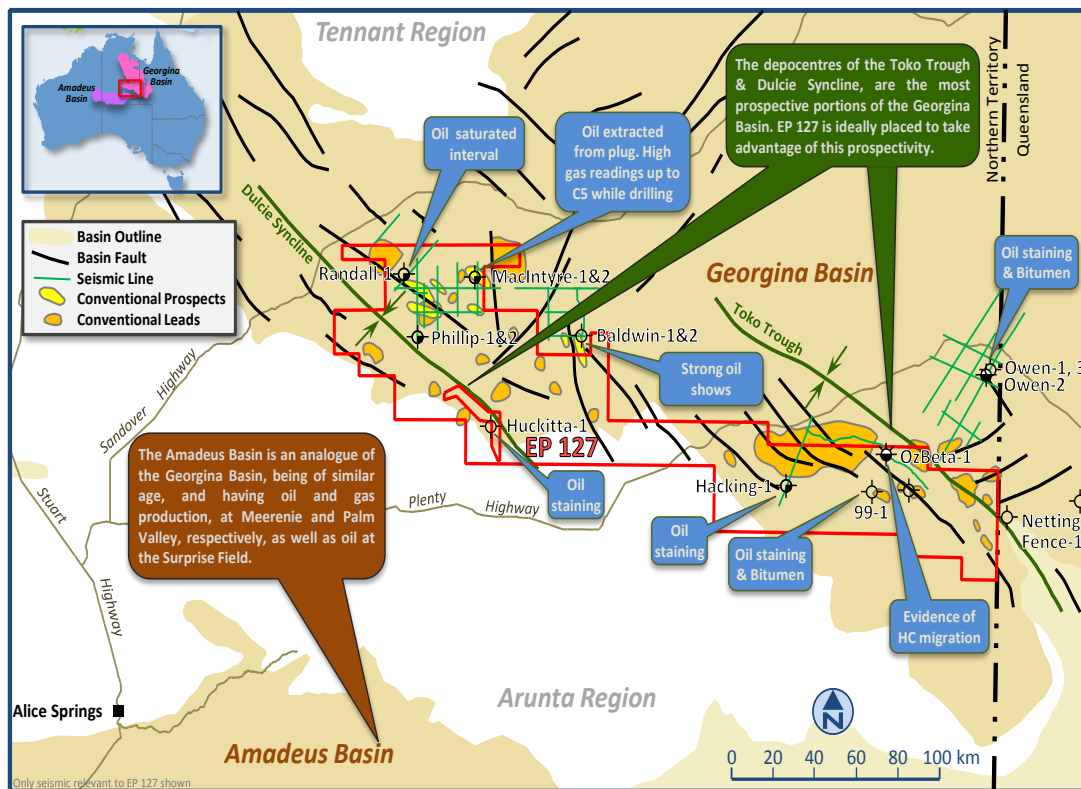
Although the renewal and transfer process of EP127 was finalised during the month of July 2016, we continue to wait on the Native Title Agreement sign off.

Activity in the Northern Territory has picked up from recent years with the announcement from Origin Energy (ASX: ORG) regarding its giant shale play in the Beetaloo Basin, directly to the north of the Southern Georgina Basin. The well has defined a potential gas-in-place of 61Tcf within an area covering 1968sqkm in the Beetaloo Sub-basin. This is great news for the entire area.

As mentioned in the annual statement, a review of the historical data and reports on EP127 had been carried out, a new Map and summary were created. 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 now on our website [www.barakaenergy.com.au](http://www.barakaenergy.com.au). The recent discovery in the Beetaloo, although in the basin directly to the north of us, has further excited the possibilities for Barakas' potential in the Southern Georgina.

We are maintaining discussions with consultants in regard to 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 does however, prefer to commence with 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. Obviously any type of work such as this is subject to permit EP127 Native Title Agreement being signed and successful negotiations to enable any on ground work to commence.

**BARAKA ENERGY & RESOURCES LTD (ABN 80 112 893 491)  
AND CONTROLLED ENTITIES  
DIRECTORS' REPORT**



**Iron Sands (Titaniferous Magnetite) “Loan Profit Sharing Agreement”**

Baraka entered into a Commercial Secured Loan Agreement in September 2012, including a 7.5% interest payments, and a 75% amended profit sharing arrangement with an unlisted public company, with an iron sands venture in the Philippines, details of which have been previously announced. The project was introduced to Baraka by Cervantes Corporation Ltd (ASX: CVS) who will as a result be entitled to certain fees, profits and or the right to back in to the investment at a later date subject to particular goals and conditions being achieved.

As a result of Baraka’s assistance, the permits controlled by the unlisted public company were renewed and further exploration of the areas are being considered in an attempt to add value to the underlying assets of the loan agreement. This agreement is in reality a hybrid “streaming” agreement, utilised extensively in the mining sector, to achieve participation in profit generating ventures by way of funding facilities.

This opportunity was considered by Baraka as a distressed situation at the time, in line with the guidelines previously outlined by the board, to secure such opportunities and add value for Baraka shareholders where possible. It was stated in the June 2016 Annual Report to shareholders that the Board may need to reconsider the current loan arrangement terms as a result of the extended legal actions, however Baraka has had notification from the Philippines Supreme Court regarding the action. The Judgement from the court ruled in our favour on all issues raised in the petition albeit with a short period allowed for a response from the other parties, but not an appeal. This now puts Baraka in a much stronger position regarding the Iron sands venture in the Philippines.

Further to this, Baraka has been contacted by numerous parties interested in becoming involved in this venture whether by joint venture and/or buy out, however these discussion are extremely premature and if any progress eventuates we will advise the market. We have for some time been cognisant of the possibility of an integrated Steel industry in the Philippines utilising the Iron Sands, and this may drive the interest by third parties and Baraka, as new technology is available to process Titanomagnetite by extracting the Titanium and Vanadium, and using the iron sands in the steel process.

**BARAKA ENERGY & RESOURCES LTD (ABN 80 112 893 491)**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' REPORT**

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**General**

Baraka received approximately \$500,000 of funds in November as a result of converting selected current assets, adding to cash reserves. Further 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, continues to be considered.

Baraka continues to seek out other opportunities and has been assessing offers to participate in ventures, or consider cash injections simultaneously with asset acquisitions brought to the company by New York Securities. Nothing to date has been offered that would be sufficiently advantageous to our shareholders based on our risk to reward guidelines, and or is sufficiently advanced or definitive. We will however maintain our stance & continue to assess diversification opportunities across all sectors. In the event a suitable project is secured, we will inform the market accordingly. Baraka also continues to seek out all parties interested in a farm-in on EP127, NT Southern Georgina Basin.

Considering the company was rescued from receivership by the current board in June of 2009, Baraka now has some \$12.7m of total Assets, plus around \$31m of unrealized accumulated tax benefits incurred prior to the current management involvement still to be utilized. Whilst there are still challenges to be overcome we believe the shareholders should have a considerable amount of confidence in the company's future as it is a particularly attractive structure for new acquisitions and or diversification.

We would also recommend that investors read and review our recent announcements on the ASX, and go to our website [www.barakaenergy.com.au](http://www.barakaenergy.com.au), or contact us for more information.

**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 15 for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors:



Collin Vost  
Chairman  
Dated: 14 March 2017

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

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	Note	Consolidated Group	
		31 December 2016	31 December 2015
<b>Continuing Operation</b>		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest income	2	145,458	124,764
Other gains or (losses)	2	(110)	1,098,052
		<b>145,348</b>	<b>1,222,816</b>
<b>Expenses</b>			
Decrease in fair value of assets		(13,330)	(63,822)
Employee benefits expenses		(27,000)	(32,000)
Occupancy expenses	3	(24,314)	(24,427)
Technical consultants and contracts	3	(120,800)	(220,909)
Travel expenses		(1,788)	(2,432)
Finance costs		(2,632)	(954)
Administration expenses	3	(95,013)	(75,686)
Other		(1,106)	(573)
		<b>(285,983)</b>	<b>(420,803)</b>
<b>Profit (Loss) before income tax</b>		<b>(140,635)</b>	<b>802,013</b>
Income tax (expense) benefit		-	-
<b>Profit (Loss) after tax</b>		<b>(140,635)</b>	<b>802,013</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) net of income tax</b>		<b>(140,635)</b>	<b>802,013</b>
<b>Basic earnings (loss) per share (cents per share)</b>		(0.01)	0.03
<b>Diluted earnings (loss) per share (cents per share)</b>		(0.01)	0.03

The accompanying notes form part of these financial statements

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Note	Consolidated Group	
		31 December 2016 \$	30 June 2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	551,558	868,390
Trade and other receivables		-	6,565
Other assets		5,187,901	5,023,380
Other financial assets		133,794	146,065
<b>Total Current Assets</b>		<b>5,873,253</b>	<b>6,044,400</b>
<b>Non-Current Assets</b>			
Exploration & evaluation expenditure	5	6,879,188	6,776,738
<b>Total Non-Current Assets</b>		<b>6,879,188</b>	<b>6,776,738</b>
<b>Total Assets</b>		<b>12,752,441</b>	<b>12,821,138</b>
<b>Current Liabilities</b>			
Trade and other payables		91,382	19,444
<b>Total Current Liabilities</b>		<b>91,382</b>	<b>19,444</b>
<b>Total Liabilities</b>		<b>91,382</b>	<b>19,444</b>
<b>Net Assets</b>		<b>12,661,059</b>	<b>12,801,694</b>
<b>Equity</b>			
Issued capital	6	54,251,948	54,251,948
Accumulated losses		(41,590,889)	(41,450,254)
<b>Total Equity</b>		<b>12,661,059</b>	<b>12,801,694</b>

The accompanying notes form part of these financial statements



**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491  
AND CONTROLLED ENTITIES**

**STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Consolidated Group	Share Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	54,251,948	(42,183,418)	-	12,068,530
Shares issued during year	-	-	-	-
Transaction costs	-	-	-	-
Net profit attributable to members of the parent entity	-	802,013	-	802,013
<b>Balance at 31 December 2015</b>	54,251,948	(41,381,405)	-	12,870,543
<b>Balance at 1 July 2016</b>	54,251,948	(41,450,254)	-	12,801,694
Shares issued during year	-	-	-	-
Transaction costs	-	-	-	-
Net loss attributable to members of the parent entity	-	(140,635)	-	(140,635)
<b>Balance at 31 December 2016</b>	54,251,948	(41,590,889)	-	12,661,059

The accompanying notes form part of these financial statements

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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	Note	Consolidated Group	
		31 December	31 December
		2016	2015
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(191,452)	(324,716)
Interests received		1,980	32,948
R&D tax offset proceeds		-	896,594
Interests paid		(2,632)	(954)
<b>Net cash (used in) from operating activities</b>		<b>(192,104)</b>	<b>603,874</b>
<b>Cash Flows from Investing Activities</b>			
Payments for financial assets		(6,060)	-
Proceeds from sale of financial assets		4,890	-
Loans repaid by other entities		500,000	-
Loans to other entities		(521,108)	(522,677)
Payments for exploration & evaluation		(102,450)	(74,642)
<b>Net cash used in investing activities</b>		<b>(124,728)</b>	<b>(597,319)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds of issue of shares		-	-
Costs of share issue		-	-
Borrowings		-	-
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(316,832)	6,553
Cash at the beginning of the period - 1 July 2016		868,390	334,781
<b>Cash at the end of the period</b>	<b>4</b>	<b>551,558</b>	<b>341,334</b>

The accompanying notes form part of these financial statements

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**Note 1: Statement of Significant Accounting Policies**

**Basis of Preparation**

This general purpose financial report for the interim half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Baraka Energy & Resources Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2016, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

**Accounting Policies**

***Revenue recognition***

Dividends received from a subsidiary, joint venture or associate shall be recognised as dividend revenue in the profit or loss irrespective of whether such dividends may have been paid out of pre-acquisition profits. Previously, such dividends were treated as a return of capital invested. Such dividends may be an indicator of impairment where the carrying amount of the investment exceeds the consolidated net assets relating to that investment or where the dividend exceeds the total comprehensive income of the respective investee in the period the dividend is declared.

***Plant and equipment***

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 40% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When re-valued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

***Exploration and evaluation costs***

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that are written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

***Going concern***

The directors have prepared the financial statements of the consolidated entity on a going concern basis. In arriving at this position, the directors have considered the following pertinent matters:

1. Cash on hand at balance date is \$551,558;
2. Current cash resources are considered more than adequate to fund the consolidated entity's immediate operating and exploration activities.

In the directors' opinion, at the date of signing this financial report, there are reasonable grounds to believe that the matters set out above will be achieved and the directors have therefore prepared the financial statements on a going concern basis.

**Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the interim financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

**Key Judgment – Exploration and evaluation expenditure**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of extraction, future legal changes (including changes to environmental restoration obligations), political factors in the country in which the exploration is taking place and changes to commodity prices.

To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

<b>Consolidated Group</b>	
<b>31 December</b>	<b>31 December</b>
<b>2016</b>	<b>2015</b>
<b>\$</b>	<b>\$</b>

**NOTE 2: Revenue and Other Income**

**Interest revenues**

Bank interest	1,980	4,748
Other	143,478	120,016
	<u>145,458</u>	<u>124,764</u>

**Other gains (losses)**

R&D tax offset proceeds	-	1,098,052
Loss on sale of investments	(110)	-
	<u>(110)</u>	<u>1,098,052</u>

**NOTE 3: Loss for the Half-Year**

Administration expenses	95,013	75,686
Rental expenses	24,314	24,427
Technical consultants and contracts	120,800	220,909

<b>Consolidated Group</b>	
<b>31 December</b>	<b>30 June</b>
<b>2016</b>	<b>2016</b>
<b>\$</b>	<b>\$</b>

**NOTE 4: Cash and cash Equivalents**

Cash at bank & in hand	55,566	10,371
Interest bearing deposit	495,992	858,019
	<u>551,558</u>	<u>868,390</u>

**NOTE 5: Exploration & evaluation expenditure**

**Non-Current**

Opening balance	6,775,738	6,722,927
Additions	102,450	53,811
	<u>6,879,188</u>	<u>6,776,738</u>

**NOTE 6: Issued Capital**

2,225,337,344 (2015: 2,225,337,344)

Fully paid ordinary shares	54,251,948	54,251,948
	<u>54,251,948</u>	<u>54,251,748</u>

**BARAKA ENERGY & RESOURCES LTD ABN 80 112 893 491**  
**AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**NOTE 7: Contingent Liabilities**

The Company has been advised by the Department of Industry, Innovation and Science following a compliance activity review that its R&D Tax Incentive registration for the 2014/15 year is considered to have a high risk of non-compliance with the eligibility requirements of the program.

The company has engaged specialist consultants to assist in providing clarification and additional information and evidence to address the issues raised by the Department. Should the company be unable to satisfy the Department's concerns there is a contingent liability with regard to the amount of monies received as a result of the 2014/15 R&D rebate, however the amount is not able to be quantified as the claim may be denied in full or in part dependent on the company's ability to satisfy the Department's concerns in full or in part.

**NOTE 8: Segment Reporting**

The consolidated entity operates in a single business segment being oil and gas exploration in Australia.

**NOTE 9: Events After Balance Sheet Date**

Subsequent to the end of the reporting period, Baraka has had notification from the Philippines Supreme Court regarding an action on the Iron Sands investment that has been in the courts for an extended period. The Judgement from the court ruled in the company's favour on all issues raised in the petition, although a submission has since been made to the Philippines Supreme Court by the plaintiffs. This puts Baraka in a much stronger position regarding the Iron Sands venture in the Philippines. The company has been contacted by numerous parties interested in becoming involved in this venture whether by joint venture and/or buy out, however these discussion are extremely premature and if any progress eventuates the company will advise the market.

Other than outlined above there have been no matters or circumstances that have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**BARAKA ENERGY & RESOURCES LTD (ABN 80 112 893 491)**  
**AND CONTROLLED ENTITIES**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Baraka Energy & Resources Limited (the "consolidated entity"), in the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and the performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Collin Vost  
Chairman  
Perth, 14 March 2017

# ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone 9486 7094 [www.rothsayresources.com.au](http://www.rothsayresources.com.au)

The Directors  
Baraka Energy & Resources Ltd  
PO Box 190  
South Perth WA 6951

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2016 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



**Graham Swan FCA (Lead auditor)**

**Rothsay Auditing**

Dated *14* March 2017



Chartered Accountants





Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone 9486 7094 www.rothsayresources.com.au

### Independent Review Report to the Members of Baraka Energy & Resources Ltd

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Baraka Energy & Resources Ltd for the half-year ended 31 December 2016.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2016 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Baraka Energy & Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Baraka Energy & Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2016 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham Swan  
Partner

Dated 14 March 2017



Chartered Accountants