



31 July 2014

QUARTERLY ACTIVITIES AND CASH FLOW REPORT

PERIOD ENDED 30 JUNE 2014

Baraka Energy & Resources Limited

Contacts:

Collin Vost

Telephone: 08 6436 2350

Directors:

Collin Vost (Executive Chairman)

Justin Vost (Non Executive)

Ray Chang (Non-Executive–Chinese Division)

Company Secretary:

Patrick O'Neill

Issued Capital:

2,225,337,344 Ordinary Shares

Australian Securities Exchange (ASX)

Code: BKP (Ordinary Shares Fully Paid)

Cash (30 June 2014):

\$0.75 million



June 2014 Quarter Activities Report

Baraka Energy & Resources Limited ("Baraka" or "the Company") (ASX:BKP) provides its quarterly activities report for the period ended 30th June 2014.

As announced previously, Baraka, StatoilASA (Statoil) and Petrofrontier Corp (Petrofrontier) have had a dispute as to the 2014 work program, but as a result of a number of hearings and mediations between the parties it was announced on the 30 June that all parties had agreed to settle the court actions referred to in the announcements, subject to the execution of a deed of settlement and release (shareholders and investors should refer to 30 June announcement).

The execution of the deed of settlement has now been completed as announced on the 24 July 2014 and we refer all shareholders and investors to that announcement.

That announcement also contained an update on the drilling of the 3 wells on Baraka's permits EP127 and EP128, and is encouraging. The well OzBeta-1 on EP127 has been selected for completion and testing by perforating a 3m interval of the well, after recovering approximately 99m of core, and this is expected during August or September 2014, for further testing and analysing. Whilst this is early days in the exploration program overall, any positive results from the completion and testing of the OzBeta-1 well will be considered a positive step for the Georgina Basin as a whole and Baraka's final interests in the permits.

Baraka is currently having an independent analysis carried out of all work performed to date on all 3 wells and the completion and testing of OzBeta-1 on EP127 when completed, and when that report is available it will be released to the market.

Iron Sands (Titaniferous Magnetite) "Loan Profit Sharing Agreement"

As previously announced there were disputes with the directors of the company to which Baraka had extended loans to on this venture. As a result of failed negotiations, an Administrator was appointed to the borrower. Extended investigations by the Administrators unearthed a number of breaches of the Corporations Act by the directors of the borrowing company. However, as a result of Baraka's support and ongoing involvement, the Administrator during July removed the previous remaining directors at a final meeting of creditors and accepted a Deed of Company Arrangement submitted by Baraka's subsidiary and a new board has been appointed to the borrowing company. It is expected that Baraka will have discussions with the new board in the very near future and resolve a number of outstanding issues to allow the venture to proceed.

Baraka continues discussions in regards to farming down or disposing of all or part of this investment to third parties, subject to the resolution of the various issues outlined herein, and expects to make a further announcement on this within the next few months, possibly resulting in a further injection of a substantial amount of cash into Baraka.



This investment and venture may very well involve other investment opportunities for Baraka shareholders when the final structure of the unlisted company and ongoing negotiations are resolved with the new board of the borrowing company.

Baraka continues to be currently debt free with no expenditures required on this year's 2014 work program as a result of the legal settlement announced on the 24 July 2014.

Whilst the board continues to assess other opportunities it will be the short term goal to concentrate on those ventures, investments and projects currently in hand throughout the 2014/2015 financial year.

Baraka has extremely low overhead expenses, negligible liabilities and some \$4.7m of net current assets including cash.

Baraka was credited prior to 30 June 2014 with the sum of \$1.86m gross from the successful R & D application with the ATO and received those funds in July 2014.

Appendix 5B

The Appendix 5B for the quarter ended 30 June 2014 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 Ltd

ABN

80 112 893 491

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter SA'000	Year to date (12 months) SA'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(96)	(859)
1.3 Dividends received	(92)	(415)
1.4 Interest and other items of a similar nature received	22	59
1.5 Interest and other costs of finance paid	(2)	(3)
1.6 Income taxes paid	-	645
1.7 Other (ATO - R&D Tax offset)	-	645
Net Operating Cash Flows	(168)	(573)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	5	5
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(348)	(1,400)
1.10 Loans to other entities	615	1410
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	272	15
1.13 Total operating and investing cash flows (carried forward)	104	(558)

+ 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)	104	(558)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		688
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	28	28
1.17	Repayment of borrowings	(26)	(26)
1.18	Dividends paid		
1.19	Other (Share issuing costs)		
	Net financing cash flows	2	690
	Net increase (decrease) in cash held	106	132
1.20	Cash at beginning of quarter/year to date	647	621
1.21	Exchange rate adjustments to item 1.20		
		753	753
1.22	Cash at end of quarter		

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

		Current quarter SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
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 fees, 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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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available SA'000	Amount used SA'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		SA'000
4.1	Exploration and evaluation	40
4.2	Development	
4.3	Production	
4.4	Administration	91
Total		141

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 SA'000	Previous quarter SA'000
5.1 Cash on hand and at bank	90	117
5.2 Deposits at call	663	530
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	753	647

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			

+ See chapter 19 for defined terms.

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>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <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 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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



Sign here: Date: 31 July 2014.

(Company secretary)

Print name: PATRICK J O'NEILL

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.

+ See chapter 19 for defined terms.

Baraka Energy & Resources Ltd
Schedule of Tenements as at 30 June 2014

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

1 including a 75% undivided working interest in the 75kms² around the Elkedra-7 well on EP128.

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+ See chapter 19 for defined terms.