27th October 2016

QUARTERLY ACTIVITES AND CASH FLOW REPORT

PERIOD ENDED 30TH SEPTEMBER 2016

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 (30th September 2016)

$417,000

SEPTEMBER 2016 QUARTERLY ACTIVITY REPORT

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

The renewal and transfer process was completed in July 2016, however we continue to pursue signing off from all parties on the Native Title Agreement.

Although discussions with a Canadian group regarding a farm-in to EP127 have to date cessed, Baraka continues to seek out other interested parties.

Baraka continues a process of reducing expenditure 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 maintains its view to seek diversification of their activities going forward and in the event a suitable project is secured for assessment and to enable a diversification, 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 in the previous quarter, the Company 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. The review focused on the basins conventional potential.

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 form 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.

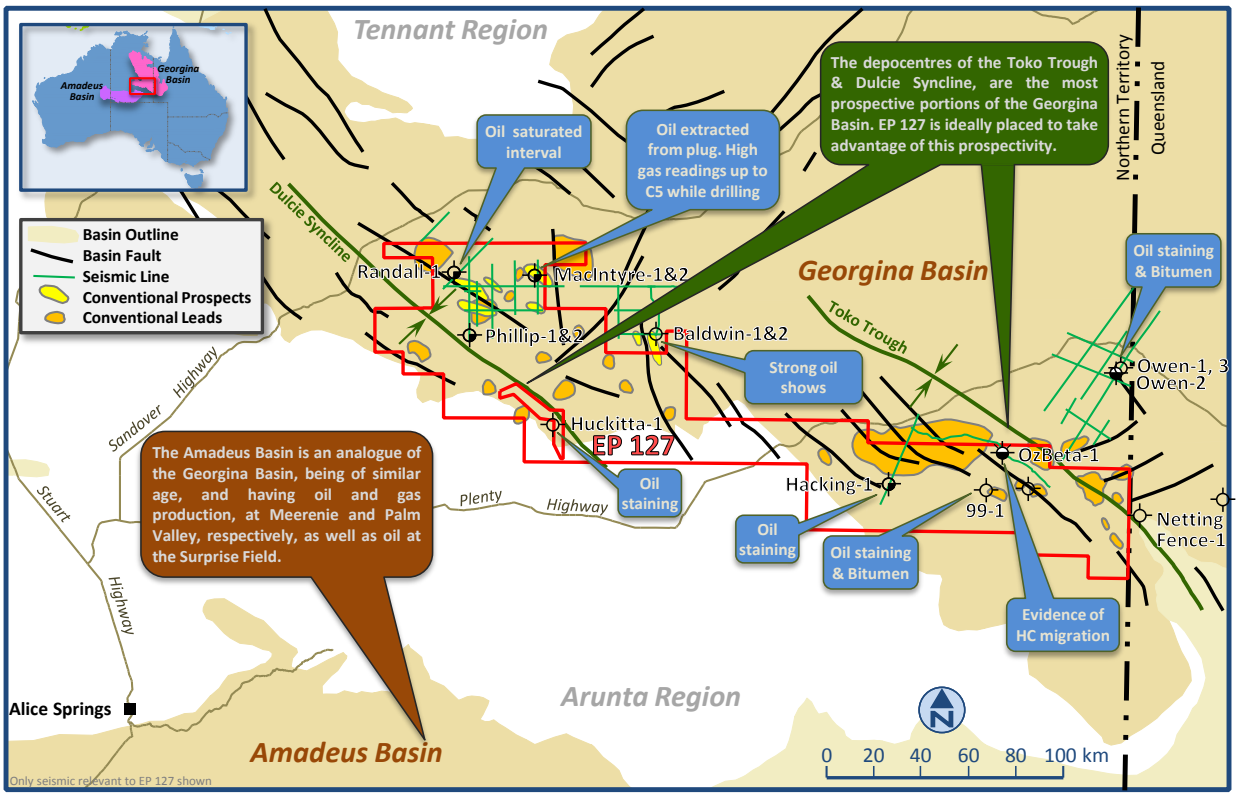
The most Prospective Plays recognised to date are:

- The Thorntonia 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 Thorntonia 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 currently 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 continues its 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.

BARAKA
ENERGY & RESOURCES LTD

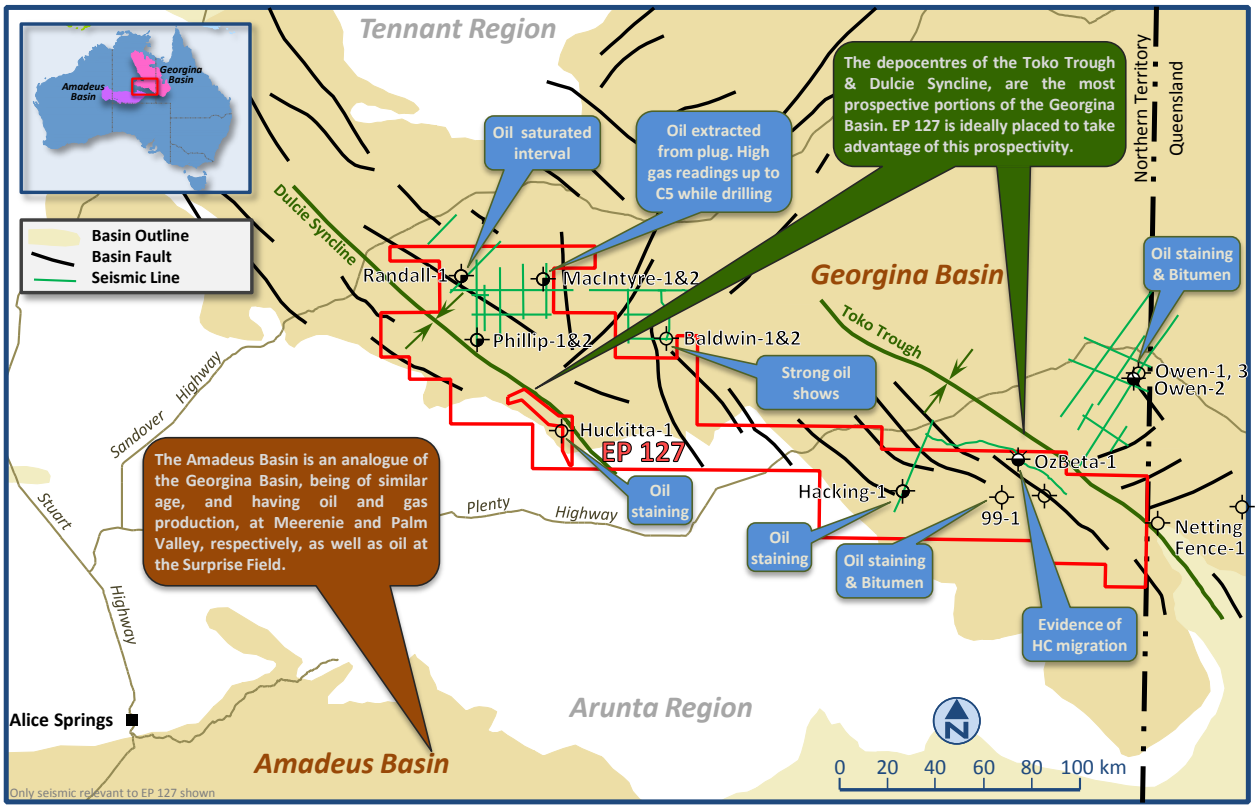
Resource Imaging Technology Background

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 on Black Ridge Mining NL (BRD) Website and in their latest Investor Presentation



Baraka expects additional funds in November of approx $450,000 as a result of converting selected current assets, adding to cash reserves. The board of Baraka continues to seek other opportunities, and has been assessing offers made to the company to participate in ventures, or consider cash injections simultaneously with asset acquisitions, but 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.

Appendix 5B
The Appendix 5B for the quarter ended 30 September 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.

+Rule 5.5

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, 01/05/13, 01/09/16

Name of entity

Baraka Energy & Resources Limited

ABN	**Quarter ended ("current quarter")**
80 112 893 491	30 September 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (three months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(13)	(13)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(15)	(15)
	(e) administration and corporate costs	(143)	(143)
1.3	Dividends received(see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(170)**	**(170)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	5	5
	(d) other non-current assets	-	-

+ See chapter 19 for defined terms.

1 September 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (three months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(286)	(286)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(281)**	**(281)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	868	868
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(170)	(170)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(281)	(281)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**417**	**417**

+ See chapter 19 for defined terms.

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	6	6
5.2	Call deposits	401	401
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	10	10
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**417**	**417**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	15
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	98
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Serviced Offices and Bookkeeping provided by a Directors company, Consultants

8.	**Financingfacilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	60
9.2	Development	-
9.3	Production	-
9.4	Staff costs	15
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**195**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

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

Signed:  Date: 27th October 2016

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

== == == == ==

Baraka Energy & Resources Ltd

Schedule of Tenements as at 30 September 2016

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