

22 April 2013

QUARTERLY ACTIVITIES AND CASH FLOW REPORT

PERIOD ENDED 31 MARCH 2013

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:

2,075,655,046 Ordinary Shares

Australian Securities Exchange (ASX)

Code: BKP (Ordinary Shares Fully Paid)

Frankfurt Stock Exchange (FWB)

Code: RBD (Ordinary Shares Fully Paid)

Cash (31 March 2013):

\$1.2 million

March Quarter Activities Report

Baraka Energy & Resources Limited ("Baraka" or "the Company") (**ASX:BKP**) (**FWB:RBD**) provides its quarterly activities report for the period ended 31 March 2013.

The last quarter has been quite disappointing for the Baraka's board and its shareholders, as a result of the lack of success, for the time being, at the McIntyre-2H well in EP127, drilled and completed by our joint venture partner and operator, Petrofrontier Corp. ("Petrofrontier") (TSX VENTURE:PFC). The well encountered Hydrogen Sulphide (H₂S), for reasons still not fully understood and based on strict safety regulations was required to be suspended pending the arrival of appropriate equipment to deal with it, and is considered a relatively standard event and procedure in the USA and Canada.

The appropriate equipment was indeed acquired, but as Petrofrontier's Owen 3 well was drilled subsequently to the McIntyre-2H on their permits and also displayed H₂S, but also recovered some 32.5 meters of core, which seeped oil and had extensive fluorescence throughout, it was decided by Petrofrontier to utilise that equipment on their well to pursue the obvious and expected positive results, which indeed would also have been positive for Baraka.

Unfortunately, the net results of the testing of Owen 3 did not result in recovery of Hydrocarbons and the reasoning and cause of this is still being considered by a number of consultants both inside Petrofrontier and outside as well as by our consultants, as it came as a complete surprise to all parties.

Since that date Petrofrontier has made a public announcement on the 4th December 2012 that it opened its data room to a number of parties (including Baraka's McIntyre -2H) for the purpose of fund raising or possible merger or indeed the sale of the corporation as a whole. The Annual General Meeting of Petrofrontier, which was to be held in December 2012, was adjourned and as at this date has still not been held.

The Baraka board has been frustrated in gaining an update as to the progress of any of those activities of Petrofrontier including a final work program for 2013 for the joint venture. However, the Baraka board has not been sitting idly by and continue to have discussions with Petrofrontier in regards to Baraka pursuing its own destiny in the potential conventional oil and gas targets on EP127.

The Company is hopeful that both Petrofrontier and Baraka will be in a position to inform all shareholders in more detail of the 2013 plans after the end of April 2013 with more positive information.

As Petrofrontier is the operator and also controls to a large extent the information we are able to release to the market by virtue of the joint venture agreement, it is indeed frustrating to us not to be able to provide more up to date information to the market and we apologise for this, but will continue to press for the release of as much information as can be as soon as possible, acknowledging the weather and time frames for any work programs this calendar year.

Others Activities in the Southern Georgina Basin

With **Total SA** adjoining our EP128 on our eastern side as a result of a joint venture agreement with Central Petroleum, together with work on three other permits to our South East with accelerated early work programs, together with the Blue Energy pursuing early work programs also on our eastern boundary, we can expect a lot of interest in the Georgina Basin and the Northern Territory as a whole this year. If all joint venture activity this year indicates sufficient positive results, the market will be overwhelmed with exploration activity in 2014 from numerous Majors and juniors in and adjoining the Northern Territory surrounding Baraka's interests.

Baraka continues to be debt free and based on current known expenditure requirements have sufficient cash and liquid assets to meet all and any costs and expenses for the rest of this year and beyond.

Baraka has reduced its exposure to Indonesia to a care and maintenance position via close associates until a clearer picture of their mining and resource policies become more foreign investment friendly.

Whilst the board continues to assess other opportunities it will be our short term goal to concentrate on those ventures, investments and or projects currently in hand.

Baraka currently has some A\$3.3m of cash and liquid assets currently uncommitted, extremely low overhead expenses, nil liabilities and will consider distressed investments and projects that add value to shareholders' funds.

Appendix 5B

The Appendix 5B for the quarter ended 31 March 2013 is attached.



Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BARAKA ENERGY & RESOURCES LIMITED

ABN

80 112 893 491

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(82)	(1,377)
(b) development	-	-
(c) production	-	-
(d) administration	(222)	(571)
1.3 Dividends received	-	5
1.4 Interest and other items of a similar nature received	18	86
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(286)	(1,858)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(42)	(153)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	177	291
(c) other fixed assets	-	-
1.10 Loans to other entities	(270)	(725)
1.11 Loans repaid by other entities	-	290
1.12 Other (provide details if material)	-	-
Net investing cash flows	(135)	(297)
1.13 Total operating and investing cash flows (carried forward)	(421)	(2,155)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(421)	(2,155)
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		-	--
Net increase (decrease) in cash held		(421)	(2,155)
1.20	Cash at beginning of quarter/year to date	1,620	3,354
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,199	1,199

Payments to directors of the entity and associates of the directors
Payments to 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	34
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.

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	450
4.2 Development	
4.3 Production	
4.4 Administration	180
Total	630

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	54	174
5.2 Deposits at call	1,145	1,446
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	1,199	1,620

Changes in interests in mining tenements

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

Appendix 5B
Mining exploration entity quarterly report

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	2,075,655,046	2,075,655,046	-	-
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 4).
- 2 This statement does /~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: .19 April 2013

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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