

BARAKA ENERGY & RESOURCES LIMITED
ACN 112 893 491

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share to raise up to approximately \$1,483,558 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY.....	1
2.	CHAIRMAN'S LETTER.....	2
3.	TIMETABLE.....	3
4.	IMPORTANT NOTES.....	4
5.	DETAILS OF THE OFFER.....	7
6.	PURPOSE AND EFFECT OF THE OFFER.....	11
7.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	14
8.	RISK FACTORS	17
9.	ADDITIONAL INFORMATION	23
10.	DIRECTORS' AUTHORISATION	29
11.	GLOSSARY.....	30

1. CORPORATE DIRECTORY

Directors

Collin Vost (Executive Chairman)
Justin Vost (Non-Executive Director)
Ray Chang (Non-Executive Director)

Registered Office

Shop 12 "South Shore Plaza"
85 South Perth Esplanade
South Perth WA 6151

Telephone: + 61 8 6436 2350
Facsimile: +61 8 9367 2450

Company Secretary

Timothy Clark

Email: admin@barakaenergy.com.au
Website: www.barakaenergy.com.au

Share Registry*

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Telephone: +61 8 9389 8033

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Rothsay Chartered Accountants
Level 1 Lincoln House
4 Ventnor Avenue
West Perth WA 6005

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the directors of Baraka Energy & Resources Limited, I am pleased to invite you to participate in the Offer.

Our investment in an Iron Sands venture in the Philippines via a Finance Streaming facility and through a number of entities has now progressed as outlined in detail in our recent announcement to the market on the 28th July 2017. In essence, a prolonged 5 year legal action has been successfully resolved allowing the exploration of the underlying project to recommence. We refer you to our website at www.barakaenergy.com.au for more details.

Baraka's first objective is to support the pursuit of an initial JORC resource by selected deeper coring to the acoustic basement or bedrock surface, additional analysis of the existing and new cores contained in an existing storage shed, an environmental report and possible mining approval. Many of these processes have been partially commenced and Baraka intends to support and expedite completion now the legal claims have been finalised.

The Iron Sands project is made up of the standard materials in Iron Sands or Titanomagnetite, being Iron, Titanium and Vanadium. Demand for this raw material, resulting from a simple dredging process, is predominantly from Steel Mills in China/Korea/Taiwan and Japan as a complementary ingredient in steel making, but some of the materials are now in demand in battery manufacturing.

Simultaneously, we are soliciting potential interest from regional industry players and other strategic partners.

Your board is continuing to work towards meeting our commitments on the permit in the Georgina Basin in the Northern Territory and is negotiating with the Northern Territory Government to bring the permit to a more advanced position.

Further funding of this project is essential to add value for future development.

Baraka is also seeking to assess and review other projects which can add value to the company's shares, either in the current activities or any complimentary sectors.

You should read this Prospectus carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors included in Section 8 of this Prospectus. Shareholders who have any queries about the Offer should contact the Company at any time from 8:30am to 5:00pm (WST) during the Offer period.

A personalised Entitlement and Acceptance Form which details your Entitlement is to be completed in accordance with the instructions provided.

Shareholders who do not take up all or any part of their Entitlements will not receive any payment or value in respect of those Entitlements and their equity interest in the Company will be diluted.

On behalf of the Board, I invite you to consider this investment opportunity and thank you for your ongoing support of our Company.

Collin Vost
Chairman

4 August 2017

3. TIMETABLE

Lodgement of Prospectus with the ASIC	Friday, 4 August 2017
Lodgement of Prospectus & Appendix 3B with ASX	Friday, 4 August 2017
Notice sent to Shareholders	Tuesday, 8 August 2017
Ex date	Wednesday, 9 August 2017
Record Date for determining Entitlements	Thursday, 10 August 2017
Prospectus sent out to Shareholders & Company announces this has been completed	Tuesday, 15 August 2017
Last day to extend Closing Date	Thursday, 31 August 2017
Closing Date*	Tuesday, 5 September 2017
Shares quoted on a deferred settlement basis	Wednesday, 6 September 2017
ASX notified of under subscriptions	Friday 8 September 2017
Issue date/Shares entered into Shareholders' security holdings	Tuesday, 12 September 2017
Quotation of Shares issued under the Offer*	Wednesday, 13 September 2017

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

4. IMPORTANT NOTES

This Prospectus is dated 4 August 2017 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

4.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
Potential for significant dilution	Shareholders who do not participate in the Offer are likely to be diluted by approximately 50% assuming all Entitlements are accepted.	Section 8.2(a)
Additional requirements for capital	There is no guarantee that the Company will be able to secure additional funding to meet ongoing maintenance of assets and permits which may result in the Company having to scale back exploration or operation programmes.	Section 8.2(b)
Risks associated with investment	The Shares offered under this Prospectus are highly speculative due to the present stage of the Company's operations. This Prospectus carries no	Section 8.2(c)

Risk	Description	Reference in Prospectus
	guarantee with respect to the return of capital or price at which Shares will trade.	
Investment strategy	Significant risks exist in relation to the Directors' ability to identify suitable opportunities and then successfully exploit those opportunities	Section 8.2(d)
Tenure	Oil and gas exploration permits are subject to periodic review and renewal. There is no guarantee that applications for future permits will be approved. In addition, the inability to meet conditions may adversely affect the operations, financial position or performance of the Company.	Section 8.3(a)

4.2 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Entitlement	\$
Collin Vost	47,000,000	31,333,333	\$31,333
Justin Vost	13,500,000	9,000,000	\$9,000
Ray Chang	Nil	Nil	Nil

4.3 Details of substantial holders

Based on publicly available information as at 24 July 2017, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

4.4 Underwriting

The Offer is not underwritten.

4.5 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	50,000,000	2.25%	33,333,333	50,000,000	1.35%
Shareholder 2	25,000,000	1.12%	16,666,667	25,000,000	0.67%
Shareholder 3	15,000,000	0.67%	10,000,000	15,000,000	0.40%
Shareholder 4	10,000,000	0.45%	6,666,667	10,000,000	0.27%
Shareholder 5	5,000,000	0.22%	3,333,333	5,000,000	0.13%
Total	2,225,337,344		2,225,337,344		

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.6 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.0015	13 June 2017
Lowest	\$0.001	3 August 2017
Last	\$0.001	3 August 2017

4.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8 of this Prospectus.

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 1,483,558,229 Shares will be issued pursuant to this Offer to raise up to approximately \$1,483,558.

The Company does not have any options or other securities on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 6.1 of this Prospectus.

5.2 Minimum subscription

There is no minimum subscription.

5.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance of your Entitlement must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (i) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.001 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.4 Taking up all your Entitlement and applying for Shortfall Shares

Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then applications for Shortfall Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

5.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Baraka Energy & Resources Limited Share Management Account**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

5.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.

The issue price for each Share to be issued under the Shortfall Offer shall be \$0.001 being the price at which Shares have been offered under the Offer.

The Company will allow Eligible Shareholders to apply for Shares under the Shortfall Offer subject to such applications being received by the Closing Date. Details on how to apply for Shortfall Shares is set out in Section 5.4.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion. There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer.

The Company notes that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

5.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.9 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

5.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Act 2016.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.11 Enquiries

Any questions concerning the Offer should be directed to Collin Vost, on +61 8 6436 2350.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,483,558. The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenditure Commitments on Oil & Gas Permit EP127 (EP127)	\$340,000	23%
2.	Consultancy fees in relation to EP127, ongoing technical work, administrative and corporate consulting services	\$250,000	17%
3.	Ongoing costs in relation to the Iron Sands venture including administration, technical, advisory costs, exploration work, renewals and Government fees	\$340,000	23%
4.	Evaluation of new and existing projects and ventures, including a possible joint venture/buy-out or farm-in partner	\$150,000	10%
5.	Expenses of the Offer ¹	\$125,197	8%
6.	Working capital	\$278,361	19%
	Total	\$1,483,558	100%

Notes:

1. Refer to Section 9.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

In the event the Company receives applications for less than the full subscription, the funds will be applied firstly towards the costs of the Offer with the remaining funds used, on a scaled back basis according to the amount raised, towards costs of meeting its expenditure commitments on EP127, ongoing costs of the Iron Sands venture and working capital. On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,358,361 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Shares on issue from 2,225,337,344 as at the date of this Prospectus to 3,708,895,573 Shares.

6.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2017 and the unaudited pro-forma balance sheet as at 30 June 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2017	PROFORMA 30 June 2017
CURRENT ASSETS		
Cash ¹	167,607	1,525,968
Other current assets	5,550,366	5,550,366
TOTAL CURRENT ASSETS	5,717,972	7,076,334
NON-CURRENT ASSETS		
Exploration	6,907,238	6,907,238
TOTAL NON-CURRENT ASSETS	6,907,238	6,907,238
TOTAL ASSETS	12,625,210	13,983,572
CURRENT LIABILITIES		
Creditors and borrowings	171,549	171,549
TOTAL CURRENT LIABILITIES	171,549	171,549
TOTAL LIABILITIES	171,549	171,549
NET ASSETS (LIABILITIES)	12,453,661	13,812,023
EQUITY		
Share capital	54,251,948	55,615,506
Options Reserve		
Retained loss	(41,798,286)	(41,798,286)
TOTAL EQUITY	12,453,662	13,817,220

Notes:

The Pro-Forma balance sheet includes the following adjustments:

1. Proceeds totalling \$1,358,361 (assuming maximum subscription) from the Offer (deducting expenses of the Offer).

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares	Number
Shares currently on issue	2,225,337,344
Shares offered pursuant to the Offer	1,483,558,229
Total Shares on issue after completion of the Offer	3,708,895,573

No Shares on issue are subject to escrow restrictions, either voluntary or ASX imposed.

7. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

7.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

7.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

7.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

7.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

7.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

7.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

7.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

7.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

7.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

8. RISK FACTORS

8.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Shares in the Company will increase from 2,225,337,344 currently on issue to 3,708,895,573. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.001 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Additional requirements for capital

The Company's capital requirements depend on numerous factors such as ongoing maintenance of assets and renewal of permits. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) Risks Associated with Investment

Prospective investors should be aware that the market price of the Shares following official quotation may be influenced by many unpredictable factors and that subscribing for Shares involves various risks. The value of

the Company's securities on the ASX may rise and fall depending on a range of factors, some of which are beyond the control of the Company.

The Shares being offered under this Prospectus are considered highly speculative due to the present stage of the Company's operations. This Prospectus carries no guarantee with respect to the return of capital or price at which the Shares will trade.

The factors detailed below should be considered by any potential investors; however, this is by no means an exhaustive list of the risks that may affect the Company.

(d) **Investment Strategy**

Following completion of the Offer, the Directors intend to seek out new opportunities. As these opportunities are still being assessed at the date of this Prospectus, significant risks exist in relation to the Directors' ability to identify suitable opportunities and then successfully exploit those opportunities. There may also be additional risks which the Company is exposed to as a result of these acquisitions, which are unknown at the date of this Prospectus and accordingly, are unable to be disclosed.

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions which are not identified in the Company's due diligence or the acquisitions may not prove to be successful.

8.3 Industry specific

(a) **Tenure**

Oil and gas exploration permits are subject to periodic review and renewal. In particular, there is no guarantee that applications for future exploration permits or production permits will be approved. Government Authorities review and renewal and transfer conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the exploration permits comprising the Company's projects. The imposition of new conditions or the inability to meet conditions may adversely affect the operations, financial position and/or performance of the Company.

(b) **Exploration and Development Risk**

The business of oil and gas exploration and development involves a significant degree of risk, which even with a combination of experience, knowledge and careful evaluation may not be able to be overcome. The Company depends on factors that include successful exploration and the establishment of petroleum resources and reserves. There is no assurance that exploration expenditure will result in discoveries of oil or gas that can be commercially or economically exploited since exploration is inherently a speculative endeavour.

The general risks of oil and gas exploration and development include encountering unexpected geological formations or pressure, premature declines or reservoirs, blow-outs, craterings, sour gas releases, fires and

spills causing pollution and changes in drilling plans and locations following the results of exploratory wells and interpretation of new seismic data.

Exploration and development operations can be hampered by circumstances and cost overruns for unforeseen events, including unexpected variations in geology and equipment malfunction. Losses resulting from any of these risks could have a material adverse effect on the financial resources of the Company or could result in a total loss of the assets affected, and accordingly, materially adversely affect the market price of the Shares.

(c) **Revenue – R&D tax offset**

The Company claims the R&D tax offset incentive offered under Australian taxation legislation for the eligible R&D expenses incurred by the Company. The tax incentive offered may undergo regulatory or legislative change and may be varied or repealed which may adversely impact the Company's taxation liabilities and the amount of tax payable.

(d) **Drilling Rig and Equipment Access**

Currently there is a high demand for oil and gas exploration and development equipment and infrastructure as well experienced operators of this equipment. The Company may not always have access to experienced seismic crews, drill rigs and operators and this may cause delays in the Company's exploration and development programs which may result in increased costs in relation to Company's permits.

(e) **Native Title**

The prospects in which the Company has an interest, or will in the future acquire an interest, are subject to laws and regulations applicable in the jurisdiction of those prospects. Each permit is for a specified term and carries with it expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in prospects if these conditions are not met.

It is also possible that, in relation to prospects which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to those prospects (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and production phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving prospects in which the Company has or may have an interest.

(f) **Price of Oil and Gas and Currency Volatility**

The demand for, and price of oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company. International petroleum prices fluctuate and at times the fluctuations can

be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil price is the recent unrest and political instability in Egypt and Libya that have increased concern over supply.

Oil is principally sold throughout the world in US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar oil and gas prices could have a materially adverse effect on the Company's operations.

(g) **Environmental Regulations**

The Company's operations are subject to the environmental risks inherent to the oil and gas industry. The Company is subject to environmental laws and regulations in connection with its operations. The Company will endeavour to comply in all material respects with all applicable environmental laws and regulations. However, there are certain risks inherent to its activities that could subject the Company to extensive liability. There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expense and undertake significant investment which could have a material adverse effect on the business, financial conditions and results of operations of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking the desired activities.

(h) **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to insure against all risks associated with activities in oil and gas exploration and development. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks or the insurer becomes insolvent on an insured risk, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

(i) **Resource estimates**

Oil and gas reserves are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques becomes available. In addition, by their nature, oil and gas reserves are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial flow plans which may, in turn, either benefit or adversely affect the Company's operations.

8.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

8.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31/07/2017	Quarterly Activities and Cash Flow Report
28/07/2017	Project Updates
22/05/2017	Joint Company Secretary Resignation
28/04/2017	Quarterly Activities and Cash Flow Report
14/03/2017	Appendix 4D and Half Year Accounts
31/01/2017	Quarterly Activities and Cashflow Report
29/11/2016	Results of Meeting
28/10/2016	Notice of Annual General Meeting/Proxy Form
28/10/2016	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.barakaenergy.com.au.

9.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in Section 4.2 of this Prospectus.

Remuneration

The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors. The total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares. No non-executive Director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission or a percentage of operating revenue, and no executive Director shall be paid as whole or part of his remuneration a commission on or percentage of operating revenue. The remuneration of a Director shall be deemed to accrue from day to day.

The total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) in accordance with the Constituion shall initially be no more than \$250,000 and may be varied by ordinary resolution of the Shareholders in General Meeting.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2015¹	2016¹	Proposed 2017
Collin Vost	\$252,719	\$259,028	\$258,000 ²
Justin Vost	\$124,000	\$124,000	\$124,000 ³
Ray Chang	\$24,000	\$17,000	\$12,000 ⁴

Notes:

1. The figures for the 2015 and 2016 end of financial years have been extracted from the 2016 Annual Report and include salary, fees and commissions and other benefits.
2. Includes \$24,000 Director fees, \$150,000 consulting fees and \$84,000 for the provision of serviced offices and bookkeeping.
3. Includes \$24,000 Director fees and \$100,000 consulting fees.
4. Director fees only

9.4 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$14,283 (excluding GST and disbursements) for legal services provided to the Company.

9.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.6 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$125,197 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	6,907
Legal fees	10,000
Commissions*	89,000
Printing and distribution	10,000
Miscellaneous	6,890
Total	125,197

* The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

9.7 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 6436 2350 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.barakaenergy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.8 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad

range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.10 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Collin Vost
Chairman
For and on behalf of
BARAKA ENERGY & RESOURCES LIMITED

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Baraka Energy & Resources Limited (ACN 112 893 491).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.7 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.