

**A Prospectus dated 25 May 2009 for the public offer of up to 1,000,000,000 Shares at a price of \$0.002 each to raise up to \$2,000,000.**

## **IMPORTANT INFORMATION**

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional adviser without delay.

### Lodgement of Prospectus with ASIC

The paper form of the electronic Prospectus (including its attached Application Form) accessible through this website has been lodged with the Australian Securities and Investments Commission (ASIC).

An application for shares can be made by either:

- printing and completing the Application Form attached to or accompanied by the electronic Prospectus; or
- completing the Application Form attached to or accompanied by a paper form of the Prospectus,

and then lodging the form and the Application monies in accordance with the details set out in the Prospectus and the Application Form.

To view the prospectus you need to have Adobe Acrobat Reader 4.0 or higher. Adobe Acrobat Reader can be downloaded at the following website:

<http://www.adobe.com/products/acrobat/readstep.html>

## **WARNING:**

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the offer. For legal reasons, the information and electronic Prospectus provided by this website is available to persons accessing this website from within **AUSTRALIA ONLY**. If you are accessing this website from anywhere outside Australia, please **DO NOT** download the electronic Prospectus accessible through this website.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

No action has been taken to register or qualify the Shares or the Issue or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

# **BARAKA PETROLEUM LIMITED**

## **ACN 112 893 491**

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### **PROSPECTUS**

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For the issue of up to 1,000,000,000 Shares at an issue price of 0.2 cents per Share to raise up to \$2,000,000 (**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 Shares 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.

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents, the information of which is deemed to be incorporated in this Prospectus.

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## 1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with the ASIC and ASX	25 May 2009
Opening Date	2 June 2009
Closing Date	3 July 2009*
Expected date of Official Quotation of the Shares	10 July 2009*

\*The Company reserves the right to extend the Closing Date or close the Offer early without notice. Official Quotation of the Shares is subject to the approval of ASX.

### IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 25 May 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

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.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the Notice of Meeting lodged with the ASX on 17 April 2009.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of Shares under this Prospectus and containing information that will provide investors and their professional advisers with information to assist them in making an informed assessment of:
  - (i) the rights and liabilities attaching to the Shares; and

- (ii) the capacity of the Company to issue the Shares; and
  - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers investors and their professional advisers to section 5 of this Prospectus which summarises the information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to investors and their professional advisers or analysts.

## **RISK FACTORS**

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 8 of this Prospectus.

## **ELECTRONIC PROSPECTUS**

A copy of this Prospectus can be downloaded from the website of the Company at [www.barakapetroleum.com](http://www.barakapetroleum.com) or from the website of Zurich Securities Pty Ltd, the Lead Manager, at [www.zurichsecurities.com.au](http://www.zurichsecurities.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

## **EXPOSURE PERIOD**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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## 2. CORPORATE DIRECTORY

### Directors

Mr Barry MacKinnon (Chairman)  
Mr Collin Vost (Non-Executive Director)  
Mr Anthony Veitch (Non-Executive Director)

### Company Secretary

Mr James Moran

### Registered Office

Suite 1  
23 Richardson Street  
SOUTH PERTH WA 6151  
Telephone: (08) 9486 7001  
Facsimile: (08) 9486 7002

### Principal Place of Business

Suite 1  
23 Richardson Street  
SOUTH PERTH WA 6151

### Share Registry\*

Advanced Share Registry Services Pty Ltd  
150 Stirling Highway  
NEDLANDS WA 6009  
Telephone: (08) 9389 8033

### Solicitors

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

### Auditor\*

Rothsay Consulting Services Pty Ltd  
Level 18  
6 O'Connell Street  
SYDNEY NSW 2000

### Lead Manager

Zurich Securities Pty Ltd  
Shop 11, South Shore Piazza  
85 The Esplanade  
SOUTH PERTH WA 6951

\* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

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### **3. CHAIRMAN'S LETTER**

25 May 2009

Dear Investor,

On behalf of the Directors of Baraka, I am pleased to present this Prospectus to you.

At a General Meeting held on 18 May 2009, Shareholders approved a number of resolutions to give effect to a proposed recapitalisation of the Company. The recapitalisation will provide new working capital for the Company and facilitate the Company's Shares being reinstated to Official Quotation on the ASX.

This Prospectus seeks to raise up to \$2,000,000 at 0.2 cents per Share. Applications received from shareholders that hold at least 100,000 fully paid ordinary shares in Cervantes Corporation Limited and from Shareholders of Baraka will be given priority under the Offer. Further information about the Offer pursuant to this Prospectus is summarised in Section 4.

The funds raised from the Offer will be used to fund the initial exploration program proposed by the Company on the Georgina Basin tenements the subject of the recently announced joint venture with Northern Territory Oil Limited.

Subject to the successful completion of the Offer, this exploration program is expected to include an initial geochemical survey of targeted areas within the blocks and the acquisition of seismic to delineate drill targets. If this work is successful, exploration drilling will then be undertaken in subsequent years. More detail of the use of funds raised from the Offer is included in Section 6.

Further information regarding the Company's business is contained in Section 5 of this Prospectus.

Details about the risks of an investment of this type are contained in Section 8 of this Prospectus. Investors should obtain professional investment advice before deciding to invest. Please read this document carefully before making your investment decision.

I welcome you to consider the terms of the Offer contained in this Prospectus and look forward to welcoming you as a Shareholder of the Company.

**MR BARRY MACKINNON  
CHAIRMAN  
BARAKA PETROLEUM LIMITED**

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## 4. DETAILS OF THE OFFER

### 4.1 Offer

This Prospectus invites investors to apply for a total of up to 1,000,000,000 Shares at an issue price of 0.2 cents per Share to raise up to \$2,000,000 before costs.

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 use of funds raised are set out in Section 6 of this Prospectus.

### 4.2 Application for Shares

Applications for Shares must be made on an Application Form attached to or accompanying this Prospectus.

Applications for Shares must be for parcels of at least 1,000,000 Shares with payment for the Shares made in full at \$2,000, being 0.2 cents per Share.

Completed Application Forms and accompanying cheques, made payable to "**Baraka Petroleum Limited – Share Offer Account**" and crossed "**Not Negotiable**", must be mailed to:

Baraka Petroleum Limited  
c/o Zurich Securities Pty Ltd  
PO Box 1196  
SOUTH PERTH WA 6951  
AUSTRALIA

Completed Application Forms must reach the address set out above by no later than the Closing Date. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

### 4.3 Minimum Subscription

The minimum subscription to be raised pursuant to this Prospectus is \$1,200,000 (**Minimum Subscription**).

If the minimum subscription has not been raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

### 4.4 Maximum Subscription

The maximum subscription to be raised pursuant to this Prospectus is \$2,000,000 (**Maximum Subscription**).

### 4.5 Underwriter

The Offer is not underwritten.

#### **4.6 Allotment of Shares**

The Directors will determine the allottees of all the Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

In accordance with the Lead Manager Agreement between the Company and Zurich dated on or about 1 April 2009, the Directors have agreed to give priority to applications for Shares received from the following parties:

- (a) firstly, from shareholders of Cervantes, provided that the applicant holds a minimum of 100,000 fully paid ordinary shares in the capital of Cervantes;
- (b) secondly, from Shareholders of Baraka;
- (c) thirdly, from clients of Zurich; and
- (d) fourthly, from other parties not covered by paragraphs (a) to (c) to the extent that the minimum subscription as required by ASX has not been raised from the applicants referred to in paragraphs (a) to (c).

Shares issued pursuant to the Offer will be allotted on a progressive basis, subject to the Offer achieving Minimum Subscription. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and 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.

#### **4.7 Australian Securities Exchange Listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX 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.

#### **4.8 Restrictions on the Distribution of the Prospectus**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

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.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any

formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

#### **4.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company proposes to participate in CHES and operate an electronic sub-register for those investors who have a sponsoring stockbroker and, for investors who do not wish to participate through CHES, an issuer sponsored sub-register operated by the Company. The two sub-registers together will make up the Company's register of Shares. 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 separate statements (similar to a bank account statement) that set out the number of Shares allotted 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.

#### **4.10 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or to the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, 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 ASTC Settlement 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.

#### **4.11 Enquiries**

Any questions concerning the Offer should be directed to the Company Secretary Mr James Moran on (08) 9486 7001 or email [j.moran@barakapetroleum.com](mailto:j.moran@barakapetroleum.com) or to Collin Vost at Zurich Securities Pty Ltd on (08) 9363 1700 or email [cvost@zurichsecurities.com.au](mailto:cvost@zurichsecurities.com.au).

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## **5. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS**

### **5.1 Short Form Prospectus**

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates by reference information contained in the Notice of Meeting that has been lodged with the ASX.

The information to be incorporated by reference into this Prospectus is summarised below in Section 5.3 and will primarily be of interest to investors and their professional advisers or analysts.

Investors and their professional advisers are able to obtain a copy of the Notice of Meeting free of charge by contacting the Company at its registered office during normal business hours during the Offer Period. The Notice of Meeting will also be available by searching the ASIC's records in relation to the Company, or by accessing the Company's announcements on the ASX website, [www.asx.com.au](http://www.asx.com.au).

### **5.2 Background to the Offer**

The Shares of Baraka have been suspended from trading on ASX since the Directors of Baraka appointed Joint and Several Voluntary Administrators of the Company pursuant to section 436A of the Corporations Act 2001 on 30 April 2008.

At a reconvened meeting of creditors of the Company held on 31 July 2008, creditors passed a resolution terminating the Voluntary Administration and returning control of the Company to the Board.

Since the end of the Voluntary Administration, the Board has worked towards achieving a relisting of Baraka Shares on ASX.

On 5 March 2009, Baraka announced that it had signed agreements that together would lead to the recapitalisation of the Company. The intent of the agreements was to achieve the re-quotations of Baraka's Shares on the ASX at the earliest opportunity.

Baraka has now executed definitive agreements to implement the proposals outlined in the announcement of 5 March 2009. A summary of the agreements is set out in Section 5.3 below.

### **5.3 Summary of Information Deemed to be Incorporated**

Set out below is a summary of the information contained in the Notice of Meeting that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether they need to obtain a copy of the Notice of Meeting for the purposes of making an informed investment decision in relation to the Shares.

The Notice of Meeting contains information relating to the recapitalisation proposal to achieve the re-quotations of Baraka Shares on ASX (**Recapitalisation**).

As part of the Recapitalisation, the Company entered into the following material agreements, the terms of which are summarised in the Notice of Meeting and also in Section 9.2 of this Prospectus:

- (a) Loan Agreement with Cervantes whereby Cervantes agreed to advance up to \$100,000 to Baraka as an interest free loan repayable 6 months after draw down;
- (b) Deed of Charge with Cervantes creating a floating charge over all of the assets of Baraka to secure the loan provided by Cervantes under the Loan Agreement; and
- (c) Lead Manager Agreement with Zurich for Zurich to assist Baraka on a best endeavours basis to complete the Offer for the purposes of reinstating the Shares to quotation on ASX.

The Notice of Meeting also includes information relating to the following resolutions which were put to Shareholders at the General Meeting:

- (a) Issue of Shares under this Offer;
- (b) Placement of 25,000,000 Shares to Cervantes;
- (c) Placement of 25,000,000 Shares and 25,000,000 Options to Zurich;
- (d) Placement of 8,000,000 Shares to David Valentino;
- (e) Issue of 30,000,000 Shares to Directors, former directors and Officers of the Company;
- (f) Participation of Directors and related parties in the Offer;
- (g) Election of Collin Vost as a Director; and
- (h) Election of Barry MacKinnon as a Director.

#### **5.4 Activities Since the Date of the Notice of Meeting**

At the General Meeting of Shareholders held on 18 May 2009, Shareholders approved the necessary resolutions to give effect to the Recapitalisation.

Further information about the above resolutions and the Recapitalisation is set out in the notice of meeting as released to ASX on 17 April 2009.

On 22 May 2009, the Company announced that it had signed agreements to earn a 75% interest in EP 127 and EP 128 in the Georgina Basin in the Northern Territory.

At the same time, Baraka also announced that the Board had decided to relinquish the Company's interests in blocks Ta-11 and Ta-12 in the Taoudeni Basin in Mauritania.

The Georgina Basin is an underexplored region. Previous test wells drilled in the Georgina Basin have demonstrated oil shows and good quality source rocks, seals and reservoirs.

EP 127 and EP 128 cover approximately 7.4 million acres in the south-central part of the Northern Territory, to the south-east of Tennant Creek and the north-east of Alice Springs.

Under the terms of the farmin agreements, Baraka will be the operator of the joint venture over each of EP 127 and EP 128 and may earn 75% of the permits

by funding all costs of exploration on the permits in accordance with the terms of grant up to completion of an exploration well.

Further information about EP 127 and EP 128 and the farmin agreement is set out in the Company's announcement to ASX dated 22 May 2009.

## 6. PURPOSE AND EFFECT OF THE OFFER

### 6.1 Purpose of the Offer

The purpose of the Offer is to raise at least \$1,200,000 (before expenses). The proceeds of the Offer (assuming Minimum Subscription and Maximum Subscription) are planned to be used in accordance with the table set out below:

<b>Use of Funds</b>	<b>Minimum Subscription \$</b>	<b>Maximum Subscription \$</b>
Proceeds of the Offer	1,200,000	2,000,000
Expenses of the Offer	(98,160)	(148,160)
Cash at 30 April 2009	40,191	40,191
<b>Total Funds Available</b>	<b>1,142,031</b>	<b>1,892,031</b>
Repay Loan from Cervantes*	50,000	50,000
EP 127 and EP 128 Exploration		
- JV Formation Expenses	20,000	20,000
- Surface Geochemical Survey	100,000	100,000
- Seismic Acquisition	500,000	500,000
- Drill First Well	-	500,000
Working Capital	472,031	722,031
<b>Total</b>	<b>1,142,031</b>	<b>1,892,031</b>

\*Only \$50,000 of this \$100,000 loan was drawn at 30 April 2009

Any proceeds raised from the Offer in excess of the Minimum Subscription amount will be allocated toward the ongoing exploration and evaluation of EP 127 and EP 128 and the working capital of the Company.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be 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 Minimum Subscription under the Offer is achieved (and no Options are exercised prior to the Closing Date), will be to:

1. increase the cash reserves by \$1,051,840 (after deducting the expenses of the Offer and repaying the Cervantes loan) immediately after completion of the Offer; and
2. increase the number of Shares on issue from 451,204,046 Shares as at the

date of this Prospectus to 1,139,204,046 Shares (including the Shares which are to be issued to other parties involved in the Recapitalisation).

### **6.3 Pro-Forma Consolidated Balance Sheet**

The unaudited Consolidated Balance Sheet as at 30 April 2009 and the unaudited Pro-Forma Consolidated Balance Sheets as at 30 April 2009 assuming Minimum Subscription and Maximum Subscription are shown on the next page.

The unaudited Pro-Forma Consolidated Balance Sheets as at 30 April 2009 have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to the Company's financial position as a result of the Offer at Minimum Subscription and Maximum Subscription and on the assumption that no Options are exercised prior to the Closing Date.

The balance sheets have 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.

		Actual - Unaudited	Pro Forma - Minimum Subscription	Pro Forma - Maximum Subscription
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	1	40,191	1,092,031	1,842,031
Prepayments		4,938	4,938	4,938
<b>TOTAL CURRENT ASSETS</b>		<u>45,129</u>	<u>1,096,969</u>	<u>1,846,969</u>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		37,537	37,537	37,537
Exploration & evaluation expenditure		-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>37,537</u>	<u>37,537</u>	<u>37,537</u>
<b>TOTAL ASSETS</b>		<u>82,666</u>	<u>1,134,506</u>	<u>1,884,506</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	2	73,312	23,312	23,312
<b>TOTAL CURRENT LIABILITIES</b>		<u>73,312</u>	<u>23,312</u>	<u>23,312</u>
<b>TOTAL LIABILITIES</b>		<u>73,312</u>	<u>23,312</u>	<u>23,312</u>
<b>NET ASSETS</b>		<u>9,354</u>	<u>1,111,194</u>	<u>1,861,194</u>
<b>EQUITY</b>				
Issued capital		46,557,236	47,757,236	48,557,236
Option Premium reserve		1,545,452	1,545,452	1,545,452
Accumulated Losses	3	(48,093,334)	(48,191,494)	(48,241,494)
<b>TOTAL EQUITY</b>		<u>9,354</u>	<u>1,111,194</u>	<u>1,861,194</u>

### Notes

1. Cash balances increase by the amount of cash raised at Minimum Subscription (\$1,200,000) less applicable costs (\$98,160) and repayment of the Cervantes loan (\$50,000). At Maximum Subscription, cash balances increase by the amount of cash raised at Maximum Subscription (\$2,000,000) less applicable costs (\$148,160) and repayment of the Cervantes loan (\$50,000).
2. Trade and other payables at 30 April 2009 includes \$50,000 payable to Cervantes. This is assumed to be repaid from the proceeds of the Offer.
3. Costs of the Offer are included in Accumulated Losses.

## 6.4 Effect on Capital Structure

The effect of the Offer (and the accompanying Recapitalisation) on the capital structure of the Company assuming Minimum Subscription and Maximum Subscription is set out below. The tables assume all Shares and Options are issued pursuant to the Recapitalisation and no Options are exercised prior to the Closing Date.

### Shares

	<b>Minimum Subscription (Number)</b>	<b>Maximum Subscription (Number)</b>
Shares currently on issue	451,204,046	451,204,046
Shares offered pursuant to the Offer	600,000,000	1,000,000,000
Shares issued pursuant to the Recapitalisation (excluding those offered under the Offer)	88,000,000	88,000,000
<b>Total Shares on issue after Recapitalisation</b>	<b>1,139,204,046</b>	<b>1,539,204,046</b>

### Options

	<b>Number</b>
Options exercisable at 25 cents each on or before 25/05/2009*	12,500,000
Options issued to Zurich pursuant to the Recapitalisation exercisable at 0.3 cents each on or before 30 June 2011	25,000,000
<b>Total Options on issue after Recapitalisation</b>	<b>37,500,000</b>

\*These options are due to expire prior to the Closing Date

The number of Options on issue after the Offer is completed will be the same at Minimum Subscription and Maximum Subscription.

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## **7. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued 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.

### ***General Meetings***

The ASX and each Shareholder and Director is entitled to receive notice of, and to attend, any general meeting of the Company. Two Shareholders must be present to constitute a quorum for a general meeting. The Company is obliged to convene and hold an annual general meeting.

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

### ***Voting Rights***

Subject to restrictions on voting from time to time affecting any class of shares in the Company, and any restrictions imposed by the Corporations Act, Shares in the Company carry the right to cast one vote on a show of hands and, on a poll, one vote for each fully paid Share held, and for each partly paid share held, a vote having the same proportionate value as the proportion to which the shares have been paid up. Voting may be in person or by proxy, attorney or representative.

### ***Dividend Rights***

If the Board determines that a dividend is payable, it will be paid on all shares proportionate to the total amount for the time being paid on each share. Such dividend payment is subject to the rights and restrictions on the holders of shares created or raised under any special dividend arrangements.

Subject to the ASX Listing Rules, the Board has the power to capitalise and distribute the whole or part of the undivided profits of the Company or standing to the credit of any reserve or other account and which is available for distribution. Such capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of dividend or in accordance with the terms of issue of any shares or terms of any plan for the issue of securities for the benefit of officers or employees.

The Board has the power to decide whether to pay Shareholders an interim dividend on account of the next forthcoming dividend. Any distribution may be paid otherwise than in cash as specified in the Constitution.

No dividend is payable except out of Company profits and no dividend or other monies paid in relation to a share will carry interest as against the Company.

### ***Winding-Up***

Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, any surplus must be divided among the members in the

proportions which the amount paid (including amounts credited) on the shares of a member is of the total amounts paid and payable (including amounts credited) on the shares of all members.

### ***Transfer of Shares***

Shares may be transferred in any manner required or permitted by the ASX Listing Rules or the ASTC Settlement Rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may only refuse to register a transfer of securities of the Company as permitted by the ASX Listing Rules or the ASTC Settlement Rules.

### ***Future Increase in Capital***

The allotment and 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.

### ***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.

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of Shareholders with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

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## **8. RISK FACTORS**

Potential investors in the Company should be aware that subscribing for shares involves a number of risks. The risk factors outlined in this Section and elsewhere in this Prospectus should be carefully considered by investors when evaluating an investment in the Company. In addition, investors should appreciate that the value of Shares on ASX may rise or fall depending on a range of factors beyond the control of the Company. This is especially the case with companies undertaking petroleum exploration activities.

Any of the factors set out in this Section or any other factors identified in this Prospectus may materially affect the financial performance of the Company and the market price of the Shares. To that extent the Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those Shares will trade on ASX.

The Directors consider that an investment in the Company should be considered speculative due to:

- (a) the recent volatility in the market price of publicly listed entities on world stock markets generally, and of petroleum exploration companies in particular; and
- (b) the speculative nature of petroleum exploration activities.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the Offer. The principal risk factors include, but are not limited to, the following:

### **8.1 Exploration and development risks**

Baraka's future value is materially dependent on the success or otherwise of its exploration activities, which are directed towards the search for, evaluation of and development of oil and gas reserves. Exploration for, and development of, oil and gas reserves is speculative and involves a significant degree of risk. Whilst the rewards can be substantial, there is no guarantee that exploration on Baraka's oil and gas permits or licenses will lead to commercial discovery or, if there is such a discovery, that Baraka will be able to develop the oil and/or gas reserves on an economic basis and produce such reserves as intended.

### **8.2 Failure to meet work obligations**

Unforeseen circumstances or circumstances beyond the control of the Company may cause delays to work programmes. This may lead to commitments to licensing authorities not being met on time. If the Company fails to renegotiate the timing of commitments in these circumstances, title may be revoked by the licensing authorities.

### **8.3 Risks of negative results of evaluations**

The oil and gas permits or licenses in which the Company has an interest are generally at an early stage of exploration. Negative results from initial analytical programmes may result in downgrading of the prospectivity of those permits or licenses. The areas may therefore be considered not to merit further

investment and the permits could be surrendered (subject to any necessary approval of the licensing authorities) prior to drilling of an exploratory well, or at subsequent stages.

#### **8.4 Management**

The success of the Company is largely dependent on the performance of its Directors and management staff. The loss of the services of these persons may have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can retain the services of its Directors, management staff or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects. Difficulties may also be experienced in certain jurisdictions in employing and retaining qualified personnel who are willing to work in such jurisdictions.

#### **8.5 Financing risks**

The further development of the Company's properties after the exploration activities that are to be funded by the proceeds of the Offer will depend upon the Company's ability to obtain further financing or through finding other means to develop such properties such as the farming-out of projects. There is no assurance that the Company will be successful in obtaining the required financing or farming-out its projects in the future as required.

#### **8.6 Valuations**

Neither the Company nor its Directors and officers make any representation in this Prospectus with regards to a valuation of any of the permits or licenses. Intending investors and their advisers should make their own assessment as to the value of the Company's permits or licenses.

#### **8.7 Contractual risks**

All agreements are subject to interpretation and some agreements are not binding. There is no guarantee that the Company will be able to enforce all its rights under its agreements or arrangements with third parties.

#### **8.8 Legal systems**

Some of the jurisdictions in which the Company has operated in the past and may operate in the future have less developed legal systems than more established economies, which may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

## **8.9 Uninsured risks**

The Company or other companies in the group may become subject to liabilities against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration activities.

## **8.10 Environmental and other regulatory requirements**

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before exploration and production activity can commence on any property, the Company must obtain regulatory approvals and there is no assurance that such approvals will be obtained. Although the Company believes the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development.

## **8.11 Economic and political risk**

Some of the Company's past operations, and projects that the Company may consider acquiring in the future, are in foreign jurisdictions where there may be a number of associated risks over which it will have no, or limited, control. These may include economic, social, or political instability or change (including coup d'etat), hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing and petroleum export licensing and export duties as well as government control over domestic oil and gas pricing.

## **8.12 Competition**

There is aggressive competition within the petroleum industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and production companies, many of which have greater financial resources than the Company, for the acquisition of properties, leases and other interests as well as for the recruitment and retention of qualified employees and other personnel. Such factors may result in the Company being unable to secure new exploration areas or recruit and retain key staff.

## **8.13 Commodity prices**

The market price of hydrocarbon products is volatile and cannot be controlled. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. Factors beyond the control of the Company may affect the marketability of any commodity discovered. Oil and gas prices have fluctuated widely in recent years. The marketability of oil and gas is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

#### **8.14 General economic climate**

General economic factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operations, business and profitability can be affected by these factors, which are beyond its control.

#### **8.15 Share market conditions**

There are general risks associated with any investment. The price of the Company's Shares will be subject to varied and often unpredictable influences on the market for equities in general and oil and gas exploration stocks in particular.

#### **8.16 Exchange rate risk**

The Company's capital expenditure, potential future hydrocarbon revenue (if any), ongoing expenditure and cash investments are sometimes denominated in overseas currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between the Australian dollar and overseas currencies as determined in international markets. Any movements in the Australian dollar relative to foreign currencies may have an adverse effect on the Company and its ability to fund its projects.

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## 9. ADDITIONAL INFORMATION

### 9.1 Continuous Disclosure Obligations and Documents Available for Inspection

The Company is listed on ASX and its Shares are enhanced disclosure securities.

The Company is a “disclosing entity” (as defined in Section 111AC 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.

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 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.

<b>Date</b>	<b>Description of Announcement</b>
22/05/2009	Baraka Signs Farmin Agreements over Georgina Basin Projects
18/05/2009	Results of General Meeting and Change of Board
18/05/2009	Final Directors' Interest Notice
18/05/2009	Initial Directors' Interest Notice
18/05/2009	JVG: JV Global to raise capital for expansion
18/05/2009	CVS: Cervantes provide Expansion Support for JV Global
29/04/2009	Quarterly Activities Report and Appendix 5B
17/04/2009	Notice of General Meeting/Proxy Form
06/04/2009	Agreements with Cervantes Completed
06/04/2009	CVS: Cervantes and Baraka Sign Off
17/03/2009	Half Yearly Report and Accounts
13/03/2009	Progress Report on Ta11 and Ta12 Mauritania
06/03/2009	Becoming a substantial holder
05/03/2009	BKP signs Loan Agreement and Mandate to raise capital
05/03/2009	CVS: Cervantes, Baraka and Zurich Securities join forces
05/02/2009	Mauritanian Government Proposal
30/01/2009	Quarterly Activities Report and Appendix 5B
06/01/2009	Appendix 3B
31/12/2008	Results of Meeting
03/12/2008	Notice of Annual General Meeting/Proxy Form
28/11/2008	Share Issue and Loan Funding
24/11/2008	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.

## 9.2 Material Contracts

### (a) Lead Manager Agreement

On or about 1 April 2009, Baraka appointed Zurich as the exclusive lead manager in relation to the Recapitalisation (which includes the Offer) (**Lead Manager Agreement**).

The Lead Manager Agreement provides for Zurich to assist Baraka on a best endeavours basis to complete an issue of Shares at a minimum issue price of 0.2 cents per Share to raise a minimum of \$1,200,000 and a maximum of \$2,000,000, or on terms as are otherwise required by ASX for the purposes of reinstating the Shares to Official Quotation on ASX.

Under the Lead Manager Agreement, Zurich will be entitled to a fee of 6% of the amount raised pursuant to the Offer. In addition, Baraka agrees to issue 25,000,000 Shares at a deemed issue price of 0.1 cents per Share and 25,000,000 free attaching Options to Zurich, subject to successful completion of the Offer.

The Lead Manager Agreement also provides that Zurich may appoint two directors to the Board of Baraka. Shareholders approved the appointment of Mr Collin Vost and Mr Barry MacKinnon to the Board on 18 May 2009.

### (b) Loan Agreement and Deed of Charge

On or about 1 April 2009, Baraka entered into a Loan Agreement with Cervantes whereby Cervantes agreed to advance up to \$100,000 to Baraka as an interest free loan repayable 6 months after draw down (**Loan Agreement**).

Under the Loan Agreement with Cervantes, if Baraka does not repay the \$100,000 loan within 6 months, penalty interest will be charged at 12% per annum thereafter.

Baraka also agrees to issue 25,000,000 Shares at a deemed issue price of 0.1 cents per Share to Cervantes as consideration for:

- (i) providing the loan to Baraka; and
- (ii) assistance in promoting the Offer to its shareholders.

Simultaneous with the Loan Agreement, Baraka executed a Deed of Charge in favour of Cervantes creating a floating charge over all of the assets of Baraka to secure the loan provided by Cervantes under the Loan Agreement. This Deed of Charge contains provisions that are usual for a charge of this type.

### (c) Option and Share Sale Agreement

On or about 1 April 2009, Zurich and Mr Max de Vietri, the former Chairman of Baraka, signed an Option and Share Sale Agreement whereby Zurich acquired an option over 25,000,000 existing Shares held by Mr de Vietri at an exercise price of 0.2 cents per Share.

This option to acquire the Shares held by Mr de Vietri is exercisable within a 6 month period immediately following Baraka's reinstatement to official quotation on ASX.

(d) Farmin and Assignment Agreements

On or about 21 May 2009, Baraka signed two Farmin and Assignment Agreements with Northern Territory Oil Limited (**NT Oil**) that provide for Baraka to earn 75% of EP 127 and EP 128 in the Georgina Basin in the Northern Territory.

Under the agreements, Baraka must pay to NT Oil a non-refundable deposit of \$5,000 on signing each agreement.

The agreements provide that NT Oil grants to Baraka the right to maintain the 75% interest in each of EP 127 and EP 128 by funding 100% of the cost of exploration on the permits up to the completion of an exploration well. Funding thereafter will be in accordance with each party's respective interests in each permit.

Subject to consent of the Minister, Baraka will be the operator of each permit under the terms of the agreements.

Either party may withdraw from the permit joint venture at any time by notice in writing to the other party, in which case that party shall have no further rights in the permit and shall assign its interest in the permit to the non-withdrawing party.

The agreements are subject to Baraka's Shares being reinstated to quotation on the ASX within three months of the execution date. The agreements are also subject to NT Oil and Baraka executing a joint operating agreement on standard terms covering the joint venture on each of EP 127 and EP 128 and the parties obtaining all necessary governmental consents and approvals to the transaction, including the consent of the Minister.

### 9.3 Directors' Profiles

#### Mr Barry MacKinnon

Mr MacKinnon has a Bachelor of Economics, is a Fellow of the Australian Society of Certified Practising Accountants and is currently the Chairman of Cervantes. Mr MacKinnon has a wide range of experience in corporate finance and business management. He is currently also a director of Ausrecord Pty Ltd, a document management company.

#### Mr Collin Vost

Mr Vost holds a Diploma of Financial Services and is currently the Managing Director of Cervantes and Zurich. Mr Vost has been involved in public companies for the past 20 years and has served on the Board of several companies as well as being involved in the securities dealing business since 2001.

#### Mr Anthony Veitch

Mr Veitch has a Bachelor of Commerce and a Master of Business Administration. He is currently an Executive Director of Citadel Capital Pty Ltd, an investment and advisory business based in Perth. Prior to founding Citadel Capital Pty Ltd,

he worked with the Australian Securities Exchange, the London Stock Exchange and as a consultant to listed and private companies.

#### 9.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors' relevant interests in securities of the Company at the date of this Prospectus and total Directors' remuneration for the two previous financial years are set out below:

Name	Shares*	Total Remuneration (\$) 2008	Total Remuneration (\$) 2009 Year to Date
Mr Collin Vost	25,000,000	Nil - appointed 18 May 2009	Nil - appointed 18 May 2009
Mr Anthony Veitch	nil	\$43,762	\$25,500
Mr Barry MacKinnon	nil	Nil - appointed 18 May 2009	Nil - appointed 18 May 2009

\*On 18 May 2009, Shareholders of the Company approved the issue of 5,000,000 Shares at a deemed issue price of 0.1 cents per Share to each of Mr Barry MacKinnon, Mr Collin Vost and Mr Anthony Veitch and otherwise on the terms set out in the Notice of Meeting released to ASX on 17 April 2009.

Zurich Securities Pty Ltd, a company of which Mr Collin Vost is a director and shareholder, has been appointed as exclusive Lead Manager in relation to the Offer and will be entitled to a fee of 6% of the amount raised pursuant to the Offer. In addition, Baraka has agreed to issue 25,000,000 Shares at a deemed issue price of 0.1 cents per Share and 25,000,000 free attaching Options to Zurich, subject to successful completion of the Offer.

Cervantes Corporation Limited, a company of which Mr Collin Vost and Mr Barry MacKinnon are directors, has agreed to advance up to \$100,000 to Baraka as an interest free loan repayable 6 months after draw down on the terms set out elsewhere in this Prospectus. Baraka has agreed to issue 25,000,000 Shares at a deemed issue price of 0.1 cents per Share to Cervantes as consideration for

providing the loan to Baraka and assistance in promoting the Offer to its shareholders.

Citadel Capital Pty Ltd, a company of which Mr Anthony Veitch is a director and shareholder, will be paid an amount of \$6,930 (inclusive of GST) for corporate advisory services to Baraka prior to the lodgement of this Prospectus.

Citadel Capital was also paid an amount of \$625 (inclusive of GST) for corporate advisory services for the year ended 30 June 2008.

Ardath Investments Pty Ltd, a company of which Mr Anthony Veitch is a director and shareholder, was paid a total amount of \$5,381 (inclusive of GST) for corporate advisory services for the year ended 30 June 2008.

The Constitution of the Company provides that the non-executive directors may be paid for their services as directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the directors and in default of agreement then in equal shares. The Company paid to the directors a total of \$992,100 for the year ended 30 June 2007 and \$835,400 for the year ended 30 June 2008. In addition to the above, the directors have been paid fees totalling \$105,814 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

## **9.5 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other 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, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer.

Steinepreis Paganin acted as solicitors to the Company in respect of this Prospectus. Steinepreis Paganin will be paid approximately \$10,000 (excluding GST) for services in relation to this Prospectus. In the past two years, Steinepreis Paganin has been paid \$34,184 by the Company.

Zurich Securities Pty Ltd is acting as Lead Manager in respect of this Prospectus. Zurich Securities Pty Ltd will be paid approximately \$120,000 (excluding GST) (assuming the Offer is fully subscribed) for services in relation to this Prospectus. In the past two years, the Company has not paid any amounts to Zurich Securities Pty Ltd.

## 9.6 Consents

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; and
- (b) 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.

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.

Zurich Securities Pty Ltd has given its written consent to being named as the Lead Manager for the Offer in this Prospectus. Zurich Securities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 9.7 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.

## 9.8 Estimated Expenses of Offer

The estimated expenses of the Offer at Minimum Subscription and Maximum Subscription are as follows:

<b>Use of Funds</b>	<b>Minimum Subscription</b> \$	<b>Maximum Subscription</b> \$
ASIC fees	2,010	2,010
ASX fees	4,650	6,650
Legal expenses	10,000	10,000
Brokerage	72,000	120,000
Printing and other expenses	9,500	9,500
<b>Total</b>	<b>98,160</b>	<b>148,160</b>

## 9.9 Market Price of Shares

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

The Company's Shares have been suspended from trading on ASX since 30 April 2008.

The latest available closing sale price of the Company's Shares on ASX prior to the suspension of the Company's Shares was \$0.03 on 28 April 2008.

#### **9.10 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Shares. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Shares in the Company.

#### **9.11 Electronic Prospectus**

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

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 (08) 9486 7001 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.barakapetroleum.com](http://www.barakapetroleum.com) or from the website of Zurich Securities Pty Ltd, the Lead Manager, at [www.zurichsecurities.com.au](http://www.zurichsecurities.com.au).

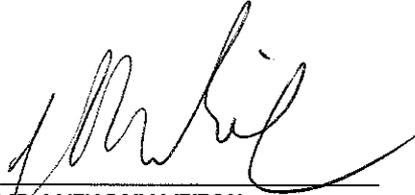
The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or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

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**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.

A handwritten signature in black ink, appearing to read 'A. Veitch', written over a horizontal line.

**MR ANTHONY VEITCH**  
**Signed for and on behalf of**  
**BARAKA PETROLEUM LIMITED**

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## 11. DEFINITIONS

**\$** means Australian dollars.

**Applicant** means an investor who applies for Shares pursuant to the Offer.

**Application Form** means an application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC Settlement Rules** means the settlement rules of the securities clearing house which operates CHESS.

**ASX** means ASX Limited (ACN 008 624 691).

**ASX Listing Rules** means the Listing Rules of the ASX.

**Baraka** means Baraka Petroleum Limited (ACN 112 893 491).

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

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Cervantes** means Cervantes Corporation Limited (ACN 097 982 235).

**Closing Date** means the date specified in Section 1 (unless extended or closed earlier).

**Company** means Baraka Petroleum 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.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**General Meeting** means the meeting of Shareholders held on 18 May 2009 to seek approval for the Resolutions including the issue of the Shares under the Offer.

**Notice of Meeting** means the notice in respect of the General Meeting dated 16 April 2009 and released to ASX on 17 April 2009.

**Offer** means the offer of up to 1,000,000,000 Shares at an issue price of 0.2 cents per Share to raise up to \$2,000,000.

**Offer Period** means the time period between the date of lodgement of this Prospectus and the Closing Date, as that date is determined by the Directors.

**Official Quotation** means official quotation on ASX.

**Option** means the new options to be issued by the Company exercisable at 0.3 cents per Share on or before 30 June 2011 on the terms and conditions set out in Attachment A of the notice convening the General Meeting.

**Prospectus** means this prospectus.

**Recapitalisation** means the proposed recapitalisation of Baraka and re-quotations of Baraka Shares on the ASX as announced to ASX on 5 March 2009, which includes the Offer, and as approved by Shareholders at the General Meeting.

**Resolutions** means the resolutions approved by Shareholders at the General Meeting mentioned in section 5.3.

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

**Shareholder** means a shareholder of the Company.

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

**Zurich** means Zurich Securities Pty Ltd (ACN 111 049 800).



## GUIDE TO THE APPLICATION FORM

If an applicant has any questions on how to complete this Application Form, please telephone the Company Secretary Mr James Moran on (08) 9486 7001 or Mr Collin Vost at Zurich Securities Pty Ltd on (08) 9363 1700.

### A. Application for Shares

The Application Form must only be completed in accordance with the instructions included in the Prospectus.

### B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

### C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

### D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

### E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

### F. CHES HIN or existing SRN Details

The Company proposes to participate in CHES. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHES HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

### G. Cheque Details

Make cheques payable to "Baraka Petroleum Limited – Share Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

### H. Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for the Shares; and
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J.A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert Williams & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund