Baraka Petroleum Limited

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31 October 2008

QUARTERLY ACTIVITIES REPORT

Period Ended 30 September 2008

HIGHLIGHTS

- Successful end of Voluntary Administration
- Completion of withdrawal from La Punta and Chicuaco joint ventures

End of Voluntary Administration

At a reconvened meeting of creditors of Baraka Petroleum Limited ("Baraka" or the "Company") held on 31 July 2008, creditors passed a resolution terminating the Voluntary Administration and returning control of the Company to the Board.

All creditors of the Company were paid in full.

With the end of the Voluntary Administration, Dr Mark Fenton resigned as a Director and Chief Executive Officer and Mr Ricardo Garzón joined the Board of Directors to fill the vacancy created.

La Punta Oilfield, Colombia

On 21 July, the Company entered into a settlement agreement with the La Punta joint venture partners. Under this agreement, the Company has withdrawn from the La Punta joint venture in return for a release from all its obligations and liabilities in respect of the project.

Chicuaco Exploration Block, Colombia

During the quarter, the Company signed an Assignment Agreement with the Chicuaco Joint Venture partners releasing Baraka from all its current and future obligations and liabilities in respect of the joint venture in return for assigning its 20% interest in the joint venture to the joint venture partners.

Mauritania Blocks Ta-11 and Ta-12

During the quarter, the operator of blocks Ta-11 and Ta-12, PC Mauritania I Pty Ltd, a wholly-owned subsidiary of Petronas, continued further technical assessment of the blocks. The initial 3 year exploration term is due to be renewed for blocks Ta-11 and Ta-12 and the 2009 budget and 3 year work programme is due to be submitted to the Mauritanian government shortly.

Corporate

The Board is committed to seeking reinstatement to trading and restoring shareholder value at the earliest opportunity. The Company has continued work towards completing a recapitalisation of the Company, which will be put to shareholders at the appropriate time.

The Company's Appendix 5B for the September quarter is attached.

-ends-

For further information, please contact:
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Chairman
Baraka Petroleum Limited
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Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

BARAKA PETROLEUM LIMITED

ABN	Quarter ended ("current quarter")
80 112 893 491	30 September 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A	Year to date (3 months) $A
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(146,093)	(146,093)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(582,336)	(582,336)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5,754	5,754
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(722,675)	(722,675)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	173,812	173,812
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other	-	-
	Net investing cash flows	173,812	173,812
1.13	Total operating and investing cash flows (carried forward)	(548,863)	(548,863)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(548,863)	(548,863)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(548,863)	(548,863)
1.20	Cash at beginning of quarter/year to date	657,712	657,712
1.21	Exchange rate adjustments to item 1.20	10,311	10,311
1.22	**Cash at end of quarter**	**119,160**	**119,160**

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

		Current quarter $A
1.23	Aggregate amount of payments to the parties included in item 1.2	21,535
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

a) Administrative costs and consultancy fees payable to company related to a director: 18,545
b) Office premises rent paid to a company related to a director 2,990

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A	Amount used $A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A
4.1	Exploration and evaluation	-
4.2	Development	-
	Total	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A	Previous quarter $A
5.1	Cash on hand and at bank	119,160	119,160
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	119,160	119,160

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities**				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	379,765,046	379,765,046		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities**				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	Directors 25 cent BKPAO	8,000,000	-	$0.25	25/05/2009
	Contractors 25 cent BKPAS	4,500,000	-	$0.25	25/05/2009
	Employee 25 cent BKPAY	1,250,000	-	$0.25	25/05/2009
	Contractor 25 cent BKPAC	500,000	-	$0.25	01/11/2009
	Contractor 25 cent BKPAD	1,250,000	-	$0.25	01/05/2010
	Contractors 20 cent BKPAI	400,000	-	$0.20	31/10/2008
	Contractors 25 cent BKPAK	400,000	-	$0.25	31/10/2010
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
	Employee 20 cent BKPAZ	75,000		$0.20	10/08/2008
	Employee 20 cent BKPAW	50,000		$0.20	01/07/2008
	Prospectus Issue BKPO	25,327,650	25,327,650	$0.25	30/09/2008
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

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

Sign here: .... Date: 31 October 2008
Company Secretary

Print name: J. R MORAN

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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