



/dealbook
Debrief with
Challenger's Bob Sahota

/resources
Political skirmish s
rare earths frenzy

Peak scales new heights through Raisama merger

The \$100 million float of exploration play Peak Oil & Gas will be pulled after the company struck a deal to merge with listed uranium explorer Raisama.

Peak, which had been looking to raise \$55 million for its south-east Asian energy projects, will effectively be acquired by Raisama in a deal that will offer a quicker and – importantly – a more certain path to a stock exchange listing.

The 160 or so existing shareholders in Peak will become key shareholders in Raisama, which will issue about 170 million new shares to buy Peak.

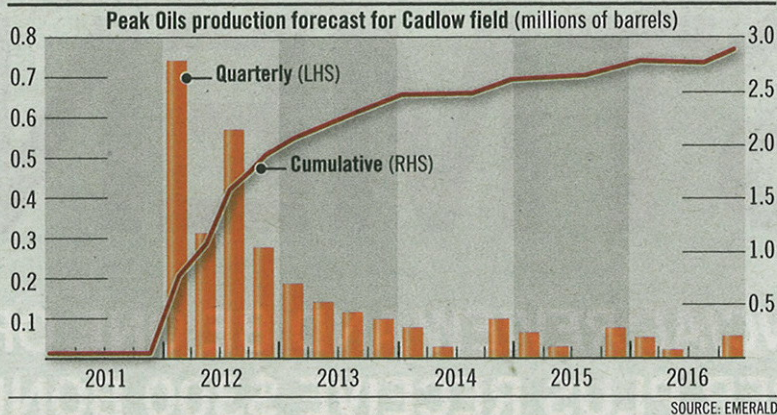
Combined with Raisama's existing 82.5 million shares on issue, and based on Raisama's last share price of 20¢, the enlarged company will be capitalised at around \$50 million.

Raisama's uranium exploration efforts have stalled in recent months, with native title issues putting the brakes on the company's programs.

But it does have around \$12.5 million in cash, more than enough to cover Peak's short-term exploration and development costs.

Peak, which had been working with Macquarie on the initial public offering, needs to spend about \$3.5 million to get

Feeling peaky



its flagship Cadlao field in the Philippines to a final investment decision by March next year. Cadlao is expected to come into production by the end of 2011.

While the company had previously looked to spend upwards of \$50 million in its first two years, Peak is likely to park some of its less advanced prospects.

The board of the enlarged Raisama will be overhauled, with managing director David Berrie becoming executive chairman. Peak managing director Jeff Steketee will assume the same role at Raisama, while his Peak colleague Jim Durrant and Raisama non-executive director Marcello de Angelis will become technical directors.

With uncertainty around the IPO

market, the merger with Raisama will allow Peak to test equity markets again when conditions allow.

Equity raisings will also be on the board for Nexus Energy following yesterday's all-important deal over the Crux liquids project in Western Australia.

Nexus chief Richard Cottee wants to cover about 40 per cent of the project's development costs via an equity raising. Before that, the company will look to introduce a new partner to the project.

Crux is set to attract plenty of interest, with Chinese, Indian and Thai national oil companies likely to look closely. International mid-tiers Talisman Energy, Murphy Oil and Husky Energy have also been mentioned as potential partners for Nexus.