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**BP BACKS CADLAO REDEVELOPMENT PROJECT
WITH
MARKETING AGREEMENT AND USD 35m WORKING CAPITAL FACILITY**

Raisama Limited (ASX:RAI) (**Raisama** or the **Company**) is pleased to announce it has reached an agreement with BP through its subsidiary BP Singapore Pte Ltd (**BP**) to provide financial support and key services for the Company's flagship Cadlao Redevelopment Project including:

- **A working capital facility of circa USD 35m, and**
- **Exclusive crude marketing / offtake services**

BP has entered into an agreement for crude marketing from oil produced by the Cadlao Project together with marketing support for Raisama's wider portfolio.

Under the agreement, BP will also advance Raisama the full amount of oil sales revenue for its maiden cargo of up to 350,000 bbl of oil as it is produced into the floating storage facility. At prevailing oil prices this represents an advance of approximately USD 35m which will be used to continue drilling and offshore operations to complete the Cadlao development.

Under the fiscal terms relating to the Cadlao Project, the Cadlao JV is entitled to 100% of the proceeds from the initial 600,000 bbl produced from the Cadlao field. As such, this working capital facility enables Raisama to immediately reach positive cash flow.

In reaching agreement with Raisama, BP Singapore's Director of Business Development Michael Hart said "we are very pleased to have established a relationship with Raisama and to be marketing Cadlao production. The approach taken by Raisama to develop Cadlao and its efforts thus far bode well for success".

Raisama's Managing Director, Jeff Steketee, commented "Raisama is delighted to have BP supporting the Company's flagship Cadlao Project. The involvement of a major oil company of BP's calibre in the provision of marketing services and a working capital facility for Cadlao is an endorsement of the Project's fundamentals and a testament to the professionalism of our project management team led by Technical Director, Jim Durrant. This coupled with the USD 30m debt facility announced last week will ensure Cadlao is fully funded beyond first oil thus allowing the Company to take advantage of the significant production cashflows generated by the Project and importantly keep existing shareholder dilution to a minimum."

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Cadlao Redevelopment Project

The offshore Cadlao oil field, located approximately 400km southwest of the city of Manila and 40 km off the northwest coast of Palawan Island, was discovered in 1977 by Amoco. The Cadlao reservoir is a Nido Limestone, pinnacle reef structure, underpinned by a large aquifer. The field was developed in 1981, as the first ever subsea well / FPSO development and produced about 11 mmbbl of 47° API oil from two naturally flowing subsea wells, until production was abandoned in 1991 due to a confluence of high operating costs and low oil prices. 3D seismic was subsequently acquired over the Cadlao field and demonstrated the existence of large volumes of attic oil remaining in the reservoir.

Two separate independent expert's reports were commissioned to certify this remaining oil, both yielding remaining reserves of around 6 mmbbls – 2P (most likely) and 4 mmbbls - 1P (proven). An important feature of the Project is that it possesses a very low development risk due to its demonstrated production history. This differentiates the Project from new developments which are based on appraisal drilling results, rather than a confirmed production history which has been accurately matched to a reservoir model to predict future production.

The Cadlao Redevelopment Project seeks to fulfil a number of key objectives as follows:

1. Extract the remaining reserves within the Cadlao oil field on the lowest risk, most economic basis.
2. Utilise the Cadlao facilities as a regional hub for the production of nearby accumulations within tie-back distance.
3. Create a track record for Raisama in the successful development of small fields which can be leveraged throughout the region.

Economics for the Cadlao Redevelopment Project are compelling based on remaining reserves alone. In addition, the existence of nearby discoveries and low-risk prospects allows the project economics for the regional hub to be further enhanced. The Cadlao JV partners have farmed into the surrounding Bonita permit which contains the Bonita discovery (2 – 3 mmbbl) and Cadlao-East prospect (up to 5 mmbbl).

Cadlao-East straddles the Bonita / Cadlao boundary only 3 km from the Cadlao development and will be unitised. This prospect looks very similar to Cadlao on seismic and could be drilled from the Cadlao facilities. Bonita is approximately 15km away from Cadlao and may be tied back via subsea pipeline.

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