



16 September 2011

ARRANGEMENT OF USD 30 MILLION DEBT FUNDING FOR CADLAO

- **Terms agreed for USD 30 million in debt finance arranged through senior Philippines based financier**
- **Possibility of a further \$70 million facility**
- **Secures full funding for Cadlao re-development**
- **Development remains on track for first oil in Q1 2012**

Financing

The Board of Raisama Limited (ASX:RAI) ("Raisama" or "the Company") is pleased to announce that the Company has agreed terms for financing arrangements through DG Consulting (Management & Services), a Philippines based group associated with Mr. Michael C. U. de Guzman, for the debt funding of the Cadlao re-development project ("the Cadlao Redevelopment Project"). Mr de Guzman is a senior business leader both in the Philippines and also internationally and has a well-established track record for recognising and funding projects that produce outstanding returns to investors.

DG Consulting and Raisama have agreed terms for the provision of USD 30m of project debt to be sourced through Legavi Holdings Inc (**Legavi**), a Philippines based corporate investment organisation associated with Hong Kong and European Fund Placements/Investors. Negotiated terms for the debt are very favourable to Raisama including a two (2) year term, 15% coupon and no penalty for early repayment.

Whilst the significant cashflow associated with Cadlao enables Raisama to rapidly pay down this debt facility, two-thirds of all interest payments and funding charges are, in any event, recoverable from production revenue under the fiscal terms relating to the Cadlao Redevelopment Project. The debt facility will be secured against Raisama's interest in the Cadlao Redevelopment Project and is subject to formal documentation and third party approvals.

Raisama will grant up to 30m options (at a strike price of \$0.20) over Raisama shares to Legavi Capital Inc. and pay an arrangement fee to DG Consulting consistent with market rates for finance of this nature.

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The addition of this attractive facility to the Company's existing funding mix increases Raisama's current total facilities to USD 50 million comprising this project facility and the previously announced GEM facility (refer to RAI announcement dated 12 April 2011) which significantly exceeds the Company's capital requirements (including a generous contingency) right through to First Oil production revenue from the Cadlao Redevelopment Project. Legavi has also expressed interest in providing an additional facility of USD 70 million, taking the total credit facility to USD 100 million. This additional capital could be used by Raisama to accelerate its portfolio development throughout the region.

The Executive Chairman of Raisama, Mr David Berrie, said "This is one of the most important milestones for the Cadlao Redevelopment Project. It now paves the way for Raisama and its JV partners to reach a Final Investment Decision which will, upon First Oil, transform Raisama from an explorer to a producer providing the Company with an enviable cashflow stream.

The ability to access additional debt funding through Legavi will enable Raisama to accelerate its growth strategy and fulfill the Board's vision of positioning Raisama as a leading upstream oil and gas company in the region."

Cadlao Redevelopment Project

The Cadlao offshore 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 fulfill 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; however the existence of nearby discoveries and low-risk prospects provides a multiplier effect. 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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