

# BP adds clout to Raisama project

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ANGELA MACDONALD-SMITH

Junior explorer Raisama has scored a coup by signing oil major BP to exclusively market crude from its flagship oil project in the Philippines, as well as pay in advance for the first cargo.

The deal, worth about \$US35 million, together with an agreement last week on \$US30 million of debt financing, sets up Raisama and its partners for a go-ahead within weeks for the \$US25 million Cadlao venture.

It will also enable the Perth-based company to immediately drill more wells and complete the development, rather than wait until the oil is sold.

"As the oil flows into the tank, BP has agreed to pay us for it, that means we can keep drilling as we're producing so the project gets developed properly," executive chairman David Berrie said.

Raisama shares rose 15 per cent to 15¢ yesterday.

It picked up the small but potentially profitable project in the Palawan Basin through a reverse takeover of Peak Oil & Gas in November.

Cadlao, targeting 6 million barrels of oil, is expected to have a payback period of only two months, with gross cash flows forecast to reach \$US330 million.

But the funding through debt and forward sales leaves little leeway if things don't run to plan, increasing the risk, Patersons Securities says.

The \$US35 million represents the estimated value of the maiden cargo of up to 350,000 barrels of oil. Output is due to start in the first quarter of 2012.

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**\$0.150** **\$0.00** **(0.00%)**

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5 Year 1 Day



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Oil & gas and uranium exploration and

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<http://www.raisama.com.au>

Oil, Gas & Consumable Fuels (101020)

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