



11 May 2012

CADLAO UPDATE

On 9 May 2012, Peak Oil & Gas Philippines Limited ("Peak"), a wholly-owned subsidiary of Raisama Energy Limited (ASX:RAI) ("Raisama or Company"), received a notice ("May Notice") from Blade Petroleum (Philippines) Limited ("Blade"), its co-venturer on the Cadlao Project, purporting to terminate the Cadlao Farm-in Agreement ("Agreement") executed on 23 December 2010 between Peak and Blade.

As announced on 2 March 2011, Blade has previously served a notice under the Agreement requiring Peak to demonstrate that funding for the Cadlao Project would be available by no later than 26 June 2012 ("Funding Date"). On 28 March 2012, in full compliance with the prescribed contractual process, Peak issued a notice outlining its funding sources for the Cadlao Project, which includes the Facility described below.

The May Notice issued by Blade purports to reject the Peak Notice on the basis that Blade is not satisfied as to the availability of funding for the Cadlao Project. Blade is required to act reasonably in this regard. The May Notice further purports to terminate the Agreement and to exercise a termination remedy under the Agreement for the acquisition of Peak's 25% interest in the Cadlao Project in consideration for a payment to Peak of AUD6,625,487 (in accordance with a prescribed formula).

Peak has, through its lawyers, notified Blade that its purported termination of the Agreement is invalid and ineffective. Peak has expressly reserved all of its rights against Blade in relation to the May Notice and the Agreement generally, including in relation to the seeking of damages from Blade for its conduct.

Funding Update

Legavi Holdings Inc ("Legavi"), the arranger of the Company's debt finance facility ("Facility") has confirmed that funds are fully committed and, although it is experiencing transactional delays, Raisama will be able to draw upon the Facility by the Funding Date. Raisama expects the Facility to fully meet the Company's funding obligations under the Agreement.

Given the delay in drawdown access, Raisama has considered alternative sources of funds as a potential back up to the Legavi Facility. Raisama is engaged in negotiations with several parties for the provision of alternative funds and it is the Company's view that one or more will be completed by the Funding Date.

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