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# OIL & GAS

# INVESTOR PRESENTATION

## *An emerging oil producer…*

*February 2012*

**ASX: RAI**

www.raisama.com.au

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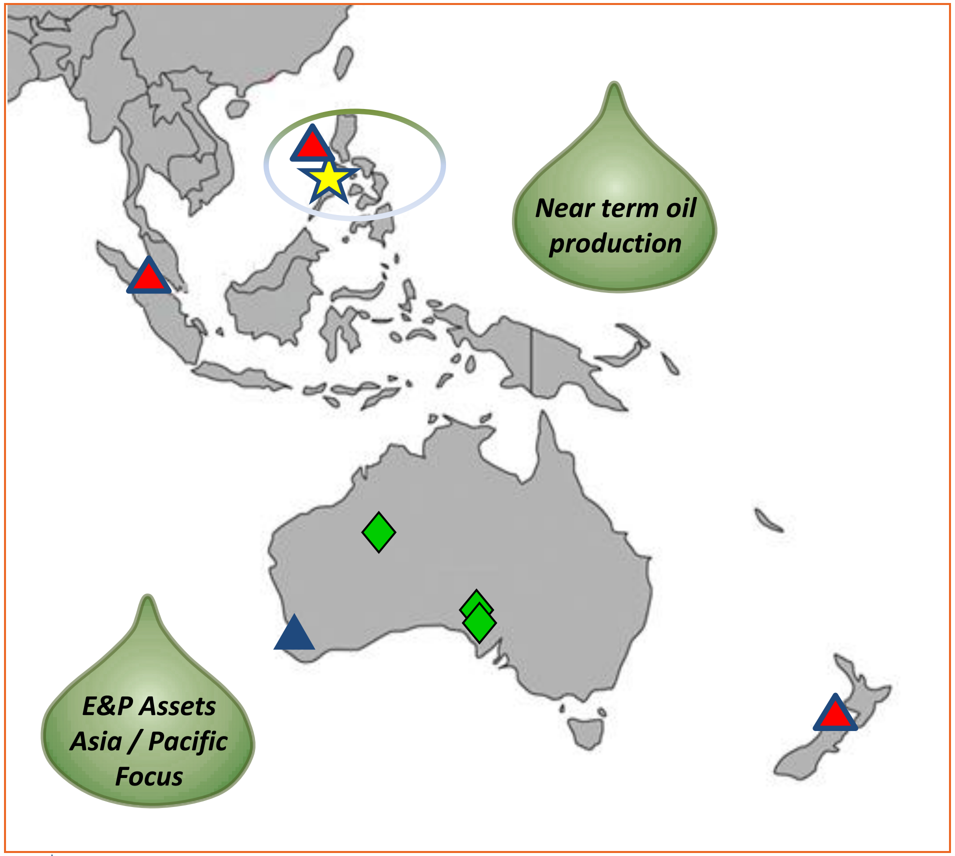
# Company Overview

| | |
|---|---|
| Trading Symbol | ASX: RAI |
| Ordinary Shares | 260.1 million |
| Unlisted Options | 54.4 million |
| Number of Shareholders | Approx. 750 |
| Top 20 Shareholders | 68% |
| Cash at 31 Dec 2011 | $ 2.3 million |
| Recent Share Price | $0.12 |
| Market Capitalization | $31 million |




**Head Office**
Perth, Western Australia

**Exploration – Uranium**
Sunday Creek (100%, Operator)
Lambina (100%, Operator)
Mt Alice (100%, Operator)

**Development – Oil & Gas**
Cadlao – SC6C (50% Operator, Philippines)

**Exploration – Oil & Gas**
Bonita – SC6B (32.2% Operator, Philippines)
South Block A (38.25% Operator, Indonesia)
PEP 51311 (10%, New Zealand)

# Investment Highlights

- ## Focused Asia/Pacific Oil & Gas company
  - Focus on proven regional plays with access to local markets and infrastructure
  - Material, operated positions with near-term development potential
  - Competitive advantage through in country relationships, data & knowledge
- ## Near term visibility to cash flow
  - Targeting 1$^{st}$ Cadlao oil 4Q 2012
  - 2 month project payback
  - Gross project cashflows over $300 million in 1$^{st}$ 12 months production
  - Cost effective shallow water development – simple & proven
  - Leveraged to Tapis oil price – circa 25% premium to WTI
- ## Value proposition compelling
  - 2P reserves 6.0mmbbl (Independently certified)
  - Cadlao project NPV US$136 million
  - Current RAI enterprise value around $30 million
- ## Significant Acreage and Drilling Inventory with substantial upside potential
  - Tie back opportunities to Cadlao to prolong project life
  - High impact exploration drilling will target over 50 mmbbl of prospective resources net to Raisama
  - Acreage surrounded by existing producing fields and supported by existing infrastructure
- ## Experienced management and board
  - Strong management team and Board with substantial oil & gas experience
  - Board/management hold >30% equity

# Board & Management

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## David Berrie – Non-Executive Chairman

- 25 years in the resources sector
- Over 18 years at senior level with Western Mining Petroleum & Minerals divisions
- Previously director of Fusion Resources and Summit Resources

## Jeff Steketee – Managing Director

- 25 years upstream experience
- Senior roles with Halliburton and Unocal in Asia
- Previously managed private equity portfolio focused on energy and minerals

## Jim Durrant – Technical Director

- Over 30 years upstream experience
- Senior roles with Delhi Petroleum and Western Mining Corp
- Co-founded Strike Oil, led team responsible for Casino gas field discovery

## Matthew Howison – Non Executive Director

- Lawyer and investment banker with over 20 years experience as an adviser in relation to M&A and capital raisings
- Held senior positions at Rothschild Australia, Turnbull & Partners, Goldman Sachs and Salomon Smith Barney

# Key Assets

| Project | WI | Location | Net Reserves | Net Prospective Resources |
|---|---|---|---|---|
| Cadlao SC6 - Oilfield redevelopment | 50% | Philippines | 3.0 mmbbl | |
| Bonita SC6B – Cadlao tie-backs | 32.2% | Philippines | | 1.5 mmbbl |
| South Block A – Growth block | 38.25% | Indonesia | | 325 mmbbl<br>575 bcf |
| PEP 51311 – High impact exploration | 10% | New Zealand | | 38 mmbbl |
| **Totals** | | | **3.0 mmbbl** | **365 mmbbl**<br>**575 bcf** |

# Undervalued Opportunity

**Independent Expert Valuation on Cadlao Project alone**

**Gaffney Cline Valuation* (Net RAI Cadlao only): $90.9 million**

**Current Raisama Enterprise Value: $30.0 million**

**Leverage Potential from Cadlao Project: 300%**

**(with no value consideration of other projects)**

* **Source:** Gaffney, Cline & Associates (GCA): Independent Expert Valuation ($NPV_{10}$ / US$97 bbl - January 2011)

**Attractive valuation with significant upside potential at Cadlao**

# Key Milestones

| Development | Timing |
|---|---|
| ★ Cadlao Project FID | 1Q 2012 |
| ★ Cadlao Development Drilling | 4Q 2012 |
| ★ Cadlao 1st Oil | 4Q 2012 |

| Exploration | Timing |
|---|---|
| ★ PEP 513111 – New Zealand (1 well) | 2H 2012 |
| ★ South Block A - Indonesia (1+ wells) | 2H 2012 |
| ★ Cadlao Tie-backs – Philippines (up to 2 wells) | 1H 2013 |

**Note:** This schedule is subject to modification depending on results.

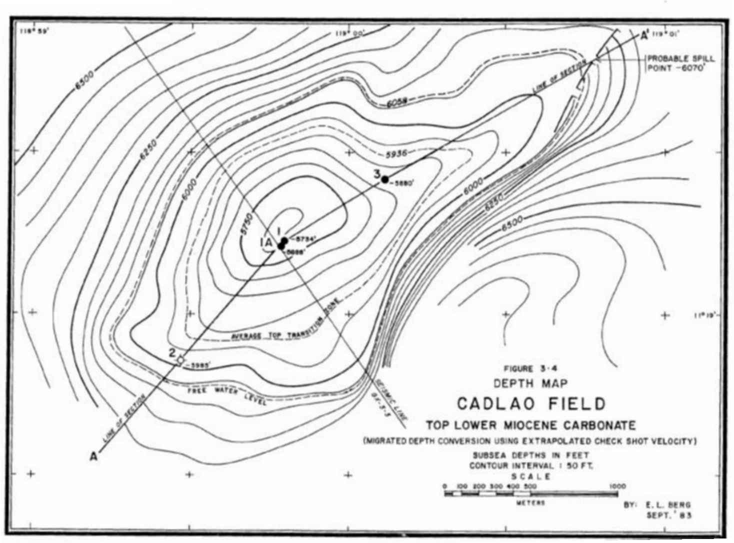
# Oil & Gas Projects

# Cadlao Oilfield

## Cadlao Oil Field:

- Discovered by AMOCO 1977
- Produced 11.1 MMbbls 1981-1991
- Regional Spec. 3D Seismic Survey acquired by Western Geco 1996
- Identified additional 2P reserves of 6 MMbbls (Gaffney Cline & Assoc.) Up-dip from producing wells mapped on 3D Seismic Data

# Cadlao proven producing oilfield mapped on 3D Seismic up-dip from producing wells

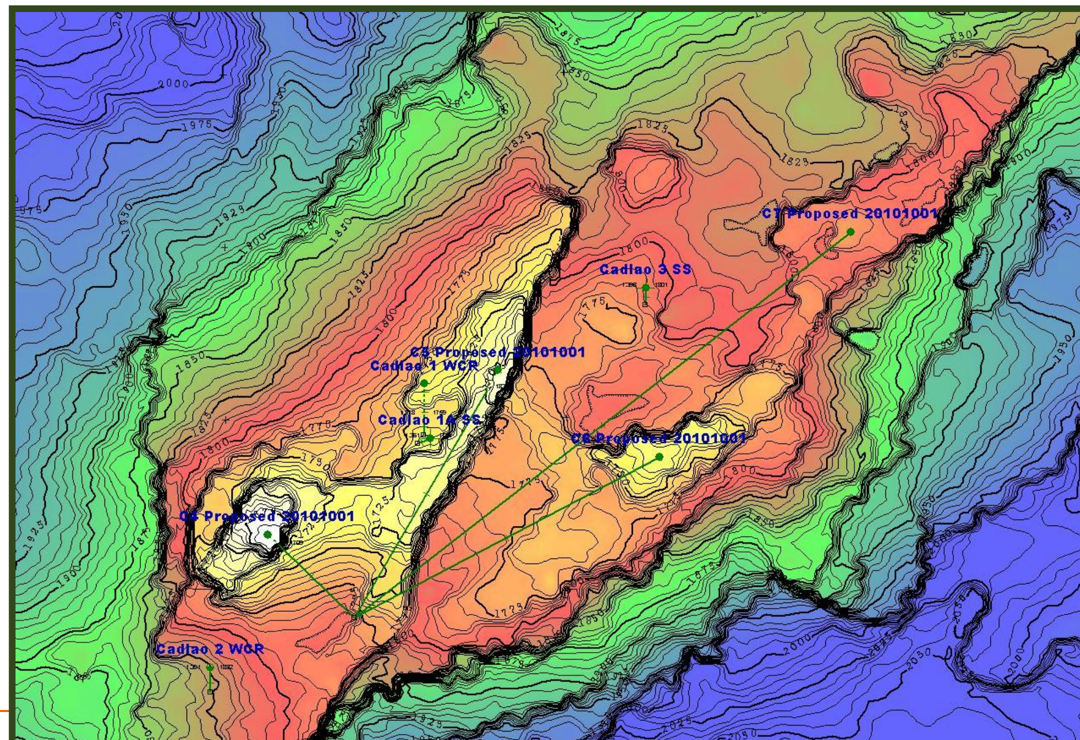



**Amoco development map: 1983**

***11.1 MMbbls Oil produced from initial development on sparse 2D Seismic***

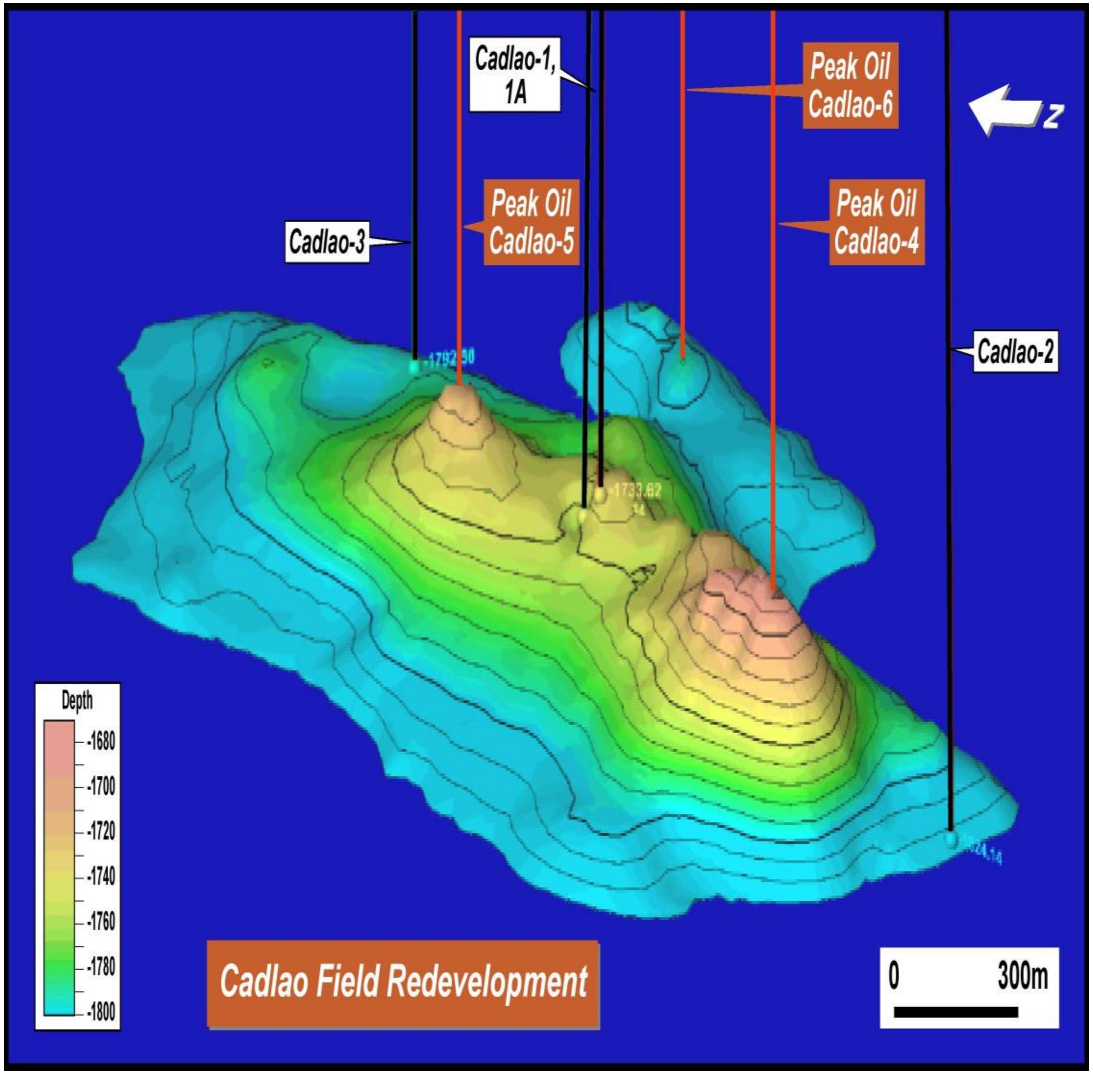
***3D Seismic defined 6 MMbbls Oil Up-dip from old producing wells***

**3D Seismic redevelopment map**



# Cadlao – Why Cadlao?

- **Near term production - first (new) oil** targeting 4Q 2012
- **High quality reservoir**
  - Up to 17% porosity / High Permeability
  - Strong water drive
  - Advanced reservoir knowledge through 10 year production history
- **Accessing attic oil up-dip from previous production wells**
  - Proposed Cadlao-4, 5 & 6 (new wells)
  - Location confirmed by 3D seismic
- **Previous development shut in due to**
  - Declining oil production from miss-located wells (Cadlao-1A and Cadlao – 3)
  - Low oil price environment ($US14/bbl)
  - Escalating (FPSO) operating costs
- **Significant upside from**
  - Potential Cadlao reserves upgrade
  - Nearby tieback opportunities
  - Numerous exploration prospects



# Cadlao - Production History

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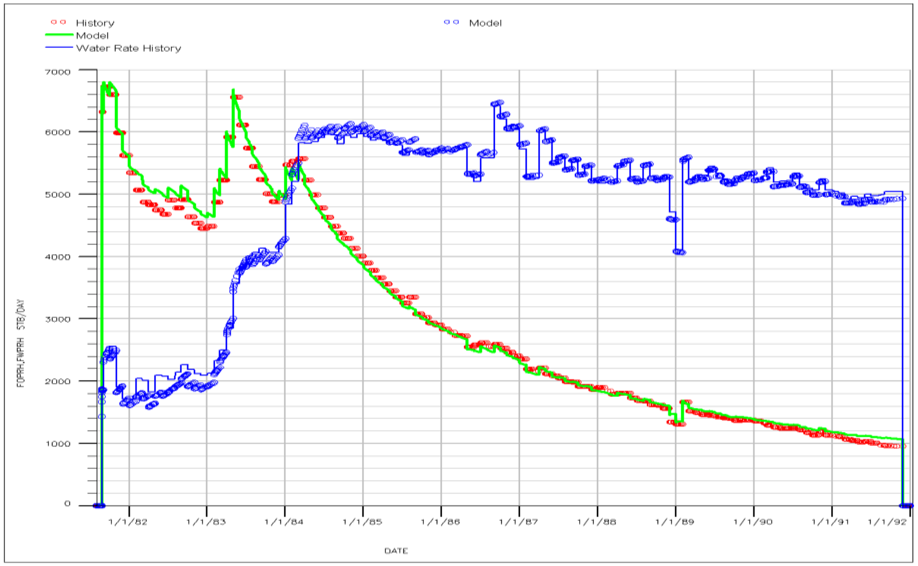
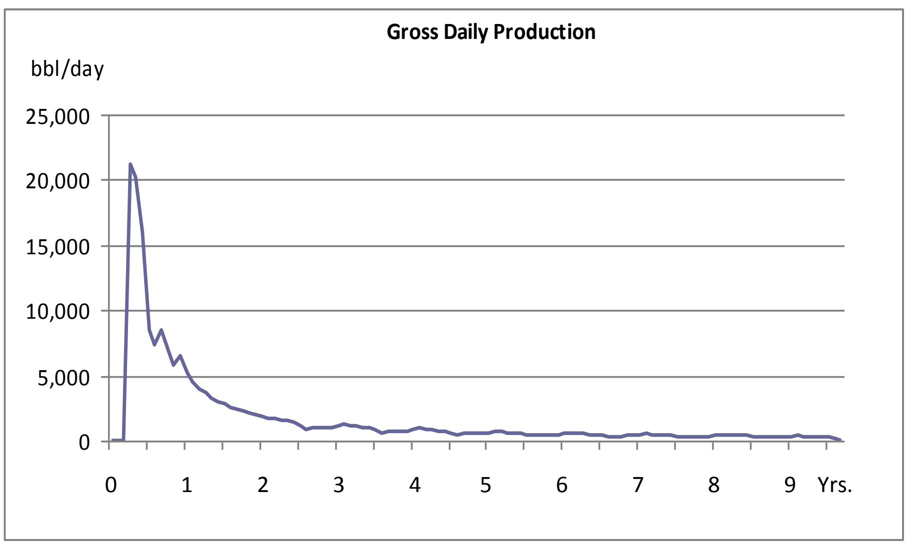


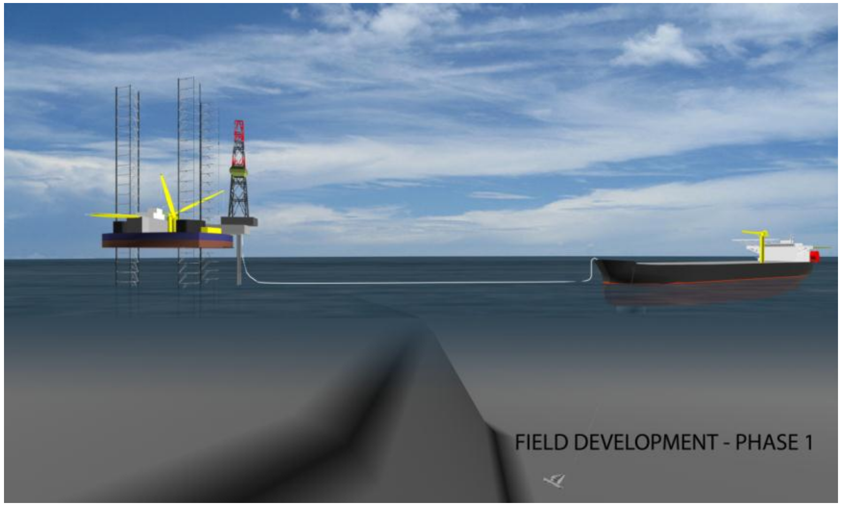




- **Premium 45° API Oil**
  - **Very Low Viscosity (0.29 cp)**
  - **High Mobility Oil - Flows preferentially**
  - **Premium pricing**
- **Reservoir productivity proven**
  - **10 years production history**
  - **Mitigates risk**
- **High initial flow rates**
  - **Initial oil rates of ~20,000 bopd is forecast**
  - **2 month payback**
  - **Oil rate declines rapidly with increasing water cut**
  - **Oil rate is expected at ~500 bopd by 2016**

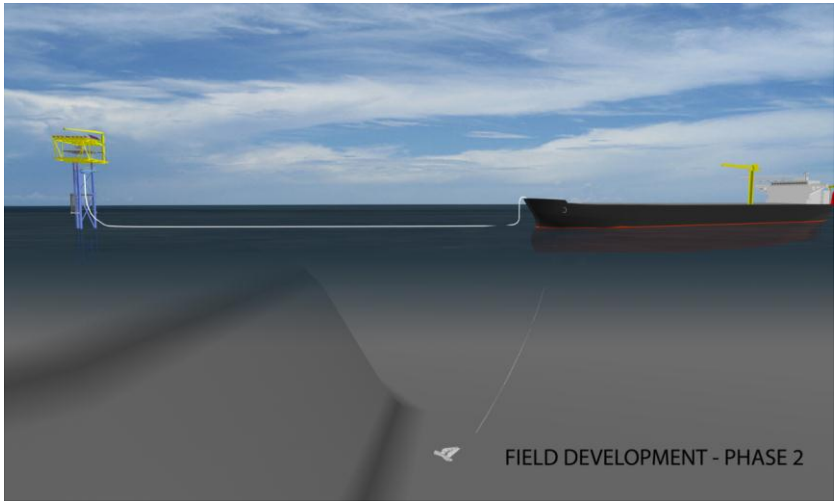
***Close match between historic production and reservoir model provides confidence in future field performance***

* Production estimates are by Gaffney Cline & Associates

# Staged Cadlao Development




Phase 1 – Drilling / Co-production (SIMOPS)




Phase 2 – Sustained production (demob drilling rig)

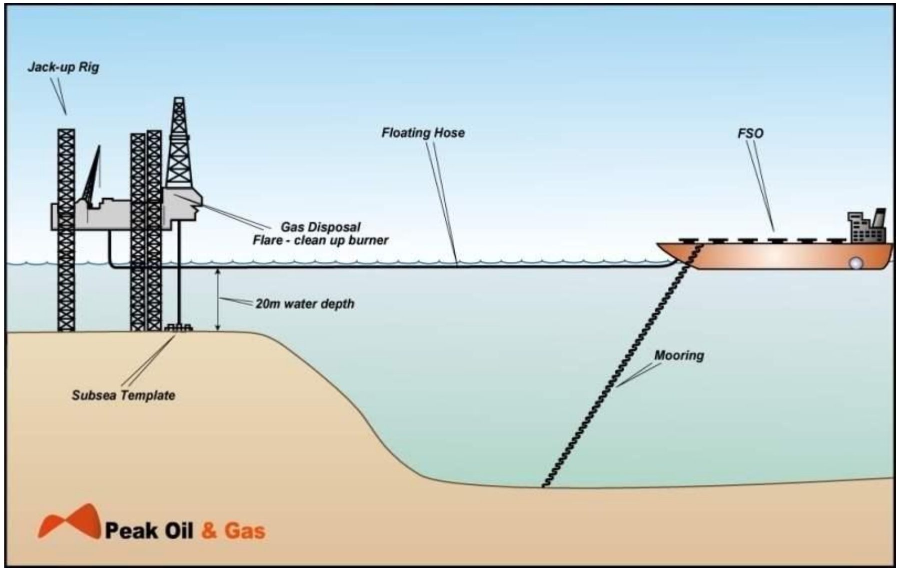
**Phase 3 – Production tail**

- Declining production rates
- Low field opex
- FSO replaced by storage/shuttle barges
- Similar arrangement to Nido/Matinloc fields

# Cadlao - Project Economics

- **Cadlao is a redevelopment project**
  - **Discovered by AMOCO 1977**
  - **11 mmbbl produced by AMOCO**
  - **Attic oil up-dip from previous productive wells**
- **Cost effective redevelopment**
  - **Shallow water**
  - **Simple & proven**
- **Redevelopment is low risk**
  - **Independent certified reserves**
  - **Reservoir productivity proven**

## Development Schematic




## Project Economics

| Base case | Project US$m | Peak US$m |
|---|---|---|
| $NPV_{10}$ | 136 | 79 |
| Free cash flow | 140 | 92 |
| Payback months | 2 months | 2 months |

*** Financial and reserves estimates are by Gaffney Cline & Associates**

## Economic Assumptions

| Base case assumptions | |
|---|---|
| 2P reserves | 6.0 mmbbl |
| Net 2P reserves | 3.0 mmbbl |
| Oil price (GCA price forecast) | US$87/bbl |
| Capex (to 1st Oil) | US$5/bbl |
| Opex (average) | US$22/bbl |
| Discount rate | 10% |

# Cadlao - Development Funding

- **Existing Cash** - $2.3 million as at 31 Dec 2011
- **Project Debt** – US$30 million debt facility secured on attractive terms
- **Trade Finance** – US$35 million working capital facility by **BP**
- **Cost to First Oil** – Less than US$ 30 million net Raisama (incl. contingency)
- **Funding package** - Secured by certified 2P reserves of 6 million barrels oil

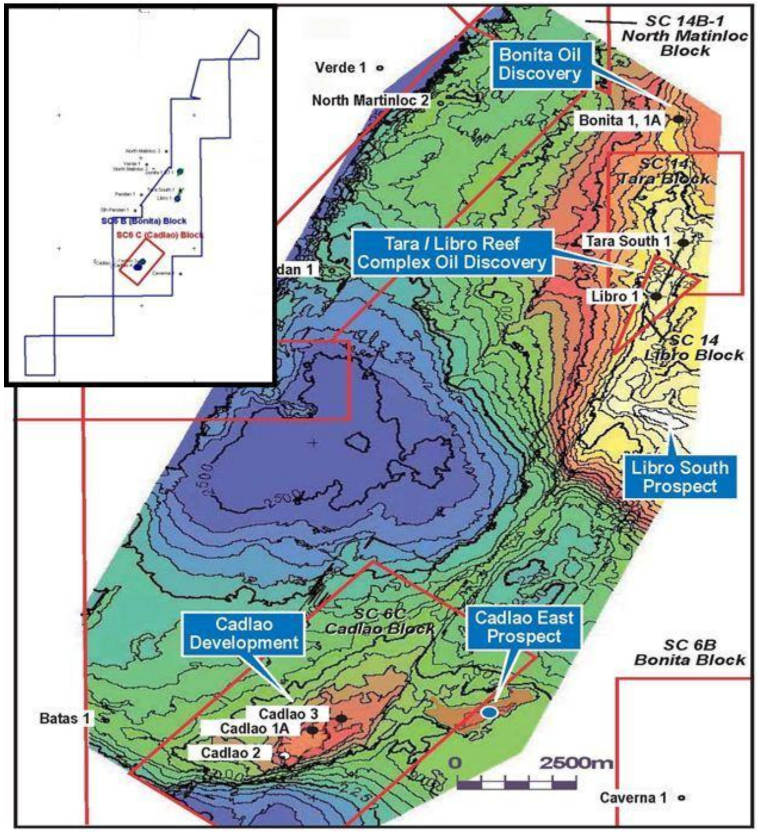
**Cadlao funding secured**

# Bonita – Cadlao Tieback

- **Bonita Block – 32.2%**
- **Several high value and low risk drilling opportunities exist in the Bonita Block, adjacent to Cadlao**
- **Cadlao East Prospect**
  - Potential of 4 mmbbls recoverable oil
  - located 3.5km from Cadlao
  - Drill and develop as part of Cadlao
  - Adds $40m NPV at $87/bbl
- **Bonita Discovery**
  - Potential 2-3 mmbbls recoverable oil
  - located approximately 15 km from Cadlao tieback
- **Additional exploration opportunities provide incremental NPV potential**

***Cadlao East early upside drilling opportunity***

***Cadlao Development could become Hub for satellite oil fields***




**Cumulative upside potential in the area greater than 10 mmbbls (unrisked) which would add significant value to the Cadlao Project**

# South Block A – North Sumatra

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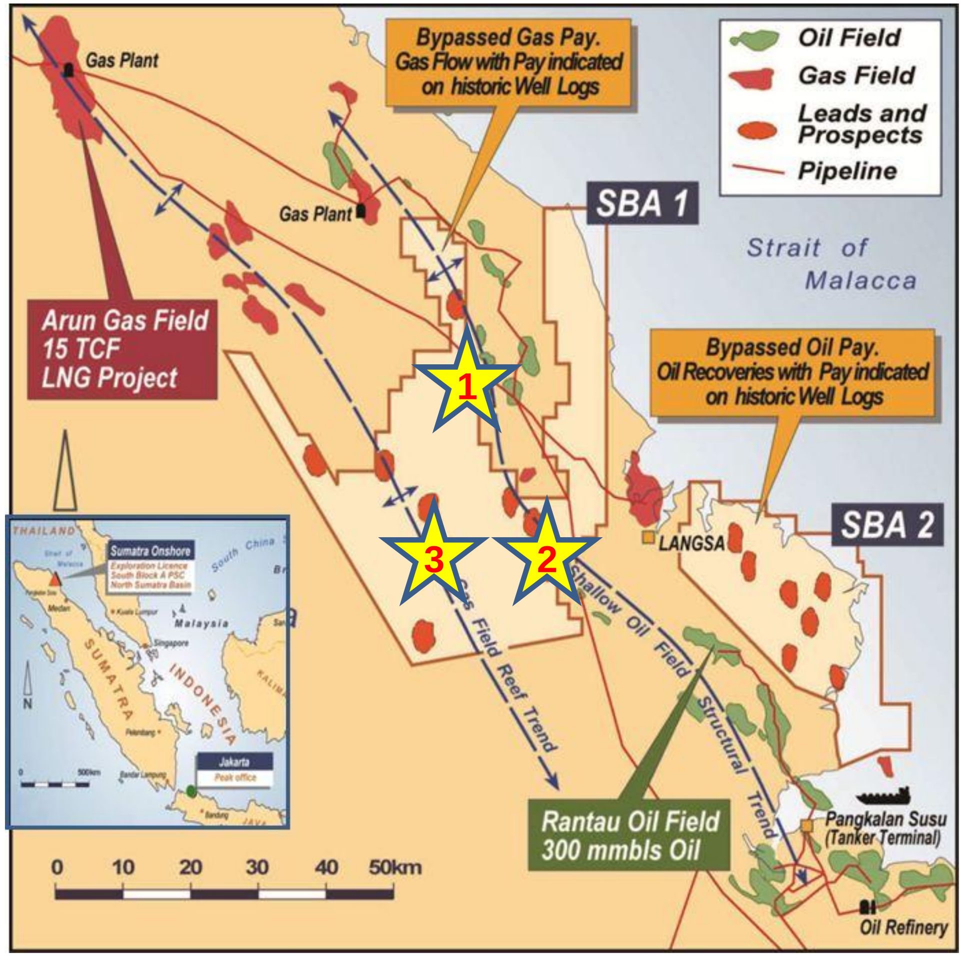
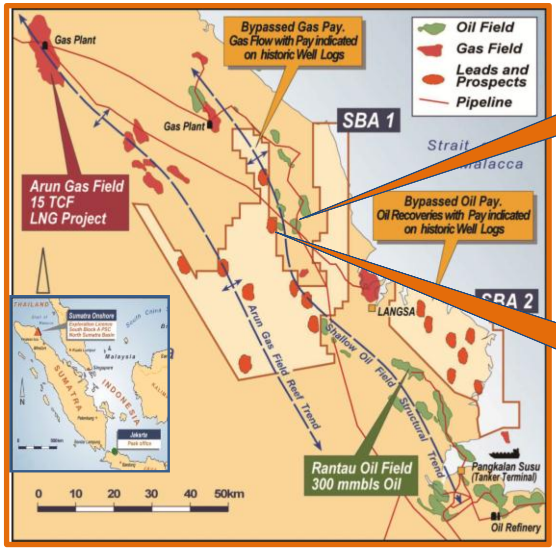
- **Raisama Operator – 38.25%**
- **Exclusive relationship with in-country partner, RENCO**
- **Prospect with 40 mmbbl prospective resource drilling in 2H 2012**
- **Existing prospect inventory**
  - **858 MMbbl unrisked oil case**
  - **1.47 Tcf unrisked gas case**
- **Discoveries nearby exceed 1 billion boe**
  - **15 Tcf Arun LNG / 300 MMbbls Rantau Oil Field**
- **Immediate work program**
  - **170 km 2D seismic planned for 1H 2012**
  - **1+ well campaign planned to commence 2H 2012**
  - **Proposed Drilling Program** 3
- **Substantial upside from unexploited deeper gas plays**




**Shallow oil production to fund large upside gas development**

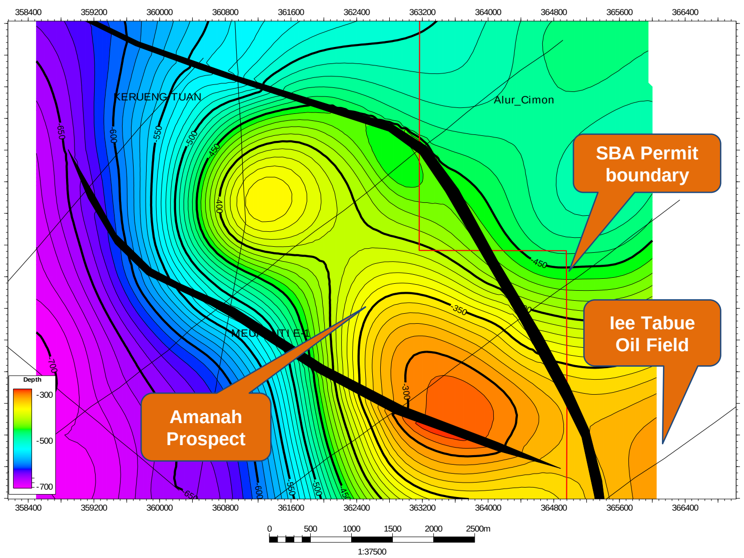
**Located amongst the prolific oil & gas fields of North Sumatra**

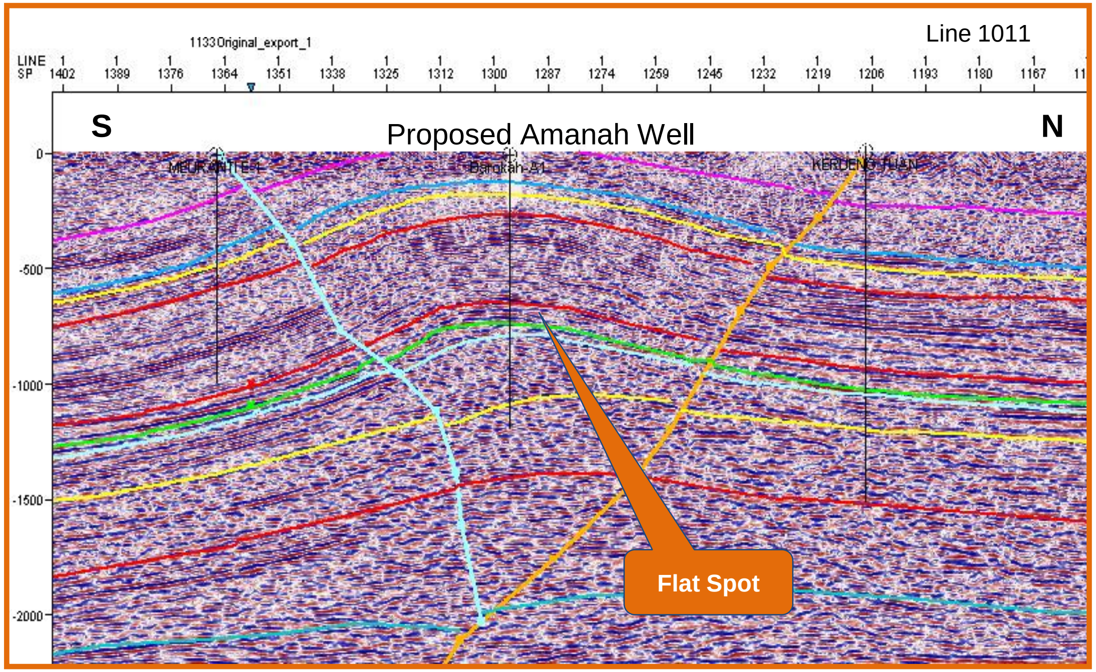
# Amanah prospect - drilling 2H 2012




- First Raisama well in prolific North Sumatra Basin
  - Amanah 2P Prospective Resource = 40 mmbbls
- Adjacent “Iee Tabue” oilfield
  - produced 12 mmbbls 50 °API light oil & 24 BCF gas
- Accessible to Oil & Gas infrastructure
- Flat Spot indicating potential gas cap over oil

Zone-3 Depth Structure map



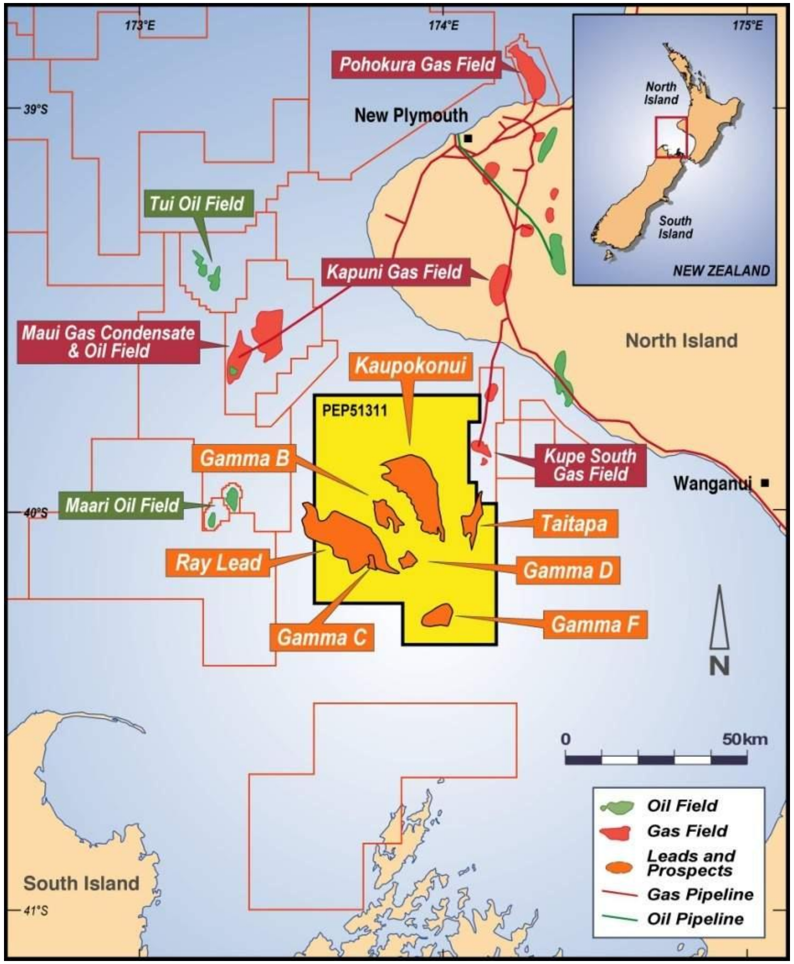

Map over Amanah Prospect

Seismic Line over Amanah Prospect

# PEP 51311 – New Zealand

- **PEP 51311 Kakapo Prospect (formerly Kaupokonui) - Raisama 10% equity**
- **New Zealand Oil & Gas (90% & Operator)**
- **Kakapo prospect**
  - Potential to spud 2H 2012
  - Targeting 378 MMbbl oil gross (mean recoverable)
  - 38 MMbbl net to Peak Oil & Gas
- **Kaupokonui prospect located between a number of large oil and condensate fields:**
  - Maari Oil Field (51 MMbbls)
  - Kupe Gas Condensate Field (288 BCF/27 MMbbls)
- **1.2 billion barrels of oil equivalent discovered in Taranaki basin to date**
- **Attractive fiscal terms aid comercialisation options**

***Game Changer***



# Summary

- **Emerging near term mid-tier oil producer**
- **High margin operation**
- **Low capital expenditure requirements**
- **Additional development tieback potential**
- **Management and project team with track record of developing projects**
- **Operating in attractive fiscal regimes with stable regulatory environment**

# Contact Details

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