



Raisama Energy Limited
ABN 79 131 843 868

Interim Financial Report
31 December 2012

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Directors

David Berrie	Non-Executive Chairman
Jeffrey Steketee	Managing Director
James Durrant	Executive Director
Geoffrey Albers	Non-Executive Director
Frank Jacobs	Non-Executive Director

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Directors' Report

Your Directors submit the financial report on the Group consisting of Raisama Energy Limited (the "Company" or "parent entity") and the entities it controlled at the end of, or during, the financial period ended 31 December 2012. In order to comply with the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

David Berrie	Non-Executive Chairman
Jeffrey Steketee	Managing Director
James Durrant	Executive (Technical) Director
Geoffrey Albers	Non-Executive Director (appointed as director on 4/02/2013)
Frank Jacobs	Non-Executive Director (appointed as director on 4/02/2013)
Matthew Howison	Non-Executive Director (ceased to be a director on 4/02/2013)

Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2012 was \$983,000 (six months to 31 December 2011: \$3,875,000).

At 31 December 2012 the Company had \$835,000 of cash and at call deposits. During the six months to 31 December 2012, the Company identified potential funding sources and commenced discussions and negotiations with key potential investors. Shortly after 31 December 2012 the Company successfully executed a \$3 Million placement with the Albers Group for a two tranche subscription for shares and options. Proceeds from the first tranche of \$1.143 Million were received on 31 January 2013 and the remaining \$1.857 Million is subject to shareholder approval at a General Meeting on 12 April 2013. Refer to Note 11 of the Condensed Consolidated Financial Statements for further details on the placement and the Albers Group.

Funds raised from the placement will enable the Company to continue its exploration program including the highly prospective South Block A project in Indonesia, whilst maintaining its interest in the Palawan Basin in the Philippines and pursuing additional new venture opportunities.

At 31 December 2012, the Company had oil and gas deferred exploration assets of \$1,226,000 (30 June 2012: \$948,000), oil and gas development assets of \$7,522,000 (30 June 2012: \$7,529,000) and mineral exploration project acquisition assets of \$189,000 (30 June 2012: \$200,000).

During the period the Company continued its exploration and development activities as outlined below:

Cadlao Project

The Company concentrated its efforts on settling the outstanding issues with farmin partner, Blade Petroleum Limited (**Blade**), through direct negotiation in preference to the formal arbitration process, albeit arbitration serving to preserve the Company's legal position should commercial negotiations fail to produce an acceptable outcome.

Blade has indicated its preference in reacquiring Raisama's 25% Working Interest in the Cadlao Project by paying the Company \$6.5 – 7 Million as stipulated within the farmin agreement between the parties. Subject to confirmation that Blade has secured project funding, Raisama has signalled its interest in progressing this settlement as a way of moving the project forward and recognising value in the Company's 16.25% Working Interest held through VenturOil Philippines Inc (**VenturOil**).

Blade's operating subsidiary, CADCO, has progressed development of the Cadlao Project with final approvals and contracts anticipated in 2Q13. On this basis, first oil would be expected in 2Q14 subject to long lead items and drilling rig schedules.

Raisama's project interest held through VenturOil attributes to Raisama approximately 1 mmbbl of 2P reserves, which Gaffney Cline and Associates has previously valued at \$22 Million on an NPV basis. Raisama will fund VenturOil's share of development costs, estimated to be between US\$8 – US\$10 Million but is only obligated to pay these costs

Directors' Report

following "spudding" of the first Cadlao development well. This approach closely aligns project funding with project revenues

and, as such, Raisama does not have any near term project funding obligations. Due to Cadlao's certified reserves, the Company believes these commitments have the scope to be partially debt funded.

SC6B Bonita Block, Offshore Palawan Basin, Philippines

Philodrill Corporation, the current Operator of SC6B (Bonita) attempted to unlawfully terminate the farmin agreement of the Cadlao JV in Bonita. Within this farmin agreement, under which Raisama's subsidiary Peak Oil & Gas (Philippines) Limited (**Peak**) is the Operator-in-waiting, Peak has sole termination rights and has categorically restated to Philodrill that it has no intention of terminating this farmin agreement. By contrast, through the development of Cadlao, the Cadlao JV is well positioned to add value to Bonita by drilling the Cadlao East Prospect which spans the permit boundary between SC6 (Cadlao), containing the Cadlao oil field and SC6B (Bonita) containing the Bonita discovery.

South Block A (SBA) North Sumatra

Industry recognition of the petroleum prospectivity of Raisama's majority controlled North Sumatra Production Sharing Contract, South Block A (SBA), was confirmed by finalisation of the KRX Energy farmin to our Indonesian joint venture partner's interest.

KRX Energy will earn a 35% interest in SBA by farming into the current 49% interest held by Prosys Oil & Gas (14% residual). Completion of the transaction was confirmed by final approval recently received from the Minister of Energy and Mineral Resources, Republic of Indonesia.

KRX Energy has been funded by Lion Energy, an ASX listed company.

Raisama's majority controlled company, RENCO Elang Energy Pte. Ltd (**REE**), is Operator and has a 51% interest (net 38.25% to Raisama) in SBA. A seismic acquisition program has commenced in 1Q13 to detail prospects for drilling in first quarter next year.

PEP 51311 Oil & Gas Exploration Block, Offshore Taranaki Basin, NZ

During the 6 months to 31 December 2012, the Company continued to hold the right to earn a 10% working interest in the Kakapo prospect which is situated in the Taranaki Basin in New Zealand. Subsequent to 31 December 2012, the Company withdrew from this project. The Company did not incur and is not liable to incur any further costs with respect to this opportunity. Inception to date costs associated with the Kakapo project totalling \$18,000 have been written off during the period.

New Ventures

The Company is pursuing a number of new projects which, upon acquisition, should have a highly accretive positive impact on Company value.

Subsequent to 31 December 2012, the Company formalised an alliance with a local Myanmar company and has commenced pursuing opportunities in the Republic of Myanmar.

Minerals Projects

The Company remains focused on its oil and gas portfolio and continues to review options for monetising the Company's remaining minerals projects. The Company believes its Sunday Creek project offers future upside to shareholders as the potential of uranium projects continues to improve on the back of anticipated increased commodity demand in the short term.

Rounding off of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class order 98/100. The Company is an entity to which the class order applies.

Directors' Report

Auditor independence

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 7 and forms part of this directors' report for the period ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



David Berrie
Non-Executive Chairman
Perth, Western Australia
15 March 2013



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Raisama Energy Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

**Perth, Western Australia
15 March 2013**

A handwritten signature in blue ink, appearing to read 'W M Clark'.

**W M CLARK
Partner, HLB Mann Judd**

Condensed Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2012

	Note	Consolidated	
		31 December 2012 \$'000	31 December 2011 \$'000
Other revenue from ordinary operations			
Financial income		22	24
Other income		61	49
		<u>83</u>	<u>73</u>
Other expenses from ordinary operations			
Administrative expenses		(760)	(1,417)
Professional and consultancy fees		(228)	(502)
Depreciation charges		(36)	(38)
Loss from sale of fixed assets		(2)	-
Financial expense		-	(287)
Share based payments		-	(1,400)
Exploration expenditure incurred		(11)	(117)
Oil & gas deferred exploration expenditure written off		(18)	(87)
Mineral exploration project acquisition costs written off		(11)	(10)
		<u>(1,066)</u>	<u>(3,858)</u>
Loss before income tax expense		(983)	(3,785)
Income tax expense		-	-
Loss after tax from continuing operations		(983)	(3,785)
Loss after tax from discontinued operations	9	-	(90)
Net loss for the period		(983)	(3,875)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange gain on translation of subsidiary financial statements		1	131
Foreign exchange gain on translation of subsidiary foreign loan		(168)	347
Other comprehensive (loss)/income, net of tax		(167)	478
Total comprehensive loss for the year		(1,150)	(3,397)
		<u>Cents</u>	<u>Cents</u>
Basic loss per share (cents per share)		(0.31)	(1.49)
Basic loss per share from continuing operations (cents per share)		(0.31)	(1.45)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position as at 31 December 2012

	Note	Consolidated	
		31 December 2012	30 June 2012
		\$'000	\$'000
Current Assets			
Cash and cash equivalents		835	1,845
Trade and other receivables		120	77
Total Current Assets		955	1,922
Non-Current Assets			
Trade and other receivables		1,083	651
Plant and equipment		158	199
Oil and gas deferred exploration expenditure	3	1,226	948
Oil and gas development expenditure	4	7,522	7,529
Mineral exploration project acquisition costs	5	189	200
Total Non-Current Assets		10,178	9,527
Total Assets		11,133	11,449
Current Liabilities			
Trade and other payables		2,050	1,216
Total Current Liabilities		2,050	1,216
Total Liabilities		2,050	1,216
Net Assets		9,083	10,233
Equity			
Issued capital	6	31,886	31,886
Reserves		1,057	1,224
Accumulated losses		(23,860)	(22,877)
Total Equity		9,083	10,233

The above statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity for the half-year ended 31 December 2012

	Issued capital	Options reserve	Foreign currency translation reserve	Accumulated losses	Non-Controlling Interest	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	26,944	90	(734)	(14,141)	(7)	12,152
Loss for the period	-	-	-	(3,875)	-	(3,875)
Other comprehensive income	-	-	478	-	-	478
Total comprehensive loss for the year	-	-	478	(3,875)	-	(3,397)
Issue of options	-	1,400	-	-	-	1,400
Issue of shares	100	-	-	-	-	100
Applied on disposal of subsidiary	-	-	-	-	7	7
Balance at 31 December 2011	27,044	1,490	(256)	(18,016)	-	10,262
Balance 1 July 2012	31,886	1,503	(279)	(22,877)	-	10,233
Loss for the period	-	-	-	(983)	-	(983)
Other comprehensive income	-	-	(167)	-	-	(167)
Total comprehensive loss for the year	-	-	(167)	(983)	-	(1,150)
Balance at 31 December 2012	31,886	1,503	(446)	(23,860)	-	(9,083)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows for the half-year ended 31 December 2012

	Note	Consolidated	
		31 December 2012	31 December 2011
		\$'000	\$'000
Cash flows from operating activities			
Payments to suppliers and employees		(621)	(2,334)
Interest paid		-	(10)
Net cash outflow from operating activities		(621)	(2,344)
Cash flows from investing activities			
Interest received		20	24
Purchase of property, plant and equipment		(3)	-
Sale of property, plant and equipment		6	-
Payments for oil and gas deferred exploration expenditure		-	(146)
Payments for oil and gas development expenditure		(130)	(1,945)
Payments for mineral exploration expenditure		-	(117)
Payment for subsidiary, net of cash acquired	8	(386)	-
Net receipt from joint venture capital contribution adjustment		104	-
Net proceeds from sale of discontinued operations	9	-	1,383
Net cash outflow from investing activities		(389)	(801)
Cash flows from financing activities			
Proceeds from borrowings		-	2,000
Repayment of borrowings		-	(400)
Net cash inflow from financing activities		-	1,600
Net (decrease) / increase in cash held		(1,010)	(1,545)
Cash at the beginning of reporting period		1,845	3,850
Effect of exchange rate fluctuations on cash held		-	2
Cash at the end of the reporting period		835	2,307

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 1: Statement of significant accounting policies

Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Raisama Energy Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period. The Company is of a kind referred to in ASIC Class Order 98/100, and accordingly, amounts in the Directors' report and the interim financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2012, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's financial report for the year ended 30 June 2012.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 1: Statement of significant accounting policies (continued)

Going Concern

As at 31 December 2012, the Group had a working capital deficit of \$1,095,000. For the half-year ended 31 December 2012, the Group incurred a net cash outflow from operating and investing activities of \$1,010,000 and a net loss after tax of \$983,000.

The Board considers that the Group is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its oil and gas assets during the twelve month period from the date of this financial report. Such additional funding may be derived from either one or a combination of the following:

- the placement of securities under the ASX Listing Rule 7.1 and or 7.1A or otherwise;
- an excluded offer pursuant to the Corporations Act 2001;
- debt funding; or
- the sale of assets.

It should be noted that subsequent to 31 December 2012, the Company successfully raised capital through a private placement and some of the creditors will be paid in equity, as detailed in note 11.

The ability of the Group to continue as a going concern for the coming year is dependent on its ability to successfully raise additional capital for further exploration activity and development. The Directors are confident that the Group will be able to successfully raise sufficient capital to enable it to continue as a going concern for at least 12 months from the signing of the interim financial report. If the Group is unable to raise sufficient capital for these purposes, there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Note 2: Segment information

For management purposes, the Directors of Raisama Energy Limited has been defined as the Chief Operating Decision Maker. Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

During the half-year the Group operated predominantly in two business segments that consisted of oil and gas exploration and development, and mineral exploration. Geographically, the Group operates in The Philippines, Indonesia, New Zealand, and, Australia. Offices are maintained in Australia and Indonesia. Segment accounting policies are the same as the Group's policies described in Note 1. Segment results are classified in accordance with their use within geographic segments regardless of legal entity ownership. Intersegment pricing is determined on an arm's length basis.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The following table present revenue and result information and certain asset and liability information regarding business segments for the periods ended 31 December 2012 and 31 December 2011.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 2: Segment information (continued)

	Oil and Gas Exploration & Development				Mineral Exploration		Unallocated	Total
	Philippines	Indonesia	New Zealand	Thailand	Australia	Kyrgyz Republic		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
31 December 2012								
Total segment revenue	-	-	-	-	-	-	83	83
Segment net operating result after tax	-	-	(18)	-	(11)	-	(954)	(983)
Segment assets	7,586	1,682	-	-	189	-	1,676	11,133
Segment liabilities	(145)	(400)	-	-	-	-	(1,505)	(2,050)
31 December 2011								
Total segment revenue	-	-	-	-	-	-	73	73
Segment net operating result after tax	(23)	(109)	-	(61)	(117)	(90)	(3,385)	(3,785)
Segment assets	9,398	1,134	18	-	208	-	2,849	13,607
Other segment information								
Segment liabilities	(605)	-	-	-	-	-	(2,740)	(3,345)

Note 3: Oil and gas deferred exploration expenditure

	Consolidated	
	Six months to 31 December 2012 \$'000	Year to 30 June 2012 \$'000
Balance at the beginning of the period	948	1,132
Expenditure incurred	34	205
Expenditure accrued	400	-
Joint venture capital contribution adjustment	(138)	-
Asset reclassified	-	(302)
Costs written off	(18)	(87)
Balance at the end of the period	1,226	948

The recoupment of oil and gas deferred exploration expenditure is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas. Costs associated with the Kakapo project in New Zealand which the Company withdrew from in February 2013 have been written off in the 31 December 2012 period. Costs associated with an unsuccessful drilling program in Thailand have been written off in the 30 June 2012 period. These write offs are in accordance with the relevant accounting policies.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 4: Oil and gas development expenditure

	Consolidated	
	Six months to 31 December 2012 \$'000	Year to 30 June 2012 \$'000
Balance at the beginning of the period	7,529	7,233
Expenditure incurred*	516	2,921
Expenditure accrued*	144	-
Impairment**	(130)	(2,927)
Disposals	(383)	-
Foreign exchange differences	(154)	-
Assets reclassified	-	302
Balance at the end of the period	7,522	7,529

*Expenditure incurred and Expenditure accrued includes USD550K (AUD530K) for the acquisition of an entity that holds the Company's 16.25% Working Interest in the Cadlao Project, held through VenturOil Philippines Inc. It also includes \$130K of costs pertaining to the Company's 25% Working Interest in the Cadlao Project which have been written off, as detailed below.

**The Company is negotiating a settlement with Blade Petroleum Limited (Blade) in respect of the Acquisition and Farm-in Agreement (Agreement) for the Cadlao Project (Project). Under the Agreement, Blade has the option to acquire the Company's existing 25% interest (together with associated royalties) in the Project for a sum calculated in accordance with the Agreement and estimated by the Company to be approximately \$6.5 to \$7.0 Million. Accordingly, at 30 June 2012, the Company recognised an impairment of the carrying value of the Project of \$2.9 Million. During the 6 months to 31 December 2012, the Company incurred an estimated \$130K of costs pertaining to the Project. These costs have been expensed and therefore the carrying value of the Project at 31 December 2012 remains the same as at 30 June 2012.

Note 5: Mineral exploration project acquisition costs

	Consolidated	
	Six months to 31 December 2012 \$'000	Year to 30 June 2012 \$'000
Balance at the beginning of the period	200	1,604
Derecognised on disposal of subsidiary	-	(1,387)
Project acquisition costs written off	(11)	(17)
Balance at the end of the period	189	200

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas. Project acquisition costs written off relate to tenements that have been surrendered.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 6: Issued Capital

As at 31 December 2012 there were 316,838,672 fully paid ordinary shares on issue (30 June 2012: 316,838,672).

Movement in ordinary share capital	Group			
	Six months to 31 December 2012 \$'000	Year to 30 June 2012 \$'000	Six months to 31 December 2012 Number	Year to 30 June 2012 Number
At the beginning of the period	31,886	26,994	316,838,672	260,102,046
Shares issued during the period	-	5,213	-	56,736,626
Costs associated with share issue	-	(271)	-	-
At reporting date	31,886	31,886	316,838,672	316,838,672

Note 7: Options

The following table illustrates the number and movements in employee share options:

	Group	
	Six months to 31 December 2012 Number	Year to 30 June 2012 Number
Opening balance	38,400,000	37,800,000
Granted during period	-	600,000
Expired during the period	(11,000,000)	-
Closing balance	27,400,000	38,400,000

The following table illustrates the number and movements in consultant share options:

	Group	
	Six months to 31 December 2012 Number	Year to 30 June 2012 Number
Opening balance	36,700,000	16,700,000
Granted during period	-	20,000,000
Expired during the period	(4,000,000)	-
Closing balance	32,700,000	36,700,000

Note 8: Acquisition of Energy Best Limited

On 3 July 2012, the Group acquired Energy Best Limited (EBL), a BVI domiciled company which holds a 40% interest in VenturOil. Under a funding agreement with VenturOil, the Group has acquired a 16.25% indirect working interest in the Cadlao project.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 8: Acquisition of Energy Best Limited (continued)

Acquisition terms were structured to reflect project performance with the Company paying an initial fee to the vendor of USD550K (AUD530K) followed by two further cash payments, one from each of the first two liftings of oil from the Cadlao project. As at 31 December 2012, USD400K (AUD386K) of the initial fee had been paid and the remaining USD150K (AUD144K) was accrued and has been included in Trade and other payables at 31 December 2012.

The Company will fund VenturOil's 20% share of development costs on the Cadlao project, estimated to be between US\$8 - US\$10 Million depending upon the final development solution approved by the Department of Energy and also the relative timing of oil revenues related to this solution.

VenturOil is only obligated to pay these acquisition costs following the "spudding" of the first development well at Cadlao, currently scheduled for 1Q14, which then closely ties project funding with project revenues. As such, the Company does not have any near term funding obligations and, due to Cadlao's certified reserves, believes its commitments have the scope to be partially debt funded.

Nil acquisition costs were incurred in relation to this acquisition.

Assets acquired and liabilities assumed at the date of acquisition

The Group has provisionally recognised the fair values of the identifiable assets and liabilities of EBL based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	Fair value at acquisition date \$'000
Cash and cash equivalents	-
Oil and gas development expenditure	530
Trade and other payables	-
Provisional fair value of identifiable net assets	530
Less: non-controlling interests in identifiable net assets	-
Goodwill arising on acquisition	-
Total consideration	530

The initial accounting for the acquisition of EBL has only been provisionally determined at the end of the interim reporting period. At the end of the interim period, the final valuation report in respect of the plant and equipment acquired had not yet been received. At the date of finalisation of this financial report, the necessary market valuations and other calculations had not been finalised and the fair value of assets and liabilities above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value of the plant and equipment.

Net cash outflow arising on acquisition

The cash outflow on acquisition is as follows:

	Six months to 31 December 2012 \$'000
Cash paid	386
Less: net cash acquired with the subsidiary	-
Net cash outflow	386

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 8: Acquisition of Energy Best Limited (continued)

Impact of acquisition on the results of the Group

The acquisition took place at the beginning of the period and has had \$nil impact on the revenue and the loss of the Group.

Note 9: Discontinued Operations

During November 2011 the Group sold its equity interest in Business Sphere LLC which held the Kashkasu II Uranium Project in the Kyrgyz Republic for AU\$1.5 million to Hebei Mining of China as part of the Company's increasing focus on the oil and gas sector. Business Sphere LLC was sold on 30 November 2011 with effect from 30 November 2011 and is reported in the financial statements for the period ended 31 December 2011 as a discontinued operation.

Results of discontinued operations

	Consolidated	
	Six months to 31 December 2012 \$'000	Six months to 31 December 2011 \$'000
Revenue	-	16
Expenses	-	(45)
Net loss before tax	-	(29)
Income tax expense	-	-
Loss of Business Sphere LLC after tax	-	(29)
Loss on sale of Business Sphere LLC	-	(61)
Profit from discontinued operations	-	(90)

Cash flows from discontinued operations

	Consolidated	
	Six months to 31 December 2012 \$'000	Six months to 31 December 2011 \$'000
Net cash flows from operating activities	-	23
Net cash flows from investing activities	-	(22)
Net cash flows from financing activities	-	-
Net cash flows	-	1

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 9: Discontinued Operations (continued)

	Consolidated	
	Six months to 31 December 2012	Six months to 31 December 2011
	\$'000	\$'000
Consideration received for the disposal of Business Sphere		
Total disposal consideration received in cash	-	1,500
Less: costs associated with disposal		(88)
Less: net assets disposed of	-	(1,502)
Loss on disposal before income tax	-	(90)
Income tax expense	-	-
Loss on disposal after income tax	-	(90)

	Consolidated	
	Six months to 31 December 2012	Six months to 31 December 2011
	\$'000	\$'000
Net cash inflow on disposal		
Cash and cash equivalents consideration received or receivable	-	1,500
Less costs associated with disposal	-	(88)
Net cash and cash equivalents disposed of	-	(29)
Net cash inflow on disposal	-	1,383

Note 10: Related Party Transactions

The following amounts pertaining to officer and executive remuneration are included in Trade and other payables, as follows:

	Consolidated	
	6 months to 31 December 2012	Year to 30 June 2012
	\$'000	\$'000
Deferred officers' fees and executive salaries	847	623
Annual leave entitlement for executives	216	202
Total owing	1,063	825

As per Note 11, Events subsequent to reporting date, a portion of the 31 December 2012 annual leave entitlement has been waived subsequent to 31 December 2012 and subject to shareholder approval at a General Meeting on 12 April 2013, a portion of the deferred officers' fees and executive salaries will be waived with partial recognition paid to them in the form of options.

Notes to the Condensed Consolidated Financial Statements for the half-year ended 31 December 2012

Note 11: Events subsequent to reporting date

Capital Raising

On 31 January 2013 the Company announced a capital raising of \$3.0 Million with the Albers Group in a two tranche placement as follows:

- the first tranche of \$1.143 Million was a placement of securities under the ASX Listing Rule 7.1 and or 7.1A and the funds were received on 31 January 2013; and
- the second tranche of \$1.857 Million is subject to shareholder approval at a General Meeting of Shareholders on 12 April 2013.

The Albers Group is headed up by Mr. Geoffrey Albers who has over 35 years experience in the upstream oil and gas sector, having been involved in building numerous successful ASX listed companies such as Cue Energy, MEO Australia and Octanex NL.

Commensurate with the first tranche, on 4 February 2013, Mr. Geoff Albers and Mr. Frank Jacobs were appointed as directors whilst Mr. Matthew Howison resigned as a director. Mr. David Berrie has agreed to resign as a director contemporaneously with the second tranche of the transaction, which will be subject to shareholder approval at a General Meeting on 12 April 2013.

Deferred executive remuneration and annual leave entitlement

On 31 January 2013 the Company signed a Memorandum of Understanding (MOU) with all of the directors of the Company as at that date. Under the terms of the MOU, the following directors have agreed to waive a portion of their deferred remuneration accrued at 31 December 2012, as follows:

	Waived Deferred Remuneration per MOU	Market Value of Option Parcel as determined by the directors at 31 January 2013
	\$'000	\$'000
Jeffrey Steketee	126	34
James Durrant	126	34
	252	68

In part recognition of the waiver and further deferment of deferred remuneration, each of the above directors will be issued with 10 Million options over ordinary shares in the Company exercisable at \$0.05 per share on or before 31 December 2014. The issue of these options is subject to shareholder approval at a General Meeting on 12 April 2013 and the market value of each 10 Million option parcel as determined by the directors using Black-Scholes valuation methodology at 31 January 2013 is \$34K. If shareholder approval is not obtained, the Company is obliged to pay the waived deferred remuneration. Given that the waiver of deferred remuneration occurred after 31 December and shareholder approval is uncertain, the directors' total accrued remuneration has been recorded in the Statement of Financial Position as at 31 December 2012 as a current liability.

Under the terms of the MOU, Jeffrey Steketee and James Durrant have also agreed to waive a portion of their annual leave entitlement. Given that the waiver of the annual leave entitlement occurred after 31 December 2012, the directors total accrued annual leave entitlement has been recorded in the Statement of Financial Position as at 31 December as a current liability.

Directors' Declaration

In the opinion of the directors:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year then ended; and
- b. complying with Accounting Standards, and the Corporations Regulations 2001 and other mandatory professional requirements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



David Berrie
Non-Executive Chairman

Perth, Western Australia
15 March 2013



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Raisama Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Raisama Energy Limited ("the company"), which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the Group for the half-year ended 31 December 2012 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Raisama Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Group is dependent on raising additional capital to enable it to continue as a going concern for at least the period of 12 months from the signing of the interim financial report. If the Group is unable to raise sufficient funding, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB MANN JUDD
Chartered Accountants

A handwritten signature in blue ink that reads 'W M Clark'.

Perth, Western Australia
15 March 2013

W M CLARK
Partner

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