

Ramco Energy plc

Interim Results for the six months ended 30 June 2008

Ramco Energy, the Energy Investment Company with a dual focus strategy on oil and gas and renewable energy today announces its interim results for the half year ended 30 June 2008.

- **SeaEnergy Renewables: 88%**
 - launched in June.
 - created to exploit global opportunities for large-scale offshore wind farm development.
 - engaged Royal Bank of Canada as financial adviser to assist funding requirements.
 - current focus on UK 3rd Round and Scottish round processes for the award of leases.
- **Ramco Oil and Gas: 100%**
 - covers Group's oil and gas assets outside Ireland and Iraq.
 - gas condensate discovery on A-Lovech block, Bulgaria, where royalty interest is held.
- **Eagle HC: 100%**
 - acquired Eagle HC in May gaining first exposure to North Sea exploration acreage.
 - portfolio of nine royalties.
 - well and sidetrack on Block 21/8 drilled and discovered hydrocarbons.
- **Lansdowne Oil & Gas: AIM Listed 38.9%**
 - seismic completed over Amergin Licence ahead of schedule and under budget.
 - Seismic acquired over southern part of Middleton / East Kinsale Licence; acquired at farm-in partner's cost.
 - awarded 40% interest in Barryroe Licensing Option.
 - updated reserves report to be published before year end.
- **Mesopotamia Petroleum Company: 32.7%**
 - focussing on oil service opportunities in Iraq.
 - continuing discussions with Iraq's Ministry of Oil towards concluding JV.

Financials:

- Loss from continuing operations after tax of £1.2 million
- Operating expenses were reduced to £1.1 million
- Short term borrowing facility of £2 million secured
- Net finance income increased to £57,000 in the first six months of 2008
- Cash balances as at 30 June 2008 were £0.9 million

Steve Remp, Chairman of Ramco, said:

"We are delighted with the progress that we have made since we announced our new vision.

Our new strategy will provide us with involvement in some of the most exciting aspects of the future energy mix – renewables and Iraq – whilst maintaining exposure to our core established areas of focus.

This is an incredibly exciting time for the Company and one that we look forward to sharing with our shareholders."

26 September 2008

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Ramco Energy plc

Interim Results for the six months ended 30 June 2008

Chairman's Statement

Although it is barely three months since I outlined our new strategy in my Chairman's Statement which appeared in our 2007 Annual Report, I am delighted to advise you that we have made an excellent start, and the execution of the strategy is progressing well. We are also planning a series of investor presentations with institutional and other investors in early November - the focus being on presenting the new strategy as Ramco *The Energy Investment Company: New Energy / Old Energy*.

Financials

The Group recorded a loss from continuing operations after tax of £1.2 million for the first six months of 2008 compared to a profit of £0.1 million for the first six months of 2007. The operating profit for the prior period included a non-recurring gain of £1.6 million on the sale of shares held in Lansdowne Oil & Gas plc.

Operating expenses for the current period were £1.1 million, reduced from £1.3 million in the prior period.

Net finance income increased from £32,000 in the first six months of 2007 to £57,000 in same period of 2008, reflecting the higher average cash balances held by the Group over the period.

Group cash balances at 30 June 2008 were £0.9 million compared with £3.6 million a year earlier. The Group secured a short term borrowing facility of £2 million in April 2008. This had not been drawn down at the balance sheet date.

Total equity attributable to the equity holders of the Company has increased from £2.8 million as at 30 June 2007 to £4.3 million as at 30 June 2008. The increase arises primarily from new equity of £1.75 million issued in connection with the acquisition of Eagle HC Limited.

The Board is not recommending the payment of an interim dividend.

Our current investments involve five holdings in both new energy and old energy and my review of recent activity will cover each of them in turn.

New Energy	Holding	Old Energy	Holding
SeaEnergy Renewables	88% (Unquoted)	Ramco Oil & Gas	100% (Unquoted)
		Eagle	100% (Unquoted)
		Lansdowne	38.9% (Quoted)
		MPC	32.7% (Unquoted)

SeaEnergy Renewables

After launching SeaEnergy Renewables in June of this year, I am enormously encouraged by the level of interest in our business model, by the enthusiasm of the highly experienced team we have assembled and in the early progress the team has achieved.

The scale of the opportunity is immense. The UK government has stated the objective of installing some 33 gigawatts of offshore wind power capacity which the Prime Minister has said would require investment of approximately £100 billion and which would generate the equivalent power to 25 nuclear power stations without the associated issues of nuclear deployment onshore. SeaEnergy's aim is to become a pre-eminent player in this high growth business and to secure a material percentage of the UK market.

Ramco's long history of operating in the offshore environment coupled with the experience of the SeaEnergy team give SeaEnergy the ability to apply the lessons learned in the development of the North Sea's hydrocarbon reserves to the development of deepwater offshore wind farms.

The immediate opportunity for SeaEnergy is participation in both the recently announced UK Third Round and separate Scottish Round processes for the award of leases for industrial scale offshore wind farm sites. The team are actively engaged in discussions which we believe will lead to SeaEnergy joining with large industry partners with the objective of winning sites in these bid rounds.

After a competitive process, SeaEnergy has engaged Royal Bank of Canada as its financial adviser to assist in securing the funding that will be required to allow SeaEnergy to deliver its strategy and give it the ability to participate fully in the development of offshore wind farms.

Ramco Oil and Gas

Ramco Oil and Gas is the group entity which controls the acreage and opportunities, outside of Ireland, which we retained from the Group's earlier activities. These include:

Bulgaria – Where we hold a small royalty interest onshore, the operator, Direct Petroleum announced in January 2008 that it had completed the drilling and logging of the Deventci-R1 well on the A – Lovech block in northwest Bulgaria. The well, the deepest drilled in Bulgaria in the last 30 years, encountered gas saturated reservoirs. Following testing of the well Direct Petroleum announced in August 2008 that the gas-condensate discovery is the highest pressure gas reservoir ever encountered in Bulgaria. Testing was restricted due to the limited availability of test equipment suitable for the high pressure. We await with interest the outcome of any future testing and hopefully an early decision to develop the discovery.

Montenegro - Our residual interests in offshore Montenegro are also held under Ramco Oil and Gas. Little has changed here since my last statement. We remain enthusiastic about the potential of this region and are ready to re-engage with the Government as their plans for a new oil and gas legislative regime progress.

Azerbaijan - In my last statement in June 2008, I advised shareholders that we had initiated arbitration proceedings against the State Oil Company of Azerbaijan (“SOCAR”) relating to certain rights granted to Ramco connected to the Shallow Water Gunashli field in the early 1990’s. The arbitration timetable is still in its early stages.

Eagle

Since we acquired Eagle HC Limited (“Eagle”) in May 2008 a further well and associated sidetrack have been drilled on one of the nine royalty interests owned by Eagle. The well and sidetrack were drilled on block 21/8 where Lundin is the operator. Both discovered hydrocarbons adding to the potential of the acreage, which had initially been confirmed by well 21/8-3, announced as a discovery in late 2007. Again we wait with interest for a decision to move the project to development.

Lansdowne

AIM listed, Lansdowne Oil & Gas plc (“Lansdowne”) has continued to make progress, completing this year’s seismic acquisition programme over its Amergin Licence ahead of schedule and under budget. Initial indications are that the data quality is very good and a significant improvement on the older seismic from the region. Interpreted results from this work are expected shortly as are the results from 2D seismic acquired, in June 2008, over the southern part of Lansdowne’s Midleton / East Kinsale Licence. That seismic was acquired by a potential farm-in partner, at its own cost, in order to earn the option to acquire a 58.34 per cent. interest in that acreage through drilling an exploration well, also at its own cost. It has until the end of 2008 to elect to take up that option.

In July 2008 Lansdowne was awarded a 40 per cent. interest in a new Licensing Option (Barryroe) together with Providence Resources plc and Island Oil & Gas plc, both of which have a 30 per cent. interest. This acreage has previously tested oil from three wells at flow rates of up to 1,600 bpd. From the previous technical work carried out the two main challenges to commercial development are reservoir continuity and the high pour point of the oil caused by high wax content.

Following completion of the seismic interpretation, expected in October 2008, Lansdowne will be updating its Competent Person’s Report and aiming to accelerate their farm-out activity.

Mesopotamia Petroleum Company (MPC)

Along with our fellow shareholders in MPC we continue to work with our Iraqi counterparts towards concluding our joint venture with Iraq's Ministry of Oil. Security conditions in Iraq continue to improve, which bodes well for our future involvement as well as recent indications that larger oil deals are imminent such as those announced recently with the Chinese National Petroleum Corporation and Shell.

Notwithstanding the many challenges of doing business in Iraq and the rather fluid timescale, I remain optimistic that this joint venture will be signed and ratified in due course.

Board and Advisers

The Eagle transaction announced earlier this year has added to the Ramco team in two ways. The first is through the addition of Mark Groves Gidney to our board as a Non-Executive Director and as technical adviser to the board. Mark has proven capabilities in the oil and gas business having built up a successful consultancy over the last 18 years. In the process he has advised several oil companies in the acquisition and management of acreage portfolios including the completion of numerous farm-outs leading to the drilling of oil and gas discoveries.

The second is through the consultancy agreement we have put in place with Exploration Geosciences Limited, this has given us access to a highly experienced technical team. This team has generated several high impact drilling opportunities from their own resources and in return received royalties; it is these royalties that form the assets of Eagle. Exploration Geosciences achieved their success by being ‘best in class’ with a diversified but very experienced skills base and by dealing with several well-known oil companies,

Summary

Our new strategy is off to a very good start and I expect further positive developments as the year progresses within both our New and Old Energy investments. Our very experienced and cohesive “old energy” team has been supplemented by the equally experienced SeaEnergy “new energy” team. We are delighted to be working with them all as we take the Group forward as an Energy Investment Company.

I believe that the tremendous volatility in oil price, backed by rising electricity prices, gives additional credibility to our balanced approach and new strategy of focussing on oil and gas and renewables. We are excited about the opportunities presented on both sides of the business. The knowledge and experience of operating in the offshore environment over the past 30 years in the oil and gas business should serve us well as it is applied to the offshore wind arena that will form a significant part of the UK’s energy strategy in its drive to meet its 2020 obligations and build energy security.

Stephen Remp
Chairman

Consolidated Interim Balance Sheet

		30 June 2008 (unaudited) £'000	31 December 2007 (unaudited) £'000	30 June 2007 (unaudited) £'000
Assets				
Non-current assets				
Goodwill and other intangible assets	3	2,279	39	1,790
Property, plant & equipment		161	162	170
Investments	4	2,846	2,980	-
		5,286	3,181	1,960
Current assets				
Trade and other receivables		298	328	190
Cash and cash equivalents		855	2,068	3,566
		1,153	2,396	3,756
Liabilities				
Current liabilities				
Trade and other payables		(1,640)	(1,788)	(2,198)
Provisions		-	(1)	(25)
		(1,640)	(1,789)	(2,223)
Net current liabilities (assets)		(487)	607	1,533
Non-current liabilities				
Deferred income tax liabilities	7	(490)	-	-
Other non-current liabilities		(30)	(30)	(32)
		(520)	(608)	(32)
Net assets		4,279	3,758	3,461
Equity				
Share capital		3,915	3,689	3,502
Shares to be issued		1,000	-	-
Share premium		70,119	69,633	69,405
Retained earnings		(70,745)	(69,564)	(70,106)
Total equity attributable to equity holders of the parent		4,289	3,758	2,801
Minority interest		(10)	-	660
Total equity		4,279	3,758	3,461

Consolidated Interim Income Statement

		Half-year ended 30 June	
		2008	2007
		(unaudited)	(unaudited)
	Note	£'000	£'000
Continuing operations			
Cost of sales		-	(5)
Write-off of intangible exploration assets	3	-	(135)
Gross loss		-	(140)
Operating expenses		(1,104)	(1,333)
Gain on sale of Lansdowne shares	5	-	1,568
Operating (loss) / profit		(1,104)	95
Finance income		61	37
Finance expense		(4)	(5)
Finance income – net		57	32
Share of loss of associate	4	(202)	-
Gain on dilution of interest in associate	4	118	-
Impairment loss	4	(50)	-
(Loss) / Profit before taxation		(1,181)	127
Taxation		-	-
(Loss) / Profit from continuing operations		(1,181)	127
Discontinued operation			
Loss from discontinued operation		(39)	(38)
(Loss)/ Profit for the financial period		(1,220)	89
Attributable to:			
Equity holders of the group		(1,209)	201
Minority interests		(11)	(112)
(Loss)/ Profit for the financial period		(1,220)	89
(Loss) / Earnings per share			
Basic and diluted	2	(3.3)p	0.6p
Continuing operations			
(Loss) / Earnings per share			
Basic and diluted	2	(3.2)p	0.7p

Consolidated Interim Statement of Cash Flows

	Half-year ended 30 June	
	2008	2007
	(unaudited)	(unaudited)
Note	£'000	£'000
Cash flows from operating activities:		
Continuing operations	6	(1,136)
Discontinued operation	6	(1,060)
Net finance income	-	-
	(57)	(32)
Net cash used in operating activities	(1,193)	(1,092)
Cash flows from investing activities:		
Interest received	31	25
Proceeds from sale of property, plant and equipment	-	102
Proceeds from sale of shares in subsidiary	-	2,612
Acquisition of intangible exploration assets	-	(90)
Acquisition of subsidiary, net of cash acquired	(38)	-
Acquisition of property, plant and equipment	(11)	(15)
Net cash (used in) / from investing activities	(18)	2,634
Cash flows from financing activities:		
Payment of finance lease liabilities	(2)	(2)
Net cash used in financing activities	(2)	(2)
Net increase/(decrease) in cash and cash equivalents	(1,213)	(1,540)
Cash and cash equivalents at start of period	2,068	2,027
Effect of exchange rate fluctuations on cash held	-	(1)
Cash and cash equivalents at end of period	855	3,566

Consolidated Statement of Changes in Equity

	Attributable to equity holders of parent				Total Equity £'000	Minority Interest £'000	Total Equity £'000
	Share Capital £'000	Shares to be issued £'000	Share Premium £'000	Retained Earnings £'000			
At 1 January 2008	3,689	-	69,633	(69,564)	3,758	-	3,758
Interest in share capital of subsidiary*	-	-	-	-	-	1	1
Loss for the period	-	-	-	(1,209)	(1,209)	(11)	(1,220)
Share based payments charge	-	-	-	28	28	-	28
Issue of new shares – gross consideration	226	1,000	524	-	1,750	-	1,750
Costs of issue	-	-	(38)	-	(38)	-	(38)
At 30 June 2008	3,915	1,000	70,119	(70,745)	4,289	(10)	4,279
At 1 January 2007	3,502	-	69,405	(70,945)	1,962	344	2,306
Profit/ (loss) for the year	-	-	-	720	720	(199)	521
Share based payments charge	-	-	-	82	82	5	87
Issue of new shares – gross consideration	187	-	228	-	415	-	415
Disposal to minority interest	-	-	-	579	579	426	1,005
Deemed disposal of subsidiary	-	-	-	-	-	(576)	(576)
At 31 December 2007	3,689	-	69,633	(69,564)	3,758	-	3,758
At 1 January 2007	3,502	-	69,405	(70,945)	1,962	344	2,306
Profit / (loss) for the period	-	-	-	201	201	(112)	89
Share based payments charge	-	-	-	60	60	2	62
Disposal to minority interest	-	-	-	578	578	426	1,004
At 30 June 2007	3,502	-	69,405	(70,106)	2,801	660	3,461

*Minority interest arose from subscription by management for 12 per cent. of the share capital of group subsidiary SeaEnergy Renewables Limited.

Notes to the Interim Statement

1. Basis of presentation

The interim statement has been prepared on the basis of the accounting policies which will be adopted in the 2008 Annual Report and Accounts. The interim statement does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. The results for the six months to 30 June 2008 and the comparative results for six months to 30 June 2007 are unaudited. The comparative figures for the year ended 31 December 2007 do not constitute the statutory financial statements for that year. Those financial statements have been delivered to the Registrar of Companies and include the auditor's report which was unqualified and did not contain a statement either under Section 237(2) or Section 237(3) of the Companies Act 1985. It did, however, contain an emphasis of matter over the going concern basis of preparation for the Group. Therefore, this interim statement should be read with due regard to the uncertainties described within note 1 of the financial statements for the year ended 31 December 2007.

The balance sheet, as at 30 June 2008, shows net current liabilities of £487,000. Included within this figure is an amount of £1,184,000 owed to Schlumberger under a deferral agreement entered into in June 2005. Under this agreement Schlumberger irrevocably waived the right to a cash settlement in return for the option to settle the debt in shares of the Company. Although the settlement of this debt deferral instrument will result in no outflow of resources from the Group, the fact that the number of shares required to settle the debt is variable means that the instrument is classified as a current financial liability and not an equity instrument. The timing of the share issue is at the discretion of Schlumberger and the Group is required to engage the services of its brokers to place the shares as soon as practical after the issue. On this basis the directors consider that it is appropriate to prepare these financial statements on a going concern basis.

2. Loss / (earnings) per Share

(Loss) / Earnings per share attributable to equity holders of the Company arise from continuing and discontinued operations as follows:

	Half year ended 30 June	
	(pence per share)	
	2008	2007
(Loss) / Earnings per share for (loss) / profit from continuing operations attributable to the equity holders of the Company		
- basic	(3.2)	0.7
- diluted	(3.2)	0.7
Loss per share for loss from discontinued operation attributable to the equity holders of the Company		
- basic	(0.1)	(0.1)
- diluted	(0.1)	(0.1)
(Loss)/ Earnings per share for (loss) / profit from continuing and discontinued operations attributable to the equity holders of the Company		
- basic	(3.3)	0.6
- diluted	(3.3)	0.6

The calculations were based on the following information.

	£'000	£'000
- loss from continuing operations	(1,181)	127
- attributable to minority interests	11	112
(Loss) / Earnings attributable to equity holders of the Company		
- continuing operations	(1,170)	239
- discontinued operation	(39)	(38)
- continuing and discontinued operations	(1,209)	(201)
Weighted average number of shares in issue		
- basic	37,174,866	35,017,815
- diluted	37,174,866	36,428,071

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has four classes of potential ordinary shares; share options, shares to be issued, warrants and the Schlumberger debt deferral agreement.

As the Group has reported a loss for the period then, in accordance with International Accounting Standard 33, the share options, shares to be issued and warrants are not considered dilutive as their conversion to ordinary shares would decrease loss per share from continuing operations. Based on the number of shares required to settle the debt and the interest expense accrued in the period, the debt deferral agreement with Schlumberger is anti-dilutive.

3. Goodwill and other intangible assets

	Exploration/ Appraisal Assets £'000	Goodwill £'000	Total £'000
Six months ended 30 June 2007			
Opening net book amount at 1 January 2007	1,849	-	1,849
Additions	76	-	76
Write-off of intangible exploration assets	(135)	-	(135)
Closing net book amount at 30 June 2007	1,790	-	1,790
Year ended 31 December 2007			
Opening net book amount at 1 January 2007	1,849	-	1,849
Additions	127	-	127
Deemed disposal	(1,000)	-	(1,000)
Write-off of intangible exploration assets	(937)	-	(937)
Closing net book amount at 31 December 2007	39	-	39
Six months ended 30 June 2008			
Opening net book amount at 1 January 2008	39	-	39
Acquisition of subsidiary (note 7)	1,750	490	2,240
Closing net book amount at 30 June 2008	1,789	490	2,279

4. Investments

	£'000
At 1 January 2007 & 30 June 2007	-
Arising on deemed disposal of subsidiary (a)	2,950
Additions	107
Share of loss for year	(77)
At 31 December 2007	<u>2,980</u>
At 1 January 2008	2,980
Share of loss for period	(202)
Gain on dilution of interest in associate (a)	118
Impairment loss (b)	(50)
At 30 June 2008	<u>2,846</u>

(a) Investment in Lansdowne Oil & Gas plc

In November 2007 Lansdowne Oil & Gas plc, a subsidiary of the group at the time, issued new ordinary shares pursuant to an acquisition agreement. As Ramco Hibernia Limited did not receive any of the new shares issued, the Group's interest in Lansdowne Oil & Gas plc reduced from 61.15 per cent. to 42.8 per cent. and a deemed disposal arose.

Following a placing of shares in May 2008 the Group's interest reduced to 38.9 per cent. resulting in gain on dilution.

(b) Investment in Mesopotamia Petroleum Company Limited

The group has impaired its investment in Mesopotamia Petroleum Company Limited so that its net book value is nil at the balance sheet date.

The Group's share of the results of its principal associates and their aggregated assets and liabilities are as follows:

Name	Country of incorporation	Status	Assets	Liabilities	Revenues	Loss	Percentage interest held in ordinary shares by Group
Lansdowne Oil & Gas plc	England	AIM listed	3,998	(1,152)	-	(202)	38.9
Mesopotamia Petroleum Company Limited	England	Private	9	(20)	-	-	32.7
			4,007	(1,172)	-	(202)	

5. Gain on sale of Lansdowne Shares

On 26 June 2007 Ramco Hibernia Limited, a wholly owned subsidiary of the Company, sold 5,225,000 ordinary shares (25.1 per cent) in Lansdowne at a price of 50p per share to LC Capital Master Fund, generating a cash consideration of £2,612,000. As part of the sale and purchase agreement, the group granted LC Capital Master Fund warrants over 5,000,000 ordinary shares in Ramco Energy plc, at an exercise price of 14p. The exercise price was set at a discount of 4p to the prevailing market price of the shares at the date of sale. Given that no services were received for the warrants, their fair value has been treated as a discount to the cash consideration rather than a share based payment. This yields a net consideration that is a reasonable approximation to the fair value of the Lansdowne shares. The sale reduced the group's ownership of Lansdowne to 61.15 per cent and generated a gain on sale as calculated below.

	£'000
Cash Consideration	2,612
Discount in the form of warrants	<u>(578)</u>
Net consideration	2,034
Selling costs	(40)
Increase in minority interest	<u>(426)</u>
Group gain on sale of shares	<u>1,568</u>

6. Reconciliation of (Loss) / Profit for the Period to Net Cash Used in Operating Activities

	Half year ended 30 June	
	2008	2007
	£'000	£'000
(Loss) / Profit for period from continuing operations	(1,181)	127
Adjustments for:		
Depreciation of property, plant and equipment	12	12
Intangible assets written off	-	135
(Gain)/Loss on sale of property, plant and equipment	-	(82)
Gain on sale of shares in subsidiary	-	(1,568)
Share of loss from associates	202	-
Gain on dilution of interest in associate	(118)	-
Impairment loss	50	-
Equity settled share-based payment transactions	29	62
Operating cash flows before movements in working capital	(1,006)	(1,314)
Change in trade and other receivables	60	158
Change in trade and other payables	(187)	99
Change in provisions	1	-
Cash outflow generated by operations	(1,132)	(1,057)
Interest paid	(4)	(3)
Net cash used in continuing operating activities	(1,136)	(1,060)
Loss for period from discontinued operation	(39)	(38)
Adjustments for:		
Net finance expense	39	38
Net cash from discontinued operating activities	-	-
Total net cash used in operating activities	(1,136)	(1,060)

7. Business Combination

Eagle HC Limited

On 14 May 2008 the Group acquired the entire issued share capital of Eagle HC Limited for a consideration of £1.75 million. Acquisition accounting was used.

Details of net assets acquired and goodwill are as follows:

	Fair value £'000
Purchase consideration:	
Shares issued	750
Deferred consideration (shares to be issued)	<u>1,000</u>
Total purchase consideration	<u>1,750</u>
Fair value of assets acquired	<u>1,260</u>
Goodwill (note 3)	<u>490</u>

The assets and liabilities acquired, provisionally determined, are set out below:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Intangible assets	-	1,750	1,750
Deferred income tax liabilities	-	(490)	(490)
	<u>-</u>	<u>1,260</u>	<u>1,260</u>

There are four elements of purchase consideration as follows:

(i) the initial consideration of £0.25 million was satisfied by the issue of 943,396 ordinary shares at a price of 26.5 pence per share being the closing mid-market price on 13 May 2008.

(ii) £0.5 million, of total contingent consideration of £1.0 million, became payable on 24 June 2008 following the spudding of a well on acreage over which Eagle HC Limited holds a royalty interest and was satisfied by the issue of 1,317,292 ordinary shares at a price of 37.96 pence per share, being the average closing mid-market price for the 15 business days immediately prior to the issue of the shares.

(iii) £1.0 million, being deferred consideration, was satisfied, subsequent to the balance sheet date on 14 July 2008, by the issue of 1,912,260 ordinary shares at a price of 52.275 pence per share being the average closing mid-market price on the day of the release of the Company's final results for the year ended 31 December 2007 and the nine business days thereafter.

The above three elements of consideration have been included in total purchase consideration.

(iv) £0.5 million, being the balance of the contingent consideration of £1.0 million, becomes payable when cash flow from the royalty portfolio held by Eagle HC Limited commences.

The Directors have not included the balance of the contingent consideration in the total purchase consideration because there is insufficient information at this stage to conclude that this element of consideration can be deemed probable.

The fair value of the shares issued was based on the published share prices as detailed above.

The assets of Eagle HC Limited consist of a portfolio of royalty interests.

The goodwill is attributable to the deferred taxation arising on the difference between the fair values attributed to the net assets acquired and the taxation base of the net assets acquired.

The total costs in connection with the transaction of £38,000 have been offset against the share premium account.

8. Subsequent events

On 14 July 2008, the Company issued 1,912,260 ordinary shares at a price of 52.275 pence per share being the average closing mid-market price on the day of the release of the Company's final results for the year ended 31 December 2007 and the nine business days thereafter. The shares were issued as deferred consideration in connection with the acquisition (note 7).

9. Copies of the Interim Report

Copies of this interim report will be posted to all shareholders of the Company. Further copies can be obtained from the Company at Britannia House, Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire, AB32 6UF and from the Company's website www.ramco-plc.com.