



Ramco Energy plc

Preliminary Results for the year ended 31 December 2008

Ramco Energy, the Energy Opportunity Company with a dual focus strategy on oil and gas and renewable energy today announces its preliminary results for the year ended 31 December 2008.

Operational highlights:

- SeaEnergy Renewables launched:
 - Successful JVs established with Scottish & Southern Energy & RWE npower renewables to bid in first Scottish offshore wind round
 - Gained two sites from Scottish Round, securing 456MW of potential offshore wind net to SeaEnergy
- Further JV established with EDPR and bids submitted in the UK Third Round
- Historic JV signed between Mesopotamia Petroleum Company and Government owned Iraqi Drilling Company to create Iraqi Oilfield Service Company (“IOSCO”)
- Lansdowne Oil & Gas updated CPR confirms enhanced resources

Financial highlights:

- Loss for the year of £3.4 million, reflecting seven months of SeaEnergy overheads (2007: profit of £0.5 million, including gains on transactions in Lansdowne shares of £3.8 million)
- Gross loss reduced to £nil (2007: £1.0 million)
- Warrants exercised during the year raised £0.7 for the company, with a further £1.02 million raised post balance sheet through further warrant exercises
- Raised £1.65million before expenses through placing, post balance sheet

Ramco’s expertise:

- SeaEnergy team is to date the only team in the world who have installed wind turbines in water depths of over 40 metres
- Ramco oil services background provides skill set for both offshore wind and services in Iraq
- Ramco has a proven track record in building successful consortia / JVs partnering large Companies and governments

Outlook:

- Results from UK Third Round licensing programme, in which SeaEnergy & EDP Renewables JV have tendered for zones, expected by end of 2009
- Results of Strategic Environmental Assessments of sites won in Scottish Round expected quarter 1 2010
- MPC, through IOSCO, have submitted two separate tender bids for the drilling of 60 wells in total
- Further acreage awarded to Lansdowne Oil & Gas in North Celtic Sea

Steve Remp, Chairman, commented:

“We have enjoyed a tremendous start to the year, focussing on our strategy to gain a foothold in both alternative energy and Iraq. We have achieved both of these goals and are beginning to build a presence in both arenas. To have managed both with a small team is a remarkable achievement and a testament to the individuals involved.

Ramco is positioning itself as an Energy opportunity company. Through our first mover advantage we are at the forefront of two of the most exciting aspects of the diversified energy industry.

These are incredibly exciting times for the company which we hope to share with all our stakeholders as we move our strategy forward.”

9 June 2009

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RAMCO ENERGY plc

CHAIRMAN'S STATEMENT

In outlining our new strategy in last year's Annual Report, I described our vision for the future as Ramco 'The Energy Investment Company' with the focus on offshore marine renewables in the form of wind, and the enormous opportunity afforded by the reconstruction of Iraq and its all-important oil industry. I referred to these opportunities as representing the two most significant energy stories of the next two or three decades and, whilst wishing to participate in both, stated that if we achieved a key role in either one, that would represent a significant achievement for the Company and its stakeholders.

At the time of writing, and following recent positive announcements, we are well on the way to succeeding in being involved in both. Our 80% owned subsidiary, SeaEnergy Renewables Limited ("SeaEnergy"), despite only being established in June of last year, has chalked up dramatic successes already. SeaEnergy has secured a net 456 MW of potential offshore wind power in two proposed wind farms offshore Scotland with large utility partners. This is an incredible achievement in the first year of SeaEnergy's development. In the case of Iraq and the rehabilitation of its oil industry, Mesopotamia Petroleum Company ("MPC"), in which Ramco has a 32.67% interest, signed an historic joint venture ("JV") agreement with Iraq's government-owned drilling company Iraqi Drilling Company ("IDC"), in February 2009.

In light of these significant achievements and the way in which we plan to take the Company forward we have continued to refine our strategy and believe a more appropriate positioning for the Company is as 'The Energy Opportunity Company'.

Financial Results

A loss attributable to ordinary shareholders for the financial year, of £3.4 million was recorded in 2008 compared with a profit of £0.5 million in 2007. The 2008 results reflect seven months of SeaEnergy overheads, which did not impact the previous year's figures and the 2007 results, included profits arising predominantly from transactions in the shares of Lansdowne. The Group recorded a gain on the sale of shares in Lansdowne of £1.5 million in 2007. The Group also recorded a gain of £2.3 million on a deemed disposal, when its holding in Lansdowne was further diluted by an issue of new shares by Lansdowne.

Gross loss fell from £1.0 million in 2007 to £nil in 2008, reflecting the reduced level of expenditure written off in respect of intangible exploration assets. The Directors do not recommend the payment of a dividend (2007: £nil).

The Group's net cash flow from continuing operating activities was an outflow of £3.2 million for 2008 (2007: outflow £2.7 million). Net cash used in investing activities was £0.1 million (2007: cash generated £2.3 million). Proceeds from the sale of shares in Lansdowne in 2008 were £nil (2007: £2.6 million).

Total cash inflows from financing activities in 2008 were £2.2 million, compared to an inflow of £0.4 million in 2007. Proceeds from the issue of new share capital in 2008 were £0.7 million (2007: £0.4 million). Proceeds from new borrowings were £1.5 million (2007: £nil).

£1.5 million of the short term £2 million loan facility we announced in April 2008, which allowed us to secure the SeaEnergy team and launch that business had been drawn by the year end. The balance has now been fully drawn. LC Capital Master Fund Ltd (“LC”), the lender, has the option to convert this loan into equity in SeaEnergy alongside a third party investor should we choose to fund that business in that manner or into the shares of Ramco at the mid-market price at the time of conversion.

Since my last statement in September 2008 the recovery in our share price has allowed the holders of warrants to exercise and provided the Company with additional working capital. In November 2008, by LC exercised all of the 5,000,000 warrants they held, generating £0.7 million for the Company. That exercise resulted in LC becoming the largest shareholder in the Company, they now hold 12.64%. More recently, in May and June 2009 other warrant holders exercised 3,000,000 warrants generating a further £1.02, million for the Company. There are now no warrants outstanding.

We are pleased that our recent positive progress has been recognised by investors and are delighted to have added Fidelity, a leading institutional investor, to our shareholder register with a 6.75% interest. The investment by Fidelity resulted in funds of approximately £1.6 million becoming available to the Company.

Operations

Our current investments cover five holdings in both renewables and oil & gas.

Renewables	Holding	
SeaEnergy	80%	unquoted
Oil & Gas		
Ramco Oil & Gas	100%	unquoted
Eagle	100%	unquoted
Lansdowne	36.26%	AIM listed
MPC	32.67%	unquoted

SeaEnergy

In the short period from its launch in June 2008 to October 2008, SeaEnergy secured a number of significant results very quickly. This is a testament to the fact that the SeaEnergy team had successfully worked together over a number of years. They announced joint ventures with two leading utilities and together with those partners submitted three bids in the Crown Estate’s Scottish Round programme. Two of the three bids were successful and in February 2009 SeaEnergy entered into Exclusivity

Agreements with the Crown Estate securing its first interests in potential offshore wind farms; the Beatrice site and the Inch Cape site.

The Beatrice Offshore Wind Farm site is located 9 miles off the east coast of Scotland in the Moray Firth and covers 49 Sq miles in area, and is close to the two existing Beatrice Demonstrator turbines installed by Talisman Energy Inc. and Scottish and Southern Energy plc (“SSE”). SeaEnergy holds a 25% interest in the application with SSE subsidiary Airtricity Holdings (UK) Limited (“Airtricity”) holding the other 75%. The ultimate size of the proposed wind farm will be determined following a comprehensive evaluation of the site and its potential interaction with both natural and man-made environments through research and stakeholder consultation, but is likely to be in the region of 920 MW \pm 30%.

The second site, the Inch Cape Offshore Wind Farm, is located 10 miles off the east coast of Scotland in the Outer Tay Estuary and covers 58 Sq miles in area. SeaEnergy holds a 25% interest in the application with RWE AG subsidiary RWE npower renewables Limited holding the other 75%. As with the Beatrice site, an identical procedure will be pursued and the ultimate size of the site is likely to be in the region of 905 MW \pm 30%.

The Scottish Government expects to announce, in the first quarter of next year, the results of their Strategic Environmental Assessments (“SEA”) covering all of the sites they awarded in February. Both of the SeaEnergy sites border UK Third Round sites, where the SEAs are substantially complete and for that reason we do not anticipate that the Scottish SEA process is likely to raise any issues which materially impact the development of our sites. SeaEnergy expects that a 24 month data gathering period over the sites will be required ahead of planning applications being filed. Moving forward, the Joint Ventures are concentrating on early investigations and data gathering over the proposed sites, and will engage in extensive stakeholder consultation.

SeaEnergy has also announced a further joint venture with EDP Renewables (“EDPR”), the majority owned renewable energy subsidiary of EDP the principal Portuguese utility and the world’s fourth largest wind power generator. Together, SeaEnergy and EDPR have tendered for zones in the current Crown Estate managed UK Third Round leasing programme. Most of the zones available in the Third Round are substantially larger than the sites awarded in the Scottish Round and results are anticipated towards the end of 2009.

The Scottish Round and UK Third Round are the mechanisms by which the UK Government aims to see over 30GW of offshore wind capacity installed (equivalent to more than the UK’s current household electricity consumption) built by 2020. The number and location of further offshore sites will be restricted and the location of many of the available sites mean that most planned offshore wind-farms will be built in water depths of over 40 metres. To date, the SeaEnergy team is the only team in the world which has installed turbines in such water depths.

The UK currently lags behind most other EU states in the percentage of electricity generated from renewable sources and wind is the only energy source likely to make a

meaningful contribution towards the strict EU targets within the time frame. As Rob Hastings of the Crown Estate stated recently, “It is the North Sea happening all over again”.

In choosing to work with SeaEnergy our utility partners have confirmed the value we place on our unrivalled management team and its track record.

MPC

Since executing the Joint Venture Agreement between MPC and IDC, the government-owned drilling company, at the end of February 2009, the parties have been diligently working to complete a comprehensive business plan for the Iraqi Oilfield Service Company LLC (“IOSCO”), the joint-venture entity that plans to conduct operations in Iraq. The business plan was recently completed and approved by the parties in Baghdad on the 11 May 2009. The MPC team led by Deputy Chairman Peter Redman did an outstanding job in concluding months of hard work and establishing the jointly agreed road map for the way ahead. We are pleased with the efforts of the MPC team to establish the vision for IOSCO and the steps required to build a strong company.

At the same time the IOSCO business plan was being finalised, two separate tender bids for the drilling of a total of 60 wells in IOSCO’s initial geographic focus area were announced by the Missan Oil Company. IDC on behalf of IOSCO, recently submitted proposals to drill and provided all the oilfield services, requested in those tenders, to the Missan Oil Company. We expect to hear the results from these tender processes during the summer. While we remain optimistic that IOSCO will be the selected bidder in the tender processes, the exercise of preparing each of these bids enabled the MPC and IDC personnel to work closely together further strengthening the existing relationship between the parties. We believe this deepening relationship will be an important part of IOSCO’s success in the future.

Ramco Oil & Gas

With our attention focused most recently on SeaEnergy and MPC, there is little to report concerning our interests in Bulgaria, Montenegro and Azerbaijan. However, the operator of the Bulgarian acreage where we hold a small royalty interest has announced a gas discovery of over 230 billion cubic feet and they are moving to the development stage. We look forward to receiving our first royalty payments shortly after production commences.

In Montenegro, delays in the introduction of new oil and gas legislation have deferred our progress in re-engaging with the Government on future opportunities in that country.

We continue to pursue a claim against the State Oil Company of the Azerbaijan Republic relating to rights connected to the Shallow Water Gunashli field. Both sides are finalising their written case and a hearing before an arbitration tribunal is scheduled for later this year in Stockholm.

Eagle

Since acquiring a portfolio of North Sea royalty interests during the first half of last year, discoveries have been announced following drilling on two of the blocks. Unfortunately the decline of the oil price in the latter part of last year has meant that neither of these blocks has been scheduled for further work in the current year. We have no expenditure related to holding these royalty interests and look forward to a future cash flow as the oil price recovers and the blocks move into development and ultimately production.

Lansdowne

Like most other AIM listed exploration companies Lansdowne's share price has suffered badly over the past year. However, the seismic acquisition programme it completed last year has provided the company with an excellent quality of data and has allowed an updated Competent Person's Report to be completed. This shows enhanced resources and value and has acted as a focus for potential farm in partners. Lansdowne has since added further acreage to its portfolio with the award of the Lee Licensing Option, in the North Celtic Sea Basin. With a new owner of the Celtic Sea gas infrastructure now in place, I hope to see exploration activity in the area increase and expect that Lansdowne will play an important part in that activity

Corporate

I was pleased to announce the appointment of Ambrian Partners Limited as Nominated Adviser and broker to the Company at the start of the year. Ambrian's focus on renewable energy and oil and gas fits well with our own focus and they have quickly got up to speed with our activities and strategy, ably supporting our recent placing. Following that placing I was also delighted to be able to announce the return of Fidelity as a significant shareholder in the Company after an absence of over 10 years. I would also like to add my sincere thanks to Lampe Conway, now our largest shareholder for their steadfast support through the recent difficult years and look forward to creating further value for them and all of our shareholders.

Summary

At first glance, shareholders and investors may question the logic of being in both renewables and oil and gas. While issues around energy supply and consumption are increasingly understood by the public at large it is important to understand that the skill-base that will support the development of a global offshore wind industry will come from the offshore oil and gas industry. Ramco together with the SeaEnergy team is one of the few companies that combine that expertise and understanding. I would like to thank my very able team at Ramco for contributing so much energy, commitment, and enthusiasm to our turnaround - they are invaluable.

Ramco Energy plc

Preliminary results for the year to 31 December 2008

Consolidated Balance Sheet As at 31 December 2008

	Note	2008 Unaudited £'000	2007 Audited £'000
Assets			
Non- current assets			
Goodwill and other intangible assets	4	2,404	39
Property, plant & equipment	5	159	162
Investments	6	2,701	2,980
		<u>5,264</u>	<u>3,181</u>
Current assets			
Trade and other receivables		626	328
Cash and cash equivalents		1,051	2,068
		<u>1,677</u>	<u>2,396</u>
Total assets		<u>6,941</u>	<u>5,577</u>
Liabilities			
Current liabilities			
Trade and other payables	7	(2,016)	(1,788)
Loans and borrowings	7	(1,500)	-
Provisions		(2)	(1)
		<u>(3,518)</u>	<u>(1,789)</u>
Net current (liabilities) / assets		(1,841)	607
Non-current liabilities			
Deferred income tax liabilities		(489)	-
Other non-current liabilities		(26)	(30)
Net assets		<u>2,908</u>	<u>3,758</u>
Shareholders' equity			
Share capital	8	4,611	3,689
Share premium	8	71,196	69,633
Deficit on retained earnings	9	(72,778)	(69,564)
Total equity attributable to equity holders of the parent		3,029	3,758
Minority interest		(121)	-
Total equity		<u>2,908</u>	<u>3,758</u>

Ramco Energy plc
Consolidated Income Statement
For the year ended 31 December 2008

	2008	2007
Note	Unaudited	Audited
	£'000	£'000
Continuing operations		
Cost of sales	-	(21)
Write-off of intangible exploration assets	4	(937)
Gross loss	-	(958)
Operating expenses	(3,013)	(2,301)
Gain on sale of shares in subsidiary	10	1,568
Gain on deemed disposal of subsidiary arising from dilution	10	2,272
Operating (loss) / profit	(3,013)	581
Finance income	72	105
Finance costs	(18)	(7)
Finance income – net	54	98
Share of loss of associates	(328)	(77)
(Loss) / profit before income tax	(3,287)	602
Income tax expense	-	-
(Loss) / profit from continuing operations	(3,287)	602
Discontinued operation		
Loss from discontinued operation (net of tax)	(75)	(81)
(Loss) / profit for year	(3,362)	521
Attributable to:		
Equity holders of the group	(3,240)	720
Minority interests	(122)	(199)
(Loss) / profit for the year	(3,362)	521
(Loss) / earnings per share		
3		
Basic	(8.17)p	2.05p
Diluted	(8.17)p	1.95p
Continuing operations		
(Loss) / earnings per share		
Basic	(7.99)p	2.28p
Diluted	(7.99)p	2.17p

Ramco Energy plc
Consolidated Statement of Changes in Equity
For the years ended 31 December 2008

Group	Attributable to equity holders of the parent					Total equity £'000
	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000	Minority interest £'000	
Year ended 31 December 2007						
At 1 January 2007	3,502	69,405	(70,945)	1,962	344	2,306
Profit for the financial year	-	-	720	720	(199)	521
Share based payments charge	-	-	82	82	5	87
Issues 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
Year ended 31 December 2008						
At 1 January 2008	3,689	69,633	(69,564)	3,758	-	3,758
Loss for the financial year	-	-	(3,240)	(3,240)	(122)	(3,362)
Share based payments charge	-	-	26	26	-	26
Issues of new shares – gross consideration	922	1,549	-	2,471	-	2,471
Cost of issues recovered	-	14	-	14	-	14
Minority interest share subscription	-	-	-	-	1	1
At 31 December 2008	4,611	71,196	(72,778)	3,029	(121)	2,908

Ramco Energy plc
Consolidated Statement of Cash Flows
For the year ended 31 December 2008

	Note	2008 Unaudited £'000	2007 Audited £'000
Cash flows from operating activities			
Continuing operations	11	(3,170)	(2,670)
Interest paid		(2)	(4)
Net cash used in operating activities		<u>(3,172)</u>	<u>(2,674)</u>
Cash flows from investing activities			
Interest received		118	71
Proceeds from sale of property, plant and equipment		-	102
Proceeds from sale of shares in subsidiary	10	-	2,612
Acquisition of shares in associate		(49)	-
Acquisition of intangible assets		(125)	(127)
Acquisition of property, plant and equipment		(23)	(3)
Deemed disposal of subsidiary		-	(352)
Net cash (used in) / generated by investing activities		<u>(79)</u>	<u>2,303</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		735	415
Issue of share capital in subsidiary to minority interests		1	-
Payment of finance lease liabilities		(4)	(4)
Proceeds from borrowings		1,500	-
Net cash generated by financing activities		<u>2,232</u>	<u>411</u>
Effect of exchange rate fluctuations on cash held		2	1
Net (decrease) / increase in cash and cash equivalents		<u>(1,017)</u>	<u>41</u>
Opening cash and cash equivalents		2,068	2,027
Closing cash and cash equivalents		<u>1,051</u>	<u>2,068</u>

Notes to the Financial Information For the year ended 31 December 2008 Unaudited

1. Basis of Presentation

The consolidated financial information for the year ended 31 December 2008 has been prepared on the basis of International Financial Reporting Standards (“IFRS”) accounting policies to be adopted in the financial statements for the year ended 31 December 2008.

The preliminary results have been prepared on the going concern basis which assumes that the Company and its subsidiaries will continue in operational existence for the foreseeable future.

The Group balance sheet as at 31 December 2008 shows net current liabilities of £1.8 million. However, the Directors consider that it is appropriate to adopt a going concern assumption in preparing this financial information for the following reasons:

- Included in net current liabilities is £1.2 million relating to a debt deferral agreement under which the lender has irrevocably waived the right to receive cash settlement in return for an option to settle the debt in shares of the Company.
- Included in net current liabilities is a loan from a significant shareholder of £1.5 million. Various repayment mechanisms are in place to repay the debt including conversion into an equity interest in potential new opportunities currently being pursued by the Group and by subscription for new ordinary shares in the Company.
- Since the year end the Company has raised £2.7 million, out of a total £3.4 million over the past year, through the issue of new shares in a placing and through the exercise of warrants.

The Group has accumulated, and continues to develop, a portfolio of energy interests which will either be developed in the medium term into revenue generating businesses or realised for cash if necessary.

The Group has already secured finance for its marine renewable energy subsidiary, SeaEnergy Renewables Limited (“SeaEnergy”), enabling it to employ a team with unique offshore experience. Since the balance sheet date Exclusivity Agreements have been entered into with the Crown Estate in relation to the proposed development of two offshore wind farm sites, subject to a Strategic Environmental Assessment by the Scottish Government. In both agreements SeaEnergy is partnered by major utilities. Royal Bank of Canada Europe Limited has been appointed as financial advisers. Additional finance is now being vigorously pursued with potential strategic and financial investors.

The Group’s associate, Mesopotamia Petroleum Company (“MPC”), has signed a joint venture agreement with the Government of Iraq since the balance sheet date. The Directors believe the joint venture will have a material effect on lifting Iraqi oil production. JPMorgan Cazenove Limited has been engaged to assist MPC in raising a substantial share of future funding requirements.

The Group’s portfolio of interests also includes a direct interest in exploration royalties in the UK North Sea. Two of these royalties relate to undeveloped discoveries. Some of the royalties may become saleable assets in the short term or revenue generating in their own right in the medium term. Additionally the Group holds a royalty over acreage onshore Bulgaria where a gas discovery is being developed by the operator.

The Directors have prepared cash flow forecasts for the Group for the period ending 12 months from the date of approval of these financial statements. These indicate that the Group will have adequate cash resources to meet its obligations, as they fall due. However, there remains uncertainty as to whether the Group can be considered a going concern in that the Group currently has no immediate revenue streams.

1. Basis of Presentation (continued)

If for any reason the uncertainties described above cannot be successfully resolved, the going concern basis may no longer be applicable and adjustments to the Group profit and loss account and Group balance sheet would be required to record additional liabilities and write down assets to their recoverable amounts.

The figures and financial information for the year ended 2008 do not constitute the statutory financial statements for that year under section 240 of the Companies Act 1985. The auditors have not yet reported on those financial statements. The auditors have indicated that their report will contain reference to the significant uncertainties disclosed above. The figures and financial information for the year ended 2007 do not constitute the statutory financial statements for that year. Those financial statements have been prepared under section 240 of the Companies Act 1985 and included the auditors' report which, whilst unqualified, contained reference to the significant uncertainties disclosed in note 1 to those financial statements. Those financial statements did not contain a statement under either section 237(2) or section 237(3) of the Companies Act 1985.

2. Segmental Reporting

The Group has two primary business segments being Oil & Gas and Renewable Energy.

	Oil & gas £'000	Renewable energy £'000	Corporate unallocated expenses and gains £'000	Group £'000
2008				
Revenue	-	-	-	-
Operating loss	(723)	(970)	(1,320)	(3,013)
Share of associates	(328)			(328)
Finance income net				54
Operating loss from discontinued operations				(75)
Loss for the year				(3,362)
2007				
Revenue	-	-	-	-
Operating profit / (loss)	2,912	(116)	(2,215)	581
Share of associates	(77)	-	-	(77)
Finance income net				98
Operating loss from discontinued operations				(81)
Profit for the year				521

Discontinued operations relate to a gas field which was sold in February 2006.

2. Segmental Reporting (continued)

Group	Oil & gas £'000	Renewable energy £'000	Total continuing operations £'000	Discontinued operations £'000	Corporate unallocated £'000	Group £'000
2008						
Segment assets	3,200	623	3,823	-	3,119	6,942
Segment liabilities	(538)	(181)	(719)	(1,220)	(2,095)	(4,034)
2007						
Segment assets	3,040	-	3,040	-	2,537	5,577
Segment liabilities	(34)	(2)	(36)	(1,145)	(636)	(1,817)

Group	Oil & gas £'000	Renewable energy £'000	Total continuing operations £'000	Discontinued operations £'000	Corporate unallocated £'000	Group £'000
2008						
Capital Expenditure						
P,P&E	-	21	21	-	2	23
Intangibles	2,239	126	2,365	-	-	2,365
Non cash expenses						
Depreciation	-	2	2	-	8	10

Group	Oil & gas £'000	Renewable energy £'000	Total continuing operations £'000	Discontinued operations £'000	Corporate unallocated £'000	Group £'000
2007						
Capital Expenditure						
P,P&E	-	-	-	-	2	2
Intangibles	127	-	127	-	-	127
Non cash expenses						
Depreciation	-	-	-	-	21	21
Gain on sale of shares in subsidiary	1,568	-	1,568	-	-	1,568
Gain on deemed disposal of subsidiary	2,272	-	2,272	-	-	2,272

3. (Loss) / Earnings per Ordinary Share

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

	(pence per share)	
	2008	2007
(Loss) / earnings per share attributable to equity holders of the Company arise from continuing as follows:		
- basic	(7.99)	2.28
- diluted	(7.99)	2.17
Loss per share for loss from discontinued operation attributable to the equity holders of the Company		
- basic	(0.18)	(0.23)
- diluted	(0.18)	(0.22)
(Loss) / earnings per share for (loss) / profit from continuing and discontinued operations attributable to the equity holders of the Company		
- basic	(8.17)	2.05
- diluted	(8.17)	1.95

The calculations were based on the following information.

	£'000	£'000
(Loss) / earnings attributable to equity holders of the Company		
- continuing operations	(3,165)	801
- discontinued operation	(75)	(81)
- continuing and discontinued operations	<u>(3,240)</u>	<u>720</u>
Weighted average number of shares in issue		
- basic	39,637,929	35,176,637
- diluted	39,637,929	36,843,304

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 three classes of potential ordinary shares; share options, warrants and the Schlumberger debt deferral agreement. As a loss was recorded for the current year the issue of potential ordinary shares would have been anti-dilutive in 2008. As explained below, only certain warrants were dilutive for the previous year.

Share options

Only share options that are exercisable at the reporting date are potential ordinary shares. The lowest exercise price of exercisable share options is 34p per share. This was above the average market price of the shares in issue in 2007. On that basis none of the share options were considered dilutive.

Warrants

In August 2005 warrants over 3,000,000 ordinary shares were issued to the Group's lenders, with an exercise price of 34p. This was above the average market price of the shares in issue in 2007 and so the warrants were not dilutive.

In June 2007 warrants over 5,000,000 ordinary shares were issued to LC Capital Master Fund, with an exercise price of 14p per share. This was below the average market price of the shares in issue in 2007 and so the warrants were dilutive.

3. (Loss) / Earnings per Ordinary Share continued

Debt deferral agreement

Based on the number of shares required to settle the debt and the interest expense accrued in 2007, the debt deferral agreement with Schlumberger was anti-dilutive.

4. Goodwill and other Intangible Assets

	Other	Goodwill	Total
	£'000	£'000	£'000
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)
Costs written off	(937)	-	(937)
Closing net book amount at 31 December 2007	39	-	39
Year ended 31 December 2008			
Opening net book amount at 1 January 2008	39	-	39
Additions	126	-	126
Acquisition of subsidiary (note 13)	1,750	489	2,239
Closing net book amount at 31 December 2008	1,915	489	2,404

Oil and gas project expenditures, including geological, geophysical and seismic costs, are accumulated as intangible fixed assets prior to the determination of commercial reserves. At 31 December 2008, intangible fixed assets totalled £1.9 million (31 December 2007: £39,000).

5. Property, Plant and Equipment

	Land & buildings	Plant, fixtures and equipment	Total
	Long- leasehold £'000	£'000	£'000
Cost			
At 1 January 2007	1,113	476	1,589
Additions	-	2	2
Disposals	(1,113)	-	(1,113)
At 31 December 2007	-	478	478
Accumulated depreciation			
At 1 January 2007	1,093	294	1,387
Charge for the year	-	22	22
Disposals	(1,093)	-	(1,093)
At 31 December 2007	-	316	316
Net book amount			
At 31 December 2007	-	162	162
Cost			
At 1 January 2008	-	478	478
Additions	-	23	23
At 31 December 2008	-	501	501
Accumulated depreciation			
At 1 January 2008	-	316	316
Charge for the year	-	26	26
At 31 December 2008	-	342	342
Net book amount			
At 31 December 2008	-	159	159

6. Investments

£'000

Investments in associates

At 1 January 2007	-
Arising on deemed disposal of subsidiary (note 10)	2,950
Additions	107
Share of loss for year	(77)
At 31 December 2007	<u>2,980</u>
At 1 January 2008	2,980
Additions	49
Gain on dilution	183
Impairment	(49)
Exchange movement	42
Share of loss for year	(504)
At 31 December 2008	<u>2,701</u>

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

Name	Country of incorporation	Status	Assets	Liabilities	Revenues	Loss	% interest held in ordinary shares by group
2008							
Lansdowne Oil & Gas plc	England	AIM listed	3,821	(1,130)	-	(422)	38.9%*
Mesopotamia Petroleum Company Limited	England	Private	25	(15)	-	(82)	32.67%
			<u>3,846</u>	<u>(1,145)</u>	<u>-</u>	<u>(504)</u>	

* Following an issue of new shares by Lansdowne Oil & Gas plc in February 2009, the Group's interest reduced to 36.26%.

7. Trade and Other Payables, Loans and Borrowings

(a) Trade and Other Payables

	2008	2007
	£,000	£,000
Amounts falling due within one year;		
Trade payables	259	78
Other taxes and social security	76	341
Accruals	407	212
Amounts due under finance leases	4	4
Other payables	1,270	1,153
	<u>2,016</u>	<u>1,788</u>

*Other payables includes an amount of £1.2 million (2007: £1.1 million) due to Schlumberger Offshore Services Limited under a debt deferral arrangement.

(b) Loans and Borrowings

	2008	2007
	£'000	£,000
Loan from shareholder	<u>1,500</u>	-

In April 2008 the Company secured a borrowing facility in aggregate amount of £2 million (the "Facility"), to provide additional working capital. During the year the Company drew down £1.5 million against this facility.

The Facility has been made available by LC Capital Master Fund, Ltd ("LC") a shareholder of the Company.

The first draw down was made on 24 July 2008 and repayment was initially due six months thereafter in January 2009. With the consent of the lender this has been extended until 24 July 2009. Interest is payable at 4 per cent. per annum. Various repayment mechanisms are in place to repay the debt. In certain circumstances the loan may be repaid in full, prior to its scheduled maturity at the option of LC, through its conversion into an equity interest in potential new opportunities currently being pursued by Ramco. If the conversion is effected at the same time as other third parties invest it would be on the same terms as such other third parties invest. In all other circumstances, Ramco's liability under the Facility shall be repaid on the repayment date as follows:

- First, by Ramco repaying any unused amount of the Facility drawn down by it prior to that date;
- Secondly, to the extent that there remains any debt outstanding, by LC electing for such debt to be discharged by way of the subscription by it for new ordinary shares in Ramco at a price equal to the average closing mid-market price over the 10 dealing days immediately prior to such subscription, subject to there being in place sufficient Ramco shareholder authority to allot such shares at that time and to the aggregate interest of LC and any person deemed to be acting in concert with LC, in the Company remaining below 30 per cent.; and

Finally, in the event of there being any residual debt, by Ramco repaying such residual debt in cash.

8. Share Capital and Premium

		Number of shares (thousands)	Ordinary Shares £'000	Share Premium £'000	Total £'000
At 1 January 2007		35,018	3,502	69,405	72,907
30 November 2007	Issue of new shares	1,870	187	228	415
At 31 December 2007		36,888	3,689	69,633	73,322
14 May 2008	Issue of new shares	943	94	156	250
24 June 2008	Issue of new shares	1,317	132	368	500
14 July 2008	Issue of new shares	1,961	196	839	1,035
20 November 2008	Exercise of warrants	5,000	500	200	700
At 31 December 2008		46,109	4,611	71,196	75,807

The total authorised number of ordinary shares is 70 million shares (2007: 70 million shares) with a par value of 10 pence per share. All issued shares are fully paid.

On 30 November 2007, 1,870,000 new ordinary shares of 10p each were issued for 22.2p per share, in satisfaction of deferred remuneration due to Executive Directors.

The Company allotted and issued the following new ordinary shares of 10p each as consideration for the acquisition of Eagle HC Limited (note 13):

Date	Shares	Price	
14 May 2008	943,396	26.5 pence	Initial consideration
24 June 2008	1,317,292	37.96 pence	Deferred consideration
14 July 2008	1,912,960	52.275 pence	Initial consideration (balance)

On 14 July 2008 the Company allotted and issued a further 47,816 new ordinary shares of 10p each at a price of 52.275 pence per ordinary share in settlement of consultancy invoices.

On 20 November 2008 the Company allotted and issued 5,000,000 new ordinary shares of 10p each. The shares were issued following the exercise of Warrants by LC Capital Master Fund Limited at a price of 14 pence per ordinary share.

The principal trading market for the shares in the UK is the London Stock Exchange's Alternative Investment Market ("AIM") on which the shares have been traded since 14 November 1996.

The following table sets forth, for the calendar quarters indicated, the reported highest and lowest price for the shares on AIM, as reported by the London Stock Exchange.

	2008		2007	
	High	Low	High	Low
First quarter	24.0	19.0	20.5	16.0
Second quarter	79.25	19.0	26.0	16.5
Third quarter	62.0	35.5	21.0	16.25
Fourth quarter	48.5	27.0	21.0	15.5

9. Retained Earnings

	£'000
Year ended 31 December 2007	
At 1 January 2007	(70,945)
Profit for the financial year	720
Share based payments charge	82
Disposal to minority interest	579
At 31 December 2007	<u>(69,564)</u>
Year ended 31 December 2008	
At 1 January 2008	(69,564)
Loss for the financial year	(3,240)
Share based payments charge	26
At 31 December 2008	<u>(72,778)</u>

10. Investment in Lansdowne Oil & Gas plc

(a) Gain on disposal of 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 £2.6 million. 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. The fair value of these warrants was calculated as a discount to the cash consideration. 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 attributed to sale and warrants	(578)
Net consideration for sale of shares	<u>2,034</u>
Selling costs	(40)
Net assets disposed to minority interest	(426)
Group gain on sale of share	<u>1,568</u>

(b) Gain on deemed disposal of shares

On 29 November 2007 Lansdowne Oil & Gas plc issued 8,921,118 new ordinary shares as consideration pursuant to an acquisition agreement under which it acquire the whole issued share capital of Milesian Oil & Gas Limited. 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% to 42.8% and a gain on deemed disposal arose as follows:

	£'000
Group's share of net assets after issue of consideration shares	2,950
Group's share of net assets before issue of consideration shares	(906)
Group gain on deemed disposal	<u>2,044</u>
Other gain realised on deemed disposal	228
Gain per income statement	<u>2,272</u>

A further gain on dilution of £184,000 arose in May 2008 when Lansdowne Oil & Gas plc issued 2,973,707 new shares. As Ramco Hibernia Limited did not receive any of the new shares issued, the Group's interest in Lansdowne Oil and Gas plc reduced from 42.8% to 38.9%.

11. Reconciliation of (Loss) / Profit before Income Tax to Cash used in Operations

	2008	2007
	£'000	£'000
(Loss) / profit for year from continuing operations	(3,287)	602
Adjustments for:		
Depreciation of property, plant and equipment	26	22
Intangible assets written off	-	937
Gain on sale of property, plant and equipment	-	(82)
Gain on sale of shares in subsidiary	-	(1,568)
Gain on deemed disposal of subsidiary	-	(2,272)
Equity settled share-based payment transactions	26	78
Gain on dilution of investment	(225)	(107)
Impairment of investment in associate	49	-
Share of associate loss	504	77
Operating cash flows before movements in working capital	<u>(2,907)</u>	(2,313)
Change in trade and other receivables	(347)	(119)
Change in trade and other payables	137	(116)
Change in provisions	<u>1</u>	(24)
Cash outflow generated by operations	(3,116)	(2,572)
Net finance income	(54)	(98)
Net cash used in continuing operating activities	<u>(3,170)</u>	<u>(2,670)</u>

	2008	2007
	£'000	£'000
Loss for year from discontinued operation	-	-
Adjustments for:		
Net finance expense	(75)	(81)
Operating cash flows before movements in working capital	<u>(75)</u>	(81)
Change in trade and other payables	<u>75</u>	81
Cash used in operations	-	-
Interest paid	<u>-</u>	-
Net cash from discontinued operating activities	<u>-</u>	-

12. Related Party Transactions

(a) Directors

During 2008 Executive Directors voluntarily agreed to defer contractual bonus and pension payments totalling £92,000 as summarised below:

	As at 31 December	
	2008	2007
	£'000	£'000
SE Remp	74	-
SR Bertram	14	-
CG Moar	4	-
	<u>92</u>	<u>-</u>

No guarantees were given by the Company and no interest was charged on the outstanding balances.

(b) Directors

During 2007 the Company reimbursed expenses totalling £35,000 incurred by S E Remp personally in connection with SeaEnergy Renewables Limited prior to that subsidiary commencing to trade.

(c) Associates

During the year to 31 December 2008 the Group made payments for administrative expenses on behalf of its associate company Mesopotamia Petroleum Company Limited ("MPC") of £58,000 (2007: £114,000). The balance owed by MPC to the Group as at 31 December 2008 is £14,000 (2007: £20,000). It is unsecured and is to be settled in cash within six months of the reporting date. No interest is charged and no guarantee has been given.

During the year to 31 December 2008 the Group made payments for administrative expenses on behalf of its associate company Lansdowne Oil & Gas plc ("Lansdowne") of £nil (2007: £7,000). The balance owed by Lansdowne to the Group as at 31 December 2008 is £155,000 (2007: £111,000). It is unsecured and is to be settled in cash within six months of the reporting date. No interest is charged and no guarantee has been given.

13. Business Combination

Acquisition of Eagle HC Limited

On 14 May 2008 the Group acquired Eagle HC Limited (“Eagle”). Eagle owns a portfolio of North Sea royalty interests that were accumulated by Exploration Geosciences Limited (“EGL”).

The initial consideration was £1.25 million. Of this amount £0.25 million was satisfied on 14 May 2008 by the issue of 943,396 ordinary shares in the Company.

Further consideration of £0.5 million became payable upon the spudding of the next well on the royalty acreage. This occurred in June 2008 and consequently a further 1,317,292 ordinary shares in the Company were issued on 24 June 2008.

The balance of the initial consideration, £1.0 million, was satisfied on 14 July 2008 by the issue of 1,912,960 ordinary shares in the Company.

A further £0.5 million becomes payable when cash flow from the royalty portfolio commences. All such contingent consideration can be settled at the Company’s option, either in cash or through the issue of new shares.

Eagle was dormant during the financial year and its acquisition had no effect on the Group profit and loss account for the year.

Details of net assets acquired and goodwill are as follows:

	Fair Value £,000
Purchase consideration:	
Shares issued	1,750
Fair value of net assets acquired	1,261
Goodwill (note 4)	489

The assets and liabilities acquired are set out below:

	Book Value £	Fair value Adjustment £	Fair Value £
Intangible assets	-	1,750,000	1,750,000
Receivables	500	-	500
Deferred income tax liabilities	-	(489,000)	(489,000)
	500	1,261,000	1,261,500

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

The fair value of the shares was based on the closing mid market prices at the time of issue.

The Directors do not believe that the final element of deferred consideration is probable and it has therefore been excluded from the total purchase consideration.

14. Post Balance Sheet Events

(a) SeaEnergy Renewables Limited – Exclusivity Agreements

In February 2009 the Company's marine renewables subsidiary, SeaEnergy Renewables Limited ("SeaEnergy"), together with its co-venturers, entered into Exclusivity Agreements with The Crown Estate in relation to the proposed development of two offshore wind farm sites. Under those agreements SeaEnergy and its co-venturers were awarded preferred bidder status in respect of two proposed wind farm sites offshore Scotland. The Combined SeaEnergy interest in both projects is approximately 456 Mw.

The awards are subject to a Strategic Environmental Assessment ("SEA"), currently being pursued by the Scottish Government. The grant of any lease to allow construction of a wind farm will be subject to a favourable SEA outcome, site specific environmental impact assessment and statutory consents.

SeaEnergy expects that a 24 month data gathering period over the sites will be required ahead of planning consents being filed. Moving forward, the Joint Ventures will concentrate on early investigations of the proposed sites, and will engage in extensive stakeholder consultation.

As recognition of the SeaEnergy team's success in this process the Company has agreed to sell up to a further 8% of the issued shares of SeaEnergy to the SeaEnergy management team. This transaction will be finalised when a valuation has been agreed with Her Majesty's Revenue & Customs. Following this transaction Ramco's stake in SeaEnergy will be reduced to 80%.

(b) Mesopotamia Petroleum Company Limited – Joint Venture

In February 2009 the Company's associate Mesopotamia Petroleum Company Limited ("MPC") signed a joint venture agreement with the Iraqi Drilling Company ("IDC"), the Iraqi state-owned drilling company.

The joint venture, which will be majority Iraqi owned (51% IDC, 49% MPC), will be known as Iraqi Oil Services Company LLC ("IOSCO") and has been created for the purpose of drilling a large number of new wells and thereby significantly increasing oil and gas production in the Republic of Iraq.

IOSCO's main objectives will be to provide integrated drilling operations in Iraq for the state-owned oil companies, together with any international companies which are awarded licences in any forthcoming licensing rounds. The JV will deliver a wide range of oil services. The parties to the joint venture intend to invest a total of \$400 million to enable IOSCO to purchase and operate 12 new drilling rigs and for provision of logistical support and working capital in order to deliver state-of-the-art performance in its operations. Furthermore, IOSCO is committed to playing a leading role in developing local Iraqi expertise and resources in all aspects of the joint venture including integrated drilling technology.

MPC has appointed London-based investment bank, JPMorgan Cazenove, as its financial adviser and placement agent in connection with a major equity fund-raising to support MPC's contribution to the joint venture's drilling operations.

(c) Placing of new shares

In April 2009 the Company raised approximately £1.65m before expenses by way of a placing of 3,579,232 new ordinary shares of 10p each at a price of 46p each. The net proceeds of the Placing will be used by the Company to further the development of SeaEnergy Renewables Limited and for general working capital purposes.

(d) Exercise of warrants

In May 2009, following the exercise of 600,000 warrants, the Company allotted and issued 600,000 new ordinary shares of 10p each. In June 2009, following the exercise of a further 2,400,000 warrants, the Company allotted and issued 2,400,000 new ordinary shares of 10p each. The exercise of the warrants, which were granted in August 2005 at a price of 34p per share, resulted in the Company receiving £1.0 million as proceeds of these exercises.

15. Contingent Liability

Under the terms of its JV agreement with IDC, if the Company's Associate, MPC, fails to raise its share of the initial joint venture funding then MPC will be required to pay a penalty of US \$2.2 million. Ramco and another MPC shareholder have jointly and severally guaranteed this amount.

16. Annual Report and Financial Statements

The Annual Report and Financial Statements will be posted to shareholders shortly and will be available from the Company's website www.ramco-plc.com and from Britannia House, Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire AB32 6UF.