RAM ENERGY RESOURCES INC
Form S-1/A
January 17, 2007
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As filed with the Securities and Exchange Commission on January 17, 2007

Registration No. 333-138922

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

RAM ENERGY RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1311**	**20-700684**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

5100 East Skelly Drive, Suite 650

Tulsa, Oklahoma 74135

(918) 663-2800

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John M. Longmire

Senior Vice President and Chief Financial Officer

5100 East Skelly Drive, Suite 650

Tulsa, Oklahoma 74135

(918) 663-2800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable on or after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee(1)(2)(3)

Common Stock, par value $0.0001 per share	$74,750,000	$7,999

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933.
(2) Includes amounts attributable to shares which the underwriter has the option to purchase to cover over-allotments, if any.
(3) Previously paid

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer, solicitation or sale is not permitted.

Subject to completion, dated January 17, 2007

PROSPECTUS

11,796,734 Shares

RAM Energy Resources, Inc.

Common Stock

We are offering 9,074,411 shares of our common stock and 2,722,323 shares are being offered by the selling stockholder identified in this prospectus. We will not receive any proceeds from the sale of the shares by the selling stockholder.

Our shares of common stock are quoted on the Nasdaq Capital Market under the symbol RAME . On December 29, 2006, the last reported sale price of our common stock was $5.51 per share.

You should read the risk factors beginning on page 12 of this prospectus to learn about certain factors you should consider before buying shares of our common stock.

PRICE $ PER SHARE

	Per Share	Total
Public Offering Price	$	$
Underwriting Discount	$	$
Net proceeds to RAM Energy Resources, Inc.	$	$
Net proceeds to the selling stockholder (1)	$	$

(1) We will pay all expenses, other than underwriting discounts payable by the selling stockholder, associated with the offering.

We have granted an over-allotment option to the underwriters. Under this option, the underwriters may elect to purchase a maximum of 1,769,510 additional shares from us at the public offering price less underwriting discount within 30 days following the date of this prospectus to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to investors on or about , 2007.

RBC CAPITAL MARKETS

JEFFERIES & COMPANY

SANDERS MORRIS HARRIS

JOHNSON RICE & COMPANY L.L.C.

FERRIS, BAKER WATTS INCORPORATED

GILFORD SECURITIES INCORPORATED

, 2007.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words could, believe, anticipate, intend, estimate, expect, project and similar expressions are intended to id forward-looking statements, although not all forward-looking statements contain such identifying words.

Forward-looking statements may include statements about our:

- business strategy;
- reserves;
- technology;
- financial strategy;
- oil and natural gas realized prices;
- timing and amount of future production of oil and natural gas;
- the amount, nature and timing of capital expenditures;
- drilling of wells;
- competition and government regulations;
- marketing of oil and natural gas;
- property acquisitions;
- costs of developing our properties and conducting other operations;
- general economic conditions;

uncertainty regarding our future operating results; and

plans, objectives, expectations and intentions contained in this prospectus that are not historical.

All forward-looking statements speak only as of the date of this prospectus, and we do not intend to update any of these forward-looking statements to reflect changes in events or circumstances that arise after the date of this prospectus. You should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this prospectus are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under *Risk Factors* and *Management s Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this prospectus. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. Some data are also based on our good faith estimates. Although we believe these third-party sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

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PROSPECTUS SUMMARY

This summary highlights information contained in other parts of our prospectus. Because it is a summary, it does not contain all information that you should consider before investing in our shares. You should read the entire prospectus carefully, including Risk Factors, our financial statements and the notes thereto. We have included definitions of technical terms important to an understanding of our business under Glossary of Oil and Natural Gas Terms.

Unless the context otherwise requires, all references in this prospectus to RAM Energy Resources, our, us, and we refer to RAM Energy Resources, Inc. (formerly known as Tremisis Energy Acquisition Corporation) and its subsidiaries, as a combined entity. All references in this prospectus to RAM Energy refer to RAM Energy, Inc., our wholly owned subsidiary. Unless the context otherwise requires, the information contained in this prospectus gives effect to the May 8, 2006 consummation of the merger of RAM Energy Acquisition, Inc., our wholly owned subsidiary, with and into RAM Energy, and the change of our name from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc., which transactions are collectively called the merger. See Prospectus Summary Recent Events for a discussion of the merger. As used in this prospectus, EBITDA refers to net income before interest expense, amortization, depreciation, accretion, income taxes, gain on early extinguishment of debt, gain on sale of oil and natural gas properties, share-based compensation, extraordinary gains or losses, the cumulative effects of changes in accounting principles and unrealized gains or losses on derivatives.

RAM Energy Resources, Inc.

We are an independent oil and natural gas company engaged in the acquisition, development, exploitation, exploration and production of oil and natural gas properties, primarily in Texas, Louisiana and Oklahoma. Our producing properties are located in highly prolific basins with long histories of oil and natural gas operations. We have been active in these core areas since our inception in 1987 and have grown through a balanced strategy of acquisitions and development and exploratory drilling. We have completed over 20 acquisitions of producing oil and natural gas properties and related assets for an aggregate purchase price approximating $400 million. Through December 31, 2006, we have drilled or participated in the drilling of 561 oil and natural gas wells, 93% of which were successfully completed and produced hydrocarbons in commercial quantities. Our management team has extensive technical and operating expertise in all areas of our geographic focus.

Our oil and natural gas assets are characterized by a combination of conventional and unconventional reserves and prospects. We have conventional reserves and production in four main onshore locations:

- Electra/Burkburnett, Wichita and Wilbarger Counties, Texas;
- Boonsville, Jack and Wise Counties, Texas;
- Vinegarone, Val Verde County, Texas; and
- Egan, Acadia Parish, Louisiana.

We have unconventional reserves and production in our Barnett Shale play located in Jack and Wise Counties, Texas, where we own interests in approximately 27,700 gross (6,800 net) acres.

In addition, we have positioned ourselves for participation in two emerging resource plays in southwest Texas. We have an exploratory play targeting the Barnett and Woodford Shale formations where we own interests in approximately 84,000 gross (6,600 net) acres. We also have an exploratory play targeting the Wolfcamp formation where we are actively acquiring acreage and have accumulated leases and options covering over 15,000 gross and net acres.

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At December 31, 2005, our estimated net proved reserves were 18.8 MMBoe, of which approximately 60% were crude oil, 30% were natural gas, and 10% were natural gas liquids, or NGLs. The PV-10 Value of our proved reserves was approximately $345.5 million based on prices we were receiving as of December 31, 2005, which were $58.63 per Bbl of oil, $35.89 per Bbl of NGLs and $9.14 per Mcf of natural gas. At December 31, 2005, our proved developed reserves comprised 70% of our total proved reserves, and the estimated reserve life for our total proved reserves was approximately 15 years.

We own interests in approximately 2,900 wells and are the operator of leases upon which approximately 1,900 of these wells are located. The PV-10 Value attributable to our interests in the properties we operate represented approximately 86% of our aggregate PV-10 Value as of December 31, 2005. We also own a drilling rig, various gathering systems, a natural gas processing plant, service rigs and a supply company that service our properties.

From January 1, 1997 through December 31, 2005, our reserve replacement percentage, through discoveries, extensions, revisions and acquisitions, but excluding divestitures, was 344%. Since January 1, 1997, our historical average finding cost from all sources, exclusive of divestitures, has been $6.27 per Boe. During the twelve months ended December 31, 2006, we drilled or participated in the drilling of 92 wells on our oil and natural gas properties, 80 of which were successfully completed as producing wells, four of which were dry holes and eight of which were either drilling or waiting to be completed at the end of that period. For the twelve months ended September 30, 2006 we generated EBITDA of $33.8 million from production averaging 3,740 Boe per day. For more information regarding our EBITDA, including a reconciliation to our net income (loss), see *Selected Consolidated Financial Data.*

Our Business Strategy and Strengths

Our primary objective is to enhance stockholder value by increasing our net asset value, net reserves and cash flow per share through acquisitions, development, exploitation, exploration and divestiture of oil and natural gas properties. We intend to follow a balanced risk strategy by allocating capital expenditures in a combination of lower risk development and exploitation activities and higher potential exploration prospects. We intend to pursue acquisitions during periods of attractive acquisition values and emphasize development of our reserves during periods of higher acquisition values. Key elements of our business strategy include the following:

Concentrate on Our Existing Core Areas. We intend to focus a significant portion of our growth efforts in our existing core areas. Our oil and natural gas properties in our core areas are characterized by long reserve lives and production histories in multiple oil and natural gas horizons. We believe our focus on and experience in our core areas may expose us to acquisition opportunities which may not be available to the entire industry.

Accelerate Our North Texas Barnett Shale Development. Due to the high degree of commercial success in the north Texas Barnett Shale by the oil and natural gas industry, we plan to use proceeds of this offering to significantly accelerate drilling in our north Texas Barnett Shale properties. We have over 325 potential horizontal well locations on our properties. We have drilled nine gross (3.4 net) wells to date with a 100% success rate on our north Texas Barnett Shale properties and plan on drilling a minimum of four gross (2.1 net) wells to a maximum of seven gross (2.8 net) wells during 2007.

Complete Selective Acquisitions and Divestitures. We seek to acquire producing oil and natural gas properties, primarily in our core areas. Our experienced senior management team has developed our acquisition criteria designed to increase reserves, production and cash flow per share on an accretive basis. We will seek acquisitions of producing properties that will provide us with opportunities for reserve additions and increased cash flow through operating improvements, production enhancement and additional development and exploratory prospect generation opportunities. In addition, from time to time, we may engage in strategic divestitures when we believe our capital may be redeployed to higher return projects.

Develop and Exploit Existing Oil and Natural Gas Properties. We have historically increased stockholder value by fully developing or exploiting our acquired and discovered properties until we determine that it is no longer economically attractive to do so. As of December 31, 2006, we have identified 161 proved development and extension drilling projects and 166 recompletion/workover projects on our existing properties and wells.

Increase Emphasis on Exploration Activity. We are committed to increasing our emphasis on exploration activities within the context of our balanced risk objectives. We will continue to acquire, review and analyze 3-D seismic data to generate exploratory prospects. Our exploration efforts utilize available geological and geophysical technologies to reduce our exploration and drilling risks and, therefore, maximize our probability of success.

We believe that the following strengths complement our business strategy:

Inventory of Growth Opportunities in the North Texas Barnett Shale. We believe we have a significant inventory of growth opportunities beyond our proved reserve base. We have over 325 potential drilling locations within the north Texas Barnett Shale. We believe that our inventory of potential drilling locations should provide us the opportunity to grow organically for the foreseeable future without having to depend upon acquisitions of properties. Based on current cost estimates, we have approximately $250 million of potential future capital expenditures for the full development of our north Texas Barnett Shale acreage.

Management Experience and Technical Expertise. Our key management and technical staff possess an average of 26 years of experience in the oil and natural gas industry, a substantial portion of which has been focused on operations in our core areas. We believe that the knowledge, experience and expertise of our staff will continue to support our efforts to enhance stockholder value.

Balanced Oil and Natural Gas Production. At year-end 2005, approximately 60% of our estimated proved reserves were oil, 30% were natural gas and 10% were NGLs. We believe this balanced commodity mix, combined with our prudent use of derivative contracts, will provide sufficient diversification of sources of cash flow and will lessen the risk of significant and sudden decreases in revenue from localized or short-term commodity price movements.

Operating Efficiency and Control. We currently operate wells that represent 86% of our aggregate PV-10 Value at December 31, 2005. Our high degree of operating control allows us to control capital allocation and expenses and the timing of additional development and exploitation of our producing properties.

Drilling Expertise and Success. Our management and technical staff have a long history of successfully drilling oil and natural gas wells. Through December 31, 2006, we have drilled or participated in the drilling of 561 oil and natural gas wells with a 93% success rate. We expect to continue to grow by utilizing our drilling expertise and developing and finding additional reserves, although our success rate may decline as we drill more exploratory wells.

Ownership and Control of Service and Supply Assets. We own and control service and supply assets, including a drilling rig, service rigs, a supply company, gathering systems and other related assets. We believe that ownership and use of these assets for our own account provides us with a significant

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competitive advantage with respect to availability, lead-time and cost of these services. For calendar year 2007, approximately 75% of our projected capital expenditures will be in areas serviced by these assets.

Insider Ownership. After giving effect to the completion of this offering, management and insiders will own approximately 54% of our outstanding shares, providing a strong alignment of interest between management, the board of directors and our outside stockholders.

Balance Sheet Flexibility. After giving effect to the completion of this offering and application of the net proceeds as described in this prospectus, we will have significant liquidity for pursuing acquisitions, accelerating our development and exploratory activities and taking advantage of opportunities as they arise.

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Principal Producing Properties

The following is a summary of our oil and natural gas reserve information with respect to our principal properties as of December 31, 2005 and with respect to our producing wells, drilling locations and net acreage as of September 30, 2006:

	Electra/ Burkburnett	Boonsville	Egan	Barnett Shale	Vinegarone
Proved reserves (Mboe)	9,802	3,011	1,651	408	1,110
Percent proved developed	61%	69%	100%	83%	31%
Percent oil	97%	6%	11%	2%	
PV-10 Value (in thousands) (1)	$ 182,920	$ 43,403	$ 38,424	$ 10,410	$ 21,480
Gross producing wells:					
Operated by RAM Energy	503	87	10	2	
Operated by others		1		7	7
Proved drilling locations	152	20		4	3
Potential unproven drilling locations				325	
Total net acres	12,190	7,313	3,740	6,800	1,830

(1) The PV-10 Value of our proved reserves as of December 31, 2005 was calculated using unescalated prices of $58.63 per Bbl of oil, $35.89 per Bbl of NGLs, and $9.14 per Mcf of natural gas, which were the prices we were receiving as of December 31, 2005. The prices at which we sell natural gas are determined on the first day of each month for the entire month.

Principal Exploration Projects

The following is a summary of our principal exploration projects as of September 30, 2006, both of which are located in southwest Texas:

Name	Objective	Net Acres
Wolfcamp	Shale Gas Canyon Sands	15,000
Barnett/Woodford	Shale Gas	6,600

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Recent Events

Tremisis Merger. Prior to May 8, 2006, our corporate name was Tremisis Energy Acquisition Corporation, or Tremisis. On May 8, 2006, Tremisis acquired RAM Energy, Inc. through the merger of its recently formed, wholly owned subsidiary into RAM Energy, Inc. The merger was accomplished pursuant to the terms of an Agreement and Plan of Merger dated October 20, 2005, as amended, which is referred to as the merger agreement, among Tremisis, its acquisition subsidiary, RAM Energy, Inc. and the stockholders of RAM Energy, Inc. Upon completion of the merger, RAM Energy, Inc. became Tremisis wholly owned subsidiary and Tremisis changed its name from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc.

Upon consummation of the merger, the stockholders of RAM Energy, Inc. received an aggregate of 25,600,000 shares of Tremisis common stock and $30.0 million of cash. Prior to consummation of the merger, and as permitted by the merger agreement, on April 6, 2006, RAM Energy, Inc. redeemed a portion of its outstanding stock for an aggregate consideration of $10.0 million.

The merger was accounted for as a reverse acquisition. RAM Energy, Inc. has been treated as the acquiring company and the continuing reporting entity for accounting purposes. Upon completion of the merger, the assets and liabilities of Tremisis were recorded at their fair value, which is considered to approximate historical cost, and added to those of RAM Energy, Inc. Because Tremisis had no active business operations prior to consummation of the merger, the merger was accounted for as a recapitalization of RAM Energy, Inc.

Acquisition of Properties. Effective September 1, 2006, we acquired 447,000 Boe of proved reserves and associated gathering assets in a field located in close proximity to our existing north Texas properties. Current production from the acquired properties is from the Bend Conglomerate. The acquired properties also included undeveloped deep rights, including the Barnett Shale formation. The purchase price was $4.6 million, or $9.84 per Boe of estimated proved reserves. The proved reserve mix in the acquired properties is 72% natural gas and 28% oil.

Stock Transactions. On September 22, 2006, we repurchased 739,175 shares of our common stock from an unaffiliated party in a negotiated transaction at a purchase price of $4.295 per share. On November 10, 2006, we approved the grant of restricted stock awards under our 2006 Long-Term Incentive Plan for an aggregate of 646,805 shares of our common stock to 22 of our employees, including two of our vice presidents, one of whom received an award of 75,100 shares, and the other who received an award of 69,170 shares. We will incur compensation expense of approximately $3.3 million, which will be recognized ratably through 2011, in connection with our November 10, 2006 restricted stock issuances.

Fourth Quarter Operations. During the fourth quarter of 2006 we drilled or participated in the drilling of 18 gross (18.0 net) development wells, of which 13 net wells are capable of commercial production, and five gross (5.0 net) wells were drilling, testing or in the completion process at year end. Wells drilled during the quarter included 18 gross (18.0 net) wells in our Electra/Burkburnett area. During the fourth quarter of 2006, we participated in the drilling of three gross (2.1 net) exploratory wells, two gross (2.0 net) of which were in our Wolfcamp prospect. All three exploratory wells were in various stages of completion at year end.

Our non-acquisition related capital expenditures during the fourth quarter of 2006 aggregated $6.4 million, of which $3.5 million was allocated to development and exploitation activities, and $2.9 million was allocated to exploration activities. Our total non-acquisition capital expenditures for 2006, were approximately $23.4 million, compared to our 2006 capital expenditure budget of $24.3 million. In addition, we expended $4.6 million in our acquisition of 447,000 Boe of proved reserves in the third quarter of 2006.

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Risks Related to Our Strategy

Prospective investors should carefully consider the matters we discuss under the caption *Risk Factors,* as well as the other information in this prospectus, including that the market for attractive opportunities to acquire properties with proved undeveloped reserves may not be available; our reserve estimates may not be accurate; our results will be affected by the volatile nature of oil and natural gas prices and we may experience delays in obtaining drilling rigs and shortages of equipment. One or more of these matters could negatively affect our ability to successfully implement our business strategy.

Our Executive Offices

Our principal executive offices are located at 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135. Our telephone number is (918) 663-2800.

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The Offering

Common stock offered by us	9,074,411 Shares
Common stock offered by selling stockholder (1)	2,722,323 Shares
Option	We have granted the underwriters a 30-day option to purchase up to an aggregate of 1,769,510 additional shares of common stock.
Common stock outstanding after the offering (2)	42,513,941 Shares
Use of Proceeds	We intend to use the net proceeds from this offering primarily to repay indebtedness outstanding under our 11 $^{1}/2$% senior notes and our senior credit facility and to provide additional working capital for general corporate purposes, including acquisition, development, exploitation and exploration of oil and natural gas properties.
Nasdaq Capital Market symbol	RAME

(1) The selling stockholder is Danish Knights, A Limited Partnership, which is a family limited partnership formed by Dr. William W. Talley II, a founder and former chairman of RAM Energy, Inc. Dr. Talley passed away in 2005. No partner of Danish Knights is a director or officer of RAM Energy Resources, Inc.

(2) The shares of common stock outstanding after this offering do not include approximately 12,650,000 shares issuable upon the exercise of outstanding warrants at an exercise price of $5.00 per share and 825,000 shares of our common stock issuable upon the exercise of currently exercisable options to purchase 275,000 units at an exercise price of $9.90 per unit, each unit consisting of one share of our common stock and two warrants, each warrant to purchase one share of our common stock at an exercise price of $6.25 per share. Such warrants, when issued, will be immediately exercisable. The shares of common stock to be outstanding after this offering do not include shares of our common stock that we will issue upon the exercise of options or other awards that may be granted under our 2006 Long-Term Incentive Plan. We have remaining a maximum of 1,423,195 shares of common stock reserved for issuance upon the exercise of options that may be granted and pursuant to awards that may be made under our 2006 Long-Term Incentive Plan. In addition, the shares of common stock to be outstanding after this offering do not include shares of our common stock which may be issued to the underwriter pursuant to its over-allotment option.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

We are providing the following summary consolidated financial information and other data to assist you in your analysis of our financial condition and results of operations. We acquired RAM Energy effective May 8, 2006, by the merger of our recently formed, wholly owned subsidiary with and into RAM Energy, which transaction we refer to as the merger. See *Prospectus Summary Recent Events* for a discussion of the merger. For accounting and financial reporting purposes, the merger was accounted for under the purchase method of accounting as a reverse acquisition and, in substance, as a capital transaction, because Tremisis had no active business operations prior to consummation of the merger. Accordingly, for accounting and financial reporting purposes, the merger was treated as the equivalent of RAM Energy issuing stock for the net monetary assets of Tremisis, accompanied by a recapitalization. The net monetary assets of Tremisis have been stated at their fair value, essentially equivalent to historical costs, with no goodwill or other intangible assets recorded. The accumulated deficit of RAM Energy has been carried forward. Operations prior to the merger are those of RAM Energy.

The consolidated balance sheet data as of December 31, 2004 and 2005 and the consolidated statement of operations data for the years ended December 31, 2003, 2004 and 2005 are derived from RAM Energy s consolidated financial statements audited by UHY Mann Frankfort Stein & Lipp CPAs, LLP, independent registered public accountants, and are included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2003 and the consolidated statement of operations data for the year ended December 31, 2002 are derived from RAM Energy s consolidated financial statements audited by UHY Mann Frankfort Stein & Lipp CPAs, LLP, independent registered public accountants, which are not included in this prospectus. The consolidated balance sheet data of RAM Energy as of December 31, 2001 and 2002 and the consolidated statement of operations data for the year ended December 31, 2001 are derived from RAM Energy s unaudited consolidated financial statements, which are not included in this prospectus.

The summary consolidated financial information and other data presented below is only a summary and should be read in conjunction with the historical consolidated financial statements of each of RAM Energy and Tremisis, and the related notes, *Management s Discussion and Analysis of Financial Condition and Results of Operations* and *Business and Properties*. The historical results included below and elsewhere in this prospectus may not be indicative of our future performance. RAM Energy s financial position and results of operations for 2003, 2004 and 2005 may not be comparative to other periods as a result of certain divestitures and acquisitions, as more fully described in RAM Energy s financial statements included elsewhere in this prospectus.

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Summary Consolidated Financial Information

(in thousands)

Statement of Operations Data	Year Ended December 31, 2001	2002	2003	2004	2005 (1)	Nine Months Ended September 30, 2005 (1) (unaudited)	2006 (1) (unaudited)
Oil and natural gas sales	$ 25,404	$ 10,166	$ 20,053	$ 17,975	$ 66,243	$ 48,140	$ 53,050
Production taxes	2,755	1,044	1,408	1,263	3,320	2,460	2,527
Production expenses	5,975	3,023	3,527	3,600	16,099	11,453	13,222
General and administrative expenses	4,061	5,858	6,331	6,601	8,610	6,285	6,351
Depreciation and amortization	9,766	2,947	4,098	3,273			