

TREMISIS ENERGY ACQUISITION CORP
Form PRER14A
April 10, 2006
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No. 5)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
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TREMISIS ENERGY ACQUISITION CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock of Tremisis Energy Acquisition Corporation

(2) Aggregate number of securities to which transaction applies:

25,600,000

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Average of high and low prices for common stock on November 30, 2005 (\$5.45)

(4) Proposed maximum aggregate value of transaction:

\$169,520,000

(5) Total fee paid:

\$18,138.64

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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This proxy statement is dated April , 2006 and is first being mailed to Tremisis stockholders on or about April , 2006.

Tremisis Energy Acquisition Corporation

1755 Broadway, Suite 604

New York, New York 10019

To the Stockholders of Tremisis Energy Acquisition Corporation:

You are cordially invited to attend a special meeting of the stockholders of Tremisis Energy Acquisition Corporation (Tremisis), relating to the proposed merger of our subsidiary, RAM Energy Acquisition, Inc., into RAM Energy, Inc., and related matters. The meeting will be held at 10:00 a.m., eastern time, on May 8, 2006, at the offices of Graubard Miller, Tremisis counsel, at The Chrysler Building, 405 Lexington Avenue, 19th Floor, New York, New York 10174.

At this meeting, you will be asked to consider and vote upon the following proposals:

(1) to adopt the Agreement and Plan of Merger, dated as of October 20, 2005, as amended, among Tremisis, RAM Energy Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of Tremisis (Merger Sub), RAM Energy, Inc., a Delaware corporation (RAM), and the stockholders of RAM, and the transactions contemplated thereby we refer to this proposal as the merger proposal;

(2) to approve an amendment to the certificate of incorporation of Tremisis to change the name of Tremisis from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc. we refer to this proposal as the name change amendment;

(3) to approve an amendment to the certificate of incorporation of Tremisis to increase the number of authorized shares of Tremisis common stock from 30,000,000 to 100,000,000 we refer to this proposal as the capitalization amendment;

(4) to approve an amendment to the certificate of incorporation of Tremisis to remove the preamble and sections A through D, inclusive, of Article Sixth from the certificate of incorporation from and after the closing of the merger, as these provisions that will no longer be applicable to Tremisis, and to redesignate section E of Article Sixth as Article Sixth we refer to this proposal as the Article Sixth amendment; and

(5) to approve the 2006 Long-Term Incentive Plan (an equity-based incentive compensation plan) we refer to this proposal as the incentive compensation plan proposal.

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The affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date is required to approve each of the merger proposal, the name change amendment, the capitalization amendment and the Article Sixth Amendment. The approval of the incentive compensation plan will require the affirmative vote of the holders of a majority of the shares of Tremisis common stock represented in person or by proxy and entitled to vote at the meeting.

The adoption of the merger proposal is conditioned on the adoption of the name change amendment and the capitalization amendment, and neither the name change amendment nor the capitalization amendment will be presented to the meeting for adoption unless the merger is approved. The adoption of the Article Sixth amendment and the incentive compensation plan proposal are not conditions to the merger proposal or to the adoption of either of the name change amendment or the capitalization amendment, but if the merger is not approved, neither will be presented at the meeting for adoption.

Each Tremisis stockholder who holds shares of common stock issued in Tremisis initial public offering (IPO) has the right to vote against the merger proposal and at the same time demand that Tremisis convert such stockholder's shares into cash equal to a pro rata portion of the funds held in the trust account into which a substantial portion of the net proceeds of Tremisis IPO was deposited. On April 3, 2006, the record date for the

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meeting of stockholders, the conversion price was approximately \$5.49 in cash for each share of Tremisis common stock. These shares will be converted into cash only if the merger agreement is consummated. However, if the holders of 1,265,000 or more shares of common stock issued in Tremisis IPO vote against the merger proposal and demand conversion of their shares, Tremisis will not consummate the merger. Prior to exercising conversion rights, Tremisis stockholders should verify the market price of Tremisis common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights. Shares of Tremisis common stock are quoted on the Over-the-Counter Bulletin Board under the symbol TEGY. On April 3, 2006, the record date, the last sale price of Tremisis common stock was \$5.61.

Tremisis initial stockholders who purchased their shares of common stock prior to its IPO, and presently own an aggregate of approximately 17.9% of the outstanding shares of Tremisis common stock, have agreed to vote all of their shares on the merger proposal in accordance with the vote of the majority of the votes cast by the holders of shares issued in the IPO. The initial stockholders have also indicated that they intend to vote FOR the adoption of the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal.

After careful consideration, Tremisis board of directors has determined that the merger proposal is fair to and in the best interests of Tremisis and its stockholders. Tremisis board of directors has also determined that the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal are in the best interests of Tremisis stockholders. Tremisis board of directors unanimously recommends that you vote or give instruction to vote FOR the adoption of the merger proposal, the name change amendment proposal, the capitalization amendment proposal, the Article Sixth amendment proposal and the incentive compensation plan proposal.

Enclosed is a notice of special meeting and proxy statement containing detailed information concerning the merger proposal and the transactions contemplated thereby, as well as detailed information concerning the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal. Whether or not you plan to attend the special meeting, we urge you to read this material carefully.

Your vote is important. Whether you plan to attend the special meeting or not, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided.

I look forward to seeing you at the meeting.

Sincerely,

Lawrence S. Coben

Chairman of the Board and

Chief Executive Officer

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Neither the Securities and Exchange Commission nor any state securities commission has determined if this proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.

SEE RISK FACTORS BEGINNING ON PAGE 25 FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE MERGER.

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Tremisis Energy Acquisition Corporation

1775 Broadway, Suite 604

New York, New York 10019

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 8, 2006

TO THE STOCKHOLDERS OF TREMISIS ENERGY ACQUISITION CORPORATION:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Tremisis Energy Acquisition Corporation (Tremisis), a Delaware corporation, will be held at 10:00 a.m. eastern time, on May 8, 2006, at the offices of Graubard Miller, Tremisis counsel, at The Chrysler Building, 405 Lexington Avenue, 19th Floor, New York, New York 10174 for the following purposes:

- (1) to consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of October 20, 2005, as amended, among Tremisis, RAM Energy Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of Tremisis (Merger Sub), RAM Energy, Inc., a Delaware corporation (RAM), and the stockholders of RAM (the RAM stockholders), and the transactions contemplated thereby. RAM's board of directors and stockholders have already approved and adopted the merger agreement;
- (2) to consider and vote upon an amendment to the certificate of incorporation of Tremisis to change the name of Tremisis from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc.;
- (3) to consider and vote upon an amendment to the certificate of incorporation of Tremisis to increase the number of authorized shares of Tremisis common stock from 30,000,000 to 100,000,000;
- (4) to consider and vote upon an amendment to the certificate of incorporation of Tremisis to remove the preamble and sections A through D, inclusive, of Article Sixth from the certificate of incorporation from and after the closing of the merger, as these provisions will no longer be applicable to Tremisis, and to redesignate section E of Article Sixth as Article Sixth; and
- (5) to consider and vote upon the approval of the 2006 Long-Term Incentive Plan (an equity-based incentive compensation plan).

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These items of business are described in the attached proxy statement, which we encourage you to read in its entirety before voting. Only holders of record of Tremisis common stock at the close of business on April 3, 2006 are entitled to notice of the special meeting and to vote at the special meeting and any adjournments or postponements of the special meeting. Only the holders of record of Tremisis common stock on that date are entitled to have their votes counted at the Tremisis special meeting and any adjournments or postponements of it. Tremisis will not transact any other business at the special meeting except for business properly brought before the special meeting or any adjournment or postponement of it by Tremisis board of directors.

A complete list of Tremisis stockholders of record entitled to vote at the special meeting will be available for 10 days before the special meeting at the principal executive offices of Tremisis for inspection by stockholders during ordinary business hours for any purpose germane to the special meeting.

Your vote is important regardless of the number of shares you own. The first, second, third and fourth proposals must be approved by the holders of a majority of the outstanding shares of Tremisis common stock. The fifth proposal must be approved by the holders of a majority of the shares of Tremisis common stock present in person or represented by proxy and entitled to vote at the meeting.

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All Tremisis stockholders are cordially invited to attend the special meeting in person. However, to ensure your representation at the special meeting, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. If you are a stockholder of record of Tremisis common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares. If you do not vote or do not instruct your broker or bank how to vote, it will have the same effect as voting against the merger, the name change amendment, the capitalization amendment and the Article Sixth amendment.

The board of directors of Tremisis unanimously recommends that you vote **FOR** each of the proposals, which are described in detail in the accompanying proxy statement.

By Order of the Board of Directors

Lawrence S. Coben

Chairman of the Board and

Chief Executive Officer

April , 2006

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SUMMARY OF THE MATERIAL TERMS OF THE MERGER

The parties to the merger are Tremisis Energy Acquisition Corporation, RAM Energy, Inc., and RAM Acquisition, Inc, which was formed by Tremisis to effect the merger and is referred to as Merger Sub. See the section entitled *The Merger Proposal*.

RAM Energy, Inc., together with its subsidiaries, which we refer to collectively as RAM, is an independent oil and gas company engaged in the acquisition, exploration, exploitation and development of oil and natural gas properties and the production of oil and natural gas. Its properties are located principally in Texas, Louisiana and Oklahoma. See the section entitled *Business of RAM*.

On closing of the merger, the Merger Sub will merge into RAM and RAM will become a wholly owned subsidiary of Tremisis. See the section entitled *The Merger Proposal*.

In return for all of their stock in RAM, the stockholders of RAM will receive from Tremisis 25,600,000 shares of Tremisis common stock and cash equal to \$30,000,000 or such lesser amount as may be available from Tremisis trust account after payments to Tremisis stockholders who vote against the merger and demand that their shares be converted into cash. The merger agreement provides that, prior to the consummation of the merger, RAM may pay its stockholders a one-time extraordinary dividend or effect one or more redemptions of a portion of its outstanding stock, but the aggregate amount of the cash payments made to the RAM stockholders as a result of the extraordinary dividend or stock redemptions may not exceed the difference between \$40,000,000 and the aggregate amount of cash they receive from Tremisis. On April 6, 2006, RAM effected a redemption of a portion of its outstanding stock for an aggregate consideration of \$10.0 million. See the section entitled *The Merger Agreement Merger Consideration*.

As a result of the merger and assuming that no Tremisis stockholder demands that Tremisis convert its shares to cash, as permitted by Tremisis certificate of incorporation, the stockholders of RAM will own approximately 77% of the outstanding Tremisis common stock and the present stockholders of Tremisis (or their transferees) will own approximately 23% of the outstanding Tremisis common stock. See the section entitled *The Merger Agreement Merger Consideration*.

12.5% of the Tremisis shares to be received by the RAM stockholders will be placed in escrow until June 30, 2007 as a fund for the payment of indemnification claims that may be made by Tremisis as a result of breaches of RAM's covenants, representations and warranties in the merger agreement and a lawsuit to which RAM is a party. See the section entitled *The Merger Agreement Escrow Agreement*.

In addition to voting on the merger, the stockholders of Tremisis will vote on proposals to change its name to RAM Energy Resources, Inc., to increase the number of shares of common stock it is authorized to issue to 100,000,000 from 30,000,000, to amend its charter to delete certain provisions that will no longer be applicable after the merger and to approve a long term incentive plan. See the sections entitled *Name Change Amendment Proposal*, *Capitalization Amendment Proposal*, *Article Sixth Amendment Proposal* and *2006 Long-Term Incentive Plan Proposal*.

The stockholders of RAM have agreed not to sell any of the shares of Tremisis common stock they receive in the merger for six months and no more than 50% of the shares they receive for a further six months, subject to certain exceptions. Tremisis has agreed to register their shares with the SEC on request in certain circumstances. See the section entitled *The Merger Agreement Lock-Up Agreement*.

None of Tremisis present officers and directors will continue in such positions after the merger. After the merger, the directors of Tremisis will be three persons who have been designated by the RAM stockholders and one person who has been designated by Lawrence S. Coben, chairman and chief executive officer of Tremisis, and Isaac Kier, secretary, treasurer and a director of Tremisis. The stockholders of RAM and Messrs. Coben and Kier have agreed to vote their shares of Tremisis stock in favor of their respective designees to serve as directors of Tremisis through the annual meeting of

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stockholders of Tremisis to be held in 2008. See the section entitled *The Merger Agreement Election of Directors; Voting Agreement*.

After the merger, all of the officers of Tremisis will be persons who presently hold similar positions with RAM. Larry E. Lee, RAM's president and chief executive officer, will enter into a three-year employment agreement with Tremisis, effective upon the merger, pursuant to which he will hold similar positions with Tremisis. See the section entitled *The Merger Agreement Employment Agreement*.

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QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

- Q. Why am I receiving this proxy statement?**
- A. Tremisis and RAM have agreed to a business combination under the terms of the Agreement and Plan of Merger dated October 20, 2005, as amended on November 11, 2005, and February 15, 2006 that is described in this proxy statement. This agreement is referred to as the merger agreement. A copy of the merger agreement, as amended, is attached to this proxy statement as Annex A, which we encourage you to review.
- In order to complete the merger, Tremisis stockholders must vote to approve (i) the merger agreement, (ii) an amendment to Tremisis' certificate of incorporation to change the name of Tremisis from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc., and (iii) an amendment to Tremisis' certificate of incorporation to increase the number of shares of authorized common stock from 30,000,000 to 100,000,000. Tremisis stockholders will also be asked to vote to approve (i) an amendment to Tremisis' certificate of incorporation to make certain modifications to Article Sixth thereof and (ii) the incentive compensation plan, but such approvals are not conditions to the merger. The incentive compensation plan has been approved by Tremisis' board of directors and will be effective upon consummation of the merger, but stockholder approval is necessary to obtain incentive stock option tax treatment. Tremisis' amended and restated certificate of incorporation, as it will appear if all amendments to its certificate of incorporation are approved, is annexed as Annex B hereto. The incentive compensation plan is annexed as Annex C hereto.
- Tremisis will hold a special meeting of its stockholders to obtain these approvals. This proxy statement contains important information about the proposed merger, the other proposals and the meeting of Tremisis stockholders. You should read it carefully.
- Your vote is important. We encourage you to vote as soon as possible after carefully reviewing this proxy statement.
- Q. Why is Tremisis proposing the merger?**
- A. Tremisis was organized to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business in either the energy or the environmental industry and their related infrastructures. RAM is an independent oil and gas company engaged in the acquisition, exploration, exploitation and development of oil and gas properties and the production of oil and gas. Tremisis believes that RAM, with its estimated net proved reserves of 18.8 million barrels of oil equivalent, or Boe, at December 31, 2005 and its interests in approximately 2,900 wells, is positioned for significant growth in present and future energy markets and believes that a business combination with RAM will provide Tremisis stockholders with an opportunity to participate in a company with significant growth potential.
- Q. What is being voted on?**
- A. There are five proposals on which the Tremisis stockholders are being asked to vote. The first proposal is to adopt and approve the merger agreement and the transactions contemplated thereby. We refer to this proposal as the merger proposal.
- The second proposal is to approve an amendment to the certificate of incorporation to change the name of Tremisis from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc. We refer to this proposal as the name change amendment.

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The third proposal is to approve an amendment to the certificate of incorporation to increase the number of authorized shares of Tremisis common stock from 30,000,000 to 100,000,000. We refer to this proposal as the capitalization amendment.

The fourth proposal is to approve an amendment to the certificate of incorporation to remove the preamble and sections A through D, inclusive, of Article Sixth from the certificate of incorporation from and after the closing and to redesignate section E of Article Sixth as Article Sixth. The items being removed will no longer be operative upon consummation of the merger; therefore, this amendment is being proposed to revise the certificate of incorporation on a going-forward basis. We refer to this proposal as the Article Sixth amendment.

The fifth proposal is to approve Tremisis 2006 Long-Term Incentive Plan. We refer to this proposal as the incentive compensation plan proposal.

- Q. What vote is required in order to adopt the merger proposal?** A. The approval of the merger will require the affirmative vote of holders of a majority of the outstanding shares of Tremisis common stock. If the holders of 20% or more of the shares of the common stock issued in Tremisis initial public offering (the IPO) pursuant to its prospectus, dated May 12, 2004, vote against the merger and demand that Tremisis convert their shares into a pro rata portion of Tremisis trust account as of the record date, then the merger will not be consummated. No vote of the holders of Tremisis warrants is necessary to adopt the merger proposal or other proposals and Tremisis is not asking the warrant holders to vote on the merger proposal or the other proposals. Tremisis will not consummate the merger transaction unless both the name change amendment and the capitalization amendment are also approved. The approvals of the Article Sixth amendment and the incentive compensation plan proposal are not conditions to the consummation of the merger. The incentive compensation plan has been approved by Tremisis Board of Directors and will be effective upon consummation of the merger, subject to stockholder approval of the plan. If the merger proposal is not approved, none of the other proposals will be presented for approval.
- Q. What vote is required in order to adopt the name change amendment?** A. The approval of the name change amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock. The approval of the name change amendment is a condition to the consummation of the merger.
- Q. What vote is required in order to adopt the capitalization amendment?** A. The approval of the capitalization amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock. The approval of the capitalization amendment is a condition to the consummation of the merger.
- Q. What vote is required in order to adopt the Article Sixth amendment?** A. The approval of the Article Sixth amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock. The approval of the Article Sixth amendment is not a condition to the consummation of the merger or to the effectuation of the name change amendment or the capitalization amendment.

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- Q. What vote is required in order to adopt the incentive compensation plan?** A. The approval of the incentive compensation plan proposal will require the affirmative vote of the holders of a majority of the shares of Tremisis common stock represented in person or by proxy and entitled to vote at the special meeting. The approval of the incentive compensation plan proposal is not a condition to the approval of the merger proposal or to the effectuation of the name change amendment or the capitalization amendment.
- Q. Why is Tremisis proposing the incentive compensation plan?** A. Tremisis is proposing the incentive compensation plan to enable it to attract, retain and reward its directors, officers, employees and consultants using equity-based incentives. The incentive compensation plan has been approved by Tremisis Board of Directors and will be effective upon consummation of the merger, subject to stockholder approval of the plan.
- Q. Does the Tremisis board recommend voting in favor of the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan?** A. Yes. After careful consideration of the terms and conditions of the merger agreement, the amendment to the certificate of incorporation and the incentive compensation plan, the board of directors of Tremisis has determined that the merger and the transactions contemplated thereby, each certificate of incorporation amendment and the incentive compensation plan are fair to and in the best interests of Tremisis and its stockholders. The Tremisis board of directors recommends that Tremisis stockholders vote FOR each of (i) the merger, (ii) the name change amendment, (iii) the capitalization amendment, (iv) the Article Sixth amendment and (v) the incentive compensation plan proposal. The members of Tremisis board of directors have interests in the merger that are different from, or in addition to, your interests as a stockholder. For a description of such interests, please see the section entitled *Summary of the Proxy Statement Interests of Tremisis Directors and Officers in the Merger* on page 17.
- For a description of the factors considered by Tremisis board of directors in making its determination, see the section entitled *Tremisis Board of Directors Reasons for Approval of the Merger* beginning on page 39.
- Tremisis has obtained an opinion from Gilford Securities Incorporated that the merger is fair, from a financial perspective, to the stockholders of Tremisis. For a description of the fairness opinion and the assumptions made, matters considered and procedures followed by Gilford Securities Incorporated in rendering such opinion, see the section entitled *Fairness Opinion* beginning on page 41.
- Q. What will happen in the proposed merger?** A. As a consequence of the merger, a wholly owned subsidiary of Tremisis will be merged with and into RAM and RAM will continue as the surviving corporation, becoming a wholly owned subsidiary of Tremisis. Stockholders of RAM will become stockholders of Tremisis and will own at least 77% of the shares of Tremisis common stock outstanding after the merger.
- Q. How do the Tremisis insiders intend to vote their shares?** A. All of the Tremisis insiders (including all of Tremisis officers and directors) have agreed to vote the shares held by them that they acquired prior to the IPO on the merger proposal in accordance with the vote of the majority of the shares of common stock issued in the IPO. They have indicated that they will vote such shares in favor of the certificate of incorporation amendments and the incentive compensation plan. In accordance with their recommendations, the Tremisis insiders will vote any shares they acquired after the IPO for all of the proposals.

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- Q. What will Tremisis stockholders receive in the proposed merger?**
- A. Tremisis stockholders will receive nothing in the merger. Tremisis stockholders will continue to hold the shares of Tremisis common stock that they owned prior to the merger.
- Q. What will RAM stockholders receive in the proposed merger?**
- A. The RAM stockholders, including a holder of an option to purchase shares of common stock of RAM (the only outstanding securities exercisable or convertible into shares of common stock of RAM) who has agreed to exercise such option prior to the consummation of the merger, will receive 25,600,000 shares of Tremisis common stock and \$30.0 million in cash, or such lesser amount as may be available in the trust account after payment to the holders of Tremisis common stock voting against the merger and demanding conversion. Of the shares to be issued to the RAM stockholders, 3,200,000 shares, or 12.5%, will be placed in escrow to secure Tremisis indemnity rights under the merger agreement. The merger agreement authorizes RAM, prior to the consummation of the merger, to either declare a one-time extraordinary dividend, or effect one or more redemptions of a portion of its outstanding stock, in an aggregate amount of up to the difference between \$40 million and the amount of cash consideration to be received by the RAM stockholders from Tremisis in the merger. Subject to the availability of distributable funds, RAM intends to effect such payment. On April 6, 2006, RAM effected a redemption of a portion of its outstanding stock for an aggregate consideration of \$10.0 million. See the section entitled Merger Consideration beginning on page 60.
- Q. How much of Tremisis will existing Tremisis stockholders own after the merger?**
- A. After the merger, if no Tremisis stockholder demands that Tremisis convert its shares into a pro rata portion of the trust account, then existing Tremisis stockholders will own approximately 23% of the outstanding common stock of Tremisis. Existing Tremisis stockholders would own less than that percentage of shares if one or more Tremisis stockholders vote against the merger proposal and demand conversion of their shares into a pro rata portion of the trust account.
- Q. Do I have conversion rights?**
- A. If you hold shares of common stock issued in Tremisis IPO, then you have the right to vote against the merger proposal and demand that Tremisis convert such shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of Tremisis IPO are held. We sometimes refer to these rights to vote against the merger and demand conversion of the shares into a pro rata portion of the trust account as conversion rights.
- Q. How do I exercise my conversion rights?**
- A. If you wish to exercise your conversion rights, you must vote against the merger proposal and at the same time demand that Tremisis convert your shares into cash. Any action that does not include an affirmative vote against the merger will prevent you from exercising your conversion rights. You may exercise your conversion rights either by checking the box on the proxy card or by submitting your request in writing to Tremisis at the address listed at the end of this section. If you (i) initially vote for the merger proposal but then wish to vote against it and exercise your conversion rights or (ii) initially vote against the merger proposal and wish to exercise your conversion rights but do not check the box on the proxy card providing for the exercise of your conversion rights or do not send a written request to Tremisis to exercise your conversion rights, or (iii) initially vote against the merger but later wish to vote for it, you may request Tremisis to send you another proxy card on which you may indicate your intended vote and, if that vote is against the merger proposal, exercise your conversion rights by checking the box provided for

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such purpose on the proxy card. You may make such request by contacting Tremisis at the phone number or address listed at the end of this section. Any corrected or changed proxy card or written demand of conversion rights must be received by Tremisis prior to the special meeting.

If, notwithstanding your negative vote, the merger is completed, then you will be entitled to receive a pro rata portion of the trust account, including any interest earned thereon through the record date. As of the record date, there was approximately \$34,750,000 in trust, so you will be entitled to convert each share of common stock that you hold into approximately \$5.49. If you exercise your conversion rights, then you will be exchanging your shares of Tremisis common stock for cash and will no longer own these shares. You will be entitled to receive cash for these shares only if you continue to hold these shares through the closing of the merger and then tender your stock certificate.

Exercise of your conversion rights does not result in either the conversion or a loss of your warrants. Your warrants will continue to be outstanding and exercisable following a conversion of your common stock.

- Q. What if I object to the proposed merger? Do I have appraisal rights?**
- A. Tremisis Stockholders do not have appraisal rights in connection with the merger under the General Corporation Law of the State of Delaware (DGCL).
- Q. What happens to the funds deposited in the trust account after consummation of the merger?**
- A. Upon consummation of the merger, Tremisis stockholders electing to exercise their conversion rights will receive their pro rata portion of the funds in the trust account. The balance of the funds in the trust account will be released to Tremisis for payment of merger consideration to the RAM stockholders, with the remainder, if any, to be used for working capital.
- Q. Who will manage Tremisis?**
- A. Larry E. Lee, Gerald R. Marshall and John M. Reardon, currently members of the board of directors of RAM, and Sean P. Lane will be appointed to serve on Tremisis board of directors after the merger. After the merger, Larry E. Lee will serve as the chairman, president and chief executive officer of Tremisis, John M. Longmire will serve as its senior vice president and chief financial officer, Larry G. Rampey will serve as its senior vice president, Drake N. Smiley will serve as its senior vice president and John L. Cox will serve as its vice president, secretary and treasurer. Each of Messrs. Lee, Longmire, Rampey, Smiley and Cox currently is an executive officer of RAM and will continue in such position after the merger. None of Tremisis current officers and directors will continue in his position after the merger.
- Q. What happens if the merger is not consummated?**
- A. Tremisis must liquidate if it does not consummate a business combination by May 18, 2006. In any liquidation, the funds held in the trust account, plus any interest earned thereon, together with any remaining out-of-trust net assets, will be distributed pro rata to the holders of Tremisis common stock acquired in Tremisis IPO. Holders of Tremisis common stock acquired prior to the IPO, including all of Tremisis officers and directors, have waived any right to any liquidation distribution with respect to those shares.
- Q. When do you expect the merger to be completed?**
- A. It is currently anticipated that the merger will be consummated promptly following the Tremisis special meeting on May 8, 2006.

For a description of the conditions to completion of the merger, see the sections entitled *Conditions to the Closing of the Merger* beginning on pages 18 and 54.

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- Q. What do I need to do now?** A. Tremisis urges you to read carefully and consider the information contained in this proxy statement, including the annexes, and to consider how the merger will affect you as a stockholder of Tremisis. You should then vote as soon as possible in accordance with the instructions provided in this proxy statement and on the enclosed proxy card.
- Q. How do I vote?** A. If you are a holder of record of Tremisis common stock, you may vote in person at the special meeting or by submitting a proxy for the special meeting. You may submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope. If you hold your shares in street name, which means your shares are held of record by a broker, bank or nominee, you must provide the record holder of your shares with instructions on how to vote your shares.
- Q. What will happen if I abstain from voting or fail to vote?** A. An abstention or failure to vote by a Tremisis stockholder will have the same effect as a vote against the merger, but will not have the effect of converting your shares of common stock into a pro rata portion of the trust account. An abstention or failure to vote will also have the effect of voting against the certificate of incorporation amendments. An abstention will have the effect of voting against the incentive compensation plan proposal, but failures to vote will have no effect on the incentive compensation plan proposal.
- Q. If my shares are held in street name, will my broker, bank or nominee automatically vote my shares for me?** A. No. Your broker, bank or nominee cannot vote your shares unless you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker, bank or nominee.
- Q. Can I change my vote after I have mailed my signed proxy or direction form?** A. Yes. Send a later-dated, signed proxy card to Tremisis secretary at the address of Tremisis corporate headquarters prior to the date of the special meeting or attend the special meeting in person and vote. You also may revoke your proxy by sending a notice of revocation to Tremisis secretary.
- Q. Do I need to send in my stock certificates?** A. No. Tremisis stockholders who do not elect to have their shares converted into the pro rata share of the trust account should not submit their stock certificates now or after the merger, because their shares will not be converted or exchanged in the merger.
- Q. What should I do if I receive more than one set of voting materials?** A. You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive in order to cast a vote with respect to all of your Tremisis shares.

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Q. What are the federal income tax consequences of the merger to Tremisis and its stockholders?

A. The merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and no gain or loss will be recognized by Tremisis as a result of the merger.

A stockholder of Tremisis who exercises conversion rights and effects a termination of the stockholder's interest in Tremisis will generally be required to recognize capital gain or loss upon the exchange of that stockholder's shares of common stock of Tremisis for cash, if such shares were held as a capital asset on the date of the merger. Such gain or loss will be measured by the difference between the amount of cash received and the tax basis of that stockholder's shares of Tremisis common stock.

No gain or loss will be recognized by non-converting stockholders of Tremisis.

For a description of the material federal income tax consequences of the merger, please see the information set forth in *Material Federal Income Tax Consequences of the Merger* beginning on page 46.

Q. Who can help answer my questions?

A. If you have questions about the merger or if you need additional copies of the proxy statement or the enclosed proxy card you should contact:

Lawrence S. Coben

Tremisis Energy Acquisition Corporation

1755 Broadway, Suite 604

New York, New York 10019

Tel: (212) 397-1464

You may also obtain additional information about Tremisis from documents filed with the SEC by following the instructions in the section entitled *Where You Can Find More Information* on page 123.

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SUMMARY OF THE PROXY STATEMENT

This summary highlights selected information from this proxy statement and does not contain all of the information that is important to you. To better understand the merger, you should read this entire document carefully, including the merger agreement, as amended, attached as Annex A to this proxy statement. We encourage you to read the merger agreement carefully. It is the legal document that governs the merger and the other transactions contemplated by the merger agreement. It is also described in detail elsewhere in this proxy statement.

The Parties

Tremisis

Tremisis is a blank check company organized as a corporation under the laws of the State of Delaware on February 5, 2004. It was formed to effect a business combination with an unidentified operating business in either the energy or the environmental industry and their related infrastructures. On May 18, 2004, it consummated an IPO of its equity securities from which it derived net proceeds of approximately \$34,163,000. Approximately \$33,143,000 of the net proceeds of the IPO were placed in a trust account. Such funds, with the interest earned thereon, will be released to Tremisis upon consummation of the merger, and used to pay the cash portion of the merger consideration to the RAM stockholders and payments owed to Tremisis stockholders who exercise conversion rights, with the balance being used for working capital for the post-merger entity.

The remainder of the net proceeds of the IPO, or approximately \$1,020,000, was held outside of the trust account and has been and will be used by Tremisis to pay the expenses incurred in its pursuit of a business combination. As of March 30, 2006, Tremisis had spent approximately \$860,000 of such amount. Other than its IPO and the pursuit of a business combination, Tremisis has not engaged in any business to date.

If Tremisis does not complete the merger by May 18, 2006, it will dissolve and promptly distribute to its public stockholders the amount in its trust account plus remaining net assets after payment of its liabilities from non-trust account funds.

The Tremisis common stock, warrants to purchase common stock and units (each unit consisting of one share of common stock and two warrants to purchase common stock) are quoted on the Over-the-Counter Bulletin Board (OTCBB) under the symbols TEGY for the common stock, TEGYW for the warrants and TEGYU for the units.

The mailing address of Tremisis principal executive office is Tremisis Energy Acquisition Corporation, 1775 Broadway, Suite 604, New York, New York 10019, and its telephone number is (212) 397-1464.

RAM Acquisition, Inc.

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RAM Acquisition, Inc. was organized as a corporation under the laws of the State of Delaware on October 5, 2005. It was formed to effect a merger with RAM and is a wholly owned subsidiary of Tremisis. We sometimes refer to RAM Acquisition, Inc. as the Merger Sub.

RAM

RAM is a privately owned, independent, oil and gas company. RAM's business strategy is to acquire, explore, develop, exploit, produce and manage oil and gas properties, primarily in Texas, Louisiana and Oklahoma. RAM has been active in these core areas since its inception in 1987. RAM's management team has extensive technical and operating expertise in all areas of its geographic focus.

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At December 31, 2005, RAM's estimated net proved reserves were 18.8 million barrels of oil equivalent, or Boe, of which approximately 60% were crude oil, 30% were natural gas, and 10% were natural gas liquids. The present value of future net revenue from RAM's estimated net proved reserves, calculated before applicable income taxes, discounted at 10%, which we refer to as PV-10 Value, was approximately \$345.5 million, based on prices RAM was receiving as of December 31, 2005, which were \$58.63 per barrel, or Bbl, of oil, \$35.89 per Bbl of natural gas liquids, or NGLs, and \$9.14 per thousand cubic feet, or Mcf, of natural gas, without regard to financial hedges or hedging activities. At December 31, 2005, based on the methodology provided in Statement of Financial Accounting Standard No. 69, the standardized measure of the discounted value of future cash flows related to RAM's estimated proved oil and natural gas reserves was \$226.7 million. For further information regarding the standardized measure, please see *Business of RAM Oil and Natural Gas Reserves* and note R of the notes to RAM's financial statements for the year ended December 31, 2005, appearing elsewhere in this proxy statement. At December 31, 2005, RAM's proved developed reserves comprised 70.0% of its total proved reserves and the estimated reserve life for RAM's total proved reserves was approximately 13 years.

The following table presents certain information with respect to RAM's oil and natural gas production, prices and costs attributable to all oil and natural gas properties owned by RAM for the periods shown. Average realized prices reflect the actual realized prices received by RAM, before and after giving effect to the results of RAM's hedging activities.

	Year Ended December 31,		
	2003	2004	2005
Production volumes:			
Oil and condensate (MBbls)	277	178	787
Natural gas liquids (MBbls)	5	12	170
Natural gas (MMcf)	2,334	1,928	2,681
Total (MBoe)	671	511	1,405
Average realized prices (before effects of hedging):			
Oil and condensate (per Bbl)	\$ 29.47	\$ 37.63	\$ 53.75
Natural gas liquids (per Bbl)	\$ 16.94	\$ 26.41	\$ 36.33
Natural gas (per Mcf)	\$ 5.06	\$ 5.69	\$ 6.61
Total per Boe	\$ 29.89	\$ 35.14	\$ 47.16
Effect of settlement of hedging contracts:			
Oil and condensate (per Bbl)	\$ 0.00	(\$4.48)	(\$1.40)
Natural gas liquids (per Bbl)	\$ 0.00	\$ 0.00	\$ 0.00
Natural gas (per Mcf)	\$ 0.00	\$ 0.05	(\$1.04)
Average realized prices (after effects of hedging):			
Oil and condensate (per Bbl)	\$ 29.47	\$ 33.15	\$ 52.35
Natural gas liquids (per Bbl)	\$ 16.94	\$ 26.41	\$ 36.33
Natural gas (per Mcf)	\$ 5.06	\$ 5.73	\$ 5.57
Expenses (per Boe):			
Oil and natural gas production taxes	\$ 2.10	\$ 2.47	\$ 2.36
Oil and natural gas production expenses	\$ 5.26	\$ 7.04	\$ 11.46
Amortization of full-cost pool	\$ 5.64	\$ 5.89	\$ 8.93
General and administrative	\$ 9.44	\$ 12.90	\$ 6.13

RAM owns interests in approximately 2,900 wells and is the operator of leases upon which approximately 1,900 of these wells are located. The PV-10 Value attributable to RAM's interests in the properties operated by RAM represented approximately 86% of RAM's aggregate PV-10 Value as of December 31, 2005. In addition,

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RAM has positioned itself for participation in two emerging resource plays: (1) the on-going Barnett Shale play located in Jack and Wise Counties, Texas, where RAM owns interests in approximately 27,069 gross acres (6,700 net acres), and (2) an exploratory Barnett and Woodford Shale play located in Reeves County, Texas, where RAM owns interests in approximately 70,000 gross acres (11,800 net acres). RAM also owns interests in various gathering systems and a natural gas processing plant that serves its producing properties.

RAM has grown principally through acquisitions of producing properties and the further development of these acquired properties. Since 1987, RAM has arranged and managed over 20 acquisitions of producing oil and gas properties and related assets for an aggregate purchase price approximating \$400 million. The most recent of these acquisitions, which closed in December 2004, was RAM's purchase of WG Energy Holdings, Inc. for \$82.5 million, following which WG Energy's name was changed to RWG Energy, Inc., or RWG. RWG's estimated proved reserves at December 31, 2004 included 9.5 million Bbls of oil, 2.1 million Bbls of NGLs, and 10.0 billion cubic feet, or Bcf, of natural gas, or a total of 13.2 million Boe. The cost of the acquisition on a per Boe basis was approximately \$6.25 per Boe.

As a significant part of its normal operations, RAM continually evaluates and explores opportunities to acquire additional developed and undeveloped oil and natural gas properties, including entities that own such properties, and opportunities to become the lease operator with respect to and manage additional oil and natural gas properties. In evaluating acquisitions, RAM targets oil and natural gas properties that have some or all of the following characteristics, in addition to others:

are on-shore United States properties;

have PV-10 Values that are sufficiently high so as to justify the costs attendant to their acquisition and provide the opportunity for a reasonable rate of return once acquired;

include undeveloped properties that have the potential for further development; and

have the potential for RAM to become the lease operator of and manage a large number of additional properties which could provide RAM with economies of scale with respect to its oil and natural gas lease operations.

RAM is presently in discussions with a number of potential acquisition candidates, but has entered into no agreement, arrangement or understanding with respect to any prospective acquisition.

From January 1, 1997 through December 31, 2005, RAM's reserve replacement percentage, through discoveries, extensions, revisions and acquisitions, but excluding dispositions, was 344%. From January 1, 1989 through December 31, 2005, RAM drilled or participated in the drilling of 465 oil and natural gas wells, of which 92% were completed and produced hydrocarbons in commercial quantities, which RAM considers to be its success rate. Since January 1, 1997, RAM's historical average finding cost from all sources, exclusive of divestitures, has been \$6.27 per Boe.

RAM owns or has access to 2-D seismic data covering approximately 3,285 square miles and 3-D seismic information covering approximately 108 square miles in its core areas. RAM is actively engaged in re-interpreting and re-processing such data in an effort to identify additional exploration and exploitation targets across RAM's owned acreage. RAM regularly reviews prospects proposed by other operators and from time to time participates in exploration plays within its core areas.

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During 2005, RAM drilled or participated in the drilling of 67 wells on its oil and gas properties, 60 of which were successfully completed as producing wells and seven of which were either still drilling or awaiting completion at year end. Through December 31, 2005, RAM's capital expenditures in connection with the drilling and completion of these 67 wells aggregated approximately \$7.6 million. One of the wells drilled during 2005 was an exploratory well in which RAM owns a 25% non-operating working interest, and the remaining 66 wells were development wells, 57 of which were drilled and are being operated by RAM. In addition, RAM conducted or participated in recompletion operations on 22 of its existing wells, resulting in the reestablishment or

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enhancement of production from 21 of these wells, with one well remaining shut in at year end. RAM's capital expenditures in connection with its 2005 recompletion operations aggregated approximately \$1.7 million.

RAM was organized as a corporation under the laws of the State of Delaware on September 28, 1987. The mailing address of RAM's principal executive offices is 5100 E. Skelly Drive, Suite 650, Tulsa, Oklahoma 74135, and its telephone number is (918) 663-2800.

The Merger

The merger agreement provides for a business combination transaction by means of a merger of Merger Sub with and into RAM in which RAM will be the surviving entity and become a wholly owned subsidiary of Tremisis. This will be accomplished through an exchange of all the issued and outstanding shares of capital stock of RAM for cash and shares of common stock of Tremisis. Shares of Tremisis common stock, representing 12.5% of the shares of Tremisis common stock to be issued to the RAM stockholders, will be placed in escrow as the sole remedy for Tremisis' rights to indemnity set forth in the merger agreement.

Tremisis and RAM plan to complete the merger promptly after the Tremisis special meeting, provided that:

Tremisis' stockholders have approved the merger proposal, the name change amendment and capitalization amendment;

holders of 20% or more of the shares of common stock issued in Tremisis' IPO have not voted against the merger proposal and demanded conversion of their shares into cash; and

the other conditions specified in the merger agreement have been satisfied or waived.

Tremisis' Recommendations to Stockholders; Reasons for the Merger

After careful consideration of the terms and conditions of the merger agreement, the certificate of incorporation amendments and the incentive compensation plan, the board of directors of Tremisis has determined that the merger and the transactions contemplated thereby, each certificate of incorporation amendment and the incentive compensation plan are fair to and in the best interests of Tremisis and its stockholders. In reaching its decision with respect to the merger and the transactions contemplated thereby, the board of directors of Tremisis reviewed various industry and financial data and the due diligence and evaluation materials provided by RAM in order to determine that the consideration to be paid to the RAM stockholders was reasonable. Further, Tremisis has received an opinion from Gilford Securities Incorporated that, in its opinion, the merger and the transactions contemplated thereby are fair to Tremisis' stockholders from a financial point of view. Accordingly, Tremisis' board of directors recommends that Tremisis stockholders vote:

FOR the merger proposal;

FOR the name change amendment;

FOR the capitalization amendment;

FOR the Article Sixth amendment; and

FOR the incentive compensation plan proposal.

The Certificate of Incorporation Amendments

The amendments to Tremisis' certificate of incorporation are being proposed, upon consummation of the merger, to change Tremisis' name, increase the number of shares of common stock it is authorized to issue, and eliminate certain provisions that are applicable to Tremisis only prior to its completion of a business combination. As a result of the amendments, after the merger, Tremisis will be named RAM Energy Resources, Inc., the number of shares of common stock it will be authorized to issue will be increased from 30 million to

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100 million and Article Sixth of its certificate of incorporation will address only its classified board of directors, with existing provisions that relate to it as a blank check company being deleted.

The Proposed 2006 Long-Term Incentive Plan

The 2006 Long-Term Incentive Plan reserves 2,400,000 shares of Tremisis common stock for issuance in accordance with the plan's terms. The purpose of the plan is to create incentives designed to motivate our employees to significantly contribute toward our growth and profitability, to provide Tremisis executives, directors and other employees and persons who, by their position, ability and diligence are able to make important contributions to our growth and profitability, with an incentive to assist us in achieving our long-term corporate objectives, to attract and retain executives and other employees of outstanding competence and to provide such persons with an opportunity to acquire an equity interest in Tremisis. The plan is attached as Annex C to this proxy statement. We encourage you to read the plan in its entirety.

Management of Tremisis and RAM

Tremisis

As a result of the merger, Merger Sub will be merged with and into RAM and will cease to survive. RAM and Tremisis will both survive the merger, with RAM becoming a wholly owned subsidiary of Tremisis.

After the consummation of the merger, the board of directors of Tremisis will consist of Larry E. Lee and Sean P. Lane (each in the class to stand for election in 2007), Gerald R. Marshall (in the class to stand for election in 2008), and John M. Reardon (in the class to stand for election in 2009). Messrs. Lee, Marshall and Reardon are currently directors of RAM and are designees of RAM's stockholders under the voting agreement. Mr. Lane is a designee of Messrs. Coben and Kier under the voting agreement.

After the consummation of the merger, the executive officers of Tremisis will be Larry E. Lee, chairman, president and chief executive officer, John M. Longmire, senior vice president and chief financial officer, Larry G. Rampey, senior vice president, Drake N. Smiley, senior vice president and John L. Cox, vice president, secretary and treasurer, each of whom currently is an executive officer of RAM. None of Tremisis current officers and directors will continue in his position after the merger.

RAM

After the consummation of the merger, the board of directors of RAM will be Larry E. Lee, Sean P. Lane, Gerald R. Marshall and John M. Reardon. The officers of RAM will be Larry E. Lee, chairman, president and chief executive officer, John M. Longmire, senior vice president and chief financial officer, Larry G. Rampey, senior vice president, Drake N. Smiley, senior vice president and John L. Cox, vice president, secretary and treasurer.

Voting Agreement

The RAM stockholders, certain stockholders of Tremisis and Tremisis entered into a voting agreement dated as of October 20, 2005. After consummation of the merger, the parties to the voting agreement will own approximately 80.5% of Tremisis outstanding stock. The voting agreement provides that each individual party will vote for the respective designees of the individual parties affiliated with each of Tremisis and RAM as directors of Tremisis until immediately following the election that will be held in 2008. Tremisis will be obligated to provide for its board of directors to be comprised of four members and to enable the election to the board of directors of the persons designated by the parties to the voting agreement. The voting agreement is attached as Annex D hereto. We encourage you to read the voting agreement in its entirety.

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Tremisis Inside Stockholders

As of March 29, 2006, directors and executive officers of Tremisis and their affiliates (the Tremisis Inside Stockholders) beneficially owned and were entitled to vote 1,410,999 shares or approximately 18.3% of Tremisis outstanding common stock, 1,375,000 of which (Original Shares) were issued to the Tremisis Inside Stockholders prior to Tremisis IPO and the balance was purchased in open market transactions. In connection with its IPO, Tremisis and EarlyBirdCapital, Inc., the managing underwriter of the IPO, entered into agreements with each of the Tremisis Inside Stockholders pursuant to which each Tremisis Inside Stockholder agreed to vote his Original Shares on the merger proposal in accordance with the majority of the votes cast by the holders of shares issued in connection with the IPO. The Tremisis Inside Stockholders have also indicated that they intend to vote their Original Shares in favor of all other proposals being presented at the meeting and that they will vote the shares they purchased in open market transactions in favor of all of the proposals being presented at the meeting, including the merger proposal. The Tremisis Inside Stockholders also agreed, in connection with the IPO, to place their Original Shares in escrow until May 12, 2007.

Merger Consideration

The holders of the outstanding shares of common stock of RAM immediately before the merger will receive from Tremisis 25,600,000 shares of Tremisis common stock and \$30 million in cash, or such lesser amount as may be available in the trust account after payment to the owners of Tremisis common stock voting against the merger and demanding conversion. Immediately following the merger, the RAM stockholders will own approximately 77% of the total issued and outstanding Tremisis common stock, assuming that no Tremisis stockholders seek conversion of their Tremisis stock into their pro rata share of the trust account. Of the shares to be issued to the RAM stockholders, 3,200,000 shares, or 12.5%, will be placed in escrow to secure Tremisis indemnity rights under the merger agreement.

Pre-Closing RAM Dividends/Redemption

The merger agreement authorizes RAM, prior to the consummation of the merger, to pay its normal quarterly dividends for the fourth quarter of 2005 and the first quarter of 2006, each in the amount of \$500,000. Also, because Tremisis will not have sufficient funds in its trust account to permit payment of \$40.0 million in cash merger consideration to the RAM stockholders, it was agreed that, prior to the consummation of the merger, in addition to its normal quarterly dividends, RAM would be authorized to declare and pay a one-time extraordinary dividend, or make a redemption of outstanding RAM common stock, in an amount which, when added to the cash merger consideration received from Tremisis, would permit the RAM stockholders to receive an aggregate \$40.0 million in cash. Accordingly, the merger agreement provides that, prior to the closing of the merger, RAM is authorized to declare and pay two normal \$500,000 quarterly dividends to its stockholders, and to either declare a one-time extraordinary dividend, or effect one or more redemptions of a portion of its outstanding common stock, in an aggregate amount up to the difference between \$40.0 million and the amount of the cash consideration to be received by the RAM stockholders in the merger. It is anticipated that the RAM stockholders will receive \$30.0 million of cash merger consideration from Tremisis. On April 6, 2006, RAM effected a redemption of a portion of its outstanding stock for an aggregate consideration of \$10.0 million. If, after giving effect to payments by Tremisis to the holders of Tremisis common stock who vote against the merger and demand conversion, and after payment of Tremisis expenses incurred in connection with the merger, less than \$30.0 million remains in the Tremisis trust account for payment of cash merger consideration to the RAM stockholders, the amount of the authorized RAM dividend or redemption payment will be increased as necessary to permit the aggregate amount received by the RAM stockholders, both as cash merger consideration and as a dividend or redemption payment, to equal \$40.0 million.

The amount of the dividend/redemption payments actually made by RAM will depend upon the amount of cash available to RAM for making such payments. Accordingly, it may be necessary for RAM to amend its existing credit facility or enter into a new credit facility with a higher credit limit prior to the closing. The merger agreement specifically authorizes RAM to enter into a new credit facility to replace its existing senior secured

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credit facility, and to draw funds under the new credit facility for purposes of making the dividend/redemption payments, subject only to an aggregate indebtedness limitation outstanding at the closing. In the event RAM does not have sufficient funds to make the full amount of the pre-closing dividend/redemption payments authorized by the terms of the merger agreement, the dividend/redemption payments actually made will be limited to the funds available for making such payments and neither RAM nor Tremisis will have any obligation to make any additional payments to the RAM stockholders after the closing with respect to any shortfall.

Escrow Agreement Indemnification of Tremisis

As the sole remedy for the obligation of the stockholders of RAM to indemnify and hold harmless Tremisis for any damages, whether as a result of any third party claim or otherwise, and which arise as a result of or in connection with the breach of representations and warranties and agreements and covenants of RAM or in connection with an identified, existing legal action involving certain of RAM's subsidiaries and affiliates, at the closing, there will be deposited in escrow, until June 30, 2007, 12.5% of the shares of Tremisis common stock to be issued to the RAM stockholders upon consummation of the merger. The RAM stockholders shall have the right to substitute for the escrow shares that otherwise would be paid in satisfaction of a claim, cash in an amount equal to the fair market value of the shares to be paid for a claim. For purposes of satisfying an indemnification claim, shares of Tremisis common stock will be valued at the average reported last sales price for the ten trading days ending on the last day prior to the day that the claim is paid. The escrow agreement is attached as Annex E hereto. We encourage you to read the escrow agreement in its entirety.

The determination to assert a claim for indemnification by Tremisis against the escrow shares will be made by Lawrence S. Coben, who is a current member of Tremisis' board of directors. Larry E. Lee has been designated under the merger agreement to represent the interests of the stockholders of RAM with respect to claims for indemnification by Tremisis against such shares.

Lock-Up Agreement

The RAM stockholders have entered into a lock-up agreement that provides that they not sell or otherwise transfer any of the shares of common stock of Tremisis that they receive in the merger until the six-month anniversary of the consummation of the merger, and no more than 50% of such shares during the following six months, subject to the following exceptions: (i) if such shares are registered on a registration statement filed and declared effective with the Securities and Exchange Commission, (ii) upon approval from Tremisis' board of directors and Lawrence S. Coben, a current member of Tremisis' board of directors, or (iii) certain private transfers (e.g. to family members), where the transferee agrees to be bound by the terms of the lock-up agreement. The lock-up agreement was entered into to ensure that the shares of Tremisis common stock received by the RAM stockholders in the merger will not offer the potential to impact upon the market price during the periods the restrictions apply.

Registration Rights Agreement

Upon consummation of the merger, Tremisis and the RAM stockholders shall enter into a registration rights agreement to provide the RAM stockholders with certain piggy back and demand rights relating to the registration of shares of Tremisis common stock that they will receive as a result of the merger. The form of registration rights agreement is attached as Annex I hereto. We encourage you to read the registration rights agreement in its entirety.

Date, Time and Place of Special Meeting of Tremisis Stockholders

The special meeting of the stockholders of Tremisis will be held at 10:00 a.m., eastern time, on _____, 2006, at the offices of Graubard Miller, Tremisis counsel, at The Chrysler Building, 405 Lexington Avenue, 19th Floor, New York, New York 10174 to consider and vote upon the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal.

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Voting Power; Record Date

You will be entitled to vote or direct votes to be cast at the special meeting if you owned shares of Tremisis common stock at the close of business on _____, 2006, which is the record date for the special meeting. You will have one vote for each share of Tremisis common stock you owned at the close of business on the record date. Tremisis warrants do not have voting rights. On the record date, there were 7,700,000 shares of Tremisis common stock outstanding.

Approval of the RAM stockholders

All of the stockholders of RAM have approved the merger and the transactions contemplated thereby by consent action for purposes of the DGCL. Accordingly, no further action by the RAM stockholders is needed to approve the merger.

Quorum and Vote of Tremisis Stockholders

A quorum of Tremisis stockholders is necessary to hold a valid meeting. A quorum will be present at the Tremisis special meeting if a majority of the outstanding shares entitled to vote at the meeting are represented in person or by proxy. Abstentions and broker non-votes will count as present for the purposes of establishing a quorum.

The approval of the merger proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date. The merger will not be consummated if the holders of 20% or more of the common stock issued in Tremisis IPO (1,265,000 shares or more) exercise their conversion rights.

The approval of the name change amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

The approval of the capitalization amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

The approval of the Article Sixth amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

The approval of the incentive compensation plan will require the affirmative vote of the holders of a majority of the shares of Tremisis common stock represented in person or by proxy and entitled to vote at the meeting.

Abstentions will have the same effect as a vote **AGAINST** the merger proposal and the proposals to amend the certificate of incorporation and the incentive compensation plan. Broker non-votes, while considered present for the purposes of establishing a quorum, will have the effect of votes against the merger proposal and the proposals to amend the certificate of incorporation, but will have no effect on the incentive compensation plan. Please note that you cannot seek conversion of your shares unless you affirmatively vote against the merger.

Relation of Proposals

The merger will not be consummated unless each of the name change amendment and the capitalization amendment is approved, and neither of the name change amendment nor the capitalization amendment will be presented to the meeting for adoption unless the merger proposal is approved. The approvals of the Article Sixth amendment and the incentive compensation plan proposal are not conditions to the consummation of the merger or to the adoption of either of the name change amendment or the capitalization amendment but, if the merger proposal is not approved, neither will be presented at the meeting for adoption. The incentive compensation plan has been approved by Tremisis Board of Directors and will take effect upon consummation of the merger, subject to stockholder approval of the plan.

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Conversion Rights

Pursuant to Tremisis' certificate of incorporation, a holder of shares of Tremisis' common stock issued in its IPO may, if the stockholder affirmatively votes against the merger, demand that Tremisis convert such shares into cash. Demand may be made by checking the box on the proxy card provided for that purpose and returning the proxy card in accordance with the instructions provided. Demand may also be made in any other writing that clearly states that conversion is demanded and is delivered so that it is received by Tremisis at any time up to the stockholder meeting. If properly demanded, Tremisis will convert each share of common stock into a pro rata portion of the trust account as of the record date. As of the record date, this would amount to approximately \$5.49 per share of Tremisis' common stock. If you exercise your conversion rights, then you will be exchanging your shares of Tremisis common stock for cash and will no longer own the shares. You will be entitled to receive cash for these shares only if you continue to hold these shares through the effective time of the merger and then tender your stock certificate to Tremisis. If the merger is not completed, these shares will not be converted into cash. However, if we are unable to complete the merger, we will be forced to liquidate and all public stockholders will receive at least the amount they would have received if they sought conversion of their shares and we did consummate the merger.

The merger will not be consummated if the holders of 20% or more of the common stock issued in Tremisis' IPO (1,265,000 shares or more) exercise their conversion rights.

Appraisal Rights

Tremisis stockholders do not have appraisal rights in connection with the merger under the DGCL.

Proxies

Proxies may be solicited by mail, telephone or in person. Tremisis has engaged Morrow & Co., Inc. to assist in the solicitation of proxies.

If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the special meeting.

Interests of Tremisis Directors and Officers in the Merger

When you consider the recommendation of Tremisis' board of directors in favor of adoption of the merger proposal, you should keep in mind that Tremisis' executive officers and members of Tremisis' board have interests in the merger transaction that are different from, or in addition to, your interests as a stockholder. These interests include, among other things:

if the merger is not approved, Tremisis will be required to liquidate. In such event, the 1,375,000 shares of common stock held by Tremisis' officers and directors that were acquired prior to the IPO will be worthless because Tremisis' initial stockholders are not

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entitled to receive any liquidation proceeds. Such shares had an aggregate value of \$7,713,750 based on the last sale price of \$5.61 on the OTCBB on April 3, 2006, the record date.

The Tremisis officers and directors have also purchased 580,000 warrants in the public market for an aggregate purchase price of \$377,000. Such warrants had an aggregate market value of \$626,400, based upon the last sale price of \$1.08 on the OTCBB on April 3, the record date. All of the warrants will become worthless if the merger is not consummated.

if Tremisis liquidates prior to the consummation of a business combination, Lawrence S. Coben, our current chairman of the board and chief executive officer, will be personally liable to pay debts and obligations, if any, to vendors and other entities that are owed money by Tremisis for services rendered or products sold to Tremisis, or to any target business, to the extent such creditors bring claims that

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would otherwise require payment from moneys in the trust account. This arrangement was entered into to ensure that, in the event of liquidation, the trust account is not reduced by claims of creditors.

Conditions to the Closing of the Merger

Consummation of the merger agreement and the related transactions is conditioned on the Tremisis stockholders (i) adopting the merger proposal, (ii) approving the name change amendment, and (iii) approving the capitalization amendment. The Tremisis stockholders will also be asked to adopt the incentive compensation plan and to approve the removal of all of the provisions of Article Sixth of Tremisis' certificate of incorporation other than the paragraph relating to Tremisis' staggered board of directors. The transaction is not dependent on the approval of either of such actions. The incentive compensation plan has been approved by our Board of Directors and will be effective upon consummation of the merger if approved by the Tremisis stockholders. If stockholders owning 20% or more of the shares sold in the IPO vote against the transaction and exercise their right to convert their shares purchased in the IPO into a pro-rata portion of the funds held in trust by Tremisis for the benefit of the holders of shares purchased in the IPO, then the merger cannot be consummated.

In addition, the consummation of the merger is conditioned upon the following:

no order, stay, judgment or decree being issued by any governmental authority preventing, restraining or prohibiting in whole or in part, the consummation of such transactions;

the delivery by each party to the other party of a certificate to the effect that the representations and warranties of the delivering party are true and correct in all material respects as of the closing and all covenants contained in the merger agreement have been materially complied with by the delivering party;

the receipt of necessary consents and approvals by third parties and the completion of necessary proceedings; and

Tremisis' common stock being quoted on the OTCBB or listed for trading on Nasdaq.

RAM's Conditions to Closing of the Merger

The obligations of RAM to consummate the transactions contemplated by the merger agreement, in addition to the conditions described above, are conditioned upon each of the following, among other things:

there shall have been no material adverse effect with respect to Tremisis since the date of the merger agreement;

RAM shall have received a legal opinion substantially in the form annexed to the merger agreement, which is customary for transactions of this nature, from Graubard Miller, counsel to Tremisis;

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Tremisis shall have made appropriate arrangements with Continental Stock Transfer & Trust Company to have the trust account disbursed to Tremisis immediately upon the Closing; and

the registration rights agreement shall be in full force and effect.

Tremisis Conditions to Closing of the Merger

The obligations of Tremisis to consummate the transactions contemplated by the merger agreement, in addition to the conditions described above in the second paragraph of this section, are conditioned upon each of the following, among other things:

at the closing, there shall have been no material adverse effect with respect to RAM since the date of the merger agreement;

an employment agreement between Tremisis and Larry E. Lee shall be in full force and effect;

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Tremisis shall have received a legal opinion substantially in the form annexed to the merger agreement, which is customary for transactions of this nature, from McAfee & Taft A Professional Corporation, counsel to RAM;

Tremisis shall have received comfort letters from BDO Seidman, LLP and UHY Mann Frankfort Stein & Lipp CPAs, LLP, dated the date of distribution of this proxy statement and the date of consummation of the merger in forms customary for transactions of this nature, confirming that certain financial data in this proxy statement, other than the numbers in the actual financial statements, are accurate and/or derived from the financial statements; and

the adjusted indebtedness of RAM and its subsidiaries for borrowed money shall not exceed \$125.0 million, excluding (i) any cash deposits posted by RAM as security in connection with outstanding RAM hedging contracts, (ii) the amount by which \$30,000,000 exceeds the cash portion of the merger consideration paid to the RAM stockholders, (iii) an amount up to \$6.0 million for aggregate fees, costs and expenses paid by RAM in connection with replacing, enhancing or improving its existing credit facilities, and (iv) the aggregate amount of capital expenditures by RAM after March 1, 2006.

Termination, Amendment and Waiver

The merger agreement may be terminated at any time, but not later than the closing, as follows:

by mutual written consent of Tremisis and RAM;

by either party if a governmental entity shall have issued an order, decree or ruling or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the merger, which order, decree, ruling or other action is final and nonappealable;

by either party if this proxy statement has not been mailed to the record owners of Tremisis common stock on or before April 27, 2006;

by either party if the other party has breached any of its covenants or representations and warranties in any material respect and has not cured its breach within 30 days of the notice of an intent to terminate, provided that the terminating party is itself not in breach;

by Tremisis if any RAM properties are damaged or destroyed by fire or other casualty or are taken under the right of eminent domain and as result thereon the aggregate value of the properties, in Tremisis' good faith judgment, is reduced by an amount exceeding \$1 million (net of insurance proceeds);

by either party if, at the Tremisis stockholders' meeting, the merger agreement and the transactions contemplated thereby shall fail to be approved and adopted by the affirmative vote of the holders of a majority of Tremisis' outstanding common stock; or

by either party if the holders of 20% or more of the shares issued in Tremisis' IPO exercise their conversion rights.

If Tremisis wrongfully fails or refuses to consummate the merger or RAM terminates the merger agreement because of a material breach by Tremisis of its covenants, representations or warranties that remains uncured 30 days after receipt of a notice of intent to terminate from RAM and Tremisis consummates a merger or other business combination with another entity on or before May 18, 2006, Tremisis will be obligated to

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pay RAM, concurrently with the consummation of such other merger or business combination, a cash termination fee of \$7,500,000, payment of which shall be in full satisfaction of all other rights of RAM for damages under the merger agreement or otherwise. In such event, Tremisis would obtain the funds to make the termination payment from the moneys in the trust account when they are released upon the consummation of the other business combination.

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The merger agreement does not specifically address the rights of a party in the event of a refusal or wrongful failure of the other party to consummate the merger, except in the case described above in a situation where Tremisis would be required to pay RAM the \$7,500,000 termination fee. Other than in such event, the non-wrongful party would be entitled to assert its legal rights for breach of contract against the wrongful party.

If permitted under the applicable law, either RAM or Tremisis may waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement and waive compliance with any agreements or conditions for the benefit of itself or such party contained in the merger agreement. The condition requiring that the holders of fewer than 20% of the shares of Tremisis common stock issued in its IPO affirmatively vote against the merger proposal and demand conversion of their shares into cash may not be waived. We cannot assure you that any or all of the conditions will be satisfied or waived.

Quotation or Listing

Tremisis' outstanding common stock, warrants and units are quoted on the OTCBB. Tremisis and RAM will use their reasonable best efforts to obtain the listing for trading on Nasdaq of Tremisis common stock, warrants and units. In the event Tremisis' common stock, warrants and units are listed on Nasdaq at the time of the closing of the merger, the symbols will change to ones determined by the board of directors of Tremisis and Nasdaq that are reasonably representative of the corporate name or business of Tremisis. If the listing on Nasdaq is not approved, it is expected that the Tremisis' common stock, warrants and units will continue to be quoted on the OTCBB.

Tax Consequences of the Merger

Tremisis has received an opinion from its counsel, Graubard Miller, that, for federal income tax purposes:

The merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and no gain or loss will be recognized by Tremisis as a result of the merger;

A stockholder of Tremisis who exercises conversion rights and effects a termination of the stockholder's interest in Tremisis will generally be required to recognize capital gain or loss upon the exchange of that stockholder's shares of common stock of Tremisis for cash, if such shares were held as a capital asset on the date of the merger. Such gain or loss will be measured by the difference between the amount of cash received and the tax basis of that stockholder's shares of Tremisis common stock; and

No gain or loss will be recognized by non-converting stockholders of Tremisis.

The tax opinion is attached to this proxy statement as Annex F. Graubard Miller has consented to the use of its opinion in this proxy statement. For a description of the material federal income tax consequences of the merger, please see the information set forth in *Material Federal Income Tax Consequences of the Merger* beginning on page 46.

Accounting Treatment

The merger will be accounted for under the purchase method of accounting as a reverse acquisition in accordance with U.S. generally accepted accounting principles for accounting and financial reporting purposes. Under this method of accounting, Tremisis will be treated as the acquired company for financial reporting purposes. In accordance with guidance applicable to these circumstances, the merger will be considered to be a capital transaction in substance. Accordingly, for accounting purposes, the merger will be treated as the equivalent of RAM issuing stock for the net monetary assets of Tremisis, accompanied by a recapitalization. The net monetary assets of Tremisis will be stated at their fair value, essentially equivalent to historical costs, with no goodwill or other intangible assets recorded. The accumulated earnings deficit of RAM will be carried forward after the merger. Operations prior to the merger will be those of RAM.

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Regulatory Matters

The merger and the transactions contemplated by the merger agreement are not subject to any additional federal or state regulatory requirement or approval, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, except for filings with the State of Delaware necessary to effectuate the transactions contemplated by the merger agreement.

Risk Factors

In evaluating the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal, you should carefully read this proxy statement and especially consider the factors discussed in the section entitled Risk Factors.

Table of Contents**SELECTED SUMMARY HISTORICAL AND PRO FORMA****CONSOLIDATED FINANCIAL INFORMATION**

We are providing the following selected financial information to assist you in your analysis of the financial aspects of the merger. RAM's 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, 2005, are derived from RAM's consolidated financial statements audited by UHY Mann Frankfort Stein & Lipp CPAs, LLP, independent registered public accountants and are included elsewhere in this proxy statement. RAM's consolidated balance sheet data as of December 31, 2003 and the statement of operations data for the year ended December 31, 2002 are derived from RAM's consolidated financial statements audited by UHY Mann Frankfort Stein & Lipp CPAs, LLP, independent registered public accountants, which are not included in this proxy statement. RAM's consolidated balance sheet data as of December 31, 2001 and 2002 and the statement of operations data for the year ended December 31, 2001 are derived from RAM's unaudited consolidated financial statements, which are not included in this proxy statement.

The Tremisis historical financial data are derived from the Tremisis financial statements audited by BDO Seidman, LLP, independent registered public accountants and are included elsewhere in this proxy statement.

The selected financial information of RAM and Tremisis is only a summary and should be read in conjunction with each company's historical consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. The historical results included below and elsewhere in this proxy statement may not be indicative of the future performance of RAM, Tremisis or the combined company resulting from the merger. RAM's financial position and results of operations for 2003 and 2004 may not be comparative to other periods as a result of certain divestitures and acquisitions, as more fully described in RAM's financial statements included elsewhere in this proxy statement.

RAM's Selected Historical Financial Information

(in thousands, except per share data)

	Year Ended December 31,				
	2001	2002	2003	2004	2005
Revenues and other operating income	\$ 25,614	\$ 10,183	\$ 20,020	\$ 29,659	\$ 55,399
Net income (loss)	\$ 3,751	\$ 2,086	\$ (2,007)	\$ 6,076	\$ 543
Net income (loss) per share attributable to common stockholders - basic	\$ 1,375.50	\$ 764.93	\$ (735.97)	\$ 2,383.67	\$ 238.94
Cash dividends per share	\$ 0.00	\$ 0.00	\$ 294.68	\$ 470.77	\$ 615.93
	As of December 31,				
	2001	2002	2003	2004	2005
Total assets	\$ 98,322	\$ 62,038	\$ 45,908	\$ 140,324	\$ 143,276
Long-term debt, including current portion	\$ 91,400	\$ 56,267	\$ 46,057	\$ 117,344	\$ 112,846

Stockholder s deficit	\$ (20,347)	\$ (18,342)	\$ (19,653)	\$ (19,912)	\$ (20,769)
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(in thousands, except per share data)

	For the Period From February 5, 2004 (inception) to December 31, 2004	Year Ended December 31, 2005	Period From February 5, 2004 (inception) to December 31, 2005
Revenue	\$	\$	\$
Interest income	\$ 308	\$ 989	\$ 1,297
Net income	\$ 65	\$ 351	\$ 416
Accretion of Trust Account related to common stock subject to possible conversion	\$ 60	\$ 196	\$ 256
Net income attributable to common stockholders	\$ 5	\$ 155	\$ 160
Net income per share	\$.00	\$.02	
		As of December 31, 2004	As of December 31, 2005
Total assets (including US Government Securities deposited in Trust Account)		\$ 34,305	\$ 35,289
Common stock subject to possible conversion		\$ 6,685	\$ 6,881
Stockholders' equity		\$ 27,567	\$ 27,723

Selected Unaudited Pro Forma Combined Financial Information of Tremisis and RAM

The merger will be accounted for as a reverse acquisition under the purchase method of accounting. RAM will be treated as the continuing reporting entity for accounting purposes. The assets and liabilities of Tremisis will be recorded, as of completion of the merger, at the fair value, which is considered to approximate historical cost and added to those of RAM. Since Tremisis had no operations, the merger has been accounted for as a recapitalization of RAM. For a more detailed description of purchase accounting, see *The Merger Proposal Anticipated Accounting Treatment* on page 47.

We have presented below the unaudited pro forma combined financial information that reflects the merger as a recapitalization of RAM. The following selected unaudited pro forma combined financial information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined balance sheet and related notes thereto included elsewhere in this proxy statement.

The unaudited pro forma condensed combined statement of operations has been prepared assuming the merger was consummated on January 1, 2005. The unaudited pro forma condensed combined statement of operations does not purport to represent the results of operations which would have occurred had such transactions been consummated on the dates indicated or results of operations for any future date or period.

Pro Forma Condensed Combined Statement of Operations

	<u>Year ended December 31, 2005</u>	
	<u>(in thousands, except per share data)</u>	
Revenues and other operating income	\$	55,399
Net income		370
Net income per share	\$	0.01

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The unaudited pro forma condensed combined balance sheet has been prepared assuming the merger took place December 31, 2005.

Pro Forma Condensed Combined Balance Sheet

	At December 31, 2005	
	Assuming No Conversions ⁽¹⁾	Assuming Maximum Conversions ⁽²⁾
	(in thousands)	
Total assets	\$ 143,287	\$ 143,287
Long-term debt	122,068	128,949
Other liabilities	51,844	51,844
Common stock subject to conversion	0	0
Stockholders' deficit	(30,665)	(37,546)
	\$ 143,287	\$ 143,287

(1) Assumes that no Tremisis stockholder seeks conversion of Tremisis stock into a pro rata share of the trust account.

(2) Assumes that 1,264,368 shares of Tremisis common stock were converted into a pro rata share of the trust account.

Per Share Data

The following table sets forth unaudited pro forma combined per share ownership information of RAM and Tremisis after giving effect to the merger, assuming both no conversions and maximum conversions by Tremisis stockholders. You should read this information in conjunction with the selected summary historical financial information included elsewhere in this proxy statement, and the historical financial statements of RAM and Tremisis and related notes that are included elsewhere in this proxy statement. The unaudited RAM and Tremisis pro forma combined per share information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information and related notes included elsewhere in this proxy statement.

The unaudited pro forma combined earnings per share information below does not purport to represent the earnings per share which would have occurred had the companies been combined, nor earnings per share for any future date or period. The unaudited pro forma combined book value per share information below does not purport to represent what the value of RAM and Tremisis would have been had the companies been combined.

	RAM	Tremisis	Combined Company
	(in thousands, except per share data)		
Number of shares of common stock outstanding upon consummation of the merger:			

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Assuming no conversions ⁽¹⁾	25,600	7,700	33,300
Assuming maximum conversions ⁽²⁾	25,600	6,436	32,036
Earnings per share historical December 31, 2005	\$ 238.94	\$ 0.02	
Earnings per share pro forma December 31, 2005			
Assuming no conversions			\$ 0.01
Assuming maximum conversions			\$ 0.01
Book value historical December 31, 2005	\$ (20,769)	\$ 27,723	
Book value pro forma December 31, 2005			
No conversions			\$ (30,669)
Maximum conversions			\$ (37,546)
Book value per share pro forma December 31, 2005			
No conversions			\$ (0.92)
Maximum conversions			\$ (1.17)

(1) Assumes no Tremisis stockholder seeks conversion of Tremisis stock into a pro rata share of the trust account.

(2) Assumes that 1,264,368 shares of Tremisis common stock were converted into a pro rata share of the trust account.

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Market Price and Dividend Data for Tremisis Securities

Tremisis consummated its IPO on May 18, 2004. In the IPO, Tremisis sold 6,325,000 units, which include all of the 825,000 units that were subject to the underwriters' over allotment option. Each unit consists of one share of Tremisis common stock and two redeemable common stock purchase warrants, each to purchase one share of Tremisis common stock. Tremisis common stock, warrants and units are quoted on the OTCBB under the symbols TEGY, TEGYW and TEGYU, respectively. Tremisis units commenced public trading on May 13, 2004, and its common stock and warrants commenced separate public trading on May 24, 2004. The closing price for each share of common stock, warrant and unit of Tremisis on October 19, 2005, the last trading day before announcement of the execution of the merger agreement, as amended, was \$5.43, \$0.80 and \$6.75, respectively.

Tremisis and RAM will use their reasonable best efforts to obtain the listing for trading on Nasdaq of Tremisis common stock, warrants and units. In the event Tremisis common stock, warrants and units are listed on Nasdaq at the time of the closing of the merger, the symbols will change to ones determined by Tremisis and Nasdaq that are reasonably representative of the corporate name or business of Tremisis. Tremisis management anticipates that the Nasdaq listing will be concurrent with the consummation of the merger. If the listing on Nasdaq is not approved, it is expected that the common stock, warrants and units will continue to be quoted on the OTCBB.

Holders

As of April 6, 2006, there were one holder of record of the units, five holders of record of the common stock and one holder of record of the warrants. Tremisis believes the beneficial holders of the units, common stock and warrants to be in excess of 400 persons each.

Dividends

Tremisis has not paid any cash dividends on its common stock to date and does not intend to pay dividends prior to the completion of the merger. It is the present intention of the board of directors to retain all earnings, if any, for use in the business operations, and accordingly, the board does not anticipate declaring any dividends in the foreseeable future. The payment of any dividends subsequent to the merger will be within the discretion of the then board of directors and will be contingent upon revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of a business combination.

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RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to adopt the merger proposal.

Risks Related to our Business and Operations Following the Merger with RAM

The value of your investment in Tremisis following consummation of the merger will be subject to the significant risks inherent in the oil and natural gas business. You should carefully consider the risks and uncertainties described below and other information included in this proxy statement. If any of the events described below occur, Tremisis post-merger business and financial results could be adversely affected in a material way. This could cause the trading price of its common stock to decline, perhaps significantly, and you therefore may lose all or part of your investment.

The volatility of oil and natural gas prices due to factors beyond RAM's control greatly affects its profitability.

RAM's revenues, operating results, profitability, future rate of growth and the carrying value of RAM's oil and natural gas properties depend primarily upon the prevailing prices for oil and natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond RAM's control. The spot prices for crude oil and natural gas used for calculating RAM's PV-10 Value at December 31, 2005 were \$58.63 per Bbl of oil, \$9.14 per Mcf of natural gas, and \$35.89 per Bbl of NGLs. Any substantial decline in the price of oil and natural gas will likely have a material adverse effect on RAM's operations, financial condition and level of expenditures for the development of its oil and natural gas reserves, and may result in writedowns of RAM's investments as a result of RAM's use of the full cost accounting method it uses for its oil and natural gas properties.

RAM's management believes that, as of December 31, 2005, a \$1.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$8.7 million; a \$5.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$43.4 million, and a \$10.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$86.9 million; and within those price ranges the estimated quantities of its proved reserves would not materially decrease solely as a result of changes in the prices of production.

Wide fluctuations in oil and natural gas prices may result from relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and other factors that are beyond RAM's control, including:

worldwide and domestic supplies of oil and natural gas;

weather conditions;

the level of consumer demand;

the price and availability of alternative fuels;

the availability of drilling rigs and completion equipment;

the availability of pipeline capacity;

the price and level of foreign imports;

domestic and foreign governmental regulations and taxes;

the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;

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political instability or armed conflict in oil-producing regions; and

the overall economic environment.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and natural gas price movements with any certainty. Declines in oil and natural gas prices would not only reduce revenue, but could reduce the amount of oil and natural gas that RAM can produce economically and, as a result, could have a material adverse effect on its financial condition, results of operations and reserves.

RAM's success depends on acquiring or finding additional reserves.

RAM's future success depends upon its ability to find, develop or acquire additional oil and natural gas reserves that are economically recoverable. RAM's proved reserves will generally decline as reserves are produced, except to the extent that RAM conducts successful exploration or development activities or acquires properties containing proved reserves, or both. To increase reserves and production, RAM must commence exploratory drilling, undertake other replacement activities or utilize third parties to accomplish these activities. There can be no assurance, however, that RAM will have sufficient resources to undertake these actions, that RAM's exploratory projects or other replacement activities will result in significant additional reserves or that RAM will have success drilling productive wells at low finding and development costs. Furthermore, although RAM's revenues may increase if prevailing oil and natural gas prices increase significantly, RAM's finding costs for additional reserves could also increase.

In accordance with customary industry practice, RAM relies on independent third party service providers to provide most of the services necessary to drill new wells, including drilling rigs and related equipment and services, horizontal drilling equipment and services, trucking services, tubulars, fracing and completion services and production equipment. The industry has experienced significant price increases for these services during the last year and this trend is expected to continue into the future. These cost increases could in the future significantly increase RAM's development costs and decrease the return possible from drilling and development activities, and possibly render the development of certain proved undeveloped reserves uneconomical.

Estimates of oil and natural gas reserves are uncertain and may vary substantially from actual production.

There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of expenditures, including many factors beyond RAM's control. The reserve information set forth in this proxy statement represents only estimates based on reports prepared as of December 31, 2005 and December 31, 2004 prepared by Williamson Petroleum Consultants and Forrest A. Garb & Associates, independent petroleum engineers and as of December 31, 2003 prepared by Forrest A. Garb & Associates. Petroleum engineering is not an exact science. Information relating to the RAM's proved oil and natural gas reserves is based upon engineering estimates. Estimates of economically recoverable oil and natural gas reserves and of future net cash flows necessarily depend upon a number of variable factors and assumptions, such as historical production from the area compared with production from other producing areas, future site restoration and abandonment costs, the assumed effects of regulations by governmental agencies and assumptions concerning future oil and natural gas prices, future operating costs, severance and excise taxes, capital expenditures and workover and remedial costs, all of which may in fact vary considerably from actual results. For these reasons, estimates of the economically recoverable quantities of oil and natural gas attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of the future net cash flows expected therefrom prepared by different engineers or by the same engineers at different times may vary substantially. Actual production, revenues and expenditures with respect to RAM's reserves will likely vary from estimates, and such variances may be material.

Operating hazards and uninsured risks may result in substantial losses.

RAM's operations are subject to all of the hazards and operating risks inherent in drilling for and the production of oil and natural gas, including the risk of fire, explosions, blow-outs, pipe failure, abnormally

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pressured formations and environmental hazards such as oil spills, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these events could result in substantial losses to RAM due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. In accordance with customary industry practice, RAM maintains insurance against some, but not all, of these risks. There can be no assurance that any insurance will be adequate to cover any losses or liabilities. RAM cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase. In addition, RAM may be liable for environmental damage caused by previous owners of properties purchased by RAM, which liabilities would not be covered by RAM's insurance. RAM is currently unaware of any material liability it may have for environmental damages caused by previous owners of properties purchased by RAM.

RAM's operations are subject to various governmental regulations that require compliance that can be burdensome and expensive.

RAM's oil and natural gas operations are subject to various federal, state and local governmental regulations that may be changed from time to time in response to economic and political conditions. Matters subject to regulation include discharge from drilling operations, drilling bonds, reports concerning operations, the spacing of wells, unitization and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and natural gas wells below actual production capacity to conserve supplies of oil and natural gas. In addition, the production, handling, storage, transportation and disposal of oil and natural gas, by-products thereof and other substances and materials produced or used in connection with oil and natural gas operations are subject to regulation under federal, state and local laws and regulations primarily relating to protection of human health and the environment. These laws and regulations have continually imposed increasingly strict requirements for water and air pollution control and solid waste management, and compliance with these laws may cause delays in the additional drilling and development of RAM's properties. Significant expenditures may be required to comply with governmental laws and regulations applicable to RAM. RAM believes the trend of more expansive and stricter environmental legislation and regulations will continue. While historically RAM has not experienced any material adverse effect from regulatory delays, there can be no assurance that such delays will not occur in the future.

RAM's method of accounting for investments in oil and natural gas properties may result in impairment of asset value, which could affect RAM's stockholder equity and net profit or loss.

RAM uses the full cost method of accounting for its investment in oil and natural gas properties. Under the full cost method of accounting, all costs of acquisition, exploration and development of oil and natural gas reserves are capitalized into a full cost pool. Capitalized costs in the pool are depleted and charged to operations using the units-of-production method based on the ratio of current production to total proved oil and natural gas reserves. To the extent that such capitalized costs, net of depletion and amortization, exceed the PV-10 Value of proved oil and natural gas reserves at any reporting date, such excess costs are charged to operations. Once incurred, a write down of oil and natural gas properties is not reversible at a later date, even if the PV-10 value of the oil and natural gas reserves increases as a result of an increase in oil or natural gas prices.

Properties that RAM acquires may not produce as projected, and RAM may be unable to identify liabilities associated with the properties or obtain protection from sellers against them

As part of its business strategy, RAM continually seeks acquisitions of gas and oil properties. The most recent of these acquisitions, which closed in December 2004, was RAM's purchase of WG Energy Holdings, Inc. The successful acquisition of oil and natural gas properties requires assessment of many factors, which are inherently inexact and may be inaccurate, including the following:

future oil and natural gas prices;

the amount of recoverable reserves;

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future operating costs;

future development costs;

failure of titles to properties;

costs and timing of plugging and abandoning wells; and

potential environmental and other liabilities.

RAM's assessment will not necessarily reveal all existing or potential problems, nor will it permit RAM to become familiar enough with the properties to assess fully their capabilities and deficiencies. With respect to properties on which there is current production, RAM may not inspect every well location, every potential well location, or pipeline in the course of its due diligence. Inspections may not reveal structural and environmental problems such as pipeline corrosion or groundwater contamination. RAM may not be able to obtain or recover on contractual indemnities from the seller for liabilities that it created. RAM may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with RAM's expectations.

Risks Related to the Merger

There will be a substantial number of shares of Tremisis common stock available for sale in the future that may increase the volume of common stock available for sale in the open market and may cause a decline in the market price of our common stock.

The consideration to be issued in the merger to the RAM stockholders will include 25,600,000 shares of Tremisis common stock. These shares are initially not being registered and will be held by Messrs. Larry E. Lee and David Stinson and Danish Knights, A Limited Partnership, so they will be restricted. All of such shares will be subject to the lock-up agreement and cannot be sold publicly until the expiration of the restricted periods set out in the lock-up agreement (a maximum of one year after the closing) and under Rule 144 promulgated under the Securities Act of 1933. However, the holders of such shares will have certain registration rights and will be able to sell their shares in the public market prior to such times if registration is effected. The presence of this additional number of shares of common stock eligible for trading in the public market may have an adverse effect on the market price of our common stock.

Our outstanding warrants may be exercised in the future, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

Outstanding redeemable warrants to purchase an aggregate of 12,650,000 shares of common stock issued in the IPO will become exercisable after the consummation of the merger. These will be exercised only if the \$5.00 per share exercise price is below the market price of our common stock. To the extent they are exercised, additional shares of our common stock will be issued, which will result in dilution to our stockholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of such shares.

Our working capital will be reduced if Tremisis stockholders exercise their right to convert their shares into cash. This would reduce our cash reserve after the merger.

Pursuant to our certificate of incorporation, holders of shares issued in our IPO may vote against the merger and demand that we convert their shares, as of the record date, into a pro rata share of the trust account where a substantial portion of the net proceeds of the IPO are held. We and RAM will not consummate the merger if holders of 1,265,000 or more shares of common stock issued in our IPO exercise these conversion rights. To the extent the merger is consummated and holders have demanded to so convert their shares, there will be a corresponding reduction in the amount of funds available to the combined company following the merger. As of

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April 3, 2006, the record date, assuming the merger proposal is adopted, the maximum amount of funds that could be disbursed to our stockholders upon the exercise of their conversion rights is approximately \$6,950,000, or approximately 20% of the funds then held in the trust account. Any payment upon exercise of conversion rights will reduce our cash after the merger, which may limit our ability to implement our business plan.

If we are unable to obtain a listing of our securities on Nasdaq or any stock exchange, it may be more difficult for our stockholders to sell their securities.

Tremisis units, common stock and warrants are currently traded in the over-the-counter market and quoted on the OTCBB. We have applied for listing on Nasdaq. Generally, Nasdaq requires that a company applying for listing on the Nasdaq Capital Market have stockholders equity of not less than \$5.0 million or a market value of listed securities of \$50 million or net income from continuing operations of not less than \$750,000, at least 1,000,000 publicly held shares, and a minimum bid price of \$4.00 with over 300 round lot shareholders. There is no assurance that such listing will be obtained and listing is not a condition to closing the merger. If we are unable to obtain a listing or approval of trading of its securities on Nasdaq, then it may be more difficult for stockholders to sell their securities.

Our current directors and executive officers have interests in the merger that are different from yours because if the merger is not approved the securities held by them will become worthless.

In considering the recommendation of our board of directors to vote for the proposal to adopt the merger agreement and other proposals, you should be aware that members of our board are parties to agreements or arrangements that provide them with interests that differ from, or are in addition to, those of our stockholders generally. Our executives and directors are not entitled to receive any of the net proceeds of our IPO that may be distributed upon our liquidation. Therefore, if the merger is not approved and we are forced to liquidate, the shares held by our officers and directors will be worthless. Additionally, such persons purchased 580,000 warrants in the aftermarket after our IPO. These warrants cannot be sold by them prior to the consummation of the merger and will be worthless unless the merger is consummated.

Also, if Tremisis liquidates prior to the consummation of a business combination, Lawrence S. Coben, our current chairman of the board and chief executive officer, will be personally liable to pay debts and obligations, if any, to vendors and other entities that are owed money by Tremisis for services rendered or products sold to Tremisis, or to any target business, to the extent such creditors bring claims that would otherwise require payment from the trust account. This arrangement was entered into to ensure that, in the event of liquidation, the trust account is not reduced by claims of creditors.

Voting control by our executive officers, directors and other affiliates may limit your ability to influence the outcome of director elections and other matters requiring stockholder approval.

Upon consummation of the merger, the persons who are parties to the voting agreement, Lawrence S. Cohen, Isaac Kier, Larry E. Lee, David Stinson and Danish Knights, A Limited Partnership, will own approximately 80.5% of our voting stock. These persons have agreed to vote for each other's designees to our board of directors through director elections in 2008. Accordingly, they will be able to control the election of directors and, therefore, our policies and direction during the term of the voting agreement. This concentration of ownership and voting agreement could have the effect of delaying or preventing a change in our control or discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material adverse effect on the market price of our common stock or prevent our stockholders from realizing a premium over the market price for their shares of common stock.

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FORWARD-LOOKING STATEMENTS

We believe that some of the information in this proxy statement constitutes forward-looking statements within the definition of the Private Securities Litigation Reform Act of 1995. However, the safe-harbor provisions of that act do not apply to statements made in this proxy statement. You can identify these statements by forward-looking words such as may, expect, anticipate, contemplate, believe, estimate, and continue or similar words. You should read statements that contain these words carefully because they:

discuss future expectations;

contain projections of future results of operations or financial condition; or

state other forward-looking information.

We believe it is important to communicate our expectations to our stockholders. However, there may be events in the future that we are not able to predict accurately or over which we have no control. The risk factors and cautionary language discussed in this proxy statement provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us or RAM in such forward-looking statements, including among other things:

the number and percentage of our stockholders voting against the merger proposal and seeking conversion;

outcomes of government reviews, inquiries, investigations and related litigation;

continued compliance with government regulations;

legislation or regulatory environments, requirements or changes adversely affecting the business in which RAM is engaged;

fluctuations in customer demand;

management of rapid growth;

general economic conditions;

RAM's business strategy and plans;

the actual quantities of RAM's reserves of oil and natural gas;

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the future levels of production of oil and natural gas by RAM;

future prices of and demand for oil and natural gas;

the results of RAM's future exploration, development and exploitation activities;

future operating and development costs of RAM's oil and natural gas properties; and

the results of future financing efforts.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

All forward-looking statements included herein attributable to any of Tremisis, RAM or any person acting on either party's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, Tremisis and RAM undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the adoption of the merger agreement, you should be aware that the occurrence of the events described in the "Risk Factors" section and elsewhere in this proxy statement could have a material adverse effect on Tremisis and/or RAM.

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SPECIAL MEETING OF TREMISIS STOCKHOLDERS

General

We are furnishing this proxy statement to Tremisis stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting of Tremisis stockholders to be held on May 8, 2006, and at any adjournment or postponement thereof. This proxy statement is first being furnished to our stockholders on or about April 27, 2006 in connection with the vote on the merger proposal, the certificate of incorporation amendments and incentive compensation plan proposal. This document provides you with the information you need to know to be able to vote or instruct your vote to be cast at the special meeting.

Date, Time and Place

The special meeting of stockholders will be held on May 8, 2006, at 10:00 a.m., eastern time, at the offices of Graubard Miller, Tremisis counsel, at The Chrysler Building, 405 Lexington Avenue, 19th Floor, New York, New York 10174.

Purpose of the Tremisis Special Meeting

At the special meeting, we are asking holders of Tremisis common stock to:

approve the merger agreement and the transactions contemplated thereby (merger proposal);

approve an amendment to our certificate of incorporation to change our name from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc. (name change amendment);

approve an amendment to our certificate of incorporation to increase the number of authorized shares of our common stock from 30,000,000 to 100,000,000 (capitalization amendment);

approve an amendment to our certificate of incorporation to remove the preamble and sections A through D, inclusive, of Article Sixth from the certificate of incorporation from and after the closing of the merger, as these provisions will no longer be applicable to us, and to redesignate section E of Article Sixth, which relates to the staggered board, as Article Sixth (Article Sixth amendment); and

approve the adoption of the 2006 Long-Term Incentive Plan (incentive compensation plan proposal).

Recommendation of Tremisis Board of Directors

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Our board of directors:

has unanimously determined that each of the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal is fair to and in the best interests of us and our stockholders;

has unanimously approved the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal;

unanimously recommends that our common stockholders vote FOR the merger proposal;

unanimously recommends that our common stockholders vote FOR the proposal to adopt the name change amendment;

unanimously recommends that our common stockholders vote FOR the proposal to adopt the capitalization amendment;

unanimously recommends that our common stockholders vote FOR the proposal to adopt the Article Sixth amendment; and

unanimously recommends that our common stockholders vote FOR the proposal to approve the incentive compensation plan proposal.

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Record Date; Who is Entitled to Vote

We have fixed the close of business on April 3, 2006, as the record date for determining Tremisis stockholders entitled to notice of and to attend and vote at the special meeting. As of the close of business on April 3, 2006, there were 7,700,000 shares of our common stock outstanding and entitled to vote. Each share of our common stock is entitled to one vote per share at the special meeting.

Pursuant to agreements with us, the 1,375,000 shares of our common stock held by stockholders who purchased their shares of common stock prior to our IPO will be voted on the merger proposal in accordance with the majority of the votes cast at the special meeting.

Quorum

The presence, in person or by proxy, of a majority of all the outstanding shares of common stock constitutes a quorum at the special meeting.

Abstentions and Broker Non-Votes

Proxies that are marked abstain and proxies relating to street name shares that are returned to us but marked by brokers as not voted will be treated as shares present for purposes of determining the presence of a quorum on all matters. The latter will not be treated as shares entitled to vote on the matter as to which authority to vote is withheld by the broker. If you do not give the broker voting instructions, under the rules of the NASD, your broker may not vote your shares on the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal. Since a stockholder must affirmatively vote against the merger proposal to have conversion rights, individuals who fail to vote or who abstain from voting may not exercise their conversion rights. Beneficial holders of shares held in street name that are voted against the merger may exercise their conversion rights. See the information set forth in *Special Meeting of Tremisis Stockholders Conversion Rights* on page 33.

Vote of Our Stockholders Required

The approval of the merger proposal, the name change amendment, the capitalization amendment and the Article Sixth amendment will require the affirmative vote of the holders of a majority of Tremisis common stock outstanding on the record date. Because each of these proposals requires the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote, abstentions and shares not entitled to vote because of a broker non-vote will have the same effect as a vote against these proposals.

In order to consummate the merger, each of the name change amendment and the capitalization amendment proposals must be approved by the stockholders. For both of the name change amendment and the capitalization amendment to be implemented, the merger proposal must be approved by the stockholders.

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The approval of the incentive compensation plan will require the affirmative vote of the holders of a majority of our common stock represented and entitled to vote at the meeting. Abstentions are deemed entitled to vote on the proposals. Therefore, they have the same effect as a vote against the proposal. Broker non-votes are not deemed entitled to vote on the proposal and, therefore, they will have no effect on the vote on the proposal.

Voting Your Shares

Each share of Tremisis common stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of our common stock that you own.

There are two ways to vote your shares of Tremisis common stock at the special meeting:

You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card but do not give instructions on how to vote your shares, your shares will be voted as recommended by our board FOR the adoption of the merger proposal, the name change

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amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal. Votes received after a matter has been voted upon at the special meeting will not be counted.

You can attend the special meeting and vote in person. We will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way we can be sure that the broker, bank or nominee has not already voted your shares.

IF YOU DO NOT VOTE YOUR SHARES OF OUR COMMON STOCK IN ANY OF THE WAYS DESCRIBED ABOVE, IT WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE ADOPTION OF THE MERGER PROPOSAL, BUT WILL NOT HAVE THE EFFECT OF A DEMAND FOR CONVERSION OF YOUR SHARES INTO A PRO RATA SHARE OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE PROCEEDS OF OUR IPO ARE HELD.

Revoking Your Proxy

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

you may send another proxy card with a later date;

you may notify Lawrence S. Coben, our chairman and chief executive officer, in writing before the special meeting that you have revoked your proxy; or

you may attend the special meeting, revoke your proxy, and vote in person, as indicated above.

Who Can Answer Your Questions About Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your shares of our common stock, you may call Morrow & Co., Inc., our proxy solicitor, at 1-800-607-0088, or Lawrence S. Coben, our chairman and chief executive officer, at (212) 397-1464.

No Additional Matters May Be Presented at the Special Meeting

This special meeting has been called only to consider the adoption of the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan proposal. Under our by-laws, other than procedural matters incident to the conduct of the meeting, no other matters may be considered at the special meeting if they are not included in the notice of the meeting.

Conversion Rights

Any of our stockholders holding shares of Tremisis common stock issued in our IPO who affirmatively votes against the merger proposal may, at the same time, demand that we convert his shares into a pro rata portion of the trust account as of the record date. If demand is made and the merger is consummated, we will convert these shares into a pro rata portion of funds held in the trust account plus interest, as of the record date. Tremisis stockholders who seek to exercise this conversion right must affirmatively vote against the merger. Abstentions and broker non-votes do not satisfy this requirement.

The closing price of our common stock on April 3, 2006 (the record date) was \$5.61 and the per-share, pro-rata cash held in the trust account on the record date was approximately \$5.49. Prior to exercising conversion rights, our stockholders should verify the market price of our common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights if the market price per share is higher than the conversion price.

If the holders of at least 1,265,000 or more shares of common stock issued in our IPO (an amount equal to 20% or more of those shares), vote against the merger and demand conversion of their shares, we will not be able to consummate the merger.

If you exercise your conversion rights, then you will be exchanging your shares of our common stock for cash and will no longer own those shares. You will be entitled to receive cash for these shares only if you affirmatively vote against the merger proposal, properly demand conversion, continue to hold those shares through the effective time of the merger and then tender your stock certificate to us. If you hold the shares in street name, you will have to coordinate with your broker to have your shares certificated.

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Appraisal Rights

Stockholders of Tremisis do not have appraisal rights in connection the merger under the DGCL.

Proxy Solicitation Costs

We are soliciting proxies on behalf of our board of directors. This solicitation is being made by mail but also may be made by telephone or in person. We and our directors, officers and employees may also solicit proxies in person, by telephone or by other electronic means.

We have hired Morrow & Co., Inc. to assist in the proxy solicitation process. We will pay Morrow & Co., Inc. a fee of approximately \$7,500. Such fee will be paid with non-trust account funds.

We will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy materials to their principals and to obtain their authority to execute proxies and voting instructions. We will reimburse them for their reasonable expenses.

Tremisis Inside Stockholders

At the close of business on the record date, Lawrence S. Coben, Isaac Kier, David A. Preiser and Jon Schotz, to whom we collectively refer as the Tremisis Inside Stockholders, beneficially owned and were entitled to vote 1,375,000 shares or approximately 17.9% of the then outstanding shares of our common stock, which includes all of the shares held by our directors and executive officers and their affiliates. Mr. Coben is currently our chairman of our board of directors and our chief executive officer, Mr. Kier is currently our secretary, treasurer and a director, Mr. Preiser is currently a director, and Mr. Schotz is currently a director. All our stockholders prior to our IPO have agreed to vote their shares on the merger proposal in accordance with the majority of the votes cast by the holders of shares issued in our IPO. The Tremisis Inside Stockholders also agreed, in connection with the IPO, to place their shares in escrow until May 12, 2007.

Tremisis Fairness Opinion

Pursuant to an engagement letter dated August 31, 2005, we engaged Gilford Securities Incorporated to render an opinion that our merger with RAM on the terms and conditions set forth in the merger agreement is fair to our stockholders from a financial perspective and that the fair market value of RAM is at least equal to 80% of our net assets. Gilford is an investment banking firm that, as part of its investment banking business, regularly is engaged in the evaluation of businesses and their securities in connection with mergers, acquisitions, corporate restructurings, private placements, and for other purposes. Our board of directors determined to use the services of Gilford because it is a recognized investment banking firm that has substantial experience in similar matters. The engagement letter provides that we will pay Gilford a fee of \$75,000, of which \$50,000 has been paid to date with the remaining balance due upon consummation of the merger, and will reimburse Gilford for its reasonable out-of-pocket expenses, including attorneys' fees. If the merger is not consummated, the \$25,000 balance of the fee due to Gilford is not payable. The amount of such fee was determined pursuant to negotiations between us and Gilford. We have also agreed to indemnify Gilford against certain liabilities that may arise out of the rendering of the opinion.

Gilford delivered its written opinion to our board of directors on September 22, 2005, which stated that, as of such date, and based upon and subject to the assumptions made, matters considered, and limitations on its review as set forth in the opinion, (i) the consideration to be paid by us in the merger is fair to our stockholders from a financial point of view, and (ii) the fair market value of RAM is at least equal to 80% of our net assets. The amount of such consideration was determined pursuant to negotiations between us and RAM and not pursuant to recommendations of Gilford. The full text of Gilford's written opinion is attached hereto as Annex G. You are urged to read the Gilford opinion carefully and in its entirety for a description of the assumptions made, matters considered, procedures followed and limitations on the review undertaken by Gilford in rendering its opinion. The summary of the Gilford opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the opinion. Gilford's opinion is addressed to our board of directors only and does not constitute a recommendation to any of our stockholders as to how such stockholders should vote with respect to the merger proposal and the transactions contemplated thereby.

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THE MERGER PROPOSAL

The discussion in this document of the merger and the principal terms of the merger agreement, as amended, by and among Tremisis, RAM, Merger Sub and the RAM stockholders is subject to, and is qualified in its entirety by reference to, the merger agreement. A copy of the merger agreement, as amended, is attached as Annex A to this proxy statement.

General Description of the Merger

Pursuant to the merger agreement, Merger Sub, a wholly owned subsidiary of Tremisis, will merge with and into RAM and RAM will be the surviving entity and a wholly owned subsidiary of Tremisis. The separate corporate existence of Merger Sub shall cease. Tremisis will be renamed RAM Energy Resources, Inc. after completion of the merger. Holders of all the issued and outstanding shares of common stock of RAM will receive 25,600,000 shares of Tremisis common stock and \$30 million in cash, or such lesser amount as may be available in the trust account after payment to the owners of Tremisis common stock voting against the merger and demanding conversion. After the completion of the merger, the RAM stockholders will own approximately 77% of Tremisis common stock, assuming that no Tremisis stockholders seek conversion of their Tremisis stock into their pro rata share of the trust account.

Pre-Closing RAM Dividends/Redemption

The merger agreement authorizes RAM, prior to the consummation of the merger, to pay its normal \$500,000 quarterly dividends for the fourth quarter of 2005 and the first quarter of 2006. Also, because Tremisis did not have sufficient funds in its trust account to permit payment of \$40.0 million in cash merger consideration to the RAM stockholders, it was agreed that, prior to the consummation of the merger, in addition to its normal quarterly dividends, RAM would be authorized to declare and pay a one-time extraordinary dividend, or redeem a portion of the outstanding share of RAM common stock, in an amount which, when added to the cash merger consideration received from Tremisis, would permit the RAM stockholders to receive an aggregate \$40.0 million in cash. Accordingly, the merger agreement provides that, prior to the closing of the merger, RAM is authorized to declare and pay to its stockholders its quarterly dividends, and to either declare a one-time extraordinary dividend, or effect one or more redemptions of a portion of its outstanding common stock, in an aggregate amount up to the difference between \$40.0 million and the amount of the cash consideration to be received by the RAM stockholders in the merger. It is anticipated that the cash merger consideration to be received from Tremisis will be \$30.0 million. On April 6, 2006, RAM effected a redemption of a portion of its outstanding stock for an aggregate consideration of \$10.0 million. However, if after payments by Tremisis to the holders of Tremisis common stock who vote against the merger and demand conversion, and after payment of Tremisis expenses incurred in connection with the transaction, less than \$30.0 million remains in the Tremisis trust account for payment of cash merger consideration to the RAM stockholders, the amount of the authorized RAM dividend or redemption payment will be increased to permit the aggregate amount received by the RAM stockholders, both as merger consideration and as a dividend or redemption payment, to equal \$40.0 million.

The amount of the dividend/redemption payments actually made by RAM will depend upon the amount of cash available to RAM for making such payment. In order to have sufficient availability for making such payment, it may be necessary for RAM to amend its existing credit facility or enter into a new credit facility with a higher credit limit prior to the closing. The merger agreement authorizes RAM to amend its existing credit facility or enter into a new credit facility to replace its existing credit facility, and to draw funds under the amended or new credit facility for purposes of making the dividend/redemption payment, subject only to an aggregate indebtedness limitation outstanding at the closing. In the event RAM does not have sufficient funds to make the full amount of the pre-closing dividend/redemption payment authorized by the terms of the merger agreement, the dividend/redemption payment actually made will be limited to the funds available for making such payments and neither RAM nor Tremisis will have any obligation to make any additional payments to the RAM stockholders after the closing with respect to any shortfall.

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Background of the Merger

The terms of the merger agreement are the result of arm's-length negotiations between representatives of Tremisis and RAM. The following is a brief discussion of the background of these negotiations, the merger agreement and related transactions.

Tremisis was formed on February 5, 2004 to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business in either the energy or the environmental industry and their related infrastructures. Tremisis completed its IPO on May 18, 2004, raising net proceeds of approximately \$34,163,000. Of these net proceeds, \$33,143,000 were placed in a trust account immediately following the IPO and, in accordance with Tremisis' certificate of incorporation, will be released either upon the consummation of a business combination or upon the liquidation of Tremisis. Tremisis must liquidate unless it has consummated a business combination by May 18, 2006. As of April 3, 2006, approximately \$34,750,000 was held in deposit in the trust account.

Promptly following Tremisis' IPO, we contacted several investment bankers, private equity firms, consulting firms, legal and accounting firms and other firms specializing in our target industries, as well as current and former senior executives of energy and environmental companies with whom we have worked in the past. Through these efforts, we identified and reviewed information with respect to more than 50 merger opportunities.

By June 2005, we had entered into substantial discussions with a few companies, including discussions regarding the type and amount of consideration to be provided relative to a potential transaction. One of these companies was provided with a preliminary letter of intent, which included specified levels of merger consideration. The recipient responded with a counter-proposal that included higher levels of merger consideration. We continued negotiations but were not able to reach agreement with that company and the proposal was not presented to our board of directors for consideration. Throughout the course of our discussions and negotiations with other targets, similar issues arose with the companies being considered, including an inability to agree on valuation, unfavorable issues identified in our due diligence process, lack of progress on the anticipated growth of the target company and perceived issues with the overall structure of the transaction, as well as accounting and regulatory issues. Accordingly, none of these opportunities proved to be a satisfactory candidate for a merger and no proposals were submitted to our board for consideration other than with respect to the RAM merger.

In late February 2005, Ronald D. Ormand, an investment banker with considerable experience representing clients in the energy industry, met in New York City with Mr. Coben, our chairman and CEO, and discussed Tremisis' interests in a business combination with an oil and gas company. In the ordinary course of his investment banking activities, Mr. Ormand had become aware of Tremisis as a specified purpose acquisition company dedicated to engaging in a business combination with an established operating company in either the energy or environmental industry. Mr. Ormand had no relationship or acquaintance with Tremisis or Mr. Coben prior to the February 2005 meeting. Mr. Ormand was a longtime business acquaintance of Mr. Larry Lee, president and CEO of RAM, and from time to time would contact Mr. Lee to suggest a particular business strategy or present a particular business opportunity for consideration by RAM; however, prior to the pending transaction with Tremisis, RAM had not engaged Mr. Ormand or his investment banking firm to represent RAM in connection with any transaction. In early March 2005, Mr. Ormand contacted Mr. Lee, provided information concerning Tremisis and suggested a structure for a proposed transaction between RAM and Tremisis. Mr. Lee indicated an interest in exploring the possibility of a transaction with Tremisis and advised Mr. Ormand that Mr. Lee would be in New York for an industry conference during the third week of April. Soon thereafter Mr. Ormand, now representing WestLB, contacted Mr. Coben and arranged a meeting with Mr. Lee. Prior to that time, none of Tremisis' officers or directors knew of RAM or was aware that RAM's owners were interested in some type of business combination. At Mr. Ormand's suggestion, on April 14, 2005, a confidentiality agreement was executed and a substantial amount of information was exchanged between the two companies for review in advance of their initial meeting. On April 19,

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2005, Mr. Coben and Mr. Kier, our treasurer, met in Tremisis New York City office with Mr. Ormand and Mr. Lee. Both Tremisis and RAM described their respective companies.

On June 13, 2005, Messrs. Coben and Kier met with Messrs. Lee and Ormand as well as other senior executives and advisors of RAM at RAM's headquarters in Tulsa, Oklahoma. During this meeting, Mr. Coben and Mr. Lee discussed the valuation parameters of a potential transaction. Shortly following this meeting, Tremisis retained certain advisors who are specialists in the oil and gas exploration and production industry to assist in its due diligence of RAM, which commenced in late June 2005. Tremisis' advisors were Mr. William Anderson, of Anderson Oil & Gas, Inc., who coordinated all of the due diligence and analysis efforts; Netherland Sewell & Associates, Inc., who performed due diligence on RAM's oil and gas reserves; Mr. Jon Nelson, who provided land and title services; Mr. Jack Roach, who is an oil and gas attorney; Arkwood Engineering Incorporated, who performed environmental due diligence; and Chandra Wisniewski, who provided oil lease and partnership accounting services. These due diligence efforts accelerated after receipt of June 30th financial results and updated reserve report. We and our advisors continued to gather, review and evaluate due diligence information. Numerous telephone conversations were held between Tremisis and RAM and their advisors, and certain of Tremisis' advisors visited the RAM headquarters in Tulsa in August 2005. On August 25, 2005, we entered into a letter of intent with RAM and commenced negotiation of a definitive merger agreement.

The merger consideration was negotiated during the course of discussions and negotiations regarding the letter of intent. The final consideration was determined to be a minimum of 25,600,000 shares of Tremisis common stock and \$30 million in cash, or such lesser amount as may be available in the trust account after payment to the owners of Tremisis common stock voting against the merger and demanding conversion. Based on the assumption that the merger would be consummated in the first quarter of 2006, it was also agreed that, prior to closing, RAM would be authorized to declare and pay one normal quarterly dividend to its stockholders in the amount of \$500,000 and to either declare a one-time extraordinary dividend or redeem a portion of its outstanding common stock in an aggregate amount equal to the difference between \$40.0 million and the amount of cash consideration to be received by the RAM stockholders in the merger. In addition, it was also recognized that RAM, which will survive the merger as a wholly owned subsidiary of Tremisis, will remain liable for its outstanding debt. Counsel for Tremisis did not participate in the determination of the consideration to be paid by Tremisis in the merger.

During the course of the negotiations leading to the letter of intent, and thereafter through the negotiations regarding the merger agreement, the officers and directors of Tremisis, together with their advisors, conducted a variety of valuation analyses of RAM, including comparable sale transactions, public company comparables and discounted cash flows. These analyses were substantially similar to those conducted by Gilford in connection with the rendering of its fairness opinion.

Within days of executing the letter of intent, we delivered to RAM an extensive due diligence request list. Simultaneously, we worked with our counsel to prepare a first draft of the merger agreement. We also retained Gilford Securities to render an opinion that the consideration to be paid in the merger is fair to our stockholders, and to opine that the fair market value of RAM is at least 80% of our net assets.

A meeting was held in RAM's Tulsa offices on September 14, 2005 among Mr. Coben, Mr. Lee and the late William Talley, then chairman of RAM, and RAM's advisors. On September 15, 2005, Messrs. Coben, Lee and Larry Rampey, a RAM senior vice president, traveled to see certain of RAM's properties. In mid-September, we delivered the first draft of the merger agreement to RAM, which resulted in additional discussions and negotiations of various aspects of the proposed business combination. Succeeding drafts of the transaction documents were prepared in response to comments and suggestions of the parties and their counsel, with management and counsel for both companies engaging in numerous telephonic conferences and negotiating sessions. Included in the various transaction documents were an Escrow Agreement, Voting Agreement, Lock-Up Agreement, Registration Rights Agreement and an Employment Agreement for Mr. Lee.

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During August, September and October 2005, Mr. Coben contacted our other three directors on numerous occasions both individually and jointly on telephonic conference calls to discuss the transaction and to describe the status of negotiations. On September 22, 2005, we held a formal meeting of our board of directors to discuss the proposed business combination with RAM. Messrs. Coben, Kier, Jon Schotz and David Preiser, constituting all of our directors, were present at the meeting. Also present, by invitation, were Noah Scooler (in person) and David Miller (telephonically) of Graubard Miller, our general counsel. Prior to the meeting, copies of the most recent drafts of the significant transaction documents were delivered to the directors in connection with their consideration of the proposed business combination with RAM, including the Agreement and Plan of Merger, Escrow Agreement, Voting Agreement, Lock-Up Agreement, the Registration Rights Agreement and the Employment Agreement for Mr. Lee. The directors had also been given copies of the various schedules to the merger agreement in their then current forms, including RAM's disclosure schedule. A telephonic presentation regarding due diligence of RAM's properties was made by William Anderson, an advisor to the company on matters relating to the oil and gas exploration and production industry. Mr. Robert Maley of Gilford Securities made a presentation regarding the fairness of the consideration to be paid in the merger. Our board asked numerous questions of Mr. Anderson and Mr. Maley, each of whom was present only during his presentation. The board also discussed the proposed charter amendments and stock option plan.

On October 3, 2005, a formal telephonic meeting of the board of directors was held. All directors attended, as did, by invitation, David Miller and Brian Ross of Graubard Miller. Prior to the meeting, copies of the most recent drafts of the significant transaction documents, in substantially final form, were delivered to the directors. Mr. Anderson made another presentation regarding the due diligence of RAM's properties. Mr. Maley advised the board that it was the opinion of Gilford that the consideration to be paid in the merger was fair to our stockholders, and that the fair market value of RAM is at least 80% of our net assets. Mr. Maley detailed for the board the analysis performed by Gilford and made a presentation concerning how Gilford had arrived at its opinion. Copies of the information contained in the presentation, dated September 22, 2005, and which was the basis for Mr. Maley's presentation to the board on that date, were previously distributed to the board members, together with copies of Gilford's opinion. Mr. Maley discussed at length with our board the different analyses used to determine whether or not the merger consideration to be paid by us was fair from a financial point of view to our stockholders, as well as to determine the fair market value of RAM. Our board asked numerous questions of Mr. Anderson and Mr. Maley, each of whom was present only during their respective presentations. Our board of directors then had considerable discussion concerning the merger. After considerable review and discussion, the merger agreement and related documents were unanimously approved, subject to final negotiations and modifications, and the board determined to recommend the approval of the merger agreement, the charter amendments and the incentive compensation plan to the stockholders. For a more detailed description of the Gilford fairness opinion, see *The Merger Proposal Fairness Opinion* on page 41.

A few more telephonic meetings among Tremisis, RAM and their advisors were conducted in early and mid October 2005 to finalize the transaction documents.

The merger agreement was signed on October 20, 2005. Immediately thereafter, Tremisis issued a press release and, on October 26, 2005, filed a Current Report on Form 8-K announcing the execution of the merger agreement and discussing the terms of the merger agreement.

On November 11, 2005, the merger agreement was amended to fix the number of Tremisis shares to be issued to the RAM stockholders in the merger at 25,600,000 and to exclude from the limitation on indebtedness for borrowed money at closing certain expenses incurred by RAM in refinancing its existing credit facility. Immediately thereafter, Tremisis issued a press release and, on November 14, 2005, filed a Current Report on Form 8-K announcing the amendment to the merger agreement, discussing the terms of the amendment and announcing RAM's third quarter operating results and proved reserves as of September 30, 2005. On January 17, 2006, Tremisis filed a Current Report on Form 8-K announcing certain results of RAM's operations for the year ended December 31, 2005, including aggregate net production, capital expenditures and results of drilling activity.

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On February 15, 2006, the merger agreement was further amended to, among other things, include changes occasioned by the fact that the merger will close in the second quarter of 2006, as opposed to the first quarter, as originally anticipated. Specifically, the agreement was amended to: (i) extend until April 27, 2006 the deadline for mailing this proxy statement to the Tremisis stockholders; (ii) permit RAM to declare and pay its normal quarterly dividend for the first quarter of 2006 in the amount of \$500,000; (iii) exclude from the limitation on RAM indebtedness at closing an amount equal to the sum of all capital expenditures incurred by RAM after March 1, 2006; (iv) delete the requirement for Tremisis to retain \$1,000,000 for working capital purposes in the event the amount of cash available to be paid to the RAM stockholders at closing is less than \$30.0 million due to payments by Tremisis for transaction expenses and to stockholders voting against the merger and demanding conversion of their shares; (v) exclude from the \$1,000,000 indemnification basket for post-closing claims that may be asserted by Tremisis the amount of any claims asserted with respect to the pending lawsuit entitled *Sacket v. Great Plains Pipeline Company, et al.*, discussed in the section of this proxy statement entitled *Business of RAM Legal Proceedings*; (vi) require the RAM stockholders and REPCO, LLC, their nominee with respect to participation in the KCS exploration prospect in eastern Oklahoma, to pay in full all amounts owing to RAM at the closing; and (vii) except as a condition to closing the requirement that Tremisis shall have paid in full all income taxes due with respect to the year ended December 31, 2005.

Tremisis Board of Directors Reasons for the Approval of the Merger

The final agreed-upon consideration in the merger agreement was determined by several factors. Tremisis board of directors reviewed various industry and financial data, including certain valuation analyses and metrics compiled by members of the board in order to determine that the consideration to be paid to RAM was reasonable and that the merger was in the best interests of Tremisis stockholders.

Tremisis conducted a due diligence review of RAM that included an industry analysis, a description of RAM's existing business model, a valuation analysis and financial projections in order to enable the board of directors to ascertain the reasonableness of this range of consideration. During its negotiations with RAM, Tremisis did not receive services from any financial advisor.

The Tremisis board of directors concluded that the merger agreement with RAM is in the best interests of Tremisis stockholders. The Tremisis board of directors obtained a fairness opinion prior to approving the merger agreement.

The Tremisis board of directors considered a wide variety of factors in connection with its evaluation of the merger. In light of the complexity of those factors, the Tremisis board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the Tremisis board may have given different weight to different factors.

In considering the merger, the Tremisis board of directors gave considerable weight to the following factors:

RAM's attractive stable asset base and high potential for future growth

Important criteria to Tremisis board of directors in identifying an acquisition target were that the company have established business operations, that it was generating current revenues and EBITDA, and that it have what the board believes to be a potential to experience rapid additional growth. Tremisis board of directors believes that RAM's diverse and long-lived portfolio of proven developed reserves, its inventory of proved undeveloped drilling locations, and its acreage position in emerging resource plays in the Barnett and Woodford shales in Texas made RAM an

attractive merger candidate.

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The experience of RAM's management

Another important criteria to Tremisis' board of directors in identifying an acquisition target was that the company have a seasoned management team with specialized knowledge of the markets within which it operates and the ability to lead a company in a rapidly changing environment. Tremisis' board of directors believes that RAM's management has significant experience in the oil and gas exploration and production industry, as demonstrated by RAM's ability to develop new and profitable business opportunities and operations.

Also important to the board was RAM's ability to execute its business plan after the merger using its own available cash resources since the cash held in our trust account will be used to pay a part of the merger consideration to the RAM stockholders and to Tremisis' public stockholders who vote against the merger and exercise their conversion rights.

Tremisis' board of directors considered the fact that a majority of the cash in its trust account will be paid to the RAM stockholders in the merger and to Tremisis' stockholders who exercise their conversion rights and will not be available to fund working capital requirements following the merger. Tremisis' board of directors believes that RAM has the financial capabilities to execute its business plan after the merger using its own available cash resources.

Satisfaction of 80% Test

It is a requirement that any business acquired by Tremisis have a fair market value equal to at least 80% of Tremisis' net assets at the time of acquisition, which assets shall include the amount in the trust account. Based on the financial analysis of RAM generally used to approve the transaction, the Tremisis board of directors determined that this requirement was met. The board determined that consideration being paid in the merger, which amount was negotiated at arms-length, was fair to and in the best interests of Tremisis and its stockholders and appropriately reflected RAM's value. The Tremisis board of directors believes, because of the financial skills and background of several of its members, it was qualified to conclude that the acquisition of RAM met this requirement. However, Tremisis has also received an opinion from Gilford Securities Incorporated that the 80% test has been met.

Interest of Tremisis' directors and officers in the merger

In considering the recommendation of the board of directors of Tremisis to vote for the proposals to approve the merger agreement, the certificate of incorporation amendments and the equity compensation plan proposal, you should be aware that certain members of the Tremisis board have agreements or arrangements that provide them with interests in the merger that differ from, or are in addition to, those of Tremisis stockholders generally. In particular:

if the merger is not consummated by May 18, 2006, Tremisis will be liquidated. In such event, the 1,375,000 shares of common stock held by Tremisis' directors and officers that were acquired before the IPO would be worthless because Tremisis' directors and officers are not entitled to receive any of the liquidation proceeds. Such shares had an aggregate market value of \$7,713,750, based upon the last sale price of \$5.61 on the OTCBB on April 3, 2006, the record date.

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The Tremisis officers and directors have also purchased 580,000 warrants in the public market for an aggregate purchase price of \$377,000. Such warrants had an aggregate market value of \$626,400, based upon the last sale price of \$1.08 on the OTCBB on April 3, the record date. All of the warrants will become worthless if the merger is not consummated; and

if Tremisis liquidates prior to the consummation of a business combination, Mr. Lawrence S. Coben, Tremisis chairman and chief executive officer, will be personally liable to pay debts and obligations to vendors and other entities that are owed money by Tremisis for services rendered or products sold to Tremisis, or to any target business, to the extent such creditors bring claims that would otherwise require payment from moneys in the trust account.

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Recommendation of Tremisis Board of Directors

After careful consideration, Tremisis board of directors determined unanimously that each of the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan is fair to and in the best interests of Tremisis and its stockholders. Tremisis board of directors has approved and declared advisable the merger, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan and unanimously recommends that you vote or give instructions to vote FOR each of the proposals to approve the merger proposal, the name change amendment, the capitalization amendment, the Article Sixth amendment and the incentive compensation plan.

The foregoing discussion of the information and factors considered by the Tremisis board of directors is not meant to be exhaustive, but includes the material information and factors considered by the Tremisis board of directors.

Fairness Opinion

In connection with its determination to approve the merger, Tremisis board of directors engaged Gilford Securities Incorporated to provide it with a fairness opinion as to whether the merger consideration to be paid by Tremisis is fair, from a financial point of view, to Tremisis stockholders. Gilford, which was founded in 1979 and maintains offices in New York City and elsewhere in the United States, is a private national investment banking firm whose senior officers and other employees are highly experienced in the evaluation of companies and other elements of finance and investment banking. The board selected Gilford on the basis of Gilford's experience, recommendations from other companies that had engaged Gilford for similar purposes, its ability to do the research and provide the fairness opinion within the required timeframe and the competitiveness of its fee, which was specified by Gilford in its proposal to the board.

Gilford made presentations to our board of directors on September 22, 2005 and October 3, 2005, and subsequently delivered its written opinion to the board of directors, which stated that, as of September 22, 2005, and based upon and subject to the assumptions made, matters considered, and limitations on its review as set forth in the opinion, (i) the merger consideration is fair, from a financial point of view, to our stockholders, and (ii) the fair market value of RAM is at least equal to 80% of our net assets. Gilford has consented to the use of its opinion in this proxy statement. The amount of the merger consideration was determined pursuant to negotiations between us and RAM and not pursuant to recommendations of Gilford. The full text of the opinion of Gilford is attached as Annex G. You are urged to read the Gilford opinion carefully and in its entirety for a description of the assumptions made, matters considered, procedures followed and limitations on the review undertaken by Gilford in rendering its opinion. The summary of the Gilford opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the opinion.

The Gilford opinion is not intended to be and does not constitute a recommendation to you as to how you should vote or proceed with respect to the merger.

Gilford was not requested to opine as to, and the opinion does not in any manner address, the relative merits of the merger as compared to any alternative business strategy that might exist for us, our underlying business decision to proceed with or effect the merger, and other alternatives to the merger that might exist for us.

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In arriving at its opinion, Gilford took into account an assessment of general economic, market and financial conditions, as well as its experience in connection with similar transactions and securities valuations generally. In so doing, among other things, Gilford:

reviewed the merger agreement;

reviewed publicly available financial information and other data with respect to Tremisis, including the Annual Report on Form 10-KSB for the year ended December 31, 2004, the Form 10-QSBs filed on May 16 and August 15, 2005, and the Registration Statement on Form S-1 filed on March 12, 2004, and amendments thereto;

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reviewed financial and other information with respect to RAM, including its annual report for the year 2004, which included financial statements for the years ended December 31, 2003 and 2004, the Pro Forma Combined Statements of Operations for the years ended December 31, 2003 and 2004 taking into account the acquisition of WG Energy Holdings, Inc, the draft unaudited financial statements for the six months ended June 30, 2005, the RAM reserve reports as of June 30, 2005 and other financial information and projections prepared by RAM management and its advisors;

considered the historical financial results and present financial condition of both Tremisis and RAM;

reviewed and analyzed certain financial characteristics of companies that were deemed to have characteristics comparable to RAM; and

reviewed and analyzed the cash flows of RAM and prepared a discounted cash flow analysis.

Gilford also performed such other analyses and examinations as it deemed appropriate and held discussions with Tremisis and RAM's senior management in relation to certain financial and operating information furnished to Gilford, including financial analyses with respect to their respective businesses and operations.

In arriving at its opinion, Gilford relied upon and assumed the accuracy and completeness of all of the financial and other information that was made available to Gilford without assuming any responsibility for any independent verification of any such information. Further, Gilford relied upon the assurances of Tremisis and RAM's management that they were not aware of any facts that would make any such information inaccurate or misleading. With respect to the financial information and projections utilized, Gilford assumed that such information has been reasonably prepared on a basis reflecting the best currently available estimates and judgments, and that such information provides a reasonable basis upon which it could make an analysis and form an opinion. Gilford did not make a physical inspection of the properties and facilities of Tremisis and RAM and did not make or obtain any evaluations or appraisals of either company's assets and liabilities (contingent or otherwise). In addition, Gilford did not attempt to confirm whether Tremisis and RAM had good title to their respective assets. Gilford assumed that the merger will be consummated in a manner that complies in all respects with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. Gilford assumed that the merger will be consummated substantially in accordance with the terms set forth in the merger agreement, without any further amendments thereto, and that any amendments, revisions or waivers thereto will not be detrimental to our stockholders.

Gilford's opinion is necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, September 22, 2005. Accordingly, although subsequent developments may affect its opinion, Gilford has not assumed any obligation to update, review or reaffirm its opinion.

In connection with rendering its opinion, Gilford performed certain financial, comparative and other analyses as summarized below. Each of the analyses conducted by Gilford was carried out to provide a different perspective on the merger, and to enhance the total mix of information available. Gilford did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to the fairness, from a financial point of view, of the merger consideration to our stockholders. Further, the summary of Gilford's analyses described below is not a complete description of the analyses underlying Gilford's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Gilford made qualitative judgments as to the relevance of each analysis and factor that it considered. In addition, Gilford may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should not be taken to be Gilford's view of the value of RAM's assets. The estimates contained in Gilford's analyses

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and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses or assets neither purports to be appraisals nor do they necessarily reflect the prices at which businesses or assets may actually be sold. Accordingly, Gilford's analyses and estimates are inherently subject to substantial uncertainty. Gilford believes that its analyses must be considered as a whole and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors collectively, could create an incomplete and misleading view of the process underlying the analyses performed by Gilford in connection with the preparation of its opinion.

The analyses performed were prepared solely as part of Gilford's analysis of the fairness, from a financial point of view, of the merger consideration to our stockholders, and were provided to our board of directors in connection with the delivery of Gilford's opinion. The opinion of Gilford was just one of the many factors taken into account by our board of directors in making its determination to approve the merger, including those described elsewhere in this proxy statement.

Valuation Overview

Based upon a review of the historical and projected financial data and certain other qualitative data for RAM, Gilford utilized several valuation methodologies and analyses to determine ranges of values. Gilford utilized the comparable company, discounted cash flow and the comparable transaction analyses (all of which are discussed in more detail below) for the valuation of RAM.

Gilford equally weighted the three approaches and arrived at an indicated equity value range for RAM of approximately \$295.3 million to approximately \$372.1 million.

<u>Valuation Method</u>	<u>Valuation Range</u>	
	<u>High</u>	<u>Low</u>
	(\$ in millions)	
Comparable Company Analysis	429.3	338.7
Discounted Cash Flow Analysis		
DCF Case #1	364.3	287.3
DCF Case #2	398.7	316.0
Transaction Analysis 2005	296.3	239.1
Weighted Average of Analyses	372.1	295.3

Gilford noted that the proposed acquisition consideration of approximately \$300 million, consisting of 25.6 million shares of stock valued at \$5.45 per share or \$140 million, plus \$30 million in cash payable to RAM shareholders and the assumption of \$125 million of debt, for RAM was at the low end of the indicated equity value range for RAM of approximately \$295.3 million to approximately \$372.1 million.

Comparable Company Analysis

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Gilford utilized the selected comparable company analysis, a market valuation approach, for the purposes of compiling guidelines or comparable company statistics and developing valuation metrics based on prices at which stocks of similar companies are trading in a public market.

The selected comparable company analysis is based on a review and comparison of the trading multiples of publicly traded companies that are similar with respect to business model, operating sector, size and target market. Gilford located 10 companies in the oil and natural gas exploration and production sector that it deemed comparable to RAM with respect to their industry sector, geographic location of projects, and operating model. All of the comparable companies engage in the exploration, development and production of onshore domestic oil and natural gas properties.

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Gilford reviewed the trading multiples of the following 10 selected publicly held companies in the oil and natural gas exploration and production sector:

Brigham Exploration Company

Carrizo Oil & Gas Inc.

Clayton Williams Energy Inc.

Delta Petroleum Corporation

Edgepetroleum Corporation

Goodrich Petroleum Corporation

KCS Energy Inc.

Petrohawk Energy Corporation

Swift Energy Company

Whiting Petroleum Corporation

The financial information included market capitalization; total enterprise value (TEV); revenue; earnings before interest, taxes, depreciation and amortization (EBITDA); earnings per share (EPS); and present value discounted at 10% (PV-10) reserves. The trading multiples included TEV/revenue, TEV/EBITDA, price/earnings and TEV/PV-10 reserves.

	Multiples for Selected Companies			
	High	Low	Mean	Mean (excl. High & Low)
<u>Total Enterprise Value as Multiple of:</u>				
Revenue Estimate CY 2005	9.8x	2.7x	5.7x	5.6x
Revenue Estimate CY 2006	7.2x	2.5x	4.3x	4.1x
EBITDA Estimate CY 2005	14.5x	3.7x	8.3x	8.1x
EBITDA Estimate CY 2006	11.1x	3.7x	6.3x	6.0x
PV-10 Reserves	3.3x	0.8x	1.8x	1.7x

Price to Earnings Multiple:

Estimate CY 2005	88.4x	9.2x	27.0x	21.6x
Estimate CY 2006	37.2x	9.9x	17.2x	15.4x

2005 & 2006 reported financial industry estimates were utilized as the most comparable based on RAM's WG Energy Holdings acquisition in December 2004 and the rapid pace of change of valuations in the oil and natural gas exploration and production sector.

The average of all the mean trading multiples (excluding high and low) implied a valuation of \$383.79 million for RAM.

Removing the outliers from the mean trading multiples (excluding high and low) indicates a valuation range of \$338.8 million (TEV/EBITDA 2005 multiple of 8.1x) to \$429.30 million (TEV/EBITDA 2006 multiple of 6.0x).

Discounted Cash Flow Analysis

A discounted cash flow, or DCF, analysis estimates value based upon a company's projected future free cash flow discounted at a rate reflecting risks inherent in its business and capital structure. Unlevered free cash flow represents the amount of cash generated and available for principal, interest and dividend payments after providing for ongoing business operations.

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Utilizing projections provided by RAM management and their advisors, Gilford determined the net present value of the unlevered free cash flows for the years ended 2005-2019 to determine the enterprise value for RAM.

To arrive at a present value, Gilford used discount rates ranging from 10% to 15% as a conservative range. This was based on RAM's weighted average cost of capital, or WACC, of 9.5% and the E&P sector industry standard of present value discounted at 10% on the low end, and 15% on the high end in a rising cost of services and interest rates environment as experienced in 2005. Gilford used the remaining net present value of cash flows from proven reserves provided by consultants to Tremisis to determine a terminal value.

Two DCF cases were analyzed using different commodity price assumptions.

DCF Case #1 utilized flat commodity prices of \$60.00 per Bbl of oil, \$8.50 per Mcf of natural gas and \$45.00 per Bbl of NGLs. This resulted in a DCF valuation for RAM of \$364.3 million using a 10% discount rate; \$321.8 million using a 12.5% discount rate; and \$287.3 million using a 15% discount rate.

DCF Case #2 utilized a percentage of the five year strip prices as of September 1, 2005, 98% per Bbl of oil, 90% per Mcf of natural gas and 70% per Bbl of NGLs. This resulted in a DCF valuation for RAM of \$398.8 million using a 10% discount rate; \$353.1 million using a 12.5% discount rate; and \$316.04 million using a 15% discount rate.

Discounted Cash Flow Analysis	Discount Rate		
	10.0%	12.5%	15.0%
PV (in millions of \$)			
DCF Case #1	364.3	321.8	287.3
DCF Case #2	398.7	353.1	316.0

Comparable Transaction Analysis

A comparable transaction analysis is based on a review of merger, acquisition and asset purchase transactions involving target companies that are in related industries to RAM. The comparable transaction analysis generally provides the widest range of value due to the varying importance of an acquisition to a buyer (i.e., a strategic buyer willing to pay more than a financial buyer) in addition to the potential differences in the transaction process (i.e., competitiveness among potential buyers).

Gilford located eight transactions announced since May 2004 involving target companies in the oil and natural gas exploration and production sector that it deemed comparable to RAM with respect to their total transaction value, geographic location of projects (the Comparable Transactions) and for which financial information was available.

Gilford noted the following with respect to the Comparable Transactions:

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Gilford reviewed reported mergers and acquisitions activity in the oil and natural gas exploration and production industry, during 2004 and through September 1, 2005, with target companies located in Texas, Louisiana, New Mexico and Oklahoma and transactions having a total transaction value between \$200 million and \$700 million.

Gilford reviewed eight transactions in order to compare the total transaction value to the proved reserves on Bcfe basis of the respective acquired companies. Gilford also reviewed a subset of three transactions from 2005 to analyze the time sensitivity. The multiples were applied to RAM's proved reserves on Bcfe basis for both the base and time adjusted cases.

Gilford determined that the ratio of the total transaction values to proved reserves from the three transactions from 2005 better reflected the trend of the mergers and acquisitions market in the oil and natural gas exploration and production industry in general and in this region specifically. The range of valuations for the transaction analysis was between \$296.3 million (high) to \$239.1 million (low) with a mean valuation of \$268.3 million.

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The average price of oil (West Texas Intermediate Crude, or WTI) for the third quarter of 2005 was \$63.31 per Bbl of oil compared to \$50.03 in first quarter 2005 and \$53.22 in the second quarter of 2005, an increase of 27% and 19%, respectively. The average price of natural gas (NYMEX Henry Hub) in the third quarter of 2005 was \$9.73 per Mmbtu compared to \$6.50 in the first quarter of 2005 and \$6.95 in the second quarter of 2005, an increase of 50% and 40%, respectively. (Source: Bloomberg, FirstEnergy)

	Implied Valuation of RAM Proved					
	Multiples			Reserves		
	High	Low	Mean	High	Low	Mean
	(in millions of \$)					
Total Transaction Value as a Multiple of:						
Proved Reserves						
Selected 2004-05 transactions	2.4x	1.7x	2.0x	296.3	239.1	268.3
Selected 2005 transactions	2.4x	1.9x	2.2x	296.3	206.3	249.2

80% Test

Tremisis initial business combination must be with a target business whose fair market value is at least equal to 80% of Tremisis net assets at the time of such acquisition.

Gilford reviewed and estimated Tremisis net assets at the close of the merger in comparison to RAM's indicated range of fair market value. Gilford noted that the fair market value of RAM exceeds 80% of Tremisis net asset value. For the purposes of this analysis, Gilford assumed that fair market value is equivalent to equity value.

For the purposes of the 80% test, Gilford utilized the stockholders' equity of Tremisis as of June 30, 2005 and expects that there will be no increase in this figure until the close of the merger.

Gilford Opinion

Based on the information and analyses set forth above, Gilford delivered its written opinion to our board of directors, which stated that, as of September 22, 2005, based upon and subject to the assumptions made, matters considered, and limitations on its review as set forth in the opinion, (i) the merger consideration is fair, from a financial point of view, to our stockholders, and (ii) the fair market value of RAM is at least equal to 80% of our net assets. Gilford will receive a fee of \$75,000 in connection with the preparation and issuance of its opinion, of which \$50,000 has been paid and \$25,000 will be paid upon the occurrence of the closing, and we will reimburse Gilford for its reasonable out-of-pocket expenses, including attorneys' fees. In addition, we have agreed to indemnify and hold Gilford harmless from and against any losses, claims, damages or liabilities (or actions, including securityholder actions, in respect thereof) related to or arising out of Gilford's engagement to provide its opinion and will reimburse Gilford for all expenses (including disbursements and reasonable legal fees) as incurred by Gilford in connection with investigating, preparing for or defending any such action or claim. Tremisis will not be responsible, however, for any claims, liabilities, losses, damages or expenses that are finally judicially determined to have resulted primarily from the bad faith or gross negligence of Gilford. Tremisis has also agreed that Gilford will not have any liability to Tremisis for or in connection with such engagement except for losses, claims, damages, liabilities or expenses incurred by Tremisis that result primarily from the bad faith or gross negligence of Gilford. Gilford does not beneficially own any interest in either Tremisis or RAM and has not provided either company with any other services.

Material Federal Income Tax Consequences of the Merger

The following section is a summary of the opinion of Graubard Miller, counsel to Tremisis, regarding material United States federal income tax consequences of the merger to holders of Tremisis common stock. This

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discussion addresses only those Tremisis security holders that hold their securities as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code), and does not address all the United States federal income tax consequences that may be relevant to particular holders in light of their individual circumstances or to holders that are subject to special rules, such as:

financial institutions;

investors in pass-through entities;

tax-exempt organizations;

dealers in securities or currencies;

traders in securities that elect to use a mark to market method of accounting;

persons that hold Tremisis common stock as part of a straddle, hedge, constructive sale or conversion transaction; and

persons who are not citizens or residents of the United States.

The Graubard Miller opinion is based upon the Code, applicable treasury regulations thereunder, published rulings and court decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Tax considerations under state, local and foreign laws, or federal laws other than those pertaining to the income tax, are not addressed.

Neither Tremisis nor RAM intends to request any ruling from the Internal Revenue Service as to the United States federal income tax consequences of the merger.

It is the opinion of Graubard Miller that no gain or loss will be recognized by Tremisis or by the stockholders of Tremisis if their conversion rights are not exercised.

It is also the opinion of Graubard Miller that a stockholder of Tremisis who exercises conversion rights and effects a termination of the stockholder's interest in Tremisis will generally be required to recognize gain or loss upon the exchange of that stockholder's shares of common stock of Tremisis for cash. Such gain or loss will be measured by the difference between the amount of cash received and the tax basis of that stockholder's shares of Tremisis common stock. This gain or loss will generally be a capital gain or loss if such shares were held as a capital asset on the date of the merger and will be a long-term capital gain or loss if the holding period for the share of Tremisis common stock is more than one year. The tax opinion issued to Tremisis by Graubard Miller, its counsel, is attached to this proxy statement as Annex F. Graubard Miller has consented to the use of its opinion in this proxy statement.

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This discussion is not a complete analysis or description of all potential United States federal tax consequences of the merger. It does not address tax consequences that may vary with, or are contingent on, your individual circumstances. In addition, the discussion does not address any non-income tax or any foreign, state or local tax consequences of the merger. Accordingly, you are strongly urged to consult with your tax advisor to determine the particular United States federal, state, local or foreign income or other tax consequences to you of the merger.

Anticipated Accounting Treatment

The merger will be accounted for under the purchase method of accounting as a reverse acquisition in accordance with U.S. generally accepted accounting principles for accounting and financial reporting purposes.

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Under this method of accounting, Tremisis will be treated as the acquired company for financial reporting purposes. In accordance with guidance applicable to these circumstances, the merger will be considered to be a capital transaction in substance. Accordingly, for accounting purposes, the merger will be treated as the equivalent of RAM issuing stock for the net monetary assets of Tremisis, accompanied by a recapitalization. The net monetary assets of Tremisis will be stated at their fair value, essentially equivalent to historical costs, with no goodwill or other intangible assets recorded. The accumulated deficit of RAM will be carried forward after the merger. Operations prior to the merger will be those of RAM.

Regulatory Matters

The merger and the transactions contemplated by the merger agreement are not subject to any additional federal or state regulatory requirement or approval, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, except for filings with the State of Delaware necessary to effectuate the transactions contemplated by the merger proposal.

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THE MERGER AGREEMENT

The following summary of the material provisions of the merger agreement is qualified by reference to the complete text of the merger agreement, as amended, a copy of which is attached as Annex A to this proxy statement. All stockholders are encouraged to read the merger agreement in its entirety for a more complete description of the terms and conditions of the merger.

General; Structure of Merger

On October 20, 2005, Tremisis entered into a merger agreement with RAM and the RAM stockholders. The merger agreement was amended on November 11, 2005 and again on February 15, 2006. Merger Sub, a wholly owned subsidiary of Tremisis, formed to effectuate the merger by merging with and into RAM, is also a party to the merger agreement. RAM will be the surviving corporation in the merger and, as a result, will be a wholly owned subsidiary of Tremisis through an exchange of all the issued and outstanding shares of capital stock of RAM for cash and shares of common stock of Tremisis.

The RAM stockholders approved and adopted the merger agreement, as amended, and the transactions contemplated thereby by virtue of the execution of the merger agreement and the amendments. Accordingly, no further action is required to be taken by RAM stockholders to approve the merger.

Closing and Effective Time of the Merger

The closing of the merger will take place promptly following the satisfaction of the conditions described below under *The Merger Agreement Conditions to the Closing of the Merger*, unless Tremisis and RAM agree in writing to another time. The merger is expected to be consummated promptly after the special meeting of Tremisis' stockholders described in this proxy statement.

Name; Headquarters; Stock Symbols

After completion of the merger:

the name of Tremisis will be RAM Energy Resources, Inc.;

the corporate headquarters and principal executive offices of Tremisis will be located at 5100 E. Skelly Drive, Suite 650, Tulsa, Oklahoma 74135, which is RAM's corporate headquarters; and

Tremisis and RAM will cause the common stock, warrants and units of Tremisis outstanding prior to the merger, which are traded on the OTCBB, to continue trading on the OTCBB or quoted on Nasdaq. In the event Tremisis' common stock, warrants and units are

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listed on Nasdaq at the time of the closing, the symbols will change to ones determined by the board of directors and the trading medium that are reasonably representative of the corporate name or business of Tremisis.

Merger Consideration

Pursuant to the merger agreement, the holders of securities of RAM outstanding immediately before the merger will receive, in exchange for such securities, 25,600,000 shares of Tremisis common stock and \$30.0 million in cash, or such lesser amount as may be available in the trust account after payment to the owners of Tremisis common stock voting against the merger and demanding conversion. In addition, RAM, which will survive the merger as a wholly owned subsidiary of Tremisis and will remain liable for its outstanding debt. Immediately following the merger, the RAM stockholders will own approximately 77% of the total issued and outstanding Tremisis common stock, assuming that no Tremisis stockholders seek conversion of their Tremisis stock into their pro rata share of the trust account. Unless otherwise indicated, this proxy statement assumes that 25,600,000 shares are issued in the merger.

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Pre-Closing RAM Dividends/Redemption

The merger agreement provides that prior to the closing of the merger, RAM is authorized to declare and pay two normal quarterly dividends to its stockholders, each in the amount of \$500,000, and to either declare a one-time extraordinary dividend, or effect one or more redemptions of a portion of its outstanding common stock, in an aggregate amount up to the difference between \$40 million and the amount of cash consideration to be received by the RAM stockholders in the merger. On April 6, 2006, RAM effected a redemption of a portion of its outstanding stock for an aggregate consideration of \$10.0 million. The payment and amount of any additional pre-closing dividend/redemption will be dependent on the amount of cash available to RAM for making such payments.

Escrow Agreement

Of the shares to be issued to the RAM stockholders, 3,200,000 shares, or 12.5%, will be placed in escrow to secure the indemnity rights of Tremisis under the merger agreement and will be governed by the terms of an escrow agreement. The escrow agreement is attached as Annex E hereto. We encourage you to read the escrow agreement in its entirety.

Lock-Up Agreement

The RAM stockholders have entered into a lock-up agreement to not sell or otherwise transfer any of the shares of common stock of Tremisis that they receive in the merger until the six-month anniversary of the consummation of the merger, and no more than 50% of such shares during the following six months, subject to the following exceptions: (i) if such shares are registered on a registration statement filed and declared effective with the Securities and Exchange Commission, (ii) upon approval from Tremisis board of directors and Lawrence S. Coben, a current member of Tremisis board of directors, or (iii) certain private transfers (e.g. to family members), where the transferee agrees to be bound by the terms of the lock-up agreement. In addition, if any shares held by the Tremisis Inside Stockholders that were placed in escrow in connection with the IPO are released on an accelerated basis from such escrow, the shares subject to the lock-up agreement will be released from the restrictions thereof on the same accelerated schedule.

Employment Agreement

A condition to the closing of the merger agreement is that Larry E. Lee, RAM's current president and chief executive officer, shall enter into employment agreement with Tremisis upon the consummation of the merger. The employment agreement is attached as Annex H hereto. For a summary of the employment agreement, see the section entitled *Employment Agreement*. We encourage you to read the employment agreement in its entirety.

Election of Directors; Voting Agreement

The RAM stockholders, on the one hand, and Lawrence S. Coben and Isaac Kier of Tremisis, on the other hand, have entered into a voting agreement pursuant to which they have agreed to vote for the other's designees to Tremisis board of directors through the election in 2008 as

follows:

in the class to stand for reelection in 2007 Larry E. Lee and Sean P. Lane;

in the class to stand for reelection in 2008 Gerald R. Marshall;

in the class to stand for reelection in 2009 John M. Reardon.

Pursuant to the merger agreement, the RAM stockholders will designate three directors and Messrs. Coben and Kier will designate one director. Messrs Lee, Marshall and Reardon are currently directors of RAM and are designees of the RAM stockholders. Mr. Lane is the designee of Messrs. Coben and Kier. The voting agreement is attached as Annex D hereto. We encourage you to read the voting agreement in its entirety.

Tremisis directors do not currently receive any cash compensation for their services as members of the board of directors. However, in the future, non-employee directors may receive certain cash fees and stock awards that the Tremisis board of directors may determine to pay.

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Registration Rights Agreement

Pursuant to the merger agreement, Tremisis and the RAM stockholders will enter into a registration rights agreement to provide the RAM stockholders with certain rights relating to the registration of shares of Tremisis common stock that they will receive upon consummation of the merger. Under the registration rights agreement, the RAM stockholders are afforded both demand and piggyback registration rights. The registration rights agreement is attached as Annex I hereto. We encourage you to read the registration rights agreement in its entirety.

Representations and Warranties

The merger agreement contains representations and warranties of each of RAM and Tremisis relating, among other things, to:

proper corporate organization and similar corporate matters;

capital structure of each constituent company;

the authorization, performance and enforceability of the merger agreement;

licenses and permits;

taxes;

financial information and absence of undisclosed liabilities;

holding of leases and ownership of other properties, including intellectual property;

accounts receivable;

inventory;

contracts;

title to properties, including all oil and gas properties, and environmental condition thereof;

title to and condition of other assets;

absence of certain changes;

employee matters;

compliance with laws, including environmental laws applicable to oil and gas properties and activities thereon;

absence of litigation; and

compliance with applicable provisions of securities laws.

The RAM stockholders have represented and warranted, among other things, as to their accredited investor status.

Covenants

Tremisis and RAM have each agreed to take such actions as are necessary, proper or advisable to consummate the merger. They have also agreed, subject to certain exceptions, to continue to operate their respective businesses in the ordinary course prior to the closing and not to take the following actions without the prior written consent of the other party:

waive any stock repurchase rights, accelerate, amend or (except as specifically provided for in the merger agreement) change the period of exercisability of options or restricted stock, or reprice options granted under any employee, consultant, director or other stock plans or authorize cash payments in exchange for any options granted under any of such plans;

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grant any severance or termination pay to any officer or employee except pursuant to applicable law, written agreements outstanding, or policies, or adopt any new severance plan, or amend or modify or alter in any manner any severance plan, agreement or arrangement;

transfer or license to any person or otherwise extend, amend or modify any material rights to any intellectual property of RAM or Tremisis, as applicable, or enter into grants to transfer or license to any person future patent rights, other than in the ordinary course of business consistent with past practices provided that in no event will RAM or Tremisis license on an exclusive basis or sell any intellectual property of the RAM or Tremisis, as applicable;

declare, set aside or pay any dividends on or make any other distributions (whether in cash, stock, equity securities or property) in respect of any capital stock or split, combine or reclassify any capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock, except that RAM is entitled to declare and pay two regularly quarterly dividends to the RAM stockholders (each in the amount of approximately \$500,000) and a one-time extraordinary dividend, or to redeem a portion of its outstanding common stock, in an aggregate amount of up to the difference between \$40 million and the amount of cash consideration to be received by the RAM stockholders in the merger;

purchase, redeem or otherwise acquire, directly or indirectly, any shares of capital stock of RAM and Tremisis, as applicable, including repurchases of unvested shares at cost in connection with the termination of the relationship with any employee or consultant pursuant to stock option or purchase agreements in effect on the date hereof; to issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or any securities convertible into or exchangeable for shares of capital stock, or subscriptions, rights, warrants or options to acquire any shares of capital stock or any securities convertible into or exchangeable for shares of capital stock, or enter into other agreements or commitments of any character obligating it to issue any such shares or convertible or exchangeable securities except as provided in current outstanding warrants;

amend its certificate of incorporation or bylaws;

except for routine acquisitions by RAM of oil and gas leases and related properties in the ordinary course of business, which includes acquisitions for a purchase price up to \$20 million, acquire or agree to acquire by merging or consolidating with, or by purchasing any equity interest in or a portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to the business of Tremisis or RAM, as applicable, or enter into any joint ventures, strategic partnerships or alliances or other arrangements that provide for exclusivity of territory or otherwise restrict such party's ability to compete or to offer or sell any products or services;

except for routine dispositions by RAM of oil and gas properties, which includes dispositions of properties having proved reserves with a present value of up to \$20 million, sell, lease, license, encumber or otherwise dispose of any properties or assets, except (i) sales of services and licenses of software in the ordinary course of business consistent with past practice, (ii) sales of inventory in the ordinary course of business consistent with past practice, and (iii) the sale, lease or disposition (other than through licensing) of property or assets that are not material, individually or in the aggregate, to the business of such party;

except with respect to advances under (i) RAM's existing senior secured credit facility, (ii) an overline facility obtained for the specific purpose of funding margin calls to secure RAM's hedging obligations, or (iii) any senior secured credit facility that replaces RAM's existing senior secured credit facility, incur any indebtedness for borrowed money in excess of \$25,000 in the aggregate (other than purchase money debt in connection with the acquisition by RAM of vehicles, office equipment and operating equipment not exceeding \$500,00 in the aggregate) or guarantee any such indebtedness of another person, issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt

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securities of Tremisis or RAM, as applicable, enter into any keep well or other agreement to maintain any financial statement condition or enter into any arrangement having the economic effect of any of the foregoing;

adopt or amend any employee benefit plan, policy or arrangement, any employee merger or employee incentive compensation plan, or enter into any employment contract or collective bargaining agreement (other than offer letters and letter agreements entered into in the ordinary course of business consistent with past practice with employees who are terminable at will), pay any special bonus or special remuneration to any director or employee, or increase the salaries or wage rates or fringe benefits (including rights to severance or indemnification) of its directors, officers, employees or consultants, except in the ordinary course of business consistent with past practices;

pay, discharge, settle or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), or litigation (whether or not commenced prior to the date of this Agreement) other than the payment, discharge, settlement or satisfaction, in the ordinary course of business consistent with past practices or in accordance with their terms, or liabilities previously disclosed in financial statements to the other party in connection with the merger agreement or incurred since the date of such financial statements, or waive the benefits of, agree to modify in any manner, terminate, release any person from or knowingly fail to enforce any confidentiality or similar agreement to which the RAM is a party or of which the RAM is a beneficiary or to which Tremisis is a party or of which Tremisis is a beneficiary, as applicable;

except in the ordinary course of business consistent with past practices, modify, amend or terminate any material contract of RAM or Tremisis, as applicable, or waive, delay the exercise of, release or assign any material rights or assign any material rights or claims thereunder;

except as required by U.S. GAAP, revalue any of its assets or make any change in accounting methods, principles or practices;

except in the ordinary course of business consistent with past practices, incur or enter into any agreement, contract or commitment requiring such party to pay in excess of \$100,000 in any 12 month period;

engage in any action that could reasonably be expected to cause the merger to fail to qualify as a reorganization under Section 368(a) of the Code;

make or rescind any tax elections that, individually or in the aggregate, could be reasonably likely to adversely affect in any material respect the tax liability or tax attributes of such party, settle or compromise any material income tax liability or, except as required by applicable law, materially change any method of accounting for tax purposes or prepare or file any return in a manner inconsistent with past practice;

form, establish or acquire any subsidiary except as contemplated by the merger agreement;

permit any person to exercise any of its discretionary rights under any plan to provide for the automatic acceleration of any outstanding options, the termination of any outstanding repurchase rights or the termination of any cancellation rights issued pursuant to such plans;

make capital expenditures except in accordance with prudent business and operational practices consistent with prior practice;

make or omit to take any action which would be reasonably anticipated to have a material adverse effect;

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enter into any transaction with or distribute or advance any assets or property to any of its officers, directors, partners, stockholders or other affiliates; or

agree in writing or otherwise agree, commit or resolve to take any of the foregoing actions.

The merger agreement also contains additional covenants of the parties, including covenants providing for:

Tremisis to make or cause to be made at its expense such examination as it may desire of the title of RAM to any mineral property or owned real property;

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the right of Tremisis, at its sole risk and expense, but with the cooperation and assistance of RAM to (i) enter all or any portion of RAM's mineral properties, its owned real properties or leased real properties and, individually, to inspect, inventory, test, investigate, study and examine the properties in any manner Tremisis reasonably determines to be warranted to verify the accuracy of certain of RAM's representations, (ii) conduct air, water or soil tests on the environmental properties and make such samples and borings and analysis as Tremisis may consider necessary and appropriate, (iii) conduct such other independent inspections, investigations, studies or examinations as may be necessary or appropriate in the sole judgment of Tremisis for the preparation of health, safety, environmental or other reports or assessments relating to the operation, use, maintenance, condition or status of the environmental properties, and their compliance with all applicable laws, regulations, ordinances, permits and license, and (iv) conduct an independent assessment of the extent of any possible existing or contingent liabilities due or related to the operation, use, maintenance, condition or status of the environmental properties;

the parties to use commercially reasonable efforts to obtain all necessary approvals from stockholders, governmental agencies and other third parties that are required for the consummation of the transactions contemplated by the merger agreement;

RAM to maintain insurance policies providing insurance coverage for its business and its assets in the amounts and against the risks as are commercially reasonable for the businesses and risks covered;

the protection of confidential information of the parties and, subject to the confidentiality requirements, the provision of reasonable access to information;

Tremisis to prepare and file this proxy statement;

the RAM stockholders to release and forever discharge RAM and its directors, officers, employees and agents, from any and all rights, claims, demands, judgments, obligations, liabilities and damages arising out of or resulting from such stockholder's status as a holder of an equity interest in RAM, and employment, service, consulting or other similar agreement entered into with RAM prior to the consummation of the merger agreement;

RAM and the RAM stockholders to waive their rights to make claims against Tremisis to collect from the trust account established for the benefit of the Tremisis stockholders who purchased their securities in Tremisis' IPO for any moneys that may be owed to them by Tremisis for any reason whatsoever, including breach by Tremisis of the merger agreement or its representations and warranties therein;

each officer and director of RAM and the RAM stockholders to agree that he or it shall not, prior to the day that is one (1) year after the consummation of the merger, sell, transfer or otherwise dispose of an interest in any of the shares of Tremisis common stock he or it receives as a result of the merger other than as permitted pursuant to the lock-up agreement; and

Tremisis and RAM to use their reasonable best efforts to obtain the listing for trading on Nasdaq of Tremisis common stock and warrants. If such listing is not obtainable by the closing of the merger, Tremisis and RAM will continue to use their best efforts after closing of the merger to obtain such listing.

Conditions to Closing of the Merger

General Conditions

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Consummation of the merger agreement and the related transactions is conditioned on the Tremisis stockholders, at a meeting called for these purposes, (i) adopting the merger agreement and approving the merger, (ii) approving the change of Tremisis name, and (iii) approving the increase of the authorized shares of Tremisis common stock from 30,000,000 to 100,000,000. The Tremisis stockholders will also be asked to adopt the incentive compensation plan and to approve the removal of all of the provisions of Article Sixth of Tremisis certificate of incorporation other than the paragraph relating to Tremisis staggered board of directors. The consummation of the merger is not dependent on the approval of either of such actions.

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In addition, the consummation of the transactions contemplated by the merger agreement is conditioned upon normal closing conditions in a transaction of this nature, including:

no order, stay, judgment or decree being issued by any governmental authority preventing, restraining or prohibiting in whole or in part, the consummation of such transactions;

Tremisis stockholders having approved the merger agreement, the name change amendment and capitalization amendment;

holders of twenty percent (20%) or more of the shares of Tremisis common stock issued in Tremisis IPO and outstanding immediately before the consummation of the merger shall not have exercised their rights to convert their shares into a pro rata share of the trust account in accordance with Tremisis certificate of incorporation;

the delivery by each party to the other party of a certificate to the effect that the representations and warranties of the delivering party are true and correct in all material respects as of the closing and all covenants contained in the merger agreement have been materially complied with by the delivering party;

the receipt of necessary consents and approvals by third parties and the completion of necessary proceedings; and

Tremisis common stock being quoted on the OTCBB or listed for trading on Nasdaq.

RAM's Conditions to Closing

The obligations of RAM to consummate the transactions contemplated by the merger agreement, in addition to the conditions described above, are conditioned upon each of the following, among other things:

there shall have been no material adverse effect with respect to Tremisis since the date of the merger agreement;

RAM shall have received a legal opinion from Graubard Miller, counsel to Tremisis;

Tremisis shall have made appropriate arrangements with Continental Stock Transfer & Trust Company to have the trust account disbursed to Tremisis immediately upon the Closing; and

the registration rights agreement shall be in full force and effect.

Tremisis Conditions to Closing

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The obligations of Tremisis to consummate the transactions contemplated by the merger agreement, in addition to the conditions described above in the second paragraph of this section, are conditioned upon each of the following, among other things:

there shall have been no material adverse effect with respect to RAM since the date of the merger agreement;

an employment agreement between Tremisis and Larry E. Lee shall be in full force and effect;

Tremisis shall have received a legal opinion in an agreed form from McAfee & Taft A Professional Corporation, counsel to RAM;

Tremisis shall have received comfort letters from BDO Seidman, LLP and UHY Mann Frankfort Stein & Lipp CPAs, LLP dated the date of distribution of this proxy statement and the date of consummation of the merger in forms customary for transactions of this nature, confirming that certain financial data in this proxy statement, other than the numbers in the actual financial statements, are accurate and/or derived from the financial statements; and

the adjusted indebtedness of RAM, including certain of its subsidiaries, for borrowed money shall not exceed \$125 million, excluding (i) any cash deposits posted by RAM as security in connection with

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outstanding RAM hedging contracts, (ii) the amount by which \$30,000,000 exceeds the cash portion of the merger consideration paid to the RAM stockholders, (iii) an amount up to \$6.0 million for aggregate fees, costs and expenses paid by RAM in connection with replacing, enhancing or improving its existing credit facilities, and (iv) the aggregate amount of RAM's capital expenditures after March 1, 2006.

Indemnification

As the sole remedy for the obligation of the RAM stockholders to indemnify and hold harmless Tremisis for any damages, whether as a result of any third party claim or otherwise, and which arise as a result of or in connection with the breach of representations and warranties and agreements and covenants of RAM or in connection with an identified, existing action involving certain of RAM's subsidiaries and affiliates, there will be deposited in escrow, until June 30, 2007, 3,200,000 shares (12.5%) of the shares of Tremisis common stock issued to the RAM stockholders upon consummation of the merger. Any indemnification payments shall be paid solely from the escrow shares, although RAM stockholders shall have the right to substitute, for the escrow shares that otherwise would be paid in satisfaction of a claim, cash in an amount equal to the fair market value of the shares to be paid for a claim. For purposes of satisfying an indemnification claim, shares of Tremisis common stock will be valued at the average reported last sales price for the ten trading days ending on the last day prior to the day that the claim is paid. Claims for indemnification may be asserted by Tremisis once the damages exceed \$1,000,000 and are indemnifiable to extent that damages exceed \$1,000,000; provided that claims for indemnification with respect to damages to Tremisis or RAM (post-merger) resulting from an identified, existing action involving certain of RAM's subsidiaries and affiliates shall not be subject to such threshold and shall not count toward meeting the \$1,000,000 threshold or the deductible for other claims. Claims arising from title defects or environmental issues relating to RAM's properties are not subject to the indemnification provisions. The merger agreement gave Tremisis until January 3, 2006 to assert claims with respect to title defects affecting, or the environmental condition of, RAM's properties. After due diligence review by Tremisis and its consultants, no such claims were identified or asserted by Tremisis.

The board of directors of Tremisis has appointed Lawrence Coben to take all necessary actions and make all decisions pursuant to the escrow agreement regarding Tremisis' right to indemnification under the merger agreement. If Mr. Coben ceases to so act, the board shall appoint as a successor a person who was a director of Tremisis prior to the closing who would qualify as an independent director of Tremisis and who had no relationship with RAM prior to the closing. Mr. Coben, and any successor, is charged with making determinations whether Tremisis may be entitled to indemnification, and may make a claim for indemnification by giving notice to Larry E. Lee, as representative of the RAM stockholders, with a copy to the escrow agent, specifying the details of the claim. Mr. Lee, or his successor, who may be appointed by him, or by the board of Tremisis, acting through its members who were directors of RAM prior to the closing, from among those of its members who was a former stockholder of RAM, or such other person as such members may designate, may accept the claim or dispute it. If the claim is disputed by Mr. Lee and not ultimately resolved by negotiation, it shall be determined by arbitration. Upon a claim and its value becoming established by the parties or through arbitration, it is payable from the shares placed in escrow or cash substituted therefor.

Any shares of Tremisis common stock remaining in escrow on June 30, 2007 shall be released to the RAM stockholders, except those shares reserved against any claims arising prior to that date, including in connection with an identified, existing action involving certain of RAM's subsidiaries and affiliates if the claim has not been adjudicated, settled, dismissed or otherwise resolved in its entirety prior to such date, in such amounts and manner as prescribed in the escrow agreement.

Termination

The merger agreement may be terminated at any time, but not later than the closing as follows:

by mutual written consent of Tremisis and RAM;

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by either party if a governmental entity shall have issued an order, decree or ruling or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the merger, which order, decree, ruling or other action is final and nonappealable;

by either party if the proxy statement has not been mailed to the record owners of Tremisis common stock on or before April 27, 2006;

by either party if the other party has breached any of its covenants or representations and warranties in any material respect and has not cured its breach within 30 days of the notice of an intent to terminate, provided that the terminating party is itself not in breach;

by either Tremisis or RAM if they are unable to agree as to the amount of adjustment to be made to the merger consideration with respect to adverse title conditions or environmental conditions that are not cured by the closing, as the closing may be extended in such circumstances;

by Tremisis if any RAM properties are damaged or destroyed by fire or other casualty or are taken under the right of eminent domain and as result thereon the aggregate value of the properties, in Tremisis' good faith judgment, is reduced by an amount exceeding \$1,000,000 (net of insurance proceeds); or

by either party if, at the Tremisis stockholder meeting, the merger agreement and the transactions contemplated thereby shall fail to be approved and adopted by the affirmative vote of the holders of Tremisis' common stock, or the holders of 20% or more of the shares issued in Tremisis' IPO exercise their conversion rights.

If Tremisis wrongfully fails or refuses to consummate the merger or RAM terminates the merger agreement because of a material breach by Tremisis of its covenants, representations or warranties that remains uncured 30 days after receipt of a notice of intent to terminate from RAM, and Tremisis consummates a merger or other business combination with another entity on or before May 18, 2006, Tremisis will be obligated to pay RAM, concurrently with the consummation of such other merger or business combination, a cash termination fee of \$7,500,000, payment of which shall be in full satisfaction of all other rights of RAM for damages under the merger agreement or otherwise. In such event, Tremisis would obtain the funds to make the termination payment from the moneys in the trust account, when they are released upon the consummation of the other business combination.

If permitted under the applicable law, either RAM or Tremisis may waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement and waive compliance with any agreements or conditions for the benefit of itself or such party contained in the merger agreement. The condition requiring that the holders of fewer than 20% of the shares of Tremisis common stock issued in its IPO affirmatively vote against the merger proposal and demand conversion of their shares into cash may not be waived. We cannot assure you that all of the conditions will be satisfied or waived.

The merger agreement does not specifically address the rights of a party in the event of a refusal or wrongful failure of the other party to consummate the merger, except in the case described above in a situation where Tremisis would be required to pay RAM the \$7,500,000 million termination fee. Other than in such event, the non-wrongful party would be entitled to assert its legal rights for breach of contract against the wrongful party.

Effect of Termination

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In the event of proper termination by either Tremisis or RAM, the merger agreement will become void and have no effect, without any liability or obligation on the part of Tremisis or RAM, except that:

the confidentiality obligations set forth in the merger agreement will survive;

the waiver by RAM and the RAM stockholders of all rights against Tremisis to collect from the trust account any moneys that may be owed to them by Tremisis for any reason whatsoever, including but not

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limited to a breach of the merger agreement, and the acknowledgement that neither RAM nor the RAM stockholders will seek recourse against the trust account for any reason whatsoever, will survive;

the rights of the parties to bring actions against each other for breach of the merger agreement will survive;

the fees and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such expenses; and

in the event of Tremisis' failure or wrongful refusal to close, or termination by RAM because of a breach by Tremisis, the requirement of Tremisis to pay to RAM a cash termination fee of \$7,500,000 if Tremisis thereafter consummates another business combination on or before May 18, 2006, will survive.

Fees and Expenses

All fees and expenses incurred in connection with the merger agreement and the transactions contemplated thereby will be paid by the party incurring such expenses whether or not the merger agreement is consummated.

RAM entered into a Financial Advisory Mandate Letter dated August 25, 2005 with WestLB AG, whereby RAM engaged WestLB to serve as its exclusive financial advisor in connection with the merger. Under the terms of the Financial Advisory Mandate Letter, WestLB agreed to provide RAM with financial advice and assistance in connection with the proposed transaction with Tremisis, including advice and assistance in defining strategic and financial objectives and assisting RAM in the negotiation of the financial terms and structure of the transaction. In consideration of the services to be provided under the Mandate Letter, RAM agreed to pay WestLB a transaction fee in an amount equal to 1.5% of the value of the Tremisis stock and cash received by the RAM stockholders in connection with the transaction, but in no event less than \$3.0 million. No separate compensation or additional fees are payable to Mr. Ormand. The transaction fee is payable in installments, with the first such installment of \$100,000 paid upon execution of the merger agreement. The second installment, in the amount of \$2.9 million, is payable upon closing of the transaction if and only if the closing occurs. In addition, RAM agreed to reimburse WestLB for its reasonable out-of-pocket costs and expenses incurred in connection with providing services under the Mandate Letter, and to indemnify WestLB from any liability incurred by WestLB or its representatives in connection with providing services under the Mandate Letter, except to the extent such liability is determined to have resulted from the gross negligence or willful misconduct of WestLB or its representatives. Tremisis has no contractual relationship with or obligation of any kind to WestLB or Mr. Ormand in connection with the transaction.

Confidentiality; Access to Information

Tremisis and RAM will afford to the other party and its financial advisors, accountants, counsel and other representatives prior to the completion of the merger reasonable access during normal business hours, upon reasonable notice, to all of their respective properties, books, records and personnel to obtain all information concerning the business, including the status of product development efforts, properties, results of operations and personnel, as each party may reasonably request. Tremisis and RAM will maintain in confidence any non-public information received from the other party, and use such non-public information only for purposes of consummating the transactions contemplated by the merger agreement.

Amendments

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The merger agreement may be amended by the parties thereto at any time by execution of an instrument in writing signed on behalf of each of the parties. The merger agreement was amended on November 11, 2005 to fix the number of Tremisis shares to be received by the RAM stockholders at 25,600,000 and to exclude from the limitation on indebtedness for borrowed money at closing certain expenses incurred by RAM in refinancing its existing credit facility. The merger agreement was further amended on February 15, 2006 to include changes occasioned by the fact that the merger will close in the second quarter of 2006, as opposed to the first quarter, as

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originally anticipated. Specifically, the agreement was amended to: (i) extend until April 27, 2006 the deadline for mailing this proxy statement to the Tremisis stockholders; (ii) permit RAM to declare and pay its normal quarterly dividend for the first quarter of 2006 in the amount of \$500,000; (iii) exclude from the limitation on RAM indebtedness at closing an amount equal to the sum of all capital expenditures incurred by RAM after March 1, 2006; (iv) delete the requirement for Tremisis to retain \$1,000,000 for working capital purposes in the event the amount of cash available to be paid to the RAM stockholders at closing is less than \$30.0 million due to payments by Tremisis for transaction expenses and to stockholders voting against the merger and demanding conversion of their shares; (v) exclude from the \$1,000,000 indemnification basket for post-closing claims that may be asserted by Tremisis the amount of any claims asserted with respect to a specified pending lawsuit; (vi) require the RAM stockholders and REPCO, LLC, their nominee with respect to participation in the KCS exploration prospect in eastern Oklahoma, to pay in full all amounts owing to RAM at the closing; and (vii) except as a condition to closing the requirement that Tremisis shall have paid in full all income taxes due with respect to the year ended December 31, 2005.

Extension; Waiver

At any time prior to the closing, any party to the merger agreement may, in writing, to the extent legally allowed:

extend the time for the performance of any of the obligations or other acts of the other parties to the agreement;

waive any inaccuracies in the representations and warranties made to such party contained in the merger agreement or in any document delivered pursuant to the merger agreement; and

waive compliance with any of the agreements or conditions for the benefit of such party contained in the merger agreement.

Public Announcements

Tremisis and RAM have agreed that until closing or termination of the merger agreement, the parties will:

cooperate in good faith to jointly prepare all press releases and public announcements pertaining to the merger agreement and the transactions governed by it; and

not issue or otherwise make any public announcement or communication pertaining to the merger agreement or the transaction without the prior consent of the other party, which shall not be unreasonably withheld by the other party, except as may be required by applicable laws or court process.

Arbitration

Any disputes or claims arising under or in connection with merger agreement or the transactions contemplated thereunder will be resolved by binding arbitration. Arbitration will be commenced by the filing by a party of an arbitration demand with the American Arbitration Association (AAA). The arbitration will be governed and conducted by applicable AAA rules, and any award and/or decision shall be conclusive and

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binding on the parties. Each party consents to the exclusive jurisdiction of the federal and state courts located in the State of Oklahoma, Oklahoma or Tulsa County, for such purpose. The arbitration shall be conducted in Dallas, Texas. Each party shall pay its own fees and expenses for the arbitration, except that any costs and charges imposed by the AAA and any fees of the arbitrator shall be assessed against the losing party.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma financial information for the year ended December 31, 2005 and at December 31, 2005 reflects the historical results of RAM and Tremisis, adjusted to give effect to the merger.

We are providing this information to aid you in your analysis of the financial aspects of the merger. We derived this information from the audited financial statements of RAM and Tremisis as of December 31, 2005. Neither RAM nor Tremisis assumes any responsibility for the accuracy or completeness of the information provided by the other party. This information should be read together with the RAM audited financial statements and related notes included elsewhere in this proxy statement and the Tremisis audited financial statements included elsewhere in this proxy statement.

The pro forma condensed combined statement of operations for the year ended December 31, 2005 reflects the historical results of operations of each of RAM and Tremisis, as adjusted to give pro forma effect to the merger as if it had occurred on January 1, 2005. The pro forma condensed combined balance sheet at December 31, 2005 reflects the historical financial positions of RAM and Tremisis as of such date, as adjusted to give pro forma effect to the merger as if it had occurred on December 31, 2005. The assets and liabilities of Tremisis have been presented at their historical cost (which is considered to be the equivalent of estimated fair value) with no goodwill or other intangible assets recorded and no increment in stockholders' equity.

The pro forma adjustments are based upon available information and assumptions that we believe are reasonable. The pro forma condensed combined statements of operations and the pro forma condensed combined balance sheet do not purport to represent the results of operations which would have occurred had such transactions been consummated on the dates indicated or the financial position for any future date or period.

The following information, each of which are included elsewhere in this proxy statement, should be read in conjunction with the pro forma condensed combined financial information:

accompanying notes to the unaudited pro forma condensed combined information;

separate historical consolidated financial statements of RAM for the year ended December 31, 2005; and

separate historical financial statements of Tremisis for the year ended December 31, 2005.

The following unaudited pro forma condensed combined information has been prepared using two different levels of assumptions with respect to the number of outstanding shares of Tremisis stock, as follows:

assuming no conversions this presentation assumes that no stockholders of Tremisis seek to convert their shares into a pro rata share of the trust account; and

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assuming maximum conversions this presentation assumes stockholders of Tremisis owning 19.99% of the stock sold in Tremisis initial public offering seek conversion.

	<u>RAM</u>	<u>Tremisis</u>	<u>Combined</u> <u>Company</u>
	(in thousands)		
Number of shares of common stock outstanding upon consummation of the merger:			
Assuming no conversions	25,600	7,700	33,300
Assuming maximum conversions	25,600	6,436	32,036

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Operations**

Year Ended December 31, 2005

(In thousands, except for per share amounts)

	<u>RAM</u>	<u>Tremisis</u>	<u>Adjustments</u>	<u>Pro forma</u>
REVENUES AND OTHER OPERATING INCOME:	\$ 55,399	\$	\$	\$ 55,399
OPERATING EXPENSES:				
Oil and gas production taxes	3,320			3,320
Oil and gas production expenses	16,099			16,099
Depreciation and amortization	12,972			12,972
Accretion expense	510			510
General and administrative expenses	8,610	324		8,934
Total operating expenses	41,511	324		41,835
Operating income (loss)	13,888	(324)		13,564
OTHER INCOME (EXPENSE):				
Interest expense net of interest income	(12,539)	989	(989) (2)	(12,539)
INCOME (LOSS) BEFORE INCOME TAXES	1,349	665	(989)	1,025
Income tax provision (benefit)	806	314	(465) (3)	655
Net income tax (loss)	\$ 543	\$ 351	(\$ 524)	\$ 370
Accretion of trust account relating to common stock subject to possible conversion		(196)	(196) (1)	
Net income attributable to common stockholders	543	155	(328)	370
Assuming no conversions				
EARNING PER SHARE				
Basic		\$ 0.02		\$ 0.01
Diluted		\$ 0.02		\$ 0.01
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic		7,700	25,600 (4)	33,300
Diluted		7,700	25,600 (4)	33,300
Assuming maximum conversions				
EARNINGS PER SHARE				
Basic		\$ 0.02		\$ 0.01
Diluted		\$ 0.02		\$ 0.01
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic		7,700	24,336 (4)	32,036
Diluted		7,700	24,336 (4)	32,036

See notes to unaudited pro forma condensed combined statement of operations

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Year ended December 31, 2005

Assuming no conversions

- (1) (\$ 196) As the trust account would have been converted to cash, this adjustment eliminates accretion relating to common stock subject to possible conversion.
- (2) (\$ 989) As the trust account would have been converted to cash, this adjustment eliminates interest income.
- (3) (\$ 465) Income tax benefit effect of adjustments to pro forma amounts at 47%.
- (4) 25,600 Additional shares of common stock issued.

Assuming maximum conversions

- (1) (\$ 196) As the trust account would have been converted to cash, this adjustment eliminates accretion relating to common stock subject to possible conversion.
- (2) (\$ 989) As the trust account would have been converted to cash, this adjustment eliminates interest income.
- (3) (\$ 465) Income tax benefit effect of adjustments to pro forma amounts at 47%.
- (4) 24,336 Additional shares of common stock issued.

Table of Contents**Unaudited Pro Forma Condensed Balance Sheet**

Assuming No Conversions

At December 31, 2005

(In thousands)

	<u>RAM</u>	<u>Tremisis</u>	<u>Adjustments</u>	<u>Pro forma</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 70	\$ 291	\$	\$ 361
US Gov t securities held in trust		34,256	(34,256) (1)	
Accrued interest on US Gov t securities		167	(167) (1)	
Other current assets	9,545	25		9,570
Total Current Assets	9,615	34,739	(34,423)	9,931
Property and equipment, net	131,132	9		131,141
Other assets	2,529	541	(855) (1)	2,215
Total Assets	\$ 143,276	\$ 35,289	\$ (35,278)	\$ 143,287
Liabilities and stockholders (deficit) equity				
Total current liabilities	\$ 13,589	\$ 685	\$	\$ 14,274
Long term debt, including current portion	112,846		9,222 (1)	122,068
Deferred income taxes	25,446			25,446
Liability for asset retirement obligation	10,192			10,192
Common stock subject to conversion		6,881	(6,881) (2)	
Other long term liabilities	1,972			1,972
Total liabilities	164,045	7,566	2,341	173,952
Common Stock	23	1	(20) (3)	4
Paid-In-Capital	73	27,306	(73) (3)	
			6,881 (2)	
			(4,500) (1)	
			(29,687) (3)	
			29,687 (3)	
Earnings accumulated during development stage		416	(416) (3)	
Accumulated (deficit)	(20,865)		(39,491) (3)	(30,669)
Stockholders (deficit) equity	(20,769)	27,723	(37,619)	(30,665)
Total liabilities and stockholders (deficit) equity	\$ 143,276	\$ 35,289	\$ (35,278)	\$ 143,287

See notes to unaudited pro forma condensed combined balance sheets.

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Assuming Maximum Conversions

At December 31, 2005

(In thousands)

	<u>RAM</u>	<u>Tremisis</u>	<u>Adjustments</u>	<u>Pro forma</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 70	\$ 291	\$	\$ 361
US Gov t securities held in trust		34,256	(34,256) (4)	
Accrued interest on US Gov t securities		167	(167) (4)	
Other current assets	9,545	25		9,570
Total Current Assets	9,615	34,739	(34,423)	9,931
Property and equipment, net	131,132	9		131,141
Other assets	2,529	541	(855)	2,215
Total Assets	\$ 143,276	\$ 35,289	\$ (35,278)	\$ 143,287
Liabilities and stockholders (deficit) equity				
Total current liabilities	\$ 13,589	\$ 685	\$	\$ 14,274
Long term debt, including current portion	112,846		16,103 (4)	128,949
Deferred income taxes	25,446			25,446
Liability for asset retirement obligation	10,192			10,192
Common stock subject to conversion		6,881	(6,881) (5)	
Other long term liabilities	1,972			1,972
Total liabilities	164,045	7,566	9,222	180,833
Common Stock	23	1	(20) (6)	4
Paid-In Capital	73	27,306	(73) (6)	
			(4,500) (4)	
			(22,806) (6)	
			22,806 (6)	
Earnings accumulated during development stage		416	(416) (6)	
Accumulated (deficit)	(20,865)		(39,491) (6)	(37,550)
Stockholders (deficit) equity	(20,769)	27,723	(44,500)	(37,546)
Total liabilities and stockholders (deficit) equity	\$ 143,276	\$ 35,289	\$ (35,278)	\$ 143,287

See notes to unaudited pro forma condensed combined balance sheets.

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(1)	\$34,256	Conversion of US Government securities and accrued interest into unrestricted cash.
	167	Conversion of US Government securities and accrued interest into unrestricted cash.
	9,222	Schedule 4.1 to the merger agreement allows RAM to redeem any number of its outstanding shares for an amount representing the difference between \$40.0 million and the Aggregate Cash Number. In order to accomplish this redemption, additional indebtedness will be incurred.
	(30,000)	Payment for all outstanding shares of RAM, plus issuance of 26,500,000 shares to the RAM shareholders.
	(10,000)	Payment by RAM to its shareholders.
	(3,645)	Payment of fees to investment banker, attorneys, and accountants, net of \$314 on RAM's books at December 31, 2005 and \$541 on Tremisis's books at December 31, 2005.
	<u>\$0</u>	Total adjustments to cash.
	(34,256)	Conversion of US Government securities and accrued interest into unrestricted cash.
	(167)	Conversion of US Government securities and accrued interest into unrestricted cash.
	9,222	Additional indebtedness in order to accomplish redemption of RAM shares.
	(4,500)	Reduction of additional paid-in capital for payments to investment banker, attorneys, and accountants.
(2)	(6,881)	Reclassification of common stock subject to redemption to paid-in capital.
	6,881	Reclassification of common stock subject to redemption to paid-in capital.
(3)	(20)	Common stock.
	(73)	Additional paid-in capital.
	(29,687)	Reclassification of paid-in capital to accumulated deficit.
	29,687	Reclassification of paid-in capital to accumulated deficit.
	(39,491)	Additional paid-in capital.
	(416)	Transfer from earnings accumulated during development stage.
	<u>(\$40,000)</u>	Total payment to RAM shareholders.

Assuming maximum conversions

(4)	\$34,256	Conversion of US Government securities and accrued interest into unrestricted cash.
	167	Conversion of US Government securities and accrued interest into unrestricted cash.
	(6,881)	Redemption of dissenting shares.
	16,103	Schedule 4.1 to the merger agreement allows RAM to redeem any number of its outstanding shares for an amount representing the difference between \$40.0 million and the Aggregate Cash Number. In order to accomplish this redemption, additional indebtedness will be incurred.
	(30,000)	Payment for all outstanding shares of RAM, plus issuance of 26,500,000 shares to the RAM shareholders.
	(10,000)	Payment by RAM to its shareholders.
	(3,645)	Payment of fees to investment banker, attorneys, and accountants, net of \$314 on RAM's books at December 31, 2005 and \$541 on Tremisis's books at December 31, 2005.
	<u>\$0</u>	Total adjustments to cash.
	(34,256)	Conversion of US Government securities and accrued interest into unrestricted cash.
	(167)	Conversion of US Government securities and accrued interest into unrestricted cash.
	16,103	Additional indebtedness in order to accomplish redemption of RAM shares.
	(4,500)	Reduction of additional paid-in capital for payments to investment banker, attorneys, and accountants.
(5)	(6,881)	Reduction of common stock subject to redemption.
(6)	(20)	Common stock.

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(73)	Additional paid-in capital.
(22,806)	Reclassification of paid-in capital to accumulated deficit.
22,806	Reclassification of paid-in capital to accumulated deficit.
(39,491)	Additional paid-in capital.
(416)	Transfer from earnings accumulated during development stage.
<hr/>	
(\$40,000)	Total payment to RAM shareholders.

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NAME CHANGE AMENDMENT PROPOSAL

Pursuant to the merger agreement, we will change our corporate name from Tremisis Energy Acquisition Corporation to RAM Energy Resources, Inc. upon consummation of the merger. The merger will not be consummated unless the proposal to change our name is approved at the meeting. If the merger proposal is not approved, the name change amendment will not be presented at the meeting.

In the judgment of our board of directors, the change of our corporate name is desirable to reflect our merger with RAM. The RAM name has been a recognized name in the oil and gas community for almost two decades.

The approval of the name change amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

Stockholders will not be required to exchange outstanding stock certificates for new stock certificates if the amendment is adopted.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE APPROVAL OF THE NAME CHANGE AMENDMENT.

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CAPITALIZATION AMENDMENT PROPOSAL

Pursuant to the merger agreement, we will increase the number of authorized shares of Tremisis common stock from 30,000,000 to 100,000,000 upon consummation of the merger. The merger will not be consummated unless the proposal to increase our capitalization is approved at the meeting. If the merger proposal is not approved, the capitalization amendment will not be presented at the meeting.

In the judgment of our board of directors, the increase in our capitalization is desirable and in our stockholders' best interests. Currently, we have 7,700,000 shares of our common stock outstanding and we will be issuing an additional 25,600,000 shares of common stock upon consummation of the merger. Additionally, we have reserved 13,475,000 shares of common stock issuable upon exercise of warrants and a unit purchase option issued in our IPO. We will also need to reserve 2,400,000 shares of common stock in connection with our incentive compensation plan proposal discussed below. The authorization of additional shares of common stock will enable us to have the flexibility to authorize the issuance of shares of common stock in the future for financing our business, for acquiring other businesses, for forming strategic partnerships and alliances and for stock dividends and stock splits.

The approval of the capitalization amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE APPROVAL OF THE CAPITALIZATION AMENDMENT.

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ARTICLE SIXTH AMENDMENT PROPOSAL

Pursuant to the merger agreement, we will remove the preamble and sections A through D, inclusive, of Article Sixth of Tremisis certificate of incorporation and to redesignate section E of Article Sixth as Article Sixth upon consummation of the merger. If the merger proposal is not approved, the Article Sixth amendment will not be presented at the meeting.

In the judgment of our board of directors, the Article Sixth amendment is desirable, as sections A through D relate to the operation of Tremisis as a blank check company prior to the consummation of a business combination. Such sections will not be applicable upon consummation of the merger.

The approval of the Article Sixth amendment will require the affirmative vote of the holders of a majority of the outstanding shares of Tremisis common stock on the record date.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE APPROVAL OF THE ARTICLE SIXTH AMENDMENT.

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2006 LONG-TERM INCENTIVE PLAN PROPOSAL

Background

Tremisis 2006 Long-Term Incentive Plan has been approved by Tremisis board of directors and the plan will take effect upon consummation of the merger, subject to the approval of our stockholders.

The purposes of our 2006 Plan are to create incentives designed to motivate our employees to significantly contribute toward our growth and profitability, to provide our executives, directors and other employees, and persons who, by their position, ability and diligence, are able to make important contributions to our growth and profitability, with an incentive to assist us in achieving our long-term corporate objectives, to attract and retain executives and other employees of outstanding competence, and to provide such persons with an opportunity to acquire an equity interest in us.

We may grant incentive and non-qualified stock options, stock appreciation rights, performance units, restricted stock awards and performance bonuses, or collectively, Awards, to our officers and key employees, and those of our subsidiaries. In addition, the 2006 Plan authorizes the grant of non-qualified stock options and restricted stock awards to our directors and to any independent contractors and consultants who by their position, ability and diligence are able to make important contributions to our future growth and profitability. Generally, all classes of our employees are eligible to participate in our 2006 Plan. No options, restricted stock or other awards under the 2006 Plan have been made or committed to be made as of the date of this proxy statement. The benefits or amounts under the plan that will be received by or allocated to Tremisis officers and directors after consummation of the merger will be determined by Tremisis board of directors or committee thereof in the future, in its discretion.

The following is a summary of the material provisions of our 2006 Plan and is qualified in its entirety by reference to the complete text of our 2006 Plan, a copy of which is attached to this proxy statement as Annex C. We cannot determine the benefits to be received by our directors or officers under the 2006 Plan, or the benefits that would have been received by our directors and officers in 2005 had the 2006 Plan been in effect in 2005.

Stock Subject to the 2006 Plan

We have reserved a maximum of 2,400,000 shares of our authorized common stock for issuance upon the exercise of Awards to be granted pursuant to our 2006 Plan. Each share issued under an option or under a restricted stock award will be counted against this limit. Shares to be delivered at the time a stock option is exercised or at the time a restricted stock award is made may be available from authorized but unissued shares or from stock previously issued but which we have reacquired and hold in our treasury.

In the event of any change in our outstanding common stock by reason of any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, issuance of rights or other similar transactions, the number of shares of our common stock which may be issued upon exercise of outstanding options, and the exercise price of options previously granted under our 2006 Plan, will be proportionally adjusted to prevent any enlargement or dilution of the rights of holders of previously granted options as may be appropriate to reflect any such transaction or event.

Administration

Our board will establish a compensation committee that, among other duties, will administer the 2006 Plan. The compensation committee will be composed of at least three members of the Board, a majority of whom will be non-employee directors within the meaning of Securities and Exchange Commission Rule 16b-3(b)(3). Members of our compensation committee will serve at the pleasure of our board. In connection with the administration of our 2006 Plan, the compensation committee, with respect to Awards to be made to any person who is not one of our directors, will:

determine which employees and other persons will be granted Awards under our 2006 Plan;

grant the Awards to those selected to participate;

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determine the exercise price for options; and

prescribe any limitations, restrictions and conditions upon any Awards.

With respect to stock options or restricted stock awards to be made to any of our directors, the compensation committee will make recommendations to our Board of Directors as to:

which of such persons should be granted stock options, restricted stock awards, performance units or stock appreciation rights;

the terms of proposed grants of Awards to those selected by our Board of Directors to participate;

the exercise price for options; and

any limitations, restrictions and conditions upon any Awards.

Any grant of Awards to any of directors under our 2006 Plan must be approved by our Board of Directors.

In addition, the compensation committee will:

interpret our 2006 Plan; and

make all other determinations and take all other action that may be necessary or advisable to implement and administer our 2006 Plan.

Types of Awards

Our 2006 Plan permits the compensation committee to grant the following types of Awards.

Stock Options. Stock options are contractual rights entitling an optionee who has been granted a stock option to purchase a stated number of shares of our common stock at an exercise price per share determined at the date of the grant. Options are evidenced by stock option agreements with the respective optionees. The exercise price for each stock option granted under our 2006 Plan will be determined by the compensation committee at the time of the grant, but will not be less than fair market value on the date of the grant. Our compensation committee will also determine the duration of each option; however, no option may be exercisable more than ten years after the date the option is granted. Within the foregoing limitations, the compensation committee may, in its discretion, impose limitations on exercise of all or some options granted under our 2006 Plan, such as specifying minimum periods of time after grant during which options may not be exercised. Options granted under our 2006 Plan will vest at rates specified in the option agreement at the time of grant; however, all options granted under our 2006 Plan will vest upon the occurrence of a change of control, as defined in the Plan. Our 2006 Plan also contains provisions for our compensation committee to provide in

the participants' option award agreements for accelerating the right of an individual employee to exercise his or her stock option or restricted stock award in the event of retirement or other termination of employment. No cash consideration is payable to us in exchange for the grant of options.

Our 2006 Plan provides that the stock options may either be Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, or Non-Qualified Options, which are stock options other than Incentive Stock Options within the meaning of Sections 422 of the Code. Incentive Stock Options may be granted only to our employees or employees of our subsidiaries, and must be granted at a per share option price not less than the fair market value of our common stock on the date the Incentive Stock Option is granted. In the case of an Incentive Stock Option granted to a stockholder who owns shares of our outstanding stock of all classes representing more than 10% of the total combined voting power of all of our outstanding stock of all classes entitled to vote in the election of directors, the per share option price must be not less than 110% of the fair market value of one share of our common stock on the date the Incentive Stock Option is granted and the term of such option may not exceed five years. As required by the Code, the aggregate fair market value, determined at the time an Incentive Stock Option is granted, of our common stock with respect to which Incentive Stock Options may be exercised by an optionee for the first time during any calendar year under all of our incentive stock option plans may not exceed \$100,000.

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The exercise price for Non-Qualified Options may not be less than the fair market value of our common stock on the date the Non-Qualified Option is granted. Non-Qualified Options are not subject to any of the restrictions described above with respect to Incentive Stock Options.

The exercise price of stock options may be paid in cash, in whole shares of our common stock, in a combination of cash and our common stock, or in such other form of consideration as our board of directors or the compensation committee may determine, equal in value to the exercise price. However, only shares of our common stock which the option holder has held for at least six months on the date of the exercise may be surrendered in payment of the exercise price for the options. The maximum number of shares subject to stock options that may be awarded in any fiscal year to any employee may not exceed 100,000 and the number of shares subject to stock options that may be awarded in any fiscal year to any director may not exceed 10,000. In no event may a stock option be exercised after the expiration of its stated term.

Stock Appreciation Rights. A stock appreciation right permits the grantee to receive an amount (in cash, common stock, or a combination thereof) equal to the number of stock appreciation rights exercised by the grantee multiplied by the excess of the fair market value of our common stock on the exercise date over the stock appreciation rights exercise price. Stock appreciation rights may or may not be granted in connection with the grant of an option. The exercise price of stock appreciation rights granted under the 2006 Plan will be determined by the compensation committee; provided, however, that such exercise price cannot be less than the fair market value of a share of common stock on a date the stock appreciation right is granted (subject to adjustments). A stock appreciation right may be exercised in whole or in such installments and at such times as determined by the compensation committee.

Restricted Stock. Restricted shares of our common stock may be granted under our 2006 Plan subject to such terms and conditions, including forfeiture and vesting provisions, and restrictions against sale, transfer or other disposition as the compensation committee may determine to be appropriate at the time of making the award. In addition, the compensation committee may direct that share certificates representing restricted stock be inscribed with a legend as to the restrictions on sale, transfer or other disposition, and may direct that the certificates, along with a stock power signed in blank by the grantee, be delivered to and held by us until such restrictions lapse. The compensation committee, in its discretion, may provide in the award agreement for a modification or acceleration of shares of restricted stock in the event of permanent disability, retirement or other termination of employment or business relationship with the grantee. The maximum number of restricted shares that may be awarded under the 2006 Plan to any employee may not exceed 100,000 shares and the number of restricted shares that may be awarded in any fiscal year to any director may not exceed 10,000 shares.

Performance Units. The 2006 Plan permits grants of performance units, which are rights to receive cash payments equal to the difference (if any) between the fair market value of our common stock on the date of grant and its fair market value on the date of exercise of the award, except to the extent otherwise provided by the compensation committee or required by law. Such awards are subject to the fulfillment of conditions that may be established by the compensation committee including, without limitation, the achievement of performance targets based upon the factors described above relating to restricted stock awards.

Performance Bonus. The 2006 Plan permits grants of performance bonuses, which may be paid in cash, common stock or combination thereof as determined by the compensation committee. The maximum value of performance bonus awards granted under the 2006 Plan shall be established by the compensation committee at the time of the grant. An employee's receipt of such amount will be contingent upon achievement of performance targets during the performance period established by the compensation committee. The performance targets will be determined by the compensation committee based upon the factors described above relating to restricted stock awards. Following the end of the performance period, the compensation committee will determine the achievement of the performance targets for such performance period. Payment may be made within 60 days of such determination. Any payment made in shares of common stock will be based upon the fair market value of the common stock on the payment date. The maximum amount of any performance bonus payable to a participant in any calendar year is \$500,000.

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Transferability

With the exception of Non-Qualified Stock Options, Awards are not transferable other than by will or by the laws of descent and distribution. Non-Qualified Stock Options are transferable on a limited basis. Restricted stock awards are not transferable during the restriction period.

Change of Control Event

The 2006 Plan provides for the acceleration of any unvested portion of any outstanding Awards under the 2006 Plan upon a change of control event.

Termination of Employment/Relationship

Awards granted under our 2006 Plan that have not vested will generally terminate immediately upon the grantee's termination of employment or business relationship with us or any of our subsidiaries for any reason other than retirement with our consent, disability or death. The compensation committee may determine at the time of the grant that an Award agreement should contain provisions permitting the grantee to exercise the stock options for any stated period after such termination, or for any period the compensation committee determines to be advisable after the grantee's employment or business relationship with us terminates by reason of retirement, disability, death or termination without cause. Incentive Stock Options will, however, terminate no more than three months after termination of the optionee's employment, twelve months after termination of the optionee's employment due to disability and three years after termination of the optionee's employment due to death. The compensation committee may permit a deceased optionee's stock options to be exercised by the optionee's executor or heirs during a period acceptable to the compensation committee following the date of the optionee's death but such exercise must occur prior to the expiration date of the stock option.

Dilution; Substitution

As described above, our 2006 Plan will provide protection against substantial dilution or enlargement of the rights granted to holders of Awards in the event of stock splits, recapitalizations, mergers, consolidations, reorganizations or similar transactions. New Award rights may, but need not, be substituted for the Awards granted under our 2006 Plan, or our obligations with respect to Awards outstanding under our 2006 Plan may, but need not, be assumed by another corporation in connection with any merger, consolidation, acquisition, separation, reorganization, sale or distribution of assets, liquidation or like occurrence in which we are involved. In the event that our 2006 Plan is assumed, the stock issuable with respect to Awards previously granted under our 2006 Plan shall thereafter include the stock of the corporation granting such new option rights or assuming our obligations under the 2006 Plan.

Amendment of the 2006 Plan

Our board may amend our 2006 Plan at any time. However, without stockholder approval, our 2006 Plan may not be amended in a manner that would:

increase the number of shares that may be issued under our 2006 Plan;

materially modify the requirements for eligibility for participation in our 2006 Plan;

materially increase the benefits to participants provided by our 2006 Plan; or

otherwise disqualify our 2006 Plan for coverage under Rule 16b-3 promulgated under the Securities Exchange Act of 1934.

Awards previously granted under our 2006 Plan may not be impaired or affected by any amendment of our 2006 Plan, without the consent of the affected grantees.

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Accounting Treatment

Under generally accepted accounting principles with respect to the financial accounting treatment of stock options used to compensate employees, upon the grant of stock options under our 2006 Plan, the fair value of the options will be measured on the date of grant and this amount will be recognized as a compensation expense ratably over the vesting period. Stock appreciation rights granted under the 2006 Plan must be settled in common stock. Therefore, stock appreciation rights granted under the 2006 Plan will receive the same accounting treatment as options. The cash we receive upon the exercise of stock options will be reflected as an increase in our capital. No additional compensation expense will be recognized at the time stock options are exercised, although the issuance of shares of common stock upon exercise may reduce basic earnings per share, as more shares of our common stock would then be outstanding.

When we make a grant of restricted stock, the fair value of the restricted stock award at the date of grant will be determined and this amount will be recognized over the vesting period of the award. The fair value of a restricted stock award is equal to the fair market value of our common stock on the date of grant.

Due to consideration of the accounting treatment of stock options and restricted stock awards by various regulatory bodies, it is possible that the present accounting treatment may change.

Tax Treatment

The following is a brief description of the federal income tax consequences, under existing law, with respect to Awards that may be granted under our 2006 Plan.

Incentive Stock Options. An optionee will not realize any taxable income upon the grant or the exercise of an Incentive Stock Option. However, the amount by which the fair market value of the shares covered by the Incentive Stock Option (on the date of exercise) exceeds the option price paid will be an item of tax preference to which the alternative minimum tax may apply, depending on each optionee's individual circumstances. If the optionee does not dispose of the shares of our common stock acquired by exercising an Incentive Stock Option within two years from the date of the grant of the Incentive Stock Option or within one year after the shares are transferred to the optionee, when the optionee later sells or otherwise disposes of the stock, any amount realized by the optionee in excess of the option price will be taxed as a long-term capital gain and any loss will be recognized as a long-term capital loss. We generally will not be entitled to an income tax deduction with respect to the grant or exercise of an Incentive Stock Option.

If any shares of our common stock acquired upon exercise of an Incentive Stock Option are resold or disposed of before the expiration of the prescribed holding periods, the optionee would realize ordinary income, instead of capital gain. The amount of the ordinary income realized would be equal to the lesser of (i) the excess of the fair market value of the stock on the exercise date over the option price; or (ii) in the case of a taxable sale or exchange, the amount of the gain realized. Any additional gain would be either long-term or short-term capital gain, depending on whether the applicable capital gain holding period has been satisfied. In the event of a premature disposition of shares of stock acquired by exercising an Incentive Stock Option, we would be entitled to a deduction equal to the amount of ordinary income realized by the optionee.

Non-Qualified Options. An optionee will not realize any taxable income upon the grant of a Non-Qualified Option. At the time the optionee exercises the Non-Qualified Option, the amount by which the fair market value at the time of exercise of the shares covered by the

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Non-Qualified Option exceeds the option price paid upon exercise will constitute ordinary income to the optionee in the year of such exercise. We will be entitled to a corresponding income tax deduction in the year of exercise equal to the ordinary income recognized by the optionee. If the optionee thereafter sells such shares, the difference between any amount realized on the sale and the fair market value of the shares at the time of exercise will be taxed to the optionee as capital gain or loss, short- or long-term depending on the length of time the stock was held by the optionee before sale.

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Restricted Stock Award. A recipient of restricted stock generally will not recognize any taxable income until the shares of restricted stock become freely transferable or are no longer subject to a substantial risk of forfeiture. At that time, the excess of the fair market value of the restricted stock over the amount, if any, paid for the restricted stock is taxable to the recipient as ordinary income. If a recipient of restricted stock subsequently sells the shares, he or she generally will realize capital gain or loss in the year of such sale in an amount equal to the difference between the net proceeds from the sale and the price paid for the stock, if any, plus the amount previously included in income as ordinary income with respect to such restricted shares.

A recipient has the opportunity, within certain limits, to fix the amount and timing of the taxable income attributable to a grant of restricted stock. Section 83(b) of the Code permits a recipient of restricted stock, which is not yet required to be included in taxable income, to elect, within 30 days of the award of restricted stock, to include in income immediately the difference between the fair market value of the shares of restricted stock at the date of the award and the amount paid for the restricted stock, if any. The election permits the recipient of restricted stock to fix the amount of income that must be recognized by virtue of the restricted stock grant. We will be entitled to a deduction in the year the recipient is required (or elects) to recognize income by virtue of receipt of restricted stock, equal to the amount of taxable income recognized by the recipient.

Section 162(m) of the Code. Section 162(m) of the Code precludes a public corporation from taking a deduction for annual compensation in excess of \$1.0 million paid to its chief executive officer or any of its four other highest-paid officers. However, compensation that qualifies under Section 162(m) of the Code as performance-based is specifically exempt from the deduction limit. Based on Section 162(m) of the Code and the regulations thereunder, our ability to deduct compensation income generated in connection with the exercise of stock options or stock appreciation rights granted under the 2006 Plan should not be limited by Section 162(m) of the Code. Further, we believe that compensation income generated in connection with performance awards granted under the 2006 Plan should not be limited by Section 162(m) of the Code. The 2006 Plan has been designed to provide flexibility with respect to whether restricted stock awards or performance bonuses will qualify as performance-based compensation under Section 162(m) of the Code and, therefore, be exempt from the deduction limit. If the vesting restrictions relating to any such award are based solely upon the satisfaction of one of the performance goals set forth in the 2006 Plan, then we believe that the compensation expense relating to such an award will be deductible by us if the awards become vested. However, compensation expense deductions relating to such awards will be subject to the Section 162(m) deduction limitation if such awards become vested based upon any other criteria set forth in such award (such as the occurrence of a change in control or vesting based upon continued employment with us).

Certain Awards Deferring or Accelerating the Receipt of Compensation. Section 409A of the Internal Revenue Code, enacted as part of the American Jobs Creation Act of 2004, imposes certain new requirements applicable to nonqualified deferred compensation plans. If a nonqualified deferred compensation plan subject to Section 409A fails to meet, or is not operated in accordance with, these new requirements, then all compensation deferred under the plan may become immediately taxable. Stock appreciation rights and deferred stock awards which may be granted under the plan may constitute deferred compensation subject to the Section 409A requirements. It is our intention that any award agreement governing awards subject to Section 409A will comply with these new rules.

Recommendation and Vote Required

Approval of our incentive compensation plan will require the affirmative vote of the holders of a majority of the outstanding shares of our common stock represented in person or by proxy and entitled to vote at the meeting.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE FOR THE APPROVAL OF THE 2006 LONG-TERM INCENTIVE PLAN.

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OTHER INFORMATION RELATED TO TREMISIS

Business of Tremisis

Tremisis was formed on February 5, 2004, to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an unidentified operating business in either the energy or the environmental industry and their related infrastructures. Prior to executing the merger agreement with RAM, Tremisis' efforts were limited to organizational activities, completion of its IPO and the evaluation of possible business combinations.

Offering Proceeds Held in Trust

Tremisis consummated its IPO on May 18, 2004. The net proceeds of the offering, after payment of underwriting discounts and expenses, were approximately \$34,163,000. Of that amount, \$33,143,000 was placed in the trust account and invested in government securities. The remaining proceeds have been used by Tremisis in its pursuit of a business combination. The trust account will not be released until the earlier of the consummation of a business combination or the liquidation of Tremisis. The trust account contained approximately \$34,750,000 as of April 3, 2006, the record date. If the merger with the RAM is consummated, the trust account will be released to Tremisis, less the amounts paid to stockholders of Tremisis who do not approve the merger and elect to convert their shares of common stock into their pro-rata share of the trust account.

Fair Market Value of Target Business

Pursuant to Tremisis' certificate of incorporation, the initial target business that Tremisis acquires must have a fair market value equal to at least 80% of Tremisis' net assets at the time of such acquisition. Tremisis' board of directors determined that this test was met in connection with its acquisition of RAM. Further, Tremisis has received an opinion from Gilford Securities Incorporated that this test has been met.

Stockholder Approval of Business Combination

Tremisis will proceed with the acquisition of RAM only if a majority of all of the outstanding shares of Tremisis is voted in favor of each of the merger proposal, the name change amendment and the capitalization amendment. The Tremisis Inside Stockholders have agreed to vote their common stock on the merger proposal in accordance with the vote of holders of a majority of the outstanding shares of Tremisis' common stock. If the holders of 20% or more of Tremisis' common stock vote against the merger proposal and demand that Tremisis convert their shares into their pro rata share of the trust account, then Tremisis will not consummate the merger. In this case, Tremisis will be forced to liquidate.

Liquidation If No Business Combination

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Tremisis certificate of incorporation provides for mandatory liquidation of Tremisis in the event that Tremisis does not consummate a business combination within 18 months from the date of consummation of its IPO, or 24 months from the consummation of the IPO if certain extension criteria have been satisfied. Such dates are November 18, 2005 and May 18, 2006, respectively. Tremisis signed a letter of intent with RAM on August 25, 2005 and signed a definitive merger agreement with RAM on October 20, 2005. As a result of having signed the letter of intent, Tremisis satisfied the extension criteria and now has until May 18, 2006 to complete the merger.

If Tremisis does not complete the merger by May 18, 2006, Tremisis will be dissolved and will distribute to all of its public stockholders, in proportion to their respective equity interests, an aggregate sum equal to the amount in the trust account, inclusive of any interest, plus any remaining net assets. Tremisis stockholders who

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obtained their Tremisis stock prior to Tremisis IPO have waived their rights to participate in any liquidation distribution with respect to shares of common stock owned by them immediately prior to the IPO. There will be no distribution from the trust account with respect to Tremisis warrants.

If Tremisis were to expend all of the net proceeds of the IPO, other than the proceeds deposited in the trust account, the per-share liquidation price as of April 3, 2006, the record date, would be approximately \$5.49, or \$0.51 less than the per-unit offering price of \$6.00 in Tremisis IPO. The proceeds deposited in the trust account could, however, become subject to the claims of Tremisis creditors and there is no assurance that the actual per-share liquidation price will not be less than \$5.49, due to those claims. If Tremisis liquidates prior to the consummation of a business combination, Lawrence S. Coben, chairman of the board and chief executive officer, will be personally liable to pay debts and obligations to vendors and other entities that are owed money by Tremisis for services rendered or products sold to Tremisis, or to any target business, to the extent such creditors bring claims that would otherwise require payment from moneys in the trust account. There is no assurance, however, that he would be able to satisfy those obligations.

If Tremisis fails to complete the business combination with RAM by May 18, 2006, upon notice from Tremisis, the trustee of the trust account will commence liquidating the investments constituting the trust account and will turn over the proceeds to the transfer agent for distribution to the stockholders holding shares acquired through the IPO.

The stockholders holding shares of Tremisis common stock issued in the IPO will be entitled to receive funds from the trust account only in the event of Tremisis liquidation or if the stockholders seek to convert their respective shares into cash and the merger is actually completed. In no other circumstances shall a stockholder have any right or interest of any kind to or in the trust account.

Facilities

Tremisis maintains executive offices at 1775 Broadway, Suite 604, New York, New York 10019. The cost for this space is included in a \$3,500 per-month fee that First Americas Management LLC, an affiliate of Isaac Kier, one of our current directors, charges Tremisis for general and administrative services. Tremisis believes, based on rents and fees for similar services in the New York metropolitan area, that the fees charged by First Americas Management LLC are at least as favorable as Tremisis could have obtained from an unaffiliated person. Tremisis considers its current office space adequate for current operations.

Employees

Tremisis has two executive officers and four directors. These individuals are not obligated to contribute any specific number of hours per week and devote only as much time as they deem necessary to our affairs. Tremisis does not intend to have any full time employees prior to the consummation of the merger.

Periodic Reporting and Audited Financial Statements

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Tremisis has registered its securities under the Securities Exchange Act of 1934 and has reporting obligations, including the requirement to file annual and quarterly reports with the SEC. In accordance with the requirements of the Securities Exchange Act of 1934, Tremisis' annual reports contain financial statements audited and reported on by Tremisis' independent accountants. Tremisis has filed with the Securities and Exchange Commission a Form 10-KSB covering the fiscal year ended December 31, 2004 and its most recent Forms 10-QSB covering the fiscal quarters ended March 31, 2005, June 30, 2005 and September 30, 2005.

Legal Proceedings

There are no legal proceedings pending against Tremisis.

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Plan of Operations

The following discussion should be read in conjunction with Tremisis' financial statements and related notes thereto included elsewhere in this proxy statement.

Net income of \$351,001 for the fiscal year ended December 31, 2005 consisted of interest income of \$989,337 reduced by \$42,000 expense for a monthly administrative services agreement, \$56,705 for professional fees, \$58,485 expense for officer liability insurance, \$78,180 for travel, meals and entertainment, \$34,000 for franchise taxes, \$313,550 for income taxes and \$55,416 for other expenses.

Net income of \$64,525 for the period from February 5, 2004 (inception) through December 31, 2004 consisted of interest income of \$308,032 reduced by \$28,000 expense for a monthly administrative services agreement, \$19,486 for professional fees, \$36,875 expense for officer liability insurance, \$11,032 for travel, meals and entertainment, \$23,000 for franchise taxes, \$79,115 for income taxes and \$45,999 for other expenses

Net income of \$415,526 for the period from February 5, (inception) through December 31, 2005 consisted of interest income of \$1,297,369 reduced by \$70,000 expense for a monthly administrative services agreement, \$76,191 for professional fees, \$95,360 expense for officer liability insurance, \$89,212 for travel, meals and entertainment, \$57,000 for franchise taxes, \$392,665 for income taxes and \$101,415 for other expenses

We consummated our initial public offering on May 18, 2004. Gross proceeds from our initial public offering, including the full exercise of the underwriters' over-allotment option, were \$37,950,100. After deducting offering expenses of \$1,510,000 including \$990,000 evidencing the underwriters' non-accountable expense allowance of 3% of the gross proceeds, and underwriting discounts of \$2,277,000, net proceeds were \$34,163,100. As of December 31, 2005, there was approximately \$34,423,264 (which includes accrued interest of \$167,172) held in trust. The remaining proceeds of our IPO are available to be used to provide for business, legal and accounting due diligence on prospective acquisition and continued general and administrative expenses.

We have used the net proceeds of our initial public offering not held in trust to identify and evaluate prospective acquisition candidates, select our target business, and structure, negotiate and consummate our business combination. At December 31, 2005, we had cash outside of the trust account of \$290,751, prepaid expenses of \$25,314, deferred acquisition costs of \$540,907 fixed assets, net of accumulated depreciation of \$8,954 and total liabilities of \$685,564. Lawrence S. Coben, our chairman of the board and chief executive officer, has agreed that, if we are unable to complete the business combination with RAM Energy and are forced to liquidate, he will be personally liable to pay debts and obligations to vendors or other entities that are owed money by us for services rendered or products sold to us, or to any target business, to the extent they have claims against the funds in our trust account.

We are obligated to pay to First Americas Management, LLC, an affiliate of Isaac Kier, our secretary, treasurer and a member of our board of directors, a monthly fee of \$3,500 for general and administrative services. Through December 31, 2005, an aggregate of \$70,000 has been incurred for such services. In addition, in February and April 2004, Lawrence S. Coben advanced an aggregate of \$77,500 to us, on a non-interest bearing basis, for payment of offering expenses on our behalf. This amount was repaid in May 2004 out of proceeds of our initial public offering.

As indicated in our accompanying financial statements, such financial statements have been prepared assuming that we will continue as a going concern. As discussed elsewhere in this proxy statement, we are required to consummate a business combination by May 18, 2006. The

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possibility that our merger with RAM Energy will not be consummated raises substantial doubt about our ability to continue as a going concern, and the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Tremisis reimburses its officers and director for any reasonable out-of-pocket expenses incurred by them in connection with certain activities on Tremisis' behalf such as identifying and investigating possible target businesses and business combinations. From Tremisis' inception in February 2004, through December 31, 2005, Tremisis reimbursed its officers and directors in the aggregate amount of \$99,289 for expense incurred by them on its behalf, including travel, meals and entertainment, telephone, dues and subscription and office expenses, furniture and equipment.

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Tremisis intends to utilize its cash, including the funds held in the trust account, and its capital stock to effect a business combination. Upon consummation of the merger with RAM, \$30,000,000 of the proceeds held in the trust account (or such lesser amount as may be available after payments to the owners of Tremisis common stock voting against the merger and demanding conversion) will be paid to the RAM stockholders as part of the merger consideration. The proceeds in the trust account will also be used to pay any amount due to the Tremisis stockholders who exercise their conversion rights and the expenses of the merger that are not covered by the working capital of Tremisis held outside of the trust. At December 31, 2005, we had cash outside of the trust account of \$290,751, and total liabilities of \$685,564, all of which were current liabilities, leaving Tremisis with a working capital deficiency of \$394,813, (excluding investments held in trust, interest receivable and prepaid expenses).

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the period from February 5, 2004 (inception) through December 31, 2005, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to Tremisis.

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BUSINESS OF RAM

General

RAM is a privately-owned, independent oil and gas company engaged in the acquisition, development, exploitation, exploration and production of oil and natural gas properties, primarily in Texas, Louisiana and Oklahoma. RAM has been active in these core areas since 1987. RAM's management team has extensive technical and operating expertise in all areas of its geographic focus. Since 1987, RAM has managed and developed oil and gas properties while seeking acquisition opportunities.

At December 31, 2005, RAM's estimated net proved reserves were 18.8 million Boe, of which approximately 60% were crude oil, 30% were natural gas, and 10% were natural gas liquids, with a PV-10 Value of approximately \$345.5 million, based on prices RAM was 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 that date, RAM's proved developed reserves comprised 70% of its total proved reserves and the estimated reserve life for RAM's total proved reserves was approximately 13 years. RAM's management believes that, as of December 31, 2005, a \$1.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$8.7 million; a \$5.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$43.4 million, and a \$10.00 per Boe decrease in the price of oil, natural gas and NGLs would have resulted in a reduction of the PV-10 Value of RAM's proved reserves of \$86.9 million; and within these price ranges, the estimated quantities of its proved reserves would not materially decrease solely as a result of such changes in prices of production.

RAM owns interests in approximately 2,900 wells and is the operator of leases upon which approximately 1,900 of these wells are located. The PV-10 Value attributable to RAM's interests in the properties it operates represented approximately 86% of RAM's PV-10 Value as of December 31, 2005. In addition, RAM has positioned itself for participation in two emerging resource plays: (1) the on-going Barnett Shale play located in Jack and Wise Counties, Texas, where RAM owns interests in approximately 27,069 gross acres (6,700 net acres) and (2) an exploratory Barnett and Woodford Shale play located in Reeves County, Texas, where RAM owns interests in approximately 70,000 gross acres (11,800 net acres). RAM also owns interests in various gathering systems and a natural gas processing plant that serves its producing properties.

RAM has grown principally through acquisitions of producing properties and the further development of these acquired properties. Since 1987, RAM has arranged and managed over 20 acquisitions of producing oil and gas properties and related assets for an aggregate purchase price approximating \$400 million. The most recent of these acquisitions, which closed in December 2004, was RAM's purchase of WG Energy Holdings, Inc. for \$82.5 million, following which WG Energy's name was changed to RWG Energy, Inc., or RWG. RWG's estimated proved reserves at December 31, 2004 included 9.5 million Bbls of oil, 2.1 million Bbls of NGLs, and 10.0 Bcf of natural gas, or a total of 13.2 million Boe. The cost of the acquisition on a per Boe basis was approximately \$6.25 per Boe.

As a significant part of its normal operations, RAM continually evaluates and explores opportunities to acquire additional developed and undeveloped oil and natural gas properties, including entities that own such properties, and opportunities to become the lease operator with respect to and manage additional oil and natural gas properties. In evaluating acquisitions, RAM targets oil and natural gas properties that have some or all of the following characteristics, in addition to others:

are on-shore United States properties;

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have PV-10 Values that are sufficiently high so as to justify the costs attendant to their acquisition and provide the opportunity for a reasonable rate of return once acquired;

include undeveloped properties that have the potential for further development; and

have the potential for RAM to become the lease operator of and manage a large number of additional properties which could provide RAM with economies of scale with respect to its oil and natural gas lease operations.

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RAM is presently in discussions with a number of potential acquisition candidates, but has entered into no agreement, arrangement or understanding with respect to any prospective acquisition.

From January 1, 1997 through December 31, 2005, RAM's reserve replacement percentage, through discoveries, extensions, revisions and acquisitions, but excluding dispositions, was 344%. From January 1, 1989 through December 31, 2005, RAM drilled or participated in the drilling of 465 oil and natural gas wells, of which 92% were completed and produced hydrocarbons in commercial quantities, which RAM considers to be their success rate. Since January 1, 1997, RAM's historical average finding cost from all sources, exclusive of divestitures, has been \$6.27 per Boe.

During 2005, RAM drilled or participated in the drilling of 67 wells on its oil and gas properties, 60 of which were successfully completed as producing wells and seven of which were either still drilling or awaiting completion at year end. Through December 31, 2005, RAM's capital expenditures in connection with the drilling and completion of these 67 wells aggregated approximately \$7.6 million. One of the wells drilled during 2005 was an exploratory well in which RAM owns a 25% non-operating working interest, and the remaining 66 wells were development wells, 57 of which were drilled and are being operated by RAM. In addition, during 2005, RAM conducted or participated in recompletion operations on 22 of its existing wells, resulting in the reestablishment or enhancement of production from 21 of these wells, with one well remaining shut in at year end. RAM's capital expenditures in connection with its 2005 recompletion operations aggregated approximately \$1.7 million.

For the quarter ended March 31, 2006, RAM produced approximately 320,000 Boe of oil and natural gas, and its average net daily production for the quarter was approximately 3,550 Boe, compared to its average net daily production of approximately 3,480 Boe for the quarter ended December 31, 2005.

During the first quarter 2006, RAM participated in the drilling of 22 gross (20.7 net) wells. Of the wells drilled in the quarter, 19 gross wells, in each of which RAM owns the entire working interest, were lower risk development wells while three gross (1.8 net) were exploratory wells. Twenty of the wells drilled were successfully completed as producing wells and two gross (1.5 net) exploratory wells were unsuccessful. In addition to these drilling activities, RAM attempted recompletion operations on four gross (2.9 net) wells with the result that production was reestablished or enhanced in 2.5 net wells.

RAM's capital expenditures for the first quarter totaled \$3.7 million, of which approximately \$2.6 million was allocated to lower risk development activities while the remaining \$1.1 million was allocated to exploration activities.

RAM owns or has access to 2-D seismic data covering approximately 3,285 square miles and 3-D seismic data covering approximately 108 square miles in its core areas. RAM is actively engaged in re-interpreting and reprocessing such data in an effort to identify additional exploration and exploitation targets across RAM's owned acreage. RAM regularly reviews prospects proposed by other operators and from time to time participates in exploration plays within its core areas.

Principal Properties

RAM owns properties located in Oklahoma, Texas, Louisiana, Mississippi, New Mexico, Wyoming and Arkansas, together with a small interest in an undeveloped acreage block located offshore California. However, RAM's principal fields/areas are as follows:

Electra/Burkburnett Area, Wichita and Wilbarger Counties, Texas

Egan Field, Acadia Parish, Louisiana

Boonsville Area, Jack and Wise Counties, Texas

Barnett Shale, Jack and Wise Counties, Texas

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Vinegarone Field, Val Verde County, Texas

The following is a complete description of each of these fields/areas, together with a general description of RAM's miscellaneous and non-core properties.

Electra/Burkburnett Area. RAM's properties in the Electra/Burkburnett Area of North Texas include 26 leases covering 12,190 gross acres. As of December 31, 2005, RAM owned interests in approximately 1,600 wells in the Electra/Burkburnett Area, of which 511 were active producing wells and 215 were active injection wells.

RAM, together with its recently acquired subsidiary, RWG, drilled more than 70 wells in the Electra/Burkburnett Area from November 1, 2004 through December 31, 2005, and 200 drilling locations are currently booked as proved undeveloped locations.

During the first quarter of 2006, RAM drilled 19 net wells in the Electra/Burkburnett area, of which 14 were completed as producing wells and five of which were in various stages of completion at the end of the first quarter. RAM owns a 100% working interest in, and operates all 19 of, the wells. The initial net daily production from wells drilled and completed during the first quarter of 2006 averaged 26 Bbls of oil. The average cost incurred by RAM to drill, complete and equip a producing well in its Electra/Burkburnett area during the quarter was \$129,100.

Millions of barrels of crude oil have been produced from the Electra Field over the past 80 years. RAM's wells currently active in the field produce through secondary recovery (waterflood) operations. Well spacing has been decreased to two to three acre spacing in most areas to permit the recovery of bypassed oil and to improve waterflood operations.

Since January 1, 2002, a significant number of new infill and injection wells have been drilled on RAM's Electra/Burkburnett Area leasehold, with a 99% success rate.

RAM estimates the average infill wells remaining to be drilled in the Electra/Burkburnett Area should have ultimate recoverable reserves of approximately 22,000 Bbls of oil per well. RAM's average cost of drilling and completing a producing well in the Electra/Burkburnett Area during 2005 was approximately \$110,000.

Approximately 30% of RAM's wells in the Electra/Burkburnett area are not equipped to gather casinghead gas, and this gas is vented at the wellhead. The remainder of RAM's produced casinghead gas is processed at RAM's 100% owned Electra Gas Plant, which is located approximately three miles northwest of Electra, Texas on lands leased by RAM. The term of the surface lease on which RAM's Electra Gas Plant is located will continue for so long as the land is used for the Electra Gas Plant. RAM pays no rental under the terms of this lease. The plant receives approximately 600 Mcf per day of casinghead gas produced from RAM's properties in the area. The gas is processed in a 1,000 Mcf per day capacity refrigeration unit where approximately 140 Bbls of NGLs per day, net to RAM's interest, are extracted and sold. Approximately 250 Mcf per day of residue gas is used for compressor fuel at the plant and the remainder is flared due to a lack of pipeline facilities in the area.

The largest single operating cost in the field historically has been electricity. In an effort to substantially reduce this cost, RAM has installed two natural gas powered field generators to provide electricity for lease operations. The natural gas used to operate the generators is RAM's natural

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gas that previously was vented or flared, so the installation of the generators has not reduced sales volumes or lease revenues or increased operating costs. RAM estimates that with the two new generators in place, the resulting savings in field electricity costs will be approximately \$40,000 per month, which should reduce the per Boe lease operating cost across the field for 2006 and thereafter.

On April 1, 2005, RAM purchased a drilling rig specifically for the purpose of facilitating its ongoing drilling program in the Electra/Burkburnett Area and expects to use its own crew and equipment to drill from six

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to eight wells per month in the field. RAM also uses its own personnel and equipment to perform routine maintenance on its properties and typically does not require third party vendor services. RAM owns its own pulling units, earthmoving equipment, acidizing trucks, tank trucks and other field equipment to ensure availability and facilitate operations in the field. RAM employs approximately 60 field employees dedicated to its Electra/Burkburnett operations, all of which work out of RAM's field office in the town of Electra.

RAM sells the crude oil produced from its Electra/Burkburnett Area properties to Shell Trading (US) Company at the Koch WTI posted price, plus Platt's trade-month P+ price minus \$1.15. For the month of December 2005, the sale price was \$57.30 per Bbl.

During the year ended December 31, 2005, the aggregate net production attributable to RAM's interest in the Electra/Burkburnett properties was 654,712 Bbls of oil and 47,358 Bbls of NGLs, or 702,070 Boe, and the average daily production for the period was 1,794 Bbls of oil and 130 Bbls of NGLs, or 1,923 Boe per day.

During December 2005, the aggregate net production attributable to RAM's interest in the Electra/Burkburnett properties was 54,020 Bbls of oil and 3,108 Bbls of NGLs, or 57,128 Boe, and the average daily production for the period was 1,743 Bbls of oil and 100 Bbls of NGLs, or 1,843 Boe per day. RAM did not experience any property damage from Hurricanes Katrina and Rita. However, as a result of these Hurricanes, RAM experienced a temporary loss of electric power and purchasers of production from RAM's wells temporarily reduced their purchases. As a result, production from RAM's Electra/Burkburnett properties during the month of September 2005 was adversely affected.

Egan Field. RAM's Egan Field, located in Acadia Parish, Louisiana, covers an area of approximately 4,400 acres. Over the past 60 years, more than 90 wells have been drilled in the field at depths ranging from 9,000 feet to 12,400 feet.

The Egan Field is a geologically complex domal feature that produces from a number of different formations that are dissected by extensive faulting. This type of heavily faulted geology is typical of Acadia Parish, where a number of similar fields have been productive for several decades.

Over the past five years, RAM has undertaken a recompletion program in the Egan Field, conducting successful operations in 12 wells, and has identified more than 10 additional recompletion opportunities in existing wellbores.

RAM owns interest in approximately 4,367 gross (2,633 net) leasehold acres and 11 producing wells in the Egan Field, and is the operator of all such wells. RAM's average working interest in the Egan Field properties is approximately 84%, with an average net revenue interest of 70%.

For the year ended December 31, 2005, the aggregate net production attributable to RAM's interest in the Egan Field properties was 19,360 Bbls of oil and 502 MMcf of natural gas, or 103,082 Boe, and average daily production for the period was 282 Boe per day.

During December 2005, aggregate net production attributable to RAM's interest in the Egan Field properties was 1,163 Bbls of oil and 37 MMcf of natural gas, or 7,336 Boe, and RAM's average daily production for the period was 38 Bbls of oil and 1,195 Mcf of natural gas, or 237 Boe per day. RAM did not experience any property damage from Hurricanes Katrina and Rita. However, as a result of these Hurricanes, RAM

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experienced a temporary loss of electric power and purchasers of production from RAM's wells temporarily reduced their purchases. As a result, production from RAM's Egan Field properties during September 2005 was adversely affected.

RAM owns or has licensed over 41 miles of 2-D and 3-D seismic covering its Egan Field properties. As the result of recent and ongoing analysis of this data, RAM expects to have a new inventory of additional drilling and recompletion prospects on its Egan Field properties for exploitation and development over the next several years.

Boonsville Area. The Boonsville Area is located in the Fort Worth Basin of North Central Texas in Jack and Wise Counties. RAM's leasehold in the area covers approximately 9,950 gross acres lying within the much larger Boonsville Field, which includes several hundred thousand acres.

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RAM's properties in Jack and Wise Counties are comprised of two discrete subsets: the shallow gas zones and the Barnett Shale acreage. Because a considerable portion of RAM's leasehold in the area is segregated with respect to rights above and below the Marble Falls formation, a prominent geologic marker in the area, and RAM's substantially undeveloped Barnett Shale acreage (which lies below the Marble Falls) represents a distinct property requiring drilling, completion and production techniques quite dissimilar from the shallow gas producing zones, RAM treats its Barnett Shale acreage as a separate major property. RAM considers the Boonsville Area to include only the properties described herein as the shallow gas zones. RAM's Barnett Shale acreage is discussed separately below.

RAM's oil and natural gas production from the Boonsville Area is derived principally from sands found at depths ranging from 3,800 feet to 6,100 feet. RAM owns working interests in 84 wells producing from these shallow gas zones and operates all but one of such wells.

RAM owns and operates an extensive gas gathering system in the field which gathers gas solely from RAM's wells. The gas is compressed in the field through compression facilities also owned by RAM, and then is delivered into a system owned and operated by a third party for delivery to the Chico gas processing plant, where the natural gas is processed for the extraction of NGLs. RAM currently receives 80% of both the residue gas and the NGLs attributable to its share of delivered volumes.

During the year ended December 31, 2005, the aggregate net production attributable to RAM's working interests in the Boonsville shallow gas properties (above the Marble Falls) was 22,926 Bbls of oil, 546 MMcf of natural gas and 109,336 Bbls of NGLs, or 223,319 Boe, and average daily production for the period was 63 Bbls of oil, 1,497 Mcf of natural gas and 300 Bbls of NGLs, or 612 Boe per day.

During December 2005, aggregate net production attributable to RAM's interest in the Boonsville shallow gas properties was 957 Bbls of oil, 36,234 Mcf of natural gas and 7,373 Bbls of NGLs, or 14,369 Boe, and the average daily production for the period was 31 Bbls of oil, 1,169 Mcf of natural gas and 238 Bbls of NGLs, or 464 Boe per day. RAM did not experience any property damage from Hurricanes Katrina and Rita. However, as a result of these Hurricanes, RAM experienced a temporary loss of electric power and purchasers of production from RAM's wells temporarily reduced their purchases. As a result, production from RAM's Boonsville Area properties during the month of September 2005 was adversely affected.

RAM has not drilled any wells in the Boonsville Area since its acquisition of WG Energy in 2004. Currently, there are 22 drilling locations identified as proved undeveloped locations. RAM believes that additional wells, not currently identified as proved undeveloped locations, will eventually be drilled to test the shallow gas zones underlying RAM's Boonsville properties. RAM is also actively pursuing a workover program in its existing wells to maximize production and take advantage of opportunities in other potentially productive zones in existing well bores that present attractive recompletion targets.

Barnett Shale Acreage. RAM owns leases covering approximately 27,069 gross (6,700 net) acres of Barnett Shale rights in Fort Worth Basin of north central Texas, all of which are held by production from wells completed in the shallow gas zones. The Fort Worth Basin Barnett Shale play currently is the largest natural gas play in Texas and one of the leading new natural gas plays in the United States. RAM's Fort Worth Basin Barnett Shale acreage lies in the Boonsville Area of Jack and Wise Counties, Texas, below the Marble Falls geologic marker at depths ranging from 6,500 feet to 8,500 feet and is, for the most part, undeveloped.

The core area of the play is in Denton, Wise and Tarrant Counties, lying just to the east-southeast of RAM's acreage in Jack and Wise Counties. The most productive wells in the Barnett Shale play are wells that have been drilled horizontally. The average cost of drilling and completing a horizontal well to the Barnett Shale is approximately \$1.75 to \$2.2 million.

RAM is a party to two separate agreements covering its Barnett Shale acreage position in the Fort Worth Basin:

Approximately 3,500 gross acres are subject to a Participation Agreement with Chief Oil & Gas, Inc., with RAM having the right to participate with a 36% working interest in each well proposed to be

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drilled on the contract area. The agreement is on a drill-to-earn basis, which means that Chief can earn a 50% working interest and a 40% net revenue interest in a particular RAM lease by drilling and paying Chief's proportionate share of the costs of a well on lands covered by the lease. The Chief agreement includes a continuous drilling obligation, requiring Chief to commence a new well within 120 days after the filing of a completion report on the preceding well, failing which Chief's right to earn under the Participation Agreement will terminate, and Chief's interests in undrilled acreage will revert to RAM. Through December 31, 2005, Chief has drilled five and completed four commercially productive horizontal wells on RAM's Barnett Shale acreage, and currently is in the completion phase of the fifth horizontal well.

RAM's remaining Barnett Shale acreage (approximately 23,500 gross acres) is committed to an agreement with EOG Resources, Inc. In April 2004, RAM entered into a purchase and sale agreement with EOG, under which EOG purchased from RAM an undivided 50% working interest and a 40.6% net revenue interest in certain oil and gas leases comprising a portion of RAM's Barnett Shale acreage. After giving effect to the sale to EOG, RAM retained a 23.9% working interest in the subject leases. Currently, RAM's net revenue interest in its Barnett Shale acreage subject to the EOG Agreement is approximately 18%. EOG commenced the drilling of its first horizontal Barnett Shale well on RAM's acreage in February 2006.

During the year ended December 31, 2005, the aggregate net production attributable to RAM's interest in the currently producing Barnett Shale wells was 3,818 Bbls of oil and 223 MMcf of natural gas, and average daily production for the period was 10 Bbls of oil and 611 Mcf of natural gas, or 122 Boe per day.

During December 2005, the aggregate net production attributable to RAM's interest in the Barnett Shale properties was 534 Bbls of oil, 32 MMcf of natural gas and 267 Bbls of NGLs, and the average daily production for the period was 17 Bbls of oil, 1,029 Mcf of natural gas and 9 Bbls of NGLs, or 197 Boe per day.

Although RAM's Fort Worth Basin Barnett Shale acreage has not yet made a substantial contribution to RAM's daily production, RAM believes that there are approximately 127 drilling locations on its acreage, with 108 of those wells to be located on leasehold subject to the EOG agreement and 19 on the Chief acreage block.

During the first quarter of 2006, RAM participated in the drilling of one gross (0.24 net) well on its Barnett Shale acreage in Jack and Wise Counties, Texas. The Burress #2H was completed in February and flowed at a net initial daily rate of 569 Mcf of gas and nine barrels of oil. RAM owns a 23.6 percent working interest in the EOG operated Ashe #1 well, which was being completed at the end of the quarter. This is the first well drilled by EOG on RAM's jointly owned acreage in Jack and Wise Counties, Texas. RAM's share of the total cost of drilling and completing the Ashe well is expected to be \$589,000. Seven square miles of 3-D seismic data covering portions of RAM's Barnett Shale acreage in Wise County, Texas has been acquired, interpreted and is being used to target additional drilling locations. RAM currently owns an interest in seven (gross) Barnett Shale producing wells, two of which are operated by RAM and five of which are operated by Chief.

Vinegarone Field. The Vinegarone Field is located in Val Verde County, Texas, which is in the Big Bend region of South Texas. RAM owns working interests in seven producing wells in the field, none of which are operated by RAM.

Production from Vinegarone Field is obtained primarily from three distinct horizons at depths ranging from 9,100 feet to 10,100 feet. RAM owns interests in 6,686 gross (1,820 net) leasehold acres in the Vinegarone Field. In most instances, RAM's working interest is 25%, with an average 21.9% net revenue interest, although in one section (Section 49), in which there are two producing wells, RAM's working interest is 43.8% and its net revenue interest is 38.3%.

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During 2005, RAM did not participate in the drilling of any new wells in the Vinegarone Field; however RAM has identified seven proved undeveloped locations in the field and expects to continue its development of the field over the next three years.

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For the year ended December 31, 2005, the aggregate net production attributable to RAM's interest in the Vinegarone Field properties was 420 MMcf of natural gas, and the average daily production for the period was 1,152 Mcf of natural gas, or 192 Boe per day.

During December 2005, the aggregate net production attributable to RAM's interest in the Vinegarone Field was 29 MMcf of natural gas, and average daily production for the period was 946 Mcf of natural gas, or 158 Boe per day.

Other Properties

In addition to the principal fields and core operating areas, RAM also owns interests in other properties located in Texas, Oklahoma, Mississippi, Louisiana, Kansas, New Mexico, Wyoming, Arkansas and offshore California.

RAM owns a significant number of properties scattered throughout the principal producing basins in Oklahoma. In addition, RAM also owns an interest in two exploration prospects in Oklahoma and is actively seeking other exploration opportunities throughout its core areas.

In Texas, in addition to the Electra/Burkburnett and Boonsville Area properties, RAM owns miscellaneous operated and non-operated interests in 45 producing wells across the state, from the Panhandle down through the Permian Basin to South Texas, and eastward to Louisiana. It also owns a substantial position in an exploratory project located in Reeves County, Texas where it owns interests in approximately 70,000 gross acres and 11,800 net acres. Virtually all of RAM's leasehold interest in Reeves County is subject to farmout agreements with either J. Cleo Thompson, et al., or 777 Energy LP, as successor to Alpine, Inc. et al. The 777 Energy farmout covers roughly half of RAM's gross acreage position and has resulted in the drilling of three Barnett Shale wells, one vertically and two horizontally, with one being evaluated for completion and the other currently drilling. The remaining acreage is subject to a farmout agreement with J. Cleo Thompson, et al. Both farmout agreements allow the farmee to earn an interest in certain of RAM's leases by drilling the initial obligatory wells and then continue to earn interests by drilling subsequent wells within 90 to 180 days after commencement of the immediately preceding well. J. Cleo Thompson commenced the drilling of a horizontal well on RAM's acreage in February 2006. The well is to be drilled to a depth sufficient to test the Woodford Shale, with the Barnett Shale as a back-up zone higher up the well bore. RAM has the right to participate for one-half of its interest in the wells drilled subsequent to the initial earning wells under each farmout agreement.

During the first quarter of 2006, the third in a planned series of wells was drilled under the farmout agreements covering portions of RAM's 70,000 gross (11,000 net) acre lease block in Reeves County, Texas. The Johnson 1-4H, a horizontal well, was drilled to a total depth of 11,751 feet and is currently being evaluated in the Barnett Shale. Also during the first quarter, J. Cleo Thompson completed a ten square mile 3-D seismic survey and commenced the drilling of the Fasken Ranch 34-2H, a horizontal well targeting the Woodford and Barnett Shales on RAM's acreage. As of March 30, 2006, the well was drilled to 8,950 feet and is being evaluated.

Development, Exploration and Exploitation Programs

Development and Exploitation Program. RAM's future production and performance depends to a large extent on the successful development of its existing reserves of oil and natural gas. A major component of its capital expenditure budget for 2005 was for costs associated with development drilling and exploitation of its oil and natural gas properties. During 2005, RAM expended \$11.9 million in development and exploitation costs.

RAM owns interests in approximately 2,900 wells, and is the operator of leases upon which approximately 1,900 of these wells are located. As operator, RAM is able to control expenses, capital allocation and the timing of development and exploitation activities of these properties. RAM has identified 414 development projects on its existing properties, substantially all of which are located in its core areas. These development projects involve both the drilling of development wells and extension wells. During 2005, RAM drilled or participated in the drilling of 66 gross (57.75 net) development wells on its oil and gas properties, 59 of which were successfully

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completed as producing wells and seven of which were either still drilling or awaiting completion at year end. Through December 31, 2005, RAM's capital expenditures in connection with the drilling and completion of these 66 development wells aggregated approximately \$7.5 million.

RAM has identified 184 projects involving re-completions of existing wells, all of which involve reserves included in RAM's proved reserves at December 31, 2005. During the year ended December 31, 2005, RAM conducted or participated in recompletion operations on 22 of its existing wells, resulting in the reestablishment or enhancement of production from 21 of these wells, with one well remaining shut in at year end. RAM's capital expenditures in connection with its 2005 recompletion operations aggregated approximately \$1.7 million.

RAM's remaining properties are operated by third parties and, as a working interest owner in those properties, RAM is required to pay its share of the costs of developing and exploiting such properties. For the year ended December 31, 2005, RAM's approximate costs for development activities on these non-operated properties were \$1.5 million.

Exploration Program. A principal component of RAM's strategy to expand its reserves and production includes an exploration program focused on adding long-lived, natural gas reserves from its core areas.

Since 1987, RAM has conducted a successful development and exploitation program resulting in the accumulation of significant long-lived natural gas and oil reserves at relatively moderate depths, located principally in its core areas. In 1998, utilizing the knowledge and expertise gained from this effort, RAM initiated an exploration program by adding exploration professionals to its technical staff. RAM intends to maintain an exploration focus in its core areas, while remaining opportunistic with respect to other exploration concepts. In RAM's core areas, RAM owns in excess of 115,000 gross leasehold acres, which enhances its competitive exploration position and provides the foundation for future reserve additions.

RAM owns 2-D seismic data covering approximately 3,285 square miles and 3-D seismic data covering approximately 108 square miles of acreage in its core areas.

RAM has an experienced technical staff, including geologists, landmen, engineers and other technical personnel devoted to prospect generation and identification of potential drilling locations.

RAM seeks to reduce exploration risk by exploring at moderate depths that are deep enough to discover sizeable gas accumulations (generally less than 13,000 feet). RAM's established presence in its core areas has provided its staff with substantial expertise. Many of RAM's exploration plays are based upon seismic data comparisons to its existing producing fields. While RAM will maintain this focus, it plans to broaden its exposure and be opportunistic in pursuing growth-oriented exploration plays in other basins, primarily on a non-operated basis. For exploration prospects it generates, RAM will seek partners for the joint drilling of wells. In most cases, RAM will own a greater interest in these projects than any of its drilling partners and will operate the wells. As a result, RAM will be able to influence the areas of exploration and the acquisition of leases, as well as the timing and drilling of each well.

During 2005, RAM participated in the drilling of one gross (.25 net) exploratory well at a cost of approximately \$100,000, and incurred total capital expenditures of approximately \$1.0 million for all exploration activities.

Oil and Natural Gas Reserves

At December 31, 2005, RAM's estimated net proved reserves were 18.8 million Boe, of which 60% was crude oil, 30% was natural gas, and 10% was natural gas liquids, with a PV-10 Value of approximately \$345.5 million before income taxes. RAM's estimated proved developed reserves comprised 70% of its total proved reserves, and its reserve life for total proved reserves was approximately 13 years.

The following table summarizes the estimates of RAM's historical net proved reserves and the related present values of such reserves at the dates shown. The reserve and present value data for RAM's oil and natural gas properties as of December 31, 2005 and December 31, 2004, were prepared by the independent petroleum

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engineering firms of Williamson Petroleum Consultants and Forrest A. Garb & Associates. The data for December 31, 2003 were prepared by Forrest A. Garb & Associates.

In the following table, PV-10 Value represents the present value of estimated future net revenues from estimated proved reserves, before income tax, discounted at 10%, using prices in effect at the end of the respective periods presented and excluding the effects of hedging activities. Estimates of RAM's proved reserves and future net revenues are made using period-end oil and natural gas sales prices and are held constant throughout the life of the properties. The prices used in calculating PV-10 Value as of December 31, 2005 were \$58.63 per Bbl of oil, \$35.89 per Bbl of NGLs and \$9.14 per Mcf of natural gas; and for December 31, 2004 were \$40.25 per Bbl of oil, \$27.56 per Bbl of NGLs and \$6.02 per Mcf of natural gas. The prices at which RAM sells natural gas typically are determined on the first day of each month for the entire month. RAM's management believes that for each \$1.00 per Boe increase or decrease in the price of oil and natural gas, the PV-10 Value of RAM's proved reserves at December 31, 2005 would increase or decrease, as the case may be, by \$8.7 million.

Estimated quantities of proved reserves and future net revenues therefrom are affected by oil and natural gas prices, which have fluctuated widely in recent years. There are numerous uncertainties inherent in estimating oil and natural gas reserves and their values, including many factors beyond the control of the producer. The reserve data set forth in this report represent only estimates. Reservoir engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates of different engineers, including those used by RAM, may vary. In addition, estimates of reserves are subject to revisions based upon actual production, results of future development and exploration activities, prevailing oil and natural gas prices, operating costs and other factors, which revisions may be material. The PV-10 Value of RAM's proved oil and natural gas reserves does not necessarily represent the current or fair market value of such proved reserves, and the 10% discount factor may not reflect current interest rates, RAM's cost of capital or any risks associated with the development and production of its proved natural gas and oil reserves. Proved reserves include proved developed and proved undeveloped reserves.

	December 31,		
	2003	2004	2005
Reserve Data:			
Proved developed reserves:			
Oil & condensate (MBbls)	2,151	6,198	7,337
Natural gas (MMcf)	26,237	31,048	26,752
Natural gas liquids (MBbls) ⁽¹⁾	0	1,611	1,396
Total (MBoe)	6,524	12,984	13,192
PV-10 Value (in thousands)	\$ 84,781	\$ 164,007	\$ 245,107
Proved reserves:			
Oil & condensate (MBbls)	2,322	10,667	11,199
Natural gas (MMcf)	34,567	38,195	34,234
Natural gas liquids (MBbls) ⁽¹⁾	0	2,087	1,891
Total (MBoe)	8,083	19,120	18,796
PV-10 Value (in thousands)	\$ 104,570	\$ 236,201	\$ 345,501
\$/Bbl (Oil)	\$ 29.25	\$ 40.25	\$ 58.63
\$/Mcf	\$ 6.17	\$ 6.02	\$ 9.14
\$/Bbl (NGL)	\$ 0	\$ 27.56	\$ 35.89

(1) Approximately 16.3% of RAM's estimated proved reserves of NGLs at December 31, 2005, results from its equity ownership in the Electra Gas Plant.

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The following is a summary of the standardized measure of discounted net cash flows using methodology provided for in Statement of Financial Accounting Standard No. 69, related to RAM's estimated proved oil and natural gas reserves. For these calculations, estimated future cash flows from estimated future production of proved reserves were computed using oil and natural gas prices as of the end of the period presented. Future development and production costs attributable to the proved reserves were estimated assuming that existing

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conditions would continue over the economic lives of the individual leases and costs were not escalated for the future. Estimated future income tax expenses were calculated by applying future statutory tax rates (based on the current tax law adjusted for permanent differences and tax credits) to the estimated future pretax net cash flows related to proved oil and natural gas reserves, less the tax basis of the properties involved. For further information regarding the standardized measure of discounted net cash flows related to RAM's estimated proved oil and natural gas reserves for the years ended December 31, 2003, 2004 and 2005, please review note R in the notes to RAM's year-end 2004 financial statements of appearing elsewhere in this proxy statement.

The standardized measure of discounted future net cash flows relating to RAM's estimated proved oil and natural gas reserves at December 31 are summarized as follows (in thousands):

	Year ended December 31,		
	2003	2004	2005
Future cash inflows	\$ 281,149	\$ 711,781	\$ 1,037,337
Future production costs	(70,644)	(247,314)	(336,048)
Future development costs	(9,534)	(36,495)	(45,271)
Future income tax expenses	(69,787)	(136,669)	(219,640)
Future net cash flows	131,184	291,303	436,418
10% annual discount for estimated timing of cash flows	(63,469)	(129,983)	(209,758)
Standardized measure of discounted future net cash flows	\$ 67,715	\$ 161,320	\$ 226,660

In general, the volume of production from oil and natural gas properties declines as reserves are depleted. Except to the extent RAM acquires properties containing proved reserves or conducts successful exploitation and development activities, its proved reserves will decline as reserves are produced. RAM's future oil and natural gas production is, therefore, highly dependent upon its level of success in finding or acquiring additional reserves.

Net Production, Unit Prices and Costs

The following table presents certain information with respect to RAM's oil and natural gas production, prices and costs attributable to all oil and natural gas properties owned by RAM for the periods shown. Average realized prices reflect the actual realized prices received by RAM, before and after giving effect to the results of RAM's hedging activities. RAM's hedging activities are financial, and its production of oil, natural gas and NGLs, and the average realized prices it receives from its production, are not affected by its hedging arrangements.

	Year Ended December 31,		
	2003	2004	2005
Production volumes:			

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Oil and condensate (MBbls)	277	178	787
Natural gas liquids (MBbls)	15	12	170
Natural gas (MMcf)	2,334	1,928	2,681
Total (MBoe)	671	511	1,405
Average realized prices (before effects of hedging):			
Oil and condensate (per Bbl)	\$ 29.47	\$ 37.63	\$ 53.75
Natural gas liquids (per Bbl)	\$ 16.94	\$ 26.41	\$ 36.33
Natural gas (per Mcf)	\$ 5.06	\$ 5.69	\$ 6.61
Total per boe	\$ 29.89	\$ 35.14	\$ 47.16
Effect of settlement of hedging contracts:			
Oil and condensate (per Bbl)	\$ 0.00	(\$ 4.48)	(\$ 1.40)
Natural gas liquids (per Bbl)	\$ 0.00	\$ 0.00	\$ 0.00
Natural gas (per Mcf)	\$ 0.00	\$ 0.05	(\$ 1.04)
Average realized prices (after effects of hedging):			
Oil and condensate (per Bbl)	\$ 29.47	\$ 33.15	\$ 52.35
Natural gas liquids (per Bbl)	\$ 16.94	\$ 26.41	\$ 36.33
Natural gas (Per Mcf)	\$ 5.06	\$ 5.73	\$ 5.57

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	Year Ended December 31,		
	2003	2004	2005
Expenses (per Boe):			
Oil and natural gas production taxes	\$ 2.10	\$ 2.47	\$ 2.36
Oil and natural gas production expenses	\$ 5.26	\$ 7.04	\$ 11.46
Amortization of full-cost pool	\$ 5.64	\$ 5.89	\$ 8.93
General and administrative	\$ 9.44	\$ 12.90	\$ 6.13

Acquisition, Development and Exploration Capital Expenditures

The following table presents information regarding RAM's net costs incurred in RAM's acquisitions of proved properties, and its development and exploration activities:

	Year Ended December 31,		
	2003	2004	2005
	(\$ in thousands)		
Proved property acquisition costs	\$	\$ 96,819	\$ 155
Development costs	5,056	5,173	11,864
Exploration costs	202	727	1,507
Total costs incurred	\$ 5,258	\$ 102,719	\$ 13,526
Proved reserves acquired/discovered (includes revisions of previous estimates) (MBoe)	319	13,704	1,323
Total cost per Boe of reserves acquired/discovered	\$ 16.48	\$ 7.50	\$ 10.22

Producing Wells

The following table sets forth the number of productive wells in which RAM owned an interest as of December 31, 2005. Productive wells consist of producing wells and wells capable of production, including wells awaiting pipeline connections or connection to production facilities. Wells that RAM completes in more than one producing horizon are counted as one well.

	Gross	Net
Oil	2,005	1,339.60
Natural gas	236	101.90
Total	2,241	1,441.50

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As a result of its activities in the first quarter of 2006, at March 31, 2006 RAM owned interests in 2,254 gross (1460.28 net) producing wells, of which 2,016 gross (1357.81 net) wells were oil wells and 238 gross (102.47 net) were natural gas wells.

Acreage

The following table sets forth RAM's developed and undeveloped gross and net leasehold acreage as of December 31, 2005 and March 31, 2006:

	<u>Gross</u>	<u>Net</u>
Developed	99,524	36,168
Undeveloped	102,563	21,253
Total	202,087	57,401

Approximately 90% of RAM's net acreage was located in its core areas as of December 31, 2005. RAM's undeveloped acreage includes leased acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas, regardless of whether or not such

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acreage is held by production or contains proved reserves. A gross acre is an acre in which RAM owns an interest. A net acre is deemed to exist when the sum of fractional ownership interests in gross acres equals one. The number of net acres is the sum of the fractional interests owned in gross acres.

Drilling Activities

During the periods indicated, RAM drilled or participated in drilling the following wells:

	Year Ended December 31,					
	2003		2004		2005	
	Gross	Net	Gross	Net	Gross	Net
Development wells:						
Productive	1	.50	23	16.27	66	58.08
Non-productive	0	.00	1	.25	0	.00
Exploratory wells:						
Productive	3	.29	1	.33	1	.25
Non-productive	0	.00	4	.48	0	.00
Total	4	.79	29	17.33	67	58.33

Oil and Natural Gas Marketing and Hedging

During the year ended December 31, 2005, two purchasers accounted for approximately 73% of RAM's oil and natural gas sales. Shell Trading-US accounted for \$36.1 million, or 55%, and Dynegy (now, Targa Midstream Services, or Targa) accounted for \$11.9 million, or 18%, of RAM's oil and natural gas sales revenue for 2005. No other purchaser accounted for 10% or more of RAM's oil and natural gas sales revenue during 2005. RAM's agreement with Shell Trading-US, which covers all of RAM's North Texas oil production, provides for payment, on a per barrel basis, of a price equal to Koch's posted price for West Texas Intermediate Crude, plus Platt's Trade-month P+ (a fluctuating premium based on refinery demand), minus \$1.15. The agreement is on a month-to-month basis and is cancelable by either party upon 30-days' prior written notice. RAM's gas purchase contract with Dynegy (now Targa), which expires February 1, 2013, covers RAM's predominately natural gas producing properties located in Jack and Wise Counties, Texas. Under the terms of the contract, Targa takes delivery of RAM's gas in the field and transports the gas to the nearby Chico Plant where it is processed for the extraction of liquefiable hydrocarbons. Targa pays RAM 80% of the weighted average price received by Targa for the sale of natural gas liquids attributable to the gas delivered by RAM, plus 80% of a published monthly index price for RAM's allocable share of the residue gas sold at the tailgate of the plant. There are other purchasers in the fields where RAM's production sold to these two purchasers is produced and marketed, and such other purchasers would be available to purchase RAM's production should any of these two purchasers discontinue operations. RAM has no reason to believe that any such cessation is likely to occur. However, if the natural gas gathering system and processing plant located in the Boonsville Area that is currently owned by RAM's second largest customer were to cease operations, whether for mechanical, financial or other reasons, such cessation could materially and adversely affect RAM's cash flow from operations on a temporary basis, until a new purchaser could install the necessary facilities to take delivery of RAM's natural gas production in the area. RAM has no reason to believe that any such cessation is likely to occur.

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To reduce exposure to fluctuations in oil and natural gas prices and to achieve more predictable cash flow, RAM periodically utilizes various hedging strategies to manage the price received for a portion of its future oil and natural gas production. RAM has not established hedges in excess of its expected production. These strategies customarily involve the purchase of put options to provide a price floor for its production, put/call collars that establish both a floor and a ceiling price to provide price certainty within a fixed range, put/call/call collars that establish a secondary floor above the put/call collar ceiling, and forward sale contracts for specified monthly volumes at prices determined with reference to the natural gas futures market or swap arrangements that establish an index-related price above which RAM pays the hedging partner and below which RAM is paid by the hedging partner. These contracts allow RAM to predict with greater certainty the effective oil and natural gas

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prices to be received for its production and benefit RAM when market prices are less than the strike prices or fixed prices under its hedging contracts. However, RAM will not benefit from market prices that are higher than the strike or fixed prices in these contracts for its hedged production.

RAM's hedge positions at December 31, 2005 are shown in the following table:

Collars	Crude Oil (Bbls)				Natural Gas (Mmbtu)			
	Floors		Ceilings		Floors		Ceilings	
	Per Day	Price	Per Day	Price	Per Day	Price	Per Day	Price
2006	1,500	\$ 42.51	1,500	\$ 60.56	5,247	\$ 6.23	5,247	\$ 8.86
2007	1,000	\$ 35.00	1,000	\$ 69.74	5,000	\$ 7.00	5,000	\$ 11.95
Bare Floors								
2006	250	\$ 40.00						
Secondary Floors								
2006	none	none			5,127	\$ 9.94		

RAM's hedging contracts for oil continue through December 2007, and its contracts for natural gas continue through March 2007. Natural gas floors and ceilings for 2007 are for January through March and natural gas secondary floors for 2006 are for January and April through October. For the year ended December 2005, RAM's average daily production was 2,157 Bbls of oil, 7,344 Mcf of natural gas, and 467 Bbls of NGLs.

Competition

The oil and natural gas industry is highly competitive. RAM competes for the acquisition of oil and natural gas properties, primarily on the basis of the price to be paid for such properties, with numerous entities including major oil companies, other independent oil and natural gas concerns and individual producers and operators. Many of these competitors are large, well-established companies and have financial and other resources substantially greater than RAM's. The ability of RAM to acquire additional oil and natural gas properties and to discover reserves in the future will depend upon its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment.

Title to Properties

RAM believes that it has satisfactory title to its properties in accordance with standards generally accepted in the oil and natural gas industry. As is customary in the oil and natural gas industry, RAM makes only a cursory review of title to farmout acreage and to undeveloped oil and natural gas leases upon execution of any contracts. Prior to the commencement of drilling operations, a title examination is conducted and curative work is performed with respect to significant defects. To the extent title opinions or other investigations reflect title defects, RAM, rather than the seller of the undeveloped property, typically is responsible to cure any such title defects at RAM's expense. If RAM were unable to remedy or

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cure any title defect of a nature such that it would not be prudent for RAM to commence drilling operations on the property, RAM could suffer a loss of its entire investment in the property. RAM has obtained title opinions on substantially all of its producing properties. Prior to completing an acquisition of producing oil and natural gas leases, RAM performs a title review on a material portion of the leases. RAM's oil and natural gas properties are subject to customary royalty interests, liens for current taxes and other burdens that RAM believes do not materially interfere with the use of or affect the value of such properties.

Facilities

RAM's executive and operating offices are located at Suite 650, Meridian Tower, 5100 E. Skelly Drive, Tulsa, Oklahoma 74135 which RAM occupies under a lease with a remaining term ending in June 2008, at an annual rental of \$275,800, subject to escalations for taxes and utilities. RAM also leases a small office in Houston. RAM believes that its facilities are adequate for its current needs.

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Regulation

General. Various aspects of RAM's oil and gas operations are subject to extensive and continually changing regulation, as legislation affecting the oil and gas industry is under constant review for amendment or expansion. Numerous departments and agencies, both federal and state, are authorized by statute to issue, and have issued, rules and regulations binding upon the oil and gas industry and its individual members.

Regulation of Sales and Transportation of Natural Gas. The Federal Energy Regulatory Commission (the "FERC") regulates the transportation and sale for resale of natural gas in interstate commerce pursuant to the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978. In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at uncontrolled market prices, Congress could reenact price controls in the future. RAM's sales of natural gas are affected by the availability, terms and cost of transportation. The price and terms for access to pipeline transportation are subject to extensive regulation and proposed regulation designed to increase competition within the natural gas industry, to remove various barriers and practices that historically limited non-pipeline natural gas sellers, including producers, from effectively competing with interstate pipelines for sales to local distribution companies and large industrial and commercial customers and to establish the rates interstate pipelines may charge for their services. Similarly, the Oklahoma Corporation Commission and the Texas Railroad Commission have been reviewing changes to their regulations governing transportation and gathering services provided by intrastate pipelines and gatherers. While the changes being considered by these federal and state regulators would affect RAM only indirectly, they are intended to further enhance competition in natural gas markets. RAM cannot predict what further action the FERC or state regulators will take on these matters; however, RAM does not believe that any actions taken will have an effect materially different than the effect on other natural gas producers with which it competes.

Additional proposals and proceedings that might affect the natural gas industry are pending before Congress, the FERC, state commissions and the courts. The natural gas industry historically has been very heavily regulated; therefore, there is no assurance that the less stringent regulatory approach recently pursued by the FERC and Congress will continue.

Oil Price Controls and Transportation Rates. RAM's sales of crude oil, condensate and gas liquids are not currently regulated and are made at market prices. The price RAM receives from the sale of these products may be affected by the cost of transporting the products to market.

Environmental. RAM's oil and gas operations are subject to pervasive federal, state, and local laws and regulations concerning the protection and preservation of the environment (e.g., ambient air, and surface and subsurface soils and waters), human health, worker safety, natural resources, and wildlife. These laws and regulations affect virtually every aspect of RAM's oil and gas operations, including its exploration for, and production, storage, treatment, and transportation of, hydrocarbons and the disposal of wastes generated in connection with those activities. These laws and regulations increase its costs of planning, designing, drilling, installing, operating, and abandoning oil and gas wells and appurtenant properties, such as gathering systems, pipelines, and storage, treatment and salt water disposal facilities.

RAM has expended and will continue to expend significant financial and managerial resources to comply with applicable environmental laws and regulations, including permitting requirements. RAM's failure to comply with these laws and regulations can subject it to substantial civil and criminal penalties, claims for injury to persons and damage to properties and natural resources, and clean-up and other remedial obligations. Although RAM believes that the operation of its properties generally complies with applicable environmental laws and regulations, the risks of incurring substantial costs and liabilities are inherent in the operation of oil and natural gas wells and appurtenant properties. RAM could also be subject to liabilities related to the past operations conducted by others at properties now owned by RAM, without regard to any wrongful or negligent conduct by RAM.

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RAM cannot predict what effect future environmental legislation and regulation will have upon its oil and gas operations. The possible legislative reclassification of certain wastes generated in connection with oil and gas operations as hazardous wastes would have a significant impact on its operating costs, as well as the oil and

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gas industry in general. The cost of compliance with more stringent environmental laws and regulations, or the more vigorous administration and enforcement of those laws and regulations, could result in material expenditures by RAM to remove, acquire, modify, and install equipment, store and dispose of wastes, remediate facilities, employ additional personnel, and implement systems to ensure compliance with those laws and regulations. These accumulative expenditures could have a material adverse effect upon RAM's profitability and future capital expenditures.

Regulation of Oil and Gas Exploration and Production. RAM's exploration and production operations are subject to various types of regulation at the federal, state and local levels. Such regulations include requiring permits and drilling bonds for the drilling of wells, regulating the location of wells, the method of drilling and casing wells, and the surface use and restoration of properties upon which wells are drilled. Many states also have statutes or regulations addressing conservation matters, including provisions for the unitization or pooling of oil and gas properties, the establishment of maximum rates of production from oil and natural gas wells and the regulation of spacing, plugging and abandonment of such wells. Some state statutes limit the rate at which oil and gas can be produced from RAM's properties.

Legal Proceedings

From time to time, RAM is a party to litigation or other legal proceedings that RAM considers to be a part of the ordinary course of its business. Other than the pending lawsuit described below, RAM is not involved in any legal proceedings, nor is it a party to any pending or threatened claims, that could reasonably be expected to have a material adverse effect on its financial condition or results of operations.

In the pending lawsuit, RAM, together with certain of its subsidiaries and affiliates, are defendants in the litigation entitled *Sacket v. Great Plains Pipeline Company, et al.*, in the District Court of Woods County, Oklahoma (Case No. CJ-2002-70). This is a putative class action case filed by a landowner alleging that the royalty payments to landowners for oil and natural gas produced from wells connected to a RAM subsidiary's natural gas, oil and saltwater pipeline system in Woods, Alfalfa and Major Counties, Oklahoma, were calculated on a price that was lower than the price at which the production from the related wells was resold by the subsidiary. RAM sold its interests in the affected leases effective December 1, 2001. The plaintiff filed the lawsuit as a class action on behalf of himself and all other royalty owners under leases held by any of the defendants upon which wells were connected to the system. Plaintiff seeks unspecified damages for breach of contract, tortious breach of implied covenants and breach of fiduciary duty, together with an accounting, imposition of a constructive trust, a permanent injunction, punitive damages and recovery of litigation costs and fees. RAM believes that a fair and proper accounting was made to the royalty owners for production from the affected leases. RAM has filed a response contesting the existence of a class and denying the allegations made by the plaintiff. No substantive action has been taken in the case since it was filed in 2002 and no class has been certified. A hearing on class certification is scheduled for June 13, 2006. RAM is vigorously resisting any class certification. If no class is certified, then RAM does not expect any material liability as a result of the lawsuit. Whether or not a class is certified, RAM will strenuously defend against any substantive claims made in the litigation.

Employees

At December 31, 2005, RAM had 88 employees, 10 of whom were administrative, accounting or financial personnel and 78 of whom were technical and operations personnel. RAM's exploration staff includes two exploration geologists and two exploration landmen. In addition, RAM has project specific consulting relationships with two geophysicists. RAM's future success will depend partially on its ability to attract, retain and motivate qualified personnel. RAM is not a party to any collective bargaining agreement and it has not experienced any strikes or work stoppages. RAM considers its relations with its employees to be satisfactory.

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**RAM'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information contained in this section has been derived from our consolidated financial statements and should be read together with our consolidated financial statements and related notes included elsewhere in this proxy statement. This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, and is subject to the safe harbor created by those sections. Some of the forward-looking statements can be identified by the use of forward-looking terms such as believes, expects, may, will, should, could, seek, intends, plans, estimates, anticipates terms. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. We urge you to consider the risks and uncertainties discussed in *Risk Factors* in evaluating RAM's forward-looking statements. RAM has no plans to update its forward-looking statements to reflect events or circumstances after the date of this proxy statement. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

General

RAM is an independent oil and natural gas company engaged in the acquisition, exploration and development of oil and natural gas properties and the production of oil and natural gas. RAM's oil and natural gas properties are located primarily in Texas, Louisiana and Oklahoma.

Historically, RAM has added reserves mainly through acquisitions of producing properties and the further development and exploitation of these properties. RAM intends to continue pursuing attractive oil and natural gas acquisitions, as well as development activities and exploratory drilling opportunities. Any future acquisitions or major development will require additional financing which will be dependent upon financing arrangements, if any, available at the time.

On December 17, 2004, RAM acquired WG Energy Holdings, Inc., a Delaware corporation, or WG Energy (the WG Acquisition). Immediately following the acquisition, the name of WG Energy was changed to RWG Energy, Inc., or RWG. The final adjusted purchase price for WG Energy was \$82.6 million, including the assumption and payment of WG Energy's long-term debt of \$24.5 million and the settlement of all outstanding hedges against WG Energy's projected future production of \$14.4 million. Of the remaining \$43.6 million, RAM paid \$32.6 million in cash at closing and deposited \$11.0 million in two separate escrow accounts to provide funds against which RAM may make claims for any subsequently determined breach by WG Energy of representations and warranties in the merger agreement and for potential losses that may arise in connection with certain existing litigation against WG Energy. The escrow accounts closed in the fourth quarter of 2005, resulting in distributions of approximately \$270,000 to RAM. RAM financed the WG Acquisition with funds provided by a \$90.0 million senior secured credit facility provided by Wells Fargo Foothill, Inc.

On April 29, 2004, RAM completed the sale of all of the outstanding capital stock of its wholly owned subsidiary, RB Operating Company, or RBOC, for \$22.5 million, subject to customary closing adjustments. The assets of RBOC consisted of oil and gas properties located in New Mexico, cash, accounts receivable and certain liabilities. Based on a January 1, 2004, reserve report prepared by Forrest A. Garb & Associates, Inc., the properties of RBOC included 2.2 MBoe of estimated proved reserves having PV-10 Value of \$22.1 million. At the closing, RAM received net proceeds of \$21.8 million, and used approximately \$17.9 million of these proceeds to reduce the balance of its existing secured credit facility with Wells Fargo Foothill, Inc. to zero.

Critical Accounting Policies

The preparation of RAM's financial statements in conformity with generally accepted accounting principles requires its management to make estimates and assumptions that affect RAM's reported assets, liabilities and

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contingencies as of the date of the financial statements and RAM's reported revenues and expenses during the related reporting period. RAM's actual results could differ from those estimates.

RAM uses the full cost method of accounting for its investment in oil and natural gas properties. Under the full cost method of accounting, all costs of acquisition, exploration and development of oil and natural gas reserves are capitalized into a full cost pool as incurred, and costs included in the pool are amortized and charged to operations using the future recoverable units of production method based on the ratio of current production to total proved reserves, computed based on current prices and costs. Significant downward revisions of quantity estimates or declines in oil and natural gas prices that are not offset by other factors could result in a write-down for impairment of the carrying value of RAM's oil and natural gas properties. Once incurred, a write-down of oil and gas properties is not reversible at a later date, even if quantity estimates or oil or natural gas prices subsequently increase.

Results of Operations**Year Ended December 31, 2005 Compared to Year Ended December 31, 2004**

Revenues and Other Operating Income. Revenues and other operating income increased by \$26.0 million, or 87%, for the year ended December 31, 2005, compared to the year ended December 31, 2004. The following table summarizes RAM's oil and natural gas production volumes, average sales prices and period to period comparisons, including the effect on its oil and natural gas sales, for the periods indicated:

	Year Ended December 31,		Increase (Decrease)
	2004	2005	
(in thousands, except per unit amounts)			
Oil and natural gas sales:			
RAM	\$ 16,540	\$ 16,486	(0.3)%
RWG (WG Acquisition)	1,435	49,757	3,367.4%
Total	\$ 17,975	\$ 66,243	268.5%
Production volumes:			
Oil (Mbls)			
RAM	151	95	(36.9)%
RWG (WG Acquisition)	27	692	2,473.8%
Total Oil (Mbls)	178	787	343.0%
NGL (Mbls):			
RAM	7	7	8.3%
RWG (WG Acquisition)	5	163	2,719.9%
Total NGL (Mbls)	12	170	1,270.9%
Natural gas (MMcf):			
RAM	1,901	1,666	(12.4)%

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RWG (WG Acquisition)	27	1,015	3,607.3%
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Total natural gas (MMcf)	1,928	2,681	39.0%
Average sale prices:			
Oil (per Bbl)	\$ 37.63	\$ 53.75	43.0%
NGL (per Bbl)	\$ 26.41	\$ 36.33	37.6%
Natural gas (per Mcf)	\$ 5.69	\$ 6.61	16.3%

Oil and Natural Gas Sales. RAM's oil and natural gas revenues were higher for the year ended December 31, 2005, as compared to the year ended December 31, 2004, with a 175% increase in production due, primarily, to the properties included in the WG Acquisition and a 34% increase in realized prices, both on a Boe basis.

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RAM's average daily production was 3.8 MBoe in the year ended December 31, 2005, compared to 1.4 MBoe for the year ended December 31, 2004, an increase of 175%. For the year ended December 31, 2005, RAM's oil production increased by 343%, its NGL production increased 1,271% and its natural gas production increased 39% compared to the year ended December 31, 2004. RAM's average realized sales price for oil was \$53.75 per barrel for the year ended December 31, 2005, an increase of 43% compared to \$37.63 per barrel for the year ended December 31, 2004. RAM's average realized NGL price for the year ended December 31, 2005, was \$36.33 per barrel, a 38% increase compared to \$26.41 per barrel for the year ended December 31, 2004. RAM's average realized natural gas price was \$6.61 per Mcf for the year ended December 31, 2005, an increase of 16% compared to \$5.69 per Mcf for the year ended December 31, 2004.

Decreases in production shown above excluding effects of the WG Acquisition are due primarily to the following volumes and values of its former wholly owned subsidiary, RB Operating Company, or RBOC, included through the end of April, 2004:

	Year Ended December 31, 2004
Oil and natural gas sales (in thousands)	\$ 2,302
Production volumes:	
Oil (Mbls)	47
Natural gas (MMcf)	410
Average sale prices:	
Oil (per Bbl)	\$ 32.64
Natural gas (per Mcf)	\$ 5.68

Gain On Sale of Subsidiary. On April 29, 2004, RAM completed the sale of all of the outstanding capital stock of RBOC, for gross proceeds of \$23.0 million. After adjustments for closing costs, RAM reported a gain of \$12.1 million. The assets of RBOC at the time of the sale consisted entirely of oil and natural gas properties located in New Mexico, together with cash, accounts receivable and certain liabilities.

Other Revenues and Operating Income. Other revenues and operating income for the year ended December 31, 2005 increased \$513,000, or 152%, over the year ended December 31, 2004 due, primarily, to an increase in consulting service fees of approximately \$200,000 sales of oilfield supplies of approximately \$100,000, and numerous other insignificant balances.

Realized and Unrealized Loss from Derivatives. For the year ended December 31, 2005, RAM's loss from derivatives was \$11.7 million, compared to a loss of \$793,000 for the year ended December 31, 2004. RAM's losses during these periods were the net result of recording unrealized mark-to-market values of its contracts, the premium costs paid for various derivative contracts, and actual contract settlements. For a further discussion of RAM's realized and unrealized loss from derivatives, please see [Commodity Price Risk](#) on page 105.

	Year ended December 31,	
	2004	2005
Contract settlements	\$ (690)	\$ (3,902)
Premium costs	(180)	(1,491)
Realized losses	(870)	(5,393)
Mark-to-market gains (losses)	77	(6,302)

Realized and unrealized losses	\$ (793)	\$ (11,695)
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Oil and Natural Gas Production Taxes. RAM's oil and natural gas production taxes for the year ended December 31, 2005, were \$3.3 million, an increase of \$2.0 million, or 163%, from the \$1.3 million incurred for the year ended December 31, 2004. Of the increase in production taxes for the year ended December 31, 2005, \$2.3 was attributable to the WG Acquisition, while those of RAM decreased \$300,000. Production taxes are based on realized prices at the wellhead. As revenues from oil and natural gas sales increase or decrease,

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production taxes on these sales increase or decrease also. As a percentage of oil and natural gas sales, oil and natural gas production taxes were 5.0% for the year ended December 31, 2005, compared to 7.0% for the year ended December 31, 2004. The reason for this decrease in percentage is because, after the WG Acquisition, RAM's greatest revenue source is oil sales in Texas, which are taxed at a 4.6% rate.

Oil and Natural Gas Production Expense. RAM's oil and natural gas production expense was \$16.1 million for the year ended December 31, 2005, an increase of \$12.5 million, or 347%, from \$3.6 million for the year ended December 31, 2004. \$12.8 million of the increase for the year ended December 31, 2005 was due to the WG Acquisition, while RAM's oil and natural gas production expense decreased \$300,000. For the year ended December 31, 2005, RAM's oil and natural gas production expense was \$11.46 per Boe compared to \$7.04 per Boe for the year ended December 31, 2004, an increase of 63%. As a percentage of oil and natural gas sales, oil and natural gas production expense increased from 20% for the year ended December 31, 2004, to 24% for the year ended December 31, 2005. The reason for the increase in costs, both in absolute amount and on a per-barrel basis is that one of the major fields included in the WG Acquisition is a cost intensive, shallow water-flood unit. Fixed costs of the shallow water-flood unit, such as payroll, utilities, insurance, property and ad-valorem taxes, regulatory compliance, and maintenance account for approximately 85% of the total operating costs. Repairs account for the balance. Management of RAM expects that operating costs will remain at this level for the foreseeable future.

Amortization and Depreciation Expense. RAM's amortization and depreciation expense increased \$9.7 million, or 298%, for the year ended December 31, 2005, compared to the year ended December 31, 2004; the WG Acquisition accounted for \$9.7 million of this increase for the year ended December 31, 2005. On an equivalent basis, RAM's amortization of the full-cost pool of \$12.5 million was \$8.93 per Boe for the year ended December 31, 2005, an increase per Boe of 52% compared to \$3.0 million, or \$5.89 per Boe for the year ended December 31, 2004.

Accretion Expense. SFAS No. 143, *Accounting for Asset Retirement Obligations*, includes, among other things, the reporting of the fair value of asset retirement obligations. Accretion expense is a function of changes in fair value from period-to-period, and RAM recorded \$510,000 for the year ended December 31, 2005, compared to \$78,000 for the year ended December 31, 2004. \$409,000 of the increase for the year ended December 31, 2005 was due to the higher amount of the asset retirement obligation attributable to the WG Acquisition.

General & Administrative Expense. For the year ended December 31, 2005, RAM's general and administrative expense was \$8.6 million and increased \$2.0 million, or 30%, as compared with the \$6.6 million reported for the year ended December 31, 2004. This increase was due primarily to the increased costs of accounting services, higher benefits, salaries, travel, and legal fees during the 2005 period.

Interest Expense. RAM's interest expense increased by \$7.5 million to \$12.6 million for the year ended December 31, 2005, compared to \$5.1 million for the year ended December 31, 2004. This increase was attributable to higher outstanding balances, primarily to fund the WG Acquisition, and higher interest rates during the 2005 period.

Income Taxes. For the year ended December 31, 2005, RAM recorded income tax expense of \$0.8 million, an effective tax rate of 60%, on pre-tax income of \$1.3 million. The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The significant differences between pre-tax book income and taxable book income relate to non-deductible expenses, such as unrealized losses from derivatives.

For the year ended December 31, 2004, RAM recorded an income tax provision of \$3.7 million, based on an effective tax rate of 38%, on pre-tax income of \$9.8 million.

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Net Income (Loss). RAM's net income was \$543,000 for the year ended December 31, 2005, compared to net income of \$6.0 million for the year ended December 31, 2004. The decrease in RAM's net income for 2005

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compared to 2004 was primarily attributable to realized losses from derivatives, increases in oil and natural gas production expenses and taxes, amortization and depreciation expenses, interest expense and general and administrative expenses.

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Revenue and Other Operating Income. RAM's operating revenues increased by \$9.6 million, or 48%, for the year ended December 31, 2004, compared to the year earlier period.

The following table summarizes RAM's oil and natural gas production, average sales prices and period to period comparisons, including the effect on RAM's operating revenues, for the periods indicated:

	Year Ended December 31,		% Increase (Decrease)
	2003	2004	
Oil and natural gas sales (in thousands)	\$ 20,053	\$ 17,975	(10.4)%
Production volumes:			
Oil (MBbls)	277	178	(35.8)%
Natural gas liquids (MBbls)	5	12	161.6%
Natural gas (MMcf)	2,334	1,928	(17.4)%
Average net sales prices:			
Oil (per Bbl)	\$ 29.47	\$ 37.63	27.7%
Natural gas liquids (per Bbl)	\$ 16.94	\$ 26.41	55.9%
Natural gas (per Mcf)	\$ 5.06	\$ 5.69	12.4%

Oil and Natural Gas and Oil Sales. RAM's oil and natural gas sales revenues were lower in 2004 compared to 2003 with a 20% decrease in production due, primarily, to the sale of its subsidiary, RBOC, on April 29, 2004, partially offset by a 12% increase in realized prices, both on a Boe basis. RAM's average daily production was 1,473 Boe in 2004 compared to 1,838 Boe during 2003, a decrease of 20%. For 2004, RAM's natural gas production decreased by 11% and oil production decreased 36% compared to 2003. The average sale price realized by RAM for oil for 2004 was \$37.63 per barrel, a 28% increase from the \$29.47 received for 2003, and for natural gas was \$5.69 per Mcf for 2004, compared to \$5.06 per Mcf for 2003, an increase of 4%.

Gain On Sale of Subsidiary. On April 29, 2004, RAM completed the sale of all of the outstanding capital stock of its wholly-owned subsidiary, RBOC, for gross proceeds of \$23.0 million. After adjustments for closing costs, RAM reported a gain of \$12.1 million. The assets of RBOC Operating Company at the time of the sale consisted of oil and gas properties located in New Mexico, cash, accounts receivable and certain liabilities.

Realized and Unrealized Loss from Derivatives. For 2004, RAM's loss from derivatives was \$793,000. For 2003, RAM recorded a loss from derivatives of \$203,000. These losses were the net result of contract settlements, premium costs of various derivative contracts, and by mark-to-market values of those contracts at year-end (in thousands).

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	<u>2003</u>	<u>2004</u>
Contract settlements	\$	\$ (690)
Premium costs	(328)	(180)
Realized losses	(328)	(870)
Mark-to-market losses	125	77
Realized and unrealized losses	<u>\$ (203)</u>	<u>\$ (793)</u>

Oil and Natural Gas Production Taxes. RAM's oil and natural gas production taxes for 2004 were \$1.3 million, a decrease of \$145,000, or 10%, from \$1.4 million for 2003. As a percentage of wellhead prices received, these production taxes were 7% for both 2004 and 2003.

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Oil and Natural Gas Production Expense. RAM's oil and natural gas production expense for 2004 was \$3.6 million, an increase of \$73,000, or 2%, from \$3.5 million for 2003. RAM's oil and natural gas production expense was 20% of sales of oil and natural gas, or \$6.70 per Boe for 2004, compared to 18%, or \$5.26 per Boe for 2003. This increase was due primarily to \$568,000 attributable to RWG production expense in the 2004 period, offset by a decrease caused by the sale of RBOC.

Accretion Expense. RAM adopted SFAS No. 143, Accounting for Asset Retirement Obligations, during the first quarter of 2003. One aspect of SFAS No. 143, Accounting for Asset Retirement Obligations, is the reporting of the fair value of asset retirement obligations. Accretion expense is a function of changes in fair value from period-to-period. RAM recorded \$78,000 of accretion expense for 2004, compared to \$48,000 recorded for 2003.

Amortization and Depreciation Expense. RAM's amortization and depreciation expense for 2004 was \$3.3 million, a decrease of \$825,000, or 20%, compared to \$4.1 million for 2003. This decrease was due primarily to lower production during 2004. On a Boe basis, the amortization of RAM's full-cost pool was \$5.89 per Boe for 2004, an increase of 4% compared to \$5.64 per Boe for 2003.

General & Administrative Expense. RAM's general and administrative expense for 2004 was \$6.6 million, an increase of \$270,000, or 4% over its general and administrative expense of \$6.3 million recorded for 2003. The increase was due primarily to increased salaries and benefits to employees, excluding officers, during 2004.

Interest Expense. RAM's interest expense increased by \$158,000 to \$5.1 million for 2004 compared to \$4.9 million for 2003. This increase for 2004 was attributable to higher average interest rates during 2004, the write-off of deferred loan costs of \$309,000, and the allocation in 2003 of \$609,000 to discontinued operations.

Income Taxes. RAM's overall effective tax rate for 2004 and 2003 was 38% and (87%), respectively.

Loss from Discontinued Operations. On July 31, 2003, RAM sold its 145-mile natural oil and gas pipeline system located in the Anadarko Shelf area in Oklahoma to Continental Gas, Inc., or CGI, for \$15.0 million, effective August 1, 2003, subject to certain adjustments. The sale price was reduced by \$3.0 million in consideration of the settlement and mutual release by RAM's subsidiary, Great Plains Pipeline Company, or GPPC, and by CGI of all claims that were or could have been asserted by CGI and GPPC in a lawsuit filed by CGI in September 2003, relating to disputes arising under a gas service contract between the parties. RAM received net sale proceeds of \$11.8 million after all adjustments and less expenses relating to the sale. RAM's pipeline activities are reported as discontinued operations for all periods presented in the accompanying financial statements and operating results of the pipeline are reflected separately from the results of continuing operations.

The results of RAM's discontinued operations for the year ended December 31, 2003 are as follows (in thousands):

Pipeline system revenue	\$ 14,500
Pipeline system costs and expenses	
Purchases	12,066
Operating costs	598
Depreciation	388
Impairment	2,562

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Interest	609
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Total system costs and expenses	16,223
Loss from discontinued operations	(1,723)
Income tax benefit	(655)
<hr/>	
Loss from discontinued operations	\$ (1,068)
<hr/>	

Net Income. RAM recorded net income of \$6.1 million for 2004 compared to a net loss of \$2.0 million for 2003, due primarily to the sale of RBOC.

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Operating Revenues. RAM's operating revenues increased by \$9.9 million, or 97% for the year ended December 31, 2003 compared to 2002. This increase was due both to increased production and higher prices for natural gas and crude oil.

Oil and Natural Gas Sales. The following table summarizes RAM's oil and natural gas production volumes, average sales prices and period to period comparisons, including the effect on its oil and gas operating revenues, for the periods indicated:

	Year ended December 31,		% Increase (Decrease)
	2002	2003	
Oil and natural gas sales: (\$ in thousands)	\$ 10,166	\$ 20,053	97.3%
Production volumes:			
Oil (MBbls)	202	277	36.9%
Natural gas liquids (MBbl)	3	5	49.9%
Natural gas (MMcf)	1,760	2,334	32.6%
Average sale prices:			
Oil (per Bbl)	\$ 24.79	\$ 29.47	18.9%
Natural gas liquids (per Bbl)	\$ 3.32	\$ 16.94	410.6%
Natural gas (per Mcf)	\$ 2.92	\$ 5.06	73.3%

RAM's oil and natural gas sales revenues were higher in 2003 compared to 2002, with a 35% increase in production due, primarily, to recompletions of existing wells and a 47% increase in realized prices, both on a Boe basis. RAM's average daily production was 1,838 Boe in 2003 compared to 1,367 Boe in 2002. For 2003, RAM's natural gas production increased by 33% and its oil production increased 37% compared to 2002. The average sales price realized by RAM for oil in 2003 was \$29.47 per Bbl, a 19% increase compared to \$24.79 per Bbl for 2002, and for natural gas was \$5.06 per Mcf for 2003, an increase of 73% compared to \$2.92 per Mcf for 2002.

Realized and Unrealized Gains (Losses) on Derivatives. For 2003, RAM's loss from derivatives was \$203,000. For 2002, RAM recorded a loss from derivatives of \$146,000. These losses were the net result of contract settlements, premium costs of various derivative contracts, and by mark-to-market values of those contracts at year-end.

	2002	2003
Contract settlements	\$	\$
Premium costs	(208)	(328)
Realized losses	(208)	(328)
Mark-to-market losses	62	125
Realized and unrealized losses	\$ (146)	\$ (203)

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Oil and Natural Gas Production Taxes. RAM's oil and natural gas production taxes increased by \$0.4 million, or 35%, for the year ended December 31, 2003, compared to the same period in 2002. RAM's oil and natural gas production tax expense was \$2.10 per Boe for 2003, a less than 1% decrease from \$2.09 per Boe compared to 2002.

Oil and Natural Gas Production Expense. RAM's oil and natural gas production expense increased by \$0.5 million, or 17%, for the year ended December 31, 2003, compared to the same period in 2002. RAM's oil and natural gas production expense was \$5.26 per Boe for 2003, a 13% decrease from \$6.06 per Boe for 2002, due to decreased costs to maintain production.

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Amortization and Depreciation Expense. RAM's amortization and depreciation expense increased by \$1.2 million, or 39% for 2003 compared to 2002. Amortization of the full-cost pool per Boe was \$5.64 for 2003, an increase of \$0.17, or 3%, compared to \$5.48 for 2002.

Accretion Expense. RAM adopted SFAS No. 143, Accounting for Asset Retirement Obligations, during the first quarter of 2003. One of the aspects of this standard is the reporting of the fair value of asset retirement obligations. Accretion expense is a function of changes in fair value from year-to-year, and RAM recorded \$48,000 for the year of 2003.

General and Administrative Expense. RAM's general and administrative expense increased to \$6.3 million, an increase of \$0.5 million, or 8% in 2003 compared with \$5.9 million in 2002. Increases in salaries and benefits, expense reimbursements to officer/shareholders, and legal fees, partially offset by a decrease in litigation settlement amounts, caused the increase in the period-to-period comparison.

Interest Expense. RAM's interest expense decreased \$4.3 million, or 47%, to \$4.9 million in 2003 compared to \$9.2 million in 2002. This was due to less outstanding debt during 2003 compared to 2002 as a result of the sale at mid-year of the pipeline operations discussed under the caption *Loss From Discontinued Operations* and the repurchase by RAM of its 1/2% senior notes during the fourth quarter of 2002. Net proceeds of approximately \$12.0 million from the sale of RAM's pipeline operations were used to reduce the outstanding balance of its credit facility.

Gain from Early Extinguishment of Debt. In November 2002 RAM repurchased \$63.5 million principal amount of its 11 1/2% senior notes due 2008, plus accrued interest, for \$30.0 million. After adjustments for proportionate offering costs, the resulting gain was \$32.9 million.

Loss from Discontinued Operations. Effective August 1, 2003, RAM sold its 145-mile oil and natural gas pipeline system located in the Anadarko Shelf area in Oklahoma to Continental Gas, Inc., or CGI, for \$15.0 million, subject to certain adjustments. The sale price was reduced by \$3.0 million in settlement of all claims that were or could have been asserted by CGI or RAM in a lawsuit filed by CGI in September 2003, relating to disputes arising under a gas service contract between the parties. RAM received net sale proceeds of \$11.8 million, after all adjustments and less expenses relating to the sale, and used the net proceeds to reduce the outstanding balance of its credit facility.

RAM's pipeline activities are reported as discontinued operations for all periods presented in the accompanying financial statements and operating results of the pipeline are reflected separately from the results of continuing operations.

Results of discontinued operations for the years ended December 31, 2003 and 2002 are as follows (in thousands):

	<u>Year ended December 31,</u>	
	<u>2003</u>	<u>2002</u>
Pipeline system revenue	\$ 14,500	\$ 14,409
Pipeline system costs and expenses		
Purchases	12,066	11,929

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Operating costs	598	928
Depreciation	388	1,999
Impairment	2,562	12,700
Litigation		3,450
Interest	609	1,419
	<u> </u>	<u> </u>
Total system costs and expenses	16,223	32,425
Loss from discontinued operations	(1,723)	(18,016)
Income tax benefit	(655)	(6,846)
	<u> </u>	<u> </u>
Loss from discontinued operations	\$ (1,068)	\$ (11,170)
	<u> </u>	<u> </u>

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Income Taxes. RAM's overall effective tax rate was approximately 38% in 2002 and (87%) in 2003.

Cumulative Effect of a Change in Accounting Principle. RAM adopted SFAS No. 143, Accounting for Asset Retirement Obligations, during the first quarter of 2003. This resulted in a non-cash loss of \$0.4 million, net of tax effects, as a result of the cumulative effect of a change in accounting principle.

Net Income (Loss). Due to the factors described above, RAM's net income decreased by \$4.1 million, from net income of \$2.1 million in 2002 to a net loss of \$2.0 million in 2003.

Liquidity and Capital Resources

As of December 31, 2005, RAM had cash and cash equivalents of \$0.07 million and \$3.4 million available under its revolving credit facility with Wells Fargo Foothill, Inc. (Foothill) discussed below.

As of December 31, 2005, RAM had \$112.8 million of indebtedness outstanding evidenced by \$28.3 million (\$28.4 million excluding the original issue discount) of its 11.5% senior notes due 2008, \$83.9 million outstanding under its credit facility and \$0.6 million in other indebtedness.

Historically, RAM has funded its business activities primarily with operating cash flow and reserve-based bank borrowings. From time to time RAM has engaged in discussions relating to potential acquisitions of oil and natural gas properties or companies engaged in the oil and natural gas business. Any future acquisitions may require that RAM obtain additional financing that will depend upon financing arrangements, if any, available at the time.

Credit Facility. In November 2002, RAM obtained a \$30.0 million, senior secured, revolving credit facility from Foothill. In November 2002, RAM used advances under the credit facility to purchase \$63.5 million principal amount of its outstanding senior notes due 2008. During July 2003, RAM applied the \$11.8 million net proceeds from the sale of its GPPC pipeline system to pay down the outstanding balance under the credit facility. In April 2004 RAM sold RBOC, and used approximately \$17.9 million of these proceeds to reduce the outstanding balance of the credit facility to zero. The credit facility remained in place with a borrowing base, calculated solely with reference to the then remaining oil and gas reserves, approximating the \$30.0 million maximum facility amount.

In December 2004, RAM acquired WG Energy and changed its name to RWG Energy, Inc., or RWG. RAM financed the WG Acquisition with a new \$90.0 million senior secured credit facility provided by Foothill. The facility was amended and restated in its entirety on May 24, 2005, to accommodate Ableco Finance LLC (Ableco) as a participating lender. The amended and restated facility subsequently was increased to \$100.0 million. The facility, as amended, included a \$30.0 million term loan, a \$60.0 million revolving credit facility, and a \$10.0 million special revolving credit facility dedicated exclusively to satisfying cash collateral requirements under RAM's hedging agreements. The \$60.0 million revolving credit facility reduced to \$57.5 million in October, 2005, and to \$55.0 million on December 31, 2005 and was scheduled to continue to reduce by \$2.5 million on the last day of each calendar quarter thereafter until the committed amount of the revolver was reduced to \$50.0 million. Borrowings under the \$60.0 million revolving credit facility bore interest at Foothill's base rate plus 2%, or LIBOR plus 4%, at RAM's option, but, in either case, not less than 6%. Advances under the term loan and under the special \$10.0 million revolving credit facility bore interest at the 10.5% or the base rate plus 5%, whichever was greater, or 9.5% or LIBOR plus 7%, whichever was greater, also at RAM's option.

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The remainder of the facility was scheduled to mature in December 2007.

On April 3, 2006, RAM entered into a Third Amended and Restated Loan Agreement with Guggenheim Corporate Funding, LLC, for itself and as Agent for a group of lenders. This new facility, which we refer to as the Guggenheim facility, amends, restates and replaces the Foothill/Ableco facility. As part of the transaction

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creating the Guggenheim facility, Foothill assigned the notes and liens under the Foothill facility to the Agent for the lenders under the Guggenheim facility. The Guggenheim facility includes a \$150.0 million revolving credit facility of which \$50.0 million is immediately available, and a \$150.0 million term loan facility of which \$90.0 million was advanced at closing. The remainder of the term loan facility may become available, subject to approval of each lender desiring to fund its proportionate share of the additional term loan advance, for certain of RAM's future needs, including acquisitions. The new revolving credit facility is scheduled to mature in four years, during which time amounts may be borrowed, repaid and reborrowed, subject to a borrowing base limitation to be determined by the lender. The term loan facility is scheduled to mature in five years, with permitted prepayments after the first year, subject to a prepayment premium in the second and third years of the term. Advances under the revolving credit facility will bear interest at LIBOR plus 2% per annum, while amounts outstanding under the term loan will bear interest at LIBOR plus 5.5% to 6.0% per annum. Obligations under the Guggenheim facility are secured by liens on substantially all of the assets of RAM (including its subsidiaries). The initial advance under the Guggenheim facility was used to refinance the Foothill/Ableco facility, to pay expenses associated with establishing the Guggenheim facility, and to fund a \$10.0 million redemption payment. Subsequent advances may be used to:

repurchase all of RAM's outstanding 11.5% senior notes due 2008 (\$28.4 million principal amount), and

for general working capital purposes.

The Guggenheim facility contains financial covenants requiring RAM to maintain certain ratios, including a current ratio, a ratio of earnings before interest, taxes, depreciation and amortization, or EBITDA, to interest expense, a ratio of total indebtedness to EBITDA, and a ratio of asset value to total indebtedness. In addition, the new credit facility contains other affirmative and negative covenants customary in lending transactions of this nature, including the maintenance by RAM of hedging contracts on not less than 50% nor more than 85% of RAM's projected oil and natural gas production from its properties on a rolling 24-month period; provided that the hedging requirements will be waived for any quarter in which RAM's leverage ratio is less than 2.0 to 1. Amounts advanced to RAM under the new credit facility prior to the closing of the merger will not cause RAM to exceed the total indebtedness limitation at closing as provided in the merger agreement.

Senior Notes. At December 31, 2005, RAM had outstanding \$28.3 million aggregate principal amount of its 11 1/2% senior notes due 2008 which mature in February 2008. The notes bear interest at an annual rate of 11 1/2%, payable semi-annually on each February 15 and August 15. Pursuant to a Second Supplemental Indenture executed in connection with RAM's repurchase of \$63.5 million principal amount of its senior notes in November 2002, substantially all of the restrictive covenants and certain events of default contained in the original indenture were eliminated.

Sale of Overriding Royalty Interests. During June 2005, RAM completed the sale (effective February 1, 2005) of small overriding royalty interests from producing shallow gas wells in the Boonsville Field located in Jack and Wise Counties, Texas and a carved-out 2% override in certain unproven Barnett Shale leases also located in these counties. RAM sold these interests to a royalty fund established for the benefit of RAM's officers and employees. The arms-length valuation was based on a \$5.50 per MMBtu price, adjusted for the percentage-of-proceeds contract under which the gas is sold, plus a nominal value for the non-producing aspect of the sale package. RAM received net sale proceeds of \$2.3 million, all of which was used to pay down its secured credit facility with Foothill.

Cash Flows from Operating Activities. RAM's cash flows from operating activities are comprised of three main items: net income (loss), adjustments to reconcile net income to cash provided (used) before changes in working capital, and changes in working capital. For the year ended December 31, 2005, RAM's net income was \$543,000, as compared with net income of \$6.1 million for the year ended December 31, 2004. Net income for the 2004 period resulted primarily from gain recognized on the sale of RBOC. Adjustments (primarily non-cash items such as depreciation and amortization, unrealized loss on derivatives, gain on the sale of RBOC, and

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deferred income taxes) were \$21.8 million for the year ended December 31, 2005 compared to a negative adjustment of \$11.1 million for the year ended December 31, 2004, an increase of \$32.9 million. Working capital changes for the year ended December 31, 2005 were a negative \$4.0 million compared with a positive of \$6.9 million for the year ended December 31, 2004. For the year ended December 31, 2005, in total, net cash provided by operating activities was \$18.4 million compared to \$1.8 million of net cash provided by operations for the year ended December 31, 2004.

Cash Flow from Investing Activities. For the year ended December 31, 2005, net cash used by RAM's investing activities was \$12.6 million, consisting of \$13.5 million in payments for oil and gas properties and other property and equipment additions, offset partially by \$2.5 million in proceeds from the sale of oil and gas properties. This compares with net cash provided by RAM's investing activities for the year ended December 31, 2004, of \$64.9 million, consisting of \$21.8 million in proceeds from the sale of RBOC, and \$1.7 million in proceeds from short-term investments, offset by \$88.7 million in net payment for property additions and the WG acquisition.

Cash Flow from Financing Activities. For the year ended December 31, 2005, net cash used by RAM's financing activities was \$6.9 million, compared to \$62.1 million provided during the year ended December 31, 2004. The cash used in 2005 included \$5.5 million in net debt reduction and \$1.4 million in dividends. Cash provided in 2004 was primarily debt incurred for the WG acquisition.

Capital Commitments

During the year ended December 31, 2004, RAM made an \$82.6 million acquisition and had capital expenditures of \$5.9 million. RAM's capital expenditures for 2005 were \$15.0 million, excluding the sale of producing properties, the majority of which was allocated to drilling new wells at proved undeveloped locations and re-completing existing wells. RAM has budgeted \$15.4 million for similar capital expenditures for the year 2006. However, the amount and timing of capital expenditures may vary depending on the rate at which RAM expands and develops its oil and natural gas properties. RAM may require additional financing for future acquisitions and to refinance its debt before or at its final maturities.

Although RAM cannot provide any assurance, assuming successful implementation of its strategy, including the future development of its proved reserves and realization of its cash flows as anticipated, management of RAM believes that borrowings available under RAM's credit facilities, the balance of its unrestricted cash and cash flows from operations will be sufficient to satisfy its budgeted capital expenditures, working capital and debt service obligations for the foreseeable future. The actual amount and timing of RAM's future capital requirements may differ materially from its estimates as a result of, among other things, changes in product pricing and regulatory, technological and competitive developments. Sources of additional financing available to RAM may include commercial bank borrowings, vendor financing and the sale of equity or debt securities. Management of RAM cannot provide any assurance that any such financing will be available on acceptable terms or at all.

The table below sets forth RAM's contractual cash obligations as of December 31, 2005, which are obligations during the following years:

	<u>2006</u>	<u>2007-2008</u>	<u>2009-10</u>	<u>and after</u>
	(in thousands)			
Contractual Cash Obligations				
Long-term debt	\$ 4,500	\$ 108,500	\$	\$
Operating leases	325	469		

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Capital leases

Purchase obligations

Total contractual cash obligations

\$ 4,825

\$ 108,969

\$

\$

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The carrying amounts reported in RAM's balance sheets for cash and cash equivalents, trade receivables and payables, installment notes and variable rate long-term debt approximate their fair values. Based on management estimates, the fair value of RAM's senior notes exceeded their carrying value at December 31, 2005 by approximately \$1.1 million. The carrying value of the senior notes exceeded their fair value by \$1.4 million at December 31, 2004, and by approximately \$7.1 million at December 31, 2003, in each case based on management estimates.

Interest Rate Risk

RAM is exposed to changes in interest rates. Changes in interest rates affect the interest earned on its cash and cash equivalents and the interest rate paid on its borrowings, other than its senior notes. Though available under RAM's credit facility, RAM has not used interest rate derivative instruments to manage its exposure to interest rate changes. For the year ended December 31, 2004, a 100 basis point (1%) increase in the interest rate on RAM's senior credit facility would have resulted in a \$116,000 increase in RAM's annual interest expense. For the year ended December 31, 2005, a 100 basis point (1%) increase in the interest rate on RAM's senior credit facility would have resulted in a \$952,000 increase in RAM's interest expense for such period.

Commodity Price Risk

RAM's revenues, profitability and future growth depend substantially on prevailing prices for oil and natural gas. Prices also affect the amount of cash flow available for capital expenditures and RAM's ability to borrow and raise additional capital. Lower prices may also reduce the amount of oil and natural gas that it can economically produce. RAM currently sells most of its oil and natural gas production under price sensitive or market price contracts.

To reduce exposure to fluctuations in oil and natural gas prices and to achieve more predictable cash flow, RAM periodically utilizes various hedging strategies to manage the price received for a portion of its future oil and natural gas production. RAM has not established hedges in excess of its expected production. These strategies customarily involve the purchase of put options to provide a price floor for its production, put/call collars that establish both a floor and a ceiling price to provide price certainty within a fixed range, put/call/call collars that establish a secondary floor above the put/call collar ceiling, and forward sale contracts for specified monthly volumes at prices determined with reference to the natural gas futures market or swap arrangements that establish an index-related price above which RAM pays the hedging partner and below which RAM is paid by the hedging partner. These contracts allow RAM to predict with greater certainty the effective oil and natural gas prices to be received for its production and benefit RAM when market prices are less than the strike prices or fixed prices under its hedging contracts. However, RAM will not benefit from market prices that are higher than the strike or fixed prices in these contracts for its hedged production.

RAM's hedge positions at December 31, 2005 are shown in the following table:

Crude Oil (Bbls)		Natural Gas (Mmbtu)	
Floors	Ceilings	Floors	Ceilings

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<u>Collars</u>	<u>Per Day</u>	<u>Price</u>	<u>Per Day</u>	<u>Price</u>	<u>Per Day</u>	<u>Price</u>	<u>Per Day</u>	<u>Price</u>
2006	1,500	\$ 42.51	1,500	\$ 60.56	5,247	\$ 6.23	5,247	\$ 8.86
2007	1,000	\$ 35.00	1,000	\$ 69.74	5,000	\$ 7.00	5,000	\$ 11.95

Bare Floors

2006	250	\$ 40.00						
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Secondary Floors

2006	none	none			5,126	\$ 9.94		
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RAM's hedging contracts for oil continue through December 2007, and its contracts for natural gas continue through March 2007. Natural gas floors and ceilings are for January through March and natural gas secondary floors for 2006 are for January, and April through October. For the year ended December 31, 2005, RAM produced 2,157 Bbls of oil per day, 7,344 Mcf of gas per day and 467 Bbls of NGLs per day.

At December 31, 2005 RAM had collars in place on 547,500 barrels of crude oil through December, 2006 and 365,000 barrels of crude oil through December, 2007. The 2006 collars have a weighted average floor and ceiling of \$42.51 and \$60.56, respectively. The 2007 collars have a weighted average floor and ceiling of \$35.00 and \$69.74, respectively. RAM also has purchased put options on 91,250 barrels of crude oil through December, 2006 at a weighted average floor price of \$40.00. For natural gas, RAM had collars in place on 1,915,000 Mmbtu of natural gas through December, 2006 and 450,000 Mmbtu of natural gas through March, 2007. The 2006 collars have a weighted average floor and ceiling of \$6.23 and \$8.86, respectively. The 2007 collars have a weighted average floor and ceiling of \$7.00 and \$11.95. RAM also had purchased call options (secondary floors) on 1,256,000 Mmbtu of natural gas future for January, 2006 and April through October, 2006 at a weighted average floor price of \$9.94.

RAM frequently uses a hedging strategy known as a collar to provide a range of price certainty for a portion of its projected oil and natural gas production. In a typical collar, RAM purchases a put option for a stated volume of oil or natural gas production for a future month, that is, for example, the right to sell 1,000 Bbls of oil per day for such month at a specified price, called the strike price, which establishes a floor price for the stated volume for such month. Paired with that put option, RAM sells or writes a call option for the same volume and period at a strike price which establishes a ceiling price at the top end of the range, thereby creating a price collar for the stated volume of future production during the specified month. Because puts and calls are options determined with reference to futures prices of oil and natural gas, they are termed derivatives. RAM does not sell call options except in connection with a collar strategy. When at the end of any financial reporting period the futures price for oil or natural gas for a particular month for which RAM has sold a call option exceeds the strike price under the call option, generally accepted accounting principles require RAM to record as a loss the amount that would be required to be paid in cash by RAM on the last day of such reporting period to settle or terminate the call option contract. Of course, all of RAM's outstanding call options are not settled or terminated at the end of each financial reporting period but rather, in most instances, remain in place until the month specified in the call option contract. Since RAM does not hedge in excess of its projected production for the month specified in the call option contract, RAM will always be able to sell at market prices the volume of oil or natural gas covered by the call option. Therefore, while RAM is required, for all reporting periods up to the month specified in the call option contract, to record a loss with respect to each call option for which the futures price exceeds the call option strike price, when the specified month arrives RAM both settles the call option in cash and sells physical volumes of production equal to or greater than the call option volume at the market price then prevailing. By this procedure, RAM effectively locks-in a price for that volume of production specified in the call option approximately equal to the top end of the collar. The market price sales revenues for the production will be recorded as revenues from oil and gas sales on RAM's financial statements and any difference between the call option strike price and the current month futures price (that is, the option settlement cost) is recorded as a realized loss from derivatives. Accordingly, so long as RAM has sufficient volumes of production to cover call options at the top end of its collars, RAM cannot actually lose money on the volumes subject to its option hedging contracts; rather, RAM simply will not receive as much revenue from the sale of the production as it would have received if the option had not been in place. Therefore, even when option settlement costs are recorded as a realized loss at the end of a period in which a call option settles, amounts so recorded as losses are more in the nature of lost opportunity costs than actual losses.

RAM's statement of operations for the year ended December 31, 2005 reflects realized and unrealized losses from derivatives of \$11.7 million. Of this amount, \$3.9 million is attributable to realized losses on option contracts settled during the period plus \$1.5 million for contract premiums, and \$6.3 million is attributable to unrealized losses on option contracts that will not settle for months or years in the future. Even if RAM does not purchase any additional hedging derivatives, the unrealized loss amount for the existing options reflected on RAM's financial statements will change in each subsequent reporting period as commodity futures prices change.

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At the effective time of the merger, the board of directors and executive officers of Tremisis will be as follows:

Name	Age	Position
Larry E. Lee	57	Chairman, President and Chief Executive Officer
John M. Longmire	63	Senior Vice President and Chief Financial Officer
Larry G. Rampey	61	Senior Vice President
Drake N. Smiley	58	Senior Vice President
John L. Cox	55	Vice President, Secretary and Treasurer
Robert E. Phaneuf	59	Vice President Corporate Development
Sean P. Lane	47	Director
Gerald R. Marshall	71	Director
John M. Reardon	64	Director

Larry E. Lee is a founder and has served as RAM's president and, with the exception of the period from June 1992 to November 1997, when he served as chief operating officer, he has served as RAM's chief executive officer since September 1987. Mr. Lee became RAM's chairman of the board in October 2005. Mr. Lee has been active in the oil and gas industry since 1976. Mr. Lee worked for the private companies of Goldman Enterprises and Kerr Consolidated before developing the RAM companies in 1984. He served in the public sector as Budget Director for the city of Oklahoma City from 1971 to 1976, and was a member of the staff of Governor David Boren during 1976. Mr. Lee is a Wildcatter member of the Oklahoma Independent Petroleum Association and a member of the Independent Petroleum Association of America, having previously served as director. Mr. Lee is a member of the Board of Trustees, serves as Chairman of the Finance Committee, is a member of the Executive Committee, and is Chairman Elect of the Board of Trustees for the Philbrook Museum of Art. He is also a member of the Board of Directors and Vice Chairman of the Oklahoma Heritage Association, where he serves on the Executive and Finance Committees. Mr. Lee serves as a member of the Executive Board of the Indian Nations Council of the Boy Scouts of America. He is a lifetime member of World Presidents' Organization. Mr. Lee received his B.B.A. in finance from the University of Oklahoma.

John Longmire has been chief financial officer of RAM since August 1994 and a senior vice president since December 1997. Previously, Mr. Longmire was vice president of RAM from August 1994 until December 1997 and was controller of RAM from March 1990 until August 1994. Mr. Longmire has 30 years experience in various financial management positions in the oil and gas industry. Prior to joining RAM in 1990, Mr. Longmire held various positions with Texas International Company, Amarex, Inc. and Union Oil Company of California. Mr. Longmire is a Certified Public Accountant and received his B.S. in 1973 from California State University at Los Angeles.

Larry G. Rampey has been a senior vice president of RAM since February 1998, previously serving as vice president of operations since May 1989. Mr. Rampey has 30 years of experience in the management of both domestic and international oil and gas properties. From 1972 until May 1989, Mr. Rampey was employed by Reading & Bates Petroleum Co., holding positions of vice president of international operations and vice president of domestic operations. Mr. Rampey was employed by Amoco prior to joining Reading & Bates. Mr. Rampey is a member of the Society of Petroleum Engineers and the Oklahoma Independent Petroleum Association. Mr. Rampey received his B.S. in Industrial Engineering from Oklahoma State University.

Drake N. Smiley has been senior vice president of land and exploration for RAM since January 1998. Mr. Smiley served as vice president of land, legal and business development from February 1997 until December 1997. Previously, Mr. Smiley was employed by Reading & Bates, serving as manager of land. Before Reading & Bates, he was employed by Cities Service Company. In June of 1994, Mr. Smiley accepted the position of vice president, land with Continental Resources, Inc. in Enid, Oklahoma. Mr. Smiley has 28 years of experience in the petroleum

industry and is a member of the Oklahoma and Tulsa County Bar Associations, the Tulsa and

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American Associations of Petroleum Landmen and the Oklahoma Independent Petroleum Association. He is a Phi Beta Kappa graduate of the University of Missouri, where he also received his Juris Doctorate.

John L. Cox has been vice president of RAM since June 2005 and has been secretary and treasurer of RAM since November 2005. Prior to joining RAM's staff, Mr. Cox served as chief financial officer of Cannon Energy, Inc. from March 2003 until June 2005. Mr. Cox previously was controller for Mannix Oil and Gas, Inc. from February 2001 until March 2003 and controller/bankruptcy accountant for the bankruptcy trustee for Bristol Resources Corporation from 1997 to February 2001. Mr. Cox was also a vice president and chief financial officer for Latex Petroleum from 1994 to 1997, controller of Panada Exploration, Inc. from 1990 to 1994, and controller/manager of financial reporting for Reading & Bates Petroleum Co. from 1976 to 1989. Mr. Cox is a Certified Public Accountant and received a B.S. in Accounting from Oklahoma City University.

Robert E. Phaneuf joined RAM in March 2006 as Vice President - Corporate Development. From September 1995 until February 2006, Mr. Phaneuf was served as Vice President of Corporate Development at Vintage Petroleum Corporation. From 1994 until September 1995, he was employed in the corporate finance group at Arthur Andersen LLP. From 1972 to 1976, Mr. Phaneuf was an investment advisor with First International Investment Management Company. From 1976 to 1994, Mr. Phaneuf served as an energy analyst in the research department of several investment banking and brokerage firms, including Schneider, Bernet & Hickman from 1976 to 1978; as Vice President of Kidder, Peabody & Co. from 1978 to 1988; as Senior Vice President - Energy Research, Rauscher, Pierce, Refsnes, Inc. from 1988 to 1993; and as Senior Vice President - Head of Energy Research Group, Kemper Securities, from 1993 to 1994. From _____ to, _____ Mr. Phaneuf served as a member of the board of directors of the National Association of Petroleum Investment Analysts. Mr. Phaneuf received a B.A. in psychology and an MBA in Finance from the University of Texas at Austin.

Sean P. Lane has served as a director of Kinsale Advisors LLC since January 2003, providing business and risk management advisory services to companies and investors in the energy, environmental, and technology industries. From May 1999 until December 2002, Mr. Lane was an executive vice president, chief administrative officer, general counsel and director of beenz.com inc. a global internet currency business. Mr. Lane served as a managing director of Liberty Power Investments, LLC, an international electric power project development, finance and acquisition firm from December 1992 until May 1999. Mr. Lane has also served as an executive of Compania Boliviana de Energia Electrica, S.A., the leading Bolivian electric utility, as well as The Henley Group, Inc., Wheelabrator Technologies, Inc. and Catalyst Energy Corporation, all publicly traded firms with significant investments in the U.S. or international independent power and environmental industries. Mr. Lane received his J.D. from Georgetown University Law Center and a Bachelor's degree in Political Economy and History from Fordham University.

Gerald R. Marshall has been a director of RAM since December 1997. Mr. Marshall was vice chairman of the Midland Group of Oklahoma City, Oklahoma, which includes Midland Mortgage Co., MidFirst Bank, Midland Asset Management Co. and Home Shield Insurance Co., from October 1996 to March 2003 and served as a director of MidFirst Bank from 1993 until March 2003, and served as its chief credit officer from October 1996 until March 2001. From 1990 until 1995, Mr. Marshall was chairman, chief executive officer and principal owner of RAM Management Associates, an asset management contractor for the Resolution Trust Corporation. From 1989 until 1990, Mr. Marshall served as a special consultant to Worthen Banking Corporation of Arkansas. From 1987 until 1989, Mr. Marshall was interim chief executive officer of an insolvent savings and loan association in Little Rock, Arkansas, pending federal resolution. From September 1984 until November 1986, Mr. Marshall served as chairman of the board and chief executive officer of Bank of Oklahoma, Oklahoma City, N.A and from August 1981 to April 1984, Mr. Marshall served as president and chief executive officer of Goldman Enterprises, a privately owned, diversified group of companies. Prior to August 1981, Mr. Marshall served as chairman and chief executive officer of Capital Bank, N.A. of Houston, Texas and was a senior vice president of its then parent company, Mercantile Texas Corporation. Prior to 1981, Mr. Marshall served as

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president and director of The First National Bank and Trust Company of Oklahoma City; as executive vice president of First National Bank in Dallas, and as president of Liberty National Bank and Trust Company of Oklahoma City. Mr. Marshall received a B.S. in Finance and Accounting from the University of Oklahoma.

John M. Reardon has been market president of Union Bank of California, in Valencia, California, since November 2002. From August 1994 until November 2002, Mr. Reardon was president and chief executive officer of Valencia National Bank, Santa Clarita, California. From 1991 to August 1994, Mr. Reardon was executive vice president of Ramco Oil and Gas, Inc. and RAM Management Associates, Inc. Mr. Reardon was a senior vice president of Wells Fargo Bank, Los Angeles, California from 1987 to 1991. Previously, he served as chairman, president and chief executive officer of Southwestern Bank and Trust Company, Oklahoma City; executive vice president of The First National Bank and Trust Company of Oklahoma City, Oklahoma, and vice president of Liberty National Bank and Trust Company, Oklahoma City, Oklahoma. Mr. Reardon is currently president of the board of directors of the Santa Clarita Valley Boys & Girls Club Foundation. In 2000, Mr. Reardon was presented the Entrepreneur of the Year Award by Ernst & Young and he is a life member in the Entrepreneur of the Year Award Hall of Fame. Mr. Reardon has served as a director of Gene Autry Western Heritage Museum, Los Angeles, California; as a member and officer of several committees and sub-committees of the Housing and Real Estate Finance Committee of the American Bankers Association; and as a director of the Oklahoma Bankers Association. Mr. Reardon has served on the faculty of the University of Oklahoma School of Commercial Banking; Southwestern Graduate School of Banking, Southern Methodist University, Dallas, Texas; the Real Estate Finance School and the National Commercial Lending School of the American Bankers Association; the Secured Lending School of the Oklahoma Bankers Association. He served as Chairman of the Federal Government Relations Committee of the Oklahoma Bankers Association and as a member of the board of directors of the Chair of Banking, the College of Business of the University of Oklahoma. He has also served as an advisory director of Oklahoma State University and a member of the Oklahoma State Advisory Council of the United States Small Business Administration, and President. Mr. Reardon received a B.S. in business from Oklahoma State University and is a graduate of the Southwestern Graduate School of Banking, Southern Methodist University in Dallas, Texas.

Meetings and Committees of the Board of Directors of Tremisis

During the fiscal year ended December 31, 2005, Tremisis board of directors held five meetings. Although Tremisis does not have any formal policy regarding director attendance at annual stockholder meetings, Tremisis will attempt to schedule its annual meetings so that all of its directors can attend. Tremisis expects its directors to attend all board and committee meetings and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Independence of Directors

In anticipation of being listed on Nasdaq, Tremisis will adhere to the rules of Nasdaq in determining whether a director is independent. The board of directors of Tremisis also will consult with our counsel to ensure that the board's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The Nasdaq listing standards define an independent director generally as a person, other than an officer of a company, who does not have a relationship with the company that would interfere with the director's exercise of independent judgment. Consistent with these considerations, the board of directors of Tremisis has affirmatively determined that, upon appointment to the board of directors of Tremisis on the closing of the merger, Messrs. Lane, Marshall and Reardon will be the independent directors of Tremisis for the ensuing year. Mr. Lee is not independent.

Tremisis currently does not have a majority of independent directors and is not required to have one.

Audit Committee

Upon consummation of the merger, the board of directors of Tremisis will establish an audit committee with Messrs. Marshall, Lane and Reardon as its members, each an independent director under Nasdaq listing

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standards, with Mr. Marshall acting as chairman. The purpose of the audit committee will be to appoint, retain, set compensation of, and supervise our independent accountants, review the results and scope of the audit and other accounting related services and review our accounting practices and systems of internal accounting and disclosure controls.

Meetings and Attendance

Since the Tremisis audit committee will not be formed until the consummation of the merger, it did not meet in the year ended December 31, 2005.

Independent Auditors Fees

The firm of BDO Seidman, LLP is currently Tremisis principal accountant. UHY Mann Frankfort Stein & Lipp CPAs, LLP will serve as principal accountant after the merger.

Audit Fees

During the fiscal year ended December 31, 2005, the fees paid to Tremisis principal accountant totaled \$23,000 for the review of our Quarterly Reports on Form 10-QSB and the audit of the financial statements included in our December 31, 2005 Annual Report on Form 10-KSB.

During the period from February 5, 2004 (inception) through December 31, 2004, the fees paid to Tremisis principal accountant were \$39,000 in connection with our initial public offering (financial statements included in the Form S-1 and Current Report on Form 8-K filed with the Securities and Exchange Commission on May 18, 2004), the review of our June 30 and September 30 Quarterly Reports on Form 10-QSB and the audit of the financial statements included in our December 31, 2004 Annual Report on Form 10-KSB.

Audit-Related Fees

During the fiscal year ended December 31, 2005, the audit related fees charged by Tremisis principal accountant were \$23,966, all in connection with this proxy statement.

During 2004, Tremisis principal accountant did not render assurance and related services reasonably related to the performance of the audit or review of financial statements.

Tax Fees

During 2005, Tremisis principal accountant charged \$3,675 for tax compliance services. In 2004, the principal accountant did not render tax services.

All Other Fees

During 2004 and 2005, there were no fees billed for products and services provided by our principal accountant to Tremisis other than those set forth above.

Audit Committee Pre-Approval Policies and Procedures

Since the Tremisis audit committee will not be formed until the consummation of the merger, the audit committee did not pre-approve any accounting-related or tax services. However, the Tremisis board of directors has approved the services described above. In accordance with Section 10A(i) of the Securities Exchange Act of 1934, before Tremisis engages its independent accountant to render audit or permitted non-audit services, the engagement will be approved by the audit committee.

Audit Committee Report

Since the Tremisis audit committee will not be formed until the consummation of the merger, it has not yet met or prepared a committee report.

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Code of Ethics

In June 2004, Tremisis' board of directors adopted a code of ethics that applies to Tremisis' directors, officers and employees as well as those of its subsidiaries. A copy of our code of ethics was filed as Exhibit 14 to our Quarterly Report on Form 10-QSB for the quarterly period ended June 30, 2004.

Compensation Committee Information

Upon consummation of the merger, the board of directors of Tremisis will establish a compensation committee with Messrs. Marshall, Lane and Reardon as its members, each an independent director under Nasdaq listing requirements. The purpose of the compensation committee will be to review and approve compensation paid to our officers and to administer the company's incentive compensation plans, including authority to make and modify awards under such plans. Initially, the only plan will be the 2006 Long-Term Incentive Plan.

Nominating Committee Information

Upon consummation of the merger, Tremisis will form a nominating committee in connection with the consummation of the merger. The members will be Messrs. Marshall, Lane and Reardon, each an independent director under Nasdaq listing standards. The nominating committee will be responsible for overseeing the selection of persons to be nominated to serve on Tremisis' board of directors. The nominating committee will consider persons identified by its members, management, stockholders, investment bankers and others. During the period commencing with the closing of the merger and ending immediately after the 2008 annual meeting of the company, the nominees for Tremisis' board of directors will be determined pursuant to the terms of the voting agreement and approved by the nominating committee.

Tremisis does not have any restrictions on stockholder nominations under its certificate of incorporation or by-laws. The only restrictions are those applicable generally under Delaware corporate law and the federal proxy rules. Prior to the consummation of the merger agreement, Tremisis has not had a nominating committee or a formal means by which stockholders can nominate a director for election. Currently the entire board of directors decides on nominees, on the recommendation of one or more members of the board. None of the current members of the board of directors is independent. Currently, the board of directors will consider suggestions from individual stockholders, subject to evaluation of the person's merits. Stockholders may communicate nominee suggestions directly to any of the board members, accompanied by biographical details and a statement of support for the nominees. The suggested nominee must also provide a statement of consent to being considered for nomination. Although there are no formal criteria for nominees, the board of directors believes that persons should be actively engaged in business endeavors.

Election of Directors; Voting Agreement

As provided in the merger agreement, upon consummation of the merger, the board of the Tremisis will initially consist of four members. The RAM stockholders, on the one hand, and Lawrence S. Coben and Isaac Kier on the other hand, have entered into a voting agreement pursuant to which they have agreed to vote for the other's designees as directors of Tremisis until immediately following the election that will be held in 2008 as follows:

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in the class to stand for reelection in 2007 Larry E. Lee and Sean P. Lane;

in the class to stand for reelection in 2008 Gerald R. Marshall;

in the class to stand for reelection in 2009 John M. Reardon.

Pursuant to the merger agreement, the RAM stockholders shall designate three directors and Messrs. Coben and Kier shall designate one director. Messrs. Marshall, Lee and Reardon are all designees of RAM. Mr. Lane is a designee of Messrs. Coben and Kier. A copy of the voting agreement is attached as Annex D hereto. We encourage you to read the voting agreement in its entirety.

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Tremisis directors do not currently receive any cash compensation for their service as members of the board of directors. However, in the future, non-employee directors may receive certain cash fees and stock awards that the Tremisis board of directors may determine to pay.

Executive Compensation

No executive officer of Tremisis has received any cash or non-cash compensation for services rendered to Tremisis. Each executive officer has agreed not to take any compensation prior to the consummation of a business combination.

Commencing May 12, 2004 and ending upon the acquisition of a target business, Tremisis has and will continue to pay First Americas Management LLC, an affiliate of Isaac Kier, Tremisis Secretary and Treasurer, a fee of \$3,500 per month for providing Tremisis with office space and certain office and secretarial services. Other than this \$3,500 per-month fee, no compensation of any kind, including finders and consulting fees, have been or will be paid to any of Tremisis officers. However, Tremisis executive officers are reimbursed for any out-of-pocket expenses incurred in connection with activities on Tremisis behalf such as identifying potential target business and performing due diligence on suitable business combinations. As of December 31, 2005, an aggregate of \$70,000 has been reimbursed to them for such expenses.

Employment Agreement

In connection with the consummation of the merger agreement, Larry E. Lee will enter into an employment agreement with Tremisis. Under the terms of the employment agreement, Mr. Lee will serve as the president and chief executive officer of Tremisis for a term of three years. The employment agreement provides that Mr. Lee will receive an annual base salary of \$450,000. Mr. Lee also may be awarded a bonus for any fiscal year during the employment term, either pursuant to an incentive compensation plan maintained by Tremisis or as otherwise may be determined by Tremisis board of directors.

The employment agreement provides that, in the event of the termination of Mr. Lee's employment by Tremisis without Cause (as defined in the employment agreement) or by Mr. Lee for Good Reason (as defined in the employment agreement), Tremisis will pay him a lump sum equal to two times his base salary plus a prorated bonus. In addition, Tremisis shall continue benefits to him and/or his family equal to those which would have been provided to them in accordance with the plans, programs, practices and policies if his employment had not been terminated.

If Mr. Lee's employment is terminated by reason of his death or disability, Tremisis shall pay him a lump sum equal to his then current base salary for twelve months or such shorter period as may remain in the employment term, plus a prorated bonus.

The employment agreement contains certain restrictive covenants that prohibit Mr. Lee from disclosing information that is confidential to Tremisis and its subsidiaries and generally prohibits him, during the employment term and for one year thereafter, from soliciting or hiring the employees of Tremisis and its subsidiaries. The employment agreement does not contain any restrictive covenants that otherwise limit Mr. Lee's ability to compete with Tremisis and its subsidiaries following his employment with Tremisis. The form of employment agreement is annexed as Annex H hereto. We encourage you to read the employment agreement in its entirety.

Table of Contents**BENEFICIAL OWNERSHIP OF SECURITIES****Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information regarding the beneficial ownership of our common stock as of March 29, 2006 and after consummation of the merger by:

each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock either on March 29, 2006 or after the consummation of the merger;

each of our current executive officers and directors;

each person who will become director upon consummation of the merger;

all our current executive officers and directors as a group; and

all of our executive officers and directors as a group after the consummation of the merger.

This table assumes that no holder of shares of Tremisis common stock issued in its IPO converts such shares into cash.

Name and Address of Beneficial Owner ⁽¹⁾	Beneficial Ownership of Our Common Stock on March 29, 2006		Beneficial ownership of Our Common Stock After the Consummation of the Merger	
	Number of Shares	Percent of Class before Merger	Number of Shares	Percent of Class after Merger
Lawrence S. Coben	1,020,333 ⁽²⁾	13.3%	1,030,000 ⁽³⁾	3.1%
Issac Kier	195,334 ⁽⁴⁾	2.5%	635,001 ⁽⁵⁾	1.9%
David A. Preiser ⁽⁶⁾	91,666	1.2%	91,666	0.3%
Jon Schotz ⁽⁷⁾	103,666 ⁽⁸⁾	1.3%	263,662 ⁽⁹⁾	0.8%
Farallon Partners, L.L.C. ⁽¹⁰⁾	743,070 ⁽¹¹⁾	9.7%	743,070 ⁽¹¹⁾	2.2%
Amaranth LLC ⁽¹²⁾	739,175 ⁽¹³⁾	9.6%	739,175 ⁽¹³⁾	2.2%
Robert H. Setrakian ⁽¹⁴⁾	446,600 ⁽¹⁵⁾	5.8%	446,600 ⁽¹⁵⁾	1.3%
Sapling, LLC ⁽¹⁶⁾	393,100 ⁽¹⁷⁾	5.1%	393,100 ⁽¹⁷⁾	1.1%
Larry E. Lee ⁽¹⁸⁾	0	0%	12,526,592	38%
Britani Talley Bowman ⁽¹⁹⁾	0	0%	12,526,592 ⁽²⁰⁾	38%
John M. Longmire ⁽¹⁸⁾	0	0%	0	0%
Larry G. Rampey ⁽¹⁸⁾	0	0%	0	0%
Drake N. Smiley ⁽¹⁸⁾	0	0%	0	0%

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John L. Cox ⁽¹⁸⁾	0	0%	0	0%
Robert E. Phaneuf ⁽¹⁸⁾	0	0%	0	0%
Gerald R. Marshall ⁽¹⁸⁾	0	0%	0	0%
John M. Reardon ⁽¹⁸⁾	0	0%	0	0%
Sean P. Lane ⁽²¹⁾	0	0%	0	0%
All current Tremisis directors and executive officers as a group (4 individuals)	1,410,999 ⁽²²⁾	18.3%	2,019,999 ⁽²³⁾	6.0%
All post-merger directors and executive officers as a group (8 individuals)	0	0%	12,526,592	38%

- (1) Unless otherwise noted, the business address of each of the following is 1775 Broadway, Suite 604, New York, New York 10019.
- (2) Does not include 9,667 shares of common stock issuable upon exercise of warrants that are not currently exercisable and may not become exercisable within 60 days.
- (3) Includes 9,667 shares of common stock that became exercisable upon consummation of the merger.
- (4) Does not include 439,667 shares of common stock issuable upon exercise of warrants that are not currently exercisable and may not become exercisable within 60 days.
- (5) Includes 439,667 shares of common stock issuable upon exercise of warrants that become exercisable upon consummation of the merger.

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- (6) Mr. Preiser's business address is c/o Houlihan Lokey Howard & Zukin, 685 Third Avenue, New York, New York 10016.
- (7) Mr. Schotz's business address is c/o Saybrook Capital, LLC, 401 Wilshire Boulevard, Suite 850, Santa Monica, California 90401.
- (8) Does not include 159,667 shares of common stock issuable upon exercise of warrants that are not currently exercisable and may not become exercisable within 60 days.
- (9) Includes 159,667 shares of common stock issuable upon exercise of warrants that become exercisable upon consummation of the merger.
- (10) The business address of Farallon Partners is One Maritime Plaza, Suite 1325, San Francisco, California 94111.
- (11) Represents (i) a total of 503,500 shares held by Farallon Capital Partners, L.P., Farallon Capital Institutional Partners, L.P., Farallon Capital Institutional Partners II, L.P., Farallon Capital Institutional Partners III, L.P., Tinicum Partners, L.P. and Farallon Capital Offshore Investors II, L.P. (collectively, the Funds), and (ii) 239,570 shares held by a certain account managed by Farallon Capital Management, L.L.C (Management Company). Farallon Partners, L.L.C. is the general partner (General Partner) of the Funds. As such it exercises voting and dispositive power over all shares held by the Funds. Chun R. Ding, William F. Duhamel, Charles E. Ellwein, Richard B. Fried, Monica R. Landry, William F. Mellin, Stephen L. Millham, Rajiv A. Patel, Derek C. Schrier, Thomas F. Steyer and Mark C. Wehrly are managing members of the General Partner and exercise voting and dispositive power over the General Partner. Such individuals are also the managing members of the Management Company, and as such, exercise voting and dispositive power over the Management Company. The foregoing information was derived from an Amendment to Schedule 13D filed with the Securities and Exchange Commission on December 14, 2005.
- (12) The business address of Amaranth LLC is c/o Amaranth Advisors L.L.C., One American Lane, Greenwich Connecticut 06831.
- (13) Represents shares held by Amaranth LLC. Amaranth Advisors L.L.C. serves as the trading advisor for Amaranth LLC and accordingly controls the voting and disposition of these shares through Nicholas M. Maounis, the managing member of Amaranth Advisors L.L.C. The foregoing information was derived from an Amendment to Schedule 13G filed with the Securities and Exchange Commission on February 10, 2006.
- (14) The business address of Mr. Setrakian is 126 East 56th Street, New York, New York 10022.
- (15) Represents 38,000 shares of common stock owned directly by Mr. Setrakian and 408,600 shares of common stock held by Helios Partners Fund, LP and Helios Partners Offshore, Ltd. Mr. Setrakian is the managing director of Helios Partners Fund Management, LLC, the investment manager of the two funds, and as a result, exercises voting and dispositive power over these shares. The foregoing information was derived from a Schedule 13G filed with the Securities and Exchange Commission on February 14, 2006.
- (16) The business address of Sapling, LLC is 535 Fifth Avenue, 31st Floor, New York, New York 10017.
- (17) Fir Tree Inc., of whom Jeffrey Tannenbaum is President, is the controlling person of Sapling, LLC. This information was derived from a Schedule 13G filed with the Securities and Exchange Commission on January 28, 2005.
- (18) The business address of this person is 5100 E. Skelly Drive, Suite 650, Tulsa, Oklahoma 74135.
- (19) Ms. Bowman's business address is 3155 East 86th Street, Tulsa, Oklahoma 74137.
- (20) These shares are held by Danish Knights, A Limited Partnership. Ms. Bowman beneficially owns 98.5% of Danish Knights and is the custodian for a 1.3% interest owned by her minor child. Dannebrog Corporation, the general partner of Danish Knights, owns the remaining 0.2% interest. Ms. Bowman is the president and sole director of Dannebrog Corporation. Accordingly, Ms. Bowman exercises voting and dispositive power over all shares held by Danish Knights.
- (21) Mr. Lane's business address is 111 Prospect Street, Suite 330, Stamford, CT 06901.
- (22) Does not include 609,000 shares of common stock issuable upon exercise of warrants held by our officers and directors that are not currently exercisable and may not become exercisable within 60 days.
- (23) Includes 609,000 shares of common stock issuable upon exercise of warrants that become exercisable upon consummation of the merger.

Table of Contents**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS****Tremisis Related Party Transactions**

Prior to our IPO, we issued an aggregate of 750,000 shares of common stock to the Tremisis Inside Stockholders as set forth below at a purchase price of approximately \$0.033 per share. Subsequent to the issuance, our board of directors authorized a 1.1666666-to-1 forward split of our common stock on March 10, 2004, a 1.428571-to-1 split on April 16, 2004, and a 1.375-to-1 forward stock split of our common stock on April 23, 2004, effectively lowering the purchase price to \$0.018 per share. The following share numbers have been adjusted to reflect these stock splits:

Name	Number of Shares	Relationship to Us
Lawrence S. Coben	1,008,334	Chairman and Chief Executive Officer
Isaac Kier	183,334	Secretary, Treasurer and Director
David A. Preiser	91,666	Director
Jon Schotz	91,666	Director

These shares are being held in escrow with Continental Stock Transfer & Trust Company, as escrow agent, until May 2007 pursuant to an escrow agreement between us, the Tremisis Inside Stockholders and the escrow agent. These shares will not be transferable except to their spouses, children or trusts established for their benefit and will be released prior to May 2007 only if we liquidate following a business combination or upon a subsequent transaction resulting in our stockholders having the right to exchange their shares for cash or other securities.

The holders of these shares are entitled to make up to two demands that Tremisis register these shares pursuant to a registration rights agreement dated April 27, 2004. In addition, these stockholders have certain piggy-back registration rights on registration statements filed subsequent to the date on which these shares of common stock are released from escrow. We will bear the expenses incurred in connection with the filing of any such registration statements. In connection with the registration rights agreement to be entered into with the RAM stockholders upon consummation of the merger, Tremisis requested that the Tremisis Inside Stockholders modify their piggy-back registration rights in order to ensure that such rights do not conflict with the new registration rights granted to the RAM stockholders. In consideration therefor, Tremisis agreed that the Tremisis Inside Stockholders shall be entitled to piggy-back their registrable securities on any registration statement filed by Tremisis, even if such registration statements are filed prior to the date on which their shares are released from escrow.

Commencing on our IPO through the consummation of the merger, we will pay First Americas Management a monthly fee of \$3,500 for general and administrative services.

Tremisis has and will continue to reimburse its officers and directors for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf, such as identifying and investigating possible target businesses and business combinations.

Other than the \$3,500 per-month administrative fee payable to First Americas Management and reimbursable out-of-pocket expenses payable to Tremisis officers and directors, no compensation or fees of any kind, including finders and consulting fees, will be paid to any of the above listed Tremisis stockholders for the services rendered to Tremisis prior to or in connection with the consummation of the merger.

During 2004 Lawrence S. Coben advanced \$77,500 to Tremisis to cover expenses related to Tremisis initial public offering. This loan was repaid without interest in June 2004.

All ongoing and future transactions between Tremisis and any of its officers and directors or their respective affiliates will be on terms believed by Tremisis to be no less favorable than are available from unaffiliated third parties and will require prior approval in each instance by a majority of the members of Tremisis board who do not have an interest in the transaction.

Table of Contents**RAM Related Party Transactions**

In October 2004, RAM agreed to purchase from KCS Energy an interest in an exploratory oil and gas prospect generated by KCS in the Arkoma Basin of Eastern Oklahoma, and to participate in the drilling of the first well to be drilled on the prospect. RAM acquired a 30.0% interest in prospect, generally, and an additional 8.6% interest in the drillsite section for the initial test well. In November 2004, RAM paid its 38.7% share in the estimated \$1.2 million dry hole cost for the initial test well. In connection with its participation in the prospect, RAM agreed to allow certain of its senior executive officers, managers, shareholders, an attorney and an independent geologist, to participate in the prospect for their own account by purchasing an aggregate 5% interest in the prospect at the same price paid by RAM to KCS. Accepting participants included, among other officers and employees of RAM, Messrs. Rampey and Smiley, both senior vice presidents of RAM, Mr. Lee, President, CEO and a 50% shareholder of RAM, and Dr. William W. Talley II, Chairman of RAM and principal owner of Danish Knights, a 50% shareholder of RAM. Other participants included Forrest Fischer, John R. Frick, Jr., Brandon Lee, Sivad Corp., an entity in which Tully Davis is a beneficial owner, and Richard Erickson. Messrs. Fischer, Frick, Lee and Davis are non-officer employees of RAM. In addition, David Stinson, an attorney who holds options to purchase RAM stock, and an independent geologist under contract with RAM, also participated. In November 2004, RAM entered into a participation agreement with each of the participating parties pursuant to which such parties agreed to participate in the prospect and pay their respective shares of the costs (including dry hole costs) incurred in drilling and completing the initial well on the prospect and to subject their interests to an operating agreement for the further development of the prospect. The participation agreements provided that in order to facilitate billings, distribution of production revenues and other administrative matters, record title to the interests acquired by the participants would be held by REPCO, LLC, a limited liability company formed and owned 50% each by Mr. Lee and Danish Knights. REPCO was formed specifically for the purpose of holding title to the interests of the participating parties in the prospect and to facilitate their participation. In December 2004, RAM assigned an undivided 5% interest in the prospect to REPCO, to hold as nominee for the participants, and the participants were invoiced by REPCO for their respective shares of acreage and dry hole costs on the initial test well. While REPCO is carried on the books of RAM as the party liable for joint interest billings and as the party entitled to receive production revenues attributable to the interests owned by the participating parties, pursuant to the terms of the participation agreements, each participant is directly liable to RAM for his proportionate share of such costs and is entitled to his proportionate share of such revenues. At December 31, 2004, the participating parties were indebted to RAM in the amount of \$184,722 representing their aggregate unpaid share of joint interest billings on the prospect. At December 31, 2005, the unpaid balance of joint interest billings on the prospect attributable to the participants was \$141,988. No interest is charged or paid on such indebtedness. All amounts owed will be paid prior to closing.

In December 2004, RAM acquired WG Energy Holdings, Inc. Among WG's assets was a package of overriding royalty interests in various oil and gas properties. Following consummation of the WG Energy acquisition, Bridgeport Royalties, LLC (Bridgeport) was formed for the purpose of purchasing the overriding royalty interest package RAM had acquired through its purchase of WG Energy, together with certain other overriding royalty interests on undeveloped WG Energy acreage. The managers of Bridgeport, initially, were Mr. Lee and Dr. Talley. Following Dr. Talley's death in October 2005, Mr. Lee has continued as the sole manager of Bridgeport. Member interests in Bridgeport were offered as an employee benefit and perquisite to a number of RAM's officers and employees, and to the owner of outstanding options to acquire RAM common stock. Thirteen of the offerees accepted and became members of the limited liability company, along with Mr. Lee and Dr. Talley. RAM officers, directors and shareholders purchasing membership interests in Bridgeport, and their respective interests, include Messrs. Rampey and Smiley, 3.0% each; Mr. Cox, 2.0%; and Dr. Talley and Mr. Lee, 39.9% each. The proposed \$2.3 million purchase price for the overriding royalty package was determined based on a percentage of the present value, discounted at 10% per annum, of the estimated future net revenues attributable to the overriding royalty interests included in the package and was approved by RAM's senior secured lender as a condition to such lender releasing its lien on the overriding royalties included in the sale. In June 2005, Bridgeport completed the purchase of the overriding royalty package from RAM at the \$2.3 million agreed price. The purchase price was funded with \$355,000 in cash provided by the members of Bridgeport and \$1.955 million of loan proceeds obtained by Bridgeport from BancFirst. RAM has no continuing obligation of any nature with respect to the Bridgeport loan from BancFirst or any other Bridgeport liability.

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For the year ended December 31, 2004, RAM paid rent expense of \$66,000 related to a condominium for the benefit of Mr. Lee, a director, executive officer and one of RAM's principal shareholders. In addition, for the year ended December 31, 2004, RAM's general and administrative expenses include approximately \$792,000 of expenses paid for the benefit of Larry Lee (\$627,000) and Dr. Talley (\$165,000) who, at the time, was a director and Chairman of the Board of RAM, and the principal owner of Danish Knights, A Limited Partnership, which was the other of RAM's two principal shareholders. Some of the expenses paid may have been personal in nature.

In the spring of 1998, after the issuance of its publicly held senior notes, RAM determined that it would be appropriate to hire an experienced attorney to serve as company's general counsel in its Tulsa office. However, after discussions with its outside law firm, McAfee & Taft in Oklahoma City, RAM decided that if Mr. David Stinson, the McAfee & Taft lawyer who had performed extensive legal services for RAM since its inception in 1987, could be made available to RAM on a priority and essentially full-time, but not exclusive, basis, RAM would continue to utilize McAfee & Taft and Mr. Stinson as its primary counsel and would pay McAfee & Taft a monthly retainer fee for Mr. Stinson's services, which fee was fixed for a period of three years, with scheduled annual escalations thereafter. As an incentive for Mr. Stinson to agree to the proposed arrangement, RAM agreed to grant Mr. Stinson options to acquire shares of RAM common stock. Effective July 1, 1998, RAM, McAfee & Taft and Mr. Stinson entered into a Special Retainer Agreement containing the terms agreed upon between the parties, and immediately thereafter the agreed stock options were granted to Mr. Stinson. Under the terms of the Special Retainer Agreement, as amended, in the event the agreement is terminated by Mr. Stinson for good cause or upon a change of control, as such terms are defined in the agreement, or by RAM other than for cause, RAM is required to pay to McAfee & Taft an amount equal to twelve times the monthly retainer amount. The amount of the monthly retainer has escalated over time both by agreement of the parties and by operation of the automatic escalation provisions of the agreement, and effective as of January 1, 2006, is set at \$30,000 per month. Pursuant to the terms of the Special Retainer Agreement and subsequent issuances and adjustments, Mr. Stinson holds options to acquire 83.33 shares of RAM common stock at an exercise price of \$2,500 per share. By letter agreement dated October 20, 2005 and attached as Exhibit C to the merger agreement, Mr. Stinson has agreed to exercise all of his options prior to the closing of the merger. This will result in Mr. Stinson becoming a stockholder of RAM and being paid his pro rata portion of the merger consideration.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities and Exchange Act of 1934, as amended, requires Tremisis directors, officers and persons owning more than 10% of Tremisis common stock to file reports of ownership and changes of ownership with the Securities and Exchange Commission. Based on its review of the copies of such reports furnished to Tremisis, or representations from certain reporting persons that no other reports were required, Tremisis believes that all applicable filing requirements were complied with during the fiscal year ended December 31, 2005.

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DESCRIPTION OF TREMISIS COMMON STOCK AND OTHER SECURITIES

General

The certificate of incorporation of Tremisis authorizes the issuance of 30,000,000 shares of common stock, par value \$.0001, and 1,000,000 shares of preferred stock, par value \$.0001. As of the record date, 7,700,000 shares of common stock were outstanding and no shares of preferred stock were outstanding.

Common Stock

The holders of common stock are entitled to one vote for each share held of record on all matters to be voted on by stockholders. In connection with the vote required for any business combination, all of the existing stockholders, including all officers and directors of Tremisis, have agreed to vote their respective shares of common stock owned by them immediately prior to the IPO in accordance with the vote of the public stockholders owning a majority of the shares of Tremisis outstanding common stock. This voting arrangement does not apply to shares included in units purchased in the IPO or purchased following the IPO in the open market by any of Tremisis stockholders, officers and directors. Tremisis stockholders, officers and directors may vote their shares in any manner they determine, in their sole discretion, with respect to any other items that come before a vote of our stockholders.

Tremisis will proceed with the merger only if the stockholders who own at least a majority of the shares of common stock sold in the IPO vote in favor of the merger and stockholders owning less than 20% of the shares sold in the IPO exercise conversion rights discussed below.

Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors.

If Tremisis is required to liquidate, the holders of Tremisis common stock purchased in the IPO will be entitled to share ratably in the trust account, inclusive of any interest, and any net assets remaining available for distribution to them after payment of liabilities. Holders of common stock issued prior to Tremisis IPO have agreed to waive their rights to share in any distribution with respect to common stock owned by them prior to the IPO if Tremisis is forced to liquidate.

Holders of Tremisis common stock do not have any conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the common stock, except that the holders of Tremisis common stock acquired in the IPO have the right to have their shares of common stock converted to cash equal to their pro rata share of the trust account if they vote against the merger and the merger is approved and completed. Holders of common stock who convert their stock into their share of the trust account still have the right to exercise the warrants that they received as part of the units.

Preferred Stock

The certificate of incorporation of Tremisis authorizes the issuance of 1,000,000 shares of a blank check preferred stock with such designations, rights and preferences as may be determined from time to time by Tremisis board of directors. Accordingly, Tremisis board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of common stock, although Tremisis has entered into an underwriting agreement which prohibits Tremisis, prior to a business combination, from issuing preferred stock which participates in any manner in the proceeds of the trust account, or which votes as a class with the common stock on a business combination. Tremisis may issue some or all of the preferred stock to effect a business combination. In addition, the preferred stock could be utilized as a method of discouraging, delaying or preventing a change in control of Tremisis. There are no shares of preferred stock outstanding and Tremisis does not currently intend to issue any preferred stock.

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Warrants

Tremisis currently has outstanding 12,650,000 redeemable common stock purchase warrants. Each warrant entitles the registered holder to purchase one share of our common stock at a price of \$5.00 per share, subject to adjustment as discussed below, at any time commencing on the completion of the merger. The warrants expire on May 11, 2008 at 5:00 p.m., New York City time. Tremisis may call the warrants for redemption;

in whole and not in part;

at a price of \$.01 per warrant at any time after the warrants become exercisable;

upon not less than 30 days prior written notice of redemption to each warrant holder; and

if, and only if, the reported last sale price of the common stock equals or exceeds \$8.50 per share, for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to warrant holders.

The exercise price and number of shares of common stock issuable on exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or Tremisis recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of common stock at a price below the exercise price.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified check payable to Tremisis, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of common stock and any voting rights until they exercise their warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No warrants will be exercisable unless at the time of exercise a prospectus relating to common stock issuable upon exercise of the warrants is current and the common stock has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of a warrant agreement, Tremisis has agreed to maintain a current prospectus relating to common stock issuable upon exercise of the warrants until the expiration of the warrants. However, there is no assurance that Tremisis will be able to do so. The warrants may be deprived of any value and the market for the warrants may be limited if the prospectus relating to the common stock issuable upon the exercise of the warrants is not current or if the common stock is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside.

We have engaged EarlyBirdCapital, the representative of the underwriters of Tremisis IPO, on a non-exclusive basis, as our agent for the solicitation of the exercise of the warrants. To the extent not inconsistent with the guidelines of the NASD and the rules and regulations of the SEC, we have agreed to pay the representative for bona fide services rendered a commission equal to 5% of the exercise price for each warrant exercised more than one year after the date of our IPO if the exercise was solicited by the underwriters. In addition to soliciting, either orally or in writing, the exercise of the warrants, the representative's services may also include disseminating information, either orally or in writing, to warrant holders about us or the market for our securities, and assisting in the processing of the exercise of warrants. No compensation will be paid to the representative upon the exercise of the warrants if:

the market price of the underlying shares of common stock is lower than the exercise price;

the holder of the warrants has not confirmed in writing that EarlyBirdCapital, Inc. solicited the exercise;

the warrants are held in a discretionary account;

the warrants are exercised in an unsolicited transaction; or

the arrangement to pay the commission is not disclosed in the prospectus provided to warrant holders at the time of exercise.

Table of Contents**PRICE RANGE OF TREMISIS SECURITIES AND DIVIDENDS**

Tremisis units, common stock and warrants are traded on the OTCBB under the symbols TEGYU, TEGY and TEGYW, respectively. The following table sets forth the range of high and low closing bid prices for the units, common stock and warrants for the periods indicated since the units commenced public trading on May 13, 2004 and since the common stock and warrants commenced public trading on May 24, 2004. The over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily reflect actual transactions.

	Units		Common Stock		Warrants	
	High	Low	High	Low	High	Low
2006:						
First Quarter (through March 28)	\$ 8.25	\$ 7.07	\$ 5.90	\$ 5.41	\$ 1.28	\$ 0.81
2005:						
First Quarter	\$ 7.35	\$ 6.70	\$ 5.50	\$ 5.01	\$ 0.94	\$ 0.74
Second Quarter	\$ 7.05	\$ 6.36	\$ 5.56	\$ 5.12	\$ 0.82	\$ 0.57
Third Quarter	\$ 7.30	\$ 6.20	\$ 5.55	\$ 5.13	\$ 0.98	\$ 0.50
Fourth Quarter	\$ 7.35	\$ 6.65	\$ 5.60	\$ 5.31	\$ 0.94	\$ 0.75
2004:						
Fourth Quarter	\$ 6.65	\$ 5.70	\$ 5.14	\$ 4.80	\$ 0.80	\$ 0.48
Third Quarter	\$ 6.35	\$ 5.97	\$ 5.00	\$ 4.81	\$ 0.71	\$ 0.52
Second Quarter (commencing May 24)	\$ 6.40	\$ 6.00	\$ 5.00	\$ 4.70	\$ 0.82	\$ 0.69

Holders of Tremisis common stock, warrants and units should obtain current market quotations for their securities. The market price of Tremisis common stock, warrants and units could vary at any time before the merger.

In connection with the merger, Tremisis and RAM will use their reasonable best efforts to obtain the listing for trading on Nasdaq of Tremisis common stock, warrants and units. Tremisis believes it will meet the Nasdaq listing requirements because upon consummation of the merger, it will have (i) a market value of listed securities of at least \$50 million, (ii) over one million publicly held shares, (iii) a market value of publicly held shares in excess of \$5 million, (iv) a minimum bid price of \$4.00, (v) over 300 shareholders and (vi) at least three market makers who will make a market in its securities. In the event Tremisis common stock, warrants and units are listed on Nasdaq at the time of the closing of the merger, the symbol will change to one determined by Tremisis and Nasdaq that is reasonably representative of the corporate name or business of Tremisis. If the listing on Nasdaq is not finally approved, it is expected that the common stock, warrants and units will continue to trade on the OTCBB.

Holdings

As of March 28, 2006, there were one holder of record of Tremisis units, five holders of record of Tremisis common stock and one holder of record of Tremisis warrants. Tremisis believes that the beneficial holders of the units, common stock and warrants to be in excess of 400 persons each.

Dividends

Tremisis has not paid any dividends on our common stock to date and does not intend to pay dividends prior to the completion of the merger. It is the present intention of Tremisis board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board does not anticipate declaring any dividends in the foreseeable future. The payment of dividends subsequent to the merger will be within the discretion of our then board of directors and will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of the merger.

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APPRAISAL RIGHTS

Tremisis stockholders do not have appraisal rights in connection the merger or the issuance of Tremisis common stock pursuant to the merger under the DGCL.

EXPERTS

The consolidated financial statements of RAM Energy, Inc. at December 31, 2005 and 2004, and for each of the three years in the period ended December 31, 2005, included in this proxy statement, have been audited by UHY Mann Frankfort Stein & Lipp CPAs, LLP, independent registered public accounting firm, as set forth in their report appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements of Tremisis at December 31, 2005, and 2004, the year ended December 31 2005, the period from February 5, 2004 (inception) to December 31, 2004, and the period from February 5, 2004 (inception) to December 31, 2005 included in this proxy statement have been audited by BDO Seidman, LLP, independent registered public accounting firm, as set forth in their report appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Representatives of BDO Seidman, LLP, and of UHY Mann Frankfort Stein & Lipp CPAs, LLP, will be present at the stockholder meeting or will be available by telephone with the opportunity to make statements and to respond to appropriate questions.

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WHERE YOU CAN FIND MORE INFORMATION

Tremisis files reports, proxy statements and other information with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, as amended. You may read and copy reports, proxy statements and other information filed by Tremisis with the Securities and Exchange Commission at the Securities and Exchange Commission public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. You may also obtain copies of the materials described above at prescribed rates by writing to the Securities and Exchange Commission, Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. You may access information on Tremisis at the Securities and Exchange Commission web site containing reports, proxy statements and other information at: <http://www.sec.gov>.

Information and statements contained in this proxy statement or any annex to this proxy statement are qualified in all respects by reference to the copy of the relevant contract or other annex filed as an exhibit to this proxy statement.

All information contained in this document relating to Tremisis has been supplied by Tremisis, and all such information relating to RAM has been supplied by RAM. Information provided by one another does not constitute any representation, estimate or projection of the other.

If you would like additional copies of this document or if you have questions about the merger, you should contact via phone or in writing:

Lawrence S. Coben

Chairman and Chief Executive Officer

Tremisis Energy Acquisition Corporation

1755 Broadway, Suite 604

New York, New York 10019

(212) 397-1464

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GLOSSARY OF TERMS

The definitions set forth below shall apply to the indicated terms as used in this proxy statement. All volumes of natural gas referred to herein are stated at the legal pressure base of the state or area where the reserves exist and at 60 degrees Fahrenheit and in most instances are rounded to the nearest major multiple.

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used herein in reference to crude oil or other liquid hydrocarbons.

Bcf. One billion cubic feet of natural gas.

Bcfe. One billion cubic feet of natural gas equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

Boe. The amount of natural gas that is equal to one barrel of oil on an energy basis, using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

Completion. The installation of permanent equipment for the production of oil or natural gas or, in the case of a dry hole, the reporting of abandonment to the appropriate agency.

Development well. A well drilled within the proved areas of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

Dry hole or well. A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

Exploratory well. A well drilled to find and produce oil or natural gas reserves not classified as proved, to find a new reservoir in a field previously found to be productive of oil or natural gas in another reservoir or to extend a known reservoir.

Field. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition.

Gross acres or gross wells. The total acres or wells, as the case may be, in which a working interest is owned.

Injection well. A well employed for the introduction into an underground stratum of water or gas under pressure. Injection wells are employed for the disposal of salt water produced with oil, as well as in pressure maintenance, secondary recovery or recycling operations to introduce a fluid or gas into the producing formation to maintain underground pressures which would otherwise be reduced by virtue of the production of oil or natural gas.

Mbbls. One thousand barrels of crude oil or other liquid hydrocarbons.

Mcf. One thousand cubic feet of natural gas.

Mcfe. One thousand cubic feet of natural gas equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

Mmcf. One million cubic feet of natural gas.

Net acres or net wells. The sum of the fractional working interests owned in gross acres or gross wells, as the case may be.

Net Revenue Interest. The share of revenue accruing to the working interest owner after deducting all lease burdens, including royalty and similar burdens.

Oil. Crude oil.

PV-10 Value and present value. When used with respect to proved reserves of oil, natural gas and natural gas liquids, the estimated future gross revenues to be generated from the production of proved reserves, net of estimated production and future development costs, using prices and costs in effect as of the date indicated, without giving effect to non-property related expenses such as general and administrative expenses, debt service and future income tax expenses or to depreciation, depletion and amortization, discounted using an annual discount rate of 10%.

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Productive well. A well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

Proved developed reserves. Proved reserves that are expected to be recovered from existing wellbores, whether or not currently producing, without drilling additional wells. Production of such reserves may require a recompletion. For a complete definition of proved developed reserves, please refer to Rule 4-10(c)(3) of Regulation S-X, as promulgated under the Securities Act of 1933, as amended.

Proved reserves. The estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. For a complete definition of proved reserves, please refer to Rule 4-10 (a)(2) of Regulation S-X, as promulgated under the Securities Act of 1933, as amended.

Proved undeveloped location. A site on which a development well can be drilled consistent with spacing rules for purposes of recovering proved undeveloped reserves.

Proved undeveloped reserves (PUD). Proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. For a complete definition proved undeveloped reserves, please refer to Rule 4-10(a)(4) of Regulation S-X, as promulgated under the Securities Act of 1933, as amended.

Recompletion. The completion for production of an existing wellbore in another formation from that in which the well has been previously completed.

Reserve life. A ratio determined by dividing the existing reserves determined as of the stated measurement date by production from such reserves for the prior twelve month period.

Reservoir. A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

Royalty interest. An interest in an oil and gas property entitling the owner to a share of oil or natural gas production free of costs of production.

3-D seismic data. Seismic data collected as an intersecting grid of seismic lines. Data collected in this fashion may be used to help create 3-D computer models of the underground geometries of the rocks. The collection of seismic data involves sending shock waves into the ground and measuring how long it takes the subsurface rocks to reflect the waves back to the surface. Shock waves are generated by pounding the earth with a vibrator truck or by exploding small dynamite charges in shallow holes. The arrival times of the waves at the surface are detected by listening devices called geophones. Computers then process the geophone data and convert it into seismic lines, which are two- or three-dimensional displays that resemble cross-sections.

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2-D seismic data. Seismic data collected using two-dimensional lines created by laying geophones out in single line. See the definition of 3-D seismic data for a description of how seismic data is collected.

Undeveloped acreage. Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether such acreage contains proved reserves.

Well bore. The hole drilled by the bit.

Working interest. The operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and a share of production. The working interest owner bears the exploration, development and operating costs.

Workover. Operations on a producing well to restore or increase production.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors

RAM Energy, Inc.

We have audited the accompanying consolidated balance sheets of RAM Energy, Inc. (a Delaware corporation) and subsidiaries (the Company) as of December 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the three years in the period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of RAM Energy, Inc. and subsidiaries as of December 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A, effective January 1, 2003, the Company adopted the provisions of Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*.

/s/ UHY Mann Frankfort Stein & Lipp CPAs, LLP

Houston, Texas

March 6, 2006, except for Note Q, as to which the date is April 6, 2006

Table of Contents**RAM Energy, Inc.****Consolidated Balance Sheets****(In thousands, except share and per share amounts)****December 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 70	\$ 1,175
Accounts receivable:		
Oil and natural gas sales, net of allowance of \$0 (\$0 in 2004)	7,422	5,039
Joint interest operations, net of allowance of \$31 (\$687 in 2004)	566	630
Related party, net of allowance of \$0 (\$0 in 2004)	142	
Other, net of allowance of \$0 (\$37 in 2004)	175	28
Prepaid expenses	756	141
Other current assets	484	565
Derivative assets		1,627
	<u>9,615</u>	<u>9,205</u>
PROPERTIES AND EQUIPMENT, AT COST		
Oil and natural gas properties and equipment, using full cost accounting	160,704	146,598
Other property and equipment	7,276	5,779
	<u>167,980</u>	<u>152,377</u>
Less accumulated depreciation and amortization	36,848	23,919
	<u>131,132</u>	<u>128,458</u>
OTHER ASSETS:		
Deferred loan costs, net of accumulated amortization of \$4,905 (\$4,110 in 2004)	1,613	1,845
Other	916	816
	<u>2,529</u>	<u>2,661</u>
Total assets	\$ 143,276	\$ 140,324
LIABILITIES AND STOCKHOLDERS DEFICIT		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	\$ 4,343	\$ 5,273
Oil and natural gas proceeds due others	3,201	2,528
Related party	41	
Accrued liabilities:		
Compensation	749	583
Interest	1,745	1,547
Income taxes	146	289
Derivative liabilities	3,510	
Long-term debt due within one year	560	3,891

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Total current liabilities	14,295	14,111
OIL AND NATURAL GAS PROCEEDS DUE OTHERS	1,972	1,642
LONG-TERM DEBT	112,286	113,453
DEFERRED AND OTHER NON-CURRENT INCOME TAXES	25,300	24,374
ASSET RETIREMENT OBLIGATION	10,192	6,656
COMMITMENTS AND CONTINGENCIES (Note K)		
STOCKHOLDERS' DEFICIT:		
Common stock, \$10 par value; authorized 5,000 shares; issued and outstanding 2,273 shares at December 31, 2005 and 2004	23	23
Additional paid-in capital	73	73
Accumulated deficit	(20,865)	(20,008)
Total stockholders' deficit	(20,769)	(19,912)
Total liabilities and stockholders' deficit	\$ 143,276	\$ 140,324

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RAM Energy, Inc.****Consolidated Statements of Operations****(In thousands, except share and per share amounts)****Years Ended December 31, 2005, 2004, and 2003**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
REVENUES AND OTHER OPERATING INCOME:			
Oil and natural gas sales	\$ 66,243	\$ 17,975	\$ 20,053
Gain on sale of subsidiary		12,139	
Other	851	338	170
Realized and unrealized losses from derivatives	(11,695)	(793)	(203)
	<u>55,399</u>	<u>29,659</u>	<u>20,020</u>
OPERATING EXPENSES:			
Oil and natural gas production taxes	3,320	1,263	1,408
Oil and natural gas production expenses	16,099	3,600	3,527
Depreciation and amortization	12,972	3,273	4,098
Accretion expense	510	78	48
General and administrative, overhead and other expenses, net of operator s overhead fees	8,610	6,601	6,331
	<u>41,511</u>	<u>14,815</u>	<u>15,412</u>
Operating income	13,888	14,844	4,608
OTHER INCOME (EXPENSE):			
Interest expense	(12,614)	(5,070)	(4,912)
Interest income	75	35	41
	<u>1,349</u>	<u>9,809</u>	<u>(263)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES			
INCOME TAX PROVISION	806	3,733	228
	<u>543</u>	<u>6,076</u>	<u>(491)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS			
DISCONTINUED OPERATIONS:			
Loss from discontinued operations			(1,723)
Income tax benefit			(655)
			<u>(1,068)</u>
LOSS FROM DISCONTINUED OPERATIONS			
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	543	6,076	(1,559)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE (Net of tax benefit of \$0, \$0, and \$275 in 2005, 2004, and 2003, respectively)			(448)
	<u>\$ 543</u>	<u>\$ 6,076</u>	<u>\$ (2,007)</u>
BASIC EARNINGS (LOSS) PER SHARE:			

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Income (loss) from continuing operations	\$ 238.94	\$ 2,383.67	\$ (180.05)
Loss from discontinued operations			(391.64)
Cumulative effect of change in accounting principle			(164.28)
	<u> </u>	<u> </u>	<u> </u>
Net income (loss)	\$ 238.94	\$ 2,383.67	\$ (735.97)
	<u> </u>	<u> </u>	<u> </u>
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	2,273	2,549	2,727
	<u> </u>	<u> </u>	<u> </u>
DILUTED EARNINGS (LOSS) PER SHARE:			
Income (loss) from continuing operations	\$ 230.72	\$ 2,299.77	\$ (180.05)
Loss from discontinued operations			(391.64)
Cumulative effect of change in accounting principle			(164.28)
	<u> </u>	<u> </u>	<u> </u>
Net income (loss)	\$ 230.72	\$ 2,299.77	\$ (735.97)
	<u> </u>	<u> </u>	<u> </u>
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	2,354	2,642	2,727
	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RAM Energy, Inc.****Consolidated Statements of Stockholders Deficit****(In thousands, except share amounts)****Years Ended December 31, 2005, 2004, and 2003**

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-In Capital	Deficit	Stockholders Deficit
BALANCE, January 1, 2003	2,727	\$ 27	\$ 88	\$ (16,957)	\$ (16,842)
Net loss				(2,007)	(2,007)
Dividends declared				(804)	(804)
BALANCE, December 31, 2003	2,727	27	88	(19,768)	(19,653)
Net income				6,076	6,076
Dividends declared				(1,200)	(1,200)
Purchase and cancellation of common shares and outstanding options	(454)	(4)	(15)	(5,116)	(5,135)
BALANCE, December 31, 2004	2,273	23	73	(20,008)	(19,912)
Net income				543	543
Dividends declared				(1,400)	(1,400)
BALANCE, December 31, 2005	2,273	\$ 23	\$ 73	\$ (20,865)	\$ (20,769)

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RAM Energy, Inc.****Consolidated Statements of Cash Flows****(In thousands)****Years Ended December 31, 2005, 2004, and 2003**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
OPERATING ACTIVITIES:			
Net income (loss)	\$ 543	\$ 6,076	\$ (2,007)
Adjustments to reconcile net income (loss) to net cash provided by operating activities -			
Depreciation and amortization	12,972	3,273	4,098
Amortization of deferred loan costs and Senior Notes discount	839	492	445
Accretion expense	510	78	48
Gain on sale of subsidiary		(12,139)	
Loss from discontinued operations, net of tax			1,068
Cumulative effect of change in accounting principle, net of tax			448
Provision for doubtful accounts		385	17
Unrealized (gain) loss on derivatives	6,302	(77)	(125)
Loss (gain) on sale of other property and equipment		(1)	13
Deferred income taxes	1,199	(3,159)	(3,962)
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable	(2,608)	(18)	94
Prepaid expenses and other assets	(143)	342	126
Accounts payable	(165)	(67)	(664)
Accrued liabilities	(697)	109	1,876
Income taxes payable	(393)	6,892	4,190
Gas balancing liability		(393)	109
	<u>17,816</u>	<u>(4,283)</u>	<u>7,781</u>
Total adjustments			
Net cash provided by operating activities	18,359	1,793	5,774
INVESTING ACTIVITIES:			
Payments for oil and natural gas properties and equipment	(13,528)	(5,900)	(4,282)
Proceeds from sales of oil and natural gas properties	2,471	320	187
Payments for other property and equipment	(1,497)	(205)	(343)
Proceeds from sales of other property and equipment		38	15
RWG acquisition, net of cash acquired		(82,577)	
Proceeds from the sale of subsidiary		21,791	
Proceeds from sale of pipeline system			12,026
Proceeds from (payments for) short-term investments		1,681	(181)
	<u>(12,554)</u>	<u>(64,852)</u>	<u>7,422</u>
Net cash (used in) provided by investing activities			

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**RAM Energy, Inc.****Consolidated Statements of Cash Flows****(In thousands)****Years Ended December 31, 2005, 2004, and 2003**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
FINANCING ACTIVITIES:			
Payments on long-term debt	(15,615)	(18,234)	(11,929)
Proceeds from borrowings on long-term debt	10,670	88,585	
Payments for deferred loan costs	(565)	(1,500)	
Stock repurchased and retired		(5,135)	
Dividends paid	(1,400)	(1,600)	(404)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used in) financing activities	(6,910)	62,116	(12,333)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,105)	(943)	863
CASH AND CASH EQUIVALENTS, beginning of year	1,175	2,118	1,255
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS, end of year	\$ 70	\$ 1,175	\$ 2,118
	<u> </u>	<u> </u>	<u> </u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for income taxes	\$ 20	\$ 300	\$
	<u> </u>	<u> </u>	<u> </u>
Cash paid for interest	\$ 3,297	\$ 4,285	\$ 3,292
	<u> </u>	<u> </u>	<u> </u>
DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Accrued interest added to principal balance of credit facility	\$ 8,093	\$ 554	\$ 1,699
	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of these consolidated financial statements.

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RAM Energy, Inc.

Notes to Consolidated Financial Statements

December 31, 2005 and 2004

A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND BASIS OF PRESENTATION

1. Nature of Operations and Organization

RAM Energy, Inc. (the Company) operates exclusively in the upstream segment of the oil and natural gas industry with activities including drilling, completion and operation of onshore oil and natural gas wells. The Company conducts the majority of its operations in the states of Texas, Louisiana, Oklahoma and New Mexico. On December 17, 2004, the Company completed its acquisition of WG Energy Holdings, Inc. (WG), a Delaware corporation, in which a wholly owned subsidiary of the Company created specifically for such purpose merged with and into WG and WG was the surviving corporation in the merger (the WG Acquisition). At the time of the merger, the name of WG was changed to RWG Energy, Inc., or RWG. RWG, with its subsidiaries, are now first and second tier subsidiaries of the Company. On August 1, 2003, the Company sold its oil and natural gas pipeline system and saltwater disposal operation in north central Oklahoma (the pipeline system). The pipeline system purchased, transported and marketed oil and natural gas production and disposed of saltwater from properties owned by the Company and other oil and natural gas companies (see Note J).

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

3. Properties and Equipment

The Company follows the full cost method of accounting for oil and natural gas operations. Under this method all productive and nonproductive costs incurred in connection with the acquisition, exploration, and development of oil and natural gas reserves are capitalized. No gains or losses are recognized upon the sale or other disposition of oil and natural gas properties except in transactions that would significantly alter the relationship between capitalized costs and proved reserves.

Under the full cost method the net book value of oil and natural gas properties, less related deferred income taxes, may not exceed the estimated after-tax future net revenues from proved oil and natural gas properties, discounted at 10% (the ceiling limitation). In arriving at estimated future net revenues, estimated lease operating expenses, development costs, and certain production-related and ad valorem taxes are deducted. In calculating future net revenues, prices and costs in effect at the time of the calculation are held constant indefinitely, except for changes that are fixed and determinable by existing contracts. The net book value is compared to the ceiling limitation on a quarterly and yearly basis. The

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excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. Reserve estimates used in determining estimated future net revenues have been prepared by an independent petroleum engineer.

The Company has capitalized internal costs of approximately \$1,778,000, \$596,000, and \$434,000 for the years ended December 31, 2005, 2004, and 2003, respectively. Such capitalized costs include salaries and related benefits of individuals directly involved in the Company's acquisition, exploration and development activities based on the percentage of their time devoted to such activities.

Other property and equipment consists principally of furniture and equipment and leasehold improvements. Other property and equipment and related accumulated amortization and depreciation are relieved upon retirement or sale and the gain or loss is included in operations. Renewals and replacements that extend the useful life of property and equipment are treated as capital additions. Accumulated depreciation of other property and equipment at December 31, 2005 and 2004 is approximately \$4,246,000 and \$3,845,000, respectively.

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

In accordance with the impairment provisions of Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Company assesses the recoverability of the carrying value of its non-oil and gas long-lived assets when events occur that indicate an impairment in value may exist. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. If this occurs, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the estimated fair value of the asset. No impairments were recorded in 2005, 2004, or 2003.

4. Depreciation and Amortization

All capitalized costs of oil and natural gas properties and equipment, including the estimated future costs to develop proved reserves, are amortized using the unit-of-production method based on total proved reserves. Depreciation of other equipment is computed on the straight line method over the estimated useful lives of the assets, which range from three to ten years. Amortization of leasehold improvements is computed based on the straight-line method over the term of the associated lease or estimated useful life, whichever is shorter.

5. Natural Gas Sales and Gas Imbalances

Natural gas imbalances are generated on properties for which two or more owners have the right to take production in-kind and, in doing so, take more or less than their respective entitled percentage.

The Company follows the entitlement method of accounting for natural gas sales, recognizing as revenues only its net interest share of all production sold. Any amount attributable to the sale of production in excess of or less than the Company's net interest is recorded as a gas balancing asset or liability. At December 31, 2005, the Company's net underproduced position was approximately 162,000 Mcf with an associated asset of approximately \$237,000, which is recorded in other assets on the consolidated balance sheet. At December 31, 2004, the Company's net underproduced position was approximately 153,000 Mcf with an associated asset of approximately \$230,000.

6. Cash Equivalents

All highly liquid unrestricted investments with a maturity of three months or less when purchased are considered to be cash equivalents.

7. Credit and Market Risk

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The Company sells oil and natural gas to various customers and participates with other parties in the drilling, completion and operation of oil and natural gas wells. Joint interest and oil and natural gas sales receivables related to these operations are generally unsecured. In 2005, approximately 73% of total revenues were to two customers (52% to four customers in 2004 and 68% to four customers in 2003), with sales to each comprising 55% and 18% (23%, 11%, 10% and 8% in 2004 and 27%, 20%, 12% and 9% in 2003) of total revenues.

In 2005 and 2004 the Company had cash deposits in certain banks that at times exceeded the maximum insured by the Federal Deposit Insurance Corporation. The Company monitors the financial condition of the banks and has experienced no losses on these accounts.

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)****8. Deferred Loan Costs**

Deferred loan costs are stated at cost net of amortization computed using the straight-line method over the term of the related loan agreement, which approximates the interest method.

The estimated future amortization expense is as follows:

2006	\$ 990,000
2007	614,000
2008	9,000

9. General and Administrative Expense

The Company receives fees for the operation of jointly owned oil and natural gas properties and records such reimbursements as reductions of general and administrative expense. Such fees totaled approximately \$228,000, \$212,000, and \$406,000 for the years ended December 31, 2005, 2004, and 2003, respectively.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions that, in the opinion of management of the Company are significant include oil and natural gas reserves, amortization relating to oil and natural gas properties, asset retirement obligations, and income taxes.

11. Fair Value of Financial Instruments

Cash and cash equivalents, trade receivables and payables, and installment notes: The carrying amounts reported on the consolidated balance sheets approximate fair value due to the short-term nature of these instruments.

Credit Facility: The carrying amount reported on the consolidated balance sheets approximates fair value because this debt instrument carries a variable interest rate based on market interest rates.

Senior Notes: The carrying amount reported on the consolidated balance sheets is approximately \$1.1 million below fair value at December 31, 2005 and exceeds fair value at December 31, 2004 by approximately \$1.4 million based upon management's estimates. Management bases its estimate on information from the bond underwriters on current bids for the Company's senior notes.

Derivative contracts: The carrying amount reported on the consolidated balance sheets is the fair value of the contracts based upon commodity futures prices for similar contracts.

12. Reclassifications

Certain reclassifications of previously reported amounts for 2004 and 2003 have been made to conform to the 2005 presentation. These reclassifications had no effect on net income or loss.

Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)****13. Derivatives**

The Company applies the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. SFAS No. 133 requires companies to recognize all derivative instruments as either assets or liabilities in the statement of financial position at fair value.

The Company entered into numerous derivative contracts to reduce the impact of oil and natural gas price fluctuations and as required by the terms of its credit facility (see Note L). The Company did not designate these transactions as hedges as required by SFAS No. 133 in order to receive hedge accounting treatment. Accordingly, all gains and losses on the derivative instruments during 2005, 2004 and 2003 have been recorded in the statements of operations.

14. Earnings per Common Share

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if dilutive stock options were exercised, calculated using the treasury stock method. A reconciliation of net income (loss) and weighted average shares used in computing basic and diluted net income (loss) per share is as follows for the years ended December 31 (in thousands, except share and per share amounts):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
BASIC INCOME (LOSS) PER SHARE:			
Net income (loss)	\$ 543	\$ 6,076	\$ (2,007)
Weighted average shares	2,273	2,549	2,727
Basic net income (loss) per share	\$ 238.94	\$ 2,383.67	\$ (735.97)
DILUTED INCOME (LOSS) PER SHARE:			
Net income (loss)	\$ 543	\$ 6,076	\$ (2,007)
Weighted average shares basic	2,273	2,549	2,727
Dilutive effect of stock options	81	93	
Weighted average shares assuming dilutive effect of stock options	2,354	2,642	2,727

Diluted net income (loss) per share	\$ 230.72	\$ 2,299.77	\$ (735.97)
-------------------------------------	-----------	-------------	-------------

During 2003 the Company executed a 1,000-to-1 reverse stock split. Prior period amounts have been restated to reflect the reverse stock split.

15. Asset Retirement Obligations

In June 2001 the Financial Accounting Standards Board (FASB) issued SFAS No. 143 *Accounting for Asset Retirement Obligations*. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs and amends FASB Statement No. 19 *Financial Accounting and Reporting by Oil and Gas Producing Companies*. SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Company adopted this standard as of January 1, 2003. The effect of this standard on the Company's results of operations and financial position at adoption included an increase in long-term liabilities for plugging and abandonment costs of oil and natural gas properties of \$1,304,000, net increase in oil and natural gas properties and equipment of \$530,000, and a

Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

non-cash loss as a result of the cumulative effect of change in accounting principle, net of tax, of \$448,000 (using a 6.25% discount factor). The Company recorded accretion expense of approximately \$510,000, \$78,000, and \$48,000 in 2005, 2004, and 2003, respectively.

The Company recorded the following activity related to the asset retirement obligation for the years ended December 31, 2005 and 2004 (in thousands):

	<u>2005</u>	<u>2004</u>
Liability for asset retirement obligations, beginning of year	\$ 6,656	\$ 1,952
Obligations for wells sold with RB Operating Company		(238)
Accretion expense	510	78
Obligations for new wells drilled or new estimates	3,177	275
Obligations for wells purchased in WG Acquisition		4,660
Obligations for wells sold or retired	(151)	(71)
	<u> </u>	<u> </u>
Liability for asset retirement obligations, end of year	<u>\$ 10,192</u>	<u>\$ 6,656</u>

16. Recently Issued Accounting Pronouncements

In December 2004 the FASB issued SFAS No. 123R *Share-Based Payments*. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values and is effective for the first annual reporting period beginning after June 30, 2005. No share-based payment to employees or grants of employee stock options have ever been made. Management has not yet determined the impact of SFAS 123R on the Company's future financial position or results of operations.

17. Income Taxes

The Company accounts for income taxes under the liability method as prescribed by SFAS 109. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to be in effect during the year in which the bases differences reverse.

B WG ACQUISITION

The Company completed the WG Acquisition on December 17, 2004. The final adjusted purchase price was \$82.6 million, including the assumption and payment of WG's long-term debt of \$24.5 million, the settlement of all outstanding derivative instruments of \$14.4 million, and the balance (excluding the escrow) of \$32.7 million was paid in cash. \$11.0 million of the purchase price was deposited in two separate escrow accounts to provide funds against which the Company may make claims for any subsequently determined breach by WG of representations and warranties in the merger agreement and for potential losses that may arise in connection with certain existing litigation against WG (see Note K). The acquisition was financed with a credit facility provided by Wells Fargo Foothill, Inc. (Foothill) (see Note D). WG's principal assets are producing oil properties located in north Texas, a gas plant and a significant block of undeveloped deep rights in held-by-production leases.

The WG acquisition was accounted for using the purchase method of accounting in accordance with SFAS No. 141, *Business Combinations*, and the purchase price has been allocated based on the estimated fair value of the individual assets acquired and liabilities assumed at the date of acquisition.

Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

The assets acquired and purchase price allocation of the WG acquisition is as follows (in thousands):

Current assets	\$ 5,437
Oil and natural gas properties	97,243
Current liabilities	(4,233)
Debt	(340)
Asset retirement obligations	(4,661)
Deferred taxes	(10,869)
	<u>\$ 82,577</u>

The results of operations for the acquisition have been included in the consolidated statements of operations from the date of acquisition. The following unaudited pro forma information is presented as if the acquisition had occurred at the beginning of the periods presented (in thousands, except per share amounts):

	Year ended December 31, 2004	Year ended December 31, 2003
Revenues and other operating income	\$ 49,792	\$ 40,526
Loss before cumulative effect of change in accounting principle	(5,040)	(4,909)
Net loss	<u>\$ (5,040)</u>	<u>\$ 5,357</u>
Basic and diluted loss per share	<u>\$ (1,977.25)</u>	<u>\$ (1,964.43)</u>

C SALE OF SUBSIDIARY

On April 23, 2004 the Company entered into a stock sale agreement with Range Energy I, Inc. to sell all of the issued and outstanding shares of common capital stock of RB Operating Company (RBOC), a wholly-owned subsidiary of the Company. The transaction closed on April 29, 2004 for a purchase price of \$22.5 million, subject to customary post-closing adjustments. The Company received proceeds of \$21.8 million, net of transaction costs of \$363,000 and cash paid of \$814,000, from the sale, of which \$17.9 million was used to pay the remaining balance on the Foothill loan and security agreement.

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With this sale the Company sold approximately 27% of its proved oil and natural gas reserves. As this significantly altered the relationship between the Company's capitalized costs and proved reserves, the Company recognized a gain on the sale of \$12.1 million.

Although the Company sold a wholly-owned subsidiary, the subsidiary was formed solely to effect this transaction and the assets included in the subsidiary consisted solely of oil and gas properties located in New Mexico that were carved out of another RAM entity. That RAM entity continues to hold and operate significant other oil and gas properties, including oil and gas properties located in New Mexico, which have similar quality hydrocarbons and similar economic characteristics as those properties sold. Because the net assets of RBOC were part of a larger cash-flow-generating product group and, in the aggregate, did not represent a group that on their own would be a component of the Company, the conditions in Statement of Financial Accounting Standard No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* for reporting the gain associated with the sale of RBOC in discontinued operations were not met.

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)****D LONG-TERM DEBT**

Long-term debt at December 31 consists of the following (in thousands):

	<u>2005</u>	<u>2004</u>
11.5% Senior Notes due 2008, net of discount	\$ 28,309	\$ 28,268
Credit facility	83,897	88,663
Installment loan agreements	640	413
	<u>112,846</u>	<u>117,344</u>
Less amount due within one year	560	3,891
	<u>\$ 112,286</u>	<u>\$ 113,453</u>

The amount of required principal payments for the next five years and thereafter, as of December 31, 2005, is as follows: 2006-\$560,000; 2007-\$58,000; 2008-\$28,418,000; 2009 - none, and 2010 - \$83,897,000.

1. Senior Notes

In February 1998 the Company completed the sale of \$115.0 million of 11.5% Senior Notes due 2008 in a public offering of which \$28.2 million remained outstanding at December 31, 2005 and 2004. The Senior Notes are senior unsecured obligations of the Company and are redeemable at the option of the Company in whole or in part, at any time on or after February 15, 2005, at prices ranging from 111.5% to 103.8% of face amount to their scheduled maturity in 2008.

The indenture under which the Senior Notes were issued contained certain covenants, including covenants that limited (i) incurrence of additional indebtedness and issuances of disqualified capital stock, (ii) restricted payments, (iii) dividends and other payments affecting subsidiaries, (iv) transactions with affiliates and outside directors' fees, (v) asset sales, (vi) liens, (vii) lines of business, (viii) merger, sale or consolidation and (ix) non-refundable acquisition deposits.

In November 2002 the Company recognized a gain (net of unamortized deferred offering and original issue discount costs and transaction fees) of \$32.9 million as a result of the purchase of \$63.475 million face amount of the Senior Notes. The Senior Notes, plus accrued interest of

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\$1.988 million, were purchased at 46% of face amount and were canceled by the Company. The Company utilized borrowings under its revolving credit agreement and available cash to purchase the Senior Notes.

In connection with the Company's November 2002 purchase of the Senior Notes, the indenture was amended to eliminate the covenant limitations described above.

At December 31, 2005 and 2004 the unamortized original issue discount associated with the Notes totaled approximately \$87,000 and \$128,000, respectively.

2. Credit Facility

In November 2002 the Company entered into a two-part revolving credit facility with Foothill. It provided for a three year, \$30 million revolving commitment. In December 2004 the Company entered into an amended and restated \$90.0 million senior secured credit facility provided by Foothill. The facility included a \$30.0 million term loan and a \$60.0 million revolving credit facility. The Company and Foothill amended the credit facility on March 7, 2005. This amendment decreased the minimum EBITDA threshold and decreased the limit on the annual maximum amount of capital expenditures. On May 24, 2005 the credit facility was amended and

Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

restated in its entirety to accommodate Ableco Finance LLC as a participating lender. Significant changes in the amended and restated facility included increasing the interest rate on the term loan to Foothill's base rate plus 5%, or 10.5%, whichever is greater, or LIBOR plus 7%, or 9.5%, whichever is greater, at the Company's option. (12.25% at December 31, 2005).

In August and September 2005 the Company paid \$6,400,000 in margin calls related to the derivative contracts required under the amended and restated facility. Principally due to these margin call requirements, the amended and restated credit facility was amended once again on October 11, 2005 with an effective date of September 30, 2005. That amendment increased the amount of the facility to \$100.0 million and created a new special revolving facility in the amount of \$10.0 million specifically to fund margin calls under the Company's hedging contracts. The special revolving credit facility was funded in the amount of \$6.9 million, including a \$500,000 closing fee, and the revolving credit facility was reduced by that amount. The facility also included a conditional deferred fee in the amount of \$375,000. On November 4, 2005 the counterparty to the Company's hedging contracts refunded \$4,600,000 of the margin deposits and on February 17, 2006 refunded \$1,800,000 of the margin deposits. These amounts were applied to reduce the special revolving facility. The conditional deferred fee of \$375,000 was paid during January, 2006, and accrued at December 31, 2005.

The amount of credit available under the credit facility at December 31, 2005 and 2004 was \$3.4 million and \$1.3 million, respectively.

On April 3, 2006, the Company and an institutional lender executed a new senior secured credit facility to replace the above mentioned credit facility. The outstanding amounts at December 31, 2005 were repaid in April, 2006 at the closing of this new credit facility. (See Note Q)

E SUBSIDIARY GUARANTORS

The Company's Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis, by all of the Company's current and future subsidiaries (the "Subsidiary Guarantors"). The following table sets forth condensed consolidating financial information of the Subsidiary Guarantors. There are currently no restrictions on the ability of the Subsidiary Guarantors to transfer funds to the Company in the form of cash dividends, loans or advances.

The following represents the condensed consolidating balance sheets for the Company and its subsidiaries as of December 31, 2005 and 2004 (in thousands):

<u>Parent</u>	Subsidiary	Consolidating	Total
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		<u>Guarantors</u>	<u>Adjustments</u>	<u>Consolidated</u>
				<u>Amounts</u>
December 31, 2005				
Current assets	\$ 3,355	\$ 26,527	\$ (20,267)	\$ 9,615
Property and equipment, net	14,167	116,965		131,132
Investment in subsidiaries	27,324		(27,324)	
Other assets	2,395	134		2,529
	<u>47,241</u>	<u>143,626</u>	<u>(47,591)</u>	<u>143,276</u>
Total assets	\$ 47,241	\$ 143,626	\$ (47,591)	\$ 143,276
Current liabilities	\$ 28,713	\$ 5,849	\$ (20,267)	\$ 14,295
Long-term debt	29,767	82,519		112,286
Other non-current liabilities	3,038	9,126		12,164
Deferred income taxes	6,492	18,808		25,300
	<u>68,010</u>	<u>116,302</u>	<u>(20,267)</u>	<u>164,045</u>
Total liabilities	68,010	116,302	(20,267)	164,045
Stockholders' equity (deficit)	(20,769)	27,324	(27,324)	(20,769)
	<u>(20,769)</u>	<u>27,324</u>	<u>(27,324)</u>	<u>(20,769)</u>
Total liabilities and stockholders' equity (deficit)	\$ 47,241	\$ 143,626	\$ (47,591)	\$ 143,276

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

				Total
	Parent	Subsidiary Guarantors	Consolidating Adjustments	Consolidated Amounts
December 31, 2004				
Current assets	\$ 1,203	\$ 8,002	\$	\$ 9,205
Property and equipment, net	10,563	117,895		128,458
Investment in subsidiaries	11,882		(11,882)	
Other assets	2,661			2,661
Total assets	\$ 26,309	\$ 125,897	\$ (11,882)	\$ 140,324
Current liabilities	\$ 6,086	\$ 8,025	\$	\$ 14,111
Long-term debt	34,489	78,964		113,453
Other non-current liabilities	3,104	5,194		8,298
Deferred income taxes	2,542	21,832		24,374
Total liabilities	46,221	114,015		160,236
Stockholders' equity (deficit)	(19,912)	11,882	(11,882)	(19,912)
Total liabilities and stockholders' equity (deficit)	\$ 26,309	\$ 125,897	\$ (11,882)	\$ 140,324

The following represents the condensed consolidating statements of operations and statements of cash flows for the Company and its subsidiaries for the years ended December 31, 2005, 2004 and 2003 (in thousands):

				Total
	Parent	Subsidiary Guarantors	Consolidating Adjustments	Consolidated Amounts
Year ended December 31, 2005				
Operating revenues	\$ (2,064)	\$ 57,463	\$	\$ 55,399
Operating expenses	6,948	34,563		41,511
Operating income (loss)	(9,012)	22,900		13,888
Other expense	2,477	(7,171)	(7,845)	(12,539)
Income (loss) before income taxes	(6,535)	15,729	(7,845)	1,349

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Income taxes	(7,078)	7,884		806
Net income (loss)	\$ 543	\$ 7,845	\$ (7,845)	\$ 543
Cash flows provided by (used in) operating activities	\$ 9,592	\$ 8,767	\$	\$ 18,359
Cash flows (used in) provided by investing activities	(3,108)	(9,446)		(12,554)
Cash flows (used in) provided by financing activities	(6,910)			(6,910)
Increase (decrease) in cash and cash equivalents	(426)	(679)		(1,105)
Cash and cash equivalents, beginning of year	1,043	132		1,175
Cash and cash equivalents, end of year	\$ 617	\$ (547)	\$	\$ 70
Year ended December 31, 2004				
Operating revenues	\$ 20,370	\$ 9,369	\$ (80)	\$ 29,659
Operating expenses	11,553	3,342	(80)	14,815
Operating income	8,817	6,027		14,844
Other income	359	25	(5,419)	(5,035)
Income before income taxes	9,176	6,052	(5,419)	9,809
Income taxes	3,100	633		3,733
Net income	\$ 6,076	\$ 5,419	\$ (5,419)	\$ 6,076

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

	Parent	Subsidiary Guarantors	Consolidating Adjustments	Total Consolidated Amounts
Cash flows provided by (used in) operating activities	\$ 85,784	\$ (83,991)	\$	\$ 1,793
Cash flows (used in) provided by investing activities	(66,556)	1,704		(64,852)
Cash flows (used in) provided by financing activities	(20,109)	82,225		62,116
Decrease in cash and cash equivalents	(881)	(62)		(943)
Cash and cash equivalents, beginning of year	1,924	194		2,118
Cash and cash equivalents, end of year	\$ 1,043	\$ 132	\$	\$ 1,175
Year ended December 31, 2003				
Operating revenues	\$ 14,612	\$ 5,408	\$	\$ 20,020
Operating expenses	14,320	1,092		15,412
Operating income	292	4,316		4,608
Other expense	(3,257)		(1,614)	(4,871)
Income (loss) from continuing operations before income taxes	(2,965)	4,316	(1,614)	(263)
Income taxes	(1,406)	1,634		228
Income (loss) from continuing operations	(1,559)	2,682	(1,614)	(491)
Loss from discontinued operations, net of tax		(1,068)		(1,068)
Net income (loss) before cumulative effect of change in accounting principle	(1,559)	1,614	(1,614)	(1,559)
Cumulative effect of change in accounting principle, net of tax	(448)			(448)
Net income (loss)	\$ (2,007)	\$ 1,614	\$ (1,614)	\$ (2,007)
Cash flows provided by (used in) operating activities	\$ 17,756	\$ (11,982)	\$	\$ 5,774
Cash flows (used in) provided by investing activities	(4,423)	11,845		7,422
Cash flows (used in) provided by financing activities	(12,333)			(12,333)
Increase (decrease) in cash and cash equivalents	1,000	(137)		863
Cash and cash equivalents, beginning of year	924	331		1,255
Cash and cash equivalents, end of year	\$ 1,924	\$ 194	\$	\$ 2,118

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Due to intercompany allocations among RAM Energy, Inc. and its subsidiaries, the above condensed consolidating information is not intended to present the Company's subsidiaries on a stand-alone basis.

F LEASES

The Company leases office space and certain equipment under non-cancelable operating lease agreements that expire on various dates through 2009. Approximate future minimum lease payments for operating leases at December 31, 2005 are as follows:

Year Ending December 31

2006	\$ 325,000
2007	\$ 316,000
2008	\$ 153,000
2009	\$ 3,000

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

Rent expense of approximately \$519,000, \$288,000, and \$254,000 was incurred under operating leases in the years ended December 31, 2005, 2004, and 2003, respectively.

In conjunction with the WG Acquisition in 2004, the Company assumed capital leases for operating equipment. Future minimum lease payments for capital leases are approximately \$59,000 in 2006.

G DEFINED CONTRIBUTION PLAN

The Company sponsors a 401(k) defined contribution plan for the benefit of substantially all of its employees. The plan allows eligible employees to contribute up to 100% of their annual compensation, not to exceed the maximum amount permitted by IRS regulations. Employer contributions to the plan are discretionary. The Company paid contributions to the plan in 2005, 2004, and 2003 of \$210,000, \$190,000, and \$163,000, respectively.

H CAPITAL STOCK

Pursuant to a Special Retainer Agreement effective July 1, 1998, as amended, the Board of Directors granted an outside counsel an option to purchase 50 shares of the Company's common stock, which became fully vested during 2000, and was exercisable through June 30, 2008. On April 4, 2002 the Board of Directors granted fully-vested options to purchase an additional 50 shares of the Company's common stock and set the exercise price on all options at \$2,500 per share, an amount which management believes approximated the per common share value of the Company at that date. Expense of approximately \$72,000 related to the stock options was recognized in the 2002 statement of operations based on the estimated fair value of the stock options. As of December 31, 2005 after the redemption of one-sixth of the outstanding stock options in August 2004 described below, options to purchase 83.33 shares remained outstanding.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 5.0%, no expected dividends, expected life of 6.7 years and no volatility.

In January 1998 the Company adopted its 1998 Stock Incentive Plan and reserved 550 shares of common stock for issuance under the plan. No awards have been granted under the Plan as of December 31, 2005.

In April 2002 the Company amended its Certificate of Incorporation to eliminate its authorized preferred stock and reduce its authorized common stock to 5,000,000 shares. Prior to the amendment, the Company's authorized capital consisted of 5,000,000 shares of preferred stock,

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none of which were issued and outstanding, and 15,000,000 shares of common stock.

In December 2003 the Company effected a 1,000-to-1 reverse stock split and amended its Certificate of Incorporation to reduce its authorized common stock to 5,000 shares, with a par value of \$10.00 per share. Prior period amounts have been restated to reflect the reverse stock split.

In August 2004 the Company repurchased and retired one-sixth of its outstanding common shares and vested stock options for \$5.0 million and \$135,000, respectively. The cash paid to repurchase the common shares and stock options was equal to their respective estimated fair values on the date of settlement and, therefore, is recorded as a reduction of equity. Absent a market price for or comparable to the untraded securities, management estimated the fair value of the common stock by dividing the estimated net asset value per share by the total number of shares outstanding. Management believes the estimation method and assumptions utilized represent the best available evidence of the value of the equity securities at the settlement date.

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

The Company declared cash dividends of \$804,000 for the year ended December 31, 2003, \$294.68 per share. The unpaid dividends at December 31, 2003 are recorded as other accrued liabilities on the balance sheet and were paid in January 2004. The Company declared cash dividends of \$1,200,000 for the year ended December 31, 2004, \$146.68 per share for \$800,000 declared prior to the stock repurchase, and \$176.02 per share for the \$400,000 declared subsequent to the stock repurchase. The Company declared cash dividends of \$1,400,000 for the year ended December 31, 2005, \$615.93 per share. All dividends declared in 2005 and 2004 were paid by the respective year ends.

I INCOME TAXES

The (provision) benefit for income taxes is comprised of (in thousands):

	Year Ended December 31,		
	2005	2004	2003
Current	\$ 393	\$ (6,892)	\$ (4,190)
Deferred	(1,199)	3,159	3,962
Provision for income tax expense	\$ (806)	\$ (3,733)	\$ (228)

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The significant differences between pre-tax book income and taxable book income relate to non-deductible personal expenses, meals and entertainment expenses and state income taxes.

The sources and tax effects of the differences are as follows (in thousands):

	Year Ended December 31,		
	2005	2004	2003
Income tax provision at the federal statutory rate (34%)	\$ (459)	\$ (3,088)	\$ (73)
State income (tax) benefit, net of federal benefit	12	(361)	(6)
Meals and entertainment expense	(34)	0	0
Non-deductible dues	(15)	0	0
Non-deductible related party expenses	(302)	(284)	(149)

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Other	<u>(8)</u>	<u>0</u>	<u>0</u>
Income tax provision	\$ (806)	\$ (3,733)	\$ (228)

The Company's income tax provision was computed based on the federal statutory rate and the average state statutory rates, net of the related federal benefit.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

Significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2005	2004
Deferred tax assets:		
Current:		
Hedge termination payment	\$ 0	\$ 4,894
Accrued expenses and other	163	85
	<u>163</u>	<u>4,979</u>
Valuation allowance	0	0
	<u>163</u>	<u>4,979</u>
Net current deferred tax assets	\$ 163	\$ 4,979
Noncurrent deferred tax assets:		
Net operating loss carryforward	\$ 1,510	\$ 1,887
Accrued liabilities and other	3,059	1,855
	<u>4,569</u>	<u>3,742</u>
Valuation allowance	0	0
	<u>4,569</u>	<u>3,742</u>
Net noncurrent deferred tax assets	\$ 4,569	\$ 3,742
Deferred tax liabilities:		
Current:		
Prepaid expenses and other	\$ (230)	0
	<u>(230)</u>	<u>0</u>
Noncurrent:		
Depreciable/depletable property, plant and equipment	\$ (20,236)	\$ (23,257)
Other	(0)	(0)
	<u>(20,236)</u>	<u>(23,257)</u>
Total noncurrent deferred tax liabilities	\$ (20,236)	\$ (23,257)
Net noncurrent deferred tax liability	\$ (20,466)	\$ (19,515)
	<u>(20,466)</u>	<u>(19,515)</u>
Net deferred tax liability	\$ (15,734)	\$ (14,536)
	<u>(15,734)</u>	<u>(14,536)</u>

As of December 31, 2005, the Company has federal net operating loss carryforwards of approximately \$4.02 million for tax purposes, which were an inherited attribute from the WG Energy Holdings, Inc. acquisition during 2004. These net operating loss carryforwards are subject to the ownership change limitation provisions of Section 382 of the Internal Revenue Code. However, based upon the value of WG Energy Holdings, Inc. at the time of the acquisition, the amount of these net operating losses that may be used annually should be sufficient to allow the losses to

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be utilized prior to their expiration. Accordingly, the Company believes that it will more likely than not be able to utilize these losses and that no valuation allowance for the deferred tax asset associated therewith is required. If not used, these carryforwards will generally expire between 2021 and 2023. In addition, the Company has generated net operating loss carryforwards for state income tax purposes, which the Company believes will more likely than not be realized during the relevant carryforward periods; however, such amounts have not been separately disclosed in the financial statements as the Company does not believe that these net operating losses are material to the amounts presented herein.

The Company has reported the recovery of tax basis amounts in certain assets in prior years that generated net operating losses for tax return filing purposes; however, the Company has not recorded a tax benefit for such amounts due to certain factual and technical issues related thereto. The Company will record the benefit for such tax basis amounts in future periods when it can appropriately conclude that the realization of such benefit is more likely than not assured.

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

J SALE OF PIPELINE SYSTEM

On July 18, 2003 the Company entered into an agreement to sell its oil and natural gas pipeline system in north central Oklahoma to Continental Gas, Inc. (CGI) for \$15.0 million, effective August 1, 2003, and subject to certain adjustments. \$3.0 million in settlement of the claim by CGI reduced the sale price. (see Note K). The sale of the pipeline closed July 31, 2003 and approximately \$11.8 million net proceeds were used to reduce the Company's credit facility.

The results of operations and cash flows related to the pipeline system are reflected in the accompanying financial statements as discontinued operations. For the year ended December 31, 2003, revenues for discontinued operations were \$14,500,000. Interest expense of \$609,000 for the year ended December 31, 2003 has been allocated to discontinued operations in the statements of operations.

No gain or loss on disposal was recorded because impairment provisions had written the pipeline system down to its realizable value.

K COMMITMENTS AND CONTINGENCIES

In November 2004 Ted Collins, Jr. filed a lawsuit against WG Energy Holdings, Inc. and Michael G. Grella, the former president of that company. Mr. Collins alleged that WG and Mr. Grella failed to timely apply a \$1.5 million advance toward developing the shallow formations underlying certain leases, and failed to deliver assignments of certain interests in those leases, both as allegedly required by the participation agreement between them. Mr. Collins further claimed that WG failed to account to him for revenues allegedly accruing to him under the terms of the participation agreement. Mr. Collins sought an accounting and to have the partial assignment and/or participation agreement reformed based on allegations of mutual mistake, and further pled claims of fraud and negligent misrepresentation. He did not specify the amount of damages claimed. As this lawsuit existed at the time of the Company's acquisition of WG, a \$5 million escrow was established as a reserve for this lawsuit (see Note B). A settlement agreement was reached on September 14, 2005, whereby Ted Collins Jr. and the defendants settled and released all claims that had been asserted and those that might have been asserted in the lawsuit. On October 19, 2005, RWG received \$250,000 from the escrow account as a result of this settlement.

In June 2003 a lawsuit was filed by CGI against Great Plains Pipeline Company (GPPC), a wholly owned subsidiary of the Company, in the District Court of Garfield County, Oklahoma. GPPC and CGI were parties to a Gas Service Contract (the Contract) dated November 22, 1996; pursuant to which GPPC delivered to CGI all of the gas that flowed through GPPC's pipeline system. CGI compressed and processed the gas and then redelivered thermally equivalent volumes to GPPC at the tailgate of the CGI processing plant in Woods County. The term of the Contract was for the life of the leases from which GPPC purchased gas in a specified service area.

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In the lawsuit CGI alleged that over several years GPPC delivered gas under the Contract that was produced from wells and leases lying outside the specified service area and that such gas was not covered by and should not have been delivered under the Contract. CGI alleged that only gas produced from wells and leases lying inside the service area should be counted for purposes of determining whether or not a compression and processing fee was due, that when outside volumes were excluded, compressing and processing fees were due CGI, and with respect to the outside volumes GPPC delivered under the Contract, GPPC owed CGI a market rate for compressing and processing services performed with respect to such gas.

As a part of the agreement for the sale of the pipeline system by GPPC to CGI, the parties agreed to \$3.0 million as consideration for a contemporaneous mutual release by CGI and GPPC of all claims of every nature arising out of the Contract. A provision for litigation settlements in the amount of \$3.0 million was recorded at December 31, 2002 as a current liability and netted from the proceeds received from the sale of the pipeline (see Note J).

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

In April 2002 a lawsuit was filed in the District Court for Woods County, Oklahoma against the Company, certain of its subsidiaries and various other individuals and unrelated companies, by lessors and royalty owners of certain tracts of land, which were sold to a subsidiary of Chesapeake Energy Corporation in 2001. The petition claims that additional royalties are due, because Carmen Field Limited Partnership (CFLP), a wholly-owned subsidiary of the Company, resold oil and gas purchased at the wellhead for an amount in excess of the price upon which royalty payments were based and paid no royalties on natural gas liquids extracted from the gas at plants downstream of the system. Other allegations include under-measurement of oil and gas at the wellhead by CFLP, failure to pay royalties on take-or-pay settlement proceeds and failure to properly report deductions for post-production costs in accordance with Oklahoma's check stub law.

Company defendants have filed answers in the lawsuit denying all material allegations set out in the petition. The Company believes that fair and proper accounting was made to the royalty owners for production from the subject leases and intends to vigorously defend the lawsuit. Management is unable to estimate a range of potential loss, if any, related to this lawsuit, and accordingly no amounts have been recorded in the consolidated financial statements. In the event the court should find Company defendants liable for damages in the lawsuit, a former joint venture partner is contractually obligated to pay a portion of any damages assessed against the Company defendants up to a maximum contribution of approximately \$2.8 million.

In a suit filed in mid-2001 by a large independent oil and gas exploration and production company, claims arising from gas balancing on seven wells located in western Oklahoma, then operated by the Company, were made. In December 2002, a provision for settlement of this claim was made in the amount of \$140,000, which was paid in May 2003.

The Company is also involved in other legal proceedings and litigation in the ordinary course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Company's financial position or results of operations.

The Company has established a severance agreement for the President and CEO of the Company. This agreement provides for severance benefits to be paid upon involuntary separation as a result of actions taken by the Company or its successors. At December 31, 2005 and 2004, the severance benefits under this agreement were approximately \$1,650,000 and \$1,750,000, respectively. A provision for these benefits will not be made until an involuntary termination is probable.

Pursuant to a Special Retainer Agreement effective July 1, 1998, as amended, the Company is obligated to pay an outside counsel law firm approximately \$360,000 in the event that the agreement is terminated by reason of expiration of term, by counsel for good reason, by reason of change in control, or by the Company at will. A provision for the payment will not be made until termination of the agreement is probable.

L HEDGING ACTIVITIES

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The Company utilizes a hedging program to reduce its exposure to unfavorable changes in oil and natural gas prices that are subject to significant and often volatile fluctuation. This program customarily involves the purchase of put options to provide a price floor for its production, put/call collars that establish both a floor and a ceiling price to provide price certainty within a fixed range, put/call/call collars that establish a secondary floor above the put/call collar ceiling, forward sale contracts for specified monthly volumes at prices determined with reference to the natural gas futures market and swap arrangements that establish an index-related price above which the Company pays the hedging partner and below which the Company is paid by the hedging partner. When market prices for oil and natural gas decline, the decline in the value of the cash flows from the Company's forecasted natural gas production designated as being hedged is substantially offset by gains in the

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

value of the hedging contracts. Conversely, when market prices increase, the increase in the value of the cash flows from the Company's forecasted natural gas production designated as being hedged is substantially offset by losses in the value of the hedging contracts.

In 2002 the Board of Directors approved risk management policies and procedures to utilize these hedging contracts for the reduction of defined commodity price risks in alignment with the terms of the Company's revolving credit facility with Foothill. These policies prohibit speculation with derivatives, limit the amount of production hedged and limit hedge agreements to counterparties with appropriate credit standings.

During 2005, 2004, and 2003 the Company entered into numerous derivative contracts. The Company did not formally designate these transactions as hedges as required by SFAS No. 133 in order to receive hedge accounting treatment. Accordingly, all gains and losses on the derivative financial instruments during 2005, 2004, and 2003 have been recorded in the statements of operations.

At December 31, 2005 the Company had collars in place on 45,625 barrels/month through 2006 and 30,417 barrels/month through 2007. The 45,625 barrels/month in 2006 had a weighted average floor and ceiling of \$42.51 and \$60.56, respectively. The 30,417 barrels/month in 2007 had a weighted average floor and ceiling of \$35.00 and \$69.74, respectively. For natural gas, the Company had collars in place on 159,583 Mmbtu/month through 2006 and 150,000 Mmbtu/month for the three months ending March 2007. The 159,583 Mmbtu/month in 2006 had a weighted average floor and ceiling of \$6.23 and \$8.86, respectively. The 150,000 Mmbtu/month for the three months ending March 2007 had a weighted average floor and ceiling of \$7.00 and \$11.95. The Company also had purchased put options on 7,604 barrels/month of crude oil through 2006 at a weighted average floor price of \$40.00. The Company purchased call options on 157,000 Mmbtu/month of natural gas for eight months in 2006 at a weighted average floor price of \$9.94.

At December 31, 2004 the Company had purchased put options on 37,958 barrels/month of crude oil through December 2005 with a floor price of \$40.00 per barrel. For natural gas the Company had purchased collars on 152,000 Mmbtu/month through October 2005; the weighted average floor price was \$5.65 per Mmbtu, and the weighted average ceiling price was \$7.84 per Mmbtu. An asset of approximately \$1,627,000 was recorded in the consolidated balance sheets.

The primary market risk related to the Company's derivative contracts are the volatility in commodity prices. However, this market risk is offset by the gain or loss recognized upon the related sale or purchase of the commodity that is hedged. Credit risk relates to the risk of loss as a result of nonperformance by the Company's counterparties. The counterparties are primarily major trading companies which management believes present minimal credit risks.

M LIQUIDITY

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As of December 31, 2005, the Company has an accumulated deficit of \$20,865,000 and a working capital deficit of \$4,680,000. Management believes that borrowings currently available to the Company under the Company's new credit facilities (\$42 million available at April 6, 2006), the balance of unrestricted cash, and anticipated cash flows from operations will be sufficient to satisfy its currently expected capital expenditures, working capital, and debt service obligations for the foreseeable future. The actual amount and timing of future capital requirements may differ materially from estimates as a result of, among other things, changes in product pricing and regulatory, technological and competitive developments. Sources of additional financing may include commercial bank borrowings, vendor financing and the sale of oil and natural gas properties or equity or debt securities. Management cannot assure that any such financing will be available on acceptable terms or at all.

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

N RELATED PARTY TRANSACTIONS

For the years ended December 31, 2005, 2004, and 2003 the Company paid expenses in the amount of \$0, \$0, and \$260,000, respectively, for expenses on behalf of the Danish Knights, a Limited Partnership, which is owned by one of the shareholders of the Company.

The Company paid rent expense of approximately \$29,000, \$66,000, and \$54,000 relating to a condominium for one of the shareholders of the Company for the years ended December 31, 2005, 2004, and 2003, respectively.

For the years ended December 31, 2005, 2004, and 2003 approximately \$499,000, \$792,000, and \$299,000, respectively, of expenses (excluding the rent payments discussed above) for the shareholders of the Company are included in general and administrative expenses in the consolidated statements of operations, some of which may be personal in nature.

In June 2005 the Company sold overriding royalty interests in certain properties located in Jack and Wise Counties, Texas for \$2.3 million to Bridgeport Royalties, LLC. Bridgeport Royalties, LLC is a related party of the Company, owned and operated by the owners and several officers and employees of the Company, in addition to outside counsel. No gain on the sale was recognized and the proceeds were applied to reduce the outstanding balance under the Company's revolving credit facility.

O DEFERRED COMPENSATION

On April 21, 2004 the Company adopted a Deferred Bonus Compensation Plan (the Plan) for senior management employees of the Company. The Plan is to provide additional compensation for significant business transactions with a portion of each bonus to be deferred to encourage retention of key employees. Determination of significant business transactions and terms of awards is made by a committee comprised of the shareholders of the Company.

During 2004 and 2005 three members of senior management were granted awards. Each award provides for a total cash compensation of \$75,000 and vests on each anniversary date for three years beginning on July 1, 2004 and July 1, 2005, respectively. Receipt of the award is contingent on the members being employed on the anniversary date. Should there be a change of control or involuntary termination, as defined in the award contract, each member will become fully vested in his award. Compensation expense is recorded on a straight-line basis. For the years ended December 31, 2005 and 2004, \$150,000 and \$112,500, respectively, has been recorded as compensation expense in the consolidated statements of operations.

P MERGER AGREEMENT

In October 2005 the Company entered into a definitive merger agreement with Tremisis Energy Acquisition Corporation pursuant to which the Company will become a wholly-owned subsidiary of Tremisis.

Q SUBSEQUENT EVENTS

On April 3, 2006, the Company entered into and closed a new secured credit facility with a financial institution, consisting of a \$150.0 million, five-year term loan facility and a \$150.0 million, four-year revolving credit facility.

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RAM Energy, Inc.

Notes to Consolidated Financial Statements (Continued)

At closing, \$90 million of the term loan was advanced and \$42 million remained available under the revolving credit facility. The remainder of the term loan facility will be available, subject to approval of the lenders, for certain future needs, including acquisitions. The new revolving credit facility is scheduled to mature in April 2010, until which time amounts may be borrowed and repaid as often as needed, subject to a borrowing base limitation that is re-determined semi-annually, based on oil and gas reserves. The term loan facility is scheduled to mature in April 2011, with permitted prepayments after the first year, subject to a prepayment premium in the second and third years of the term. Advances under the revolving credit facility will bear interest at LIBOR plus 2% per annum, while amounts outstanding under the term loan will bear interest at LIBOR plus 5.5% to 6.0% per annum. Obligations under the new credit facility are secured by a first lien on substantially all assets of the Company and its subsidiaries. The initial advance under the new credit facility was used to refinance the Company's existing credit facility, to pay expenses associated with establishing the new facility, and to fund \$10.0 million of the pre-closing dividend/redemption payments permitted by the merger agreement (See Note P). Subsequent advances may be used to:

repurchase all of the Company's outstanding 11 1/2% Senior Notes due 2008 (\$28.4 million principal amount), and

for general working capital purposes.

The new credit facility contains financial covenants requiring the Company to maintain certain ratios, including a current ratio, a ratio of earnings before interest, taxes, depreciation and amortization, or EBITDA, to interest expense, a ratio of total indebtedness to EBITDA, and a ratio of asset value to total indebtedness. In addition, the new credit facility contains other affirmative and negative covenants customary in lending transactions of this nature, including the maintenance by the Company of hedging contracts for a minimum and maximum amount of projected oil and natural gas production from its properties. Amounts advanced under the new credit facility prior to the closing of the merger will not cause the Company to exceed the total indebtedness limitation at closing as provided in the merger agreement (See Note P).

As a result of the refinancing, the current portion of long-term debt under the Company's previous credit facility as of December 31, 2005 has been reclassified to long-term debt.

On April 6, 2006, the Company effected a redemption of a portion of the outstanding shares of its common stock for an aggregate redemption payment of \$10.0 million.

R SUPPLEMENTARY OIL AND NATURAL GAS RESERVE INFORMATION (UNAUDITED)

The Company has interests in oil and natural gas properties that are principally located in Texas, Louisiana, Oklahoma, and New Mexico. The Company does not own or lease any oil and natural gas properties outside the United States of America.

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The Company retains independent engineering firms to provide year-end estimates of the Company's future net recoverable oil, natural gas and natural gas liquids reserves. Estimated proved net recoverable reserves as shown below include only those quantities that can be expected to be commercially recoverable at prices and costs in effect at the balance sheet dates under existing regulatory practices and with conventional equipment and operating methods.

Proved developed reserves represent only those reserves expected to be recovered through existing wells. Proved undeveloped reserves include those reserves expected to be recovered from new wells on undrilled acreage or from existing wells on which a relatively major expenditure is required for re-completion.

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

Capitalized costs relating to oil and natural gas producing activities and related accumulated depreciation and amortization at December 31 are summarized as follows (in thousands):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Proved oil and natural gas properties	\$ 160,704	\$ 146,598	\$ 60,760
Accumulated depreciation and amortization	(32,602)	(20,074)	(24,006)
	<u>\$ 128,102</u>	<u>\$ 126,524</u>	<u>\$ 36,754</u>

Costs incurred in oil and natural gas producing activities for the years ended December 31 are as follows (in thousands, except per equivalent oil barrel):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Acquisition of proved properties	\$ 155	\$ 96,819	\$
Development costs	11,864	5,173	5,056
Exploration costs	1,507	727	202
Sale of producing properties	(2,471)	(16,881)	(187)
Additional asset retirement obligation	3,051		
	<u>\$ 14,106</u>	<u>\$ 85,838</u>	<u>\$ 5,071</u>
Amortization rate per equivalent oil barrel	\$ 8.93	\$ 5.89	\$ 5.64

Net quantities of proved and proved developed reserves of oil and natural gas, including condensate and natural gas liquids, are summarized as follows:

	<u>Crude Oil (Thousand Barrels)</u>	<u>Natural Gas (Million Cubic Feet)</u>	<u>Natural Gas Liquids (Thousand Barrels)</u>
December 31, 2002	2,451	35,920	
Extensions and discoveries	258	1,152	
Sales of reserves in place		(16)	
Purchases of reserves in place		1,114	
Revisions of previous estimates	(110)	(1,269)	5
Production	(277)	(2,334)	(5)

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December 31, 2003	2,322	34,567	
Extensions and discoveries	17	3,015	
Sales of reserves in place	(1,319)	(4,890)	
Purchases of reserves in place	9,482	10,013	2,092
Revisions of previous estimates	343	(2,582)	7
Production	(178)	(1,928)	(12)
December 31, 2004	10,667	38,195	2,087
Extensions and discoveries	5	1,297	
Sales of reserves in place	(25)	(1,305)	
Purchases of reserves in place			
Revisions of previous estimates	1,339	(1,272)	(26)
Production	(787)	(2,681)	(170)
December 31, 2005	11,199	34,234	1,891
Proved developed reserves:			
December 31, 2002	2,234	28,379	
December 31, 2003	2,151	26,237	
December 31, 2004	6,198	31,048	1,611
December 31, 2005	7,337	26,752	1,396

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Table of Contents**RAM Energy, Inc.****Notes to Consolidated Financial Statements (Continued)**

The following is a summary of a standardized measure of discounted net cash flows related to the Company's proved oil and natural gas reserves. For these calculations, estimated future cash flows from estimated future production of proved reserves were computed using oil and natural gas prices as of the end of the period presented. Future development and production costs attributable to the proved reserves were estimated assuming that existing conditions would continue over the economic lives of the individual leases and costs were not escalated for the future. Estimated future income tax expenses were calculated by applying future statutory tax rates (based on the current tax law adjusted for permanent differences and tax credits) to the estimated future pretax net cash flows related to proved oil and natural gas reserves, less the tax basis of the properties involved.

The Company cautions against using this data to determine the fair value of its oil and natural gas properties. To obtain the best estimate of fair value of the oil and natural gas properties, forecasts of future economic conditions, varying discount rates, and consideration of other than proved reserves would have to be incorporated into the calculation. In addition, there are significant uncertainties inherent in estimating quantities of proved reserves and in projecting rates of production that impair the usefulness of the data.

The standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves at December 31 are summarized as follows (in thousands):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Future cash inflows	\$ 1,037,337	\$ 711,781	\$ 281,149
Future production costs	(336,008)	(247,314)	(70,644)
Future development costs	(45,271)	(36,495)	(9,534)
Future income tax expenses	(219,640)	(136,669)	(69,787)
Future net cash flows	436,418	291,303	131,184
10% annual discount for estimated timing of cash flows	(209,758)	(129,983)	(63,469)
Standardized measure of discounted future net cash flows	<u>\$ 226,660</u>	<u>\$ 161,320</u>	<u>\$ 67,715</u>

The following are the principal sources of change in the standardized measure of discounted future net cash flows of the Company for each of the three years in the period ended December 31 (in thousands):

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Standardized measure of discounted future net cash flows at beginning of year	\$ 161,320	\$ 67,715	\$ 53,369
Changes during the year:			

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Sales and transfers of oil and natural gas produced, net of production costs	(46,823)	(13,112)	(15,118)
Net changes in prices and production costs	133,301	(5,758)	23,634
Extensions and discoveries, less related costs	2,311	9,337	5,153
Development costs incurred and revisions	(8,771)	4,691	(2)
Sales of reserves in place	(2,551)	(21,507)	(26)
Purchases of reserves in place		152,083	1,643
Revisions of previous quantity estimates	8,219	(4,560)	459
Net change in income taxes	(43,960)	(38,026)	(9,472)
Accretion of discount	23,620	10,457	8,075
	<u> </u>	<u> </u>	<u> </u>
Net change	65,340	93,605	14,346
	<u> </u>	<u> </u>	<u> </u>
Standardized measure of discounted future net cash flows at end of year	\$ 226,660	\$ 161,320	\$ 67,715
	<u> </u>	<u> </u>	<u> </u>

Prices used in computing these calculations of future cash flows from estimated future production of proved reserves were \$58.63, \$40.25, and \$29.25 per barrel of oil at December 31, 2005, 2004, and 2003, respectively, \$9.14, \$6.02, and \$6.17 per thousand cubic feet of natural gas at December 31, 2005, 2004, and 2003, respectively, and \$35.89 and \$27.56 per barrel of natural gas liquids at December 31, 2005 and 2004, respectively.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Tremisis Energy Acquisition Corporation

New York, NY

We have audited the accompanying balance sheets of Tremisis Energy Acquisition Corporation (a corporation in the development stage) as of December 31, 2005 and 2004 and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2005, the period from February 5, 2004 (inception) to December 31, 2004 and the period from February 5, 2004 (inception) to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Company's Certificate of Incorporation provides for mandatory liquidation of the Company, in the event that the Company does not consummate a business combination by May 18, 2006. As discussed in Note 3, the Company plans to merge with RAM Energy, Inc. subject to stockholder approval prior to May 18, 2006; and thus avoid such mandatory liquidation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tremisis Energy Acquisition Corporation as December 31, 2005 and 2004 and the related statements of operations and cash flows for the year ended December 31, 2005, the period from February 5, 2004 (inception) to December 31, 2004 and the period from February 5, 2004 (inception) to December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is required to consummate a business combination by May 18, 2006. The possibility of such merger not being consummated raises substantial doubt about its ability to continue as a going concern, and the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

BDO Seidman, LLP

New York, NY

February 10, 2006

Table of Contents**Tremisis Energy Acquisition Corporation****(a corporation in the development stage)****Balance Sheets**

	December 31, 2005	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 290,751	\$ 834,094
U.S. Government Securities held in Trust Account (Note 1)	34,256,092	33,351,358
Accrued interest receivable, Trust Account (Note 1)	167,172	91,170
Prepaid expenses	25,314	22,125
Total current assets	34,739,329	34,298,747
Deferred acquisition costs (Note 3)	540,907	
Furniture and equipment (net of accumulated depreciation of \$4,919 and \$1,418)	8,954	6,558
Total assets	\$ 35,289,190	\$ 34,305,305
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued expenses	\$ 37,373	\$ 26,680
Accrued acquisition costs (Note 3)	423,304	
Taxes payable	224,887	26,000
Total current liabilities	685,564	52,680
Common stock, subject to possible conversion 1,264,368 shares at conversion value (Note 1)	6,881,213	6,685,164
Commitment (Note 5)		
Stockholders' equity (Notes 2, 3, 4, 6 and 7)		
Preferred stock, \$.0001 par value, authorized 1,000,000 shares; none issued		
Common stock, \$.0001 par value		
Authorized 30,000,000 shares; Issued and outstanding 7,700,000 shares (which includes 1,264,368 subject to possible conversion)	770	770
Additional paid-in capital	27,306,117	27,502,166
Earnings accumulated during the development stage	415,526	64,525
Total stockholders' equity	27,722,413	27,567,461
Total liabilities and stockholders' equity	\$ 35,289,190	\$ 34,305,305

See accompanying summary of significant accounting policies and notes to financial statements.

Table of Contents**Tremisis Energy Acquisition Corporation****(a corporation in the development stage)****Statements of Operations**

	Year Ended December 31, 2005	Period from February 5, 2004 (inception) to December 31, 2004	Period from February 5, 2004 (inception) to December 31, 2005
Expenses:			
General and administrative expenses (Note 5)	\$ 324,786	\$ 164,392	\$ 489,178
Operating loss	(324,786)	(164,392)	(489,178)
Interest income	989,337	308,032	1,297,369
Income before provision for taxes	664,551	143,640	808,191
Provision for taxes (Note 8)	(313,550)	(79,115)	(392,665)
Net Income	\$ 351,001	\$ 64,525	\$ 415,526
Accretion of Trust Account relating to common stock subject to possible conversion	(196,049)	(59,875)	(255,924)
Net income attributable to common stockholders	\$ 154,952	\$ 4,650	\$ 159,602
Basic and fully diluted income per share	\$ 0.02	\$ 0.00	
Weighted average common shares outstanding	7,700,000	5,739,057	

See accompanying summary of significant accounting policies and notes to unaudited financial statements.

Table of Contents**Tremisis Energy Acquisition Corporation****(a corporation in the development stage)****Statements of Stockholder s Equity**

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Earnings accumulated during the development stage</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, February 5, 2004 (inception)		\$	\$	\$	\$
Issuance of common stock to initial stockholders	1,375,000	137	24,863		25,000
Sale of 6,325,000 units and underwriters' option, net of underwriters' discount and offering expenses (includes 1,264,368 share subject to Possible conversion)	6,325,000	633	27,537,178		27,537,811
Accretion of Trust Account relating to common stock subject to conversion			(59,875)		(59,875)
Net income for the period					