

RIGHTS ISSUE AND PLACEMENT OF OPTIONS

ANNOUNCEMENT

2 OCTOBER 2009

The Board of Ram Resources Limited (“Ram” or “the Company”) is pleased to announce a pro-rata, non-renounceable rights issue of up to 94,722,815 options to eligible shareholders on the basis of 1 option (“Rights Issue Option”) for every 3 ordinary shares held (“Rights Issue”). The Rights Issue Options will be issued at an issue price of \$0.001 each and are exercisable at \$0.03 each on or before 30 March 2012.

Concurrent with the Rights Issue, the Company also proposes a placement of up to 60,000,000 options (“Placement Options”). The Placement Options will have the same terms and conditions as the Rights Issue Options, and will be offered to institutional, professional and sophisticated clients of Indian Ocean Capital Limited (“IOC”) (“Placement”). The Placement Options will be issued to a combination of existing and new investors and will, in part, be used to attract new investors and incentivise them to introduce new projects or investments to the Company, thus opening up new opportunities not otherwise available to the Company.

The issue of the Placement Options will be subject to shareholder approval which will be sought at the Company’s 2009 Annual General Meeting, to be held on 23 November 2009.

The Rights Issue and Placement will result in the issue of up to 154,722,815 options and raise up to \$154,722, before costs, which will be applied towards general working capital.

Ram intends to lodge a Prospectus for the Rights Issue and Placement with the Australian Securities and Investments Commission (ASIC) and announce to Australian Securities Exchange Ltd (ASX) on or around 12 October 2009.

A proposed timetable for the Rights Issue and Placement (which is subject to change) is set out below:

Lodgement of Prospectus	14 October 2009
Record Date	23 October 2009
Rights Issue Opens	29 October 2009
Right Issue and Placement Offer Closes	17 November 2009
Shareholder approval of Placement Options and despatch of Placement Options	23 November 2009
Allotment and despatch date for Rights Issue Options	25 November 2009

IOC has been appointed as lead manger to the Placement and Rights Issue. The Company intends to apply to the ASX for quotation of the Rights Issue Options and Placement Options. The Rights Issue and Placement will not be underwritten. Any shortfall from the Rights Issue will be placed at the discretion of the Board and with the assistance of IOC.

An Appendix 3B applying for quotation of the Rights Issue Options and Placement Options is attached.



Mike Drew
Managing Director