

RAM ENERGY RESOURCES INC
Form PREM14C
October 26, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14C

(RULE 14c-101)

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934 (Amendment No.)

Check the appropriate box:

- Preliminary information statement
- Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))**
- Definitive information statement

RAM Energy Resources, Inc.

(Name of Registrant as Specified in its Charter)

Payment of filing fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

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

Common Stock, par value \$.0001 per share

Warrants to purchase Common Stock, par value \$.0001 per share

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

20,500,000 shares of Common Stock

6,200,000 warrants, each warrant to purchase one share of Common Stock at an exercise price of \$5.00 per share

6,200,000 shares of Common Stock issuable upon the exercise of warrants

- (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):

The filing fee is based upon the sum of (a) 20,500,000 shares of Registrant's Common Stock, multiplied by the average of the high and low prices of a share of the Common Stock as reported by Nasdaq on October 22, 2007, (\$5.24 per share, or \$107,420,000 in the aggregate); (b) warrants to purchase 6,200,000 shares of Registrant's Common Stock with an exercise price of \$5.00 per share, multiplied by the average of the high and low prices of Registrant's Warrants as reported by Nasdaq on October 23, 2007 (\$0.67 per warrant, or \$4,154,000 in the aggregate), and (c) 6,200,000 shares of Registrant's Common Stock issuable upon the exercise of warrants, multiplied by the average of the high and low prices of a share of the Registrant's Common Stock as reported by Nasdaq on October 22, 2007, less \$31,000,000 (which is the aggregate of exercise prices for those warrants) (\$1,488,000). The filing fee was determined pursuant to Exchange Act Rule 0-11 by calculating a fee of .0000307 of the amount calculated pursuant to the preceding sentence.

- (4) Proposed maximum aggregate value of transaction: \$113,062,000
-

- (5) Total fee paid: \$3,471
-

.. 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.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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RAM ENERGY RESOURCES, INC.

5100 East Skelly Drive, Suite 650

Tulsa, Oklahoma 74135

Information Statement

, 2007

To the Stockholders of RAM Energy Resources, Inc.:

This information statement is being furnished to the holders of common stock of RAM Energy Resources, Inc., which we refer to as RAM, to provide our stockholders with notice of corporate action to be taken, which has been approved by written consent in lieu of a meeting of stockholders. On October 16, 2007, RAM, Ascent Acquisition Corp., a wholly owned, recently formed subsidiary of RAM, which we refer to as Merger Sub, and Ascent Energy Inc., which we refer to as Ascent, entered into an Agreement and Plan of Merger, which we refer to as the merger agreement, providing for the merger of Merger Sub with and into Ascent, which we refer to as the merger. Upon completion of the merger, Ascent will become a wholly owned subsidiary of RAM.

The merger will be effective immediately upon filing a certificate of merger with the Delaware Secretary of State, or at such later time as may be agreed to by RAM and Ascent, which RAM will file as soon as practicable after the expiration of 20 days following the date on which this information statement was first mailed to our stockholders, which date was on or near the date that appears below, and on or after the conditions precedent to consummation of the merger have been satisfied or waived and the transactions contemplated by the merger agreement have been closed.

Completion of the merger is subject to several conditions, which are discussed in this information statement in the section entitled "The Merger Agreement - Conditions to Consummation of the Merger."

No stockholder meeting will be held in connection with the matters discussed in this information statement. We are not asking you for a proxy and you are requested not to send us a proxy.

Thank you for your continued interest in RAM Energy Resources, Inc.

Very truly yours,

LARRY E. LEE

Chairman, President and

Chief Executive Officer

This information statement is dated _____, 2007 and is first being sent or given to the RAM stockholders on or about _____, 2007.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger agreement and the merger. These questions and answers may not address all questions that may be important to you as a RAM stockholder. Please refer to the more detailed information contained elsewhere or incorporated by reference in this information statement and the documents referred to in this information statement.

Q. What is the proposed transaction?

A. RAM entered into the merger agreement, providing for a triangular merger in which Merger Sub will merge with and into Ascent. Upon completion of the merger, Ascent will be the surviving corporation and will become RAM's wholly owned subsidiary. The merger agreement provides that, upon consummation of the merger, RAM will pay total consideration consisting of:

\$185.0 million in cash, of which (i) \$20.0 million will be placed in escrow to serve as a source of funds to adjust for Ascent's closing date working capital deficiency, if any, and to indemnify RAM against, among other things, certain breaches of Ascent's covenants, representations and warranties under the merger agreement, and (ii) \$150,000 will be used to pay the expenses of a representative of certain Ascent security holders, which we refer to as the representative;

a number of shares of RAM common stock determined by dividing \$107.0 million by the weighted (based on daily trading volume) average closing price per share of RAM common stock as reported by NASDAQ for the ten trading day period ending on the third business day prior to consummation of the merger, subject to a minimum of 20,000,000 shares and a maximum of 20,500,000 shares (subject to rounding to eliminate fractional shares); and

warrants to purchase 6,200,000 additional shares of RAM common stock, which are exercisable on or before May 11, 2008 at an exercise price of \$5.00 per share, with terms identical in all material respects to RAM's currently outstanding publicly traded warrants.

The cash amount is subject to adjustment based on the combined amount of Ascent's working capital and reimbursable capital expenditures as of the closing date, which we refer to as the working capital adjustment. The cash amount and, in certain circumstances, the number of shares of RAM common stock to be issued in connection with the merger, are subject to adjustment based on the amount required to settle Ascent's hedging contracts determined as of four business days prior to the closing date. The cash amount is also subject to a tax allocation adjustment of \$30,000 at closing based upon certain tax allocations agreed upon by RAM and Ascent. The total consideration includes amounts to be paid to certain holders of Ascent's outstanding indebtedness and other obligations, and to holders of all of Ascent's outstanding shares of preferred stock, common stock and warrants to purchase common stock.

Q. Has RAM obtained the financing necessary to fund the cash consideration to be paid in connection with the merger?

A. Yes. We have received a commitment from Guggenheim Corporate Funding, LLC, or Guggenheim, to expand our existing credit facility to \$500.0 million which, when completed, will provide us with a source of funds sufficient to fund the cash consideration to be paid in connection with the merger.

Q. Am I being asked to vote on the merger?

A. No. The merger is what is commonly referred to as a triangular merger which, insofar as RAM is concerned, requires approval only by the board of directors of RAM, which has been obtained. This approval includes the adoption and approval of the merger agreement by RAM as the sole stockholder of Merger Sub.

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Q. Am I being asked to vote on the issuance of common stock in connection with the merger?

A. No. The consideration to be paid in connection with the merger will include a maximum of 20,500,000 shares of RAM common stock (subject to rounding to eliminate fractional shares) and warrants to purchase an additional 6,200,000 shares of RAM common stock. The common stock and warrants of RAM are listed and traded on the NASDAQ Capital Market and, under the rules of the NASDAQ Capital Market, the issuance of those shares of RAM common stock and warrants must be approved by the holders of a majority of the outstanding shares of RAM common stock. This is because the number of shares of RAM common stock to be issued in connection with the merger, plus the shares of RAM common stock underlying the warrants to be issued in connection with the merger, will increase the number of the outstanding shares of RAM common stock by more than 20%. The requisite stockholder approval was obtained on _____, 2007 when a written consent was delivered by Larry E. Lee, Danish Knights, A Limited Partnership, and certain other stockholders of RAM who, collectively own shares of RAM common stock that represented approximately 63% of the total voting power of all outstanding shares of RAM common stock entitled to vote on the approval of the issuance of RAM common stock and warrants in connection with the merger. Therefore, your vote is not required and is not being sought. We are not asking you for a proxy and you are requested not to send us a proxy.

Q. Why did I receive this information statement?

A. We have received the written consent by the holders of more than 50% of our outstanding common stock approving the issuance of our common stock and warrants pursuant to the merger agreement. Applicable securities regulations require that we provide you with information regarding this approval, even though your vote or consent is neither required nor requested to approve the merger or the issuance of our common stock and warrants pursuant to the merger agreement.

Q. Has RAM received an opinion of its financial advisor regarding the merger?

A. Yes. RBC Capital Markets Corporation, or RBC, financial advisor to the RAM board of directors, delivered a written opinion dated October 1, 2007 to the RAM board of directors as to the fairness to RAM, from a financial point of view and as of the date of the opinion, of the total consideration to be paid in connection with the merger. See [The Merger Opinion of RAM's Financial Advisor](#) for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **RBC's opinion was provided to the RAM board of directors in connection with its evaluation of the total consideration to be paid by RAM in connection with the merger. RBC's opinion does not address any other aspect of the proposed merger.**

Q. Did our board of directors vote for the merger agreement?

A. Yes. Our board of directors unanimously voted to approve the merger agreement and the merger. To review our board of directors' reasons for approving the merger agreement, see [The Merger RAM's Reasons for the Merger](#).

Q. What is required to complete the merger?

A. We are not required to complete the merger unless a number of conditions are satisfied or waived. For a summary of the conditions that must be satisfied or waived prior to the completion of the merger, see [The Merger Agreement Conditions to Consummation of the Merger](#).

Q. How will the merger be treated for accounting purposes?

A. The merger will be accounted for as an acquisition of Ascent by RAM under the purchase method of accounting in accordance with U.S. generally accepted accounting principles.

Q. When do you expect the merger to be completed?

A. The merger will be effective immediately upon filing of a Certificate of Merger with the Delaware Secretary of State, which we anticipate filing as soon as practicable on or after the expiration of 20 days

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following the mailing of this information statement to our stockholders, and when the conditions precedent to consummation of the merger have been satisfied or waived and the transactions contemplated by the merger agreement have closed. RAM and Ascent are working to complete the merger by . However, the merger is subject to various conditions, and it is possible that factors outside the control of both companies could result in the merger being delayed or not being completed at all. There may be a substantial amount of time between your receipt of this information statement and the completion of the merger.

Q. Do I need to send in my RAM common stock certificates?

A. No. After the completion of the merger, you will continue to own your shares of RAM common stock.

Q. Am I entitled to appraisal rights?

A. No. You are not entitled to appraisal rights under the Delaware General Corporation Law, which we refer to as the DGCL, in connection with the merger.

Q. Will I owe federal income taxes as a result of the merger?

A. No. The merger will not result in any taxable gain or loss for federal income tax purposes to holders of RAM common stock.

Q. Where can I find more information about RAM?

A. We file periodic reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy this information at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available on the Internet site maintained by the SEC at <http://www.sec.gov>. In addition, you may find more information about RAM by visiting our website at www.ramenergy.com. For a more detailed description of the information available, please refer to the section in this information statement entitled "Where You Can Find More Information."

Q. Who can help answer my questions?

A. If you have questions about the merger after reading this information statement, require assistance or need additional copies of this information statement, please write or call Robert Phaneuf, Vice President, Corporate Development, RAM Energy Resources, Inc., 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135; telephone number: (918) 632-2800.

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SUMMARY

This summary highlights important information that is contained in this information statement. Because this summary may not contain all of the information that is important to you, you should carefully read this entire information statement, the documents incorporated herein by reference and the other documents to which this information statement refers you for a more complete understanding of the merger. We have included page references in parentheses to direct you to the appropriate place in this information statement for a more complete description of the topics presented in this summary.

The Companies (Page 8)

RAM Energy Resources, Inc.

RAM is an independent oil and natural gas company engaged in acquisition, development, exploitation, exploration and production of oil and natural gas properties, primarily in Texas, Louisiana and Oklahoma.

RAM's principal executive office is located at 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135 and its telephone number is (918) 663-2800.

Ascent Energy Inc.

Ascent is a privately owned independent oil and natural gas company engaged in acquisition, exploration and development of both conventional and unconventional oil and natural gas properties in Texas, Oklahoma, Louisiana and the Appalachian region.

Ascent's principal executive office is located at 4965 Preston Park Blvd., Suite 800, Plano, Texas 75093, and its telephone number is (972) 543-3900.

Ascent Acquisition Corp.

Merger Sub is a Delaware corporation and a wholly owned subsidiary of RAM. Merger Sub was organized in connection with the merger and has engaged in no activities other than those incident to its formation and completion of the merger.

Merger Sub's mailing address is c/o RAM Energy Resources, Inc., 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135.

The Merger and the Consideration (Pages 17 & 18)

On the terms and subject to the conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, Merger Sub will merge with and into Ascent. Ascent will survive the merger as a wholly owned subsidiary of RAM. In connection with the merger, RAM will pay total consideration consisting of a number of shares of RAM common stock determined by dividing \$107.0 million by the weighted (based on daily trading volume) average closing price per share of the RAM common stock as reported by NASDAQ for the ten trading day period ending on the third business day prior to consummation of the merger, subject to a minimum of 20,000,000 shares and a maximum of 20,500,000 shares (subject to rounding to eliminate fractional shares), plus warrants to purchase an additional 6,200,000 shares of RAM common stock, plus \$185.0 million in cash, of which \$20.0 million will be placed in escrow as a source of funds to adjust for Ascent's closing date working capital deficiency, if any, and to indemnify RAM against, among other things, certain breaches of covenants, representations and warranties by Ascent. The amount of cash is subject to the working capital adjustment and the tax allocation adjustment. The amount of cash and, in certain circumstances, the number of shares of RAM common stock, are subject to adjustment based on the amount required to settle Ascent's hedging

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contracts determined four business days prior to the closing date. The total consideration includes amounts to be paid to certain holders of Ascent's outstanding indebtedness and other obligations, and to all of Ascent's holders of outstanding shares of preferred stock, common stock and warrants to purchase common stock. The consummation of the merger will not result in a change of control of RAM. RAM expects to complete the merger by _____, 2007.

Approval of the Merger; Stockholder Action by Written Consent

After careful consideration, the RAM board of directors unanimously approved the merger. Under the DGCL, approval of the merger does not require a vote by RAM stockholders because the merger, which is a triangular merger, is a transaction between a wholly owned subsidiary of RAM and Ascent. Thus, only approval by the RAM board of directors is required. However, the total consideration to be paid by RAM in connection with the merger will increase the number of outstanding shares of RAM common stock by more than 20%, which requires stockholder approval under NASDAQ rules. On _____, 2007, RAM received written consents approving the issuance of the common stock and warrants in connection with the merger from Larry E. Lee, Danish Knights, A Limited Partnership, and certain other stockholders of RAM, who collectively beneficially own approximately 63% of the voting power of RAM's outstanding common stock. As a result, no further vote of the RAM stockholders is required in connection with the merger.

Reasons for the Merger

RAM believes that the merger is consistent with its business strategy and provides an attractive opportunity for it to add assets to its oil and natural gas portfolio in its core areas and in the Appalachian Devonian Shale area. RAM believes that the merger will provide significant growth opportunities represented by Ascent's assets, which will complement and enhance RAM's current and anticipated future operations and production in those regions. Furthermore, the addition of Ascent's assets is expected to make significant long-term contributions to RAM's cash flow.

The Merger Agreement (Page 17)

The merger agreement is incorporated by reference to RAM's Form 8-K filed with the SEC on October 18, 2007. You should read the merger agreement in its entirety because it contains important provisions governing the terms and conditions of the merger.

What we need to do to complete the merger (Page 24)

RAM and Ascent will complete the merger only if the conditions set forth in the merger agreement are met. These conditions include:

the approval by RAM's stockholders of the issuance of RAM common stock and warrants in connection with the merger, including shares of RAM common stock issuable upon exercise of the warrants (*this condition has been met*);

the adoption of the merger agreement by RAM as Merger Sub's sole stockholder (*this condition has been met*);

the adoption of the merger agreement by Ascent's stockholders (*this condition has been met*);

the absence of any order or injunction of any court of competent jurisdiction which prohibits the consummation of the merger or any of the other transactions contemplated by the merger agreement;

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the accuracy of the representations and warranties made by each party in the merger agreement other than any such inaccuracies or breaches that, individually or in the aggregate, would not be reasonably likely to have a material adverse effect on such party;

the performance by each party in all material respects of all obligations required to be performed by it under the merger agreement prior to the closing;

the receipt of all required governmental approvals, consents, authorizations and orders, with certain exceptions;

the solvency of Ascent immediately following the effective time of the merger;

the execution and delivery by RAM of a registration rights agreement with certain of Ascent's security holders;

the execution and delivery of a voting agreement by RAM and certain of the Ascent security holders;

the execution and delivery of lock-up letters by certain of the Ascent security holders;

RAM being ready, willing and able to pay off all indebtedness of Ascent as provided in the merger agreement;

the cash portion of the total consideration to be paid in connection with the merger, after giving effect to the adjustments provided in the merger agreement, exceeding the sum of Ascent's indebtedness to be repaid pursuant to the merger agreement, the cash payable to Ascent's stockholders, the \$20.0 million escrow deposit and the \$150,000 representative fund;

the release of certain recorded liens burdening Ascent's properties;

holders of not more than 5% of Ascent's common stock having properly exercised and not withdrawn a demand for appraisal under the DGCL in connection with the merger;

the execution and delivery of an escrow agreement among RAM, the representative and the escrow agent; and

satisfaction of the other conditions described under the caption "The Merger Agreement - Conditions to Consummation of the Merger. *Termination of the Merger Agreement (Page 26)*

The parties may terminate the merger agreement and abandon the merger at any time prior to the effective time:

by mutual written consent of RAM and Ascent;

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by either RAM or Ascent if:

the merger is not completed on or before _____, unless the material breach of the obligations of the party seeking to terminate the merger agreement proximately contributed to the failure to consummate the merger by that date;

any order permanently restraining, enjoining or otherwise prohibiting consummation of the merger shall become final and non-appealable, provided the party seeking to terminate the merger agreement shall have used all commercially reasonable best efforts to remove such order, decree or ruling; or

Ascent properties are damaged or destroyed by fire or other casualty or are taken under the right of eminent domain and as a result thereof the value of all of the properties is reduced by an amount exceeding \$25.0 million (net of insurance proceeds);

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by Ascent if:

there has been a breach of any representation or warranty or a material breach of any covenant or agreement made by RAM or Merger Sub in the merger agreement such that closing conditions to Ascent's obligation to effect the merger could not be satisfied because such breach is not curable or, if curable, is not cured within the earlier to occur of the date that is 20 days after written notice thereof is given by Ascent to RAM or Merger Sub ; and

by RAM if:

there has been a breach of any representation or warranty or a material breach of any covenant or agreement made by Ascent in the merger agreement such that closing conditions to RAM's or Merger Sub's obligation to effect the merger could not be satisfied because such breach is not curable or, if curable, is not cured within the earlier to occur of the date that is 20 days after written notice thereof is given by RAM to Ascent or .

Material United States Federal Income Tax Considerations

The merger is not intended to qualify as a reorganization for federal income tax purposes; however, RAM stockholders will not recognize gain or loss for federal income tax purposes upon the consummation of the merger.

RAM Stockholders Do Not Have Appraisal Rights

Under the DGCL, RAM stockholders do not have the right to dissent from the merger or to have the appraised fair value of shares of RAM common stock paid to them in cash.

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THE COMPANIES

RAM Energy Resources, Inc.

RAM was incorporated in Delaware on February 5, 2004 under the name Tremis Energy Acquisition Corporation. RAM's operations are conducted by and through its wholly owned, primary subsidiary, RAM Energy, Inc., which was established as a private oil and natural gas company in 1987. RAM acquired RAM Energy in May 2006. RAM did not engage in an active business prior to its acquisition of RAM Energy. RAM is an independent oil and natural gas company engaged in the acquisition, development, exploitation, exploration and production of oil and natural gas properties, primarily in Texas, Louisiana and Oklahoma. RAM's producing properties are located in highly prolific basins with long histories of oil and natural gas operations. RAM Energy has been active in these core areas since its inception in 1987 and has grown through a balanced strategy of acquisitions, development and exploratory drilling.

RAM's oil and natural gas assets are characterized by a combination of conventional and unconventional reserves and prospects. RAM has conventional and unconventional reserves and production in three main locations:

Electra/Burkburnett, Wichita and Wilbarger Counties, Texas;

Boonsville, Jack and Wise Counties, Texas; and

North Texas Barnett Shale, Jack and Wise Counties, Texas.

At December 31, 2006, RAM's estimated net proved reserves were 18.5 million barrels of oil equivalent, or MMBoe, of which approximately 59% were crude oil, 30% were natural gas and 11% were natural gas liquids, or NGLs. Based on prices RAM was receiving as of December 31, 2006, which were \$58.74 per barrel, or Bbl, of oil, \$36.51 per Bbl of NGLs and \$5.51 per thousand cubic feet, or Mcf, of natural gas, the present value of its estimated future net revenues from its proved reserves of its oil, natural gas and NGLs at December 31, 2006, discounted at an annual rate of 10%, which we refer to as PV-10 Value, was approximately \$269.9 million. RAM's standardized measure of discounted future cash flows as of December 31, 2006, as calculated in accordance with Statement of Financial Accounting Standards No. 69, *Disclosure About Oil and Gas Producing Activities*, or SFAS 69, was \$179.7 million. See *Information About RAM* for a reconciliation between RAM's December 31, 2006 PV-10 Value and its standardized measure as of the same date. At December 31, 2006, RAM's proved developed reserves comprised 71% of its total proved reserves, and the estimated reserve life for its total proved reserves was approximately 17 years.

At June 30, 2007, RAM's estimated proved reserves consisted of 19.3 MMBoe, with a PV-10 Value of \$344.3 million, based on prices RAM was receiving as of June 30, 2007, which were \$70.69 per Bbl of oil and \$6.39 per MMBtu of natural gas.

At December 31, 2006, RAM owned interests in approximately 2,900 wells and was 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 it represented approximately 94% of its aggregate PV-10 Value as of December 31, 2006. RAM also owns a drilling rig, various gathering systems, a natural gas processing plant, service rigs and a supply company that service its properties.

Ascent Acquisition Corp.

Merger Sub is a Delaware corporation and a wholly owned subsidiary of RAM. Merger Sub was organized in connection with the merger and has engaged in no activities other than those incident to its formation and the completion of the merger.

Ascent Energy Inc.

Ascent is a privately owned, independent oil and natural gas company engaged in the acquisition, exploration and development of both conventional and unconventional oil and natural gas properties in Texas, Oklahoma, Louisiana and the Appalachian region. Ascent operates substantially all of its properties.

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Based on reserve reports prepared by Netherland, Sewell & Associates, Inc. and LaRoche Petroleum Consultants, Ltd., Ascent's independent reserve engineering firms, its total proved reserves as of December 31, 2006 were approximately 81.9 billion cubic feet of natural gas equivalent, or Bcfe (equivalent to 13.6 MMBoe), of which 59% were proved developed producing, 9% were proved developed non-producing, and 32% were proved undeveloped. As of December 31, 2006, 61% of Ascent's total proved reserves were oil and NGLs. As of December 31, 2006, Ascent had interests in oil and natural gas leases covering approximately 175,273 net acres, including approximately 152,011 net undeveloped acres. As of December 31, 2006 the PV-10 Value of Ascent's proved reserves was \$193.6 million based on year-end posted prices of \$5.34 per MMBtu of natural gas and \$57.75 per Bbl of oil. Ascent's standardized measure of discounted future cash flows as of December 31, 2006, as calculated in accordance with SFAS 69, was \$ 169.6 million. See Information About Ascent for a reconciliation between Ascent's December 31, 2006 PV-10 Value and its standardized measure as of the same date.

Based on the reserve report prepared by Ascent's petroleum engineers and audited by Netherland, Sewell & Associates, Inc., Ascent's total proved reserves as of June 30, 2007 were approximately 116.1 Bcfe (equivalent to 19.4 MMBoe), of which 44% were proved developed producing, 7% were proved developed non-producing, and 49% were proved undeveloped. As of June 30, 2007, 49% of Ascent's total proved reserves were oil and NGLs. As of June 30, 2007, the PV-10 Value of Ascent's proved reserves was \$328.0 million based on period-end posted prices of \$6.57 per MMBtu of natural gas and \$67.25 per Bbl of oil. As of August 31, 2007, Ascent had interests in oil and natural gas leases covering approximately 102,293 net acres, including approximately 83,247 net undeveloped acres.

RAM prepared its own estimate of Ascent's proved reserves of oil, natural gas and NGLs as of June 30, 2007, using RAM's own assumptions, which estimate was audited by Netherland, Sewell & Associates, Inc. RAM has estimated that at June 30, 2007, Ascent's total proved reserves consisted of 18.6 MMBoe, of which 46% were proved developed producing, 7% were proved developed non-producing, and 47% were proved undeveloped. RAM also estimated the PV-10 Value of Ascent's proved reserves to be \$304.0 million as of June 30, 2007, based on prices of \$67.25 per Bbl of oil and \$6.57 per MMBtu of natural gas.

For purposes of this information statement, unless otherwise indicated, all further references to Ascent's proved reserves and PV-10 Value at June 30, 2007 are based on RAM's estimate of these proved reserves, as audited by Netherland, Sewell & Associates, Inc.

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THE MERGER

General

The boards of directors of RAM and Ascent have unanimously approved the merger agreement and the merger. Ascent will be the surviving entity in the merger and, upon completion of the merger, Ascent will be a wholly owned subsidiary of RAM. We expect to complete the merger by .

Background of the Merger

Each of RAM's and Ascent's board of directors has from time to time engaged with senior management in strategic reviews, and considered alternatives to enhance stockholder value of their respective companies. RAM has completed a number of strategic asset acquisitions since its inception in 1987. In early 2006, Ascent commenced a process to effect an initial public offering of its common stock, including the filing of a Form S-1 registration statement with the SEC in June 2006. However, in late February 2007, Ascent's board of directors determined not to pursue Ascent's initial public offering of common stock and employed Jefferies, Randall & Dewey to assist Ascent in considering strategic alternatives, including a possible sale or merger of Ascent. On March 5, 2007, Frank D. Bracken III, of Jefferies, Randall & Dewey, contacted Larry E. Lee, Chairman, President and Chief Executive Officer of RAM, regarding a possible acquisition opportunity with Ascent and inquired as to RAM's potential interest in acquiring Ascent. During that conversation, Mr. Bracken advised that Jefferies Capital Partners, an entity affiliated with Jefferies, Randall & Dewey, owned a substantial investment in Ascent and that Ascent might be offered for sale, but only to a very limited number of potential acquirers. Mr. Bracken advised Mr. Lee that RAM could obtain information regarding Ascent by reviewing the Form S-1 registration statement and amendments thereto of Ascent on file with the SEC.

On April 5, 2007, after a preliminary review of Ascent's public information, Mr. Lee sent a letter to Mr. Bracken indicating that RAM desired to pursue an acquisition transaction with Ascent, which would be achieved through a combination of cash and common stock of RAM, and at a value range which RAM believed Ascent's properties to be worth, based upon RAM's internal evaluation. On April 20, 2007, the RAM board of directors held a meeting to explore the possibility of acquiring Ascent. After an initial discussion, the RAM board of directors reviewed materials prepared by RAM management, including a financial analysis regarding a possible acquisition of Ascent. On May 2, 2007, RAM management received from Mr. Bracken an analysis and data compilation of Ascent prepared by Jefferies, Randall & Dewey. On May 14, 2007, the RAM board of directors held a meeting by conference call to discuss pursuing a proposal to acquire Ascent, and concluded that RAM would be interested in exploring a possible acquisition of Ascent. From May 14, 2007 to the date of execution of the merger agreement, RAM management has engaged in telephone conversations, in person meetings and other actions to complete its due diligence of Ascent, the negotiation of the merger agreement and the other transactions and agreements contemplated therein, and the financing to be provided by Guggenheim. From February 2007 until the date of execution of the merger agreement, Ascent management and representatives of Ascent's principal investors engaged in numerous telephone conversations, meetings and e-mail correspondence regarding the proposed sale of Ascent. From June 19, 2007 until the date of execution of the merger agreement, those conversations and correspondence related primarily to the proposed sale of Ascent to RAM. A summary of the principal actions taken by RAM management and by Ascent management is set forth below.

On May 30, 2007, Mr. Bracken engaged in a conference with Mr. Lee and other members of management of RAM in RAM's office in Tulsa, Oklahoma, to discuss the status of RAM's interest in acquiring Ascent. During that meeting, Drake Smiley, a senior vice president of RAM, executed and delivered a confidentiality agreement and acknowledgement and release to Warren Keyes Jr., a representative of Jefferies, Randall and Dewey. On June 7, 2007, several employees of RAM attended an Ascent data room presentation. Representatives of six other prospective purchasers of Ascent also accessed the Ascent data room between April 2006 and June 2006. On the same day, Lindsay Harr, assistant to Mr. Keyes, e-mailed bid instructions for the possible acquisition of Ascent to Mr. Smiley. The bid instructions included key dates in the bid process which included a proposal due by

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June 19, 2007, an effective date of July 31, 2007 and a July 31, 2007 targeted closing date. On June 18, 2007, Mr. Lee met with Mr. Bracken in Houston, Texas to discuss potential alternatives in connection with financing the acquisition of Ascent by RAM.

On June 19, 2007, on behalf of RAM, Mr. Lee submitted a confidential proposal to Morris J. White, Jr. of Jefferies, Randall & Dewey, for the acquisition of Ascent. Ascent received confidential proposals from three other prospective purchasers of Ascent in connection with its auction process in June 2007. On June 26, 2007, Mr. Lee met with Brian P. Friedman, James L. Luikart and Stuart B. Katz, as representatives of Jefferies & Company, Inc., an entity affiliated with Jefferies, Randall & Dewey and which also owned a significant investment in Ascent, and of Jefferies Capital Partners, along with J. David Lucke and Mr. Bracken of Jefferies, Randall & Dewey, to discuss RAM's proposal to acquire Ascent. On June 27, 28 and 29, 2007, Mr. Lee engaged in numerous discussions with Mr. Katz regarding the possible acquisition of Ascent and exchanged several draft term sheets, and Mr. Katz engaged in numerous discussions with Mr. Carter regarding his correspondence with Mr. Lee. On June 29, 2007, Mr. Katz and Mr. Lee agreed by telephone that the proposed business terms as set forth in a term sheet represented the basis upon which both parties would work towards completing a definitive merger agreement through which RAM would acquire Ascent. They also agreed that there would be no agreement regarding the proposed merger until each of Ascent's and RAM's board of directors had approved the merger and a definitive merger agreement was executed. On July 2, 2007, the RAM board of directors held a meeting by conference telephone call during which Mr. Lee advised the board of the status of the proposed acquisition of Ascent, and advised the board that an agreement in principle had been reached between Ascent and RAM to work towards a definitive merger agreement pursuant to the terms set forth in the term sheet.

On July 10, 2007, Mr. Lee met with Mr. Katz and Terry W. Carter, Chief Executive Officer of Ascent, Eddie M. LeBlanc, III, Chief Financial Officer of Ascent, and certain other officers of Ascent to discuss an agenda to finalize the proposed acquisition of Ascent by RAM. On July 12, 2007, a meeting of the RAM board of directors by conference telephone call was held during which Mr. Lee advised the board of directors of the status of the proposed transaction. On July 17, 2007, Mr. Lee had a meeting in Dallas, Texas with Mr. Carter and Mr. LeBlanc and representatives of RBC during which the consideration of a fairness opinion was discussed. On July 19, 2007, Mr. Lee met in Tulsa, Oklahoma with Mr. Katz, Mr. Carter, and certain other officers and representatives of Ascent, and members of RAM management to allow Ascent to investigate RAM's assets and prospects.

On August 8, 2007, Mr. Lee met with Tim Murray of Guggenheim to discuss the proposed financing of the Ascent acquisition. On August 9, 2007, Mr. Lee met with Ron Ormand of West LB to discuss the proposed financing of the Ascent acquisition. On August 16, 2007, Mr. Lee had a conference with Mr. Carter at Ascent's office in Plano, Texas to discuss the status of the merger agreement negotiations. In addition, Mr. Lee and Michael Zlomke of RAM met with members of Ascent management to review the mid-year reserve report and to discuss the audit of Ascent's mid-year reserve report by Ascent's independent petroleum engineers.

On August 22, 2007, Mr. Lee had a telephone call with Mr. Carter to discuss the terms of the transaction and certain diligence matters. On August 27, 2007, Mr. Lee and Mr. Carter engaged in two conference calls to discuss the terms of the proposed merger. On August 29, 2007, Mr. Lee and Mr. Bracken discussed options available to RAM to finance the cash portion of the total consideration to be paid in connection with the merger. Mr. Lee, Mr. Bracken and Mr. Katz had a conference call on September 5, 2007, to further discuss the terms of the proposed merger. On that same date, Mr. Lee met with representatives of Jefferies Capital Partners to discuss potential financing options.

On September 11, 2007, Mr. Lee, Mr. Katz, Mr. Friedman, and Mr. Lucke held a conference call to discuss unresolved terms of the merger agreement. Additional discussions regarding unresolved issues continued on September 17, 2007 at a meeting in New York between Mr. Lee, Mr. Katz, Mr. Carter and Mr. Friedman. On September 25, 2007, members of various banking firms met with Mr. Lee, other executive officers of RAM and Guggenheim to discuss financing options to fund the cash portion of the total consideration to be paid in connection with the merger, as well as refinance RAM's existing indebtedness.

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On September 27, 2007, Mr. Lee met in Dallas, Texas with Mr. Katz, Mr. Luikart and Mr. Carter to discuss outstanding issues related to the merger agreement. On October 1, 2007, RAM's board of directors met in Dallas, Texas with Jason Meek of RBC to review the RBC fairness opinion. On October 2, 2007, Ascent's board of directors had a conference call to discuss the merger agreement and the merger, at which time its financial advisor, Mitchell Energy Advisors, LLC made a presentation to the board relating to its fairness opinion. On October 2, 2007, Mitchell Energy Advisors, LLC delivered a fairness opinion to the Ascent board. On October 3, 2007, RAM's board of directors had a conference call to discuss the transaction and consider new terms to the merger agreement negotiated by management. On October 4, 2007, Mr. Lee and Mr. LeBlanc discussed by telephone Ascent's ability to obtain approval of the merger by Ascent's stockholders. On the same day, Mr. Lee had a conference call with representatives of Guggenheim regarding financing options, as well as a telephone call with Mr. Katz regarding financing options.

On several occasions between October 9 and October 13, 2007, Mr. Lee engaged in telephone calls and exchanged e-mails with Mr. Katz in efforts to resolve open terms of the merger agreement. On October 14, 2007, RAM's board of directors met by conference call to approve the final terms of the proposed merger agreement and the merger. On October 15, 2007, Mr. Lee engaged in several telephone calls with Mr. Katz to resolve final issues under the merger agreement. On the afternoon of October 15, 2007, the Ascent board of directors met by telephone to review the terms of the proposed merger and the merger agreement and to review the updated fairness opinion from Mitchell Energy Advisors, LLC. The meeting was adjourned and reconvened that evening by telephone, at which time the Ascent board of directors approved the merger agreement and recommended adoption of the merger agreement to the Ascent stockholders.

Ascent's Reasons for the Merger

Ascent's board of directors and management considered a variety of possible alternatives to the merger with RAM, including an initial public offering of Ascent, other acquisition or combination possibilities for Ascent and the continuation of Ascent as an independent entity. Ascent's board of directors and management considered the range of possible benefits to Ascent's stockholders, and the perceived risks, of each such alternative as well as the anticipated cost, timing and likelihood of success of each such alternative. Specifically, Ascent's board of directors and management considered the relatively short-term nature of Ascent's outstanding indebtedness as compared to Ascent's longer-term needs for capital for its business. They also evaluated the potential dilution that would result from raising additional debt or equity capital necessary to execute its business plan as compared to the expected return on any such new capital. Based on the foregoing considerations and other matters deemed relevant by Ascent's board of directors and management, Ascent believes that the merger with RAM presents a superior opportunity to any such alternative and that the merger is fair and in the best interests of Ascent and its stockholders.

RAM's Reasons for the Merger

RAM believes that the merger is consistent with its business strategy and provides an attractive opportunity for it to add assets to its oil and natural gas portfolio in its core areas and in the Appalachian Devonian Shale area. RAM believes that the merger provides significant growth opportunities represented by Ascent's assets, which will complement and enhance RAM's current and anticipated future operations and production in those areas. Furthermore, the addition of Ascent's assets is expected to make significant long-term contributions to RAM's cash flow.

Opinion of RAM's Financial Advisor

RAM retained RBC as its financial advisor to evaluate, and render an opinion to the RAM board of directors with respect to, the fairness to RAM, from a financial point of view, of the merger, including the consideration to be paid in connection with the merger. RBC delivered a written opinion, dated October 1, 2007, to the RAM

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board of directors to the effect that, as of that date and based on and subject to the considerations described in its opinion, the total consideration to be paid in connection with the merger was fair, from a financial point of view, to RAM.

RBC's opinion does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should act with respect to any matter relating to the merger. The summary of RBC's opinion in this document is qualified in its entirety by reference to the full text of the opinion, a copy of which is available upon request from Robert Phaneuf, RAM's Vice President, Corporate Development, at 5100 East Skelly Drive, Suite 650, Tulsa, Oklahoma 74135.

In arriving at its opinion, RBC reviewed a draft dated September 28, 2007 of the merger agreement, and undertook such review and inquiries as RBC deemed necessary or appropriate under the circumstances, including the following: (i) RBC reviewed the financial terms of the draft merger agreement; (ii) RBC reviewed and analyzed certain publicly available financial and other data with respect to RAM and certain other relevant historical operating data relating to RAM and Ascent made available to RBC from published sources and from the internal records of RAM and Ascent; (iii) RBC reviewed the internal memo sent by the President and CEO of RAM regarding Ascent to the board of directors of RAM dated June 29, 2007; (iv) RBC conducted discussions with members of the senior management of RAM and Ascent with respect to the business prospects and financial outlook of RAM and Ascent; (v) RBC reviewed historical financial information relating to RAM and Ascent, and estimates provided to RBC, either by Ascent's management (the Ascent Forecasts and Reserve Report) or by RAM's management (RAM Estimates); (vi) RBC reviewed the historical prices and trading activity for RAM's common stock; (vii) RBC reviewed analysts estimates and commentary on the valuation of RAM's publicly traded securities; (viii) RBC reviewed the potential impact of the merger on RAM's future financial results; and (ix) RBC performed other studies and analyses as RBC deemed appropriate. For all forward-looking financial information with respect to RAM, RBC relied on the RAM Estimates. For all forward-looking financial information with respect to Ascent, RBC relied on the Ascent Forecasts and Reserve Report. RBC assumed that all RAM Estimates and the Ascent Forecasts and Reserve Report represented the best then available estimates and good faith judgments of RAM's management or Ascent's management, as the case may be, as to the applicable entity's financial performance, and RBC expressed no opinion as to any aspect of the RAM Estimates and the Ascent Forecasts and Reserve Report.

In rendering its opinion, RBC did not assume any responsibility to perform, and did not perform, an independent evaluation or appraisal of any of the assets or liabilities of RAM or Ascent. RBC did not assume any obligation to conduct, and did not conduct, a physical inspection of the property or facilities of RAM or Ascent. RBC did not investigate, and made no assumption regarding, any litigation or other claims affecting RAM or Ascent. RBC's opinion relates to Ascent as a going concern and, accordingly, RBC expressed no opinion regarding the liquidation value of Ascent.

RBC assumed, in all respects material to its analysis, that all conditions to the consummation of the merger agreement will be satisfied without waiver thereof, that the representations and warranties of each party contained in the merger agreement are true and correct, and that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement. RBC assumed that the executed version of the merger agreement will not differ, in any respect material to RBC's opinion, from the draft merger agreement dated September 28, 2007.

RBC expressed no view as to the reserve quantities, or the development or production (including, without limitation, the feasibility or timing of development or production), of any oil or gas properties of Ascent or RAM (including properties with no proved reserves, referred to as unevaluated properties). RBC's opinion addressed only the fairness, to RAM, from a financial point of view, of the total consideration to be paid in connection with the merger, and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise. RBC was not requested

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