

Press Release

18th May 2005

**RAB Capital plc
RAB Octane raises \$55m**

RAB Capital plc (“RAB”) is pleased to announce that its new RAB Octane strategy has raised assets of US\$55 million, the highest launch-funding yet for any RAB strategy, with a second round scheduled for July 2005. RAB Octane is a long-term investment strategy in the energy sector, with an initial one year lock-up.

The first round of investment in RAB Octane was restricted to existing investors in the highly successful \$280m RAB Energy strategy, which has returned performance of 70.4% (at 30th April 2005) since inception in June 2004 and was Eurohedge New Fund of the Year 2004.

Gavin Wilson, fund manager of RAB Energy, will also manage RAB Octane. The new strategy will invest in pre-IPO equity opportunities, along with convertibles, farm-ins and private equity.

The placing of shares and warrants in the RAB Special Situations Company, sponsored by Collins Stewart, will close on Friday 20th May. The RAB Special Situations Company will offer exposure to the highly successful RAB Special Situations strategy, which has performed by over 2200% since 1 January 2003 and by 49% in 2004. This year it has returned 11.6% (to 30th April 2005). Dealings in RAB Special Situations Company shares and warrants, on the Alternative Investment Market, are expected to commence on Friday 27th May.

Commenting, RAB Chairman Michael Alen-Buckley said:

“The powerful combination of a proven manager and an excellent track record has resulted in very strong support for RAB Octane.”

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Notes for Editors - RAB Capital plc

RAB Capital is a London-based investment management company. The Company was founded in 1999, and floated on AIM in March 2004. As at 31st December 2004 it had \$1.75 billion of assets under management.

RAB Capital currently manages eleven single strategy hedge funds: Europe, Special Situations, High Yield, UK, North American, Japan, Energy; Emerging Europe, European Loan, Energy/Commodity and Octane. In addition, RAB Capital has an internal fund-of-funds, RAB Fairseat, and an external fund-of-funds, RAB Strancally. RAB Capital also provides advisory and distribution services within the hedge fund industry.

RAB Capital's philosophy is to find highly talented investment managers and provide them with an environment where they can successfully dedicate themselves to running focused investment strategies. RAB Capital has 68 employees, 29 of whom are investment professionals.

RAB Capital plc is authorised and regulated by the Financial Services Authority.

The Company is a constituent of the FTSE AIM UK 50 Index.

www.rabcap.com