

4 September 2006

Acquisition of Northwest Investment Management

RAB Capital PLC (“RAB”), the absolute return investment management company, today announces that it has acquired Northwest Investment Management Limited (“Northwest”) for a maximum consideration of £20.55 million, payable in cash and shares.

George Philips and David Rogers founded Northwest in 1998 and are its only shareholders. From its offices in London, Northwest manages four absolute return investment strategies: the North Northwest, Northwest MultiHedge Japan, Northwest Asia-X and Northwest Pan Asian Warrant strategies. Across the four strategies, at 1 September 2006 Northwest had approximately \$500 million in assets under management.

The North Northwest, Northwest MultiHedge Japan and Northwest Asia-X investment strategies have successfully developed Asian-focused market-neutral trading strategies that exploit volatility at attractive levels, as well as trading long/short opportunities with an event bias. The Northwest Pan Asian Warrant strategy pursues a directional trading approach. Both George Philips and David Rogers have run these funds since inception, and will continue to do so after transferring to RAB. Marketing and support personnel will also move to RAB as part of this transaction and in total eleven staff will transfer.

Commenting on today’s announcement, RAB Capital Executive Chairman Michael Alen-Buckley said:

“RAB’s second strategic acquisition since listing further diversifies the business, particularly in Asian and market neutral products. George Philips and David Rogers have impressive track records, a depth of trading experience, and products which are scaleable and uncorrelated with our existing range. We are delighted to bring such a strong team to our platform.”

George Philips, the co-founder of Northwest said:

“By becoming part of RAB, the Northwest funds will be able to utilise a stronger institutional framework and leverage off increased capacity and opportunity. David Rogers and I are very excited at the potential to accelerate our growth in the Asian markets.”

Under the acquisition agreement, RAB has paid a consideration comprising cash of £5.2 million, and the issue of 13.4 million ordinary RAB shares to the vendors. There will be a further cash payment in respect of Northwest’s net assets of up to £1.5 million, subject to due diligence on the closing balance sheet at 1 September 2006. The maximum aggregate consideration is £20.55 million, based on the closing price for RAB Capital ordinary shares of 103.5 pence on 1 September. RAB Capital had approximately \$4.2 billion in assets under management at 1 September 2006.

The transaction has been approved by the Financial Services Authority and an application will be made to the London Stock Exchange plc for 13,408,217 million ordinary shares to be admitted to trading on AIM.

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Notes for Editors - RAB Capital PLC

RAB Capital is a London-based absolute return investment management company. The Company was founded in 1999, and floated on AIM in March 2004. As at 1 September 2006 it had approximately \$4.2 billion of assets under management.

RAB Capital currently manages fifteen single strategy absolute return funds including development funds, five fund-of-funds and the AIM-listed RAB Special Situations Company.

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 PLC is authorised and regulated by the Financial Services Authority.

The Company is a constituent of the FTSE AIM UK 50 Index. The website can be found at www.rabcap.com.

Notes for Editors – Northwest Investment Management

As at 1 September 2006 Northwest had the following assets under management ("AUM") by strategy:

Strategy	\$ million AUM
North Northwest	243
Northwest MultiHedge Japan	188
Northwest Asia-X	52
Northwest Pan Asian Warrant	18

Biography - George Philips – Co-founder

George started his career at James Capel, where he combined the roles of research and sales of corporate derivatives. In 1988 he joined Cresvale International, becoming Head of Basket Trading for Cresvale International Asset Management until 1993, before becoming a partner at Caspian Securities, where he was head of convertible securities. He has authored/co-authored three books - “Japanese Warrants: Riding Bear as well as Bull markets” (1988); “Japanese Warrant markets” (1992); and “Convertible Bond Markets” (1996). He is 42, and a graduate of City of London School of Business Studies, Guildhall University in London.

Biography - David Rogers – Co-founder

David joined Cresvale in 1990, working on basket and portfolio strategies and optimisation models. He designed the complex algorithms which enabled more efficient assessment of valuation in the global corporate derivatives markets. After working closely with George at Cresvale, David went on to join him at Caspian as head of convertible bond proprietary trading. At Northwest David has developed a bespoke and proprietary system for assessment of all convertible related securities globally. He is 37, and a graduate of Kings College, London.