

Rand Logistics Inc.

RAND LOGISTICS REPORTS FISCAL YEAR 2008 FINANCIAL RESULTS

Company Announces 21% Year-Over-Year Improvement in Vessel Margins

New York, NY – June 26, 2008 – Rand Logistics Inc. (Nasdaq: RLOG; RLOGW; RLOGU) (“Rand”) today announced operational and financial results for the fiscal year ended March 31, 2008, and provided an update on recent business developments and their expected contribution to future results.

Full-Year Fiscal 2008 Financial Results

- Marine freight revenue (excluding fuel surcharge, outside charter and other revenue) increased by \$6.7 million, or 10.5%, to \$70.3 million in fiscal year 2008, from \$63.6 million in fiscal year 2007.
- Marine freight revenue per day increased by \$2,180, or 9.4%, to \$25,359 in fiscal year 2008, from \$23,179 in fiscal year 2007.¹
- Vessel margin per day (after expensed winter work) increased by \$1,131, or 21.2%, to \$6,470 in fiscal year 2008, from \$5,339 in fiscal year 2007.¹

Laurence S. Levy, Chairman and CEO of Rand, commented, “Despite the fact that our financial results in fiscal year 2008 were impacted by the strike at Wisconsin and Michigan Steamship (“WMS”), we nevertheless enjoyed a material increase in vessel margin¹, primarily due to an increase in freight rates, a significant improvement in the performance of our U.S. fleet and the continued strong performance of our Canadian fleet.”

“We are also pleased to announce that we have met or exceeded our previously stated targets for revenue per day¹, vessel margin per day, and public company cash expenses in fiscal 2008, and we continue to expect that our G&A expenses will grow at a lesser rate than our revenues, further boosting our future operating margins,” Mr. Levy continued.

For the year ended March 31, 2008, excluding the Variable Interest Entity (“VIE”), earnings before interest, taxes, depreciation and amortization (“EBITDA”), was a loss of \$1.2 million, compared to income of \$3.6 million in fiscal year 2007. Fiscal year 2008 results were impacted by a loss of \$4.7 million related to the WMS vessels, versus breakeven for the twelve months ended March 31, 2007. This decrease was largely attributable to the strike associated with the three vessels previously operated under the time charter with WMS, which lasted from May through August of 2007 and impacted the Company’s full sailing season. An additional impact on fiscal year 2008 results was a \$1.6 million charge to EBITDA, associated with previously announced one-time expenses related to improving management infrastructure, upgrading business software and IT, further improving internal controls, Voyageur transaction costs and a prior period restricted stock grant.

Fourth Quarter Fiscal 2008 Financial Results

Marine freight revenue increased 2.8% to \$3.0 million in the fiscal fourth quarter, which is the Company’s winter lay-up quarter, during which time the Company’s vessels are not operational.

¹ Excluding the three vessels previously operated under a time charter with Wisconsin and Michigan Steamship (“WMS”), the two conventional bulk carriers acquired in late August from the Voyageur group of companies, as well as all outside charter and contract of affreightment revenues.

Excluding the VIE, the Company incurred an EBITDA loss of \$9.0 million for the quarter ended March 31, 2008 versus a loss of \$8.8 million for the quarter ended March 31, 2007. Vessel margins were constant between the quarter ended March 31, 2007 and March 31, 2008, despite the fact that the Company added five vessels during the quarter ended March 31, 2008 versus March 31, 2007, resulting in an increase in winterwork expense of over \$1.2 million. G&A expenses increased by 6.1% to \$3.1 million in the fourth quarter of fiscal year 2008 versus \$3.0 million for the fourth quarter of fiscal year 2007.

During the fourth quarter of fiscal year 2008, the Company hired 104 new employees to crew the three vessels that it purchased from WMS and to staff the two Voyageur vessels given the termination of the crew manning agreement. Management notes that substantially all of the integration work associated with the WMS acquisition and the remaining Voyageur vessels is complete as of March 31, 2008.

Subsequent Developments

Subsequent to quarter end, Rand completed the repowering of the Saginaw, one of its Canadian-flagged vessels, with a new highly automated emissions-compliant power plant. The vessel is now fully operational and the repowering is expected to improve operating margins going forward, due to an increase in speed, and a reduction in fuel consumption, labor, maintenance and other operating costs. Management estimates that the repowering will generate an annual mid-teens return on investment.

Scott Bravener, President of Lower Lakes stated, "We are pleased to have completed the successful repowering of the Saginaw. This project, which was completed on budget, demonstrates our commitment to make continuing investments in our fleet, to provide the best available service to our customers. We anticipate this fully operational vessel will contribute to operating margin improvements going forward, as it adds necessary capacity to our fleet to meet the steadily growing demand for transportation services on the Great Lakes."

In April, Rand announced the appointment of Michael D. Lundin as an independent member of its Board of Directors. Lundin is the former President and Chief Executive Officer of the Oglebay Norton Company, a miner, processor, transporter and marketer of industrial minerals and aggregates. This latest appointment expands Rand's Board to six members, including four non-management independent directors.

Outlook

Rand enters Fiscal 2009 in a position to capitalize on consistent favorable demand for transportation services on the Great Lakes.

Mr. Levy concluded, "Our ongoing operational improvements, strategic acquisitions and vessel upgrades, in conjunction with the elimination of non-recurring IT and infrastructure expenses should continue to drive profit growth, as we maintain a leadership position in an industry with high barriers to entry and significant demand. Rand is in a unique position to take advantage of the strong demand for capacity and the firm freight rate environment. Our vessels are fully committed for the current fiscal year. We are excited about the outlook of our business for this year and beyond. Based on our preliminary actual results thus far in fiscal 2009, we are confident that our operations for the quarter ended June 30, 2008 will demonstrate Rand's inherent earnings capability. We anticipate a significant increase in Rand's earnings from those reported in the comparable quarter last year."

Rand Logistics, Inc.
Summary Statement of Operations
(U.S. Dollars 000's except for Earnings Per Share figures)

	Year ended 31-Mar-08	Year ended 31-Mar-07
Revenue - Company operated vessels	85,239	74,175
Revenue - Outside voyage charter revenue	9,530	5,011
	94,769	79,186
Expenses		
Outside voyage charter fees	9,436	4,935
Vessel operating expenses	69,117	57,474
Non operational repairs and maintenance	3,844	3,382
	82,397	65,791
Income before general and administrative, depreciation, amortization of drydock costs and intangibles, other income and expenses and income taxes	12,372	13,395
General and administrative	10,678	8,069
Depreciation and amortization of drydock costs and intangibles	10,153	7,107
Gain on sale of vessels by variable interest entity	(667)	-
Loss on retirement of owned vessel	1,735	-
Loss (gain) on foreign exchange	(163)	128
	21,736	15,304
Income before interest, other income and expenses and income taxes	(9,364)	(1,909)
Net income	(14,518)	(4,521)
Net income (loss) per share – basic	(1.28)	(0.63)
Net income (loss) per share – diluted	(1.28)	(0.63)

Conference Call

Management will host a conference call to discuss the results at 5:00 p.m. ET on Thursday, June 26, 2008. Interested parties may participate in the conference call by dialing 866-249-5225 (303-262-2141 for international callers). When prompted, ask for the "Rand Logistics Fiscal Year 2008 Earnings Conference Call."

A phone replay will be available from 8:00 p.m. ET on Thursday, June 26, 2008, until 11:59 p.m. ET on Saturday, July 5, 2008. Dial (800) 405-2236 (305-590-3000 for international callers) and enter the code 11116280# to access the phone replay.

The conference call will be webcast simultaneously on the Rand Logistics Inc. website at www.randlogisticsinc.com under Investors: Webcasts & Presentations. The webcast replay will be archived for 12 months.

Reconciliation of Non-GAAP Measure to GAAP

EBITDA represents earnings before interest, income tax expense, depreciation and amortization, loss on asset disposal, and loss (gain) on foreign exchange. EBITDA is not a measure of performance or liquidity calculated in accordance with generally accepted accounting principles ("GAAP"), is unaudited and should not be considered an alternative to, or more meaningful than, net income or income from operations as an indicator of our operating performance, or cash flows from operating activities, as measures of liquidity. EBITDA has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation. A reconciliation of GAAP net income to EBITDA is included in the financial tables accompanying this release.

About Rand Logistics

Rand Logistics, Inc. is a leading provider of bulk freight shipping services throughout the Great Lakes region. Through its subsidiaries, the Company operates a fleet of ten self-unloading bulk carriers, including eight River Class vessels and one River Class integrated tug/barge unit, and three conventional bulk carriers, of which one is operated under a contract of affreightment. The Company is the only carrier able to offer significant domestic port-to-port services in both Canada and the U.S. on the Great Lakes. The Company's vessels operate under the U.S. Jones Act – which dictates that only ships that are built, crewed and owned by U.S. citizens can operate between U.S. ports – and the Canada Marine Act – which requires Canadian commissioned ships to operate between Canadian ports.

Forward-Looking Statements

This press release may contain forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) concerning the Company and its operating subsidiaries. Forward-looking statements are statements that are not historical facts, but instead statements based upon the current beliefs and expectations of management of the Company. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from the results included in such forward-looking statements.

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Rand Logistics, Inc.
Consolidated Statements of Operations
(U.S. Dollars 000's except for Earnings Per Share figures)

	Year ended March 31, 2008	Year Ended March 31, 2007
REVENUE	94,769	79,186
EXPENSES		
Outside voyage charter fees	9,436	4,935
Vessel operating expenses	69,117	57,474
Repairs and maintenance	3,844	3,382
General and administrative	10,678	8,069
Depreciation	6,428	5,142
Amortization of drydock costs	1,476	388
Amortization of intangibles	1,912	1,433
Amortization of chartering agreement costs	337	144
Gain on sale of vessels by variable interest entity	(667)	-
Loss on retirement of owned vessel	1,735	-
(Gain) loss on foreign exchange	(163)	128
	104,133	81,095
INCOME BEFORE OTHER INCOME AND EXPENSES AND INCOME TAXES	(9,364)	(1,909)
OTHER INCOME AND EXPENSES		
Interest expense	4,883	3,778
Interest income	(235)	(349)
Loss on interest rate swap contract	1,338	135
Loss on extinguishment of debt	753	-
Loss on deconsolidation of VIE	302	-
	7,041	3,564
INCOME BEFORE INCOME TAXES	(16,405)	(5,473)
PROVISION (RECOVERY) FOR INCOME TAXES		
Current	372	277
Deferred	(5,360)	(2,437)
NET INCOME BEFORE MINORITY INTEREST	(11,417)	(3,313)
MINORITY INTEREST	(176)	(224)
NET INCOME	(11,241)	(3,089)
PREFERRED STOCK DIVIDENDS	1,295	1,182
COMMON STOCK DIVIDEND OF VIE	-	250
STOCK WARRANT INDUCEMENT DISCOUNT	1,982	-
NET (LOSS) INCOME APPLICABLE TO COMMON STOCKHOLDERS	(14,518)	(4,521)
Net (loss) earnings per share basic	(\$1.28)	(\$0.63)
Net (loss) earnings per share diluted	(\$1.28)	(\$0.63)
Weighted average shares basic	11,355,068	7,225,083
Weighted average shares diluted	11,355,068	7,225,083

Rand Logistics, Inc.
Selected Financial Information
Reconciliation of Income before Interest, Other Income and Expenses and Income Taxes to
EBITDA
(U.S. Dollars 000's)

	Year ended March 31, 2008			Year ended March 31, 2007		
	Rand Logistics Inc.	Impact of FIN46R	Consolidated	Rand Logistics Inc.	Impact of FIN46R	Consolidated
Income (loss) before interest, other income and expenses and income taxes	(11,872)	2,508	(9,364)	(2,989)	1,080	(1,909)
Loss (gain) on foreign exchange	(163)		(163)	128		128
Gain on sale of vessels by variable interest entity		(667)	(667)			
Loss on retirement of owned vessel	1,735		1,735			
Depreciation and amortization of dry-dock costs and intangibles	9,101	1,052	10,153	6,456	651	7,107
EBITDA	(1,199)	2,893	1,694	3,595	1,731	5,326

Rand Logistics, Inc.
Consolidated Balance Sheets
(U.S. Dollars 000's)

	March 31, 2008	March 31, 2007
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 5,626	\$ 7,207
Accounts receivable	3,468	2,702
Prepaid expenses and other current assets	3,122	3,122
Income taxes receivable	193	263
Deferred income taxes	1,355	1,219
Total current assets	13,764	14,513
BLOCKED ACCOUNT	-	2,700
PROPERTY AND EQUIPMENT, NET	96,349	66,859
DEFERRED INCOME TAXES	20,318	13,574
DEFERRED DRYDOCK COSTS, NET	9,082	5,895
INTANGIBLE ASSETS, NET	17,979	13,334
GOODWILL	10,193	6,363
Total assets	\$ 167,685	\$ 123,238
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 269	\$ 5,097
Accounts payable	14,985	11,445
Accrued liabilities	7,243	3,237
Acquired Management Bonus Program	3,000	-
Interest rate swap contract	1,274	135
Income taxes payable	422	385
Deferred income taxes	1,508	589
Current portion of long-term debt	3,521	4,398
Total current liabilities	32,222	25,286
LONG-TERM DEBT	66,896	34,864
ACQUIRED MANAGEMENT BONUS PROGRAM	-	3,000
DEFERRED INCOME TAXES	14,703	13,624
Total liabilities	113,821	76,774
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, \$.0001 par value, Authorized 1,000,000 shares, Issued and outstanding 300,000 shares	14,900	14,900
Common stock, \$.0001 par value Authorized 50,000,000 shares, Issued and outstanding 12,092,142 shares	1	1
Additional paid-in capital	58,350	38,407
Accumulated deficit	(20,465)	(5,947)
Accumulated other comprehensive income (loss)	1,078	(1,073)
Minority interest of variable interest entity	-	176
Total stockholders' equity	53,864	46,464
Total liabilities and stockholders' equity	\$ 167,685	\$ 123,238

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