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## Press Release

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7 June 2017

**Regal Petroleum plc  
("Regal" or the "Company")**

**Banking Arrangements with a Related Party Bank**

Regal Petroleum plc (AIM: RPT), the AIM-quoted oil and gas exploration and production group, announces the following information in relation to its banking arrangements in Ukraine.

The Company and its subsidiaries (the "Group") has recently opened current and deposit accounts with PJSC Alfa-Bank ("Alfa-Bank") in Ukraine on customary terms as part of its normal business banking arrangements. The Group holds accounts with a number of banks in Ukraine in order to spread its banking risks amongst different banks in Ukraine. At present, the Group holds approximately US\$3.85 million equivalent, held in Ukrainian Hryvnia, in the Alfa-Bank accounts although the balances will vary in the future in the normal course of business.

Alfa-Bank is a Ukrainian bank operating throughout Ukraine with over 300 branches and approximately 1.5 million business and retail customers. It combined its operations in Ukraine with PJSC UkrSotsbank in late 2016, thereby virtually doubling its size and operations in Ukraine. Alfa-Bank is owned by ABH Holdings SA, which is the holding company of the banking business of the Alfa Group, and which has banking operations in a number of countries in the CIS and Europe.

CTF Holdings Limited, which owns an indirect 24.43% shareholding in the Company, and ABH Holdings SA, which owns Alfa-Bank, have common majority beneficial shareholders, being Mr Mikhail Fridman, Mr German Khan and Mr Alexey Kuzmichev. By virtue of these common majority beneficial shareholders, CTF Holdings Limited and ABH Holdings SA are considered to be associated under the AIM Rules for Companies ("AIM Rules"). As a result, Alfa-Bank is considered to be a related party of Regal pursuant to the AIM Rules.

Given that Alfa-Bank is a related party to the Company pursuant to the AIM Rules, the banking arrangements with Alfa-Bank are deemed a related party transaction pursuant to the AIM Rules. Accordingly, the directors of the Company, having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider that the terms of the banking arrangements with Alfa-Bank are fair and reasonable insofar as shareholders are concerned.

**For further information, please contact:**

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