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If you have sold or otherwise transferred all of your Existing Shares, please immediately forward this document, together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 3 of this document, accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission to AIM and dealings in the New Ordinary Shares will commence on 25 March 2004.

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

Placing of 13,333,334 new Ordinary Shares at a price of 300 pence per share

and

Notice of Extraordinary General Meeting

EXPECTED SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Number</i>	<i>Amount (£)</i>		<i>Number</i>	<i>Amount (£)</i>
200,000,000	10,000,000	Ordinary shares of 5 pence each	114,935,868	5,746,793.40

Evolution Beeson Gregory Limited, which is regulated in the UK by the Financial Services Authority, is acting as nominated and financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Evolution Beeson Gregory Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Beeson Gregory Limited or for advising any other person on the arrangements described in this document. Evolution Beeson Gregory Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Evolution Beeson Gregory Limited for the accuracy of any information or opinions contained in this document or for the omission of any information.

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice of an Extraordinary General Meeting of Regal Petroleum plc, to be held at the offices of Osborne Clarke at Hillgate House, 26 Old Bailey, London EC4M 7HW at 10.00 a.m. on 23 March 2004, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, by not later than 10.00 a.m. on 21 March 2004. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

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DIRECTORS AND ADVISERS

Directors	Vasile Frank Timis (<i>Executive Chairman</i>) Guenter Nolte (<i>Chief Executive</i>) Glenn Robert Featherby (<i>Finance Director</i>) Nikolaos Loutsigkas (<i>Non-executive Director</i>) William Henry Humphries (<i>Non-executive Director</i>) Lord St John of Bletso (<i>Non-executive Director</i>)
Company Secretary	Stephen Paul West
Registered Office	2nd Floor 49 Albemarle Street London W1S 4JR
Nominated Adviser	Evolution Beeson Gregory Limited 100 Wood Street London EC2V 7AN
Joint Brokers and Underwriters	Evolution Beeson Gregory Limited 100 Wood Street London EC2V 7AN Canaccord Capital (Europe) Limited 1st Floor Brook House 27 Upper Brook Street London W1K 7QF
Solicitors to the Company	Osborne Clarke Hillgate House 26 Old Bailey London EC4M 7HW
Solicitors to the Placing	Weil, Gotshal & Manges One South Place London EC2M 2WG
Registrars	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

PLACING STATISTICS

Placing Price	300p
Number of New Ordinary Shares being placed on behalf of the Company	13,333,334
Proceeds receivable by the Company, net of expenses	£37.5 million
Number of Ordinary Shares in issue following Admission	114,935,868
Number of New Ordinary Shares as a percentage of the existing issued share capital	13.12%

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Extraordinary General Meeting	10.00 a.m. on 23 March 2004
Admission and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 25 March 2004
Expected date for CREST accounts to be credited	25 March 2004
Expected date for posting of share certificates for New Ordinary Shares	By 2 April 2004

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 1985 (as amended)
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules governing the admission to and operation of AIM as published by the London Stock Exchange from time to time
“Company” or “Regal”	Regal Petroleum plc
“bbls”	barrels
“bopd”	barrels of oil per day
“Canaccord”	Canaccord Capital (Europe) Limited, the Company’s joint broker and underwriter
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this document, or any duly authorised committee thereof
“EGM”	the extraordinary general meeting of the Company to be held on 23 March 2004
“EGM Notice”	the notice convening the EGM which is set out on pages 14 and 15 of this document
“Evolution Beeson Gregory”	Evolution Beeson Gregory Limited, the Company’s nominated adviser and joint broker and underwriter
“Existing Shares”	the 101,602,534 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
“Form of Proxy”	the form of proxy for use in connection with the EGM which accompanies this document
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Kavala”	Kavala Oil S.A., a private company incorporated under the laws of Greece in which Regal has an indirect 57.69 per cent. interest in the issued capital thereof
“km”	kilometres
“km ² ”	square kilometres
“London Stock Exchange”	London Stock Exchange plc
“m ³ ”	cubic metres
“MMstb”	million standard barrels
“New Ordinary Shares”	the 13,333,334 new Ordinary Shares to be issued pursuant to the Placing

“Options”	options to subscribe for, in aggregate, 666,666 new Ordinary Shares, to be issued by the Company to Evolution Beeson Gregory and Canaccord, details of which are set out in Part 1 of this document
“Ordinary Shares”	ordinary shares of 5p each in the capital of the Company
“Placing”	the conditional placing of the New Ordinary Shares by Evolution Beeson Gregory and Canaccord, as agents on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document
“Placing Agreement”	the placing agreement dated 27 February 2004 and made between Evolution Beeson Gregory, Canaccord and the Company, further details of which are set out in this document
“Placing Price”	300p per New Ordinary Share
“Resolutions”	the resolutions set out in the EGM Notice
“Shareholders”	holders of Ordinary Shares
“Trading Statement”	the trading statement announced by the Company on 13 February 2004, which is reproduced in full in Part 2 of this document
“UK”	the United Kingdom of Great Britain and Northern Ireland

PART 1

Letter from the Executive Chairman of Regal Petroleum plc

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

Directors:

Vasile Frank Timis (*Executive Chairman*)
Guenter Nolte (*Chief Executive*)
Glenn Robert Featherby (*Finance Director*)
Nikolaos Loutsigkas (*Non-executive Director*)
William Henry Humphries (*Non-executive Director*)
Lord St John of Bletso (*Non-executive Director*)

Registered Office:

2nd Floor
49 Albemarle Street
London W1S 4JR

27 February 2004

To Shareholders

Dear Shareholder,

Placing of 13,333,334 new Ordinary Shares at a price of 300p per share and Notice of Extraordinary General Meeting

1. Introduction and summary

The Board announced today that it proposes to raise approximately £37.5 million (net of expenses) by way of a placing of 13,333,334 new Ordinary Shares at a price of 300p per share. The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot the New Ordinary Shares. The Placing, which has been jointly arranged by Evolution Beeson Gregory and Canaccord pursuant to the terms of the Placing Agreement, is also conditional upon Admission and has been fully underwritten by Evolution Beeson Gregory and Canaccord. The Placing proceeds will be used to fund the working capital requirements of the Group, further details of which are set out below.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

2. Background to and reasons for the Placing

2003 Placing

In October 2003, the Company acquired 86.11 per cent. of the entire issued share capital of Eurotech S.A. and, consequently, the indirect ownership of 57.69 per cent. of Kavala which has exclusive rights to develop, exploit and operate oil fields in the North Aegean Sea. At the time of this acquisition and in order to provide funds for the purposes of, *inter alia*, developing Kavala's oil fields and the Group's existing assets, the Company raised £24.15 million (net of expenses) by way of a placing of new Ordinary Shares ("2003 Placing").

Developments in Greece

Following the 2003 Placing, the Company commissioned development and exploitation studies of Kavala's Prinos, Prinos North and Epsilon fields. Regal also successfully completed the drilling of an exploration well in the Kallirachi exploration field and on 13 February 2004 announced the results of its work programme for Kavala, more particularly set out in the Trading Statement. The probable and possible oil-in-place volume at Kallirachi is expected to be up to 650MMstb (240MMstb recoverable).

Regal and Kavala are together preparing a six month programme of further appraisal at the Kallirachi field to confirm the porosity, volatility, oil saturation and existence of large sandstone reservoirs on the basin. Two development/production wells are planned to be drilled in the third and fourth quarters of 2004 with a view to preparing a feasibility study in the first half of 2005 once Regal has achieved its production targets for the Prinos, Prinos North and Epsilon fields. Subject to this feasibility study, Kavala will proceed with the development of the Kallirachi field.

Kavala also intends to commence the construction of a new platform at the Epsilon field in the third quarter of 2004 which will be connected to the existing Prinos field production facilities. The intention is to drill a total of six production wells with a view to realising a minimum daily production from Epsilon of 13,000 barrels by July 2005.

Developments in Romania

In Romania, as announced by the Company on 3 December 2003, the Company was awarded a new exclusive exploration, development and production licence for the 6,285km² EV-2 Barlad Block by the National Agency for Mineral Resources of Romania.

The Company proposes to perform seismic surveys on the Barlad Block during 2004 to reinterpret and assess additional data. Once the targets have been fully defined and deemed appropriate, exploration wells will be drilled to determine the presence, volume and characteristics of hydrocarbons.

Reasons for the Placing

The Directors believe that the proceeds of the Placing will enable the Company to pursue further its development strategies in both Greece and Romania, as described above and in the Trading Statement.

3. Current trading and prospects

Greece

On 13 February 2004, Regal released the Trading Statement, a copy of which is reproduced in full in Part 2 of this document.

Current daily production from the Prinos and Prinos North fields is approximately 4,000bopd. Infill drilling of four wells is due to commence in the second quarter of 2004 in the unexploited newly discovered pools in the Prinos and Prinos North fields. In addition, at least three submersible pumps are to be installed by the end of 2004. Daily production from the Prinos and Prinos North fields is expected to increase to a minimum of 12,000bbls by January 2005.

Kavala intends to build a new platform at Epsilon during the third quarter of 2004 and to connect this new platform to the existing infrastructure at the Prinos field production facilities. A total of six production wells are to be drilled at Epsilon to realise a minimum daily production of 13,000 barrels by July 2005.

Regal is expecting a minimum production of 25,000 bopd from the Kavala operations by July 2005; being 12,000 bopd from the Prinos and Prinos North fields and a further 13,000 bopd from the Epsilon field.

Ukraine

A total of six wells have been drilled or worked-over in Ukraine. Three of these, GOL1, GOL2 and MEX3, are currently producing and a further two, SV10 and MEX102, are expected to be producing during March 2004. When all of these wells are producing, the total daily production rate is expected to be approximately 815,000m³ of gas or equivalent.

Following extensive testing on the GOL2 well, Regal performed a stimulation/clean-out programme to stabilise production from this well.

Production well MEX102 was drilled to its target depth of 5,230 metres in December 2003. Following delays in equipment delivery due to severe weather conditions, the well has now been completed and is in the process of being connected to the existing infrastructure.

Work-over well SV10 was completed in January 2004 and is ready to be connected to the infrastructure.

Production well SV52 was drilled to its target depth of 5,400 metres in November 2003. Several gas bearing structures were identified, however, the well tested at below the Company's expectations and further technical studies have commenced.

In December 2003, the 13.2km export pipeline connecting Regal's gas processing plant in Ukraine to the international export trunk line to Western Europe was completed and connected. All of Regal's gas production is now being transported through Regal's pipeline which has a capacity of four million m³/day.

The required documentation for the Production Licence application was submitted in December 2003. The Directors expect that the Production Licence, which will become necessary in the medium term as the production rates are increased, will be granted in the first quarter of 2004. Regal intends to commence export sales in the second quarter of 2004.

Romania

Following the award of the 4,103km² Suceava Block in February 2003 and the 6,285km² Barlad Block in December 2003, Regal has a total exploration, development and production licence area in Romania of 10,388km².

In accordance with the Suceava Block work programme, the digitising and modelling of seismic and well log data together with the analysis of all of the technical information has clearly defined five major leads (structures). In 2004, the Company intends to perform a new seismic programme which will be followed by the drilling of appraisal/development/production wells.

The Company intends to undertake seismic surveys on the Barlad Block in the second quarter of 2004 to obtain additional data. Once the structures on both Blocks have been fully defined and deemed appropriate, exploration and development/production wells will be drilled to determine the volume and characteristics of hydrocarbons starting in the fourth quarter of 2004.

4. The Placing

The Company proposes to raise approximately £37.5 million (net of expenses) through the issue of the New Ordinary Shares at the Placing Price, which represents a discount of 5.96 per cent. to the closing middle market price of 319p per Existing Share on 26 February 2004, being the last practicable date prior to the publication of this document. The New Ordinary Shares will represent 11.60 per cent. of the Company's issued share capital immediately following Admission.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Evolution Beeson Gregory and Canaccord have each conditionally agreed to use their respective reasonable endeavours, as agents for the Company, to each place 6,666,667 of the New Ordinary Shares with certain institutional and other investors. The Placing has been fully underwritten by Evolution Beeson Gregory and Canaccord. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM and Admission becoming effective on or before 8.30 a.m. on 25 March 2004 (or such later date as the Company, Evolution Beeson Gregory and Canaccord may agree, but in any event by no later than 30 April 2004).

The Placing Agreement contains warranties from the Company in favour of Evolution Beeson Gregory and Canaccord in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Evolution Beeson Gregory and Canaccord in relation to certain liabilities they may incur in respect of the Placing. Evolution Beeson Gregory and Canaccord each have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties.

Under the Placing Agreement and subject to it becoming unconditional in all respects and not being terminated in accordance with its terms, the Company has agreed to pay Evolution Beeson Gregory and Canaccord a commission of 5.0 per cent. on the value at the Placing Price of the New Ordinary Shares, together with any applicable value added tax. The Company has also agreed to pay Evolution Beeson Gregory a corporate finance advisory fee of £250,000, together with any applicable value added tax.

In addition, and conditional upon Admission, the Company has agreed to grant to each of Evolution Beeson Gregory and Canaccord an option to subscribe for up to 333,333 new Ordinary Shares at the Placing Price (each representing 0.29 per cent. of the enlarged issued share capital of the Company immediately following Admission). The Options are exercisable for the period of 18 months from the date of Admission.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such Admission will occur on 25 March 2004.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Shares including the right to receive dividends and other distributions declared following Admission.

5. Use of Proceeds

The Directors intend that the net proceeds of the Placing of £37.5 million will be used to develop Regal's assets in Greece and Romania as follows:

- (i) £10.0 million for the further development of the Kallirachi field including the drilling of two development/production wells and a detailed feasibility study;
- (ii) £17.0 million for the development of the Epsilon field including the construction of a production platform and the drilling of six production wells; and
- (iii) £10.5 million for additional seismic analysis and drilling of wells on the second licence area in the Romanian gas field.

6. Extraordinary General Meeting

Set out on pages 14 and 15 of this document is a notice convening the EGM to be held on 23 March 2004 at the offices of Osborne Clarke at Hillgate House, 26 Old Bailey, London EC4M 7HW at 10.00 a.m., at which the Resolutions will be proposed for the purposes of implementing the Placing.

Resolution 1, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, is to authorise the Directors to allot the New Ordinary Shares in connection with the Placing and up to, in aggregate, 666,666 new Ordinary Shares pursuant to the exercise of the Options and otherwise relevant securities up to £1,915,598 in nominal value (representing one third of the issued share capital following Admission) provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the New Ordinary Shares and the issue of up to, in aggregate, 666,666 new Ordinary Shares pursuant to the exercise of the Options and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £287,340 (representing 5 per cent. of the issued share capital following Admission) provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

7. Action to be taken

A Form of Proxy for use at the EGM accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 21 March 2004. The completion and return of a Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they so wish.

8. Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 11,104,887 Existing Shares, representing approximately 10.93 per cent. of the existing issued share capital of the Company.

Yours sincerely

Vasile Frank Timis
Executive Chairman

PART 2

Set out below is the full text of the Company's trading statement announced on 13 February 2004.

“Regal Petroleum plc (“the Company”)

Regal Petroleum is pleased to announce that following the company's press release dated 23 January 2004 in respect to the oil discovery at Kallirachi we are able provide an update of the technical results from the well prepared by independent consultants and the overall work programme for Kavala Oil S.A.

KALLIRACHI 1 – EXPLORATION WELL

- The well was drilled in 49 days, within budget to a total depth of 2,555 metres.
- The well confirmed that a major fault identified on 3D seismic provides the lateral seal. A very competent vertical seal is provided by 900m of salt deposits. The field is a combination stratigraphic-structural trap.
- Existing 3D seismic provides excellent resolution over the entire field area.
- The thickness of the reservoir in Kallirachi -1 well is over 300m with a net pay zone of 100m (previous estimate during drilling was 200m reservoir thickness and 61 meter pay zone), corresponding to Prinos Group equivalent reservoir. Surface fluid samples from the flow of the well, as well as log and core measurements, proved the presence of sweet (37 degrees API), high quality oil in multi-layered sandstone pay zones. Reservoir pressure ranges from 330 to 365bar. The well is interpreted as being at the South West edge of the structure where the sands are less well developed.
- No oil-water contact was encountered and the well has proved hydrocarbons down to 2555m. Accordingly, the reservoir is open on depth.
- Well data analysis suggests that this well can conservatively produce up to 2,000bopd.
- The probable and possible oil-in-place volume is expected to be up to 650MMstb (240 million recoverable).
- Approximately 20 kilometers west of the Kallirachi well is the Athos discovery which indicated the presence of similar quality sweet oil. Based on technical and exploration data obtained to date, the Athos structure is a continuation of a single large structure.
- Regal Petroleum and Kavala Oil are preparing a 6 month programme of further appraisal, including 3D seismic inversion of the Prinos Group basin and well planning activities, to confirm the size and shape of the structure and optimise the location and design of planned further appraisal/development/production wells. The programme will confirm the porosity, volatility, oil saturation and existence of large sandstone reservoirs on the basin.
- Two development/production wells are planned for the 3rd quarter of 2004 with a view to preparing a feasibility study in the first half of 2005 once the company has achieved its production targets from Prinos, Prinos North and Epsilon (see below). Subject to the feasibility study, the company will proceed with the development of the Kallirachi field.

PRINOS & PRINOS NORTH

- Following Regal's acquisition of Kavala Oil S.A, independent studies of the Prinos, Prinos North and Epsilon fields have been updated and show recoverable oil reserves of 80MMstb.
- Daily production from Prinos and Prinos North is expected to increase to a minimum of 12,000 bopd by January 2005.

- Infill drilling of 4 wells is to be carried out in the unexploited newly discovered pools in the Prinos and Prinos North Fields commencing in May 2004. In addition, 3 more submersible pumps are to be installed this year.

EPSILON

- Two development/production wells are planned for the 3rd quarter of 2004 with a view to preparing a feasibility study in the first half of 2005 once the company has achieved its production targets from Prinos, Prinos North and Epsilon (see below). Subject to the feasibility study, the company will proceed with the development of the Kallirachi field.
- The Epsilon field was discovered in 2001/2002 and is approximately 4km North West of the Prinos field production facilities.
- Development engineering studies are currently being carried out with a view to commencing development of the field in the 4th quarter of 2004.
- The initial plan is to drill a total of 6 production wells from a production platform to be commissioned by Kavala Oil S.A by the commencement of the fourth quarter of 2004. The platform will be connected to the existing Prinos production facilities.
- Daily production of a minimum of 13,000 bopd is expected from the Epsilon field to commence around July 2005.

PRODUCTION TARGET

- The Company is expecting minimum daily production of 25,000 bopd from the Kavala operations by July 2005; being 12,000 bopd from the Prinos and Prinos North fields and a further 13,000 bopd from Epsilon.
- The operations break even level of production from Prinos, Prinos North and Epsilon is estimated at 4,200 bopd assuming an oil price of \$20 per barrel.

Frank Timis, Executive Chairman, commented:

“The Kallirachi find has exceeded our expectations by a considerable margin. The discovery of a sweet oil reservoir of such proportions, with Regal’s significant infrastructure already in place in an important EU country, underpins the considerable potential of Regal. Combined with the expected increase in production from Prinos and Prinos North and the planned development of Epsilon, Regal is on the way to becoming a significant oil producer within Europe”.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Regal Petroleum plc (the “Company”) will be held at the offices of Osborne Clarke, Hillgate House, 26 Old Bailey, London EC4M 7HW at 10.00 a.m. on 23 March 2004 to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. **THAT**, conditional upon the passing of Resolution 2 and the Placing Agreement (as defined in the circular to shareholders of the Company dated 27 February 2004 (“**Circular**”)), becoming unconditional in all respects (save only for the passing of the Resolutions and Admission (as defined in the Circular)) and it not being terminated in accordance with its terms and in substitution for any equivalent authority which may have been given to the directors prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (“the Act”) to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) provided that this authority shall be limited to:
 - (a) the allotment of up to 13,333,334 new ordinary shares of 5 pence each in the capital of the Company in connection with the Placing (as such term is defined in the Circular);
 - (b) the allotment of up to 666,666 new ordinary shares of 5 pence each in the capital of the Company in connection with the exercise of the Options (as such term is defined in the Circular); and
 - (c) the allotment (other than pursuant to paragraphs (a) and (b) above) of relevant securities up to an aggregate nominal amount of £1,915,598,

and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. **THAT**, conditional upon the passing of Resolution 1 and the Placing Agreement becoming unconditional in all respects (save only for the passing of the Resolutions and Admission) and it not being terminated in accordance with its terms and in substitution for any existing power given to the directors pursuant to section 95 of the Act, the directors be and they are empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the authority of the directors under section 80 of the Act conferred by Resolution 1 as if section 89(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:
 - (a) the allotment of 13,333,334 new ordinary shares of 5 pence each in the capital of the Company in connection with the Placing;
 - (b) the allotment of up to 666,666 new ordinary shares of 5 pence each in the capital of the Company in connection with the exercise of the Options;

- (c) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion to their respective holdings of such shares or in accordance with the rights attached to such shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory; and
- (d) the allotment, otherwise than pursuant to sub-paragraphs (a) to (c) (inclusive) above, of equity securities up to an aggregate nominal value equal to £287,340,

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Registered Office:

2nd Floor
49 Albemarle Street
London W1S 4JR

By order of the Board:

Stephen West
Company Secretary
27 February 2004

Notes:

1. A member entitled to receive notice, attend and vote at the extraordinary general meeting is entitled to appoint a proxy or proxies to attend and, vote instead of him. Such proxy need not be a member of the Company. Completion of a form of proxy does not preclude your attendance at the meeting and voting in person if you so wish. To be valid, the instrument appointing a proxy, together, if appropriate, with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the offices of the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, not less than 48 hours before the time fixed for the holding of the meeting. A pre-paid form of proxy accompanies this notice.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members of the Company in order to have the right to receive notice, attend and vote at the extraordinary general meeting (and for the purposes of the determination by the Company of the members of votes they may cast) is 10.00 a.m. on 21 March 2004 or 48 hours before the time of adjournment of the meeting. The rights of members to attend and vote at the meeting will be determined by references to entries on the register of members as at 5.00 p.m. on 21 March 2004. Changes to entries on the register of members of the Company after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

