

Press Release

25 March 2014

REGAL PETROLEUM PLC ("Regal" or the "Company")

Reserves & Resources Update

Regal Petroleum plc, the AIM-quoted (RPT) oil and gas exploration and production group, announces an update on its hydrocarbon Reserves and Contingent Resources at its 100% owned and operated Mekhediviska-Golotvshinska ("MEX-GOL") and Svyrydivske ("SV") gas and condensate fields in Ukraine.

The Company engaged independent petroleum consultants, ERC Equipoise Limited ("ERCE"), to prepare an updated assessment of the remaining Reserves and Contingent Resources attributable to the Company's MEX-GOL and SV fields as at 31 December 2013 (the "Report"). The Report is consistent with Regal's current field development plans, which comprise the drilling of a further 10 wells, most of which will target undeveloped Reserves, and accords with the March 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System standard for classification and reporting.

The Report estimates the remaining Reserves as at 31 December 2013 in the Visean reservoirs ("B-sands") of the MEX-GOL and SV fields as follows:-

	Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
Gas	8.3 Bscf	50.1 Bscf	71.2 Bscf
Condensate	0.4 MMbbl	2.5 MMbbl	4.1 MMbbl
LPG	17.4 Mtonnes	105.6 Mtonnes	149.8 Mtonnes
Total	1.9 MMboe	11.7 MMboe	17.2 MMboe

The Report estimates the Contingent Resources in the Visean reservoirs of the MEX-GOL and SV fields as follows, based on the potential drilling of up to 113 future wells (not currently budgeted):-

	Contingent Resources (1C)	Contingent Resources (2C)	Contingent Resources (3C)
Gas	198 Bscf	334 Bscf	519 Bscf
Condensate	8.5 MMbbl	17.4 MMbbl	32.7 MMbbl
Total	41.5 MMboe	73.1 MMboe	119.1 MMboe



Press Release

The Report provides an update on the Company's Reserves and Resources since the previous Reserves estimation undertaken by ERCE as at 31 December 2012 and takes into account information gathered during the drilling of additional wells in the fields since then. The GIIP assessment in the Report remains the same as previously, demonstrating discovered GIIP in the Visean reservoirs of 5816 Bscf, but there has been a material reduction in the Proved (1P) and Proved + Probable (2P) categories of remaining Reserves from the previous ERCE estimates which were 7.7 MMboe and 31.6 MMboe respectively. These reductions reflect a reduction in the number (from 27 to 10) and slowing of the phasing of new wells, production since 1 January 2013 of approximately 0.52 MMboe, and the down-grading of a portion of volumes previously booked as Reserves into the Contingent Resources category, reflecting their current immaturity for commercial development. Further evaluation and development of the fields may result in future movement between Contingent Resources and Reserves. This reduction in Reserves is likely to result in the recognition of a significant impairment loss in the forthcoming 2013 financial results.

The MEX-GOL and SV fields contain three prospective reservoir intervals: the principal reservoirs in the Carboniferous Visean, the deeper Carboniferous Tournasian ("T-sands") and the underlying Devonian ("D-sands"). While in the Report, ERCE has estimated volumes of discovered gas totalling 1944 Bscf in the deeper Tournasian and Devonian intervals, ERCE concluded that there is insufficient information at this time to determine whether the discovered gas is recoverable or not, and hence no Reserves or Contingent Resources have been assigned to these reservoirs. Accordingly, all Reserves and Contingent Resources assessed in the Report are within the Visean reservoirs.

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Joe Staffurth, BSc Geology, PESGB, AAPG, consultant to the Company, has reviewed and approved the technical information contained within this press release in his capacity as a qualified person, as required under the AIM Rules.

Definitions

AAPG	American Association of Petroleum Geologists
bbl	barrels
Bscf	thousands of millions of standard cubic feet
boe	one barrel of oil plus gas converted to oil equivalent using a conversion rate of six thousand standard cubic feet of gas for each barrel of oil equivalent; for the purpose of this definition, one barrel of condensate is equivalent to one barrel of oil
GIIP	gas initially in place
LPG	liquefied petroleum gas
Mtonnes	thousand tonnes
MMbbl	million barrels
MMboe	million barrels of oil equivalent
scf	standard cubic feet measured at 14.7 pounds per square inch and 60 degrees Fahrenheit
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers



Page 3 of 3

Press Release

WPC

World Petroleum Council

The SPE/WPC/AAPG/SPEE Petroleum Resources Management System document, which includes definitions of Reserves and Contingent Resources categorisations, can be viewed at:-

www.spe.org/spe-app/spe/industry/reserves/prms.htm