
Press Release

12 January 2016

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

Ukraine Update

Regal Petroleum plc (AIM: RPT), the AIM-quoted oil and gas exploration and production group, announces an update of operational activities at its 100% owned and operated Mekhediviska-Golotvshinska (MEX-GOL) and Svyrydivske (SV) gas and condensate fields in Ukraine.

Average gas, condensate and LPG production from the MEX-GOL and SV fields for the year ended 31 December 2015 was 144,783 m³/d of gas, 44 m³/d of condensate and 21 m³/d of LPG (1,274 boepd in aggregate) (2014: 152,744 m³/d of gas, 52 m³/d of condensate and 21 m³/d of LPG (1,370 boepd in aggregate)).

Following the commencement of production from the SV-6 well, as announced on 15 December 2015, average gas, condensate and LPG production from the MEX-GOL and SV fields for December 2015 was 191,098 m³/d of gas, 46 m³/d of condensate and 21 m³/d of LPG (1,574 boepd in aggregate).

Since 1 July 2015, Regal has been purchasing "wet" gas produced from the adjacent Lutsenky field and treating it through Regal's gas processing facilities pursuant to an agreement between Regal and Pryodni Resursy, the operator of the Lutsenky field. In the second half of 2015, Regal purchased 4,723,010 m³ of "wet" gas and following treatment of this gas, produced 2,945,021 m³ of gas, 778 m³ of condensate and 5,957 m³ of LPG (49,473 boe in aggregate).

Since August 2014, the Ukrainian Government has imposed significantly increased subsoil taxes on oil and gas production in Ukraine. This increase in subsoil taxes had the effect of nearly doubling the taxes payable on the Company's gas production. The subsoil taxes increase was expressed to be a temporary emergency fiscal measure for 2014, but it continued throughout 2015. However, the Ukrainian Government has now enacted legislation, effective from 1 January 2016, to reduce the subsoil taxes on gas production to substantially the same levels that were in effect prior to the introduction of the temporary increase in 2014. The new subsoil tax rates are 29% for gas produced from deposits at depths above 5,000 metres and 14% for gas produced from deposits below 5,000 metres, and 45% for condensate produced from deposits above 5,000 metres and 21% for condensate produced from deposits below 5,000 metres.

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Philip Frank, PhD Geology, Chartered Geologist, FGS, PESGB, 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.



Press Release

Definitions

boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
LPG	liquefied petroleum gas
m ³ /d	cubic metres per day
m ³	cubic metres
%	per cent