

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

5 May 2010

UKRAINE RESOURCES & OPERATIONAL UPDATE

Regal, the AIM-listed oil and gas exploration and production group (symbol: RPT), announces an update on its hydrocarbon resources and operations in the Ukraine.

UKRAINE RESOURCES UPDATE

Ryder-Scott Company L.P. ("Ryder Scott"), the independent petroleum consultants, was commissioned by Regal to produce an updated assessment of the reserves and prospective resources attributable to the Company's MEX-GOL-SV fields in Ukraine (the "Report"). The Report was published and released to Regal on 3 May 2010. The study is consistent with Regal's field development plan for the B-Sands, and accords with the 2007 Society of Petroleum Engineers Petroleum Resource Management System (SPE-PRMS) standards. The estimated recoverable gas and condensate reserves and undiscovered prospective resource volumes shown as MMscf and MMbbls in the table below have been extracted from the Report by consent of Ryder Scott and are further subject to the discussion contained in the referenced Ryder Scott report. The discussion presented herein was prepared by the Company and should not be attributed to Ryder Scott nor should it be construed to be approved by Ryder Scott for inclusion herein.

The Report has been prepared for the B-Sand reservoirs only with an effective date of 1 January 2010. In addition to the "Remaining Proved + Probable" reserves volume of 151.3 MMboe, the 2010 Report allocates to the B-Sands 102.4 MMboe to an additional "Remaining Possible" category and a further 151.9 MMboe to "P50 Prospective Resources (Unrisked)". It is intended to update the resource estimate for the B, T and D-Sands in due course once relevant additional data is available.

Reported Recoverable Reserves and Resources (as at 1 January 2010): B-SANDS ONLY

Remaining Proved	Remaining Probable	Remaining Proved + Probable (2P)	Remaining Possible	Remaining Proved + Probable + Possible (3P)	P50 B-Sand Prospective Resources (Unrisked)
40.9 MMboe	110.4 MMboe	151.3 MMboe	102.4 MMboe	253.7 MMboe	151.9 MMboe
4.9 MMbbls condensate	12.9 MMbbls condensate	17.8 MMbbls condensate	12.3 MMbbls condensate	30.1 MMbbls condensate	17.3 MMbbls condensate
203,776 MMscf gas (36.0 MMboe)	551,827 MMscf gas (97.5 MMboe)	755,603 MMscf gas (133.5 MMboe)	509,798 MMscf gas (90.1 MMboe)	1,265,401 MMscf gas (223.6 MMboe)	761,483 MMscf gas (134.6 MMboe)

The Company believes that the new assessment forms a robust benchmark against which to accrete reserves on a well-by-well basis as the Company's Ukrainian field development proceeds. In particular, the upcoming step-out locations viz. MEX-120, SV-67 and SV-68 are all sited in areas that currently carry a 'Possible Reserves' or 'Prospective Resources' classification, neither of which were included in the 2005 report. These two assessment categories are a function of offset distance to a well penetration rather than reflecting any perceived geological risk factor. The new Report indicates that the 'Possible Reserves' category consists of an additional 68% of reserves beyond the combined Proven and Probable estimate. The addition of the 'Prospective Resources' category further highlights the potential for significant reserves accretion offered by the ongoing MEX-GOL-SV B-Sands field development programme.

The 2010 Report does not document the further upside potential that is offered by deeper sequences including the T-Sands and D-Sands intervals. The Company plans to produce a volumetric assessment of these sequences once additional T and D-Sands well data is available.

The variance in the "Remaining Proved + Probable" category in the new Report, when compared to Ryder-Scott's 2005 assessment, is an approximate reduction of 10.5%. This is accounted for, in part, by approximately 1.5 MMboe that has been produced during the period between the two assessments, with the remaining reduction due to a more conservative approach to reserves allocation per well being adopted by Ryder-Scott in the new Report.

With regard to the allocation of reserves to the Proven Undeveloped Reserves category (within the "Remaining Proved" category), the methodology for audited calculation has changed from the approach in 2005. In 2005, such reserves were assigned to 3,750m x 3,750m areas centred on wells with proven production. The 2010 assessment restricts such areas to 1,250m x 1,250m, which reflects Ryder-Scott's revised view of the performance of the wells. These areas describe the average size of pools of gas that have been intersected by the well population for which volumes can be directly measured as a result of production and pressure history.

UKRAINE OPERATIONS UPDATE

SV-61 WELL

The B-Sands in this well were brought in to test production on 14 April 2010 with strong initial flow. The measured peak rate on a 14mm choke was 756 boepd (110,000 m³/d of gas and 11 m³/d of condensate) through the test separator. However, these rates were not sustained. The well has since been undergoing a test programme, including downhole temperature and flow measurements, pressure build-ups and flow periods, to better understand its performance. The information obtained indicates that the well will require further intervention if it is to deliver sustainable production. Options for such intervention are being evaluated.

SV-66 WELL

Perforation operations have commenced on selected intervals within the B-Sand sequence over a depth range of 4,892 to 5,330 metres through the 7 inch liner. Testing will commence once well completion, rig removal and surface tie-in activities have been completed.

MEX-106 WELL

The well was taken temporarily offline during April 2010 to enable fishing operations to resume but these operations were suspended in order to redeploy equipment to support operations on the SV-61 well. An intervention involving the removal of the well completion along with the fish is now planned for July 2010, using a small work-over rig. This will also permit application of the perforation techniques, across the B, T and D-Sands, which were successful in SV-58.

MEX-120 WELL

MEX-120 was spudded on 12 April 2010 and is currently drilling ahead having reached a depth of 2,600 metres on 3 May 2010.

SV-69 WELL

The well site is ready to accept Rig 5915 for spudding after completion of SV-66.

PRODUCTION

The Company's field production rate on 2 May 2010 was 1,786 boepd (229,888 m³/d of gas and 55.8 m³/d of condensate), including SV-58 but excluding MEX-106 which has temporarily been taken offline for the reasons outlined above. The production wells continue to deliver steadily, exclusively from the B-Sands sequences.

UKRAINE GAS PRICE

The Company notes the recent agreement between Russia and Ukraine on the import gas price for gas supplied to Ukraine by Gazprom. However, it should be noted that the internal gas price for domestic production in Ukraine is set under a different pricing regime by the National Electricity Regulatory Commission, which on 30 April 2010 set a new gas price cap for the domestic market, effective from 1 May 2010. The domestic price cap now in place is UAH 1,992.8 or USD 249.1 per Mm³ (UAH8/USD1) excluding VAT, a 1.4% reduction from the previous cap of UAH 2,020.25 or USD 252.5 per Mm³.

NEAR TERM OUTLOOK

The Company's objective for 2010 is to generate increased cash flows by bringing all of the above wells into production by the end of the year. The Company anticipates that its current cash balance of approximately US\$82 million is sufficient to achieve this target.

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Ronan McElroy, PhD Geology, SPE, Chief Technologist of Regal Petroleum plc, 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:

bbls	barrels
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
Mm ³	thousand cubic metres
MMbbls	million barrels
MMboes	million barrels of oil equivalent
MMscf	million standard cubic feet
mm	millimetres
m ³ /d	cubic metres per day
UAH	Ukrainian Hryvnia
USD	United States Dollar

SPE Reserves & Resources Categorisations are set in full at the following web address:-

http://www.spe.org/spe-site/spe/spe/industry/reserves/Petroleum_Resources_Management_System_2007.pdf

Conversion Factors (SPE):

1 MMscf gas = 176.7 boe

100,000 m³ gas = 624 boe

1 m³ liquid = 6.29 bbls liquid