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## Press Release

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4 January 2012

### REGAL PETROLEUM PLC

### UKRAINE OPERATIONS UPDATE

Regal Petroleum plc (“Regal”, the “Company” or the “Group”), the AIM-listed (RPT) oil and gas exploration and production group, is pleased to provide an update on its operations in Ukraine.

The Company has finalised its investment programme for 2012 at its Mekhediviska Golotvshinska (“MEX-GOL”) and Svyrydivske (“SV”) gas and condensate fields in Ukraine in order to continue the development of these fields. The investment programme includes the drilling of new wells, work-over of existing wells and upgrades to the processing facilities, and it is anticipated that the funding for this programme will be sourced from existing cash and operational revenues.

The Company has entered into drilling contracts with local Ukrainian contractors for the drilling of 2 new wells, SV-53 and MEX-105, and preparations for the commencement of drilling are underway. It is anticipated that SV-53 will be spudded in late February 2012 and MEX-105 will be spudded in mid March 2012. Each well will target the Visean reservoirs (“B-Sands”). The SV-53 well is scheduled to take 400 days to reach its target depth of 5,450 metres, and the MEX-105 well is scheduled to take 350 days to reach its target depth of 5,250 metres. It is intended that the Ukrainian drilling rigs will be supplemented by the use of selected western technology and equipment designed to improve drilling operations.

The Company is planning the work-over of 3 existing wells with a view to enhancing production performance of these wells, and an upgrade of methanol equipment at 2 existing wells is also planned.

The Company’s gas treatment facility is to be upgraded to enhance the facility’s overall efficiency and incorporate compression equipment, and additional upgrade work will provide for LPG recovery.

The Company’s Ukrainian gas and condensate production for the month of December 2011 averaged 231,634 m<sup>3</sup>/d of gas and 49 m<sup>3</sup>/d of condensate (1,753 boepd in aggregate).

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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

boepd	barrels of oil equivalent per day
LPG	liquefied petroleum gas
m <sup>3</sup> /d	cubic metres per day