

Press Release

10 January 2020

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 its operational activities in Ukraine, where it operates the Mekhediviska-Golotvshinska (MEX-GOL), Svyrydivske (SV) and Vasyschevskoye (VAS) gas and condensate fields.

Production - Q4 2019

The average daily production of gas, condensate and LPG from the MEX-GOL, SV and VAS fields for the period from 1 October 2019 to 31 December 2019 was as follows:-

Field	Gas (MMcf/d)		Condensate (bbl/d)		LPG (bbl/d)		Aggregate boepd	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
MEX-GOL & SV	18.0	14.8	700.7	553.3	308.3	274.1	4,093	3,341
VAS	3.5	3.9	38.1	64.2	-	-	683	798
Total	21.5	18.7	738.8	617.5	308.3	274.1	4,776	4,139

Overall production volumes in Q4 2019 increased by approximately 15% compared with Q4 2018, having received a significant boost in October 2019 from the commencement of production from the MEX-119 well in the MEX-GOL field (see announcement dated 8 October 2019). However, a decline in production rates from the VAS 10 well impacted overall production at the VAS field during the quarter, and work is currently underway to install compression equipment designed to increase production from this well, with a longer term plan to undertake a workover of the well to access an alternative reservoir horizon.



Press Release

Production - 2019 Year

The average daily production of gas, condensate and LPG from the MEX-GOL, SV and VAS fields for the year ended 31 December 2019 was as follows:-

Field	Gas (MMcf/d)		Condensate (bbl/d)		LPG (bbl/d)		Aggregate boepd	
	2019	2018	2019	2018	2019	2018	2019	2018
MEX-GOL & SV	14.8	12.0	577.8	436.2	274.4	225.0	3,391	2,717
VAS	4.4	3.3	61.9	49.9	-	-	872	674
Total	19.2	15.3	639.7	486.1	274.4	225.0	4,263	3,391

Operations

At the MEX-GOL and SV fields, drilling of the SV-54 well is continuing, with the well having reached a depth of approximately 4,632 metres. The target depth is 5,320 metres and drilling operations are scheduled to be completed by the end of the second quarter of 2020, and, subject to successful testing, production hook-up is anticipated during the third quarter of 2020. The well is a development well, with its primary targets being the B-22 and B-23 horizons in the Visean formation. Following hydraulic fracturing operations on the MEX-120 well, the well was lifted using coiled tubing, though only modest flows of gas and condensate have been recovered and the well is now under observation. Planning continues for a further well in the SV field to be spudded later in the year.

At the VAS field, interpretation of the 3D seismic data acquired last year was completed and integrated into the geological model for the field. Planning is continuing for a new well to explore the Vvdenska prospect within the VAS licence area.

VAS Licence Order for Suspension

The Company does not have any further information to report in relation to the Order for suspension relating to the production licence for the VAS field since the announcements made on 12 March 2019 and 19 March 2019 respectively, other than to report that the legal proceedings issued in the Ukrainian Courts to challenge the validity of the Order are ongoing, and the Company remains confident that it will ultimately be successful in such legal proceedings.

Cash Holdings

At 31 December 2019, the Company's cash resources were approximately \$63.0 million, held as to \$18.4 million equivalent in Ukrainian Hryvnia and the balance of \$44.6 million equivalent in US Dollars, Pounds Sterling and Euros.



Press Release

Sergii Glazunov, Chief Executive Officer, said: *"We are pleased with our progress and achievements made during 2019, with strong production from our fields, an excellent result from the MEX-119 well in October 2019, a solid financial performance and an upgrade to the reserve base at the VAS field announced in August 2019. We look forward to further progressing the development of our fields in the coming year."*

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Dmitry Sazonenko, MSc Geology, MSc Petroleum Engineering, Member of AAPG, SPE and EAGE, Director of 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

bbl/d	barrels per day
boepd	barrels of oil equivalent per day
cf	cubic feet measured at 20 degrees Celsius and one atmosphere
MMcf/d	million cubic feet per day
\$	US Dollars