
Press Release

3 January 2014

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

Ukraine Operations Update

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

The Company's Ukrainian gas and condensate production for the period from 1 October 2013 to 31 December 2013 averaged 162,246 m³/d of gas and 39 m³/d of condensate (1,258 boepd in aggregate). These production levels were slightly affected by shut downs of the Company's gas processing facility while the upgrades to the facility referred to below were completed.

The SV-59 well reached its target depth of 5,470 metres, was completed and is now undergoing initial testing. A number of intervals in the Visean reservoirs ("B-sands") have been perforated and testing is ongoing. A further announcement will be made once the initial testing programme is complete.

The MEX-105 well has undergone a well stimulation programme but this was unsuccessful, and a hydraulic fracturing programme is being developed to be carried out during 2014.

The SV-53 well has undergone a hydraulic fracturing programme and is currently being monitored, but only non-commercial gas flows have been observed so far.

The ongoing workover operations at the GOL-1 well, designed to eliminate water ingress into the well, were only partially successful and consequently, it has not been possible to bring the well back onto production. The well is currently being monitored but there are no immediate plans for any further interventions at this well.

The upgrade of the Company's gas processing facility, designed to improve the facility's overall efficiency and incorporate compression equipment, has been completed.

The additional upgrade work to provide for LPG recovery at the gas processing facility has also been completed and is now operational. This upgrade has enhanced the recovery of propane and butane, which is being sold, and improved the stabilisation of the condensate production.

For further information, please contact:

Regal Petroleum plc
Keith Henry, Chairman

Tel: 020 3427 3550

Strand Hanson Limited
Rory Murphy / Richard Tulloch

Tel: 020 7409 3494

Citigate Dewe Rogerson
Martin Jackson / Priscilla Garcia

Tel: 020 7638 9571

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



Press Release

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