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## Press Release

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9 January 2019

### 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.

#### Operations

The aggregate average daily rate of production from the MEX-GOL, SV and VAS fields for the final quarter of 2018 was 4,139 boepd. This compares with an aggregate average daily production rate of 2,803 boepd for the final quarter of 2017, which represents an increase of nearly 48%.

The average daily production of gas, condensate and LPG from the MEX-GOL and SV fields for the period from 1 October 2018 to 31 December 2018 was 417,921 m<sup>3</sup>/d of gas, 88 m<sup>3</sup>/d of condensate and 44 m<sup>3</sup>/d of LPG (3,341 boepd in aggregate) (Q4 2017: 276,089 m<sup>3</sup>/d of gas, 54 m<sup>3</sup>/d of condensate and 30 m<sup>3</sup>/d of LPG (2,187 boepd in aggregate)).

Average daily production of gas and condensate from the VAS field for the period from 1 October 2018 to 31 December 2018 was 111,249 m<sup>3</sup>/d of gas and 10.6 m<sup>3</sup>/d of condensate (798 boepd in aggregate) (Q4 2017: 87,634 m<sup>3</sup>/d of gas and 6.4 m<sup>3</sup>/d of condensate (616 boepd in aggregate)).

For the year ended 31 December 2018, average daily production:-

- (i) from the MEX-GOL and SV fields was 341,216 m<sup>3</sup>/d of gas, 70 m<sup>3</sup>/d of condensate and 36 m<sup>3</sup>/d of LPG (2,717 boepd in aggregate) (2017: 197,961 m<sup>3</sup>/d of gas, 47 m<sup>3</sup>/d of condensate and 24 m<sup>3</sup>/d of LPG (1,629 boepd in aggregate)); and
- (ii) from the VAS field was 94,752 m<sup>3</sup>/d of gas and 8.2 m<sup>3</sup>/d of condensate (674 boepd in aggregate) (2017: 86,010 m<sup>3</sup>/d of gas and 6.5 m<sup>3</sup>/d of condensate (606 boepd in aggregate)).

At the MEX-GOL field, preparations are continuing for the drilling of the MEX-119 well, with spudding of this well scheduled during February 2019.

At the VAS field, acquisition of additional 3D seismic is underway, to complete the acquisition of a field-wide 3D seismic data set, which was partially acquired last winter. Thereafter the new data will be processed and interpreted.

#### Cash Holdings

At 31 December 2018, the Company's cash resources were approximately \$53.3 million, held as to \$25.3 million equivalent in Ukrainian Hryvnia and the balance of \$28.0 million equivalent in US Dollars, Pounds Sterling and Euros.

#### New Legislation

As previously announced, new legislation relating to the oil and gas sector in Ukraine has been introduced over the last year, and in this regard, with effect from 1 January 2019, the subsoil tax rates for condensate will be reduced from 45% to 31% for condensate produced from deposits above 5,000 metres and from 21% to 16% for condensate produced from deposits below 5,000 metres.



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Sergii Glazunov, Chief Executive Officer said: *"We are pleased with the excellent progress achieved during 2018, with the continuing growth in our gas, condensate and LPG production volumes, our improving financial position and the upgrade to the reserve base at our MEX-GOL and SV fields announced in July 2018. We look forward to further progressing the development of our gas and condensate fields in the coming year, and are continuing the planning of new wells and work-over projects on existing wells utilising improved drilling and operational technologies."*

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**

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