

Press Release

15 April 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 Vasyshevskoye (VAS) gas and condensate fields, as well as the recently acquired Svystunivsko-Chervonolutskyi (SC) exploration licence.

Production – Q1 2020

The average daily production of gas, condensate and LPG from the MEX-GOL, SV and VAS fields for the period from 1 January 2020 to 31 March 2020 was as follows:-

Field	Gas (MMcf/d)		Condensate (bbl/d)		LPG (bbl/d)		Aggregate boepd	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
MEX-GOL & SV	17.3	14.4	659	549	280	291	3,904	3,283
VAS	3.1	5.0	34	96	-	-	604	1,023
Total	20.4	19.4	693	645	280	291	4,508	4,306

Overall production volumes in Q1 2020 increased by approximately 5% compared with Q1 2019, 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 in the later part of 2019 impacted overall production at the VAS field. During the quarter, compression equipment was installed to increase production from the VAS-10 well, with a longer term plan to undertake a workover of the well to access an alternative reservoir horizon.

Operations

At the MEX-GOL and SV fields, drilling of the SV-54 well was completed, with the well having reached a final depth of 5,322 metres. Completion operations have now commenced and these are scheduled to be concluded by the end of Q2 2020, and, subject to successful testing, production hook-up is anticipated during Q3 2020. The well is a development well, with its primary targets being the B-22 and B-23 horizons in the Viséan formation. Based on log interpretation, these horizons were encountered during drilling as forecast.



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Planning continues for the spudding of the SV-25 well later in the year, and planning is also underway for a further well or sidetracking of an existing well in the SV field.

At the VAS field, planning is continuing for a new well to explore the Vvdenska (VED) prospect within the VAS licence area.

New Acquisition

As announced on 24 March 2020, the Group has acquired the entire issued share capital of LLC Arkona Gas-Energy, which holds a 100% interest in the SC exploration licence, located in the Poltava region in north-eastern Ukraine. The SC licence has an area of 97 km², and is approximately 15 km east of the SV field. The licence is prospective for gas and condensate, and has been the subject of exploration since the 1980s, with 5 wells having been drilled on the licence since then, although none of these wells are currently on production. As with the productive reservoirs in the SV field, the prospective reservoirs in the licence are Visean, at depths between 4,600 – 6,000 metres.

The Group plans to apply its existing knowledge of the subsurface geology in the area to quickly progress development planning for this licence, and it is envisaged that this will include the commencement of a new well within the next 12 months, with drilling and completion operations expected to take up to a further 12 months.

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 March 2020, the Company's cash resources were approximately \$55.5 million, held as to \$18.7 million equivalent in Ukrainian Hryvnia and the balance of \$36.8 million equivalent in US Dollars, Pounds Sterling and Euros.

COVID-19 Pandemic

The Group continues to monitor the evolving situation relating to the COVID-19 pandemic, and to take any steps necessary to protect its staff and operations. However, as of the date hereof, there has been no operational disruption linked to the COVID-19 pandemic, and no material impact is currently envisaged on the Group's prospects. Nevertheless, the Group remains acutely aware of the risks, and is taking action to mitigate them where possible, with the safety of individuals and communities being paramount.

Sergii Glazunov, Chief Executive Officer, said: *"We are pleased with our continued progress with the development of our fields, where we are seeing strong production, albeit in a lower gas price environment. We are also looking forward to progressing our development planning for the SC licence, following the recent acquisition of LLC Arkona Gas-Energy. Meanwhile, we will continue to closely monitor the unprecedented developments with the current COVID-19 pandemic, and although we have seen no material impact on our operations so far, we have taken and will continue to take all possible actions to ensure the safety of our employees and local communities."*

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
km	kilometre
km ²	square kilometre
MMcf/d	million cubic feet per day
%	per cent
\$	US Dollars