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## Press Release

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12 March 2019

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

**VAS Licence Order**

Regal Petroleum plc (AIM: RPT), the AIM-quoted oil and gas exploration and production group, announces the publication of an Order by the State Service of Geology and Subsoil of Ukraine (the "State Service") affecting the production licence for its Vasyshevskoye ("VAS") gas and condensate field in Ukraine.

The Company has noted the publication of an Order for suspension dated 11 March 2019 (the "Order") on the official website of the State Service, relating to Special Permit No. 5626, which is the production licence (the "Licence") for the VAS field. The Licence is held by the Company's subsidiary, LLC Prom-Enerho-Produkt ("PEP"). However, this Order has not been served on PEP, and neither does the published Order specify the grounds for the issuance of the Order.

Under the applicable legislation, PEP will be required to shut down production operations at the VAS field within 20 days of licence suspension, and accordingly PEP is commencing preparatory measures for a possible shutdown of production operations, in the event that the Order cannot be suspended or set aside by legal measures within this timeframe.

The Company is seeking to obtain further information on the basis for the publication of the Order, and is taking measures to protect its rights. The Company does not believe that there are any grounds for the Order.

Although the Company is still investigating the situation, the recent regulatory history of the Licence is entirely inconsistent with the action taken by the State Service to publish the Order. In October 2018, a scheduled compliance inspection for the Licence took place, in which no significant issues were raised by the inspectors, though there were some very limited matters raised regarding the manner in which documentation relating to the Licence activities was processed. However, these issues did not relate in any way to compliance with any environmental, health and safety or similar regulatory protection of hazardous activities, nor were they related to any losses to the Ukrainian State or local authority budgets. The Company provided responses and documentation in relation to the matters raised by the inspectors within the period required by the State Service, and since then there have been no further requests or issues raised by the State Service.

The Company is confident there are no violations of the terms of the Licence or in relation to the operational activities of the Company that would justify the Order or the suspension of the Licence.

The Company intends to take all available measures to protect its rights in relation to this Order, including taking any necessary legal action to protect its rights and recover any losses suffered if production is suspended at the VAS field.

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



## **Press Release**

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