



## ROYALE ENERGY, INC.

(ROYL)

*NEWS FOR IMMEDIATE RELEASE*

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### **ROYALE ENERGY, INC. ANNOUNCES SHAREHOLDER APPROVAL OF THE MERGER WITH MATRIX OIL MANAGEMENT CORPORATION**

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**San Diego, November 17, 2017 – Royale Energy, Inc.** (OTCQB: ROYL) (the "Company" or "Royale") today announced the results of its annual meeting of shareholders. At the meeting, holders of Royale's common stock voted to approve the following actions:

- (1) adopting the Amended and Restated Agreement and Plan of Merger (the "Merger Agreement") dated effective as of December 31, 2016, by and among Royale, Royale Energy Holdings, Inc., a Delaware corporation ("Holdings"), Royale Merger Sub, Inc., a California corporation and a direct, wholly-owned subsidiary of Holdings, Matrix Merger Sub, Inc., a California corporation and a direct, wholly-owned subsidiary of Holdings, and Matrix Oil Management Corporation ("Matrix");
- (2) issuing Holdings common stock to the limited partners of Matrix Investments, L.P., Matrix Las Cienegas Limited Partnership, and Matrix Permian Investments, L.P. in exchange for all limited partnership interests of such partnerships (other than the preferred limited partnership interests of Matrix Investments, L.P.);
- (3) issuing Series B Preferred Stock by Holdings to the holders of certain preferred limited partnership interests of Matrix Investments, L.P., in accordance with the terms of the exchange agreement of Holdings with the holders of such preferred limited partnership interests attached as an exhibit to the Merger Agreement;
- (4) issuing common stock by Holdings to stockholders of Matrix Oil Corporation ("Matrix Operator") in exchange for common stock of Matrix Operator;
- (5) approving the conversion of certain convertible notes issued by Royale into Royale common stock; and
- (6) electing seven members of the Royale board of directors to serve until the 2018 annual meeting.

Also, today, in a separate meeting, shareholders of Matrix Oil unanimously approved the Merger Agreement.

Closing of the Merger remains conditioned upon Matrix's senior lenders consent to the Merger Agreement. Because of the importance of the oil and gas assets securing Matrix's senior debt, it is essential that Matrix either obtain consent from its lenders or find an alternative financing source to repay and replace the current lenders.

#### **About Royale Energy, Inc.**

Founded in 1986, Royale Energy, Inc. (OTCQB:ROYL) is an independent exploration and production company focused on the acquisition, development, drilling and marketing of oil and natural gas.

Royale typically sells fractional working interests to accredited investors in wells drilled by Royale. Royale has its primary operations in the Sacramento and San Joaquin basins in California and has royalty interests in Alaska.

### **About Matrix Oil Management Corp.**

Matrix is a private independent oil and natural gas production company based in Santa Barbara, California. The company formed in 1999 is focused on the acquisition and development of long-life, low-risk producing oil leases that have drilling upside or operations optimization opportunities. The company owns and operates oil-producing properties in the Los Angeles and San Joaquin Basins of California. It owns non-operated natural gas producing properties in the Sacramento Basin of California and oil-producing royalty and non-operated leases in the Permian Basin and Midland Basin.

### **Forward Looking Statements**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as “expects,” “believes,” “intends,” “anticipates,” “plans,” “estimates,” “potential,” “possible,” or “probable” or statements that certain actions, events or results “may,” “will,” “should,” or “could” be taken, occur or be achieved. The forward-looking statements include statements about future operations, estimates of reserve and production volumes, and the anticipated timing for closing the proposed merger. Forward-looking statements are based on current expectations and assumptions and analyses made by Royale and Matrix in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances. However, whether actual results and developments will conform with expectations is subject to a number of risks and uncertainties, including but not limited to: the possibility that the companies may be unable to obtain stockholder approval or satisfy the other conditions to closing; that problems may arise in the integration of the businesses of the two companies; that the acquisition may involve unexpected costs; the risks of the oil and gas industry (for example, operational risks in exploring for, developing and producing crude oil and natural gas); risks and uncertainties involving geology of oil and gas deposits; the uncertainty of reserve estimates; revisions to reserve estimates as a result of changes in commodity prices; the uncertainty of estimates and projections relating to future production, costs and expenses; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; health, safety and environmental risks and risks related to weather; further declines in oil and gas prices; inability of management to execute its plans to meet its goals, shortages of drilling equipment, oil field personnel and services, unavailability of gathering systems, pipelines and processing facilities and the possibility that government policies may change. Royale’s annual report on Form 10-K/A for the year ended December 31, 2016, quarterly reports on Form 10-Q, recent current reports on Form 8-K, and other Securities and Exchange Commission (“SEC”) filings discuss some of the important risk factors identified that may affect its business, results of operations, and financial condition. Royale and Matrix undertake no obligation to revise or update publicly any forward-looking statements, except as required by law.

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