

ROYALE ENERGY



ROYALE RESERVES II

Private Placement

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# Confidential Private Placement Memorandum

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**ROYALE ENERGY**

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**Royale Reserves II**

ROYALE ENERGY | 1870 Cordell Court, Suite 210, El Cajon, CA 92020  
Telephone: 619-383-6600 | Toll Free 800-447-8505 | Website: [www.royl.com](http://www.royl.com)

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# MEMORANDUM

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## Royale Energy

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THE SECURITIES HEREBY OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM ("MEMORANDUM"). ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES ARE OFFERED IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION PROVIDED IN SECTIONS 3(B) AND 4(2) OF THAT ACT AND REGULATIONS PROMULGATED THEREUNDER. THE SECURITIES ARE ONLY BEING OFFERED TO PROSPECTIVE PURCHASERS WHO ARE "ACCREDITED INVESTORS" AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933. FURTHERMORE, THESE SECURITIES ARE BEING SOLD PURSUANT TO EXEMPTIONS FROM REGISTRATION UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS OF THE VARIOUS STATES IN WHICH THEY ARE BEING OFFERED. CONSEQUENTLY, NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES LAW ADMINISTRATOR HAS PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR THE ADEQUACY OF THIS MEMORANDUM.

NO PERSONS HAVE BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER AND SALE OF THE UNITS DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THESE SECURITIES ARE SPECULATIVE AND INVOLVE CERTAIN RISKS. SEE "RISK FACTORS." THERE IS NO PUBLIC MARKET FOR THE UNITS.



# Factors

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## Royale Reserves II

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### **RISKS**

This investment is speculative and involves substantial risk for investors. [See Risk Factors].

### **CONFIDENTIALITY**

The information contained in this offering memorandum has been prepared and is being furnished by the company for the confidential use of prospective purchasers in connection with this offering. Any reproduction or distribution of this offering memorandum, in whole or in part, is prohibited.

### **OFFERS TO PURCHASE**

An offer to purchase the units described herein shall be made only through an authorized securities broker-dealer or officers of the company.



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# ROYALE RESERVES II

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## Offering

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### **Royale Reserves II Offering Summary**

Royale Energy is offering to Accredited Investors a direct participation in the drilling of exploration and developmental wells. An investment will consist of a direct working interest participation in three oil wells.

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### **Drilling Locations**

#### **Sansinena #9 Oil Well**

The Sansinena oil field is located in the NE portion of the Los Angeles Basin along the southern edge of the Puente Hills and is located immediately east of the Whittier Field also along the Whittier fault trend. The Puente Hills are a positive feature formed by left transcurrent movement on a NW-SE complex of faults including the Brea-Olinda, Whittier and Montebello faults and associated sub-faults. These faults form a series of anticlinal fault-blocks and compound stratigraphic structural traps resulting in the trapping of Miocene oil that was generated either deeper in the Los Angeles Basin or in deeper fault blocks along the fault trend.

The last 2 wells which were drilled in 2018 have initial rates considerably higher than the average well in the Sansinena Field. The 9B-20 has already produced 41,000 barrels of oil in 7 months of production and is still producing over 170 barrels of oil per day. The 9B-18 is still flowing and is capable of flowing over 200 barrels of oil per day.

#### **Jameson North Oil Wells - McCabe VT #65 and #66**

Royale purchased the Jameson North assets from General Electric (GE) in December 2018 as they were divesting their oil and gas assets. Royale has identified approximately 20 high quality infill Development well prospects using a 3D seismic survey covering all of our Jameson North Field (JNF) lease ownership in the Permian Basin.

Located in the Permian Basin near Colorado City, the JNF was an extension of the large Jameson Field. The JNF was developed by Shell and Sun Oil in two phases, 1953-58 and 1978-84, as a Strawn Sand and Carbonate Reef play.