



## NEWS FOR IMMEDIATE RELEASE

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### ROYALE ENERGY ANNOUNCES A CASH DIVIDEND OF 5 CENTS PER SHARE

**San Diego, January 18, 2007 – Royale Energy, Inc. (NASDAQ: ROYL)** Board of Directors announced today that it will pay a dividend of 5 cents per share, for shareholders of record on February 19. This decision to reward shareholders was reached following the review of sales and operational results for the fourth quarter. The company expects to report strong income for the fourth and full year 2006.

In addition to payment of the cash dividend, the company will use the remaining working capital to continue drilling in the Lonestar (California) and the Moon Canyon (Utah) fields. A schedule for three wells in the Lonestar field, where the company recently completed the successful O'Sullivan and Lonestar 5 wells, will begin early in the second quarter of 2007.

On Utah, the company expects to begin drilling the first of the four wells in May that will further delineate the Morrison formation discovery the company made in its Moon Canyon #2. While developing the existing discovery, the new wells will also help to test the Mancos Shale section and the Wingate/Entrada potential of the company's 15,000 net acre position.

Additional development in California's Sacramento basin is planned later in the year, in the Victor Ranch and Elliot holdings.

While the company plans to develop its holdings, it is also working to develop additional prospects through internal sources as well as external geological submissions. The current environment, the development of high-quality drilling prospects will continue to be the main focus of the company's near term efforts.

#### **About the Company**

Headquartered in San Diego, Royale Energy, Inc. is an independent energy company. The company is focused on development, acquisition, exploration, and production of natural gas and oil in California, Texas and the Rocky Mountains. It has been a leading independent producer of oil and natural gas for over 20 years. The company's strength is continually reaffirmed by investors who participate in funding over 50% of the company's new projects. Additional information about Royale Energy, Inc. is available on its web site at [www.royl.com](http://www.royl.com).

#### **Forward Looking Statements**

In addition to historical information contained herein, this news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, subject to various risks and uncertainties that could cause the company's actual results to differ materially from those in the "forward-looking" statements. While the company believes its forward looking statements are based upon reasonable assumptions, there are factors that are difficult to predict and that are influenced by economic and other conditions beyond the company's control. Investors are directed to consider such risks and other uncertainties discussed in documents filed by the company with the Securities and Exchange Commission.

Royale Energy, Inc.

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