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## NEWS FOR IMMEDIATE RELEASE

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### Royale Energy Announces Third-Quarter Progress Introduces Special *Operational Updates*

San Diego, CA, December 4, 2008 – Royale Energy, Inc (NASDAQ: ROYL) today announced the establishment of a new quarterly resource geared to give shareholders additional detailed operational reports.

“The launch of this special *Operational Update* feature is especially timely, as it allows us to communicate our progress in more detail, and on a more frequent basis,” noted Donald Hosmer, Royale Energy. “We’re pleased with the Company’s performance on many levels in 2008, and this additional information will help answer on-going questions about current projects.” The Company’s goal is to issue a new *Operational Update* shortly after each quarterly financial report is filed.

Highlights in the current *Update* include:

- Lonestar 8 goes into production
- Gobel successfully recompleted
- V Canyon 20-2 - Production casing has been set to TD and completion operations are underway

## *Operational Update*

### California – Sacramento Basin

#### Lonestar 8

The Lonestar 8 well was drilled to a Forbes formation target and reached a total depth of 5358 ft. The well found multiple pay sands, of which, the zones (4712-4722 ft.) was perforated and flowed 912 mcf/d on 10/64 inch choke with 1645 psi tubing pressure.

Royale plans a significant level of activity in its Lonestar field over the next four months. The Lonestar East is the next well to be drilled and is expected to begin the week of December 1<sup>st</sup>. Lonestar 9, Goddard 7-1, Wylie, and Cornish #1 are all scheduled for first quarter 2009.

#### Andrus Island East

The Andrus Island East is the 4<sup>th</sup> well drilled by Royale in the Andrus Island field. The well was drilled to a total depth of 7000 ft, and flowed dry gas from six feet of perforations (6492-6498 ft) at the top of the 2<sup>nd</sup> Starkey sand. That sand tested at a rate of 1,030 mcf/d on 10/64 inch choke with tubing pressure of 1850 psi before it was put on production at 850 mcf/d. In addition to the main objective, logs indicated additional shallower pay zones that will be tested in the future. Royale plans to drill one additional prospect in the field in 2009 on acreage it currently holds.

#### Palm Tract

The Palm Track was drilled to 8000 ft to test a seismic anomaly above the 4<sup>th</sup> massive sandstone. Analysis showed that the reservoir had not developed and the well was plugged and abandoned. There are no additional prospects planned on this acreage.

### **O'Sullivan 20-2**

The O'Sullivan 20-2 had produced a total of 25,000 mcfg from two sands. The lower sand had initially tested dry gas and an upper sand that was flowing gas and water. Over time water production increased and the well was shut in. A workover was carried out to determine the amount of gas reserves remaining in the lower zone. The results of testing indicate that the zone was not capable of production, and the well is scheduled for plugging & abandonment (P&A).

### **Gobel 21-1**

A workover was performed, in which the well was perforated 6028-6031ft. The zone tested gas at 800 mcf/d with tubing pressure of 2680 psi. The well is online producing at a rate of approximately 450 mcf/d.

### **Grand Turk 3-2**

A workover was performed, in which the well was perforated at 3231-3234 ft. The zone tested gas at a rate of 650 mcf/d with tubing pressure of 1340 psi, and is expected to be placed on production following pipeline repair work that is currently underway.

## **California – San Joaquin Basin**

### **North Tejon – Windgap area, San Joaquin Basin**

Royale Energy entered into an agreement to allow the Company to re-complete the Windgap 42-36 well, and will acquire 75% interest in more than 1000 acres in what is believed to be the southern extension of the North Tejon Oil and Gas field. Royale will operate and fund the future development of the field in sections 35 and 36 of T11N, R20W.

The first order of operation will be to re-complete the existing 42-36 well in the Oligocene sandstone of the Vedder Formation. The well was drilled in 2006 and encountered two potential pay zones, the lower one had virgin pressure, strong oil and gas shows and flared gas upon testing. Royale Energy and Laris Oil and Gas believe that the reservoir was damaged when fresh water mud system was used to drill the well in contrast to the rest of the field which was developed using oil based mud.

Royale plans to drill short laterals into the lower sandstone that penetrate beyond the zone and establish production during 2008. Once that is achieved, Royale and Laris will embark on developing the approximately 1000 acres that is leased by Laris by entering a continuous drilling phase until the oil and gas field is fully developed.

## **Moon Canyon – Utah**

### **V Canyon 20-2**

Well spud on September 15<sup>th</sup> and reached total depth (TD) at 11,493' measured depth in the Wingate formation. The well was directionally drilled from the V Canyon 20-1 location and

reached TD at a location approximately 2,000' to the west. The well had encountered a number operational and mechanical delays resulting in an extended drilling time of over 72 days compared to the expected 28 days. While drilling, numerous gas shows were encountered, providing significant encouragement.

Production casing has been set to TD and completion operations are underway. Upon successful completion operations, expected to conclude by December 14<sup>th</sup>, gas sales may commence immediately given the proximity to production facilities and the pipeline.

### **Trail Canyon 1-3**

The well began drilling on November 29<sup>th</sup>, and is currently at a depth of 2,990 ft., and currently drilling at a rate of approximately 18' per hour. The plan is to reach an expected total depth of 10,200' by December 28<sup>th</sup>, at which time weather conditions will be evaluated to determine the timing of the well completion.

### **V Canyon 20-1**

After a number of months of production, the well began loading up with water. As a result, Royale tested the well using a spinner survey to identify the zones in the Entrada that were contributing water. The results showed that approximately 80% of the water was entering the well from two zones that were not contributing any gas. This means that a remedial cement squeeze job hold the possibility of significantly reducing the water production. This work will be performed once a service rig is available following the completion of the V Canyon 20-2. In addition to the remedial work, the Company is connecting the well to a new segment of a pipeline pursuant to the transportation contract with ETC, thereby reducing overall operational cost of gas delivery.

### **Tenmile Canyon 22-1**

Further completion efforts have been underway since September. These operations included two separate "slick water" fracture stimulations (frac's). One on the Dakota "C" sand and another on the Mancos Shale. Both frac jobs were partially successful and resulted in establishing the potential of flowing limited quantities of gas from each zone. The plan is to combine production from the Dakota/Ceder Mountain/Dakota "C" sand and the Mancos and connect the well to the pipeline.

In addition to the deeper gas objectives, the well showed heavy oil/tar from the Castlegate formation. During drilling samples recovered and geochemically analyzed. The analysis, called Oil finger-printing, indicated that the samples did not undergo any biodegradation, indicating the potential for an oil accumulation.

### **Moon Canyon 2**

The producing zone in the Jurassic, Brushy Basin formation has significantly declined in pressure and started producing water. This zone was isolated by a retrievable plug and a shallower zone in the Cretaceous Dakota "B" sand was perforated and frac'd. This zone initially produced gas at a rate of approximately 500 mcf/d and has presently stabilized at a rate of 200 mcf/d, with some water.

### **Moon Canyon 1**

A review of the logs indicated possible untested potential in the Dakota Buckhorn formation. This zone was perforated and resulted in no commercial gas and it was determined that a frac was not warranted.

The company is continuing to evaluate the potential of any additional work in this well.

### **About Royale Energy**

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.

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