

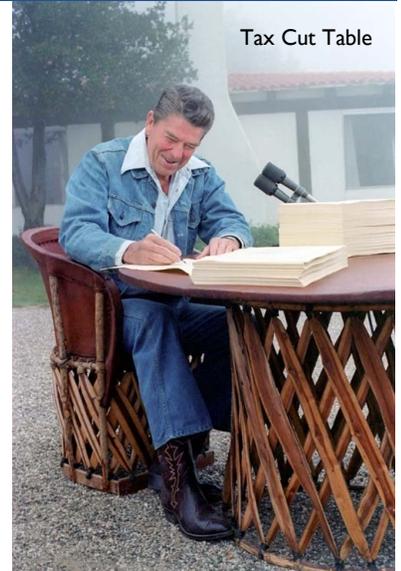
ROYALE REPORT

Published by Royale Energy, Inc.

Second Quarter 2014



Santa Barbara Biltmore Four Seasons Hotel



Tax Cut Table

Royale Energy's Summit at Reagan Ranch

July 16-18, 2014

Santa Barbara ~ The Biltmore Hotel

Wednesday July 16th

5:00 pm Welcoming Dinner with speaker **Michael Reagan** at the Four Seasons Biltmore.

Thursday July 17th

8:00am Breakfast Presentations

12:00pm Lunch presentation at the Reagan Ranch with Secret Service Agent **John Barletta** who was assigned to the Western Protective Division to oversee the Reagan Ranch detail. John, throughout nearly two decades of service to Ronald Reagan, spent countless hours with the President at the Ranch, more than any other agent.

2:00pm Exclusive tour of the President's Rancho del Cielo - a "ranch in the sky" set on 688 acres of rolling, tree-covered hills. The ranch was Reagan's home for nearly 25 years. He spent 350 days of his presidency at the "Western White House". It embodies Ronald Reagan's character and ideals containing the very personal items President Reagan used at his ranch including the famous tax cut table. The Ranch is not open to the general public.

Friday July 18th

8:00am Breakfast Presentations including **Karim Rahemtulla** author of the bestselling book, *Where In the World Should I Invest?*, Karim has covered international markets and the global movements of money for over 20 years. With an expertise in emerging markets and energy, he's regarded as one of the country's foremost resource and developing world analysts.

12:00pm Roundtable lunch at the Reagan Center with a special guest speaker (TBA)

This all-inclusive summit will be LIMITED to 50 people at a cost of \$995 individual / \$1,195 per couple which includes hotel for 2 nights, welcome reception, meals, tours and the seminar. For more information or to reserve your space, please contact Chanda at (800) 447-8505 or email events@royl.com.

The cost will also be reimbursed by Royale Energy with a new signed investment agreement.



ROYALE FIELD REPORT



Gobel 21-1 – The Gobel 21-1 well went into production on March 5, 2008. The well was recently reworked and is now producing 285,000 cubic feet of gas per day. The Gobel 21-1 has produced a total of 226,207,000 cubic ft. of natural gas to-date.

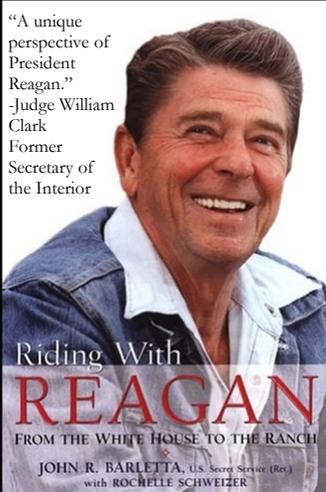
Cardiff – The Cardiff well went into production on February 4, 2014. The first month's production revenue was just distributed in April 2014 and paid \$1,802.72 on 1 Unit Direct Working Interest. The Cardiff well is currently producing 1,634,000 cubic ft. of gas per day.

Victor Ranch 3-20 - The Victor Ranch 3-20 is Royale's most recent natural gas well discovery and was drilled to a total depth of 5,555 ft. The well had mud log shows that corresponded with our three target zones. Electric logs indicated gas potential in all three zones with variable probabilities. We estimate the well of having 18 ft. of gas pay, in addition to 13 ft. of possible, and 20 ft. of higher risk potential. The well was put into production on February 27, 2014 and is currently producing 125,000 cubic feet of gas per day.

Watkins – Watkins was spud on April 30, 2014 and will be drilled to a total depth of 5,900 ft. Watkins is a 1,000,000 MCF prospect.

The Watkins well is in the North Arbuckle area of Colusa County immediately up-dip from Royale's 3.4 BCF Goddard Field. The well's main target is the up-dip extension of the Goddard Sand and we anticipate that Watkins will have the same reservoir thickness as Goddard.

John Barletta ~ Guest Speaker ~ July 17th ~ Reagan Ranch



John Barletta's book "Riding with Reagan From the White House to the Ranch" will be given to everyone who attends the Summit. John will be available to sign the book after his presentation.

John Barletta retired from the Secret Service in 1997 after 17 years of dedicated service. He was commissioned into the Secret Service in 1974 and assigned to the Boston Field Office. In 1978, he was transferred to the Presidential Protective Division at the White House to protect Presidents Carter and Reagan. John was assigned to the Candidate Nominee Protective Division; the Dignitary Protective Division; and the Liaison Division. In 1987, he was assigned to the Western Protective Division to oversee the Reagan Ranch detail, and he was later assigned to the Reagan Protective Division in Los Angeles.

John traveled around the world with President and Mrs. Reagan, ensuring their protection and safety—from the White House to Camp David to Windsor Castle and even to Pope John Paul II's summer residence near Rome. John, throughout nearly two decades of service to Ronald Reagan, spent countless hours with the President at the Ranch. Whenever the President was on a horse, John was right beside him. They shared a love of the outdoors—of riding in particular— and over time, became close friends. John served President Reagan longer than any other single agent.

John Barletta currently lives in Santa Barbara, California, living just a few miles from Rancho del Cielo. He is an outstanding equestrian and a member of the Rancheros Vistadores riding club. He also trains seeing-eye dogs for the Guide Dogs of America. John's first-hand experiences with and knowledge of President Reagan make him an invaluable asset to the Reagan Ranch and Young America's Foundation's efforts.

MENDOCINO ONE

PRIVATE PLACEMENT MEMORANDUM



Now Funding

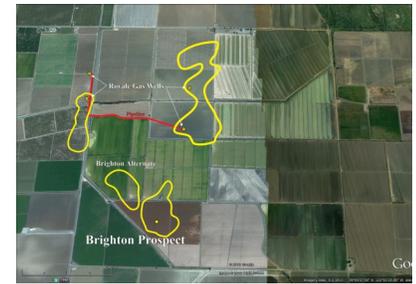
Royale Energy is offering to accredited investors a direct participation in the drilling of exploration and development wells in California. An investment will consist of a direct working interest participation in four natural gas and oil wells. In addition, the project may offer Federal and State income tax deductions to qualified individuals.



Royale Peridot well is located on Royale's Lake Mendocino 3-D seismic survey and will test three Forbes Sandstone intervals that display seismic amplitudes anomalies indicating gas totaling 137 acres.

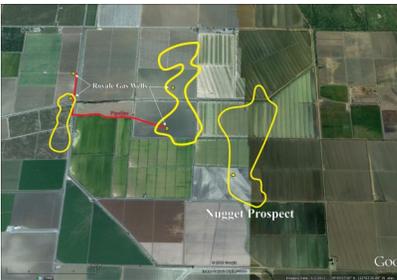
This prospect is considered to have a moderately low risk for finding 500,000 MCF and a 1,000,000 MCF accumulation is within the possible outcomes.

Royale Brighton well- A seismic amplitude anomaly at 6,560 ft. corresponds with a gas accumulation that was discovered and produced by Royale Energy in its Zumwalt well. The discovery well had over 30 ft. of productive sand that produced a total of 1,800,000 MCF of gas.



We believe that the Brighton prospect has a high probability of finding 600,000 MCF and a moderate probability of finding up to 1,000,000 MCF.

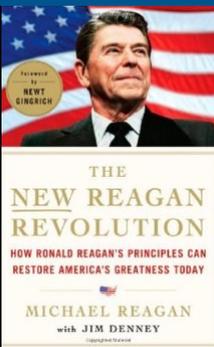
Royale Nugget well prospect was mapped using Royale Energy's re-processed 3-D seismic data coverage. It is located in the North Arbuckle area south of Royale's Charter Gas Field and Royale's Dorset Gas discovery. The prospect has three targets: The top two targets stack vertically whereas the deeper target is offset to the northeast. A directional well will be required to test all targets.



We consider this prospect as having only a moderate risk for finding 1,000,000 MCF of gas and a moderately higher risk for finding a larger accumulation.

This is not an offer to sell or a solicitation of an offer to buy. Offers are only made through the Private Placement Memorandum.

Michael Reagan ~ Guest Speaker ~ July 16th ~ Energy Summit



Michael is the son of former President Ronald Reagan and Academy Award winning actress, Jane Wyman. He authored many successful books, including his best-selling autobiography, "On the Outside Looking In," and "The Common Sense of An Uncommon Man: The Wit, Wisdom and Eternal Optimism of Ronald Reagan." His book "Twice Adopted" is based on his personal story while his latest book "The New Reagan Revolution" reveals new insights into the life, thoughts, and actions of the man who changed the world during the 1980s.

He is a popular national speaker on issues related to conservative politics, adoption, and the life lessons he learned from his parents. Michael hosted a live radio show for over 26 years, which was the first nationally syndicated long form political talk show presented by Premiere Radio Networks. Michael is also the founder and chairman of The Reagan Group, LLC. All of his activities are brought together at www.Reagan.com.

Michael Reagan's book "The New Reagan Revolution: How Ronald Reagan's Principles Can Restore America's Greatness" will be given to everyone who attends the Summit. Michael will be available to sign the book after his presentation.

Royale Energy's Exclusive Energy Summit The Reagan Ranch ~ July 16-18, 2014

The Royale Energy family cordially invites you to this exclusive offer to join them for an Energy Summit on July 16-18, 2014 at the Reagan Ranch. The Reagan Ranch can only be visited by **"Special Invitation"**. This is a once in a lifetime opportunity. The Reagan Ranch is not open to the public but we have made special accommodations for a personal tour and special guest speakers, including Michael Reagan and John Barletta. Come enjoy this elite weekend getaway in Santa Barbara while getting an in-depth view of the exciting exploration, drilling and operation process of oil and natural gas.

Your special weekend includes:

- ◆ Two nights, five star accommodation at the historic oceanfront Biltmore Four Seasons Resort
- ◆ Dinner presentation with Keynote speaker Michael Reagan, full breakfast and a gourmet luncheon at the Reagan Ranch with speaker John Barletta
- ◆ Presentations on the economic state of the oil and gas industry, including Karim Rahemtulla with Wall Street Daily
- ◆ VIP tour of the Ronald Reagan's "Western White House", Rancho del Cielo
- ◆ Introduction of Royale Energy's newest Private Placement Project

More information can be found inside.

