

ROYALE REPORT

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Royale Energy's Summit at the Abraham Lincoln Presidential Library & Museum

October 26-28, 2014 ~ Springfield, IL

Occupying an entire city block in downtown Springfield, Illinois, the Abraham Lincoln Presidential Museum is the largest Presidential Museum. With over 50,000 square feet devoted to state-of-the-art full-immersion exhibits, special effects theaters and displays of original artifacts, it is also the first major **Experience Museum** of its kind.

Instead of the traditional museum design of static exhibits with flat images and dead objects in glass boxes, this Museum employs 21st century technology to bring 19th century history to life. Bringing education, storytelling, and advanced entertainment technology together in a truly innovative way, the museum invites, guides, and envelops visitors in the life and times of Abraham Lincoln.

Sunday Oct 26th

6:00pm Welcoming Reception at Nick & Nino's Penthouse Steakhouse on the 30th fl. of the Springfield Hilton Hotel overlooking the State Capital and the Abraham Lincoln Library and Museum.

Monday Oct 27th

8:00am Breakfast Presentations

12:30pm Lunch with Ambassador and Fox News Contributor **John Bolton** at the Abraham Lincoln Presidential Library and Museum

2:00pm **Private tour** of the Abraham Lincoln Presidential Library and Museum

Tuesday Oct 28th

8:00am Breakfast Presentations including an in-depth look at Royale Energy's Alaska Project

11:00am Private tour of the **State Capital and Senate Chambers** with Senator Dave Syverson

12:00pm Lunch at the Capital

2:00pm Conclusion

This all-inclusive summit will be **LIMITED** to 50 people at a cost of \$595 per individual / \$795 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 Royale Energy at (800) 447-8505 or email events@royl.com**.

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



ROYALE FIELD REPORT



Cardiff -The Cardiff well went into production on February 4, 2014 and continues to produce at 1,420,000 cubic ft. of gas per day with 1450/1500 psi. Cardiff has produced a total of 282,350,000 cubic ft. of natural gas to-date through its first six months of production.

Wembley -The Wembley well is Royale's most recent natural gas well discovery and was drilled directionally to a total measured depth of 7,050 ft. It tested four different seismic anomalies. Wembley was put into production on July 28, 2014 and is currently producing 365,000 cubic ft. of gas per day from the bottom zone. Completion of the other sands will be attempted after the producing gas sands have been completely produced.

McKinney -The McKinney well is located close to Royale's recent Cardiff discovery in Colusa County of the Sacramento Basin. McKinney has two new untested targets. The Upper Target is approximately 5,760 ft. while the Lower Target lies approximately 6,810 ft. The McKinney well will be tested by a vertical well with a total depth of approximately 7,000 ft. and is the next scheduled well for Royale to drill.

GAS DAILY— GAS' SHARE OF POWER GENERATION TO SURGE: STUDY

The use of gas for power generation in the US is expected to almost triple by the year 2030, according to the preliminary findings of a study released this month.

“The big picture is a switch from coal to gas,” said John Larsen, of the Rhodium Group and one of the co-authors of the study.

The study, released by the Center for Strategic and International Studies and prepared by the Rhodium Group, examines the impacts of the Environmental Protection Agency's proposed standards for greenhouse gas emissions on power generation trends over the next decade and a half.

The study examines several scenarios in which the EPA and the various states use different strategies to implement CO2 emission-reduction goals. Under the reference case using current regulations, coal's percentage of share of electric generation is expected to drop from 46% in 2010 to 38% in 2030. Meanwhile, generation's share of gas is expected to grow from 19% to 29%, while renewables' share is expected to increase from 10% to 14% over the same period.

The EPA's proposed Clean Power Plan, “has the potential to significantly alter this outlook by raising the effective cost of coal generation and lowering the effective cost of natural gas and renewable generation,” the study finds. “At currently projected natural gas prices, switching from coal to gas is the most cost-effective means of meeting clean power plant requirements.”

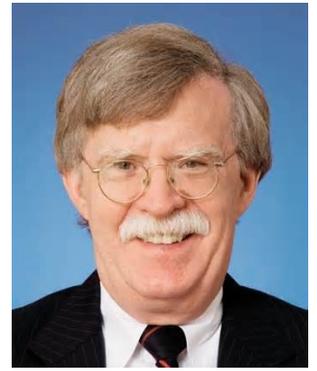
Under this scenario, coal's share of power generation market is expected to plunge to 21% in 2030, while gas' market share is expected to grow to 43%. However, the share of renewables is not expected to change much from the reference case, growing to only 15% of total power generation.

The final version of the study, which researchers plan to present later in the fall of this year, will take a more compressive look at factors that could impact gas prices — and subsequently power generation prices — in coming years, such as increased demand for gas exports to Mexico and increased exports of LNG, Larsen said.

“There's a considerable uncertainty of US natural gas resources,” he said. The researchers plan to look at different scenarios, in which gas resource are more constrained versus less constrained. “We certainly haven't scratched the surface yet.”

— Jim Magill July 30, 2014

THE POLITICO



America's Untapped Energy Weapon

By JOHN R. BOLTON and T. BOONE PICKENS

August 4, 2014

The ongoing Israel operations in Gaza, combined with the continuing, brutal sectarian fighting in Iraq and the prospect of that country's disintegration, have driven oil prices up and will likely keep them high for some time. Combined with Libya's well-advanced state of anarchy, Syria's grinding civil war and terrorist attacks elsewhere (in Algeria, Nigeria and Sudan), the entire Middle East and major parts of Africa could be descending into chaos.

How can America fight back? One necessary response is to begin to break the dependence on foreign oil that has long threatened our national security and compromised our economic viability.

Most immediately, boosting our domestic production would reduce America's reliance on the chronically unstable Middle East. Although rising demand worldwide means that Middle East oil and gas will remain a factor in the foreseeable future, significant new sources of production here at home provide a critical hedge we have previously lacked. Some Arab oil-producing countries might even welcome a larger U.S. role in global hydrocarbon affairs, as the United States could give them political balancing options against troublesome regional neighbors, as Iraq's current conflict underlines.

For Europe, U.S. oil exports would provide our allies a trustworthy, much-needed alternative to purchasing from Russia. Natural-gas exports are harder because we first need capital expenditures for liquefaction facilities, but the path for a North American alternative is clear. In Asia, U.S. allies like Japan, South Korea and Taiwan would substantially benefit by reducing their dependence on Middle Eastern production. They would have a steady source of supply, avoiding the ever-riskier transit through the South China Sea as Beijing attempts to assert sovereignty over these international waters. And we should sell to China; reducing our bilateral balance-of-payments deficit is entirely positive, as is encouraging a little Chinese dependence on American hydrocarbons.

The United States would benefit indirectly, too, by reducing the unsustainable current-account balance-of-payments deficits now caused by dollars flooding overseas to purchase

hydrocarbons. In 2012, we imported 3.8 billion barrels of oil at a direct cost of \$350 billion. Under conservative projections, those dollars would stay here, buying North American oil and gas. Eliminating outdated export restrictions would increase U.S. sales internationally, thus substantially improve our balance-of-trade position. Even the capital-account balance could benefit, as foreign investors see the greater security of U.S. energy production as an incentive to invest here rather than in riskier locales.

Who could oppose the win-win strategy we propose? America needs political leaders ready to seize the moment and mesh domestic economic growth and a stronger U.S. international position. Those leaders may not be present in Washington today, but aspiring politicians who understand our analysis could well be the leaders of tomorrow.

John R. Bolton, a former U.S. ambassador to the United Nations, is senior fellow at the American Enterprise Institute.

T. Boone Pickens is chairman and CEO of BP Capital, a hedge fund that trades in energy equities and commodities. He has interests in oil & gas.

Testimonials

In a stunning combination of scholarship and showmanship, **the Abraham Lincoln Presidential Library and Museum** immerses you in Lincoln's world and time. Journey from a rustic Indiana cabin to the Executive Mansion in the nation's capitol; follow the fate of America's 16th president.

"Great Museum- Museum was very interesting...many facts about our 16th president. Recommend watching the show with the holograms! I learned a lot while I was there."

"My Favorite Presidential Museum- I've visited about a dozen Presidential libraries, and this one is my favorite. The exhibits are informative for visitors of all ages, the artifacts are relevant, and the site gives good background materials about an important part of US history."

"The Story of Lincoln- The museum is a very well put together story of Lincoln's life, portraying everything from his childhood through his life in the White House. The whole museum is well presented and gives a great representation of Lincoln."

"The Hologram of President Lincoln looked so real."

Royale Energy's Exclusive Energy Summit Abraham Lincoln Presidential Library and Museum Oct 26-28, 2014

The **Royale Energy** family cordially invites you to this exclusive offer to join them for an Energy Summit on October 26-28, 2014 at the Abraham Lincoln Presidential Library and Museum.

After opening in 2005 The Abraham Lincoln Presidential Library rapidly became the best attended of all the Presidential libraries and one of the most studied new museums in the world.

The Abraham Lincoln Presidential Museum is considered to be the first major **Experience Museum**. Designed, created and produced by BRC Imagination Arts, the museum combines priceless historical artifacts with BRC's innovative, contemporary storytelling technologies. Visitors are offered an engaging, emotional and educational experience through immersive, "you-are-there" exhibits.

Highlights Include:

- ◆ Lunch in the Lincoln Reception Room with Ambassador and Fox News Contributor **John Bolton**.
- ◆ VIP tour of the State Capital: Private lunch featuring an Illinois State Senator.
- ◆ Two nights hotel accommodation at the Springfield Hilton which is located across the street from the Lincoln Library and Museum.
- ◆ Introduction of Royale Energy's newest Private Placement Project.

More information can be found inside.

