



April 21, 2015

Dear Shareholder,

Royale Energy has entered its 29<sup>th</sup> year of business since being incorporated. Through these years, we have witnessed the ongoing cycle of ups and downs in the energy sector. Royale has been proactive with structuring the company to help weather the storm during these low times in the industry, to not only be in a position to help endure the low times, but to capitalize when the market turns.

For the last five years we have been cutting expenses across the board. In 2014, we acquired our new corporate headquarters in Rancho San Diego. This move has helped reduce overall administrative costs and has added a valuable asset.

We are also preparing permits and locking down contracts to take advantage of the lower drilling and operation costs in order to be in a favorable position as prices start to rise.

In 2014, we drilled some of our best natural gas wells in the Sacramento Basin. This has set-up some excellent development wells that we will be drilling this year,

The Royale Nugget is the first well we have drilled in 2015, and has multiple natural gas filled zones with one testing over 1,000,000 cubic ft. per day.

In Alaska, we acquired an 80 square mile 3-D seismic survey over our western block. We have identified the first 2 locations to be drilled and continue to monitor the activity in the surrounding area. We will be exploring for conventional and unconventional oil and natural gas in a very prolific area of the North Slope.

You are invited to attend Royale Energy's Annual Meeting on June 5, 2015 at 10:00 am at our new corporate headquarters in San Diego. It is an opportunity for you to meet the directors, management and employees of Royale Energy. At the meeting, we will report on our performance in 2014 and our plans for the future.

We thank you for your interest and confidence in Royale Energy and urge you to exercise your right to vote.

Regards,

Donald H. Hosmer  
Co-President/Co-CEO

Stephen M. Hosmer  
Co-President/Co-CEO