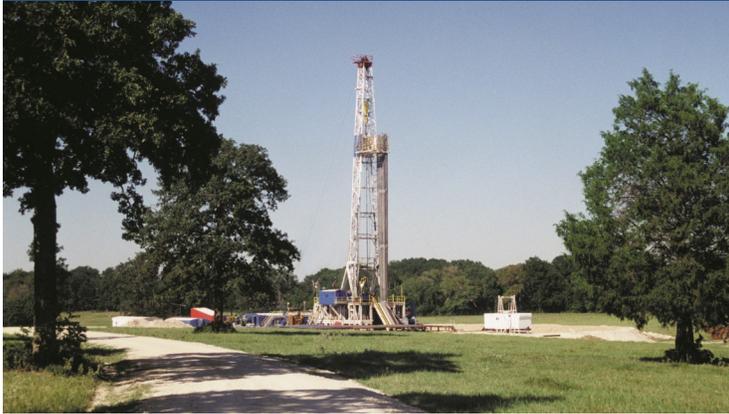


ROYALE REPORT

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ROYALE ENERGY, INC.

A GROWTH-ORIENTED INDEPENDENT EXPLORATION & PRODUCTION COMPANY TRADING SYMBOL: ROYL

Last November Royale announced a definitive merger agreement with Matrix Oil Management and on February 15th, the S-4 Form was filed and is currently under review by the Securities and Exchange Commissions (SEC). As we move forward with this acquisition, Royale would like to share with our stockholders why we are excited for the combination of the two companies.

This strategic transaction will accelerate the building of a high growth, high quality asset exploration and production company with an executive team experienced in raising accretive capital, acquiring, operating and developing successful oil and natural gas projects.

In October 2015, Royale announced the joint venture agreement in West Grimes and Rio Vista gas fields with California Resources Corporation (CRC) after Occidental Petroleum completed the spin-off of CRC into a standalone company just 1 year earlier in November 2014. Then in June 2016, Matrix negotiated the purchase of the Sansinena oil field and has increased production from an average of 350 barrels of oil per day to over 600 barrels of oil per day.

Matrix has been acquiring properties that have long-term, low risk and low-cost production since 1999, with current locations primarily in California, West Texas and the Permian Basin.

In 2016, Matrix acquired a 50% interest in the Sansinena oil and Natural Gas field. Netherland Sewell & Assoc., a very respected worldwide petroleum engineering firm has confirmed that there are 88 proven undeveloped drilling

(PUD) locations in the field with \$105 million of proved reserves and 44 re-works.

Matrix has 10,036 net acres across 14 fields located primarily in California and West Texas with more than 80 proven undeveloped drilling locations.

With Royale's natural gas development and Matrix's long lived, oil-weighted assets that have favorable margins and significant development drilling in both fields it provides a diversified asset base that can be developed into long term cash flow for Royale's drilling investors and shareholders.

Once approved by the shareholders, the merger will also dramatically improve Royale's capital structure. Stockholders' Equity will be \$32.3 million in pro forma, allowing Royale to immediately apply for up-listing on NASDAQ and will give Royale the capital flexibility needed to execute current and future acquisitions and development plans.

ROYALE ENERGY IS WELL POSITIONED AND STRONGER THAN EVER.

- Enhanced management team and board of directors provides leadership for significant growth
- Over \$4 million is available for Sacramento Basin drilling and to jumpstart Sansinena "low hanging fruit" projects
- Increase production and lower operational expenses on a per barrel basis
- Evaluate additional acquisition targets, including buyout of existing working interest partners in California and Texas
- NASDAQ up-listing application at closing
- Improved Balance Sheet and larger asset base provide expanded financing optionality
- Uniquely positioned to attract joint venture development projects similar to Royale's farm-out with CRC at Rio Vista

ACQUISITION & ORGANIC GROWTH OPPORTUNITY

ROYALE'S STRATEGY IS TO CONTINUE ACQUIRING ACCRETIVE OIL AND GAS ASSETS AT ATTRACTIVE VALUATIONS, WHILE CONTINUING TO DEVELOP ITS EXISTING ASSET BASE

- Royale is leveraging its combined team's financing and operational experience in California and Texas to roll-up assets with substantial upside that have been overlooked or high-graded by larger peers
- Higher commodity prices and a more normalized acquisition market have improved prospects for supplementing organic growth with acquisitions

SUCCESSFUL ACQUISITION OF THE SANSINENA FIELD DEMONSTRATES ROYALE/MATRIX'S CAPABILITIES

- Sansinena, a high-graded asset acquired by Matrix from a large, public E&P, is a strategic acquisition due to its immediate proximity and similarity to Matrix's West Whittier and Whittier Main Fields, which Matrix has operated since 2001
- More companies are showing Royale acquisition targets than ever before now that Royale has proven its ability to fund and close a deal

STEP 1 IN GROWTH STRATEGY – MATRIX ACQUISITION

ALL STOCK TRANSACTION WHERE MATRIX SHAREHOLDERS WILL RECEIVE 50% OF ROYALE'S OUTSTANDING COMMON STOCK POST-MERGER

- Royale will assume Matrix's secured debt of \$12.4 million
- Matrix will also be issued 3.5% Series B Convertible Preferred Stock with a liquidation value of \$20.1 million to extinguish Matrix's existing preferred interests

ATTRACTIVE VALUATION METRICS TO CURRENT ROYALE SHAREHOLDERS

- Matrix purchased for \$3.56 per BOE of Proved Reserves¹

NEW CORE AREA – SANSINENA FIELD

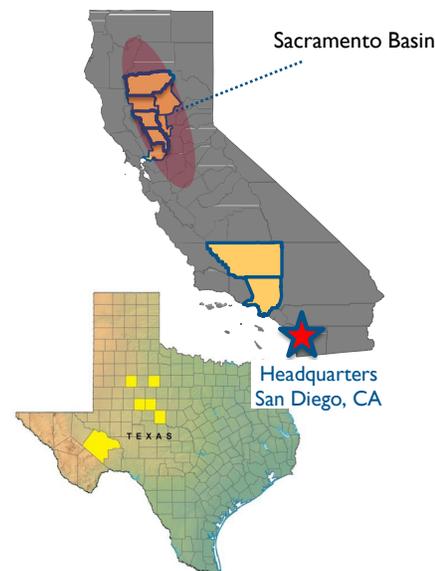
- Sansinena Field in Southern California has an estimated 13.3MMBOE of Proved Reserves with a PV-10 of \$74.6MM as of December 31, 2016, based on SEC Pricing
- 54 active producing, 44 re-works, and 88 Proved Undeveloped (PUD) wells

[1] Using Royale's closing price immediately prior to the announcement of the Letter of Intent signed with Matrix

STRATEGIC RATIONALE

THE MERGER WITH MATRIX IMMEDIATELY PROVIDES ROYALE WITH A LONG-LIVED, HIGH-QUALITY, OPERATED ASSET BASE TO DEVELOP OVER MANY YEARS THROUGH ITS DIRECT WORKING INTEREST ("DWI") PROGRAM AND IMPROVED ACCESS TO CAPITAL MARKETS

- Matrix brings a seasoned technical and operating team with substantial experience drilling and operating wells in both California and Texas
- Through their significant equity position, Matrix's team will be beneficially aligned for success with Royale's shareholders
- Increases production and cash flow, along with lower operational and G&A costs per barrel produced
- Greatly diversifies Royale's commodity mix and substantially increases Proved Reserves
- Positions Royale for Nasdaq compliance and up-listing
- Greatly improves access to debt and equity capital markets due to larger scale
- Larger portfolio of exploitation and exploration opportunities that augments Royale's existing portfolio of Sacramento Basin opportunities



COMBINED COMPANY OVERVIEW

- Growth-oriented management with financing and operational experience
- Long-lived, oil-weighted assets with favorable margins
- Significant drilling inventory and upside
- Near-term upside by decreasing costs and improving margins in Sansinena Field
- Production increased from an average of 350 BOE/d to over 600 BOE/d¹ since acquired
- Production costs per barrel decreased by over 50% since acquired
- \$32.3 million in pro forma Stockholders' Equity
- Over \$4 million available for development drilling

[1] Current production as of the date of this presentation, 2/15/17, gross to the field



Bacara Beach Resort



You are cordially invited to the exclusive gathering at Ronald Reagan's Rancho del Cielo. This annual retreat at Reagan Ranch is not open to the public, but we have made special accommodations for a private tour with special guest speakers.

From May 10-12, we'll hold the Royale Energy Summit in Beautiful Santa Barbara, CA.

This exclusive retreat will be held at the Bacara Beach Resort with visits to the Reagan Ranch Center in Downtown Santa Barbara and the private mountain top Reagan Ranch, where you will walk through the former President's originally furnished house and barn, then enjoy a hearty BBQ luncheon while the property where he loved to ride his horses.

Highlights Include:

- ◆ Two nights, five star accommodation at the exquisite Bacara Beach Resort in Santa Barbara.
- ◆ Dinner presentation with Keynote speaker, full breakfast and a gourmet western BBQ in the Reagan Ranch Barn with a special guest, Secret Service John Barletta.
- ◆ VIP tour of the Ronald Reagan's "Western White House", Rancho del Cielo which still contains Reagan's original 1970s furniture. Plus a tour of the Secret Service Bunker, the Stables and Barn.

Call Royale Energy at (800) 447-8505 or email events@royl.com for more information.

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Trading Symbol: ROYL



The Western White House

"From the first day we saw it, Rancho del Cielo cast a spell over us. No place before or since has ever given Nancy and me the joy and serenity it does." Ronald Reagan said of his beloved Santa Barbara, CA ranch

World leaders that have visited the Ranch include Queen Elizabeth II, Lady Margaret Thatcher, Canadian Prime Minister Brian Mulroney, and Mikhail Gorbachev.