

ROYALE REPORT

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Royale Operations

In the 24 months since Royale Energy and Matrix Oil completed their merger, the combined companies have drilled 12 multi zone/stacked pay Natural Gas wells and 1 dry hole at the Rio Vista field, California's largest natural gas field.

In addition to the drilling operations at Rio Vista, Royale Energy has drilled 6 high rate oil wells with a 100% success rate at the Sansinena/Whittier and Jameson oil fields. The Sansinena/Whittier wells were drilled and completed with rates ranging from 113 barrels of oil per day to over 300 barrels of oil per day with strong reservoir pressure indicative of large oil reserves.

At the companies North Jameson oil field in the Permian Basin in Texas, 2 wells have been drilled with up to 3 productive oil-bearing formations in each well. This is an infill development program with 20 PUD's (proved undeveloped reserves) that have been identified with a 3D seismic survey. The rates on the McCabe #61 are 106 barrels of oil per day (BOPD) and the rates for the McCabe #62 are 110 BOPD.

In the Sansinena field, formerly operated by Occidental Petroleum, Royale has drilled 3 infill wells to develop undrained oil reserves in between the original high rate wells in the field. The first 4 wells, including the Whittier 1, have proven that infill wells can result in new high rate oil producers that have not been drained by the original wells in the field.

With the success of these high rate low risk oil wells, the company is now funding 2 Jameson wells and 1 Sansinena well in the Royale Reserves II development project.

The 2 Jameson wells in Royale Reserves II will target the same formations that are in the previous nearby wells. They include the Strawn Sands that have a high porosity of 18-24% with average reserves of 81,000 barrels of oil and 230,000 MCF. These Jameson wells have additional potential in the Odom Formation with 52,000 barrels of oil and 200,000 MCF of reserves. In addition, the deeper Ellenburger Formation is productive at a depth of approximately 7,000 ft. Productive Ellenburger wells average 70,000 barrels of oil and 65,000 MCF of natural gas. A 3D seismic survey has identified these infill drilling opportunities that exist between producing wells in the field.

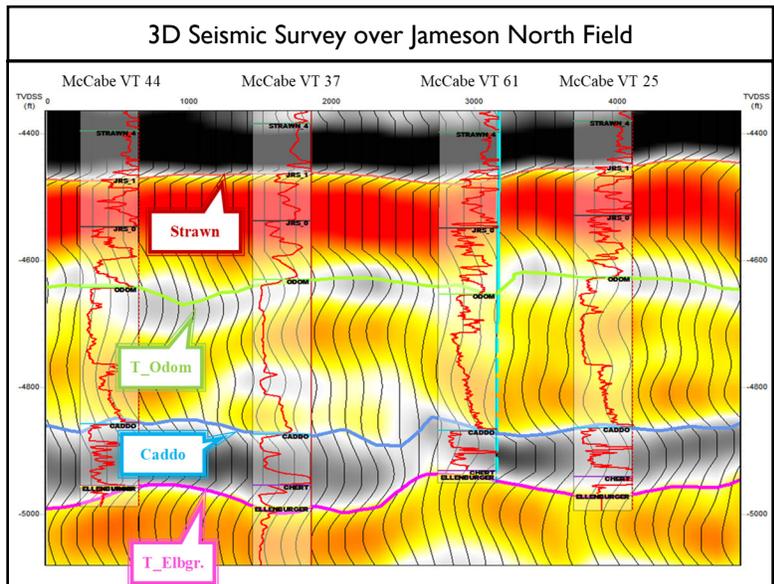


McCabe VT #61

The Sansinena well in the new Royale Reserves II will be drilled adjacent to the first 3 infill wells drilled since acquiring the field. The 3 wells produced rates of 113 barrels of oil per day in the 9A-4 on a restricted rate, 388 barrels of oil per day in the 9B-18 well and 266 barrels of oil per day in the 9B-20 well. The last two wells drilled have rates considerably higher than the average well in the Sansinena Field.

The Whittier W-1 well, just to the west of Sansinena wells, drilled 1,400 ft. of oil pay with an initial production rate of 158 barrels of oil per day from just 100 ft. of the 1,400 ft. pay zone.

The 3D seismic and well logs are shown on page 3 of the newsletter.





THE TAX CUTS & JOB ACTS

The Positive Effects of the New Tax Cuts and Jobs Act for Oil and Gas Investors

The Tax Cuts and Jobs Acts (TCJA) took effect for the tax year of 2018 and the impact of the new bill has lowered some tax rates and either limited or eliminated many of the deductions that were previously available. For Royale investors the 100% deduction for Intangible Drilling Costs that have been in the tax code since the early 1900s were preserved and the expensing of equipment for the Tangible wellhead equipment has been enhanced and accelerated to 100% deduction the first year, allowing Royale's drilling investors to deduct all of their investment immediately instead of amortizing over several years.

Here's why:

The Option to Expense Intangible Drilling Costs (IDCs) is Retained

This century-old tax provision is the labor and supplies incidentals that are necessary for the drilling and preparation of the well for production of oil and natural gas. This tax provision is critical in helping capital-intensive industries like Oil and Natural Gas to raise money necessary to keep drilling. IDCs are approximately 80% of the total cost of the investment.

Full Expensing of Tangible Drilling Costs (TDCs)

This provision is a significant benefit because the oil and gas industry is very capital intensive.

Tangible drilling costs, lease and well equipment, pipelines, and all other tangible personal property can be fully deducted.

TDCs are approximately 20% of the total cost of the investment and now 100 percent deductible in the year of investment.

Utilizing these deductions can result in up to half of your drilling investment being funded by your tax savings.

Percentage Depletion Deduction is Retained

Depletion applies when production begins, and it allows the owner of a producing oil and or natural gas well to recover their investment through tax deductions over the period in which oil and or gas is produced. The depletion deduction is 15% of gross income for the life of the well.



Picture taken from McCabe 62 well site

Example of 2020 Tax Savings

1 Unit Drilling Investment:	\$100,000
Less: Federal Tax Deduction:	\$100,000
(at Maximum Tax Rate 35%) Refund	\$35,000
Less: State Tax Refund:	\$10,000
(where applicable) (State Tax 10%)	

Investment after Federal & State Tax Refund: \$55,000

Your investment will get a full tax deduction for the 2020 tax year and can be deducted from your ordinary income, capital gains, IRA and Pension Fund withdrawals and Roth IRA conversions. Many of our investors that make IRA withdrawals have offset that taxable event with the drilling deductions and at the same time create a monthly income stream that is also partially non-taxable. The depletion allowance grants 15% of the gross income to be tax deductible for the life of the well.

To receive 100% deduction of your total investment for 2020, your investment must be postmarked on or before Dec 31, 2020



ROYALE RESERVES II

PRIVATE PLACEMENT MEMORANDUM

Now Funding

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

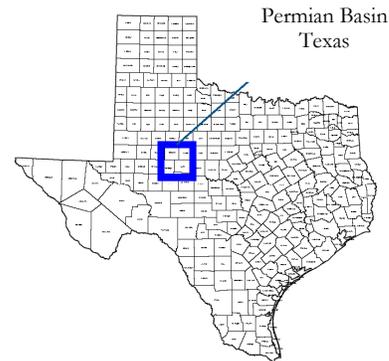
ROYALE SANSIENA #9

The Sansinena oil field is located in the NE portion of the Los Angeles Basin along the southern edge of the Puente Hills and is located immediately east of the Whittier Field also along the Whittier fault trend. The Puente Hills are a positive feature formed by left transcurrent movement on a NW-SE complex of faults including the Brea-Olinda, Whittier and Montebello faults and associated sub-faults. These faults form a series of anticlinal fault-blocks and compound stratigraphic structural traps resulting in the trapping of Miocene oil that was generated either deeper in the Los Angeles Basin or in deeper fault blocks along the fault trend.

The last 2 wells which were drilled in 2019 have initial rates considerably higher than the average well in the Sansinena Field. The 9B-20 has already produced 41,000 barrels of oil in 7 months of production and is still producing over 170 barrels of oil per day. The 9B-18 is still flowing and is capable of flowing over 200 barrels of oil per day.

JAMESON OIL PROSPECT- MCCABE #65 AND #66

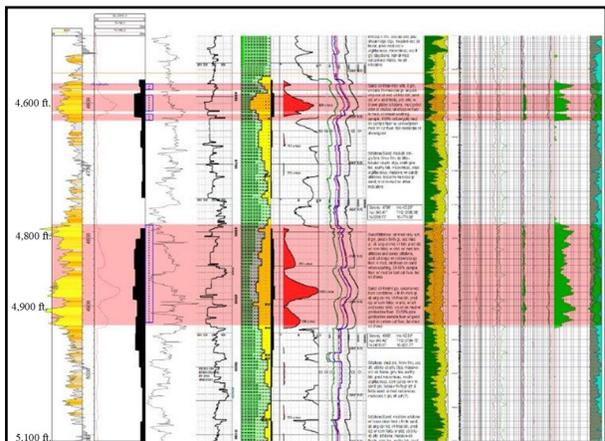
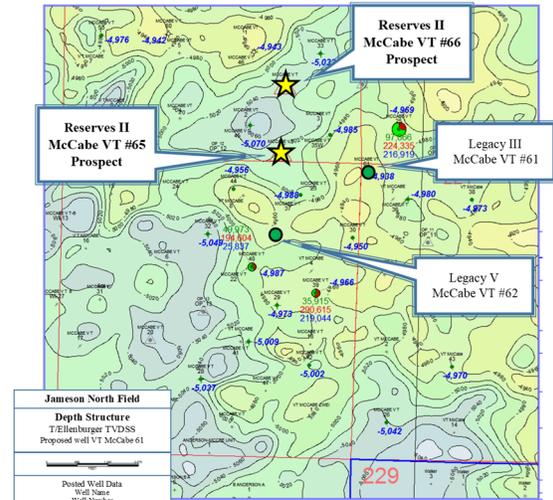
Royale purchased the Jameson North assets from General Electric (GE) in December 2018 as they were divesting their oil and gas assets. Royale has identified approximately 20 high quality infill Development well prospects using a 3D seismic survey covering all of our Jameson North Field (JNF) lease ownership in the Permian Basin.



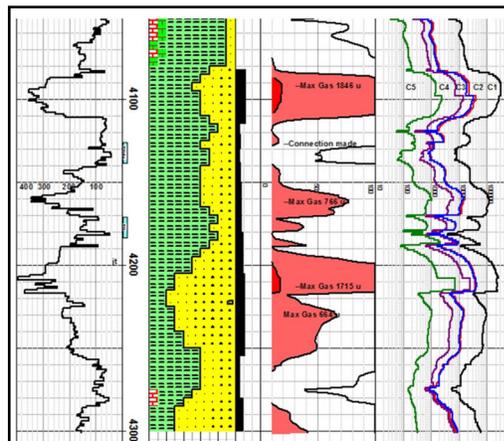
Located in the Permian Basin near Colorado City, the JNF was an extension of the large Jameson Field. The JNF was developed by Shell and Sun Oil in two phases, 1953-58 and 1978-84, as a Strawn Sand and Carbonate Reef play.

The Working Interest in the wells is 2.2% compared to 1.5 % in the previous project.

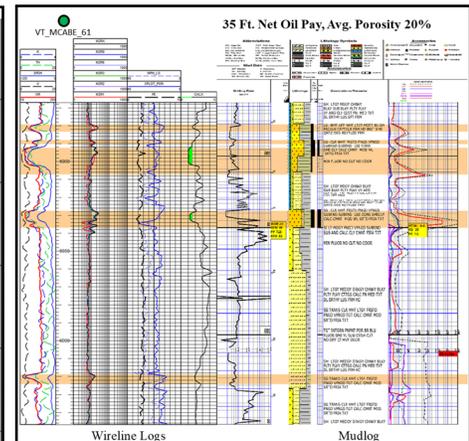
This is not an offer to sell or a solicitation of an offer to buy. Offers are only made through the Private Placement Memorandum.



Name: **Sansinena 9B-20**
 Drilled: **May 2019**
 Initial Production Rate: **200 BOPD**



Name: **Sansinena 9B-18**
 Drilled: **April 2019**
 Initial Production Rate: **360 BOPD**



Name: **Jameson McCabe 61**
 Drilled: **February 2020**
 Initial Production Rate: **106 BOPD**



Royale Finds Oil at Whittier and Jameson Fields

April 22, 2020 -- San Diego, California – Royale Energy, Inc., (OTCQB : ROYL), an independent exploration and production company based in San Diego, California announced the Whittier W1-ST5 oil well reached a total depth of 3,634 ft in the West Whittier Field.

The well encountered porous and permeable sandstone reservoirs with oil and gas shows from 1,140 ft. to 3,510 ft. It is calculated that a net 1,470 ft. of oil-bearing productive rock were encountered in the well.

It was designed to drill in between several high-volume wells in the center part of the field (wells that each produced in excess of 200,000 barrels oil or more of oil).

In the initial 72 hours, the W-1 has produced at a daily rate of 129 barrels of oil, no water, on a 13/64th's choke. The average tubing pressure over the same period is 392 psi. The well is only producing from the bottom 100 ft. of the 1,470 ft. of the net pay.

The Whittier field is adjacent to the Sansinena oil field where the company has drilled 3 oil wells with initial production rates of 200 to 300 barrels of oil per day. Whittier and Sansinena oil prices have historically been much closer to Brent prices than the West Texas Intermediate prices.

Sansinena has a large inventory of undrilled low risk high rate prospects for further development that the company is funding.

Royale Completes Two North Jameson Wells

June 9, 2020 -- San Diego, California – Royale Energy, Inc., (OTCQB : ROYL), an independent exploration and production company based in San Diego, California announces that it has completed and put into production two new vertical low cost oil wells in its North Jameson field in the Permian Basin in Nolan County, Texas.

The McCabe #61 was completed in the Strawn formation pumping at rate of 106 barrels of oil per day, 40 MCF per day and no water. The well has 25 ft. of net oil pay.

The McCabe #62 has been completed in the Odom formation pumping at a rate of 110 barrels of oil per day. The Odom formation has 24 ft. of net oil pay.

McCabe #62 was drilled as an infill evaluation of the Odom and Strawn. The Strawn formation has 21 ft. of net oil pay and will remain behind pipe for a future completion. The well also encountered 27 ft. of possible oil net pay in the Canyon/Goen formations.

Both wells were identified using the new 3D seismic survey covering all of Royale's North Jameson Field.