



Royale Energy



Oil Development 2021

Private Placement Memorandum

Confidential Private Placement Memorandum



ROYALE ENERGY

Oil Development 2021



MEMORANDUM

Royale Energy

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NO PERSONS HAVE BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER AND SALE OF THE UNITS DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THESE SECURITIES ARE SPECULATIVE AND INVOLVE CERTAIN RISKS. SEE “RISK FACTORS.” THERE IS NO PUBLIC MARKET FOR THE UNITS.

The Date of this Memorandum is June 1, 2021



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INTRODUCTION

Royale Energy

HISTORY

Royale Energy (the Company) explores, develops, produces and markets a diverse portfolio of oil and natural gas assets throughout the United States and provides investment opportunities in oil and natural gas drilling projects. The Company was incorporated in 1986 and is incorporated under the laws of the State of Delaware. The Company owns and operates wells in California, Texas, Louisiana and Utah and markets oil and natural gas to its customers.

The Company has maintained a commitment to providing investment products, which seek to minimize investor risk while providing maximum return. The Company has accomplished this through the use of joint investment in multiple wells. This commitment allowed the Company to grow from a small beginning to its current stature as a publicly traded independent producer.

The Company currently owns interest in over 70 producing oil and natural gas wells. Royale Energy is focused on building prospect inventory through acquisitions of property, 3D seismic surveys and field development over some of the most prolific natural gas and oil producing fields.

The Company continually evaluates potential acquisitions, screens drilling prospects for economic and technical merit, and meets all filing requirements to local, state and federal agencies. In selecting opportunities for development, management employs a conservative philosophy of operations. The use of recognized independent engineering, geological and technical consulting firms enhances the chance of success in an industry known for its high risk.

Royale Energy provides direct management of company properties as needed to monitor and maintain a high level of productivity. Royale's policy is to place personnel at each well on a daily basis for on-site inspection and attention to production. This commitment to consistent, direct, hands-on monitoring of activities at the well-head insures the highest possible performance from each property. Royale's staff includes highly trained and skilled individuals, motivated to work for a company with a solid track record and commitment to excellence. Royale nominates and sells natural gas and oil to its customers and end users. These have included companies such as Shell Energy North America, Duke, and B P.

On March 1, 2018, Royale merged with Matrix Oil Management. This strategic transaction created a high-growth California- focused operating company with an extremely experienced technical team and more than 80 proved undeveloped drilling locations across California and West Texas. Royale and Matrix both have been successful low-cost finders of oil and natural gas.

COMPANY STRATEGY

Because of the rapidly increasing demand for energy by newly developing economies, it is the view of some experts that those who own oil and natural gas reserves that are commercially productive today are in an excellent position to earn a good return on their investments. Those companies that can maintain low overhead costs and are profitable in today's market will have good hunting in the U.S. Most companies do not have the positive cash flow necessary to take advantage of this opportunity. This creates a great opportunity for companies such as Royale Energy and individual investors to step in and fill the gap.

The objective of the Company is to contribute to American energy independence through the profitable development, operation and marketing of oil and natural gas wells within established fields in the continental U.S.

The Company accomplishes its goals through the following means:

1. The application of sound business principles in the successful development and operation of oil and natural gas wells.
2. Utilization of stringent screening procedures in the identification and evaluation of properties for development.
3. The involvement of investors who wish to participate in one or more of the investment vehicles created by the Company and its subsidiaries for asset acquisition and development. The implementation of policies and procedures to optimize the operations and gas marketing activities of producing wells.

The Company's short-term strategy is to develop and produce existing discoveries that can be brought on stream quickly, in order to generate early cash flow and increase production and reserve levels. The Company continues its policy of purchasing producing wells that have additional well locations for development. By focusing its exploration operations on development drilling, the probability of securing commercially productive wells is higher. This policy, coupled with the Investors' participation in multiple wells, has been the cornerstone of each of the Company's investment offerings.

The Company performed an evaluation of different producing basins in the U.S. and compared statistics on exploration well success, development well success, well cost, reserves per well and initial production rates. Assessments of operating expenses, basin development potential, environmental risks, availability of leases and market concerns were also made. The results of this review are used to guide future expansion efforts of the Company. The Sacramento, San Joaquin and Los Angeles Basins in California and the Permian Basin in Texas are considered to be compatible with the Company's goals.

Acquisitions - The Company is continually evaluating acquisitions in proven oil and natural gas basins. The Company may purchase these properties for development inventory to be drilled, produced and marketed.

Economic Evaluation - Acquisitions in targeted basins are evaluated by performing a current cash flow analysis. Third party consultants verify conservative production forecasts.

OPERATIONAL / DEVELOPMENT STRATEGY

The Company typically acts as manager of wells in which it has an interest. This strategy has allowed the Company to reduce its operating costs and improve production. The Company continually pursues less expensive and more efficient methods of operating. The Company employs creativity and the latest technology to minimize cost and maximize profitability from its operated properties.

Development opportunities are pursued aggressively, where appropriate, to maximize the present value profit of the properties.

The rigorous process of acquisition evaluation, along with product price and operating cost assumptions, are used to evaluate the prospects. Prospects are then ranked on the basis of: a) future net revenues; b) profit to investment ratio; and c) internal rate of return.

INVESTMENT CRITERIA

Drilling prospects are subjected to a screening process similar to that of producing property acquisitions. These include developmental potential, operatorship, exploratory areas, and evaluation methods.

Development Potential - Fields are sought with additional development potential outside the existing production. These typically will require three or four wells to develop.

Operatorship - When appropriate, the Company will attempt to assume the largest interest and operatorship of exploration projects.

Exploration Areas - As in acquisition of producing properties, exploration areas have been identified by our

Basin Evaluation report. The basins targeted for exploration are largely the same as those targeted for acquisitions.

Economic Factors - The Company uses a then current, risked cash flow analysis technique for evaluating its exploration prospects.

MANAGEMENT / DIRECTORS

Royale Energy's management team consists of individuals who have worked closely together for many years. Each individual has been trained to be at all times aware of the short- and long-term goals of the Company. Although the areas of responsibility are sharply defined, each has the knowledge required to manage a particular area.

The principle occupations and relevant affiliations of the principal officers and directors of Royale Energy are as follows:

Robert Vogel	Chairman of the Board
Jonathan Gregory	Vice-Chair of the Board of Directors
Johnny Jordan	Chief Executive Officer, President, Chief Operating Officer and Member of the Board of Directors
Mel G. Riggs	Member of the Board of Directors
Tom Gladney	Member of the Board of Directors
Karen Kerns	Member of the Board of Directors
Donald Hosmer	Co-Founder
Stephen Hosmer	Chief Finance Officer

The Board of Directors elects the officers annually. Directors serve for one year and must be re-elected each year by the shareholders. The business experience of each director, executive officer and key employee is summarized below.

ROBERT VOGEL | CHAIRMAN OF THE BOARD

Robert Vogel is a Principal at Lucas Capital Management, a registered investment advisor providing a full suite of financial services to individuals and institutional clients. He is a seasoned executive with extensive background in the energy industry.

JONATHAN GREGORY | VICE-CHAIR OF THE BOARD OF DIRECTORS

Mr. Gregory brings over 25 years of experience in the oil and gas industry, including a 25-year banking career where he focused primarily on reserve-based lending to both private and public oil and gas companies. Most recently, he served as chief financial officer for a private independent exploration and production company, where he was actively engaged in raising equity and in acquisitions and development activities. Mr. Gregory is a member of Houston Producers Forum, Houston Energy Finance Group, and ADAM Houston Energy Network. He is a Co-Founder of Bread of Life, Inc., a non-profit organization committed to empowering homeless Houstonians. Mr. Gregory also serves as a director of Small Steps Nurturing Center, a non-profit Christian organization that provides early childhood education for economically at-risk children in inner-city Houston, Texas.

JOHNNY JORDAN | CHIEF EXECUTIVE OFFICER, PRESIDENT, CHIEF OPERATING OFFICER AND DIRECTOR

Mr. Jordan is a petroleum engineer with expertise in acquisitions, field economics and reserves analysis, bank negotiations, reservoir and field operations, and multi-team interaction. Mr. Jordan served on the Board of Directors of Matrix and currently serves on RMX Resources Board of Directors. Mr. Jordan has been active in the oil and gas industry since 1980 beginning as a floor hand on a well service rig. He has held various staff and supervisory positions for Exxon, Mack Energy, Enron Oil and Gas and Venoco Corporation. He co-founded Matrix Oil Corporation in 1999 and served as its president until its merger with Royale in 2018. Mr. Jordan is a member of the Society of Petroleum Engineers, American Petroleum Institute and the Texas Independent Producers and Royalty

Owners Association. Mr. Jordan has managed acquisition evaluations in many of the oil and gas producing basins in the US. Mr. Jordan received a B.S. in Chemical Engineering from the University of Oklahoma in 1983.

MEL G. RIGGS | DIRECTOR

Mel G. Riggs presently is affiliated with the Clayton Williams family office. Mr. Riggs previously served as President of Clayton Williams Energy, Inc. (NYSE: CWEI) from March 2015 until April 2017 when CWEI was acquired for \$2.7 billion by Noble Energy, Inc. (NYSE: NBL). Mr. Riggs is a certified public accountant and received a BBA with a degree in accounting from Texas Tech University in 1977.

TOM GLADNEY | DIRECTOR

Tom Gladney, since 2006, has served as president of privately held Bodog Resources, LLC, as a wholly owned private entity which invests in oil and gas, water treatment oil field services, and real estate. Mr. Gladney previously served as executive vice president of Plains Exploration and Production Company (PXP) where he helped increase proved reserves from 239 MMEB to more than 400 MMEB while directing various projects to include integration of the merger of two large public companies, work on development and exploration projects in the Gulf of Mexico and on several key engineering projects.

KAREN KERNS | DIRECTOR

Ms. Kerns is an attorney with over 30 years of experience in business, contract and loan negotiation, and real estate law. Ms. Kerns previously served as General Counsel for a private real estate investment trust with over \$400 million in limited partner investments throughout the United States. In her early legal career Ms. Kerns practiced business and insurance defense litigation. She holds a Juris Doctor from the University of Denver Sturm College of Law and a Bachelor's degree from the University of Wyoming.

DONALD H. HOSMER | CO-FOUNDER

In October 1985 Mr. Hosmer, along with his father and brothers, founded Royale Petroleum Corporation. In October 1986, Royale Energy, Inc. (the Company) was incorporated in order to combine the function of the prior two companies in preparation for the involvement of outside shareholders for the first time. Mr. Hosmer was responsible for the funding of over \$150,000,000 in oil and natural gas drilling. He has successfully directed the funding of 200 oil and natural gas wells throughout the major geologic basins in the US. Under his leadership Royale became the largest independent natural gas producer in California.

STEPHEN M. HOSMER | CHIEF FINANCIAL OFFICER

Mr. Hosmer joined Royale Energy, Inc. in 1988. He has over 32 years of oil and gas experience and has helped the company develop oil and natural gas fields in Texas, Louisiana, Oklahoma, Utah, California and Alaska. He serves on the board for Venture Expeditions and Exile International. He holds a Masters of Business Administration (MBA) degree from Pepperdine University.

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Factors

Oil Development 2021

RISKS

This investment is speculative and involves substantial risk for investors. [See Risk Factors].

CONFIDENTIALITY

The information contained in this offering memorandum has been prepared and is being furnished by the company for the confidential use of prospective purchasers in connection with this offering. Any reproduction or distribution of this offering memorandum, in whole or in part, is prohibited.

OFFERS TO PURCHASE

An offer to purchase the units described herein shall be made only through an authorized securities broker-dealer or officers of the company.



OIL DEVELOPMENT 2021

Offering

Oil Development 2021 Offering Summary

Royale Energy is offering to Accredited Investors a direct participation in the drilling of infill developmental wells. An investment will consist of a direct working interest participation in three oil wells and one re-entry oil well.

Drilling Locations

Sansinena Oil Wells

The Sansinena oil field, located in the NE portion of the Los Angeles Basin, historically has an average well initial producing rate of 183 barrels of oil per day and an average well Estimated Ultimate Recovery (EUR) of 478,000 barrels of oil over a life of 54 years.

The first three infill wells drilled since acquiring this field initially produced at rates of 113 barrels of oil per day (9A-4 well– restricted rate), 338 barrels of oil per day (9B-18) well and 266 barrels of oil per day (9B-20) well, all flowing. The 9B-20 has already produced 75,300 barrels of oil equivalent in 22 months of production. The 9B-18 well has produced over 69,000 barrels of oil equivalent in 22 months with most months at restricted rates. In October 2020, we drilled two more Sansinena wells. The 9B-25 well logged 361 ft. of net oil pay and the 9B-23 well logged 481 ft. of net oil pay. All were drilled at site 9.

The two Sansinena wells being offered in the Oil Development 2021 Project are infill development wells at site 5 like the previous wells drilled at site 9. Site 5 is located at the heart of the field where the initial rates and the ultimate recoveries are much greater. The average initial oil production rate at site 5 is 271 barrels of oil per day and average ultimate recovery of 483,000 barrels of oil.

Jameson North Oil Field (JNF)

Located in the Permian Basin near Colorado City in Texas, the Jameson North Field 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.

V.T. McCabe #39 Re-Entry

The V.T. McCabe #39 well will be re-entered for behind pipe Upper Strawn formation oil reserves in the Oil Development 2021 project. In 1981, Sun Oil Company drilled the V.T. McCabe #39 oil well in the North Jameson field and completed the well for production in two of the lower formations making approximately 70,000 barrels of oil in total.

The log analysis indicate that this well has 40 ft. of net oil pay remaining in the Upper Strawn formation. In comparison, the V.T. McCabe #4, the offset that is 420 ft. away, produced 91,000 barrels of oil equivalent from 36 ft. of net oil pay in the Upper Strawn formation and had an initial rate of 183 barrels of oil per day. The other offset wells to the V.T. McCabe #39 have averaged 97,000 barrels of oil equivalent cumulative production per well from the Upper Strawn formation.



OIL DEVELOPMENT 2021

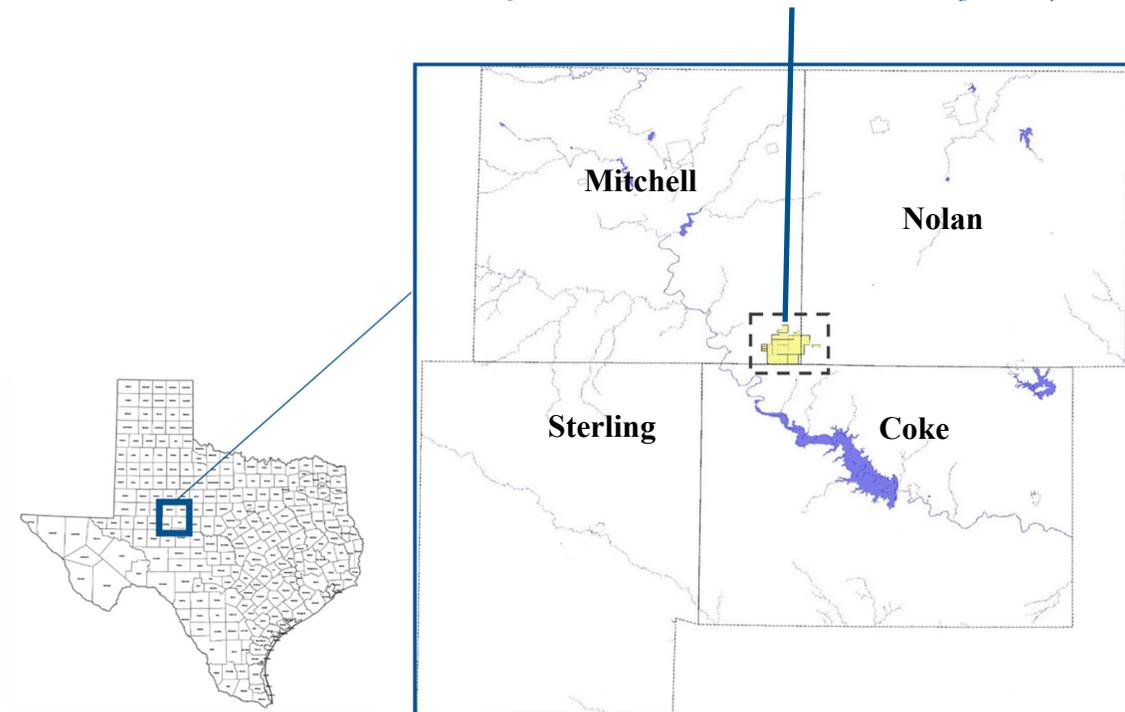
Offering

Jameson North Oil Wells - V.T. McCabe #69

The V.T. McCabe #69 is an infill development well for the Upper Strawn formation oil reserves. The Upper Strawn formation wells historically have averaged an initial producing rate of 85 barrels of oil per day and 215 mcf per day from 165 wells. The average well Estimated Ultimate Recovery (EUR) is 119,000 barrels of oil equivalent.

The four immediate offsets to the V.T. McCabe #69 location have averaged an initial rate of 125 barrels of oil per day and have averaged cumulative production of 116,000 barrels of oil equivalent per well out of the Upper Strawn formation.

Jameson North Field (JNF)





PURCHASE PRICE

Oil Development 2021

Each full unit is being offered at the purchase price of \$100,000 per unit with $\frac{1}{2}$ and $\frac{1}{4}$ units also available. Each full unit, $\frac{1}{2}$ unit or $\frac{1}{4}$ unit will consist of the following:

WELL NAME	WORKING INTEREST
One (1) unit \$100,000 and consists of the following:	
Royale Energy Sansinena	0.55000%
Royale Energy Sansinena	0.55000%
Royale V.T. McCabe #39 (Re-entry)	1.92500%
Royale V.T. McCabe #69	1.92500%
One Half (1/2) unit is \$50,000 and consists of the following:	
Royale Energy Sansinena	0.27500%
Royale Energy Sansinena	0.27500%
Royale V.T. McCabe #39 (Re-entry)	0.96200%
Royale V.T. McCabe #69	0.96200%
One Quarter (1/4) unit is \$25,000 and consists of the following:	
Royale Energy Sansinena	0.13700%
Royale Energy Sansinena	0.13700%
Royale V.T. McCabe #39 (Re-entry)	0.48100%
Royale V.T. McCabe #69	0.48100%



Oil Development 2021 Prospects

Sansinena Oil Wells

Los Angeles Basin | California

TECHNICAL DESCRIPTION

Sansinena oil wells

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.

Oil and gas productive intervals in the Sansinena field consist of stacked hydraulically independent reservoir sands in the Miocene Yorba, Soquel (Miocene C and D respectively), Sycamore Canyon (Miocene A) and Pliocene Fernando (Repetto 7-6) intervals.

Oil and gas are the dominant pore-filling fluids in Sansinena over more than 4,500 vertical ft., with a prolific hydrocarbon sourcing system. Miocene reservoirs shallower than 6,000-7,000 ft. depth were charged by oil and gas migrating out of deeper, mature Miocene source beds to the south and west in deeper parts of the basin moving laterally and upward along faults. In general, shallower oil accumulations are lower gravity (15-20 degree API) and become progressively higher gravity, with higher GOR's in successively deeper reservoirs (up to 31 degree API). The Miocene C and D (Yorba and Soquel formations) contain the highest gravity (29-31 degree API), highest GOR, oils and the deepest economically productive intervals so far discovered in the Sansinena Field.

A preliminary decline curve applied the normalized oil rate over the history where well count is nearly constant (90- 100 wells). The manually fitted decline curve is an initial hyperbolic decline becoming exponential at a rate below 2% per year to the economic limit of 80 wells. The productive life of the field is 159 years. These numbers are typical of Miocene production in the region including the adjacent Whittier and West Whittier fields. The West Whittier field life is nearly 130 years and still has significant production. Individual well rates and resulting Estimated Ultimate Recoveries (EURs) are higher at Sansinena than at Whittier due to significantly greater thicknesses of net pay per well, and generally higher reservoir quality of the Miocene sands, so we expect to see these long productive lives on a per well basis.

The average well has an initial production of 183 barrels of oil per day and initial hyperbolic decline becoming exponential with a yearly rate of 2.3%. This results in an Estimated Ultimate Recovery (EUR) of 478,000 barrels of oil and a life of 54 years. The first three infill wells drilled since acquiring this field initially produced at rates of 113 barrels of oil per day (9A-4 – restricted rate), 338 barrels of oil per day (9B-18) and 266 barrels of oil per day (9B-20), all flowing. The 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 75,300 barrels of oil equivalent in 22 months of production. The 9B-18 has produced over 69,000 barrels of oil equivalent in 22 months (most months were at restricted rates). In October 2020, we drilled two more Sansinena wells. The 9B-25 logged 361 ft. of net oil pay and the 9B-23 logged 481 ft. of net oil pay.

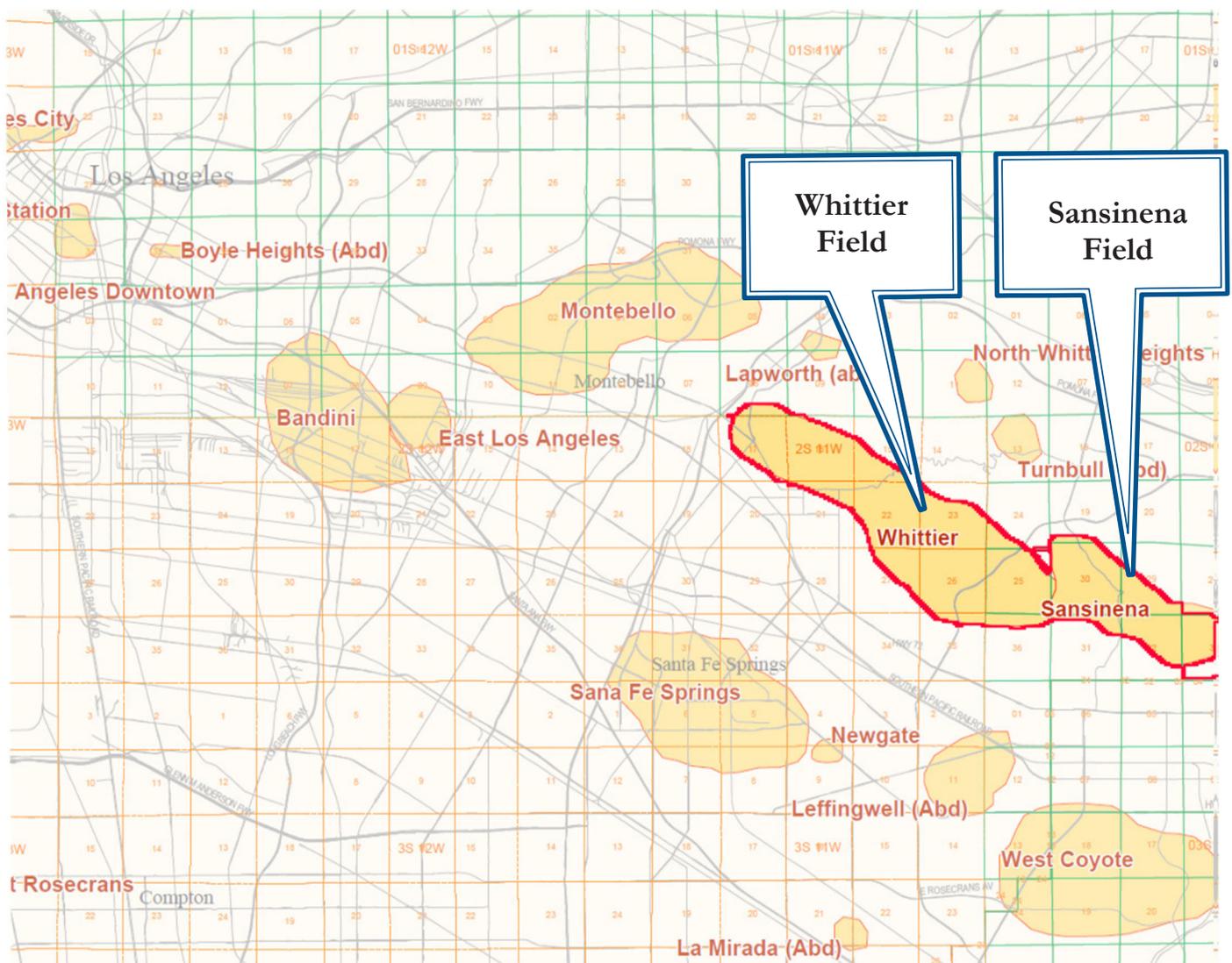
The 3D modeling is used to quantify exactly how much reservoir is within a specified distance from any wells in the field. Using this approach, we can compute the recoverable reserves within any given distance of existing wells and plot these recoverable reserves as a function of distance from wells.

Incremental Reserves Recovery and New Drill Strategies

The targeting strategy for new drilling at Sansinena will be to drill directional wells from existing drill sites to target reservoirs that are located outside of the likely drained/depleted volumes (230 ft. or more from existing producers).

The qualitative observations of the proximity of original and redrill wells, the 2 to 7-acre average reservoir extent, is the reservoir compartment size.

Based on this information, the Sansinena field has a large number of infill locations that contain primary undepleted reserves. This project is the implementation of a careful strategy to infill or offset existing wells through a series of redrilled wells in order to maximize production of primary reserves from the field. A 3D mapping/modeling framework is used in order to design directionally drilled wells that efficiently exploit remaining primary reserves.





Oil Development 2021 Prospects

Sansinena Field - Site 5 #1 and #2 Oil Wells Los Angeles Basin | California

Sansinena Site 5 #1 and #2 Oil Wells

The two Sansinena wells being offered in the Oil Development 2021 Project are infill development wells like the previous wells drilled at site 9 were infill development wells (9A-4, 9B-18, 9B-20, 9B-23 and 9B-25), but site 5 is located in the heart of the field where the initial rates and ultimate recoveries are much greater.

The average initial production rate at site 5 is 271 barrels of oil per day and an average ultimate recovery of 483,000 barrels of oil per well. This compares to an average initial production rate at site 9 of 161 barrels of oil per day and an average ultimate recovery of 152,000 barrels of oil per well.

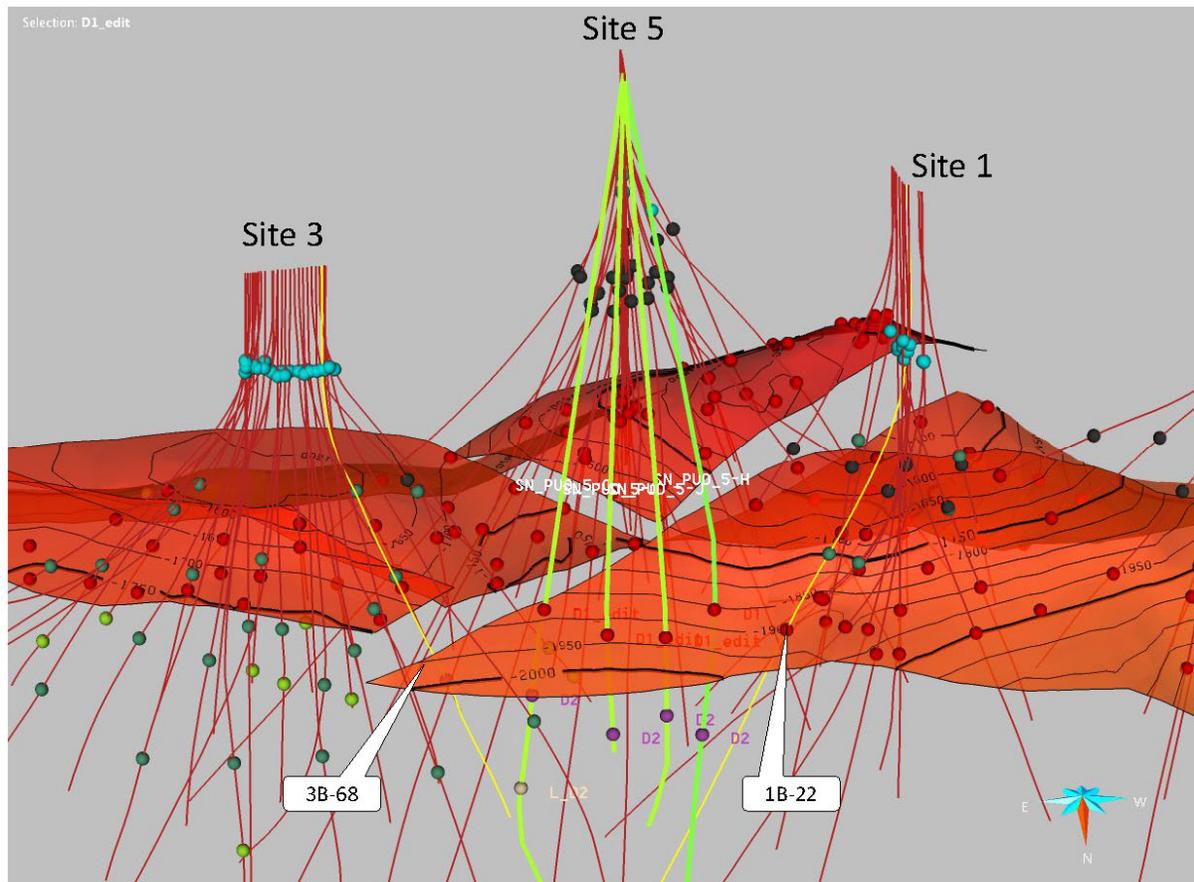
The map on opposite page shows several of the infill prospects we have at site 5. As you can see on the cross section on page 17, these wells will be drilled between wells that have produced 650,000 and 750,000 barrels of oil. On page 19 shows a 3D slice of the reservoirs near where these two wells will be drilled. This comes from our extensive 3D modeling work done at Sansinena. Page 21 shows our well prognosis for a typical well drilled at site 5 which shows 895' of probable net oil pay. Having so much pay in this area of the field is the reason the ultimate recoveries are so high.



SANSINENA OIL FIELD

Sansinena Development Program Site 5 Prospects

Oblique View from North of T/D1 Surface and Proposed Redrills from Site 5 (Green)

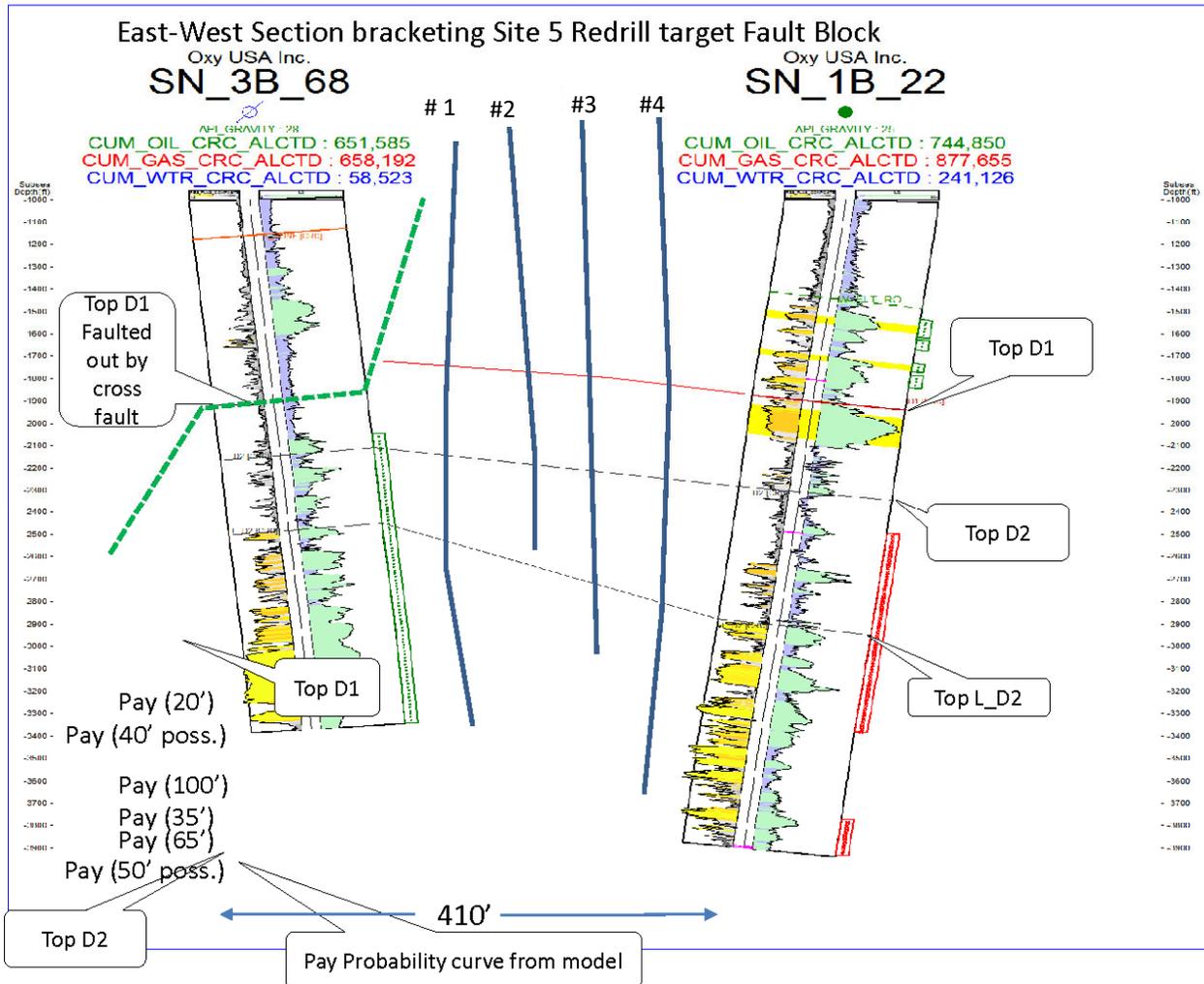


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SANSINENA OIL FIELD

Sansinena D Sand Development Program Site 5 Infill Area (Central Area)



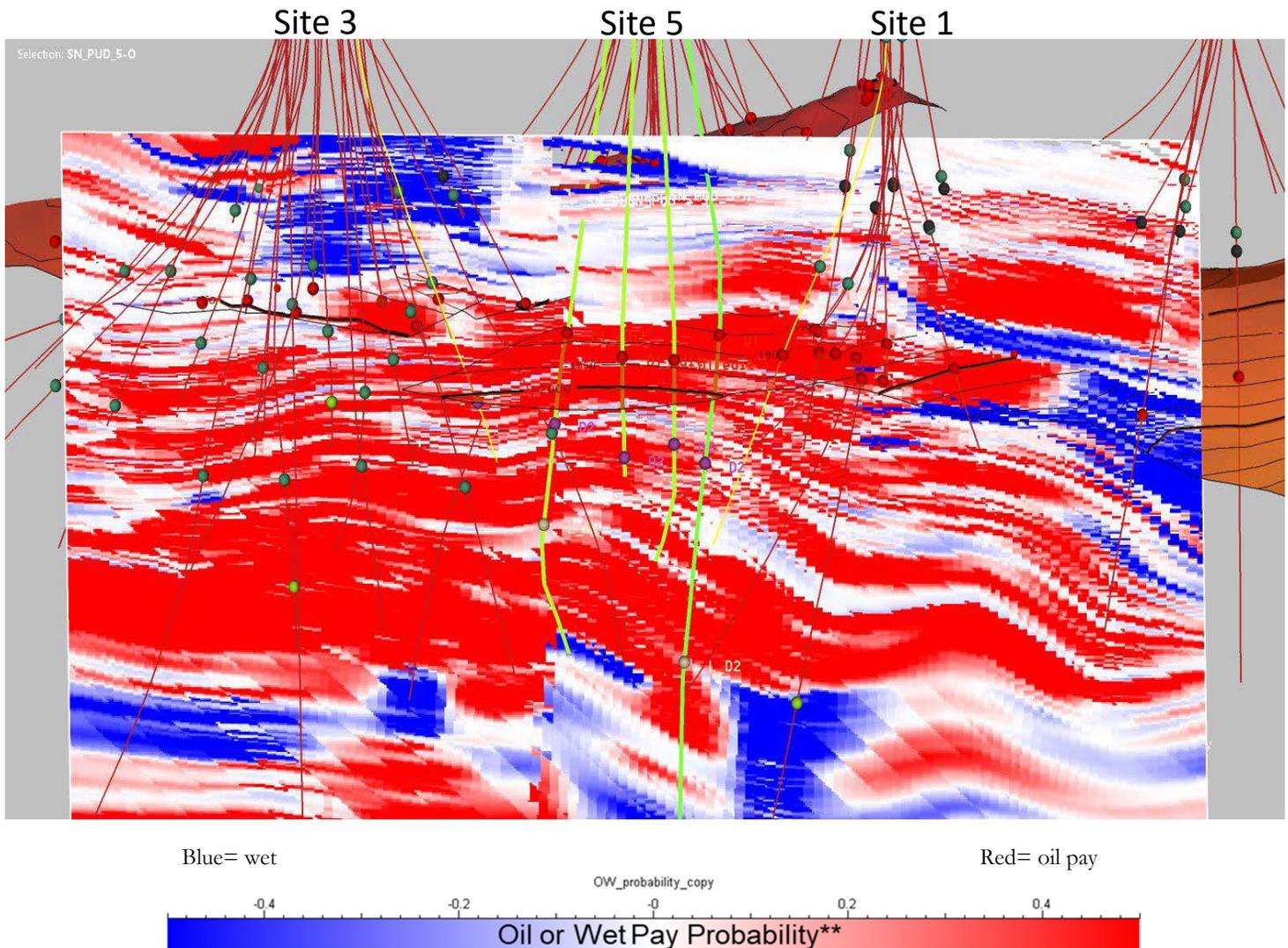
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SANSINENA OIL FIELD

Sansinena D Sand Development Program Site 5 Prospects

Oblique view from North of T/D1 surface and proposed redrills from site 5 (Green) with slice through reservoir model in the vicinity of the proposed redrills.



Pay probability from geostatistical simulation of normalized reservoir flag (Based on reservoir intervals hand picked on scanned E-logs) and geostatistical simulation of fluid type (based on hand picked pay vs wet on E-logs). Greater pay probability is in darker shades of red, and greater probability of wet reservoir is in darker shades of blue. White is either non-reservoir or uncertain.. **Red, pay is computed as the product of oil probability and reservoir probability greater than 0.5 (50%). The expected pay thickness by formation is summarized in the table on page 21.

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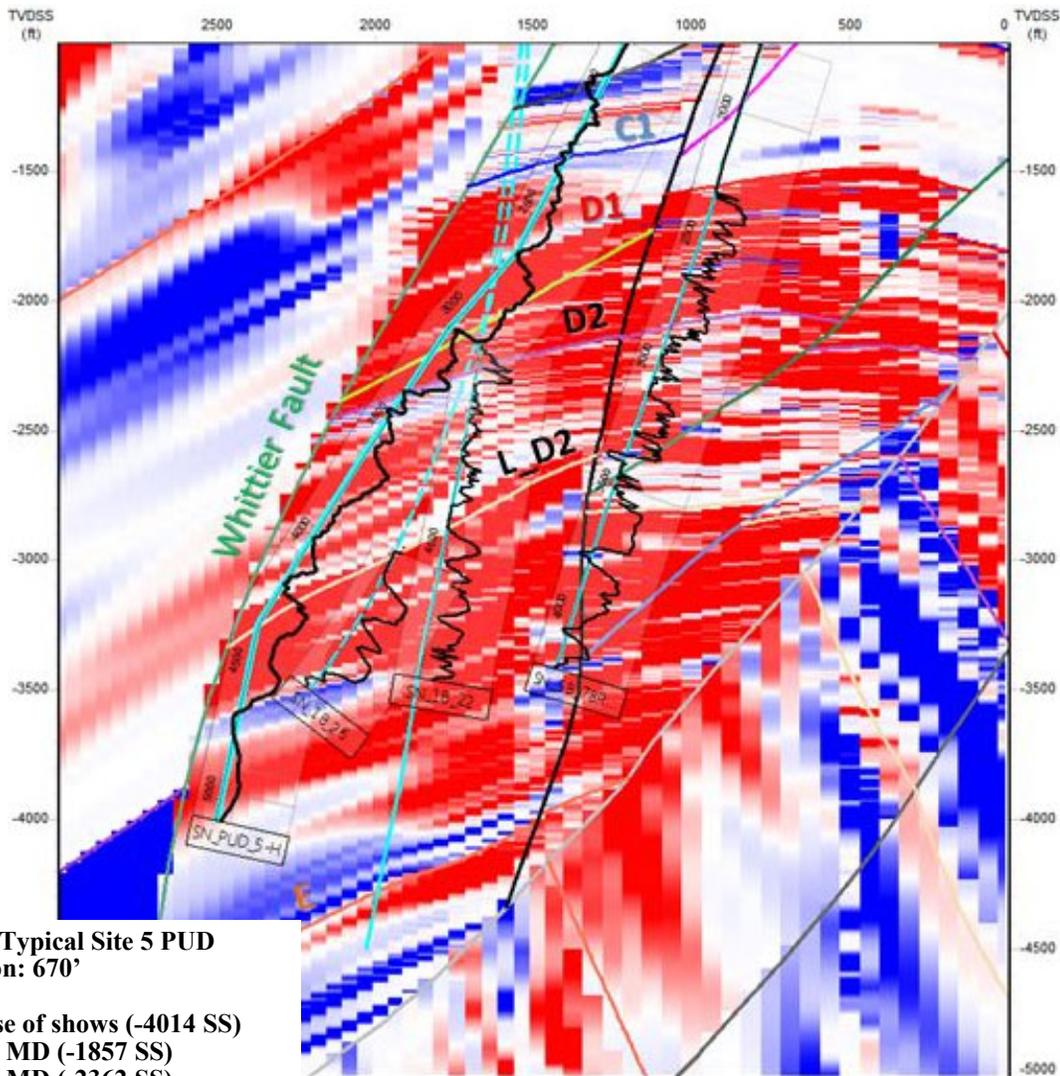
SANSINENA OIL FIELD

Oil or Wet Probability - Typical Site 5 Location

A
N

Proven Un-Developed (PUD)

A'
S



Well Prognosis: Typical Site 5 PUD

Ground Elevation: 670'

KB: 680'

TD: 5125' or base of shows (-4014 SS)

Mio D1 2746' MD (-1857 SS)

Mio D2 3346' MD (-2362 SS)

Mio L_D2 4273' MD (-3184 SS) Net Pay

Prognosis:

Mio D1: 375' (probable)

Mio D2: 180' (probable)

Mio L_D2: 340' (probable)

Total: 895' (probable)

Blue= wet

Red= oil pay

OW_probability_copy



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ROYALE ENERGY

NEWS FOR IMMEDIATE RELEASE

ROYALE ENERGY ANNOUNCES INITIAL RATE OF 350 BARRELS PER DAY FOR SANSINENA 9A-4

SAN DIEGO, October 17, 2017 (GLOBE NEWSWIRE) -- Royale Energy, Inc. (OTCQB : ROYL) and Matrix Oil Management Corporation jointly announced the successful completion of the Sansinena 9A-4 well. This is the first well drilled in the Sansinena Field since Matrix acquired the field in June 2016.

The 9A-4 initially flowed at a rate of 15 barrels per hour which equates to a daily rate of over 350 barrels of oil per day. The well which encountered original pressure of 1500 psi was perforated at approximately 4500 feet (with 320 feet of net pay). Matrix is currently producing the well at a restricted rate of 8 to 9 barrels per hour which equates to around 200 barrels of oil per day. The current rate and initial flow rate are more than twice management's initial internal projections. Matrix's and Royale's management believe that the test results support drilling of more than 70 additional development well locations in the Sansinena field.

"We are extremely pleased with the results of this well and what it may mean for the Royale and Matrix shareholders. The initial rate is more than twice our expectation", said Johnny Jordan of Matrix. Subject to permitting and capital requirements, Royale and Matrix plan to drill a minimum of six additional wells in Sansinena in 2018.

Don Hosmer of Royale commented, "Matrix's Sansinena development in the LA Basin is a great compliment to Royale's successful natural gas development in the prolific Rio Vista gas field. Together, these two projects provide a diversified asset base that can be developed into long term cash flow for Royale's drilling investors and shareholders."



ROYALE ENERGY

NEWS FOR IMMEDIATE RELEASE

ROYALE ENERGY AND RMX RESOURCES ANNOUNCE NEW SUCCESS IN SANSINENA OIL FIELD

June 13, 2019 -- San Diego, California – Royale Energy, Inc., (OTCQB : ROYL) and RMX Resources, LLC jointly announced the successful drilling and completion of the Sansinena 9B-18 and 9B-20 oil wells.

- **The 9B-18 well** was completed on June 4, 2019 and flowed at 360 barrels of oil per day and 432 MCF per day with a flowing tubing pressure of 730 psig during an initial 24-hour flow test. The well was subsequently shut in for pressure testing and will be placed back online later this week.
- **The 9B-20 well** was completed on June 7, 2019 and has been flowing steadily at a rate of 200 barrels of oil per day and 72 MCF per day.

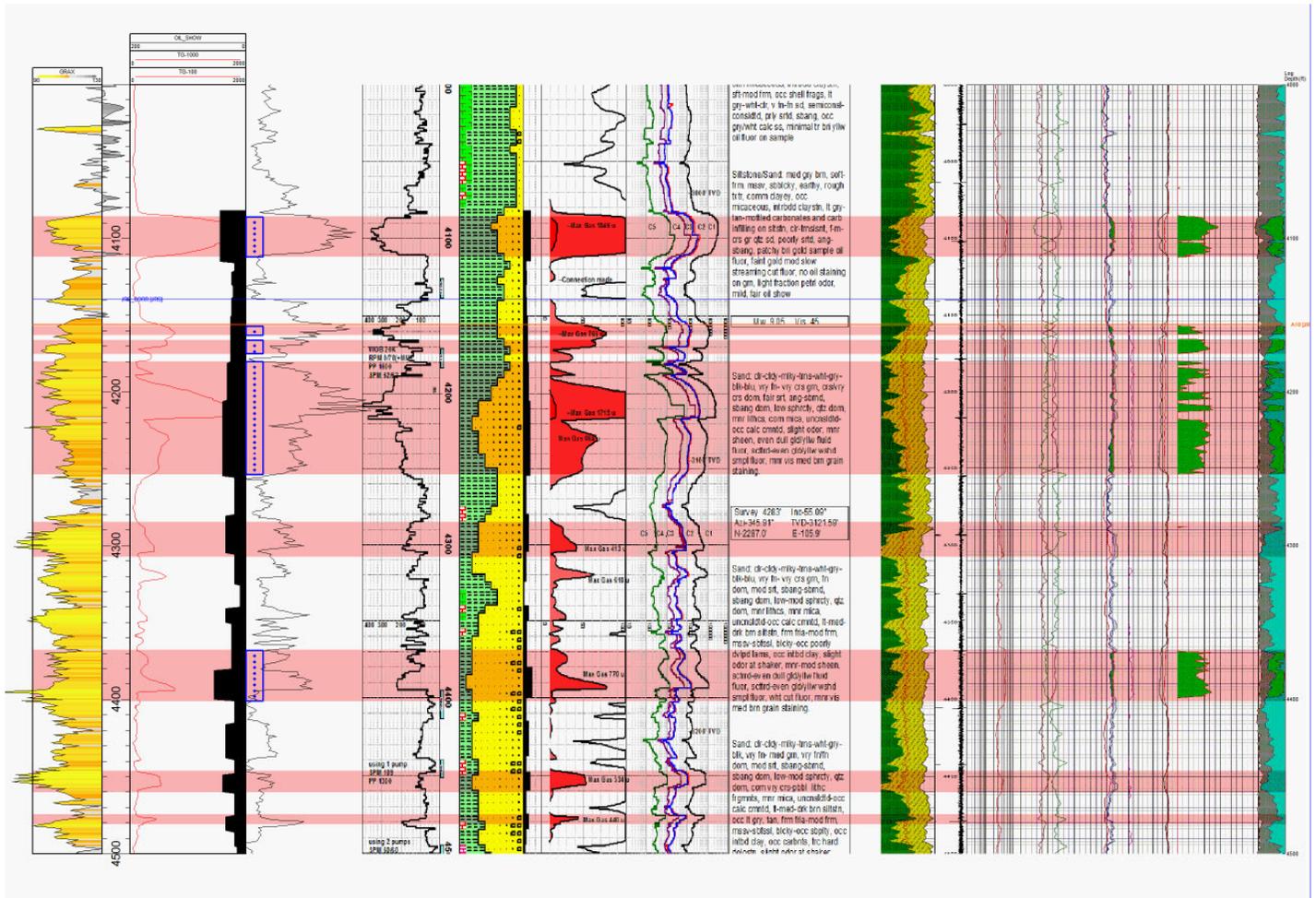
Royale Energy and its investors own 50% of both wells of which Royale owns approximately 41%. RMX Resources is the operator and owns the other 50% of the wells. RMX Resources is a joint venture between CIC Partners and Royale Energy.



SANSINENA 9B-18



Sansinena Oil Field - Drilled April 2019



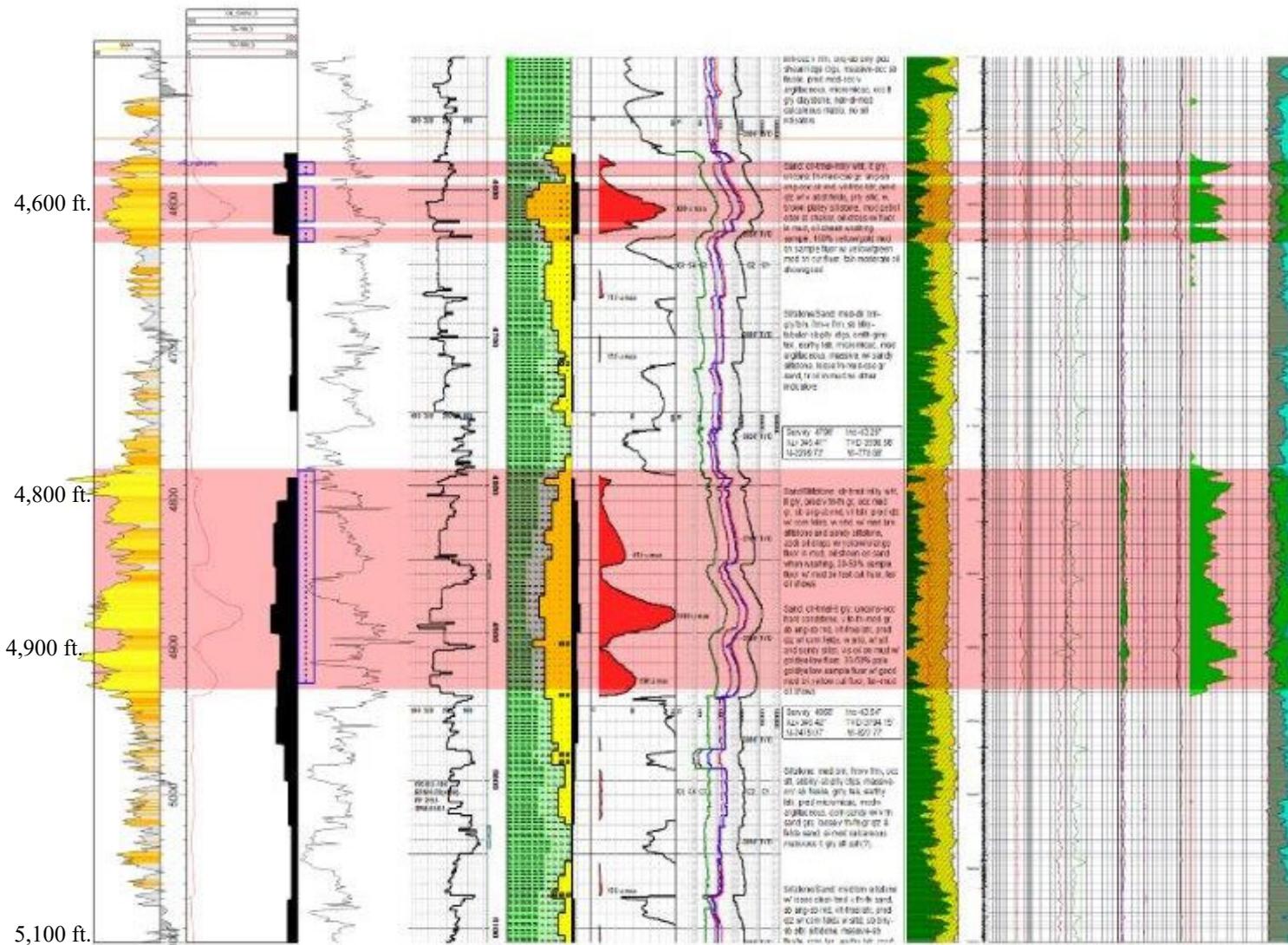
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SANSINENA 9B-20



Sansinena Oil Field - Drilled May 2019



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Oil Development 2021 Prospects

Jameson North Oil Field Oil Well Permian Basin | Texas

Technical Description

Jameson North Oil Well

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 in Texas, the JNF is 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 Upper Strawn Sands (primary interval) have high porosity of 15-24% and moderate permeability of 150 to 300 md (marine sand). The Upper Strawn has an average 81,000 barrels of oil and 230,000 MCF (119,000 barrels of oil equivalent) of reserves per well and they initially produce an average of 85 barrels per day of oil and 215 MCF per day of natural gas.

There have been a few completions in the Lower Strawn and Strawn Grey carbonate intervals with varying levels of success. Most have produced at economic rates and have produced as much as 43,000 barrels of oil equivalent.

The infill well drilling potential in JNF has been identified thorough historic well review and from the use of modern seismic data. The 3D seismic survey identified infill drilling opportunities that exist between productive wells in the field. The use of modern seismic data is frequently used to help delineate new drill opportunities in older fields. The data was processed with pre-stack time migration and careful oversight of processing velocities. Proprietary high-resolution post-stack enhancement was used to produce vertical resolution that was tied directly to well logs.

V.T. McCabe #61, the first well drilled by Royale Energy in JNF in February 2020, encountered very good quality oil-bearing sands in the Upper Strawn. The sands appear to be consistent with the production quality and appearance to offset wells that produced in amounts as stated above. The initial production from 25 ft. of net Upper Strawn pay was 106 barrels of oil per day and 40 thousand cubic ft. of gas per day, flowing.

The V.T. McCabe #62 was drilled as an in-fill evaluation of the Odom, Ellenburger, Upper Strawn and Lower Strawn. Currently the wells is producing 15 –20 barrels of oil per day from the Lower Strawn carbonates, the secondary intervals. The Upper Strawn sands have 21ft. of net pay that are oil saturated which will be recompleted in the future.



Oil Development 2021 Prospects

Jameson North Oil Field - V.T. McCabe #39 Re-Entry Permian Basin | Texas

Jameson North Oil Well - V.T. McCabe #39 Re-Entry

The V.T. McCabe #39 well will be re-entered for the behind pipe Upper Strawn formation oil reserves in the Oil Development 2021 project. In 1981, Sun Oil Company drilled the V.T. McCabe #39 oil well in the Jameson North Field (JNF) and completed the well for production in two of the lower formations making approximately 70,000 barrels of oil.

The log analysis indicate that this well has 40 ft. of net oil pay remaining in the Upper Strawn formation. In comparison, the V.T. McCabe #4, the offset that is 420 ft. away, produced 91,000 barrels of oil equivalent from 36 ft. of net oil pay in the Upper Strawn formation and had an initial rate of 183 barrels of oil per day. The other offset wells to the V.T. McCabe #39 have averaged 97,000 barrels of oil equivalent cumulative production per well from the Upper Strawn formation.

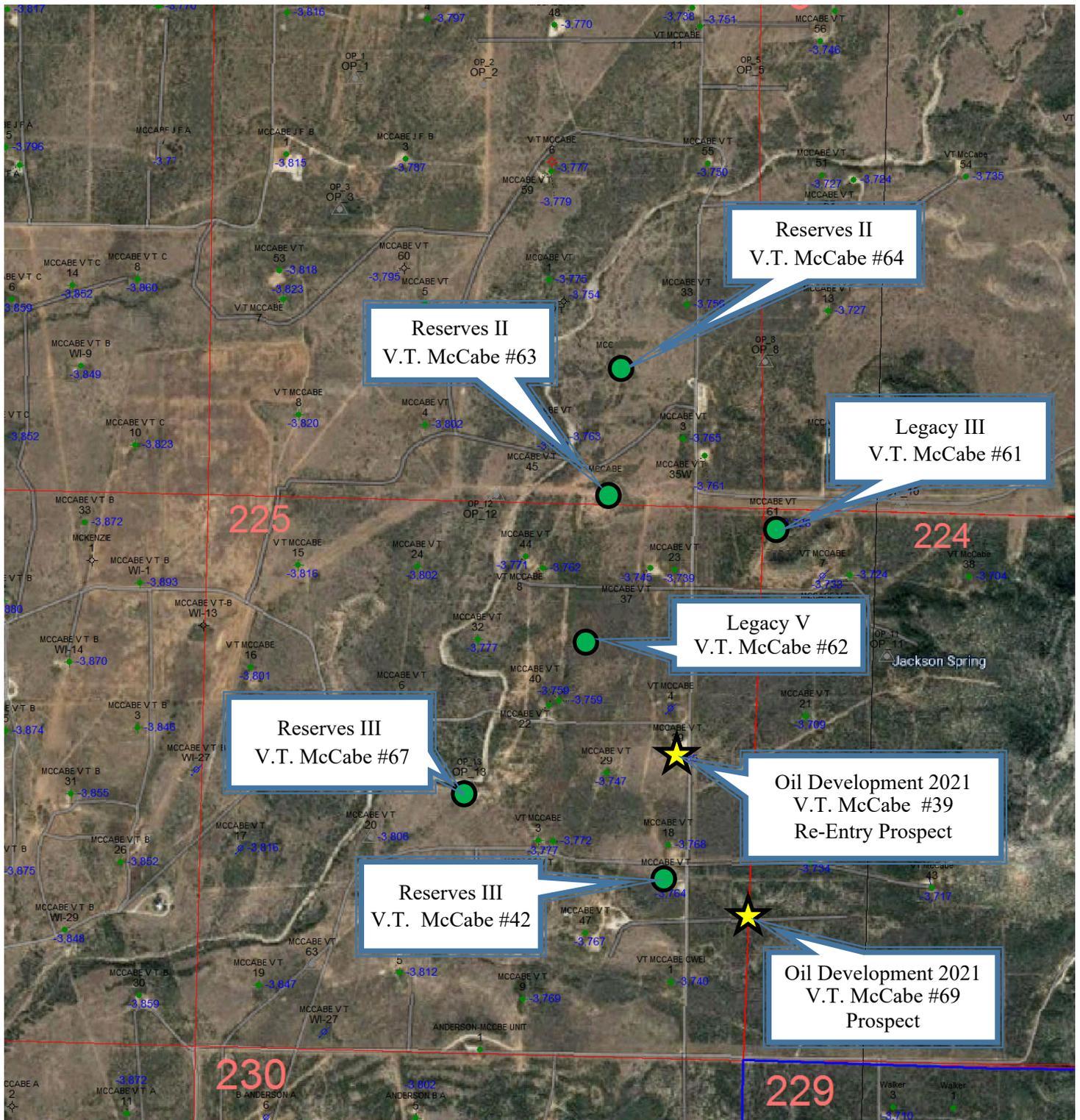
On page 37 is a Cumulative Oil Isopach map for Section 225 with the highest production from that section, the V.T. McCabe 20 well, having produced over 150,000 barrels of oil and 630,000 MCF.

“Re-enter” or “re-entry” is the act of entering an existing idle well for the purpose of utilizing said well for the production of oil or gas.



JAMESON NORTH FIELD

Aerial View





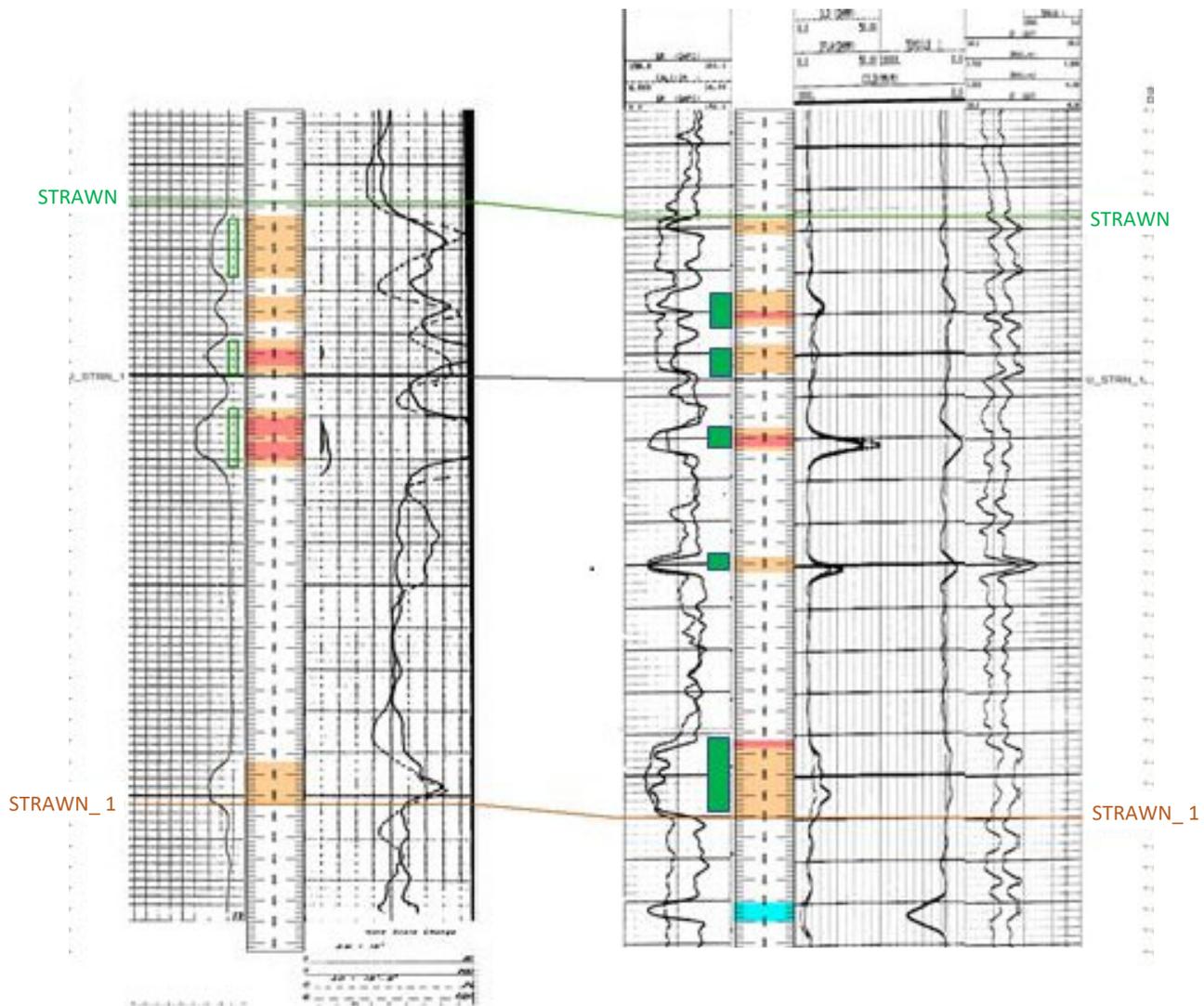
JAMESON NORTH FIELD

Seismic Section— Perforations and Net Pay

← 420 ft. →

V.T. McCabe 4

V.T. McCabe 39 Re-Entry



**91,000 Barrels of oil equivalent
from 36 ft. of Strawn Formation.**

**40 ft. of unproduced net oil pay in
the Strawn Formation.**



JAMESON NORTH FIELD

3-D Seismic

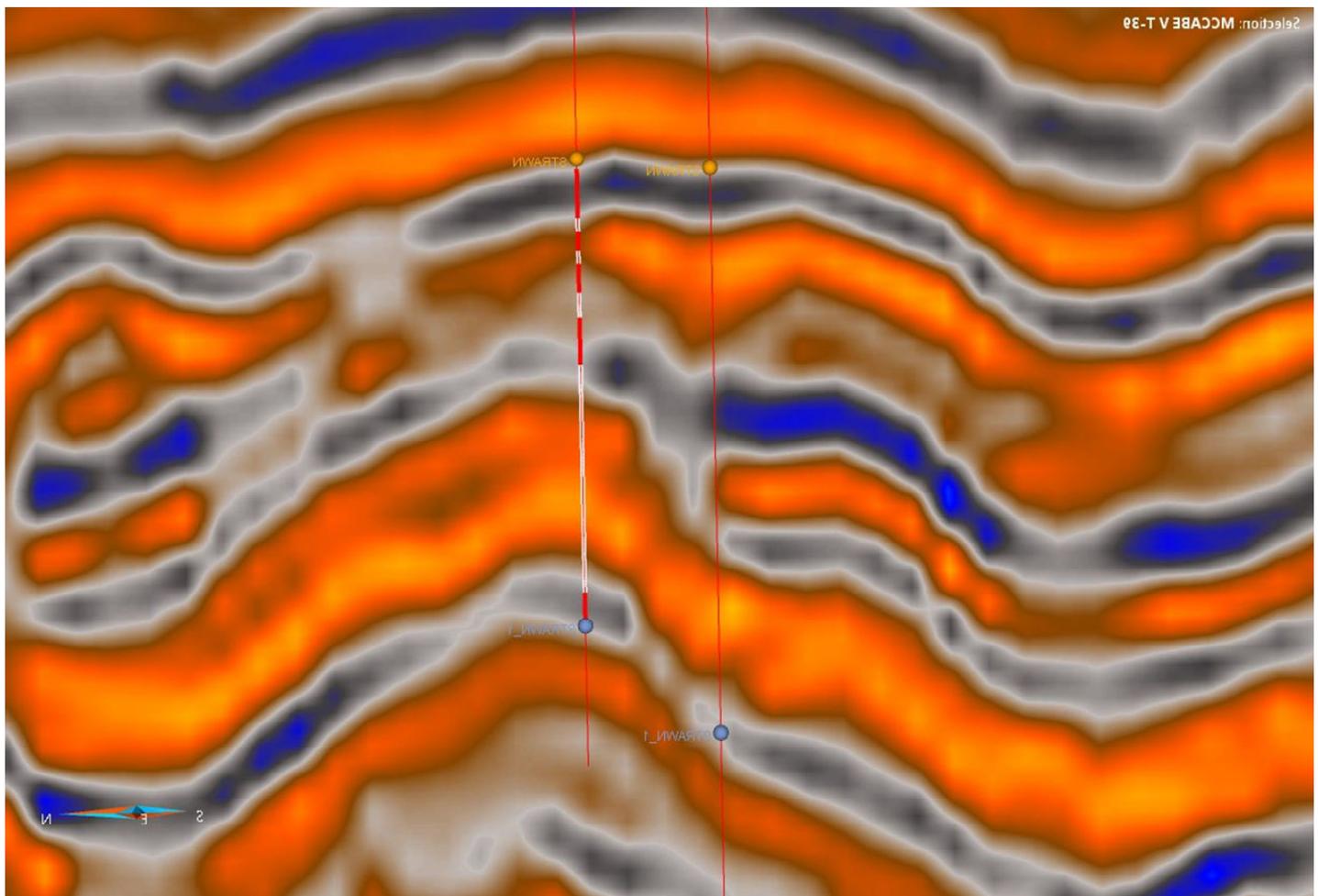
V.T. McCabe 4



V.T. McCabe 39



Re-Entry





Oil Development 2021 Prospects

Jameson North Oil Field - V.T. McCabe #69 Permian Basin | Texas

Jameson North Oil Well - V.T. McCabe #69

The V.T. McCabe #69 is an infill development well for Upper Strawn formation oil reserves. The Upper Strawn formation historically has averaged an initial production rate of 85 barrels of oil per day and 215 MCF (thousand cubic feet) per day from 165 wells previously drilled in our portion of this field. The average ultimate recovery is 119,000 barrels of oil equivalent per well.

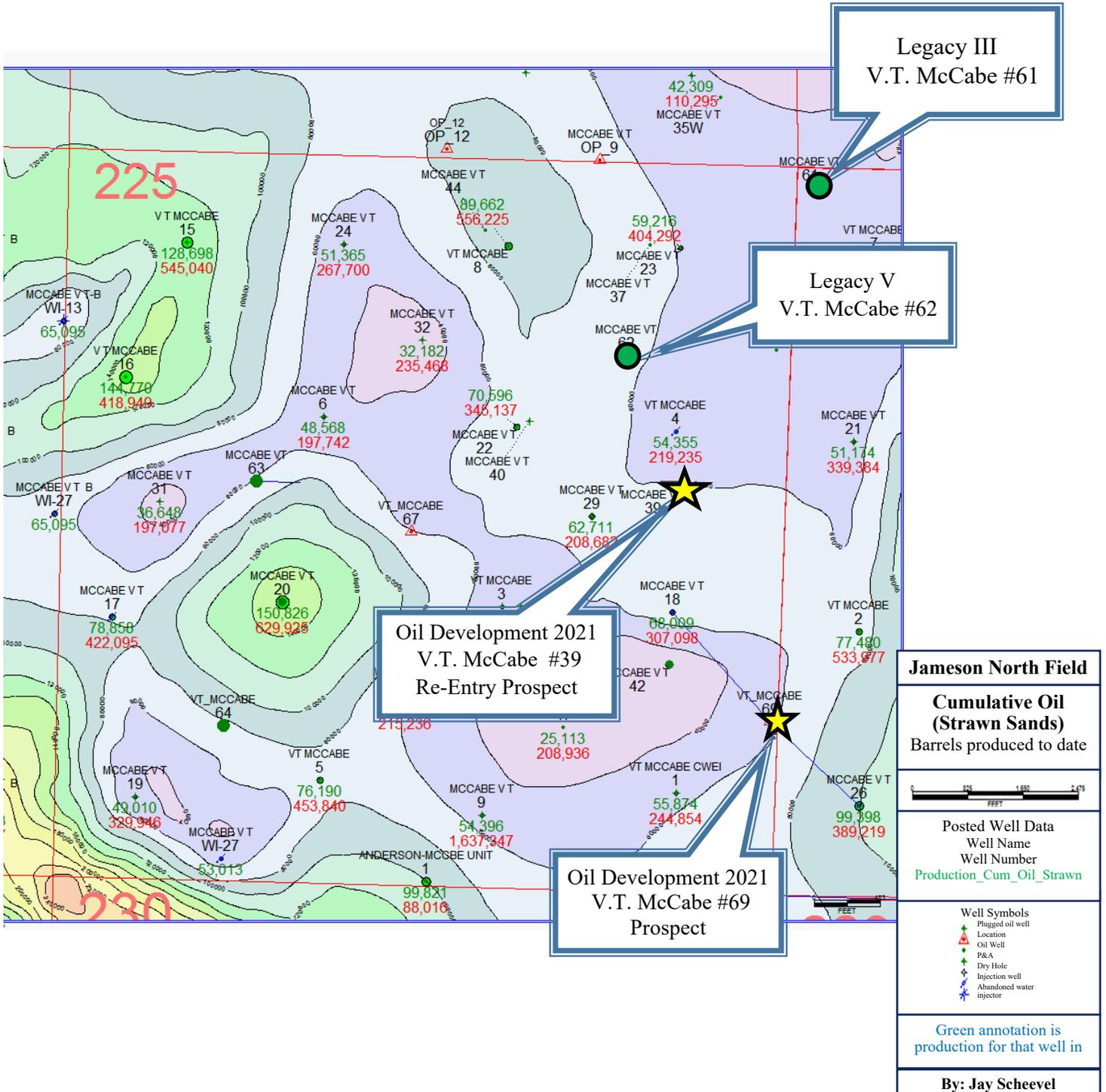
The four immediate offsets to the V.T. McCabe #69 have an average initial rate of 125 barrels of oil per day and an average initial rate of 116,000 barrels of oil equivalent per well just from the Upper Strawn formation. This well will be drilled through the Lower Strawn carbonates and these zones will be initially tested if present.

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JAMESON NORTH FIELD

Map of Cumulative Production Strawn Barrels of Oil (BO)
 Cross section for V.T. McCabe #69 shown in **Blue**



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JAMESON NORTH FIELD

Seismic Amplitude Section Along Well Section A-A' through V.T. McCabe #69

V.T. McCabe #18

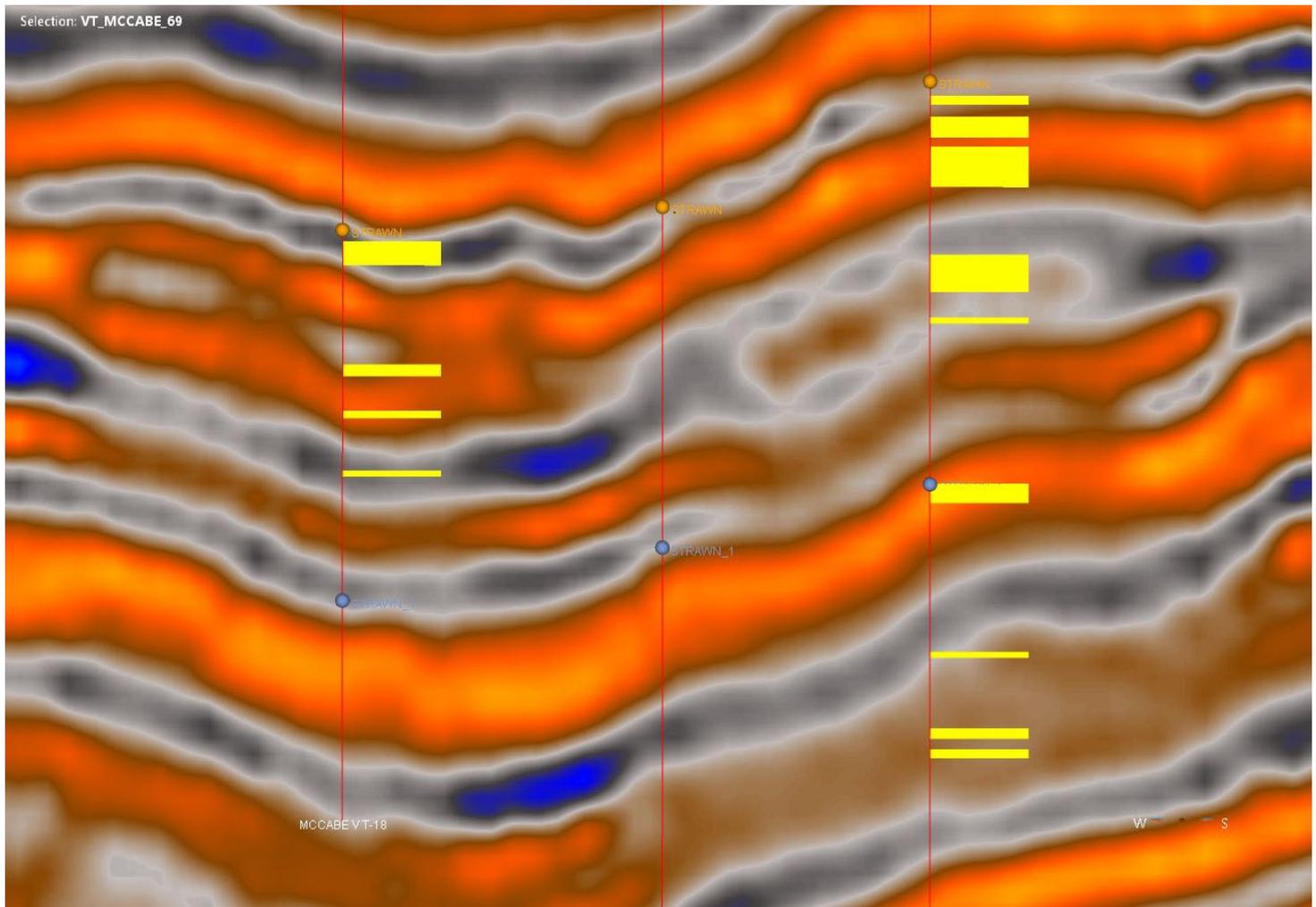
CUM_Oil_STRAWN: 69,009 - Oil
CUM_G_STRAWN: 307,098 - Gas
CUM_W_STRAWN: 150,836 - Water

V.T. MCABE #69



V.T. McCabe #26

CUM_Oil_STRAWN: 99,398 - Oil
CUM_G_STRAWN: 389,219 - Gas
CUM_W_STRAWN: 123,393 - Water



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JAMESON NORTH FIELD

Well Section A-A' through V.T. McCabe #69

A

A'

V.T. McCabe #69

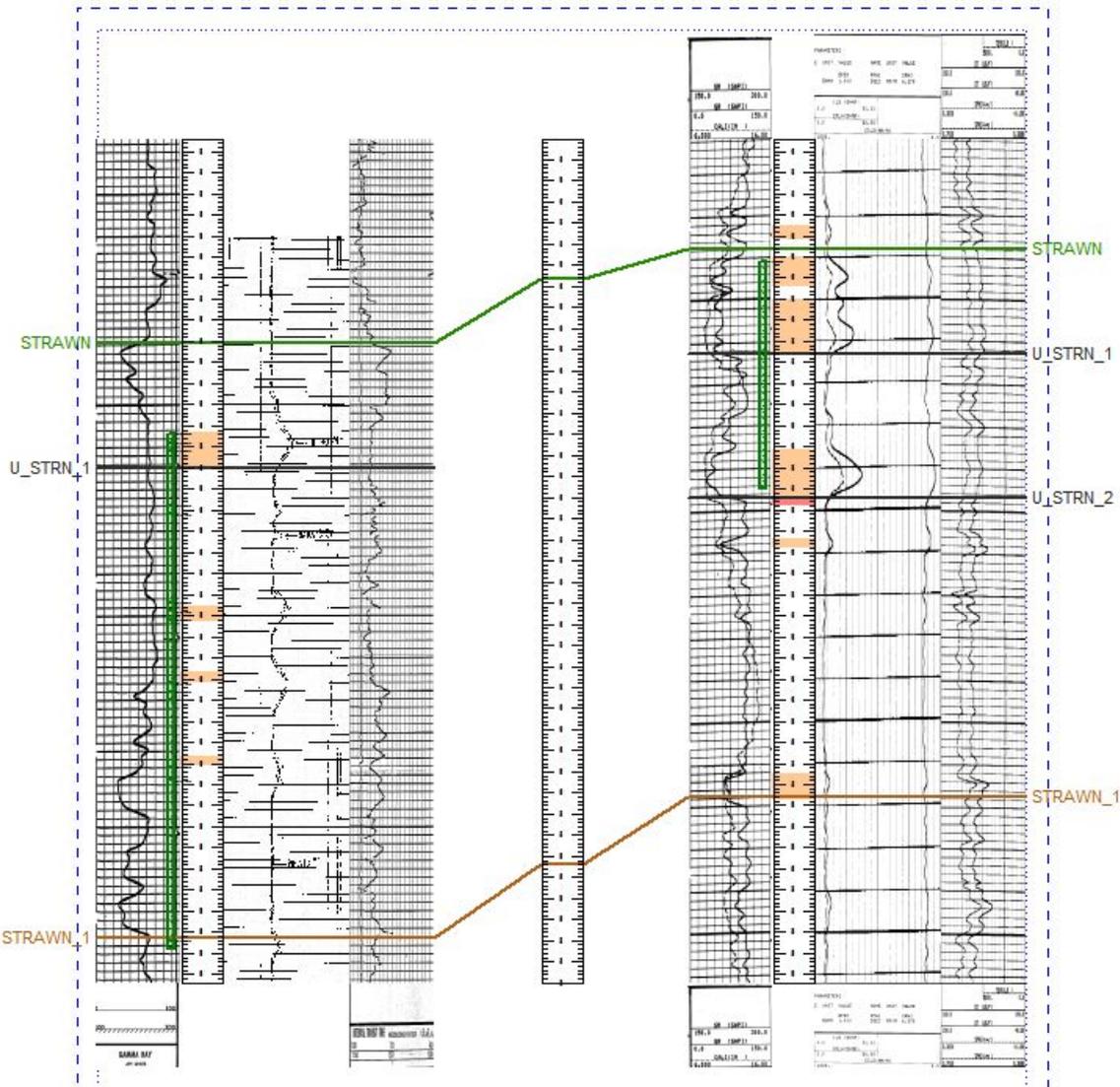


MCCABE V T-18
CUM O STRAWN : 68,009-Oil
CUM G STRAWN : 307,098-Gas
CUM W STRAWN : 150,836-Water

MCCABE V T-26
CUM O STRAWN : 99,398-Oil
CUM G STRAWN : 389,219-Gas
CUM W STRAWN : 123,393-Water

VT_MCCABE_69

Subsea Depth(ft)
-3700
-3705
-3710
-3715
-3720
-3725
-3730
-3735
-3740
-3745
-3750
-3755
-3760
-3765
-3770
-3775
-3780
-3785
-3790
-3795
-3800
-3805
-3810
-3815
-3820
-3825
-3830
-3835
-3840
-3845
-3850
-3855
-3860
-3865
-3870
-3875
-3880
-3885
-3890
-3895
-3900



Subsea Depth(ft)
-3700
-3705
-3710
-3715
-3720
-3725
-3730
-3735
-3740
-3745
-3750
-3755
-3760
-3765
-3770
-3775
-3780
-3785
-3790
-3795
-3800
-3805
-3810
-3815
-3820
-3825
-3830
-3835
-3840
-3845
-3850
-3855
-3860
-3865
-3870
-3875
-3880
-3885
-3890
-3895
-3900



OFFERING

Oil Development 2021

Royale will have three oil wells and one re-entry well drilled and completed, if warranted. The Company will choose the drilling sites. Completion will be attempted on the wells if the information obtained for the formation appears sufficiently positive. It is anticipated that the wells will be completed. There can be no assurance, however, that any well will be commercially productive.

ISSUER:

Royale Energy

1870 Cordell Ct., Suite 210

El Cajon, CA 92020

Phone: (619) 383-6600

UNITS OFFERED

The Company is offering 27.00 units, at \$100,000 per unit, of fractional undivided working interests in the rights and wells to be acquired and drilled in California and Texas. The Company may in its sole discretion decide to increase the maximum offering to 45.45 units. Fractional unit purchases may be accepted at the discretion of the Company.

Units are being offered by the Company through authorized employees of the Company. The Company may elect to engage other broker dealers who are members of FINRA (“Selling Brokers”) that may offer such units on a “best efforts” basis. Selling Brokers shall be paid a commission on units sold through them up to six percent (6%) of the total units sold by such Selling Broker.

USE OF PROCEEDS

The following table estimates the use of the proceeds of the offering, assuming the maximum number of units are sold.

	Maximum Offering	Minimum Offering
Investor’s interest	\$4,545,000	\$2,700,000
Less:		
Sales commissions up to 6%	\$272,700	\$162,000
Organizational expenses	0	0
Available for investment in drilling and completion of wells	\$4,272,300	\$2,538,000



TERMS AND AGREEMENT

Oil Development 2021

RISK FACTORS

You should recognize that oil and gas exploration and drilling is a high-risk enterprise. Investment in the Units is recommended only for persons who are prepared to assume the substantial risks discussed in this Section and elsewhere in this Memorandum. The nature of these risks requires you to be in a position (a) to hold the Units for a substantial number of years, and (b) to absorb the possible complete loss of the investment.

RISKS RELATING TO THE PURCHASE OF OIL AND GAS INVESTMENTS GENERALLY

Speculative Nature of Oil and Gas Drilling and Development Activities; Natural and Other Hazards. Exploration, drilling, and development of oil and gas properties is not an exact science and involves a high degree of risk. The Company cannot be sure that oil or gas will be found or that, if found, sufficient oil or gas production will be obtained to enable you to recoup your investment in the Units. The results of any well cannot be determined in advance. During the drilling and completion of the prospect, hazards may be encountered which include unusual or unexpected formations, pressures, or other conditions, blow-outs, fires, failure of equipment, and downhole collapses. A well may also be ruined or rendered dry or non-commercial during either drilling or completion due to technical or mechanical difficulties. Should a well be successfully drilled to the required depth, and tests thereafter indicate hydrocarbon-bearing formations with sufficient porosity and permeability to warrant completion, there is still no assurance that production will be obtained or that any or all sums expended thereon will be recouped through production.

Importance of Future Price, Supply, and Demand. The economics of natural gas and crude oil production are affected or may be affected in the future by a number of factors, including (i) the general demand in the economy for energy fuels, (ii) governmental policies with respect to crude oil imports and other factors affecting potential competition from foreign sources of natural gas and crude oil and competing fuels, (iii) governmental regulation of prices for natural gas and crude oil, (iv) state regulations affecting allowable rates of production, well spacing and other factors, (v) price and availability of alternative fuels, and (vi) availability of pipeline capacity. If such fluctuations continue or the price of crude oil or natural gas increases or decreases, they may affect the profitability of an investment in the Units.

Title Risks. The Company will hold title to the oil and gas rights for the benefit of the Unit Holders and will record the same in the appropriate county recorder's office. While the Company will exercise normal procedures and take all prudent precautions in the acquisition and assignment of oil and gas properties, there is no assurance that losses will not result from title defects or from defects in the assignment of properties.

PARTICULAR RISKS OF THIS OFFERING

Transferability. The Units offered hereby will be assigned as a direct working interest in the said wells, without registration under the Securities Act of 1933. Moreover, there is no formal public market for the sale of direct working interests, and one must rely upon the private market for sale of any interests.

Accordingly, only persons who intend to maintain their ownership for an indefinite period of time should consider the purchase of these units.

Reliance on Management and Others. The Company will serve as manager of the wells in its sole discretion and will make all significant decisions regarding well drilling, completion and operation. The Company will be significantly dependent upon the technical services of its personnel, and the death, disability or separation from service of any such personnel could

adversely affect the success of the proposed wells. Further, the Company independently contracts for such services as drilling, testing, completing and equipping the wells, and, consequently, must rely upon the knowledge, skill and expertise of others.

Distributions. Unavailability of, or delay in obtaining, necessary materials or services for drilling or completion of the well or title opinions to date of first production may delay the receipt of income, if any, for significant periods after discovery. Unavailability of, or delay in connection with, pipelines or other transportation systems, delays in obtaining satisfactory contracts and connections for oil and/or natural gas wells, and other unforeseen circumstances, may also postpone the distribution of income. Distributions, if any, will represent both a return on investment and a return of the original capital invested by a participant.

No Tax Opinion. The Company will not obtain any opinion of counsel addressing the material federal income tax consequences of an investment in Units. Each investor should consult his or her own personal tax counselor. The Company will provide annual reports on income, expenses and deductible items from the wells.

TERMS OF THE OFFERING

SUBSCRIPTIONS

27.00 Units (\$2,700,000) are being offered. Each full unit is being offered at the purchase price of \$100,000 per unit with $\frac{1}{2}$ and $\frac{1}{4}$ units also available. The Company has the right, in its sole discretion, to increase the maximum offering size to 45.45 Units (\$4,545,000).

The purchase price of \$100,000 per Unit is payable at the time a subscription is accepted by Royale Energy.

Units are being offered by the Company through authorized employees of the Company. The Company may elect to engage other broker dealers who are members of FINRA (“Selling Brokers”) that may offer such units on a “Best Efforts” basis. Selling Brokers shall be paid a commission on units sold through them.

WHO SHOULD INVEST

A) Accredited Suitability: The units are intended to be exempt from registration under the Securities Act and applicable state securities laws, pursuant to the exemption from registration requirements contained in Rule 506(c) of the Securities and Exchange Commission. Investment in the units is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in such an investment.

Sales will be made only to accredited investors, as that term is defined in Regulation D, Rule 501, promulgated by the Securities and Exchange Commission. Rule 501 defines accredited investors, and the undersigned warrants that they are one of the following:

an individual with a net worth of at least \$1 million, not including the value of his or her primary residence;

OR

an individual with income exceeding \$200,000 in each of the two most recent calendar years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;

OR

a tax exempt charitable organization, corporation or partnership with assets in excess of \$5 million;

OR

an enterprise in which all the equity owners are accredited investors;

OR

a trust with assets of at least \$5 million, not formed only to acquire the securities offered, and whose purchases are directed by a person who meets the legal standard of having sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment.

Rule 506(c) requires the Company to take reasonable steps to verify that each purchaser qualifies as an accredited investor. Specifically, Rule 506(c) requires us to collect documentary information from you to determine whether you are an accredited investor, or to obtain independent verification of your status from a third party securities broker, investment adviser, lawyer or certified public accountant. It is possible that you were not required to submit this type of information in past offerings in which you have participated. However, the nature of this offering and the requirements of Rule 506(c) impose these additional obligations on the Company. We are required to collect and the undersigned agrees to provide one of the following as a condition of accepting the subscription:

Verification based on income, by providing copies of any Internal Revenue Service form that reports income, such as Form W-2, Form 1099, Schedule K-1 of Form 1065, and a filed Form 1040;

OR

Verification on net worth, by providing specific types of documentation dated within the prior three months, such as bank statements, brokerage statements, certificates of deposit, tax assessments and a credit report from at least one of the nationwide consumer reporting agencies, and obtaining a written representation;

OR

A written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney or a certified public accountant stating that such person or entity has taken reasonable steps to verify that you are an accredited investor within the last three months and has determined that such purchaser is an accredited investor.

Limited Offering of Units

Because units will be offered without registration under the Securities Act in reliance upon an exemption therefrom, a purchaser will be required to represent that he knows that the units have not been registered under the Securities Act, that he has no right to require registration under the Securities Act should he desire to resell the units, and that he understands that his right to transfer his units will be subject to restrictions in the Agreement against transfer.

How to Subscribe

An eligible investor may subscribe by properly completing, executing, and delivering the following to the Company:

- (a) An executed Subscription Agreement in the form attached as an exhibit to this Memorandum; and
- (b) Payment in an amount equal to the subscription amount of the Units to be purchased payable to the order of “Royale Energy.”

Subscriptions are payable in full in cash or cash equivalents in United States dollars at the time of subscription. No Subscription Agreement will be accepted after the Termination Date (including an extension thereof). The execution of the Subscription Agreement by an investor constitutes a binding offer to buy the securities subscribed for and an agreement to hold the offer open until the Subscription Agreement is accepted or rejected by the Company. Once an investor subscribes he or she will not have any revocation rights. The Company has the discretion to refuse to accept any Subscription Agreement without liability to the investor.

PROPOSED OPERATIONS

GENERAL

The company will acquire rights, geological and geophysical data and will drill and test the wells on a turnkey basis. The Company will serve as manager under the Turnkey Oil and Gas Drilling Agreement, and under an AAPL Form 610 Model Operating Agreement. Any or all of the Company’s duties as manager may be delegated by the Company to third parties; however, the Company will remain primarily responsible for the performance of such functions as long as it continues to serve as manager. In addition to actual operating costs, the Company will receive an industry standard Operator’s overhead. The overhead charge will be maintained in line with Council for Petroleum Accountants Societies (COPAS) guidelines.

A copy of the Turnkey Oil and Gas Drilling Agreement is attached to this Memorandum as Exhibit C. If the actual costs of drilling and completing the wells meet the estimated costs, the Company will retain the balance of the proceeds. However, if the drilling and completion costs are more than estimated, the Company will realize and bear the loss.

Upon completion of the wells, providing they are commercial and go into production, Royale Operating Company, a wholly owned division of Royale Energy, will receive fees in accordance with the Operating Agreement.

Title to Oil and Gas Rights

Following industry standards, the Company generally acquires oil and natural gas rights without warranty of title except as to claims made by, through, or under the transferor. In these cases, Royale Energy attempts to conduct due diligence as to the rights before the acquisition, but it cannot assure that there will be no losses resulting from title defects or from defects in the assignment of the rights. Title to property most often carries encumbrances, such as royalties, overriding royalties, carried and other similar interests, and contractual obligations, all of which are customary within the oil and natural gas industry. The Company expects to maintain legal title on the rights in which this program will invest for the benefit of participants and may not make individual assignments of title to each investor.

Duties of the Manager

The Company will serve as manager under the Turnkey Oil & Gas Drilling Agreement and the Operating Agreement. Any or all of the Company's duties as manager may be delegated by the Company to third parties; however, the Company will remain primarily responsible for the performance of such functions as long as it continues to serve as manager. In addition to actual operating costs, the Company will receive an industry standard Operator's overhead. The overhead charge will be maintained in line with Council for Petroleum Accountants Societies (COPAS) guidelines.

Participants will pay their proportionate share of operating expenses for the well. Operating expenses will be charged against revenues in accordance with generally accepted accounting procedures (GAP), and in accordance with the accounting procedures included in the Operating Agreement (COPAS). Each month the Company will, after deduction of operating expenses, distribute net operating revenues to each Participant in accordance with his prorated interest in accordance with the Operating Agreement. The Company will collect all net revenues from the sale of oil and gas production and pay them directly to the working interest owners, less operating expenses, royalties and production taxes.

Reservation of Right

We reserve the right to move a proposed well or substitute a comparable drilling site for a proposed well to be drilled in this venture if additional geological information is obtained or good title to any rights cannot be acquired. Any substituted well locations or drill sites will compare favorably with the general character of the Prospect described regarding degree of risk, drilling depth and cost.

Reports

The Company will maintain accurate records relating to all phases of the operations and will make them available to each Participant on reasonable notice at its offices. Progress reports will be mailed to Participants until such time as the Company determines that such reports and statements are no longer needed to fully inform Participants of the prospect's operations. During the actual drilling operations the Company will transmit to all Participants regular progress reports. The Company also will arrange for the preparation of information needed by Participants for the filing of tax returns, which will be transmitted within a reasonable period after the close of each calendar year.

The Company shall furnish the Investor an annual summary of activities including, but not limited to, information as to the Investor's working interest, revenue and other such similar information regarding Investor's participation. In addition, the Company shall provide Investor well updates, including: date of first sales' notice, total depth updates, and completion updates. Investor may reasonably request such other information from the Company to assist in evaluation of its investment.

Insurance

The Company has liability insurance with respect to drilling and managing the wells involved. Additionally, the Company will indemnify and hold harmless the working interest holders from any claims for damages in the project.

Restrictions on Assignment and Substitution of Units

It is understood and agreed that upon the execution hereof, the parties have agreed upon the wells to be drilled and their location (the prospect). It is further understood and agreed, however, that as a general practice upon the drilling and completion of the first well, or at any point during the drilling, should unfavorable engineering or geological conditions be encountered, or the prospect for any other reason be determined not to be economically feasible, then the Company may terminate the drilling of those particular rights.

In such case, any remaining sums, as not yet paid out at that time, may be used in the acquisition and drilling of another prospect or well. The percentage of ownership may be adjusted upward or downward to conform to the “equivalent cost” of drilling, and the selection of the prospect shall be at the Company’s sole discretion.

The Company shall be free to make sales or assignments of any other portion of its working interest as it may choose.

ASSESSMENTS AND ADDITIONAL OPERATIONS

Equipment Assessments: The Turnkey Oil and Gas Drilling Agreement for this program include such operation and equipment necessary for testing and completion of the initial primary target zone. In the event multiple potential pay zones are encountered in the wellbore, the Unit Holder shall have the right, but not the obligation, to participate in all additional zones and equipment on a pro-rata basis. When deemed necessary or prudent, the company will provide notice to the Unit Holder describing the proposed operation, cost and the timing or work to be performed, whereupon the Unit Holder shall have 30 days in which to elect to participate in such work and share in production and revenue, if any, from the resulting operation.

CONFLICTS OF INTEREST

The contemplated activities will involve decisions by us on behalf of ourselves and you, and such decisions will lack the benefits of arm’s length bargaining and will necessarily involve conflicts of interest.

Most of the areas of conflicts of interest which are described below are common to many oil and gas drilling programs.

Our Other Activities. We will be free to engage in other drilling projects, including projects in the area of the wells herein described. Participants will be allowed to participate in any such project in the area of the wells by providing us notice within 60 days of the offering of such project.

Receipt of Compensation Regardless of Profitability. We may receive compensation from drilling and operation of the wells regardless of whether the wells operate at a profit or a loss.

Independent Decisions by the Company. We decided on substantially all of the terms of this offering and of managing the wells prior to the beginning of the Offering. Such terms included, among others, the terms of the Drilling and Operating Agreement and estimations of the costs of drilling, testing and, if appropriate, completing of the proposed wells. These terms were not negotiated with the Participants and may be deemed to have been entered into without the benefit of arms-length negotiations.

Sale of Oil and/or Gas. Conflicts of interest may also arise in connection with the selling of production or of any portion of the properties by us at a later date. The right to allocate production among prospective purchasers, including the Company, and to negotiate the terms therefore may permit us to obtain other benefits. We will try to obtain the highest competitive price for any production obtained.

COMPETITION, MARKETS AND REGULATIONS

Competition. The oil and gas industry in the United States is highly competitive. Numerous companies and individuals are engaged in the domestic exploration for oil and gas. Many of the companies and individuals so engaged possess financial resources, facilities, and technical staffs far greater than those of the Company. The Program will encounter competition from both major oil companies and other independent contractors in its effort to secure drilling rigs and equipment necessary in the drilling and completion phases of the wells. Such competition may cause a substantial increase in drilling, completing and operating costs and the procurement costs for the rights and prospects. In addition to these increasing costs, the nonavailability of drilling rigs, tubular goods, drilling crews or certain vital equipment could significantly delay drilling operations.

Markets. The marketing of oil and gas produced by the wells and the price that they will bring in the marketplace will be influenced by a number of factors which are beyond the control of the Company. Neither can the effect of these factors be

accurately measured. These factors include the extent of domestic production and importation of oil and gas, actions by Organization of Petroleum Exporting Countries, the availability of adequate pipeline and other transportation facilities, the marketing of competitive fuels, and other matters effecting the pricing of production and the availability of a ready market, such as fluctuations in supply and demand and the effect of state and federal regulation of oil and natural gas and their substitute fuels. Consequently, there is no assurance that the Program will be able to market any oil or gas found at favorable prices. We, however, will endeavor to obtain the best competitive price for any oil and gas produced and sold to various purchasers.

State Regulation. California and other states regulate the production of oil and gas and the conduct of oil and gas operations. State laws and related regulations are generally intended to prevent waste of oil and gas and to protect the correlative rights and opportunities to produce oil and gases between owners of a common reservoir. The amount of oil produced is also regulated by the assignment of allowable rates or production to each well so producing. Additional state regulations require permits before wells are spotted, control well spacing, protect against waste, aid in the conservation of natural gas and oil, and guard against adverse environmental consequences. All permits necessary for Operations will be secured, or caused to be secured, by the Company.

PARTICIPATION IN COSTS AND REVENUES

The capital contributions for all costs prior to installation of production facilities are borne solely by the company from the proceeds of the offering together with corporate capital (i.e. debt, equity, cash flow).

Following the installation of production equipment, all costs, royalties, and revenue are shared proportionally by each party in the percentage described herein.

The distribution of proceeds will be made according to the proportionate share purchased. The revenue, if any, will be distributed monthly. The purchasers are acquiring a direct ownership interest in the wells and are not acquiring any interest in the Company itself. Accordingly, any profit or loss on this investment will be limited to the success or failure of the described wells. Distribution will represent both a return on investment and a return of the original capital invested by Participant.

REPORTS AND RECORDS

Financial Statements and Progress Reports. The Company will render drilling progress reports during drilling operations. The Company will then furnish monthly production reports and annually furnish working interest owners with the information necessary to enable each owner of the wells to file his Federal and State income tax returns.

Books and Records. The Company will maintain at its principal office and place of business, complete and accurate books of accounts and records of each well, including all agreements, instruments and other documents relating to the operations and activities of the wells.

Review and Audit. Upon request, each working interest owner and his duly authorized representative will, at all reasonable times during ordinary business hours and on reasonable notice, have access to such books and records directly relating to the activities conducted under this Memorandum. Such audit or review shall be conducted in the San Diego, California office of the Company during regular business hours. The right of audit and review shall terminate one (1) year from the expiration of this Agreement. Any working interest owner may, at his own expense, cause an audit of the books related to such owner's interest, to be made by a Certified Public Accountant of his own selection.



OIL DEVELOPMENT 2021 SUBSCRIPTION AGREEMENT

Royale Turnkey Oil and Gas Drilling Agreement Copy for file - do not mail in

Royale Energy (the "Company") conducts the principal business activities of exploration, development, production, and sale of oil and natural gas in the designated areas of mutual interest. This Agreement is made between the Company and the "Purchaser" whose name and signature appear on the signature page at the end of the Agreement.

INTRODUCTION

Purpose - the purpose of this Agreement is to allow the parties to conduct the business of exploring for oil and natural gas on or under the property subject to this Agreement, which is more fully described in the Private Placement Memorandum which is incorporated in this Agreement by reference. The business shall include, without limitation, the purchase, sale, acquisition, disposition, exploration, development, managing and production of oil and natural gas properties in the contract area under this Agreement and all things incident thereto. To accomplish this, the Company will sell to the Purchaser a "Working Interest" in the rights, which is the right in an oil and/or natural gas leasehold, which is burdened with a portion of the expenses of development, operation or maintenance of the property. The amount of the Working Interest is represented by Units, and the number of Units of the Working Interest that the Purchaser is purchasing is listed on the signature page.

It is understood that the total Working Interest is the net ownership of the oil and natural gas rights after deduction of any ownership attributable to any royalty or overriding royalty interest attributable to any particular rights, up to an 80% net revenue interest in the property. If the Company obtains more than an 80% net revenue interest in the property, the Company may, in its discretion, retain any ownership interest in excess of a total Working Interest equal to an 80% net revenue interest in the property.

The Purchaser desires to purchase a Working Interest from the Company in certain oil and natural gas rights described in the Private Placement Memorandum. Royale Energy has acquired the Working Interest in the oil and natural gas rights from which the Company agrees to convey to the Purchaser.

AGREEMENTS

In consideration of The Company's obligation to drill, test, log and complete the wells (including plugging and abandoning, if a dry hole) as provided herein ("Drilling Operations"), Purchaser agrees to pay the Company the full amount stated on the signature page for the indicated Unit investment (the "Turnkey Price").

TURNKEY DRILLING

The Company agrees to perform the Drilling Operations for the Turnkey Price as a fixed contract no-out total Turnkey Price per Unit as set forth in the Private Placement Memorandum. In the event that the actual costs incurred by the Company exceed the Turnkey Price per Unit, any such excess costs will be paid by the Company without recourse to the Purchaser. Similarly, if the actual costs incurred by the Company are less than the Turnkey Price per Unit set forth in this Agreement, any such difference between actual cost and the Turnkey Price shall be retained by the Company as profit for the services rendered and the risks assumed by it under this Agreement.

The Drilling Operations are to be performed in a diligent and workman-like manner with regard for the rights and interests of the Purchaser and other Working Interest owners. The Company agrees to abide by and comply with all State and Federal laws and regulations, together with all rules and regulations of any governmental agency having jurisdiction in the area or field in which such operations are performed.

The sums prepaid hereunder for intangible drilling costs, and other

costs are required to be prepaid as an advance and not as a refundable deposit for the purpose of providing immediate funds for obtaining rigs on a priority basis, allowing the drilling venture to proceed without delay on current prices before anticipated increases.

After completion of Drilling Operations (defined as connection to the meter on gas completion for each well and test separator for oil), all costs incurred in operating such wells shall be borne by the Purchaser together with the remaining working interest.

If the decision is made to plug such well within 90 days of reaching total depth, the Company shall do so under the turnkey contract.

For the purposes of this Contract, "connection to the meter for gas wells and test separator for oil wells" means that point in time when a well drilled under the terms hereof has been connected to the gathering line or tanks reached in such wells and Operator has completed his work thereon, except for plugging, if necessary.

DRILLING LOCATIONS

The proposed wells in this project are located on the oil and gas rights described in detail in the Private Placement Memorandum under "Technical Description."

The Company will choose the drilling sites on the rights. Completion will be attempted on the wells if the information obtained for the formation appears adequately positive. It is anticipated that the wells will be completed. However, there can be no assurance that any well will be commercially productive.

After production operations have commenced, the Company, at its sole discretion, may determine that the well is no longer commercial and proceed to abandon and plug such well. Upon abandonment of a producing well, the owners of the working interest shall share plugging expenses working interest owners in each well prorated to their percentage of ownership of that well, and any proceeds accruing from the sale of salvage equipment and casing shall be distributed in the same manner.

RIGHT OF SUBSTITUTION

It is understood and agreed that upon the execution hereof, the parties have agreed upon the wells to be drilled and their location.

It is further understood and agreed, however, that as a general practice upon the drilling and completion of the first well, or at any point during the drilling program, should adverse engineering or geological conditions be encountered, or the prospect for any other reason be determined not to be economically feasible, then the Company upon the advice and agreement of Operator may terminate the drilling of those rights.

In such case, any remaining sums as not yet paid out at that time may be used in the acquisition and drilling in another prospect or well having equivalent cost. The percentage of ownership may be adjusted upward or downward to conform to the "equivalent cost" of drilling and the selection of the prospect shall be at The Company's discretion.

TITLE TO PROPERTIES

The Company shall hold record title to all properties, if any, in the name of its affiliate, Royale DWI Investors, LLC. Purchaser agrees that all rights acquired are subject to any royalties and/or overriding royalties.

REASSIGNMENT AND SALE

The Company shall be free to make sales or assignments of any other portion of its Working and or Net Revenue Interest in the rights as it may choose. In the event the Company sells some or all of its' interest in any well, to a 3rd party, it shall have the right to sell Purchaser's interest. In the event of such a sale, the Company shall be required to pay Purchaser its' pro rata share of the proceeds on a Net Revenue Interest basis.

THE OPERATING AGREEMENT

All drilling, completion and production operations will be conducted pursuant to the terms of a model A.A.P.L. Form 610 Operating Agreement (the "Operating Agreement") which governs said activities on each drilling and spacing unit on an individual well basis. The Company will act as the manager under the Operating Agreement. Purchaser hereby consents to the entry of the Operating Agreement and appoints the Company as the Purchaser's attorney-in-fact to execute the Operating Agreement on the Purchaser's behalf. The Company shall provide the Purchaser with a copy of any proposed amendment to the Operating Agreement prior to entry of any such amendment.

The Company shall at all times have the right to sell and dedicate to any purchaser all of the oil and gas produced from any well drilled pursuant to this Agreement on the rights described on such terms and conditions as are permitted under the Operating Agreement, provided such price is not less than the prevailing price for gas being paid in the immediate area of the subject wells.

Proposed operations are more fully described in the Private Placement Memorandum under "Proposed Operations."

ASSESSMENTS

Equipment Assessments: The Turnkey Oil and Gas Drilling Agreement for this program include such operation and equipment necessary for testing and completion of the initial primary target zone. In the event multiple potential pay zones are encountered in the wellbore, the Unit Holder shall have the right, but not the obligation, to participate in all additional zones and equipment on a pro-rata basis. When deemed necessary or prudent, the company will provide notice to the Unit Holder describing the proposed operation, cost and the timing or work to be performed, whereupon the Unit Holder shall have 30 days in which to elect to participate in such work and share in production and revenue, if any, from the resulting operation.

CONFIDENTIALITY OF DATA

In connection with the drilling and operations of such wells, the Purchaser shall have full and complete access to the location, driller's logs, electrical logs, cores and any other information gained by the drilling of such wells.

All data, information, and other reports furnished under this Agreement and under the Operating Agreement shall be confidential, and Purchaser shall not disclose such information and agrees to exercise reasonable care and precautions to prevent the publication, dissemination, or disclosure of any such data, information, and reports or copies thereof to any third party, whomsoever.

RELATIONSHIP OF THE PARTIES

This Agreement is not construed as creating any kind of partnership relation between the undersigned and the Company or between the Purchaser and any other parties of Working Interest from the Company. The rights, duties and obligations of the parties hereunder shall at all times be solely as specified in this Agreement and shall under no circumstances be on any basis other than individual and not joint or collective. Each party shall be liable for only its' percent of ownership share of costs incurred.

ASSIGNMENT

This Agreement shall be binding upon the parties hereto, their heirs and assigns, with the terms and provisions hereof constituting covenants running with the title to the Oil and Gas rights.

REPORTS

Financial Statements and Progress Reports. The Company will render drilling progress reports during drilling operations. The Company will then furnish monthly production reports and annually furnish working interest owners with the information necessary to enable each owner of the wells to file his Federal and State income tax returns.

Books and Records. The Company will maintain at its principal office and place of business, complete and accurate books of accounts and records of each well, including all agreements, instruments and other documents relating to the operations and activities of the wells.

Review and Audit. Upon request, each Working Interest owner and his duly authorized representative will, at all reasonable times during ordinary business hours and on reasonable notice, have access to such books and records directly relating to the activities conducted under this Memorandum. Such audit or review shall be conducted in the San Diego, California office of the Company during regular business hours. The right of audit and review shall terminate one (1) year from the expiration of this Agreement. Any working interest owner may, at his own expense, cause an audit of the books related to such owner's interest, to be made by a Certified Public Accountant of his own selection.

SEVERABILITY

In the event that any provision hereof or any portion of any provision hereof shall be deemed invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of said provision, nor shall it affect, prejudice, or disturb any other provision in this Agreement, as each provision hereof shall be deemed to be severable.

BINDING

This Agreement and the interest and rights transferred herein shall inure to the benefit and be binding upon the parties hereto, their successors and their assigns.

OTHER INSTRUMENTS

The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may be necessary or convenient to effectuate and carry out this Agreement, and that such documents are an integral part of this agreement.

PURCHASER'S REPRESENTATIONS AND WARRANTIES

The undersigned represents and warrants:

A) Accredited Suitability: The units are intended to be exempt from registration under the Securities Act and applicable state securities laws, pursuant to the exemption from registration requirements contained in Rule 506(c) of the Securities and Exchange Commission. Investment in the units is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in such an investment.

Sales will be made only to accredited investors, as that term is defined in Regulation D, Rule 501, promulgated by the Securities and Exchange Commission. Rule 501 defines accredited investors, and the undersigned warrants that they are one of the following:

an individual with a net worth of at least \$1 million, not including the value of his or her primary residence;

OR

an individual with income exceeding \$200,000 in each of the two most recent calendar years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;

OR

a tax exempt charitable organization, corporation or partnership with assets in excess of \$5 million;

OR

an enterprise in which all the equity owners are accredited investors;

OR

a trust with assets of at least \$5 million, not formed only to acquire the securities offered, and whose purchases are directed by a person who meets the legal standard of having sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment.

Rule 506(c) requires the Company to take reasonable steps to verify that each purchaser qualifies as an accredited investor. Specifically, Rule 506 (c) requires us to collect documentary information from you to determine whether you are an accredited investor, or to obtain independent verification of your status from a third party securities broker, investment adviser, lawyer or certified public accountant. It is possible that you were not required to submit this type of information in past offerings in which you have participated. However, the nature of this offering and the requirements of Rule 506(c) impose these additional obligations on the Company. We are required to collect and the undersigned agrees to provide one of the following as a condition of accepting the subscription:

Verification based on income, by providing copies of any Internal Revenue Service form that reports income, such as Form W-2, Form 1099, Schedule K-1 of Form 1065, and a filed Form 1040;

OR

Verification on net worth, by providing specific types of documentation dated within the prior three months, such as bank statements, brokerage statements, certificates of deposit, tax assessments and a credit report from at least one of the nationwide consumer reporting agencies, and obtaining a written representation;

OR

A written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney or a certified public accountant stating that such person or entity has taken reasonable steps to verify that you are an accredited investor within the last three months and has determined that such purchaser is an accredited investor.

B) That the undersigned will be the beneficial owner of the Units to be sold; and that they are acquiring the Units for their own account, for investment, and with no intention of distributing, reselling, pledging, or otherwise disposing of the Units to any other person; and that they will not, in any event, sell the Units within 12 months after the date of purchase.

C) That the undersigned is aware that there is no public market for the Units and it may therefore not be possible to readily liquidate the investment; and that the undersigned is able to bear the financial risk of the absence of liquidity of the investment.

D) That the undersigned recognizes the speculative nature and inherent risks involved in the investment, and they have taken full cognizance of and understand all of the risk factors relevant to an investment in the program; specifically, including the risk factors set forth under the caption "Risk Factors" in the Private Placement Memorandum.

E) That the undersigned is aware that no Federal or State agency has

made any finding or determination as to the fairness for public or private investment, nor any recommendation or endorsement of the Interests.

F) That the undersigned and his Purchaser Representative (if required) have been furnished and have carefully read and understand the Confidential Private Placement Memorandum relating to the offering of the Units (including all appendices thereto) and have had access to all such appendices and other information material to this investment. They further represent that they and their Purchaser Representative (if required) have been given the opportunity to ask questions and receive answers thereto concerning the terms and conditions of this offering and all aspects of this investment, and have been afforded an opportunity to obtain any additional information necessary to verify the accuracy of the information furnished, and no statement, printed material, or inducement given or made by the offeror is contrary to the information contained in the Confidential Private Placement Memorandum.

G) That the undersigned recognizes that there is no assurance that the Internal Revenue Code or the Regulations promulgated thereunder will not be interpreted adversely or changed by legislative action and may hereafter be interpreted or amended in such a manner as to deprive the participants of any tax benefit they may contemplate receiving or may now receive.

H) That the undersigned has such knowledge and experience in financial and business matters and in similar programs and investments as will enable them to utilize the information that is available in connection with the offering of the Units in order to evaluate the risks and merits of this particular investment and thus make an informed investment decision; or that he, or their Purchaser Representative, has such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment and that they are able to bear the economic risk of the investment, which includes the possibility of losing the entire investment. The Subscriber hereby represents that the Purchaser understands the fundamental aspects of this offering, including the risks. This Contract is entered into in the State of California, and all matters relating to the validity, construction, interpretation and performance thereunder shall be determined in accordance with the laws of the State of California in San Diego. The parties agree that any disputes arising under this Agreement will be submitted to resolution in that in accordance with the applicable rules of the American Arbitration Association. The parties agree that the arbitration will take place in San Diego County, California. It is further understood and agreed between the parties that all sums due and payable hereunder are due and payable in San Diego, California. It is agreed that the rights, titles and interests of each party hereto shall be fully transferable and assignable in whole or in part provided, however, that each party hereto will remain primarily liable and responsible for the performance of the duties, responsibilities and obligations undertaken by it under the terms of this Contract.

Please indicate your acceptance hereof by signing the following signature page in the space provided and return the signed agreement, verification documents, along with a completed check for the proper amount made payable to ROYALE ENERGY. Upon acceptance of your investment by the Company, the Turnkey Agreement will be fully executed, and a copy returned to you for your records upon receipt of investment payment.

