



ROYALE ENERGY, INC.

*A Growth-Oriented Independent
Exploration & Production Company*



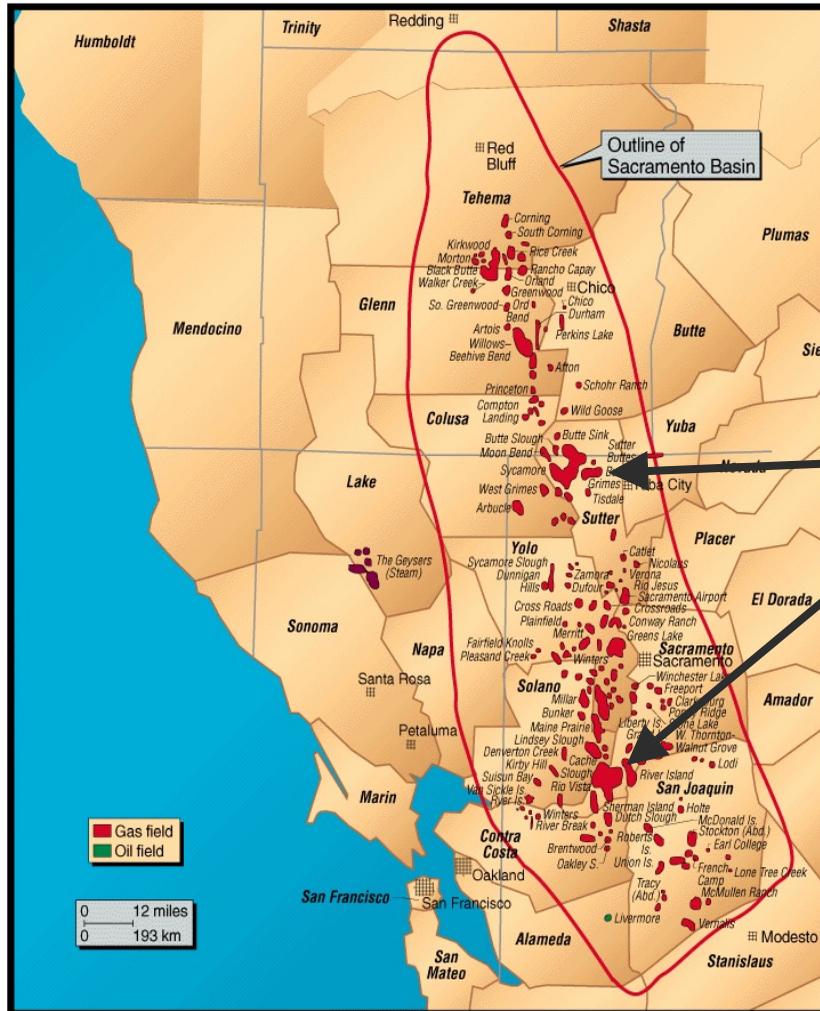
*Royale Energy's 2020 Operation Summary
Compared to 2019 10K*



Summary of Royale Energy Inc

- Royale and its subsidiaries (“The Company”) own wells and leases in California’s Sacramento, San Joaquin and Los Angeles Basins and in Texas’s Permian Basin.
- The Company also has assets in Utah, Colorado, Louisiana and Alaska.
- As of the end of Q4, 2020, Royale still maintains a Joint Venture Agreement project with California Resources Production Corporation (CRPC) in the Rio Vista Field, Sacramento Basin. Royale has 12 jointly-owned wells in the field. Joint venture drilling in the field was suspended in 2020 due to low natural gas prices. The Rio Vista Field, in the Sacramento Basin, is a 4 TCF (Trillion Cubic Feet) natural gas field, that extends over an area of 80 square miles.
- As of the end of Q4, 2020, Royale has participated in 5 wells in the CA Sansinena Field in a Joint Operating Area Project with RMX Resources, LLC. The Sansinena Field, in the LA Basin, is a 60-million-barrel produced to date oil field, that extends over an area of 3 square miles.
- As of the end of Q4, 2020, Royale has drilled 4 drilling well locations in the Jameson North Field (JNF) in Texas. Royale acquired JNF in 2018 and owns a 100% operated working interest. JNF is located in the eastern Permian Basin and extends over an area of 10 square miles.
- Prospective East LA Asset Sale – On June 24, 2020, Royale and RMX Resources, LLC entered into a Purchase and Sale Agreement to sell a portion of property jointly owned by Royale and RMX, designated East LA Field assets, as located in Los Angeles County, California. The gross sale price of \$2,000,000 was attained and the net proceeds allocated to Royale at close will be \$1,000,000.

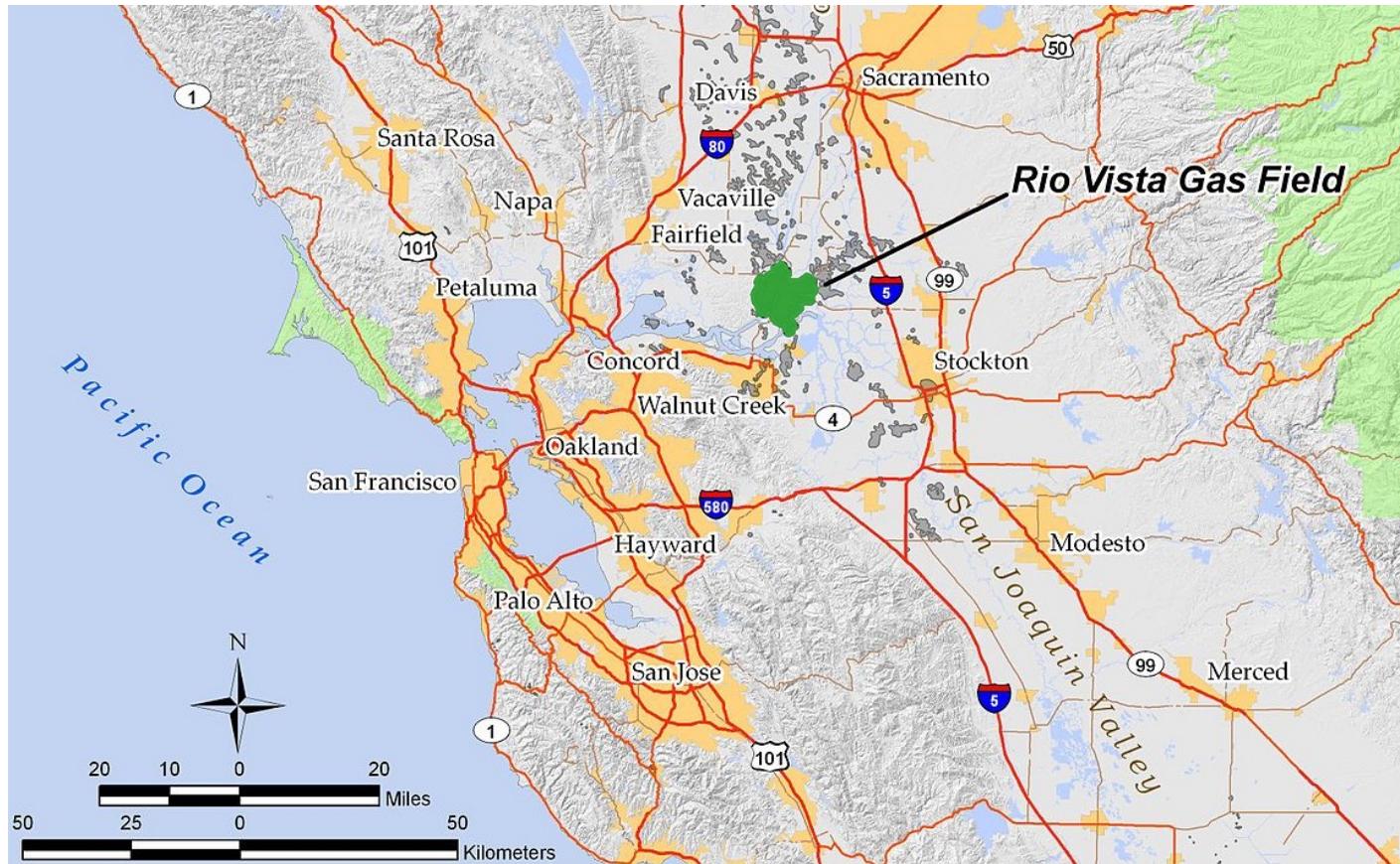
Focus Area – Sacramento Basin North CA



Legacy Area Royale:

- The Sac Basin is a legacy area of expertise for Royale.
- Royale has owned interest in up to 9 gas fields as of Q4 2020.
- The primary area of interests for the Company are the Grimes Gas Field area and the Rio Vista Field. As of the end of 2020, Royale operates 12 wells in the Basin and has %-interests in 21 non-operated wells.
- Since 1993, Royale has focused on drilling wells and developing gas reserves in the Sacramento Basin
- The Basin is considered a lower drilling risk relative to finding commercial quantities on natural gas through the use 3D seismic and abundant offset well data.

Location Rio Vista Gas Field



Highlights of the Rio Vista Gas Field – Sacramento Basin, CA

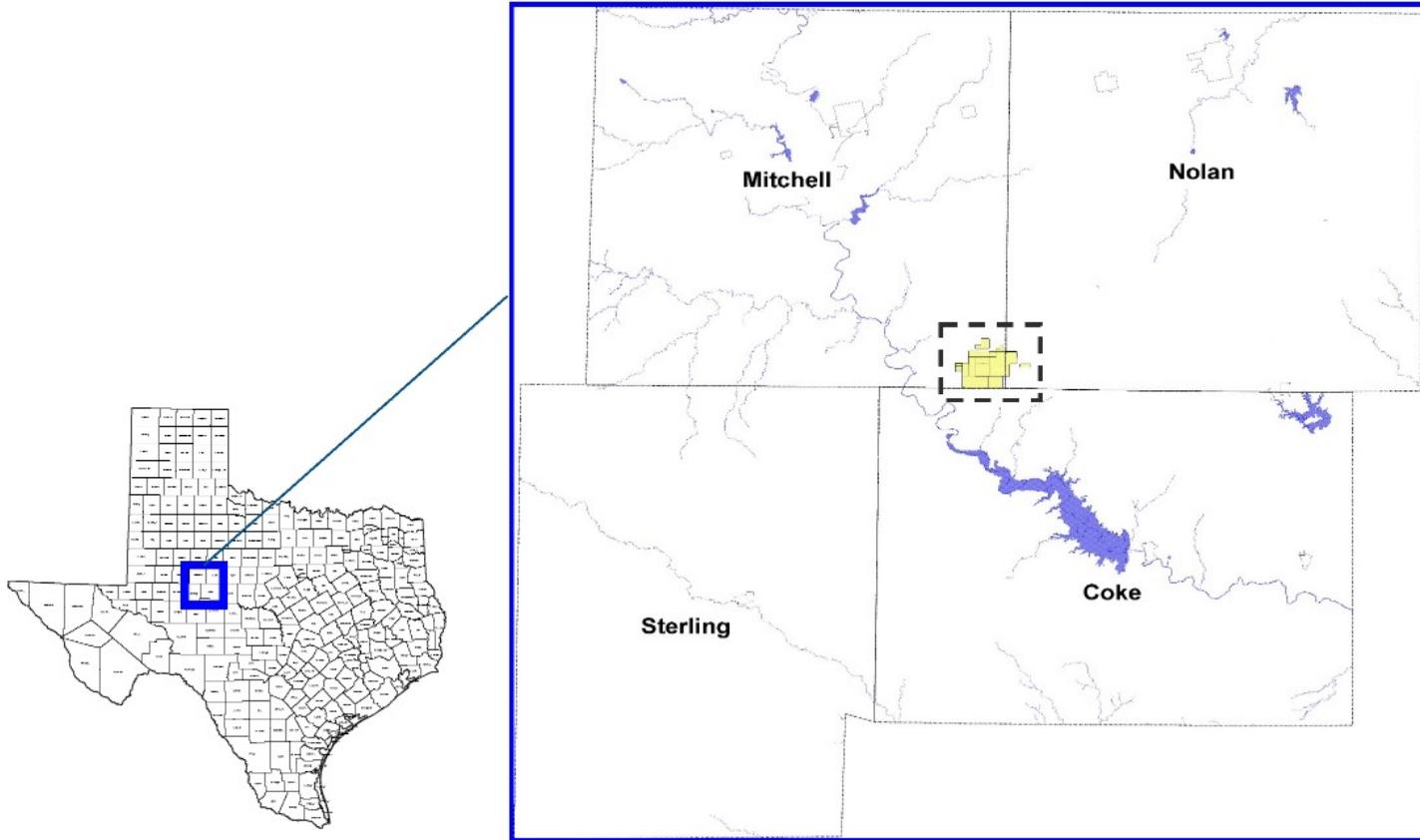
Field Highlights

- Discovered in 1936, it is the largest non-associated natural gas field (no oil zones) in California.
- Field has produced approximately 4 TCF thru 2019 from approximately 250 wells.
- The field covers a production area of approximately 75 square miles.
- Production occurs from more than 15 different gas zones between depths of approximately 2,500 to 10,000 feet.
- A 3D-seismic survey acquired in 1996 improved efficiency of infill field development.
- Since 1936, several successful infill development wells have been drilled by multiple companies.
- The field today has numerous potential infill drill locations.

Ownership

- Royale has a Joint Operating Participation Area with California Petroleum Resources Corporation (CRPC) that covers the entire field.
- In 2020, the venture did not drill wells with Royale due to low gas prices.
- Royale owns 60% gross WI in 12 wells drilled since 2016.

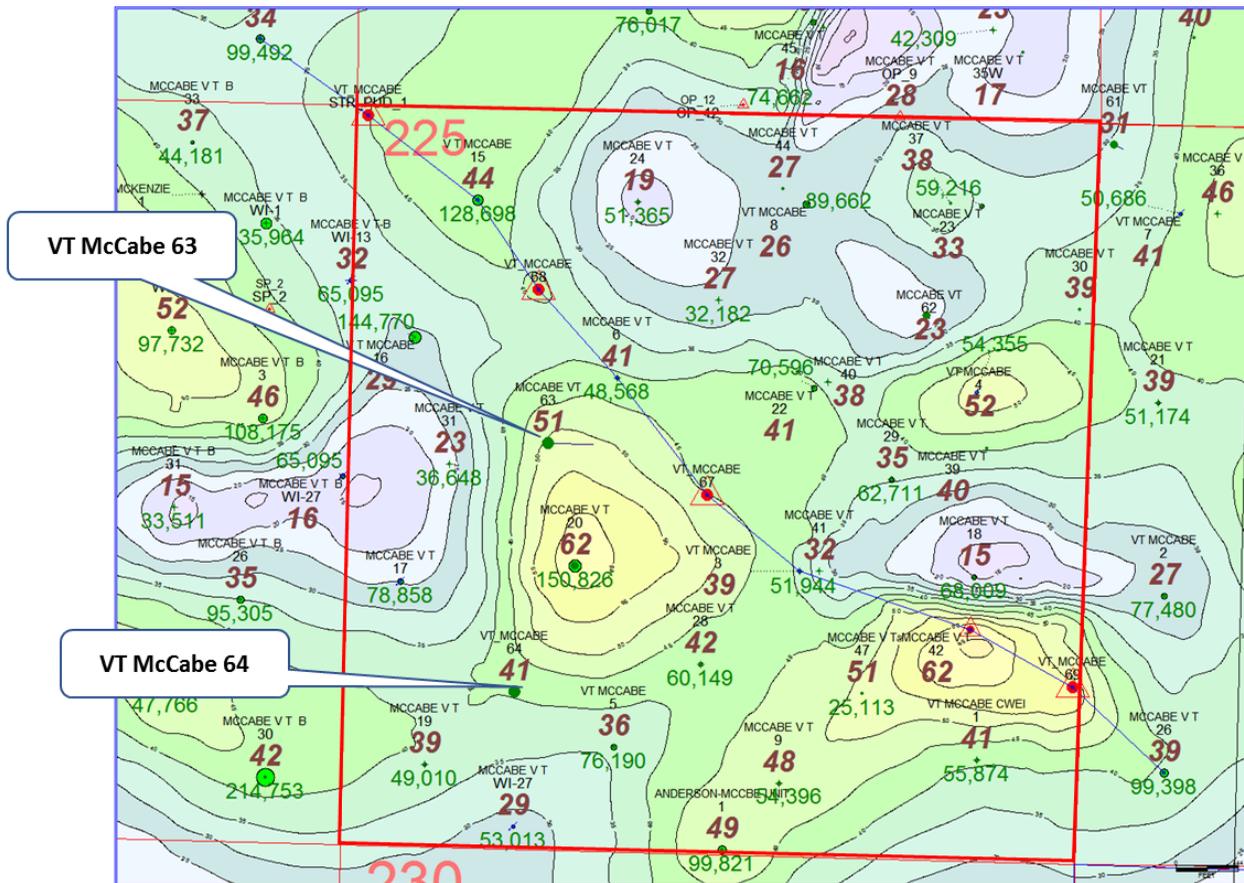
Location of Jameson North Oil Field (JNF)



Strawn Formation Map – Production wells (green); red triangles – potential drill locations

VT McCabe Lease Section 225

Average *Net Pay Thickness* (feet)
All Strawn Pay from well data only



Jameson North Field (JNF)

- Royale operated 100%
- Oil well with cumulative barrels of oil (green) from the Strawn zone completion
- A potential Strawn infill drill prospect location shown as a red triangle
- Royale Drilled well VT McCabe 63
- Royale Drilled well VT McCabe 64
- Map is net thickness of Strawn pay sand contours

NW-SE Section Line shown in blue

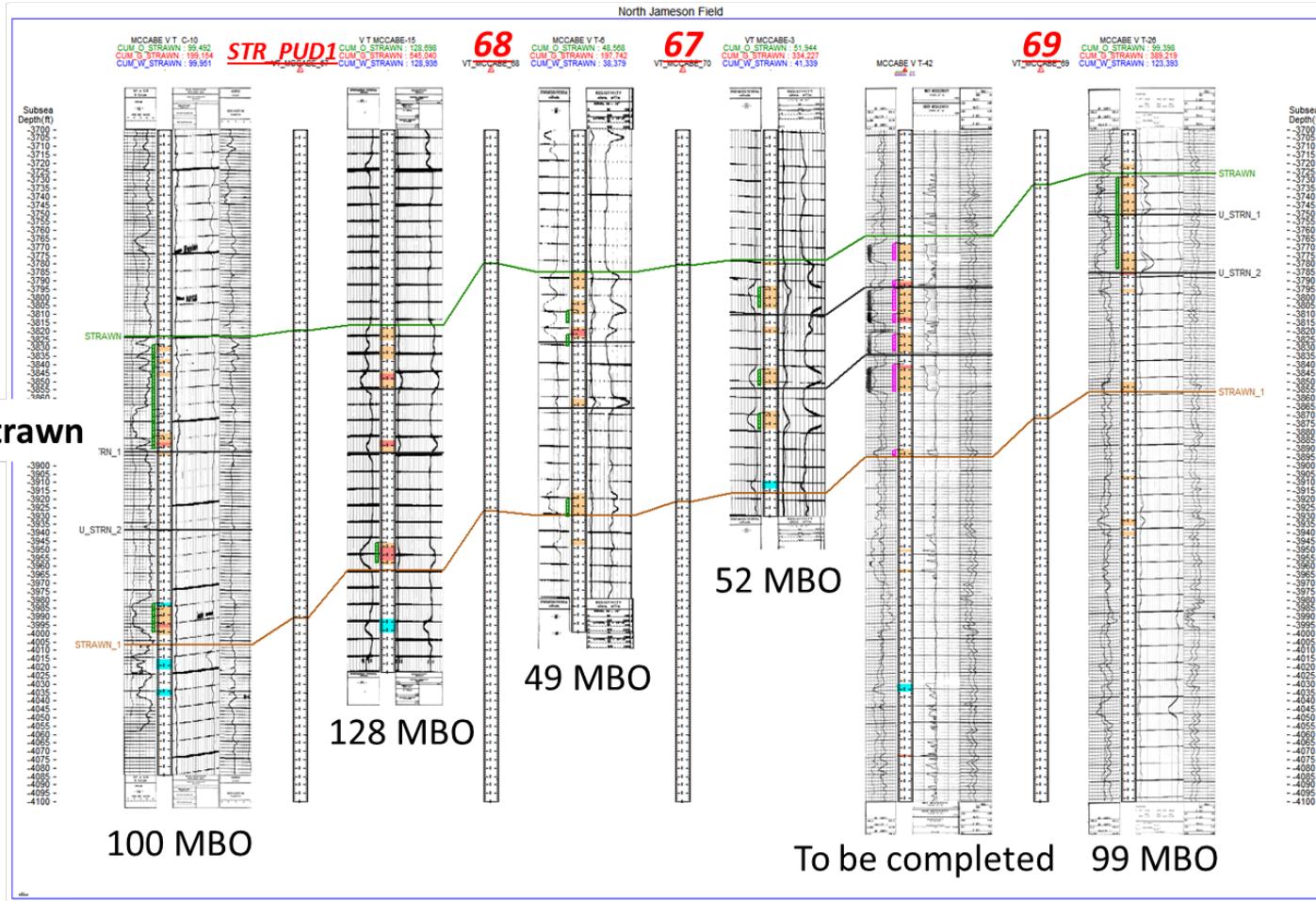
Strawn Cross Section – Red Labels: potential drill locations. Well Cumulative Oil below wells

NW

VT McCabe Lease Section 225

Well Log Cross-section

SE



4 Strawn prospects and offset cumulative Upper Strawn production



Jameson North Oil Field

Field Highlights

- Located near Colorado City, TX .
- Currently operated by Royale Energy.
- Lease acres in 11 sections – 7,465 gross acres HBP, no surface fee 84.2% NRI.
- Total Lease Cumulative Production: 10 MMBO, 10 BCF since 1976.
- The field has multiple possible drill locations (red triangles on map),

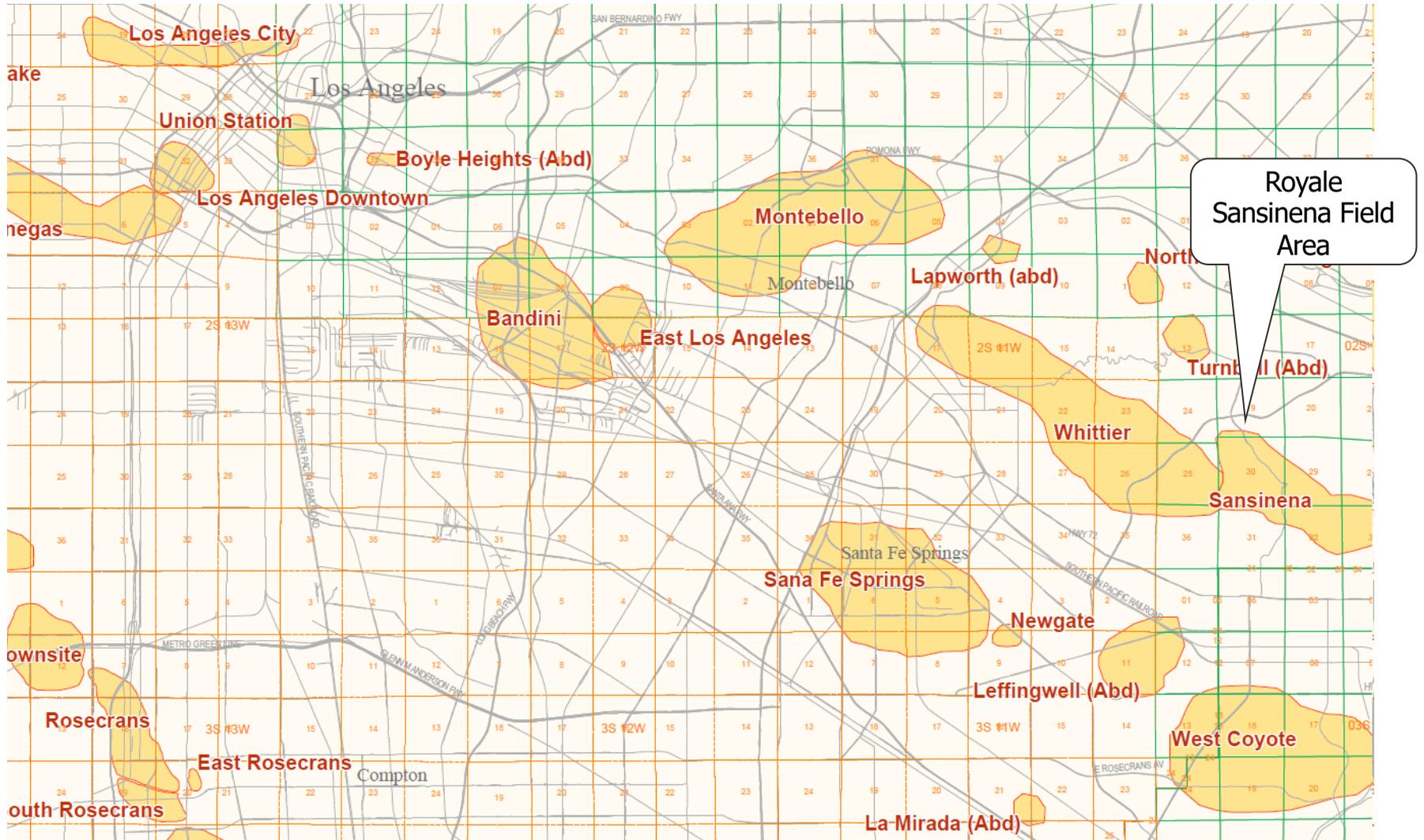
Ownership

- Royale Energy currently owns 100% WI.

Reservoir

- Jameson North Field is a small field extension of the larger Jameson Field, which was developed by Shell to the south in the early 1950s as a Strawn sand and reef play; - JNF was identified in 1976.
- Strawn SS – Porosity of 12-24%; moderate perm of 100 to 300 md (marine sand).
- Odom and Ellenburger are also producers in the lease area.
- Weak water drive and depletion: 42 to 52-degree gravity oil and 1200+ BTU gas.

Location of Sansinena Oil Field – LA Basin





Sansinena Strategic Points

Field Highlights

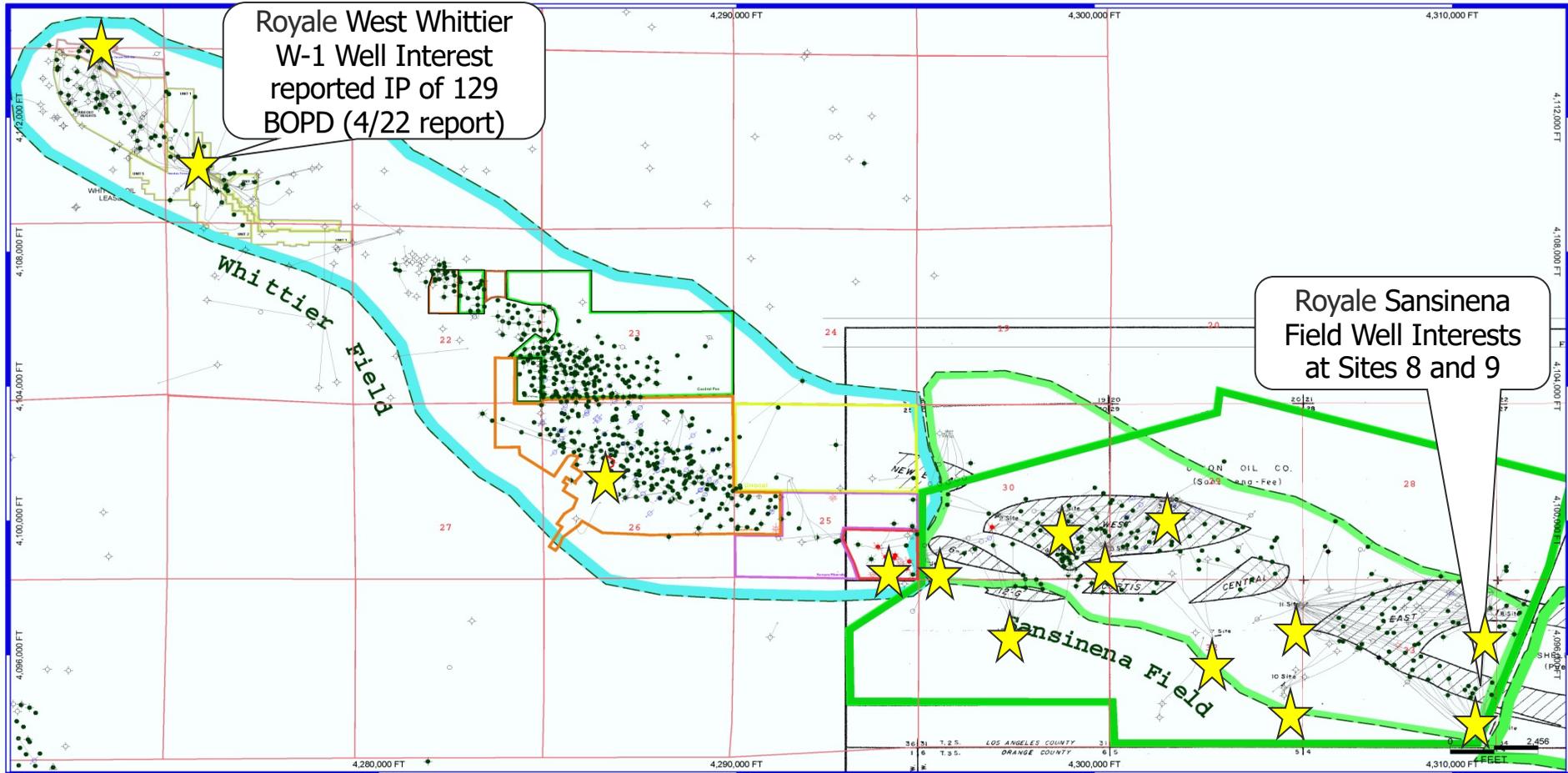
- Discovered in 1890, the field is part of a 30-mile-long oil field complex in the eastern LA Basin.
- Sansinena is 3 miles long and is a structural trap. It has approximately 900 Million BO (barrels oil) in place with an estimated recovery projection of oil of approximately 160 million BO.
- The field has a thick oil column of over 4,000 ft. in height located in many sandstone reservoirs.
- The field produces 15 to 32 gravity oil and associated natural gas with the oil.
- Historically the field has produced 60 million BO which is only an estimated 8 percent of the oil in place under the ground. Wells in excess of one million barrels each are documented.
- The current operating team has delineated approximately 70 viable infill drill locations.

Ownership

- Royale has a Joint Operating Participation Area that covers the entire field.
- As of Q3, 2020, Royale has participated in the drilling of 5 wells.
- Ownership to Royale in the 5 wells drilled is 10.0%-25% WI.

Location of Sansinena and Whittier Fields

Drilling/Production Sites are shown as yellow stars



Results of Operations as of December 31, 2020

- In late 2019 and continuing into the end of 2020, the global outbreak of Covid-19 resulted in significant impact to the oil and gas industry that caused business slowdowns and lower oil and gas prices.
- For 2020, Royale a net loss of \$8,148,147 compared to a net loss of \$348,383 for 2019.
- For 2020, revenues from oil and gas production decreased \$786,472 or 33.8% to \$1,542,803 from the 2019 revenue of \$2,329,275.
- Oil and natural gas lease operating expenses decreased by \$366,865 or 20.8% to \$1,397,673 for the year ended December 31, 2020 from \$1,764,538 for the year 2019.
- Depreciation, depletion and amortization expense increased to \$473,647 from \$468,143, an increase of \$5,504 or 1.2% for the year ended December 31, 2020 as compared to the full year 2019.
- As of December 31, 2020, Royale had a Deferred Drilling Obligation of \$3,127,500.
- General and Administrative expenses increased \$117,413 or 5.9% from \$1,991,819 for the year ended December 31, 2019 to \$2,109,232 for the year ended 2020.
- During the first nine months of 2020, Royale recorded a loss of \$6,185,995, on investment in joint venture as our 20% share of RMX Resources, LLC compared to a loss of \$397,936 for the same period in 2019.
- Bad debt expense for 2020 and 2019 were \$1,008,003 and \$60,512, respectively.
- Interest expense decreased to \$12,949 for year end 2020 as compared to \$20,559 for same period in 2019.

Summary of Drilling Results for 2019 and Company Stated Reserves

- As of the end of Q4, 2020, Royale had drilled 5 combined oil and natural gas prospects in 2020.
- All new reserves for and drill activity are determined by year end as reviewed by 3rd party auditor, Netherland Sewell and Associates (NSAI).
- As of December 31, 2020, Royale had proved developed reserves of 691,831 MCF and total proved reserves of 2,660,456 MCF of natural gas on all the properties of Royale leases.
- As of December 31, 2020, Royale also had proved developed oil and natural gas liquids of 224,893 barrels and total proved oil and natural gas liquid combined reserves of 1,540,968 barrels.



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