
Press Release

18 June 2012

**Regal Petroleum Plc
("Regal" or the "Company")**

Ukraine Operations Update

Regal Petroleum plc (AIM: RPT), the AIM-listed oil and gas exploration and production group, is pleased to provide an update on operational activities at its 100% owned and operated Mekhediviska-Golotvshinska (MEX-GOL) and Svyrydivske (SV) gas and condensate fields in Ukraine.

The Company's Ukrainian gas and condensate production for the period 1 April 2012 to 17 June 2012 averaged 195,632 m³/d of gas and 46 m³/d of condensate (1,507 boepd in aggregate). The Company continues to benefit from the relatively strong gas prices in Ukraine.

The Company's investment programme for 2012, which is designed to continue the development of its MEX-GOL and SV fields, is underway and includes the drilling of 2 new wells, the work-over of 3 existing wells and upgrades to its processing facilities. This programme is being funded from existing cash and operational revenues.

The SV-53 well was spudded on 28 February 2012. The well is scheduled to take 400 days to reach its target depth of 5,450 metres and is targeting the Visean reservoirs ("B-Sands"). The well is currently drilling at a depth of 4,032 metres.

The MEX-105 well was spudded on 17 April 2012. The well is scheduled to take 350 days to reach its target depth of 5,250 metres and is also targeting the B-Sands. The well is currently drilling at a depth of 2,250 metres.

The Company has completed the first of 3 scheduled work-overs of existing wells designed to enhance production performance of these wells, with the SV-66 well now back on production following its work-over. An upgrade of methanol equipment at 2 existing wells is also planned to commence later in 2012.

In addition, the MEX-3 well suffered water ingress which has caused production to cease from the well, and as a result work-over operations designed to shut off the water ingress have commenced. Currently the production tubing has been pulled to investigate the cause of the water ingress, with significant corrosion being noted on the production tubing. It is now planned to further investigate the condition of the production casing, and subject to the results of such investigation, to undertake remedial work, including the replacement of the production tubing.

Preparatory work on the upgrade of the Company's gas treatment facility is progressing. These upgrade works are designed to enhance the facility's overall efficiency and incorporate compression equipment, and additional upgrade work is planned to provide for LPG recovery.

For further information, please contact:

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Joe Staffurth, BSc Geology, PESGB, AAPG, consultant to the Company, has reviewed and approved the technical information contained within this press release in his capacity as a qualified person, as required under the AIM Rules.

Definitions

boepd	barrels of oil equivalent per day
LPG	liquefied petroleum gas
m ³ /d	cubic metres per day