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## Press Release

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16 November 2017

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

**Response to media reports regarding  
Ukrainian Tax Authorities searches**

Regal Petroleum plc (AIM: RPT), the AIM-quoted oil and gas exploration and production group, notes recent local press and media reports regarding actions against Regal group companies in Ukraine by the Ukrainian Tax Authorities ("Tax Authorities") and can confirm that its premises in Ukraine were the subject of searches and seizures by the Tax Authorities on 10 November 2017.

On that date, officials from the Tax Authorities entered Regal's offices in Kiev and its operations office and warehouse in Yakhnyky, where its Mekhediviska-Golotvshinska ("MEX-GOL") and Svyrydivske ("SV") fields are located. During the searches, the officials from the Tax Authorities inspected and removed certain documents. The officials also served an order impounding certain equipment at the Company's warehouse in Yakhnyky. This equipment comprises stock of spare parts and equipment for the MEX-GOL and SV field operations and inventory equipment for future field development projects. In addition, the Tax Authorities have suspended the VAT registration of one of the Company's subsidiaries, which affects the subsidiary's ability to issue VAT invoices and creates additional accounting administration for this subsidiary and its contractual counterparties.

At this time, the Company's business activities continue normally and the actions of the Tax Authorities have not impacted ongoing operations at the Company's fields.

The Company has reviewed the documentation provided by the Tax Authorities to support the searches and impounding of equipment, and considers the stated grounds for such searches and impounding to be entirely unjustified and without any foundation. Furthermore, the Company considers the manner in which the searches were conducted to be in contravention of Ukrainian law in a significant number of areas. The Company considers that these types of events are unhelpful and detrimental to the overall business investment climate in Ukraine.

Regal has instructed its Ukrainian legal counsel to take all appropriate action to protect its rights and to challenge the actions of the Tax Authorities through the Ukrainian Courts.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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