

**ROYALE ENERGY, INC.**





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**OVERSEAS**



THE OXFORD CLUB

SILVER ANNIVERSARY CERTIFICATE  
PRESENTED TO

**Royale Energy**

IN DEEP APPRECIATION OF YOUR MANY OUTSTANDING  
CONTRIBUTIONS TO THE OXFORD CLUB'S 25+ YEARS OF SUCCESS.

THANK YOU FOR YOUR GENIUS IDEAS, TALENTED  
COMMUNICATIONS AND THOUGHTFUL GUIDANCE.

JULIA C. GUTH  
MARCH 2015

# MONEYSHOW®

INVEST SMARTER, TRADE WISER

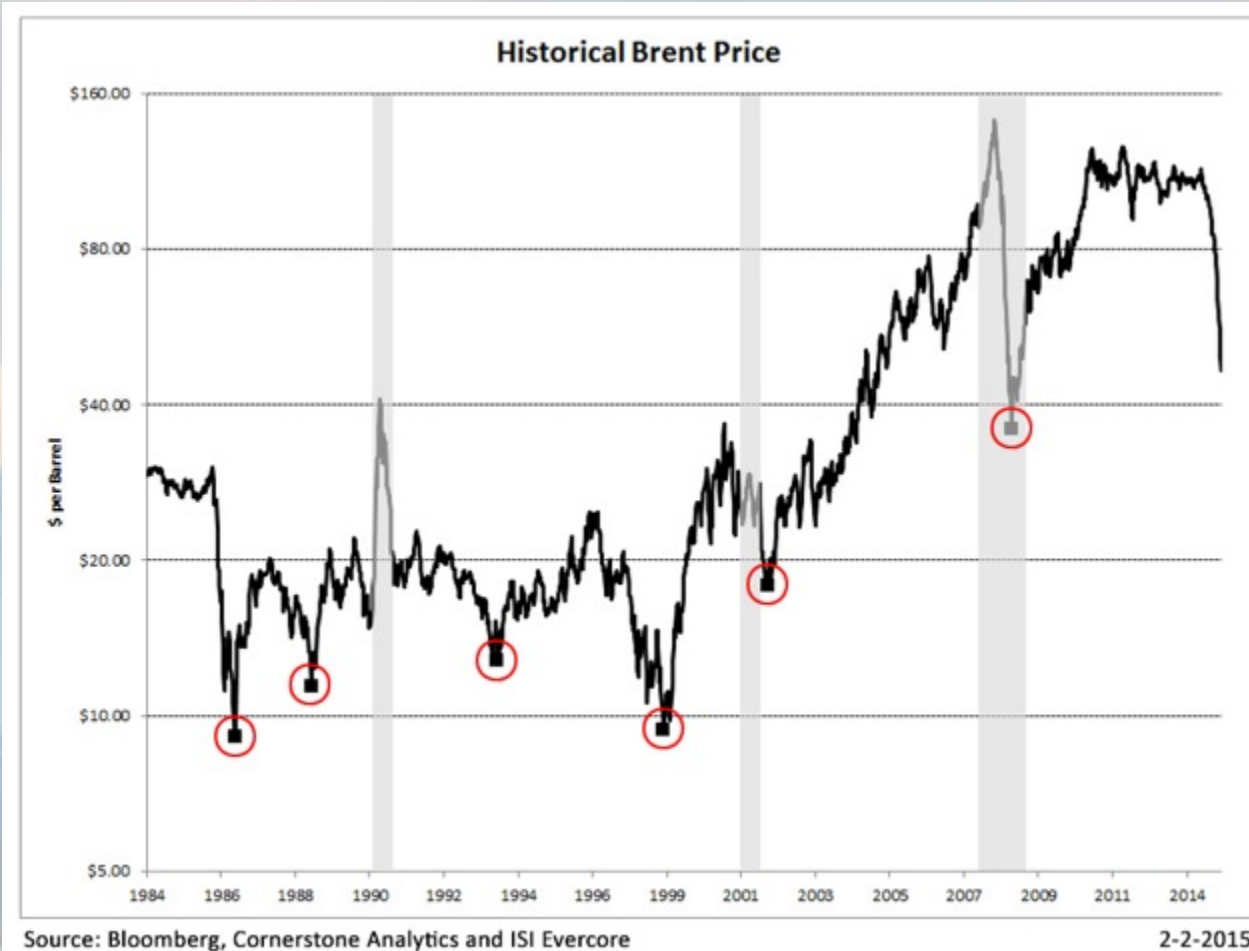


**Royale Energy MoneyShow  
Sponsor Since 1985**

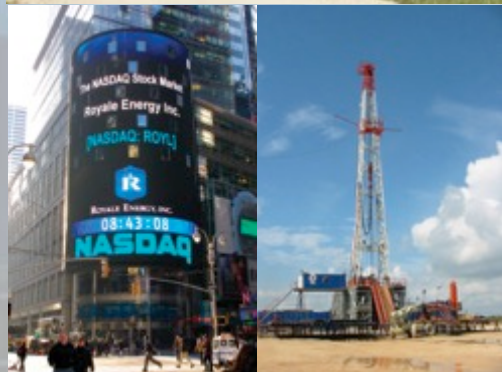
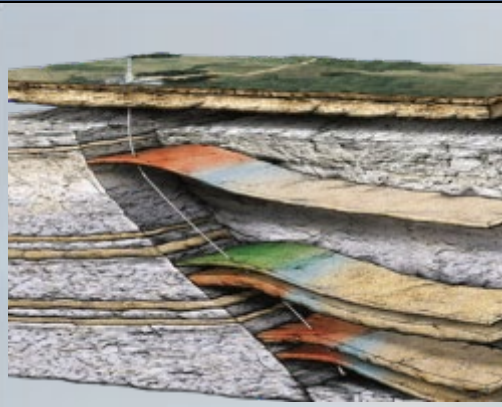


# Bloomberg

Since 1984, Brent has had six major moves down. All of them were followed by a V-shaped recovery!



We expect the supply response to be faster today than in previous cycles as the world is more dependent on oil from shale wells, which have a higher base decline rate than conventional oil wells. We have already seen the oil rig count fall by 24% (386 rigs) from the Q4 highs. We saw a similar move in 2008 when the oil rig count fell 23% in three months, but that was when the peak was 442 rigs compared to over 1,600 rigs in October











# Occidental Petroleum Completes Spin-off of California Resources Corporation (CRC)

HOUSTON, December 1, 2014- Occidental (NYSE:OXY) today announced it has completed the spin-off of its subsidiary California Resources Corporation (NYSE:CRC). California Resources, which begins “regular way” trading today on the New York Stock Exchange as a stand-alone company, is an independent oil and natural gas exploration and production company focused on high-growth, high-return conventional and unconventional assets exclusively in California.



## Royale Energy Reaches Development Agreement

San Diego, October 8, 2015 - Royale Energy, Inc. today announced that it has reached an agreement, with a major independent exploration and production company, to develop 1,300 acres in the Sacramento Basin Grimes Field. This agreement allows Royale to drill up to three wells targeting a 3D seismically defined amplitude. The seismic event is clearly correlated to the nearby productive natural gas horizon and shows a sizable target with multiple well follow up potential.

Royale is pleased to enter into the first of what it believes to be a series of development opportunities with an industry participant of this caliber.

“I am excited to have the opportunity to establish a relationship of this nature,” said Stephen Hosmer, “and look forward to the reserve and production growth for both of our companies.”



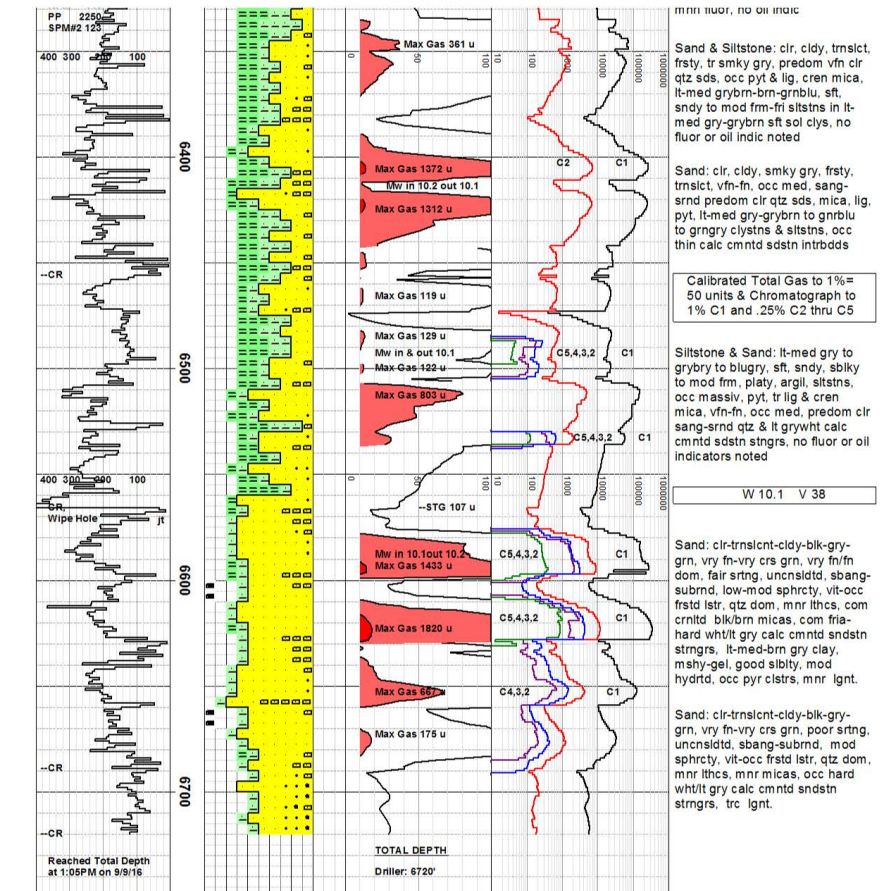
## Royale Energy Expands Development Agreement

San Diego, October 22, 2018 - Royale Energy, Inc. today announced that it has reached an agreement with California Resources Corporation (CRC) to expand their joint development agreement to include the Rio Vista field. The Rio Vista field is the largest natural gas field in California and the 15th largest in the country.



### CRC RVGU #8-1

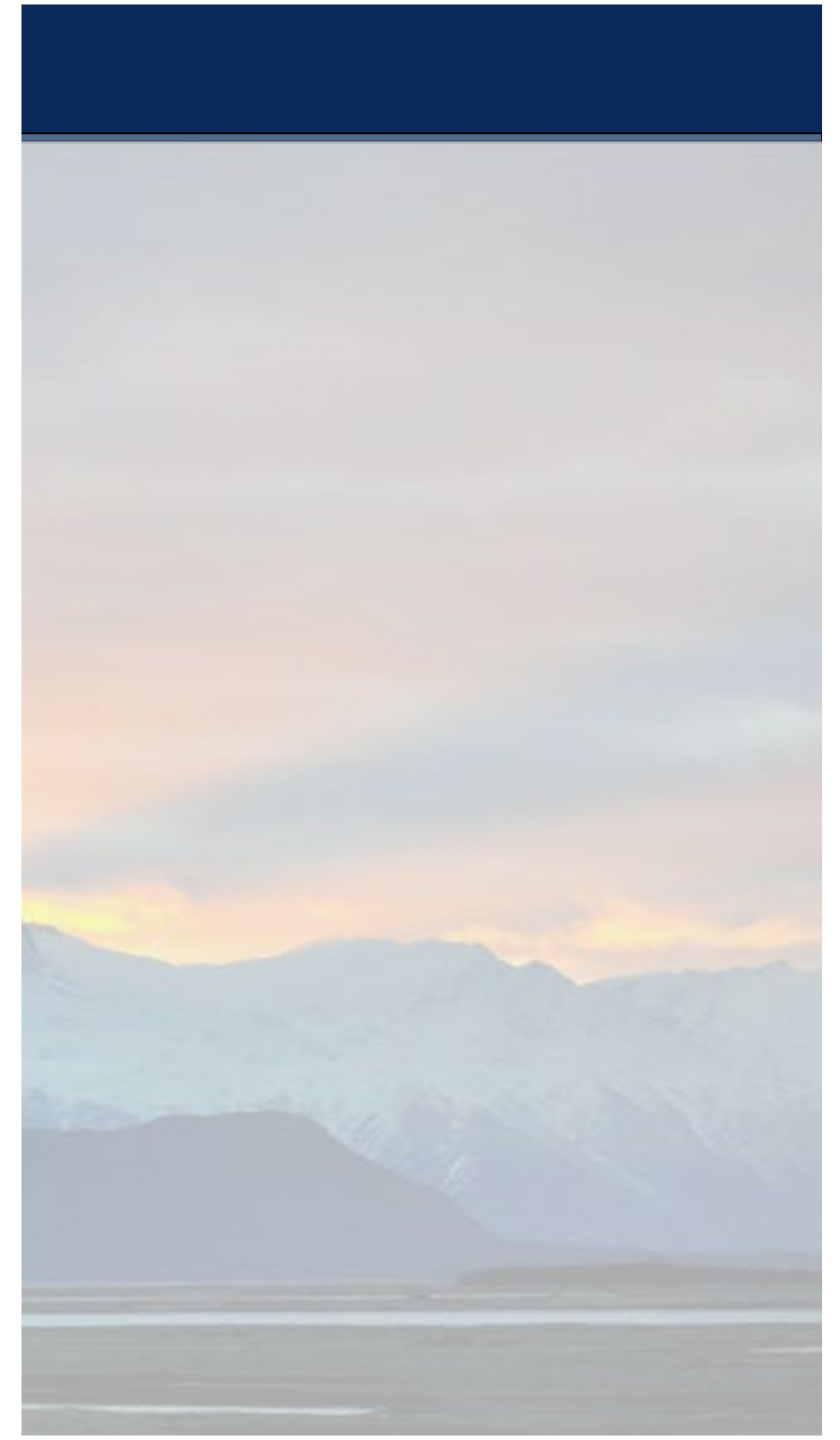
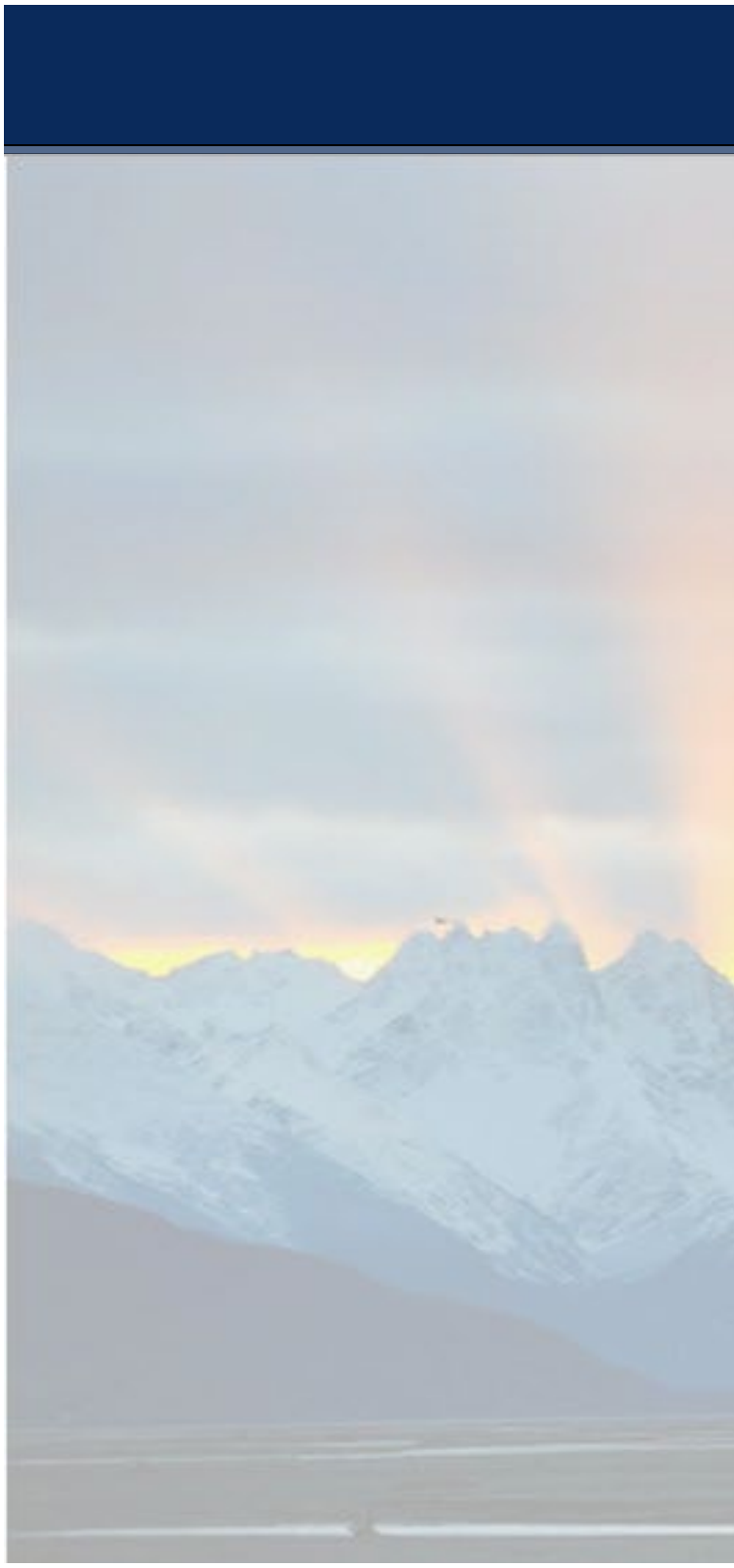
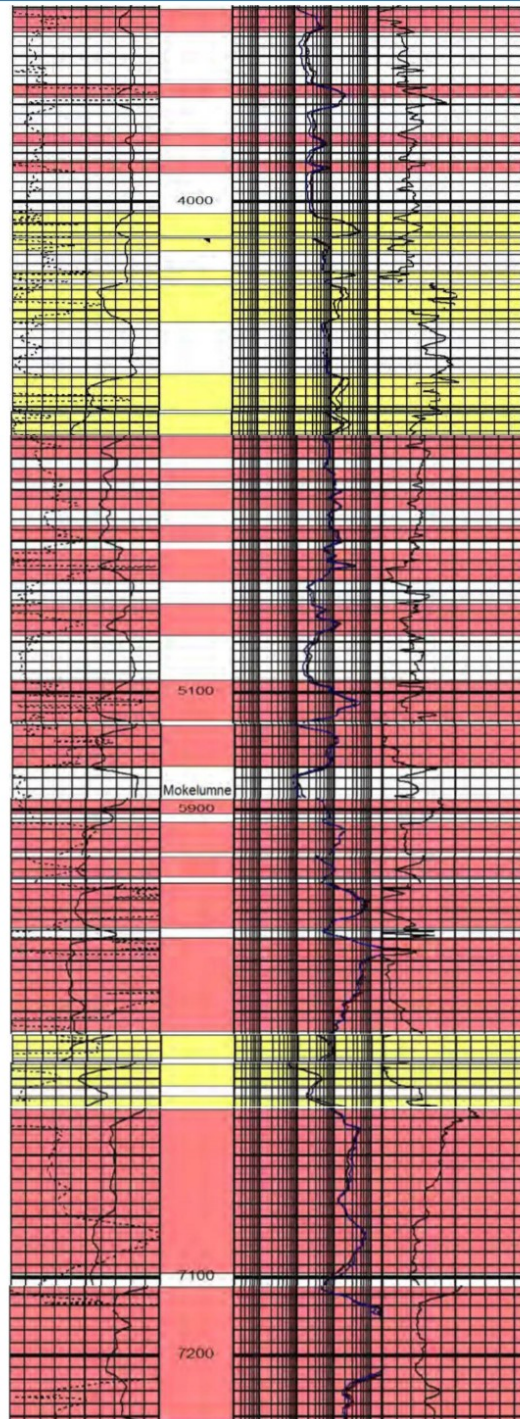
9/10/16 Rio Vista Gas Field - Sacramento, CA



# Royale has drilled 12 successful wells with CRC

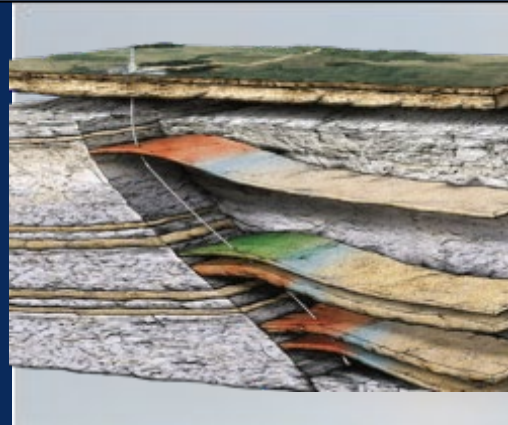
- CRC Rio Vista #8-1
- CRC Rio Vista #8-2
- CRC Rio Vista #8-3
- CRC Rio Vista #8-4
- CRC Rio Vista #8-8
- CRC Rio Vista #33-1
- CRC Rio Vista #33-2
- CRC Rio Vista #4-1
- CRC Rio Vista #9-1
- CRC Rio Vista #4-3
- CRC Rio Vista #4-4
- CRC Rio Vista Perry Anderson 20







# Royale Energy Finalizes Matrix Merger



**SAN DIEGO, March 8, 2018 (GLOBAL NEWSWIRE) -- Royale Energy, Inc. (OTCQB: ROYL)** and privately held Matrix Oil Management Corporation (“Matrix”) jointly announced today the closing and completion of the merger between Royale and Matrix. The completion of this strategic transaction creates a high-growth California-focused operating company with an executive team experienced in raising accretive capital and acquiring, operating and developing successful oil and gas projects. The merger transaction was approved by the Matrix and Royale shareholders on November 16, 2017 and closed after the companies received the consent of Matrix’s lender, Arena Limited SPV, LLC (“Arena”).

Royale’s Chief Executive Officer, Jonathan Gregory, said, “We are extremely pleased to complete this combination of two outstanding companies. Matrix brings to Royale a highly skilled and experienced technical and operations team and a producing property set with substantial development upside. Our combined years of experience in the industry and our multiyear inventory of growth opportunities position us to achieve significant shareholder value.”

As of December 31, 2016, Matrix had proved reserves of 9.1 million barrels of oil equivalent (“BOE”) (84% oil) with a PV10 value of \$58.8 million based on SEC pricing, according to an internal reserve report.

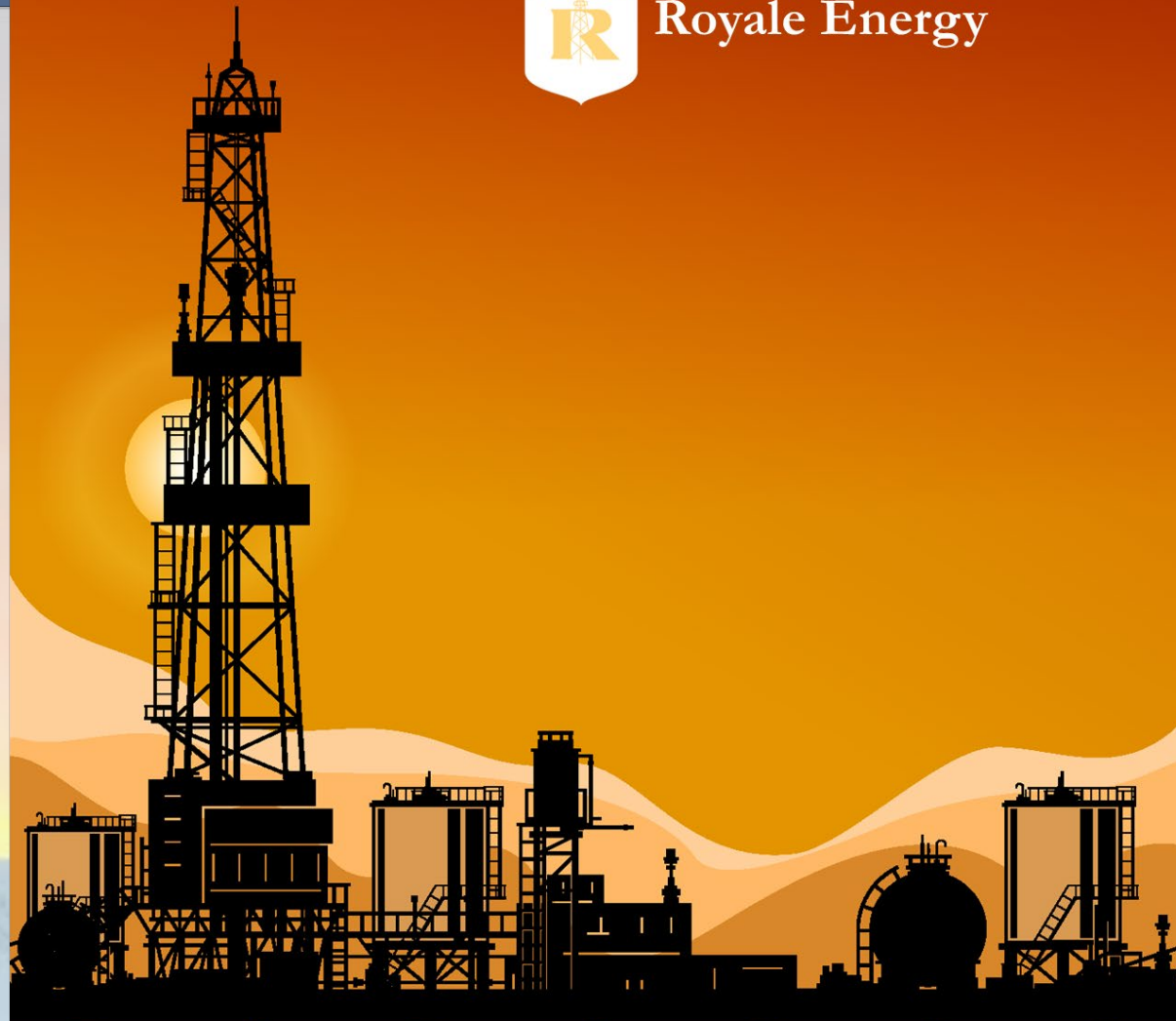
## **Highlights of Matrix:**

- \* 9.1 million BOE of proved reserves with a PV-10 value of \$58.8 million based on SEC pricing, as estimated by Matrix’s internal engineering staff as of December 31, 2016
- \* 10,036 net acres across 14 fields located primarily in California and West Texas
- \* Approximately 320 BOE per day of net production for the fourth quarter of 2017
- \* More than 75 proved undeveloped drilling locations across California and West Texas
- \* Core management team has more than 195 combined years of technical and operating experience

The merged company will be led by Jonathan Gregory, Chief Executive Officer, and Johnny Jordan, President and Chief Operations Officer. Don Hosmer will continue to lead Royale’s Direct Working Interest line of business.



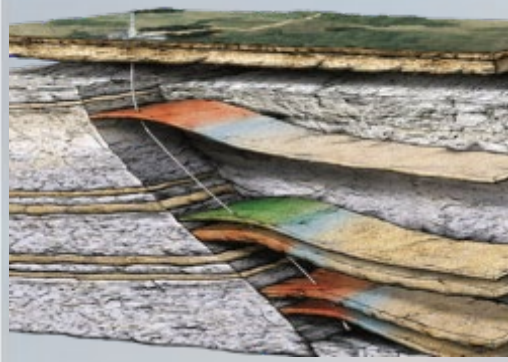
Royale Energy



**Oil Development 2021**  
Private Placement Memorandum



# Sansinena Oil Field

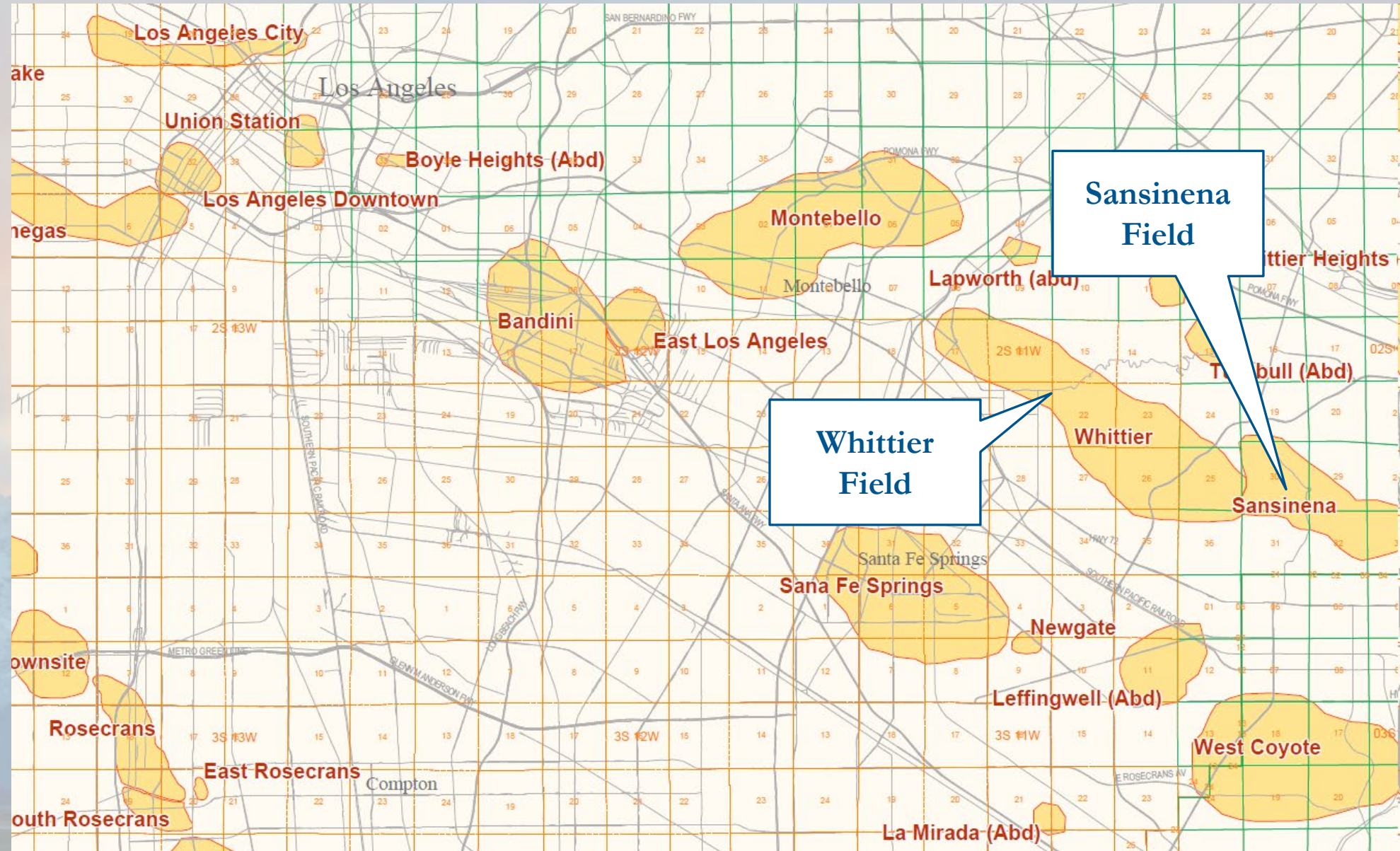
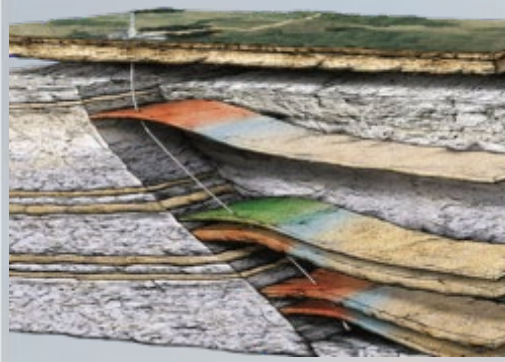


Sansinena field is located in the NE portion of the Los Angeles Basin along the southern edge of the Puente Hills and is located immediately east of the Whittier Field also along the Whittier fault trend. The Puente Hills are a positive feature formed by left transcurrent movement on a NW-SE complex 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 feet, with a prolific hydrocarbon sourcing system.



# Sansinena Oil Field





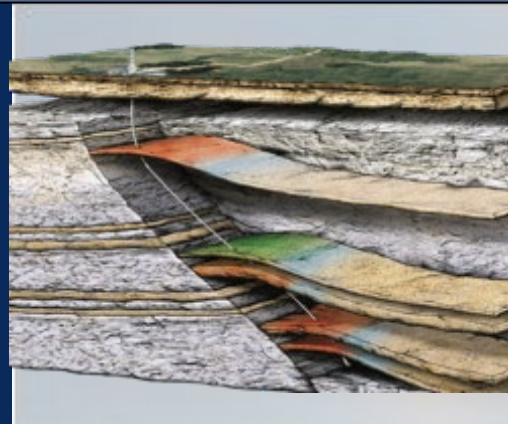
## CIC Partners Announces Investment in Sansinena Oil Field

April 2018

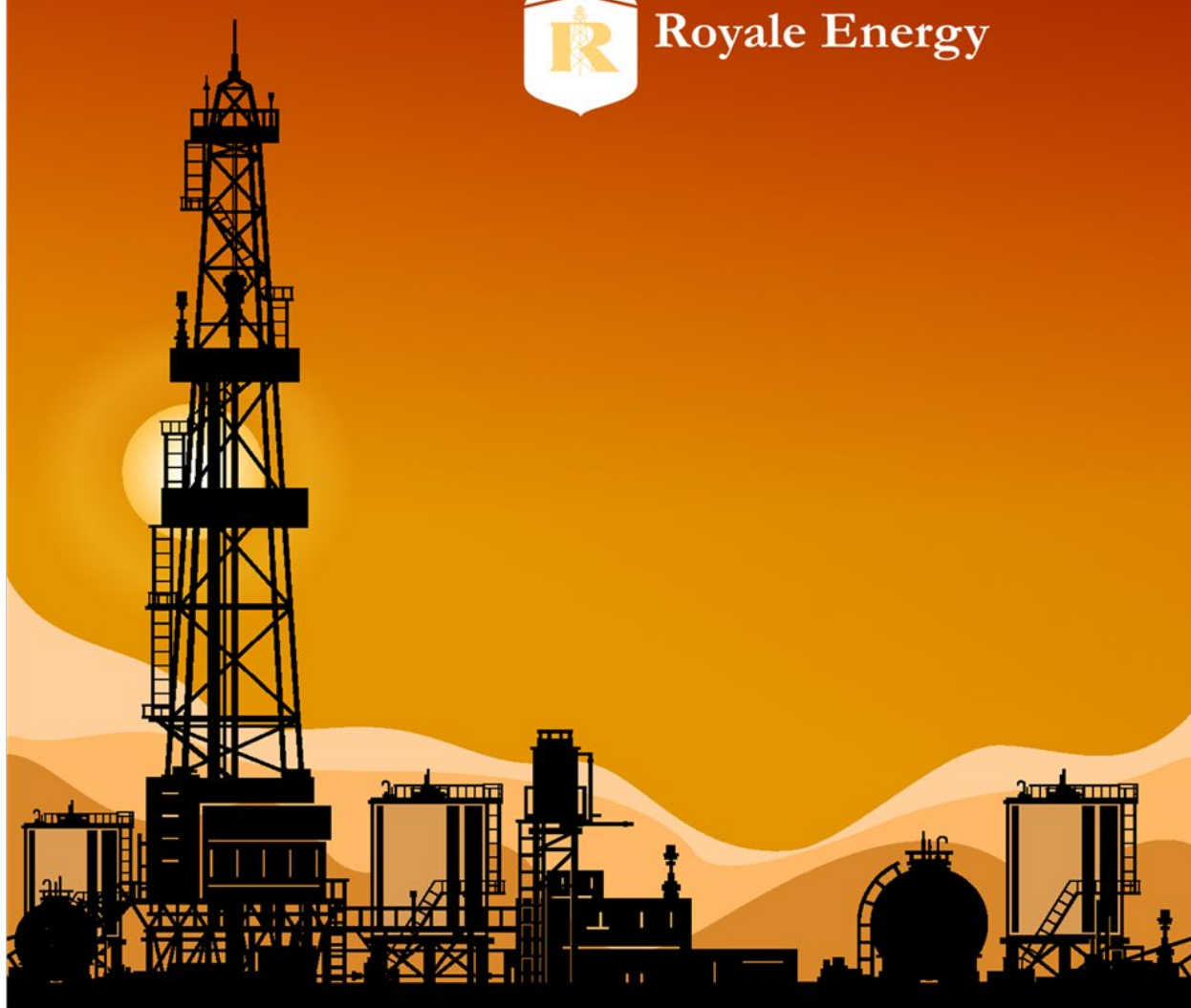
The Company's principal property - Sansinena Field - is located within the cities of Whittier and La Habra Heights. The field was discovered in the 1940s and developed over the subsequent decades. CIC seeks to leverage new technology and insights to increase production across the field without making any meaningful changes to the environment in and around the field.

CIC Partners Principal, Bayard Friedman, remarked, **“We were particularly drawn to this opportunity because of the potential to develop long-lived reserves with low finding and development costs. We look forward to working with a highly talented management team to expand the business.”**

CICPARTNERS







# Oil Development 2021

Private Placement Memorandum

# Oil Development 2021

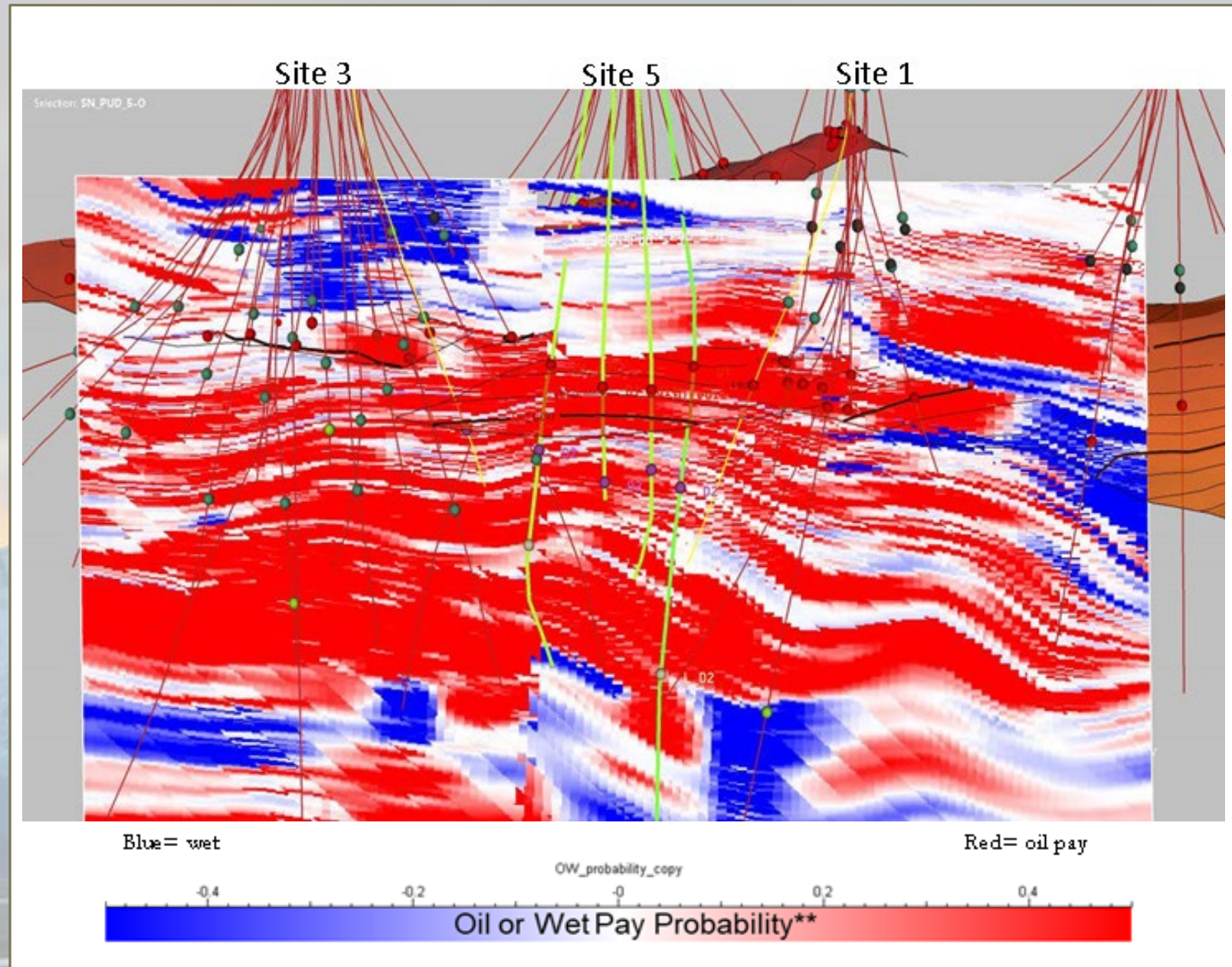
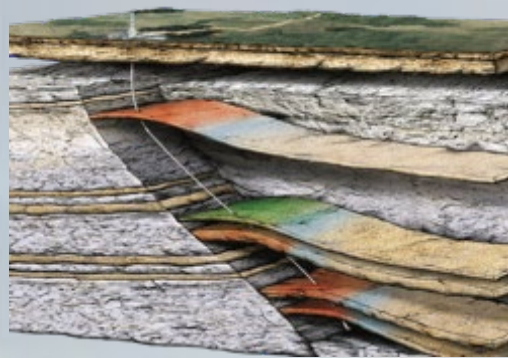
## PURCHASE PRICE

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

WELL NAME	WORKING INTEREST
<b>One (1) unit \$100,000 and consists of the following:</b>	
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%
<b>One Half (1/2) unit is \$50,000 and consists of the following:</b>	
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%
<b>One Quarter (1/4) unit is \$25,000 and consists of the following:</b>	
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%



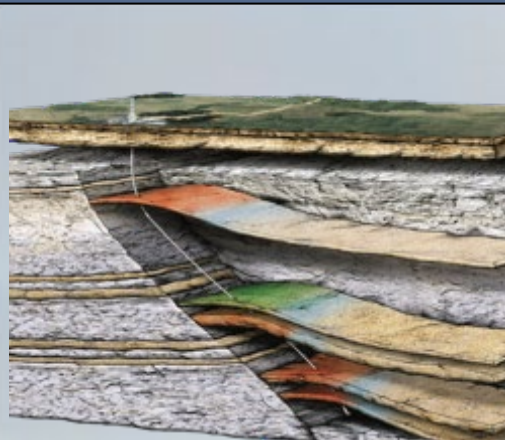
# Sansinena D Sand Development Program Site 5 Prospects



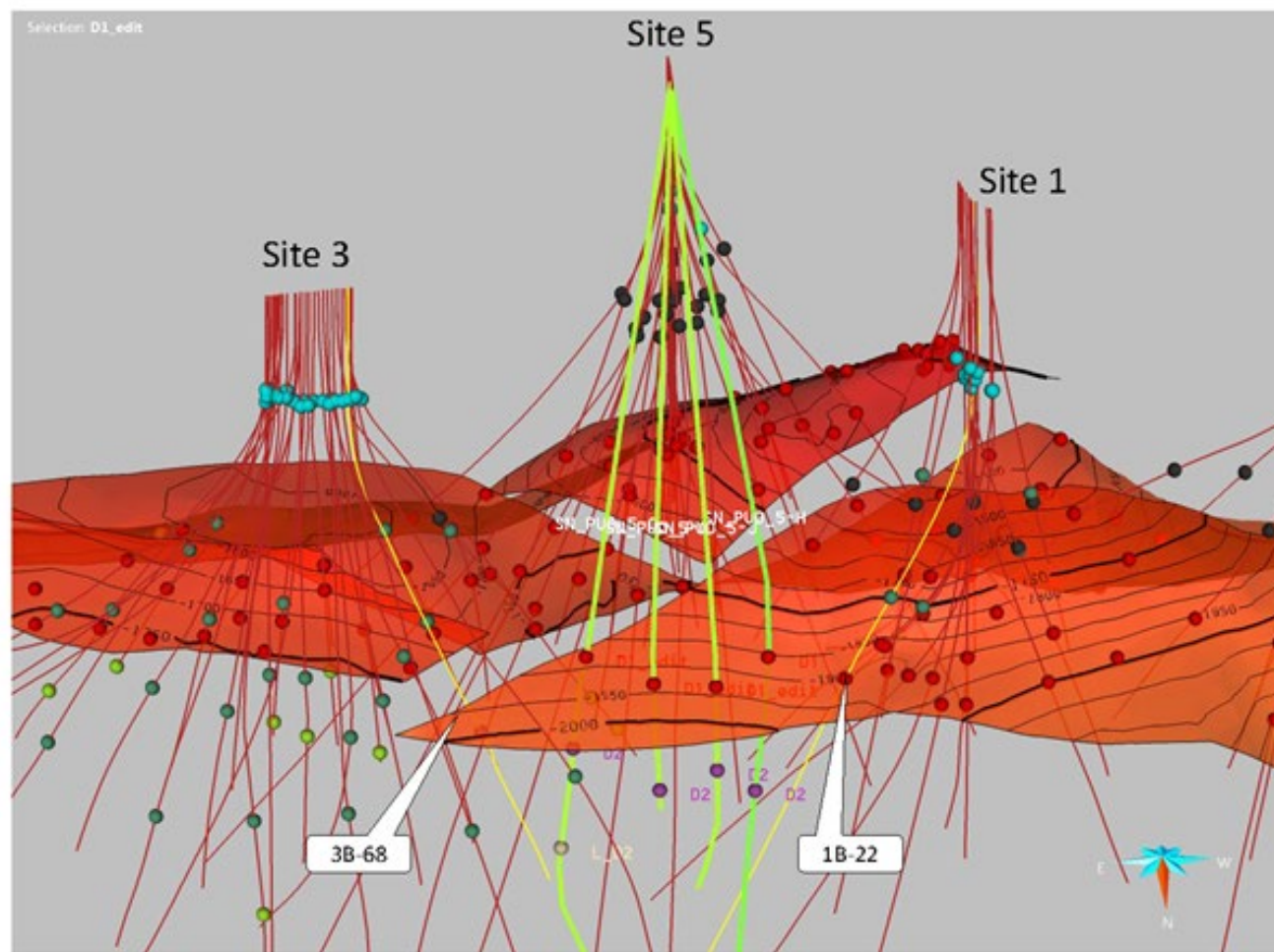
Pay probability from geostatistical simulation of normalized reservoir flag (Based on reservoir intervals hand picked on scanned E-logs) and geostatistical simulation of fluid type (based on hand picked pay vs wet on E-logs). Greater pay probability is in darker shades of red, and greater probability 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.



# Sansinena Development Program Site 5 Project

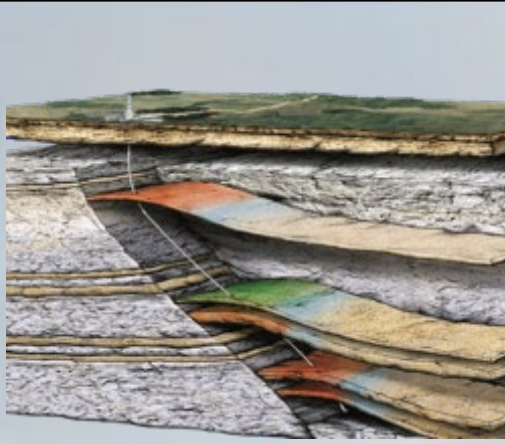


Oblique View from North of T/D1 Surface and Proposed Redrills from Site 5 (Green)





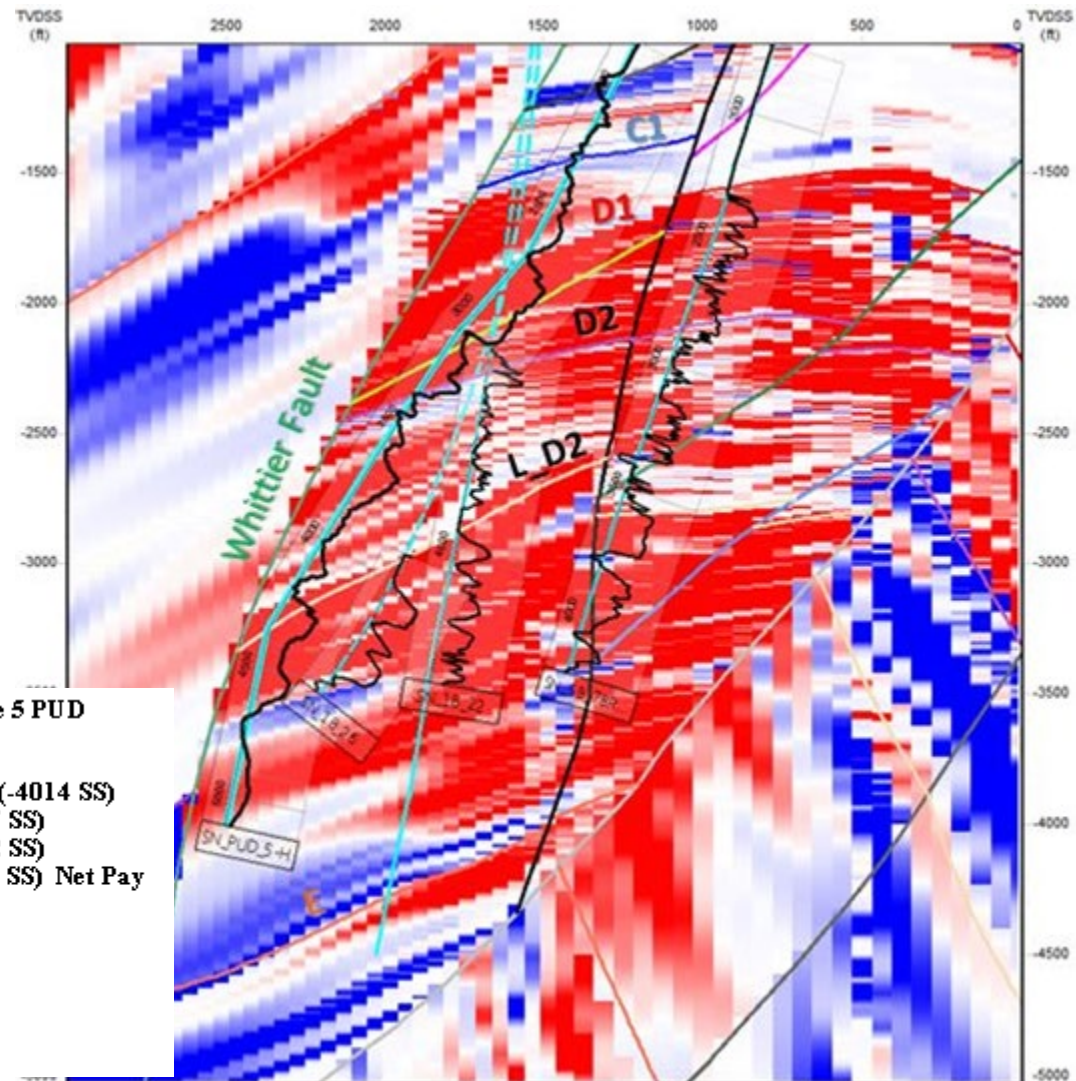
# Sansinena Oil Field Oil or Wet Probability – Typical Site 5 Location



A  
N

Proven Un-Developed (PUD)

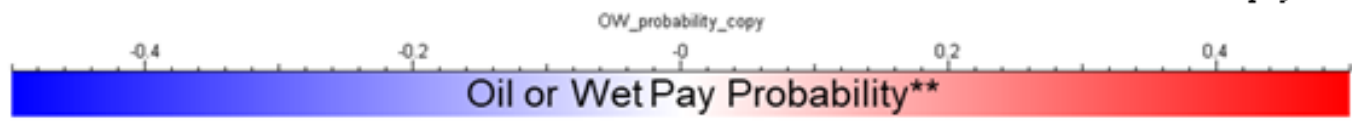
A'  
S



**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)

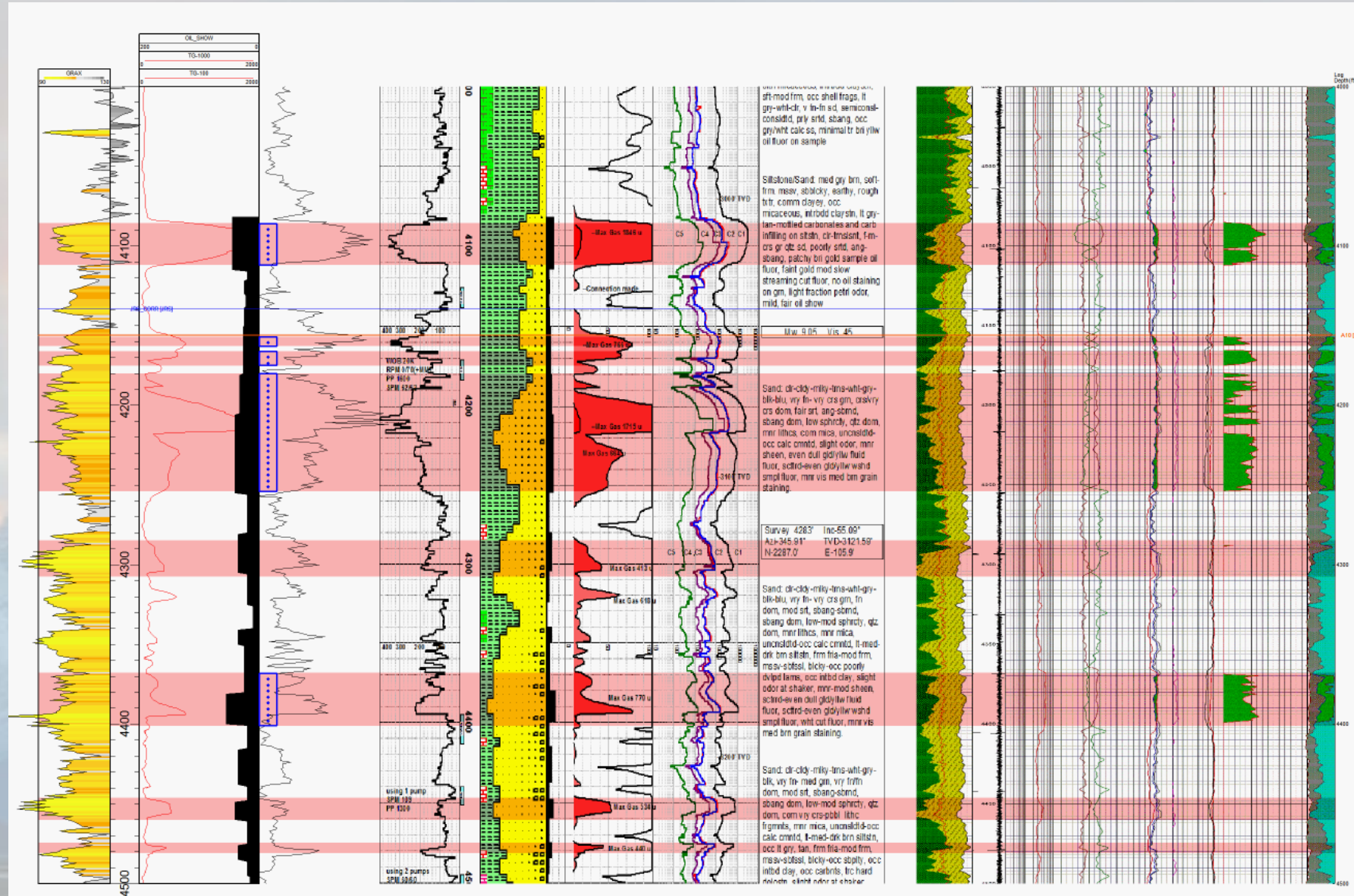
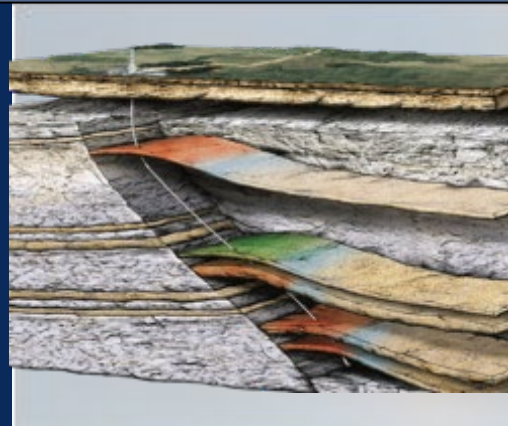
Blue = wet

Red = oil pay





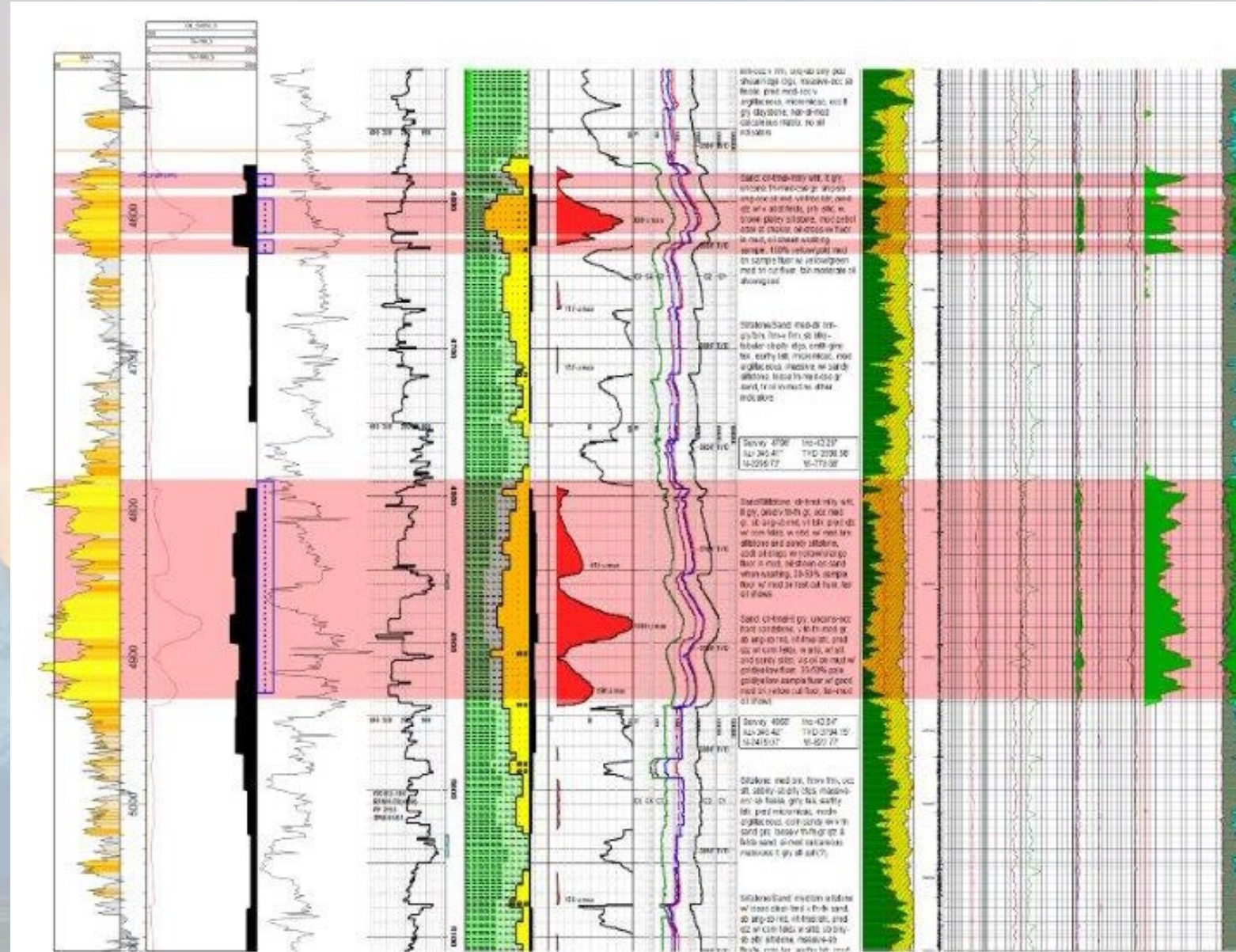
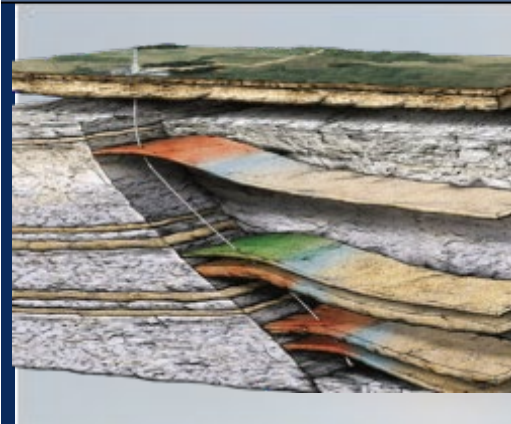
# 9B-18 Sansinena Oil well Drilled April 2019



Light Red Shade = Net Oil Pay  
Net Oil Pay= 198 ft.



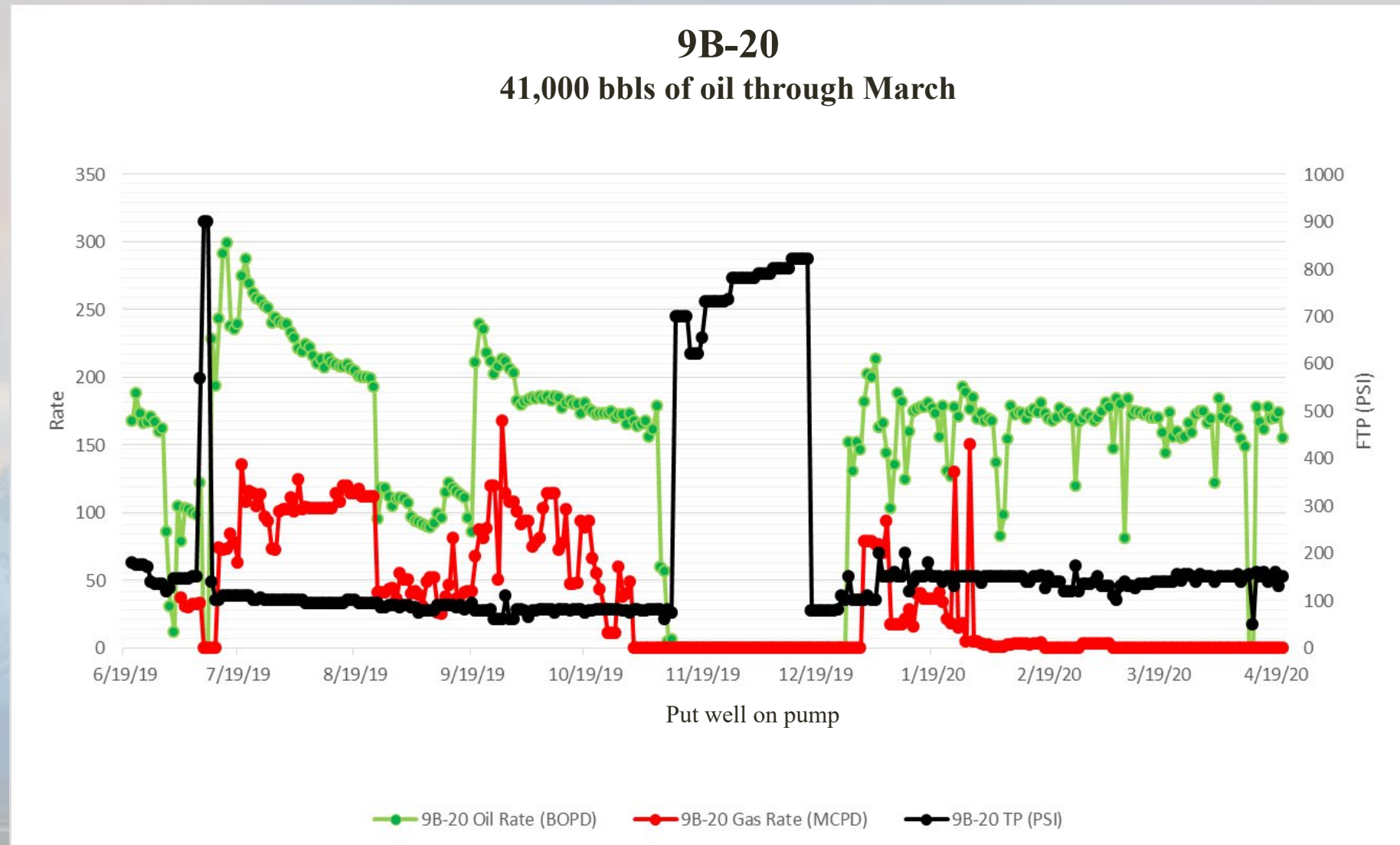
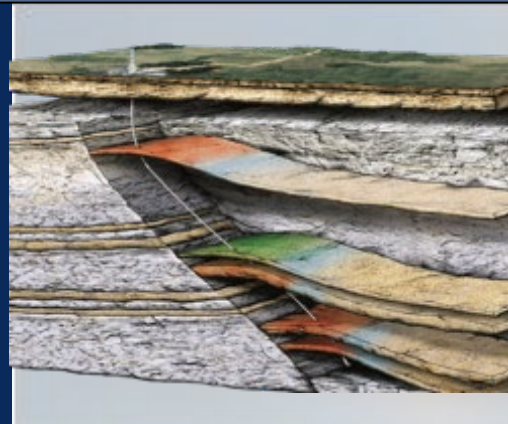
# 9B-20 Sansinena Oil well Drilled May 2019



Light Red Shade = Net Oil Pay  
Net Oil Pay= 195 ft.



# Sansinena 9B-20 Production Chart



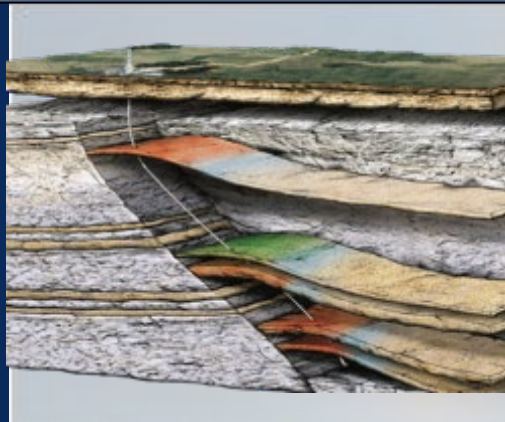


# Jameson North Oil Field

## JAMESON NORTH OIL WELLS MCCABE VT #39 RE-ENTRY AND #69

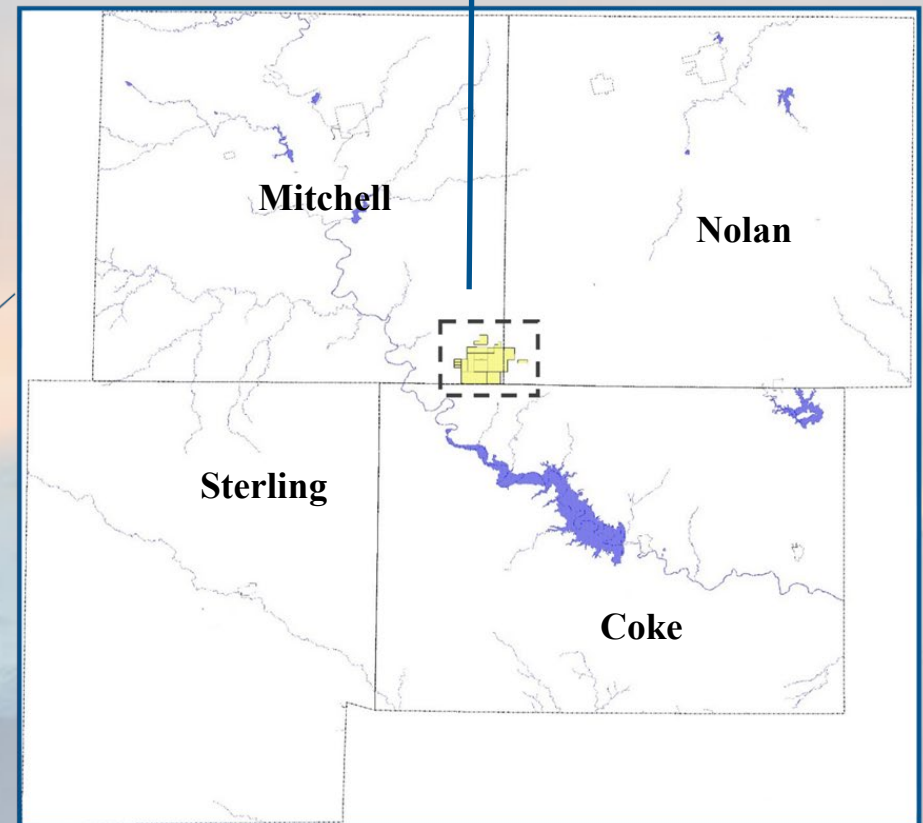
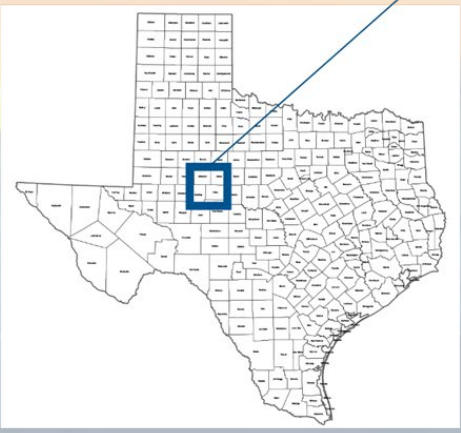
Royale purchased the Jameson North assets from General Electric (GE) in 12/18 as they were divesting their oil and gas assets. Royale has identified 20+ high quality Proved Producing locations so far using a 3D seismic survey covering all of our Jameson North Field (JNF) ownership in the Permian Basin.

Located in the Permian Basin, near Colorado City, Texas, the JNF, an extension of the large Jameson Field, was developed by Shell and Sun Oil in 2 phases, 1953-58 and 1978-84, as a Strawn Sand and Carbonate Reef play.



## Jameson North Field (JNF)

### Texas Permian Basin





# Jameson North Oil Field

## 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.

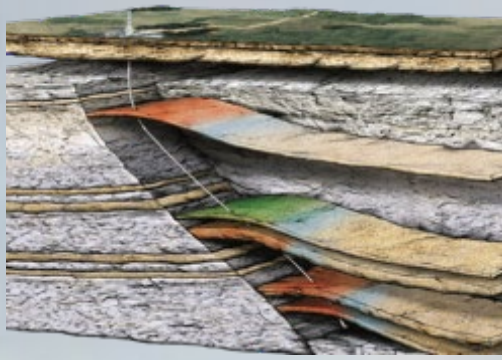
The Upper Strawn Sands (primary interval) have high porosity of 15-24% and moderate permeability of 150 to 300 md (marine sand). The Upper Strawn has an average 81,000 barrels of oil and 230,000 MCF (119,000 barrels of oil equivalent) of reserves per well and they initially produce an average of 85 barrels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





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

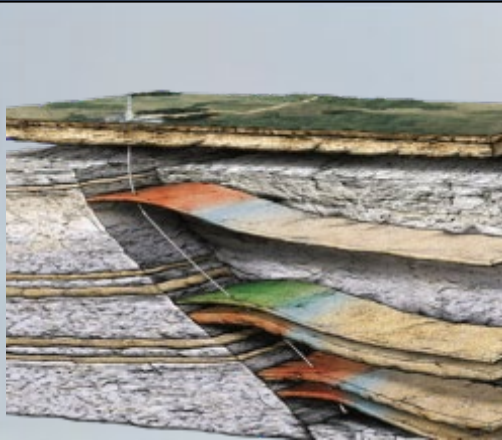
## Jameson North Oil Well - V.T. McCabe #39 Re-Entry

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.

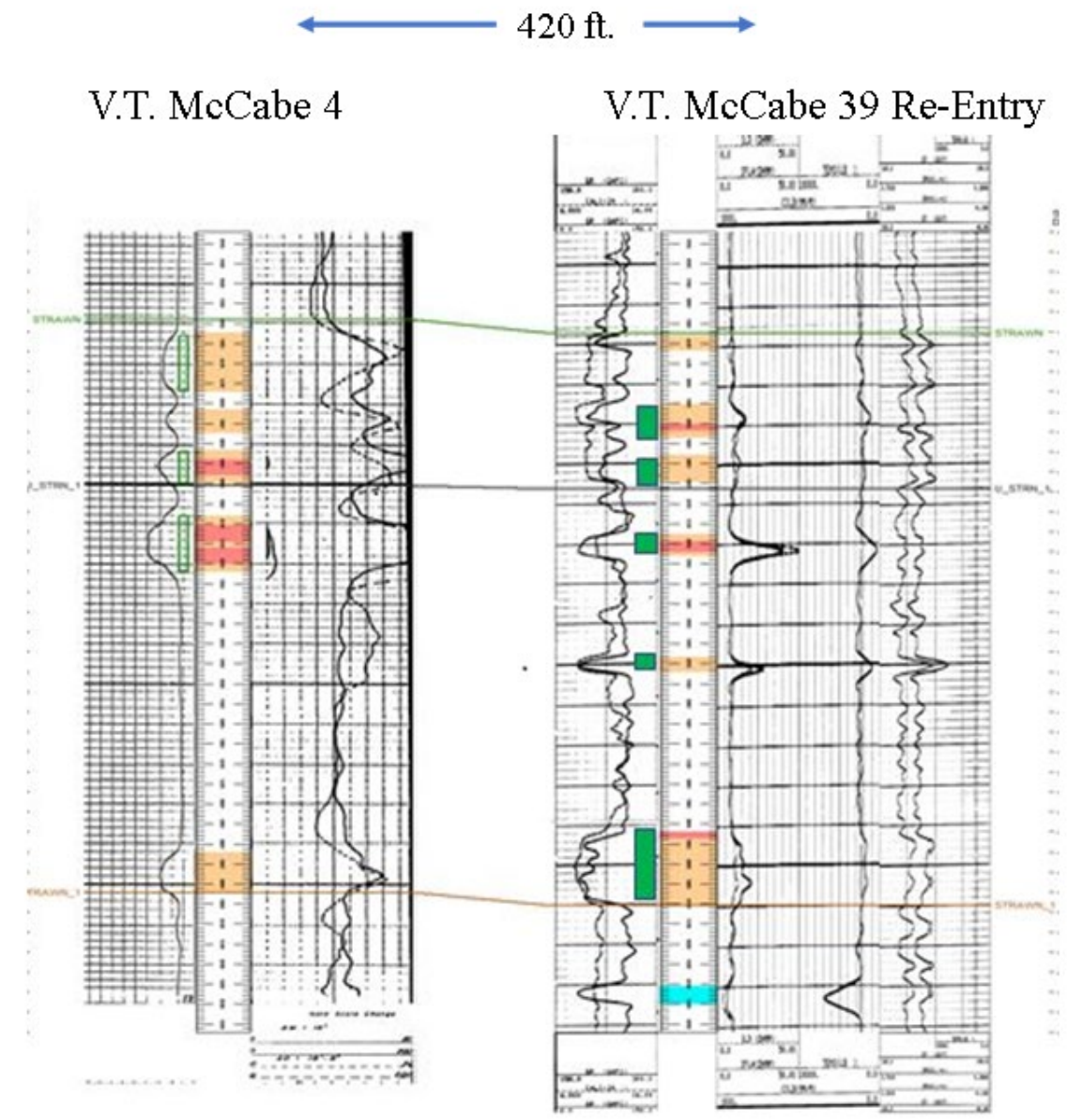
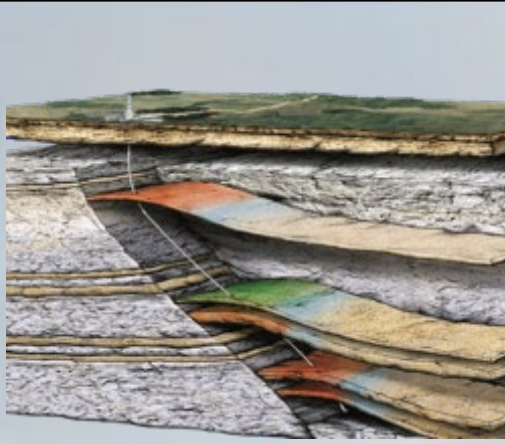
On page 37 is a Cumulative Oil Isopach map for Section 225 with the highest production from that section, the V.T. McCabe 20 well, having produced over 150,000 barrels of oil and 630,000 MCF.

*“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 Oil Field – Seismic Section – Perforation and Net

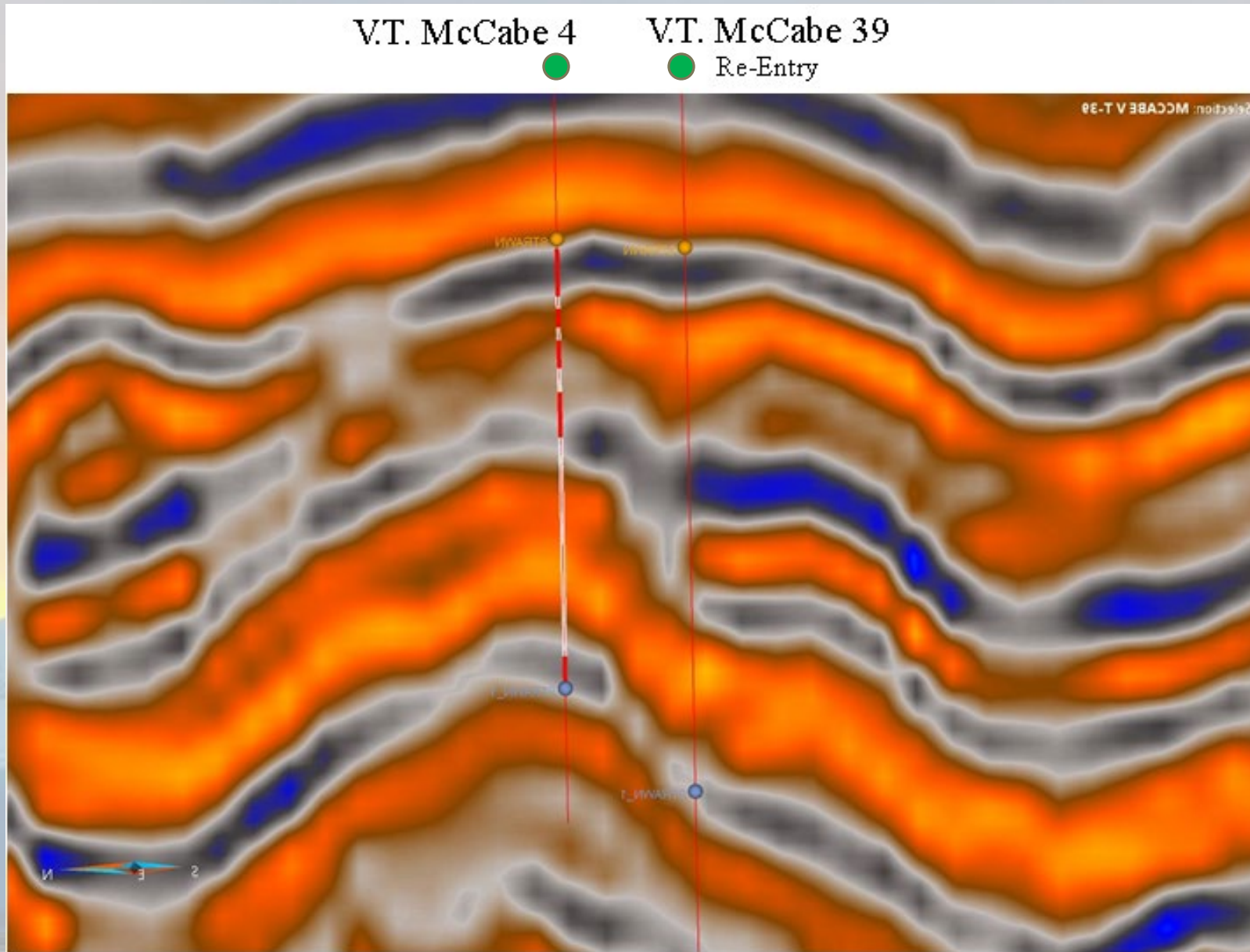
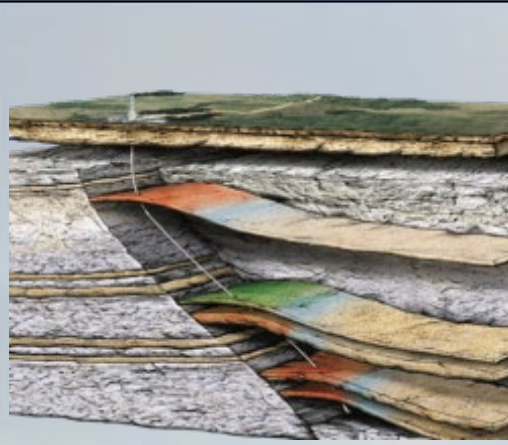


**91,000 Barrels of oil equivalent from 36 ft. of Strawn Formation.**

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



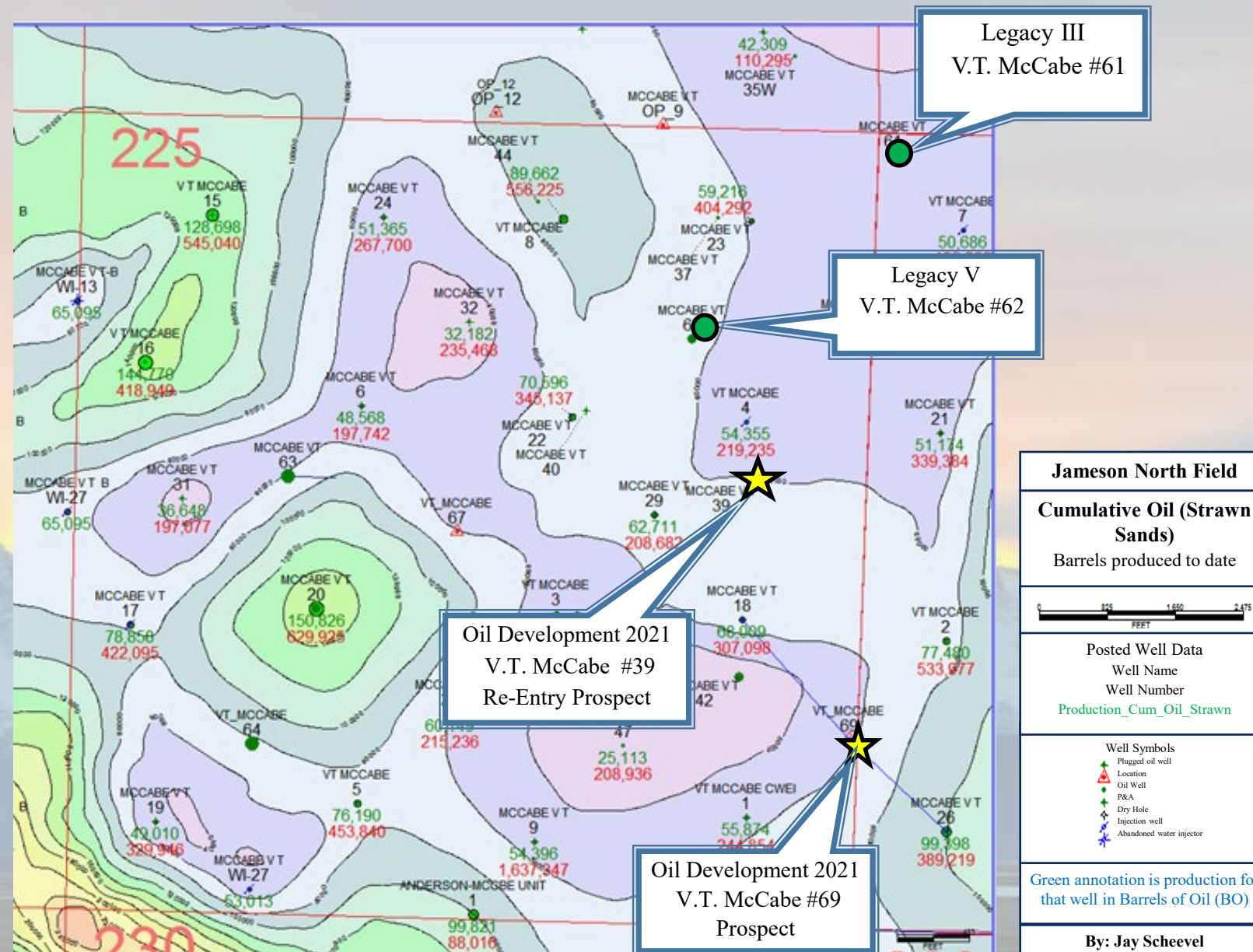
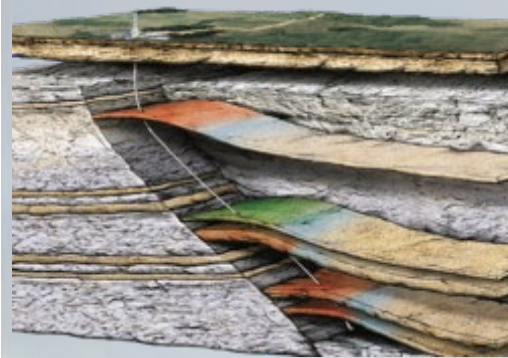
# Jameson North Oil Field – 3-D Seismic





# Jameson North Field

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



Legacy III  
V.T. McCabe #61

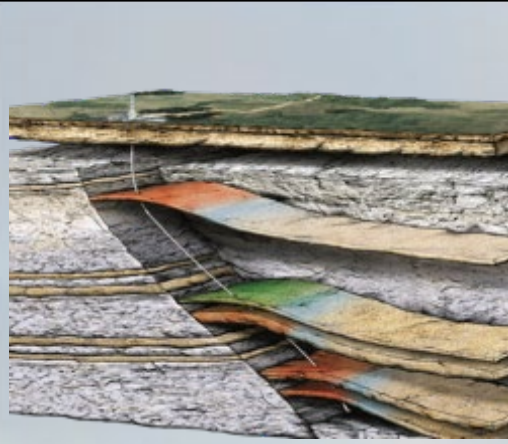
Legacy V  
V.T. McCabe #62

Oil Development 2021  
V.T. McCabe #39  
Re-Entry Prospect

Oil Development 2021  
V.T. McCabe #69  
Prospect



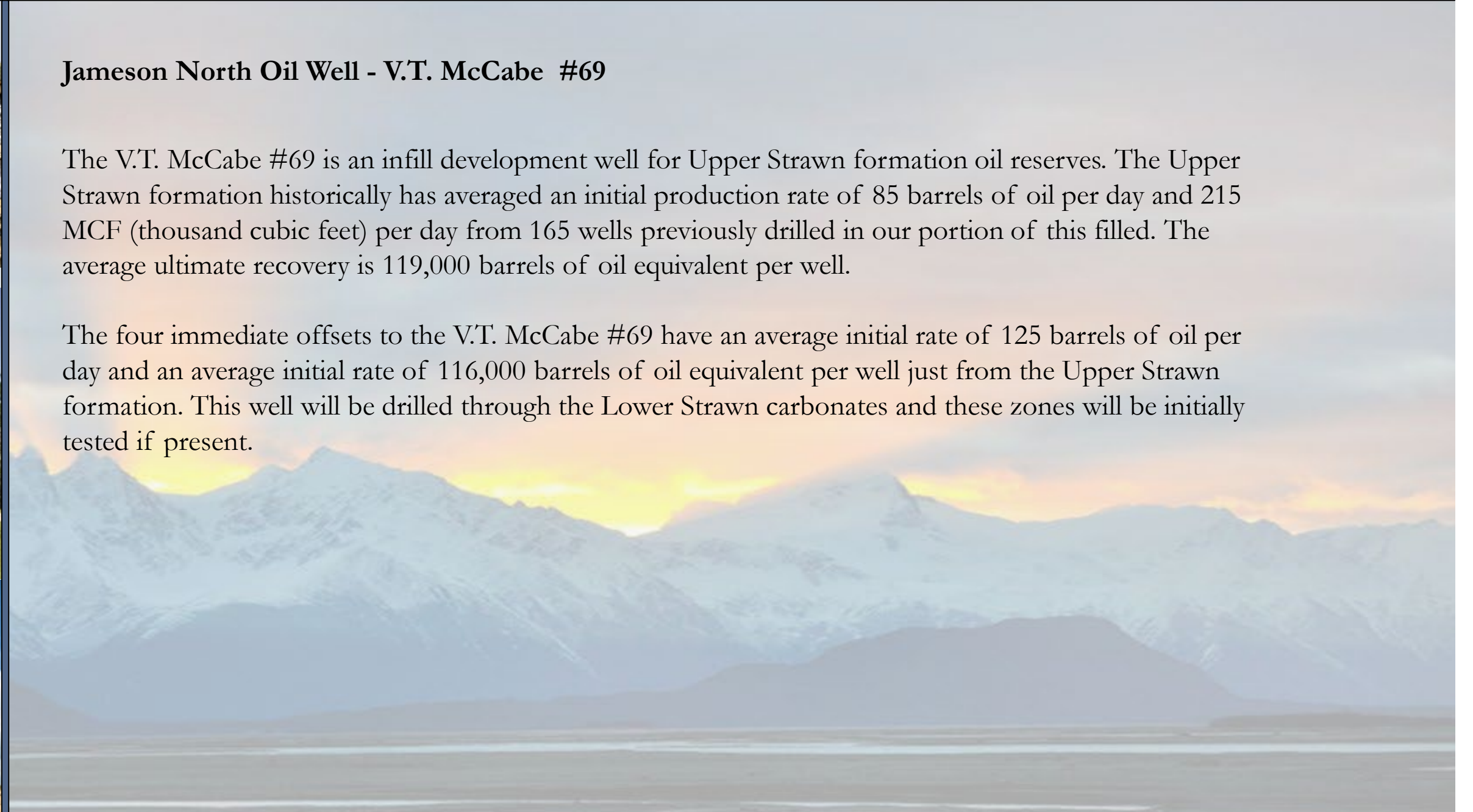
# Jameson North Oil Field – V.T. McCabe #69



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

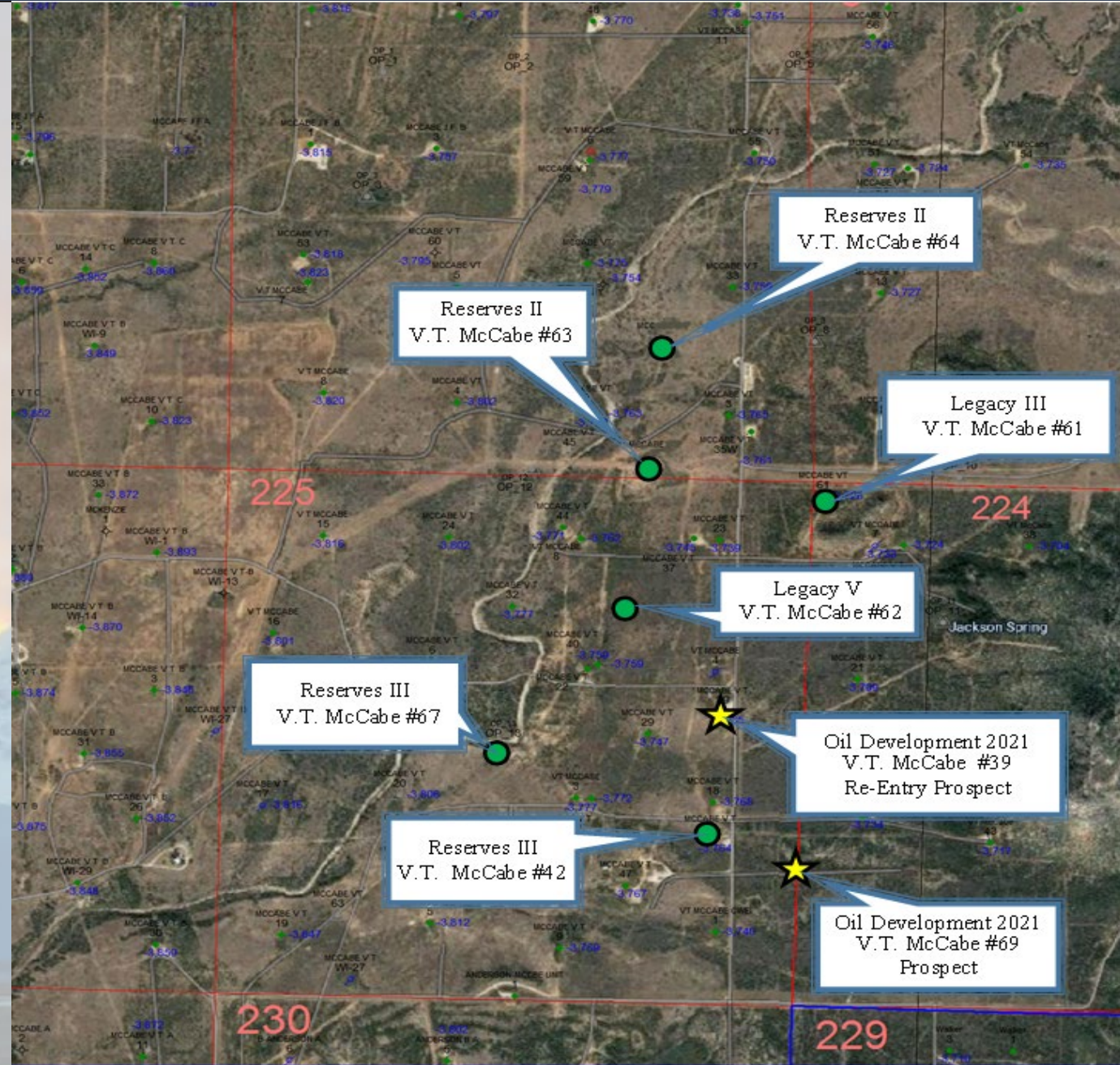
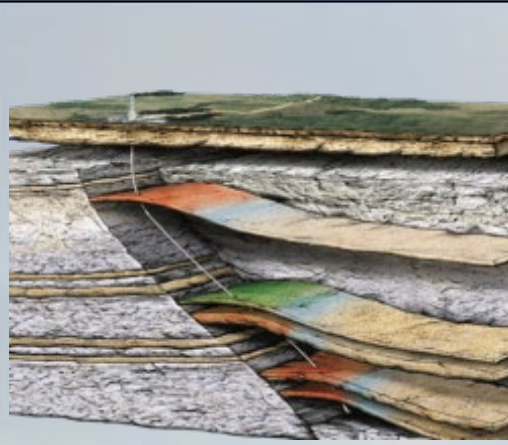
The V.T. McCabe #69 is an infill development well for Upper Strawn formation oil reserves. The Upper Strawn formation historically has averaged an initial production rate of 85 barrels of oil per day and 215 MCF (thousand cubic feet) per day from 165 wells previously drilled in our portion of this field.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

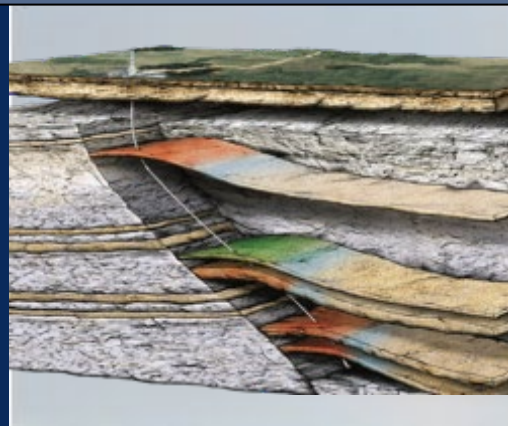




# Jameson North Oil Field – Aerial View







# Internal Rate of Return

\$28.00 oil 15.8%

\$50.00 oil 38.7%

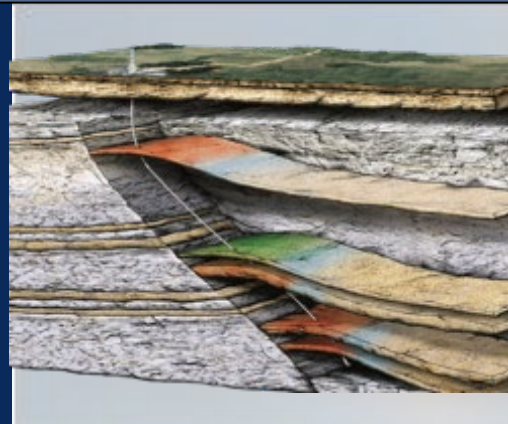
\$60.00 oil 57.6%



ROYALE ENERGY, INC.



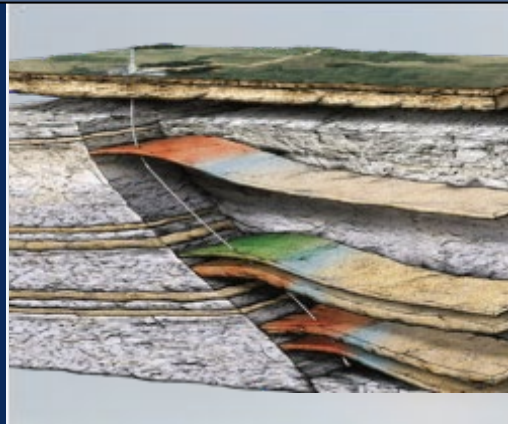
# Direct Working Interest Structure



- ☑ Royale Energy owns up to 50% in each well
- ☑ All Prospects are 3-D Seismically defined and drilled in Proven Developed Fields
- ☑ Turnkey Investment drills, completes and establishes production in 3 oil wells

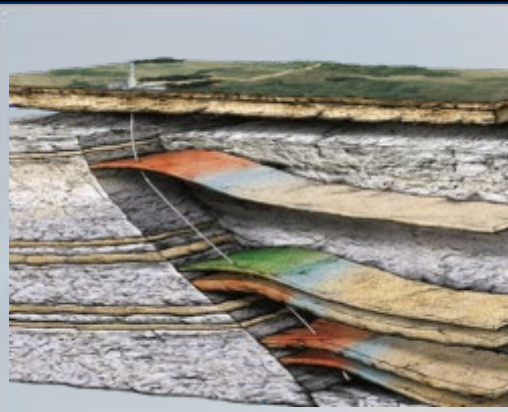


# Direct Working Interest Structure



- ☑ No General & Administrative fees and No Back-ins after payout
- ☑ Royale Energy purchases insurance for unit holders and indemnifies all investors
- ☑ Monthly Income upon establishment of production paid end of every month
- ☑ Owners receive 1099 on or before Jan 31st of following year from income, No K1s





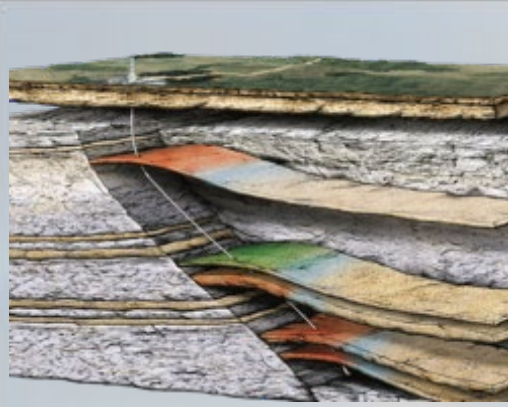
# The Tax Advantages of Oil & Gas Exploration



ROYALE ENERGY



# Tax Advantaged Investing: Investments are 100% deductible the year you invest



## PART III—COST RECOVERY AND ACCOUNTING

### METHODS

#### Subpart A—Cost Recovery

#### SEC. 13201. TEMPORARY 100-PERCENT EXPENSING FOR CERTAIN BUSINESS ASSETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—[Section 168\(k\)](#) is amended—

(A) in paragraph (1)(A), by striking “50 percent” and inserting “the applicable percentage”, and

(B) in paragraph (5)(A)(i), by striking “50 percent” and inserting “the applicable percentage”.

(2) APPLICABLE PERCENTAGE.—Paragraph (6) of [section 168\(k\)](#) is amended to read as follows:

“(6) APPLICABLE PERCENTAGE.—For purposes of this subsection—

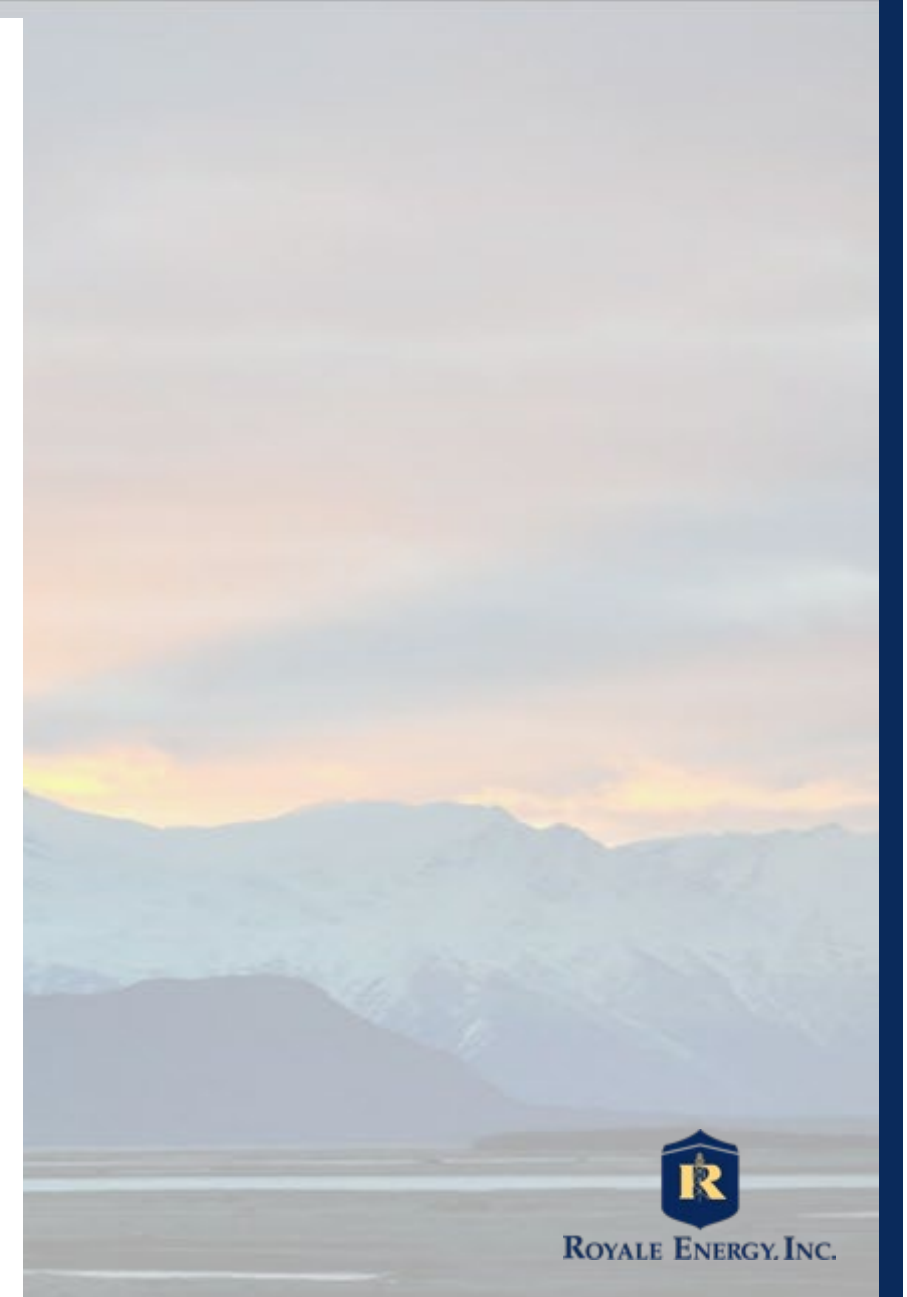
“(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term ‘applicable percentage’ means—

“(i) in the case of property placed in service after September 27, 2017, and before January 1, 2023, 100 percent,

“(ii) in the case of property placed in service after December 31, 2022, and before January 1, 2024, 80 percent,

“(iii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 60 percent,

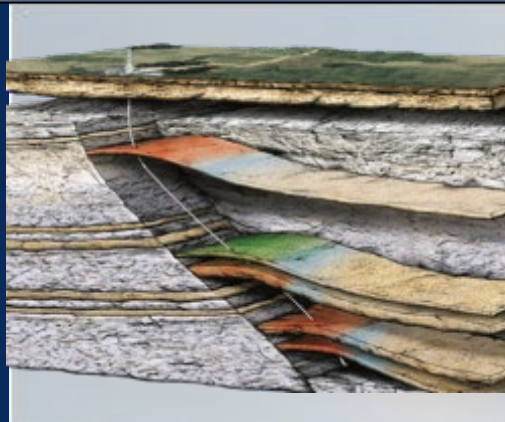
“(iv) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 40 percent, and





# Tax Advantaged Investing:

- ☑ 80% of each investment is categorized as Intangible Drilling Costs (IDC) and can be deducted 100% against any form of income.
- ☑ 20% of each investment is categorized as Tangible Drilling Costs (TDC) and can be deducted 100% against any form of income.
- ☑ The "Depletion Deduction" allows 15% of the Gross Income from an oil-and gas-producing property to be tax free.

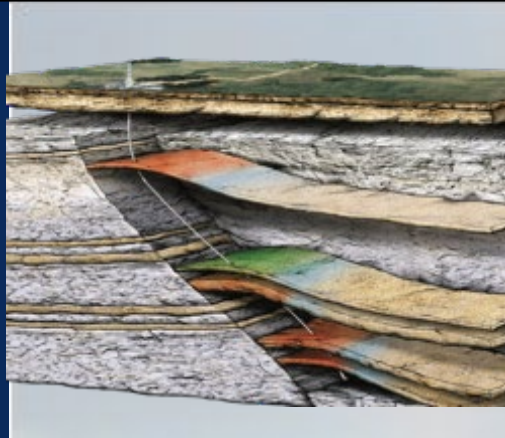




# Deduction can be used against:

- Ordinary Income
- IRA Withdrawals
- Capital Gains
- Real Estate Gains
- Stock Gains

*Works for both Federal & State Taxes*





# Example of Tax Savings

## Royale Reserve II Project

**1 Unit Drilling Investment** **\$100,000**

*Less: Federal Tax Deduction:* **(\$100,000)**

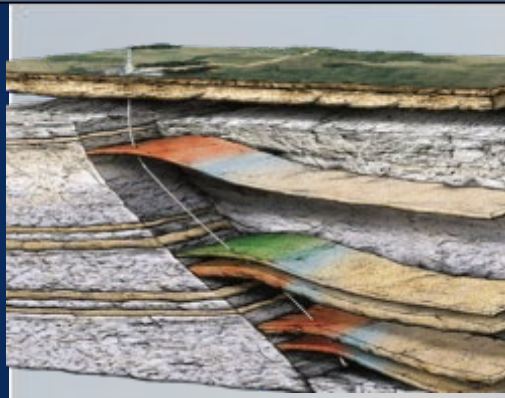
Refund (at Maximum Tax Rate 35%) **\$35,000**

**State Tax Refund** **\$10,000**

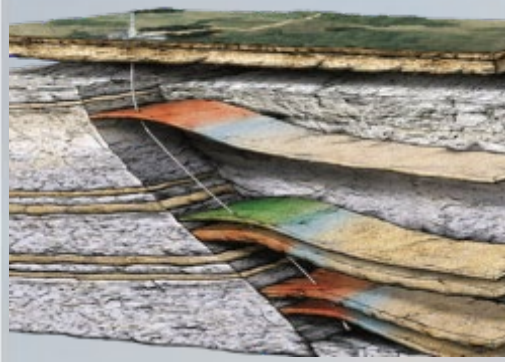
(where applicable) (State Tax 10%)

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







# Investor or Speculator: Which one are you?

“The traditional view, dating back at least to the 19<sup>th</sup> Century, is that an investor buys to capture a predictable long-term stream of cash flow, while a speculator buys to harvest a short-term change in price.” The Wall Street Journal

Fossil fuels are the lifeblood of the world economy. They are indispensable. Moreover, the rout in the oil patch in recent years is setting us up, in my view, for one of the great buying opportunities of our lifetimes.

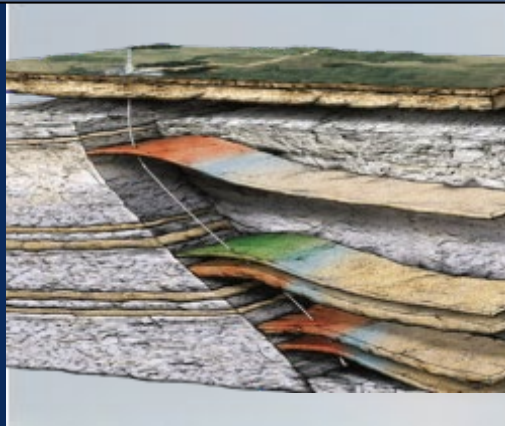
However, you might miss it if you're busy demonizing the fossil fuel industry.

*Alexander Green- Chief Investment Strategist of The Oxford Club and Investment U*



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