

ROYALE ENERGY, INC.



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
JULIA C. GUTH
MARCH 2015

MONEYSHOW®

INVEST SMARTER, TRADE WISER



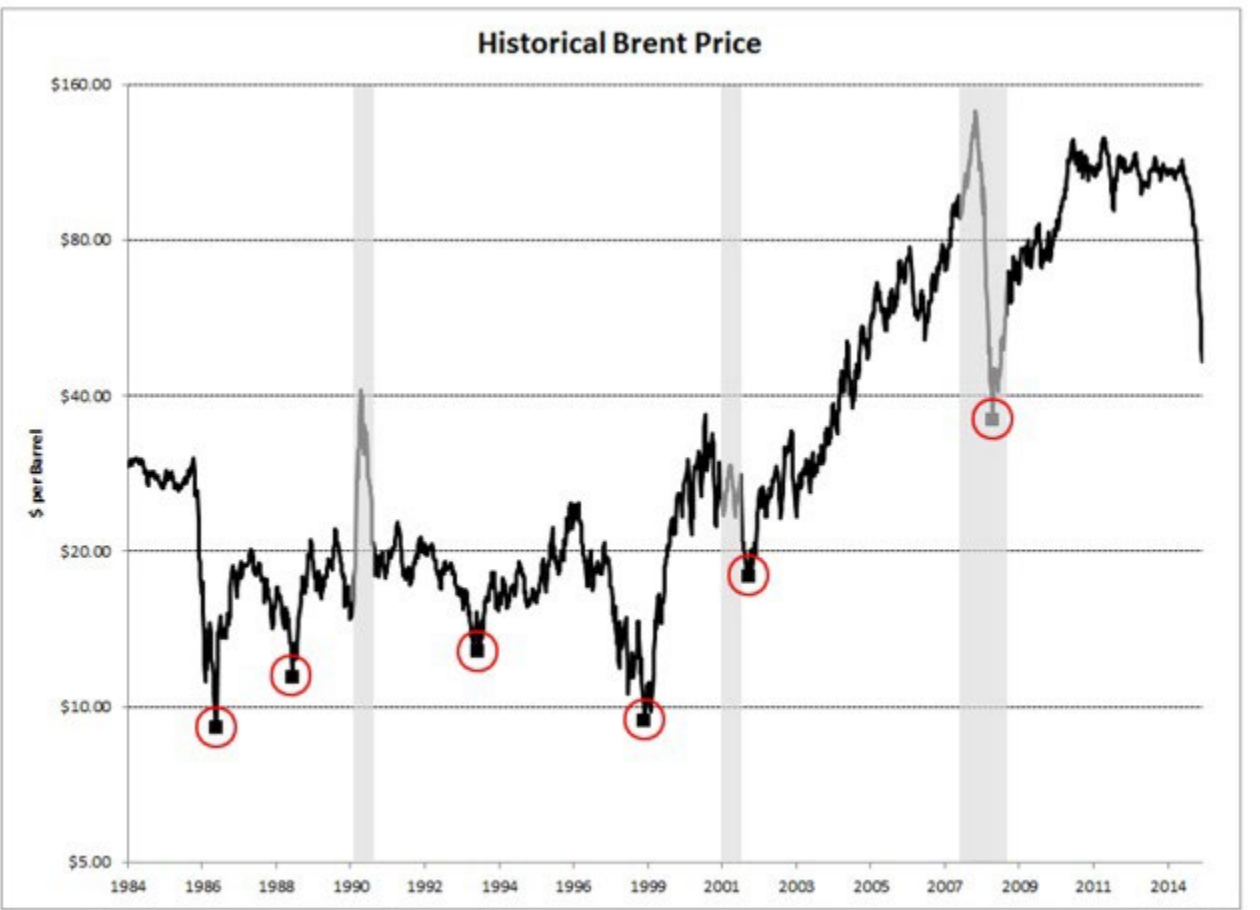
**Royale Energy MoneyShow
Sponsor Since 1985**



Live and Invest
OVERSEAS

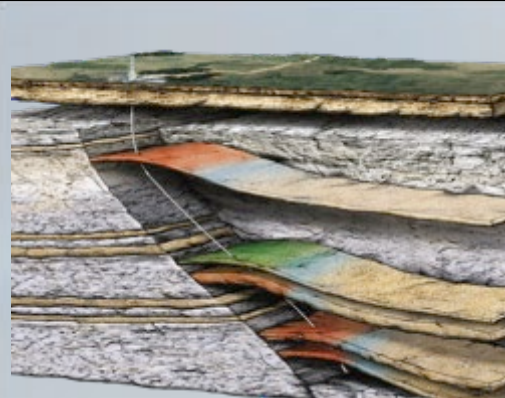
Bloomberg

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



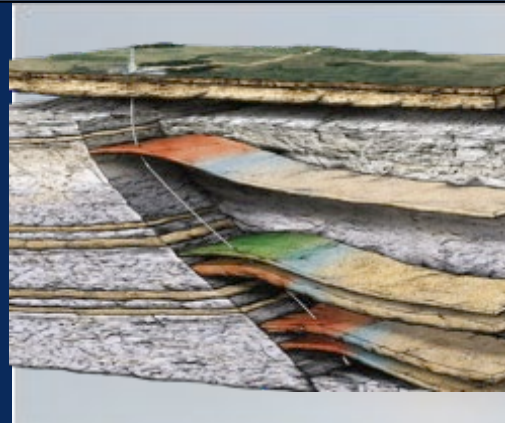
Source: Bloomberg, Cornerstone Analytics and ISI Evercore 2-2-2015

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





Royale Energy Finalizes Matrix Merger



Royale Energy, Inc. and privately held Matrix Oil Management Corporation jointly announced the closing and completion of the merger between Royale and Matrix.

The completion of this strategic transaction creates a high-growth operating company with an executive team experienced in raising capital and acquiring, operating and developing successful oil and gas projects.

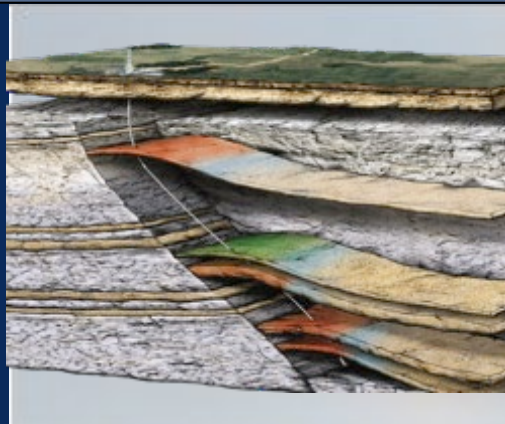
Johnny Jordan Petroleum Engineer Exxon, Jeff Kerns Petroleum Engineer Mobil Oil Corp, Jay Sheevel Geophysicist Shell Oil, Mike McCaskey Geologist Union Oil of California



Highlights of Matrix:

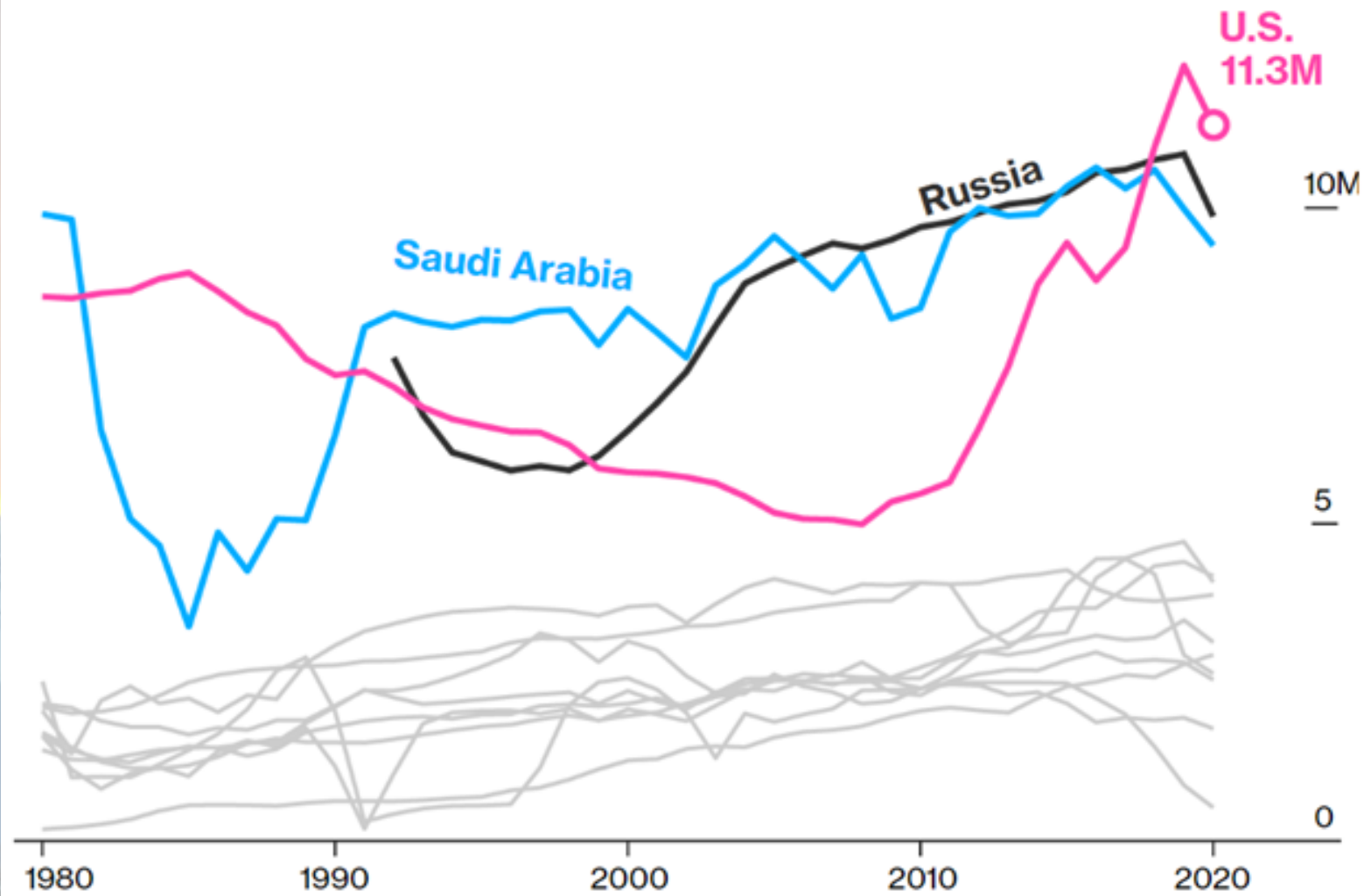
- 9,100,000 Barrels of proved oil reserves with a PV-10 value of \$58.8 million based on SEC pricing, as estimated by Matrix's internal engineering staff.
- * 10,036 net acres across 14 fields located primarily in California and West Texas
- * More than 75 proved undeveloped drilling locations across California and West Texas
- * Core management team has more than 195 combined years of technical and operating experience



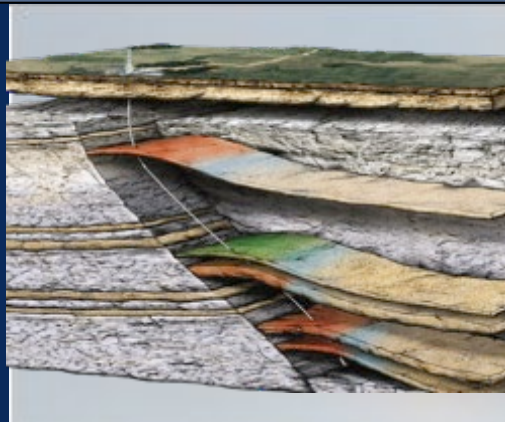


U.S. Takes Crude Crown

Crude oil production in millions of barrels/day

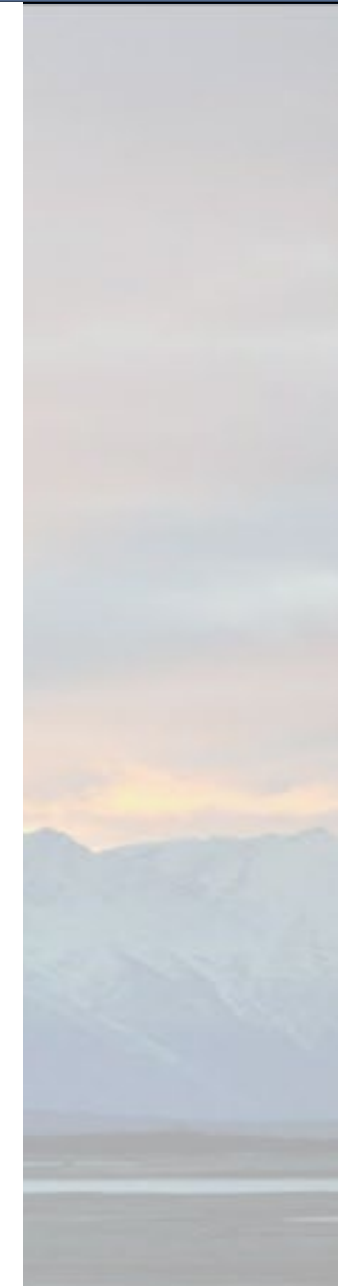
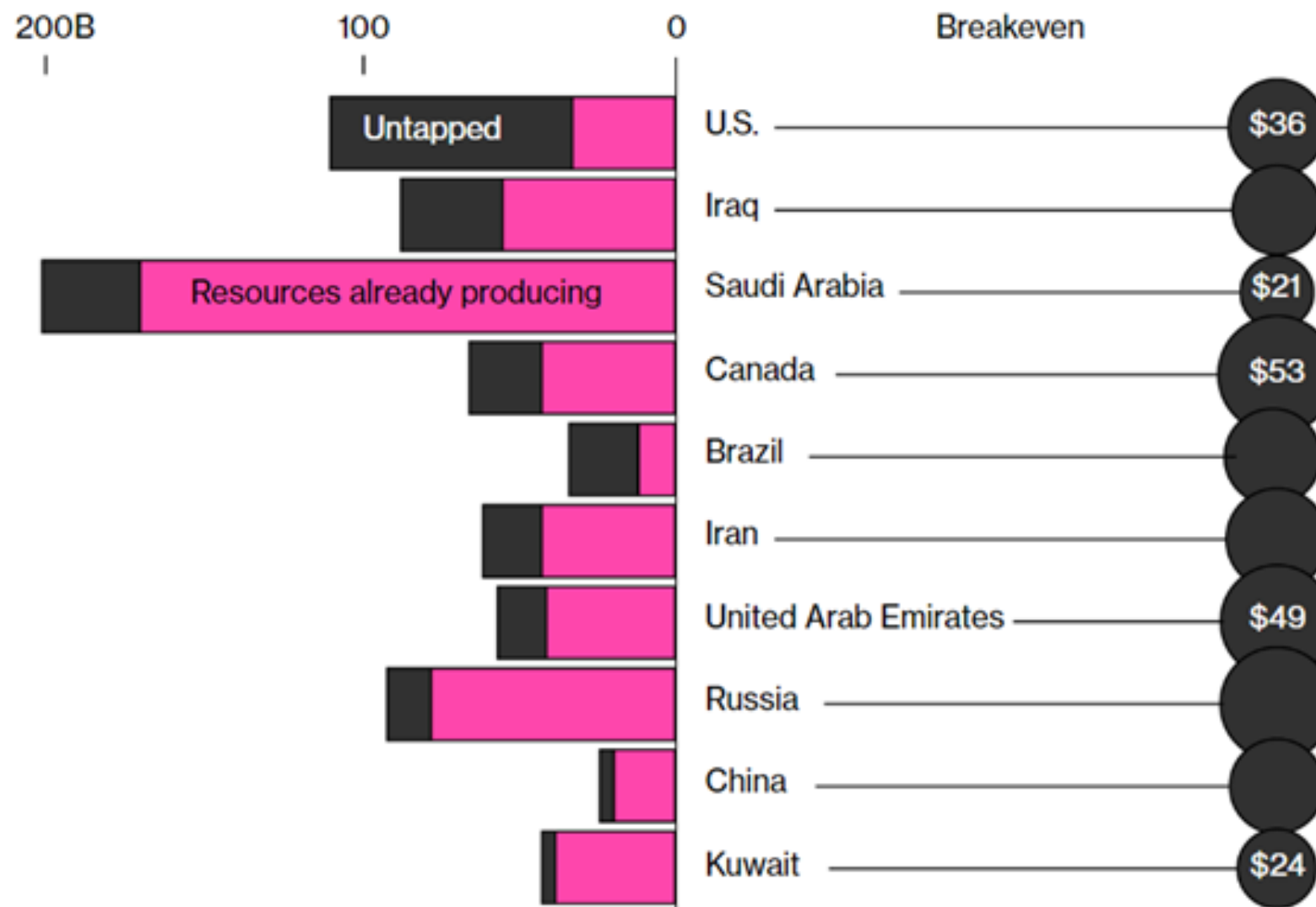


Source: Energy Information Administration



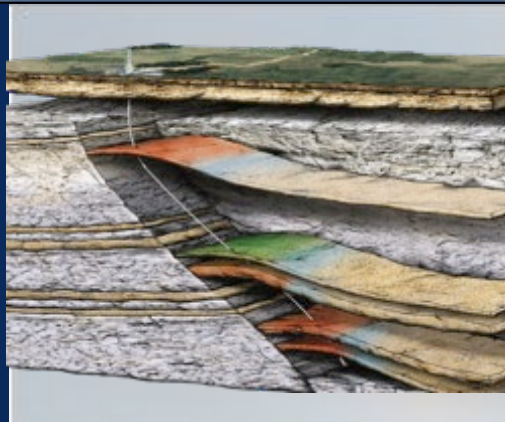
Remaining Resources

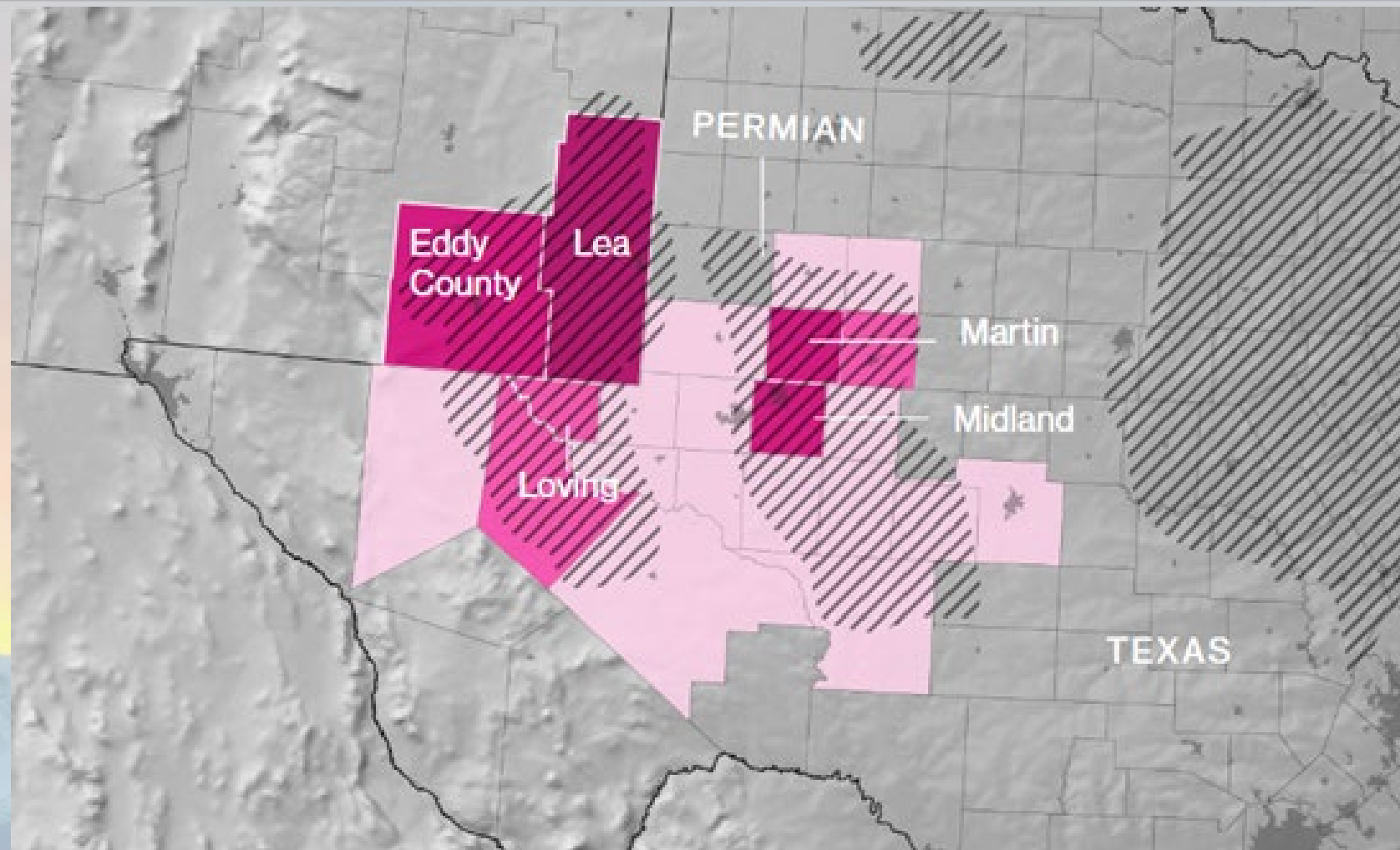
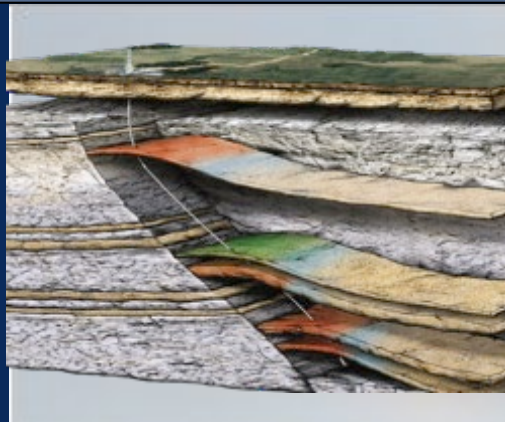
Top countries by oil resources in total barrels and breakeven cost



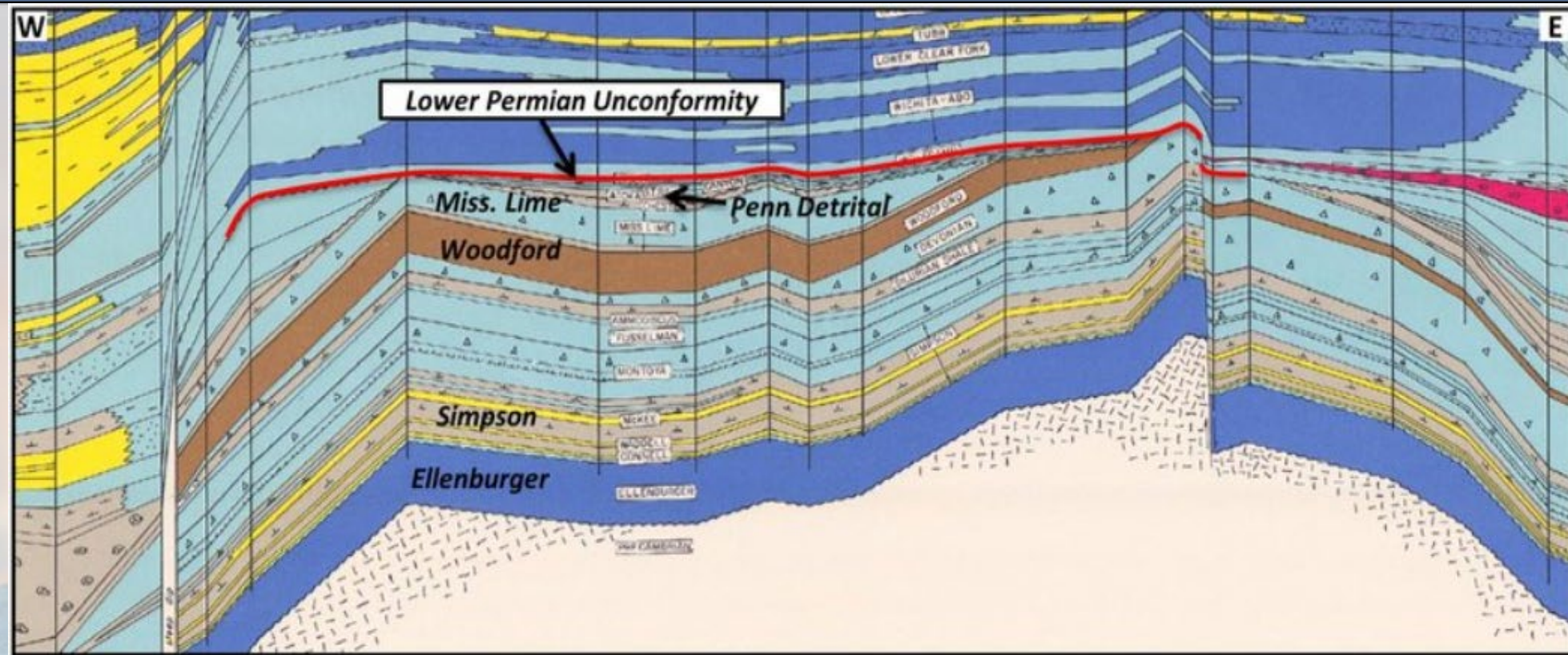
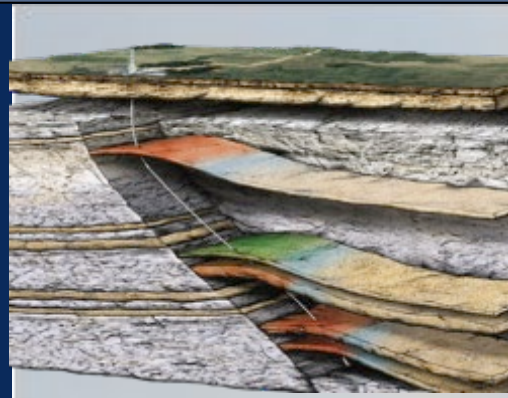
Energy & Science

Why the Global Oil Market Hinges on Five U.S. Counties

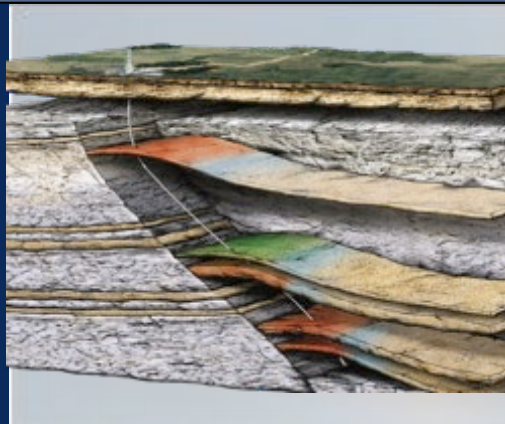




The Permian Basin, a sprawling shale patch that lies beneath Texas and New Mexico, is uniquely positioned to become the world's most important growth engine for oil production. The Permian Basin has a bigger share of wells yet to be developed, compared to other basins.



What really makes the basin stand out from other regions is its vast layers of oil-soaked rock, stacked like pancakes on top of one another. That makes for a larger number of lower-cost locations ripe for drilling. There are roughly 12 productive zones in the Permian. The potential is so big that it outstrips even the Middle East's famed fields.

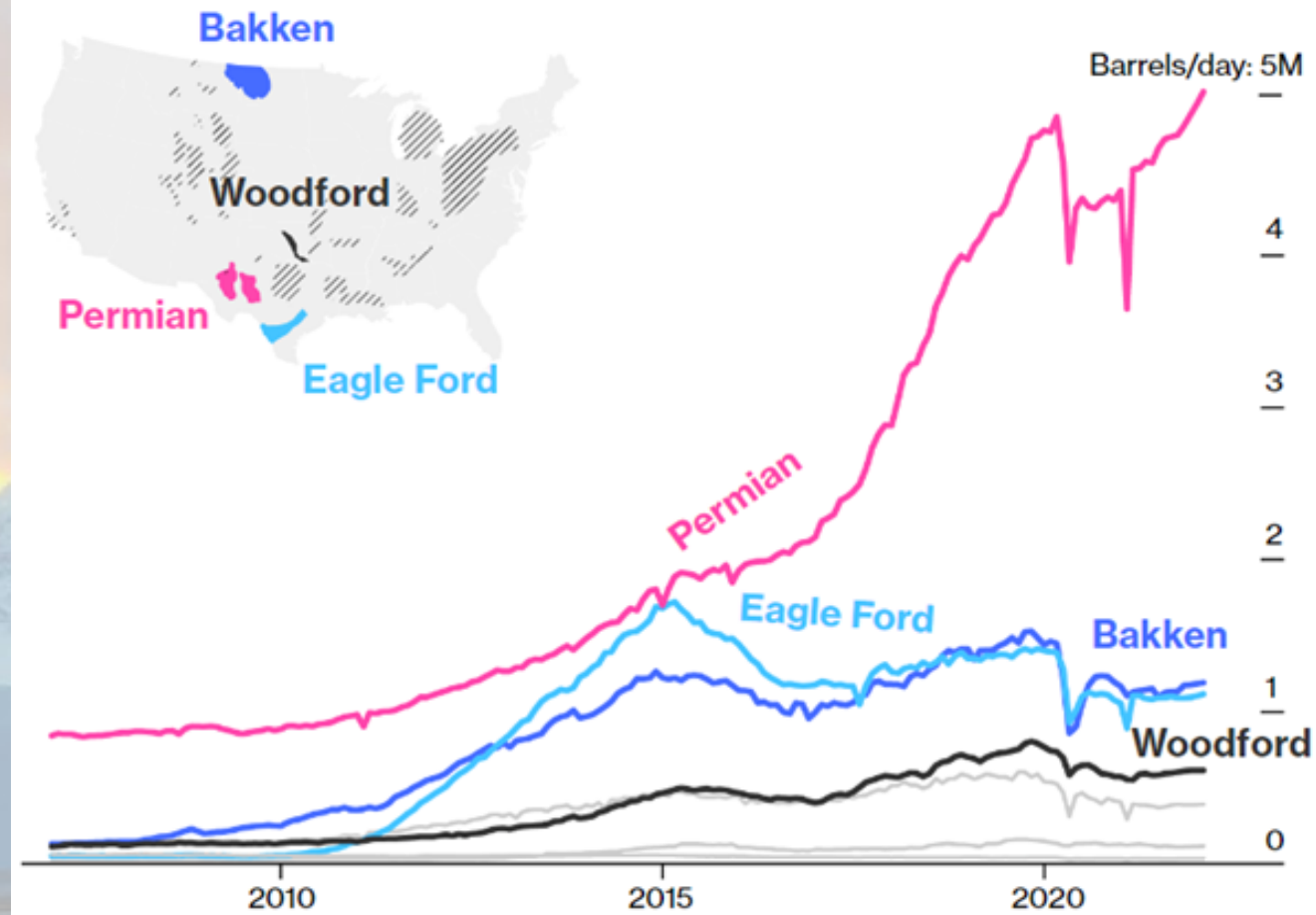


These days, it's all about the Permian.

Permian Outstrips Other Shale Patches

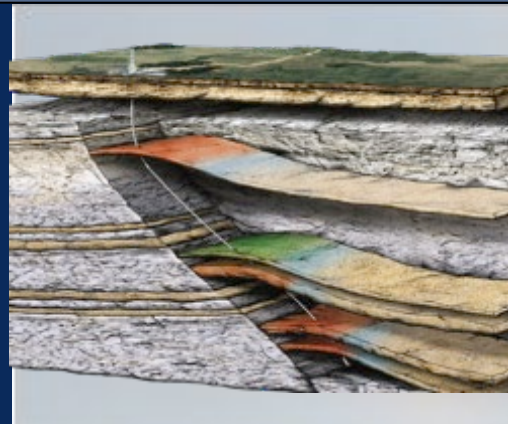
Production by basin

Oil and gas shale basins



The US oil system has effectively gone from three growth engines down to one the Permian.

Those Factors are Bringing More Investments Into The Permian



Chevron's 2023 budget is up more than 22% from last year, its press release stated, with \$14 billion this year. More than \$4 billion of that money will be invested in the Permian Basin.



Texas-based Exxon expects to spend anywhere between \$23 billion to \$25 billion this year, with hopes of doubling its earnings by 2027. They plan to focus on investments in areas like the U.S. Permian Basin, Guyana and Brazil, according to a press release.



Oxy is a leading producer in the U.S. Permian Basin, one of the most prolific oil basins in the world, where we operate some of the top-performing wells in the industry.

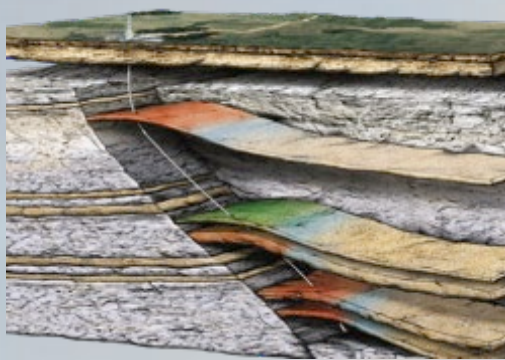


ROYALE ENERGY

BLACK GOLD DEVELOPMENT III

PRIVATE PLACEMENT MEMORANDUM

Pradera Fuego Oil Field

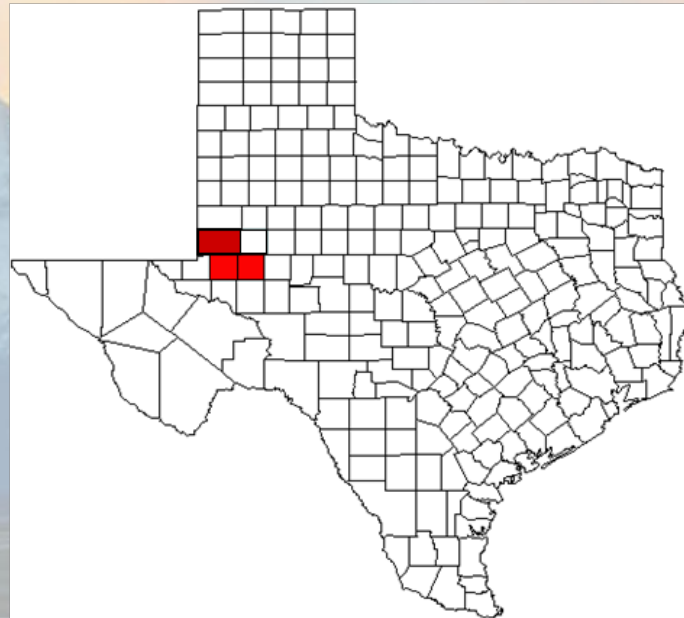


PRADERA FUEGO OIL WELLS

Located in the Permian Basin (West of the city of Odessa, Ector County, Texas), the Pradera Fuego project is drilling horizontal wells in the Mississippian section of the Barnett Shale. In Black Gold III we will be drilling three horizontal wells next to the Sweet Melissa 1H and Anna 1H well which is one of the best wells in the entire play.

Royale Energy has been able to acquire an interest in the Pradera Fuego Project operated by Ares Energy. Pradera Fuego is a 10,045 acre shale play in the heart of one of the most active horizontal shale plays in the Permian Basin. The Permian Basin produces 4.1 million barrels of oil per day contributing 38% of total U.S. supply.

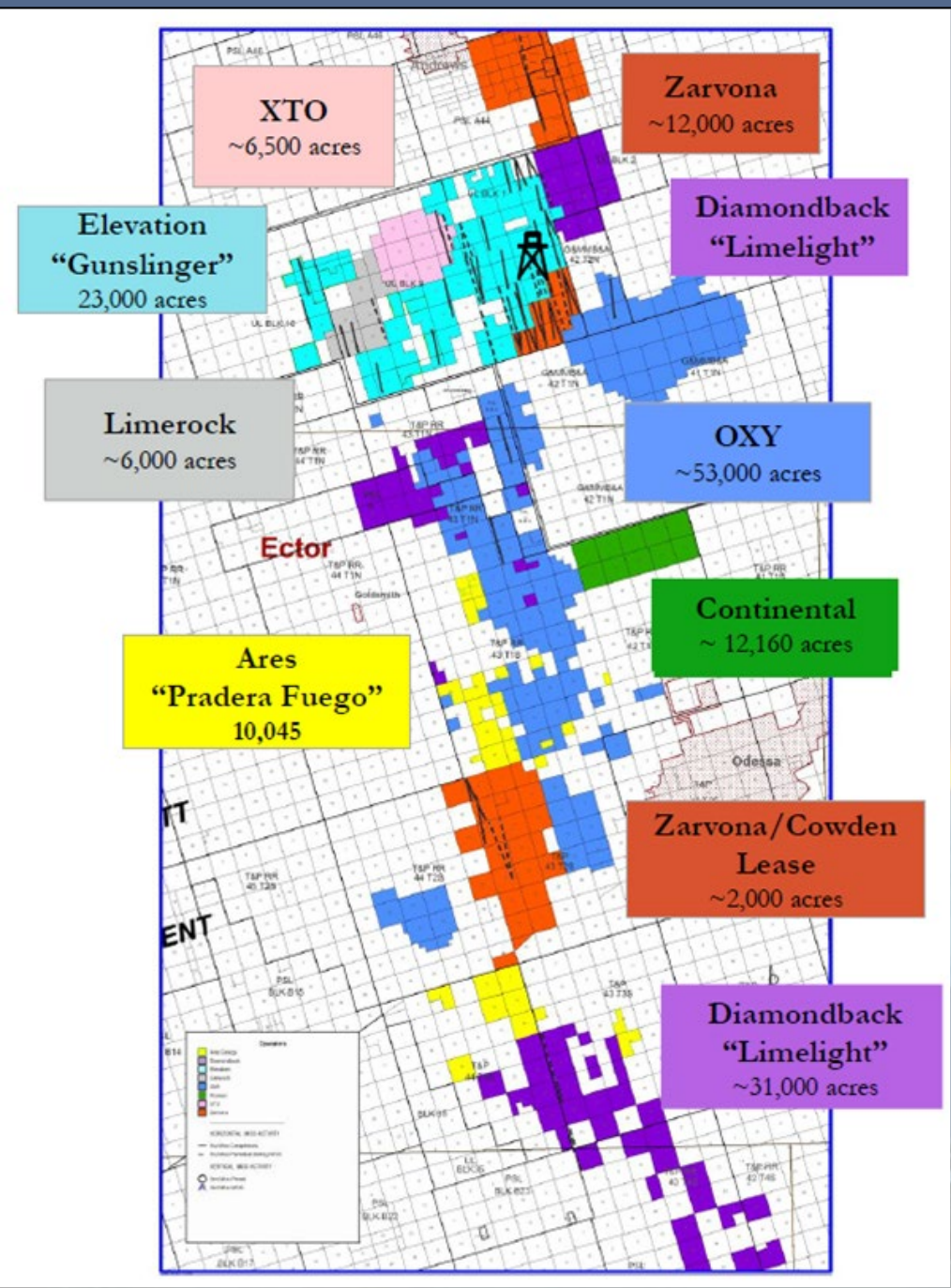
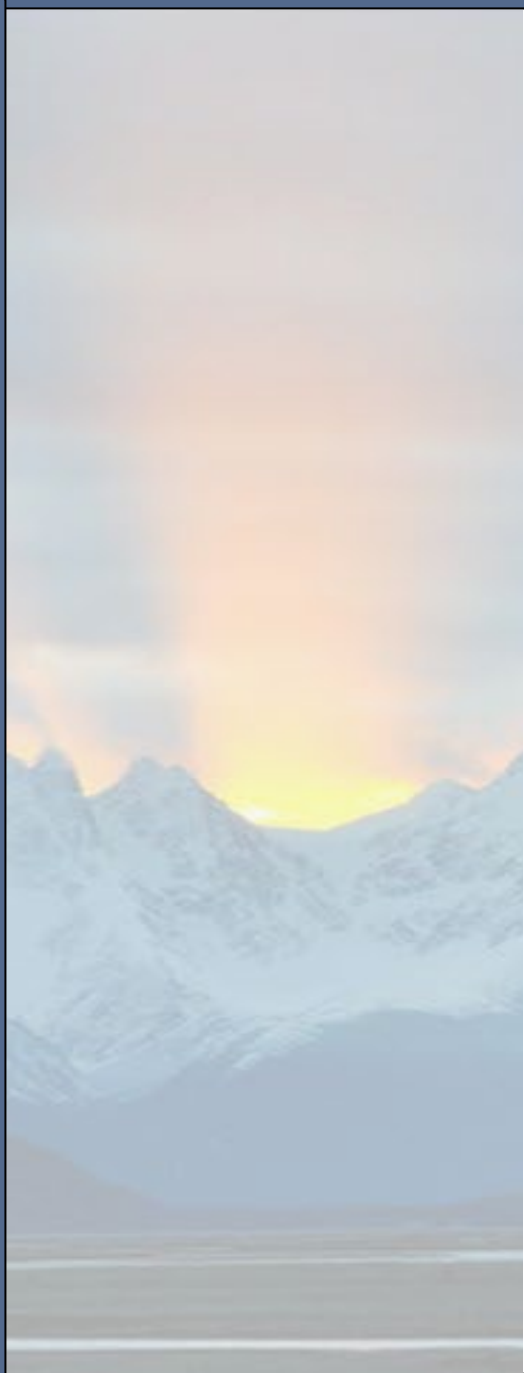
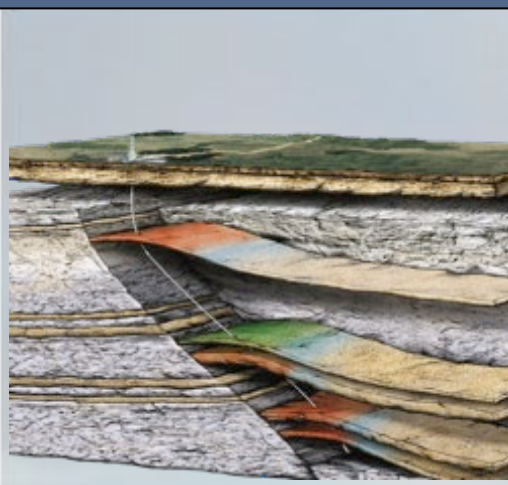
Texas Permian Basin



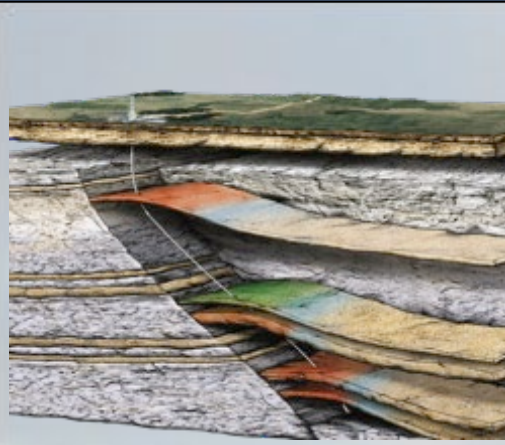
Pradera Fuego Field



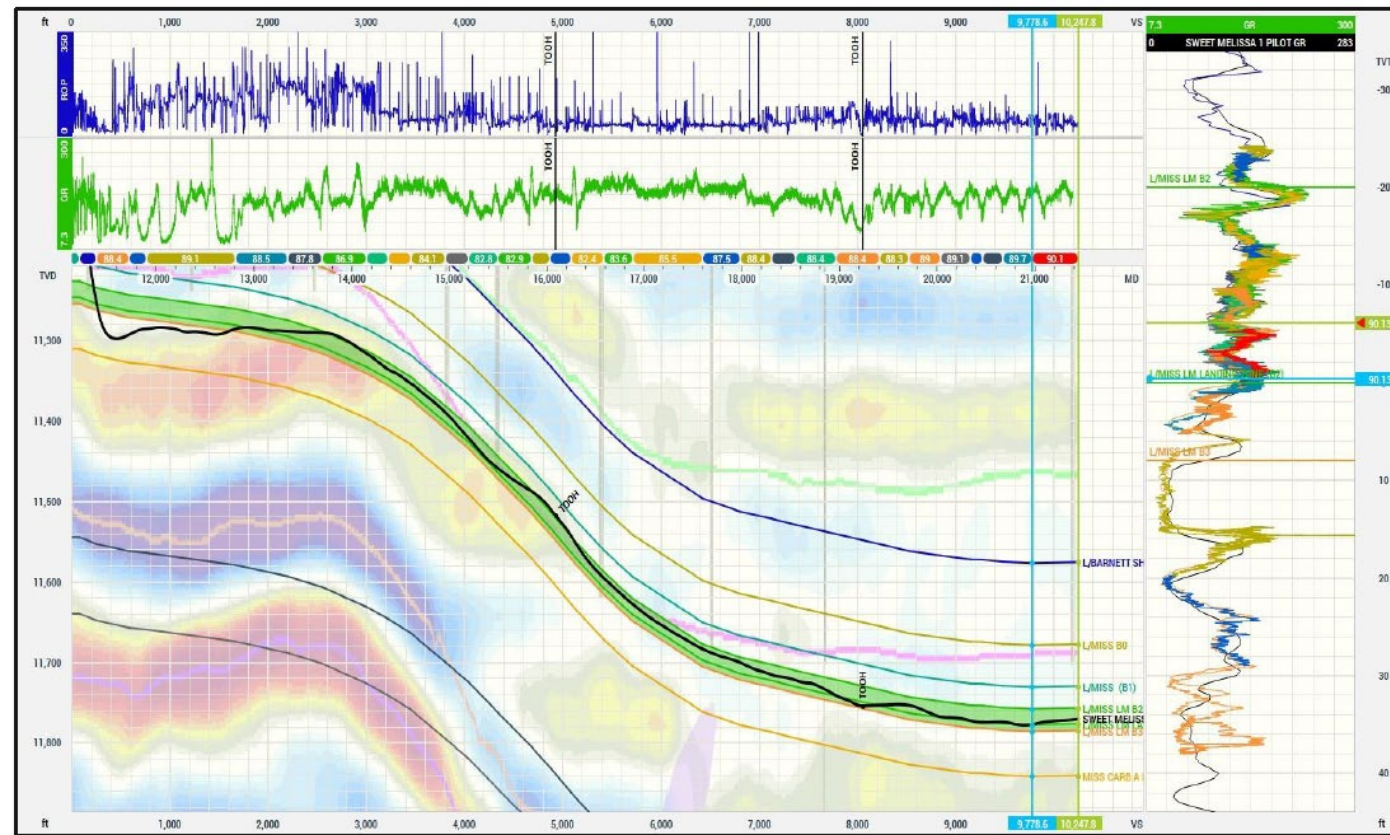
Pradera Fuego Oil Field



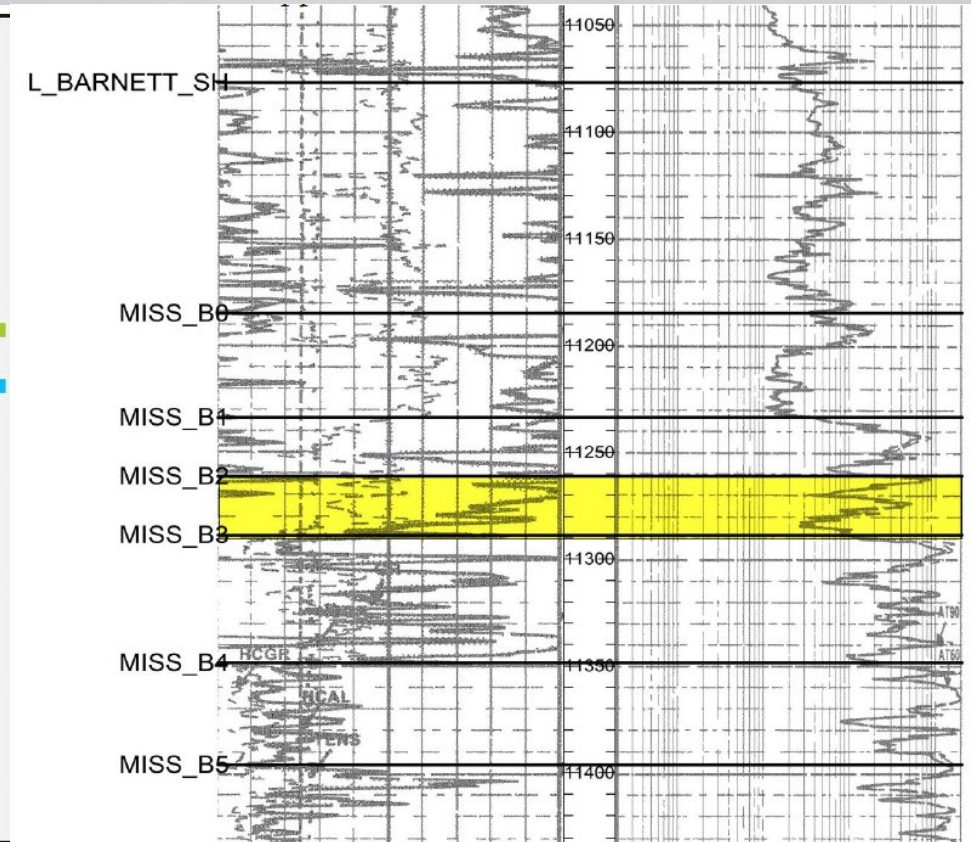
Pradera Fuego Field – Sweet Melissa 1H



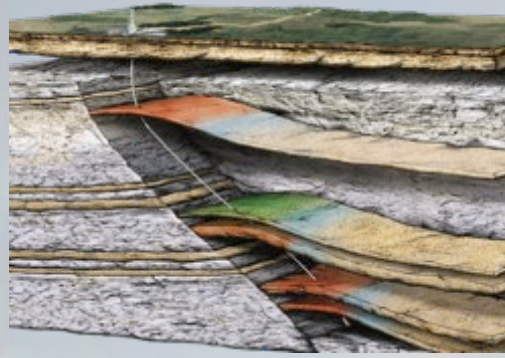
Well Path



Geologic Target



Pradera Fuego Field – Sweet Melissa 1H

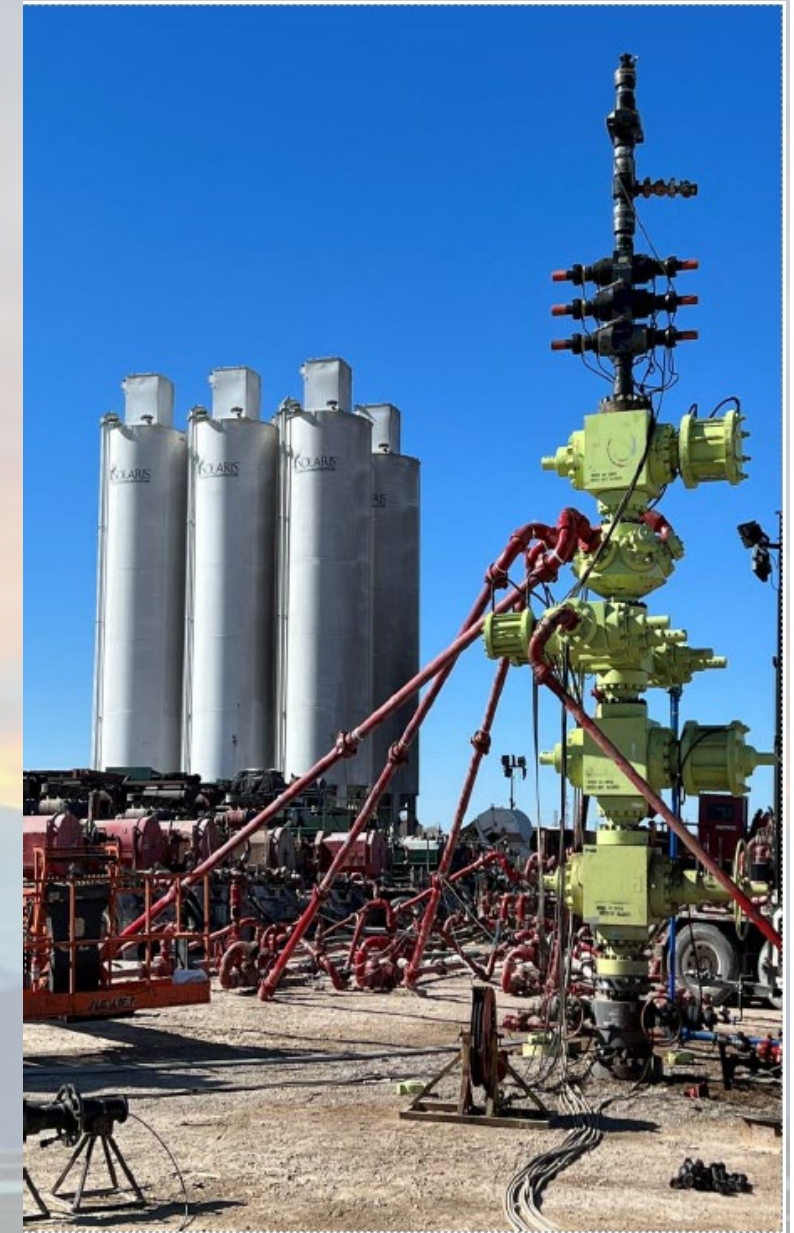


Well Completion:

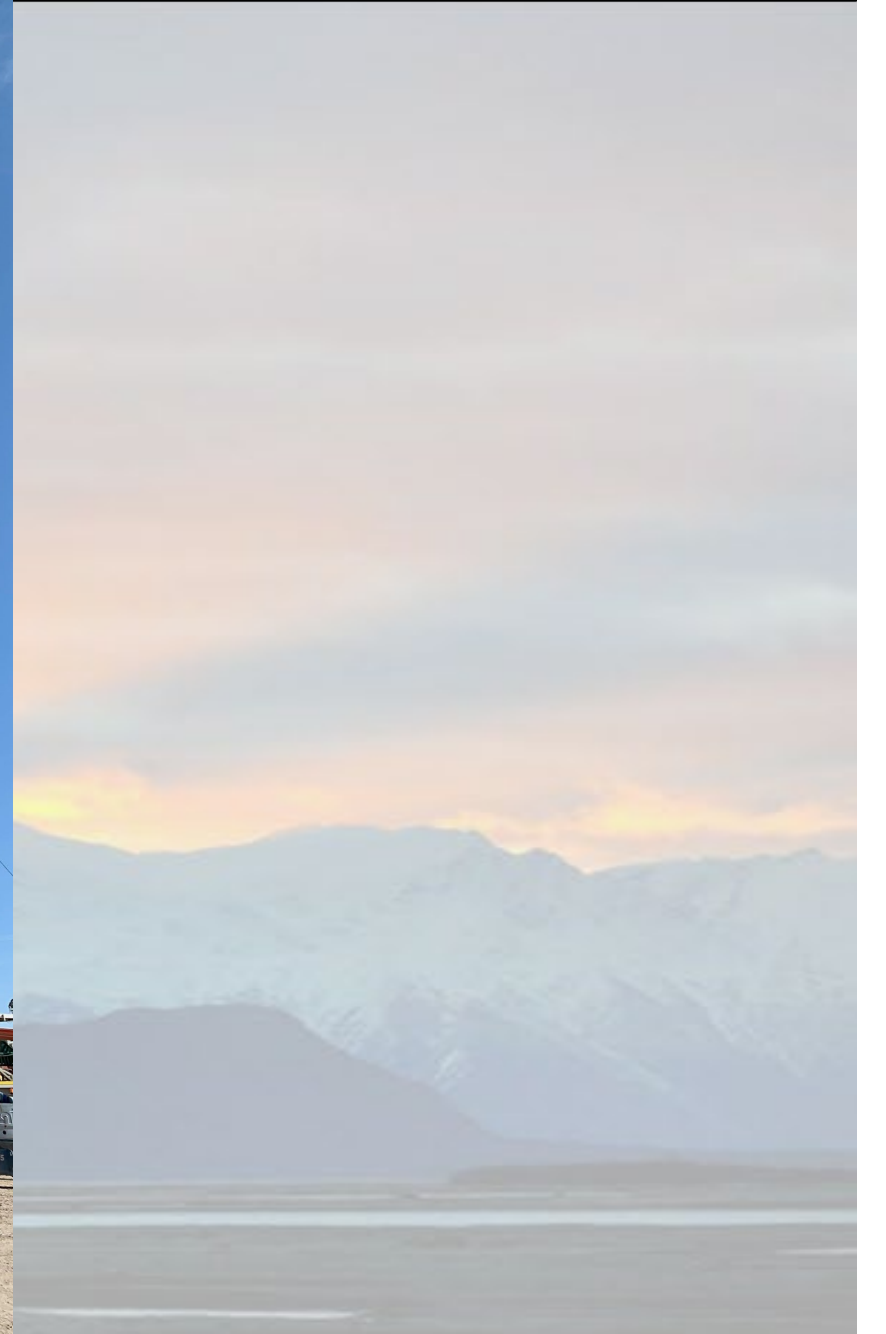
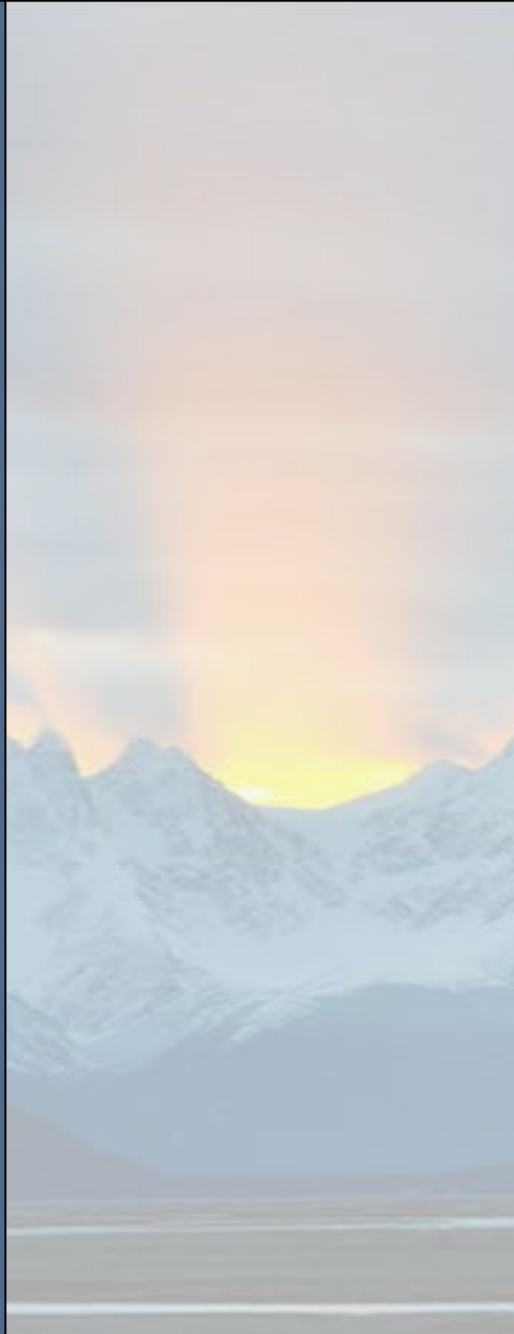
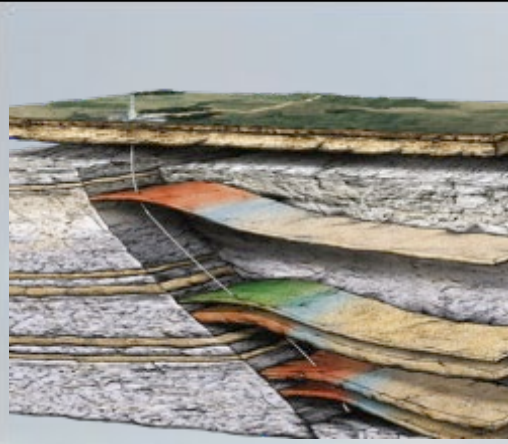
- The Sweet Melissa 1H was the first horizontal Mississippian well drilled and completed in the Ares Energy, LTD. operated Pradera Fuego Project located in the Permian Basin (West of the city of Odessa, Ector County, Texas).
- The well was drilled to a Total Measured Depth of 21,450 ft., requiring 44 days. True Vertical Depth is 11,295 ft. with a horizontal length of 10,155 ft.
- Flow-back was initiated with initial pressures of 3,300 psi and peak flowing rate of 2,960 barrels of total fluid per day and peak daily flowing rates of 835 barrels of oil and 1.3 MMcf.

Reserve Estimate and Analysis :

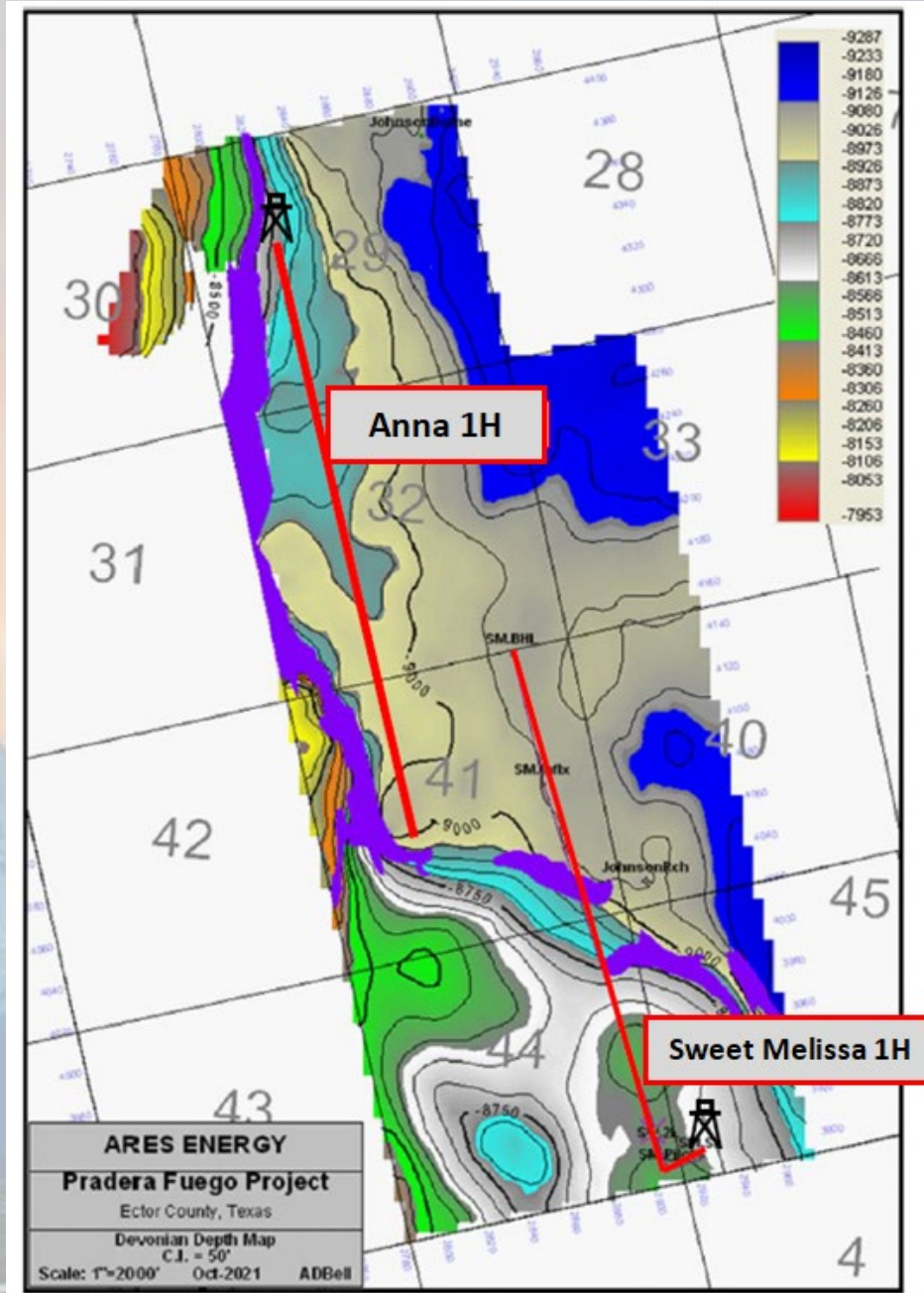
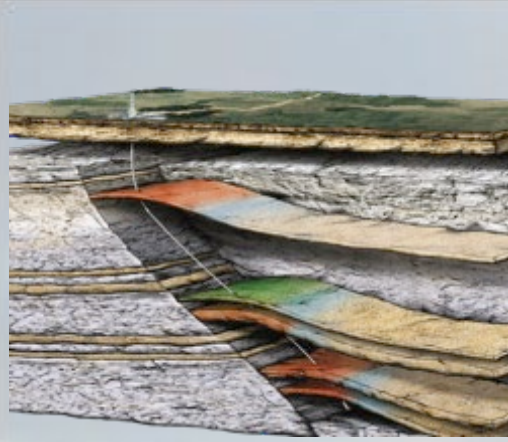
- Based on normalized production performance curves (“Type Curve”) from offset wells by Oxy, Zervona and Diamondback, the **Sweet Melissa 1H is expected to recover 950,000 barrels of oil and 1.7 Bcf.**
- However, the Sweet Melissa has a 30-day peak production rates of **730 barrel of oil per day & 1.1 MMcf per day.**



Pradera Fuego Field – Anna 1H



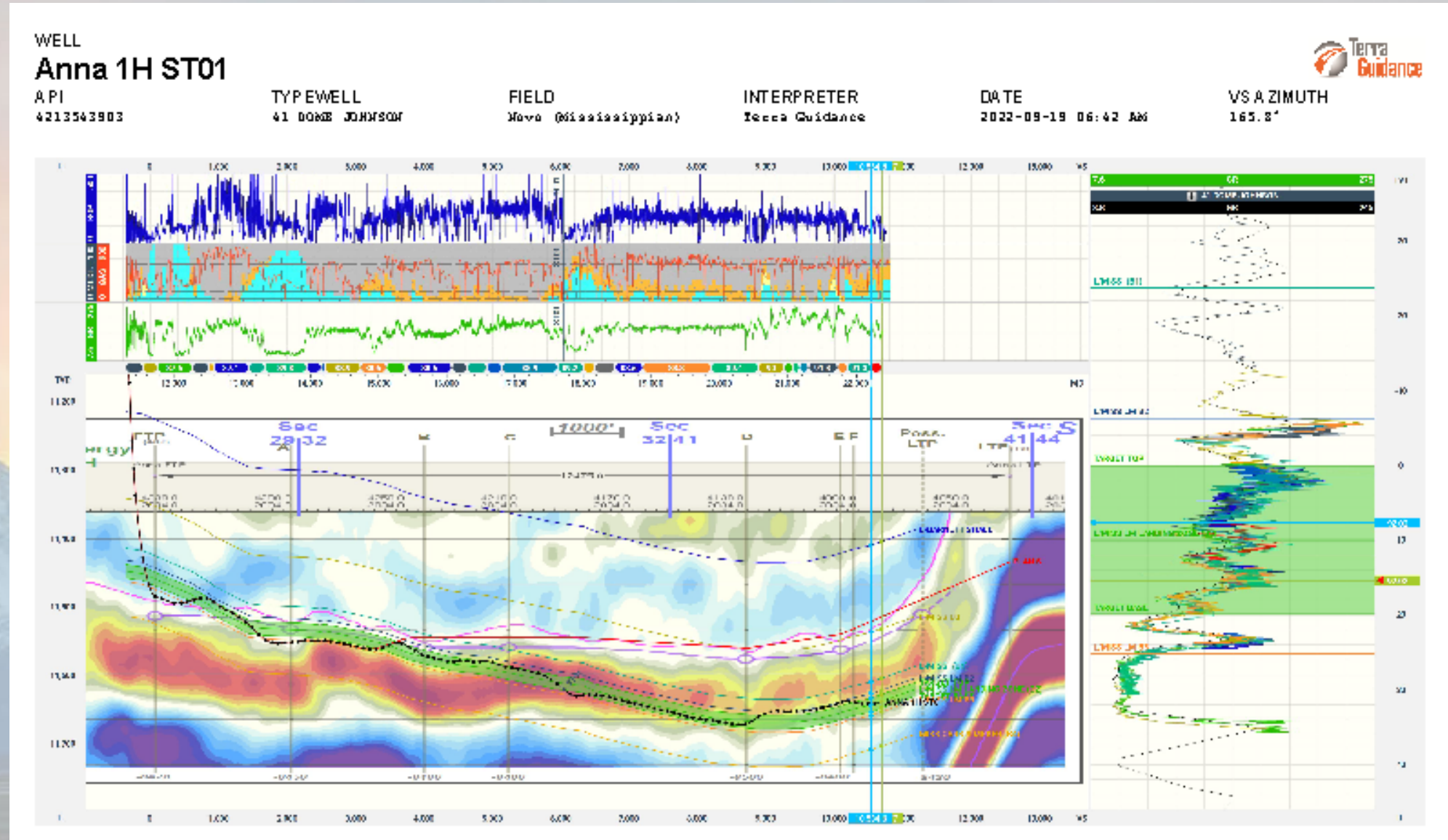
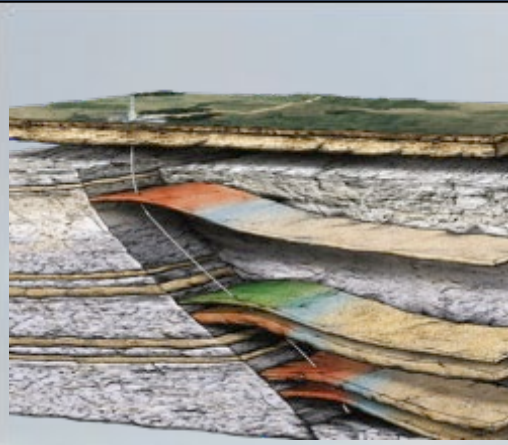
Pradera Fuego Field – Anna 1H



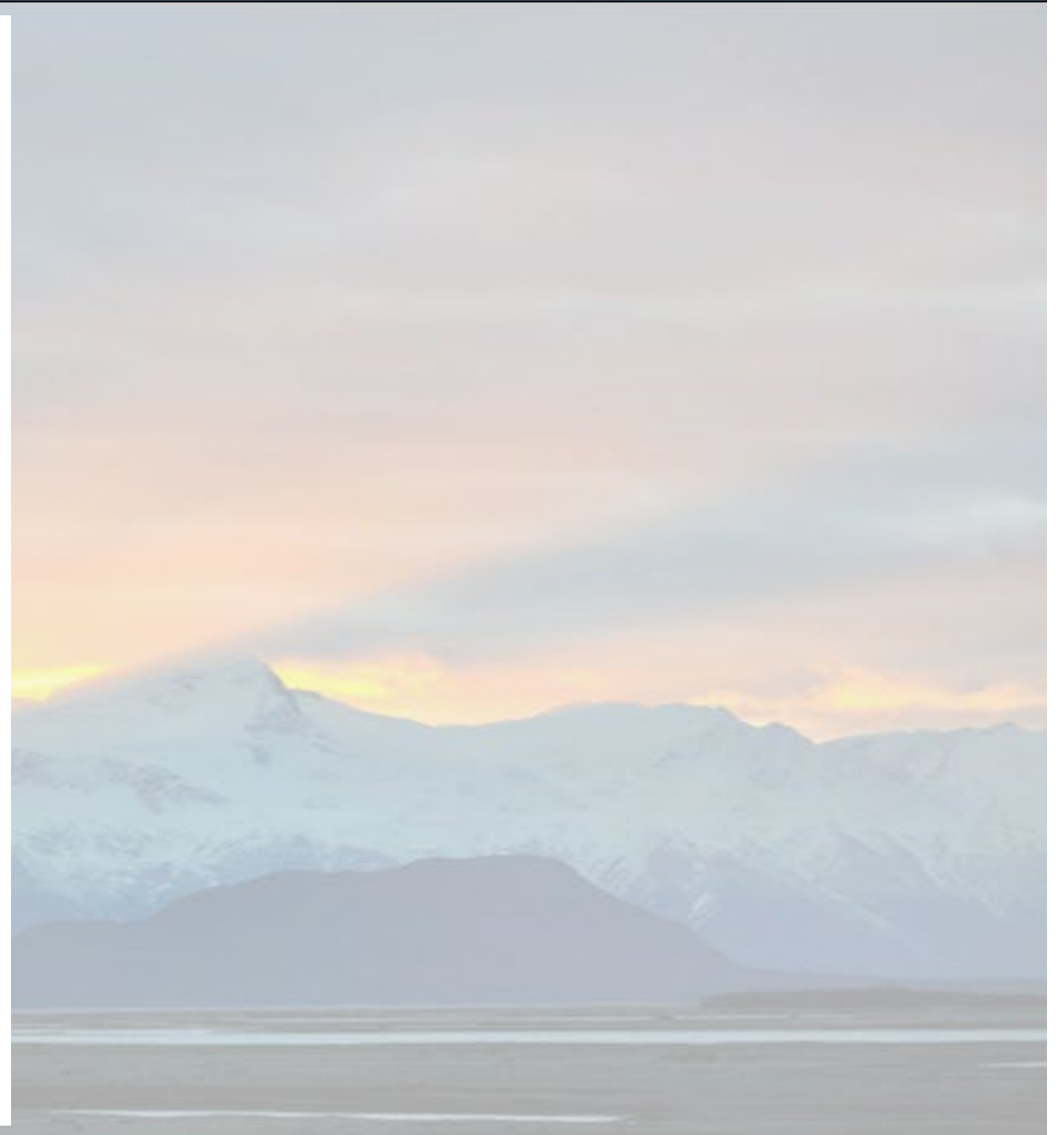
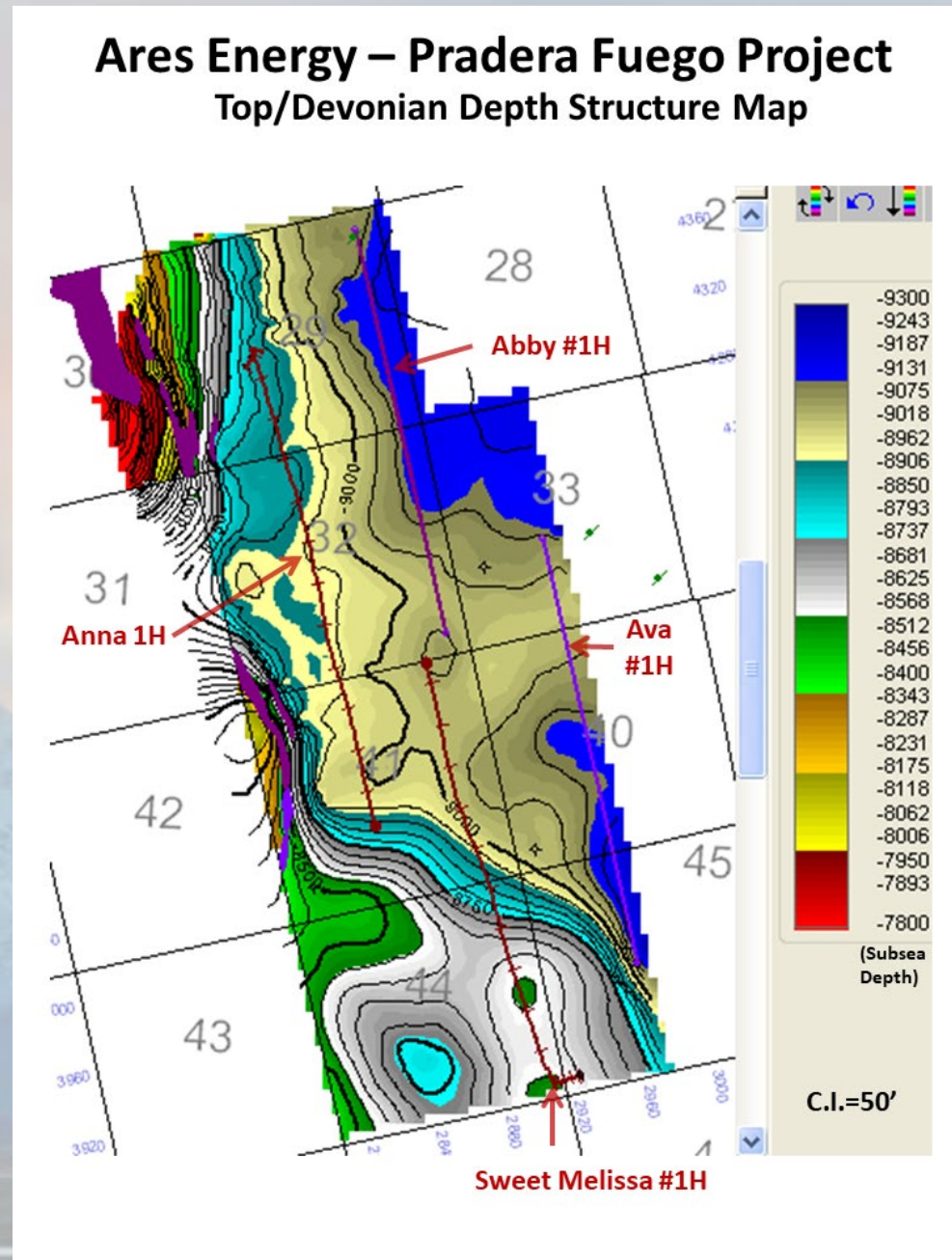
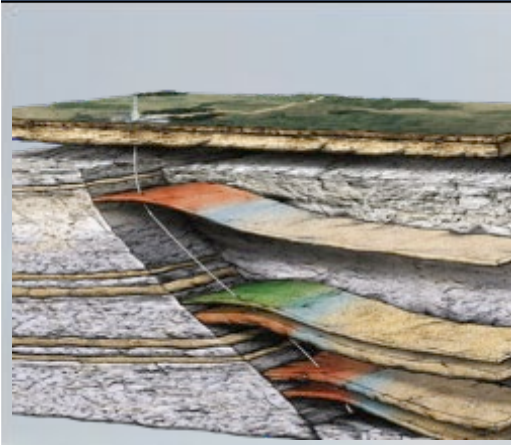
- The Sweet Melissa 1H was drilled South to North, negotiating a steeply dipping Devonian structure midway in the Lateral.
- The vertical drop from the heel to the toe was over 500 ft.
- Directional drilling time should improve dramatically from 35 ft./hr. to around 65 ft./hr.
- Based on the relative position of the wellbore to folding of the Devonian structure, the benefits of natural fracturing experienced by the SM1H across the fold should be encountered along the entire length of the wellbore.

Pradera Fuego Field – Anna 1H

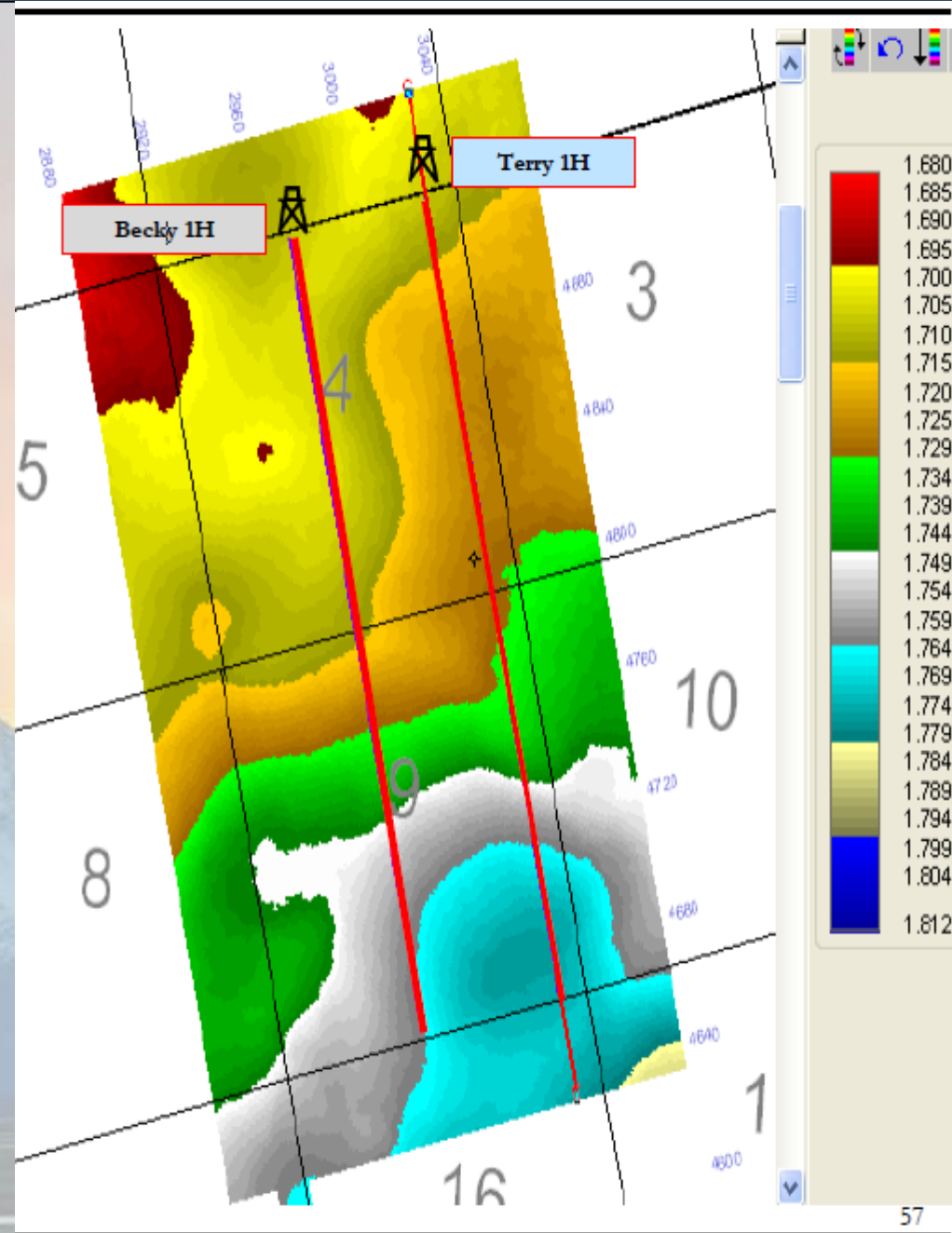
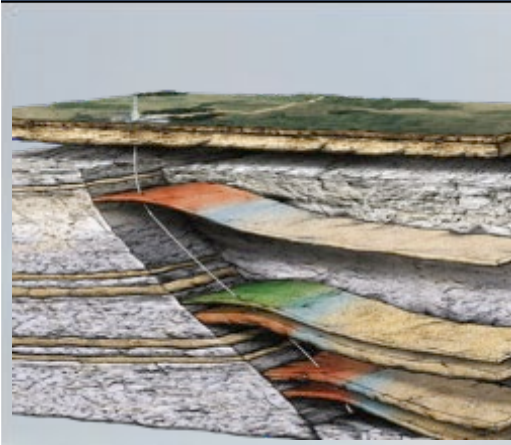
Well Path



Pradera Fuego Field – Ava 1H

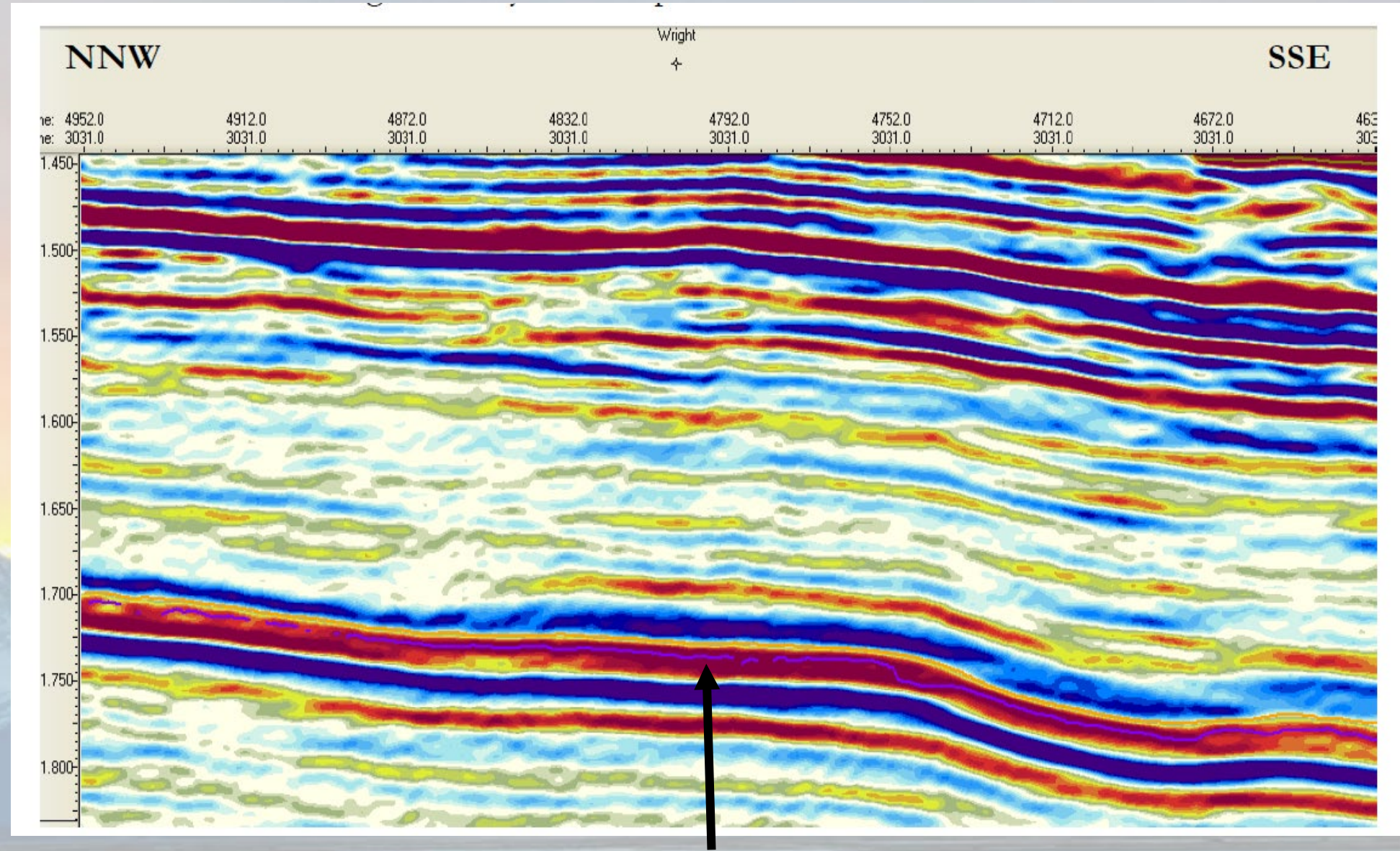
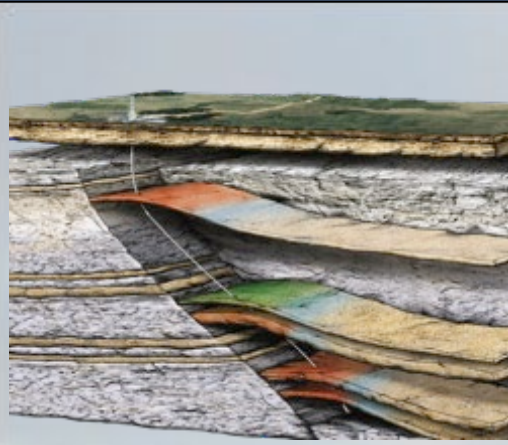


Pradera Fuego Field – Terry Unit 1H and Becky 1H



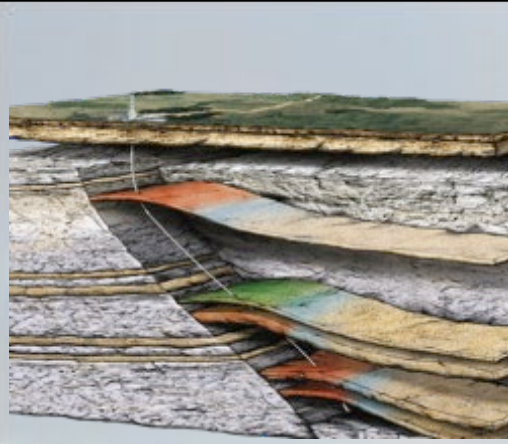
- The Terry Unit 1H and Becky1H will be drilled in a North to South direction. Both are planned to be 2.0 mile horizontal Mississippi wells.
- Oil reserves are projected to be similar to the previous wells drilled in the Pradera Fuego Project at greater than 1,000,000 barrels of oil equivalent
- Currently 12 active well permits for the Mississippian horizontals have been filed by Oxy, Diamondback, Zarvona, Fasken Oil & Gas, and Ares in the areas of the Black Gold III wells.

Pradera Fuego Field – Terry Unit 1H Seismic Interpretation



3D Seismic Slice of the Mississippian Oil Formation

Pradera Fuego Field – Arial View



Black Gold III Development



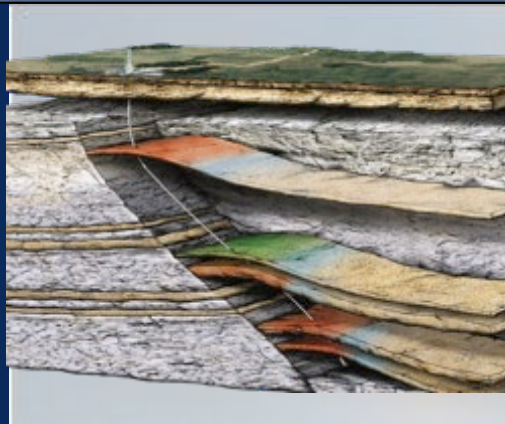
PURCHASE PRICE

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
One (1) unit \$100,000 and consists of the following:	
Royale Energy Pradera Fuego Terry Unit 1H	0.08700%
Royale Energy Pradera Fuego Beck 1H	0.08700%
Royale Energy Pradera Fuego Ava Unit 1H	0.08700%
One Half (1/2) unit is \$50,000 and consists of the following:	
Royale Energy Pradera Fuego Terry Unit 1H	0.04300%
Royale Energy Pradera Fuego Beck 1H	0.04300%
Royale Energy Pradera Fuego Ava Unit 1H	0.04300%
One Quarter (1/4) unit is \$25,000 and consists of the following:	
Royale Energy Pradera Fuego Terry Unit 1H	0.02100%
Royale Energy Pradera Fuego Beck 1H	0.02100%
Royale Energy Pradera Fuego Ava Unit 1H	0.02100%

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



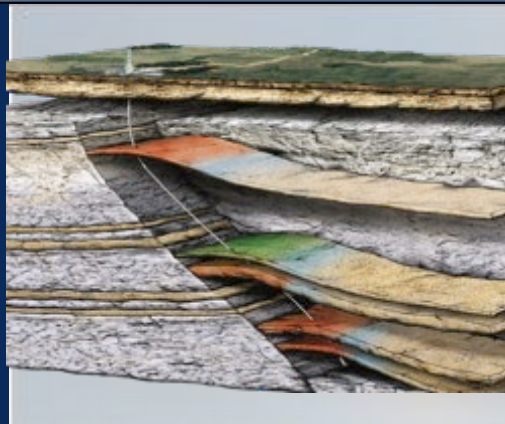
☑ Monthly Income upon establishment of production paid end of every month



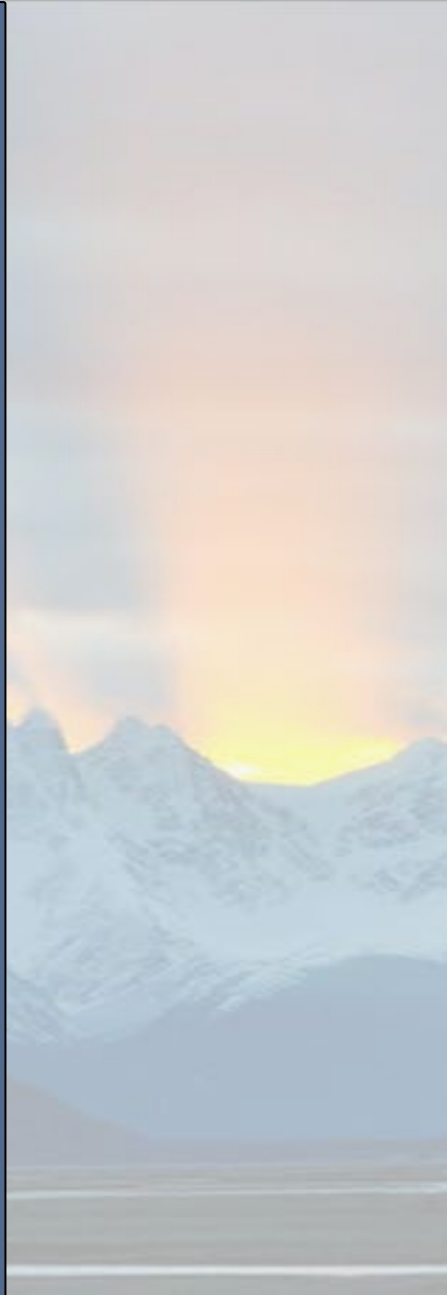
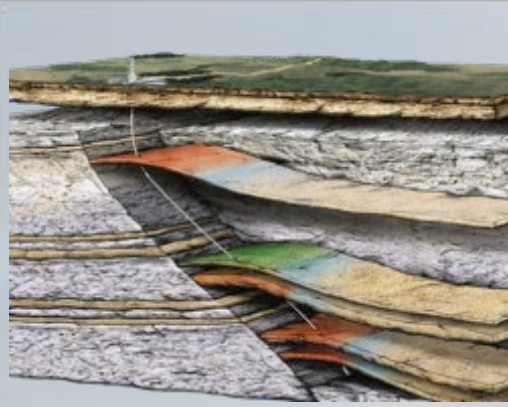
☑ Owners receive 1099 on or before Jan 31st of following year from income, No K1s

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.



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



The Tax Advantages of Oil & Gas Exploration



ROYALE ENERGY

Deductions can be used against:

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

*Works for both Federal & State
Taxes*





Politics

Oil Industry Tax Breaks Preserved in House Democrats' Proposal

By [Jennifer A Dlouhy](#) + Follow

September 13, 2021, 9:51 AM PDT

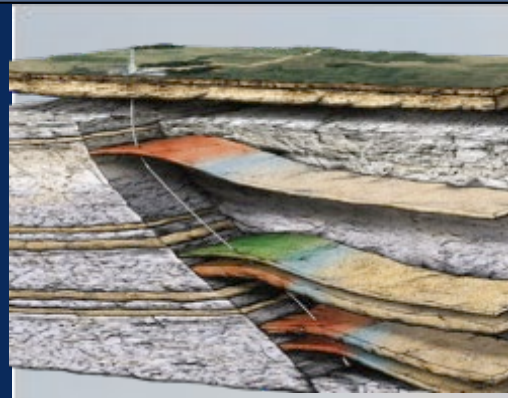
House Democrats are rebuffing President Joe Biden's call to end a raft of tax breaks cherished by the oil industry.

Instead, a draft tax overhaul unveiled by the House Ways and Means Committee steers clear of axing the oil industry-targeted preferences, some of which date back more than a century. The omission was blasted by environmentalists, who argue that tax deductions that help oil companies recover the costs of drilling have no place in a warming world.

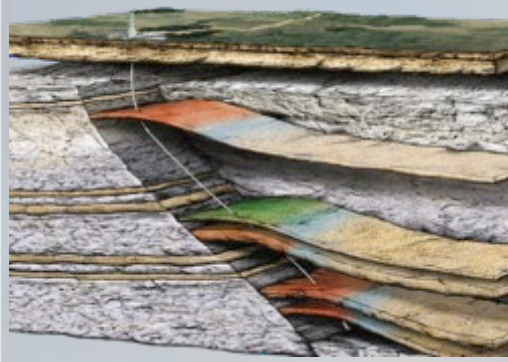
Example of Tax Savings

Royale Reserve II Project

1 Unit Drilling Investment	\$100,000
<i>Less: Federal Tax Deduction:</i>	(\$100,000)
Refund (at Maximum Tax Rate 35%)	\$35,000
State Tax Refund	\$10,000
(where applicable) (State Tax 10%)	
<hr/>	
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 19th 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**

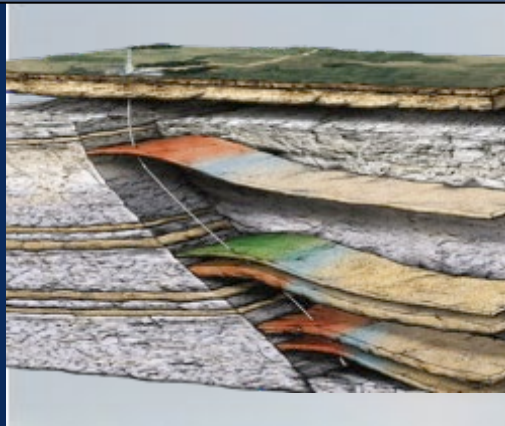


"Fossil fuels are the lifeblood of the world economy. They are indispensable. Moreover, the rout in the oil patch in recent years is setting us up, in my view, for one of the great buying opportunities of our lifetimes. However, you might miss it if you're busy demonizing the fossil fuel industry. "

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



ROYALE ENERGY, INC.



ROYALE ENERGY, INC.

1530 Hilton Head Rd Suite 205

El Cajon, CA 92019

(800) 447-8505

www.ROYL.com

ir@royl.com



ROYALE ENERGY, INC.