

ROYALE ENERGY, INC.



Live and Invest
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
JULIA C. GUTH
MARCH 2015

MONEYSHOW®

INVEST SMARTER, TRADE WISER



**Royale Energy MoneyShow
Sponsor Since 1985**



The Tax Advantages of Oil & Gas Exploration



ROYALE ENERGY

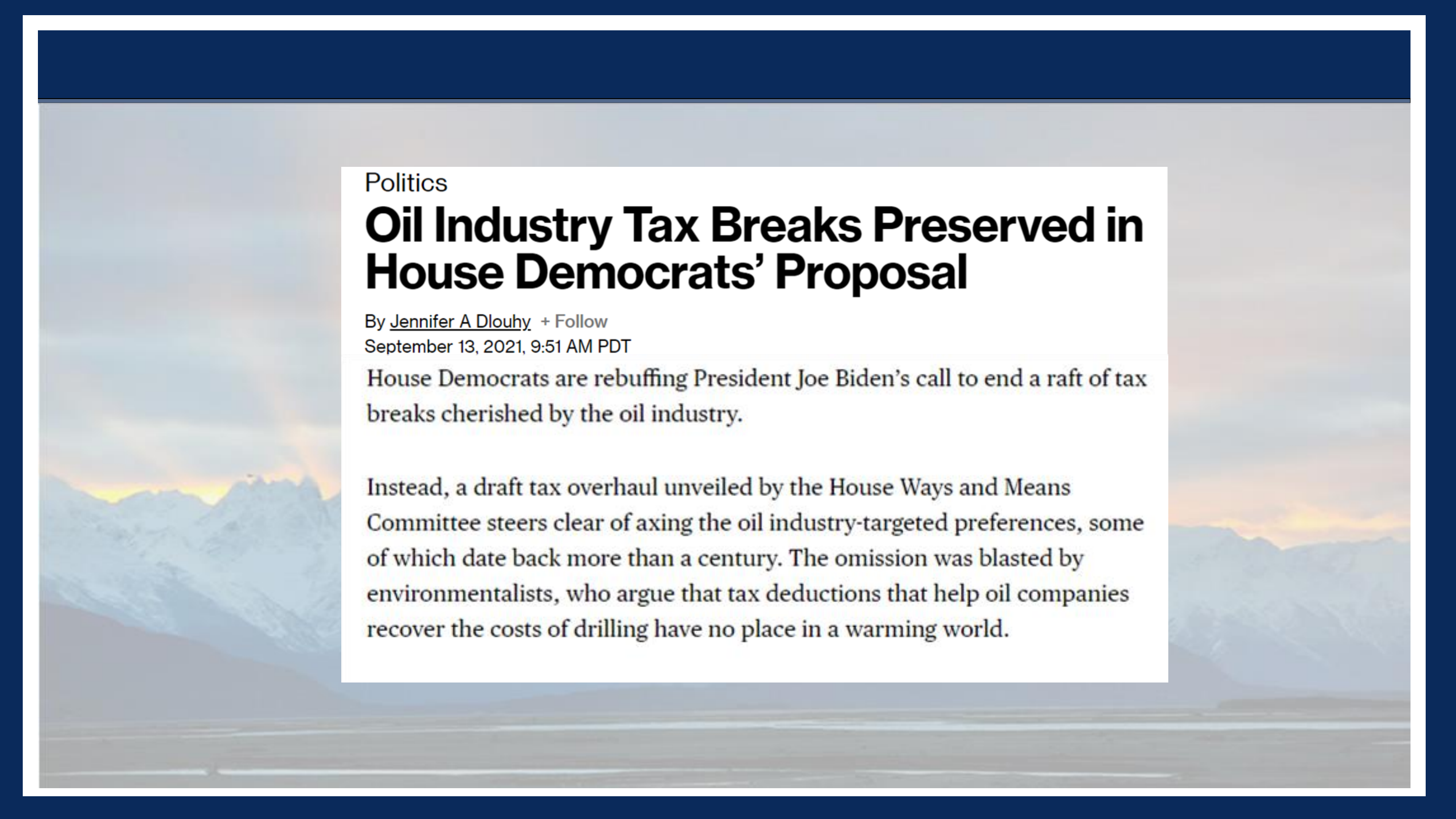
Deductions can be used against:

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

*Works for both Federal & State
Taxes*



ROYALE ENERGY, INC.



Politics

Oil Industry Tax Breaks Preserved in House Democrats' Proposal

By [Jennifer A Dlouhy](#) + Follow

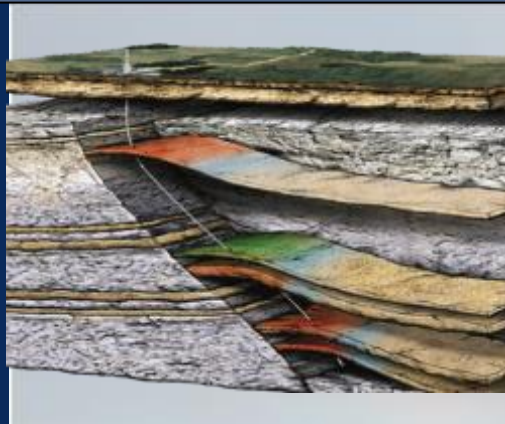
September 13, 2021, 9:51 AM PDT

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.

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.



REDUCING FEDERAL AND STATE INCOME TAXES

The U.S. government has provided tax incentives to stimulate domestic oil and natural gas production financed by private investors. Oil and natural gas projects offer many tax advantages. These tax benefits enhance the economics of oil and natural gas projects.

ACTIVE VS. PASSIVE INCOME

The Tax Reform Act of 1986 introduced into the Tax Code the concepts of “Passive” income and “Active” income. The Act prohibits the offsetting of losses from Passive activities against income from Active businesses. The new Tax Code specifically states that a Working Interest in an oil and gas well is not a “Passive” activity; therefore, deductions can be offset against income from active stock trades, business income, salaries, etc.

Use money you would otherwise pay out to federal and state income taxes to build a portfolio in energy.

INTANGIBLE DRILLING COSTS (IDC'S)

Intangible Drilling Costs are the labor and supplies incidental that are necessary for the drilling and preparation of the well for production of oil and gas. This is approximately 80% of the total cost of the investment and 100% deductible in the year of investment.

IDC's are placed on Schedule C/Form 1040 (Profit or Loss from Business) in Part V (Other Expenses) on line 48.

Additional information on the US Tax Code, Section 263.

TANGIBLE DRILLING COSTS (TDC'S)

TDC's are approximately 20% of the total cost of the investment. Tangible drilling costs, lease and well equipment, pipelines and all other tangible personal property can be fully deducted when acquired and placed in service after September 27, 2017 and before January 1, 2023.

100% of the TDC's can be deducted in the year of investment.

TDC's are placed on Form 4562 (Depreciation and Amortization).

DEPLETION

Depletion applies when production begins, and it allows the owner of a producing oil and/or gas well to recover their investment through tax deductions over the period in which oil and/or gas is produced. The depletion deduction is 15% of gross income for the life of the well. The deduction is placed on line 12 of Schedule C/Form 1040.

For example, \$11,000 in gross income depleted at 15% is \$1650 and is placed on line 12 of the Schedule C/Form 1040.

TAX CUTS AND JOBS ACT CHANGES FOR TAXPAYERS IN THE NEW TAX LAW

The Tax Cuts and Jobs Act (TCJA) outlines many changes for taxpayers in the oil and gas industry.

The TCJA generally lowers income tax rates for individual taxpayers, significantly reduces the income tax rate for corporations, and eliminates the corporate alternative minimum tax (AMT). It also provides a large new tax deduction for most owners of pass-through entities and significantly increases individual AMT and estate tax exemptions.

Taxpayers in the oil and gas industry are affected because they hold their assets and investments in a variety of entity types, including C corporations, partnerships, S corporations, and directly by individuals.

The TCJA also eliminates or limits many tax breaks. The key changes that affect taxpayers in the oil and gas industry are outlined below.

- **Immediate expensing (also referred to as Bonus Depreciation)**
- **Enhanced Section 179 depreciation**

Full Expensing of Tangible Property

This provision could be a significant benefit because the oil and gas industry is very capital intensive.

Tangible drilling costs, lease and well equipment, pipelines, and all other tangible personal property can be fully deducted when acquired and placed in service after September 27, 2017, and before January 1, 2023. The full deduction is phased down by 20% each year in taxable years beginning on or after January 1, 2023:

2023—80%

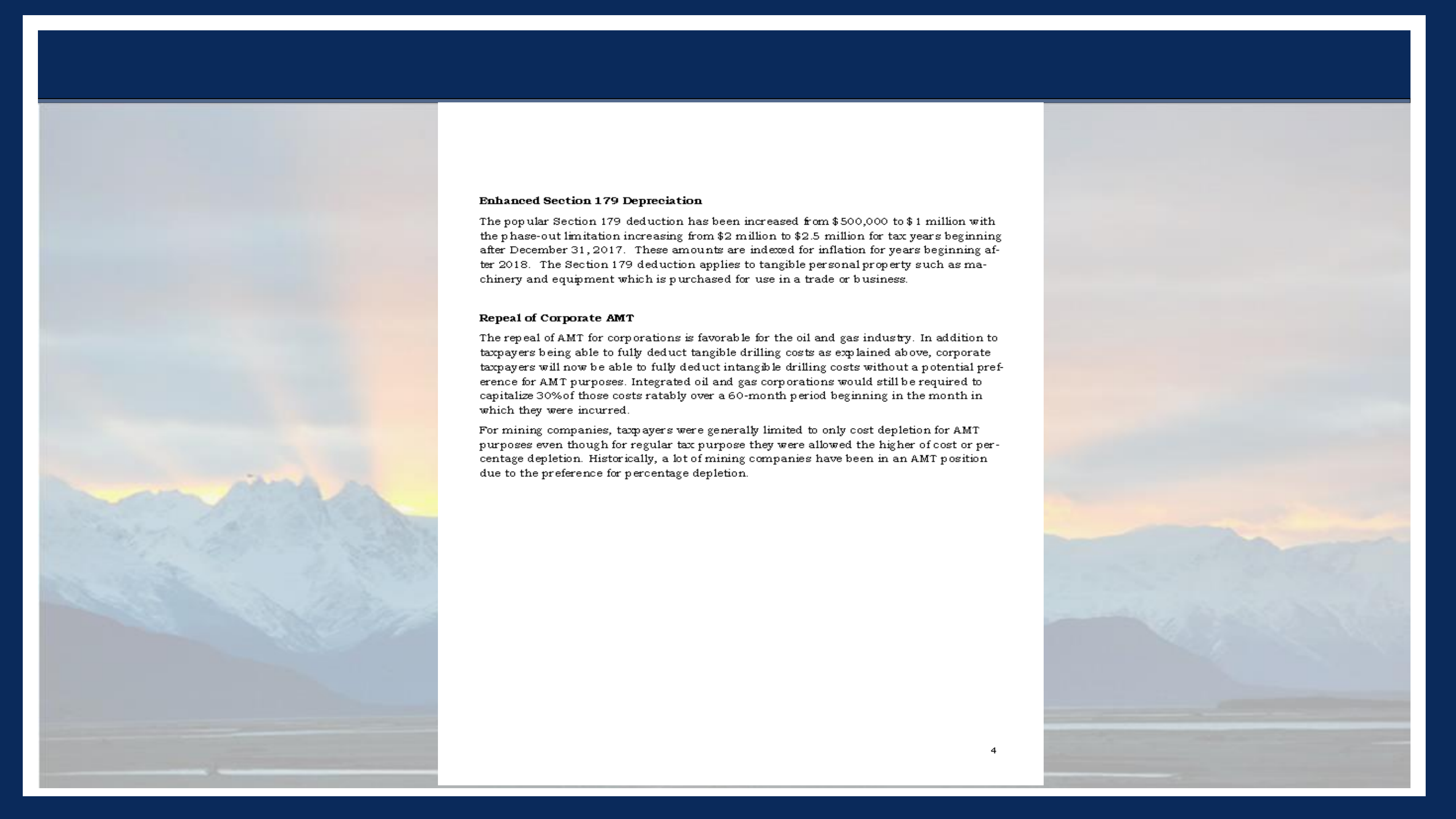
2024—60%

2025—40%

2026—20%

2027—0%

The new tax law also permits used property to be eligible for the full expensing provision. This change may impact merger and acquisition transactions by motivating buyers to structure deals as actual or deemed asset acquisitions rather than stock acquisitions. This is accomplished by enabling the buyer to immediately deduct a significant portion of the purchase price and generate NOLs in the year of purchase to offset future taxable income.



Enhanced Section 179 Depreciation

The popular Section 179 deduction has been increased from \$500,000 to \$1 million with the phase-out limitation increasing from \$2 million to \$2.5 million for tax years beginning after December 31, 2017. These amounts are indexed for inflation for years beginning after 2018. The Section 179 deduction applies to tangible personal property such as machinery and equipment which is purchased for use in a trade or business.

Repeal of Corporate AMT

The repeal of AMT for corporations is favorable for the oil and gas industry. In addition to taxpayers being able to fully deduct tangible drilling costs as explained above, corporate taxpayers will now be able to fully deduct intangible drilling costs without a potential preference for AMT purposes. Integrated oil and gas corporations would still be required to capitalize 30% of those costs ratably over a 60-month period beginning in the month in which they were incurred.

For mining companies, taxpayers were generally limited to only cost depletion for AMT purposes even though for regular tax purpose they were allowed the higher of cost or percentage depletion. Historically, a lot of mining companies have been in an AMT position due to the preference for percentage depletion.

Example # 1 (New Investor)

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074 2018 Attachment Sequence No. 09	
Department of the Treasury Internal Revenue Service (99)		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.			
Name of proprietor John & Jane Oil (1/2 Unit Investment of \$50,000)		Social security number (SSN) 000-00-0000			
A Principal business or profession, including product or service (see instructions) Oil & Gas Extraction		B Enter code from instructions 211110			
C Business name, if no separate business name, leave blank. Royale Energy, Inc.		D Employee ID number (EIN) (see instr.)			
E Business address (including suite or room no.) City, town or post office, state, and ZIP code 1530 Hilltop Head Rd Suite 205 B Cdn, CA 12345					
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) 					
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
H If you started or acquired this business during 2018, check here		<input type="checkbox"/> Yes <input type="checkbox"/> No			
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input type="checkbox"/> No			
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No			
Part I Income					
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked		1		\$0.00	
2 Refunds and allowances		2			
3 Subtract line 2 from line 1		3			
4 Cost of goods sold (from line 42)		4			
5 Gross profit. Subtract line 4 from line 3		5			
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6			
7 Gross income. Add lines 5 and 6		7		\$0.00	
Part II Expenses. Enter expenses for business use of your home only on line 30.					
8 Advertising		8			
9 Car and truck expenses (see instructions)		9			
10 Commissions and fees		10			
11 Contract labor (see instructions)		11			
12 Depreciation		12			
13 Depreciation and section 179 expense deduction (not included in Part II) (see instructions)		13		(\$10,000.00)	
14 Employee benefit programs (other than on line 19)		14			
15 Insurance (other than health)		15			
16 Interest (see instructions):		16			
a Mortgage (paid to banks, etc.)		16a			
b Other		16b			
17 Legal and professional services		17			
18 Office expense (see instructions)		18			
19 Pension and profit-sharing plans		19			
20 Rent or lease (see instructions):		20			
a Vehicles, machinery, and equipment		20a			
b Other business property		20b			
21 Repairs and maintenance		21			
22 Supplies (not included in Part II)		22			
23 Taxes and licenses		23			
24 Travel and meals:		24			
a Travel		24a			
b Deductible meals (see instructions)		24b			
25 Utilities		25			
26 Wages (less employment credits)		26			
27a Other expenses (from line 48)		27a		(\$40,000.00)	
b Reserved for future use		27b			
28 Total expenses before expenses for business use of home. Add lines 8 through 27a		28		(\$50,000.00)	
29 Tentative profit or (loss). Subtract line 28 from line 7		29		(\$50,000.00)	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home, _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.		30			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.		31		(\$50,000.00)	
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		32a <input checked="" type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.			

Example #2 (Existing Investor)

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.		2018 Attachment Sequence No. 09	
Name of proprietor		Social security number (SSN)		000-00-0000	
John & Jane Oil (1/2 Unit Investment of \$50,000)		B Enter code from instructions		2 1 1 1 1 0	
Principal business or profession, including product or service (see instructions)		D Employer ID number (EIN) (see instr.)			
Oil & Gas Extraction					
Business name, if no separate business name, leave blank					
Royale Energy, Inc.					
Business address (including suite or room no.)		1530 Hilton Head Rd Suite 205			
City, town or post office, state, and ZIP code		El Cajon, CA 92019			
Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶					
Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If you started or acquired this business during 2018, check here ▶				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)				<input type="checkbox"/> Yes <input type="checkbox"/> No	
If "Yes," did you or will you file required Forms 1099?				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Part I Income					
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>		1		\$11,000 00	
2 Returns and allowances		2			
3 Subtract line 2 from line 1		3		\$11,000 00	
4 Cost of goods sold (from line 42)		4			
5 Gross profit. Subtract line 4 from line 3		5		\$11,000 00	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6			
7 Gross income. Add lines 5 and 6 ▶		7		\$11,000 00	
Part II Expenses. Enter expenses for business use of your home only on line 30.					
8 Advertising		8			
9 Car and truck expenses (see instructions)		9			
10 Commissions and fees		10			
11 Contract labor (see instructions)		11			
12 Depreciation		12		(\$1,650 00)	
13 Depreciation and section 179 expense deduction (not included in Part II) (see instructions)		13			
14 Employee benefit programs (other than on line 19)		14			
15 Insurance (other than health)		15			
16 Interest (see instructions):		16			
a Mortgage (paid to banks, etc.)		16a			
b Other		16b			
17 Legal and professional services		17			
18 Office expense (see instructions)		18			
19 Pension and profit-sharing plans		19			
20 Rent or lease (see instructions):		20			
a Vehicles, machinery, and equipment		20a			
b Other business property		20b			
21 Repairs and maintenance		21			
22 Supplies (not included in Part III)		22			
23 Taxes and licenses		23			
24 Travel and meals:		24			
a Travel		24a			
b Deductible meals (see instructions)		24b			
25 Utilities		25			
26 Wages (less employment credits)		26			
27a Other expenses (from line 43)		27a		(\$1,500 00)	
b Reserved for future use		27b			
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶		28		(\$3,150 00)	
29 Tentative profit or (loss). Subtract line 28 from line 7		29		\$7,850 00	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8329 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home, _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.		30			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.		31		\$7,850 00	
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		32a		<input checked="" type="checkbox"/> All investment is at risk.	
		32b		<input type="checkbox"/> Some investment is not at risk.	




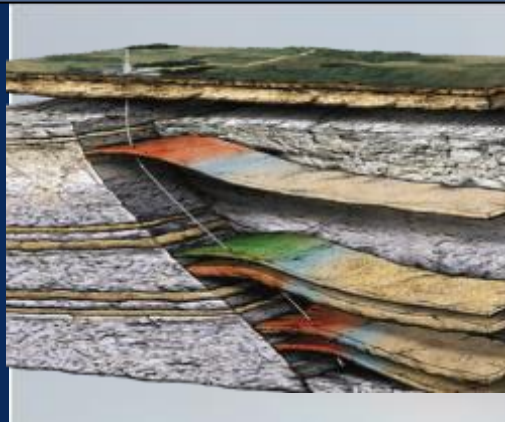
For Paperwork Reduction Act Notice, see the separate instructions.

Cat No. 11334P

Schedule C (Form 1040) 2018

Example of Tax Savings

Royale Reserve II Project



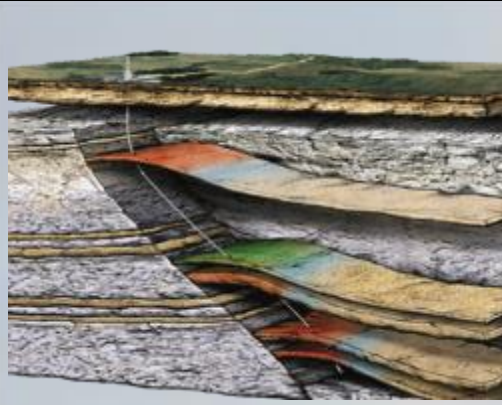
1 Unit Drilling Investment	\$100,000
<i>Less: Federal Tax Deduction:</i>	<i>(\$100,000)</i>
Refund (at Maximum Tax Rate 35%)	\$35,000
State Tax Refund	\$10,000
(where applicable) (State Tax 10%)	
<hr/>	
Total Investment after Federal & State Tax Refund	\$55,000

Bloomberg

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

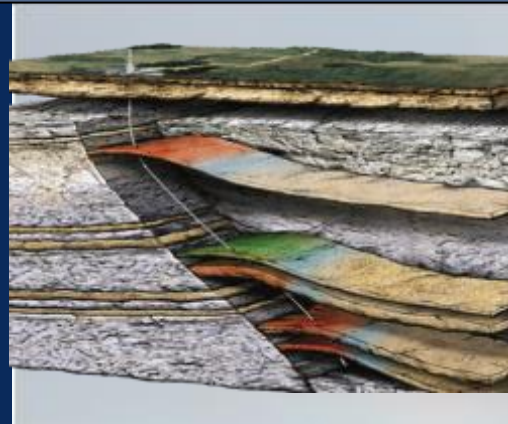


We expect the supply response to be faster today than in previous cycles as the world is more dependent on oil from shale wells, which have a higher base decline rate than conventional oil wells. We have already seen the oil rig count fall by 24% (386 rigs) from the Q4 highs. We saw a similar move in 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





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.

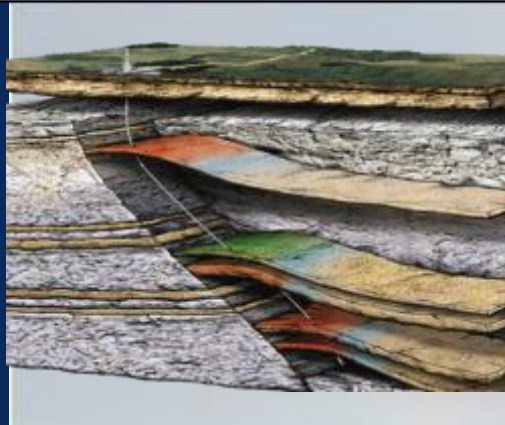
The completion of this strategic transaction creates a high-growth operating company with an executive team experienced in raising capital and acquiring, operating and developing successful oil and gas projects.

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



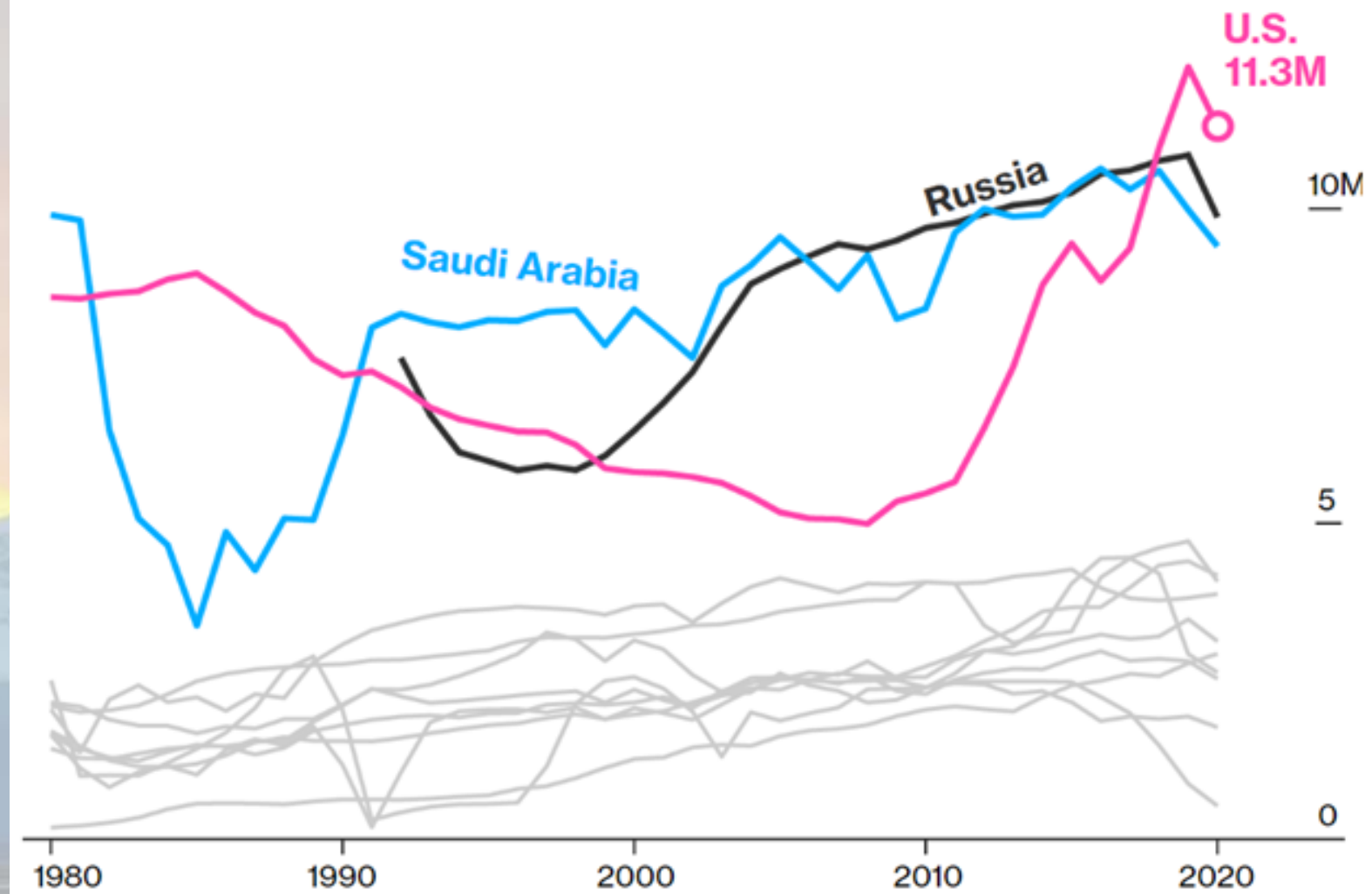
Highlights of Matrix:

- 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

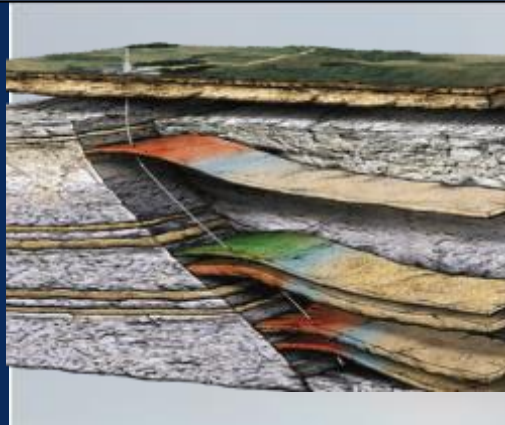


U.S. Takes Crude Crown

Crude oil production in millions of barrels/day

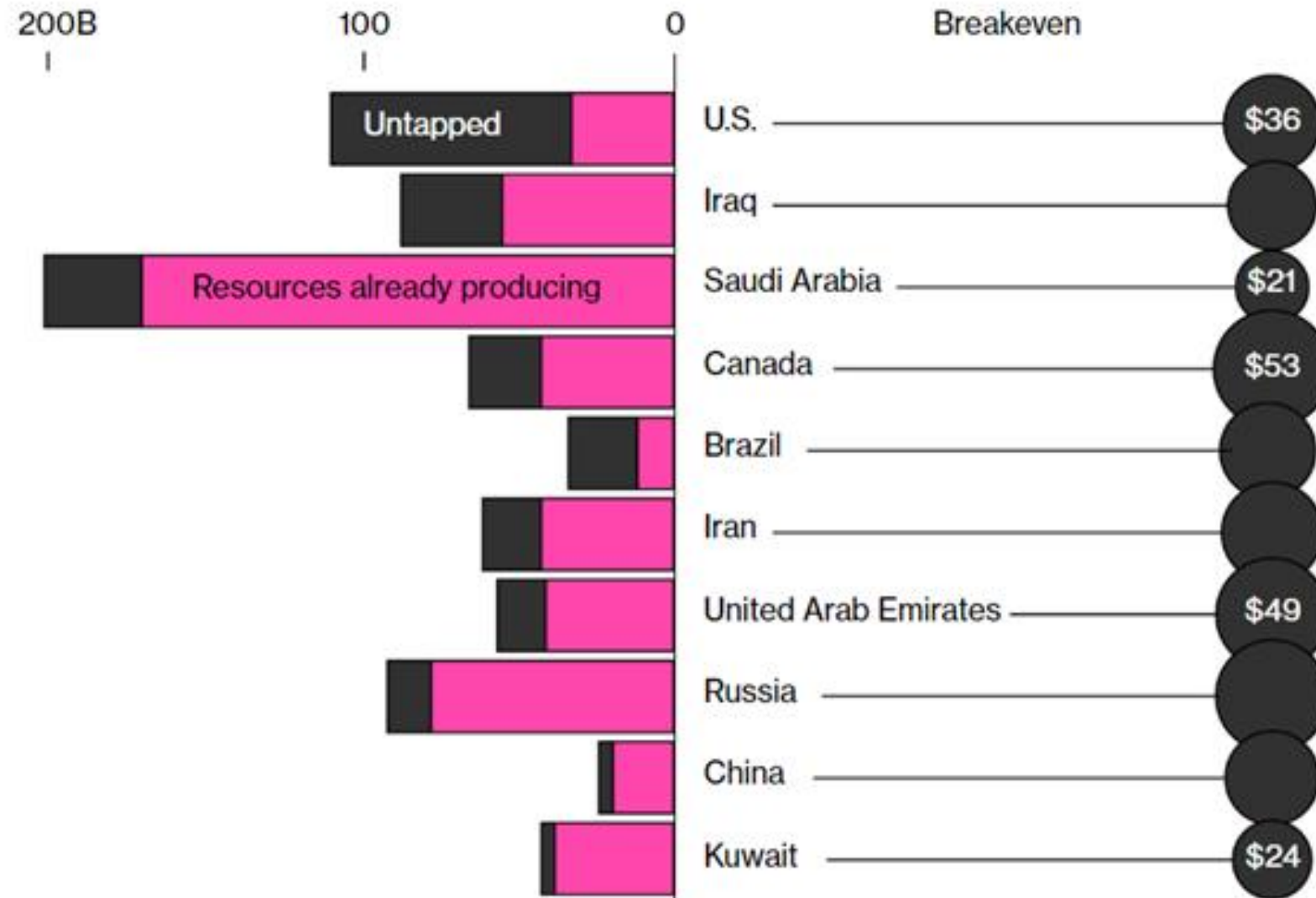


Source: Energy Information Administration



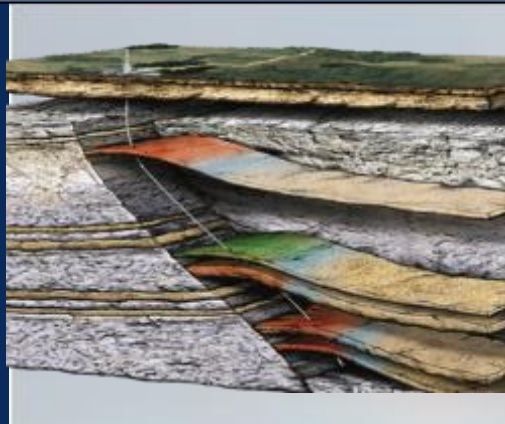
Remaining Resources

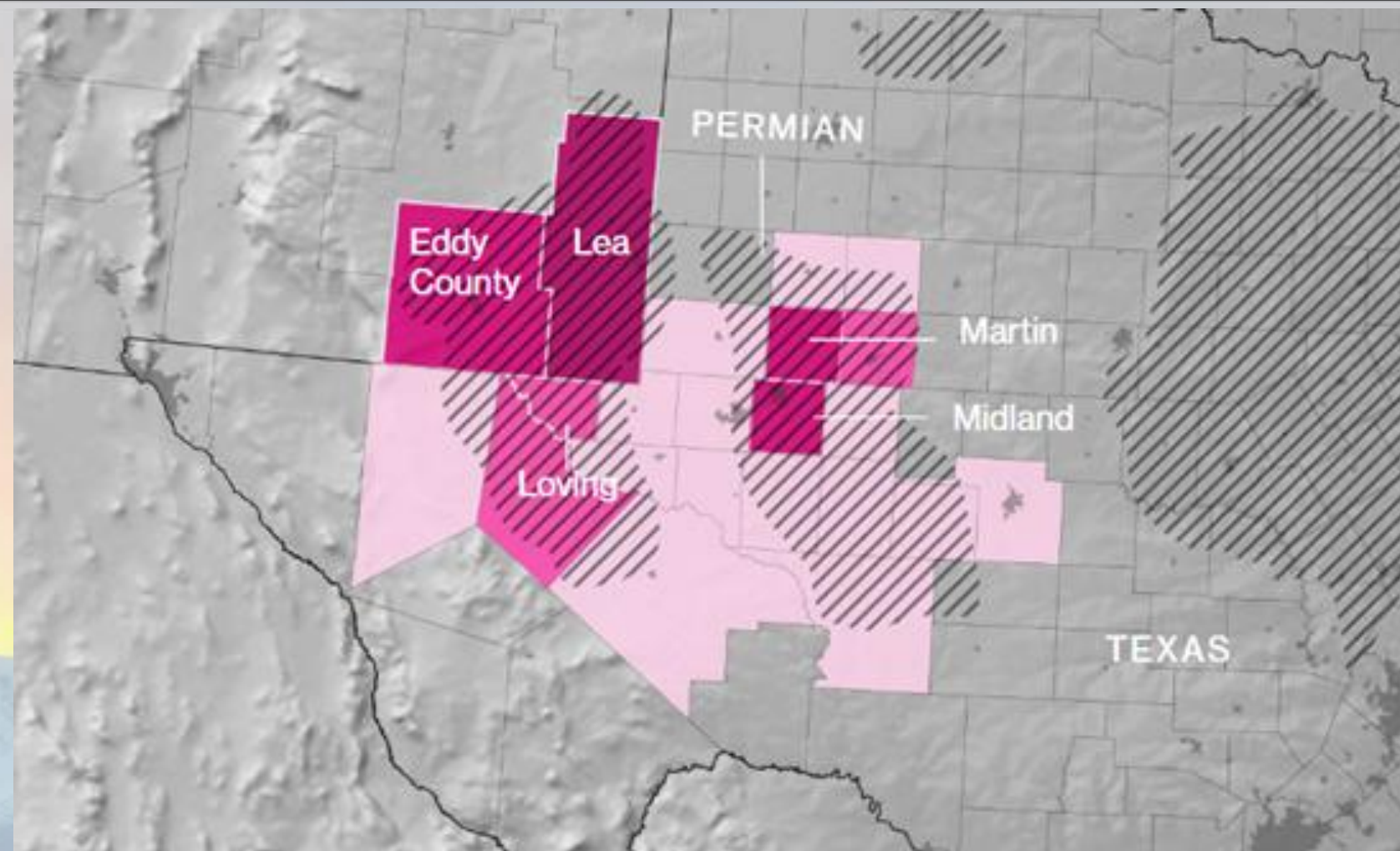
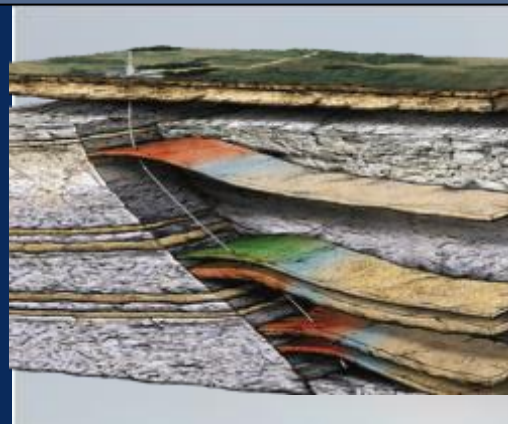
Top countries by oil resources in total barrels and breakeven cost



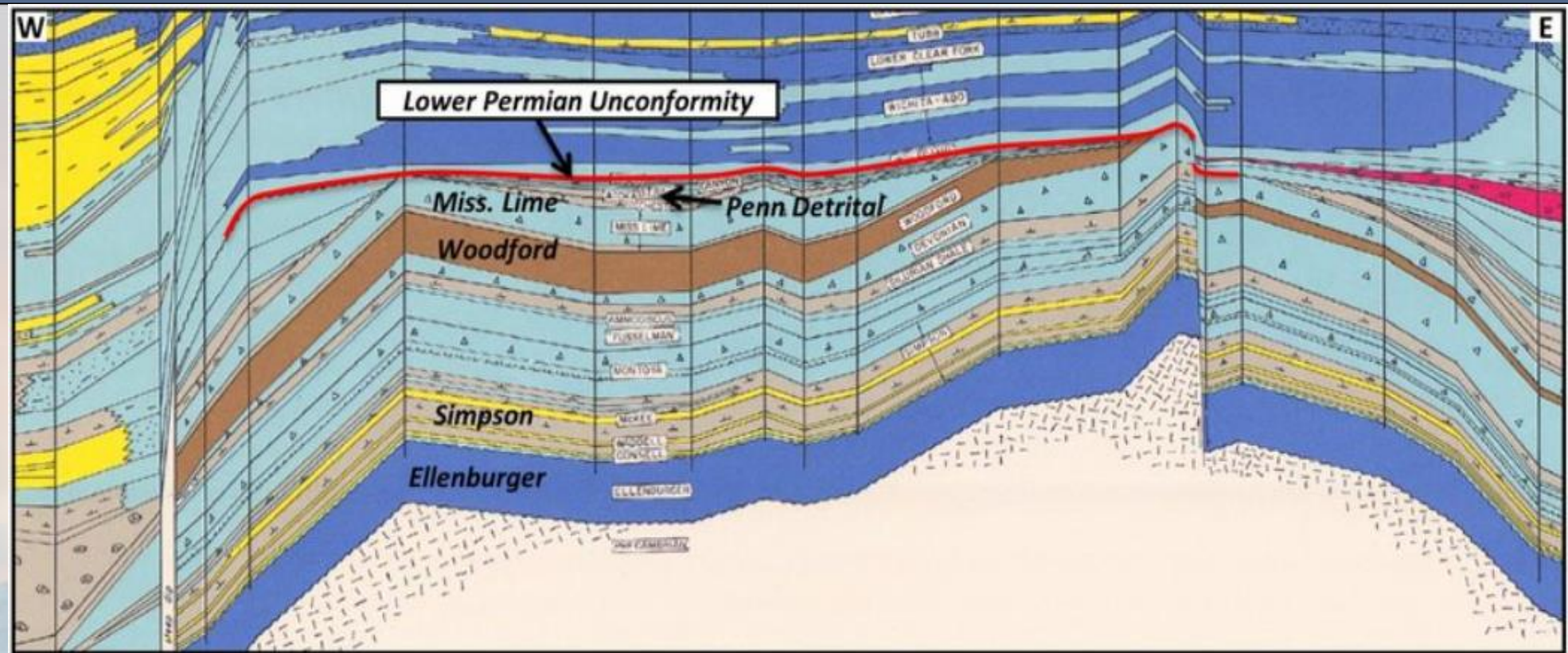
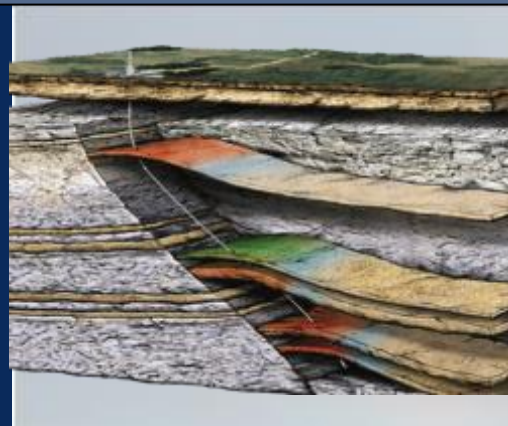
Energy & Science

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

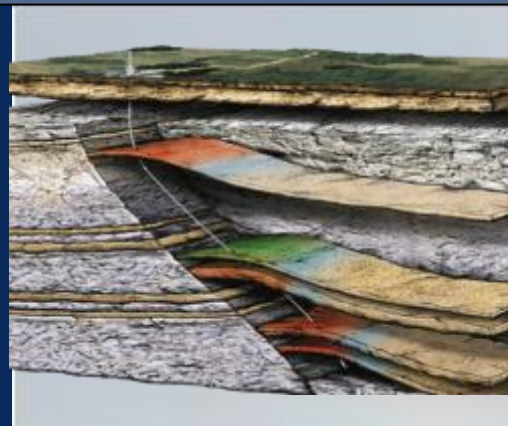




The Permian Basin, a sprawling shale patch that lies beneath Texas and New Mexico, is uniquely positioned to become the world's most important growth engine for oil production. The Permian Basin has a bigger share of wells yet to be developed, compared to other basins.



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.

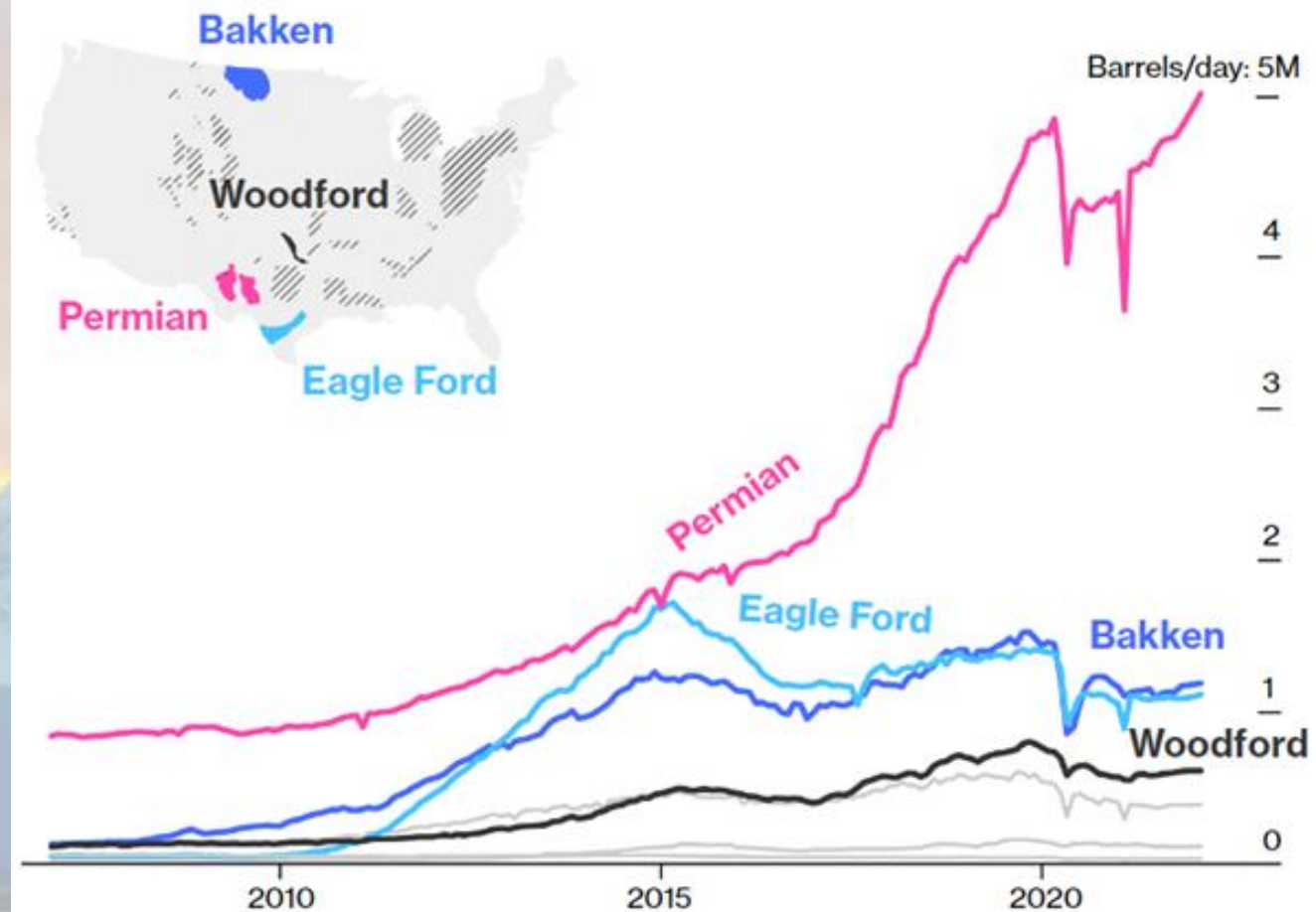


These days, it's all about the Permian.

Permian Outstrips Other Shale Patches

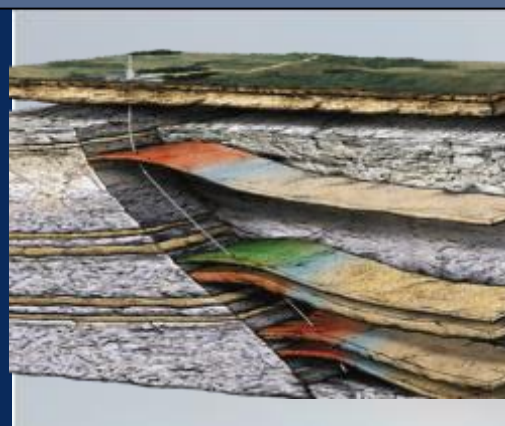
Production by basin

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.

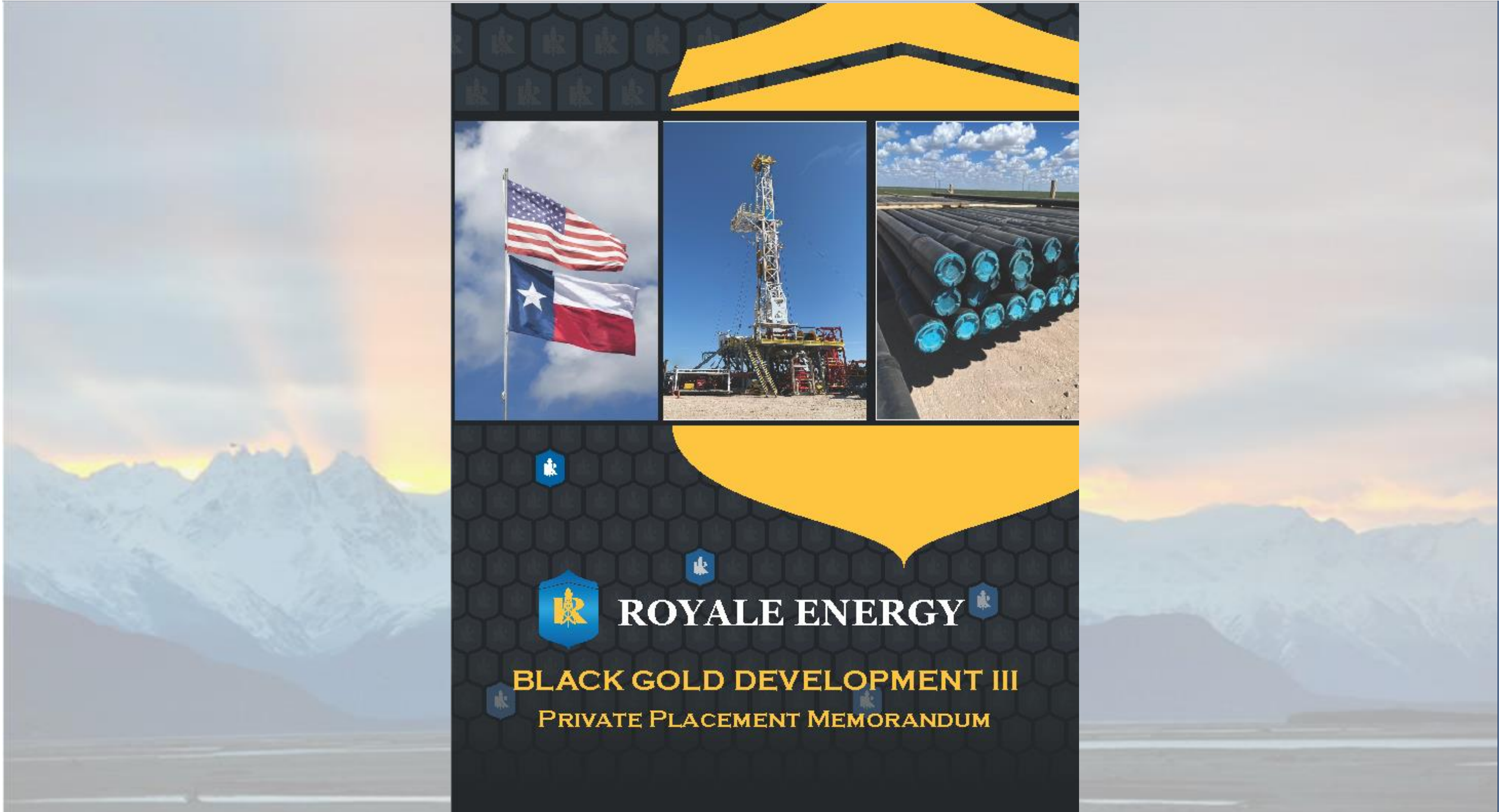


ExxonMobil




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.



The background of the entire slide is a wide-angle photograph of a mountain range under a sunset sky. The mountains are in the distance, and the foreground shows a flat, arid landscape. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue.

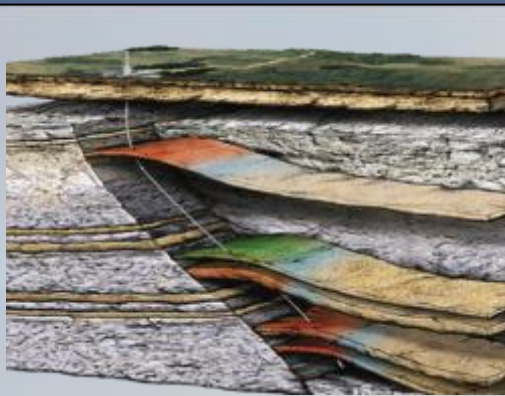


**ROYALE ENERGY**

BLACK GOLD DEVELOPMENT III

PRIVATE PLACEMENT MEMORANDUM

Pradera Fuego Oil Field

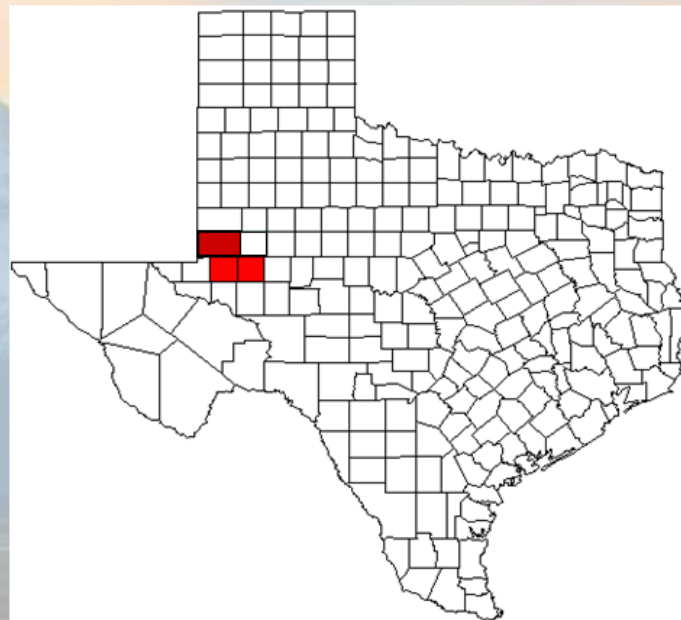


PRADERA FUEGO OIL WELLS

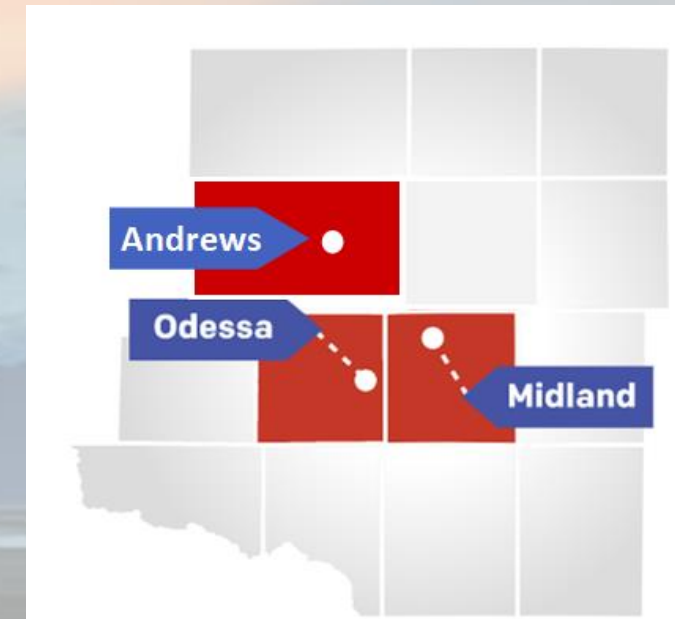
Located in the Permian Basin (West of the city of Odessa, Ector County, Texas), the Pradera Fuego project is drilling horizontal wells in the Mississippian section of the Barnett Shale. In Black Gold III we will be drilling three horizontal wells next to the Sweet Melissa 1H and Anna 1H well which is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

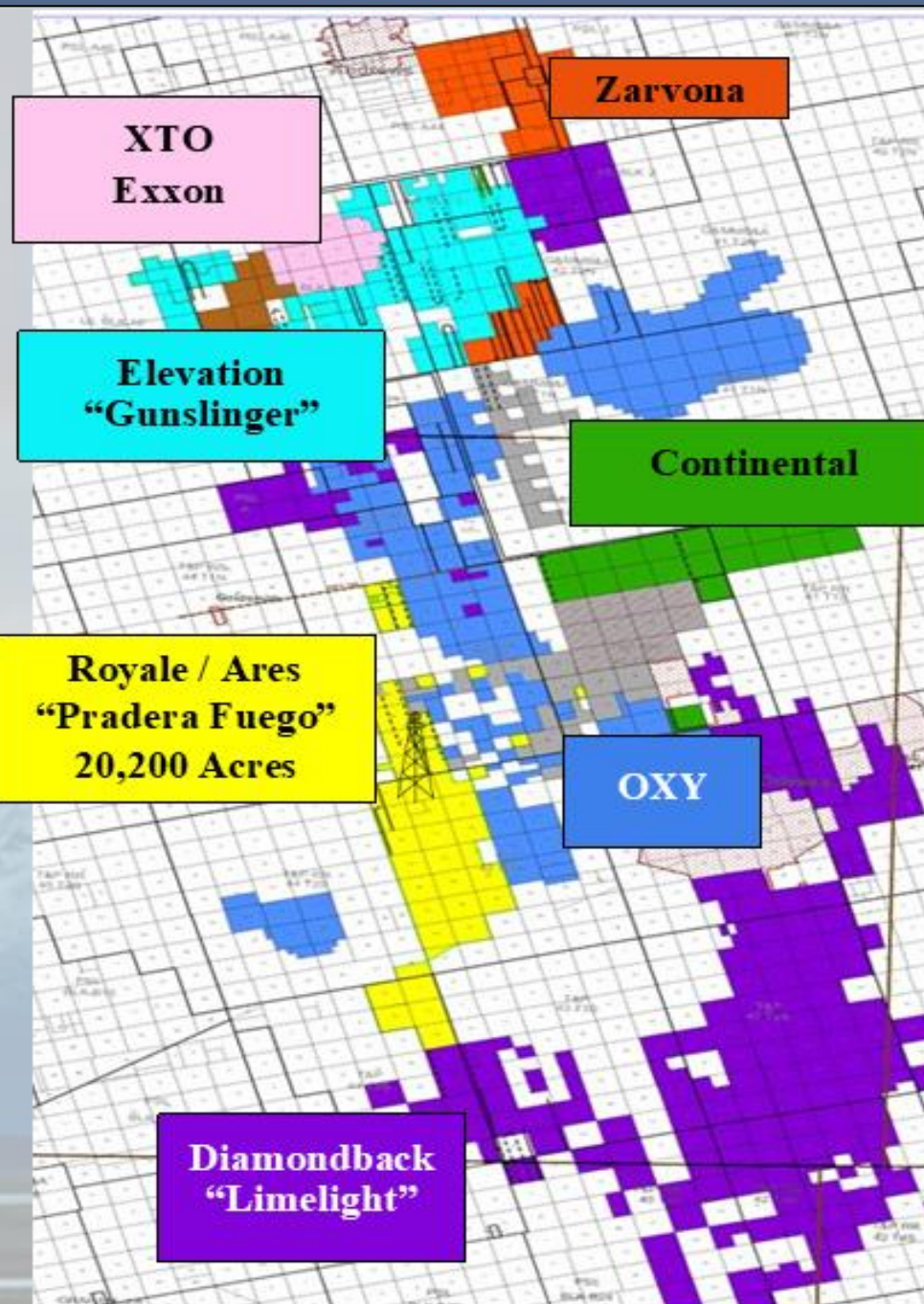
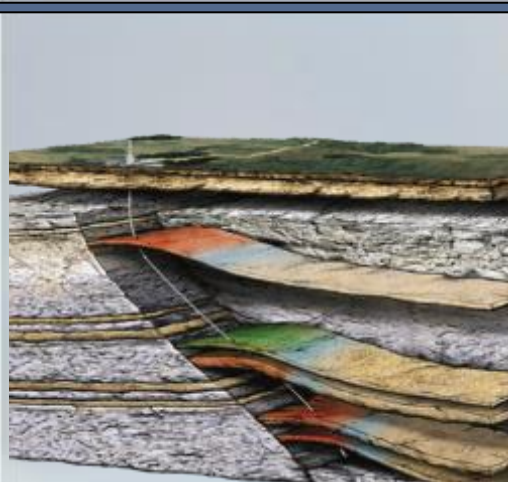
Texas Permian Basin



Pradera Fuego Field

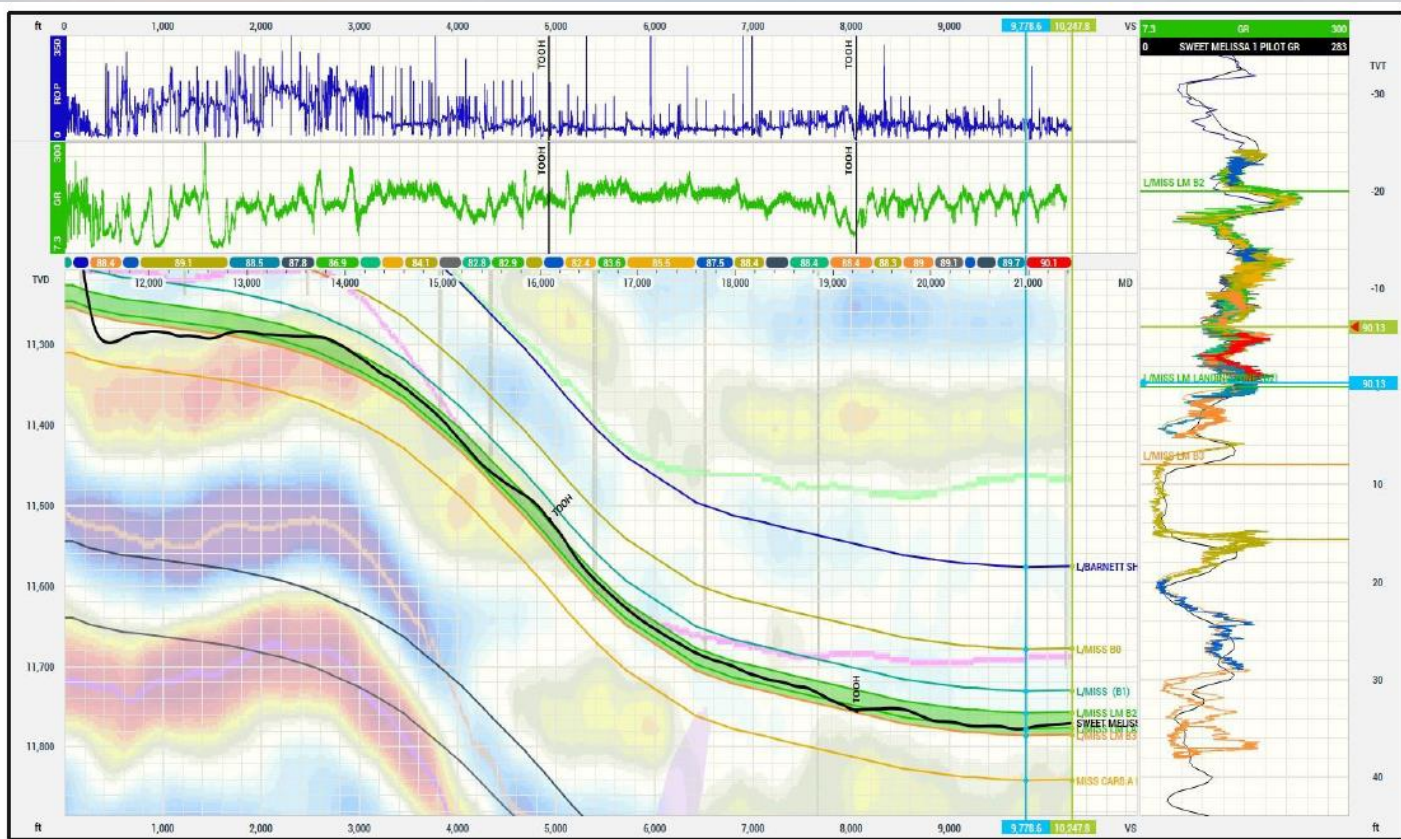


Pradera Fuego Oil Field

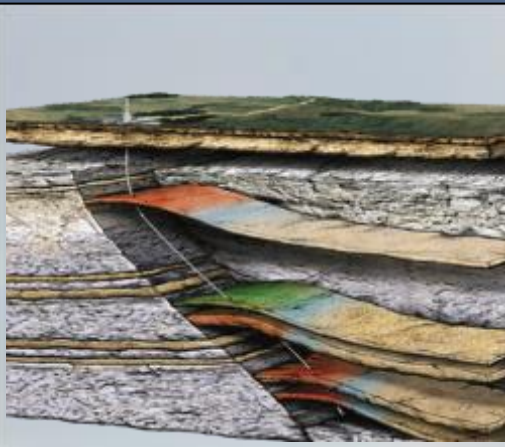
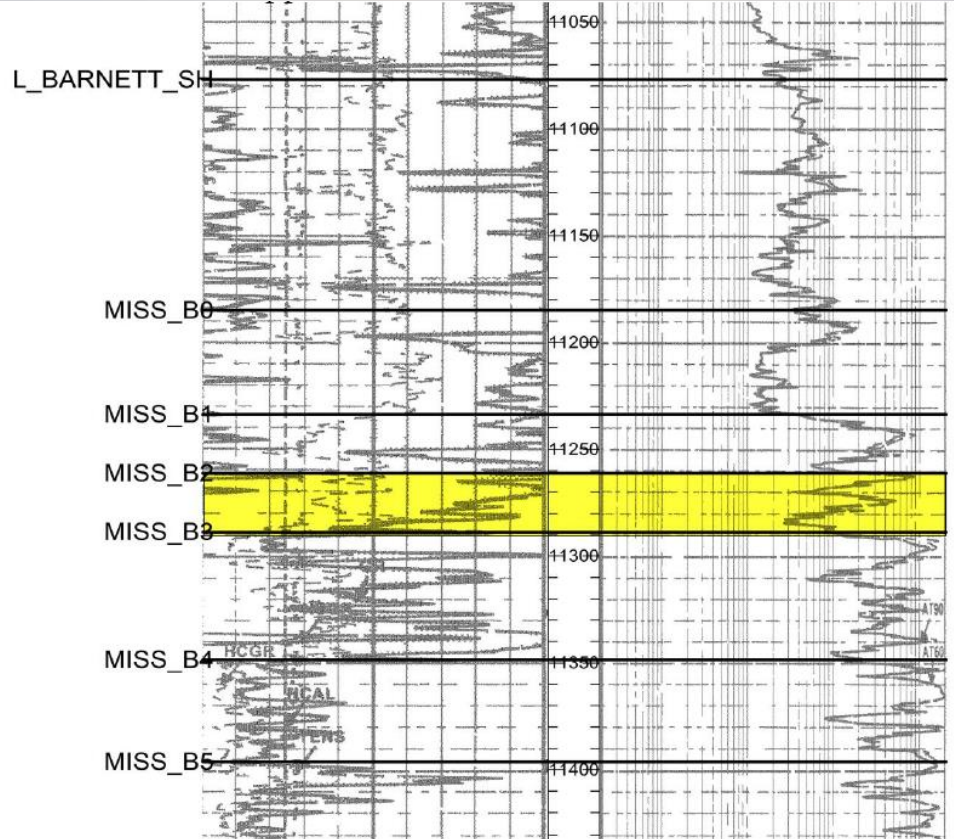


Pradera Fuego Field – Sweet Melissa 1H

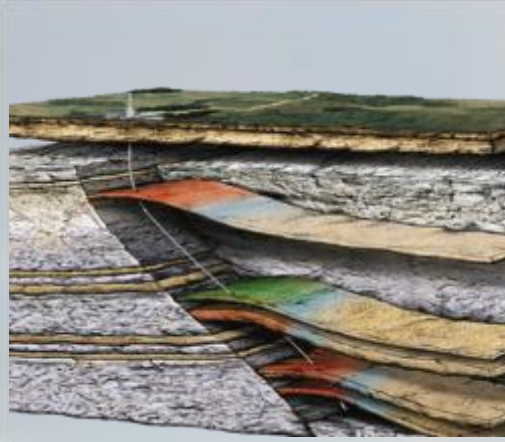
Well Path



Geologic Target



Pradera Fuego Field – Sweet Melissa 1H



Well Completion:

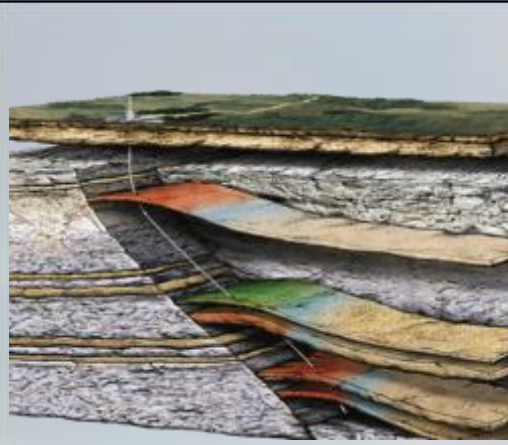
- The Sweet Melissa 1H was the first horizontal Mississippian well drilled and completed in the Ares Energy, LTD. operated Pradera Fuego Project located in the Permian Basin (West of the city of Odessa, Ector County, Texas).
- The well was drilled to a Total Measured Depth of 21,450 ft., requiring 44 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 :

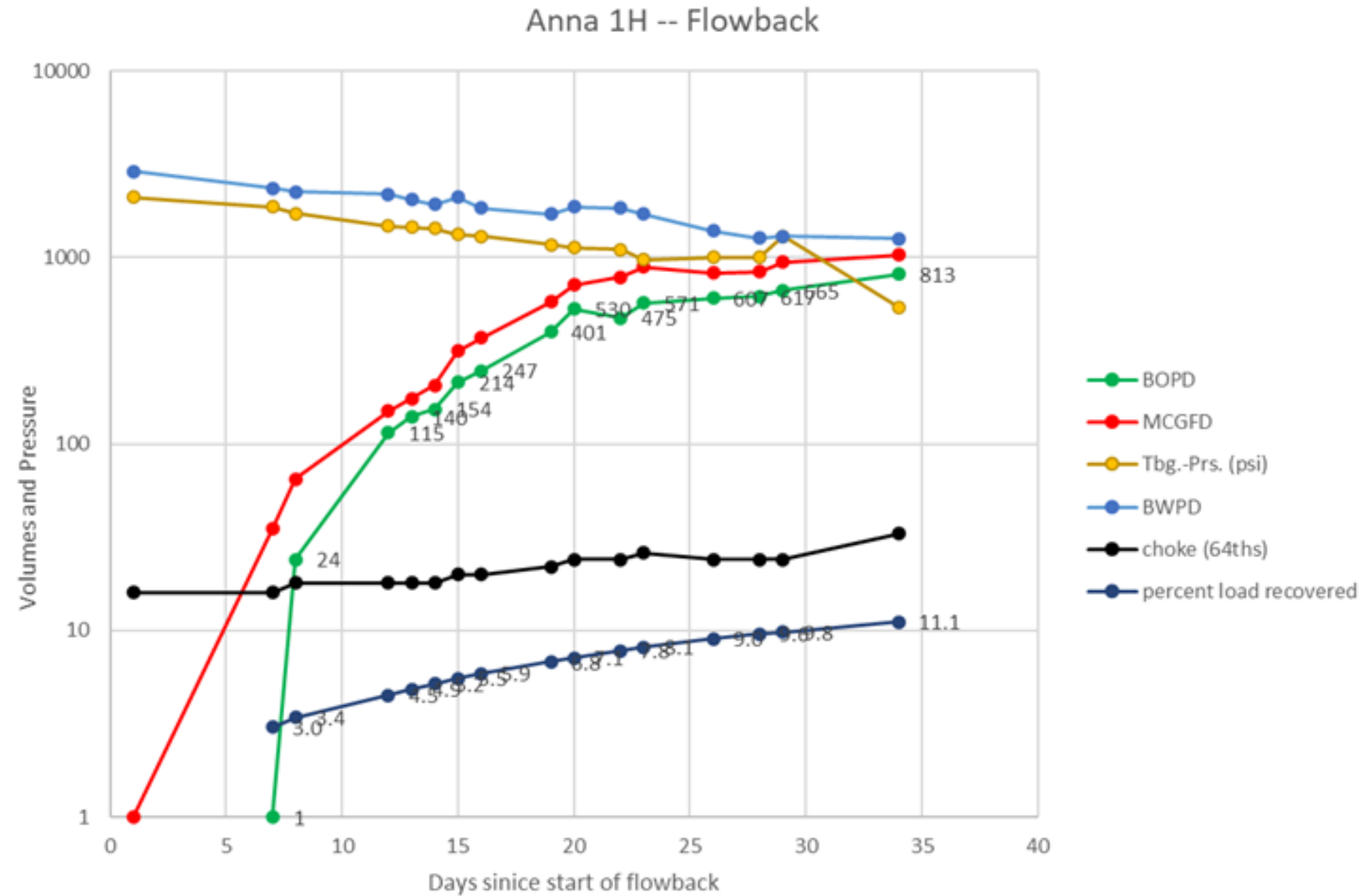
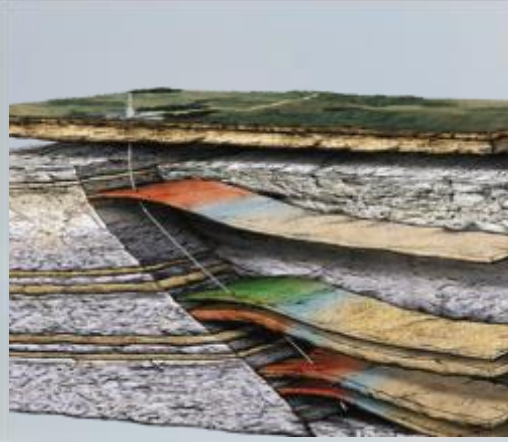
- Based on normalized production performance curves (“Type Curve”) from offset wells by Oxy, Zervona and Diamondback, the **Sweet Melissa 1H is expected to recover 950,000 barrels of oil and 1.7 Bcf.**
- However, the Sweet Melissa has a 30-day peak production rates of **730 barrel of oil per day & 1.1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



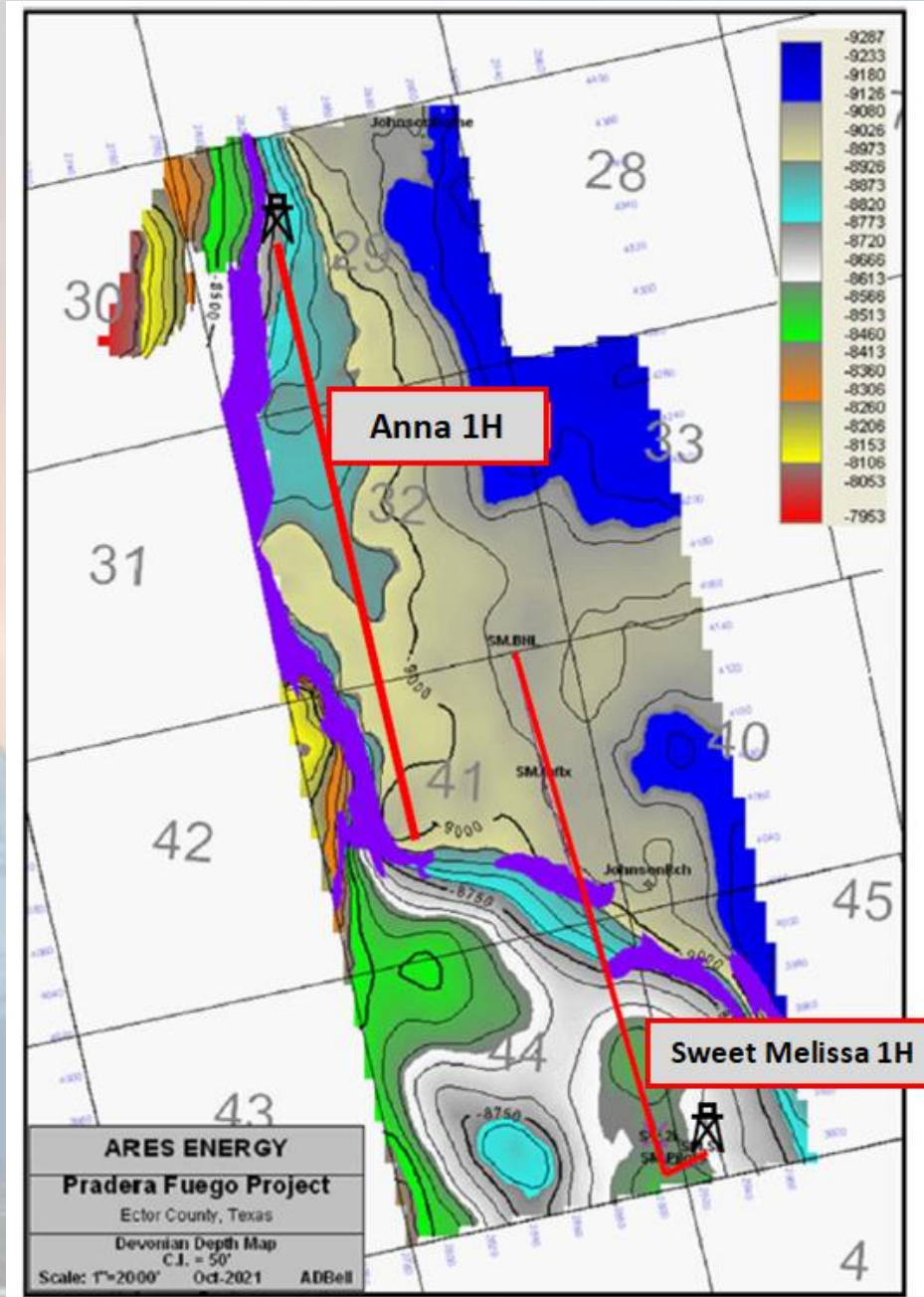
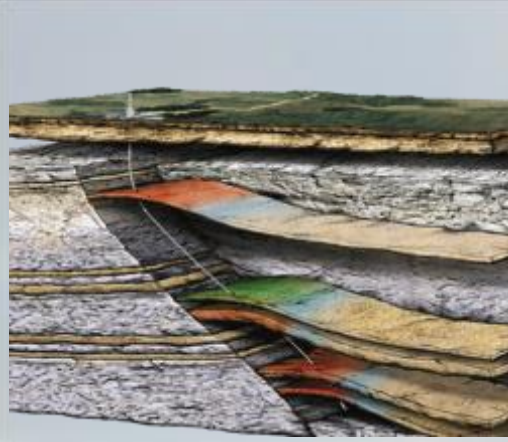
Pradera Fuego Field – Anna 1H



Pradera Fuego Field – Anna 1H



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

WELL
Anna 1H ST01

API
4213543903

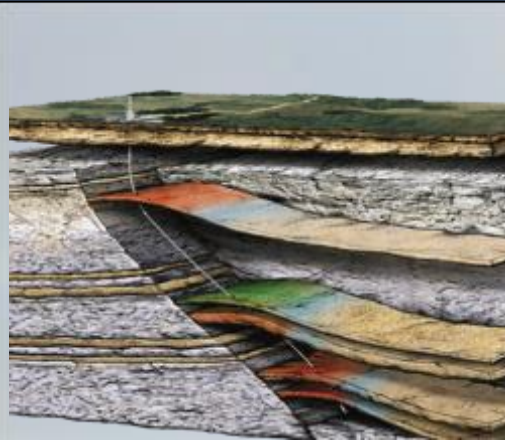
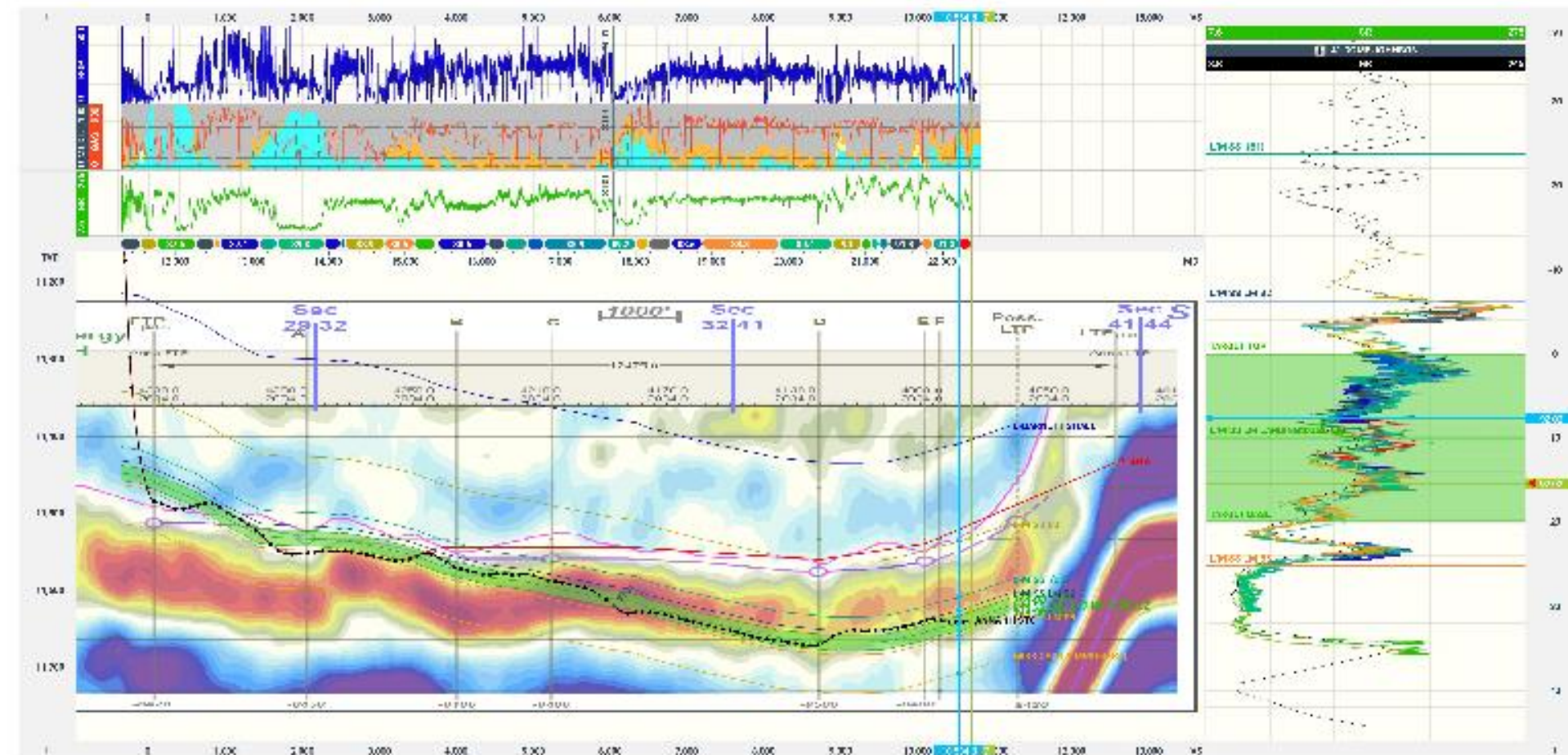
TYPE WELL
41 DOME JOHNSON

FIELD
Nova (Mississippian)

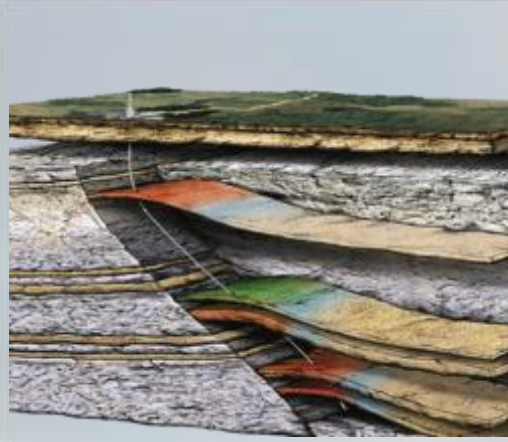
INTERPRETER
Terra Guidance

DATE
2022-09-19 06:42 AM

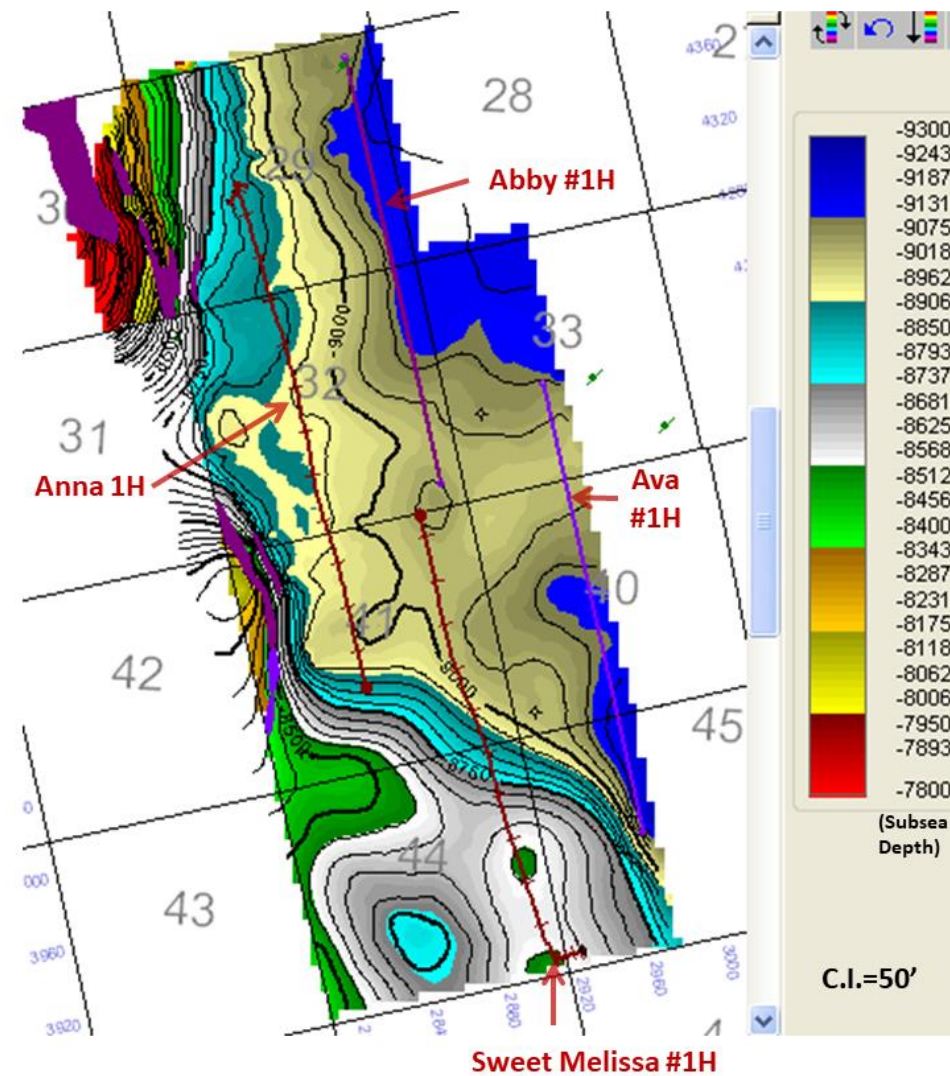
VS A ZIMUTH
165.8°



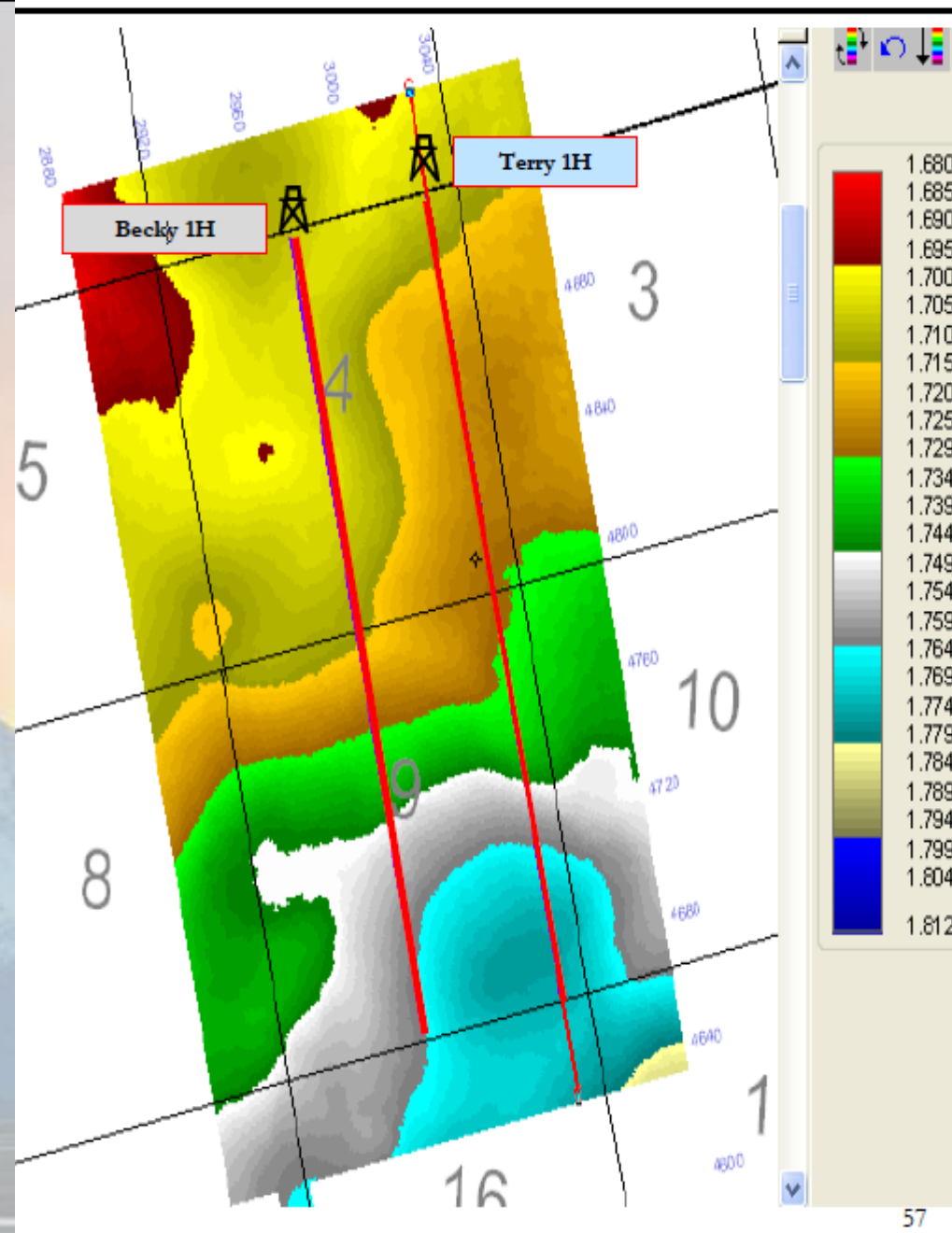
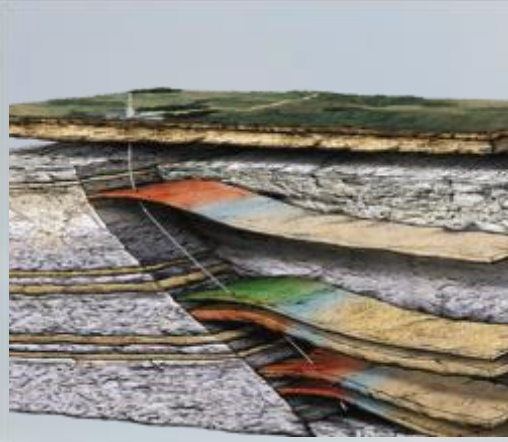
Pradera Fuego Field – Ava 1H



Ares Energy – Pradera Fuego Project
Top/Devonian Depth Structure Map

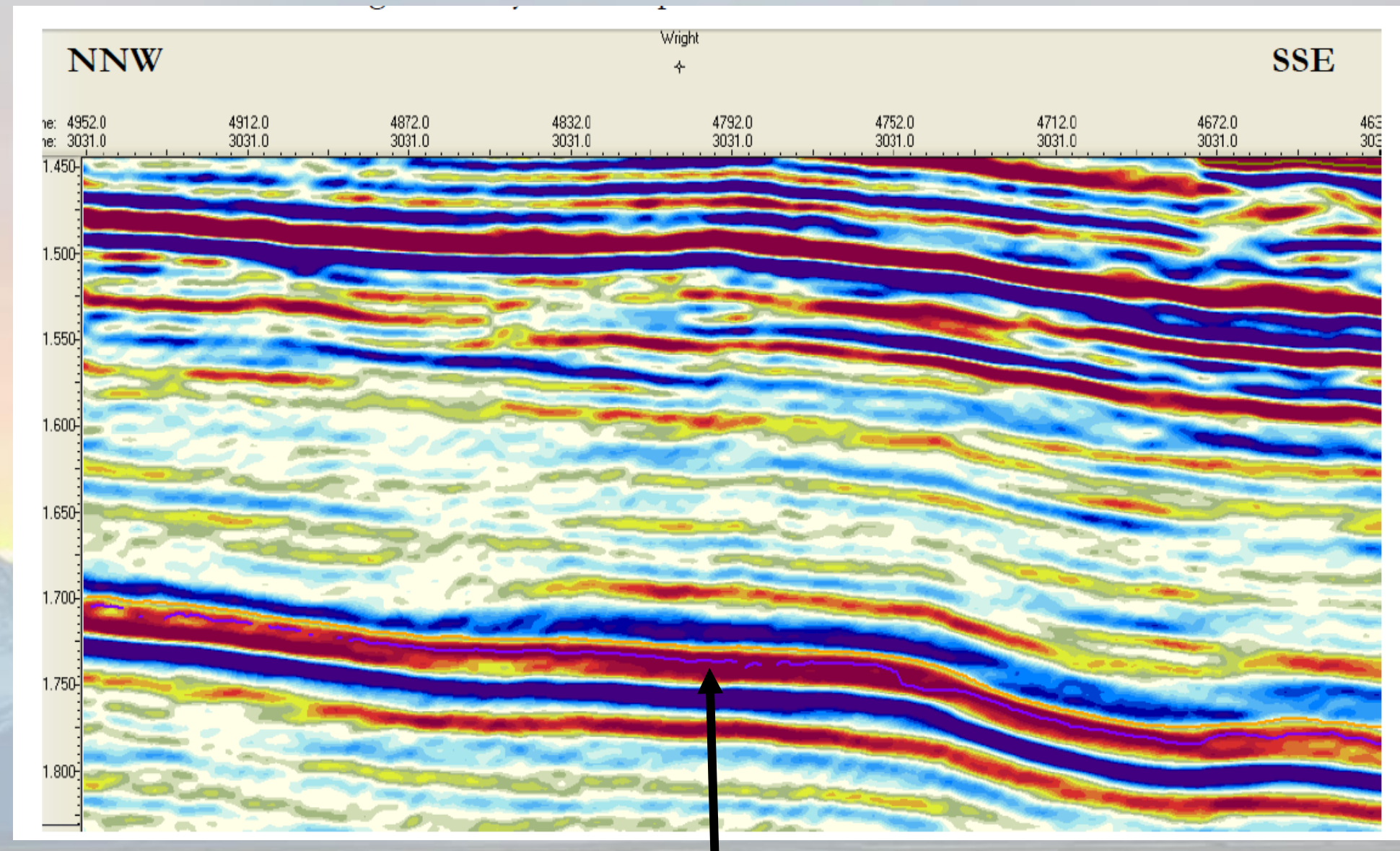
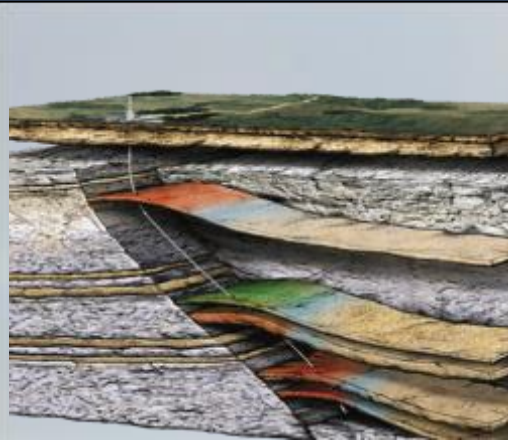


Pradera Fuego Field – Terry Unit 1H and Becky 1H



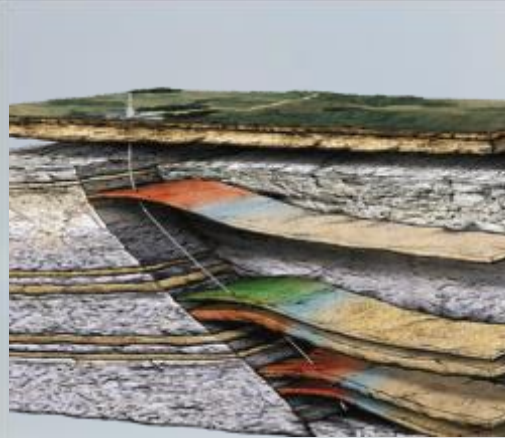
- The Terry Unit 1H and Becky1H will be drilled in a North to South direction. Both are planned to be 2.0 mile horizontal Mississippi wells.
- Oil reserves are projected to be similar to the previous wells drilled in the Pradera Fuego Project at greater than 1,000,000 barrels of oil equivalent
- Currently 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

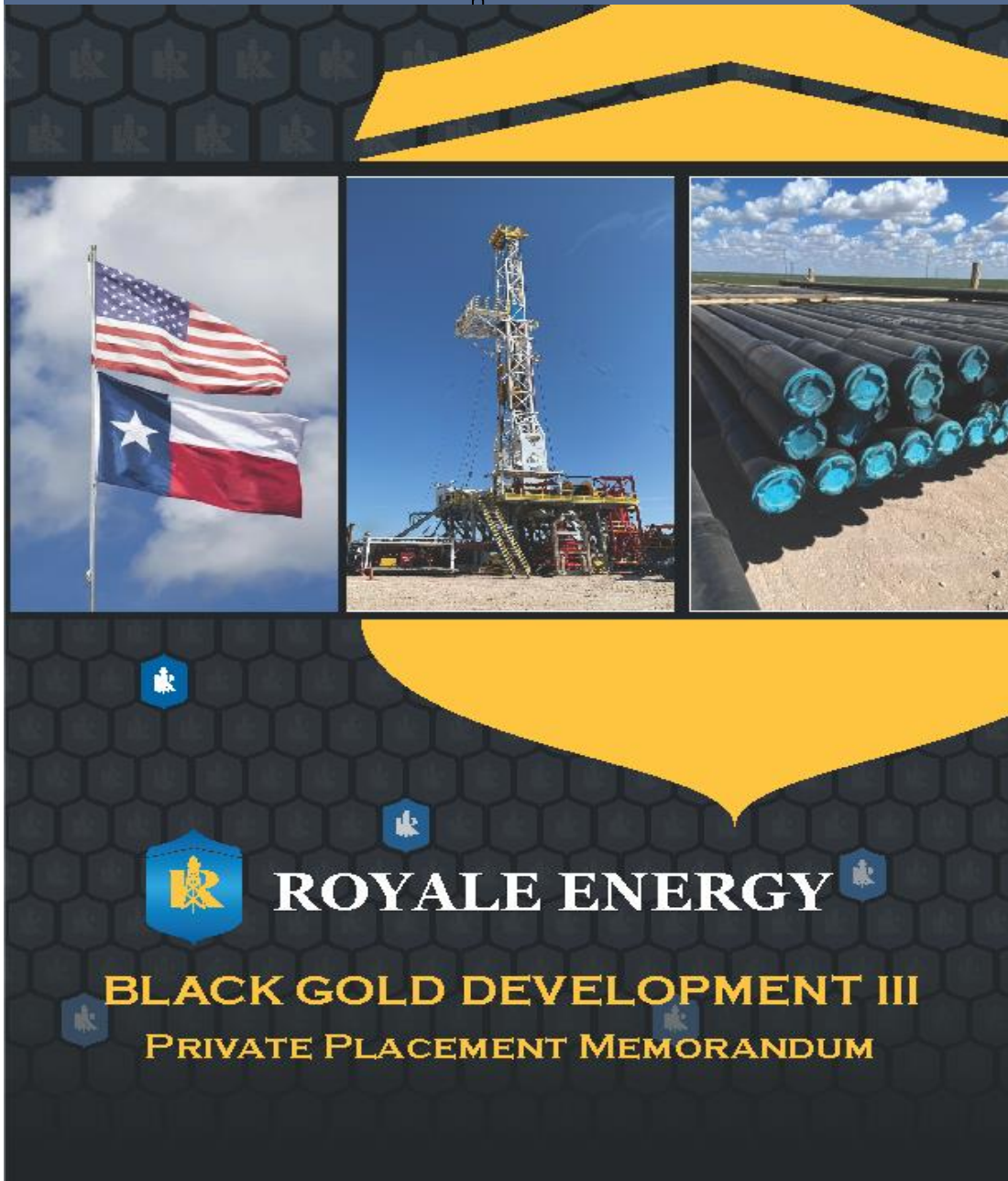


3D Seismic Slice of the Mississippian Oil Formation

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 $\frac{1}{2}$ and $\frac{1}{4}$ units also available. Each full unit, $\frac{1}{2}$ unit or $\frac{1}{4}$ 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




✓ No General & Administrative fees and No Back-ins after payout

✓ Royale Energy purchases insurance for unit holders and indemnifies all investors



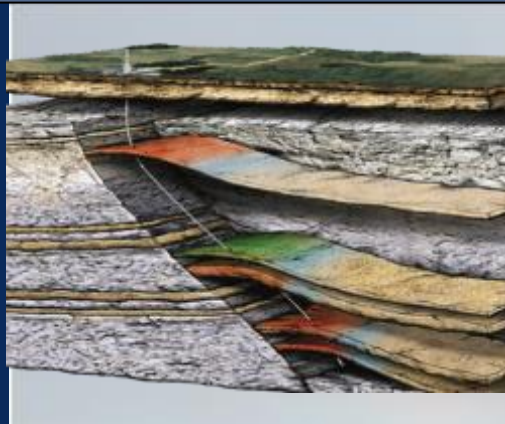
✓ Monthly Income upon establishment of production paid end of every month



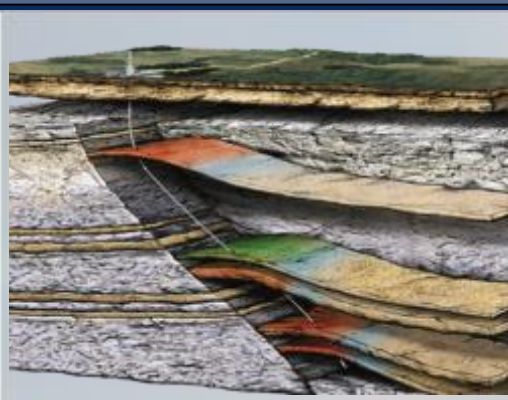
✓ Owners receive 1099 on or before Jan 31st of following year from income, No K1s

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



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.”

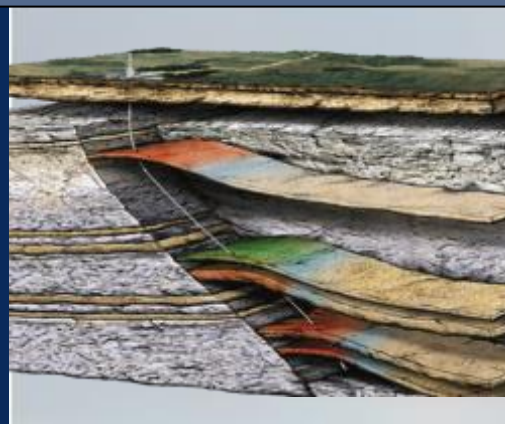
- **The Wall Street Journal**



"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.
1530 Hilton Head Rd Suite 205

El Cajon, CA 92019

(800) 447-8505

www.ROYL.com

ir@royl.com

