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Regal Approves Expenditures For Bakken Oil And Doig Gas Projects

The new board of the recently combined companies of **G2 Resources Inc.** and **Regal Energy Ltd.** has announced an interim capital spending program of \$4.3 million for the balance of 2008.

Additional capital is available from increased cash flow as a result of the G2 acquisition, bank lines and the balance of funds recently raised in the equity issue which accompanied the business combination of G2 and Regal.

Regal will be directing its initial expenditures principally towards the development and exploration of two of its primary properties which are located at Roncott in southeastern Saskatchewan and at Eight Mile in northeastern British Columbia.

At Roncott, Regal holds a 50% working interest in an existing Bakken oil pool which is currently producing light sweet oil. Regal also holds a 50% working interest in extensive land holdings up-dip from the existing wells in this pool and expects to further exploit and expand the pool with exploratory drilling.

Based on current drilling techniques and well spacing throughout the Bakken trends, the company believes it may have the potential to drill more than 20 horizontal wells on its existing lands.

At Eight Mile, Regal and partners plan further development of its recent Doig gas discovery, which was placed on production in May. A development well will be drilled in the third quarter of 2008 to expand on the existing discovery.

3-D seismic has recently been acquired, and will be used to further expand the exploration opportunities on this project with the drilling of an exploration well in the fourth quarter of 2008.

This exploration well will be a continuation of Regal's rolling option to earn further lands on the trend.

The interim capital budget also approved the tie in for production of two gas wells at Wapiti and the re-routing of pipelines for three gas wells at Garrington to increase production efficiency and take advantage of current product prices.

Regal has also granted stock options to acquire an aggregate of 11.17 million common shares to certain directors, officers, employees and consultants of the company exercisable at a price of 20 cents per share. These options will expire on July 23, 2013.

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