

Attention Business Editors:
Regal Energy Ltd. announces unit financing and change of management transaction

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CALGARY, Feb. 10 /CNW/ - Regal Energy Ltd. ("Regal" or the "Corporation") (TSXV: "REG") announced today that it intends to offer by private placement a minimum of 83,333,334 units ("Units") at a subscription price of \$0.06 for minimum gross proceeds of \$5,000,000. Each Unit consists of one common share ("Common Shares") of the Corporation and one Common Share purchase warrant ("Warrants"). Each whole Warrant will have an exercise price of \$0.12 and a term of 36 months. If, at any time from four months after closing, the daily volume-weighted average trading price of the Common Shares on the TSXV exceeds \$0.18 for 25 consecutive trading days and the Corporation gives written notice to the warrant holders within ten trading days of the end of such period, the expiry date will be reduced to 30 days from the giving of the notice. Completion of the private placement (the "Closing") is to occur on March 10, 2009.

Concurrent with the Closing, Hugh G. Ross and Michael H. Halvorson will be appointed to Regal's board of directors (the "Board") and Hugh Mogensen and Jake Pronk will resign from the Board. Mr. Ross is a former director, president and CEO of Gentry Resources Ltd. ("Gentry") and Mr. Halvorson, the president of Halcorp Capital Limited, is a former director of Gentry. Gentry was an oil and gas exploration, development and production company listed on the Toronto Stock Exchange until it was acquired by Crew Energy Inc. in August 2008 for a total purchase price of approximately \$298 million. Messrs. Ross and Halvorson left Gentry in connection with the acquisition. Mr. Ross will replace Curtis Hartzler as President and CEO of Regal. In addition, concurrent with the Closing, the following individuals will be appointed as officers of Regal: Ketan Panchmatia (formerly the VP Finance and CFO of Gentry) as VP Finance and CFO, Greg Groten (formerly the VP Exploration of Gentry) as VP Exploration, Jack Lane as Manager Operations, and Connie Nischuk as Corporate Administrator (together with Mr. Ross, the "New Management"). Other officers may also be appointed at Closing as agreed by the Corporation.

Messrs. Ross, Panchmatia, and Groten were instrumental in the growth and success of Gentry. At the time of its acquisition by Crew, Gentry had grown to approximately 5,000 boe/d of production and grew its land base to over 430 net sections of undeveloped land. Gentry posted impressive growth during its existence, through a focus on acquiring, consolidating, and exploiting lower risk, shallow to medium depth reservoirs primarily located in Southern and Central Alberta. It is the intention of New Management to employ this strategy to grow Regal in a similar manner.

Hugh Mogensen, chairman of the Board, said, "We are pleased to have Hugh and his team join Regal. At this challenging time in the energy sector, significant opportunities for growth and consolidation are presenting themselves. Adding a management team with the skill and experience to capitalize on the opportunities we feel exist, positions Regal to emerge as a stronger exploration and production growth company."

The net proceeds received by the Corporation from the private placement will be used to repay indebtedness, to fund exploration and development, to fund acquisitions of petroleum and natural gas assets within western Canada, and for general corporate purposes.

The Corporation has also agreed to grant performance warrants equal to 10% of the outstanding Common Shares (including those issued in the private placement) to the New Management and other appointees to management, subject to completion of the Closing, approval of the TSXV and shareholder approval to be sought at the next annual general and special meeting of the Corporation. Each performance warrant will have an exercise price of \$0.06, which will be

adjusted upwards on an equivalent basis for the consolidation of the common shares of the Corporation on an approximately 15 Common Share for one Common Share basis. The issuance of the performance warrants will also be subject to shareholder approval of this consolidation of the Common Shares, which the Corporation intends to seek at the next annual general and special meeting of the Corporation. The performance warrants will vest upon the Corporation achieving growth targets in net asset value per fully diluted share outstanding (NAV per share), as follows: 1/3 upon an increase in NAV per share of 25%, 1/3 upon an increase in NAV per share of 33 1/3%, and 1/3 upon an increase in NAV per share of 50%.

Closing (including appointment of the new Board appointees and New Management) is subject to a number of conditions, including completion by New Management of due diligence within 10 business days of the date hereof and acceptance of the financing and change of management transaction by the TSXV.

The securities issued in the private placement will be subject to a hold period of four months.

The Corporation intends to pay a finders fee on certain subscriptions for the financing. The Corporation has also entered into a financial advisory agreement with Nova Bancorp Securities Ltd., a company related to Harry Knutson and Rick Wlodarczak who are directors of Regal, under which the Corporation has agreed to provide a fee in consideration of the provision of advisory services in connection with the private placement.

Regal Energy Ltd. is a junior Canadian energy company engaged in the exploration, acquisition, development and production of crude oil and natural gas in western Canada. Regal's main areas of focus currently are the Bakken oil play at Roncott, Saskatchewan, the Garrington natural gas property located in west central Alberta, the Eight Mile natural gas property located in northeast British Columbia and the Windfall property in Alberta. Regal is listed on the TSX Venture Exchange under the symbol "REG".

This news release will not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. Such securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom.

Advisory Respecting Forward-Looking Statements:

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "confident", "might" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to: (i) completion of the private placement including Regal's ability to raise capital and its ability to obtain all necessary regulatory relief from applicable securities regulatory authorities, including the TSX Venture Exchange; (ii) the appointment of the New Management, and (iii) other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements.

The foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Regal assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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CO: Regal Energy Ltd.

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