

Attention Business Editors:

Regal announces closing on private placement and new management in place

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TRADING SYMBOL - REG

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CALGARY, March 31 /CNW/ - Regal Energy Ltd. ("Regal" or the "Corporation") is pleased to announce that it has closed its previously announced private placement (see press releases dated March 10 and March 27, 2009). Under the terms of the private placement, 247,370,000 Units were issued at a price of \$0.05 per Unit, resulting in gross proceeds of \$12,368,500. An additional 30,130,000 Units have been closed in escrow pending delivery of final documents, which is expected to occur on April 1, 2009, for additional gross proceeds of \$1,506,500.

In conjunction with the private placement, Hugh G. Ross and Michael H. Halvorson have been appointed to Regal's board of directors (the "Board") while Hugh Mogensen and Jake Pronk have resigned. Mr. Ross has also replaced Curtis Hartzler as President and CEO of Regal. In addition: Ketan Panchmatia has been appointed as CFO, VP Finance and Corporate Secretary; Greg Groten as VP Exploration; Jack M. Lane as VP Operations, and Connie Nischuk as Corporate Administrator.

Given the challenging nature of current market conditions and the fact that Regal had initially announced that it would seek to raise a minimum of \$5,000,000, the incoming management team is encouraged with the strong interest investors have shown through their participation in the private placement. These new funds are expected to put Regal in a strategic position to capitalize on the significant opportunities for growth currently present in the junior oil and gas sector in the Western Canadian Sedimentary Basin.

Regal will use the net proceeds of the private placement to pay down existing indebtedness, fund future growth initiatives, and for general corporate purposes. The new management team at Regal believes that many opportunities for accretive corporate growth are presently available, partly because market valuations within the junior oil and gas sector are severely depressed in relation to the underlying value of assets. Regal's corporate plan is to focus the majority of its efforts in the near term on acquiring production and reserves at attractive valuations, consolidating areas of interest, and exploiting lower risk, shallower depth reservoirs.

Pursuant to the terms of private placement, each Unit issued consists of one common share ("Common Share") and one share purchase warrant ("Warrant"), which each whole Warrant having an exercise price of \$0.075 to be adjusted upwards on an equivalent basis for the consolidation of the Common Shares on the basis of approximately 15 Common Shares for one Common Share pursuant to customary adjustment provisions (and if such consolidation of Common Shares does not occur prior to the first anniversary of issuance, each Warrant will have an exercise price of \$0.10, subject to customary adjustment provisions). The Corporation intends to seek shareholder approval for the share consolidation at its next annual general and special shareholders meeting. The term of the Warrant is 36 months, provided however, that if at any time from four months after closing, the daily volume-weighted average trading price of the Common Shares on the TSX-V exceeds \$0.12 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.

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 shareholder approval to be sought at the next annual general and special

meeting of the Corporation. Each performance warrant will have a minimum exercise price of \$0.05 and a maximum exercise price equal to the five day volume-weighted average trading price ending of the date of grant, which will be adjusted upwards on an equivalent basis for the proposed consolidation of the Common Shares on the basis of approximately 15 Common Shares for one Common Share. 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%, 2/3 upon an increase in NAV per share of 33 1/3%, and all of the performance warrants upon an increase in NAV per share of 50%.

The Corporation has paid a cash finders fee of 6% to certain third parties on certain subscriptions for the financing in the aggregate amount of \$597,663.90. An additional \$83,490 will be paid to certain finders upon closing of the Units held in escrow. The Corporation has also paid a fee of 1% of the gross proceeds of the private placement to Nova Bancorp Securities Ltd., a company related to Harry Knutson and Rick Wlodarczak who are directors of Regal, for the provision of certain advisory services in connection with the private placement.

The Common Shares issued in the private placement, and the Common Shares to be issued on the exercise of the Warrants, will be subject to a hold period expiring on August 1, 2009.

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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/For further information: Hugh G. Ross, President and CEO, Telephone: (403) 263-4310, Fax: (403) 263-4368; Ketan Panchmatia, VP Finance and CFO, Telephone: (403) 263-4310, Fax: (403) 263-4368/
(REG.)

CO: Regal Energy Ltd.

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