THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Shares, please immediately forward this document, together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 3 of this document, accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission to AIM and dealings in the New Ordinary Shares will commence on 27 October 2003.

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

Proposed acquisition of up to 89.92 per cent. of the issued share capital of Eurotech Services S.A.

Placing of 35,086,667 new Ordinary Shares at a price of 75p per share

and

Notice of Extraordinary General Meeting

EXPECTED SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Authorised			*Issued and fully paid*	
Number	*Amount (£)*		*Number*	*Amount (£)*
200,000,000	10,000,000	Ordinary shares of 5 pence each	98,553,334	4,927,666.70

Evolution Beeson Gregory Limited, which is regulated by the Financial Services Authority, is acting as nominated and financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Evolution Beeson Gregory Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Beeson Gregory Limited or for advising any other person on the arrangements described in this document. Evolution Beeson Gregory Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Evolution Beeson Gregory Limited for the accuracy of any information or opinions contained in this document or for the omission of any information.

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodges with or registered by the Australian Securities and Investments Commission. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice of an Extraordinary General Meeting of Regal Petroleum plc, to be held at the offices of Evolution Beeson Gregory Limited at 100 Wood Street, London EC2V 7AN at 10.00 a.m. on 20 October 2003, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, by not later than 10.00 a.m. on 18 October 2003. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

CONTENTS

DIRECTORS AND ADVISERS

Directors	Vasile Frank Timis *(Executive Chairman)* Guenter Nolte *(Chief Executive)* Glenn Robert Featherby *(Finance Director)* Frank David Wheatley *(Non-executive Director)* William Henry Humphries *(Non-executive Director)*
Proposed Director	Nikolaos Loutsigkas
Company Secretary	Stephen Paul West
Registered office	2nd Floor 49 Albemarle Street London W1S 4JR
Nominated Adviser and Broker	Evolution Beeson Gregory Limited 9th Floor 100 Wood Street London EC2V 7AN
Solicitors to the Company	Osborne Clarke Hillgate House 26 Old Bailey London EC4M 7HW
Solicitors to the Placing	Weil, Gotshal & Manges One South Place London EC2M 2WG
Auditors to the Company	BDO Stoy Hayward 8 Baker Street London W1U 3LL
Registrars	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

PLACING STATISTICS

Placing Price	75p
Number of Placing Shares being placed on behalf of the Company	35,086,667
Proceeds receivable by the Company, net of expenses	£24.15 million
Number of Ordinary Shares in issue following Admission*	98,553,334
Number of Placing Shares as a percentage of the existing issued share capital	61.06%

Assuming the allotment of all the Consideration Shares

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Extraordinary General Meeting	10.00 a.m. on 20 October 2003
Admission and dealings in the New Ordinary Shares expected to commence on AIM	27 October 2003
Expected date for CREST accounts to be credited	27 October 2003
Expected date for posting of share certificates for New Ordinary Shares	by 3 November 2003

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Acquisition"	the proposed acquisition of up to 89.92 per cent. of the entire issued share capital of Eurotech by the Company
"Acquisition Agreement"	the proposed sale and purchase agreement in the agreed form to be made between the Company and the Vendors, further details of which are set out in this document
"Act"	the Companies Act 1985 (as amended)
"Admission"	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
"AIM"	the Alternative Investment Market of the London Stock Exchange
"AIM Rules"	the rules governing the admission to and operation of AIM as published by the London Stock Exchange from time to time
"Company" or "Regal"	Regal Petroleum plc
"Consideration Shares"	up to 5,000,000 new Ordinary Shares proposed to be issued to the Vendors in connection with the Acquisition
"Directors" or "Board"	the directors of the Company whose names are set out on page 3 of this document, or any duly authorised committee thereof
"EGM"	the extraordinary general meeting of the Company to be held on 20 October 2003
"EGM Notice"	the notice convening the EGM which is set out on pages 23 and 24 of this document
"EVBG"	Evolution Beeson Gregory Limited, the Company's nominated adviser
"Enlarged Group"	the Group as enlarged following the Acquisition
"Eurotech"	Eurotech Services S.A., a company incorporated under the laws of Greece
"Existing Shares"	the 57,466,667 Ordinary Shares in issue at the date of this document all of which are admitted to trading on AIM
"Facility Agreement"	the agreement proposed to be made between the Company and Kavala relating to the provision of a US$30 million loan facility by the Company to Kavala in the agreed form, further details of which are set out in this document
"Form of Proxy"	the form of proxy for use in connection with the EGM which accompanies this document
"GN Shares"	the 1,000,000 new Ordinary Shares to be subscribed for by Guenter Nolte, further details of which are set out in this document
"Group"	the Company, its subsidiaries and its subsidiary undertakings

"Kavala"	Kavala Oil S.A., a company incorporated under the laws of Greece
"London Stock Exchange"	London Stock Exchange plc
"Managers"	the Proposed Director and Theodoros Sidiropoulos
"New Ordinary Shares"	the Consideration Shares, the Placing Shares and the GN Shares
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Placing"	the conditional placing of the Placing Shares by EVBG, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document
"Placing Agreement"	the placing agreement dated 26 September 2003 and made between EVBG and the Company, further details of which are set out in this document
"Placing Price"	75p per Placing Share
"Placing Shares"	the 35,086,667 new Ordinary Shares to be issued pursuant to the Placing
"Proposed Director"	Nikolaos Loutsigkas
"Resolutions"	the resolutions set out in the EGM Notice
"Restructuring Plan"	the proposed restructuring plan, in the agreed form annexed to the Acquisition Agreement, further details of which are set out in this document
"Shareholders"	holders of Ordinary Shares
"State Agreement"	the concession agreement between Kavala, its shareholders and the Greek State, further details of which are set out in this document
"UK"	the United Kingdom of Great Britain and Northern Ireland
"the Vendors"	the Managers and certain other shareholders of Eurotech, further details of which are set out in Part 3 of this document

PART 1

Letter from the Chairman of Regal Petroleum plc

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

Directors:
Vasile Frank Timis *(Executive Chairman)*
Guenter Nolte *(Chief Executive)*
Glenn Robert Featherby *(Finance Director)*
Frank David Wheatley *(Non-executive Director)*
William Henry Humphries *(Non-executive Director)*

Registered Office:
2nd Floor
49 Albemarle Street
London W1S 4JR

Proposed Director:
Nikolaos Loutsigkas

26 September 2003

To Shareholders

Dear Shareholder,

**Proposed acquisition of up to 89.92 per cent. of the issued share capital of Eurotech Services S.A.
Placing of 35,086,667 new Ordinary Shares at a price of 75p per share
and Notice of Extraordinary General Meeting**

1. Introduction and summary

On 27 June 2003, your Board announced that it had signed heads of agreement in connection with the proposed acquisition by the Company of 90 per cent. of the entire issued share capital of Eurotech.

Your Board announced today that, following the completion of satisfactory due diligence, it has agreed terms to acquire up to 89.92 per cent. of the issued share capital of Eurotech for a consideration to be satisfied by the issue of up to 5,000,000 new Ordinary Shares. It is expected that the Acquisition Agreement will be entered into, and the Acquisition will be completed, shortly after the EGM.

Eurotech is a private company incorporated in Greece, which owns, *inter alia*, 67 per cent. of the entire issued share capital of Kavala. Kavala, which is also a private company incorporated in Greece, has, pursuant to the State Agreement, exclusive rights to develop, exploit and operate oil fields in the North Aegean Sea. Following completion of the Acquisition, Regal will indirectly own 60.2 per cent. of the entire issued share capital of Kavala.

The Board also announced today that it proposes to raise approximately £24.15 million (net of expenses) by way of a placing of 35,086,667 new Ordinary Shares at a price of 75p per share. The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to increase its authorised share capital, to disapply statutory pre-emption rights and to grant the Board authority to allot the New Ordinary Shares. The Placing, which has been arranged by EVBG pursuant to the terms of the Placing Agreement, is also conditional upon Admission and has been fully underwritten by EVBG. The Placing proceeds will be used to fund the working capital requirements of the Enlarged Group and further details are set out in paragraph 8 below.

The purpose of this document is to provide you with information about the background to and the reasons for the Acquisition and the Placing, to explain why the Board considers the Placing and Acquisition to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

2. Background to and reasons for the Acquisition

General

Regal's strategy is to become an owner and operator of international oil and gas assets and the acquisition of Kavala represents the next stage in this strategy.

To date, all development expenditure in Kavala has been funded internally and no additional development financing has been available under its current ownership structure. The Directors believe that the proceeds of the Placing, through the Facility Agreement, will allow for the further development of Kavala's oil fields and result in increased production levels. The Placing will also provide funds for the exploration programme in the Kallirachi prospect. Further details of the Company's production and exploration plans for Kavala are set out below.

Information on Eurotech

Eurotech, a private company incorporated in Greece, is a provider of engineering services, equipment and personnel. Eurotech has approximately 29 employees of which 12 are currently supplying consultancy services to Kavala. The annual turnover for Eurotech for 2002 was €643,000 (2001: €1,004,000). Eurotech's assets also include a 67 per cent. interest in the entire issued share capital of Kavala.

The issued share capital of Eurotech is held by Nikolaos Loutsigkas (60.0 per cent.), Theodoros Sidiropoulos (26.1 per cent.) and on behalf of the beneficiaries of a deceased estate (13.9 per cent.).

Following completion of the Acquisition, Eurotech will transfer all of its assets (apart from its Kavala shareholding), liabilities and business to a newly established company incorporated by the Managers in accordance with the terms of the Restructuring Plan. The Managers have agreed to indemnify the Company against any claims, liabilities or losses it may suffer in connection with this restructuring of Eurotech.

Information on Kavala

General

Kavala exclusively operates oil, gas and sulphur production facilities (including an onshore processing plant) in the North Aegean Sea pursuant to the State Agreement.

The issued share capital of Kavala is held by Eurotech (67 per cent.) and on behalf of an association of Kavala's employees (33 per cent.).

State Agreement

Kavala has entered into a concession agreement with the Greek State and Kavala's shareholders pursuant to which Kavala has been granted an exclusive right to undertake petroleum exploration, exploitation and production operations in the area of the Thracian Sea. Under the terms of the State Agreement, Kavala has the right to exploit two existing drilling operations in the Prinos and South Kavala fields until November 2009 and may also be granted further rights to explore and exploit new deposits for periods of up to 10 years from the relevant date of grant. Under the terms of the State Agreement, the Greek State currently receives a fee equivalent to 5 per cent. of the annual gross income of Kavala. The State Agreement may be terminated by the Greek State in the event that, *inter alia*, Kavala is in material breach of its obligations under the State Agreement.

Production

Kavala currently produces approximately 4,000 barrels of stabilised crude oil each day from two sour crude oil reservoirs, Prinos and Prinos North. The Directors believe that following work-over and infill drilling programmes, production will increase. The oil extracted from Kavala's fields, "sour crude" oil, has a high concentration of Hydrogen Sulphide ("H_2S") in the associated gas. The onshore processing plant removes the H_2S to ensure that the final product conforms to international standards. The oil is sold to Hellenic Petroleum S.A. in accordance with the State Agreement and the sulphur by-product is sold locally. The Prinos and Prinos North fields together have approximately 11 million barrels of proven and probable reserves which, at current levels of production, equates to approximately 6 years of production remaining.

In addition, the smaller South Kavala gas field, produces sweet gas, a gas which does not contain H_2S, and which is used for generating power for certain parts of the Kavala oil fields. Current production is approximately 60,000m^3/day.

Development

Under the State Agreement, Kavala also has the exclusive right to exploit and develop the Epsilon field which lies to the west of the Prinos field. The Epsilon field has approximately 12 million barrels of proven and probable reserves. Kavala intends to drill production wells and build associated production infrastructure during 2004.

Exploration

Pursuant to the State Agreement, Kavala has an exclusive right to explore the Kallirachi prospect which is located north of the South Kavala field. Based on seismic data, this prospect is expected to contain between 96 and 227 million barrels of recoverable oil. In the first instance, the Company plans to commence the drilling of an exploration well in Kallirachi in 2003 to convert the resource to a proven and probable reserve.

Trading Record

A summary of Kavala's trading record over the three years ended 31 December 2002 is set out below:

	2002	*2001*	*2000*
Oil Production volumes (bbls)	*1,392,327*	*1,410,965*	*2,034,047*
Sales	€33,795,000	€32,938,000	€54,648,000
Profit/(loss) after extraordinary items before tax	(€8,486,000)	€42,000	€25,602,000
Adjusted Profit*	€7,995,000	€8,359,000	€21,292,000

*Adjusted to align with the Company's accounting policies

Further Information

Vasile Frank Timis has a 30 per cent. interest in European Hydrocarbons Limited ("EHL"), a privately owned company. EHL has signed heads of agreement with Denison Energy Inc. ("Denison") which is listed on the Toronto Stock Exchange, giving EHL an option to acquire Denison's 75 per cent. interest in an exploration area near Kavala, west of the Island of Thassos.

3. Proposed terms of the Acquisition

The Acquisition

The Company has agreed terms with the Vendors to acquire up to 89.92 per cent. of the entire issued share capital of Eurotech in consideration for the issue of the Consideration Shares in accordance with the terms of the Acquisition Agreement. The balance of the issued share capital of Eurotech will be held by Nikolaos Loutsigkas, the president and managing director of Kavala. Based on the closing middle market price of 84p of an Existing Share on 25 September 2003 (being the latest practicable date prior to the publication of this document), the aggregate value of the Consideration Shares is £4,200,000. Further details of the Acquisition Agreement are set out in Part 3 of this document.

The Company and the Vendors have agreed the terms of the Acquisition and the Board expects that the Acquisition Agreement will be entered into and the Acquisition completed shortly after the EGM.The Company has, however, entered into a further agreement with the Vendors in respect of the Acquisition pursuant to which the Vendors are liable to pay the Company the sum of €1 million if the Vendors fail to enter into the Acquisition Agreement upon the satisfaction of certain conditions.

Upon completion of the Acquisition Nikolaos Loutsigkas has agreed to join the Board of the Company and Glenn Featherby and Guenter Nolte will join the board of Kavala. Nikolaos Loutsigkas and Theodoros Sidiropoulos, a Vendor and a director of Kavala, will enter into new service agreements with Kavala. The Company has also agreed to pay the Managers a royalty fee equal to 3 per cent. of any dividend payable by Kavala to Eurotech on an annual basis.

As part of the terms of the Acquisition, the Company will also provide Kavala with a US$30,000,000 revolving credit facility to fund its operations on the terms of the Facility Agreement which will be entered into on completion of the Acquisition. Further details of the Acquisition Agreement are set out in Part 3 of this document.

Hellenic Competition Committee Approval

The Company has been advised that the Acquisition requires the prior approval of the Hellenic Competition Commission ("HCC"). Accordingly, the Company intends to notify the HCC of the Acquisition as soon as practicable and to use all reasonable endeavours to obtain the HCC approval prior to the EGM. The Directors believe that this approval is likely to be given as Regal currently has no interests in the Greek petroleum markets and there is therefore no concentration of interests as a result of the Acquisition.

The Directors consider that because the likelihood of not getting approval is very low, it is in the best interests of Regal and its Shareholders to proceed with the Acquisition on the intended date of completion, even if this approval has not been received by that date. The Directors have been advised that such a course of action may result in the HCC imposing a fine on the Company. They have been further advised that,based on previous HCC practice, the level of the fine is not likely to be material, probably not more than 1 per cent. of the aggregate turnover of Eurotech and Kavala, which based on the latest published accounts, would result in a fine of up to €344,380. However, under Greek competition law the HCC has the right to impose a fine of up to 15 per cent. of the combined turnover (€5,165,700).

4. Issue of Ordinary Shares to Guenter Nolte

At the time of Guenter Nolte's appointment as Chief Executive Officer of the Company, on 1 March 2003, the Company agreed to pay Mr Nolte an introduction fee of £750,000, in consideration for his introduction of the Acquisition to the Company. In addition, the Company shall pay any tax the Company is required to pay in connection with this fee, which the Directors estimate to be approximately £100,000. This payment is conditional upon the completion of the Acquisition and the Resolutions being passed at the EGM. Mr Nolte has agreed to apply this fee to subscribe for 1 million new Ordinary Shares at the Placing Price. As at the date of this document Mr Nolte is interested in 34,800 Existing Shares representing 0.06 per cent. of the Company's existing issued Ordinary Share capital.

5. Proposed Director

Following completion of the Acquisition, Nikolaos Loutsigkas will join the Board with primary responsibility for Kavala and the Company's interests in Greece. Nikolaos Loutsigkas is currently a 60.0 per cent. shareholder in Eurotech and therefore, under the terms of the Acquisition Agreement he will be allotted 2,775,812 Consideration Shares representing 2.82 per cent. of the Company's enlarged issued ordinary share capital following the issue of New Ordinary Shares. In the event that the Company exercises its option described in paragraph 1.5 of Part 3 of this document, Nikolaos Loutsigkas will be allotted an aggregate of 3,336,283 Consideration Shares representing 3.39 per cent. of the Company's enlarged issued ordinary share capital following the issue of the New Ordinary Shares (assuming the allotment of all the Consideration Shares).

Nikolaos Loutsigkas, aged 55, is a qualified energy engineer and a qualified electrical and economic engineer. He is a founder of Eurotech where he has been Managing Director since 1992. Prior to 1992 Mr Loutsigkas worked for 14 years with North Aegean Petroleum Corporation as an electrical and instrumentation engineer. Mr Loutsigkas is the President and Managing Director of Kavala. The directorships and partnerships held by Nikolaos Loutsigkas in the last 5 years are set out below:

Current directorships and partnerships	*Previous directorships and partnerships*
Eurotech Services SA	–
Kavala Oil SA	–
Enertek SA	–

At the date of this document, Nikolaos Loutsigkas: (i) has no unspent convictions in relation to indictable offences; (ii) has not been declared bankrupt or has entered into an individual voluntary arrangement; (iii) was not a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned; (iv) was not a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership; (v) has not had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or (vi) has not been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6. Current trading and prospects

Regal

On 3 September 2003, the Company announced a trading update and its unaudited interim results for the six months ended 30 June 2003. In Ukraine, the Company is currently producing approximately 200,000 cubic metres of gas per day from two wells. The Directors expect that two work-over wells and the two new development wells will be completed by the end of 2003 and accordingly there will be six wells in production producing 800,000 cubic metres of gas per day by the end of 2003. In Romania the Company has identified two large structures from existing seismic data and additional seismic investigations will be undertaken to further delineate these structures. Shareholders should refer to Part 2 of this document where the Company's trading update and interim results are reproduced in full. Since 3 September 2003 there has been no material change to the Company's trading.

Kavala

Kavala is currently producing approximately 4,000 barrels of crude oil per day. Further details regarding Kavala's current production and historic trading record is set out above.

7. The Placing

The Company proposes to raise approximately £24.15 million (net of expenses) through the issue of the Placing Shares at the Placing Price, which represents a discount of 10.71 per cent. to the closing middle market price of 84p per Existing Share on 25 September 2003, being the last practicable date prior to the publication of this document. The Placing Shares will represent 35.60 per cent. of the Company's issued share capital immediately following Admission assuming the allotment of all of the Consideration Shares.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, EVBG has conditionally agreed to use its reasonable endeavours to place the Placing Shares with certain institutional and other investors. The Placing has been fully underwritten by EVBG. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM, the Acquisition Agreement being entered into and completed and Admission becoming effective on or before 8.00 a.m. on 27 October 2003 (or such later date as the Company and EVBG may agree, but in any event by no later than 30 November 2003).

The Placing Agreement contains warranties by the Company in favour of EVBG in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Enlarged Group and its business. In addition, the Company has agreed to indemnify EVBG in respect of certain liabilities it may incur in respect of the Placing. EVBG has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties.

Under the Placing Agreement and subject to it becoming unconditional in all respects and not being terminated in accordance with its terms, the Company has agreed to pay EVBG a commission of 5.0 per cent. on the value at the Placing Price of the Placing Shares, together with any applicable value added tax.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares, the Consideration Shares and the GN Shares to be admitted to trading on AIM. It is expected that such Admission will occur on 27 October 2003.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Shares including the right to receive dividends and other distributions declared following Admission.

8. Use of Proceeds

The net proceeds of the Placing of £24.15 million will be used to develop Regal's existing assets and the newly acquired assets. The Directors estimate these costs will be apportioned as follows:

(i) £2.4 million to build a new manifold/pipeline in 2003 and second gas processing plant in Ukraine in 2004;

(ii) £0.9 million to build a high capacity pipeline connecting the existing infrastructure to the Ukraine distribution network, to be completed by the end of 2003;

(iii) £2.4 million to develop the Romanian gas field;

(iv) £13.15 million to drill and develop new and existing wells in the Kavala oil fields; and

(v) £5.3 million to drill an exploration well in the Kallirachi oil prospect.

Work carried out in Kavala will be funded in accordance with the Facility Agreement.

9. Extraordinary General Meeting

Set out on pages 23 and 24 of this document is a notice convening the EGM to be held on 20 October 2003 at the offices of Evolution Beeson Gregory, 100 Wood Street, London EC2V 7AN, at 10.00 a.m., at which the Resolutions will be proposed for the purposes of implementing the Placing and the Acquisition.

Resolution 1, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, is to increase the Company's authorised share capital from £4,000,000 to £10,000,000 by the creation of an additional 120,000,000 new Ordinary Shares and to authorise the Directors to allot up to 41,086,667 New Ordinary Shares in connection with the Placing and Acquisition, the GN Shares and otherwise relevant securities up to £1,642,555 in nominal value (representing one third of the issued share capital following Admission assuming all the Consideration Shares are allotted) provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Placing Shares, the GN Shares and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £246,383 representing 5 per cent. of the issued share capital following Admission (assuming all the Consideration Shares are allotted) provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

10. Action to be taken

A Form of Proxy for use at the EGM accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, as soon as possible, but in any event so as to be received by 10.00 a.m. on 18 October 2003. The completion and return of a Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they so wish.

11. Recommendation

The Directors consider the Placing and the Acquisition to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 10,889,687 Existing Shares, representing approximately 18.95 per cent. of the existing issued share capital of the Company.

Yours sincerely

Vasile Frank Timis
Executive Chairman

PART 2

Trading Statement and Interim Results for the Six Months Ended 30 June 2003

Set out below is the full text of the Company's trading statement and interim results for the six months ended 30 June 2003, announced on 3 September 2003.

"REGAL PETROLEUM PLC

TRADING STATEMENT AND INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2003

TRADING UPDATE

The Directors of Regal Petroleum plc advise that, due to lower than expected production of gas and condensate from their Ukraine operations, earnings for the second half of 2003 will be substantially lower than previously forecast.

At Regal's inception in October of last year, Management elected to pursue early cash flow through the 'work-over' of seven to eight exploration wells completed by the State run company Naftagas in the late 1980s, all of which had returned promising test flows.

It was estimated that each 'work-over' would be completed in approximately a tenth of the time required for the drilling of a new production well and at a fraction of the cost.

However, the 'workovers' on the first three wells: Mex 3; Gol 1 and SV 10 have met with unexpected technical problems and delays, due predominantly to previous poor work practices and the present sub-contractors' lack of materials and equipment. Some of these problems have yet to be rectified, resulting in current production from these wells being less than anticipated (see chart below).

As a result of the above, Management have decided to postpone the 'work-over' programme until a technical review, including new down-hole testing, has been completed on all remaining work-over candidates.

In addition, Gol 2, a new well started by Naftagas as an exploration well and completed by Regal as a production well, has not lived up to expectations with the present flow rate of 100,000 M3/d being half the initial rate of flow in February. It is intended to carry out extensive testing to determine the cause of this drop.

Accordingly, the new forecast production at December 2003 has been reduced to 800,000 M3/d with 1,500,000 M3/d being reached by fourth quarter 2004.

The Directors are pleased to report that, the new works being carried out by Regal are proceeding well. Production well SV 52, started in October of last year, has reached the first gas bearing structure at 5,300 metres (target depth 5,400 metres) and is currently having this zone tested. SV52 is expected to be completed in October and have production to the gas plant together with SV 10 in November 2003.

Production well Mex 102, started in January of this year has reached 4,600 metres and is estimated to reach its target depth of 5,200 metres in October and have production to the gas plant by year-end.

The new onsite supervision, experienced in both Soviet and modern Western drilling techniques, have already improved the drilling rates substantially by introducing up to date gear, machinery and work practices. For example, the last 650 metres drilled on Mex 102 was at a rate of 17.5 metres/day which is more than double (8.2 metres) that achieved by the same drilling company last year on Gol 2, also only using a third of the drill-bits thus saving substantial time and costs.

Construction of the export, 325mm diameter 6,400 metre long, pipeline, connecting Regal's Gas Plant with the main National trunk system, has commenced and is scheduled for completion in November 2003. This will allow Regal to be completely independent of the local system eliminating costly service charges. At the same time, with SV 52 and SV 10 coming on stream, there will be sufficient production to negotiate export sales, which attract a substantial premium to the local sales. The Company is also pursuing local sales at a substantially higher price than the $54 currently being achieved.

The new gas plant, opened in mid July, is functioning well and will meet all of Regal's production requirements until three additional new wells planned for 2004 are completed. Planning and permitting has commenced for the second and main gas plant construction which is scheduled to commence in the second quarter 2004.

The required documentation for the Production Licence application is nearing completion and is scheduled for submission in October 2003. Regal is currently permitted to sell under the exploration and pilot production licence.

REGAL PETROLEUM PLC

UKRAINE PRODUCTION FORECAST

	Original		*Revised*	
Well Name	*Gas Rate (M3/d)*	*Cond. (M3/d)*	*Gas Rate (M3/d)*	*Cond. (M3/d)*
Gol 2	175,000	15.75	100,000	9.00
Mex 3	100,000	2.50	100,000	2.50
Gol 1	175,000	15.75	130,000	11.70
SV 10	100,000	1.50	100,000	1.50
SV 6	30,000	45.00	0	0
SV 7	35,000	29.75	0	0
SV 52	300,000	30.00	185,000	18.50
Mex 102	300,000	30.00	185,000	18.50
TOTAL	**1,215,000**	**170.25**	**800,000**	**61.70**
BOE	7,636.28	1,069.17	5,028.00	387.48
TOTAL BOE		**8,705.45**		**5,415.48**

Kavala Oil SA. Regal signed a Heads of Agreement in June 2003 to acquire a 60.3% interest in Kavala Oil SA, a private company incorporated in Greece with assets which comprise a producing oil project in the North Aegean Sea. The transaction is due to be completed by 30th September 2003.

Romania. Work has commenced on digitising and reprocessing data relating to the two known gas discoveries on the Suceava project.

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2003

Review of Results

The financial results for the six months to 30 June 2003 reflect the increase in gas and condensate production together with the significant investment in the Company's well development programme and the construction of the new gas processing plant.

Turnover for the six months was $1,228,000 reflecting gas and condensate production from the only wells operational during the period: MEX 3 and GOL2. All production was sold locally at domestic prices of an average rate of $54 per thousand cubic metres of gas and $186 per metric tonne of condensate. In order to minimise counterparty risk all sales are for payment in advance.

The operating loss for the six months was $1,382,000. As at 30 June 2003 the Group had no long term external borrowings. Total interest receivable for the six months was $71,000.

Net cash outflow from operating activities was $1,821,000. The capital expenditure and financial investment outflow of $4,035,000 represented the aggressive investment towards well development and construction of the 1st phase gas plant in the first half of 2003. As at 30 June 2003 the Group had total cash balances of $2,775,000.

Outlook for 2nd half 2003

During the 2nd half of 2003 Regal will continue its development plan in the Ukraine to achieve the revised daily gas production target of 800,000 sm^3 per day by the end of the year and complete the construction of the high capacity pipeline. The Group expects an increase in the price for local sales and continues to work towards exporting gas in the fourth quarter of 2003 to take advantage of the higher sales prices available.

We intend to develop Regal into an international oil and gas company with a clear focus on geographic areas and assets where we can add value. To achieve this goal and to diversify our operations we intend completing the acquisition of a 60.3% interest in Kavala Oil SA by 30th September 2003 and to develop our Suceava licence area in North East Romania during 2004.

V. Frank Timis
Chairman

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 30 JUNE 2003

	Note	*Unaudited Half year 30 June 2003 $'000*	*Audited Full year 31 December 2002 $'000*
Turnover	1	1,228	583
Cost of sales		(317)	(92)
Gross profit		911	491
Administrative expenses		(2,364)	(4,663)
Operating loss		(1,453)	(4,172)
Interest receivable		71	110
Interest payable and similar charges		–	(430)
Loss on ordinary activities before and after taxation		(1,382)	(4,492)
Loss per ordinary share (cents)			
Basic		2.4¢	10.1¢
Diluted		2.4¢	10.1¢

All amounts relate to continuing activities.

The notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2003

	Note	*Unaudited Half Year 30 June 2003 $'000*	*Unaudited Half Year 30 June 2003 $'000*	*Audited Full Year 31 December 2002 $'000*	*Audited Full Year 31 December 2002 $'000*
Fixed assets					
Tangible assets			9,882		5,873
Investments			54		54
			9,936		5,927
Current assets					
Debtors		3,220		1,652	
Cash at bank and in hand		2,775		8,974	
		5,995		10,626	
Creditors: amounts falling due within one year		(1,299)		(1,044)	
Net current assets/(liabilities)			4,696		9,582
Total assets less current liabilities			14,632		15,509
Provision for liabilities and charges			(100)		(100)
Net assets			14,532		15,409
Capital and reserves					
Called up share capital	3		4,737		4,613
Share premium			15,273		14,754
Merger reserve			(3,281)		(3,204)
Capital contributions			7,477		7,477
Profit and loss account deficit			(9,674)		(8,231)
Shareholders' funds – equity			14,532		15,409

The financial statements were approved by the Board on 29 August 2003.

G R Featherby
Director

The notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2003

	Unaudited Half Year 30 June 2003 $'000	*Unaudited Half Year 30 June 2003 $'000*	*Audited Full Year 31 December 2002 $'000*	*Audited Full Year 31 December 2002 $'000*
Net cash outflow from operating activities		(1,821)		(5,281)
Returns on investments and servicing of finance				
Interest received	70		110	
Interest paid	–		(430)	
Net cash outflow from returns on investments and servicing of finance		70		(320)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(4,049)		(3,207)
Sale of Fixed Assets		14		–
Cash outflow before use of liquid resources and financing		(5,786)		(8,808)
Financing				
Secured loan	–		(1,337)	
Other Loans	(413)		186	
Capital contributions received	–		2,741	
Issues of ordinary share capital (net of issue costs)	–		16,094	
		(413)		17,684
Increase/(Decrease) in cash		(6,199)		8,876

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2003

1. Turnover and net assets

	Unaudited Half Year 30 June 2003 $'000	*Audited Full Year 31 December 2002 $'000*
Analysis of turnover by activity:		
Gas Sales	1,088	550
Condensate Sales	71	26
Other	69	7
	1,228	583

The turnover of the group arose wholly within the territory of Ukraine and was wholly attributable to the group's primary activity.

	Unaudited Half Year 30 June 2003 $'000	*Audited Full Year 31 December 2002 $'000*
Analysis of net assets by geographical origin:		
United Kingdom	2,000	9,204
Ukraine	12,531	6,205
	14,531	15,409

2. Loss for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group loss for the period includes a loss after tax of $1,613,395, for the period 1 January 2003 to 30 June 2003, which is dealt with in the financial statements of the parent company.

3. Share capital

	Authorised	
	Number	*$'000*
Ordinary shares of 5p each (Approximately 8c each)	80,000,000	6,440

	Allotted, called up and fully paid	
	Number	*$'000*
Ordinary shares of 5p each (Approximately 8c each)"	57,466,667	4,737

PART 3

Summary of the Principal Terms of the Acquisition Agreement and the Facility Agreement

1. Acquisition Agreement

The principal terms of the Acquisition Agreement are as follows:

1.1 The parties to the Acquisition Agreement will be the Company, Nikolaos Loutsigkas, Theodoros Sidiropoulos (together the "Guarantors"), Evagelia Marmarelis, Panayiota Marmarelis, Sofoklis Marmarelis and Eydoxia Marmareli (together the "Heirs") and Eurotech. The Acquisition Agreement is subject to and shall be construed in accordance with Greek Law.

1.2 The Guarantors and the Heirs agree to sell respectively 28,664 and 5,236 registered shares in the capital of Eurotech ("Eurotech Shares") to the Company, representing, in aggregate, 89.92 per cent. of the total equity share capital and voting rights of Eurotech. The consideration for the Acquisition comprises the allotment and issue to the Guarantors and the Heirs of an aggregate of 5,000,000 Ordinary Shares.

1.3 The balance of the issued share capital of Eurotech, comprising 3,800 Eurotech shares ("Remaining Shares"), will be held by Nikolaos Loutsigkas.

1.4 The sale of the Heirs Shares requires the consent of a Greek Court ("**Consent**"). To the extent that such Consent has not been received prior to completion of the Acquisition, the Heirs Shares shall be held in escrow pending the receipt of the Consent and the number of Consideration Shares reduced on a pro rata basis. The relevant number of Consideration Shares will then be allotted and issued to the Heirs upon receipt of the Consent.

1.5 If, however, the Consent is not obtained on or before 30 June 2004, Nikolaos Loutsigkas has agreed to transfer the Remaining Shares to the Company for a consideration of the allotment and issue of an additional 560,471 Consideration Shares. After such transfer, the Company would hold, in aggregate, 32,464 Eurotech Shares, representing 86.11 per cent. of the total equity share capital and voting rights in Eurotech. Accordingly, the Remaining Shares will be held in escrow until 30 June 2004 or the transfer of the Heirs Shares to the Company (whichever is the earlier).

1.6 If the Consent is obtained after 30 June 2004, the Company has an option to acquire such shares during the period of 6 months from the date of the Consent. In the event that this option were exercised, the Company would own the entire issued share capital of Eurotech.

1.7 Regal undertakes to use its best endeavours to comply with all requirements of the London Stock Exchange plc so as to enable the Consideration Shares to be admitted to trading on AIM. To the extent that such admission is not obtained, the Company will be required to satisfy the consideration for the acquisition of Kavala in cash. Any such payment would be calculated by multiplying the number of Consideration Shares by the Company's average closing middle market share price as derived from the AIM Appendix of the daily official list of the London Stock Exchange plc for the three business days before the date of the Acquisition Agreement.

1.8 The Guarantors give certain warranties and indemnities to the Company relating to the business and assets of Kavala and Eurotech as are customary in a transaction of this nature.

1.9 Each of the Guarantors and the Heirs also covenants with the Company that from the date of the Acquisition Agreement they will not, without the Company's consent, own, manage or participate in a business under a similar name to Eurotech's or Kavala's for a period of three years and will not in such manner compete with Eurotech or Kavala.

1.10 Each of the Guarantors agrees to jointly and severally indemnify the Company, Eurotech and Kavala against any liabilities arising from the proposed restructuring of Eurotech.

2. Facility Agreement

The principal terms of the Revolving Credit Facility are as follows:

2.1 The parties to the agreement will be Kavala and Regal.

2.2 Under the terms of the Agreement, the Company agrees to make available to Kavala a revolving credit facility of up to US$30 million.

2.3 The sums advanced under the Facility Agreement must be used by Kavala to fund the development of its business. Kavala may not draw down any funds under the Facility Agreement until it has satisfied a number of conditions precedent.

2.4 Kavala must give at least 10 working days' notice to the Company when it wishes to draw down funds and each such advance must be for a minimum of US$500,000.

2.5 Each advance must be repaid within 48 months of draw down and any advance may be prepaid by Kavala on fifteen working days' notice without penalty.

2.6 Kavala shall pay interest at a rate determined by the Company to be the aggregate of 3 per cent. per annum and LIBOR.

2.7 The Company may give 15 working days' notice to Kavala that it is cancelling the amount then undrawn under the Facility Agreement provided that if part only of the amount undrawn is being cancelled, the amount cancelled is a multiple of US$100,000.

2.8 The Facility Agreement contains warranties, representations and positive and negative covenants from Kavala to the Company as are customary in an agreement of this nature.

2.9 The Facility Agreement also sets out a number of events which will constitute events of default and provides that on the occurrence of an event of default, the Company may by giving 10 days' written notice to Kavala declare all outstanding advances to be immediately due and payable together with interest thereon.

2.10 Kavala indemnifies Regal against any loss or expense on the occurrence of certain events, including an event of default.

2.11 The Facility Agreement is governed by and construed in accordance with English Law.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Regal Petroleum plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 4462555)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Regal Petroleum plc (the "Company") will be held at the offices of Evolution Beeson Gregory Limited, 100 Wood Street, London EC2V 7AN on 20 October 2003 at 10.00 a.m. to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. **THAT**, conditional upon the passing of Resolution 2 and the Placing Agreement (as defined in the circular to shareholders of the Company dated 26 September 2003 ("**Circular**"), becoming unconditional in all respects (save only for the passing of the Resolutions and Admission (as defined in the Circular)) and it not being terminated in accordance with its terms:

   (a) the authorised share capital of the Company be and it is hereby increased from £4,000,000 to £10,000,000 by the creation of 120,000,000 new ordinary shares of 5 pence each in the capital of the Company; and

   (b) in substitution for any equivalent authority which may have been given to the directors prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) provided that this authority shall be limited to:

      (i) the allotment of up to 40,086,667 new ordinary shares of 5 pence each in the capital of the Company in connection with the Placing and the Acquisition (as such terms are defined in the Circular);

      (ii) the allotment of 1 million new ordinary shares of 5 pence each in the capital of the Company to Guenter Nolte at a subscription price of 75p per Ordinary Share; and

      (iii) the allotment (other than pursuant to paragraphs (i) and (ii) above) of relevant securities up to an aggregate nominal amount of £1,642,555;

   and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. **THAT**, conditional upon the Passing of Resolution 1 the Placing Agreement becoming unconditional in all respects (save only for the passing of the Resolutions and Admission) and it not being terminated in accordance with its terms and in substitution for any existing power given to the directors pursuant to section 95 of the Act, the directors be and they are empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the authority of the directors under section 80 of the Act conferred by resolution 1 as if section 89(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   (a) the allotment of 35,086,667 new ordinary shares of 5 pence each in the capital of the Company in connection with the Placing;

(b) the allotment of 1 million new ordinary shares of 5 pence each in the capital of the Company to Guenter Nolte;

(c) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion to their respective holdings of such shares or in accordance with the rights attached to such shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory; and

(d) the allotment, otherwise than pursuant to sub-paragraphs (a), (b) and (c) above, of equity securities up to an aggregate nominal value equal to £246,383;

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Registered Office:
2nd Floor
49 Albemarle Street
London W1S 4JR

By order of the Board:
Stephen West
Company Secretary

26 September 2003

Notes:

1. A member entitled to receive notice, attend and vote at the extraordinary general meeting is entitled to appoint a proxy or proxies to attend and, vote instead of him. Such proxy need not be a member of the Company. Completion of a form of proxy does not preclude your attendance at the meeting and voting in person if you so wish. To be valid, the instrument appointing a proxy, together, if appropriate, with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the offices of the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, not less than 48 hours before the time fixed for the holding of the meeting. A pre-paid form of proxy accompanies this notice.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members of the Company in order to have the right to receive notice, attend and vote at the extraordinary general meeting (and for the purposes of the determination by the Company of the members of votes they may cast) is 10.00 a.m. on 18 October 2003 or 48 hours before the time of adjournment of the meeting. The rights of members to attend and vote at the meeting will be determined by references to entries on the register of members as at 5.00 p.m. on 18 October 2003. Changes to entries on the register of members of the Company after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

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