

For Immediate Release

REGENCY AFFILIATES ANNOUNCES A 5.875 CENT QUARTERLY DIVIDEND

Strong On-Going Performance from Investments

New York, NY – June 7, 2016 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that it will issue a quarterly dividend of 5.875 cents per common share on July 8, 2016 to shareholders of record at the close of trading on June 30, 2016.

Management Comments

“We are pleased to declare a quarterly dividend of 5.875 cents per common share which is inclusive of the 6.8% increase initiated in October 2015,” commented Laurence Levy, Chairman and Chief Executive of Regency. “After a review of our cash flow and growth prospects, we anticipate a further increase in the dividend in the near term as we benefit from the expected cash flows generated by the recently acquired portfolio of self-storage assets in and around Harrisburg, Pennsylvania.”

“Our Security West investment represents a 50% limited partnership interest in real estate occupied by the United States Social Security Administration under a lease expiring in 2018. The mortgage balance will be amortized to approximately \$28.9 million on June 30, 2016, down from \$98.5 million at the lease commencement on June 24, 2003. We anticipate that the mortgage will be amortized by more than \$7.1 million in 2016.”

“Regency also owns an indirect 50% interest in Mobile Energy which owns and operates an energy facility located in Mobile, Alabama. The facility supplies co-generated steam and electricity for use in Kimberly-Clark's mill operations under a 15 year agreement signed in 2004. This investment currently generates in excess of \$2.8 million of cash distributions per annum for Regency after debt amortization at the project level. Since our investment in Mobile Energy, the debt on that entity has been amortized from \$28.5 million on the date of our investment on April 30, 2004 to the current balance of approximately \$9.3 million.”

“On April 18, 2016, Regency completed the acquisition of a portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity for a total purchase price of \$35.0 million of which \$25.3 million was financed via a non-recourse ten year debt financing. The facilities were purchased via a joint venture with SSCP Management LLC (“SSCP”). Pursuant to the terms of the joint venture, Regency will earn a 7.5% per annum preferred distribution on its \$11.2 million capital contribution. Surplus cash flow after the preferred distribution is allocated 80% to Regency and 20% to SSCP.”

“Regency also completed a private offering of common stock to accredited investors on May 12, 2016. A total of 1,078,633 shares of common stock were sold for gross proceeds of approximately \$8.9 million inclusive of subscriptions of over \$5.0 million from affiliates of Regency. A portion of these proceeds were used to fund the acquisition of the self-storage assets in Harrisburg, Pennsylvania.”

"We are continuing to review and evaluate further investment opportunities for Regency and intend to grow the company by investing in other attractive long term assets that meet our business characteristics and valuation criteria. Our net asset value per share continues to grow based on our existing investments. In order to facilitate efficient processing of the dividend, management strongly suggests all shareholders with shares held in certificate form contact our transfer agent, TransferOnline, Inc. at (503) 227-2950 and confirm that the registration information is correct."

About Regency Affiliates

Regency Affiliates, Inc. invests in assets that generate attractive, predictable and sustainable returns on capital. We currently own three assets:

1. A 50% limited partnership interest in the 717,000 square foot facility Security West complex located on 34.3 acres in Woodlawn, Maryland. The facility is occupied under a lease expiring in 2018 by the United States Social Security Administration;
2. An indirect 50% interest in Mobile Energy which owns and operates an energy facility located on approximately 11 acres of land in Mobile, Alabama. The facility supplies up to 61 megawatts of co-generated steam and electricity for use in Kimberly-Clark's mill operations under a 15 year agreement signed in 2004; and
3. A majority joint-venture interest in a portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity comprising approximately 330,000 square feet of net rentable space consisting of in excess of 2,500 climate and non-climate controlled storage units.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are statements that are predictive in nature or depend on or refer to future events and can be identified by the words "may," "might," "will," "should," "anticipate," "believe," "expect," "intend," "estimate," "hope," or similar expressions. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Future events and actual results affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, a default or catastrophe involving the properties in which we invest, the extent to which we are able to raise additional capital, and competition for additional investment opportunities. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise. For a more detailed description of these uncertainties and other factors, please see our website at www.regencyaffiliates.com.

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