

Regency Affiliates, Inc.

REGENCY AFFILIATES ANNOUNCES \$.20 PER ANNUM DIVIDEND

Strong On-Going Performance from Investments

New York, NY – September 16, 2013 – Regency Affiliates, Inc. (RAFI) (“Regency”) today announced that it will commence an annual dividend of \$.20 per common share payable quarterly commencing on October 7, 2013 to shareholders of record at the close of trading on September 30, 2013.

Management Comments

“We are pleased with the performance of our investments,” commented Laurence Levy, Chairman and Chief Executive of Regency. “Further, we believe that the cash flow and growth we have seen in the recent past will be able to support this dividend both currently and in the future.”

“Our Security West investment represents a 50% indirect interest in real estate occupied by the United States Social Security Administration under a lease expiring in 2018. This lease has paid the mortgage on the property down from \$98.5 million at the lease commencement on June 24, 2003, to \$51.4 million as of December 31, 2012. We anticipate that the mortgage will be amortized by more than \$6.5 million in 2013. Additionally, Regency 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 \$2.25 million of cash distributions per annum for Regency.”

“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 cash resources and value per share continue to grow based on our existing investments. Based on our liquid balance sheet and our strong current and projected cash flows, our board of directors has elected to declare an annual dividend of \$.20 per common share payable quarterly commencing on October 7, 2013 to shareholders of record as of the close of trading on September 30, 2013. 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.”

Laurence Levy concluded, “Collectively, our board, management and their investment associates control over half of Regency’s common stock. We have a strong vested interest in creating shareholder value and in our stock price reflecting the value of our underlying assets. We believe there is considerable potential to significantly grow the value of Regency’s assets and stock price and I look forward to reporting on our continued progress.”

About Regency Affiliates

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

1. An indirect 50% 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; and
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 the Kimberly-Clark's mill's operations under a 15 year agreement signed in 2004.

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, the effect of the economic downturn in our markets; a default or catastrophe involving the properties in which we invest, our ability to use tax loss and credit carryforwards or changes in amounts allocated to us from our Security Land investment for tax purposes and competition for business 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 the Regency website at www.regencyaffiliates.com.

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