

February 17, 2009



Lucas Energy, Inc. Reports Quarterly Results

HOUSTON, Feb. 17, 2009 (GLOBE NEWSWIRE) -- Lucas Energy, Inc. (NYSE Alternext:LEI), a U.S. based independent oil and gas company reports the financial results from operations for the third quarter of fiscal year 2009.

For the third quarter of fiscal year 2009 the Company reports:

- * An increase of 31.4% in production for the quarter ending December 31, 2008 to 12,080 barrels of oil equivalent compared to 9,190 barrels of oil equivalent for the quarter ending December 31, 2007. Average price per barrel was \$55.67 in the quarter ending December 31, 2008 compared to \$88.89 for the same period a year ago.
- * Revenues decreased to \$663,078 in the quarter ended December 31, 2008 compared to \$811,023 in the previous period primarily due to a 37% decrease in price received for oil offset by increased production volume.
- * Net cash provided from operating activities for the nine month period ending December 31, 2008 was \$899,814.
- * EBITDA from oil and gas operations decreased to \$(208,501) for the quarter ended December 31, 2008. EBITDA is a non-GAAP calculation, a reconciliation to GAAP is included at the end of this press release.
- * Net loss for the quarter ended December 31, 2008 was \$2,039,244 or \$0.20 cents a share, primarily due to the unrealized loss of \$2,567,140 on the company's investments in marketable securities.

Recent Events:

- * The recorded cost of oil and gas properties on our balance sheet using the full cost method of accounting increased from \$18.1 million at our prior fiscal year end March 31, 2008 to approximately \$20.6 million as of December 31, 2008. We control more than 12,000 gross acres of leases, and operate 38.85 net wells.
- * We announced that the lateral extension of the Hagen Ranch No.3 well which commenced mid-September and was completed in late October 2008 with an initial production rate of 175 BOPD and, after testing, was producing at a rate of 84 BOPD and 35 MCFPD with no water. The initial well bore was drilled to a total depth of 9,570 feet and the lateral extended an additional 1,300 feet from the well bore.
- * On October 8, 2008 we entered into a senior secured revolving line

of credit facility with Houston-based Amegy Bank providing an initial borrowing base of \$3.0 million, which is collateralized by certain proven developed producing properties.

Management Comments

Mr. William Sawyer, CEO of Lucas Energy said, "We are pleased with the increase in production for the quarter, but with the recent decline in commodity price we must be vigilant in controlling costs." Mr. Sawyer went on to say: "In the current quarter we have initiated actions to cut costs both in the field and G&A to bring Lucas back to its tradition of profitability. For the remainder of our fiscal year we will focus on increasing production by increasing the number of producing wells we have in South Texas."

Lucas Energy filed its Form 10-Q with the Securities and Exchange Commission today which contains all complete details of the results of operations for the third quarter of fiscal year 2009. Full financial tables are contained at the end of this press release.

About Lucas Energy

Lucas Energy, Inc. (NYSE Alternext:LEI) is an independent crude oil and gas company building a diversified portfolio of valuable oil and gas assets in the United States. The company is focused on identifying underperforming oil and gas assets, which are revitalized through a meticulous process of evaluation, application of modern well technology, and stringent management controls. This process allows the company to increase its reserve base and cash flow while significantly reducing the risk of traditional exploration projects. The Company's headquarters are located at 6800 West Loop South, Suite 415, Houston, Texas 77401.

The Lucas Energy logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=4192>

Use of Non-GAAP Financial Measures

In evaluating our business, we consider earnings before interest, taxes, depreciation, depletion, amortization, unrealized gains and loss on investments, stock-based compensation expense and accretion of abandonment liability ("Adjusted EBITDA") as a key indicator of financial operating performance and as measure of the ability to generate cash for operational activities and future capital expenditures. Adjusted EBITDA is not a Generally Accepted Accounting Principle ("GAAP") measure of performance. We use this non-GAAP measure primarily to compare our performance with other companies in the industry that make a similar disclosure and as a measure of our current liquidity. We believe that this measure may also be useful to investors for the same purpose and as an indication of our ability to generate cash flow at a level that can sustain or support our operations and capital investment program. Investors should not consider this measure in isolation or as a substitute for income from operations, or cash flow from operations determined under GAAP, or any other measure for determining operating performance that is calculated in accordance with GAAP. In addition, because EBITDA is not a GAAP measure, it may not necessarily be comparable to similarly titled measures employed by other companies. Reconciliation between EBITDA and net income (loss) for the three-months and nine-months ended December 31, 2008 and 2007 is provided below.

Forward-Looking Statement

This Press Release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. A statement identified by the words "expects," "projects," "plans," "feels," "anticipates" and certain of the other foregoing statements may be deemed "forward-looking statements." Although Lucas Energy believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this press release. These include risks inherent in the drilling of oil and natural gas wells, including risks of fire, explosion, blowout, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks inherent in oil and natural gas drilling and production activities, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; risks with respect to oil and natural gas prices, a material decline in which could cause the Company to delay or suspend planned drilling operations or reduce production levels; and risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in oil and gas prices and other risk factors. The complete filing is available at <http://www.sec.gov>

LUCAS ENERGY, INC.
 Consolidated Statements of Operations
 For the Three and Nine Months December 31, 2008 and 2007
 (Unaudited)

	For the Three Months Ended December 31, 2008	For the Three Months Ended December 31, 2007	For the Nine Months Ended December 31, 2008	For the Nine Months Ended December 31, 2007
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REVENUES				
Oil and gas revenues	\$ 663,078	\$ 811,023	\$ 2,984,900	\$ 1,737,510
Consulting income	--	--	--	10,000
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Total Revenues	663,078	811,023	2,984,900	1,747,510
EXPENSES				
Lease operating expenses	413,924	161,162	1,038,168	425,114
Severance and property taxes	78,995	84,017	156,709	127,206
Depreciation, depletion and accretion	238,935	90,960	603,577	198,034
General and administrative	412,045	253,740	992,400	606,750
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Total Expenses	1,143,899	589,879	2,790,854	1,357,104
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INCOME (LOSS) FROM OPERATIONS	(480,821)	221,144	194,046	390,406
OTHER INCOME (EXPENSES)				
Unrealized loss on investments	(2,567,140)	--	(1,801,683)	--
Realized loss on investments, net	--	--	(121,273)	--
Interest income	--	51,919	1,970	118,045
Interest expense	(40,954)	--	(41,056)	(101,877)
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Total Other Income (Expenses)	(2,608,094)	51,919	(1,962,042)	16,168
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NET INCOME (LOSS) BEFORE INCOME TAXES	(3,088,915)	273,063	(1,767,996)	406,574
INCOME TAX EXPENSE (BENEFIT)	(1,049,671)	93,157	(595,117)	139,406
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NET INCOME (LOSS)	<u>\$ (2,039,244)</u>	<u>\$ 179,906</u>	<u>\$ (1,172,879)</u>	<u>\$ 267,168</u>
UNREALIZED HOLDING GAIN (LOSS) ON MARKETABLE EQUITY SECURITIES	--	(49,000)	--	24,000
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COMPREHENSIVE INCOME (LOSS)	<u>\$ (2,039,244)</u>	<u>\$ 130,906</u>	<u>\$ (1,172,879)</u>	<u>\$ 291,168</u>
INCOME (LOSS) PER SHARE - BASIC AND DILUTED	<u>\$ (0.20)</u>	<u>\$ 0.01</u>	<u>\$ (0.11)</u>	<u>\$ 0.03</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	<u>10,222,352</u>	<u>10,211,156</u>	<u>10,238,890</u>	<u>9,007,615</u>

Use of Non-GAAP Financial Measures

Adjusted EBITDA

In evaluating our business, we consider earnings before interest, taxes, depreciation, depletion, amortization, unrealized gains and loss on investments, stock-based compensation expense and accretion of abandonment liability ("Adjusted EBITDA") as a key indicator of financial operating performance and as a measure of the ability to generate cash for operational activities and future capital expenditures. Adjusted EBITDA is not a Generally Accepted Accounting Principle ("GAAP") measure of performance. We use this non-GAAP measure primarily to compare our performance with other companies in the industry that make a similar disclosure and as a measure of our current liquidity. We believe that this measure may also be useful to investors for the same purpose and as an indication of our ability to generate cash flow at a level that can sustain or support our operations and capital investment program. Investors should not consider this measure in isolation or as a substitute for income from operations, or cash flow from operations determined under GAAP, or any other measure for determining operating performance that is calculated in accordance with GAAP. In addition, because Adjusted EBITDA is not a GAAP measure, it may not necessarily be comparable to similarly titled measures employed by other companies.

Reconciliation of Adjusted EBITDA

	Three Months Ended Dec. 31, 2008 ----	Three Months Ended Dec. 31, 2007 ----	Nine Months Ended Dec. 31, 2008 ----	Nine Months Ended Dec. 31, 2007 ----
Net Income (Loss)	\$ (2,039,244)	\$ 179,906	\$ (1,172,879)	\$ 267,168
Add Back:				
Interest	40,954	--	41,056	101,877
Income Tax Expense (Benefit)	(1,049,671)	93,157	(595,117)	139,406
Depreciation, Depletion and Accretion	238,935	90,960	603,577	198,034
Unrealized Loss on Investments	2,567,140	--	1,801,683	--
Stock Based Compensation	33,385	--	44,513	--
Adjusted EBITDA	\$ (208,501)	\$ 364,023	\$ 722,833	\$ 706,485

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