

November 16, 2009



Lucas Energy Reports Second Fiscal Quarter 2009-2010 Results, Turns EBITDA Positive

HOUSTON, Nov. 16, 2009 (GLOBE NEWSWIRE) -- Lucas Energy, Inc. (NYSE Amex:LEI), an independent oil and gas company (the "Company") based in Houston, Texas reports the financial results from operations for second quarter of fiscal year 2009-2010.

For the second quarter fiscal year 2009-2010, the Company reports:

- Revenues for the quarter ended September 30, 2009 were \$414,218 as compared to \$441,464 in the first fiscal quarter of year 2009-2010. Lower oil revenues in the current quarter were due primarily to lower oil sales (-20%) partially offset with higher prices realized from oil sales (+19%) in the second fiscal quarter. The reduction in oil sales was due to wells that were offline for workovers and chemical treatments in preparation for production increases as crude oil prices remain high.
- EBITDA from oil and gas operations was \$6,359 for the three months ended September 30, 2009, as compared to negative EBITDA totaling \$(248,605) for the three months ended June 30, 2009. EBITDA is a non-GAAP calculation; a reconciliation to GAAP is included at the end of this press release.
- Net loss for the three months ended September 30, 2009 was \$(485,060) or \$(0.05) cents per share as compared to a net loss for the first three months of the fiscal year of \$(308,726) or \$(0.03) per share. The loss reported for the second fiscal quarter included non-cash mark-to-market unrealized losses on marketable securities held by the Company of \$(242,000), as compared to the three months ended June 30, 2009 that included \$220,444 in mark-to-market unrealized gains on the same marketable securities.
- Investments in oil and gas properties on the Company's balance sheet at September 30, 2009 using the full cost method of accounting total \$20.4 million compared to \$21.1 million at March 31, 2009, primarily reflecting the sale of working interest as part of our drilling program.
- Shareholders' equity or book value at September 30, 2009 was \$17.8 million or \$1.66 per share compared to \$1.72 per share at March 31, 2009.
- Lease operating expenses dropped to \$22.82 per barrel of oil equivalent ("BOE") vs. \$35.81 per BOE in the previous quarter.

Recent Events

- Lucas closed financing and began phase one of its business plan through the "LEI 2009-II Capital Program". The Program will be conducted through a drilling program with a U.S. affiliate of a European oil and gas company and initially includes bringing 6 wells online.
- Lucas announced the successful completion of its 2nd Quarter 2009-10 capital raising activities. Lucas accomplished its financing goal of \$1.0 million during this 2nd fiscal quarter through a private equity placement of restricted securities and the sale of working interests in six undeveloped wells to two working interest partners.

Management Comments

Mr. William Sawyer, CEO of Lucas Energy said, "We are happy to announce the return to positive EBITDA for the fiscal second quarter. The current quarter returns this trend to positive EBITDA and positive cash flow from operations and we are seeing higher production and strong oil prices. This combined with our focus on keeping lease operating expenses down will result in an even better third quarter. Our joint interest drilling program is in full swing and we are looking forward to the rest of the 2009-10 fiscal year with forecasted increased volumes and increased profitability ongoing."

Lucas Energy filed its Form 10-Q with the Securities and Exchange Commission on November 16, 2009 which contains all complete details of the results of operations for the second quarter of its 2009-2010 fiscal year. The Form 10-Q for the period ended September 30, 2009 is available at <http://www.sec.gov>.

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>

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>

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 June 30, 2009	Three Months Ended Sept. 30, 2009
Net Income (Loss)	\$ (308,726)	\$ (485,060)
Add Back:		
Interest expense, net	60,601	102,873
Income tax expense (benefit)	--	--
Depreciation, depletion and accretion	184,626	141,056
Unrealized loss (gain) on investment	(220,444)	242,000
Stock - based compensation	35,338	5,490
Adjusted EBITDA	\$ (248,605)	\$ 6,359

Presented below are our actual sales of oil and gas production and average prices realized during the first and second fiscal quarter 2009:

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	Months Ended June 30, 2009 -----	Months Ended Sept. 30, 2009 -----
Volumes, net:		
Oil (bbls)	7,967	6,382
Gas (mcf)	3,665	1,286
Total (boe)	8,578	6,596
Average price received:		
Oil (bbl)	\$ 54.20	\$ 64.41
Gas (mcf)	\$ 2.65	\$ 2.49
Total Revenues:	\$ 441,464	\$ 414,218

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