

June 28, 2013



# Lucas Energy Announces Fiscal 2013 Fourth Quarter And Year-End Financial Results

HOUSTON, June 28, 2013 /PRNewswire/ -- Lucas Energy, Inc. (NYSE MKT: LEI), ("Lucas" or the "Company"), an independent oil and gas company with its main operations in Texas, today announced its fourth quarter and fiscal year-end results for the period ending March 31, 2013 and the filing of its Form 10-K Annual Report on June 28, 2013.

"Earlier, in a press release filed April 2, 2013, we stated our goals to: 1) favorably resolve legacy legal matters; 2) increase the efficiency of our field operations and reduce corporate overhead; 3) move operations to a cash-flow positive position; 4) develop additional low-risk opportunities to increase production; and 5) solidify our capital position and long term development strategy," Anthony C. Schnur, Chief Executive Officer of the Company, said, who continued, "In the six months following the change in management last December, we have accomplished almost all of these objectives and the fourth quarter results are a reflection of this effort.

"We are pleased with our progress so far, and next on our list is to further develop our access to capital and execute our long-term strategy to pursue low-risk opportunities in an effort to increase production and develop our existing oil and gas properties. Our ultimate goal is maximizing shareholder value by increasing production and growing our reserves. As we expand our asset base and improve our operating efficiencies, we plan to increase profit margins and our cash flows," Mr. Schnur added.

## Fiscal 2013 Fourth Quarter Results

For the fiscal 2013 fourth quarter, Lucas reported a net loss of \$0.6 million, or (\$0.02) loss per diluted share, a 78% improvement over the net loss of \$2.7 million, or (\$0.10) loss per diluted share, in the fiscal 2013 third quarter and a 75% improvement over the \$2.5 million loss or (\$0.13) loss per diluted share in same quarter last year. Net operating revenues in the fiscal 2013 fourth quarter were \$1.9 million, of which all were derived from crude oil sales, virtually flat with fiscal 2013 third quarter revenues and up 7% over the fiscal 2012 fourth quarter.

Overall expenses in the fiscal fourth quarter fell dramatically from the third quarter as a result of cost cutting initiatives, debt reduction, and improved operating efficiencies. General and administrative (G&A) expenses of \$0.9 million in the fiscal 2013 fourth quarter were 63% less than G&A expense in the third quarter of \$2.3 million and 52% lower than in the fiscal 2012 fourth quarter. However, the decline in G&A expenses was exaggerated by the inclusion of significant one-time severance expenses in the third quarter of fiscal 2013. Lease operating expense decreased by 32% to \$0.6 million from third quarter expenses and

by 52% from last year's fourth quarter lease operating expenses. Average production during the 2013 fourth quarter was 196 net barrels of oil equivalent per day (boe/d) compared to 221 net boe/d in the third quarter, which included production from the Baker Deforest unit that was sold in December 2012, and 192 net boe/d in the 2012 fourth quarter.

**Selected Financial Data**  
**Fiscal 2013 Quarterly and Year-End**  
**(\$ in thousands)**

	6/30/2012	9/30/2012	12/31/2012	3/31/2013	FYE 2013
Net Operating Revenues	\$1,717.8	\$2,732.8	\$1,927.9	\$1,868.6	\$8,247.1
Operating Expenses					
Lease Operating Expenses	929.8	1,153.2	1,002.9	674.2	3,760.0
G&A	1,448.2	1,446.6	2,338.5	865.4	6,098.8
Other Operating Expenses	915.0	1,310.7	985.7	806.5	4,017.9
Total Operating Expense	3,292.9	3,910.5	4,327.1	2,346.1	13,876.7
Interest Expense & Other	(332.0)	(343.6)	(348.1)	(103.0)	(1,126.7)
Income (loss) before Income Taxes	(1,907.2)	(1,521.3)	(2,747.3)	(580.6)	(6,756.3)
Provision for income taxes	-	-	-	(39.2)	(39.2)
Net Loss	(\$1,907.2)	(\$1,521.3)	(\$2,747.3)	(\$619.7)	(\$6,795.5)

**Fiscal 2012 Quarterly and Year-End  
(\$ in thousands)**

	6/30/2011	9/30/2011	12/31/2011	3/31/2012	FYE 2012
Net Operating Revenues	\$1,232.4	\$967.4	\$1,306.9	\$1,751.7	\$5,258.5
Operating Expenses					
Lease Operating Expenses	601.5	1,033.3	1,253.0	1,401.9	4,289.7
G&A	1,044.7	1,386.7	1,430.1	1,768.5	5,630.0
Other Operating Expenses	467.7	350.7	630.7	875.4	2,324.5
Total Operating Expense	2,113.9	2,770.6	3,313.8	4,045.9	12,244.2
Interest Expense & Other	(2.6)	(294.9)	(146.5)	(171.7)	(615.7)
Income (loss) before Income Taxes	(884.1)	(2,098.1)	(2,153.4)	(2,465.9)	(7,601.5)
Provision for income taxes	-	-	-	-	-
Net Loss	(\$884.1)	(\$2,098.1)	(\$2,153.4)	(\$2,465.9)	(\$7,601.5)

**Fiscal 2013 Annual Results**

For the twelve months ending March 31, 2013, Lucas reported a fiscal year net loss of \$6.8 million, or (\$0.27) per diluted share, which was an 11% improvement over the \$7.6 million loss, or a (\$0.41) loss per share, for the same twelve-month period last year. Net operating revenues increased by 57% to \$8.3 million compared to \$5.3 million the same period last year. G&A expense of \$6.1 million in fiscal 2013 rose slightly by 8% when compared to fiscal 2012, reflecting the higher severance costs in the 2013 third quarter. Lease operating expense decreased by 13% to \$3.8 million from \$4.3 million in fiscal 2012. Average production increased 51% to 235 net boe/d compared to the same period last year of 156 net boe/d.

Please refer to our 10-K filing at [www.sec.gov](http://www.sec.gov) for complete financial statements.

**About Lucas Energy, Inc.**

Lucas Energy is an asset-rich, independent oil and gas company developing its significant acreage positions in the Eagle Ford, Austin Chalk, Eaglebine and Buda & Glen Rose resource plays. Based in Houston, Texas, Lucas Energy's management team is committed to creating shareholder value through developing its asset base, improving operating efficiencies, and building a strong balance sheet.

For more information, please visit the Lucas Energy web site at [www.lucasenergy.com](http://www.lucasenergy.com).

**Safe Harbor Statement and Disclaimer**

This news release includes "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements give our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although Lucas 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 news release. These include risk inherent in natural gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, 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; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline in which could cause Lucas to delay or suspend planned drilling operations or reduce production levels; 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 natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or fourth party consents; and other risks described in Lucas's Annual Report on Form 10-K and other filings with the SEC, available at the SEC's website at [www.sec.gov](http://www.sec.gov). Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company. The Company's SEC filings are available at <http://www.sec.gov>.

Year-end pre-tax discounted present value of proved reserves, or PV-10, is a non-GAAP financial measure as defined by the SEC. We believe that the presentation of PV-10 is relevant and useful to our investors because it presents the discounted future net cash flows attributable to our proved reserves prior to taking into account corporate future income taxes and our current tax structure. We further believe investors and creditors use PV-10 as a basis for comparison of the relative size and value of our reserves as compared with other companies.

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