

August 14, 2014



Lucas Energy Announces Fiscal 2015 First Quarter Financial Results

HOUSTON, Aug. 14, 2014 /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 fiscal 2015 first quarter results for the three-month period ending June 30, 2014 and the filing of its Quarterly Report on Form 10-Q on August 14, 2014.

"We continue to pursue strategic alternatives to reposition the Company to initiate development of the Eagle Ford shale and throughout this process have maintained a focus on controlling costs and stabilizing production," said Anthony C. Schnur, Chief Executive Officer of the Company, who continued, "However, four of our larger producing wells in the Austin Chalk were offline for significant periods of time during the first quarter which contributed to the 36% decline in revenue. These wells have since returned to production. Partially offsetting the lower revenues was a 21% drop in total operating expenses. While our fiscal 2015 first quarter performance was disappointing, it was an expected outcome during this transitional period. Separately, we are very pleased that the NYSE MKT exchange has accepted our plan of compliance which detailed the strategic actions that we have taken or are in the process of taking." Mr. Schnur continued, "The exchange has agreed to continue our listing under an extension granted until October 31, 2014. Please refer to a separate release that we posted earlier today regarding our extension. We have made significant progress on the strategic front, and hope to finalize one or more transactions by the end of the 2014 calendar year. While this process has taken longer than anticipated, we want to ensure that our actions are in the best interests of our shareholders," Mr. Schnur concluded.

Fiscal 2015 First Quarter Results

For the fiscal 2015 first quarter, Lucas reported a net loss of \$1.3 million, or (\$0.04) per diluted share, compared to a loss of \$0.9 million, or (\$0.04) loss per diluted share, in same quarter last year and a sequential loss of \$1.1 million, or (\$0.04) per diluted share, for the fourth fiscal quarter of 2014. Revenues in the fiscal 2015 first quarter were \$0.9 million, all of which were derived from crude oil sales, compared to revenues of \$1.5 million in the fiscal 2014 first quarter and \$1.1 million for the fiscal 2014 fourth fiscal quarter.

Overall expenses in the fiscal 2015 first quarter fell significantly from the same period a year ago as a result of ongoing cost cutting initiatives and improved operating efficiencies. General and administrative (G&A) expenses of \$0.9 million in the fiscal 2015 first quarter were 22% less than G&A expense in the fiscal 2014 first quarter and lease operating expense decreased by 3% to \$0.5 million from last year's first quarter lease operating expenses.

Cash used in operating activities was approximately \$0.8 million or 51% less than cash used during the same period last year. Last year's first quarter operating activities included a \$1.3

million repayment of outstanding advances to working interest owners under a legal settlement. Cash used in investing activities was 11% less for the first quarter of 2015, compared to the first quarter of 2014, reflecting the additions to oil and gas properties, and cash provided by financing activities was 25% lower, for a total net increase in cash by almost three-fold of \$0.2 million compared to a \$0.1 million decrease in the same period last year.

SELECTED FINANCIAL DATA

INCOME STATEMENT (\$000s)	6/30/2014	6/30/2013
Net Operating Revenues	\$942	\$1,482
Operating Expenses		
Lease Operating Expenses	453	466
G&A	860	1,098
Other Operating Expenses	464	681
Total Operating Expense	<u>1,778</u>	<u>2,245</u>
Total other expenses	(418)	(182)
Net Loss	<u>(\$1,254)</u>	<u>(\$945)</u>
SELECT BALANCE SHEET DATA (\$000s)	6/30/2014	3/31/2014
ASSETS		
Cash and Cash Equivalents	\$707	\$522
Current Assets	1,714	1,587
PP&E, Net	38,744	38,809
Total Assets	\$40,808	\$40,739
LIABILITIES		
Current Liabilities	\$4,913	\$4,646
Asset Retirement Oblig. Net of Current	1,002	978
LT Note Payable, Net of Current Portion	4,521	5,430
Preferred Stock, Series A	3,096	3,096
Stockholders' Equity (Deficit)	30,372	29,684
Total Liabilities & Stockholders' Equity	\$40,808	\$40,739

About Lucas Energy, Inc.

Lucas Energy (NYSE MKT: LEI) is engaged in the acquisition and development of crude oil and natural gas from various known productive geological formations, including the Austin Chalk, Eagle Ford and Buda / Glen Rose. Based in Houston, Lucas Energy's management team is committed to building a platform for growth and the development of its five million barrels of proved Eagle Ford and other oil reserves while continuing its focus on operating efficiencies and cost control.

For more information, please visit the updated Lucas Energy web site at 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 risks 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 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-Q, Form 10-K and other filings with the SEC, available at the SEC's website at 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>.

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