

November 21, 2016



Lucas Energy Completes Second Tranche Of Securities Purchase Agreement

HOUSTON, Nov. 21, 2016 /PRNewswire/ -- Lucas Energy, Inc. (NYSE MKT: LEI) ("Lucas" or the "Company"), an independent oil and gas company with its operations in Texas and Oklahoma, today announced that, on November 17, 2016, it has received gross proceeds of \$4.5 million for the second tranche of the sale and issuance of the convertible shares and entered into a third amendment to its stock purchase agreement with an accredited institutional investor ("Selling Shareholder"), dated November 16, 2016. As previously reported, on April 6, 2016, the Company agreed to a series of instruments convertible into common stock. The Company sought to ensure liquidity upon the closing of its acquisition of assets in Oklahoma and Texas which was completed, and subsequently announced, on August 25, 2016. Upon conversion, the common shares are issued in tranches to meet the condition that the Selling Shareholder's ownership interest does not exceed 4.99% on any given date. The third and final tranche, for an additional \$5.0 million must be exercised on or before March 31, 2017. More information is available in the Company's Form 8-K filed with the U.S. Securities and Exchange Commission on April 6, 2016 and subsequent 8-K and Rule 424(3)(b) filings.

"This funding arrangement was established to finance acquisition activity, initial development drilling and field optimization work, which has already commenced," said Anthony C. Schnur, Chief Executive Officer of Lucas Energy. "We are actively pursuing opportunities within or near our existing operations and acquisitions of leasehold acreage to expand the Company's drilling inventory. As we consider producing properties, and all opportunities, we are focused on property(ies) that conform to our technical expertise. The Company believes it significantly increases the successful management and development of an acquisition by adhering to this standard.

"What we established in April was the ability to access capital in an extremely uncertain and disruptive oil and gas environment. That longer term view is now fueling our go-forward plans."

About Lucas Energy, Inc.

Based in Houston, Texas, Lucas Energy (NYSE MKT: LEI) is a growth-oriented, independent oil and gas company engaged in the development of crude oil and natural gas in the Austin Chalk and Eagle Ford formations in south Texas, the Permian Basin in west Texas, and the Hunton formation in central Oklahoma. For more information, please visit 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, opinions, 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-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 on our website or at <http://www.sec.gov>.

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