August 20, 2007

Lucas Energy Completes $12 Million Private Placement of Restricted Common Stock and Warrants

HOUSTON, Aug. 20, 2007 (PRIME NEWSWIRE) -- Lucas Energy, Inc. (OTCBB:LUCE), a U.S. based independent oil and gas company, today announced it has closed its previously announced private placement. $12 million was placed in an offering consisting of common stock at a price of $1.15 per share and warrants to purchase common stock at a price of $2.00 per share. Both the stock and warrants issued are restricted securities.

Due to the fact that the deal was oversubscribed, the lead placement agents have exercised their option to the overallotment or "greenshoe" of up to 10% of the offering. When completed, the overallotment will have raised an additional $1.2m for the company for a total of $13.2m.

"We are excited to close this offering as a fully funded, debt free and profitable company," said James Cerna, Jr., CEO of Lucas Energy Inc.

Viewpoint Securities LLC and JMP Securities LLC were joint lead placement agents of the offering.

Any brokers involved in the sales of these shares received a cash commission equal to 9% of the amount raised and warrants to purchase shares of restricted common stock equal to 9% of the number of shares sold by that broker. Therefore, the Company issued $1,080,000 as commissions to the brokers. The brokers also received 909,130 warrants to purchase shares of common stock at a price of $2.00 per share. The securities were sold to accredited investors under the auspices of Rule 506 of Regulation D.

The securities issued in the private placement have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This communication shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Lucas Energy, Inc. (OTCBB:LUCE) (www.lucasenergy.com) 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 3000 Richmond Avenue, Suite 400, Houston, Texas 77098.

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.

CONTACT: Lucas Energy, Inc.
Corporate:
James Cerna, Jr. CEO
(713) 528-1881

Anthem Communications
Media:
Anthony DiMaio
(917) 449-1177