

August 14, 2014



CORRECTION - Torchlight Energy Reports Second Quarter 2014 Earnings

Reiterates Expected Exit Rate for 2014 of 2,000 BOEPD

PLANO, TX -- (Marketwired) -- 08/15/14 -- In the news release, "Torchlight Energy Reports Second Quarter 2014 Earnings," issued earlier today by Torchlight Energy Resources, Inc. (NASDAQ: TRCH), we are advised by the company that the first and second bullets of the third paragraph should read "Sequential revenues increased 155% to \$1.63 million from \$0.64 million revenues from the first quarter of 2014" and "Revenues increased 919% to \$1.63 million from \$ 0.16 million compared to the second quarter of 2013" rather than "Sequential revenues increased 253% to \$1.63 million from \$0.64 million revenues from the first quarter of 2014" and "Revenues increased 1013% to \$1.63 million from \$ 0.16 million compared to the second quarter of 2013" as originally issued. Complete corrected text follows.

Torchlight Energy Reports Second Quarter 2014 Earnings

Reiterates Expected Exit Rate for 2014 of 2,000 BOEPD

PLANO, TX -- August 14, 2014 -- [Torchlight Energy Resources, Inc.](#) (NASDAQ: TRCH) ("**Torchlight Energy**" or "**the Company**"), a rapidly growing mid-continent oil and gas company, today reported its second quarter results for the three months and six months ended June 30, 2014. The Company filed a 10-Q with the U.S. Securities and Exchange Commission for the second quarter of 2014 on August 14, 2014.

Second Quarter 2014 Highlights:

- Sequential revenues increased 155% to \$1.63 million from \$0.64 million revenues from the first quarter of 2014
- Revenues increased 919% to \$1.63 million from \$ 0.16 million compared to the second quarter of 2013
- 27 producing wells at June 30, 2014 with net 387 BOEPD
- Spud first well in Smokey Hills joint project with Husky Ventures
- Added to Russell Microcap® Index on June 27, 2014

"While our production target for the end of the second quarter was pushed out by a few weeks into the third quarter, we are happy that we remain on track with our plans to exit 2014 at our previously stated goal of 2,000 BOEPD," stated Tom Lapinski, Chief Executive Officer of Torchlight Energy. "We are extremely pleased with the drill results

from our partnerships with Ring Energy and Husky Ventures. We see additional opportunities to earn rapid payback on new wells across several of our projects we plan to drill between now and the end of the year."

The Company had \$30.8 million of assets and \$17 million shareholders' equity at June 30, 2014 compared to \$16.7 million and \$9.2 million, respectively, at December 31, 2013.

Business Updates

Torchlight Energy currently has interests in five oil and gas projects:

1. Hunton play in partnership with Husky Ventures in Central Oklahoma
2. Ring Energy Joint Venture in Southwest Kansas
3. Smokey Hills Prospect in McPherson County, Kansas
4. Marcelina Creek Field Development in Wilson County, Texas
5. Orogrande Basin Project in Hudspeth County, Texas

As of June 30, 2014, Torchlight Energy has five AML's with Husky Ventures: the Chisolm Trail AML, the Cimarron Trail; the Viking Prospect, the Rosedale Prospect and the Prairie Grove Prospect, all in Central Oklahoma.

During the second quarter, 2014 the Company acquired additional interest in three AMLs and additional working interest in producing wells and wells currently being drilled in the Hunton in exchange for 912,845 restricted shares of Torchlight common stock. Torchlight is actively producing in 21 wells, drilling 4 wells, and 8 wells in various stages of completion across all of its AML's with Husky Ventures.

Torchlight Energy commenced drilling its initial 5-well program in Southwest Kansas in February 2014. This program, which is part of a joint venture agreement with Ring Energy, Inc., entails drilling vertical wells in Mississippian targets. As of June 30, 2014, Torchlight is in well five of the first five-well drill program.

Torchlight is currently drilling the first wells in a ten-well program in the Smoky Hills Project to evaluate the economic viability of vertical drilling in the area. We are putting our first well into production this week in the play and expect it to be in line with expectations. Torchlight is operating the Smoky Hills project.

Torchlight current has three producing wells in the Marcelina Creek Development: a horizontal re-entry well known as the Johnson 1-H; a vertical well known as the Johnson #4; and a lateral well known as the Johnson #2-H. These three wells are currently producing approximately 120 BOPD in aggregate. The Company is determining the exact location of the fourth well to be drilled under the participation agreement with Bayshore Operating Corporation, LLC.

On August 7, 2014, Torchlight signed a definitive agreement with McCabe Petroleum to acquire 100% Working Interest in 172,000 acres in the Orogrande Basin in West Texas for 865,000 shares of Torchlight common stock and \$100,000 in cash. The Company will be the operator of the project once it closes in September 2014.

2014 Outlook

Over the next 90 to 120 days, our expectations are to: 1) continue the rapid pace in the Hunton play with Husky Ventures; 2) complete the next set of wells and 3D survey with Ring Energy; 3) continue to develop our Smoky Hills project; and 4) drill the next Austin Chalk well in South Texas. In addition, the Orogrande project will be evaluated over the next month or two and preparations for the first test wells in the project will continue.

Conference Call

Management will host a conference call at 11:00 a.m. ET on August 15, 2014 to discuss its second quarter 2014 earnings results.

Date: Friday, August 15, 2014

Time: 11:00 am ET

Dial-in (US): 888-430-8691

Dial-in (International): 719-325-2448

Conference ID: 7374406

Webcast: <http://public.viavid.com/index.php?id=110604>

A replay of the call will be available after 2:00 pm ET August 15, 2014. To access the replay, use 877-870-5176 for U.S. callers and 858-384-5517 for international callers. The PIN number is 7374406.

About Torchlight Energy

Torchlight Energy Resources, Inc. (NASDAQ: TRCH), based in Plano, Texas, is a high growth oil and gas Exploration and Production (E&P) company with a primary focus on acquisition and development of highly profitable domestic oil fields. The company currently holds interests in Texas, Kansas and Oklahoma where their targets are established plays such as the Eagle Ford Shale, Mississippi Limestone and Hunton Limestone trends. For additional information on the company, please visit www.torchlightenergy.com.

Forward Looking Statement

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements may involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. Such forward-looking statements involve known and unknown risks and uncertainties, including risks associated with the company's ability to obtain additional capital in the future to fund planned expansion, the demand for oil and natural gas, general economic factors, competition in the industry and other factors that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. The company is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
ASSETS		
Current assets:		
Cash	\$ 1,053,571	\$ 1,811,713
Accounts receivable	330,976	429,699
Production revenue receivable	777,989	-
Note receivable	294,318	-
Prepayments - development costs	824,383	9,144
Prepaid expenses	39,000	-
Total current assets	3,320,237	2,250,556
Investment in oil and gas properties, net	26,316,900	13,038,751
Office Equipment	61,706	11,604
Debt issuance costs, net	625,980	920,947
Goodwill	447,084	447,084
Other Assets	74,894	74,379
TOTAL ASSETS	\$ 30,846,801	\$ 16,743,321
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,479,071	\$ 985,123
Accrued liabilities	240,000	-
Related party payables	90,000	90,000
Convertible promissory notes, net of discount of \$2,355,084		
at June 30, 2014	5,952,513	-
Notes payable within one year	674,690	753,904
Due to working interest owners	528,438	580,484
Interest payable	277,084	309,498
Total current liabilities	11,241,796	2,719,009
Convertible promissory notes, net of discount of \$587,010 at June 30, 2014 and \$5,500,462 at December 31, 2013	2,610,490	4,802,711
Asset retirement obligation	25,975	24,382
Commitments and contingencies	-	-
Stockholders' equity:		
Common stock, par value \$0.001 per share;		

75,000,000 shares authorized; 20,440,210 issued and outstanding at June 30, 2014	20,440	16,142
16,141,765 issued and outstanding at December 31, 2013		
Additional paid-in capital	35,776,392	21,978,616
Warrants outstanding	7,505,270	3,043,420
Accumulated deficit	-26,333,562	-15,840,959
Total stockholders' equity	<u>16,968,540</u>	<u>9,197,219</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ <u>30,846,801</u>	 \$ <u>16,743,321</u>

TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED June 30, 2014 (Unaudited)	THREE MONTHS ENDED June 30, 2013 (Unaudited)	SIX MONTHS ENDED June 30, 2014 (Unaudited)	SIX MONTHS ENDED June 30, 2013 (Unaudited)
Revenue				
Oil and gas sales	\$ 1,630,035	\$ 160,882	\$ 2,273,005	\$ 390,086
SWD and royalties	9,799	9,304	48,964	9,304
Cost of revenue	<u>(397,184)</u>	<u>(93,021)</u>	<u>(576,235)</u>	<u>(161,021)</u>
Gross income	1,242,650	77,165	1,745,734	238,369
Operating expenses:				
General and administrative expense	1,318,179	1,581,102	7,139,247	2,114,651
Depreciation, depletion and amortization	<u>628,372</u>	<u>237,737</u>	<u>962,703</u>	<u>354,584</u>
Total operating expenses	1,946,551	1,818,839	8,101,950	2,469,235
Other income (expense)				
Interest income	6	40	56	40
Interest and accretion expense	<u>(2,226,957)</u>	<u>(566,458)</u>	<u>(4,136,444)</u>	<u>(735,459)</u>
Total other income (expense)	(2,226,951)	(566,418)	(4,136,388)	(735,419)
Net loss before taxes	(2,930,852)	(2,308,092)	(10,492,604)	(2,966,285)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net (loss)	<u>\$ (2,930,852)</u>	<u>\$ (2,308,092)</u>	<u>\$ (10,492,604)</u>	<u>\$ (2,966,285)</u>
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Loss per share:

Basic and Diluted	<u>\$ (0.17)</u>	<u>\$ (0.17)</u>	<u>\$ (0.68)</u>	<u>\$ (0.22)</u>
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Weighted average shares outstanding:

Basic and Diluted	<u>15,334,868</u>	<u>13,758,277</u>	<u>17,184,891</u>	<u>13,614,318</u>
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**TORCHLIGHT ENERGY RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)**

	SIX MONTHS ENDING June 30, 2014	SIX MONTHS ENDING June 30, 2013
Cash Flows From Operating Activities		
Net (loss)	\$ (10,492,604)	\$ (2,966,285)
Adjustments to reconcile net loss to net cash from operations:		
Stock based compensation	4,753,686	1,352,005
Accretion of convertible note discounts	3,158,850	574,895
Depreciation, depletion and amortization	962,703	354,584
Change in:		
Accounts receivable	85,677	(37,156)
Note receivable	(294,318)	-
Production revenue receivable	(777,989)	
Prepayment of development costs	(824,383)	
Prepaid expenses	(29,856)	(28,228)
Debt issuance costs amortization	373,732	(601,101)
Other assets	(515)	-
Accounts payable and accrued liabilities	2,408,948	(166,439)
Related party payable	-	19,852
Due to working interest owners	(52,046)	-
Asset retirement obligation	1,593	-
Interest payable	(22,900)	107,587
Net cash used in operating activities	<u>(749,422)</u>	<u>(1,390,286)</u>
Cash Flows From Investing Activities		
Investment in oil and gas properties	(10,789,519)	(3,879,519)
Acquisition of office equipment	(53,960)	-
Net cash used in investing activities	<u>(10,843,479)</u>	<u>(3,879,519)</u>
Cash Flows From Financing Activities		
Proceeds from sale of common stock	7,220,291	-

Proceeds from issuance of convertible notes	3,197,500	
Proceeds from warrant exercise	379,982	-
Proceeds from promissory notes	36,986	6,041,800
Repayment of promissory notes	-	(51,000)
Net cash provided by financing activities	<u>10,834,759</u>	<u>5,990,800</u>
Net increase (decrease) in cash	(758,142)	720,995
Cash - beginning of period	<u>1,811,713</u>	<u>63,252</u>
Cash - end of period	<u><u>\$ 1,053,571</u></u>	<u><u>\$ 784,247</u></u>

Supplemental disclosure of cash flow information:

Non cash transactions:

Cash paid for interest	\$ 601,384	\$ 26,665
Common stock issued for services	\$ 168,577	\$ -
Warrants issued in connection with promissory notes	\$ 405,016	\$ 914,449
Warrants issued for services	\$ 4,663,865	\$ -
Beneficial conversion feature on promissory notes	\$ 195,466	\$ 1,827,100
Liabilities assumed-purchase of properties	\$ -	\$ 1,809,572
Sale of properties for note receivable	\$ -	\$ 990,000
Common stock issued for mineral interests	\$ 3,225,629	\$ -
Capitalized interest cost	\$ -	\$ 32,335
Common stock issued in conversion of promissory notes	\$ 1,995,575	\$ -
Common stock issued in warrant exercises	\$ 380,000	\$ -
Asset retirement obligation	\$ -	\$ -

Investor Relations Contact

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Source: Torchlight Energy Resources, Inc.