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Torchlight Energy Closes Financing and Announces Drilling Commencement for Its Midland Basin Based Hazel Prospect

McCabe Petroleum Corporation, Maverick Operating and SDX Resources to Participate

PLANO, TX -- (Marketwired) -- 07/11/16 -- [Torchlight Energy Resources, Inc.](#) (NASDAQ: TRCH) ("**Torchlight**" or the "**Company**"), today announced that it has sold \$1,000,000 in shares of Series C Convertible Preferred Stock to a group of investors led by Midland, Texas based McCabe Petroleum Corporation, Maverick Operating and SDX Resources. The funds raised will be committed to the drilling and completion of the Company's Hazel Prospect located in the Permian's prolific Midland Basin. Maverick will perform the drilling and completion of the first well and continue to operate the project upon their election. Rich Masterson, the originating geologist on the prospect, will oversee the technical and geological efforts.

The location and roads for the first well, named the Flying B Ranch #1 well, have been built and drilling of the well has begun.

"We are very excited to begin drilling on the Hazel Prospect," stated John Brda, CEO of Torchlight Energy Resources, Inc. "By involving this group of investors in the Project we benefit from the knowledge base and expertise of three very experienced industry partners who have a very successful track record of operations in the Permian Basin. We also look forward to validating another of our prospects generated by renowned geologist Rich Masterson."

Proceeds from the financing will pay for Torchlight's percentage of the Flying B Ranch #1 well costs. Torchlight currently holds a 66.66% working interest in the entire 12,000-acre play. The Series C holders may elect to convert their Preferred Stock into a pro-rata amount of up to a 33.33% aggregate Working Interest in the Hazel Prospect. If fully converted to Working Interest Torchlight would retain 33.33% working interest and assign an equal percentage to the investors. Such an election will be determined 92 days from the commencement of drilling and if a Series C holder does not elect to convert its Preferred Stock into a working interest the Preferred Stock will automatically convert into shares of common stock at a conversion price of \$1.01 per share on the 92nd day. The holders may also elect to convert into common stock prior to this date.

About Torchlight Energy

[Torchlight Energy Resources, Inc.](http://www.torchlightenergy.com) (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 and Kansas where their targets are established plays such as the Austin Chalk, Eagle Ford, Morrow, Wolfcamp A&B, and WolfPenn formations. 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 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 could 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.

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