

November 10, 2016



## Torchlight Enters Letter of Intent to Increase Ownership in Midland Basin Assets

PLANO, TX -- (Marketwired) -- 11/10/16 -- [Torchlight Energy Resources, Inc.](#) (NASDAQ: TRCH) ("**Torchlight**" or the "**Company**"), today announced that it entered a Letter of Intent to increase its ownership to 74% Working Interest across all 12,000 gross acres resulting in 8,880 net acres in its Midland Basin Wolfcamp play.

In October, Holders of the Company's Series C Preferred shares elected to convert into Working Interest in the Company's Hazel Project, reducing Torchlight's ownership to 33.33% Working Interest. Upon closing of the transactions contemplated by the Letter of Intent, Torchlight would obtain an additional 40.66% Working Interest from an entity owned and controlled by its Chairman, Greg McCabe, increasing Torchlight's total ownership to 74%. In the transaction, which is subject to a definitive agreement, Torchlight would pay Mr. McCabe 3,301,379 shares of Torchlight common stock and concurrently therewith Mr. McCabe would cancel or cause to be cancelled 3,301,379 outstanding warrants, thus producing a non-dilutive event for Torchlight and a purchase price equivalent to approximately \$663 per acre at today's stock price. Torchlight would be responsible for related costs and expenses at closing. The Letter of Intent is nonbinding, and entry into a definitive agreement and closing of the transaction will be subject to approval of Torchlight's Board of Directors as well as a fairness letter which will be provided to the Company by a third party.

"We are very excited to increase our Working Interest in the Hazel Prospect," stated John Brda, CEO of Torchlight Energy. "After significantly de-risking the play recently by drilling our first test well, this transaction is timely and accretive. Our Chairman, Greg McCabe has developed tremendous confidence in our Company as reflected in this and our previous transactions with him. He has been a great source of expertise and we appreciate the opportunities he has provided us. Since 2013, acreage prices in the Eastern Midland Basin have averaged, adjusted for production, approximately \$12,000 an acre. This transaction, like the others we have executed with Greg (including Orogrande and the initial Hazel acquisition), provides increased access for Torchlight into one of the most exciting plays in the Country. We expect the transaction to be finalized in the next few weeks."

### ***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 has assets focused in West and Central Texas where their targets are established plays such as the Permian Basin. For additional information on the Company, please visit [www.torchlightenergy.com](http://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.

Investor Relations Contact  
Derek Gradwell  
MZ Group  
SVP Natural Resources  
Phone: 512-270-6990  
Email: [dgradwell@mzgroup.us](mailto:dgradwell@mzgroup.us)  
Web: [www.mzgroup.us](http://www.mzgroup.us)

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