

April 5, 2023



FOOTHILLS EXPLORATION INC. PROVIDES ANNUAL REVIEW OF ITS FINANCIAL PERFORMANCE AND FIRST QUARTER UPDATE

LOS ANGELES, April 05, 2023 (GLOBE NEWSWIRE) -- Foothills Exploration, Inc. (OTC: FTXP), including its direct and indirect subsidiaries, ("Foothills," or the "Company"), an oil and gas exploration company focused on delivering the energy needs of today and tomorrow announced today an annual review of its financial performance for the year ending December 31, 2022.

The Company settled and extinguished a considerable amount of its variable-rate and fixed-rate convertible debt during the year ending December 31, 2022, reducing the total by over 90%. Subsequently, in January 2023, the Company also signed a 12-month standstill and lock up agreement with its remaining fixed-rate convertible noteholder. These critical agreements reached with the Company's institutional lenders will prevent billions of shares of potential dilution.

Balance Sheet Initiatives

In November 2022, the Company reached a global settlement agreement with an unaffiliated investor (the "Investor"), which retired and extinguished a total of eleven (11) variable-rate and fixed-rate convertible notes issued on various dates from November 1, 2018 to May 2, 2022, with a combined total principal face value of \$6,368,000.

This global settlement agreement also extinguished a total of twelve (12) common stock purchase warrants (all with cashless exercise provisions) and eleven (11) securities purchase agreements issued of same dates, for up to 3.9 billion shares of the Company's common stock and cancelling their corresponding irrevocable share reservation held by the Company's stock transfer agent. The Investor's sale of the Company's common stock for the ensuing six (6) months will also be limited to twenty percent (20%) of the average daily volume traded on each respective trading day.

End of Year Highlights:

- Foothills reported an 94% decrease in total net carried amount of convertible notes payable (including debt discount) to \$430,000 during the twelve months ended December 31, 2022 ("FY22"), compared to \$7,138,000 for the twelve months ended December 31, 2021 ("FY21").
- Foothills reported a 55% increase in revenue to \$1,104,000 during FY22, compared to \$714,000 during FY21.

- Foothills reported an 11.5% decrease in losses from operations of \$1,268,000 during FY22, compared to \$1,434,000 for FY21.

For more information, please refer to the Company's 2022 Annual Report filed with OTC Markets on April 4, 2023.

Q1 2023 Operational Highlights:

Standstill and Lockup Agreement

In January 2023, the Company reached a standstill and lockup agreement (the "Agreement") with an unaffiliated investor (the "Holder") for a certain convertible promissory note in the original principal amount of \$390,000.00 (the "Note"), associated warrant and stock purchase agreement all dated February 22, 2022. The Agreement includes a mutually agreed-to payment schedule for the next 12 months and prevents the Holder from converting any sums due pursuant to the Note or to effectuate any exercise of the warrant into the Company's common stock for 12 months, as long as the Company makes the prescribed monthly payments in a timely manner. The associated warrant will also be extinguished in its entirety for no additional consideration on the date that the Note is repaid in full.

Comanche County, Oklahoma Well Acquisition

In January 2023, the Company closed on the acquisition of twenty-one (21) shallow oil and gas wells, all located in Comanche County, Oklahoma, situated across four leases. These stripper wells have an average depth of 1,200 feet and primarily produce from the Granite Wash formation. The Company's return-to-production program on these properties will consist of cleaning out existing wellbores, facility maintenance, electrical work and flowline repair work, which is expected to deliver collective production rates of 20-25 barrels of oil per day for all wells. WHZ Oil & Gas, LLC, an indirect subsidiary of the Company will operate the properties.

Jubilee Exploration Acquisition

In January 2023, the Company also closed on the acquisition of one hundred percent (100%) membership interest in Jubilee Exploration, LLC, an Oklahoma limited liability company and independent oil and gas operator ("Jubilee"), which owns five hundred forty-five (545) shut-in or stranded oil and gas wells situated on multiple leases located in northeastern Oklahoma and southeastern Kansas.

Jubilee Acquisition Highlights

- The acquisition of over 500 wells provides a multi-year inventory of wells to increase the production and reserve profile of the Company.
- The assets provide the Company with a platform to deliver double-digit growth in production, reserves, and revenues in 2023 and 2024.
- Substantial reserves behind pipe
- Infrastructure in place to drive low-cost development.
- Natural gas weighted assets

About the Company

Foothills Exploration, Inc. (FTXP), is an oil and gas exploration and development company focused on delivering the energy needs of today and tomorrow. The Company's strategy is to build a balanced portfolio of assets through two core initiatives. The first initiative is to generate high-impact oil and gas exploration projects. The second is to invest in hydrogen and geothermal projects for a low carbon future through its New Energy Ventures division by identifying areas where the Company can contribute to a viable, realistic, and balanced future energy mix. For additional information please visit the Company's website at www.foothillspetro.com.

Forward-Looking Statements

All statements, other than statements of historical facts, included in this release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements are based on certain assumptions we made based on management's experience, perception of historical trends and technical analyses, current conditions, capital plans, drilling plans, production expectations, our ability to raise adequate additional capital, or enter into other financing arrangements to support our acquisition, development and drilling activities, anticipated future developments, and other factors believed to be appropriate and reasonable by management. When used in this release, words such as "will," "possible," "potential," "believe," "estimate," "intend," "expect," "may," "should," "anticipate," "could," "plan," "predict," "project," "profile," "model," "strategy," "future" or their negatives or the statements that include these words or other words that convey the uncertainty of future events or outcomes, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, statements, express or implied, concerning our future operating results and returns or our ability to acquire or develop proven or probable reserves, our ability to replace or increase reserves, increase production, or generate income or cash flows are forward-looking statements.

Forward-looking statements are not guarantees of performance. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. While forward-looking statements are based on assumptions and analyses made by us that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties which could cause our actual results, performance, and financial condition to differ materially from our expectations. As a result, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. We have had sporadic and limited revenue and our securities are subject to considerable risk. Investors are cautioned to review FTXP's filings with the Securities and Exchange Commission for a discussion of risk and other factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development or otherwise, except as may be required by law. The Company intends that all forward-looking statements be subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

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Source: Foothills Exploration, Inc