

June 19, 2019



# FOOTHILLS EXPLORATION INC. UPDATES ON 7,000 ACRE, 87 WELL ACQUISITION

LOS ANGELES, June 19, 2019 (GLOBE NEWSWIRE) -- Foothills Exploration, Inc. (OTC.QB: FTXP) (the "Company," or "Foothills"), an independent oil and gas exploration company engaged in acquiring and developing oil and natural gas properties in the Rockies today provided an update on its proposed acquisition of 7,000 acres and 87 oil and gas wells in Montana.

"We look forward to closing on this transaction during Q3 this year, and when closed we expect that this Montana asset will add accretive value to our asset base and complement our existing portfolio," stated Kevin Sylla, Executive Chairman of Foothills. "This planned acquisition will add another revenue producing property where we can improve operations, reduce costs, and secure value-added drilling and development opportunities to our exploration inventory," continued Sylla.

## **Asset Purchase**

The target acquisition is located in Montana's North-Central Basin and is oil-weighted. The properties consist of about 7,000 acres and a total of 87 oil and gas wells. These stripper wells currently produce approximately 106 barrels of oil per day ("BOPD"). The oil properties include 58 wells – 12 producing, 25 shut-in proved developed non-producing and 21 injection wells comprising of the Sumatra and Big Wall/Little Wall Fields. The gas properties consist of 29 stripper wells – 10 producing and 19 shut-in. The properties currently generate approximately \$1.8 million in total annual gross revenues.

The Company has devised a field-wide optimization program designed to bring production back online from the 44 shut-in wells and expects these workover operations to generate a 100% increase in current production levels. "We expect that this acquisition will provide Foothills with significant upside from an operational standpoint, where we can workover existing wells, and from an exploration and development standpoint, where we can work on several behind-pipe opportunities," said Sylla.

## **Future Upside**

The Company's technical team believes that horizontal development is worth pursuing in the Amsden and Tyler formations. In 1993, Texaco drilled a 2,000FT horizontal well to the Amsden formation on the same acreage position, which had an initial production of 169 BOPD and produced 158,000 barrels of oil with 12 years of flat production decline, and which further supports management's belief in a future exploration program. Three additional structurally higher drilling locations offsetting the Texaco well have been identified with what management believes to be excellent development potential.

The U.S. Geological Survey ("USGS") completed a geology-based assessment of the

continuous (unconventional) oil and gas resources of the Big Snowy Trough area of central Montana and western North Dakota, which included a majority of the 7,000 acres being acquired by the Company. The USGS North-Central Montana continuous oil assessment unit, undiscovered mean resources summary for the Heath formation determined that there was an estimated 637 million barrels of oil in the area.

The Company's technical team, in conjunction with a third-party engineering firm, will perform a comprehensive study of the area and assess the optimal development plan for the Heath formation. In Q1 2019, another operator in the area announced a Heath horizontal discovery, west of the acquisition target's Sumatra field.

"We are excited at the opportunity to acquire this asset," continued Sylla. "We think there is tremendous upside development drilling conventional and unconventional horizontal wells from shallow depths across the acreage position. This acquisition gives us the opportunity to be at the forefront of an emerging horizontal play," ended Sylla.

The Company expects to close on this acquisition on or about August 22, 2019, subject to approval from the State of Montana, however, no assurances can be given that the transaction will close.

## **About the Company**

Foothills Exploration, Inc. is a growth stage oil and gas exploration and production (E&P) company with a focus on acquiring and developing undervalued and underdeveloped properties in the Rockies. The Company's principal assets are located across well-established plays in the U.S. Rocky Mountain region. For additional information please visit the Company's website at [www.foothillspetro.com](http://www.foothillspetro.com).

## **Forward-Looking Statements**

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations, opinions, belief or forecasts of future events and performance. A statement identified by the use of forward-looking words including "will," "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," "could," "proposed" and certain of the other foregoing statements may be deemed forward-looking statements. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management, and information currently available to management. Although Foothills 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 news release. 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, or generate commercial production from wells drilled on our properties in same formations or zones as other discoveries made by third parties are forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Factors that could cause the Company's actual results to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: risks inherent in natural

gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, which may temporarily or permanently reduce production or cause initial production or test results not to be indicative of future well performance or delay the timing of sales or completion of drilling operations; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline which could cause Foothills to delay or suspend planned drilling operations or reduce production levels; risks relating to the availability, timing and cost of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or third party consents; the Company's ability to identify, finance and integrate recent or future acquisitions; the volatility of the Company's stock price; and other risks described in Foothills' Annual Report on Form 10-K and other filings with the SEC, available at the SEC's website at [www.sec.gov](http://www.sec.gov). Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company.

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Source: Foothills Exploration, Inc