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# Foothills Exploration, Inc. Announces Strategic Bolt-on Acquisition of Additional Natural Gas Wells and Development Acreage in Montana

*Company continues expanding its footprint in the Rockies by acquiring natural gas properties*

LOS ANGELES, July 02, 2019 (GLOBE NEWSWIRE) -- Foothills Exploration, Inc. (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 announced that it plans to acquire natural gas wells and acreage for production and development in Stillwater and Golden Valley counties, Montana. The transaction, which represents Foothills' second acquisition in Montana, is expected to close in the third quarter of 2019, subject to customary closing conditions, and governmental approvals.

On June 26, the Company entered into a letter agreement with an unrelated third-party to acquire approximately 5,769 acres and 12 shut-in natural gas wells. Additional assets consist of associated pipelines, gathering systems, compression and processing facilities, and related yards and equipment. The Company intends to bring online the 12 shut-in wells to generate revenue in the near term and increase reserves. The Company's technical team will continue to assess the optimum in-field development program and advise on how to best exploit behind pipe potential.

Executive Chairman Kevin Sylla commented "This strategic bolt-on acquisition is a great example of our strategy of targeting adjacent oil and gas properties to build a geographically-concentrated portfolio of producing or underdeveloped properties to grow scale and take advantage of optimization and operational efficiencies. This acquisition will complement a previously announced proposed acquisition under agreement, which is expected to close around the end of August, as the two target properties will have synergies from a gathering system connecting the two fields. Furthermore, both acquisitions are shallow gas properties with depths of less than 2,500 feet, with relatively low development costs, which will allow us to create value for our shareholders," continued Sylla.

"Our technical and business development teams have been tasked with finding properties that fit our investment criteria in Montana – those with behind pipe potential, infield drilling opportunities, low operating costs, long lived reserves and upside development potential," said Sylla.

The Company will continue to pursue natural gas weighted assets, as a principal investment theme. Foothills believes that the global demand for natural gas will outstrip demand in the future, as more countries move away from coal for power generation.

The International Energy Agency projects that gas will surpass coal as the world's second largest energy source by 2030. The U.S. Energy Information Administration predicts natural gas will account for nearly 39% of U.S. energy production by 2050. According to McKinsey & Company's Global Gas and LNG Outlook to 2015, Europe is expected to require approximately 45 billion additional cubic meters of gas imported over the next five years.

No assurances can be given that the Company will gain the necessary approvals, bonding and financing to complete this transaction.

## **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", "opportunity" 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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