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Torchlight Announces Production From Successful Horizontal Well Completion in Its Orogrande Project

Orogrande Basin to Be Designated as A New Field Discovery

PLANO, Texas, July 26, 2018 (GLOBE NEWSWIRE) -- [Torchlight Energy Resources, Inc. \(TRCH\)](#) ("**Torchlight**" or the "**Company**"), today announced that the Company's Orogrande Project has begun to produce significant hydrocarbons from its University Founders A25 #1 well. The company has successfully drilled a 1,000-foot, proof-of-concept lateral and completed with a six-stage fracture stimulation in the Pennsylvania formation. The well produced a ~1.8MMCFPD peak daily production rate based on hourly gas measurements. The well has produced mostly gas to date with limited quantities of 41 gravity oil from this complex reservoir of carbonates and silty shales. Sustained gas production rates have ranged from 1.0 to 1.4 MMCFPD depending on choke size. This is confirmation of a petroleum system in the Orogrande Basin with source rock necessary to produce hydrocarbons. The Company believes it is still very early on in the well clean-up process and expects increases of oil from this lateral as indicated by logs and oil-saturated cores. Rotary cores show that the Ro (a measurement of thermal maturity) is well within the oil window and additionally indicates the likelihood of increased oil volumes. The upper most completion stages in the heel of the well show to be predominately gas by the core analysis, whereas the lower 4 stages show significant oil potential. Management believes the gas from the heel stages are potentially over-riding liquid removal from the lower four stages and creating a liquid obstruction issue in the lateral portion of the well. Currently, the well is shut in awaiting delivery and installation of specialized gas lift equipment that should remedy the liquids obstruction by unloading the wellbore and increasing oil production recovery.

"This is a very exciting day for Torchlight and its shareholders," stated John Brda, CEO of Torchlight. "The confirmation of production in the Orogrande Basin is major milestone for the company. To produce at a peak rate of ~1.8 MMCFPD out of a 1,000-foot lateral, with evidence of high quality oil behind it, confirms our thesis that the Orogrande can be a long lateral production play supporting 10,000-foot lateral wells. Torchlight is now the first company to effectively produce hydrocarbons in the Orogrande Basin and is attributed with this New Field Discovery. We will continue to test the University Founders A25 #1 well and are preparing to drill the next two Project wells which are required this year under our Drilling & Development Agreement with University Lands. Additionally, we have begun discussions with industry majors who would be appropriate development partners

or acquisition suitors for the Orogrande Project. This New Field Discovery provides Torchlight with tremendous flexibility in how we move forward. The Company may continue to delineate the Orogrande Project itself, negotiate a development agreement with an industry partner or sell outright. In any event we remain committed to value creation for Torchlight and its Shareholders.”

“While experiencing multiple obstacles, Torchlight and its partners did an excellent job of sticking with the program we originally outlined for this play to prove our thesis,” commented Rich Masterson, geological expert and Torchlight’s originating consultant on the Project. “We have now validated a brand-new shale play in West Texas with potential across the basin to deliver large volumes of petroleum reserves from the Pennsylvania formation alone. Going forward we plan to validate deeper and shallower conventional zones, delineate the acreage to the south and verify pay zone properties including thickness, depth and quality of rock that appear in those sections.”

To view videos of the flare and oil sample from the A25, please visit the IR section of the Company’s website linked here: <https://www.torchlightenergy.com/current-projects/orogrande-basin>

Hazel Project Update:

In May, Torchlight took steps to maintain leasehold requirements by drilling a 2500 foot vertical well and extending certain leases for six months while continuing the sale process.

Winkler Project Update:

The MECO IV, LLC operated, UL 21 War-Wink 47 #2H well has been drilled to a total measured depth of 16,890’ (11,439’TVD). 5 ½ inch production casing was run from 10,880 feet to 16,868 feet measured depth and successfully cemented in place. Completion operations are expected to commence in late August 2018. Torchlight is being carried for 12.5% Working Interest in this first project well.

About Torchlight Energy

[Torchlight Energy Resources, Inc.](https://www.torchlightenergy.com) ([NASDAQ: TRCH](https://www.nasdaq.com/symbol/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.

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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Source: Torchlight Energy Resources, Inc.