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Torchlight Energy Closes on \$6,000,000 Financing and Provides Operational Update

Company To Drill Three New Wells in its Orogrande Basin Project

PLANO, Texas, Oct. 18, 2018 (GLOBE NEWSWIRE) -- [Torchlight Energy Resources, Inc. \(TRCH\)](#) ("**Torchlight**" or the "**Company**") today announced that the Company has closed on debt financing totaling \$6,000,000 and will be drilling three new wells on its Orogrande Basin Project in the coming months. Torchlight provided detailed operational updates for each of the Company's three asset areas.

Orogrande Basin Project:

Torchlight Energy has secured financing to expand its drilling efforts in its Orogrande Basin Project. The University Founders A25 #1H well has confirmed the existence of a significant over-pressured hydrocarbon system in the Pennsylvanian Siltstone and the concept of geologist Rich Masterson, who is also credited with the discovery of the Wolfbone Play in the Delaware Basin. The Company will drill three wells beginning in mid-October 2018 to test over fifteen additional potential pay zones encountered while developing results in the Pennsylvanian Siltstone target. The first two wells will satisfy Torchlight's obligations under the Drilling and Development agreement with University Lands.

In August, the Company announced an effort to incorporate a newly designed gas lift system to assist with the moving of fluids in the horizontal section of the wellbore. After significant testing there was no measured increase in fluid production and the gas lift system was removed. It has been replaced by a traditional tubing and packer system in the wellbore and Torchlight has individually tested the zones down hole by systematically isolating them in front of and behind the packer. This allowed incremental testing of each zone further out the wellbore to the toe and helped identify that results are coming from communication between all fraced zones combined. A highest hourly rate of 4.1 MMCFPD and daily of 2.2 MMCFPD has been measured with sustained production of ~1.5 MMCFPD during fluid removal at 6 barrels per hour on average. Produced oil has been encountered but further frac fluid removal is necessary to report an oil cut in measured quantities. The shut-in pressure reading was 1675 psi. Currently, the well is producing with flowing tubing pressure at 450 to 500 psi. Torchlight believes that the periodic oil shows during testing indicate significant oil in the system. The Company will continue extensive well tests including pressure transient work to achieve production and confirm

the 600-foot hydrocarbon interval contains oil as well as gas. This thesis is reinforced by multiple technical factors including logs, rotary core analysis and oil recovery.

The next Orogrande well to be drilled will be the University Rich A11 #2. The well will be a twin to Torchlight's Rich A11 #1 well drilled in 2015. Torchlight experienced difficulties during the drilling of the Rich A11 #1 and it was ultimately determined that the cement job on the casing had failed. As a result of data gathered from that process, Rich Masterson has identified five distinct Wolfcamp unconventional targets ranging in thickness from 86 feet to 160 feet. The Company will drill, log, core, and test this geologic concept to produce evidence that these zones spread out over a significant portion of its acreage block.

During the 1920s, an El Paso company called Hueco Basin Oil Company drilled a well near the center of Torchlight's current acreage block. Although there is very little data on this well from ~100 years ago, a driller's log indicates the presence of oil at a 2500-foot depth. 80 years later, Trail Mountain drilled a well slightly over 1 mile to the northeast of the Hueco Basin well. Using logs from that well, Rich Masterson has identified two conventional Wolfcamp potential pay zones at less than 3,000 feet that will be tested with this new well.

Resulting from well control data and identification of an anomalous dip encountered in the 1,000-foot lateral of University Founders A25 #1H well, Mr. Masterson has identified the possibility of an extremely large anticline on the Torchlight acreage. This feature has the potential of a four-way closure larger than 500 feet. Once confirmed, there exists eight or more pay zones below the Pennsylvanian Siltstone that could trap hydrocarbons. The areal extent of this feature cannot be determined utilizing current data, therefore 3-D seismic will be needed to further delineate the size of this structure.

Hazel Project:

Within the last few months Torchlight shut in the Flying B #3H well to remove the submersible pump and address sanding and inefficient operational conditions caused by gas interference. The Company replaced the submersible pump with a rod pump system from stock resulting in decreased production due to pumping unit fluid capacity limitations. Once this was determined a larger submersible pump was installed resulting in a production increase to ~100 BOPD and ~50 MCF of gas. Torchlight is continuing its marketing efforts with increased interest in the project and will take measures to protect the leases during the process.

Winkler Project:

MECO IV, Torchlight's operating partner on the UL 21 War-Wink 47 2H well, recently stimulated the well using 9.2 million pounds of proppant in 358,000 barrels of fluid over 30 stages. Subsequently, the post completion plugs were drilled out, the well was turned over to flowback on the 27th of September. Since that time, MECO has been vigilant choking back the well during the initial production period. MECO started with a small choke setting and are now at a 14/64th inch choke with 2000 pounds of pressure and over 300 barrels of oil per day with total fluids over 1900 barrels. Gas is currently at 260 MCFPD and all streams are hooked up to sales. The well is trending up nicely on a daily basis and should reach its peak in the next month or so. It seems to be performing thus far, on par with

excellent 5000' Wolfcamp A wells in the immediate area.

"This is an exciting time for Torchlight as we continue to see results from the field and interest in our efforts from larger peers", stated John Brda, CEO of Torchlight Energy. "We believe we are entering a transition from proving up our plays to becoming a target for larger independent oil and gas companies that treat field development like a manufacturing process. Our current efforts are preparing for this end and during the first part 2019 Torchlight will be increasing our efforts to identify appropriate suitors. Monetizing the value our past efforts have created in the current asset base, while maintaining exposure to additional upside from future development in the Orogrande Project, remains management's primary objective."

About Torchlight Energy

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