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GulfSlope Energy and Texas South Energy Announce Letter of Intent with International Oil and Gas Company for Drilling of Gulf of Mexico Prospects

HOUSTON, TX -- (Marketwired) -- 09/13/17 -- **GulfSlope Energy, Inc.** (OTCQB: GSPE) ("GulfSlope") and **Texas South Energy, Inc.** (OTC PINK: TXSO) ("Texas South") (collectively, the "Farmors") announced today that they have jointly executed an exclusive letter of intent ("LOI") with a large international oil and gas company (the "Partner") to jointly drill and develop the Farmors oil and gas prospects located offshore Gulf of Mexico.

The principal commercial terms of the farmout are highlighted as follows:

- Commitment by Partner to drill a minimum of three exploratory wells with the option to participate in additional three-well phases on the same basis;
- The Partner will earn a 75% working interest in each prospect by (i) paying 90% of the exploratory costs and (ii) making a cash payment of \$1.5 million to be split between the Farmors on a 73%/27% basis;
- GulfSlope will be the initial Operator of Record and will retain a 20% working interest for the subsalt prospects included in the first phase;
- Texas South will retain a 5% working interest for the subsalt prospects included in the first phase;
- The Partner and Farmors will agree to an Area of Mutual Interest;
- Upon achieving certain milestones, the Partner will have the right to purchase up to 20% of the common stock in each of the Farmors; and
- Provision for exclusive negotiations between the Partner and Farmors that expires October 31, 2017, or such later time as they mutually agree.

John N. Seitz, Chairman and CEO of GulfSlope stated, "We and Texas South are looking forward to working with our new Partner, who is a highly accomplished oil and gas company with a great track record of finding and developing substantial oil and gas resources in offshore areas. Their technical capabilities have enabled them to recognize a unique opportunity, one where the seismic and drilling technologies have converged with today's lower costs of drilling with jackup rigs and development of large scale reserve targets with fixed platforms in shallow water."

The purpose of the LOI is to facilitate further discussions between the parties on an exclusive basis with respect to the negotiation of the contemplated transaction and is a statement of the present intent of the parties to pursue the contemplated transaction in good faith. The LOI is subject to a number of conditions including completion of additional due diligence, preparation and execution of definitive agreements, and board approvals. The LOI is not binding and there is no certainty that the above mentioned negotiations will mature

into any binding agreement between the parties. The final commercial terms in a binding agreement, if ultimately executed, may not be as set forth in the LOI.

About GulfSlope Energy

GulfSlope Energy is an independent oil and natural gas company focused on exploring offshore U.S. Gulf of Mexico. To learn more, visit the GulfSlope website at www.GulfSlope.com.

About Texas South Energy

Texas South is engaged in the oil and gas business, generating or acquiring onshore and offshore oil and gas projects, drilling for, operating, and producing oil and gas reserves. To learn more, visit the Texas South website at www.texasouth.com.

Investor Contacts

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Source: GulfSlope Energy, Inc.