

July 2, 2007



# Lucas Energy Reports Record Year End Earnings & Revenue - Annual Revenue Climbs 440% and Earnings Improve 516%

HOUSTON--

Lucas Energy, Inc. (OTCBB:LUCE), the U.S. based independent oil and gas company, today announced record revenue and earnings for the fiscal year ended March 31, 2007. During the twelve-month period ended, March 31, 2007, Lucas Energy:

- Reported record EBITDA earnings of \$808,685 or \$.03 a share.
- Reported record annual revenue of \$1,330,084, up from \$302,500 in 2006
- Reported record shareholder equity climbing to \$7,444,013
- Proven reserves increased to 1.6m bbls or \$67.3m in undiscounted future net cash flow
- Cost of production declined from \$22.36 to \$9.43 a barrel
- Completed acquisitions of Wilson Oil and Gas Inc. and the Delphic Oil Co.

Twelve-Months Ended March 31, 2007

Lucas Energy, Inc. reported total revenues of \$1,330,084 for the year ended March 31, 2007, an increase of 440 percent compared to total revenues of \$302,500 for the year-ended March 31, 2006. The Company's earnings continued to improve by 516 percent to \$322,128 up from \$62,316. The Company reported an operating profit of \$654,782 for fiscal 2007 compared to an operating profit of \$75,447 reported in 2006, an increase of 868 percent, year over year.

Lucas Energy's stockholders' equity grew to \$7,444,013, and total assets increased to \$10,425,990 as of March 31, 2007.

James J. Cerna, Chief Executive Officer of Lucas Energy Inc., stated, "Fiscal 2007 represents a year in which Lucas Energy successfully leveraged its working assets and capital to deliver an outstanding return on investment. The twelve month period reflects the culmination of assiduous efforts on behalf of the company's management and board members resulting in a truly outstanding outcome. Low overhead, strict controls and a knowledgeable management team will continue to drive our company forward to new benchmarks of success."

Mr. Cerna continued, "We look forward to the launch of our 2007-08 drilling program which will target our most attractive PUD locations. The company will continue to make selective acquisitions that fit our business model as well as increase daily production through the revitalization and lateral drilling of our portfolio of wells."

LUCAS ENERGY, INC.

	From Inception on April 6, 2005	
	For the Year Ended March 31, 2007	through March 31, 2006
<b>REVENUES</b>		
Oil and gas revenues	\$ 1,296,084	\$ 302,500
Consulting income	34,000	-
Total Revenues	1,330,084	302,500
<b>EXPENSES</b>		
Lease operating expenses	313,004	132,798
Depreciation and depletion	153,903	38,815
Professional fees	35,119	24,181
General and administrative	173,276	31,259
Total Expenses	675,302	227,053
INCOME FROM OPERATIONS	654,782	75,447
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	17,297	11
Interest expense	(222,611)	(8,297)
Total Other Expenses	(205,314)	(8,286)
NET INCOME BEFORE INCOME TAXES	449,468	67,161
INCOME TAX EXPENSE	127,340	4,845
NET INCOME	\$ 322,128	\$ 62,316
BASIC INCOME PER SHARE	\$ 0.01	\$ 0.00
FULLY DILUTED INCOME PER SHARE	\$ 0.01	\$ 0.00
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>		
OUTSTANDING	27,984,165	19,200,000
<b>FULLY DILUTED AVERAGE NUMBER OF</b>		
SHARES OUTSTANDING	27,984,165	21,800,011

The complete financial results for the year ended March 31, 2007 are available on Form 10--KSB at <http://www.sec.gov>.

LUCAS ENERGY, Inc. (OTCBB: LUCE) ([www.lucasenergy.com](http://www.lucasenergy.com)) is an independent oil and gas company building a diversified portfolio of valuable oil and gas assets in the United States. The company is focused on identifying underperforming oil and gas assets, which are revitalized through a meticulous process of evaluation, application of modern well technology, and stringent management controls. This process allows the company to increase its asset base and cash flow, while significantly reducing the risk of traditional exploration projects. Lucas Energy's financial structure allows it to minimize the high overhead of traditional E&P companies. For more information, visit <http://www.lucasenergy.com>. The Company's headquarters are located at 3000 Richmond Avenue, Suite 400, Houston, Texas 77098.

``Safe-Harbor" Statement Under the Private Securities Litigation Reform Act of 1995. This press release contains forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the ``Exchange Act"), including statements regarding potential sales, the success of the company's business, as well as statements that include the word ``believe" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Lucas Energy to differ materially from those implied or expressed by such forward-looking statements. Lucas Energy assumes no responsibility to update the information included herein for events occurring after the date hereof. Actual results could differ materially from those anticipated due to factors such as the lack of capital, timely development of products, inability of potential customers to pay, and political and economic risks inherent in international trade.

Source: Lucas Energy, Inc.