

June 29, 2009



Lucas Energy Announces Fiscal 2009 Year-End Results, Reports Record Production, Revenue and Proven Reserves

HOUSTON, June 29, 2009 (GLOBE NEWSWIRE) -- Lucas Energy, Inc. (NYSE Amex:LEI), a U.S.-based independent oil and gas company, reports the financial results from operations for fiscal year 2009.

For the fiscal years ended March 31, 2009 and 2008, the Company reports:

Financial Highlights

- * EBITDA from oil and gas operations was \$471,471 or \$.05 cents a share for the year ended March 31, 2009. EBITDA is a non-GAAP calculation; a reconciliation to GAAP is included at the end of this press release.
- * Revenues increased to \$3,382,060 in the year ended March 31, 2009 compared to \$3,080,668 in the previous year, primarily due to an increase in production partially offset by a decrease in price received for oil.
- * Net loss for the year ended March 31, 2009 was \$2,099,491 or \$0.21 cents a share, primarily due to the unrealized loss of \$2,095,019 (or \$1,385,664 after tax) on the company's investments in marketable securities.
- * The recorded cost of oil and gas properties on our balance sheet using the full cost method of accounting increased from \$18.1 million at our prior fiscal year end March 31, 2008 to approximately \$21.1 million as of March 31, 2009.
- * Shareholders' equity or book value as of March 31, 2009 was \$18,362,257 or \$1.79 a share.

Operational Highlights

- * Proved oil reserves increased by 24.6% from 1,797,230 barrels at March 31, 2008 to 2,238,860 barrels at March 31, 2009.
- * Oil and gas production increased 15% for the year ending March 31, 2009 to a record 42,560 barrels of oil equivalent compared to 37,013 in the prior year ending March 31, 2008. Average price per

barrel was \$80.82 in the year ending March 31, 2009 compared to \$83.32 for the same period a year ago.

- * Developed leasehold acreage increased 24.5% to 15,159 acres at March 31, 2009 from 12,174 the previous year.
- * We announced that the lateral extension of the Hagen Ranch No.3 well which commenced mid-September and was completed in late October 2008 with an initial production rate of 175 BOPD and, after testing, was producing at a rate of 84 BOPD and 35 MCFPD with no water. The initial well bore was drilled to a total depth of 9,570 feet and the lateral extended an additional 1,300 feet from the well bore.

Corporate Milestones

- * On October 8, 2008, we entered into a senior secured revolving line of credit facility with Houston-based Amegy Bank providing an initial borrowing base of \$3.0 million, which is collateralized with our oil and gas properties.
- * As a result of the merger between the American Stock Exchange (AMEX) and the New York Stock Exchange (NYSE) its common stock began trading on the New York Stock Exchange (NYSE Amex).
- * Elected Fred Hofheinz as Chairman of the Board of Directors. Fred Hofheinz is the former mayor of Houston, a well-known business man from Texas, and experienced in both oil and gas and real estate investments. Mayor Hofheinz has served on the board of directors of both public and private oil and gas companies in the past.

Management Comments

Mr. William Sawyer, CEO of Lucas Energy, said, "We are pleased with the financial highlights for fiscal year 2008-09. Our production, revenues, and reserves were all up, as was the net acreage under lease and held by production. We are looking forward to the 2009-10 fiscal year and moving the company forward."

Lucas Energy filed its Form 10-K with the Securities and Exchange Commission today which contains all complete details of the results of operations for the fiscal year ended March 31, 2009. Full financial tables are contained at the end of this press release.

About Lucas Energy

Lucas Energy, Inc. (NYSE Amex:LEI) is an independent crude 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 reserve base and cash flow while significantly reducing the risk of traditional exploration projects. The Company's headquarters are located at 6800 West Loop South, Suite 415, Houston, Texas 77401.

The Lucas Energy logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=4192>

Forward-Looking Statement

This Press Release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. A statement identified by the words "expects," "projects," "plans," "feels," "anticipates" and certain of the other foregoing statements may be deemed "forward-looking statements." Although Lucas Energy 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 press release. These include risks inherent in the drilling of oil and natural gas wells, including risks of fire, explosion, blowout, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks inherent in oil and natural gas drilling and production activities, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; risks with respect to oil and natural gas prices, a material decline in which could cause the Company to delay or suspend planned drilling operations or reduce production levels; and risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in oil and gas prices and other risk factors. The complete filing is available at <http://www.sec.gov>.

LUCAS ENERGY, INC. Consolidated Balance Sheets

	March 31, 2009	March 31, 2008	
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CURRENT ASSETS			
Cash	\$ 136,841	\$ 1,142,386	
Marketable securities	293,336	2,388,355	
Oil and gas receivable	138,283	559,886	
Deferred financing costs	121,606	--	
Other current assets	57,764	38,849	
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TOTAL CURRENT ASSETS		747,830	4,129,476
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OIL AND GAS PROPERTIES, FULL COST METHOD			
Properties subject to amortization		22,794,893	18,978,699
Accumulated depletion, depreciation and amortization	(1,721,580)	(846,470)	
	-----	-----	
OIL AND GAS PROPERTIES, NET		21,073,313	18,132,229
 Property, plant and equipment, net of accumulated depreciation of \$3,738 and \$363, respectively			
	26,033	2,255	

Deferred financing costs, net of amortization of \$49,223 and \$-0-, respectively	250,922	--
Other assets	56,828	51,766
	-----	-----
TOTAL ASSETS	\$ 22,154,926	\$ 22,315,726
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CURRENT LIABILITIES

Accounts payable - trade	\$ 808,598	\$ 1,174,737
Credit facility borrowings, current portion	300,000	--
Accrued expenses	152,472	--
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TOTAL CURRENT LIABILITIES	1,261,070	1,174,737

NON-CURRENT LIABILITIES

Borrowings on credit facility	2,350,000	--
Asset retirement obligations	181,599	141,512
Deferred tax liabilities	--	834,126
	-----	-----
TOTAL LIABILITIES	3,792,669	2,150,375

STOCKHOLDERS' EQUITY

Preferred stock, 10,000,000 shares authorized of \$0.001 par value, no shares issued and outstanding	--	--
Common stock, 100,000,000 shares authorized of \$0.001 par value, 10,383,388 and 10,346,488 shares issued and outstanding, respectively at March 31, 2009 and 10,246,189 shares issued and outstanding at March 31, 2008	10,383	10,246
Additional paid-in capital	18,864,225	18,518,806
Treasury stock, at cost	(49,159)	--
Retained earnings (accumulated deficit)	(463,192)	407,046
Accumulated other comprehensive income	--	1,229,253
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TOTAL STOCKHOLDERS' EQUITY	18,362,257	20,165,351

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 22,154,926	\$ 22,315,726
	=====	=====

Lucas Energy, Inc.
Consolidated Statements of Operations

For the Year For the Year

	Ended March 31, 2009	Ended March 31, 2008	
REVENUES			
Oil and gas revenues	\$ 3,382,060	\$ 3,070,668	
Consulting income	--	10,000	
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Total Revenues	3,382,060	3,080,668	
EXPENSES			
Lease operating expenses	1,345,928	608,841	
Severance and property taxes	171,688	119,127	
Depreciation, depletion, and amortization	899,949	697,599	
General and administrative	1,594,598	1,597,412	
	-----	-----	
Total Expenses	4,012,163	3,022,979	
	-----	-----	
INCOME (LOSS) FROM OPERATIONS		(630,103)	57,689
OTHER INCOME (EXPENSES)			
Unrealized loss on marketable securities	(2,095,019)	--	
Realized loss on marketable securities	(121,273)	--	
Interest income	1,970	135,479	
Interest expense	(89,193)	(101,877)	
	-----	-----	
Total Other Income (Expenses)	(2,303,515)	33,602	
NET INCOME BEFORE INCOME TAXES		(2,933,618)	91,291
INCOME TAX BENEFIT (EXPENSE)		834,127	(68,689)
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NET INCOME (LOSS)	\$ (2,099,491)	\$ 22,602	
	=====	=====	
UNREALIZED HOLDING GAIN ON MARKETABLE SECURITIES, NET OF TAX			
		--	1,229,253
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COMPREHENSIVE INCOME (LOSS)		\$ (2,099,491)	\$ 1,251,855
	=====	=====	
INCOME (LOSS) PER SHARE - BASIC AND DILUTED			
	\$ (0.21)	\$ 0.00	
	=====	=====	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:			
BASIC	10,237,830	9,313,674	
	=====	=====	
DILUTED	10,237,830	11,177,515	
	=====	=====	

Use of Non-GAAP Financial Measures

Adjusted EBITDA

In evaluating our business, we consider earnings before interest, taxes, depreciation, depletion, amortization, unrealized gains and loss on investments, stock-based compensation expense and accretion of abandonment liability ("Adjusted EBITDA") as a key indicator of financial operating performance and as a measure of the ability to generate cash for operational activities and future capital expenditures. Adjusted EBITDA is not a Generally Accepted Accounting Principle ("GAAP") measure of performance. We use this non-GAAP measure primarily to compare our performance with other companies in the industry that make a similar disclosure and as a measure of our current liquidity. We believe that this measure may also be useful to investors for the same purpose and as an indication of our ability to generate cash flow at a level that can sustain or support our operations and capital investment program. Investors should not consider this measure in isolation or as a substitute for income from operations, or cash flow from operations determined under GAAP, or any other measure for determining operating performance that is calculated in accordance with GAAP. In addition, because Adjusted EBITDA is not a GAAP measure, it may not necessarily be comparable to similarly titled measures employed by other companies.

Reconciliation of Adjusted EBITDA

	Year Ended March 31, 2009	Year Ended March 31, 2008
	-----	-----
Net Income (Loss)	\$(2,099,491)	\$ 22,602
Add Back:		
Interest	89,193	101,877
Income Tax Expense (Benefit)	(834,127)	68,689
Depreciation, Depletion and Accretion	899,949	697,599
Unrealized Loss on Investments	2,095,019	--
Stock Based Compensation	320,928	105,000
Adjusted EBITDA	\$ 471,471	\$ 995,767

Presented below are our actual sales of oil and gas production and average prices realized during the years ended March 31, 2009 and 2008:

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	Increase / (Decrease)
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Volumes, net:

Oil (bbls)	41,309	36,728	4,581
Gas (mcf)	7,505	1,712	5,793
Total (boe)	42,560	37,013	5,547

Average price received:

Oil	\$ 80.82	\$ 83.32	\$ (2.50)
Gas	\$ 5.77	\$ 6.06	\$ (0.29)
Total Revenues:	\$3,382,060	\$3,080,668	\$ 301,392

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