

August 17, 2009



# Lucas Energy Reports First Quarter Fiscal 2009-2010 Results, Provides Guidance

HOUSTON, Aug. 17, 2009 (GLOBE NEWSWIRE) -- Lucas Energy, Inc. (NYSE Amex:LEI), an independent oil and gas company (the "Company") based in Houston, Texas, reports the financial results from operations for first quarter of fiscal year 2009-2010.

For the first quarter fiscal year 2009-2010 the Company reports:

- \* Revenues for the quarter ended June 30, 2009 were \$441,464 as compared to \$1,323,804 in the prior year. The decline in revenues was primarily due to a \$68.92 per barrel (-56%) reduction in the price realized for oil sales and a 25% decrease in oil production due to wells that were offline for workovers and chemical treatments effected while crude oil prices were at low levels.
- \* EBITDA from oil and gas operations was \$(248,604) or \$(0.02) cents a share for the three months ended June 30, 2009. EBITDA is a non-GAAP calculation; a reconciliation to GAAP is included at the end of this press release.
- \* Net loss for the three months ended June 30, 2009 was \$(308,726) or \$(0.03) cents a share year as compared to the prior year net income for the same period of \$1,390,130 or \$0.14 cents per share. The current period loss compared to the prior year net income was due primarily to 67% lower revenues during the current period, and due to the prior year three month period ended inclusion of mark-to-market unrealized gain on marketable securities held by the Company.
- \* Investments in oil and gas properties on the Company's balance sheet at June 30, 2009 using the full cost method of accounting total \$20.9 million, and shareholders' equity or book value at June 30, 2009 was \$18.1 million or \$1.75 a share.

## Recent Events

- \* The company began implementation of its summer 2009 workover program on June 17, 2009. Lucas is targeting wells which could increase the current monthly production by 20-30% in the near term.

\* Lucas closed financing and began the completion of Phase I of its business plan through the "LEI 2009-II Joint Venture program." The program is a joint venture with two foreign entities and includes bringing 6 wells online.

\* The company announced the successful completion of its 2nd Quarter 2009-10 capital raise. Lucas accomplished its financing goal of \$1.0 million during this 2nd fiscal quarter through a private equity placement of restricted securities and the sale of working interests in six undeveloped wells to two joint venture partners.

## Management Comments

Mr. William Sawyer, CEO of Lucas Energy, said, "The first quarter of our fiscal year marked a turning point in the financial health of the company. As oil prices have rebounded off the 2009 low and with the increase in drilling activity the company now has underway, we expect the company to return to profitability in the current quarter. The company is now capitalized and positioned to take advantage of its inventory of undeveloped assets. We are looking forward to the 2009-10 fiscal year and have forecasted both increased volumes and increased profitability ongoing."

Lucas Energy filed its Form 10-Q with the Securities and Exchange Commission on August 14, 2009 which contains all complete details of the results of operations for the first quarter of its 2009-2010 fiscal year.

## About Lucas Energy

Lucas Energy, Inc. (NYSE Amex:LEI) is a Texas-based independent crude oil and gas company that identifies, evaluates and acquires oil and gas property interests, primarily in the Austin Chalk formation of South Texas, that are underperforming or have been shut-in or plugged and abandoned. These properties are revitalized by undertaking extensive re-entry and work-over procedures, including clean-up, repairs and treatments of the existing well bores and lateral extensions, as well as extending or drilling new laterals into previously nonproducing areas of the formation. By utilizing tight field and operating management controls, together with having a comprehensive understanding of the production characteristics of the Austin Chalk, the Company believes that it can increase reserves, improve production and maximize cash flow while avoiding most of the high risks of typical 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 Statements of Operations  
(Unaudited)

	For the Three Months Ended June 30, 2009	For the Three Months Ended June 30, 2008
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OIL AND GAS REVENUES	\$ 441,464	\$ 1,323,804
EXPENSES		
Lease operating expenses	307,175	228,924
Severance and property taxes	19,149	41,986
Depreciation, depletion, amortization and accretion	184,626	203,983
General and administrative	369,001	262,810
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Total Expenses	879,951	737,703
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INCOME (LOSS) FROM OPERATIONS	(438,487)	586,101
OTHER INCOME (EXPENSES)		
Unrealized gain on marketable securities	220,444	1,645,315
Realized loss on marketable securities	(30,081)	(125,420)
Interest income	--	1,774
Interest expense	(60,602)	--
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Total Other Income (Expenses)	129,761	1,521,669
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NET INCOME BEFORE INCOME TAXES	(308,726)	2,107,770

INCOME TAX BENEFIT (EXPENSE)	--	(717,640)
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NET INCOME (LOSS)	\$ (308,726)	\$ 1,390,130
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INCOME (LOSS) PER SHARE - BASIC AND DILUTED	\$ (0.03)	\$ 0.14
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WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:		
BASIC AND DILUTED	10,346,488	10,246,189
=====		

## 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

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	Three Months	Three Months
	Ended	Ended
	June 30, 2009	June 30, 2008
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Net Income (Loss)	\$ (308,726)	\$ 1,390,130
Add Back:		
Interest expense (income), net	60,602	(1,774)
Income tax expense	--	717,640
Depreciation, depletion and accretion	184,626	203,983

Unrealized (gain) on investment	(220,444)	(1,645,315)
Stock based compensation	35,338	--

Adjusted EBITDA	\$ (248,604)	\$ 664,664
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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 Three Months Ended June 30, 2009	For the Three Months Ended June 30, 2008	Increase / (Decrease)
Volumes, net:			
Oil (bbls)	7,967	10,666	(2,699)
Gas (mcf)	3,665	923	2,742
Total (boe)	8,578	10,820	(2,242)
Average price received:			
Oil (bbl)	\$ 54.20	\$ 123.12	\$ (68.92)
Gas (mcf)	\$ 2.65	\$ 11.51	\$ (8.86)
Total Revenues:	\$ 441,464	\$1,323,804	\$ 882,340

CONTACT: Lucas Energy, Inc.  
Michael Brette, J.D.  
[mikebrette@gmail.com](mailto:mikebrette@gmail.com)  
Mike King  
[mike@princetonresearch.com](mailto:mike@princetonresearch.com)  
(713) 528-1881