

HOUSTON, April 15, 2016 /PRNewswire/ -- Lucas Energy, Inc. (NYSE MKT: LEI) ("Lucas" or the "Company") announced today that the Company, Silver Star Oil Company ("Silver Star") and Target Alliance London Limited ("TALL") have entered into an Assignment, Assumption and Amendment to its Line of Credit and Notes Agreement. Under the new agreement, Silver Star has assigned an existing \$200,000 Convertible Promissory Note and its rights under the Non-Revolving Line of Credit, effective August 28, 2015 to TALL. Additionally, the Line of Credit for any future Convertible Promissory Notes sold to TALL is amended to include: an increase of the conversion price of any future notes sold to \$3.25 from \$1.50 per share, an increase of the monthly advance limit to \$250,000 from \$200,000, and sets the remaining amount available to Lucas at \$800,000 unless mutually agreed. The Company has also agreed to grant to TALL, as an additional consideration for agreeing to the terms and increased conversion price, warrants to purchase 51,562 shares of common stock at an exercise price of \$3.25 per share for each \$250,000 loaned. Conversion and registration rights were also amended to conform to certain restrictions of the April 6, 2016 Securities Purchase and Stock Purchase Agreements as described by the Company on Form 8-K filed with the Securities and Exchange Commission on April 7, 2016.

"Collectively, the financings announced over the past two weeks are in anticipation of a successful completion of the Segundo asset acquisition," said Anthony C. Schnur, Chief Executive Officer of Lucas Energy, who continued, "In August of 2015, we set out to have \$2.4 million available to the Company prior to the closing of any transaction. This Convertible Note amendment rounds out our expected pre-closing capital needs and does so at a far more favorable conversion level. Last week's announcement of a \$15 million raise was primarily a post-acquisition funding for growth and development. These steps are intended to free management to focus on future growth planning and the evaluation of additional acquisitions."

More information regarding the Assignment, Assumption and Amendment to Line of Credit and Notes Agreement and the terms and conditions thereof have been disclosed in the Current Report on Form 8-K filed by Lucas today with the Securities and Exchange Commission.

About Lucas Energy, Inc.

Lucas Energy (NYSE MKT: LEI) is engaged in the production of crude oil and natural gas in the Austin Chalk and Eagle Ford formations in South Texas. Based in Houston, Lucas's management team is committed to building a platform for growth and the development of its five million barrels of proved Eagle Ford and other oil reserves while continuing its focus on operating efficiencies and cost control.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations, opinions, beliefs or forecasts of future events and performance. A statement identified by the use of forward-looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimates," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although Lucas 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 news release. These risks and uncertainties include, but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the asset purchase agreement; and the inability to complete the transaction due to the failure to satisfy any of the conditions to complete the transaction. These also include risks inherent in natural gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, 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; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline which could cause Lucas to delay or suspend planned drilling operations or reduce production levels; 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 natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or fourth party consents; and other risks described in Lucas's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the SEC, available at the SEC's website at www.sec.gov. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company. The Company's SEC filings are available at <http://www.sec.gov>.

Important Information

In connection with the planned acquisition described above, Lucas currently intends to file a registration statement and a proxy statement with the Securities and Exchange Commission (the "SEC"). This communication is not a substitute for any proxy statement, registration statement, proxy statement/prospectus or other document Lucas may file with the SEC in connection with the proposed transaction. Prospective investors are urged to read the registration statement and the proxy statement, when filed as they will contain important information. Any definitive proxy statement(s) (if and when available) will be mailed to stockholders of Lucas. Prospective investors may obtain free copies of the registration statement and the proxy statement, when

filed, as well as other filings containing information about Lucas, without charge, at the SEC's website (www.sec.gov). Copies of Lucas's SEC filings may also be obtained from Lucas without charge at Lucas's website (www.lucasenergy.com) or by directing a request to Lucas at (713) 528-1881. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

INVESTORS SHOULD READ THE PROXY STATEMENT AND OTHER DOCUMENTS TO BE FILED WITH THE SEC CAREFULLY BEFORE MAKING A DECISION CONCERNING THE TRANSACTION.

Participants in Solicitation

Lucas and its directors and executive officers and other members of management and employees are potential participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Lucas's directors and executive officers is available in Lucas's Annual Report on Form 10-K for the year ended March 31, 2015, filed with the SEC on July 14, 2015 and Lucas's definitive proxy statement on Schedule 14A, filed with the SEC on February 18, 2016. Additional information regarding the interests of such potential participants will be included in the registration statement and proxy statement to be filed with the SEC by Lucas in connection with the proposed transaction and in other relevant documents filed by Lucas with the SEC. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC when they become available.

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