

Houston American Energy Updates Gas Sales Status, Including Commencement of Gas Sales From O'Brien #3H Well

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HOUSTON, Oct. 26, 2017 /PRNewswire/ -- [Houston American Energy Corp.](#) (NYSE American: HUSA) today reported that its O'Brien #3H well (12.5% w.i.), a 4,575' lateral Upper Wolfcamp A well, in its southern Reeves County Riverbend project area, is now connected to a gas sales line enabling the sale of first production. During a previously announced test, conducted prior to completion of the gas flowline, the well produced 359 BO/D and 4,077 MCF/D (1,039 BOE/D). The well, now on line, is expected to reach peak rate within the next thirty days. The company's second well, the Johnson #1H, also completed in the Upper Wolfcamp A, is shut in awaiting completion of a seven-mile gas sales line and is currently expected to begin selling production by early to mid-November.

With the nearing completion of gas gathering infrastructure servicing its Johnson acreage and third party development of nearby saltwater disposal infrastructure under development and expected to be operational by January 2018, the company anticipates that all critical company infrastructure is now in place, and third party infrastructure will soon be in place, to support a multi-well drilling program. Such in-place infrastructure is expected to greatly reduce cycle time between completion of wells and actual sale of production and offer economies of scale associated with higher production volumes and spreading field-wide capex investments to date over multiple wells.

John Boylan, Houston American's CEO and Chairman, said, "We are pleased that test flow rates have exceeded our acquisition type curve and that our O'Brien well is online. With the short delay in completion of gas gathering infrastructure and commencement of gas sales, along with the expected timing for completion of saltwater disposal facilities, we anticipate that drilling of our next two Reeves County wells will be moved back to early 2018. In the meantime, with revenue and cash flow ramping from our first well and expected commencement of production from our second well, we are evaluating additional acreage acquisitions in Reeves County that can be material to our inventory of undrilled core locations and NAV per share. Our industry peers, led by our larger peers, have continued to make substantial investments in the Reeves/Ward County play, as evidenced by a 156% increase in rig count over the past twelve months, and are seeing prospectivity near our acreage across five zones, including the Bone Spring. Those developments, along with our initial well results, continue to support our excitement about our core acreage position in the heart of the Reeves/Ward County play."

About Houston American Energy Corp.

Based in Houston, Texas, [Houston American Energy Corp.](#) is a publicly-traded independent energy company with interests in oil and natural gas wells, minerals and prospects. The Company's business strategy includes a property mix of producing and non-producing assets with a focus on the Permian (Delaware) Basin in Texas, Louisiana and Colombia.

Forward-Looking Statements

The information in this release includes certain forward-looking statements that are based on assumptions that in the future may prove not to have been accurate, including statements regarding ultimate production rates; commencement of production of the Johnson #1H well; timing and adequacy of infrastructure projects; timing and scale of a multi-well drilling program; achievement of economies of scale; timing of drilling additional wells in Reeves County and results of such drilling activities; ability to acquire additional acreage, or the terms of any such acquisitions; and future drilling activity and results in Reeves County. Those statements, and [Houston American Energy Corp.](#), are subject to a number of risks, including the potential inability to secure financing to fund Houston American's share of well costs, timing of drilling operations, ultimate drilling results, potential changes in production rates, fluctuations in energy prices, fluctuations in drilling and operating costs, changes in market conditions, effects of government regulation and other factors. These and other risks are described in the company's documents and reports that are available from the company and the United States Securities and Exchange Commission.

For additional information, view the company's website at www.houstonamerican.com or contact [Houston American Energy Corp.](#) at (713) 222-6966 or Raymond Deacon, CFA at (917) 477-7800.

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