

June 29, 2017

U.S. Energy Corp. Announces Amendment to Existing Credit Agreement including Maturity Extension through July 30, 2019

DENVER, June 29, 2017 (GLOBE NEWSWIRE) -- **U.S. Energy Corp.** (Nasdaq:USEG) ("U.S. Energy" or "Company") announced that the Company and its sole lender, APEG Energy II, L.P. ("APEG"), have entered into the 5th Amendment to the Credit Agreement. The amendment extends the maturity date of the Credit Agreement through July 30, 2019, while setting forth new covenants which can be seen below:

Amended Credit Facility

	Prior Credit Agreement Terms	New Credit Agreement Terms
Maturity Date:	July 30, 2017	July 30, 2019
Effective Weighted Average Interest Rate:	7.39%	8.75%
Outstanding Debt:	\$6.0mm	\$6.0mm

New Covenant Calculations at 3/31/17

PDP Coverage Ratio:	Greater than 1.2x
PDP PV-10 ¹ :	\$8.4mm
Outstanding Debt:	\$6.0mm
PDP Coverage Ratio:	1.4x In Compliance

Current Ratio:	Greater than 1.0 to 1.0
Current Assets	\$4.7mm
Current Liabilities subject to calculation ²	\$1.2mm
Current Ratio	3.8 to 1.0 In Compliance

¹ SEC pricing of \$47.61 oil and \$2.73 gas was used in calculation

² Represents the amount derived from new covenant calculation definition

Current Hedge Position

Period	Oil (Bbls/d)	Swap Price (\$USD)
2017 Crude Oil Swaps		
May 1, 2017 - December 31, 2017	300 \$	52.40

"We are pleased to have completed this amendment to our Credit Agreement and to have Angelus as a strategic partner going forward," commented David Veltri, U.S. Energy's President and Chief Executive Officer. "The multi-year extension to U.S. Energy's only existing debt will allow the Company to focus on navigating the current commodity price environment and provide the flexibility to execute on its corporate initiatives. We expect our growth to be through accretive acquisitions and asset consolidation in the near term. The Company is forecasted to remain in full compliance with the amendment's new financial covenants and we expect to re-classify the associated debt balance as a long-term liability on our upcoming quarterly financial report."

"We are very excited about working with U.S. Energy and its strong management team to provide a refinancing solution that, in combination with becoming a strategic partner to U.S. Energy's attractive portfolio of low-decline assets, should allow for the creation of meaningful value for all stakeholders. We strongly believe that our partnership with U.S. Energy will serve as a foundation for future success and position the Company to take advantage of the dislocation in the current market environment," said Paul Haarman and Patrick Duke, Managing Partners at Angelus Capital, in a joint statement.

About APEG Energy II, L.P.

APEG Energy II, L.P. was formed by Angelus Capital, a private equity firm headquartered in Austin, TX, to make energy investments across the capital structure through multiple platforms. Angelus Capital specializes in investments primarily in development stage real estate properties and growth oriented domestic energy assets.

Forward-Looking Statements

All statements included in this release relating to future plans, projects, events or conditions and all other statements other than statements of historical fact included in this release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release relate to, among other things, the offering of the Convertible Notes and the expected use of proceeds from such offering. These statements are based upon current expectations and are subject to a number of risks, uncertainties and assumptions, including changes in long-term oil and gas prices and other market conditions affecting the oil and gas industry, reservoir performance, the outcome of commercial negotiations and changes in technical or operating conditions, among others, that could cause actual results, including project plans and related expenditures and resource recoveries, to differ materially from those described in the forward-looking statements. The Company does not assume any obligation and expressly disclaims any duty to update the information contained herein except as required by law.

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