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## **U.S. Energy Corp. Announces Spudding of Well Targeting the Georgetown Formation in Zavala County, TX**

DENVER, Oct. 24, 2018 (GLOBE NEWSWIRE) -- **U.S. Energy Corp. (NASDAQCM: USEG)** ("U.S. Energy" or the "Company") today announced its participation in and the spudding of the Company's first drilling prospect of 2018 targeting the Georgetown formation in Zavala County, Texas.

The J. Beeler No. 1 was spudded on October 18, 2018 and is expected to be drilled to total depth in approximately three weeks. U.S. Energy holds a 30% working interest in the well and will fund its portion of the drilling through existing cash on hand. Four additional wells are anticipated to be drilled on the Company's existing Zavala County acreage position during 2019.

This is the second well to be drilled within the Company's South Texas acreage position covering Dimmit and Zavala Counties. Both wells have been drilled with CML Exploration, which is conducting the drilling operations. The meaningful success of the offsetting initial well, the Beeler Ranch No. 1, which was drilled in November 2017 in partnership with CML Exploration, has been sustained as the well has produced more than 126,000 barrels of oil and 161,000 MCF of gas during the first ten months of production. The well is forecasted to generate an ultimate recovery of greater than 800,000 barrels of oil and 750,000 MCF of gas. The performance of the Beeler Ranch No. 1 well generated a three-month payout on initial capital and a greater than 60% internal rate of return.

### **About U.S. Energy Corp.**

We are an independent energy company focused on the lease acquisition and development of oil and gas producing properties in the continental United States. Our business is currently focused in the Williston Basin of North Dakota and South Texas. We continue to focus on increasing production, reserves, and cash flow from operations while maintaining low levels of leverage. More information about U.S. Energy Corp. can be found at [www.usnrg.com](http://www.usnrg.com).

### **Forward-Looking Statements**

This press release may include "forward-looking statements" within the meaning of the securities laws. All statements other than statements of historical facts included herein may constitute forward-looking statements. Forward-looking statements in this document may include statements regarding the Company's expectations regarding the Company's operational, exploration and development plans; expectations regarding the nature and amount of the Company's reserves; and expectations regarding production, revenues, cash flows and recoveries. When used in this press release, the words "will," "potential," "believe," "estimate," "intend," "expect," "may," "should," "anticipate," "could," "plan," "predict," "project," "profile," "model," or their negatives, other similar expressions or the statements that include those words, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, fluctuations in oil and natural gas prices, uncertainties inherent in estimating quantities of oil and natural gas reserves and projecting future rates of production and timing of development activities, competition, operating risks, acquisition risks, liquidity and capital requirements, the effects of governmental regulation, adverse changes in the market for the Company's oil and natural gas production, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission.

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[www.usnrg.com](http://www.usnrg.com)

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