

Encore Energy, Inc. Prepares to Begin Drilling Horizontal Berea Oil in Eastern Kentucky

Encore Energy, Inc. is Committed to Drilling Multiple Horizontal Wells and Utilizing State-of-the-Industry Horizontal Well Technology in the Best Shallow Oil Play in Kentucky, the Berea Oil Sandstone. Encore's investors realize both increased production cashflow potential as a result of the Frac and major tax savings in the first year from the available 100% IDC tax deduction. This gives Encore a competitive advantage over similar US domestic oil and gas investment projects.

BOWLING GREEN, KENTUCKY (PRWEB) JUNE 30, 2017

Encore Energy, Inc. announced today that the Company has received the approved well permit and is currently making plans to "spud" or begin drilling the Encore Adkins Bud #H1 horizontal Berea oil well in early July 2017, weather permitting. The Company has secured drilling rights to an undisclosed amount of lease acreage and currently developing three (3) additional horizontal well locations to be drilled this year and next in the areas of Lawrence and Johnson counties, Kentucky. The Company is planning to drill ~10 – 12 or more horizontal well locations in the future. Encore is targeting the Berea Sandstone formation where horizontal well project(s) have reported initial test rates of ~200 – 600+ BOPD (24-hr test). More than 20% of the states annual oil production is reported from the horizontal Berea operations of Johnson and Lawrence counties. Encore is planning to drill horizontal well(s) with total measured depth(s) exceeding ~6000' accompanied by a multi-stage hydraulic sand Frac treatment(s) targeting up to 18 Frac stages. Horizontal Berea wells have reported well production volumes as high as ~5000 – 8000 bbl of crude oil per month. Andrew V. McNeill, the former executive director of the Kentucky Oil and Gas Association, referred to the Horizontal Berea as a "Game Changer" for the Kentucky oil and gas industry. The Kentucky Geological Survey also refers to the Horizontal Berea as "Kentucky's Best Shallow Oil Play" in its May 26, 2016 final report.

"We are currently making plans to drill the Encore Adkins Bud #H1 in July with multiple horizontal well locations planned for the near-term," said Steve Stengell, Encore's President CEO.

Although Encore is confident that the price for crude oil is positioned to make a strong long-term recovery, The Company believes its business model can actually thrive at \$30 oil for two important reasons:

- 1) Horizontal Berea wells undergo an extensive multi-stage Frac treatment, which naturally results in higher first-year production (flow-back from treatment). This typically results in higher cash flows occurring in year one.
- 2) Although larger operators can utilize the 100% IDC tax deduction from their drilling operations, these larger companies cannot pass on these tax benefits directly to their shareholders. At Encore, each qualified accredited direct investor can deduct 100% of their investment against all forms of income,



Horizontal Berea Oil Drilling
Rig Operations

"Encore is dedicated to drilling and developing state-of-the-industry horizontal wells with increased lateral length and up to 18 or more Frac stages", said Steve Stengell, Encore's President CEO.

which results in a first-year "cash-out-of-pocket" estimated tax savings of ~40 – 54% of their total investment. The combined cash flow and tax savings in year one is a critical component of Encore's business model and ROI to investors.

Encore's investors enjoy both increased production cash potential and tax savings, which dramatically increases projected pre-tax and after-tax cash flow income for year one. "Encore's investment opportunity is a prime example of where direct investment meets non-conventional oil development," said Joseph Hooper, Encore's Executive Vice President and Director.

As a bonded well operator with the state of Kentucky, Encore continues to be the most active well operator in south central Kentucky and is excited about expanding its current operations. For more information regarding Encore's field operations, exploration and production activities, please visit <http://www.encore-energy.com>

Encore makes investment opportunities only to SEC defined accredited investors (SEC Regulation D, Rule 506(c)) who are sophisticated and can afford the loss of their entire investment. The Company can make no assurances as it relates to production, income, reserves, profit, timelines and/or any other estimates. Oil and gas investments involve a high degree of risk and uncertainty. The Company's plans herein are subject to change. It is important to review the assumptions, disclaimer and cautionary statement provided herein.

For more information regarding Encore's projects and to see if you qualify as an SEC accredited investor, please contact Joseph Hooper at (270) 842-1242, ext. 224.

Assumptions, Disclaimer and Cautionary Statement: The information herein may contain forward-looking statements, and actual results may vary. Words such as "estimate", "will," "intend," "continue," "target," "expect," "achieve," "strategy," "future," "may," "goal," or other comparable words or phrases or the negative of those words, and other words of similar meaning indicate forward-looking statements and important factors which could affect actual results. Forward-looking statements are made based upon Management's current expectations and beliefs concerning future developments and their potential effects upon Encore Energy, Inc. Oil and gas investments involve a high degree of risk, uncertainty and are only suitable for qualified Accredited (SEC Definition) investors who are sophisticated in making business decisions and can bear the financial loss of their entire investment, while delivering a turnkey profit to the Company for proving the prospect development, lease acquisition, drilling, completion, engineering and ongoing production operations. The Company does not provide tax advice and investors should seek the advice of their tax professional. Any tax and/or other information herein is provided for illustration purposes only and may include estimates that are uncertain and subject to change. It is impossible to accurately forecast profitability, production, reserves, income, expenses and timelines for any project. No assurances can be made as it relates to reserves, production, income, profit, prices, timelines and/or other estimates. Actual production and results are beyond the control of management. In the event that commercial production is achieved, it may take many years for the investor to recoup his or her investment. The Company's lease acreage position under is subject to change and includes acreage under lease, Farmout agreement, verbal agreement, renewals, expired terms and any other prospective acreage in which the Company has communicated and/or negotiated with the landowner the leasing of oil and gas rights, now or in the future, and the lease / mineral owner has leased or communicated their intent to lease there mineral lease rights to the Company. It is important for qualified investors to acknowledge the fact that the US government provides them with tax savings (100% IDC tax deduction) to mitigate or at least off-set some of the financial risk associated with domestic oil and gas investments. This is not an offer to sell or buy a security. An offer shall only be made pursuant to SEC Regulation D, Rule 506(c) by a private placement offering memorandum. Encore's management shall take reasonable steps to verify the accredited status of each prospective investor pursuant to SEC Regulation D, Rule 506(c).
