

Monday, October 28, 2019

Encore Energy, Inc. Drilling Program Provides Qualified SEC Defined Accredited Investors with 100% Tax Deduction

Qualified SEC defined accredited investors can deduct 100% of intangible and tangible drilling costs from participating in Encore's year-end horizontal well drilling program for the 2019 tax year. In certain states, this can result in immediate tax savings approaching 50% of the total investment. This major tax savings can mitigate much of the risk associated with oil and gas drilling.

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"We are making major progress toward the completion and production of our 1st, 2nd and 3rd wells while making plans to drill the Company's 4th, 5th and 6th horizontal Berea oil wells in Lawrence County where much of the engineering, roads, location, gas ROW and other infrastructure are already in place," said Steve Stengell, Encore's President CEO. "We remain very confident in the long-term production, reserves and cash flow timelines for our projects in the horizontal Berea play", added Stengell.

Tier I Horizontal Berea wells in this area have reportedly averaged in the range of ~100 - 150 BOPD over the initial 90 days of production where the well costs are significantly lower, as compared to other similar plays across the US. Berea oil production from Lawrence County, Kentucky alone reportedly represents nearly 25% of the states total annual oil production.

"We are gaining tremendous insight and growing increasingly confident in our future production, income and reserves," said Joseph Hooper, EVP and Director of Encore Energy, Inc. "The tax benefits associated with this investment off-set a significant amount of the risk", added Hooper.

Oil and gas investments involve a high degree of risk and are suitable only for SEC defined accredited investors (SEC Regulation D, Rule 506c) who can afford the loss of their entire investment. Qualified SEC defined accredited investors can deduct 100% of their intangible and tangible drilling costs against all forms of income with years of potential income from production. These tax savings mitigate a good amount of the risk associated with oil and gas drilling and production. No assurances can be made as it relates to production, reserves, profitability, income, prices, expenses, timelines and/or other projected estimates.

For more information, please contact Joseph Hooper at (270) 991-6858.

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