

LILIS ENERGY ANNOUNCES STRATEGIC TRANSACTION IN THE TEXAS DELAWARE BASIN THROUGH EXCHANGE OF ACREAGE

- **Exchange approximately 1,500 net acres on an acre for acre basis**
- **Significantly increases Working Interest and Net Revenue Interest in core Texas Delaware acreage**
- **Concentrates acreage in core operational area and adds over 100 net operated locations**
- **Immediate increase in production and PDP and PUD reserves at closing**

HOUSTON, TEXAS – June 11, 2018 – Lilis Energy, Inc. (NYSE American: LLEX), an exploration and development company operating in the Permian Basin of West Texas and Southeastern New Mexico, announced today that it has entered into an acre-for-acre trade of approximately 1,500 net acres in Winkler and Loving counties, Texas. The transaction increases Lilis' Gross Working Interest (GWI) in its Texas Delaware Basin asset up to 35% and further concentrates the Company's acreage in the Company's main areas of operational activity. All of the acreage that was traded was in non-operated sections with lower working interests. The transaction is subject to customary adjustments and is expected to close in the next 45 days.

"This transaction is significant in achieving one of our key strategic objectives of 2018, to increase concentration and working interest in core areas. This trade increases our working interests in our core operated blocks within our Delaware acreage in Texas, delivers an increase in current net production and is structured as an acre for acre trade. In addition, the production and working interests added from this transaction and additional wells in completion moves us closer to our year-end target of 7,500 net Boepd, which we expect to exceed well before year end. We will continue to actively seek to core up acreage and strategically increase our average working interest in the basin," said Ronald D. Ormand, Chairman and CEO.

Upon closing, the acreage trade provides Lilis a significant increase in PDP and PUD reserves, along with a net gain of approximately 500 – 1,000 Boepd (current and future production). The complementary acreage is concentrated in two sections of the Company's main operational area, in which Lilis is currently operating and completing wells. The Company's operatorship in five key drilling units will increase up to 90% GWI, resulting in increases in working interest in multiple upcoming 2018-2019 wells. In addition, the transaction adds approximately 100 net operated locations targeting the Wolfcamp A, B and XY, Bone Springs, and additional benches. Upon closing, Lilis will provide updates to the increase in reserves and production.

About Lilis Energy, Inc.

Lilis Energy, Inc. is a Houston-based independent oil and gas exploration and production company that operates in the Permian's Delaware Basin, considered amongst the leading resource plays in North America. Lilis' current total net acreage in the Permian Basin is over 19,000 acres. Lilis Energy's near-term E&P focus is to grow current reserves and production and pursue strategic acquisitions in its core areas. For more information, please visit www.lilisenergy.com.

Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. These risks include, but are not limited to our ability to replicate the results described in this release for future wells; the ability to finance our continued exploration, drilling operations and working capital needs; our anticipated future cash flows and ability to access other sources of liquidity; all the other uncertainties, costs and risks involved in exploration and development activities; and the other risks identified in the Company's Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission (the "SEC"). Additionally, initial production rates are subject to decline over time and should not be regarded as reflective of sustained production levels. In particular, production from horizontal drilling in shale oil and natural gas resource plays and tight natural gas plays that are stimulated with extensive pressure fracturing are typically characterized by significant early declines in production rates. Readers are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, and the Company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

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