

17 JULY 2008



Resaca Exploitation, Inc.

("Resaca" or "the Company")

FIRST DAY OF DEALINGS ON AIM

Resaca, an independent oil and gas exploitation company based in Houston, US, is pleased to announce its flotation on the AIM market of the London Stock Exchange today under the stock ticker "RSOX".

Resaca's activities are currently focused on the exploitation of its portfolio of long-life properties, which have high levels of original oil in place, utilising a variety of primary, secondary and tertiary recovery techniques. Resaca's business plan is to acquire and exploit oil reserves through the implementation of these techniques and procedures, which will achieve maximum recoveries of the original oil in place. By utilizing these techniques, Resaca should be able to double or triple recovery rates from the oil fields that it acquires. Resaca's future plans include the injection of sequestered CO₂ into oil reserves, which will both benefit the environment and supply energy to assist with shortages in fuel supplies.

Resaca's current properties comprise a number of oil & gas fields located in the Permian Basin of West Texas and Southeast New Mexico. The primary fields, which contain 88 per cent. of Resaca's current proved and probable reserves, produce from shallow formations at average depths of less than 4,000 feet.

Placing Statistics:

Number of Common Shares in issue immediately prior to Admission	59,945,609
Number of New Common Shares being issued pursuant to the Placing	32,313,130
Number of Sale Shares being placed on behalf of the Selling Shareholders	8,686,870
Placing Price	130p
Number of Common Shares in issue immediately following Admission	92,258,739
Market capitalisation of the Company at the Placing Price at Admission	£119.9 million
Estimated net proceeds of the Placing receivable by the Company	£38.8 million

Highlights:

- Successful fundraising by its joint brokers, Seymour Pierce and RBC Capital Markets, of £53.3 million (\$105.5 million) comprised £42.0 million (\$83.2 million) for the Company and £11.3 million (\$22.4 million) for existing shareholders through an institutional placing of 41,000,000 Common Shares (the "Placing") at a placing price of 130 pence per share ("Placing Price")
- Market capitalisation of the Company at the Placing Price at Admission of £119.9 million (\$237.5 million)
- As at 1 January 2008, Resaca had proved and probable reserves of 28.1 MMbbls of oil and 19.3 Bcf of gas with an after tax NPV10 of \$423.7 million
- Resaca's exploitation operations will involve the application of current technology to its mature oil and gas properties, including through secondary waterfloods and the intended use of CO₂ for tertiary recovery
- Net production from proved and probable reserves on all the Company's properties is projected to be 3,700 boe/d through primary and secondary recovery by the end of 2011 and to exceed 6,700 boe/d

through the addition of tertiary recovery by the end of 2014. During 2007, Resaca's average net revenue interest production was approximately 760 boe/d

- The net proceeds of the Placing receivable by the Company will provide significant further equity capital for the Company, strengthen the Company's capital base and put Resaca in a strong position to progress its business strategy
- Resaca intends to review opportunities to expand into new assets which may include the acquisition of additional interests in the Permian Basin and other basins within and, in the longer term, outside the US
- Resaca is committed to the use of tertiary recovery methods such as CO₂ injection to significantly increase production rates from its current properties and future acquisitions

Commenting on the Placing, Jay Lendrum, Chief Executive Officer, said:

"We are delighted to be commencing dealings on the AIM market of the London Stock Exchange today against what is a challenging global economic backdrop. The response we have received from investors to our oversubscribed Placing has been very encouraging.

"Resaca is committed to the use of tertiary recovery methods such as the injection of sequestered CO₂ into oil reserves. These methods will not only enable the Company to double or triple production rates, but will also benefit the environment by reducing emissions into the atmosphere.

"We look forward to updating shareholders on our progress, both in terms of increasing production output and reviewing potential opportunities for new assets to expand our interests in the Permian Basin and in the longer term, outside the US."

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NOTES TO EDITORS

About Resaca

Resaca is an independent oil and gas development and production company based in Houston, Texas. Resaca's activities are currently focused on the exploitation of its portfolio of long-life properties, which have high levels of original oil in place, utilising a variety of primary, secondary and tertiary recovery techniques. These properties are located in the Permian Basin of West Texas and Southeast New Mexico.

Through its relationship with Torch Energy Advisors Incorporated, a privately owned, Houston-based company, Resaca has access to an experienced team with a long and successful history of owning and operating oil and gas projects, having been responsible for the investment and management of over US\$3 billion in the energy industry.

The net proceeds of the Placing receivable by the Company will provide significant further equity capital for the Company, strengthen the Company's capital base and put Resaca in a strong position to progress its business strategy and take advantage of future acquisition and development opportunities as and when they arise.

In particular, Resaca intends to use the proceeds of the Placing to finance its planned exploitation programme in West Texas and Southeast New Mexico; acquire additional interests in the properties and in

adjacent properties; and examine other potential opportunities in the US and other areas outside the US as they arise.

Strategy for growth

The Company intends to create long-term shareholder value by exploiting its portfolio of long-life properties, which have high levels of original oil in place, through a variety of exploitation techniques and modern technologies encompassing primary, secondary and tertiary recovery. Resaca intends to acquire additional oil and gas properties with similar exploitation potential. Resaca's business strategy involves the exploitation of proved developed reserves with associated proved undeveloped and probable reserves. As opposed to exploration operations, all of the value in an exploitation operation is in the reserves and exploitation operations have minimal geological risk. Resaca's exploitation efforts will involve the application of current technology to mature oil and gas properties, including infill drilling, well deepening, uphole re-completions, waterfloods, foamed acid fracturing procedures and CO₂ flooding.

PROJECTS AND OPERATIONS

Summary of Properties Owned by Resaca

The Properties are located in West Texas and Southeast New Mexico on the Central Basin Platform of the Permian Basin and consist of approximately 15,000 gross/14,000 net acres contained in three main field complexes and a group of minor fields. The Company's primary fields, which contain 88 per cent. of Resaca's current proved and probable reserves, are the Cooper Jal Unit in Lea County, New Mexico; the Penwell Complex in Ector and Crane Counties, Texas; and the Grand Clearfork Unit in Pecos County, Texas (the "Primary Properties"). Primary and secondary (waterflood) techniques are projected to increase estimated net production from proved and probable reserves on all the Company's properties to over 3,000 bo/d and 4,000 Mcf/d by the end of 2011. Additional probable oil reserves are projected to be accessed through tertiary recovery (CO₂ flood) techniques which are estimated to build net production to over 6,200 bo/d and over 3,300 Mcf/d by the end of 2014.

The Primary Properties currently produce from the Yates, Seven Rivers, Queen, Grayburg, San Andres, Clearfork and Tansil formations. The Primary Properties include approximately 171 producing wells, 59 injection wells and 25 shut-in wells. Resaca's exploitation plan, which was initiated in 2006, is to reactivate most of the shut-in wells, reactivate and seek to optimise the existing waterfloods and conduct a significant infill drilling programme. The Directors believe that the Primary Properties represent excellent opportunities for the development of low risk oil reserves. Resaca has initiated the first phase of its waterflood optimisation programme through the successful drilling and completion of nine new infill wells, re-completion of 13 existing wells and modernisation and upgrading of surface facilities.

The first stage of Resaca's waterflood optimisation programme is to re-establish a waterflood in the Cooper Jal Unit. Resaca has re-entered five abandoned wells and has converted them to water injector wells. Resaca is in the process of completing the clean out of thirteen existing injector wells.

In addition, the Directors believe the Primary Properties are excellent candidates for tertiary recovery by CO₂ flooding. The use of CO₂ for this type of enhanced recovery has revitalised many older proven oil producing fields in the Permian Basin. Several major companies are operating CO₂ floods in the region. Therefore, the Directors believe CO₂ flooding provides a potential means to further enhance the value of the Primary Properties.

DIRECTORS AND OFFICERS

The Board comprises, and will immediately following Admission comprise, the individuals set out below.

James Perry ("J.P.") Bryan, Jr., *Non-executive Chairman of Resaca*, aged 68

Mr. Bryan is the Chief Executive Officer of Torch. During his 40-year career in the energy industry, Mr. Bryan has served as President, Chief Executive Officer and Chairman of the Board of various independent exploration and production companies, including Bellwether Exploration Company, Nuevo Energy Company and Gulf Canada Resources Limited. He was also Chairman of the Board and Chief Executive Officer of Torch and its predecessor company. He is a former Member of the Board of Directors of AutoNation, Inc., which sells new and used automobiles. Mr. Bryan earned a Bachelor's of Arts degree and a law degree from the University of Texas. He also received a degree in international business from the American Institute of Foreign Trade (Thunderbird).

John James (“Jay”) Lendrum, III, Chief Executive Officer and Director of Resaca, aged 57

Mr. Lendrum became Chief Executive Officer of Resaca in August 2007. He re-joined Torch as its President and Chief Operating Officer in 2005 having previously worked at Torch from 1986 to 1993. Between 1993 and 2005, he was founder and President of Rockport Resources Capital Corporation, a firm that specialised in providing capital to the energy industry, and has been a principal in a private mid stream gas company. Mr. Lendrum previously served as Executive Vice President and Chief Financial Officer of Torch and was involved in the management of Nuevo Energy Company, Bellwether Exploration Company, and Energy Assets International Corporation. He was also Executive Vice President and Chief Financial Officer of a private oil and gas exploration company for four years and worked with KPMG Peat Marwick for seven years. Mr. Lendrum graduated from the University of Texas in 1973 with an undergraduate degree in Finance and completed his graduate studies in Accounting Theory. He is also on the Board of Directors of BPZ Energy, a company with oil and gas activities in South America.

Dennis Hammond, President and Chief Operating Officer of Resaca, aged 52

Mr. Hammond joined Torch as the President and Chief Operating Officer of Resaca in August 2007. He has over twenty nine years of progressive experience in petroleum engineering. Mr. Hammond began his career with Chevron in 1978 and worked with both major and independent oil companies over the course of his career. Mr. Hammond was formerly a Vice President of Torch and subsequently became Vice President of Nuevo Energy Company when it was formed in 1990. While at Nuevo, he managed all of the company's operations and engineering efforts. In 2002, he co-founded Everlast Energy and subsequently co-founded Five Point Energy, both of which were successful acquisition and exploitation firms. Mr. Hammond holds a Bachelor of Science degree in petroleum engineering from Texas A&M University and is a registered professional engineer in the State of Texas.

John William Sharp Bentley, Non-executive Director, aged 60

Mr. Bentley has over 35 years' experience in the natural resources sector. He was Managing Director of Gencor's Brazilian mining company, Sao Bento Mineracao, during the period 1988 to 1993 when he became Chief Executive Officer of Engen's Exploration and Production (“E&P”) division. In 1996, he was instrumental in spinning off Energy Africa Limited from Engen and listing it on the Johannesburg and Luxembourg stock exchanges. As Chief Executive Officer during its first five years, he guided Energy Africa Limited through its development into one of the leading independent E&P companies in Africa. More recently he was Executive Chairman of FirstAfrica Oil plc from September 2006 until its acquisition by BowLeven plc in early 2007. He is non-executive chairman of CDS Oil & Gas Group Plc, Faroe Petroleum plc and Artumas Group Inc. and a non-executive director of Rift Oil plc. Mr. Bentley holds a degree in Metallurgy from Brunel University.

Judy Ley Allen, Non-executive Director, aged 69

Ms. Allen has, since 1977, been an asset manager for Allen Investments, which has significant holdings in oil and gas, real estate, timberland and stocks and bonds. She is a former director of the Federal Reserve Bank of Dallas and currently sits on the Advisory Board of Governors of Rice University. She is an advisory trustee of the Houston Ballet Foundation and a trustee of the Houston Museum of Natural Science. Ms. Allen received a Bachelor of Arts degree from Stanford University and a Master's degree in Business Administration from Harvard Business School.

Richard Kelly Plato, Non-executive Director, aged 38

Mr. Plato is Senior Vice President and Managing Director of NGP Capital Resources Company (Nasdaq:NGPC), a publicly traded financial services company organised to invest, primarily, in small and mid-size private energy companies. Mr. Plato has 15 years of investment management, corporate finance, engineering and general management experience in the energy industry. Mr. Plato also serves on the Board of Managers of one of NGP's portfolio companies, Rubicon Energy Partners, LLC. Prior to joining NGP, Mr. Plato was a co-founder and partner of Odyssey Energy Capital, LLC, a private capital provider to the energy industry. Prior to Odyssey, Mr. Plato served in various management positions with Mirant Americas Energy Capital, LP, Tri-Union Development Corporation and Fina Oil and Chemical Company. Mr. Plato earned a Bachelor of Science degree in Petroleum Engineering from Texas A&M University and a Doctorate of Jurisprudence from South Texas College of Law.