



*For Immediate Release*

*Investor Contact: Michael Neufeld  
(903) 595-4139*

## **Pegasi successfully drills its first horizontal well**

Tyler, Texas, March 28, 2012/PrimeNewswire/ - Pegasi Energy Resources Corp. (OTCBB: PGSI) (the "Company")

The Company is pleased to announce the successful drilling of its first horizontal well in Cass County, Texas. The Morse Unit # 1-H is the first horizontal well in Pegasi's planned development of its extensive Cornerstone Project in East Texas.

The well has been drilled and suspended with production liner set within the 2,000 foot horizontal section of the well. The Company is planning a multi-stage frack in the completion of the well, which will be performed within 60 to 90 days. This multi-stage frack will involve a sequence of dynamic fracturing conducted in pre-determined sections of the horizontal well bore. The company is currently evaluating the data acquired on the vertical pilot that penetrated all of the formation's potential target reservoirs to a vertical depth of 10,843 feet as well as the data acquired from the target zone of the horizontal lateral, which was drilled to a MD of 12,576 feet. This petrophysical and petrochemical information will be used to design a multi-stage frack that is specific to the target reservoir of the well.

CEO Michael Neufeld commented: "This is the first horizontal well targeting the oil bearing Bossier formations that has been drilled in Cass County, Texas. We are pleased with the results and will continue our drilling program for these reservoirs during 2012."

### **About Pegasi Energy Resources Corporation**

Pegasi Energy Resources Corporation is an organic growth-oriented independent oil and gas exploration and production company, headquartered in Tyler, Texas. Pegasi is focused on a repeatable, low geological risk, high potential project in the active East Texas oil and gas region. The company's strategy is focused on establishing a portfolio of drilling opportunities to exploit undeveloped reserves to grow production, as well as undertaking exploration to grow future reserves. Additional information concerning Pegasi Energy is available at [www.pegasienergy.com](http://www.pegasienergy.com).