



Citadel Exploration, Inc. Enters into Agreement with San Benito County

OJAI, Calif.--(August 1, 2012)--Citadel Exploration, Inc. (OTCQB: COIL) is pleased to announce that it has agreed to mitigation measures with the County of San Benito for Project Indian. On July 25, 2012, the County of San Benito provided Citadel Exploration, Inc. with an agreement that proposed measures to mitigate ground disturbance activities that could have an impact on wildlife and potential archaeological sites. The County of San Benito is currently reviewing the Use Permits submitted by Citadel Exploration, Inc. for operations at Project Indian.

"I am very pleased with the progress we are making operationally, and I am eager to begin drilling at Project Indian," said Citadel President and CEO Armen Nahabedian. "As important as it is for US companies to increase our domestic oil supply, it is equally important that we take appropriate measures to preserve our rich cultural history and our environment," he continued.

About Citadel Exploration, Inc.

Headquartered in Ojai, Calif., Citadel Exploration, Inc. (OTCQB: COIL), "COIL," is an oil and gas exploration and production company with operations in the Salinas Basin of California. COIL has a broad portfolio of capital investment opportunities arising from the management's extensive knowledge of the geology and the history of oil and gas exploration and development in California, as well as a long-term presence and familiarity and relationships with other companies engaged in the oil and gas industry in California.

For more information on the company, visit www.citadelexploration.com.

Forward-Looking Statement:

Statements such as "agreed to mitigation measures with the County of San Benito," or taking the appropriate "measures to preserve our rich cultural history and our environment," involve risks and uncertainties, including, but not limited to the fact that there is no guarantee the County will approve our proposed methods, and our ability to successfully drill wells and extract resources, operate without adversely impacting the environment and archaeological sites, or other general economic conditions which would hinder our ability to operate effectively.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this news release include market conditions, our ability to mitigate environmental impacts, adherence to regulations, and those set forth in reports or documents we file from time to time with the SEC. We undertake no obligation to revise or update such statements to reflect current events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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