



For Immediate Release:

Citadel Exploration Provides Update on Operations, Including First Oil Production

*California-focused E&P announces new agreement for Rancho Grande,
first production from the Yowlumne 2-26 & final permitting of Project Indian*

Newport Beach, CA (October 2, 2013): Citadel Exploration, Inc (OTCBB: COIL) is pleased to provide an update on its current operations, including its first official oil production.

RANCHO GRANDE: Citadel has signed a non-binding letter of intent (LOI) with its operating joint venture partner in the Pastoria Creek area of Rancho Grande. Going forward, Citadel will be the sole-working-interest owner (100% Working Interest "W.I.") on a 55-acre block at Pastoria Creek. Citadel's joint venture partner will receive certain economic interests as part of the transaction. As a result, Citadel expects to commence additional drilling at Pastoria Creek in the next 60 days. This area offsets the previously drilled 1-2 and 3-2 wells, but is expected to be higher structurally than those wells. The company believes that this area has in excess of 1 million barrels of unrisks reserve potential.

YOWLUMNE: Citadel has initiated recompletion work on the Yowlumne 2-26 (100% W.I.), a well that the Company acquired in May of this year. The Yowlumne 2-26 was first drilled in 2008 under supervision of Citadel CEO Armen Nahabedian during his previous tenure with his family's oil company. Although the well tested oil at that time, the well was left idle for five years as lease issues prevented operations on the well until the appropriate curative measures could be taken. Citadel approached operations on this well with extreme caution and installed a 10,000 psi production tree as the well had shut-in pressures exceeding 500 psi with fluid to surface. The productive zones in this well are at a depth of approximately 12,500' and have slotted liner set across them. Current operations have demonstrated the entry of 34.5 API oil and associated gas at an undetermined rate. Flow tests have recovered approximately 100 barrels of oil over the course of the last week and the Company is currently moving in a service rig to better determine rates of entry, possible pump sizes, or potential necessity for stimulation of the well. In addition, the Company has installed tanks and other related infrastructure on the property to facilitate future production.

PROJECT INDIAN: Citadel has received the final required permit for the first well at Project Indian (60% W.I.) from the California Division of Oil, Gas and Geothermal Resources (DOGGR). Citadel believes that Project Indian could contain some 100-200 million barrels of oil in place. The oil at Project Indian is "heavy", meaning that it is low gravity and highly viscous. Previous efforts in the area have demonstrated that the oil will not produce without stimulation. The company plans to implement a

pilot thermal recovery program whereby steam will be injected into the reservoir which should help mobilize the oil. This method is very safe, efficient and widely utilized in California, accounting for approximately 60% of the State's current production. Historically, thermal projects have seen recovery levels of 20-40% of the original oil in place. Citadel's pilot project has been designed to delineate the potential field boundaries and test the feasibility of a full scale thermal recovery program over the project area. Initial test drilling is expected to begin this quarter.

Armen Nahabedian, President and CEO of Citadel Exploration, stated "We have been very focused on advancing these three impactful projects for the company, which we believe represent significant potential value creation for our shareholders. We are capturing value based on our California-based expertise and specific geologic knowledge of these areas. We are making excellent progress toward our goal of achieving sustainable oil production and generating positive cash flow in the near future."

About Citadel:

Citadel Exploration (OTCBB: COIL) is a pure-play California oil company with operations in the Salinas and San Joaquin Basins of California. Citadel has a broad portfolio of capital investment opportunities arising from management's extensive knowledge of the geology and the history of oil and gas exploration and development in California.

This press release may contain "forward-looking statements" (within the meaning of the Private Securities Litigation Act of 1995) that inherently involve risk and uncertainties. Citadel Exploration generally uses words such as "believe," "may," "could," "will," "intend," "expect," "anticipate," "plan," and similar expressions to identify forward-looking statements. One should not place undue reliance on these forward-looking statements. The Company's actual results could differ materially from those anticipated in the forward-looking statements for many unforeseen factors. See Citadel Exploration's Form 10-K for the fiscal year ended December 31, 2012 for a discussion of such risks, uncertainties and other factors.

Statements such as any perceived benefit from the raising of capital and the beginning of drilling and any other perceived benefits, involve risks and uncertainties, including, but not limited to our ability to successfully drill wells and extract resources, operate without adversely impacting the environment, our ability to adhere to safety measures, 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 raise sufficient funding to finance our operations, the actual drilling results, 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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