

# **FOOTHILLS RESOURCES, INC.**

**NEWS RELEASE  
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## **Foothills Resources, Inc. Updates Drilling Progress at Grizzly Bear Prospect**

**BAKERSFIELD, Calif. – (PR Newswire) – March 26, 2008 – Foothills Resources, Inc. (OTCBB: FTRS)** (the “Company”) reported today on the status of its GB 4 well on the deep Grizzly Bear prospect, which underlies the Grizzly Bluff Field in the Eel River Basin in Humboldt County, California. The GB 4 well has been successfully drilled using oil-based mud to a total depth of 9,530 feet, electric logs have been run and a production liner cemented in place to prepare for a comprehensive production testing program. Drilling time was about two weeks longer than planned due to the need to set a second intermediate string of casing at 8,200 feet. This additional casing was necessitated by the high pressures and high gas readings encountered while drilling. Surface casing was set at 1,500 feet and the first intermediate string of casing was set at 5,400 feet.

### **Highlights**

- **GB 4 well was successfully drilled using oil-based mud to a total depth of 9,530 feet, electric logs have been run and a production liner cemented in place to prepare for a comprehensive production testing program.**
- **The successful drilling of the GB 4 well achieved two primary objectives: offset the Zephyr GB 1 well drilled in 1964 that tested gas at significant flow rates from the Lower Rio Dell formation (“LRD”) and evaluate the deeper formations below the Grizzly Bluff Field with the drillbit – the Grizzly Bear prospect.**
- **The Foothills GB 4 well encountered the same gas-bearing zones in the LRD formation that tested gas at the rate of 5 million cubic feet of gas per day in the Zephyr well.**
- **The well encountered extensive gas shows and electric log indications of potential gas-bearing zones from the deeper formations in the Grizzly Bear prospect.**

- **A testing program on the GB 4 well is expected to commence as soon as a completion rig is available and is expected to require several weeks to complete due to the number of tests planned for the evaluation program.**
- **The drilling of the GB 4 well is expected to fulfill Foothills' obligations in its Eel River joint venture and remove existing depth restrictions. Foothills is the operator of the joint venture, is paying 100% of the costs of drilling the GB 4 well, and will retain a 75% working interest in the well.**

John Moran, President of Foothills Resources (OTCBB: FTRS), said, "Initial results of the GB 4 well have confirmed strong gas shows in multiple horizons and gave us encouragement to set a production liner to test the well. Further, the core samples taken will provide critical information for the future development of the Grizzly Bluff Field. It is worth noting that these are the first cores ever taken from the LRD sands and we expect them to yield a wealth of important data."

Moran continued, "While drilling took longer than planned, we are very pleased to reach total depth successfully and are eager to start the testing phase of the well. We expect to provide periodic updates during the testing phase."

### **Grizzly Bluff Field**

The GB 4 well was drilled from a surface location about 25 feet from the Zephyr well, which tested gas from the LRD formation at an average rate of 5 million cubic feet of gas per day over a four-day period in 1964. The Zephyr well was ultimately plugged and abandoned without being commercially produced due to the lack of a viable gas market in the area at that time. While drilling, the Foothills GB 4 well encountered the same gas-bearing zones that tested gas in the Zephyr well. Full-size core samples were recovered from several of these zones and are currently being analyzed. The Company expects these rock analyses to yield very important information for the future development of the Grizzly Bluff Field and to provide critical data for the fracture stimulation program presently being designed for the Company's recently drilled and tested GB 5 and Vicenus 1-3 wells. This work has been rescheduled to take full advantage of this valuable information.

### **Grizzly Bear Prospect**

The second of the primary objectives of the GB 4 well was to evaluate the deep potential below the productive LRD formation in the Grizzly Bear prospect. The geological basis of the Grizzly Bear prospect was set up by the drilling of a well by a predecessor of Chevron in 1971. This well, located about 3,000 feet east of the Foothills GB 4, was drilled to more than 10,300 feet and encountered encouraging gas shows over thick intervals of apparent reservoir quality rock. Testing recovered gas from several intervals, but the well was plugged and abandoned, again due to the lack of a commercial gas market in the area at that time. The Foothills GB 4 is the first well in this area since 1971 drilled to a depth sufficient to evaluate these gas shows.

Extensive gas shows and electric log indications of gas were encountered from the deeper formations in the Foothills GB 4 well. Protective casing has been run to total depth in the well to enable a comprehensive testing program to be initiated. The Kenai 38 drilling rig is being released, and a completion unit will be brought in from the Sacramento Valley to conduct the testing program. This program is expected to commence as soon as the completion rig is available and is expected to require several weeks to complete due to the number of tests planned for the evaluation program.

Following completion of the testing program on the GB 4 well, the Company plans to move the completion rig to the Vicenus well pad to begin the fracture stimulation program on the Vicenus 1-3 and GB 5 wells. Core Lab will be running fluid compatibility tests on the LRD cores over the next several weeks and that information will be used in the final frac design for these wells.

### **About Foothills Resources, Inc.**

Foothills Resources, Inc. is a growth-oriented independent energy company engaged in the acquisition, exploration, exploitation and production of oil and natural gas opportunities in California, Texas and Oklahoma. Our business strategy is to identify and exploit low-to-moderate risk resources in existing producing areas that can be quickly developed and put on production, including the acquisition of producing properties with exploitation and exploration potential in these areas. Our management will use its extensive domestic and international oil and gas experience and our relationship with the well known energy consulting group Moyes and Co., Inc. (<http://www.moyesco.com>) to develop the Company. Additional information on Foothills Resources is available at <http://www.foothills-resources.com>.

### **SEC Filings and Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future are forward-looking statements. The words “will,” “should,” “believe,” “intend,” “expect,” “anticipate,” “project,” “estimate,” “predict,” “plan” and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding business strategy and expansion and growth of our business and operations. Such forward-looking statements involve assumptions and are subject to known and unknown risks and uncertainties that could cause actual results or performance to differ materially from those expressed or implied by such forward-looking statements. Although we believe that the assumptions reflected in such forward-looking statements are reasonable, we can give no assurance that such assumptions will prove to have been correct. You should also know that such statements are not guaranties of future

performance and are subject to risks, uncertainties and assumptions, including, but not limited to, failing to discover reserves that may be extracted on a commercially viable basis, inaccurately estimating oil and gas reserves, intense competition, environmental risks and general economic conditions including the price of oil and gas. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Should any of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may differ materially from those included within these forward-looking statements. We undertake no obligation to publicly release the result of any revision to these forward-looking statements to reflect events or circumstances occurring after the date of this release or to reflect the occurrence of unanticipated events. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the Securities and Exchange Commission, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and cash flows.

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