January 9, 2013

Miller Energy Resources Operational Update

Alaska and Tennessee Horizontal Mississippian Lime Drilling Update

KNOXVILLE, Tenn.-- Miller Energy Resources (“Miller”) (NYSE: MILL) released an update today on its operations both in Alaska and in Tennessee.

Alaska Rework Update

The workover on RU-3 went as planned to a true vertical depth of 11,400 feet. The use of nitrogen was implemented to help facilitate the removal of fluids from the wellbore and two Tyonek gas intervals. We have determined that additional fluid recovery via tubing by annulus packers was needed to efficiently recover all workover fluids. Once completed, we expect to be able to bring gas production online from RU-3. To maximize rig time while we await the packers’ arrival, we have moved Rig 35 over RU-4, nippled up and tested the BOP stack, and begun reworking the well. We anticipate this rework will take 7-10 days to complete. RU-4 previously tested at a gas flow rate of 1.4 mmcf per day. Our plans beyond completion of RU-4 are to skid Rig 35 back over Leg 2 to pull out the used up ESP in RU-7 and replace it with a new ESP pump. We expect this move will restore the previous production of RU-7. New additional perforations have been identified in the RU-7 crude oil well, and with the additional perforations, we anticipate an increase to the previously producing flow rate. Together, we believe that the new ESP pump in RU-7 will restore approximately 450 bbls/day of oil production, between RU-7 and RU-1. While the rig is being skidded over to Leg 2 for the RU-7 ESP change, the packers will be installed on RU-3. After we complete these tasks, Rig 35 will be skidded back to Leg 3 to begin the sidetrack of RU-2. RU-2 was a previously producing oil well, and we anticipate being able to restore this oil production to over 600 bbls/day.

Tennessee Drilling Update

Drilling on our first Mississippian Lime horizontal well, CPP-H-1 at Skull Creek was completed on December 23, 2012. This well was drilled to a true vertical depth of approximately 1,600 ft., and was drilled horizontally to a length of 2,300 ft., as originally planned. Our next step is completion, which will involve a 10 stage foam frac. We expect this process to begin on January 11, 2013, as our completion subcontractor arrives on site. Once fracing and cleanup is completed the well will be put in production. This process should take approximately 4 to 7 days. The results to date are very encouraging as we encountered significant shows of both oil and gas the entire length of the horizontal. This not only bodes well for this particular well, but for our belief that the Ft. Payne “reef” holds prolific oil reserves throughout our leasehold position that can be extracted using horizontal drilling techniques. Our rig has been moved to our next drilling location, Gunsight V-30, and drilling on this vertical oil well commenced on January 7, 2013. Our next horizontal Mississippian Lime prospect will be on the Maynard H-1, tentatively scheduled to begin the third week of January 2013.

Other

Additionally, we have recently selected Michael Baker, Jr. Inc., an engineering firm, as our lead design and engineering team for the Trans-Foreland Pipeline project. In conjunction with this announcement, we are also pleased to announce that Tesoro Refinery has agreed to fund up to $1.4MM in design cost on the project.

Our Grind and Inject operations continue to secure fresh material. Recently we received 1,500 barrels of cuttings from Nordaq as they have completed drilling their first deep oil well 1 ½ miles north of our West Mac facilities.

About Miller Energy Resources

Miller Energy Resources, Inc. is a high growth oil and natural gas exploration, production and drilling company operating in multiple exploration and production basins in North America. Miller’s focus is in Cook Inlet, Alaska and in the heart of Tennessee's prolific and hydrocarbon-rich Appalachian Basin including the Chattanooga Shale. Miller is headquartered in Knoxville, Tennessee with offices in Anchorage, Alaska and Huntsville, Tennessee. The company’s common stock is listed on the NYSE under the symbol MILL.

Statements Regarding Forward-Looking Information

Certain statements in this press release and elsewhere by Miller Energy Resources¸ Inc. are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve the implied assessment that the resources described can be profitably produced in the future, based on certain estimates and assumptions. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated by Miller Energy Resources, Inc. and described in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the potential for Miller Energy to experience additional operating losses; high debt costs under its existing senior credit facility; potential limitations imposed by debt covenants under its senior credit facility on its growth and ability to meet business objectives; the need to enhance management, systems, accounting, controls and reporting performance; litigation risks; its ability to perform under the terms of its oil and gas leases, and exploration licenses with the Alaska DNR, including meeting the funding or work commitments of those agreements; its ability to successfully acquire, integrate and exploit new productive assets in the future; its ability to recover proved undeveloped reserves and convert probable and possible reserves to proved reserves; risks associated with the hedging of commodity prices; its dependence on third party transportation facilities; concentration risk in the market for the oil we produce in Alaska; the impact of natural disasters on its Cook Inlet Basin operations; the imprecise nature of its reserve estimates; drilling risks; fluctuating oil and gas prices and the impact on results from operations; the need to discover or acquire new reserves in the future to avoid declines in production; differences between the present value of cash flows from proved reserves and the market value of those reserves; the existence within the industry of risks that may be uninsurable; constraints on production and costs of compliance that may arise from current and future environmental, FERC and other statutes, rules and regulations at the state and federal level; the impact that future legislation could have on access to tax incentives currently enjoyed by Miller; that no dividends may be paid on its common stock for some time; cashless exercise provisions of outstanding warrants; market overhang related to restricted securities and outstanding options, and warrants; the impact of non-cash gains and losses from derivative accounting on future financial results; and risks to non-affiliate shareholders arising from the substantial ownership positions of company officers. Additional information on these and other factors, which could affect Miller's operations or financial results, are included in Miller Energy Resources, Inc.'s reports on file with United States Securities and Exchange Commission including its Annual Report on Form 10-K, as amended, for the fiscal year ended April 30, 2012. Miller Energy Resources, Inc.'s actual results could differ materially from those anticipated in these forward- looking statements as a result of a variety of factors, including those discussed in its periodic reports that are filed with the Securities and Exchange Commission and available on its Web site (www.sec.gov). All forward-looking statements attributable to Miller Energy Resources or to persons acting on its behalf are expressly qualified in their entirety by these factors. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We assume no obligation to update forward-looking statements should circumstances or management's estimates or opinions change unless otherwise required under securities law.

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