

Tengasco, Inc. Announces 2nd Quarter 2005 Financial Results

KNOXVILLE, Tenn.—August 11, 2005 — Tengasco, Inc. (AMEX: TGC) announced today its financial results for the quarter ended June 30, 2005. The Company realized a net loss attributable to common shareholders of \$132,540 (\$0.00 per share of common stock) during the second quarter of 2005, compared to a net loss in the second quarter of 2004 to common shareholders of \$281,628 (\$0.01 per share).

The Company recognized \$1,612,097 in total revenues from its Kansas properties and the Swan Creek Field in Tennessee during the second quarter of 2005 compared to \$1,406,660 in the second quarter of 2004. The increase was primarily due to an increase in oil prices in 2005 that was in part offset by the absence of any Kansas gas production revenues in the second quarter which was the result of the sale of the gas field in Kansas effective February 1, 2005. Oil prices in the second quarter of 2005 averaged \$50.29 per barrel compared to \$36.29 per barrel in the second quarter of 2004.

Production costs and taxes in the second quarter of 2005 of \$696,361 increased slightly from \$667,851 in the second quarter of 2004. Depreciation, depletion, and amortization expense for the second quarter of 2005 was \$477,846 compared to \$564,984 in the second quarter of 2004 due to a reduction in depletion and depreciation taken due to the sale of the Kansas gas field and equipment becoming fully depreciated in late 2004. During the second quarter of 2005, general and administrative costs remained near 2004 levels with \$315,740 for the second quarter of 2005 versus \$282,266 for the second quarter of 2004.

Interest expense for the second quarter of 2005 decreased to \$196,918 from \$274,854 during the second quarter of 2004. The substantial decrease in the second quarter of 2005 was the result of the payoff of the Bank One loan and other secured notes, and the exchange of preferred stock subject to mandatory redemption for cash or for interests in a drilling program, all of which occurred in the second or later quarters of 2004.

Jeffrey R. Bailey, President of the Company, stated “Although our results for the second quarter show a net loss attributable to common shareholders of \$132,540, effectively averaging \$0.00 per share of common stock, for the entire first half of 2005 we have experienced a positive cash flow from operations. Cash flow provided by operations is \$ 691,747 for the six month period ended June 30, 2005, compared to cash flow used in operations of (\$648,008) for the same period in 2004. We are pleased with the direction of the Company and expect to continue this trend in view of current market prices for oil and gas and our drilling activities in Kansas.”

Forward-looking statements made in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risk and uncertainties which may cause actual results to differ from anticipated results, including risks associated with the timing and development of the Company’s reserves and projects as well as risks of downturns in economic conditions generally, and other risks detailed from time to time in the Company’s filings with the Securities and Exchange Commission.