

FOR IMMEDIATE RELEASE

Tengasco Announces Year-End 2008 Financials and Results of Operations

KNOXVILLE, Tenn., March 16, 2009 -- Tengasco, Inc. (AMEX:TGC) announced today that it has filed with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2008.

Jeffrey R. Bailey, chief executive officer, said "2008 was a record year on many fronts for the Company. We set record production totals for the most oil produced by month, quarter and year. We had the highest total revenues in Company history of \$15.6 million. We had a 22% barrel of oil equivalent production increase by volume in 2008 over 2007 levels. And excluding the impact of the year-end write-down of our reserves, we had the best income from field operations in our history at \$4.77 million.

“Unfortunately, the year-end oil price of \$34 per barrel, the lowest in more than 5 years, has caused Tengasco and many other companies in the industry that use full cost accounting to incur asset write-downs. In our case, we incurred a gross non-cash ceiling test write down of our oil and gas properties of about \$11.6 million, or \$7.7 million net of related tax effects.”

The Company realized revenues of \$15.6 million in 2008 compared to \$9.4 million in 2007. Revenues increased 66% from 2007 due to an increase in oil prices in Kansas, as prices averaged \$92.69 per barrel in 2008 compared to \$66.42 in 2007, and a 29% increase in production in Kansas from 182,471 barrels in 2007 to 235,481 barrels in 2008.

The Company reported a net operating loss of \$6.8 million for 2008. However, as noted above, this operating loss included the effects of an \$11,608,397 write-down of its oil and gas properties, triggered by accounting rules and the very low year-end price of oil.

The Company recognized various deferred tax benefits of \$8.6 million in 2008, including the impact of net operating loss carryforwards in the amount of \$5.2 million, in addition to \$2.1 million in 2007.

As a result of the foregoing, the Company reported a net income to holders of common stock of \$169,662. Net income was reduced from the \$3.5 million figure reported for 2007 due to the net non-cash write-down explained above, which was offset in part by the recognition of \$8.6 million of deferred tax benefits.

With respect to the asset write-down, Mr. Bailey stated “The low price we are required to use for SEC reporting purposes affected not only the near-term calculated value of our reserves, but because of the discounting factor applicable to our long-lived production combined with relatively high operating cost, these lower prices also virtually eliminated the value of our production and reserves in outlying years.”

Mr. Bailey continued: “Our company had other exciting results in 2008. We had two significant wildcat discoveries from our drilling in 2008, which lead to approximately 16,000 gross barrels of oil produced just from those discoveries, the McElhany and Albers leases. The Company completed its first significant property acquisition since 1998, buying the Riffe Field in Kansas for \$5.35 million that was producing 80 BOPD when purchased and the Company then nearly doubled gross production by the end of 2008 from that field. In 2008 the oil industry saw the highest price in modern times on even an inflation-adjusted basis, with \$147 per barrel occurring in July. In addition, the Company began full testing of the MMC manufactured methane facility in Tennessee in late 2008, with production now underway as of mid-March 2009. In summary, although 2008 ended in challenging fashion, during the entire year we remained focused on production and carefully used our cash flows and available credit, in contrast to many other industry companies using leverage multiples to grow on credit who are now facing the repercussions of those decisions in the current economy.”

The Company also reported that at year end 2008, the Company’s subsidiary Manufactured Methane Corporation (“MMC”) was finalizing its methane gas extraction project at the Carter Valley landfill in Church Hill, Tennessee. Initial volumes of methane were produced by MMC in late December 2008 and have occurred on an intermittent basis since that time. Deliveries of the extracted and purified methane gas stream were made to the new 2.5 mile pipeline built from the landfill to connect with the Company’s existing 65-mile natural gas pipeline. The final capital cost of this project including pipeline construction was approximately \$4.3 million.

MMC is currently producing about 500 MCF per day, which significantly exceeds the original estimate of about 418 MCF per day that was made at the beginning of this project. The methane gas produced to date is of the high quality levels and heating content that MMC expected with the system design. The produced methane is mixed with the natural gas produced from the Company’s Swan Creek field for delivery to Eastman Chemical Company (NYSE: EMN) in Kingsport, Tennessee. Commercial deliveries began to Eastman in March 2009 after system operational adjustments were

completed. MMC, Eastman Chemical, and Republic Services intend to schedule a formal grand opening of this facility in the near future.

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements regarding “expectations,” “anticipations,” “intentions,” “beliefs,” or “strategies” regarding the future. Forward-looking statements also include statements regarding revenue, margins, expenses, and earnings analysis for 2007 and thereafter; oil and gas prices; reserve calculation and valuation; exploration activities; development expenditures; costs of regulatory compliance; environmental matters; technological developments; future products or product development; the Company’s products and distribution development strategies; potential acquisitions or strategic alliances; and liquidity and anticipated cash needs and availability. The Company’s actual results could differ materially from the forward-looking statements.

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