

## **Tengasco Announces Initial Filing for a Rights Offering**

GREENWOOD VILLAGE, Colo., Oct. 17, 2016 /PRNewswire/ -- Tengasco, Inc. (NYSE MKT: TGC) announced today that it has filed a registration statement with the Securities and Exchange Commission with respect to a proposed rights offering to existing shareholders as of the record date, which has not been determined. The rights offering will provide that the holders of each share of the Company's approximately 6.1 million outstanding shares of common stock may purchase two new shares for \$0.66 each. The offer includes an oversubscription privilege whereby participating shareholders may purchase shares that were offered but not purchased by other shareholders, if any are available, for \$0.66 per share. Although the Company does not currently expect to do so, the Company may change the subscription price in the offering as it may deem necessary when the Securities and Exchange Commission deems the current filing to be effective and the Company finalizes all details of the offering.

If the rights offering is fully subscribed, the Company would receive gross proceeds of approximately \$8 million.

The net proceeds of the rights offering will be used initially to pay bank indebtedness in the amount of approximately \$2.4 million, with the balance of the net proceeds to be used for working capital and general corporate purposes, including projects currently identified by the Company for acquisition, joint development, or joint exploration in Kansas and Texas as well as exploration of the Company's leased acreage in Saline County, Kansas. The rights offering gives the Company's current shareholders the opportunity to participate in this capital raising effort and to purchase additional shares of our common stock.

The final subscription price, record date, offering period, issuance date and other details of the proposed offering have not yet been determined, although the Company anticipates that the offering will commence within 45 days. When the Securities and Exchange Commission declares the Company's registration statement effective, the prospectus and related documents will be mailed to shareholders of record and will also be made available, as applicable, for distribution to beneficial owners of the Company's common stock. None of the Company, its board of directors or any committee of its board of directors is making any recommendation to shareholders as to whether to exercise their subscription rights. The Company anticipates that Dolphin Offshore Partners, L.P., the Company's largest shareholder, will fully exercise its basic subscription rights and oversubscription privileges subject to the limitations imposed by the terms of the offering. The Company also anticipates that all of the Company's directors and the Chief Executive Officer of the Company will fully exercise their basic subscription rights.

This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to sell shares of common stock. Shareholders should carefully read the prospectus and related materials when they are available because they contain important information. Shareholders may obtain a free copy (when available) of the

prospectus and other documents relating to the offer at the Securities and Exchange Commission's website as [www.sec.gov](http://www.sec.gov).

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 anticipated commencement and completion of the rights offering, the intended use of proceeds from the offering, 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.

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