

Tengasco Announces First Quarter 2018 Financial Results

GREENWOOD VILLAGE, Colo., May 15, 2018 /PRNewswire/ -- Tengasco, Inc. (NYSE American: TGC) announced today its financial results for the quarter ended March 31, 2018. The Company reported a net income from continuing operations of \$133,000 or \$0.01 per share of common stock during the first quarter of 2018 compared to a net loss from continuing operations of \$170,000 or \$0.02 per share of common stock during the first quarter of 2017. The \$303,000 improvement in net income from continuing operations was primarily due to a \$158,000 increase in revenues, a \$78,000 decrease in production costs and taxes, and a \$38,000 decrease in depreciation, depletion, and amortization. The Company also reported a net income from discontinued operations of \$1.1 million or \$0.10 per share of common stock during the first quarter of 2018, primarily from the gain on sale of the methane facilities, compared to a net loss from discontinued operations of \$43,000 or \$0.01 per share of common stock during the first quarter of 2017. Discontinued operations refer to the Company's methane facilities which were sold on January 26, 2018 for \$2.65 million.

The Company recognized \$1.4 million in revenues from continuing operations during the first quarter of 2018 compared to \$1.2 million during the first quarter of 2017. The revenue increase was primarily due to a \$261,000 increase resulting from an \$11.04 per barrel increase in the average oil price from \$46.32 per barrel during first quarter of 2017 to \$57.36 per barrel during the first quarter of 2018. This increase was partially offset by a \$107,000 decrease from a 2.3 MBbl decrease in oil sales volumes.

Michael J. Rugen, CEO said "The increase in oil prices we have experienced during the first quarter of 2018 has allowed the Company to return to profitability. In addition to the return to positive net income from continuing operations, and as previously disclosed, the Company sold its methane facility assets for \$2.65 million in January 2018 and reported a gain of approximately \$1.1 million as a result of the sale. During 2018 the Company plans to participate with other parties in drilling certain wells on a non-operated basis as well as to perform work on its own wells in order to move its reserves from the non-producing to the producing category. This work will primarily be funded by operating cash flow and the proceeds received from the sale of the methane facility assets. To date, the Company has taken a small working interest to participate in drilling two wells in Kansas, both of which were unsuccessful. In addition, the Company is continuing to evaluate other acquisitions, joint ventures, or corporate opportunities that may add shareholder value."

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of applicable securities laws. The Company's actual results could differ materially from the forward-looking statements.

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