Tengasco Announces Second Quarter 2018 Financial Results

GREENWOOD VILLAGE, Colo., August 14, 2018 /PRNewswire/ -- Tengasco, Inc. (NYSE American: TGC) announced today its financial results for the quarter ended June 30, 2018. The Company reported a net income from continuing operations of $99,000 or $0.01 per share of common stock during the second quarter of 2018 compared to a net loss from continuing operations of $(230,000) or $(0.02) per share of common stock during the second quarter of 2017. The $329,000 improvement in net income from continuing operations was primarily due to a $337,000 increase in revenues, and a $30,000 decrease in depreciation, depletion, and amortization, partially offset by a $30,000 increase in production costs and taxes, and a $14,000 increase in general and administrative expense. The Company also reported a net income from discontinued operations of $10,000 or $0.00 per share of common stock during the second quarter of 2018, compared to a net income from discontinued operations of $52,000 or $0.00 per share of common stock during the second quarter of 2017. Discontinued operations refers to the Company’s methane facilities which were sold on January 26, 2018 for $2.65 million.

The Company recognized $1.5 million in revenues from continuing operations during the second quarter of 2018 compared to $1.1 million during the second quarter of 2017. The revenue increase was primarily due to a $452,000 increase resulting from a $19.04 per barrel increase in the average oil price from $42.82 per barrel during second quarter of 2017 to $61.86 per barrel during the second quarter of 2018. This increase was partially offset by an $113,000 decrease from a 2.6 MBbl decline in oil sales volumes.

The Company reported a net income from continuing operations of $232,000 or $0.02 per share of common stock during the first six months of 2018 compared to a net loss from continuing operations of $(400,000) or $(0.04) per share of common stock during the first six months of 2017. The $632,000 improvement in net income from continuing operations was primarily due to a $496,000 increase in revenues, and a $69,000 decrease in depreciation, depletion, and amortization, and a $47,000 decrease in production costs and taxes, partially offset by a $16,000 increase in general and administrative expense. The Company also reported a net income from discontinued operations of $1.1 million or $0.11 per share of common stock during the first six months of 2018, primarily from the gain on sale of the methane facilities, compared to a net income from discontinued operations of $9,000 or $0.00 per share of common stock during the first six months of 2017.

The Company recognized $2.8 million in revenues from continuing operations during the first six months of 2018 compared to $2.3 million during the first six months of 2017. The revenue increase was primarily due to a $714,000 increase resulting from a $15.06 per barrel increase in the average oil price from $44.55 per barrel during first six months of 2017 to $59.61 per barrel during the first six months of 2018. This increase was partially offset by a $220,000 decrease from a 4.9 MBbl decline in oil sales volumes.

Michael J. Rugen, CEO said “The increase in oil prices we have experienced during the first six months of 2018 has allowed the Company to return to profitability. Earnings per share from continuing operations have increased three cents per share during the second quarter of 2018 over the same period last year, and six cents per share during the first six months of 2018 over the same period in 2017. In addition to the return to positive net income from continuing operations due to higher oil prices, 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. The Company has performed polymer work on its own wells in the second and third quarters of 2018 and is currently monitoring the results. In addition, during the third quarter of 2018, the Company plans to participate in drilling two wells in Kansas on an operated basis. This work has been and will continue to be primarily funded by operating cash flow and the proceeds received from the sale of the methane facility assets. In addition, the Company is continuing to evaluate other acquisitions, joint ventures, or corporate opportunities."

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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