

Tengasco Announces Third Quarter 2018 Financial Results

GREENWOOD VILLAGE, Colo., November 14, 2018 /PRNewswire/ -- Tengasco, Inc. (NYSE American: TGC) announced today its financial results for the quarter ended September 30, 2018. The Company reported a net income from continuing operations of \$298,000 or \$0.03 per share of common stock during the third quarter of 2018 compared to a net loss from continuing operations of \$(361,000) or \$(0.03) per share of common stock during the third quarter of 2017. The \$659,000 improvement in net income from continuing operations was primarily due to a \$619,000 increase in revenues, a \$45,000 decrease in production cost and taxes, and a \$15,000 decrease in interest expense, partially offset by a \$20,000 increase in general and administrative expense.

The Company recognized \$1.65 million in revenues from continuing operations during the third quarter of 2018 compared to \$1.04 million during the third quarter of 2017. The revenue increase was primarily due to a \$558,000 increase resulting from a \$21.80 per barrel increase in the average oil price from \$42.54 per barrel during third quarter of 2017 to \$64.34 per barrel during the third quarter of 2018 and a \$61,000 increase from a 1.4 MBbl increase in oil sales volumes.

The Company reported a net income from continuing operations of \$530,000 or \$0.05 per share of common stock during the first nine months of 2018 compared to a net loss from continuing operations of \$(761,000) or \$(0.08) per share of common stock during the first nine months of 2017. The \$1.3 million improvement in net income from continuing operations was primarily due to a \$1.1 million increase in revenues, a \$93,000 decrease in production costs and taxes, a \$59,000 decrease in depreciation, depletion, and amortization, a \$32,000 decrease in interest expense, and a \$29,000 increase in gain from sale of assets, partially offset by a \$36,000 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 nine months of 2018, primarily from the gain on sale of the methane facilities, compared to a net income from discontinued operations of \$55,000 or \$0.01 per share of common stock during the first nine months of 2017. The Company's methane facilities were sold on January 26, 2018 for \$2.65 million.

The Company recognized \$4.5 million in revenues from continuing operations during the first nine months of 2018 compared to \$3.4 million during the first nine months of 2017. The revenue increase was primarily due to a \$1.3 million increase resulting from a \$17.35 per barrel increase in the average oil price from \$43.92 per barrel during first nine months of 2017 to \$61.27 per barrel during the first nine months of 2018. This increase was partially offset by a \$154,000 decrease from a 3.5 MBbl decline in oil sales volumes.

Michael J. Rugen, CEO said "The increase in oil prices we have experienced during the first nine months of 2018 has provided substantial improvement over 2017 earnings. Earnings per share from continuing operations have increased six cents per share during the third quarter of 2018 over the same period last year, and thirteen cents per share during the first nine months of 2018 over the same period in 2017. In addition to improved pricing levels, during the third quarter of 2018, the Company was able to benefit from increased production as a result of polymer work performed on its own wells in the second and third quarters of 2018. Also during the third quarter, the Company drilled two wells in Kansas on an operated basis. One of these wells was completed as

a producing well in October 2018 and the Company is currently monitoring the results of this well. The polymer and drilling costs were both funded using cash flows from operations. 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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