Tengasco Announces Year-End 2018 Financials and Results of Operations

GREENWOOD VILLAGE, Colo., March 28, 2019 /PRNewswire/ -- Tengasco, Inc. (NYSE American: 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, 2018.

The Company reported net income from continuing operations of $442,000 or $0.04 per share in 2018 compared to a net loss from continuing operations of $(603,000) or $(0.06) per share in 2017. In addition to the net income from continuing operations, the Company also reported net income from discontinued operations of $1,127,000 or $0.11 per share in 2018 compared to $29,000 or $0.00 per share in 2017. The increase in net income from discontinued operations was primarily related to recording a gain on the sale of the methane facility assets completed in January 2018.

The Company realized revenues of approximately $5.9 million in 2018 compared to $4.7 million in 2017. During 2018, revenues increased approximately $1.2 million of which $1.4 million of this increase related to a $14.05 per barrel increase in the average oil price received from $45.43 per barrel received in 2017 to $59.48 per barrel received in 2018. This was partially offset by a $192,000 decrease related to a decrease in oil sales volumes from 102.4 MBbl in 2017 to 98.2 MBbl in 2018. The more significant production declines were experienced in the Albers, Albers B, Coddington, Croffoot B, McElhaney, McElhaney A, Veverka B, and Veverka C leases. These decreases were primarily due to natural declines. These production declines were partially offset by certain production increases as a result of polymers performed in late Q2 and early Q3 of 2018 and completion of the BSU #1-30 well in Q4 2018.

The Company reported total proved oil reserves at December 31, 2018 of 1,094,000 barrels, valued at approximately $14.0 million on a discounted future net cash flow basis before effect of income taxes, up from 870,000 barrels, valued at $8.2 million at December 31, 2017. The increases in proved reserve volume and value result primarily from higher pricing that enabled us to consider certain properties as becoming economic or remaining economic longer and to consequently be placed into or remain longer within a category of proved reserves included in the Company's proved reserves.

Michael J. Rugen, CEO, said "Increases in oil prices during 2018 allowed the Company to return to profitability in 2018. The increase in oil pricing also resulted in an increase in volume and value of the Company's proved reserves year over year. Using the funds received from the sale of our methane facility assets, the Company was able to perform polymer work on its own wells in the second and third quarters of 2018 as well as drilling two wells in Kansas on an operated basis. One of those wells was completed as a producing well in October 2018. The Company realized approximately 7,100 barrels of net production from the polymers and completed well during 2018. 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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