Tengasco Announces Second Quarter 2019 Financial Results

GREENWOOD VILLAGE, Colo., Aug. 13, 2019 /PRNewswire/ -- Tengasco, Inc. (NYSE American: TGC) announced today its financial results for the quarter ended June 30, 2019. The Company reported net income from continuing operations of $9,000 or $0.00 per share of common stock during the second quarter of 2019 compared to a net income from continuing operations of $99,000 or $0.01 per share of common stock during the second quarter of 2018. The $90,000 decrease in net income was primarily due to an $85,000 decrease in revenues.

The Company recognized $1.4 million in revenues during the second quarter of 2019 compared to $1.5 million during the second quarter of 2018. The $85,000 decrease in net revenue was due to a $173,000 reduction resulting from a $6.87 per barrel decrease in the average oil price from $61.86 per barrel during the second quarter of 2018 to $54.98 per barrel during the second quarter of 2019, partially offset by an $88,000 increase related to the 1.4 MBbl increase in sales volumes. The 1.4 MBbl increase was primarily due to higher sales volumes on the Veverka D lease due to polymer work performed in June 2018 and higher sales volumes attributed to the BSU #1-30 well that was completed in October 2018.

The Company reported a net loss from continuing operations of $87,000 or $0.01 per share of common stock during the first six months of 2019 compared to a net income from continuing operations of $232,000 or $0.02 per share of common stock during the first six months of 2018. The $319,000 decrease in net income was primarily due to a $281,000 decrease in revenues, and a $51,000 increase in production cost and taxes, partially offset by a $25,000 increase in gain on sale of assets.

The Company recognized $2.56 million in revenues during the first six months of 2019 compared to $2.84 million during the first six months of 2018. The revenue decrease from 2018 levels was due to a $344,000 reduction related to an $7.09 per barrel decrease in the average oil price from $59.61 per barrel during the first six months of 2018 to $52.53 per barrel during the first six months of 2019, partially offset by a $67,000 increase related to an 1.1 MBbl increase in sales volumes. The 1.1 MBbl increase was primarily due to higher sales volumes on the Veverka D lease due to polymer work performed in June 2018 and higher sales volumes attributed to the BSU #1-30 well that was completed in October 2018.

Michael J. Rugen, CEO said, "The Company has agreed to participate in the drilling of two wells in Kansas on leases owned by third parties. The Company will operate one of these wells, and be a nonoperator in the other well. These are expected to be drilled in the third quarter. These will be funded mostly from cash flows, without borrowing under its borrowing base with Prosperity Bank. We have recently seen a sudden drop in oil commodity pricing, which we expect to have a corresponding effect on our revenues in the third quarter if pricing does not rebound as quickly as it dropped. The Company continues to evaluate other acquisitions, joint ventures, or corporate opportunities that may add shareholder value."

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