Tengasco Announces Year-End 2019 Financials and Results of Operations

GREENWOOD VILLAGE, Colo., March 30, 2020 /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, 2019.

The Company reported a net loss from continuing operations of $(436,000) or $(0.04) per share in 2019 compared to net income from continuing operations of $442,000 or $0.04 per share in 2018. 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. The net income from discontinued operations in 2018 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 $4.9 million in 2019 compared to $5.9 million in 2018. During 2019, revenues decreased approximately $960,000 of which $689,000 of this decrease related to a $7.36 per barrel decrease in the average oil price received from $59.48 per barrel received in 2018 to $52.12 per barrel received in 2019. Revenues also decreased by $266,000 related to a 4.5 MBbl decrease in oil sales volumes from 98.2 MBbl in 2018 to 93.7 MBbl in 2019. The decrease in volumes was primarily related to lower sales volumes on the Veverka D lease due to declines from increased volumes associated with the polymer work performed in mid-2018 as well as natural declines on other properties, partially offset by sales volumes from the BSU #1-30 well that was completed in Q4 2018.

The Company reported total proved oil reserves at December 31, 2018 of 803,000 barrels, valued at approximately $8.4 million on a discounted future net cash flow basis before effect of income taxes, down from 1,094,000 barrels, valued at $14.0 million at December 31, 2018. The decreases in proved reserve volume and value result primarily from lower oil prices experienced during 2019 compared to 2018 oil prices.

Michael J. Rugen, CEO, said "Our year-end 2019 financials and results of operation showed a reduction in revenues from 2018 levels caused by naturally decreasing production volumes of crude oil and lower commodity prices. During the last month or two, the entire oil and gas industry worldwide has seen a severe decline in oil commodity pricing from year-end 2019 pricing due to economic conditions worldwide caused by the novel virus outbreak, combined with an oil price war between Saudi Arabia and Russia which is further depressing crude oil pricing to levels not seen in almost 20 years. This decline occurred very suddenly, and when conditions stabilize, we are hopeful that pricing recovery may happen just as quickly. However, there can be no assurances of the timing of the price recovery, therefore, the Company will need to closely monitor its costs and capital spending. The Company has maintained both cash on hand and no outstanding debt under the credit facility, so we believe we are in position to weather the current pricing situation, at least in the short term, until prices recover. Finally, we continue to consider all opportunities disclosed by our ongoing process through Roth Capital that may provide additional shareholder value. However, our advisors expect the recent market disruptions and oil price declines may extend the duration of the process. As noted previously, there can be no assurance that the Company's review process will result in any successful transaction or other outcome. The Company does not intend to comment further publicly or publicly discuss the review process unless and until its Board of Directors has approved a definitive transaction, or otherwise determined that further disclosure is appropriate or is required by law."

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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