Tengasco Announces Second Quarter 2020 Financial Results

GREENWOOD VILLAGE, Colo., Aug. 13, 2020 /PRNewswire/ -- Tengasco, Inc. (NYSE American: TGC) announced today its financial results for the quarter ended June 30, 2020. The Company reported a net loss of $554,000 or $0.05 per share of common stock during the second quarter of 2020 compared to a net income from continuing operations of $9,000 or $0.00 per share of common stock during the second quarter of 2019. The $563,000 decrease in net income was primarily due to an $827,000 decrease in revenues, partially offset by a $223,000 decrease in production costs and taxes, and a $41,000 decrease in depreciation, depletion, and amortization costs.

The Company recognized $563,000 in revenues during the second quarter of 2020 compared to $1.4 million during the second quarter of 2019. The $827,000 decrease in net revenues was primarily due to a $684,000 reduction related to a $30.26 per barrel decrease in the average oil price from $54.98 per barrel during the second quarter of 2019 to $24.72 per barrel during the second quarter of 2020, and a $142,000 reduction related to a 2.6MBbl decrease in oil sales volumes. The 2.6MBbl decrease in sales volumes was primarily related to lower sales on the Albers, BSU, Veverka D leases related to natural production declines, partially offset by sales from the Zimmerman well that was completed at the beginning of 2020.

The Company reported a net loss of $(1.1 million) or $(0.10) per share of common stock during the first six months of 2020 compared to a net loss of $(87,000) or $(0.01) per share of common stock during the first six months of 2019. The $994,000 decrease in net income was primarily due to an $1.0 million decrease in revenues, and a $41,000 decrease in gain on sale of assets, partially offset by a $65,000 decrease in depreciation, depletion, and amortization costs, and a $39,000 decrease in production costs and taxes.

The Company recognized $1.53 million in revenues during the first six months of 2020 compared to $2.56 million during the first six months of 2019. The $1.03 million decrease in net revenues was primarily due to an $896,000 reduction related to a $19.50 per barrel decrease in the average oil price from $52.53 per barrel during the first six months of 2019 to $33.03 per barrel during the first six months of 2020, and a $135,000 reduction related to a 2.6MBbl decrease in sales volumes. The 2.6MBbl decrease in sales volumes was primarily related to lower sales on the Albers, BSU, Veverka D leases related to natural production declines, partially offset by sales from the Zimmerman well that was completed at the beginning of 2020.

Michael J. Rugen, CEO, said "During the second quarter the crude oil commodity market did see some upward movement, though far less than needed to recover to last year's level. The Company will continue to closely monitor its costs and capital spending. At the end of the second quarter in 2020, the Company has maintained both cash on hand and no outstanding debt under the credit facility. We continue to consider the opportunities identified in our ongoing process through Roth Capital that would provide additional shareholder value."

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.

CONTACT: Cary V. Sorensen, V.P., 720-420-4460