

**NEWS RELEASE**

**Contact:**

**FOR IMMEDIATE RELEASE**

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## **New Concept Energy, Inc. Reports Second Quarter 2015 Results**

Dallas (August 13, 2015) – New Concept Energy, Inc. (NYSE MKT: GBR), ( the “Company” or “NCE”) a Dallas-based oil and gas company, today reported net income for the three months ended June 30, 2015 of \$110,000 or \$0.06 per share, compared to a net loss of \$99,000 or \$0.05 per share for the three months ended June 30, 2014. Included in 2015 was income for a recovery of bad debt expense of \$384,000.

For the six months ended June 30, 2015 the Company reported net income of \$424,000 or \$0.22 per share as compared to a net loss of \$139,000 or \$0.07 per share for the three months ended June 30, 2014.

Operating expenses included non-cash depletion, depreciation and amortization of \$333,000 and \$338,000 in 2015 and 2014 respectively.

For the three months ended June 30, 2015, the Company recorded oil and gas revenues, net of royalty expenses of \$259,000 as compared to \$485,000 for the comparable period of 2014. The decline in oil and gas revenue was principally due to the price the Company was receiving for its oil sales in 2015 as compared to 2014

The Company recorded revenues of \$744,000 for the three months ended June 30, 2015 from its retirement property compared to \$728,000 for the comparable period in 2014. The increase was primarily due to rate increases.

For the three months ended June 30, 2015, the Company recorded oil and gas operating expenses of \$440,000 as compared to \$425,000 for the comparable period of 2014.

For the three months ended June 30, 2015, operating expenses at the retirement property were \$628,000 as compared to \$619,000 for the comparable period in 2014. The increases in operating expenses were due to an overall increase in non-payroll related expenses.

For the three months ended June 30, 2015, corporate general & administrative expenses were \$155,000 as compared to \$205,000 for the comparable period in 2014. The decrease is primarily due to a reduction in legal costs.

In 2011 the Company had a \$10.3 million note receivable and determined that the financial condition of the debtor had deteriorated and there could be no assurance that the amount owed would or could be collected. At that time the Company recorded a loss and established a reserve of \$10.3 million. In 2013 and 2012 the Company recorded a gain from the partial recovery of the previously reserved note receivable of \$1.6 million and \$2.1 million respectively. For the first and second quarters ended June 30, 2015 the company recorded an additional recovery of \$738,000 and \$386,000 respectively.

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**NEW CONCEPT ENERGY, INC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

(unaudited)

(amounts in thousands, except per share data)

|   | For the Three Months<br>ended June 30, |                  | For the Six Months<br>ended June 30, |                  |
|---|--|------------------|--------------------------------------|------------------|
|   | <u>2015</u>                            | <u>2014</u>      | <u>2015</u>                          | <u>2014</u>      |
| <b>Revenue</b>  |  |                  |                                      |                  |
| Oil and gas operations, net of royalties                              | \$ 259                                 | \$ 485           | \$ 431                               | \$ 829           |
| Real estate operations  | 744                                    | 728              | 1,461                                | 1,453            |
|   | <u>1,003</u>                           | <u>1,213</u>     | <u>1,892</u>                         | <u>2,282</u>     |
| <br><b>Operating expenses</b>   |  |                  |                                      |                  |
| Oil and gas operations  | 440                                    | 425              | 910                                  | 908              |
| Real estate operations  | 415                                    | 387              | 825                                  | 783              |
| Real Estate - Lease Expense   | 245                                    | 241              | 490                                  | 481              |
| Corporate general and administrative                                  | 155                                    | 205              | 309                                  | 397              |
|   | <u>1,255</u>                           | <u>1,258</u>     | <u>2,534</u>                         | <u>2,569</u>     |
| Operating earnings (loss)   | (252)                                  | (45)             | (642)                                | (287)            |
| <br><b>Other income (expense)</b>                                     |  |                  |                                      |                  |
| Interest income   | -                                      | 1                | -                                    | 2                |
| Interest expense  | (16)                                   | (22)             | (42)                                 | (53)             |
| Recovery of bad debt expense  | 386                                    | -                | 1,124                                | -                |
| Other income (expense)  | (8)                                    | (33)             | (16)                                 | 199              |
|   | <u>362</u>                             | <u>(54)</u>      | <u>1066</u>                          | <u>148</u>       |
| <br>Net income (loss) applicable to common shares                     | <u>\$ 110</u>                          | <u>\$ (99)</u>   | <u>\$ 424</u>                        | <u>\$ (139)</u>  |
| <br>Net income (loss) per common share-basic and diluted              | <u>\$ 0.06</u>                         | <u>\$ (0.05)</u> | <u>\$ 0.22</u>                       | <u>\$ (0.07)</u> |
| <br>Weighted average common and equivalent shares outstanding - basic | 1,947                                  | 1,947            | 1,947                                | 1,947            |

**NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)  
(amounts in thousands)

|   | <u>June 30,<br/>2015</u> | <u>December 31,<br/>2014</u> |
|---|--------------------------|------------------------------|
| <b>Assets</b>   |                          |                              |
| <b>Current assets</b>   |                          |                              |
| Cash and cash equivalents   | \$ 437                   | \$ 300                       |
| Accounts receivable from oil and gas sales                                | 137                      | 216                          |
| Other current assets  | 362                      | 182                          |
| <b>Total current assets</b>   | <u>936</u>               | <u>698</u>                   |
| <br>  |                          |                              |
| <b>Oil and natural gas properties (full cost accounting method)</b>       |                          |                              |
| Proved developed and undeveloped oil and gas properties, net of depletion | 8,776                    | 8,809                        |
| <br>  |                          |                              |
| <b>Property and equipment, net of depreciation</b>                        |                          |                              |
| Land, buildings and equipment - oil and gas operations                    | 845                      | 1,476                        |
| Other   | 152                      | 162                          |
| <b>Total property and equipment</b>                                       | <u>997</u>               | <u>1,638</u>                 |
| <br>  |                          |                              |
| <b>Other assets</b> (including \$124 due from related parties in 2014)    | <u>1,275</u>             | <u>1,129</u>                 |
| <br>  |                          |                              |
| <b>Total assets</b>   | <u>\$ 11,984</u>         | <u>\$ 12,274</u>             |

**NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS - CONTINUED**

(unaudited)

(amounts in thousands, except share amounts)

|  | <u>June 30,</u><br><u>2015</u> | <u>December 31,</u><br><u>2014</u> |
|--|--------------------------------|------------------------------------|
| <b>Liabilities and stockholders' equity</b>  |                                |                                    |
| <b>Current liabilities</b>   |                                |                                    |
| Accounts payable (includes \$494 due to related parties in 2014)   | \$ 165                         | \$ 673                             |
| Accrued expenses   | 252                            | 229                                |
| Current portion of long term debt  | 775                            | 881                                |
| <b>Total current liabilities</b>   | <u>1,192</u>                   | <u>1,783</u>                       |
| <b>Long-term debt</b>  |                                |                                    |
| Notes payable less current portion   | 1,305                          | 1,428                              |
| Asset retirement obligation  | 2,770                          | 2,770                              |
| <b>Total liabilities</b>   | <u>5,267</u>                   | <u>5,981</u>                       |
| <b>Stockholders' equity</b>  |                                |                                    |
| Preferred stock, Series B  | 1                              | 1                                  |
| Common stock, \$.01 par value; authorized, 100,000,000<br>shares; issued and outstanding, 1,946,935 shares<br>at June 30, 2015 and December 31, 2014 | 20                             | 20                                 |
| Additional paid-in capital   | 58,838                         | 58,838                             |
| Accumulated deficit  | <u>(52,142)</u>                | <u>(52,566)</u>                    |
|  | <u>6,717</u>                   | <u>6,293</u>                       |
| <b>Total liabilities &amp; equity</b>  | <u>\$ 11,984</u>               | <u>\$ 12,274</u>                   |