

**NEWS RELEASE**

**Contact:**

**FOR IMMEDIATE RELEASE**

New Concept Energy Inc.

Gene Bertcher

(800) 400-6407

[info@newconceptenergy.com](mailto:info@newconceptenergy.com)

## **New Concept Energy, Inc. Reports Fourth Quarter and Full Year 2019 Results**

Dallas (March 26, 2019) New Concept Energy, Inc. (NYSE American: GBR), (the “Company” or “NCE”) a Dallas-based oil and gas company, today reported Results of Operations for the fourth quarter and the full year ended December 31, 2019.

During the three months ended December 31, 2019 the Company reported a net loss of \$17,000 compared to a net loss of \$55,000 for the same period ended December 31, 2018.

For the full year ended December 31, 2019 the Company reported a net loss of \$2.3 million or (\$0.46) per share, compared to a net loss of \$484,000 or (\$0.21) per share for the same period ended December 31, 2018.

*Revenues:* Total revenues from the oil & gas operation was \$590,000 in 2019 and \$682,000 in 2018. The decrease was due to the rate the Company received for the sale of its natural gas during 2019.

*Operating Expenses:* Operating expenses for continuing oil & gas operations was \$686,000 in 2019 and \$844,000 in 2018. This decrease was principally due to a reduction of depreciation and depletion expense of \$166,000.

In 2019 pursuant to the requirements of the “full cost ceiling test” for oil & gas companies we recorded a non-cash charge to operations of \$ 2.3 million to write down its investment in West Virginia. In September 2019 the Company unsuccessfully drilled a well which resulted in dry hole. As the well did not prove up the estimated probable and possible reserves, the Company had to deem the applicable reserve estimates as impaired. In the third quarter the company booked an impairment expense of \$2,285,000 which represents a reduction of both the estimated probable and possible reserves as well as the cost of drilling the failed well. This charge to earnings was caused by a revaluation of the Company’s non-producing oil and gas reserves.

*Corporate Expenses* were \$412,000 in 2019 and \$353,000 in 2018. The increase was principally due to an increase in consulting expenses.

*Interest Income:* Interest Income was \$237,000 in 2019 as compared to \$37,000 in 2018. The increase was due to the interest earned from investing the proceeds from the issuance and sale of common stock in December 2018.

### ***About New Concept Energy, Inc.***

New Concept Energy, Inc. is a Dallas-based oil and gas company which owns oil and gas wells and mineral leases in Ohio and in West Virginia. For more information, visit the Company’s website at [www.newconceptenergy.com](http://www.newconceptenergy.com).

Contact:

New Concept Energy, Inc.

Gene Bertcher, (800) 400-6407

[info@newconceptenergy.com](mailto:info@newconceptenergy.com)

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

	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 22	\$ 361
Accounts receivable from oil and gas sales	73	72
Current portion note receivable (including \$4,005 and \$4,017 in 2019 and 2018 from related parties)	4,046	4,063
<b>Total current assets</b>	4,141	4,496
 <b>Oil and natural gas properties (full cost accounting method)</b>		
Proved developed and undeveloped oil and gas properties, net of depletion	767	2,517
 <b>Property and equipment, net of depreciation</b>		
Land, buildings and equipment - oil and gas operations	668	618
 <b>Note Receivable</b>	214	251
 <b>Total assets</b>	\$ 5,790	\$ 7,882

**NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS - CONTINUED**  
(amounts in thousands, except share amounts)

	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable - trade (including \$180 and \$37 in 2019 and 2018 due to related parties)	\$ 355	\$ 59
Accrued expenses	35	32
Current portion of long term debt	44	59
<b>Total current liabilities</b>	434	150
<b>Long-term debt</b>		
Notes payable less current portion	177	201
Asset retirement obligation	2,770	2,770
<b>Total liabilities</b>	3,381	3,121
<b>Stockholders' equity</b>		
Series B convertible preferred stock, \$10 par value, liquidation value of \$100 authorized 100 shares, issued and outstanding one share	1	1
Common stock, \$.01 par value; authorized, 100,000,000 shares; issued and outstanding, 5,131,934 shares at December 31, 2019 and 2018	51	51
Additional paid-in capital	63,579	63,579
Accumulated deficit	(61,222)	(58,870)
	2,409	4,761
<b>Total liabilities &amp; stockholders' equity</b>	\$ 5,790	\$ 7,882

**NEW CONCEPT ENERGY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(amounts in thousands, except per share data)

	<b>Year Ended December 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Oil and gas operations, net of royalties	\$ 590	\$ 682	\$ 791
	<u>590</u>	<u>682</u>	<u>791</u>
<b>Operating expenses</b>			
Oil & gas operations	686	844	1,027
Corporate general and administrative	412	353	408
Impairment of natural gas and oil properties	2,285	-	2,626
	<u>3,383</u>	<u>1,197</u>	<u>4,061</u>
Operating earnings (loss)	(2,793)	(515)	(3,270)
<b>Other income (expense)</b>			
Interest income (including \$240 and \$17 for the year ended 2019 and 2018 from related parties)	257	37	25
Interest expense	(15)	(18)	(24)
Other income (expense), net	199	12	28
	<u>441</u>	<u>31</u>	<u>29</u>
Earnings (loss) from continuing operations	(2,352)	(484)	(3,241)
Earnings from discontinued operations	-	-	(5)
Net income (loss) applicable to common shares	<u>\$ (2,352)</u>	<u>\$ (484)</u>	<u>\$ (3,246)</u>
Net income (loss) per common share-basic and diluted	<u>\$ (0.46)</u>	<u>\$ (0.21)</u>	<u>\$ (1.59)</u>
Weighted average common and equivalent shares outstanding - basic	5,132	2,358	1,947