



**NEW CONCEPT
ENERGY**

For Immediate Release

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**NEW CONCEPT ENERGY
REPORTS SECOND QUARTER 2008 RESULTS**

Dallas, Texas (Business Wire) August 15, 2008: New Concept Energy, Inc. (AMEX: GBR), (“the Company” or “NCE”), a Dallas-based company investing in and developing oil and gas leases, today reported net income of \$14.9 million or \$7.73 per share and \$15 million or \$7.84 per share for the three and six months ended June 30, 2008, compared to net losses of \$6,000 or \$0.01 per share and \$433,000 or \$0.44 per share for the same periods in 2007.

In November 2007, a wholly owned subsidiary of NCE acquired 1,712 net acres of mineral leasehold interests in four separate sections of land in the Fayetteville Shale area of Arkansas from a related party. The acquisition price was \$4,000 per net acre. The subsidiary also acquired two separate options to acquire additional leasehold interests of 1,815 net acres and 583 net acres in the same county in Arkansas at the same price of \$4,000 per net acre.

At the time of the acquisition it was the Company’s intention, subject to the availability of funds, to develop and drill gas wells on the acreage however an opportunity developed where the Company could sell the mineral rights to an independent third party for cash.

On May 9, 2008 the company exercised its options to acquire the additional 2,398 acres and completed a sale of all its 4,112 acres of mineral rights. The company received cash and recorded income before taxes of \$16,440,000.

The Company is now attempting to acquire other oil and gas interests.

For the three and six months ended June 30, 2008, the Company recorded revenues of \$699,000 and \$1.4 million from a real estate property compared to \$761,000 and \$1.5 million for the same periods in 2007.

For the three and six months ended June 30, 2008, operating expenses and lease expense at the retirement property were \$550,000 and \$1.1 million as compared to \$543,000 and \$1.1 million for the same periods in 2007.

For the three and six months ended June 30, 2008, corporate general & administrative expenses were \$264,000 and \$525,000 as compared to \$251,000 and \$474,000 for the same periods in 2007.

For the three and six months ended June 30, 2008, interest income was \$198,000 and \$250,000 as compared to \$27,000 and \$111,000 for the same periods in 2007. The increases are due to the Company's increased investment in interest bearing notes.

The Company recorded interest expense for the three and six months ended June 30, 2008, of \$68,000 and \$230,000 as compared to no interest expense for the same periods in 2007. A wholly owned subsidiary of the Company purchased leasehold interests in November 2007 in approximately 1,712 acres of land in the Fayetteville Shale area of Arkansas in exchange for a \$6.8 million note with interest at 9.5% per annum.

Other income was \$148,000 and \$412,000 for the three and six months ended June 30, 2008, as compared to no other income and \$10,000 for the same periods in 2007. The increase in the period ended March 31, 2008 was principally due to the collection of back interest from a mortgage bond receivable due to the sale of a property in August 2001. Because the mortgage bond was payable based on cash flow and profit of the property, the uncollected interest was not recorded until collected. The increase during the three months ended June 30, 2008 was principally due to the collection of a note that was previously written off.

Certain statements in this media release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. The words "estimate", "plan", "intend", "expect", "anticipate", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this release. New Concept Energy, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Although we believe that our expectations are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Important factors that could cause our actual results to differ from estimates or projects contained in any forward-looking statements are described under ITEM 1A. RISK FACTORS in the Company's Form 10-K for the fiscal year ended December 31, 2007.

New Concept Energy, Inc.
Consolidated Statements of Operations
(amounts in thousands, except per share data)

	For The Three Month Period Ended June 30,		For The Six Month Period Ended June 30,	
	2008	2007	2008	2007
	(Unaudited)		(Unaudited)	
Revenue				
Real estate operations	\$ 699	\$ 761	\$ 1,403	\$ 1,482
Operating expenses				
Real estate operations	313	324	628	630
Lease expense	237	219	473	459
Corporate general and administrative	264	251	525	474
	<u>814</u>	<u>794</u>	<u>1,626</u>	<u>1,563</u>
Operating loss	(115)	(33)	(223)	(81)
Other income (expense)				
Interest income	198	27	250	111
Interest expense	(68)	—	(230)	—
Gain on the sale of leasehold interests	16,440	—	16,440	—
Other income net	138	—	412	10
	<u>16,708</u>	<u>27</u>	<u>16,872</u>	<u>121</u>
Earnings (loss) from continuing operations	16,593	(6)	16,649	40
Provision for income taxes	1,626	—	1,626	—
Net income (loss) from continuing operations	<u>14,967</u>	<u>(6)</u>	<u>15,023</u>	<u>40</u>
Discontinued Operations				
Loss from operations	—	—	—	(159)
Provision for asset impairment	—	—	—	(314)
Loss from discontinued operations	—	—	—	(473)
Net income (loss) applicable to common shares	<u>14,967</u>	<u>(6)</u>	<u>15,023</u>	<u>(433)</u>
Earnings (loss) per share – basic and diluted				
Continuing operations	\$ 7.73	\$ (0.01)	\$ 7.84	\$ 0.04
Discontinued operations	—	—	—	(0.48)
Net income (loss) per share	<u>\$ 7.73</u>	<u>\$ (0.01)</u>	<u>\$ 7.84</u>	<u>\$ (0.44)</u>
Basic weighted average common shares	1,937	986	1,916	986

New Concept Energy, Inc.
Consolidated Balance Sheets
(amounts in thousands)

Assets	June 30, 2008 (Unaudited)	December 31, 2007
Current assets		
Cash and cash equivalents	\$ 159	\$ 172
Notes and interest receivable - related party	16,149	2,200
Other current assets	11	8
Total current assets	16,319	2,380
Investment in mineral rights	—	6,848
Deposit for oil & gas acquisitions	5,429	—
Property and equipment, at cost		
Land and improvements	20	20
Buildings and improvements	172	172
Equipment and furnishings	373	336
	565	528
Less accumulated depreciation	417	397
	148	131
Deferred tax asset	—	250
Other assets	250	177
Total Assets	\$ 22,146	\$ 9,786

New Concept Energy, Inc.
Consolidated Balance Sheets – Continued
(amounts in thousands, except share amounts)

	June 30, 2008 (Unaudited)	December 31, 2007
Liabilities and Stockholders' equity		
Current liabilities		
Accounts payable – trade	\$ 82	\$ 90
Income taxes payable	1,376	—
Accrued expenses	266	175
Total current liabilities	1,724	265
Long term debt – related party	—	6,921
Other long-term liabilities	428	459
Total liabilities	2,152	7,645
Stockholders' equity		
Preferred stock, Series B	1	1
Common stock \$.01 par value; authorized, 100,000,000 shares; 986,943 shares at June 30, 2007 and 1,936,985 shares at June 30, 2008 issued and outstanding	19	10
Additional paid-in capital	58,814	55,992
Accumulated deficit	(38,840)	(53,862)
	19,994	2,141
Total Liabilities and Equity	\$ 22,146	\$ 9,786