



**NEW CONCEPT
ENERGY**

For Immediate Release

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**NEW CONCEPT ENERGY
REPORTS SECOND QUARTER 2009 RESULTS**

Dallas, Texas (Business Wire) August 14, 2009: New Concept Energy, Inc. (AMEX: GBR), (“the Company” or “NCE”), a Dallas-based oil and gas company, today reported net losses of \$84,000 and \$61,000 (\$.03 and \$.04 per share) for the three and six months ended June 30, 2009, compared to net income of \$15 million (\$7.73 and \$7.84 per share) for the comparable periods of 2008. The primary reason for the decrease in net income is the recognition of gain on the sale of mineral rights in the first quarter of 2008, of which there was no comparable sale in 2009.

Revenues and Operating Expenses: For the three and six months ended June 30, 2009, the Company recorded oil and gas revenues of \$287,000 and \$681,000. No such revenues were earned in the comparable periods in 2008, which was prior to acquisition of the oil and gas operations. During the same periods in 2009, the Company recorded revenues of \$762,000 and \$1.4 million from its retirement property compared to \$699,000 and \$1.4 million for the comparable periods in 2008.

For the three and six months ended June 30, 2009, the Company recorded oil and gas operating expenses of \$371,000 and \$757,000. No such operating expenses were incurred in the comparable periods in 2008, which was prior to acquisition of the oil and gas operations. During the same periods in 2009, operating expenses and lease expense at the retirement property were \$621,000 and \$1.2 million as compared to \$550,000 and \$1.1 million for the comparable periods in 2008.

For the three and six months ended June 30, 2009, corporate general & administrative expenses were \$235,000 and \$497,000 as compared to \$264,000 and \$525,000 for the comparable periods in 2008. The decrease is primarily due to increased employee-related efficiencies in the 2009 periods as compared to 2008.

Interest Income: For the three and six months ended June 30, 2009, interest income was \$113,000 and \$294,000 as compared to \$198,000 and \$250,000 for the comparable periods in 2008. The quarter to quarter decrease is primarily due to decreases in the prime lending rate from 2008 to 2009. The increase in the six month comparison is due to the increased receivable on which interest is computed over the comparable periods.

Interest Expense: The Company recorded interest expense for the three and six months ended June 30, 2009, of \$31,000 and \$61,000 as compared to \$68,000 and \$230,000 for the comparable periods in 2008. The decrease is primarily due to the payoff of interest bearing debt during the second quarter of 2008, as well as reduced interest rates on notes payable from 2008 to 2009.

Other Income: Other income was \$12,000 and \$43,000 for the three and six months ended June 30, 2009, as compared to \$138,000 and \$412,000 for the comparable periods in 2008. In 2008, the income was 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.

New Concept Energy, Inc. and Subsidiaries

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,	
	2009	2008	2009	2008
Revenue				
Oil and gas operations, net of royalties	\$ 287	\$ —	\$ 681	\$ —
Real estate operations	762	699	1,436	1,403
	<u>1,049</u>	<u>699</u>	<u>2,117</u>	<u>1,403</u>
Operating expenses				
Oil and gas operations	371	—	757	—
Real estate operations	383	313	723	628
Lease expense	238	237	477	473
Corporate general and administrative	235	264	497	525
	<u>1,227</u>	<u>814</u>	<u>2,454</u>	<u>1,626</u>
Operating loss	(178)	(115)	(337)	(223)
Other income (expense)				
Interest income	113	198	294	250
Interest expense	(31)	(68)	(61)	(230)
Gain on sale of leasehold interest	—	16,440	—	16,440
Other income	12	138	43	412
	<u>94</u>	<u>16,708</u>	<u>276</u>	<u>16,872</u>
Net income (loss) from continuing operations	(84)	16,593	(61)	16,649
Provision for income taxes	—	1,626	—	1,626
Net income (loss) applicable to common shares	<u>\$ (84)</u>	<u>\$ 14,967</u>	<u>\$ (61)</u>	<u>\$ 15,023</u>
Net earnings (loss) per common share –				
basic and diluted	<u>\$ (.04)</u>	<u>\$ 7.73</u>	<u>\$ (0.03)</u>	<u>\$ 7.84</u>
Weighted average of common and equivalent shares				
outstanding – basic and diluted	1,947	1,937	1,947	1,916

New Concept Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(amounts in thousands)

	<u>June 30,</u> <u>2009</u>	<u>December</u> <u>31,</u> <u>2008</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 63	\$ 190
Accounts receivable - trade	133	353
Note and interest receivable – related party	10,736	10,632
Other current assets (including \$189 from related parties in 2008)	<u>731</u>	<u>527</u>
Total current assets	11,663	11,702
Oil and natural gas properties (full cost accounting method):		
Proved developed and undeveloped oil and gas properties	10,873	10,688
Property and equipment, net of depreciation		
Land, buildings and equipment - oil and gas operations	1,352	1,291
Other	157	149
Total property and equipment	<u>1,509</u>	<u>1,440</u>
Other assets	<u>284</u>	<u>228</u>
Total assets	<u>\$ 24,329</u>	<u>\$ 24,058</u>

New Concept Energy, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS - CONTINUED

(amounts in thousands, except share amounts)

	June 30,	December
	2009	31,
		2008
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable – trade	\$ 318	\$ 202
Accrued expenses	2,070	1,944
Total current liabilities	2,388	2,146
Long-term debt	1,143	1,026
Other long-term liabilities	367	394
Total liabilities	3,898	3,566
Stockholders' equity		
Preferred stock, Series B	1	1
Common stock, \$.01 par value; authorized, 100,000,000 shares; issued and outstanding, 1,946,935 shares at June 30, 2009 and December 31, 2008	20	20
Additional paid-in capital	58,838	58,838
Accumulated deficit	(38,428)	(38,367)
Total liabilities & equity	\$ 24,329	\$ 24,058

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, 2008.