

NEWS RELEASE

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New Concept Energy Inc.

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New Concept Energy, Inc. Reports Fourth Quarter and Full Year 2018 Results

Dallas (April 1, 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 ended December 31, 2018. During the three months ended December 31, 2018 the Company reported a net loss of \$55,000 or (\$0.005) per share, compared to a net loss of \$2,851,000 or (\$1.39) per share for the same period ended December 31, 2017

For the full year ended December 31, 2018 the Company reported a net loss of \$484,000 or (\$0.21) per share, compared to a net loss of \$3,246,000 or (\$1.59) per share for the same period ended December 31, 2017.

On December 4, 2018, the Company issued an additional 3,000,000 shares of Common Stock to a single investor for cash of \$4,500,000 to increase stockholders’ equity by \$4,440,000 after issuance costs. The issuance of 3,000,000 shares of Common Stock resulted in a change in control of the Company, as the investor now owns approximately 59.6% of the outstanding Common Stock. The issuance of the 3,000,000 shares of Common Stock increased the total number of shares issued and outstanding to 5,131,935 shares.

Revenues: Total revenues from the oil & gas operation was \$682,000 in 2018 and \$791,000 in 2017. The decrease was due to the rate the Company received for the sale of its natural gas during 2018.

Operating Expenses: Operating expenses for continuing oil & gas operations was \$844,000 in 2018 and \$1,027, 000 in 2017. This decrease was principally due to a reduction of depreciation and depletion expense of \$73,000. The remaining decrease was the result of an overall reduction in operating expenses.

In 2017 pursuant to the requirements of the “full cost ceiling test” for oil & gas companies we recorded a non-cash charge to operations of \$ 2.6 million to write down its investment in Ohio and West Virginia. This charge to earnings was caused by a revaluation of the Company’s non- producing oil and gas reserves.

Corporate Expenses were \$353,000 in 2018 and \$408,000 in 2017. The decrease was principally due to a reduction in payroll expenses.

Interest Expense: Interest Expense was \$18,000 in 2018 as compared to \$24,000 in 2017. The decrease was due to a reduction in the long term debt.

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.

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

	Year Ended December 31,		
	2018	2017	2016
Revenue			
Oil and gas operations, net of royalties	\$ 682	\$ 791	\$ 764
	<u>682</u>	<u>791</u>	<u>764</u>
Operating expenses			
Oil & gas operations	844	1,027	1,181
Corporate general and administrative	353	408	352
Impairment of natural gas and oil properties	-	2,626	-
	<u>1,197</u>	<u>4,061</u>	<u>1,533</u>
Operating earnings (loss)	(515)	(3,270)	(769)
Other income (expense)			
Interest income (including \$17 for the year ended 2018 from related parties)	37	25	23
Interest expense	(18)	(24)	(38)
Gain on prepayment of debt	-	-	888
Gain on sale of land	-	-	50
Bad debt expense (recovery) - note receivable	-	-	-
Other income (expense), net	12	28	(110)
	<u>31</u>	<u>29</u>	<u>813</u>
Earnings (loss) from continuing operations	(484)	(3,241)	44
Earnings from discontinued operations	-	(5)	4
	<u>-</u>	<u>(5)</u>	<u>4</u>
Net income (loss) applicable to common shares	<u>\$ (484)</u>	<u>\$ (3,246)</u>	<u>\$ 48</u>
Net income (loss) per common share-basic and diluted	<u>\$ (0.21)</u>	<u>\$ (1.59)</u>	<u>\$ 0.02</u>
Weighted average common and equivalent shares outstanding - basic	2,358	1,947	1,947

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

	December 31,	
	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 361	\$ 419
Accounts receivable from oil and gas sales	72	67
Current portion note receivable (including \$4,017 in 2018 from related parties)	4,063	36
Total current assets	4,496	522
 Oil and natural gas properties (full cost accounting method)		
Proved developed and undeveloped oil and gas properties, net of depletion	2,517	2,721
 Property and equipment, net of depreciation		
Land, buildings and equipment - oil and gas operations	618	661
 Note Receivable	251	301
 Total assets	\$ 7,882	\$ 4,205

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

	December 31,	
	2018	2017
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable - trade (including \$37 and \$412 in 2018 and 2017 due to related parties)	\$ 59	\$ 446
Accrued expenses	32	29
Current portion of long term debt	59	81
Total current liabilities	150	556
Long-term debt		
Notes payable less current portion	201	243
Asset retirement obligation	2,770	2,770
Total liabilities	3,121	3,569
Stockholders' equity		
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 and 2,036,935 shares at December 31, 2018 and 2017	51	21
Additional paid-in capital	63,579	59,000
Accumulated deficit	(58,870)	(58,386)
	4,761	636
Total liabilities & stockholders' equity	\$ 7,882	\$ 4,205