

NEWS RELEASE

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New Concept Energy Inc.
Investor Relations
Gene Bertcher, (800) 400-6407
info@newconceptenergy.com

New Concept Energy, Inc. Reports Third Quarter 2019 Results

Dallas (November 14, 2019) – New Concept Energy, Inc. (NYSE American: GBR), (the “Company” or “NCE”) a Dallas-based oil and gas company, today reported a net loss for the three months ended September 30, 2019 of \$2,320,000 or (\$0.45) per share, compared to a net loss of \$121,000 or (\$0.02) per share for the three months ended September 30, 2018.

The Company reported a net loss of \$2,335,000 for the nine months ended September 30, 2019, as compared to net loss of \$429,000 for the similar period in 2018.

For the three months ended September 30, 2019, the Company recorded oil and gas revenues of \$127,000 as compared to \$167, 000 for the comparable period of 2018. The decrease was principally due to a decrease in the rate the Company received for the sale of its natural gas.

For the three months ended September 30, 2019, the Company recorded oil and gas operating expenses of \$2,461,000 as compared to \$186,000 for the comparable period of 2018. In September 2019, the Company unsuccessfully drilled a well which resulted in a 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.

For the three months ended September 30, 2019, corporate general & administrative expenses were \$92,000 as compared to \$99,000 for the comparable periods in 2018.

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

	September 30, 2019	December 31, 2018
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 42	\$ 361
Accounts receivable from oil and gas sales	69	72
Current portion notes receivable (including \$4,120 and 4,017 due to related parties in 2019 and 2018)	4,162	4,063
Other current assets	11	-
Total current assets	4,284	4,496
 Oil and natural gas properties (full cost accounting method)		
Proved developed and undeveloped oil and gas properties, net of depletion	799	2,517
 Property and equipment, net of depreciation		
Land, buildings and equipment - oil and gas operations	671	618
 Other assets		
	222	251
Total assets	\$ 5,976	\$ 7,882

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

	<u>September 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable (includes \$117 and \$37 due to related parties in 2019 and 2018)	\$ 519	\$ 59
Accrued expenses	29	32
Current portion of long term debt	<u>51</u>	<u>59</u>
Total current liabilities	599	150
Long-term debt		
Notes payable less current portion	181	201
Asset retirement obligation	<u>2,770</u>	<u>2,770</u>
Total liabilities	3,550	3,121
Stockholders' equity		
Preferred stock, Series B	1	1
Common stock, \$.01 par value; authorized, 100,000,000 shares; issued and outstanding, 5,131,934 shares at September 30, 2019 and December 31, 2018	51	51
Additional paid-in capital	63,579	63,579
Accumulated deficit	<u>(61,205)</u>	<u>(58,870)</u>
Total Shareholder Equity	<u>2,426</u>	<u>4,761</u>
Total liabilities & equity	<u>\$ 5,976</u>	<u>\$ 7,882</u>

NEW CONCEPT ENERGY, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited)

(amounts in thousands, except per share data)

	For the Three Months ended September 30,		For the Nine Months ended September 30,	
	2019	2018	2019	2018
Revenue				
Oil and gas operations, net of royalties	\$ 127	\$ 167	\$ 471	\$ 544
 Operating expenses				
Oil and gas operations	176	186	586	700
Corporate general and administrative	92	99	314	282
Impairment of oil and natural gas properties	2,285	-	2,285	-
Total operating expenses	2,553	285	3,185	982
Operating earnings (loss)	(2,426)	(118)	(2,714)	(438)
 Other income (expense)				
Interest income	63	5	192	16
Interest expense	(3)	(6)	(12)	(17)
Other income (expense)	46	(2)	199	10
	106	(3)	379	9
Net (loss) applicable to common shares	(2,320)	(121)	(2,335)	(429)
Net income (loss) per common share-basic and diluted	\$ (0.45)	\$ (0.02)	\$ (0.45)	\$ (0.08)
Weighted average common and equivalent shares outstanding - basic	5,132	5,132	5,132	5,132