

NEWS RELEASE

Contact:

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New Concept Energy Inc.

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New Concept Energy, Inc. Reports Fourth Quarter and Full Year 2020 Results

Dallas (March 31, 2021) New Concept Energy, Inc. (NYSE American: GBR), (the “Company” or “NCE”) a Dallas based company, today reported Results of Operations for the fourth quarter and the full year ended December 31, 2020.

Discontinued Operations:

In August 2020 the Company sold its oil and gas operation and recorded a gain from the sale of \$2.1 million. The sales price was \$85,000 however the Company had previously established a reserve for plug and abandonment costs of \$2 million. Upon the sale the Company was relieved of any plug and abandonment obligations.

For the full year ended December 31, 2020 the Company reported a net loss from discontinued operations of \$170,000 as compared to net loss of \$2.4 million for the same period ended December 31, 2019. Included in the loss in 2019 is an impairment loss of \$2.3 million whereby the Company had reduced the recorded value of its oil and gas operation.

Continuing Operations:

During the three months ended December 31, 2020 the Company reported a net loss from continuing operations of \$32,000 compared to a net loss of \$17,000 for the same period ended December 31, 2019.

For the full year ended December 31, 2020 the Company reported a net loss from continuing operations of \$52,000 as compared to net income of \$60,000 for the same period ended December 31, 2019.

Revenues: Total revenues from rent for the leased property was \$101,000 in 2020 and \$98,000 in 2019.

Operating Expenses: Operating expenses for the real estate property was \$72,000 in 2020 and \$61,000 in 2019. General and administrative expenses were \$396,000 in 2020 and 418,000 in 2019.

Interest Income: Interest Income was \$242,000 in 2020 as compared to \$257,000 in 2019. The decrease was due to the reduction in the principal balance outstanding due to payments received.

Other Income: Other income was \$85,000 in 2020 which is an income tax refund for prior years. Other income was \$199,000 in 2019 which is comprised of a gain on sale of equipment of \$46,000 and the settlement of a legal claim of \$153,000.

Discontinued Operations: During the first nine months of 2020 the Company recorded a net loss from its oil and gas operations of \$170,000. In August 2020 the Company sold the oil and gas operation and recorded a gain of \$2,138,000.

About New Concept Energy, Inc.

New Concept Energy, Inc. is a Dallas-based company which owns real estate 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 BALANCE SHEETS
(amounts in thousands)

	December 31,	
	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 27	\$ 22
Current portion note receivable (including \$ \$3,631 and \$4,005 in 2020 and 2019 from related parties)	3,683	4,046
Other current assets	92	-
Total current assets	3,802	4,068
Property and equipment, net of depreciation		
Land, buildings and equipment	656	668
Note Receivable	153	214
Assets held for sale	-	840
Total assets	\$ 4,611	\$ 5,790

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

	December 31,	
	2020	2019
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable - trade (including \$55 and \$180 in 2020 and 2019 due to related parties)	\$ 80	\$ 226
Accrued expenses	32	20
Current portion of long term debt	52	44
Total current liabilities	164	290
Long-term debt		
Notes payable less current portion	122	177
Liabilities of assets held for sale	-	2,914
Total liabilities	286	3,381
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 shares at December 31, 2020 and 2019	51	51
Additional paid-in capital	63,579	63,579
Accumulated deficit	(59,306)	(61,222)
	4,325	2,409
Total liabilities & stockholders' equity	\$ 4,611	\$ 5,790

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

	Year Ended December 31,		
	2020	2019	2018
Revenue			
Rent	\$ 101	\$ 98	\$ 123
	<u>101</u>	<u>98</u>	<u>123</u>
Operating expenses			
Operating Expenses	72	61	59
Corporate general and administrative	396	418	359
	<u>468</u>	<u>479</u>	<u>418</u>
Operating loss	(367)	(381)	(295)
Other income (expense)			
Interest income (including \$226 and \$240 for the year ended 2020 and 2019 from related parties)	242	257	37
Interest expense	(12)	(15)	(18)
Other income (expense), net	85	199	11
	<u>315</u>	<u>441</u>	<u>30</u>
Net income (loss) from continuing operations	(52)	60	(265)
Net income (loss) from discontinued operations			
Gain (loss) from discontinued operations	(170)	(2,412)	(219)
Gain from Disposal of oil and gas operations	2,138		
	<u>1,968</u>	<u>(2,412)</u>	<u>(219)</u>
Net income (loss) applicable to common shares	\$ 1,916	\$ (2,352)	\$ (484)
Net income (loss) per common share-basic and diluted	<u>\$ 0.37</u>	<u>\$ (0.46)</u>	<u>\$ (0.21)</u>
Weighted average common and equivalent shares outstanding - basic	5,132	5,132	2,358