Tengasco, Inc. and Subsidiaries

Consolidated Statements of Loss

| Years ended December 31, Revenues and other income Oil and gas revenues Pipeline transportation revenues Interest Income | | 2004 \$ 6,013,374 92,599 3,501 | | \$ 6,040,872 163,393 985 | | \$ 5,437,723 259,677 3,078 | |
|---|-------------------------------------|--|-------------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
| | | | | | | | |
| Costs and expenses Production costs and taxes | 3,364,429 | | 3,412,201 | | 3,094,731 | | |
| Depreciation, depletion and amortization (Notes 4, 5 and 6) General and administrative Interest expense (Notes 9, 10 and 13) | 2,067,566 1,177,183 1,367,180 | | 2,308,007 1,486,280 1,120,738 | | 2,413,597 1,868,141 578,039 | | |
| Public relations Professional fees Loss on impairment of long-lived asset | 35,347 779,180 | | 31,183 549,503 495,000 | | 193,229 707,296 - | | |
| Loss on sale of equipment, net Total costs and expenses | 8,898,629 | | | 9,402,912 8,8 | | 8,855,033 | |
| Operating loss Gain from extinguishment of debt (Note 16) Gain on Preferred Stock (Note 9) | (2,789,155) 336,820 458,310 | | (3,197,662) | | (3,154,555) | | |
| Net loss before Cumulative effects of a changes in accounting principle Cumulative effect of a change in accounting principle (Note 10) Cumulative effect of a change in accounting principle (Note 9) | (1,994,025) | | (3,197,662) (351,204) 365,675 | | (3,154,555) | | |
| Net loss Dividends on preferred stock (Note 9) | (1,994,025) | | (3,183,191) (268,389) | | (3,154,555) (506,789) | | |
| Net loss attributable to common stockholders | \$ (1,994,025) | | \$ (3,451,580) | | \$ (3,661,344) | | |
| Net loss attributable to common stockholders per shares Basic and diluted: Net loss attributable to common stockholders before cumulative effects of a changes in accounting principle Cumulative effect of a change in accounting principle (Note 10) Cumulative effect of a change in accounting principle (Note 9) | \$ | (0.05) | \$ | (0.29) (0.03) 0.03 | \$ | (0.33) | |
| Total | \$ | (0.05) | \$ | (0.29) | \$ | (0.33) | |
| Weighted average shares outstanding | 40,855,972 | | 11,956,135 | | 11,062,436 | | |