

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.

Date of Report: June 29, 2006
(Date of earliest event reported)

Mexco Energy Corporation

(Exact name of registrant as specified in its charter)

CO
(State or other jurisdiction
of incorporation)

0-6694
(Commission File Number)

84-0627918
(IRS Employer
Identification Number)

214 W. Texas Avenue, Suite 1101
(Address of principal executive offices)

79701
(Zip Code)

Registrant's telephone number, including area code: **432-682-1119**

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.13e-4(c))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On June 29, 2006, Mexco Energy Corporation (the "Registrant") issued a press release reporting its financial results for the year ended March 31, 2006.

The Registrant hereby incorporates by reference into this Item 2.02 the information set forth in such press release, a copy of which is furnished as Exhibit 99.1 to this Current Report. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein are deemed to be furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934, as amended (the Exchange Act).

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated June 29, 2006.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEXCO ENERGY CORPORATION

Dated: June 29, 2006

By: /s/ Nicholas C. Taylor
Nicholas C. Taylor
Chief Executive Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>DESCRIPTION</u>
99.1	Press release dated June 29, 2006.

FOR IMMEDIATE RELEASE:

Mexco Energy Corporation Reports Profitable Fiscal 2006

MIDLAND, TX – 06/29/06 – Mexco Energy Corporation (AMEX: MXC) reported an increase in profitability on its Annual Report on Form-10K for the fiscal year ended March 31, 2006.

The Company reported net income of \$788,805, or \$.43 per diluted share, for fiscal year 2006 as compared to \$577,527, or \$.32 per diluted share, for fiscal 2005, a 37% increase.

Operating revenues in fiscal 2006 were \$3,719,643, an increase of 25% over 2005 operating revenues of \$2,969,826. The average sales price received of \$7.86 per Mcfe was up 35% from the \$5.83 per Mcfe received in fiscal 2005. Oil production decreased 1% and gas production decreased 8% during fiscal 2006 due to normal decline in production.

Total operating expenses were \$2,604,677, an increase of 27% from 2005 operating expenses of \$2,045,596. Included in the operating expenses was a 24% increase in general and administrative expense partially attributable to costs associated with the contract and consulting services that were directly related to Russian projects. Also included was a writedown of our long-term investment in GazTex, LLC as a result of the impairment of our potential Russian project.

For fiscal 2006, gas reserves constituted approximately 86% of the Company's total proved reserves and approximately 75% of the Company's revenues. Revenues from oil and gas royalty interests accounted for approximately 26% of the Company's revenues for fiscal 2006, compared to approximately 22% for fiscal 2005.

The Company owns oil and gas properties in ten states, with the majority of its activity centered in West Texas. The Company will continue to focus its efforts to increase oil and natural gas reserves, through exploration and development as well as acquisition of royalties.

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, Mexco Energy Corporation cautions that statements in this press release which are forward-looking and which provide other than historical information involve risks and uncertainties that may impact the Company's actual results of operations. These risks include, but are not limited to, production variance from expectations, volatility of oil and gas prices, the need to develop and replace reserves, exploration risks, uncertainties about estimates of reserves, competition, government regulation, and mechanical and other inherent risks associated with oil and gas production. A discussion of these and other factors, including risks and uncertainties, is set forth in the Company's Form 10-K for the fiscal year ended March 31, 2006. Mexco Energy Corporation disclaims any intention or obligation to revise any forward-looking statements

For additional information, please contact:

Nicholas C. Taylor, CEO
Tammy L. McComic, CFO
432-682-1119

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
Year ended March 31,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating revenues:			
Oil and gas	\$ 3,716,564	\$ 2,963,889	\$2,909,953
Other	<u>3,079</u>	<u>5,937</u>	<u>5,402</u>
Total operating revenues	3,719,643	2,969,826	2,915,355
Operating expenses:			
Production	843,927	780,233	942,093
Accretion of asset retirement obligation	23,436	24,735	24,246
Depreciation, depletion, and amortization	658,365	582,268	633,443
General and administrative	817,332	658,360	529,834
Impairment of long-term asset	<u>261,617</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>2,604,677</u>	<u>2,045,596</u>	<u>2,129,616</u>
Operating profit	1,114,966	924,230	785,739
Other income (expense):			
Interest income	2,837	746	764
Interest expense	<u>(98,657)</u>	<u>(89,154)</u>	<u>(83,530)</u>
Net other expense	(95,820)	(88,408)	(82,766)
Minority interest in loss of subsidiary	<u>41,799</u>	<u>14,314</u>	<u>-</u>
Earnings before income taxes and cumulative effect of accounting change	1,060,945	850,136	702,973
Income tax expense (benefit):			
Current	(19,312)	76,597	33,371
Deferred	<u>291,452</u>	<u>196,012</u>	<u>137,489</u>
	<u>272,140</u>	<u>272,609</u>	<u>170,860</u>
Income before cumulative effect of accounting change	788,805	577,527	532,113
Cumulative effect of accounting change, net of tax	<u>-</u>	<u>-</u>	<u>(102,267)</u>
Net income	<u>\$ 788,805</u>	<u>\$ 577,527</u>	<u>\$ 429,846</u>
Net income per common share:			
Basic:			
Income before cumulative effect of accounting change	\$ 0.45	\$ 0.33	\$ 0.31
Cumulative effect, net of tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.06)</u>
Net income	\$ 0.45	\$ 0.33	\$ 0.25
Diluted:			
Income before cumulative effect of accounting change	\$ 0.43	\$ 0.32	\$ 0.30
Cumulative effect, net of tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0.06)</u>
Net income	\$ 0.43	\$ 0.32	\$ 0.24
Pro forma amounts assuming, the new method of accounting for asset retirement obligations is applied retroactively:			
Net income			\$ 532,113
Basic net income per share			\$ 0.31
Diluted net income per share			\$ 0.30

Mexco Energy Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS
As of March 31,

	2006	2005
ASSETS		
Current assets		
Cash and cash equivalents	\$ 52,768	\$ 85,209
Accounts receivable:		
Oil and gas sales	429,133	418,348
Trade	336	23,258
Related parties	73	2,103
Prepaid costs and expenses	75,576	7,362
Total current assets	557,886	536,280
Investment in GazTex, LLC	20,509	282,126
Property and equipment, at cost		
Oil and gas properties, using the full cost method (\$121,418 and \$921,719 excluded from amortization in 2006 and 2005, respectively)	18,947,532	18,376,974
Other	39,848	36,855
	18,987,380	18,413,829
Less accumulated depreciation, depletion, and amortization	10,587,451	9,929,086
Property and equipment, net	8,399,929	8,484,743
	\$ 8,978,324	\$ 9,303,149
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable – trade and accrued expenses	\$ 118,125	\$ 111,675
Income tax payable	-	48,127
Total current liabilities	118,125	159,802
Long-term debt	600,000	1,990,000
Asset retirement obligation	352,416	374,506
Deferred income tax liability	1,006,736	715,284
Minority interest	2,051	25,362
Commitments and contingencies		
Stockholders' equity		
Preferred stock - \$1.00 par value; 10,000,000 shares authorized; none outstanding	-	-
Common stock - \$0.50 par value; 40,000,000 shares authorized; 1,776,566 and 1,766,566 shares issued in 2006 and 2005, respectively	888,283	883,283
Additional paid-in capital	3,893,588	3,826,592
Retained earnings	2,262,700	1,473,895
Treasury stock, at cost	(145,575)	(145,575)
Total stockholders' equity	6,898,996	6,038,195
	\$ 8,978,324	\$ 9,303,149