

PETROQUEST ENERGY INC.
Consolidated Balance Sheet
(unaudited)
(Amounts in thousands, except per share data)

	June 30, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,176	\$ 2,909
Restricted cash	590	389
Revenue receivable	1,052	3,798
Joint interest billing receivable	3,427	5,505
Deposit for surety bonds	-	262
Other current assets	499	647
Total current assets	\$ 8,744	\$ 13,510
Property and equipment:		
Oil and gas properties:		
Oil and gas properties, full cost method	89,970	88,345
Unevaluated oil and gas properties	127,307	121,136
Accumulated depreciation, depletion and amortization	(59,007)	(22,304)
Oil and gas properties, net	158,270	187,177
Other property and equipment	387	387
Accumulated depreciation of other property and equipment	(183)	(51)
Total property and equipment	158,475	187,513
Other assets	80	4
Right of use asset	721	1,307
Total assets	\$ 168,020	\$ 202,334
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable to vendors	\$ 4,595	\$ 5,622
Oil and gas revenue payable	2,514	4,213
Accrued interest	-	205
Asset retirement obligation	603	603
Other accrued liabilities	327	-
Right of use liability-short-term	402	904
Total current liabilities	8,441	11,547
Multi-draw Term Loan	48,479	46,294
10% Senior Secured PIK Notes due 2024	79,650	73,745
Asset retirement obligation	2,014	1,944
Deferred income taxes	694	694
Other liabilities	603	-
Right of use liability-long-term	232	320
Total liabilities	140,113	134,544
Stockholders' equity :		
Common stock, \$.01 par value; authorized 65,000 shares, issued and outstanding 9,477 and 9,371 shares, respectively	95	94
Paid-in capital	76,773	76,106
Retained earnings	(48,961)	(8,410)
Total stockholders' equity	27,907	67,790
Total liabilities and stockholders' equity	\$ 168,020	\$ 202,334

PETROQUEST ENERGY INC.
Consolidated Statements of Operations
 (unaudited)
 (Amounts in thousands, except per share data)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	
Revenues:			
Oil and gas sales	\$ 5,175	\$ 13,958	
Expenses:			
Lease operating expenses	4,059	4,164	
Production taxes	242	732	
Depreciation, depletion and amortization	2,900	4,136	
Ceiling test write-down	11,162	-	
General and administrative	3,338	3,297	
Restructuring expense	273	1,284	
Accretion of asset retirement obligation	35	46	
Interest expense	990	500	
Lease costs	136	271	
	23,134	14,430	
Other income:			
Other income	182	164	
Loss from operations	(17,778)	(308)	
Income tax expense	-	(453)	
Loss available to common stockholders	\$ (17,778)	\$ (761)	
Net loss per common share:			
Basic	\$ (1.88)	\$ (0.08)	
Diluted	\$ (1.88)	\$ (0.08)	
Weighted average number of common shares:			
Basic	9,477	9,371	
Diluted	9,477	9,371	

PETROQUEST ENERGY INC.
Consolidated Statements of Operations
(unaudited)
(Amounts in thousands, except per share data)

	Successor		Predecessor
	Six Months ended June 30, 2020	February 9, 2019 through June 30, 2019	January 1, 2019 through February 8, 2019
Revenues:			
Oil and gas sales	\$ 14,140	\$ 22,440	\$ 6,657
Expenses:			
Lease operating expenses	8,182	6,342	2,158
Production taxes	723	1,175	298
Depreciation, depletion and amortization	7,205	6,418	1,796
Ceiling test write-down	29,629	-	-
General and administrative	5,462	4,986	2,468
Restructuring expense	1,281	1,952	-
Accretion of asset retirement obligation	69	69	17
Interest expense	2,015	831	307
Lease costs	408	453	156
	<u>54,973</u>	<u>22,226</u>	<u>7,200</u>
Other income:			
Other income (expense)	251	215	(290)
Income/(Loss) from operations	(40,583)	429	(833)
Reorganization items, net	-	-	262,801
Income tax (expense)/benefit	31	(453)	(241)
Income (loss) available to common stockholders	<u>\$ (40,551)</u>	<u>\$ (24)</u>	<u>\$ 261,727</u>
Net income (loss) per common share:			
Basic	\$ (4.33)	\$ -	\$ 9.50
Diluted	\$ (4.33)	\$ -	\$ 8.92
Weighted average number of common shares:			
Basic	9,476	9,371	25,587
Diluted	<u>9,476</u>	<u>9,371</u>	<u>27,289</u>

PETROQUEST ENERGY INC.
Consolidated Statements of Cash Flows
(unaudited)
(Amounts in thousands)

	Successor		Predecessor
	Six Months Ended June 30, 2020	February 9, 2019 through June 30, 2019	January 1, 2019 through February 8, 2019
Cash flows from operating activities:			
Net income (loss)	\$ (40,551)	\$ (24)	\$ 261,727
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Deferred tax expense	-	453	241
Depreciation, depletion and amortization	7,205	6,418	1,796
Write-down of oil & gas properties	29,629	-	-
Accretion of asset retirement obligation	69	69	17
Share-based compensation expense	668	1,410	44
Amortization costs and other	1,378	916	555
Payments to settle asset retirement obligations	-	(158)	(11)
Non-cash reorganization items, net	-	-	(267,585)
Changes in working capital accounts:			
Revenue receivable	2,746	9,856	(7,340)
Joint interest billing receivable	2,002	(12,177)	(2,192)
Accounts payable and accrued liabilities	(2,996)	(2,971)	8,363
Advances from co-owners	8	180	1,343
Refund of surety bonds	262	3,475	-
Other	751	(565)	2,336
Net cash provided by (used in) operating activities	1,171	6,882	(706)
Cash flows used in investing activities:			
Investment in oil and gas properties	(1,233)	(18,878)	(5,290)
Investment in other property and equipment	-	(71)	(36)
Net cash used in investing activities	(1,233)	(18,949)	(5,326)
Cash flows (used in) provided by financing activities:			
Deferred financing costs	-	-	(111)
Proceeds from borrowings	530	-	-
Net cash (used in) provided by financing activities	530	-	(111)
Net increase (decrease) in cash and cash equivalents	468	(12,067)	(6,143)
Cash, restricted cash and cash equivalents, beginning of period	3,298	28,748	34,891
Cash, restricted cash and cash equivalents, end of period	\$ 3,766	\$ 16,681	\$ 28,748
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest, net of capitalized interest	\$ 818	\$ 829	\$ 929
Reorganization items, net	\$ 1,281	\$ 1,952	\$ 4,784