

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

| | March 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 3,886 | \$ 2,909 |
| Restricted cash | 390 | 389 |
| Revenue receivable | 2,151 | 3,798 |
| Joint interest billing receivable | 2,328 | 5,505 |
| Deposit for surety bonds | 262 | 262 |
| Other current assets | 1,970 | 647 |
| Total current assets | \$ 10,986 | \$ 13,510 |
| Property and equipment: | | |
| Oil and gas properties: | | |
| Oil and gas properties, full cost method | 89,687 | 88,345 |
| Unevaluated oil and gas properties | 124,338 | 121,136 |
| Accumulated depreciation, depletion and amortization | (45,049) | (22,304) |
| Oil and gas properties, net | 168,976 | 187,177 |
| Other property and equipment | 387 | 387 |
| Accumulated depreciation of other property and equipment | (78) | (51) |
| Total property and equipment | 169,286 | 187,513 |
| Other assets | 80 | 4 |
| Right of use asset | 885 | 1,307 |
| Total assets | \$ 181,237 | \$ 202,334 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable to vendors | \$ 3,628 | \$ 5,622 |
| Advances from co-owners | 29 | - |
| Oil and gas revenue payable | 3,959 | 4,213 |
| Accrued interest | 167 | 205 |
| Asset retirement obligation | 603 | 603 |
| Right of use liability-short-term | 552 | 904 |
| Total current liabilities | 8,938 | 11,547 |
| Multi-draw Term Loan | 46,938 | 46,294 |
| 10% Senior Secured PIK Notes due 2024 | 76,387 | 73,745 |
| Asset retirement obligation | 1,979 | 1,944 |
| Deferred income taxes | 694 | 694 |
| Other liabilities | 591 | - |
| Right of use liability-long-term | 260 | 320 |
| Total liabilities | 135,787 | 134,544 |
| Stockholders' equity : | | |
| Common stock, \$.01 par value; authorized 65,000 shares, issued and outstanding 9,371 shares | 94 | 94 |
| Paid-in capital | 76,540 | 76,106 |
| Retained earnings | (31,184) | (8,410) |
| Total stockholders' equity | 45,450 | 67,790 |
| Total liabilities and stockholders' equity | \$ 181,237 | \$ 202,334 |

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

| | Successor | | Predecessor |
|--|---|---|--|
| | Three Months ended March 31, 2020 | February 9, 2019 through March 31, 2019 | January 1, 2019 through February 8, 2019 |
| Revenues: | | | |
| Oil and gas sales | \$ 8,965 | \$ 8,482 | \$ 6,657 |
| Expenses: | | | |
| Lease operating expenses | 4,123 | 2,178 | 2,158 |
| Production taxes | 481 | 443 | 298 |
| Depreciation, depletion and amortization | 4,304 | 2,282 | 1,796 |
| Ceiling test write-down | 18,467 | - | - |
| General and administrative | 2,124 | 1,689 | 2,468 |
| Restructuring expense | 1,008 | 668 | - |
| Accretion of asset retirement obligation | 35 | 23 | 17 |
| Interest expense | 1,025 | 331 | 307 |
| Lease costs | 272 | 182 | 156 |
| | <u>31,839</u> | <u>7,796</u> | <u>7,200</u> |
| Other income: | | | |
| Other income (expense) | 69 | 51 | (290) |
| Loss from operations | (22,805) | 737 | (833) |
| Reorganization items, net | - | - | 262,801 |
| Income tax (expense)/benefit | 31 | - | (241) |
| Income (loss) available to common stockholders | <u>\$ (22,774)</u> | <u>\$ 737</u> | <u>\$ 261,727</u> |
| Net income (loss) per common share: | | | |
| Basic | \$ (2.33) | \$ 0.07 | \$ 9.50 |
| Diluted | <u>\$ (2.33)</u> | <u>\$ 0.07</u> | <u>\$ 8.92</u> |
| Weighted average number of common shares: | | | |
| Basic | 9,371 | 9,371 | 25,587 |
| Diluted | <u>9,371</u> | <u>9,935</u> | <u>27,289</u> |

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

| | Successor | | Predecessor |
|---|---|---|---|
| | Three Months Ended March 31, 2020 | February 9, 2019 through March 31, 2019 | January 1, 2019 through February 8, 2019 |
| Cash flows from operating activities: | | | |
| Net income (loss) | \$ (22,774) | \$ 737 | \$ 261,727 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | |
| Deferred tax expense | - | - | 241 |
| Depreciation, depletion and amortization | 4,305 | 2,282 | 1,796 |
| Write-down of oil & gas properties | 18,467 | - | - |
| Accretion of asset retirement obligation | 35 | 23 | 17 |
| Share-based compensation expense | 310 | 366 | 44 |
| Amortization costs and other | 683 | 253 | 555 |
| Non-cash interest expense on PIK Notes | - | 1,111 | - |
| Payments to settle asset retirement obligations | - | (19) | (11) |
| Non-cash reorganization items, net | - | - | (267,585) |
| Changes in working capital accounts: | | | |
| Revenue receivable | 1,647 | 9,848 | (7,340) |
| Joint interest billing receivable | 3,456 | 2,616 | (2,192) |
| Accounts payable and accrued liabilities | (2,690) | (15,872) | 8,363 |
| Advances from co-owners | 29 | 384 | 1,343 |
| Refund of surety bonds | - | 3,475 | - |
| Other | (1,321) | (1,123) | 2,336 |
| Net cash provided by (used in) operating activities | 2,147 | 4,081 | (706) |
| Cash flows used in investing activities: | | | |
| Investment in oil and gas properties | (1,170) | (4,075) | (5,290) |
| Investment in other property and equipment | - | - | (36) |
| Net cash used in investing activities | (1,170) | (4,075) | (5,326) |
| Cash flows (used in) provided by financing activities: | | | |
| Deferred financing costs | - | - | (111) |
| Net cash (used in) provided by financing activities | - | - | (111) |
| Net decrease (increase) in cash and cash equivalents | 977 | 6 | (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 | \$ 4,275 | \$ 28,754 | \$ 28,748 |
| Supplemental disclosure of cash flow information: | | | |
| Cash paid during the period for: | | | |
| Interest, net of capitalized interest | \$ 779 | \$ - | \$ 929 |
| Reorganization items, net | \$ 1,008 | \$ 5 | \$ 4,784 |