PETROQUEST ENERGY INC.

Consolidated Balance Sheet

(unaudited)

(Amounts in thousands, except per share data)

ASSETS	Ju	ne 30, 2021	December 31, 2020			
Current Assets:						
Cash and cash equivalents	\$	17,423	\$ 11,500			
Restricted cash		395	395			
Revenue receivable		4,897	3,026			
Joint interest billing receivable		2,655	2,182			
Other current assets		442	275			
Total current assets	\$	25,812	\$ 17,378			
Property and equipment:						
Oil and gas properties:						
Oil and gas properties, full cost method		107,806	98,629			
Unevaluated oil and gas properties		128,961	128,578			
Accumulated depreciation, depletion and						
amortization		(73,472)	(68,807)			
Oil and gas properties, net		163,294	158,401			
Other property and equipment		387	387			
Accumulated depreciation of other property and						
equipment		(266)	(224)			
Total property and equipment		163,415	158,564			
Other assets		209	196			
Right of use asset		233	377			
Total assets	\$	189,669	\$ 176,515			
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities:	\$	4 105	\$ 3.046			
Accounts payable to vendors	Ф	4,105 5,107	•			
Oil and gas revenue payable		5,127	5,024			
Asset retirement obligation		449	449			
Hedge liability		3,211				
Other accrued liabilities		1,268	81			
Right of use liability-short-term		177	246			
Total current liabilities		14,337	8,847			
Multi-draw Term Loan		59,487	56,418			
10% Senior Secured PIK Notes due 2024		-	84,877			
SBA Loan		531	531			
Asset retirement obligation Deferred income taxes		2,890	2,777			
Other liabilities		694 603	694			
		603	603			
Right of use liability-long-term Total liabilities		- 78,542	70 154,817			
		70,042	104,017			
Stockholders' equity:						
Common stock, \$.01 par value; authorized 175,000						
shares, issued and outstanding 109,477 and 9,477		4 000	ne.			
shares, respectively		1,095	95 77 247			
Paid-in capital		161,565	77,247			
Retained deficit		(51,532)	(55,644)			
Total stockholders' equity		111,127	21,698			
Total liabilities and stockholders' equity	<u></u>	189,669	\$ 176,515			

PETROQUEST ENERGY INC. Consolidated Statements of Operations (unaudited)

(Amounts in thousands, except per share data)

Revenues: S 10,403 \$ 5,175 \$ 22,030 \$ 14,140 Expenses: 2,303 4,059 5,440 8,182 Production taxes 501 242 1,053 723 Depreciation, depletion and amortization 2,324 2,900 4,562 7,205 Ceiling test write-down 1,031 3,338 2,473 5,462 General and administrative 1,031 3,338 2,473 5,462 Restructuring expense 178 273 748 1,281 Accretion of asset retirement obligation 100 35 111 69 Derivative expense 2,815 - 3,211 - Interest expense 9,545 136 183 408 Lease costs 95 136 183 408 Other income: 1,065 (17,778) 4,112 (40,583) Income (loss) from operations 1,065 (17,778) 4,112 (40,583) Income (loss) available to co			ee Months ed June 30, 2021	 ee Months ed June 30, 2020		onths Ended e 30, 2021	 onths Ended e 30, 2020
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Lease operating expenses 2,303 4,059 5,440 8,182 Production taxes 501 242 1,053 723 Depreciation, depletion and amortization 2,324 2,900 4,562 7,205 Ceiling test write-down - 11,162 146 29,629 General and administrative 1,031 3,338 2,473 5,462 Restructuring expense 178 273 748 1,281 Accretion of asset retirement obligation 100 35 111 69 Derivative expense 2,815 - 3,211 - Interest expense 95 136 183 408 Lease costs 95 136 183 408 Other income: 7 182 11 251 Income(loss) from operations 1,065 (17,778) 4,112 (40,583) Income (loss) per common stockholders 1,065 (17,778) 4,112 (40,583) Income (loss) per common share: 1,065 (17,778) <td>-</td> <td>\$</td> <td>10,403</td> <td>\$ 5,175</td> <td>\$</td> <td>22,030</td> <td>\$ 14,140</td>	-	\$	10,403	\$ 5,175	\$	22,030	\$ 14,140
Production taxes 501 242 1,053 723 Depreciation, depletion and amortization 2,324 2,900 4,562 7,205 Ceiling test write-down - 11,162 146 29,629 General and administrative 1,031 3,338 2,473 5,462 General and administrative 1178 273 748 1,281 Accretion of asset retirement obligation 100 35 111 69 Derivative expense 2,815 - 3,211 - Interest expense 95 136 183 408 Lease costs 95 136 183 408 Other income 7 182 17,928 54,974 Other income 7 182 11 251 Income(loss) from operations 1,065 (17,778) 4,112 (40,583) Income(loss) available to common stockholders 1,065 (17,778) 4,112 (40,583) Net Income(loss) per common shares: 8 0,01	•						
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Interest expense	-			35			69
Lease costs 95 136 183 408 9,345 23,135 17,928 54,974 Other income: Other income 7 182 11 251 Income(loss) from operations 1,065 (17,778) 4,112 (40,583) Income tax benefit - - - - 31 Income(loss) available to common stockholders \$ 1,065 (17,778) 4,112 (40,583) Net Income(loss) per common share: \$ 0,01 (1.88) 0.04 (4.33) Diluted \$ 0,01 (1.88) 0.04 (4.33) Weighted average number of common shares: 109,477 9,477 106,161 9,477	•		2,815	-		3,211	-
Other income: 9,345 23,135 17,928 54,974 Other income: 7 182 11 251 Income(loss) from operations Income tax benefit 1,065 (17,778) 4,112 (40,583) Income(loss) available to common stockholders \$ 1,065 (17,778) 4,112 (40,583) Net Income(loss) per common share: \$ 1,065 (17,778) 4,112 (40,552) Net Income(loss) per common share: \$ 0,01 (1.88) \$ 0,04 (4.33) Diluted \$ 0,01 (1.88) 0.04 (4.33) Weighted average number of common shares: 109,477 9,477 106,161 9,477	•		-			•	
Other income: 7 182 11 251 Income(loss) from operations 1,065 (17,778) 4,112 (40,583) Income tax benefit - - - 31 Income(loss) available to common stockholders \$ 1,065 (17,778) \$ 4,112 \$ (40,552) Net Income(loss) per common share: Basic \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Diluted \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Weighted average number of common shares: Basic 109,477 9,477 106,161 9,477	Lease costs						
Other income 7 182 11 251 Income(loss) from operations Income tax benefit 1,065 (17,778) 4,112 (40,583) Income (loss) available to common stockholders \$ 1.065 (17,778) 4,112 (40,583) Net Income(loss) per common share: \$ 0.01 (1.88) 0.04 (4.33) Diluted 0.01 (1.88) 0.04 (4.33) Weighted average number of common shares: 109,477 9,477 106,161 9,477			9,345	 23,135		17.928	 54,974
Income(loss) from operations							
Income tax benefit	Other income		. 7	182		11	251
Income(loss) available to common stockholders \$ 1.065 \$ (17,778) \$ 4.112 \$ (40,552) Net Income(loss) per common share: \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Diluted \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Weighted average number of common shares: Basic 109,477 9,477 106,161 9,477			1,065	(17,778)		4,112	(40,583)
Net Income(loss) per common share:	Income tax benefit		-	-			31_
Basic \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Diluted \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Weighted average number of common shares: 109,477 9,477 106,161 9,477	Income(loss) available to common stockholders	\$	1.065	\$ (17,778)	\$	4.112	\$ (40,552)
Diluted \$ 0.01 \$ (1.88) \$ 0.04 \$ (4.33) Weighted average number of common shares: Basic 109,477 9,477 106,161 9,477	Net Income(loss) per common share:						
Weighted average number of common shares: Basic 109,477 9,477 106,161 9,477	Basic	\$	0.01	\$ (1.88)		0.04	\$ (4.33)
Basic 109,477 9,477 106,161 9,477	Diluted	\$	0.01	\$ (1.88)	\$	0.04	\$ (4.33)
Basic 109,477 9,477 106,161 9,477	Weighted average number of common shares:						
			109,477	9,477		106,161	9,477
	Diluted		109,740				

PETROQUEST ENERGY INC.

Consolidated Statements of Cash Flows (unaudited)

(Amounts in thousands)

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		ix Months Ended June 30, 2021		Months Ended ne 30, 2020
Cash flows from operating activities:	<u> </u>			
Net income (loss)	\$	4,112	\$	(40,551)
Adjustments to reconcile net income (loss) to net cash provided by				
(used in) operating activities:				
Depreciation, depletion and amortization		4,562		7,205
Ceiling test write-down		146		29,629
Accretion of asset retirement obligation		111		69
Share-based compensation expense		246		668
Non-cash derivative expense		3,211		-
Amortization costs and other		5		1,378
Changes in working capital accounts:				
Revenue receivable		(1,871)		2,746
Joint interest billing receivable		(473)		2,002
Accounts payable and accrued liabilities		1,028		(2,996)
Advances from co-owners		1,073		8
Refund of surety bonds		-		262
Other		(167)		751
Net cash provided by operating activities		11,983		1,171
Cash flows used in investing activities:				
Investment in oil and gas properties		(6,046)		(1,233)
Net cash used in investing activities		(6,046)		(1,233)
Cash flows (used in) provided by financing activities:				
Deferred financing costs		(14)		
Proceeds from SBA loan				530
Net cash (used in) provided by financing activities		(14)		530
Net increase (decrease) in cash and cash equivalents		5,923		468
Cash, restricted cash and cash equivalents, beginning of period		11,895		3,298
Cash, restricted cash and cash equivalents, end of period	\$	17,818	\$	3,766
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest, net of capitalized interest	\$	_	\$	818
Reorganization items, net	\$	748	\$	
Rootgamzanon noms, not	<u> </u>	/40	D.	1,281