

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

| | June 30, 2021 | December 31, 2020 |
|---|-------------------|-------------------|
| ASSETS | | |
| 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: | | |
| Accounts payable to vendors | \$ 4,105 | \$ 3,046 |
| 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 | 2,890 | 2,777 |
| Deferred income taxes | 694 | 694 |
| Other liabilities | 603 | 603 |
| Right of use liability-long-term | - | 70 |
| Total liabilities | 78,542 | 154,817 |
| Stockholders' equity : | | |
| Common stock, \$.01 par value; authorized 175,000 shares, issued and outstanding 109,477 and 9,477 shares, respectively | 1,095 | 95 |
| 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 | \$ 189,669 | \$ 176,515 |

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

| | Three Months Ended June 30, 2021 | Three Months Ended June 30, 2020 | Six Months Ended June 30, 2021 | Six Months Ended June 30, 2020 |
|---|--|--|-----------------------------------|-----------------------------------|
| Revenues: | | | | |
| Oil and gas sales | \$ 10,403 | \$ 5,175 | \$ 22,030 | \$ 14,140 |
| Expenses: | | | | |
| 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 | - | 990 | - | 2,015 |
| Lease costs | 95 | 136 | 183 | 408 |
| | <u>9,345</u> | <u>23,135</u> | <u>17,928</u> | <u>54,974</u> |
| Other income: | | | | |
| Other income | 7 | 182 | 11 | 251 |
| | <u>1,065</u> | <u>(17,778)</u> | <u>4,112</u> | <u>(40,583)</u> |
| Income(loss) from operations | | | | |
| Income tax benefit | - | - | - | 31 |
| Income(loss) available to common stockholders | <u>\$ 1,065</u> | <u>\$ (17,778)</u> | <u>\$ 4,112</u> | <u>\$ (40,552)</u> |
| Net Income(loss) per common share: | | | | |
| Basic | <u>\$ 0.01</u> | <u>\$ (1.88)</u> | <u>\$ 0.04</u> | <u>\$ (4.33)</u> |
| Diluted | <u>\$ 0.01</u> | <u>\$ (1.88)</u> | <u>\$ 0.04</u> | <u>\$ (4.33)</u> |
| Weighted average number of common shares: | | | | |
| Basic | <u>109,477</u> | <u>9,477</u> | <u>106,161</u> | <u>9,477</u> |
| Diluted | <u>109,740</u> | <u>9,477</u> | <u>106,425</u> | <u>9,477</u> |

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

| | Six Months Ended June 30, 2021 | Six Months Ended June 30, 2020 |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities: | | |
| 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 | \$ 1,281 |