

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

	December 31, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 21,339	\$ 11,500
Restricted cash	395	395
Revenue receivable	3,062	3,026
Joint interest billing receivable	7,702	2,182
Other current assets	337	275
Total current assets	\$ 32,835	\$ 17,378
Property and equipment:		
Oil and gas properties:		
Oil and gas properties, full cost method	109,722	98,629
Unevaluated oil and gas properties	145,269	128,578
Accumulated depreciation, depletion and amortization	(84,179)	(68,807)
Oil and gas properties, net	170,813	158,401
Other property and equipment	387	387
Accumulated depreciation of other property and equipment	(308)	(224)
Total property and equipment	170,892	158,564
Other assets	195	196
Right of use asset	-	377
Total assets	\$ 203,922	\$ 176,515
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable to vendors	\$ 9,702	\$ 3,046
Oil and gas revenue payable	4,018	5,024
Asset retirement obligation	424	449
Hedge liability	1,528	-
Other accrued liabilities	1,833	81
Right of use liability-short-term	51	246
Total current liabilities	17,557	8,847
Multi-draw Term Loan	62,693	56,418
10% Senior Secured PIK Notes due 2024	-	84,877
SBA Loan	-	531
Asset retirement obligation	1,755	2,777
Deferred income taxes	694	694
Other liabilities	12	603
Hedge liability-long-term	-	-
Right of use liability-long-term	-	70
Total liabilities	82,711	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	161,086	77,247
Retained deficit	(40,969)	(55,644)
Total stockholders' equity	121,211	21,698
Total liabilities and stockholders' equity	\$ 203,922	\$ 176,515

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

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Revenues:				
Oil and gas sales	\$ 8,414	\$ 9,291	\$ 41,181	\$ 30,314
Expenses:				
Lease operating expenses	2,548	3,007	10,567	14,270
Production taxes	514	400	2,111	1,475
Depreciation, depletion and amortization	1,166	2,487	7,801	12,152
Ceiling test write-down	-	-	146	34,524
General and administrative	472	1,467	3,272	8,410
Restructuring expense	356	111	1,652	1,792
Accretion of asset retirement obligation	33	75	202	142
Derivative expense	(7,696)	-	1,528	-
Interest expense	-	1,276	-	4,440
Lease costs	88	112	365	677
	<u>(2,519)</u>	<u>8,935</u>	<u>27,643</u>	<u>77,883</u>
Other income:				
Other income	592	(1)	1,137	303
Income(loss) from operations	11,525	354	14,674	(47,265)
Income tax benefit	-	-	-	31
Income(loss) available to common stockholders	<u>\$ 11,525</u>	<u>\$ 354</u>	<u>\$ 14,674</u>	<u>\$ (47,234)</u>
Net Income(loss) per common share:				
Basic	\$ 0.10	\$ 0.04	\$ 0.13	\$ (4.81)
Diluted	<u>\$ 0.10</u>	<u>\$ 0.04</u>	<u>\$ 0.13</u>	<u>\$ (4.81)</u>
Weighted average number of common shares:				
Basic	109,477	9,477	109,477	9,477
Diluted	<u>109,740</u>	<u>9,890</u>	<u>109,740</u>	<u>9,477</u>

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

	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Cash flows from operating activities:		
Net income (loss)	\$ 14,674	\$ (47,234)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	7,860	12,152
Ceiling test write-down	146	34,524
Accretion of asset retirement obligation	202	142
Share-based compensation expense	(232)	1,141
Non-cash derivative expense	1,528	-
Amortization costs and other	28	3,540
Non-cash interest expense on PIK Notes	-	553
Payments to settle asset retirement obligations	(17)	(416)
Changes in working capital accounts:		
Revenue receivable	(36)	772
Joint interest billing receivable	(5,520)	3,663
Accounts payable and accrued liabilities	1,703	(2,418)
Advances from co-owners	1,748	83
Refund of surety bonds	-	262
Other	(62)	713
Net cash provided by operating activities	22,022	7,477
Cash flows used in investing activities:		
Investment in oil and gas properties	(25,631)	(16,747)
Investment in other property and equipment	-	-
Non-cash PIK interest-capitalized	5,450	12,453
Non-cash debt amortization	1,020	-
Sale of oil and gas properties	7,509	-
Net cash used in investing activities	(11,652)	(4,294)
Cash flows (used in) provided by financing activities:		
Deferred financing costs	-	(116)
Proceeds from SBA loan	(531)	5,530
Net cash (used in) provided by financing activities	(531)	5,414
Net increase (decrease) in cash and cash equivalents	9,839	8,597
Cash, restricted cash and cash equivalents, beginning of period	11,895	3,298
Cash, restricted cash and cash equivalents, end of period	\$ 21,734	\$ 11,895
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest, net of capitalized interest	\$ -	\$ 818
Reorganization items, net	\$ 1,652	\$ 1,792