

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

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 7,318	\$ 21,339
Restricted cash	34	395
Revenue receivable	4,377	3,062
Joint interest billing receivable	11,517	7,702
Other current assets	235	337
<b>Total current assets</b>	<b>\$ 23,482</b>	<b>\$ 32,835</b>
<b>Property and equipment:</b>		
<b>Oil and gas properties:</b>		
Oil and gas properties, full cost method	164,258	110,628
Unevaluated oil and gas properties	129,390	146,237
Accumulated depreciation, depletion and amortization	(91,142)	(84,179)
<b>Oil and gas properties, net</b>	<b>202,505</b>	<b>172,687</b>
Other property and equipment	387	387
Accumulated depreciation of other property and equipment	(342)	(308)
<b>Total property and equipment</b>	<b>202,550</b>	<b>172,766</b>
Other assets	190	195
<b>Total assets</b>	<b>\$ 226,222</b>	<b>\$ 205,796</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable to vendors	\$ 7,961	\$ 11,576
Oil and gas revenue payable	6,568	4,018
Asset retirement obligation	424	424
Hedge liability	6,192	1,528
Other accrued liabilities	157	1,833
Right of use liability-short-term	-	51
<b>Total current liabilities</b>	<b>21,301</b>	<b>19,431</b>
Multi-draw Term Loan	75,533	62,693
Asset retirement obligation	1,848	1,755
Deferred income taxes	815	815
Other liabilities	12	12
Hedge liability-long-term	115	-
<b>Total liabilities</b>	<b>99,624</b>	<b>84,706</b>
<b>Stockholders' equity :</b>		
Common stock, \$.01 par value; authorized 175,000 shares, issued and outstanding 109,477 and 9,477 shares, respectively	1,095	1,095
Paid-in capital	161,118	161,086
Retained deficit	(35,615)	(41,091)
<b>Total stockholders' equity</b>	<b>126,597</b>	<b>121,090</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 226,222</b>	<b>\$ 205,796</b>

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

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months ended September 30, 2022	Nine Months ended September 30, 2021
<b>Revenues:</b>				
Oil and gas sales	\$ 12,812	\$ 10,736	\$ 33,392	\$ 32,766
<b>Expenses:</b>				
Lease operating expenses	2,861	2,579	10,357	8,019
Production taxes	913	543	2,375	1,597
Depreciation, depletion and amortization	2,599	2,073	6,847	6,635
Ceiling test write-down	-	-	-	146
General and administrative	501	327	2,833	2,800
Restructuring expense	209	548	408	1,296
Accretion of asset retirement obligation	25	57	93	169
Derivative expense	(3,510)	6,013	4,778	9,224
Interest expense	-	-	-	-
Lease costs	63	94	213	277
	<u>3,661</u>	<u>12,234</u>	<u>27,904</u>	<u>30,163</u>
<b>Other income:</b>				
Other income	(68)	535	(13)	545
<b>Income(loss) from operations</b>				
	9,083	(963)	5,475	3,149
Income tax benefit	-	-	-	-
<b>Income(loss) available to common stockholders</b>				
	<u>\$ 9,083</u>	<u>\$ (963)</u>	<u>\$ 5,475</u>	<u>\$ 3,149</u>
<b>Net Income(loss) per common share:</b>				
Basic	\$ 0.01	\$ (0.01)	\$ 0.05	\$ 0.03
Diluted	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.05</u>	<u>\$ 0.03</u>
<b>Weighted average number of common shares:</b>				
Basic	109,687	109,740	109,687	109,477
Diluted	<u>109,687</u>	<u>109,740</u>	<u>109,687</u>	<u>109,740</u>

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

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 5,475	\$ 3,149
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	6,997	6,636
Ceiling test write-down	-	146
Accretion of asset retirement obligation	92	169
Share-based compensation expense	32	(308)
Non-cash derivative expense	4,779	9,225
Amortization costs and other	631	22
Changes in working capital accounts:		
Revenue receivable	(1,315)	(1,800)
Joint interest billing receivable	(3,815)	(3,523)
Accounts payable and accrued liabilities	4,076	3,153
Advances from co-owners	(1,764)	1,828
Other	102	(103)
<b>Net cash provided by operating activities</b>	<b>15,290</b>	<b>18,594</b>
<b>Cash flows used in investing activities:</b>		
Investment in oil and gas properties	(41,835)	(10,072)
Non-cash PIK interest-capitalized	4,808	-
<b>Net cash used in investing activities</b>	<b>(37,027)</b>	<b>(10,072)</b>
<b>Cash flows (used in) provided by financing activities:</b>		
Draw on Term Loan	7,350	-
Proceeds from SBA loan	-	(531)
Deferred financing costs	5	(3)
<b>Net cash (used in) provided by financing activities</b>	<b>7,355</b>	<b>(534)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,382)</b>	<b>7,988</b>
Cash, restricted cash and cash equivalents, beginning of period	21,734	11,895
Cash, restricted cash and cash equivalents, end of period	<b>\$ 7,352</b>	<b>\$ 19,883</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for:		
Interest, net of capitalized interest	\$ -	\$ -
Reorganization items, net	\$ 408	\$ 1,296