

**PetroQuest Resources, Inc.**  
**Consolidated Balance Sheet(unaudited)**  
**December 31, 2007**

<b>ASSETS</b>		
Cash		22,649.19
Accounts Receivable		121,085.25
Other Current Assets		
Cash Bond (WV Dept of Env Prot)		50,000.00
Other Assets		12,924.67
Supply inventory		38,512.32
Deposits		-
Undeposited Funds		-
Total Other Current Assets		101,436.99
Total Current Assets		245,171.43
Properties		
Proven reserves		1,350,000.00
Unproven reserves		5,736,467.00
Journey wells		1,275,000.00
Vinton Co. Wells		4,152,335.00
Brine Disposal Well		1,470,588.00
W. Virginia pipeline		183,501.82
Ohio pipeline		3,629,784.10
Invest Texas Partnersp		1,010,004.00
Invest Vinton CTWR		242,665.00
Total Properties		19,050,344.92
Fixed Assets		
Vehicles/Heavy Equipment		864,699.49
Well equipment		520,193.30
Other equipment		1,757.79
Gross Fixed Assets		1,386,650.58
Accumulated Depreciation		(458,487.52)
Net Fixed Assets		928,163.06
<b>TOTAL ASSETS</b>		<b>20,223,679.41</b>

**PetroQuest Resources, Inc.**  
**Consolidated Balance Sheet(unaudited)**  
**December 31, 2007**

<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	81,203.12
Accrued Expenses	106,990.49
Current Portion Long Term Debt	82,590.95
Payable to Condor	138,519.20
Total Current Liabilities	<u>409,303.76</u>
Long Term Liabilities	
Loans & Notes	
Lee & Moniz	65,000.00
Gas Search-face value	500,005.00
Payments-Gas Search	<u>(13,115.75)</u>
Net-Gas Search	486,889.25
IDIC	917,048.00
Interest Payable - IDIC	287,989.34
GMAC Colorado	3,788.44
GMAC Silverado's	10,541.68
Toyota Tacoma Loan	17,902.21
John Deere	152,789.91
Key Equipment	156,781.17
United Rentals	-
Unified Investments	<u>2,370,000.00</u>
Total Loans & Notes	4,468,730.00
Total Long Term Liabilities	4,468,730.00
<b>Total Liabilities</b>	<u><b>4,878,033.76</b></u>
<b>Equity</b>	
Preferred Series B	13,593,335.00
Preferred Series C	-
Common Stock	38,524.00
Additional Paid-In Capital	18,014,475.00
Retained Earnings	(17,041,813.53)
Twin Fork - Minority Interest - Condor	78,392.54
Adv. Brine Disp. - Minority Interest - Unified	720,588.00
Current year net income (loss)	<u>(57,855.36)</u>
<b>Total Equity</b>	<u><b>15,345,645.65</b></u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>20,223,679.41</b></u>

\*The publication of this unaudited balance sheet statement is not, and may not be considered, a solicitation for the purchase of any securities issued by PetroQuest Resources, Inc.

PetroQuest Resources, Inc. is presently being audited for calendar years 2005 and 2006. This balance sheet statement was internally prepared by PetroQuest Resources, Inc. employees. As with any internally prepared work product that is not verified by a third party professional, it is subject to errors and differing opinions as to the interpretation of the applicable rules governing

The values set forth in this internally prepared balance sheet are based on the prices actually paid by PetroQuest Resources, Inc for the assets listed herein. Please be further advised that the carrying "book" value of some of the assets may change after the completion of the 2005 and 2006 audits pursuant to technical requirements of Generally Accepted Accounting Principles and reporting requirements of any rule or regulation promulgated by the Securities and Exchange Commission with respect to disclosure requirements in connection with related party transactions.

PetroQuest Resources, Inc. strongly recommends that any party interested in making an investment in any security relating to PetroQuest Resources, Inc. should have its audited financial statements and this income statement reviewed by a financial professional of their choice prior to actually making an investment.



**PetroQuest Resources, Inc.**  
**Consolidated Income Statement(unaudited)**  
**December 31, 2007**

Minority Interests	
Minority Interest (TF)	-
Minority Interest (ABDS)	-
Total Minority Interests	-
<b>Net Income Before Income Taxes</b>	<b><u>(57,855.36)</u></b>
Income Taxes	-
<b>Net Income</b>	<b><u>(57,855.36)</u></b>

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**PetroQuest Resources, Inc.**  
**Consolidated Statement of Stockholders' Equity (unaudited)**  
**December 31, 2007**

	Date	Stock FMV	Preferred stock				Common stock		Additional paid-in capital	Minority Interest	Accum Deficit	Equity		
			Series A Shares	Series A Amount	Series B Shares	Series B Amount	Series C Shares	Series C Amount					Shares	Amount
<b>Balances as of December 31, 2006</b>			-	-	256,243	14,093,340	2,000,000	-	38,378,318	38,377	17,889,620	798,981	(17,041,813)	15,778,505
<u>Stock issued for cash</u>														
Stock issued for cash - Condor Gty.	04/12/07				-	-			100,000	100	74,900			75,000
Stock issued for cash - Condor Gty.	12/17/07				-	-			45,454	45	49,955			50,000
			-	-	-	-	-	-	145,454	145	124,855	-	-	125,000
Net Income/(Loss)													(57,855)	(57,855)
<b>Balances as of December 31, 2007</b>														-
			-	-	256,243	14,093,340	2,000,000	-	38,523,772	38,522	18,014,475	798,981	(17,099,668)	15,845,650

(1) Note: Stock value issued to Gas Search is shown as a debt on the balance sheet rather than part of equity.

(2) Note: PetroQuest Resources Preferred Series C has an agreed upon value of \$50 per share, making the aggregate value \$100,000,000.

\*The publication of this unaudited interim statement of stockholders' equity is not, and may not be considered, a solicitation for the purchase of any securities issued by PetroQuest, Inc.

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