

SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

FORM SB-2  
 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Gulfport Energy Corporation  
 (Name of small business issuer in its charter)

Delaware (State or jurisdiction of incorporation or organization)	1311 (Primary Standard Industrial Classification Code Number)	73-1521290 (I.R.S. Employer Identification No.)
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14313 North May Avenue, Suite 100  
 Oklahoma City, Oklahoma 73134  
 (405) 848-8807  
 (Address and telephone number of principal executive offices  
 and principal place of business)

Mike Liddell  
 Chairman of the Board, Chief Executive Officer and President  
 14313 North May Avenue, Suite 100  
 Oklahoma City, Oklahoma 73134  
 (405) 848-8807  
 (Name, address and telephone number of agent for service)

With a copy to:  
 Seth R. Molay, P.C.  
 Alex Frutos  
 Akin Gump Strauss Hauer & Feld LLP  
 1700 Pacific Avenue, Suite 4100  
 Dallas, Texas 75201  
 Telephone: (214) 969-2800  
 Facsimile: (214) 969-4343

Approximate date of proposed sale to the public: As soon as practicable  
 after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on  
 a delayed or continuous basis under Rule 415 under the Securities Act of 1933,  
 check the following box.  [X]

If this Form is filed to register additional securities for an offering  
 under Rule 462(b) under the Securities Act, check the following box and list the  
 Securities Act registration statement number of the earlier effective  
 registration statement for the same offering.  [ ]

If this Form is a post-effective amendment filed under Rule 462(c) under  
 the Securities Act, check the following box and list the Securities Act  
 registration statement number of the earlier effective registration statement  
 for the same offering.  [ ]

If this Form is a post-effective amendment filed under Rule 462(d) under  
 the Securities Act, check the following box and list the Securities Act  
 registration statement number of the earlier effective registration statement  
 for the same offering.  [ ]

If delivery of the prospectus is expected to be made under Rule 434, check  
 the following box.  [ ]

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
<S> Common Stock, \$0.01 par value per share	<C> 10,000,000 shares (1)	<C> \$1.20 (1)	<C> \$12,000,000 (2)	<C> \$1,521
-----	-----	-----	-----	-----
Rights	10,000,000 (3)	N/A	N/A	\$-0- (4)
=====	=====	=====	=====	=====

</TABLE>

(1) Estimated solely for purposes of calculating the registration fee in  
 accordance with Rule 457(o) under the Securities Act of 1933, as amended.  
 Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this  
 Registration Statement also relates to any and all rights issued hereby due

to the rounding up of rights distributed hereby to the nearest whole number for each recipient thereof, and the common stock issuable upon exercise thereof.

- (2) Represents the aggregate gross proceeds from the exercise of the maximum number of rights that may be issued.
- (3) Evidencing the rights to subscribe for 10,000,000 shares of common stock, par value \$0.01 per share.
- (4) The rights are being issued without consideration to the holders of the registrant's common stock as of the record date. Pursuant to Rule 457(g), no separate registration fee is payable with respect to the rights being offered hereby since the rights are being registered in the same registration statement as the securities to be offered pursuant thereto.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting under said Section 8(a), may determine.

Subject to Completion, dated May 11, 2004

Prospectus

Gulfport Energy Corporation

10,000,000 Shares  
Common Stock  
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We are distributing at no charge to the holders of our common stock transferable subscription rights to purchase up to an aggregate of 10,000,000 shares of our common stock, par value \$0.01 per share, at a cash subscription price of \$\_\_\_ per share. This rights offering is being made to help fund a portion of our capital expenditure requirements and for general corporate purposes.

The total purchase price of shares offered in this rights offering will be approximately \_\_\_\_\_. You will not be entitled to receive any subscription rights unless you are a stockholder of record as of the close of business on \_\_\_\_\_, 2004.

The subscription rights will expire if they are not exercised by 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, the expected expiration date of this rights offering. We, in our sole discretion, may extend the period for exercising the subscription rights. Subscription rights that are not exercised by the expiration date of this rights offering will expire and will have no value. Once a holder has exercised any subscription rights, such exercise may not be revoked. You should carefully consider whether or not to exercise or sell your subscription rights before the expiration date.

There is no minimum number of shares of our common stock that must be subscribed for in this rights offering for it to be completed. Subscription payments will not be placed in an escrow account. Once a holder has paid the subscription price, we will not refund any portion of such subscription price.

Shares of our common stock are quoted on the NASD OTC Bulletin Board under the symbol "GPOR.OB." The closing bid price of our common stock on April 28, 2004 was \$2.95 per share.

<TABLE>  
<CAPTION>

	Per Share	Aggregate
	-----	-----
<S>	<C>	<C>
Subscription Price	\$	\$
Estimated Expenses	\$	\$
Net Proceeds to us	\$	\$

</TABLE>

An investment in our common stock involves risks. You should consider carefully the risk factors beginning on page 5 in this prospectus before exercising or selling your subscription rights.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The securities are not being offered in any jurisdiction where the offer is not permitted.

The date of this prospectus is \_\_\_\_\_, 2004

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different from that contained in this prospectus. This prospectus is not an offer to sell or a solicitation of an offer to buy shares in any jurisdiction where this offer or any sale of shares would be unlawful. The information in this prospectus is complete and accurate only as of the date on the front cover regardless of the time of delivery of this prospectus or of any sale of shares.

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PROSPECTUS SUMMARY

The following summary highlights selected information from this prospectus and may not contain all of the information that is important to you. This prospectus includes specific terms of this rights offering, as well as information regarding our business. We encourage you to read this prospectus in its entirety. You should pay special attention to the "Risk Factors" section of this prospectus. All references to "we," "our," "ours," and "us," or "Gulfport" in this prospectus are to Gulfport Energy Corporation and its subsidiaries, unless otherwise indicated.

Our Company

Gulfport is an independent oil and gas exploration and production company with properties located along the Louisiana Gulf Coast. Our operations are concentrated in two fields: West Cote Blanche Bay and the Hackberry Fields. We seek to achieve reserve growth and increase our cash flow by undertaking multiple drilling programs each year. In addition, we intend to shoot 3-D seismic at our East Hackberry Field to allow us to undertake drilling at that field. As of January 1, 2004, we had 22 MMBOE of proved reserves with a present value of estimated future net revenues, discounted at 10%, of approximately \$210 million and associated standardized measure of discounted future net cash flows of approximately \$194 million. We were organized in July 1997 and merged with WRT Energy Corporation, a Texas corporation, referred to as Old WRT, on July 11, 1997 upon the consummation of Old WRT's bankruptcy reorganization.

Our principal executive offices are located at 14313 North May Avenue, Suite 100 Oklahoma City, Oklahoma 73134, and our telephone number is (405) 848-8807.

Summary of the Rights Offering

**Rights** We will distribute to each stockholder of record of our common stock, as of the close of business on \_\_\_\_\_, 2004, at no charge, one transferable subscription right for each 1.0146 shares of common stock owned, for a total of approximately 10,000,000 subscription rights.

**Basic Subscription Privilege** Each right will enable its holder to

purchase one share of our common stock.

**Over-Subscription Privilege**

Each holder of common stock who elects to exercise its subscription rights in full may also subscribe for additional shares at the same subscription price per share, to the extent that other stockholders do not exercise their subscription rights in full. If an insufficient number of shares is available to fully satisfy the over-subscription privilege requests, the available shares will be sold pro rata among subscription rights holders who exercised their over-subscription privilege based on the number of shares each subscription rights holder subscribed for under the basic subscription privilege. Any excess subscription payments will be returned, without interest or deduction, promptly after the expiration of this rights offering.

**Conditions to the Rights Offering**

This rights offering is subject to the conditions described under "The Rights Offering-Conditions to this Rights Offering."

**Back-Stop**

CD Holding, L.L.C., one of our principal stockholders, has agreed to purchase all of our shares of common stock that are not purchased by other stockholders in this rights offering as part of either their basic subscription privilege or their over-subscription privilege.

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**Subscription Price**

\$\_\_\_ per share. For more information as to how the subscription price was determined, see "The Rights Offering-Reasons for the Rights Offering and Determination of Subscription Price."

**Rights Offering Record Date**

\_\_\_\_\_, 2004.

**Expiration Date**

The subscription rights will expire, if not exercised, at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless we decide to extend this rights offering until some later time.

**No Revocation**

Once a holder of rights has exercised subscription rights, such exercise may not be revoked.

**Transferability of Rights**

The subscription rights will be evidenced by transferable subscription rights certificates. The subscription rights are transferable until the close of business on the last trading day preceding the expiration date. However, we can give no assurance that a market for the subscription rights will develop or, if a market does develop, how long it will continue. See "The Rights Offering-Method of Transferring and Selling Subscription Rights."

**Procedure For Exercising Rights**

You may exercise your subscription rights by properly completing and signing your subscription rights certificate. You must deliver your subscription rights certificate with full payment of the subscription price to the subscription agent on or prior to the expiration date of this rights offering. If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your subscription rights certificate to the subscription agent on time, you may follow the guaranteed delivery procedures described under "The Rights Offering-Guaranteed Delivery Procedures." Once you have exercised your basic subscription privilege or your over-subscription privilege, you may not revoke your exercise. Subscription rights not exercised prior to the expiration of this rights offering will have no value.

**How Rights Holders Can Exercise Subscription Rights Through Others**

If you hold shares of our common stock as of the rights offering record date through a broker, custodian bank or other nominee, we

will ask your broker, custodian bank or other nominee to notify you of this rights offering. If you wish to sell or exercise your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. To indicate your decision, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owner Election Form." You should receive this form from your broker, custodian bank or other nominee with the other subscription rights offering materials. You should contact your broker, custodian bank or other nominee if you do not receive this form, but you believe you are entitled to participate in this rights offering.

**Certain United States Federal  
Income Tax Consequences**

For United States federal income tax purposes, the receipt of subscription rights in this rights offering and the exercise of the subscription rights should not be a taxable event. You should, however, consult your own financial and tax advisor.

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**Issuance of Our Common Stock**

We will issue certificates representing shares of our common stock purchased in this rights offering as soon as practicable after the expiration of this rights offering.

**No Recommendation To  
Rights Holders**

We are not making any recommendations as to whether or not you should subscribe for shares of our common stock. You should decide whether to subscribe for such shares based upon your own assessment of your best interests and after considering all of the information in this prospectus, including the "Risk Factors" section of this prospectus. You should not view the agreement of CD Holding to back-stop this rights offering as a recommendation or other indication that the exercise or sale of your subscription rights is in your best interests.

**OTC Bulletin Board Symbol  
For Our Common Stock**

"GPOR.OB"

**Market For Our Common Stock**

On April 13, 2004, the last trading day prior to the decision of our board of directors to commence this rights offering, the closing bid price of our common stock on the OTC Bulletin Board, was \$3.10 per share. On April 28, 2004, the closing price of our common stock on the OTC Bulletin Board was \$2.95 per share.

**Use of Proceeds**

Our total gross proceeds from this rights offering will be approximately \_\_\_\_\_. The net proceeds from this rights offering are estimated to be approximately \$\_\_\_\_\_, which will be used to fund a portion of our capital expenditures and for general corporate purposes, which may include payments in connection with our purchase of our office building in Oklahoma City, Oklahoma and the repayment any remaining balance of the \$3.0 million credit facility we entered into with CD Holding, L.L.C. on April 30, 2004.

**Subscription Agent**

The subscription agent is UMB Bank, N.A.

The address for delivery to the subscription agent are as follows:

UMB Bank, N.A.  
Corp Trust Department  
2401 Grand Blvd.  
Kansas City, MO 64108

You may call the subscription agent at (816) 860-3020.

Your delivery to an address other than the address set forth above will not constitute valid delivery.

*Amendment and Termination* Our board of directors may, in its sole discretion, amend the terms and conditions of this rights offering or terminate the rights offering and revoke the rights at any time prior to the expiration date.

*Dilution* To the extent a stockholder does not exercise its rights in full, such stockholder's voting power and percentage equity interest in us,

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including its percentage interest in any future earnings, would suffer substantial dilution.

*Common Stock Outstanding* 10,146,566 shares issued and outstanding as of April 28, 2004.

*Common Stock Outstanding after the Rights Offering* 20,146,566 shares issued and outstanding (assuming all rights are exercised and based upon actual shares issued and outstanding as of April 28, 2004).

For additional information concerning the subscription rights and our common stock, see "The Rights Offering" below.

#### *Risk Factors*

You should carefully consider the information under "Risk Factors" and all other information in this prospectus before deciding to exercise or sell your subscription rights.

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#### *RISK FACTORS*

The value of your investment will be subject to the significant risks inherent in our business. You should carefully consider the risks and uncertainties described below and other information included in this prospectus before exercising your rights and purchasing our common stock. If any of the events described below occur, our business and financial results could be adversely affected in a material way. This could cause the trading price of our common stock to decline, perhaps significantly, and you therefore may lose all or part of your investment.

#### *Risks Related to Our Business and Industry*

Our method of accounting for investments in oil and gas properties may result in impairment of asset value.

We use the full cost method of accounting for our investment in oil and gas properties. Under the full cost method of accounting, all costs of acquisition, exploration and development of oil and gas reserves are capitalized into a "full cost pool" as incurred, and properties in the pool are depleted and charged to operations using the units-of-production method based on the ratio of current production to total proved oil and gas reserves. To the extent that such capitalized costs, net of depletion and amortization, exceed the present value of estimated future net revenues, discounted at 10%, from proved oil and gas reserves, after income tax effects, such excess costs are charged to operations. Once incurred, a write down of oil and gas properties is not reversible at a later date, even if oil or gas prices increase.

The volatility of oil and gas prices due to factors beyond our control greatly

affects our profitability.

Our revenues, operating results, profitability, future rate of growth and the carrying value of our oil and gas properties depend primarily upon the prevailing prices for oil and gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control. The NYMEX spot prices for crude oil and natural gas at the close of business on December 31, 2001 were \$19.84 per Bbl and \$2.57 per Mmbtu and at December 31, 2003 were \$32.52 per Bbl and \$6.19 per Mmbtu. The NYMEX spot prices for crude oil and natural gas at the close of business on April 15, 2004 were \$37.55 per Bbl and \$5.74 per Mmbtu. Any substantial decline in the price of oil and gas will likely have a material adverse effect on our operations, financial condition and level of expenditures for the development of its oil and gas reserves, and may result in additional writedowns of the Company's investments due to ceiling test limitations. The marketability of the Company's production depends in part upon the availability, proximity and capacity of gathering systems, pipelines and processing facilities. Federal and state regulation of oil and gas production and transportation, general economic conditions, tax and energy policies, changes in supply and changes in demand all could adversely affect the Company's ability to produce and market its oil and gas. If market factors were to change dramatically, the financial impact on the Company could be substantial. The availability of markets and the volatility of product prices are beyond the control of the Company and thus represent a significant risk.

Historically, the markets for oil and gas have been volatile and they are likely to continue to be volatile. Wide fluctuations in oil and gas prices may result from relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and other factors that are beyond our control, including:

- worldwide and domestic supplies of oil and gas;
- weather conditions;
- the level of consumer demand;
- the price and availability of alternative fuels;
- risks associated with owning and operating drilling rigs;
- the availability of pipeline capacity;
- the price and level of foreign imports;

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- domestic and foreign governmental regulations and taxes;
- the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;
- political instability or armed conflict in oil-producing regions; and
- the overall economic environment.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and gas price movements with any certainty. Declines in oil and gas prices would not only reduce revenue, but could reduce the amount of oil and gas that we can produce economically and, as a result, could have a material adverse effect on our financial condition, results of operations and reserves.

In accordance with customary industry practice, we rely on independent third party service providers to provide most of the services necessary to drill new wells, including drilling rigs and related equipment and services, horizontal drilling equipment and services, trucking services, tubulars, fracing and completion services and production equipment. The industry has experienced significant price increases for these services during the last year and this trend is expected to continue into the future. These cost increases could in the future significantly increase the Company's development costs and decrease the return possible from drilling and development activities, and possibly render the development of certain proved undeveloped reserves uneconomical.

Our success depends on acquiring or funding additional reserves.

Our future success depends upon our ability to find, develop or acquire additional oil and gas reserves that are economically recoverable. The proved reserves of the Company will generally decline as reserves are depleted, except to the extent that the Company conducts successful exploration or development activities or acquires properties containing proved reserves, or both. To increase reserves and production, the Company must commence exploratory drilling, undertake other replacement activities or utilize third parties to accomplish these activities. There can be no assurance, however, that the Company will have sufficient resources to undertake these actions, that the Company's exploratory projects or other replacement activities will result in significant additional reserves or that the Company will have success drilling productive wells at low finding and development costs. Furthermore, although the Company's revenues may increase if prevailing oil and gas prices increase

significantly, the Company's finding costs for additional reserves could also increase.

Estimates of oil and gas reserves are uncertain and may vary substantially from actual production.

There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of expenditures, including many factors beyond our control. The reserve information set forth in this prospectus represents only estimates based on reports prepared by Netherland, Sewell & Associates, Inc., as of January 1, 2004. Petroleum engineering is not an exact science. Information relating to the Company's proved oil and gas reserves is based upon engineering estimates. Estimates of economically recoverable oil and gas reserves and of future net cash flows necessarily depend upon a number of variable factors and assumptions, such as historical production from the area compared with production from other producing areas, the assumed effects of regulations by governmental agencies and assumptions concerning future oil and gas prices, future operating costs, severance and excise taxes, capital expenditures and workover and remedial costs, all of which may in fact vary considerably from actual results. For these reasons, estimates of the economically recoverable quantities of oil and gas attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of the future net cash flows expected therefrom prepared by different engineers or by the same engineers at different times may vary substantially. Actual production, revenues and expenditures with respect to the Company's reserves will likely vary from estimates, and such variances may be material.

Operating hazards and uninsured risks may result in substantial losses.

The Company's operations are subject to all of the hazards and operating risks inherent in drilling for and production of oil and gas, including the risk

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of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as oil spills, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these events could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. In accordance with customary industry practice, the Company maintains insurance against some, but not all, of these risks. There can be no assurance that any insurance will be adequate to cover any losses or liabilities. The Company cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase. In addition, the Company may be liable for environmental damage caused by previous owners of properties purchased by the Company, which liabilities would not be covered by insurance.

Our operations are subject to various governmental regulations which require compliance that can be burdensome and expensive.

The Company's oil and gas operations are subject to various federal, state and local governmental regulations which may be changed from time to time in response to economic and political conditions. Matters subject to regulation include discharge permits for drilling operations, drilling bonds, reports concerning operations, the spacing of wells, unitization and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and gas wells below actual production capacity to conserve supplies of oil and gas. In addition, the production, handling, storage, transportation and disposal of oil and gas, by-products thereof and other substances and materials produced or used in connection with oil and gas operations are subject to regulation under federal, state and local laws and regulations primarily relating to protection of human health and the environment. These laws and regulations have continually imposed increasingly strict requirements for water and air pollution control and solid waste management. Significant expenditures may be required to comply with governmental laws and regulations applicable to the Company. The Company believes the trend of more expansive and stricter environmental legislation and regulations will continue.

We face extensive competition in our industry.

The Company operates in a highly competitive environment. The Company competes with major and independent oil and gas companies, many of whom have financial and other resources substantially in excess of those available to the Company. These competitors may be better positioned to take advantage of industry opportunities and to withstand changes affecting the industry, such as fluctuations in oil and gas prices and production, the availability of alternative energy sources and the application of government regulation.

#### Risks Related to Our Common Stock

The control of the Company by officers, directors and controlling stockholder may limit or preclude the control exercised by other stockholders.

As of April 28, 2004, the Company's executive officers and directors, in the aggregate, beneficially own approximately 12.5% of our outstanding common stock. Additionally, Mr. Davidson beneficially owns approximately 67.2% of our outstanding common stock. As a result, these stockholders acting together are, and after completion of this rights offering, depending on the exercise of



subscription rights by the holder of the rights, will continue to be, able to control most matters requiring approval by the stockholders of the Company, including the election of directors. Such a concentration of ownership may have the effect of delaying or preventing a change in control of the Company, including transactions in which stockholders might otherwise receive a premium for their shares over then current market prices. See "Management," "Principal Stockholders" and "Description of Securities."

We could issue additional preferred stock which could be entitled to dividend, liquidation and other special rights and preferences not shared by holders of our common stock or which could have anti-takeover effects.

The Company is authorized to issue up to 5,000,000 shares of preferred stock, par value \$.01 per share (the "Preferred Stock"). Shares of Preferred Stock may be issued from time to time in one or more series as the Board of Directors, by resolution or resolutions, may from time to time determine, each

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of said series to be distinctively designated. The voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, if any, of each such series of Preferred Stock may differ from those of any and all other series of Preferred Stock at any time outstanding, and, subject to certain limitations of the Company's Certificate of Incorporation and the Delaware General Corporation Law (the "DGCL"), the Board of Directors may fix or alter, by resolution or resolutions, the designation, number, voting powers, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof, of each such series Preferred Stock. The issuance of any such Preferred Stock could materially adversely affect the rights of holders of our common stock and, therefore, could reduce the value of our common stock.

The Company has designated 30,000 shares of its Preferred Stock as Cumulative Preferred Stock, Series A and had 12,533.58 shares of our Series A preferred stock outstanding as of March 31, 2004. Holders of Series A preferred stock are entitled to receive dividends at the rate of 12% of the liquidation preference per annum payable quarterly in cash or, at the option of the Company for all quarters ending on or prior to March 31, 2004, payable in whole or in part in additional shares of Series A preferred stock at the rate of 15% of the liquidation preference per annum. For all quarters after March 31, 2004, dividends are payable in cash. However, the Board of Directors of the Company has approved and the Company has received the consent of holders of the requisite number of shares of Series A preferred stock to the amendment of the Company's Certificate of Designation with respect to the Series A preferred stock to give the Company the ability to pay dividends on the Series A preferred stock with additional shares of Series A preferred stock after March 31, 2004 for so long as such shares remain outstanding and prior to the mandatory redemption date. Upon a liquidation of the Company, whether voluntary or mandatory, the shares of Series A preferred stock will rank prior to the shares of our common stock. Consequently, holders of Series A preferred stock will receive distributions in an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable, before holders of our common stock will receive any distribution.

In addition, specific rights granted to future holders of Preferred Stock could be used to restrict the Company's ability to merge with, or sell its assets to, a third party. The ability of the Board of Directors to issue Preferred Stock could discourage, delay or prevent a takeover of the Company, thereby preserving control of the Company by the current stockholders.

Our common stock traded over the counter and we can give no assurances as to the market for it.

Shares of our common stock are quoted on the NASD OTC Bulletin Board. The rights are transferable, but will not be listed for trading in the over-the-counter or any other market. We can give you no assurance that a market for the subscription rights will develop or, if a market does develop, how long it will continue.

The subscription price was determined by the Board of Directors in its sole discretion.

The subscription price for each share of our common stock to be issued pursuant to the rights offering will be \$\_\_\_\_. The Subscription Price was determined by the Company. In determining the Subscription Price, consideration was given to such factors as the current market price of our common stock, the availability of financing alternatives and the level, volatility of commodity prices and the ability to secure an agreement from CD Holding to backstop this rights offering. The Subscription Price should not be considered an indication of the actual value of the Company or our common stock. There can be no assurance that the market price of our common stock will not decline during the subscription period or that, following the issuance of the common stock upon exercise of rights, a subscribing holder of rights will be able to sell shares of common stock purchased in the rights offering at a price equal to or greater than the Subscription Price.

Non-participants in the offering will suffer substantial dilution

To the extent a stockholder does not exercise its rights in full, such stockholder's voting power and percentage equity interest in the Company,

including its percentage interest in any future earnings, will suffer substantial dilution. Assuming all subscription rights are subscribed for on a pro rata basis by all of the stockholders to whom the subscription rights were issued, no shares would be exercisable in the over-subscription privilege and CD Holding would not be required to purchase any shares pursuant to its agreement

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to backstop this rights offering and CD Holding's resulting beneficial ownership, together with that of its affiliates, would be 67.2%. Assuming CD Holding is the only stockholder to acquire shares of our common stock, which number of shares is equivalent to the full number of shares of our common stock it would have been entitled to subscribe for in this rights offering in accordance with its basic subscription privilege, and, through the back-stop, CD Holding acquires all of the remaining shares offered in this rights offering, CD Holding's resulting beneficial ownership, together with that of its affiliates, would be 90.2%.

We do not currently pay dividends on our common stock and do not anticipate doing so in the future.

The Company has paid no cash dividends on its common stock, and there is no assurance that the Company will achieve sufficient earnings to pay cash dividends on its common stock in the future. The Company intends to retain any earnings to fund its operations. Therefore, the Company does not anticipate paying any cash dividends on the common stock in the foreseeable future. In addition, the terms of the Company's outstanding Series A preferred stock prohibit the payment of any dividends to the holders of its common stock.

Subscriptions, once exercised, will be irrevocable.

The election to exercise rights is irrevocable. Stockholders exercising rights could be committed to buying shares of common stock above the prevailing market price. Until certificates representing such shares are delivered, subscribing rights holders may not be able to sell such shares. Certificates representing shares of common stock purchased in the rights offering will be delivered by mail as soon as practicable following the Expiration Date. No interest will be paid to rights' holders on funds delivered to the Subscription Agent pursuant to the exercise of rights pending delivery of such certificates and return of any excess funds not applied to the purchase of shares. Further, subscriptions payments will not be placed in an escrow account. Once a holder has paid the subscription price, we will not refund any portion of such subscription price, even if the rights offering is terminated before we raise \$12 million.

There are material federal income tax considerations that should be considered.

Holders of our common stock should recognize no income or gain for federal income tax purposes upon the receipt, exercise or lapse of the rights. Nevertheless, the federal income tax treatment of the distribution of rights to holders of our common stock and any subsequent exercise or lapse of such rights is subject to some uncertainty. In addition, purchasers of our common stock should consider the federal income tax implications arising from the payment of dividends on or the sale of shares of our common stock. See "Certain United States Federal Income Tax Consequences" for a more detailed discussion of certain federal income tax consequences resulting from the purchase, ownership and disposition of rights and shares of our common stock.

A change of control could limit the Company's use of net operating losses.

As of December 31, 2003, the Company has accrued a net operating loss ("NOL") carry forward of approximately \$98 million. The Company believes that the distribution and exercise of rights received in the rights offering will not result in an ownership change within the meaning of Section 382 of the Internal Revenue Code. However, transfers of the Company's stock in the future could result in such an ownership change. In such a case, the ability of the Company to use its NOLs accrued through the ownership change date could be limited. In general, the amount of NOL the Company could use for any tax year after the date of the ownership change would be limited to the value of the stock of the Company (as of the ownership change date) multiplied by the long-term tax-exempt rate.

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#### FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts, included in this prospectus that address activities, events or developments that Gulfport Energy Corporation ("Gulfport" or the "Company"), a Delaware corporation, formerly known as WRT Energy Corporation ("WRT"), expects or anticipates will or may occur in the future, including such things as estimated future net revenues from oil and gas reserves and the present value thereof, future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of Gulfport's business and operations, plans, references to future success, reference to intentions as to future matters and other such matters are

forward-looking statements. These statements are based on certain assumptions and analyses made by Gulfport in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with Gulfport's expectations and predictions is subject to a number of risks and uncertainties, general economic, market, or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by Gulfport; competitive actions by other oil and gas companies; changes in laws or regulations; and other factors, many of which are beyond the control of Gulfport. Consequently, all of the forward-looking statements made in this prospectus are qualified by these cautionary statements and there can be no assurances that the actual results or developments anticipated by Gulfport will be realized, or even if realized, that they will have the expected consequences to or effects on Gulfport, its business or operations. We have no intention, and disclaim any obligation, to update or revise any forward looking statements, whether as a result of new information, future results or otherwise.

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USE OF PROCEEDS

Our gross proceeds from this rights offering will be approximately \_\_\_\_\_. The net proceeds from this rights offering are estimated to be approximately \$\_\_\_\_\_, which will be used to fund a portion of our capital expenditures and for general corporate purposes, which may include payments in connection with our purchase of our office building in Oklahoma City, Oklahoma and the repayment of any remaining balance of the \$3.0 million credit facility we entered into with CD Holding, L.L.C. on April 30, 2004. Under the credit facility, CD Holding may, if it elects to do so, apply the outstanding principal amount and any accrued but unpaid interest either (1) to the subscription price payable upon exercise of the rights issued to CD Holding in the rights offering, or (2) to the purchase price for our common stock.

The \$3.0 million revolving credit facility matures on the earlier of the closing of this rights offering and August 1, 2005 and bears interest at the rate of 10.0% per annum. The credit facility provides that if this rights offering is not completed, CD Holding has the right to convert any borrowings plus any accrued but unpaid interest under the facility into shares of our common stock at a conversion price equal to \$1.20 per share of common stock.

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CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2003, and as adjusted to reflect the sale of all 10,000,000 shares in this rights offering and the application of the net proceeds from this rights offering as if such sale had occurred on December 31, 2003. The table should be read in conjunction with our consolidated financial statements and the notes to those financial statements included in this prospectus.

<TABLE>  
<CAPTION>

As of December 31, 2003

Actual	As Adjusted
	(Unaudited)

(Dollars in Thousands, Except Share Data)

<S>	<C>	<C>
Current maturities of long-term debt	\$ 2,318	\$
	=====	=====
Redeemable 12% cumulative preferred stock, Series A, \$0.01 par value, with redemption and liquidation value of \$1,000 per share; 30,000 authorized, 12,071 issued and outstanding, actual and as adjusted	\$ 12,071	\$
	-----	-----
Total long-term liabilities	\$ 14,389	\$
Stockholders' equity:		
Common stock, \$0.01 par value, .20,000,000 authorized, 10,146,566 issued and outstanding and 20,146,566 issued and outstanding as adjusted	101	
Additional paid in capital	84,192	
Accumulated deficit	(51,145)	
	-----	-----
Total Stockholders' equity	33,148	
	-----	-----
Total capitalization	\$ 47,537	\$
	=====	=====

</TABLE>

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MARKET FOR COMMON STOCK AND  
RELATED STOCKHOLDER MATTERS

Our common stock is traded on the NASD OTC Bulletin Board under the symbol "GPOR.OB." The following table sets forth the high and low sales prices for our common stock in each quarter:

<TABLE>  
<CAPTION>

Year Ended December 31, 2004	Low	High
	---	---
<S>	<C>	<C>
First Quarter	\$2.80	\$3.40
Second Quarter (through April 28, 2004)	\$3.00	\$3.10
Year Ended December 31, 2003	Low	High
	---	---
First Quarter	\$2.50	\$3.00
Second Quarter	\$2.60	\$3.40
Third Quarter	\$2.69	\$2.80
Fourth Quarter	\$2.75	\$3.30
Year Ended December 31, 2002	Low	High
	---	---
First Quarter	\$3.50	\$5.40
Second Quarter	\$2.80	\$4.20
Third Quarter	\$2.75	\$3.65
Fourth Quarter	\$2.10	\$3.05

</TABLE>

The above quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions.

Holders of Record

At the close of business on April 28, 2004, there were 396 stockholders of record holding 10,146,566 shares of our outstanding common stock.

Dividend Policy

Gulfport has never paid dividends on its common stock. We currently intends to retain all earnings to fund our operations. Therefore, Gulfport does not intend to pay any cash dividends on the common stock in the foreseeable

future. In addition, the terms of Gulfport's outstanding Series A preferred stock prohibit the payment of any dividends to the holders of our common stock.

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#### THE RIGHTS OFFERING

##### The Rights

We will distribute to each holder of our common stock who is a record holder of our common stock as of the close of business on the rights offering record date, which is \_\_\_\_\_, 2004, at no charge, one transferable subscription right for each 1.0146 shares of common stock owned, for a total of approximately 10,000,000 subscription rights. The subscription rights will be evidenced by transferable subscription rights certificates. Each subscription right will allow you to purchase one share of our common stock at a price of \$\_\_\_\_. If you elect to exercise your basic subscription privilege in full, you may also subscribe, at the subscription price, for additional shares of our common stock under your over-subscription privilege. We have not engaged an underwriter in connection with this rights offering.

##### Determination of Subscription Price

The subscription price for a share of common stock to be issued on exercise of a right will be \$\_\_\_\_. The subscription price was determined by the Company. In determining the subscription price, consideration was given to such factors as the current market price of our common stock, the availability of financing alternatives, the level and volatility of commodity prices and the ability to secure an agreement from CD Holding to backstop this rights offering. The subscription price should not be considered an indication of the actual value of the Company or the common stock. There can be no assurance that the market price of the common stock will not decline during the subscription period or that, following the issuance of shares upon exercise of rights, a subscribing rights holder will be able to sell shares of common stock purchased in the rights offering at a price equal to or greater than the subscription price.

##### No Fractional Rights

No fractional rights or cash in lieu thereof will be issued or paid, and the number of rights distributed to each holder of common stock will be rounded up to the nearest whole number of rights. Because the number of rights distributed to each record holder will be rounded up to the nearest whole number, beneficial owners of common stock who are also the record holders of such shares may receive more rights than beneficial owners of common stock who are not the record holders of their shares.

You may request that the subscription agent divide your subscription rights certificate into transferable parts, for instance, if you are the record holder for a number of beneficial holders of our common stock. However, the subscription agent will not divide your subscription rights certificate so that you would receive any fractional subscription rights.

##### Expiration of the Rights Offering

You may exercise your subscription rights at any time before 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, the expiration date for this rights offering. We may, in our sole discretion, extend the time for exercising the subscription rights.

If you do not exercise your subscription rights before the expiration date of this rights offering, your unexercised subscription rights will be null and void. We will not be obligated to honor your exercise of subscription rights if the subscription agent receives the documents relating to your exercise after this rights offering expires, regardless of when you transmitted the documents, except if you have timely transmitted the documents under the guaranteed delivery procedures described below. We may extend the expiration date of this rights offering by giving oral or written notice to the subscription agent on or before the scheduled expiration date. If we elect to extend the expiration of this rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., Dallas time, on the next business day after the most recently announced expiration date.

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##### Subscription Privileges

Your subscription rights entitle you to a basic subscription privilege and an over-subscription privilege.

**Basic Subscription Privilege.** With your basic subscription privilege, you may purchase one share of our common stock per subscription right, upon delivery of the required documents and payment of the subscription price of \$\_\_\_\_ per share. You are not required to exercise all of your subscription rights unless

you wish to purchase shares under your over-subscription privilege. We will deliver to you or your broker certificates representing the shares that you purchased with your basic subscription privilege as soon as practicable after this rights offering has expired.

**Over-Subscription Privilege.** In addition to your basic subscription privilege, you may subscribe for additional shares of our common stock, upon delivery of the required documents and payment of the subscription price of \$\_\_\_\_ per share, before the expiration of this rights offering. You may only exercise your over-subscription privilege if you exercised your basic subscription privilege in full and all other holders of subscription rights do not exercise their basic subscription privileges in full.

**Pro Rata Allocation.** If there are not enough shares of our common stock to satisfy all subscriptions made under the over-subscription privilege, we will allocate the remaining shares of our common stock pro rata, after eliminating all fractional shares, among those over-subscribing rights holders. "Pro rata" means in proportion to the number of shares of our common stock that you and the other subscription rights holders have purchased by exercising your basic subscription privileges. If there is a pro rata allocation of the remaining shares of our common stock and you receive an allocation of a greater number of shares than you subscribed for under your over-subscription privilege, then we will allocate to you only the number of shares for which you subscribed. We will allocate the remaining shares among all other holders exercising their over-subscription privileges.

**Full Exercise of Basic Subscription Privilege.** You may exercise your over-subscription privilege only if you exercise your basic subscription privilege in full. To determine if you have fully exercised your basic subscription privilege, we will consider only the basic subscription privileges held by you in the same capacity. For example, suppose that you were granted subscription rights for shares of our common stock that you own individually and shares of our common stock that you own collectively with your spouse. If you wish to exercise your over-subscription privilege with respect to the subscription rights you own individually, but not with respect to the subscription rights you own collectively with your spouse, you only need to fully exercise your basic subscription privilege with respect to your individually owned subscription rights. You do not have to subscribe for any shares under the basic subscription privilege owned collectively with your spouse to exercise your individual over-subscription privilege.

When you complete the portion of your subscription rights certificate to exercise your over-subscription privilege, you will be representing and certifying that you have fully exercised your subscription privileges as to shares of our common stock that you hold in that capacity. You must exercise your over-subscription privilege at the same time you exercise your basic subscription privilege in full.

**Return of Excess Payment.** If you exercised your over-subscription privilege and are allocated less than all of the shares of our common stock for which you wished to subscribe, your excess payment for shares that were not allocated to you will be returned to you by mail, without interest or deduction, as soon as practicable after the expiration date of this rights offering. We will deliver to you or your broker certificates representing the shares of our common stock that you purchased as soon as practicable after the expiration date of this rights offering and after all pro rata allocations and adjustments have been completed.

#### Method of Subscription-Exercise of Rights

You may exercise your subscription rights by delivering the following to the subscription agent, at or prior to 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, the expiration date of this rights offering:

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- Your properly completed and executed subscription rights certificate with any required signature guarantees or other supplemental documentation; and
- Your full subscription price payment for each share subscribed for under your subscription privileges.

If you are a beneficial owner of shares of our common stock whose shares are registered in the name of a broker, custodian bank or other nominee, you should instruct your broker, custodian bank or other nominee to exercise your rights and deliver all documents and payment on your behalf prior to 5:00 p.m. Dallas time on \_\_\_\_\_, 2004, the expiration date of this rights offering. Your subscription rights will not be considered exercised unless the subscription agent receives from you, your broker, custodian or nominee, as the case may be, all of the required documents and your full subscription price payment prior to 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, the expiration date of this rights offering.

#### Backstop Agreement

Pursuant to an agreement between us and CD Holding, L.L.C., dated April 14, 2004, CD Holding agreed, subject to certain conditions, to back-stop this rights offering by purchasing all of the shares of our common stock that are not otherwise subscribed for by the other holders of subscription rights under their basic subscription privileges and over-subscription privileges. In return for

its agreement to backstop this rights offering, CD Holding will receive a commitment fee equal to 2% of the gross proceeds of this rights offering, which, at the option of CD Holding, may be applied to the subscription price payable upon exercise of the rights issued to it in this rights offering.

#### Method of Payment

Your payment of the subscription price must be made in U.S. dollars for the full number of shares of common stock for which you are subscribing by either:

- check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order payable to the subscription agent; or
- wire transfer of immediately available funds, to the subscription account maintained by the subscription agent at UMB Bank, Kansas City, MO, ABA #101000695, Acct #9800006823, Ref: Gulfports Rights Offering.

#### Receipt of Payment

Your payment will be considered received by the subscription agent only upon:

- Clearance of any uncertified check;
- Receipt by the subscription agent of any certified check or bank draft drawn upon a U.S. bank or of any postal, telegraphic or express money order; or
- Receipt of collected funds in the subscription account designated above.

#### Clearance of Uncertified Checks

If you are paying by uncertified personal check, please note that uncertified checks may take at least five business days to clear. If you wish to pay the subscription price by uncertified personal check, we urge you to make payment sufficiently in advance of the time this rights offering expires to ensure that your payment is received by the subscription agent and clears by the rights offering expiration date. We urge you to consider using a certified or cashier's check, money order or wire transfer of funds to avoid missing the opportunity to exercise your subscription rights should you decide to exercise your subscription rights.

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#### Delivery of Subscription Materials and Payment

You should deliver your subscription rights certificate and payment of the subscription price or, if applicable, notices of guaranteed delivery, to the subscription agent at the following address:

UMB Bank, N.A.  
Corp Trust Department  
2401 Grand Blvd.  
Kansas City, MO 64108

You may call the subscription agent at 816-860-3020.

Your delivery to an address other than the addresses set forth above will not constitute valid delivery.

#### Calculation of Subscription Rights Exercised

If you do not indicate the number of subscription rights being exercised, or do not forward full payment of the total subscription price payment for the number of subscription rights that you indicate are being exercised, then you will be deemed to have exercised your basic subscription privilege with respect to the maximum number of subscription rights that may be exercised with the aggregate subscription price payment you delivered to the subscription agent. If your aggregate subscription price payment is greater than the amount you owe for your subscription, you will be deemed to have exercised your over-subscription privilege to purchase the maximum number of shares of our common stock with your over-payment. If we do not apply your full subscription price payment to your purchase of shares of our common stock, we or the subscription agent will return the excess amount to you by mail, without interest or deduction, as soon as practicable after the expiration date of this rights offering.

#### Exercising a Portion of Your Subscription Rights

If you subscribe for fewer than all of the shares of our common stock represented by your subscription rights certificate, you may receive from the subscription agent a new subscription rights certificate representing your unused subscription rights. However, all subscription rights must be exercised prior to the expiration date of this rights offering, or else your subscription rights will be null and void. We will not issue any subscription rights certificates for unexercised subscription rights after the rights offering expiration date.

Your Funds will be Held by the Subscription Agent Until Shares of our Common Stock are Issued

The subscription agent will hold your payment of the subscription price payment in a segregated account with other payments received from other subscription rights holders until we issue your shares of our common stock to you upon consummation of the rights offering.

#### No Fractional Shares

No fractional shares will be issued upon exercise of the subscription rights. We will instead round the number of shares upon exercise of the subscription rights, as appropriate, to the nearest whole number.

#### Medallion Guarantee May Be Required

Your signature on each subscription rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, unless:

- Your subscription rights certificate provides that shares are to be delivered to you as record holder of those subscription rights; or

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- You are an eligible institution.

#### Notice to Beneficial Holders

If you are a broker, a trustee or a depository for securities who holds shares of our common stock for the account of others on \_\_\_\_\_, 2004, the rights offering record date, you should notify the respective beneficial owners of such shares of this rights offering as soon as possible to find out their intentions with respect to exercising or selling their subscription rights. You should obtain instructions from the beneficial owner with respect to their subscription rights, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should complete the appropriate subscription rights certificates and submit them to the subscription agent with the proper payment. If you hold shares of our common stock for the account(s) of more than one beneficial owner, you may exercise the number of subscription rights to which all such beneficial owners in the aggregate otherwise would have been entitled had they been direct record holders of our common stock on the rights offering record date, provided that, you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled "Nominee Holder Certification" that we will provide to you with your rights offering materials. If you did not receive this form, you should contact the subscription agent to request a copy.

#### Beneficial Owners

If you are a beneficial owner of shares of our common stock or will receive your subscription rights through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of this rights offering. If you wish to exercise or sell your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. If you hold certificates of our common stock directly and would prefer to have your broker, custodian bank or other nominee act for you, you should contact your nominee and request it to effect the transactions for you. To indicate your decision with respect to your subscription rights, you should complete and return to your broker, custodian bank or other nominee the form entitled "Beneficial Owners Election Form." You should receive this form from your broker, custodian bank or other nominee with the other rights offering materials. If you wish to obtain a separate subscription rights certificate, you should contact the nominee as soon as possible and request that a separate subscription rights certificate be issued to you. You should contact your broker, custodian bank or other nominee if you do not receive this form, but you believe you are entitled to participate in this rights offering. We are not responsible if you do not receive the form from your broker, custodian bank or nominee or if you receive it without sufficient time to respond.

#### Instructions for Completing Your Subscription Rights Certificate

You should read and follow the instructions accompanying the subscription rights certificates carefully.

You are responsible for the method of delivery of your subscription rights certificate(s) with your subscription price payment to the subscription agent. If you send your subscription rights certificate(s) and subscription price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery to the subscription agent prior to the time this rights offering expires. Because uncertified personal checks may take at least five business days to clear, you are strongly urged to pay, or arrange for payment, by means of a certified or cashier's check, money order or wire transfer of funds.

#### Determinations Regarding the Exercise of Your Subscription Rights

We will decide all questions concerning the timeliness, validity, form and eligibility of the exercise of your subscription rights and any such



determinations by us will be final and binding. We, in sole discretion, may waive, in any particular instance, any defect or irregularity, or permit, in any particular instance, a defect or irregularity to be corrected within such time as we may determine. We will not be required to make uniform determinations in all cases. We may reject the exercise of any of your subscription rights because of any defect or irregularity. We will not accept any exercise of subscription rights until all irregularities have been waived by us or cured by you within such time as we decide, in our sole discretion.

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Neither we, nor the subscription agent, will be under any duty to notify you of any defect or irregularity in connection with your submission of subscription rights certificates and we will not be liable for failure to notify you of any defect or irregularity. We reserve the right to reject your exercise of subscription rights if your exercise is not in accordance with the terms of this rights offering or in proper form. We will also not accept the exercise of your subscription rights if our issuance of shares of our common stock to you could be deemed unlawful under applicable law or is materially burdensome to us.

#### Regulatory Limitation

We will not be required to issue to you shares of our common stock pursuant to this rights offering if, in our opinion, you would be required to obtain prior clearance or approval from any state or federal regulatory authorities to own or control such shares if, at the time this rights offering expires, you have not obtained such clearance or approval.

#### Guaranteed Delivery Procedures

If you wish to exercise your subscription rights, but you do not have sufficient time to deliver the subscription rights certificate evidencing your subscription rights to the subscription agent on or before the time this rights offering expires, you may exercise your subscription rights by the following guaranteed delivery procedures:

- Deliver to the subscription agent on or prior to the rights offering expiration date your subscription price payment in full for each share you subscribed for under your subscription privileges in the manner set forth above in "Method of Payment;"
- Deliver to the subscription agent on or prior to the expiration date the form entitled "Notice of Guaranteed Delivery," substantially in the form provided with the "Instructions as to Use of Subscription Rights Certificates" distributed with your subscription rights certificates; and
- Deliver the properly completed subscription rights certificate evidencing your subscription rights being exercised and the related nominee holder certification, if applicable, with any required signature guarantee, to the subscription agent within three business days following the date of your Notice of Guaranteed Delivery.

Your Notice of Guaranteed Delivery must be delivered in substantially the same form provided with the Instructions as to the Use of Subscription Rights Certificates, which will be distributed to you with your subscription rights certificate. Your Notice of Guaranteed Delivery must come from an eligible institution, or other eligible guarantee institutions which are members of, or participants in, a signature guarantee program acceptable to the subscription agent.

In your Notice of Guaranteed Delivery, you must state:

- Your name;
- The number of subscription rights represented by your subscription rights certificates, the number of shares of our common stock you are subscribing for under your basic subscription privilege and the number of shares of our common stock you are subscribing for under your over-subscription privilege, if any; and
- Your guarantee that you will deliver to the subscription agent any subscription rights certificates evidencing the subscription rights you are exercising within three business days following the date the subscription agent receives your Notice of Guaranteed Delivery.

You may deliver your Notice of Guaranteed Delivery to the subscription agent in the same manner as your subscription rights certificates at the address set forth above under "Delivery of Subscription Materials and Payment." You may alternatively transmit your Notice of Guaranteed Delivery to the subscription

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agent by facsimile transmission Telecopy No.: (816) 860-3029. To confirm facsimile deliveries, you may call (816) 860-3020.

The subscription agent will send you additional copies of the form of Notice of Guaranteed Delivery if you request them. Please call (816) 860-3020 to request any copies of the form of Notice of Guaranteed Delivery. Banks and brokerage firms please call collect at (816) 860-3020 to request any copies of

the form of Notice of Guaranteed Delivery.

#### Questions About Exercising Subscription Rights

If you have any questions or require assistance regarding the method of exercising your subscription rights or requests for additional copies of this prospectus, the Instructions as to the Use of Subscription Rights Certificates or the Notice of Guaranteed Delivery, you should contact the subscription agent at the address and telephone number set forth above under "Prospectus Summary - Summary of the Rights Offering" included elsewhere in this prospectus.

#### Subscription Agent

We have appointed UMB Bank, N.A. to act as subscription agent for this rights offering. We will pay all fees and expenses of the subscription agent related to this rights offering and have also agreed to indemnify the subscription agent from liabilities that they may incur in connection with this rights offering.

#### No Revocation

Once you have exercised your subscription privileges, you may not revoke your exercise. Subscription rights not exercised prior to the expiration date of this rights offering will expire and will have no value.

#### Procedures for DTC Participants

We expect that the exercise of your basic subscription privilege and your over-subscription privilege may be made through the facilities of the Depository Trust Company. If your subscription rights are held of record through DTC, you may exercise your basic subscription privilege and your over-subscription privilege by instructing DTC to transfer your subscription rights from your account to the account of the subscription agent, together with certification as to the aggregate number of subscription rights you are exercising and the number of shares of our common stock you are subscribing for under your basic subscription privilege and your over-subscription privilege, if any, and your subscription price payment for each share of our common stock that you subscribed for pursuant to your basic subscription privilege and your over-subscription privilege.

#### Foreign and Other Stockholders

Subscription rights certificates will not be mailed to subscription rights holders whose addresses are outside the United States or who have an APO or FPO address, but will be held by the subscription agent for such holders' accounts. To exercise such subscription rights, you must notify the subscription agent, and take all other steps which are necessary to exercise your subscription rights on or prior to the expiration date of this rights offering. Your subscription rights will expire and will have no value if the procedures set forth in the preceding sentence are not followed prior to the expiration date.

#### Expiration Date, Extensions and Termination

We may extend this rights offering and the period for exercising your subscription rights, in our sole discretion. The subscription rights will expire at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless we decide to extend this rights offering. If the commencement of this rights offering is delayed for a period of time, the expiration date of this rights offering will be similarly extended. If you do not exercise your basic subscription privilege

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prior to the expiration date of this rights offering, your subscription rights will be null and void and will have no value. We will not be required to issue shares of our common stock to you if the subscription agent receives your subscription certificate or your payment after that time, regardless of when you sent the subscription certificate and payment, unless you send the documents in compliance with the guaranteed delivery procedures described above. In addition, we may terminate this rights offering, in whole or in part, at any time prior to the time this rights offering expires.

#### Method of Transferring and Selling Subscription Rights

We do not intend to apply to have the subscription rights traded on the NASD OTC Bulletin Board or any exchange or other quotation system. We expect that subscription rights may be purchased or sold through usual investment channels until the close of business on the last trading day preceding the expiration date. However, there has been no prior public market for the subscription rights, and we cannot assure you that a trading market for the subscription rights will develop or, if a market develops, that the market will remain available throughout the subscription period. We also cannot assure you of the price at which the subscription rights will trade, if at all. If you do not exercise or sell your subscription rights you will lose any value inherent in the subscription rights. See "General Considerations Regarding the Partial Exercise, Transfer or Sale of Subscription Rights" below.

**Transfer of Subscription Rights.** You may transfer subscription rights in whole by endorsing the subscription rights certificate for transfer. Please follow the instructions for transfer included in the information sent to you with your subscription rights certificate. If you wish to transfer only a portion of the subscription rights, you should deliver your properly endorsed

subscription rights certificate to the subscription agent. With your subscription rights certificate, you should include instructions to register such portion of the subscription rights evidenced thereby in the name of the transferee (and to issue a new subscription rights certificate to the transferee evidencing such transferred subscription rights). You may only transfer whole subscription rights and not fractions of a subscription right. If there is sufficient time before the expiration of this rights offering, the subscription agent will send you a new subscription rights certificate evidencing the balance of your subscription rights which you did not transfer to the transferee. You may also instruct the subscription agent to send the subscription rights certificate to one or more additional transferees. If you wish to sell your remaining subscription rights, you may request that the subscription agent send you certificates representing your remaining (whole) subscription rights so that you may sell them through your broker or dealer.

If you wish to transfer all or a portion of your subscription rights, you should allow a sufficient amount of time prior to the time the subscription rights expire for the subscription agent to:

- receive and process your transfer instructions; and
- issue and transmit a new subscription rights certificate to your transferee or transferees with respect to transferred subscription rights, and to you with respect to any subscription rights you retained.

If you wish to transfer your subscription rights to any person other than a bank or broker, the signatures on your subscription rights certificate must be guaranteed by an eligible institution.

**General Considerations Regarding the Partial Exercise, Transfer or Sale of Subscription Rights.** The amount of time needed by your transferee to exercise or sell its subscription rights depends upon the method by which you, as the transferor, deliver the subscription rights certificates, the method of payment made by your transferee and the number of transactions which the holder instructs the subscription agent to effect. You should also allow up to ten business days for your transferee to exercise or sell the subscription rights that you transferred to it. Neither we nor the subscription agent will be liable to a transferee or transferor of subscription rights if subscription rights certificates or any other required documents are not received in time for exercise or sale prior to the expiration time.

You are responsible for all commissions, fees and other expenses (including brokerage commissions and transfer taxes) incurred in connection with the purchase, sale or exercise of your subscription rights, except that we will pay any fees of the subscription agent associated with this rights offering. Any amounts you owe will be deducted from your account.

If you do not exercise your subscription rights before the expiration date, your subscription rights will expire without value and will no longer be exercisable.

#### Cancellation Rights

Our board of directors may cancel this rights offering, in whole or in part, in its sole discretion at any time prior to the time this rights offering expires for any reason (including a change in the market price of our common stock). If we cancel this rights offering, all outstanding subscription rights will expire without value and any funds you paid to the subscription agent will not be refunded. Holders of rights who exercised subscription rights prior to any such cancellation of this rights offering will receive certificates representing the shares of common stock purchased.

#### No Board or Management Recommendation

An investment in shares of our common stock must be made according to each investor's evaluation of its own best interests and after considering all of the information in this prospectus, including the "Risk Factors" section of this prospectus. Our board of directors and our management makes no recommendation to subscription rights holders regarding whether they should exercise or sell their subscription rights. You should not view CD Holding's agreement to back-stop this rights offering as a recommendation or other indication by CD Holding or our board of directors that the exercise of your subscription rights is in your best interests.

#### Shares of Common Stock Outstanding After the Rights Offering

Based on the 10,146,566 shares of our common stock issued and outstanding as of April 28, 2004, approximately 20,146,566 shares of our common stock will be issued and outstanding after this rights offering expires (assuming all of the rights are exercised), an increase in the number of outstanding shares of our common stock of approximately 98.5%. The 12,533.58 shares of our Series A preferred stock outstanding as of March 31, 2004 will remain outstanding.

#### Effects of Rights Offering on Stock Option Plan

As of April 28, 2004, there were outstanding options to purchase 627,337 shares of our common stock at an exercise price of \$2.00 per share. The agreements governing these options have antidilution provisions that will be

triggered by this rights offering. The number of shares of common stock for which options may be exercised will be increased and the exercise price per share will be decreased based upon the subscription price per share of the rights issued in this rights offering, the number of shares issuable in this rights offering and the current market price of our common stock. The aggregate exercise price applicable to the options will remain unchanged. After giving effect to this offering, there will be outstanding options to purchase \_\_\_\_\_ shares of our common stock at an exercise price of \$\_\_\_\_ per share.

#### *Effects of Rights Offering on Outstanding Warrants*

As of April 28, 2004, there were outstanding warrants to purchase 2,431,517 shares of our common stock. The agreements governing these warrants have antidilution provisions that will be triggered by this rights offering. The exercise price of the warrants will be reduced to the subscription price, and the number of shares to be purchased under the warrants will be increased by dividing the subscription price into the aggregate exercise amount of the warrant prior to the reduction in the exercise price. Currently, the exercise price is \$4.00. This will be reduced to \$\_\_\_\_, and the number of shares to be purchased under each warrant will be \_\_\_\_\_, or 2,431,517 divided by \$\_\_\_\_. Additionally, if the holder of any warrant should exercise a warrant while there are rights outstanding, the total number of outstanding shares to be used in the determination of the number of shares to be purchased under the warrant will include the maximum number of shares deliverable upon the exercise of all of the rights.

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#### *Dilutive Effects of Rights Offering*

To the extent an stockholder does not exercise its rights in full, such stockholder's voting power and percentage equity interest in us, including its percentage interest in any future earnings, would suffer substantial dilution.

#### *Other Matters*

We are not making this rights offering in any state or other jurisdiction in which it is unlawful to do so, nor are we distributing or accepting any offers to purchase any shares of our common stock from subscription rights holders who are residents of those states or other jurisdictions or who are otherwise prohibited by federal or state laws or regulations to accept or exercise the subscription rights. We may delay the commencement of this rights offering in those states or other jurisdictions, or change the terms of this rights offering, in whole or in part, in order to comply with the securities law or other legal requirements of those states or other jurisdictions. We may decline to make modifications to the terms of this rights offering requested by those states or other jurisdictions, in which case, if you are a resident in those states or jurisdictions or if you are otherwise prohibited by federal or state laws or regulations from accepting or exercising the subscription rights you will not be eligible to participate in this rights offering.

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#### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of the Company's financial condition and results of operations is based in part on the financial statements and the notes thereto included elsewhere in this prospectus and should be read in conjunction therewith.

#### *Critical Accounting Policies and Estimates*

Our discussion and analysis of our financial condition and results of operations are based upon consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Our significant accounting policies are described in Note 1 to our consolidated financial statements included elsewhere in this prospectus. We have identified certain of these policies as being of particular importance to the portrayal of our financial position and results of operations and which require the application of significant judgment by our management. We analyze our estimates, including those related to oil and gas properties, revenues recognition, income taxes and commitments and contingencies, and base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

**Oil and Gas Properties.** The Company uses the full cost method of accounting for oil and gas operations. Accordingly, all costs, including nonproductive costs and certain general and administrative costs associated with acquisition, exploration and development of oil and gas properties, are capitalized. Net capitalized costs are limited to the estimated future net revenues, after income taxes, discounted at 10% per year, from proven oil and gas reserves and the cost of the properties not subject to amortization. Such capitalized costs, including the estimated future development costs and site remediation costs, if any, are depleted by an equivalent units-of-production method, converting gas to barrels at the ratio of six MCF of gas to one barrel of oil. No gain or loss is recognized upon the disposal of oil and gas properties, unless such dispositions significantly alter the relationship between capitalized costs and proven oil and gas reserves. Oil and gas properties not subject to amortization consist of the cost of undeveloped leaseholds and totaled \$1,600 at December 31, 2003. These costs are reviewed periodically by management for impairment, with the impairment provision included in the cost of oil and gas properties subject to amortization. Factors considered by management in its impairment assessment include drilling results by Gulfport and other operators, the terms of oil and gas leases not held by production, and available funds for exploration and development.

**Income Taxes.** Gulfport uses the asset and liability method of accounting for income taxes, under which deferred tax assets and liabilities are recognized for the future tax consequences of (1) temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and (2) operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are based on enacted tax rates applicable to the future period when those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income during the period the rate change is enacted. Deferred tax assets are recognized as income in the year in which realization becomes determinable.

**Revenue Recognition.** Gas revenues are recorded in the month produced using the entitlement method, whereby any production volumes received in excess of the Company's ownership percentage in the property are recorded as a liability. If less than Gulfport's entitlement is received, the underproduction is recorded as a receivable. There is no such liability or asset recorded at December 31, 2003. Oil revenues are recognized when ownership transfers, which occurs in the month produced.

**Commitments and Contingencies.** Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Results of Operations

The markets for oil and gas have historically been, and will continue to be, volatile. Prices for oil and gas may fluctuate in response to relatively minor changes in supply and demand, market uncertainty and a variety of factors beyond the control of Gulfport. Set forth in the table below are the average prices received by the Company and production volumes during the periods indicated.

<TABLE>  
<CAPTION>

	2003	2002	2001
Production Volumes:			
<S>	<C>	<C>	<C>
Oil (MBBLS)	571	464	595
Gas (MMCF)	123	103	71
Oil Equivalents (MBOE)	592	481	607
Average Prices:			
Oil (per BBL)	\$ 27.66 (1)	\$ 24.69 (2)	\$ 25.50

Gas (per MCF)	\$ 4.04	\$ 3.66	\$ 4.20
Oil Equivalents (per MBOE)	\$ 26.70	\$ 24.59	\$ 25.48
Average Production Costs (per BOE)	\$ 9.93 (3)	\$ 10.65 (3)	\$ 7.85
Average Production Taxes (per BOE)	\$ 3.17	\$ 2.81	\$ 2.88

</TABLE>

(1) Includes fixed contract prices of

<TABLE>

<CAPTION>

<S>

	<C>
January 2003	\$ 28.50
February 2003	\$ 28.34
March 2003	\$ 27.95
April 2003	\$ 27.08
May 2003	\$ 26.95
June 2003	\$ 24.27
July 2003	\$ 24.33
August 2003	\$ 24.42
September 2003	\$ 24.45
October 2003	\$ 24.45
November 2003	\$ 24.25
December 2003	\$ 24.10

</TABLE>

Excluding the effect of the fixed price contracts, the average oil price for 2003 would have been \$32.38 per BBL and \$32.08 per BBL oil equivalent price.

(2) Includes fixed contract prices of \$26.50 for the months May through October 2002 and \$25.90 for November and December

(3) Does not include production taxes.

#### Comparison of Years Ended December 31, 2003 and 2002

Gulfport reported a net loss attributable to common stock of \$219,000 for the year ended December 31, 2003, as compared with a net loss attributable to common stock of \$625,000 for the year ended December 31, 2002. The decrease in loss attributable to common stock of \$406,000 was primarily due to an increase in oil and gas sales during 2003 as a result of increased production attributable to the Company's drilling program initiated in December 2002. In addition, during 2003, Gulfport had twelve full months of production. During 2002, as a result of Hurricane Lili, the Company experienced down time on its

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WCBB facility which resulted in a loss of production. Additionally, Gulfport's higher revenues was partially attributable to a 12% increase in average oil prices received for the year ended December 31, 2003 as compared to 2002. This reduction of net loss from 2003 was offset in part by an increase in operating expenses, depreciation, depletion and amortization and interest expense on the preferred stock.

Oil and Gas Revenues. For the year ended December 31, 2003, Gulfport reported oil and gas revenues of \$15,809,000, a 34% increase from revenues of \$11,450,000 in 2002. This \$3,980,000 increase in revenues is attributable to a 23% increase in BOE produced to 592 BOE for the year ended December 31, 2003 as compared to 481 BOE for 2002. This increase in production was due mainly to the Company's drilling program initiated in December 2002. In addition, during 2003, Gulfport had twelve full months of production. During 2002, as a result of Hurricane Lili, the Company experienced down time on its WCBB facility which resulted in a loss of production. Additionally, contributing to the increase in oil and gas revenue was a 12% increase in average oil prices received for the year ended December 31, 2003 as compared to 2002.

Operating Expenses Including Production Taxes. Total lease operating expenses including production taxes increased to \$7,768,000 for the year ended December 31, 2003 as compared to \$6,474,000 for the same period in 2002. This increase was due to primarily to non-capitalized lease operating expense for workovers performed during the period. In addition, production taxes increased for the year ended December 31, 2003 as compared to the same period in 2002 due to an increase in oil and gas revenues.

General and Administrative Expenses. Net general and administrative expenses decreased slightly to \$1,843,000 for the year ended December 31, 2003 from \$1,873,000 for 2002. This decrease was due primarily to an increase in administrative reimbursements from affiliated entities of \$764,000 for the year ended December 31, 2003 as compared to \$250,000 during 2002.

Accretion Expense. In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related long-lived asset. Any difference between costs incurred upon settlement of an asset retirement obligation and the recorded liability will be recognized as a gain or loss in the Company's earnings. Gulfport adopted SFAS No. 143 effective January 1, 2003. For the year ended December 31, 2003, Gulfport recognized \$393,000 in accretion expense related to SFAS No. 143. (See Note 21 to the Company's

financial statement included elsewhere in this prospectus).

**Interest Expense.** Ordinary interest expense decreased by \$69,000, or 62%, to \$112,000 for the year ended December 31, 2003 from \$181,000 for 2002. This decrease was due to a reduction of average debt outstanding during 2003.

**Interest Expense - Preferred Offering.** In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). Many of those instruments were previously classified as equity. SFAS No. 150 is generally effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. Previously, our Series A preferred stock had been classified on the balance sheet between total liabilities and equity. The Company has recorded a liability related to the Series A preferred stock of \$12,071,000. As a result of the adoption of SFAS No. 150 in May 2003, the Company has recorded \$875,000 of interest expense for the last six months of 2003 related to the outstanding Series A preferred stock which would have previously been classified as a reduction in equity. (See Note 21 to the Company's financial statement included elsewhere in this prospectus).

**Litigation Trust.** Pursuant to Old WRT's 1997 plan of reorganization, all of Old WRT's possible causes of action against third parties (with the exception of certain litigation related to recovery of marine and rig equipment assets and claims against Tri-Deck Oil and Gas Company ("Tri-Deck")), existing as of the effective date of that plan, were transferred into a "Litigation Trust" controlled by an independent party for the benefit of most of Old WRT's existing unsecured creditors. The litigation related to recovery of marine and rig equipment and the Tri-Deck claims were subsequently transferred to the Litigation Trust as described below.

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The Litigation Trust was funded by a \$3,000,000 cash payment from [Old WRT,] which was made on the effective date of reorganization. Gulfport owns a 12% interest in the Litigation Trust with the other 88% being owned by the former general unsecured creditors of Old WRT. For financial statement reporting purposes, Gulfport has not recognized the potential value of recoveries which may ultimately be obtained, if any, as a result of the actions of the Litigation Trust, treating the entire \$3,000,000 payment as a reorganization cost at the time of [Old WRT's] reorganization.

On January 20, 1998, Gulfport and the Litigation Trust entered into a Clarification Agreement whereby the rights to pursue various claims reserved by Gulfport under the plan of reorganization were assigned to the Litigation Trust. In connection with this agreement, the Litigation Trust agreed to reimburse Gulfport \$100,000 for legal fees Gulfport had incurred in connection with these claims. As additional consideration for the contribution of this claim to the Litigation Trust, Gulfport is entitled to 20% to 80% of the net proceeds from these claims.

During 2002, Gulfport received \$160,000 in proceeds from the Litigation Trust. No proceeds were received from the Litigation Trust in 2003. Gulfport received \$160,000 from the Litigation Trust during 2002. No revenues were received from the Litigation Trust in 2003.

Other changes in income for the year ended December 31, 2003 as compared to the year ended December 31, 2002 were attributable to the following factors:

**Depreciation, Depletion and Amortization.** Depreciation, depletion and amortization expense was \$4,637,000 for the year ended December 31, 2003, consisting of \$4,421,000 in depletion on oil and gas properties, \$210,000 in depreciation of other property and equipment and \$6,000 in amortization expense. This is a 37% increase when compared to the 2002 depreciation, depletion and amortization expense of \$3,386,000. This increase is due primarily to an increase in production for the year ended December 31, 2003 to 592 MBOE as compared to 481 MBOE in 2002 and the loss of reserves due to engineering revisions in the reserve report dated January 1, 2004. In addition, as a result of the adoption of SFAS 143 "Accounting for Asset Retirement Obligations," the amount to amortize increased by \$7,500,000 which resulted in additional depletion, depreciation and amortization. (See Note 21 to the Company's financial statement included elsewhere in this prospectus).

**Income Taxes.** As of December 31, 2003, the Company had a net operating loss carryforward of approximately \$98,000,000, in addition to numerous timing differences which gave rise to a deferred tax asset of approximately \$45,000,000, which was fully reserved by a valuation allowance at that date. Utilization of net operating loss carryforwards and other timing differences will be recognized as a reduction in income tax expense in the year utilized. A current tax provision of \$490,000 was provided for the year ended 2003, which was fully offset by an equal income tax benefit due to operating loss carryforwards and other deferred tax assets.

#### Capital Expenditures, Capital Resources and Liquidity

Net cash flow provided by operating activities for the year ended December 31, 2003 was \$9,382,000, as compared to net cash flow provided by operating

activities of \$4,030,000 for 2002. The increase was mainly due to the collection during 2003 of an insurance settlement in the amount of \$2,510,000 related to damage to the WCBB facility caused by Hurricane Lili (an additional \$1,000,000 advance had been paid to the Company during 2002), an increase in depreciation, depletion and amortization of \$1,265,000 and an increase in production due to factors described above and an increase in interest expense as a result of the adoption of SFAS No. 150.

Net cash used in investing activities for the year ended December 31, 2003 was \$11,127,000 as compared to \$8,904,000 used during 2002. Mainly as a result of the Company's drilling programs initiated in December 2002 and April 2003, the Company spent \$10,145,000 in additions to oil and gas properties in 2003. This amount consists primarily of \$5,600,000 for drilling activity and \$4,000,000 for other workover and recompletion activities on existing wells. In addition, another \$707,000 was spent on the clean up and repair of hurricane damage, \$40,000 was spent on the acquisition of other property and equipment, and the remaining expenditures were attributable to general and administrative costs capitalized to the full cost pool. During 2003, Gulfport financed its capital expenditures with cash flow provided by operations, borrowings from the Company's line of credit and the remaining proceeds from the issuance of the Series A preferred stock.

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Net cash provided by financing activities for 2003 was \$2,178,000 million as compared to \$4,906,000 provided during 2002. Net cash provided by financing activities in 2003 related to \$2,200,000 in proceeds received from borrowings on the Company's line of credit. Net cash provided by financing activities for 2002 consisted of \$6,029,000 from the issuance of the Series A preferred stock in 2002 and reduction of debt of \$1,123,000 during 2002.

**Capital Resources.** In addition to cash generated by operating activities primarily related to funds from our producing oil and gas properties, our main capital resources are derived from the issuance of equity securities and borrowings under our bank and other credit facilities.

**Credit Facilities.** On June 20, 2002, the Company entered into a line of credit with the Bank of Oklahoma. Under the terms of the agreement, the Company was extended a commitment to borrow up to \$2,300,000. Amounts borrowed under the line bear interest at the prime rate charged from time to time by JPMorgan Chase plus 1%, with payments of interest on outstanding balances due monthly. On July 1, 2003, the Company renewed this line of credit and extended the maturity date to July 1, 2004. The outstanding balance under this credit facility was \$2,200,000 at December 31, 2003. The Company intends to extend the maturity date of this credit facility or use a portion of the net proceeds from this rights offering to repay in full the outstanding balance of this credit facility.

In connection with this rights offering, on April 30, 2004, the Company entered into a \$3.0 million revolving credit facility with CD Holding, L.L.C., a principal stockholder of the Company. Borrowings under the credit facility are due on the earlier of the closing of this rights offering and August 1, 2005 and bear interest at 10.0% per annum. Under the credit facility, CD Holding may, if it elects to do so, apply the outstanding principal amount and any accrued but unpaid interest either (1) to the subscription price payable upon exercise of the rights issued to CD Holding in the rights offering, or (2) to the purchase price for the Company's our common stock. The credit facility provides that if this rights offering is not completed, CD Holding has the right to convert any borrowings plus any accrued but unpaid interest under the facility into shares of our common stock at a conversion price equal to the subscription price established for the rights offering. If the rights offering proceeds and is not otherwise terminated by the Company, CD Holding has agreed to apply the outstanding principal amount and any accrued but unpaid interest either (1) to the subscription price payable upon exercise of the rights issued to CD Holding in the rights offering, or (2) to the purchase price for the Company's \$1.20 per share of common stock.

On May 22, 2001, the Company entered into a revolving line of credit agreement with Gulfport Funding, LLC ("Gulfport Funding"), an affiliate of the Company. Under the terms of the agreement, the Company could borrow up to \$3,000,000, with borrowed amounts bearing interest at the prime rate charged from time to time by the Bank of America plus 4%. All outstanding principal amounts along with accrued interest were due on February 22, 2002. The Company paid a facility commitment fee of \$60,000 in connection with this line of credit. This fee was amortized over the life of the agreement. On March 29, 2002, the outstanding balance of this note payable, together with all accrued and unpaid interest, was satisfied in full through Gulfport Funding's participation in the Company's private placement offering of its Series A preferred stock as described below.

**Issuance of Equity.** In March 2002, the Company commenced a private placement offering of 10,000 units. Each unit consisted of (i) one share of Cumulative Preferred Stock, Series A, of the Company and (ii) a warrant to purchase up to 250 shares of common stock, par value \$0.01 per share, of the Company. Holders of the Series A preferred stock are entitled to receive dividends at the rate of 12% of the liquidation preference per annum payable quarterly in cash or, at the option of the Company for all quarters ending on or prior to March 31, 2004, payable in whole or in part in additional shares of Series A preferred stock at the rate of 15% of the liquidation preference per annum. The Company chose to pay dividends on the shares of Series A preferred stock with additional shares of Series A preferred stock for the quarterly



periods ended March 31, June 30, September 30 and December 31, 2003 and March 31, 2004 and, as a result, had issued an additional 3,241.73 shares of Series A preferred stock as of March 31, 2004. For all quarters after March 31, 2004, dividends are payable in cash. However, the Board of Directors of the Company has approved and the Company has received the consent of holders of the requisite number of shares of Series A preferred stock to the amendment of the Company's Certificate of Designation with respect to the Series A preferred stock to give the Company the ability to pay dividends on the Series A preferred stock with additional shares of Series A preferred stock after March 31, 2004 for so long as such shares remain outstanding and prior to the mandatory redemption date. To the extent funds are legally available, the Company is

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obligated to declare and pay the dividends on the Series A preferred stock. The Series A preferred stock may be redeemed at any time for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable, and must be redeemed on March 29, 2007 for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable. Accordingly, the outstanding Series A preferred stock is treated as redeemable stock on the Company's balance sheet.

The Warrants have a term of ten years and an exercise price of \$4.00 per share of common stock, subject to adjustment under certain circumstances including the occurrence of this rights offering. See "the Rights Offering - Effects of Rights Offering on Outstanding Warrants." The Company granted to holders of the Warrants certain demand and piggyback registration rights with respect to shares of common stock issuable upon exercise of the warrants.

The Series A preferred stock offering was made available to stockholders (some of whom were affiliates) of the Company as of December 31, 2001 and who were accredited investors. Purchasers were able to participate up to their pro rata share of ownership in the Company as of December 31, 2001. As of April 15, 2002, the Company had closed on subscriptions totaling \$9,292,000 for 9,291.85 units, which included the conversion by Gulfport Funding, LLC of its \$3,000,000 loan along with the accumulated interest due from the Company for 3,262.98 units. Additionally, multiple entities controlled by the Company's majority stockholder participated in the offering by subscribing for 2,738 units at a cost of \$2,738,000.

During 2003, the Company hired Petrie Parkman & Co. to assist in a possible sale of its West Cote Blanche Bay Field (WCBB). As of the date of this prospectus, no sale is pending. It is the Board of Directors' determination that if a sale of WCBB is not consummated that it is in the best interests of the Company to undertake this rights offering. CD Holding, one of our principal stockholders, has agreed subject to certain conditions, to back-stop this rights offering for a commitment fee of 2% of the gross proceeds from this rights offering, which, at the option of CD Holding, may be applied to the subscription price payable upon exercise of the rights issued to it in this rights offering.

Liquidity and Capital Expenditures. Historically, our primary sources of funds have been cash flow from our producing oil and gas properties, the issuance of equity securities, borrowings under our bank and other credit facilities and, from time to time, the sale of oil and gas properties. Our ability to access any of these sources of funds can be significantly impacted by unexpected decreases in oil and natural gas prices. To mitigate the effects of dramatic commodity price fluctuations, we have entered into fixed price contracts for the WCBB production as follows:

<TABLE>  
<CAPTION>  
<S>

May 2004	1000	bbls	@	day	\$30.85
June 2004	1000	bbls	@	day	\$30.85
July-December 2004	1000	bbls	@	day	\$33.60

</TABLE>

The primary capital commitments faced by the Company are the capital requirements needed to continue developing the Company's proved reserves and obligations under Gulfport's credit facilities and its outstanding Series A preferred stock.

Gulfport's strategy is to continue to increase cash flows generated by its properties by undertaking new drilling, workover, sidetrack and recompletion projects in the fields to exploit its reserves. The Company has upgraded its infrastructure by enhancing its existing facilities to increase operating efficiencies, increase volume capacities and lower lease operating expenses. Additionally, Gulfport completed the reprocessing of its 3-D seismic data in its principal property, WCBB. The reprocessed data will continue to enable the Company's geophysicists to generate new prospects and enhance existing prospects in the intermediate zones in the field, thus creating a portfolio of new drilling opportunities.

In Gulfport's January 1, 2004 reserve report, 91% of Gulfport's net reserves were categorized as proved undeveloped. The proved reserves of Gulfport will generally decline as reserves are depleted, except to the extent

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that Gulfport conducts successful exploration or development activities or acquires properties containing proved developed reserves, or both. To realize

reserves and increase production, the Company must continue its exploratory drilling, undertake other replacement activities or utilize third parties to accomplish those activities.

Gulfport's inventory of prospects includes 137 proved undeveloped (PUD) wells at WCBB. The drilling schedule used in the reserve report anticipates that all of those wells will be drilled by 2011. Gulfport intends to drill 12 wells at WCBB during 2004 at an estimated cost of \$10.3 million and workover seven existing wells at WCBB during 2004 at an estimated cost of \$700,000.

Beginning in 2004, Gulfport intends to shoot 3-D seismic at East Hackberry Field at a total estimated cost of approximately \$4.5 million, of which \$2.5 million is expected to be expended in 2004.

Gulfport leases office space in Oklahoma City, Oklahoma under a lease covering approximately 12,035 square feet. The monthly rent is approximately \$18,000. The Company recently entered into an agreement to purchase the office building it occupies. The building contains approximately 24,823 total rentable square feet. Assuming the purchase is consummated, immediately upon the closing the Company will have access to an additional 3,000 square feet with the remaining space to be leased for approximately 12 months by the existing tenant/owner. At the end of the twelve-month period, the Company will either occupy or sub-lease any unused space. The Company is in the process of securing possible financing related to the building purchase. The effect on the Company's liquidity is expected to be minimal, as debt service costs are projected to be covered by the rental income generated.

The Company intends to use cash flows from operations and the net proceeds from this rights offering to meet its capital expenditure, debt repayment and other financial obligations during 2004.

#### Commitments and Contingencies

#### Plugging and Abandonment Funds

In connection with the acquisition of a portion of its interest in the WCBB properties, the Company assumed the seller's obligation to contribute approximately \$18,000 per month through March 2004, to a plugging and abandonment trust and the obligation to plug a minimum of 20 wells per year for 20 years commencing March 11, 1997. ChevronTexaco retained a security interest in production from these properties until these abandonment obligations have been fulfilled. Beginning in 2007, the Company can access the trust for use in plugging and abandonment charges associated with the property. As of December 31, 2003, the plugging and abandonment trust totaled approximately \$2,749,000, including interest received during 2003 of approximately \$14,000. The Company has plugged 132 wells at WCBB since it began its plugging program in 1997 and is current in its funding and plugging obligations.

In addition, the Company has letters of credit totaling \$200,000 secured by certificates of deposit being held for plugging costs in the East Hackberry field. Once specific wells are plugged and abandoned, the \$200,000 will be returned to the Company.

#### Texaco Global Settlement

Pursuant to the terms of a global settlement between ChevronTexaco and the State of Louisiana which includes the State Lease No. 50 portion of Gulfport's East Hackberry Field, Gulfport was obligated to commence drilling a well or other qualifying development operation on certain non-producing acreage in the field prior to March 1998. Because of prevailing market conditions during 1998, the Company believed it was commercially impractical to shoot seismic or commence drilling operations on the subject property. As a result, Gulfport has agreed to surrender approximately 440 non-producing acres in this field to the State of Louisiana. At December 31, 2003, Gulfport was in the process of releasing such acreage to the State of Louisiana.

#### Accounting and Reporting Changes

##### SFAS No. 143

On January 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"), which requires the Company to record a liability equal to the fair value of the estimated cost to retire an asset. The asset retirement liability is recorded in the period in which the obligation meets the definition of a liability, which is generally when the asset is placed into service. When the liability is initially recorded, the Company will increase the carrying amount of the related long lived asset by an amount equal to the original liability. The liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related long-lived asset. Any difference between costs incurred upon settlement of an asset retirement obligation and the recorded liability will be recognized as a gain or loss in the Company's earnings. The asset retirement obligation is based on a number of assumptions requiring professional judgment. The Company cannot predict the type of revisions to these assumptions that will be required in future periods due to the availability of additional information, including prices for oil field services, technological changes, governmental requirements and other factors. Upon adoption of SFAS No. 143, the Company recorded a net benefit of

\$270,000 as the cumulative effect of a change in accounting principle. The non-cash transition adjustment increased oil and natural gas properties and asset retirement obligations by \$7,590,000 and \$7,370,000, respectively, and decreased accumulated depreciation by \$50,000.

The asset retirement obligation recognized by the Company at December 31, 2003, relates to the estimated costs to dismantle and abandon its investment in producing oil and gas properties and the related facilities. Of the total asset retirement liability, \$480,000 that has been classified as short-term is the estimated portion of the total liability to be settled during the next year as the Company meets its plugging and abandonment requirements as discussed in Note 8.

The pro forma asset retirement obligation as of December 31, 2002, was \$7,370,000. Pro forma net income for the period December 31, 2002, assuming SFAS No. 143 had been applied retroactively, is shown in the following table:

<TABLE>  
<CAPTION>

	December 31, 2002
	-----
Net income available to common stockholders -	
<S>	<C>
As reported	\$ (625,000)
Pro forma	(340,000)
Net income per common share -	
As reported, basic	\$ (0.06)
Pro forma, basic	(0.03)
As reported, diluted	(0.06)
Pro forma, diluted	(0.03)

</TABLE>

SFAS No. 150

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). Many of those instruments were previously classified as equity. SFAS No. 150 is generally effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has recorded a liability

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related to the Series A preferred stock of \$12,071,000. Previously, the Series A preferred stock had been classified on the balance sheet between total liabilities and equity. This amount represents the 12,071 preferred shares issued and outstanding as of December 31, 2003, at the redemption and liquidation value of \$1,000 per share. In the opinion of management, the \$1,000 per share redemption and liquidation value approximates fair value. The shares are mandatorily redeemable on the fifth anniversary of the first issuance of Series A preferred stock.

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**BUSINESS**

Description of Business

Gulfport is an independent oil and gas exploration and production company

with properties located along the Louisiana Gulf Coast. The Company's operations are concentrated in two fields: WCBB and the Hackberry Fields. As of January 1, 2004, the Company had 22 MBOE of proved reserves with a present value of estimated future net reserves, discounted at 10%, of approximately \$210 million and associated standardized measure of discounted future net cash flows of approximately \$194 million.

#### Principal Oil and Gas Properties

Gulfport owns interests in a number of producing oil and gas properties located along the Louisiana Gulf Coast. The following table presents certain information as of April 28, 2004 reflecting Gulfport's net interest in its producing oil and gas properties.

<TABLE>

<CAPTION>

Field	NRI/WI (1)	Non-Producing						Net Proved Reserves As of 1/1/04		
		Producing Wells (2)		Wells		Acreage (3)		Gas	Oil	Total
		Gross	Net	Gross	Net	Gross	Net	MBOE	MBOE	MBOE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
West Cote Blanche Bay (4) (5)	79.443/100	48	46	288	287	4,590	4,590	1,727	17,195	18,922
E Hackberry	78.7/100	11	11	72	70	3,147	3,147	518	2,627	3,145
W Hackberry	87.5/100	1	1	26	26	592	592	-	43	43
Overrides/Royalty Non-operated	Various	20	1	21	3	4,956	586	10	18	28
Total		80	59	407	386	13,285	8,915	2,254	19,883	22,137

</TABLE>

(1) Net Revenue Interest (NRI)/Working Interest (WI)

(2) Additionally, East Hackberry has seven wells that produce intermittently, and WCBB has nine wells that produce intermittently.

(3) All of Gulfport's acreage is developed acreage. All of the oil and gas leases in which Gulfport owns an interest have been perpetuated by production. The operator may surrender the leases at any time by notice to the lessors, or by the cessation of production.

(4) Gulfport has a 100% working interest (79.443% average NRI) from the surface to the base of the 13,900 Sand which is located at 11,320 feet. Below the base of the 13,900 Sand, Gulfport has a 40.40% non-operated working interest (29.95% NRI).

(5) By the time the field is retired, Gulfport will be required to plug and abandon approximately 400 wellbores. In order to meet this obligation, Gulfport has plugged at least twenty wells each year at WCBB since July of 1997 and, through March 2004, invested monthly in a plugging escrow account. The Company has met its funding obligation for the West Cote Blanche Bay Escrow Account. The account has a current balance of approximately \$2.7 million.

#### West Cote Blanche Bay Field

##### Location and Land

The WCBB lies approximately five miles off the coast of Louisiana, primarily in St. Mary Parish, in a shallow bay with water depths averaging eight to ten feet. Currently, Gulfport owns a 100% working interest (79.443% average

NRI) and is the operator in the depths above the base of the 13,900 Sand which is located at 11,320 feet. In addition, Gulfport owns a 40.40% non-operated working interest (29.95% NRI) in depths below the base of the 13,900 Sand. ChevronTexaco is the operator below the base of the 13,900 Sand. Gulfport's leasehold at WCBB covers a portion of Louisiana State Lease 340 and contains 4,590 gross acres.

##### Area History and Production

Texaco drilled the discovery well in this field in 1940 based on a seismic and gravitational anomaly. WCBB was subsequently developed on an even 160-acre pattern for much of the remainder of the decade. Developmental drilling continued and reached its peak in the 1970's when over 300 wells were drilled in the field. Of the 875 wells drilled to date, only 80 were dry holes. As a result, the field has a historic success rate of over 90% for all wells drilled. Past successes do not assure similar results going forward. The historical average cumulative gross production for a producer in the field is 237 MBO, with over 100 of those wells (14% of total wells) producing in excess of 500 MBO. As of January 1, 2004, field cumulative gross production was 192 MMBO and 233 BCF of gas.

Of the 875 wells drilled in WCBB. 48 are currently producing, 268 are shut-in and five are salt water disposal wells. The other 554 wells have been plugged and abandoned. During 2003, Gulfport's net current daily production at WCBB averaged 1,326 MBO, 1,132 MCF of gas and 14,155 barrels of water.

In 1991, Texaco conducted a 70 square mile 3-D seismic survey with 1,100 shot points per mile that processed out 100 fold. In 1993, an undershoot survey around the crest and production facilities was added. Gulfport owns the rights to the seismic data. In December 1999, Gulfport completed the reprocessing of the seismic data and its technical staff developed prospects from the data. The reprocessed data has enabled Gulfport to identify prospects in areas of the field that would otherwise remain obscure.

Since Gulfport's acquisition of WCBB in 1997, Gulfport has drilled 37 new wells resulting in 32 producers and six dry holes, for an 83% success rate. In addition, we drilled two sidetrack re-entries, one of which was successful. These drilling projects have produced 1,914 gross MBOE with a total wellbore gross estimated ultimate recovery (EUR) of 5,599 MBOE. Gulfport has also re-completed 36 existing wells resulting in 24 producers and 12 failures for a 67% success rate. These re-completed wells have produced 700 gross MBOE with an estimated gross EUR of 851 MBOE.

#### Geology

WCBB overlies one of the largest salt dome structures on the Gulf Coast. The field is characterized by a piercement salt dome, which created traps from the Pleistocene through the Miocene formation. The relative movements affected deposition and created a complex system of fault traps. The compensating fault sets generally trend northwest to southeast and are intersected by sets having a major radial component. Later-stage movement caused extension over the dome and a large graben system (a downthrown area bounded by normal faults) was formed.

There are over 100 distinct sandstone reservoirs recognized throughout most of the field, and nearly 200 major and minor discrete intervals have been tested. Within the 875 wellbores that have been drilled to date in the field, over 4,000 potential zones have been penetrated. These sands are highly porous and permeable reservoirs primarily with a strong water drive.

WCBB is a structurally and stratigraphically complex field. All of the proved undeveloped (PUD) locations at WCBB are adjacent to faults and abut at least one fault. Gulfport's PUD drilling program is designed to penetrate each PUD trap with a new wellbore in a structurally optimum position, usually very close to the fault seal. The majority of these wells have been and new wells drilled in connection with our drilling program will be directionally drilled using steering tools and downhole motors. The tolerance for error in getting near the fault is low, so the complex faulting does introduce the risk of crossing the fault before encountering the zone of interest, which could result in part or all of the zone being absent in the borehole. This, in turn, can

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result in lower than expected or zero reserves for that zone. The new wellbores eliminate the mechanical risk associated with trying to produce the zone from an old existing wellbore, while the wellbore locations are situated so as to more efficiently drain each reservoir. The vast majority of the PUD targets are up-dip offsets to wells that produced from a sub-optimum position within a particular zone. Gulfport's inventory of prospects includes 137 PUD wells. The drilling schedule used in the reserve report anticipates that all of those wells will be drilled by 2011. Gulfport intends to drill 12 wells during 2004.

#### Facilities

Gulfport owns and operates a production facility at WCBB. The platform for the production facility stretches over a mile and is equipped with a 50 MMCF capacity dehydrating system and three 140 horsepower triplex saltwater disposal pumps.

#### Future Activity

Gulfport is planning a 12 well drilling program for 2004 to begin in the summer of 2004. The wells are expected to range in depth from approximately 2,500 feet to 9,900 feet; all with multiple production horizon targets. The Company also plans to workover seven existing wells and convert an inactive well to a salt water disposal well during the second quarter of 2004.

#### East Hackberry Field

#### Location and Land

The East Hackberry Field is located along the western shore of Lake Calcasieu in Cameron Parish, Louisiana approximately 80 miles west of Lafayette and 15 miles inland from the Gulf of Mexico. Gulfport owns a 100% working interest (approximately 79% average NRI) in certain producing oil and gas properties situated in the East Hackberry Field. The interest includes two separate lease blocks, the Erwin Heirs Block which is located on land and the adjacent State Lease 50 Block which is located primarily in the shallow waters of Lake Calcasieu. The two lease blocks together contain 3,147 acres.

#### Area History and Production

The East Hackberry field was discovered in 1926 by Gulf Oil Company (now ChevronTexaco Corporation) by a gravitational anomaly survey. The massive

shallow salt stock presented an easily recognizable gravity anomaly indicating a productive field. Initial production began in 1927 and has continued to the present. The estimated cumulative oil and condensate production through 2003 was over 111 MBO with casinghead gas production being over 60 BCF of gas. There have been a total of 170 wells drilled on Gulfport's portion of the field. As of December 31, 2003, 11 wells had current daily production, 7 produced intermittently, 72 were shut-in and 4 had been converted to salt water disposal wells. The remaining 76 wells have been plugged and abandoned. During 2003, daily net production averaged 195 barrels of oil with a limited amount of net gas production.

#### Geology

The Hackberry Field is a major salt intrusive feature, elliptical in shape as opposed to a classic "dome," divided into East and West field entities by a saddle. Structurally, Gulfport's East Hackberry acreage is located on the eastern end of the Hackberry salt ridge. There are over 30 pay zones at this field. The salt intrusion formed a series of structurally complex and steeply dipping fault blocks in the Lower Miocene and Oligocene age rocks. These fault blocks serve as traps for hydrocarbon accumulation. Gulfport's wells currently produce from perforations found between 5,100 feet and 12,200 feet.

#### Facilities

Gulfport has land-based production and processing facilities located at the East Hackberry Field. The facilities are comprised of two dehydrating units and four disposal pumps. Gulfport also has a field office that serves both the East and West Hackberry fields.

The Gulfport technical staff continues its effort to identify additional drilling, workover and recompletion candidates at East Hackberry. During 2004,

Gulfport intends to shoot 3-D seismic at East Hackberry Field to allow us to undertake drilling at that field. Gulfport intends to image shallow horizons at depths of approximately 5,000 feet to 7,000 feet, and image steeply dipping targets as deep as 15,000 feet.

#### West Hackberry Field

##### Location and Land

The West Hackberry Field is located on land and is five miles West of Lake Calcasieu in Cameron Parish, Louisiana, approximately 85 miles west of Lafayette and 15 miles inland from the Gulf of Mexico. Gulfport owns a 100% working interest (approximately 87.5% NRI) in 592 acres within the West Hackberry Field.

Gulfport's leases at West Hackberry are located within two miles of one of the United States Department of Energy's Strategic Petroleum Reserves. This West Hackberry storage facility occupies 525 acres and has capacity to store 222 MBO in underground salt caverns.

##### Area History and Production

The first discovery well at West Hackberry was drilled in 1938 and the field was developed by Superior Oil Company (now Exxon-Mobil Corporation) between 1938 and 1988. The estimated cumulative oil and condensate production through 2003 was 170 MBO and 120 BCF of gas. There have been 36 wells drilled to date on Gulfport's portion of West Hackberry. Currently, one is producing, 26 are shut-in and one has been converted to a saltwater disposal well. The remaining eight wells have been plugged and abandoned. During 2003, daily net production averaged 18 barrels of oil and a limited amount of gas.

#### Geology

Structurally, Gulfport's West Hackberry acreage is located on the western end of the Hackberry salt ridge. There are over 30 pay zones at this field. West Hackberry consists of a series of fault-bounded traps in the Oligocene-age Vincent and Keough sands associated with the Hackberry Salt Ridge. Recoveries from these thick, porous, water-drive reservoirs have resulted in per well cumulative production of almost 700 BOE.

#### Facilities

Gulfport has land-based production and processing facilities located at the West Hackberry field. Gulfport has two dehydrating units and one disposal pump. Gulfport maintains a field office that serves both the East and West Hackberry fields.

#### Additional Properties

In addition to its interests in WCBB, East Hackberry and West Hackberry, Gulfport owns working interests and overriding royalty interest in various fields as described in the following table:

<TABLE>

<CAPTION>

Field	Parish	Acreage Working Interest	Overriding Royalty Interests	Producing Wells	Non-Producing Wells
<S>	<C>	<C>	<C>	<C>	<C>

Bayou Long	Iberia	3.125%	0%	1	0
Bayou Penchant	Terrebonne	3.125%	10.0%	8	9
Bayou Pigeon	Iberia	6.250%	0%	6	6
Deer Island	Terrebonne	6.250%	0%	3	3
Golden Meadow	Lafourche	3.125%	0%	0	1
Napoleonville	Assumption	10.000%	2.5%	3	0

</TABLE>

#### Other Interests

##### Litigation Trust

Gulfport owns a 12% interest in the Trust (the "Litigation Trust") that was established in WRT's bankruptcy to pursue litigation connected with WRT. The Litigation Trust filed approximately 400 preference actions and several substantive actions alleging fraud, malpractice and other wrongdoings. At this time, Gulfport cannot estimate what the potential future recovery from the litigation will be. See additional discussion regarding the Litigation Trust in the footnotes to the Company's financial statements included elsewhere in this prospectus.

##### Oil and Gas Marketing

Gulfport sells its oil to Shell Trading Company ("Shell"). Shell takes custody of the oil at the barge inlet. Gulfport has entered into fixed price contracts for the first barrels of production in a day with the remainder being sold in accordance with posted price for West Texas/New Mexico Intermediate crude plus Platt's trade month average P+ value, plus or minus the Platt's WII/LLS differential less \$0.83 per barrel for transportation. Customers

Gulfport sold all of its oil production to Shell Trading Company and all of its gas production to ChevronTexaco. During 2002, approximately 87% of Gulfport's revenues from oil and gas sales were attributable to Shell.

##### Competition and Markets

##### Availability of Markets

The availability of a ready market for any oil and/or gas produced by Gulfport depends on numerous factors beyond the control of management, including but not limited to, the extent of domestic production and imports of oil, the proximity and capacity of gas pipelines, the availability of skilled labor, materials and equipment, the effect of state and federal regulation of oil and gas production and federal regulation of gas sold in interstate commerce. Oil and gas produced by Gulfport in Louisiana is sold to various purchasers who service the areas where Gulfport's wells are located. Gulfport's wells are not subject to any agreements that would prevent Gulfport from either selling its production on the spot market or committing such gas to a long-term contract; however, there can be no assurance that Gulfport will continue to have ready access to suitable markets for its future oil and gas production.

##### Impact of Energy Price Changes

Oil and gas prices can be extremely volatile and are subject to substantial seasonal, political and other fluctuations. The prices at which oil and gas produced by Gulfport may be sold is uncertain and it is possible that under some market conditions the production and sale of oil and gas from some or all of its properties may not be economical. The availability of a ready market for oil and gas and the prices obtained for such oil and gas, depend upon numerous factors beyond the control of Gulfport, including competition from other oil and gas suppliers and national and international economic and political developments. Because of all of the factors influencing the price of oil and gas, it is impossible to accurately predict future prices.

##### Regulation

##### Regulation of Gas and Oil Production

Gas and oil operations are subject to various types of regulation by state and federal agencies. Legislation affecting the gas and oil industry is under constant review for amendment or expansion. Also, numerous departments and agencies, both federal and state, are authorized by statute to issue rules and regulations binding on the gas and oil industry and its individual members, some of which carry substantial penalties for failure to comply. The regulatory burden on the gas and oil industry increases the Company's cost of doing business and, consequently, affects its profitability.

Gulfport owns interests in a number of producing oil and gas properties located along the Louisiana Gulf Coast. The state of Louisiana regulates the production and sale of natural gas and crude oil, including requirements for obtaining drilling permits, the method of developing new fields, the spacing and operation of wells. In addition, regulations governing conservation matters aimed at preventing the waste of gas and oil resources could affect the rate of production and may include maximum daily production allowables for wells on a

market demand or conservation basis.

#### Oil Price Controls

Sales of crude oil, condensate and gas liquids by the Company are not regulated and are made at market prices.

#### Environmental Regulation

The Company's natural gas and oil exploration, development and production operations are subject to stringent federal, state and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Numerous governmental agencies, such as the U.S. Environmental Protection Agency (EPA), issue regulations to implement and enforce such laws, which often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties or may result in injunctive relief for failure to comply. These laws and regulations may require the acquisition of a permit before drilling commences, restrict the types, quantities and concentrations of various substances that can be released into the environment in connection with drilling and production activities, limit or prohibit construction or drilling activities on certain lands lying within wilderness, wetlands, ecologically sensitive and other protected areas, require remedial action to prevent pollution from former operations, such as plugging abandoned wells or closing pits, and impose substantial liabilities for pollution resulting from the Company's operations. The regulatory burden on the natural gas and oil industry increases the cost of doing business and consequently affects profitability. Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent and costly waste handling, storage, transport, disposal or cleanup requirements could materially adversely affect the Company's operations and financial position, as well as the gas and oil industry in general. Management believes that the Company is in substantial compliance with current applicable environmental laws and regulations and the Company has not experienced any material adverse effect from compliance with these environmental requirements; this trend, however, may not continue in the future.

The Comprehensive Environmental Response, Compensation and Liability Act, as amended, also known as CERCLA or Superfund, and comparable state laws impose liability without regard to fault or the legality of the original conduct on certain classes of persons who are considered to be responsible for the release of a "hazardous substance" into the environment. These persons include the owner or operator of the disposal site or sites where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances found at the site. Under CERCLA, such persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies, and it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other pollutants into the environment.

The Resource Conservation and Recovery Act (RCRA), as amended, generally does not regulate most wastes generated by the exploration and production of natural gas and oil. RCRA specifically excludes from the definition of hazardous waste "drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal

energy." However, these wastes may be regulated by the EPA or state agencies as solid waste. Moreover, ordinary industrial wastes, such as paint wastes, waste solvents, laboratory wastes and waste compressor oils, may be regulated as hazardous waste. Although the costs of managing solid and hazardous waste may be significant, the Company does not expect to experience more burdensome costs than similarly situated companies involved in natural gas and oil exploration and production.

The Company currently owns or leases, and has in the past owned or leased, numerous properties that for many years have been used for the exploration and production of gas and oil. Although the Company has utilized operating and disposal practices that were standard in the industry at the time, hydrocarbons or other wastes may have been disposed of or released on or under the properties owned or leased by the Company or on or under other locations where such wastes have been taken for disposal. In addition, many of these properties have been operated by third parties whose treatment and disposal or release of hydrocarbons or other wastes was not under the Company's control. These properties and the wastes disposed thereon may be subject to CERCLA, RCRA and analogous state laws. Under such laws the Company could be required to remove or remediate previously disposed wastes or property contamination, or to perform remedial plugging or pit closure operations to prevent future contamination.

The Federal Water Pollution Control Act of 1972, as amended, also known as the Clean Water Act, and analogous state laws impose restrictions and strict controls regarding the discharge of pollutants, including produced waters and other gas and oil wastes, into state waters or waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or the state. These proscriptions also prohibit certain activity in wetlands unless authorized by a permit issued by the U.S. Army Corps of Engineers. The EPA has also adopted regulations requiring certain gas and oil exploration and production facilities to obtain permits for storm water discharges. Costs may be associated with the



treatment of wastewater or developing and implementing storm water pollution prevention plans. The Company's management believes that the Company has obtained or applied for all permits required under the Clean Water Act. Sanctions for failure to comply with Clean Water Act requirements include administrative, civil and criminal penalties, as well as injunctive relief.

The Clean Air Act (CAA), as amended, restricts the emission of air pollutants from many sources, including natural gas and oil operations. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, more stringent regulations governing emissions of toxic air pollutants are being developed by the EPA, and may increase the costs of compliance for some facilities. The Company's management believes that the Company is in substantial compliance with all air emissions regulations and that the Company has or has applied for all necessary permits for its operations.

#### Operational Hazards and Insurance

Gulfport's operations are subject to all of the risks normally incident to the production of oil and gas, including blowouts, cratering, pipe failure, casing collapse, oil spills and fires, each of which could result in severe damage to or destruction of oil and gas wells, production facilities or other property, or injury to persons. The energy business is also subject to environmental hazards, such as oil spills, gas leaks, and ruptures and discharge of toxic substances or gases that could expose Gulfport to substantial liability due to pollution and other environmental damage. Although Gulfport maintains insurance coverage considered to be customary in the industry for a company its size, it is not fully insured against certain of these risks, either because such insurance is not available or because of high premium costs. The occurrence of a significant event that is not fully insured against could have a material adverse effect on Gulfport's financial position.

#### Headquarters and Other Facilities

Gulfport leases office space in Oklahoma City, Oklahoma under a lease covering approximately 12,035 square feet. The monthly rent is approximately \$18,000. Gulfport has recently entered into an agreement to purchase the building. See "Management Discussion and Analysis of Financial Condition and Results of Operations-Capital Expenditures, Capital Resources and Liquidity" for additional information regarding the proposed purchase.

In 1996, Gulfport purchased a building in Lafayette, Louisiana to be used as Gulfport's Louisiana headquarters. The 16 year-old building contains 12,480 total square feet with 6,180 square feet of finished office area and 6,300 square feet of clear span warehouse area. This building allows Gulfport to provide office space for Louisiana personnel, have access to meeting space close to the fields and maintain a corporate presence in Louisiana.

#### Employees

At December 31, 2003, Gulfport had 25 employees. A Louisiana well servicing company serves as contract operator of the fields and provides all necessary field personnel.

#### Oil & Gas Reserves

The oil and gas reserve information set forth below represents estimates as prepared by the independent engineering firm of Netherland, Sewell & Associates, Inc. Reserve engineering is a subjective process of estimating volumes of economically recoverable oil and gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation. As a result, the estimates of different engineers often vary. In addition, the results of drilling, testing and production may justify revisions of such estimates. Accordingly, reserve estimates often differ from the quantities of oil and gas that are ultimately recovered. Estimates of economically recoverable oil and gas and of future net revenues are based on a number of variables and assumptions, all of which may vary from actual results, including geologic interpretation, prices, and future production rates and costs.

The following table sets forth estimates of the proved oil and gas reserves of Gulfport at January 1, 2004, as estimated by Netherland, Sewell & Associates, an independent engineering firm.

<TABLE>

<CAPTION>

JANUARY 1, 2004

Proved Reserves	JANUARY 1, 2004		Total
	Developed	Undeveloped	
<S>	<C>	<C>	<C>
Oil (MBBLs)	1,790	18,093	19,883
Gas (MMCF)	1,257	12,267	13,524
MBOE	1,999	20,138	22,137

Year-end present value of

estimated future net revenue, discounted at 10% (Pre-tax)	\$ 25,350,000	\$ 184,188,000	\$ 209,538,000
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Total proved reserves decreased to 22,137 MBOE at January 1, 2004 from 26,090 at January 1, 2003. This decrease in reserves is mainly attributable to normal production declines and engineering revisions.

The estimated future net revenues set forth above were determined by using reserve quantities of proved reserves and the periods in which they are expected to be developed and produced based on economic conditions prevailing at January 1, 2004. The estimated future production is priced at December 31, 2003 without escalation using \$32.52 per BBL and \$6.19 per MCF, adjusted by lease for transportation fees and regional price differentials.

In compliance with federal law, Gulfport files annual reports with the Energy Information Agency of the U.S. Department of Energy with respect to its production of oil and gas during each calendar year and its estimated oil and gas reserves at the end of each year. The reserves reported in Gulfport's filing to the U.S. Department of Energy do not differ more than five percent from those disclosed in this prospectus.

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#### Production, Prices, and Production Costs

The following is a table of Gulfport's average prices received and production volumes during the periods indicated:

	2003	2002	2001
<b>Production Volumes:</b>			
Oil (MBBLs)	571	464	595
Gas (MMCF)	123	103	71
Oil Equivalents (MBOE)	592	481	607
<b>Average Prices:</b>			
Oil (per BBL)	\$ 27.66 (1)	\$ 24.69 (2)	\$ 25.50
Gas (per MCF)	\$ 4.04	\$ 3.66	\$ 4.20
Oil Equivalents (per MBOE)	\$ 26.70	\$ 24.59	\$ 25.48
Average Production Costs (per BOE)	\$ 9.93 (3)	\$ 10.65 (3)	\$ 7.85
Average Production Taxes (per BOE)	\$ 3.17	\$ 2.81	\$ 2.88

(1) Includes fixed contract prices of

	2003
January 2003	\$ 28.50
February 2003	\$ 28.34
March 2003	\$ 27.95
April 2003	\$ 27.08
May 2003	\$ 26.95
June 2003	\$ 24.27
July 2003	\$ 24.33
August 2003	\$ 24.42
September 2003	\$ 24.45
October 2003	\$ 24.45
November 2003	\$ 24.25
December 2003	\$ 24.10

Excluding the effect of the fixed price contracts, the average oil price for 2003 would have been \$32.38 per BBL and \$32.08 per BBL oil equivalent price.

(2) Includes fixed contract prices of \$26.50 for the months May through October 2002 and \$25.90 for November and December

(3) Does not include production taxes.

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#### Drilling and Recompletion Activities

The following table contains data with respect to certain of Gulfport's

field operations during the years ended December 31, 2003, 2002 and 2001.

<TABLE>

<CAPTION>

	2003		2002		2001	
	Gross	Net	Gross	Net	Gross	Net
Recompletions, Sidetracks and Deepenings:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Oil	8	8	4	4	6	6
Gas	0	0	0	0	0	0
Non-Productive	1	1	0	0	0	0
<b>TOTAL:</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>
Exploratory - non-productive	0	0	1	1	0	0
Development Wells:						
Oil	7	7	8	8	7	7
Gas	0	0	0	0	0	0
Non-Productive	1	1	1	1	0	0
<b>TOTAL:</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>7</b>

</TABLE>

Title to Oil and Gas Properties

It is customary in the oil and gas industry to make only a cursory review of title to undeveloped oil and gas leases at the time they are acquired and to obtain more extensive title examinations when acquiring producing properties. In future acquisitions, Gulfport will conduct title examinations on material portions of such properties in a manner generally consistent with industry practice. Certain of Gulfport's oil and gas properties may be subject to title defects, encumbrances, easements, servitudes or other restrictions, none of which, in management's opinion, will in the aggregate materially restrict Gulfport's operations.

MANAGEMENT

The officers and directors of Gulfport are as follows:

<TABLE>

<CAPTION>

Name	Age	Position
<S>	<C>	<C>
Mike Liddell	50	Chairman of the Board, Chief Executive Officer, President and Director
Michael G. Moore	47	Vice President and Chief Financial Officer
Lisa Holbrook	33	Vice President, General Counsel and Secretary
*Robert E. Brooks	57	Director
*David L. Houston	51	Director
Mickey Liddell	42	Director
*Dan Noles	56	Director

</TABLE>

\*Members of Gulfport's Audit Committee.

Mike Liddell has served as a director of Gulfport since July 11, 1997, as Chief Executive Officer since April 28, 1998 and as Chairman of the Board since July 28, 1998. Mr. Liddell has served as President of Gulfport since July 2000. In addition, Mr. Liddell served as Chief Executive Officer of DLB from October 1994 to April 28, 1998, and as a director of DLB from 1991 through April 1998. From 1991 to 1994, Mr. Liddell was President of DLB. From 1979 to 1991, he was President and Chief Executive Officer of DLB Energy. He received a B.S. degree in education from Oklahoma State University. He is the brother of Mickey

Liddell and brother in law of Dan Noles.

Michael G. Moore has served as Vice President and Chief Financial Officer since July 2000. From May 1998 through July 2000, Mr. Moore served as Vice President and Chief Financial Officer of Indian Oil Company. From September 1995 through May 1998, Mr. Moore served as Controller of DLB Oil & Gas, Inc. Prior to that, Mr. Moore served as Controller of LEDCO, Inc., a Houston based gas marketing company. Mr. Moore received his B.B.A degree in finance from the University of Central Oklahoma in 1982 and in 1987 also completed his M.B.A. from the University of Central Oklahoma.

Lisa Holbrook has served as Vice President and Secretary of Gulfport since November 5, 1999, and as General Counsel since April 28, 1998. In addition, Ms. Holbrook served as Assistant General Counsel of DLB until April 1998. In 1996, Ms. Holbrook received her J.D. from Oklahoma City University Law School where she graduated with highest distinction.

Robert E. Brooks has served as a director of Gulfport since July 11, 1997. Mr. Brooks is currently president of Delphi Oil & Gas, Inc. From 1997 to 2002, Mr. Brooks was a partner with Brooks Greenblatt, a commercial finance company located in Baton Rouge, Louisiana that was formed by Mr. Brooks in July 1997. Mr. Brooks is a Certified Public Accountant and was Senior Vice President in charge of Asset Finance and Managed Assets for Bank One, Louisiana between 1993 and July 1997. He received his B.S. degree from Purdue University in mechanical engineering in 1969. He obtained graduate degrees in finance and accounting from the Graduate School of Business at the University of Chicago in 1974. David Houston has served as a director of Gulfport since July 1998. Since 1991, Mr. Houston has been the principal of Houston & Associates, a firm that offers life and disability insurance, compensation and benefits plans and estate planning. Prior to 1991, he was President and Chief Executive Officer of Equity Bank for Savings, F.A., a \$600 million, Oklahoma-based savings bank. He currently serves on the board of directors and executive committee of Deaconess Hospital, Oklahoma City, Oklahoma, and is the former chair of the Oklahoma State Ethics Commission and the Oklahoma League of Savings Institutions. He received a Bachelor of Science degree in business from Oklahoma State University and a graduate degree in banking from Louisiana State University.

Mickey Liddell has served as a director of the Company since January 1999. Since 2001, Mr. Liddell has been the President of Berlanti-Liddell Entertainment, LLC, a television and motion picture production company. From

2000 through 2001, Mr. Liddell served as President of Entertainment Services, LLC. From 1994 through 1999, Mr. Liddell served as President of Banner Entertainment, LLC. Both Banner Entertainment LLC and Mr. Liddell filed for bankruptcy in 1999. Mr. Liddell received a Bachelor of Arts from the University of Oklahoma in Communications in 1984 and a graduate degree from Parson School of Design in New York, New York in 1987. He is the brother of Mike Liddell and brother-in-law of Dan Noles.

Dan Noles has served as a director of the Company since January 2000. Mr. Noles is the President of Dan Noles Construction LLC. Prior to that he served as the President of Atoka Management Company, an oilfield equipment company. Mr. Noles received his Bachelor degree in Finance from the University of Oklahoma in 1970. Mr. Noles is the brother-in-law of Mike Liddell and Mickey Liddell.

Executive Compensation

The following table sets forth the compensation information earned during 2003, 2002 and 2001 by the Chief Executive Officer and by the two other most highly compensated executive officers of the Company whose annual salary and bonus exceeded \$100,000 (the "named executives"), in all capacities in which they served during that period.

<TABLE>  
<CAPTION>

Name and Principal Position	Year	Annual Compensation (1)		All Other
		Salary	Bonus	Compensation (2)
<S>	<C>	<C>	<C>	<C>
Mike Liddell	2003	\$218,566	\$24,000	\$19,500
Chief Executive Officer	2002	200,000	24,000	19,142
	2001	200,000	16,667	17,516
Michael Moore	2003	105,000	13,800	\$7,128
Vice President &	2002	105,000	23,800	8,094
Chief Financial Officer	2001	105,000	12,600	6,623
Lisa Holbrook	2003	105,000	\$13,800	\$7,128
Vice President &	2002	103,750	23,650	7,983
General Counsel	2001	90,000	10,800	5,448

</TABLE>

(1) Amounts shown include cash and non-cash compensation earned and received by the named executives as well as amounts earned but deferred at their election. The Company provides various perquisites to certain employees, including the named executives. In each case, the aggregate value of the perquisite provided to the named executives did not exceed 10% of such

named executive's total annual salary and bonus.

(2) Amounts for Mike Liddell include the Company's matching 401(k) plan contributions of \$12,000, \$13,717 and \$10,291 during 2003, 2002 and 2001 respectively and life insurance premium payments of \$7,500, \$5,425 and \$7,225 during 2003, 2002 and 2001 respectively. Amounts for Michael Moore and Lisa Holbrook represent the Company's matching 401(k) plan contributions during each of the indicated years.

#### Stock Options

No options were granted to the named executives or directors in 2003.

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The following table sets forth the number of unexercised options held by named executives as of December 31, 2003. No options were exercised by named executives in 2001, 2002 or 2003.

<TABLE>

<CAPTION>

Name	Number of Securities Underlying Unexercised Options at Fiscal Year End		Value of Unexercised In the Money Options Year End	
	Exercisable	Un-exercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>
Mike Liddell (1)	457,270	-	\$411,543	-
Lisa Holbrook (1)	10,000	-	9,000	-
Mike Moore (1)	10,000	-	9,000	-

</TABLE>

(1) These options were exercisable at \$2.00 per share. The Company's common stock closed at \$2.90 on December 31, 2003 as reported by the NASD OTC Bulletin Board.

#### Employment Agreements

In June 2003, the Company renewed a five year employment agreement with its Chief Executive Officer, Mike Liddell. The employment agreement terminates on June 1, 2009. The employment agreement provides an annual base salary of \$200,000 adjusted for cost of living increases. The employment agreement contains a change of control provision which guarantees Mr. Liddell one-year salary upon the occurrence of a change of control in the Company.

#### Liability of Directors and Officers and Indemnification

As permitted by the DGCL, the Company's Certificate of Incorporation eliminates in certain circumstances the monetary liability of the directors for a breach of their fiduciary duty. These provisions do not eliminate liability of the directors for (i) a breach of the director's duty of loyalty to the Company or its Stockholders, (ii) acts or omissions by a director not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) liability arising under Section 174 of the DGCL (relating to the declaration of dividends and purchase or redemption of shares in violation of the DGCL) or (iv) any transaction from which the director derived an improper personal benefit. In addition, these provisions do not eliminate the liability of a director for violations of the Federal securities laws, nor do they limit the rights of the Company or its Stockholders, in appropriate circumstances, to seek equitable remedies such as injunctive or other forms of non-monetary relief. Such remedies may not be effective in all cases.

The Bylaws provide that the Company shall indemnify its directors and officers to the fullest extent permitted by the DGCL. Under such provisions, any director or officer, who in his capacity as such, is made or threatened to be made a party to any suit or proceeding, may be indemnified if the Board of Directors determines such director or officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company. The Bylaws and the DGCL, further provide that such indemnification is not exclusive of any other rights to which such individuals may be entitled under the Certificate of Incorporation, the Bylaws, any agreement, vote of Stockholders or disinterested directors or otherwise.

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#### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain information, as of December 31, 2003, with respect to all compensation plans previously approved by the Company's security holders, as well as compensation plans not previously approved by the Company's security holders.

<TABLE>

<CAPTION>

Number of Securities

	Number of Securities To be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Far Left Column)
	-----	-----	-----
Equity compensation plans approved by security <S> holders	<C> 627,337	<C> \$2.00	<C> 255,663
-----	-----	-----	-----
Equity compensation plans not approved by security holders	--	--	--
-----	-----	-----	-----
Total	627,337 =====	\$2.00 =====	255,663 =====
</TABLE>			

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of April 28, 2004, without giving effect to this rights offering, by (i) each director, (ii) each named executive officer, (iii) each person known or believed by the Company to own beneficially five percent or more of our common stock, and (iv) all directors and executive officers as a group.

<TABLE>  
<CAPTION>

Name and Address of Beneficial Owner (1)	Beneficial Ownership	
	Shares	Percentage (2)
-----	-----	-----
<S>	<C>	<C>
Charles E. Davidson (3) 411 West Putnam Avenue Greenwich, CT 06830	8,177,595	67.2%
Peter M. Faulkner (4) 767 Third Avenue, Fifth Floor New York, NY 10017	602,565	5.9%
Mike Liddell (5)	1,169,416	11.0%
Robert Brooks (6)	20,000	*

David Houston (7)	20,000	*
Mickey Liddell (8)	20,000	*
Dan Noles (9)	20,000	*
Lisa Holbrook (10)	10,000	*
Michael G. Moore (11)	10,000	*
All directors and executive officers as a group (7 individuals)	1,269,416	12.5%

</TABLE>

\* Less than one percent

- (1) Unless otherwise indicated, each person or group has sole voting and sole dispositive power with respect to all listed shares. The address of the Company's directors and executive officers is 14313 N. May Avenue, Suite 100, Oklahoma City, Oklahoma 73134.
- (2) Beneficial ownership is determined in accordance with the SEC's rules. In computing percentage ownership of each person, shares of common stock subject to options held by that person that are currently exercisable, or exercisable within 60 days of the Record Date, are deemed to be beneficially owned. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of each other person. The percentage of shares beneficially owned is based on 10,146,566 shares of common stock outstanding as of April 28, 2004.
- (3) Includes 3,574,722 shares of our common stock held by CD Holding, L.L.C. and 784,273 shares of our common stock held in an IRA for Mr. Davidson. Mr. Davidson is the sole member of CD Holding, L.L.C. Mr. Davidson is the Chairman and controlling member of Wexford Management, L.L.C. In addition, the amount includes 1,795,860 shares of common stock owned by the following investment funds (the "Wexford Entities") that are affiliated with Wexford Management: Wexford Special Situations 1996, L.P.; Wexford Special Situations 1996 Institutional, L.P.; Wexford Special Situations 1996,

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Limited; Wexford-Euris Special Situations 1996, L.P.; Wexford Spectrum Investors, L.L.C.; Wexford Capital Partners II, L.P.; Wexford Overseas Partners I, L.P. Includes 2,022,740 shares of common stock issuable upon the exercise of warrants that are currently exercisable owned by the following investment funds that are affiliated with Wexford Management: Wexford Special Situations 1996, Limited; Wexford-Euris Special Situations 1996, L.P.; Wexford Spectrum Investors, L.L.C.; Wexford Capital Partners II, L.P.; Wexford Overseas Partners I, L.P. Mr. Davidson disclaims beneficial ownership of the 1,795,860 shares of our common stock and warrants to purchase 2,022,740 shares of our common stock owned by the Wexford Entities.

- (4) Represents shares of our common stock owned by Rumpere Capital Trading Partners, Ltd. and PMF Partners, LLC.
- (5) Includes 712,146 shares of our common stock held of record by Liddell Investments, L.L.C. Mr. Liddell is the sole member of Liddell Investments, L.L.C. Also includes 457,270 shares of common stock issuable upon the exercise of options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (6) Represents 20,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (7) Represents 20,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (8) Represents 20,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (9) Represents 20,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (10) Represents 10,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.
- (11) Represents 10,000 shares of our common stock issuable upon the exercise of stock options that are currently exercisable or exercisable within 60 days of April 28, 2004.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

## Management Services

The Company's personnel help manage oil and gas and oil and gas related assets owned by affiliates of its largest stockholder. The Company is reimbursed an amount equal to the pro rata share of time its employees spend performing such services and overhead. In 2003, the amount billed by the Company for such services and overhead totaled approximately \$764,000, of which \$379,000 remained outstanding as of December 31, 2003.

## Issuance of Series A Preferred Stock

In March 2002, the Company commenced a private placement offering of 10,000 units. Each unit consisted of (i) one share of Cumulative Preferred Stock, Series A, of the Company and (ii) a warrant to purchase up to 250 shares of common stock, par value \$0.01 per share, of the Company. Gulfport Funding, LLC and several of its affiliates purchased an aggregate of 6,000.98 units in that offering. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Capital Resources - Issuance of Equity" for additional information.

## Backstop Agreement

Pursuant to an agreement between us and CD Holding, L.L.C., dated April 14, 2004, CD Holding agreed, subject to certain conditions, to back-stop this rights offering by purchasing all of the shares of our common stock that are not otherwise subscribed for by the other holders of subscription rights under their basic subscription privileges and over-subscription privileges. In return for its agreement to backstop this rights offering, CD Holding will receive a commitment fee equal to 2% of the gross proceeds of this rights offering, which, at the option of CD Holding, may be applied to the subscription price payable upon exercise of the rights issued to it in this rights offering.

## Credit Agreement

In connection with this rights offering, on April 30, 2004, the Company entered into a \$3.0 million revolving credit facility with CD Holding, L.L.C., a principal stockholder of the Company. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Capital Resources - Credit Facilities" for additional information regarding this credit facility.

## DESCRIPTION OF SECURITIES

The following summary description of the Company's capital stock is qualified in its entirety by reference to the Company's Certificate of Incorporation and Bylaws, each of which is filed as an exhibit to the Registration Statement.

## Common Stock

The Company is currently authorized to issue up to 20,000,000 shares of common stock, par value \$0.01 per share, of which there were 10,146,566 shares outstanding as of April 28, 2004. Holders of our common stock are entitled to cast one vote for each share held of record on each matter submitted to a vote of stockholders. There is no cumulative voting for election of directors. Subject to the prior rights of any series of preferred stock which may from time to time be outstanding, if any, holders of our common stock are entitled to



receive ratably dividends when, as, and if declared by the Board of Directors out of funds legally available therefor and, upon the liquidation, dissolution or winding up of the Company, are entitled to share ratably in all assets remaining after payment of liabilities and payment of accrued dividends and liquidation preferences on the preferred stock, if any. There are no redemption or sinking fund provisions that are applicable to our common stock. Subject only to the requirements of the DGCL, the Board of Directors may issue shares of our common stock without stockholder approval, at any time and from time to time, to such persons and for such consideration as the Board of Directors deems appropriate. Holders of our common stock have no preemptive rights and have no rights to convert their common stock into any other securities. The outstanding common stock is validly authorized and issued, fully paid, and nonassessable.

#### Preferred Stock

The Company is authorized to issue up to 5,000,000 shares of Preferred Stock, par value \$.01 per share, of which there were 12,533.58 shares outstanding as of March 31, 2004. Shares of Preferred Stock may be issued from time to time in one or more series as the Board of Directors, by resolution or resolutions, may from time to time determine, each of said series to be distinctively designated. The voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, if any, of each such series of Preferred Stock may differ from those of any and all other series of Preferred Stock at any time outstanding, and, subject to certain limitations of the Certificate of Incorporation and the DGCL, the Board of Directors may fix or alter, by resolution or resolutions, the designation, number, voting powers, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof, of each such series of Preferred Stock.

The issuance of any such Preferred Stock could adversely affect the rights of the holders of our common stock and therefore, reduce the value of the common stock. The ability of the Board of Directors to issue Preferred Stock could discourage, delay, or prevent a takeover of the Company. See "Risk Factors."

#### Series A Preferred Stock

The Company has designated 30,000 shares of its Preferred Stock as Cumulative Preferred Stock, Series A and had 12,533.58 shares of our Series A preferred stock outstanding as of March 31, 2004. Holders of the Series A preferred stock are entitled to receive dividends at the rate of 12% of the liquidation preference per annum payable quarterly in cash or, at the option of the Company for all quarters ending on or prior to March 31, 2004, payable in whole or in part in additional shares of Series A preferred stock at the rate of 15% of the liquidation preference per annum. For all quarters after March 31, 2004, dividends are payable in cash. However, the Board of Directors of the Company has approved and the Company has received the consent of holders of the requisite number of shares of Series A preferred stock to amend the Company's Certificate of Designation with respect to the Series A preferred stock to give the Company the ability to pay dividends on the Series A preferred stock with additional shares of Series A preferred stock after March 31, 2004 for so long as such shares remain outstanding and prior to the mandatory redemption date.

The Series A preferred stock may be redeemed at any time for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable. All then outstanding shares of Series A preferred

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stock will be redeemed on March 29, 2007 for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable. Upon a liquidation of the Company, whether voluntary or mandatory, the shares of Series A preferred stock will rank prior to the shares of our common stock. Consequently, holders of Series A preferred stock will receive distributions in an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable, before holders of our common stock will receive any distribution.

The affirmative vote of at least two thirds of the votes entitled to be cast by holders of the Series A preferred stock is necessary for any amendment to the certificate of incorporation which (1) adversely affects the rights and privileges of the Series A preferred stock or (2) creates or authorizes an increase in any shares ranking senior to the Series A preferred stock or securities convertible into the foregoing. The Series A preferred stock cannot be sold or transferred by its holders, subject to certain exceptions.

#### Transfer Agent and Registrar

The transfer agent and registrar for our common stock is UMB Bank, N.A.

CERTAIN UNITED STATES FEDERAL  
INCOME TAX CONSEQUENCES

The following discussion is a summary of certain federal income tax consequences of this rights offering to holders of our common stock that hold such stock as a capital asset for federal income tax purposes. This discussion is based on laws, regulations, rulings and decisions in effect on the date hereof, all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This discussion applies only to holders that are U.S. persons and does not address all aspects of federal income taxation that may be relevant to holders in light of their particular circumstances or to holders who may be subject to special tax treatment under the Internal Revenue Code, including, without limitation, holders of preferred stock or warrants, holders who are dealers in securities or foreign currency, foreign persons, insurance companies, tax-exempt organizations, banks, financial institutions, broker-dealers, holders who hold common stock as part of a hedge, straddle, conversion or other risk reduction transaction, or who acquired common stock pursuant to the exercise of compensatory stock options or otherwise as compensation.

We have not sought, and will not seek, an opinion of counsel or a ruling from the Internal Revenue Service regarding the federal income tax consequences of this rights offering or the related share issuance. The following summary does not address the tax consequences of this rights offering or the related share issuance under foreign, state, or local tax laws. Accordingly, each holder of common stock should consult its Tax Advisor with respect to the particular tax consequences of this rights offering or the related share issuance to such holder.

For U.S. federal income tax purposes, neither the receipt nor the exercise of the subscription rights should result in taxable income to you. Moreover, you should not realize a loss if you do not exercise the subscription rights. The holding period for a share acquired upon exercise of a subscription right begins with the date of exercise. The basis for determining gain or loss upon the sale of a share acquired upon the exercise of a subscription right will be equal to the sum of:

- the subscription price per share;
- any servicing fee charged to you by your broker, bank or trust company; and
- the basis, if any, in the subscription rights that you exercised.

A gain or loss recognized upon a sale of a share acquired upon the exercise of a subscription right should be a capital gain or loss assuming the share is held as a capital asset at the time of sale. This gain or loss will be a long-term capital gain or loss if the share has been held at the time of sale for more than one year.

As noted above, your basis in a share issued under the subscription rights offer includes your basis in the subscription rights underlying that share. If the aggregate fair market value of the subscription rights at the time they are distributed is less than 15% of the aggregate fair market value of our common stock at such time, the basis of the subscription rights issued to you will be zero unless you elect to allocate a portion of your basis of previously owned common stock to the subscription rights issued to you in this rights offering. If the aggregate fair market value of the subscription rights at the time they are distributed is 15% or more of the aggregate fair market value of our common stock at such time, or if you elect to allocate a portion of your basis of previously owned common stock to the subscription rights issued to you in this offering, then your basis in previously owned common stock will be allocated between such common stock and the subscription rights based upon the relative fair market value of such common stock and the subscription rights as of the date of the distribution of the subscription rights. Thus, if such an allocation is made and the rights are later exercised, the basis in the common stock you originally owned will be reduced by an amount equal to the basis allocated to the subscription rights. An election must be made in a statement attached to your federal income tax return for the year in which the subscription rights are distributed. If the subscription rights expire without exercise, you will realize no loss and no portion of your basis in the common stock will be allocated to the unexercised subscription rights.

If you sell, exchange or otherwise dispose of subscription rights received in the rights offering prior to the expiration date, you should recognize

capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received, and (ii) your tax basis (if any) in the subscription rights disposed of. Any such capital gain or loss will be long-term capital gain or loss if your holding period for the subscription rights exceeds one year at the time of disposition. Your holding period for the subscription rights received in the rights offering will include your holding period for the common stock with respect to which the rights were received.

LEGAL MATTERS

The validity of the subscription rights and the shares of common stock offered pursuant to this rights offering will be passed upon for us by Akin Gump Strauss Hauer & Feld LLP.

EXPERTS

Our consolidated financial statements of as of December 31, 2003 and for each of the two years in the period ended December 31, 2003 appearing in this prospectus and registration statement have been audited by Hogan & Slovacek, independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file information statements and annual, quarterly and special reports with the Securities and Exchange Commission. You may read and copy any document that we file at the Securities and Exchange Commission's public reference room in Washington, D.C. located at 450 Fifth Street N.W., Washington, D.C. 20549. You may also call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Securities and Exchange Commission maintains a web site that contains reports, proxy statements and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission, including us. Our Securities and Exchange Commission filings are also available to you free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov).

This prospectus is part of a registration statement on Form SB-2 we have filed with the Securities and Exchange Commission under the Securities Act of 1933.

You may request a copy of our filings, at no cost, by writing or telephoning us at:

Gulfport Energy Corporation  
14313 North May Avenue, Suite 100  
Oklahoma City, Oklahoma 73134  
(405) 848-8807

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Statements of Common Stockholders' Equity, Years Ended December 31, 2003 and 2002	F-5

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and  
Stockholders of Gulfport Energy Corporation:

We have audited the accompanying balance sheet of Gulfport Energy Corporation (a Delaware corporation) as of December 31, 2003, and the related statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of Gulfport's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gulfport Energy Corporation as of December 31, 2003, and the results of its operations and its cash flows for the years ended December 31, 2003 and 2002, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 21 to the financial statements, Gulfport changed its method of accounting for asset retirement obligations and its redeemable 12% cumulative preferred stock as required by the provisions of Statement of Financial Accounting Standards No. 143 and 150, respectively.

HOGAN & SLOVACEK

Oklahoma City, OK  
May 10, 2004

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GULFPORT ENERGY CORPORATION

BALANCE SHEET

<TABLE>  
<CAPTION>

	December 31, 2003
	-----
<b>Assets</b>	
Current assets:	
<S>	<C>
Cash and cash equivalents	\$ 1,542,000
Accounts receivable	1,340,000
Accounts receivable - related party	379,000
Prepaid expenses and other current assets	179,000
	-----
Total current assets	3,440,000
	-----
Property and equipment:	
Oil and natural gas properties	127,991,000

Other property and equipment	1,912,000
Accumulated depletion, depreciation, amortization	(77,423,000)
Property and equipment, net	52,480,000
Other assets	3,060,000
Total assets	\$ 58,980,000
=====	
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 3,274,000
Accrued payable - royalty audit	212,000
Asset retirement obligation - current	480,000
Current maturities of long-term debt	2,318,000
Total current liabilities	6,284,000
Asset retirement obligation - long-term	7,356,000
Accrued payable - royalty audit	121,000
Redeemable 12% cumulative preferred stock, Series A, \$.01 par value, with a redemption and liquidation value of \$1,000 per share; 30,000 authorized, 12,071 issued and outstanding at December 31, 2003	12,071,000
Total liabilities	25,832,000
Commitments and contingencies	
Preferred stock, \$.01 par value; 5,000,000 authorized at December 31, 2003, none issued	-
Common stockholders' equity:	
Common stock - \$.01 par value, 20,000,000 authorized, 10,146,566 issued and outstanding at December 31, 2003	101,000
Paid-in capital	84,192,000
Accumulated deficit	(51,145,000)
Total stockholders' equity	33,148,000
Total liabilities and stockholders' equity	\$ 58,980,000
	=====

</TABLE>

See accompanying notes to financial statements.

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GULFPORT ENERGY CORPORATION  
STATEMENTS OF OPERATIONS

<TABLE>  
<CAPTION>

	Year Ended December 31,	
	2003	2002
Revenues:		
<S>	<C>	<C>
Gas sales	\$ 498,000	\$ 379,000
Oil and condensate sales	15,311,000	11,450,000
Other income	138,000	305,000
	15,947,000	12,134,000
Costs and expenses:		
Operating expenses	5,886,000	5,163,000
Production taxes	1,882,000	1,311,000
Depreciation, depletion, and amortization	4,637,000	3,386,000
General and administrative	1,843,000	1,873,000
	14,248,000	11,733,000
INCOME FROM OPERATIONS:	1,699,000	401,000
OTHER (INCOME) EXPENSE:		
Accretion expense	393,000	-
Interest expense	112,000	181,000
Interest expense - preferred stock	875,000	-
Interest income	(30,000)	(61,000)
Proceeds from Litigation Trust	-	(160,000)
	-----	-----

	1,350,000	(40,000)
	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES	349,000	441,000
	-----	-----
INCOME TAX EXPENSE (BENEFIT):		
Current	490,000	176,000
Deferred	(490,000)	(176,000)
	-----	-----
	-	-
	-----	-----
NET INCOME (LOSS) BEFORE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	349,000	441,000
Cumulative effect of change in accounting principle	270,000	-
	-----	-----
NET INCOME (LOSS)	619,000	441,000
	-----	-----
Less: Preferred stock dividends	(838,000)	(1,066,000)
	-----	-----
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	\$ (219,000)	\$ (625,000)
	=====	=====
NET INCOME (LOSS) PER COMMON SHARE - BASIC:		
Per common share before effect of change in accounting principle	\$ (0.05)	\$ (0.06)
Effect per common share of change in accounting principle	0.03	-
	-----	-----
	\$ (0.02)	\$ (0.06)
	=====	=====
NET INCOME (LOSS) PER COMMON SHARE - DILUTED:		
Per common share before effect of change in accounting principle	\$ (0.05)	\$ (0.06)
Effect per common share of change in accounting principle	0.03	-
	-----	-----
	\$ (0.02)	\$ (0.06)
	=====	=====

</TABLE>

See accompanying notes to financial statements.

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GULFPORT ENERGY CORPORATION  
Statements of Common Stockholders' Equity

<TABLE>  
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit
<S>	<C>	<C>	<C>	<C>
Balance at December 31, 2001	10,146,566	\$101,000	\$84,192,000	\$ (50,301,000)
Net income	-	-	-	441,000
Preferred stock dividends	-	-	-	(1,066,000)
	-----	-----	-----	-----
Balance at December 31, 2002	10,146,566	\$101,000	\$84,192,000	\$ (50,926,000)
Net income	-	-	-	619,000
Preferred stock dividends	-	-	-	(838,000)
	-----	-----	-----	-----
Balance at December 31, 2003	10,146,566	\$101,000	\$84,192,000	\$ (51,145,000)
	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

GULFPORT ENERGY CORPORATION  
Statements of Cash Flows

<TABLE>  
<CAPTION>

	Year Ended December 31,	
	2003	2002
Cash flows from operating activities:		
<S>	<C>	<C>
Net income	\$ 619,000	\$ 441,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	(270,000)	-
Accretion of discount	393,000	-
Interest expense - preferred stock	875,000	-
Depletion, depreciation and amortization	4,631,000	3,366,000
Amortization of debt issuance costs	6,000	20,000
Changes in operating assets and liabilities:		
Decrease in insurance settlement receivable	2,510,000	-
Decrease (increase) in accounts receivable	493,000	(682,000)
(Increase) decrease in accounts receivable - related party	(321,000)	47,000
Decrease in prepaid expenses	26,000	31,000
Increase in accounts payable and accrued liabilities	420,000	807,000
Net cash provided by operating activities	9,382,000	4,030,000
Cash flows from investing activities:		
(Additions) to cash held in escrow	(235,000)	(242,000)
(Additions) to other property, plant and equipment	(40,000)	(16,000)
(Additions) to oil and gas properties	(10,145,000)	(8,513,000)
Expenditures related to oil and gas properties due to hurricane	(707,000)	(133,000)
Net cash used in investing activities	(11,127,000)	(8,904,000)
Cash flows from financing activities:		
Borrowings on note payable	2,200,000	-
Principal payments on borrowings	(22,000)	(1,123,000)
Proceeds from issuance of preferred stock	-	6,029,000
Net cash provided by financing activities	2,178,000	4,906,000
Net increase in cash and cash equivalents	433,000	32,000
Cash and cash equivalents at beginning of period	1,109,000	1,077,000
Cash and cash equivalents at end of period	\$ 1,542,000	\$ 1,109,000
Supplemental disclosure of cash flow information:		
Interest payments	\$ 112,000	\$ 42,000
Supplemental disclosure of non-cash transactions:		
Repayment of note payable to related party through issuance of Series A Preferred Stock	\$ -	\$ 3,000,000
Repayment of accrued interest due on note payable to related party through issuance of Series A Preferred Stock	\$ -	\$ 263,000
Payment of Series A Preferred Stock dividends through issuance of Series A Preferred Stock	\$ 838,000	\$ 1,066,000

</TABLE>

See accompanying notes to financial statements.

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Gulfport is a domestic independent oil and gas exploration, development and production company with properties located in the Louisiana Gulf Coast.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Oil and Gas Properties

The Company uses the Full Cost method of accounting for oil and gas operations. Accordingly, all costs, including nonproductive costs and certain general and administrative costs associated with acquisition, exploration and development of oil and gas properties, are capitalized. Net capitalized costs are limited to the estimated future net revenues, after income taxes, discounted at 10% per year, from proven oil and gas reserves and the cost of the properties not subject to amortization. Such capitalized costs, including the estimated future development costs and site remediation costs, if any, are depleted by an equivalent units-of-production method, converting gas to barrels at the ratio of six MCF of gas to one barrel of oil. No gain or loss is recognized upon the disposal of oil and gas properties, unless such dispositions significantly alter the relationship between capitalized costs and proven oil and gas reserves. Oil and gas properties not subject to amortization consist of the cost of undeveloped leaseholds and totaled \$1,600 at December 31, 2003. These costs are reviewed periodically by management for impairment, with the impairment provision included in the cost of oil and gas properties subject to amortization. Factors considered by management in its impairment assessment include drilling results by Gulfport and other operators, the terms of oil and gas leases not held by production, and available funds for exploration and development.

Other Property and Equipment

Depreciation of other property and equipment is provided on a straight-line basis over estimated useful lives of the related assets, which range from 7 to 30 years.

Reclassifications

Certain reclassifications have been made to the 2002 financial statement presentation in order to conform to the 2003 financial statement presentation.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing income or loss attributable to common stock by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per common share reflects the potential dilution that could occur if options or other contracts to issue common stock were exercised or converted into common stock. Diluted net loss per common share does not reflect dilution from potential common shares, because to do so would be anti-dilutive. Calculations of basic and diluted net income (loss) per common share are illustrated in Note 16.

Income Taxes

Gulfport uses the asset and liability method of accounting for income taxes, under which deferred tax assets and liabilities are recognized for the

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
CONTINUED

future tax consequences of (1) temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and (2) operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are based on enacted tax rates applicable to the future period when those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income during the period the rate change is enacted. Deferred tax assets are recognized as income in the year in which realization becomes determinable.



## Revenue Recognition

Gas revenues are recorded in the month produced using the entitlement method, whereby any production volumes received in excess of the Company's ownership percentage in the property are recorded as a liability. If less than Gulfport's entitlement is received, the underproduction is recorded as a receivable. There is no such liability or asset recorded at December 31, 2003. Oil revenues are recognized when ownership transfers, which occurs in the month produced.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant estimates with regard to these financial statements include the estimate of proved oil and gas reserve quantities and the related present value of estimated future net cash flows there from and future net operating loss carryforwards available as reductions of income tax expense.

## Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

## Segment Information

The Company's only revenue generating activity is the production and sale of oil and gas from properties located on the Louisiana Gulf Coast. Therefore, no reporting of business segments has been included in these financial statements or the notes thereto.

## 2. INSURANCE SETTLEMENT RECEIVABLE

Hurricane Lili hit the southern gulf coast of Louisiana on October 3, 2002 with estimated sustained winds over 120 miles per hour and a 9-1/2 foot tidal surge. The eye of the hurricane came on shore directly East of Gulfport's WCBB field. The storm caused significant damage to the Company's production facilities and the WCBB field. The total cost to restore production to the field was estimated by the Company's personnel and insurance carrier to be \$3,510,000. As of December 31, 2003, the Company had received the \$3,510,000 in insurance settlement proceeds. Hurricane related repairs for the years ended December 31, 2003 and 2002, were \$707,000 and \$1,133,000 respectively.

## 3. ACCOUNTS RECEIVABLE - RELATED PARTY

Included in the accompanying December 31, 2003 balance sheet are amounts receivable from entities that have similar controlling interests as those controlling the Company. These receivables represent amounts billed by the Company for general and administrative functions performed by Gulfport's personnel on behalf of the related party companies. At the end of 2003, this receivable amount totaled \$379,000.

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
CONTINUED

## 4. PROVISION FOR ALLOWANCE FOR DOUBTFUL ACCOUNTS

A summary of the activity in the allowance for doubtful accounts for the year ended December 31, 2003 is as follows:

<TABLE> <CAPTION> <S>	<C>
Balance, beginning of the year	\$ 239,000
Provision for bad debts	-
Bad debts written off	(239,000)
	-----
Balance, end of year	\$ -
	=====

Charges to bad debt expense totaling \$7,000 were made during the year ended December 31, 2003. The Company wrote off a receivable of \$246,000 during the year resulting in bad debt expense of \$7,000 after fully utilizing the provision for allowance for doubtful accounts of \$239,000. Charges to bad debt expense for the year ended December 31, 2002 were \$87,000.

## 5. PROPERTY AND EQUIPMENT

The major categories of property and equipment and related accumulated

depreciation, depletion and amortization as of December 31, 2003 are as follows:

<TABLE>  
<CAPTION>  
<S>

	<C>
Oil and gas properties	\$ 127,991,000
Office furniture and fixtures	1,435,000
Building	217,000
Land	260,000
	-----
Total property and equipment	129,903,000
Accumulated depreciation, depletion, amortization and impairment reserve	(77,423,000)
	-----
Property and equipment, net	\$ 52,480,000
	=====

</TABLE>

Included in oil and gas properties at December 31, 2003 are \$2,113,000 in general and administrative costs incurred and capitalized to the full cost pool. General and administrative costs capitalized to the full cost pool represent management's estimate of costs incurred directly related to exploration and development activities such as geological costs and other administrative costs associated with overseeing the exploration and development activities. All general and administrative costs not directly associated with exploration and development activities were charged to expense as they were incurred.

6. OTHER ASSETS

Other assets as of December 31, 2003 consist of the following:

<TABLE>  
<CAPTION>  
<S>

	<C>
Plugging and abandonment escrow account	
on the WCBB properties (Note 8)	\$ 2,749,000
CD's securing letter of credit	200,000
Deposits	111,000
	-----
	\$ 3,060,000
	=====

</TABLE>

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
CONTINUED

7. ACCRUED PAYABLE - ROYALTY AUDIT

During the third quarter of 2002, the Company underwent a royalty audit which was conducted by the State of Louisiana. The audit covered the period from January 1, 1999 through December 31, 2001. The Company was notified during the fourth quarter of 2002 that the total amount to be paid as a result of the audit was \$492,000, including \$146,000 in penalties and interest. As of December 31, 2003, the liability was \$333,000. Amounts to be paid in the next twelve months total \$212,000 and have been classified as "Accrued payable - royalty audit" in the current liability section of the accompanying balance sheet. The portion of the liability that will be due in periods beginning after the next twelve months total \$121,000 and have been classified as "Accrued payable - royalty audit" in the non-current liability section of the accompanying balance sheet.

8. LONG-TERM DEBT

Long-term debt as of December 31, 2003 is as follows:

<TABLE>  
<CAPTION>  
<S>

	<C>
Building loan	\$ 118,000
Amounts borrowed under line of credit (Note 10)	2,200,000
	-----
	2,318,000
Less - current maturities of long term debt	2,318,000
	-----
Debt reflected as long term	\$ -
	=====

</TABLE>

All debt outstanding as of December 31, 2003 will mature during 2004.

Building Loan

The building loan of \$118,000 relates to a building in Lafayette, Louisiana, purchased in 1996 to be used as the Company's Louisiana headquarters. The building is 12,480 square feet with approximately 6,180 square feet of finished office area and 6,300 square feet of warehouse space. This building allows Gulfport to provide office space for Louisiana personnel, have access to meeting space close to the fields and to maintain a corporate presence in Louisiana.

9. NOTE PAYABLE - RELATED PARTY

On March 29, 2002, the outstanding balance of the Company's note payable to Gulfport Funding, LLC ("Gulfport Funding"), along with all accumulated interest due on the note, were retired through Gulfport Funding's participation in the Company's Private Placement Offering as described in Note 11.

10. REVOLVING LINE OF CREDIT

The Company maintains a line of credit with Bank of Oklahoma, under which the Company may borrow up to \$2,300,000. Amounts borrowed under the line bear interest at Chase Manhattan Prime plus 1%, with payments of interest on outstanding balances due monthly. Any principal amounts borrowed under the line will be due on July 1, 2004. As of December 31, 2003, \$2,200,000 had been borrowed under this line.

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GULFPORT ENERGY CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003 AND 2002  
 CONTINUED

11. COMMON STOCK OPTIONS, WARRANTS AND CHANGES IN CAPITALIZATION

Options

The Company sponsors the 1999 Stock Option Plan (the "Plan"), which is administered by the Compensation Committee (the "Committee") of the Board of Directors of the Company. Under the terms of the Plan, the Committee may determine: to which eligible participants options shall be granted, the number of shares covered by such options, the purchase price or exercise price of such options, the vesting period of such options and the exercisable period of such options. Eligible participants are defined as (i) all directors of the Company; (ii) all officers of the Company; and (iii) all key employees of the Company with a customary work week of at least 40 hours in the employ of the Company. The maximum number of shares for which options may be granted under the Plan, as adjusted for changes in capitalization which have taken place since the Plan's adoption, is 883,000.

The Company accounts for stock options under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure". Presented below is a summary of the status of stock options and related activity for the years ended December 31, 2003 and 2002:

<TABLE>  
 <CAPTION>

	Shares	Weighted Average Exercise Price per Share
<S>	<C>	<C>
Options outstanding at December 31, 2001	607,337	\$ 2.00
Granted	20,000	2.00
Exercised	-	-
Forfeited/expired	-	-
Options outstanding at December 31, 2002	627,337	\$ 2.00
Granted	-	-
Exercised	-	-
Forfeited/expired	-	-
Options outstanding at December 31, 2003	627,337	\$ 2.00

</TABLE>

All options granted, exercised and outstanding have an exercise price of \$2.00.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model and an expected life of 5 years. No options were granted during the year ended December 31, 2003.

Options outstanding at December 31, 2003 totaled 627,337. Of this total, 612,520 options were exercisable at December 31, 2003, with the remaining options vesting in future periods.

Warrants

In accordance with the origination of the note payable to Gulfport Funding (retired during 2002 as discussed in Note 9), the Company issued 108,625 warrants to CD Holdings, LLC. The exercise price of these warrants is \$5.25 and was estimated as the average closing price of the Company's common stock for the five days following the issuance of the warrants. The warrant agreement provides for pro rata adjustments to the number of warrants granted if the Company at any time increases the number of outstanding shares or otherwise adjusts its capitalization.

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
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CONTINUED

Also, on July 11, 2002, 1,163,195 previously exercisable warrants expired. The issuance of these warrants had stemmed from a reorganization which took place in 1997.

Private Placement Offering

In March 2002, the Company commenced a private placement offering of 10,000 units. Each unit consisted of (i) one share of Cumulative Preferred Stock, Series A, of the Company (Preferred) and (ii) a warrant to purchase up to 250 shares of common stock, par value \$0.01 per share, of the Company. Holders of the Preferred are entitled to receive dividends at the rate of 12% of the liquidation preference per annum payable quarterly in cash or, at the option of the Company for all quarters ending on or prior to March 31, 2004, payable in whole or in part in additional shares of Preferred at the rate of 15% of the liquidation preference per annum. To the extent funds are legally available, the Company is obligated to declare and pay the dividends on the Preferred. The Preferred may be redeemed at any time for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable, and must be redeemed on March 29, 2007 for an amount per share equal to \$1,000 and all accrued and unpaid dividends thereon, whether or not declared or payable. Accordingly, the Preferred issued in connection with this Offering is treated as redeemable stock on the Company's balance sheet. The affirmative vote of at least two thirds of the votes entitled to be cast by holders of the Preferred is necessary for any amendment to the certificate of incorporation which (1) adversely affects the rights and privileges of the Preferred or (2) creates or authorizes an increase in any shares ranking senior to the Preferred or securities convertible into the foregoing. The Preferred cannot be sold or transferred by its holders, subject to certain exceptions.

The Warrants have a term of ten years and an exercise price of \$4.00 per share of common stock. The Company granted to holders of the Warrants certain demand and piggyback registration rights with respect to shares of common stock issuable upon exercise of the warrants.

The Preferred offering was made available to stockholders (some of whom were affiliates) of the Company as of December 31, 2001 and who were accredited investors. Purchasers were able to participate up to their pro rata share of ownership in the Company as of December 31, 2001. As of April 15, 2002, the Company had closed on subscriptions totaling \$9,292,000 for 9,291.85 units, which included the conversion by Gulfport Funding, LLC of its \$3,000,000 loan along with the accumulated interest due from the Company for 3,262.98 units. Additionally, multiple entities controlled by the Company's majority stockholder participated in the offering by subscribing for 2,738 units at a cost of \$2,738,000.

12. DIVIDENDS ON SERIES A PREFERRED STOCK

As discussed in Note 11, the Company may, at its option, accrue additional shares of Preferred for the payment of dividends at a rate of 15% per annum during the initial two years following the closing date of its Offering. The Company has chosen to do so for the quarterly periods ending March 31, June 30, September 30, and December 31, 2003 and has therefore accrued additional shares payable totaling 838,000 at December 31, 2003 related to the Preferred Stock Series A shares issued and outstanding during those time periods. Subsequent to the adoption of SFAS 150 in the third quarter (see Note 21), the dividends were recognized as interest expense. The \$875,000 shown as "Interest expense - preferred stock" in the accompanying statement of operations represents the dividends accrued on the Preferred Stock Series A for the quarterly periods ended September 30 and December 31, 2003. These dividends payable were calculated based upon the Preferred's \$1,000 per share redemptive value and are reflected as "Series A preferred stock" in the accompanying balance sheet. Beginning with the period ended June 30, 2004, the Company will be required to pay cash dividends at a rate of 12% per annum on the Series A Preferred Stock.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments carried as assets and liabilities on the accompanying balance sheet at December 31, 2003 are carried at cost, which approximates market value. The outstanding shares of Series A preferred stock have been stated on the accompanying balance sheet at their redemptive value of \$1,000 per share.

GULFPORT ENERGY CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003 AND 2002  
 CONTINUED

## 14. CASTEX BACK-IN

Gulfport sold its interest in the Bayou Penchant, Bayou Pigeon, Deer Island and Golden Meadow fields to Castex Energy 1996 Limited Partnership (Castex) effective April 1, 1998 subject to a 25% reversionary interest in the partnership after Castex had received 100% of the initial investment. Castex informed Gulfport that the investment had paid out effective September 1, 2001. In lieu of a 25% interest in the partnership, Gulfport elected to take a proportionately reduced 25% working interest in the properties. During March 2002, the Company received approximately \$220,000 from Castex which the Company believes consists of sales income for the period after payout net of operating expenses, although the Company has not received confirmation of such. As a result, this amount received has been included in the accompanying statements of operations for the year ended December 31, 2002 as "Other income". The Company received an additional \$66,000 from Castex in March of 2003, which is also included in the accompanying statement of income for the year ended December 31, 2003 as "Other Income".

## 15. INCOME TAXES

A reconciliation of the statutory federal income tax amount to the recorded expense follows:

<TABLE>  
 <CAPTION>

	2003	2002
<S>	<C>	<C>
Income before federal income taxes	\$ 349,000	\$ 441,000
Expected income tax at statutory rate	140,000	176,000
Increase in tax resulting from interest expense not tax deductible	350,000	-
Provision for income taxes	490,000	176,000
Net operating loss carryforward utilized	(490,000)	(176,000)
Other deferred tax assets utilized	-	-
Income tax expense recorded	\$ -	\$ -

</TABLE>

Subsequent to the adoption of SFAS 150, the Company recognized interest expense of \$875,000 for the year ended December 31, 2003. This interest is not deductible for tax purposes. This resulted in a taxable difference of \$350,000 when the interest expense is applied to the statutory rate of 40%. The difference in taxable income is fully nullified by the Company's net operating loss carryforward.

The tax effects of temporary differences and net operating loss carryforwards, which give rise to deferred tax assets at December 31, 2003 are estimated as follows:

<TABLE>  
 <CAPTION>

	2003	2002
<S>	<C>	<C>
Net operating loss carryforward	\$ 39,349,000	\$ 36,356,000
Oil and gas property basis difference	5,564,000	12,540,000
Total deferred tax asset	44,913,000	48,896,000
Valuation allowance	(44,913,000)	(48,896,000)
Net deferred tax asset (liability)	\$ -	\$ -

</TABLE>

The Company has an available tax net operating loss carry forward estimated at approximately \$98,372,000 as of December 31, 2003. This carryforward will begin to expire in the year 2013.

## CONTINUED

## 16. NET INCOME (LOSS) PER COMMON SHARE

A reconciliation of the components of basic and diluted net income (loss) per common share is presented in the table below:

	2003			2002		
	Income (loss)	Shares	Per Share	Income (loss)	Shares	Per Share
<b>Basic:</b>						
Income before effect of change						
<S> in accounting principle	\$ 349,000	<C>	<C>	\$ 441,000	<C>	<C>
Less: preferred stock dividends	(838,000)			(1,066,000)		
	\$ (489,000)	10,146,566	\$ (0.05)	\$ (625,000)	10,146,566	\$ (0.06)
Effect of change in accounting principle	270,000	10,146,566	0.03	-	10,146,566	-
	\$ (219,000)		\$ (0.02)	\$ (625,000)		\$ (0.06)
Effect of dilutive securities:						
Stock options		0			0	

The Company recorded a net loss from continuing operations after preferred stock dividends for the years ended December 31, 2003 and 2002. Due to this, no potentially dilutive shares were used in the computation of dilutive earnings per share as the use of such shares would be anti-dilutive.

## 17. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company conducts business activities with a substantial number of its shareholders.

## 18. COMMITMENTS

## Office Lease

On August 8, 2002, the Company executed a 60-month lease on 12,035 square feet of office space which commenced on November 15, 2002. Payments due under the lease during its term are as follows:

	For the year ended December 31,	
<S>	<C>	
2004	\$	217,000
2005		217,000
2006		217,000
2007		162,000
	\$	813,000

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GULFPORT ENERGY CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2003 AND 2002  
 CONTINUED

Payments made under this lease during the year ended December 31, 2003 totaled \$217,000. Rental expense for all operating leases for the years ended December 31, 2003 and 2002 totaled \$233,000 and \$165,000, respectively.

## Plugging and Abandonment Funds

In connection with the acquisition of the remaining 50% interest in the WCBB properties, the Company assumed the seller's obligation to contribute approximately \$18,000 per month through March 2004, to a plugging and abandonment trust and the obligation to plug a minimum of 20 wells per year for 20 years commencing March 11, 1997. ChevronTexaco retained a security interest in production from these properties until abandonment obligations to ChevronTexaco have been fulfilled. Beginning in 2007, the Company can access the trust for use in plugging and abandonment charges associated with the property.

As of December 31, 2003, the plugging and abandonment trust totaled approximately \$2,749,000, including interest received during 2003 of approximately \$14,000. The Company has plugged 132 wells at WCBB since it began its plugging program in 1997 and is current in its funding and plugging obligations.

#### Texaco Global Settlement

Pursuant to the terms of a global settlement between Texaco and the State of Louisiana which includes the State Lease No. 50 portion of Gulfport's East Hackberry Field, Gulfport was obligated to commence drilling a well or other qualifying development operation on certain non-producing acreage in the field prior to March 1998. Because of prevailing market conditions during 1998, the Company believed it was commercially impractical to shoot seismic or commence drilling operations on the subject property. As a result, Gulfport has agreed to surrender approximately 440 non-producing acres in this field to the State of Louisiana. At December 31, 2003, Gulfport was in the process of releasing such acreage to the State of Louisiana.

#### Contributions to 401(k) Plan

Gulfport sponsors a 401(k) and Profit Sharing plan under which eligible employees may contribute up to 15% of their total compensation through salary deferrals. Also under these plans, the Company will make a contribution each calendar year on behalf of each employee equal to at least 3% of his or her salary, regardless of the employee's participation in salary deferrals. During the years ended December 31, 2003 and 2002, Gulfport incurred \$71,000 and \$56,000, respectively, in contribution expense related to this plan.

#### Employment Agreement

At December 31, 2003, Gulfport had an employment agreement with its Chief Executive Officer. This agreement expires June 1, 2009, and calls for an annual salary of \$200,000, which may be adjusted for cost of living increases.

#### 19. CONTINGENCIES

##### Litigation

The Company has been named as a defendant on various litigation matters. The ultimate resolution of these matters is not expected to have a material adverse effect on the Company's financial condition or results of operations for the periods presented in the financial statements.

##### Concentration of Credit Risk

Gulfport operates in the oil and gas industry in the state of Louisiana with sales to refineries, re-sellers such as pipeline companies, and local

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GULFPORT ENERGY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
CONTINUED

distribution companies. While certain of these customers are affected by periodic downturns in the economy in general or in their specific segment of the oil and gas industry, Gulfport believes that its level of credit-related losses due to such economic fluctuations has been immaterial and will continue to be immaterial to the Company's results of operations in the long term. During 2003, Gulfport wrote off bad debts of \$7,000. Bad debt expense of \$87,000 was incurred during 2002.

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2003 Gulfport held cash in excess of insured limits in these banks totaling \$1,442,000.

During 2003, Gulfport sold all of its oil production to Shell Trading Company and all of its gas production to ChevronTexaco. During 2002, approximately 87% of Gulfport's revenues from oil and gas sales were attributable to Shell Trading Company.

#### 20. LITIGATION TRUST ENTITY

Pursuant to Old WRT's 1997 plan of reorganization, all of Old WRT's possible causes of action against third parties (with the exception of certain litigation related to recovery of marine and rig equipment assets and claims against Tri-Deck Oil and Gas Company (Tri-Deck)), existing as of the effective date of that plan, were transferred into a "Litigation Trust" controlled by an independent party for the benefit of most of Old WRT's existing unsecured creditors. The litigation related to recovery of marine and rig equipment and the Tri-Deck claims were subsequently transferred to the Litigation Trust as described below.

The Litigation Trust was funded by a \$3,000,000 cash payment, which was made on the effective date of reorganization. Gulfport owns a 12% interest in the Litigation Trust with the other 88% being owned by the former general unsecured creditors of Old WRT. For financial statement reporting purposes,

Gulfport has not recognized the potential value of recoveries which may ultimately be obtained, if any, as a result of the actions of the Litigation Trust, treating the entire \$3,000,000 payment as a reorganization cost at the time of the reorganization.

On January 20, 1998, Gulfport and the Litigation Trust entered into a Clarification Agreement whereby the rights to pursue various claims reserved by Gulfport under the plan of reorganization were assigned to the Litigation Trust. In connection with this agreement, the Litigation Trust agreed to reimburse the Company \$100,000 for legal fees Gulfport had incurred in connection these claims. As additional consideration for the contribution of this claim to the Litigation Trust, Gulfport is entitled to 20% to 80% of the net proceeds from these claims.

During 2002, Gulfport received \$160,000 in proceeds from the Litigation Trust. No proceeds were received from the Litigation Trust in 2003.

21. ACCOUNTING PRONOUNCEMENTS

SFAS No. 143

On January 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"), which requires the Company to record a liability equal to the fair value of the estimated cost to retire an asset. The asset retirement liability is recorded in the period in which the obligation meets the definition of a liability, which is generally when the asset is placed into service. When the liability is initially recorded, the Company will increase the carrying amount of the related long-lived asset by an amount equal to the original liability.

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The liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related long-lived asset. The accretion of the asset retirement obligation resulted in an expense of \$393,000 for the year ended December 31, 2003, as shown in the accompanying statement of operations. Any difference between costs incurred upon settlement of an asset retirement obligation and the recorded liability will be recognized as a gain or loss in the Company's earnings. The asset retirement obligation is based on a number of assumptions requiring professional judgment. The Company cannot predict the type of revisions to these assumptions that will be required in future periods due to the availability of additional information, including prices for oil field services, technological changes, governmental requirements and other factors. Upon adoption of SFAS No. 143, the Company recorded a net benefit of \$270,000 as the cumulative effect of a change in accounting principle. The non-cash transition adjustment increased oil and natural gas properties and asset retirement obligations by \$7.59 million and \$7.37 million, respectively, and decreased accumulated depreciation by \$50,000.

The asset retirement obligation recognized by the Company at December 31, 2003, relates to the estimated costs to dismantle and abandon its investment in producing oil and gas properties and the related facilities. Of the total asset retirement liability, \$480,000 that has been classified as short-term is the estimated portion of the total liability to be settled during the next year as the Company meets its plugging and abandonment requirements as discussed in Note 18.

The pro forma asset retirement obligation as of December 31, 2002, was \$7.37 million. Pro forma net income for the period December 31, 2002, assuming SFAS No. 143 had been applied retroactively, is shown in the following table:

<TABLE>  
<CAPTION>

	December 31, 2002
	-----
Net income available to common stockholders -	
<S>	<C>
As reported	\$ (625,000)
Pro forma	(340,000)
Net income per common share -	
As reported, basic	\$ (0.06)
Pro forma, basic	(0.03)
As reported, diluted	(0.06)
Pro forma, diluted	(0.03)

</TABLE>

SFAS No. 150

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or as an asset in some circumstances). Many of



those instruments were previously classified as equity. SFAS No. 150 is generally effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has recorded a liability related to the Preferred of \$12,071,000. Previously, the Preferred had been classified on the balance sheet between total liabilities and equity. This amount represents the 12,071 shares of Preferred issued and outstanding as of December 31, 2003, at the redemption and liquidation value of \$1,000 per share. In the opinion of management, the \$1,000 per share redemption and liquidation value approximates fair value. The shares are mandatorily redeemable on the fifth anniversary of the first issuance of Preferred.

## 22. SUBSEQUENT EVENTS

The Board of Directors has determined that if a sale of WCBB is not consummated that it is in the best interests of the Company to conduct an equity offering. The Board has approved a registered rights offering in the amount of \$12.0 million. The rights offering will be backstopped by one of the Company's

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principal stockholders. As a result, the Company is guaranteed proceeds of \$12.0 million if the rights offering is commenced for a commitment fee of 2% of the gross proceeds from the rights offering. Therefore, the Company shall have required liquidity either through the sale of the property or the proceeds from the rights offering.

In connection with the rights offering, on April 30, 2004, the Company entered into a \$3.0 million revolving credit facility with CD Holding, L.L.C., a principal stockholder of the Company. Borrowings under the credit facility are due on the earlier of the closing of the rights offering and August 1, 2005 and bear interest at the rate of 10.0% per annum. Under the credit facility, CD Holding may, if it elects to do so, apply the outstanding principal amount and any accrued but unpaid interest either (1) to the subscription price payable upon exercise of the rights issued to CD Holding in the rights offering, or (2) to the purchase price for the Common Stock. The credit facility provides that if the rights offering is not completed, CD Holding has the right to convert any borrowings plus any accrued but unpaid interest under the facility into shares of Common Stock at a conversion price \$1.20 per share of Common Stock.

In April 2004, the Board of Directors of the Company approved and the Company received the consent of holders of the requisite number of shares of Preferred to amend the Company's Certificate of Designation with respect to the Series A preferred stock to give the Company the ability to pay dividends on the Series A preferred stock with additional shares of Series A preferred stock after March 31, 2004 for so long as such shares remain outstanding and prior to the mandatory redemption date.

## 23. SUPPLEMENTAL INFORMATION ON OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES (UNAUDITED)

The following is historical revenue and cost information relating to the Company's oil and gas operations located entirely in the State of Louisiana:

### Capitalized Costs Related to Oil and Gas Producing Activities

<TABLE> <CAPTION>		2003
<S>		<C>
Proven Properties		\$ 127,991,000
Accumulated depreciation, depletion amortization and impairment reserve		(76,158,000)
		-----
Proven properties, net		\$ 51,833,000
		-----

</TABLE>

### Costs Incurred in Oil and Gas Property Acquisition and Development Activities

<TABLE> <CAPTION>		2003	2002
<S>		<C>	<C>
Acquisition		\$ -	\$ 63,000
Development of Proved Undeveloped Properties		6,320,000	5,270,000
Exploratory		-	126,000
Recompletions/Workovers		3,825,000	3,054,000
		-----	-----
Total		\$ 10,145,000	\$ 8,513,000

</TABLE>

GULFPORT ENERGY CORPORATION  
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Results of Operations for Producing Activities

The following schedule sets forth the revenues and expenses related to the production and sale of oil and gas. The income tax expense is calculated by applying the current statutory tax rates to the revenues after deducting costs, which include depreciation, depletion and amortization allowances, after giving effect to the permanent differences. The results of operations exclude general office overhead and interest expense attributable to oil and gas production.

<TABLE>

<CAPTION>

	2003	2002
<S>	<C>	<C>
Revenues	\$15,809,000	\$11,829,000
Production costs	(7,768,000)	(6,474,000)
Depletion	(4,421,000)	(3,106,000)
	3,620,000	2,249,000
Income tax expense		
Current	1,448,000	900,000
Deferred	(1,448,000)	(900,000)
	-	-
Results of operations		
from producing activities	\$ 3,620,000	\$ 2,249,000

</TABLE>

Oil and Gas Reserves

The following table presents estimated volumes of proven and proven undeveloped oil and gas reserves as of December 31, 2003 and 2002 and changes in proven reserves during the last two years, assuming continuation of economic conditions prevailing at the end of each year. Volumes for oil are stated in thousands of barrels (MBbls) and volumes for gas are stated in millions of cubic feet (MMCF). The weighted average prices at December 31, 2003 used for reserve report purposes are \$32.52 and \$6.19, adjusted by lease for transportation fees and regional price differentials, fixed price contracts, and for oil and gas reserves, respectively.

Gulfport emphasizes that the volumes of reserves shown below are estimates which, by their nature, are subject to revision. The estimates are made using all available geological and reservoir data, as well as production performance data. These estimates are reviewed annually and revised, either upward or downward, as warranted by additional performance data.

<TABLE>

<CAPTION>

	2003		2002	
	Oil	Gas	Oil	Gas
<S>	<C>	<C>	<C>	<C>
Proven Reserves				
Beginning of the period	23,005	18,510	24,823	24,725
Purchases in oil and gas reserves in place	377	555	-	-
Extensions, discoveries and other additions	-	-	-	-
Revisions of prior reserve estimates	(2,928)	(5,417)	(1,354)	(6,112)
Current production	(571)	(123)	(464)	(103)
Sales of oil and gas reserves in place	-	-	-	-
End of period	19,883	13,525	23,005	18,510
Proven developed reserves	1,790	1,258	3,232	3,773

</TABLE>

GULFPORT ENERGY CORPORATION  
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Discounted Future Net Cash Flows

Estimates of future net cash flows from proven oil and gas reserves were made in accordance with SFAS No. 69, "Disclosures about Oil and Gas Producing activities." The following tables present the estimated future cash flows, and changes therein, from Gulfport's proven oil and gas reserves as of December 31, 2003 and 2002, assuming continuation of economic conditions prevailing at the end of each year.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proven Oil and Gas Reserves

<TABLE>  
 <CAPTION>

	Year ended December 31,	
	2003	2002
<S>	<C>	<C>
Future cash flows	\$ 715,751,000	\$ 768,573,000
Future development costs	(128,487,000)	(130,762,000)
Future production costs	(104,677,000)	(87,370,000)
Future production taxes	(81,866,000)	(87,692,000)
Future net cash flows before income taxes	400,721,000	462,749,000
10% discount to reflect timing of cash flows	(191,182,000)	(217,417,000)
Discounted future net cash flows	209,539,000	245,332,000
Future income taxes, net of 10% discount	(15,530,000)	(34,294,000)
Standardized measure of discounted future net cash flows	\$194,009,000	\$211,038,000

</TABLE>

In order to develop its proved undeveloped reserves according to the drilling schedule used by the engineers in Gulfport's reserve report, the Company will need to spend \$6,605,900, \$13,266,000 and \$16,058,000 during years 2004, 2005 and 2006 respectively.

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proven Oil and Gas Reserves

<TABLE>  
 <CAPTION>

	Year ended December 31,	
	2003	2002
Sales and transfers of oil and gas produced,		
<S> net of production costs	\$ (8,041,000)	\$ (5,355,000)
Net changes in prices and production costs	11,592,000	265,326,000
Acquisition of oil and gas reserves in place, less related production costs	15,340,000	-
Extensions, discoveries and improved recovery, less related costs	-	-
Revisions of previous quantity estimates, less related production costs	(80,919,000)	(45,538,000)
Sales of reserves in place	-	-
Accretion of discount	26,235,000	(99,498,000)
Net changes in income taxes	18,764,000	(32,819,000)
Other	-	-
Total change in standardized measure of discounted future net cash flows	\$ (17,029,000)	\$ 82,116,000

</TABLE>

The standardized measure includes a deduction of \$138,200 from the value, at a discount rate of 10%, of the reserves to reflect the cumulative effect of hedges in place at year-end for future periods as calculated at the time of the reserve report using year-end SEC pricing.

Comparison of Standardized Measure of Discounted Future Net Cash Flows to the Net Carrying Value of Proven Oil and Gas Properties at December 31, 2003 is as follows:

<TABLE>  
<CAPTION>

	2003	2002
	-----	-----
Standardized measure of discounted future <S> and net cash flows	<C> \$194,009,000	<C> \$211,038,000
Proven oil and gas properties	127,991,000	109,480,000
Less accumulated depreciation, depletion, amortization and impairment reserve	(76,158,000)	(71,791,000)
	-----	-----
Net carrying value of proven oil and gas properties	51,833,000	37,689,000
	-----	-----
Standardized measure of discounted future net cash flows in excess of net carrying value of proven oil and gas properties	\$142,176,000	\$173,349,000
	=====	=====

</TABLE>

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10,000,000 Shares

Gulfport Energy Corporation

Common Stock

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PROSPECTUS

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PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

Item 24. Indemnification of Directors and Officers.

The Registrant, a Delaware corporation, is empowered by Section 145 of the DGCL, subject to the procedures and limitations stated therein, to indemnify certain parties. Section 145 of the DGCL provides in part that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Similar indemnity is authorized for such persons against expenses (including attorneys' fees) actually and reasonably incurred in the defense or settlement of any threatened, pending or completed action or suit by or in the right of the corporation, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and provided further that (unless a court of competent jurisdiction otherwise provides) such person shall not have been adjudged liable to the corporation. Any such indemnification may be made only as authorized in each specific case upon a determination by the stockholders or disinterested directors that indemnification is proper because the indemnitee has met the applicable standard of conduct. Where an officer or a director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director actually or reasonably incurred. Section 145 provides further that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The Registrant's Bylaws provide that the Registrant shall indemnify and advance expenses to each person who is a director or officer of the Registrant to the fullest extent permitted under Section 145 of the DGCL, and such indemnity and advancement of expenses shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Article VI of the Registrant's Certificate of Incorporation eliminates the personal liability of the Registrant's directors to the fullest extent permitted under Section 102(b)(7) of the DGCL, as amended. Such section permits a company's certificate of incorporation to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (i) for any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the DGCL (which addresses director liability for unlawful payment of a dividend or unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit.

Article VI of the Bylaws of the Registrant provides that the Registrant shall, to the fullest extent permitted by Delaware law, indemnify any and all persons whom it shall have power to indemnify against any and all of the costs, expenses, liabilities or other matters incurred by them by reason of having been officers or directors of the Registrant, any such subsidiary of the Registrant or of any other corporation for which he acted as officer or director at the request of the Registrant.

The Registrant maintains director and officer liability insurance providing insurance protection for specified liabilities under specified terms.

The Registrant has adopted provisions in its Bylaws and in its Certificate which provide for indemnification of its officers and directors to the maximum extent permitted under the DGCL.

Item 25. Other Expenses of Issuance and Distribution.

The estimated expenses in connection with the issuance and distribution of the securities being registered are set forth in the following table. We will bear all such expenses.

<TABLE>	
<CAPTION>	
<S>	<C>
SEC registration fees	\$ 1,521
Printing and engraving expenses	
Legal fees and expenses	
Accounting fees and expenses	
Blue sky fees and expenses	
Transfer agent and registrar fees and expenses	
Miscellaneous	
	-----
Total	\$
	=====

</TABLE>

Item 26. Recent Sales of Unregistered Securities.

The following sets forth unregistered sales of securities by us during the proceeding three years:

In March 2002 through April 2002, we issued 9,291.85 Units, each consisting of one share of Cumulative Preferred Stock, Series A and one warrant to purchase up to 250 shares of Common Stock to certain of the Company's stockholders who were also accredited investors in a private placement, at a price of \$1,000 per Unit. The issuance of these shares was exempt from registration under Section 4(2) of the Securities Act of 1933, as sales not involving a public offering, and from various similar state exemptions.

Dividends accrue on the Series A preferred stock prior to the mandatory redemption date at the rate of 12% of the liquidation preference per annum payable quarterly in cash or, at the option of the Company for a period not to exceed two years from the closing date, payable in whole or in part in additional shares of Series A preferred stock at the rate of 15% of the liquidation preference per annum. The Company chose to pay dividends on the shares of Series A preferred stock with additional shares of Series A preferred stock for the quarterly periods ended March 31, June 30, September 30, and December 31, 2003 and March 31, 2004 and, as a result, issued an additional 3,241.73 shares of Series A preferred stock as of March 31, 2004. The issuance of these shares was exempt from registration under Section 4(2) of the Securities Act of 1933, as sales not involving a public offering, and from various similar state exemptions.

Item 27. Exhibits.

Exhibit Number	Description
-----	-----
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 10-Q filed December 1, 1997).
3.2**	Amendment to Certificate of Incorporation changing name of corporation to Gulfport Energy Corporation.
3.3**	Amendment to Certificate of Incorporation to effect a 3 to 1 reverse stock split of the issued and outstanding Common Stock.
3.4**	Amendment to Certificate of Incorporation to increase the number of authorized shares of Common Stock from 50,000,000 to 250,000,000.
3.5**	Amendment to Certificate of Incorporation to effect a 50 to 1 reverse stock split of the issued and outstanding Common Stock.

- 3.6\*\* Amendment to Certificate of Incorporation to reduce the number of authorized shares of Common Stock from 250,000,000 to 15,000,000.
- 3.7 Amendment to Certificate of Incorporation (incorporated by reference to Exhibit A to Information Statement filed on February 20, 2004).
- 3.8 Bylaws (incorporated by reference to Exhibit 3.2 the Form 10-Q filed December 1, 1997).
- 4.1\*\* Form of Common Stock certificate.
- 4.2\* Form of Subscription Right certificate.
- 5.1\*\* Opinion of Akin Gump Strauss Hauer & Feld LLP.
- 10.1\* Back-stop Letter Agreement between the Registrant and CD Holding, LLC.
- 10.2\* Credit Agreement dated July 1, 2003 by and between the Registrant and the Bank of Oklahoma.
- 10.3 Stock Option Plan (incorporated by reference to Exhibit 10.2 to the Form 10-K filed March 30, 2001).
- 10.4\*\* Form of Warrant Agreement.
- 10.5 Confidential Disclosure Statement relating to Offer and Sale of up to 10,000 Units dated March 29, 2002.
- 10.6\*\* Employment Agreement dated June 2003 between the Registrant and Mike Liddell.
- 10.7\* Credit Agreement dated April 30, 2004 by and between the Registrant and CD Holding, L.L.C.
- 21.1\* List of Subsidiaries of Registrant.

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Exhibit Number -----	Description -----
23.1**	Consent of Akin Gump Strauss Hauer & Feld LLP.
23.2*	Consent of Hogan & Slovacek.
23.3*	Consent of Netherland, Sewell & Associates.
24*	Power of Attorney (included on the signature page attached hereto).
99.1*	Form of Instructions for Use of Subscription Rights Certificates.
99.2*	Form of Notice of Guaranteed Delivery for Subscription Rights.
99.3*	Form of Letter to Stockholders Who Are Record Holders.
99.4*	Form of Letter to Stockholders Who Are Beneficial Holders.
99.5*	Form of Letter to Clients of Stockholders Who Are Beneficial Holders.
99.6*	Form of Nominee Holder Certification Form.
99.7*	Form of Beneficial Owner Election Form.

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\*Filed herewith.

\*\*To be filed by amendment.

Item 28. Undertakings.

(a) The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission under Rule 424(b) if, in the aggregate, the changes in the volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any additional or changed material information on the plan of distribution.

2. That, for the purpose of determining liability under the Securities Act, each such post-effective amendment may be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

3. To file a post-effective amendment to remove from registration any of the securities being registered that remain unsold at the end of the offering.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered in any such amendment, and the offering of such securities at that time shall be deemed to be the initial bona fide offering of such securities.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on May 11, 2004.

GULFPORT ENERGY CORPORATION

By: /s/ Mike Liddell

-----  
Mike Liddell,



Chief Executive Officer

POWER OF ATTORNEY

Know all persons by these presents that each individual whose signature appears below constitutes and appoints Mike Liddell, Lisa Holbrook and Michael G. Moore and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing under Rule 462 promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act of 1933, as amended, this Registration Statement was signed by the following persons in the capacities and on the dates stated.

Date	Signature / Title
----	-----
May 11, 2004	By: /s/Mike Liddell ----- Mike Liddell, Chief Executive Officer, Chairman of the Board and Director
May 11, 2004	By: /s/Robert Brooks ----- Robert Brooks, Director
May 11, 2004	By: /s/David L. Houston ----- David L. Houston, Director
May 11, 2004	By: /s/Mickey Liddell ----- Mickey Liddell, Director
May 11, 2004	By: /s/Dan Noles ----- Dan Noles, Director
May 11, 2004	By: /s/Michael G. Moore ----- Michael G. Moore, Vice President and Chief Financial Officer

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN GULFPORT ENERGY CORPORATION'S PROSPECTUS DATED \_\_\_\_\_, 2004 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM UMB BANK, N.A., THE SUBSCRIPTION AGENT.

Rights Certificate No. \_\_\_\_\_ No. of Rights: \_\_\_\_\_

GULFPORT ENERGY CORPORATION  
Incorporated under the laws of the State of Delaware

SUBSCRIPTION RIGHTS CERTIFICATE

Evidencing Subscription Rights to Purchase Shares of Common Stock of Gulfport Energy Corporation

Subscription Price: \$ \_\_\_\_\_ per Share

The Subscription Rights will expire if not exercised on or before 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless extended by Gulfport Energy Corporation

Registered Owner:

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of subscription rights ("Rights") set forth above. Each whole Right entitles the holder thereof, or its assigns, to subscribe for and purchase one share of common stock, par value \$0.01 per share ("Common Stock"), of Gulfport Energy Corporation, a Delaware corporation, at a subscription price of \$ \_\_\_\_\_ per share (the "Basic Subscription Privilege"), pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus and the "Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates" accompanying this Subscription Rights Certificate. If any shares of Common Stock available for purchase in the Rights Offering are not purchased by other holders of Rights pursuant to the exercise of their Basic Subscription Privilege (the "Excess Shares"), any Rights holder that exercises its Basic Subscription Privilege in full may subscribe for a number of Excess Shares pursuant to the terms and conditions of the Rights Offering, subject to pro ration, as described in the Prospectus (the "Over-Subscription Privilege"). The Rights represented by this Subscription Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by returning the full payment of the subscription price for each share of Common Stock in accordance with the "Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates" that accompany this Subscription Rights Certificate. The Rights evidenced by this Subscription Rights Certificate may also be transferred or sold by completing the appropriate forms on the reverse side hereof in accordance with the "Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates" that accompany this Subscription Rights Certificate.

The Rights are transferable on the books of Gulfport Energy Corporation in person or by duly authorized attorney upon surrender of this Subscription Rights Certificate properly endorsed. This Subscription Rights Certificate is not valid unless countersigned by the transfer agent and registered by the registrar.

Witness the seal of Gulfport Energy Corporation and the signatures of its duly authorized officers.

Dated: \_\_\_\_\_, 2004

\_\_\_\_\_  
Mike Liddell  
Chairman of the Board, President  
and Chief Executive Officer

\_\_\_\_\_  
Lisa Holbrook  
Vice President, General Counsel  
and Secretary

Delivery Options For Subscription Rights Certificate

For delivery by mail, hand delivery or over night courier:

UMB Bank, N.A.  
Corporate Trust Department  
2401 Grand Blvd.  
Kansas City, Missouri 64108

Delivery other than in the manner or to the address listed above will not constitute valid delivery.

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

FORM 1 - EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for shares pursuant to your Basic Subscription Privilege, please complete lines (a) and (c) and sign under Form 4 below. To subscribe for shares pursuant to your Over-Subscription Privilege, please also complete line (b).

(a) Exercise Of Basic Subscription Privilege:

I apply for \_\_\_\_\_ shares x \$ \_\_\_\_\_ = \$ \_\_\_\_\_  
(no. of new shares) (subscription price) (Payment)

(b) Exercise Of Over-Subscription Privilege:

If you have exercised your Basic Subscription Privilege in full and wish to subscribe for additional shares pursuant to your Over-Subscription Privilege, please complete this line (b) and sign under Form 4 below:

I apply for \_\_\_\_\_ shares x \$ \_\_\_\_\_ = \$ \_\_\_\_\_  
(no. of new shares) (subscription price) (Payment)

(c) Total Amount of Payment Enclosed = \$ \_\_\_\_\_

Method Of Payment (Check One):

[ ] Check or bank draft drawn on a U.S. bank, or postal, telegraphic or express money order payable to "UMB Bank, N.A., as Subscription Agent." Funds paid by an uncertified check may take at least five business days to clear.

[ ] Wire transfer of immediately available funds directly to the account maintained by American Stock Transfer & Trust Company, as Subscription Agent, for purposes of accepting subscriptions in this Rights Offering at UMB Bank, Kansas City, MO, ABA #101000695, Acct #9800006823.

FORM 2 - SALE OR TRANSFER TO DESIGNATED TRANSFEREE OR THROUGH BANK OR BROKER

To sell or transfer your Rights to another person, complete this Form 2 and have your signature guaranteed under Form 5. To sell your Rights through your bank or broker, sign below under this Form 2 and have your signature guaranteed under Form 5, but leave the rest of this Form 2 blank.

For value received \_\_\_\_\_ of the Rights represented by this Subscription Rights Certificate are assigned to:

-----  
(Print Full Name of Assignee)

\_\_\_\_\_  
(Print Full Address)

\_\_\_\_\_  
Tax ID or Social Security No.

\_\_\_\_\_  
Signature(s)

**IMPORTANT:** The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

**FORM 3 - DELIVERY TO DIFFERENT ADDRESS**

If you wish for the Common Stock underlying your Rights, a certificate representing unexercised Rights or the proceeds of any sale of Rights to be delivered to an address different from that shown on the face of this Subscription Rights Certificate, please enter the alternate address below, sign under Form 4 and have your signature guaranteed under Form 5.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FORM 4 - SIGNATURE**

**To Subscribe:** I acknowledge that I have received the Prospectus for this Rights Offering and I hereby irrevocably subscribe for the number of shares indicated above on the terms and conditions specified in the Prospectus.

**To Sell:** If I have completed Form 2, I authorize the sale by the Subscription Agent, according to the procedures described in the Prospectus, of any Rights represented by this Subscription Rights Certificate but not exercised hereby.

\_\_\_\_\_  
Signature(s)

**IMPORTANT:** The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

**FORM 5 - SIGNATURE GUARANTEE**

This form must be completed if you have completed any portion of Forms 2 or 3.

Signature Guaranteed:

\_\_\_\_\_  
(Name of Bank or Firm)

By: \_\_\_\_\_  
(Signature of Officer)

*IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.*

*FOR INSTRUCTIONS ON THE USE OF GULFPORT ENERGY CORPORATION SUBSCRIPTION RIGHTS CERTIFICATES, CONSULT UMB BANK, N.A., THE SUBSCRIPTION AGENT, AT (816) 860-3020.*

CD HOLDING LLC

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411 West Putnam Avenue  
Greenwich, CT 06830  
(203) 862-7000

April 14, 2004

Sent Via Facsimile  
(405) 848-8816

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Ms. Lisa Holbrook  
Secretary  
Gulfport Energy Corporation  
14313 N. May Ave., Suite 100  
Oklahoma City, OK 73134

Dear Ms. Holbrook:

CD Holding LLC ("CD Holding") is pleased to provide the following commitment to Gulfport Energy Corporation ("Gulfport") regarding its contemplated Rights Offering. CD Holding agrees to backstop a Rights Offering under the following conditions: (i) the offering yields gross proceeds of \$12.0 million; (ii) the rights are offered at \$1.20 a share; (iii) the rights are registered with the Securities and Exchange Commission; (iv) no offer on West Cote Blanche Bay is accepted prior to funding of the Rights Offering and approved by a majority of Gulfport shareholders; and (v) a 2% commitment fee.

This proposal may be accepted by signing and returning a copy of this letter to the undersigned so that it is received by no later than 5 pm (EST) on Thursday, April 15, 2004. If a countersigned copy of this proposal has not been received by the undersigned at such time, this proposal shall be deemed withdrawn and this letter shall have no further force or effect. If accepted, as provided herein, this letter agreement shall constitute a binding contract enforceable according to its terms. Although the parties contemplate that such agreement shall be superseded by more detailed definitive written documentation, they agree that in the event such documents are not finalized or executed this agreement shall nonetheless be legally binding and enforceable.

Sincerely,

/s/Chuck Davidson  
Chuck Davidson

ACCEPTED & AGREED TO  
THIS \_\_\_\_\_ DAY OF APRIL, 2004.

GULFPORT ENERGY CORPORATION

BY: /s/Lisa Holbrook

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Lisa Holbrook  
Secretary

LOAN AGREEMENT  
July 1, 2003

BORROWER NAME AND ADDRESS	LENDER NAME AND ADDRESS
Gulfport Energy Corporation 14313 N. May Avenue, Suite 100 Oklahoma City, OK 73134-5038	Bank of Oklahoma, N.A. 201 Robert S. Kerr Oklahoma City, OK 73102

The undersigned Borrower with principal office, place of record keeping and mailing address as shown above, hereby acknowledges receipt of proceeds, or some part thereof, of the following described loan(s) and/or extension of credit and all renewals and/or modifications thereof from the Lender named in this Agreement may be executed in one or more counterpart and all such counterparts shall be construed together as the Agreement.

Loan #0001 dated July 1, 2003, in the amount of \$2,300,000.00, with a maturity date of July 1, 2004.

IN CONSIDERATION of Lender making such loan and/or extension of credit, or any part thereof, Borrower agrees as follows:

A. **Financial Information.** To deliver to Lender within the stated time limits the following financial information and income tax returns as of the dates and for the period indicated;

1. Annual financial statement on Borrower: Gulfport Energy Corporation.

B. **Litigation.** To inform Lender promptly of any litigation, or of any claim or controversy which might become the subject of litigation, against Borrower or affecting any of Borrower's property, if such litigation or potential litigation, in the event of an unfavorable outcome, would have a material adverse effect on Borrower's financial condition;

C. **Taxes.** To pay promptly when due any and all taxes, assessments and governmental charges against Borrower or against any of Borrower's property, unless the same is being contested in good faith by appropriate proceedings and reserves deemed adequate by Lender have been established therefor;

D. **Labor and Material.** To pay promptly all lawful claims whether for labor, materials or otherwise, which might or could, if unpaid, become a lien or charge on any property or assets of Borrower, unless and to the extent only that the same are being contested in good faith by appropriate proceedings and reserves deemed adequate by Lender have been established therefor;

E. **Insurance.** To maintain with financially sound and reputable insurance organizations approved by Lender, insurance of the kinds and covering the risks and in the amounts usually carried by companies engaged in businesses similar to that of Borrower, which insurance in all events shall be satisfactory to Lender, and, at Lender's request deliver to Lender evidence of the maintenance of such insurance;

F. **Accounting Records.** To maintain adequate records in accordance with generally accepted accounting practices of all transactions so that at any time and from time to time the true and complete financial condition of Borrower may be readily determined; and

G. **Applicable Law.** Any cause of action for a breach of enforcement of, or a declaratory judgment respecting, this agreement or any agreement related to the execution and delivery of this agreement shall be commenced and maintained only in the United States District Court for the Northern District of Oklahoma or the applicable Oklahoma state trial court sitting in Tulsa, Oklahoma and having subject matter jurisdiction; provided,

however, any action to foreclose any deed of trust or real estate mortgage securing finance or repayment shall be brought in any county having mandatory venue thereof pursuant to the venue statutes of the State of Oklahoma.

H. Additional Covenants. Borrower warrants and agrees as follows:

1. Any proceeds from the sale of oil/gas properties having an aggregate selling price in excess of \$100,000.00 will be applied to the loan balance.
2. Borrower will not encumber any oil and gas properties.
3. No material changes in the ownership of Gulfport Energy Corporation without Lender's consent.
4. Current assets divided by current liabilities, exclusive of obligations to Lender shall exceed 1.0 at all times. (Ratio was 1.78 at 12/31/02).
5. Indebtedness other than trade payables incurred in the ordinary course of business is limited to \$100,000.00
6. Borrower will not redeem any Preferred or Common shares without prior consent from Lender.
7. The borrower will maintain it's primary depository accounts with Lender.

SIGNATURES

BORROWER

LENDER

Gulfport Energy Corporation

Bank of Oklahoma, N.A.

By: /s/Mike Liddell

/s/Jeffrey Hall

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Mike Liddell,  
Chief Executive Officer

-----  
Jeffrey Hall,  
Commercial Banking Officer



REVOLVING LINE OF CREDIT AGREEMENT

April 30, 2004

Gulfport Energy Corporation  
14313 North May, Suite 100  
Oklahoma City, OK 73134

Ladies and Gentlemen:

CD Holding, LLC, a Delaware limited liability company ("Lender") is pleased to offer a revolving line of credit financing facility to Gulfport Energy Corporation, a Delaware corporation (the "Borrower"), pursuant to the following terms and conditions:

1. Revolving Line of Credit Facility.

(a) Subject to the terms and conditions of this loan agreement (as amended, supplemented, waived or modified from time to time after the date hereof, this "Loan Agreement"), Lender shall, from time to time after the date hereof and up to the Commitment Termination Date (as defined herein) make advances to the Borrower ("Loans") not to exceed \$3,000,000 in the aggregate outstanding at anytime (the "Commitment") which shall bear interest at a Base Rate of 10% per annum to be used solely to fund its capital and operating expenses.

(b) The Loans will be evidenced by a revolving promissory note of the Borrower, substantially in the form of Exhibit A hereto (together with all amendments and supplements thereto, substitutions therefor, and all renewals, extensions, modifications, rearrangements and waivers thereof, the "Note"), with payment terms, interest rate, and other terms as set forth therein. This Loan Agreement, the Note, the Loan Request Certificates (as defined below) and all other documents, certificates and instruments related to this Loan Agreement or the Loans, whether furnished before or as of the date hereof, or from time to time hereafter, as each may be amended, supplemented, waived, or modified from time to time, shall be collectively referred to herein as the "Loan Documents."

(c) The Commitment shall terminate upon the "Commitment Termination Date," which shall be the earlier to occur of (i) the termination of the Commitment pursuant to Paragraph 5 of this Loan Agreement, (ii) the closing on a Rights Offering (as defined herein) and (iii) August 1, 2005. Until the Commitment Termination Date, the Borrower may use the Commitment by borrowing, prepaying the Loans (in whole or in part, at any time and from time to time, without premium or penalty) and reborrowing, all pursuant to the terms and conditions of this Loan Agreement. On the Commitment Termination Date, any outstanding amount of the loans shall be repaid in full.

Gulfport Energy Corporation  
April 30, 2004  
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(d) If Borrower conducts an offering (the "Rights Offering") of rights ("Rights") to purchase shares of its common stock, par value \$0.01 per share ("Common Stock"), or otherwise sells or agrees to sell Common Stock to Lender during the term of this Loan Agreement, Lender may, at its option, apply all or part of the principal amount of all outstanding Loans plus all accrued and unpaid interest owed on the Loans (i) to the exercise of Rights issued to Lender in the Rights Offering, or (ii) to the purchase price for such Common Stock, as the case may be. To the extent all of the outstanding Loans plus all accrued and unpaid interest on the closing date of the Rights Offering or sale of Common Stock, as the case may be, is not applied by Lender to the exercise of Rights or purchase of Common Stock,

the remaining amounts due shall be repaid to Lender out of the proceeds of the Rights Offering or sale of Common Stock.

2. *Conditions to Funding.* The funding of each Loan is subject to the satisfaction or waiver by Lender of each of the following conditions, in each case satisfactory in form and substance to Lender and its counsel, in its sole and absolute discretion:

(a) The Borrower shall have executed and delivered to Lender a certificate in a form acceptable to Lender requesting a Loan (a "Loan Request Certificate") at least ten business days prior to the date of the requested Loan;

(b) The Borrower shall have executed and delivered the following documents to Lender prior to the date of requested Loan:

(i) This Loan Agreement;

(ii) The Note; and

(iii) Such other documents, opinions, certificates and evidences as Lender shall deem necessary or advisable;

(c) Each of the representations and warranties made in, and in connection with, the Loan Documents shall be true, correct and complete in all material respects;

(d) No Event of Default (as defined herein) shall have occurred and be continuing; and

3. *Representations and Warranties.* In order to induce Lender to enter into this Loan Agreement and to make Loans to the Borrower, the Borrower hereby represents and warrants to Lender, as of the date hereof and as of the date of each extension of credit hereunder, and with respect to subsection (i) hereof at all times hereafter that the Loans are outstanding, that:

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(a) *Organization; Powers.* The Borrower (i) is a corporation duly organized, validly existing and in good standing under the laws of Delaware, (ii) has all requisite corporate power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (iii) is qualified to do business in every jurisdiction where such qualification is necessary, (iv) has the corporate power and authority to execute, deliver and perform each agreement or instrument contemplated hereby to which it is or will be a party, and (v) is in compliance with all laws, rules, regulations and orders ("Requirements of Law") of governmental bodies, including courts ("Governmental Authorities") except where the failure to so comply would not have a material adverse effect on the Borrower.

(b) *Authorization.* The execution, delivery and performance by the Borrower of the Loan Documents and the borrowing of the Loans (i) have been duly authorized by all requisite corporate action on the part of the Borrower, and (ii) will not (x) violate (A) any Requirement of Law or of the certificate of incorporation or bylaws of the Borrower, or (B) any indenture, agreement or other instrument to which the Borrower is a party or by which its property is bound, (y) be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or (z) result in the creation of imposition of any lien or security interest upon any property or assets of the Borrower.

(c) *Validity and Binding Nature.* The Loan Documents have been duly executed and delivered by the Borrower and are legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms (except as enforcement thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws

affecting the enforcement of credits' rights generally).

(d) **No Default.** The Borrower is not in default under or with respect to the terms of any material contractual obligation. No Event of Default has occurred and is continuing.

(e) **Consents and Filings.** No consent, approval or authorization of, or registration or filing with, any Governmental Authority or other person or entity is required in connection with (i) the execution, delivery and performance by the Borrower, or the validity or enforceability against the Borrower, of the Loan Documents, or (ii) the Loans.

(f) **No Material Litigation.** (i) No material litigation, investigation or proceeding of or before any arbitrator or any Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower, and (ii) there are no undisclosed outstanding or unpaid judgments against the Borrower.

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April 30, 2004  
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(g) **Use of Borrowings.** Borrowings by the Borrower under this Loan Agreement will only be used to fund the capital and operating expenses of the Borrower.

(h) **Disclosure.** No representation or warranty made by the Borrower in any Loan Document and not subsequently corrected in writing, nor any filing made by the Borrower with any Governmental Authority, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein not misleading.

(i) **Restricted Debt.** The Borrower shall not in any manner owe or be liable for any debt other than (i) the existing debt to Bank of Oklahoma, N.A., and (ii) debt incurred in the ordinary course of business.

4. **Events of Default .** The occurrence of any of the following specified events shall constitute an "Event of Default":

(a) **Nonpayment.** The Borrower shall fail to pay when due any principal of or interest on the Note, or any other amount payable thereunder or hereunder.

(b) **Bankruptcy.** The Borrower or any of its subsidiaries shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto, or any similar statute or other law as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against the Borrower or any of its subsidiaries and the petition is not controverted within 10 days, or is not dismissed within 60 days, after commencement of the case; or a custodian, liquidator or similar party is appointed for, or takes charge of, all or any substantial part of the property of the Borrower or any of its subsidiaries; or the Borrower or any of its subsidiaries commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower or such subsidiary or there is commenced against the Borrower or any of its subsidiaries any such proceeding which remains undismissed for a period of 60 days; or the Borrower or any of its subsidiaries is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Borrower or any of its subsidiaries suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or the Borrower or any of its subsidiaries makes a general assignment for the benefit of creditors; or the Borrower or any of its subsidiaries shall fail to pay (except with respect to debts which are being reasonably contested), or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the

Borrower or any of its subsidiaries shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; or the Borrower or any of its subsidiaries shall be any act acquiescence in any of

Gulfport Energy Corporation

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the foregoing; or any corporate action is taken by the Borrower or any of its subsidiaries for the purpose of effecting any of the foregoing;

(c) *Nonpayment of Other Indebtedness.* The Borrower shall fail to make any payments aggregating U.S.\$10,000 or more of principal of or interest on any indebtedness or other obligations of the Borrower when due (whether at stated maturity, by acceleration, on demand or otherwise) after giving effect to any applicable grace periods.

(d) *Nonperformance.* The Borrower shall fail (other than as specified in subsections (a), (b) or (c) above) to duly observe, perform or comply with any covenant, agreement, condition or provision of this Loan Agreement or the Note, and such failure remains unremedied for a period of ten (10) days after notice of such failure is given by a Lender to the Borrower.

#### 5. Remedies.

(a) *Simultaneously with the occurrence of any Event of Default described in Subparagraph 4(b) of this Loan Agreement, the following shall occur automatically without any action being taken by Lender: (i) the Commitment shall terminate, and (ii) all obligations of the Borrower to Lender shall become due and payable, whereupon an amount equal to the sum of the outstanding principal balance of the Note, any accrued but unpaid interest and all other fees and amounts owing thereunder and under any other Loan Document to Lender shall become due and payable, without presentment, demand, protest, notice of protest, notice of intent to accelerate, notice of acceleration or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in any other document to the contrary notwithstanding.*

(b) *Upon the occurrence of any Event of Default not described in Subparagraph 4(b) of this Loan Agreement, at the option of Lender, Lender may, by written notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitment, and (ii) declare all obligations of the Borrower to Lender to be forthwith due and payable, whereupon an amount equal to the sum of the outstanding principal balance of the Note, any accrued but unpaid interest and all other fees and amounts owing thereunder and under any other Loan Document to Lender shall become forthwith due and payable, without presentment, demand, protest, notice of protest, notice of intent to accelerate, notice of acceleration or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in any other document to the contrary notwithstanding.*

6. *Indemnity.* By acceptance of this Loan Agreement, the Borrower unconditionally agrees (i) to pay, indemnify and hold harmless Lender and its directors, officers, members, employees, agents and counsel (each, an

Gulfport Energy Corporation

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"Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to or arising out of the Loan Documents or the preparation, execution, delivery, enforcement, performance, or consummation thereof and the borrowings and other transactions contemplated therein or in connection therewith (collectively, the "Indemnified Liabilities"), provided that the Borrower shall have no liability hereunder with

respect to Indemnified Liabilities arising solely from gross negligence or willful misconduct by Lender or such other Indemnified Party, and (ii) to pay to Lender all of its costs and expenses (including the fees and disbursements of Lender's inside and outside counsel) arising in connection with the preparation, execution and delivery of the Loan Documents (collectively, Lender's "Costs and Expenses"). The Borrower further agrees that its liability in connection with the Indemnified Liabilities and Lender's Costs and Expenses shall not be released or diminished by the occurrence or failure to occur of any event, including, but not limited to, Lender's failure, for any reason, with or without cause, to make Loans and the Borrower's obligations hereunder shall survive the repayment in full of the Loans and any termination of this Loan Agreement, unless such termination specifically terminates this Paragraph and the Borrower's obligations hereunder.

7. **Governing Law.** THIS LOAN AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF OKLAHOMA WITHOUT GIVING EFFECT TO THE CHOICE OF LAW OR CONFLICT OF LAWS RULES THEREOF.

8. **Assignment.** The Borrower may not assign this Loan Agreement. Lender may assign this Loan Agreement to any affiliate of Lender.

9. **Counterparts.** This Loan Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument notwithstanding that all parties are not signatories to each individual counterpart.

10. **Limitation on Interest.** It is the intention of the parties hereto to comply with all applicable usury laws, whether now existing or hereafter enacted. Accordingly, notwithstanding any provision to the contrary in this Loan Agreement, the Note, the other Loan Documents or any other document evidencing, securing, guaranteeing or otherwise pertaining to indebtedness of the Borrower to Lender, in no contingency or event whatsoever, whether by acceleration of the maturity of indebtedness of the Borrower to Lender or otherwise, shall the interest contracted for, charged or received by Lender exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever fulfillment of any provisions of this Loan Agreement, the Note, the other Loan Documents or of any other document evidencing, securing, guaranteeing or otherwise pertaining to indebtedness of the Borrower to Lender, at the time performance of such provision shall be due, shall involve transcending the limit

Gulfport Energy Corporation

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of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances Lender shall ever receive anything of value as interest or deemed interest by applicable law under this Loan Agreement, the Note, the other Loan Documents or any other document evidencing, securing, guaranteeing or otherwise pertaining to indebtedness of the Borrower to Lender or otherwise an amount that would exceed the highest lawful amount, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing in connection with this Loan Agreement or on account of any other indebtedness of the Borrower to Lender, and not to the payment of interest, or if such excessive interest exceeds the balance of principal owing in connection with this Loan Agreement and such other indebtedness, such excess shall be refunded to the Borrower. In determining whether or not the interest paid or payable with respect to any indebtedness of the Borrower to Lender, under any specific contingency, exceeds the highest lawful rate, the Borrower and Lender shall, to the maximum extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate and spread the total amount of interest throughout the full term of such indebtedness so that the actual rate of interest on account of such indebtedness does not exceed the maximum amount permitted by applicable law, and/or (d) allocate interest between portions of such indebtedness, to the end that no such portion shall bear interest at a rate greater than that permitted by law. The terms and provisions of this paragraph shall control and supersede every other conflicting provision of this Loan Agreement, the Note and the other Loan Documents.

11. [Intentionally Omitted.]

12. Conversion.

(a) *Right of Conversion.* Lender shall have the right, at any time and from time to time during the Conversion Period (as defined herein), at Lender's option, to convert, subject to the terms and provisions of this Paragraph 12, any and all of the outstanding principal balance of the Note and/or accrued but unpaid interest thereunder into fully paid and nonassessable shares of Common Stock at the Conversion Price. The "Conversion Price" shall mean \$1.20 per share of Common Stock, as adjusted if and as appropriate pursuant to the provisions of this Paragraph 12. The "Conversion Period" shall mean the period beginning on the date the Rights Offering contemplated as of the date hereof has been canceled or terminated by the Board of Directors of the Borrower and ending on the date the entire outstanding principal balance of the Note together with any accrued but unpaid interest thereunder have been repaid in full. Prior to or simultaneously with the conversion by Lender of any of its principal of any Note, all accrued but unpaid interest on the principal amount being converted must be converted at the Conversion Price.

(b) *Mechanics of Exercise.* The right of conversion shall be exercised by Lender's delivery to the Borrower during usual business hours at its principal place of business of a written notice that the Lender elects to convert all or part of its principal of and accrued and unpaid interest on the Note and specifying the name (with address) in which the certificate

for Common Stock is to be issued and, if the certificate is to be issued to a person or entity (collectively, a "Person") other than the Lender, by a written instrument of transfer in form satisfactory to the Borrower, duly executed by the Lender, duly authorized in writing, together with transfer tax stamps or funds therefor if required pursuant to Subparagraph (i) below. Notation shall be made on the Note of the principal and interest converted.

(c) *Time of Conversion.* As promptly as practicable after the written notice of conversion has been delivered to the Borrower, as herein provided, the Borrower shall deliver or cause to be delivered at the Borrower's office a certificate for the shares of Common Stock issuable in connection with such conversion.

(d) *Adjustment of Conversion Price.* The Conversion Price, and consequently the number of shares of Common Stock into which the Note is convertible, shall be subject to adjustment as follows:

(i) *Stock Dividends, Subdivisions and Combinations.* If at any time the Borrower shall:

(A) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, additional shares of Common Stock;

(B) subdivide its outstanding shares of Common Stock into a larger number of shares Common Stock; or

(C) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock;

then in each such case the Conversion Price in effect immediately prior thereto shall be adjusted so that the Lender thereafter surrendering any of its principal and/or interest for conversion shall be entitled to receive the number of shares of Common Stock that such Lender would have owned or have been entitled to receive after the happening of any of the events described above had such principal and/or interest been converted immediately prior to the happening of such event.

(ii) *Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets.* In case the Borrower shall reorganize its capital, reclassify its capital stock, consolidate or merge with and into another corporation (where the Borrower is not the surviving

corporation or where there is a change in or distribution with respect to the Common Stock of the Borrower), or sell, transfer or otherwise dispose of all or substantially all of its property, assets or

Gulfport Energy Corporation

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business to another corporation and, pursuant to the terms of such reorganization, reclassification, merger, consolidation or disposition of assets, shares of common stock of the successor or acquiring corporation, or any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation ("Other Property"), are to be received by or distributed to the holders of Common Stock of the Borrower, then the Borrower shall, as a condition precedent to such transaction, cause effective provisions to be made so that Lender shall have the right thereafter to receive, upon conversion of its principal and/or interest on the Note, solely the number of shares of common stock of the successor or acquiring corporation or of the Borrower, if it is the surviving corporation, and Other Property receivable upon or as a result of such position of assets, by a holder of the number of shares of Common Stock for which such principal and/or interest would have been convertible immediately prior to such event. In case of any such reorganization, reclassification, merger, consolidation or disposition of assets, such provisions shall include the express assumption by the successor or acquiring corporation (if other than the Borrower) of the due and punctual observance and performance of each and every covenant and condition of this Loan Agreement and the Note to be performed and observed by the Borrower and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined by resolution of the board of directors of the Borrower) in order to provide for adjustments of shares of the Common Stock for which the Note is convertible which shall be as nearly equivalent as practical to the adjustments provided for in this Paragraph 12. For purposes of this Paragraph 12, "common stock of the successor or acquiring corporation" shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this Paragraph 12 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations or dispositions of assets.

(iii) *When Adjustment Not Required.* If the Borrower shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend or distribution, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

Gulfport Energy Corporation

April 30, 2004

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(e) *No Fractional Shares.* Instead of any fractional share of Common Stock that would otherwise be issuable upon conversion of any principal and/or interest on the Note, the Borrower may pay a cash adjustment in

respect of such fraction in an amount equal to the same fraction of the Conversion Price.

(f) *Notice of Adjustments.* Whenever the Conversion Price shall be adjusted pursuant to this Paragraph 12, the Borrower shall prepare a certificate to be executed by the president of the Borrower setting forth, in reasonable detail, the event requiring the adjustment and the method by which such adjustment was calculated (including a description of the basis on which the board of directors of the Borrower determined the fair value of any evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights referred to in this Paragraph 12), specifying the Conversion Price and (if applicable) describing the number and kind of any other shares of stock or Other Property into which the Note may be converted, and any change in the purchase price or prices thereof, after giving effect to such adjustment or change. The Borrower shall promptly cause a signed copy of such certificate to be delivered to Lender. The Borrower shall keep at its chief executive office copies of all such certificates and cause the same to be available for inspection at said office during normal business hours by any Lender.

(g) *No Stockholder Rights.* Prior to the issuance of Common Stock upon conversion, Lender shall not be entitled to any rights of a stockholder with respect to the Common Stock, including (without limitation) the right to vote such Common Stock, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and Lender shall not be entitled to any notice or other communication concerning the business or affairs of the Borrower except as contractually agreed to by the Borrower.

(h) *Intentionally Omitted.*

(i) *Taxes and Charges.* The issuance of certificates for Common Stock upon the conversion of principal and/or interest under the Note shall be made without charge to the converting Lender for such certificates or for any tax in respect of the issuance of such certificates or the securities represented thereby, and such certificates shall be issued in the respective names of, or in such names as may be directed by, the Lender converting principal and/or interest; provided, however, that the Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name other than that of the converting Lender, and the Borrower shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Borrower the amount of such tax or shall have established to the satisfaction of the Borrower that such tax has been paid.

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(j) *Shares to be Reserved.* The Borrower covenants that it will at all times reserve and keep available out of its authorized but unissued Common Stock, free from preemptive rights, solely for the purpose of issue upon conversion of Notes as herein provided, such number of shares of Common Stock as shall then be issuable upon the conversion of all principal of and accrued but unpaid interest on the then-outstanding Notes; provided, however, in the event that there is not a sufficient number of shares of Common Stock authorized and reserved to satisfy the obligations of the Borrower under this Paragraph 12 and pursuant to the Rights Offering or sale of Common Stock, as the case may be, (i) the ability of the Borrower to issue shares of Common Stock pursuant to this Paragraph 12 shall be subordinated to the Borrower's obligation to issue shares of Common Stock upon consummation of the Rights Offering or sale of Common Stock, as the case may be, (ii) the number of shares of Common Stock reserved and available out of the Company's authorized but unissued Common Stock shall be equal to the number of authorized but unissued shares of Common Stock minus the number of shares reserved for issuance pursuant to the Rights Offering or sale of Common Stock, as the case may be, and (iii) Lender hereby acknowledges that the right of conversion available to Lender pursuant to this Paragraph 12 is available only if, and to the extent,



there are shares of Common Stock available out of the Borrower's authorized but unissued Common Stock subsequent to the consummation of the Rights Offering or sale of Common Stock, as the case may be. The Borrower covenants that all Common Stock which shall be so issuable shall, when issued, be duly and validly issued and fully paid and nonassessable.

13. Miscellaneous.

(a) Entire Agreement. The Loan Documents set forth the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements or understandings among the parties pertaining to the subject matter hereof, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth or incorporated herein.

(b) Amendments & Waivers. No modification, amendment, or waiver of any provision of, or consent required by, this Loan Agreement, nor any consent to any departure herefrom, shall be effective unless it is in writing and signed by the parties hereto. Such modification, amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(c) Severability. Whenever possible, each provision of this Loan Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Loan Agreement shall be prohibited by or invalid under applicable law, such provision shall be

Gulfport Energy Corporation  
April 30, 2004  
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ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Loan Agreement.

(d) Survival. Unless otherwise expressly provided herein, all representations and warranties, agreements and covenants contained in this Agreement or in any document delivered pursuant to this Agreement or in connection with this Agreement shall survive the closing and shall remain in full force and effect.

(e) Notices. All notices, requests and other communications to any party hereunder shall be in writing and sufficient if delivered personally or sent by overnight delivery or courier service, or by registered or certified mail, postage prepaid, return receipt requested, or by facsimile (with a copy sent by first class U.S. mail), addressed as follows:

To Lender: CD Holding, LLC  
411 West Putnam Avenue  
Greenwich, CT 06830  
Attn.: Charles E. Davidson  
Fax No.: 203-862-7490

To Borrower: Gulfport Energy Corporation  
14313 North May, Suite 100  
Oklahoma City, OK 73134  
Attn: Mike Liddell  
Fax No.: 405-848-8816

(f) Arbitration. Each party agrees that any dispute or proceeding of any kind arising under or relating to the rights or obligations of any party under this Loan Agreement or any of the Loan Documents shall be subject to mandatory binding arbitration. Such arbitration shall be conducted by a single arbitrator in Oklahoma City, Oklahoma under the rules of the American Arbitration Association. The arbitrator shall be authorized to award the prevailing party the costs and expenses of the arbitration, including reasonable attorneys' fees and expenses. The parties agree that any state or federal court located in the state of Oklahoma shall be authorized to enter an order in respect of an award in such arbitration and

expressly consent to the jurisdiction of such courts for such purpose.

(g) Section Titles. The Section titles contained in this Loan Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

[SIGNATURE PAGE FOLLOWS]

Gulfport Energy Corporation  
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Please indicate your agreement of the foregoing by signing below where indicated and returning a copy of this Loan Agreement to Lender.

Very truly yours,

CD HOLDING, LLC

By: /s/ Charles E. Davidson

-----  
Name: Charles E. Davidson

-----  
Title: \_\_\_\_\_

Agreed and Accepted  
as of this 10th day of May, 2004:

GULFPORT ENERGY CORPORATION

By: /s/ Mike Liddell

-----  
Name: Mike Liddell

-----  
Title: CEP  
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EXHIBIT A

THE SECURITIES EVIDENCED HEREBY HAVE BEEN ISSUED WITHOUT REGISTRATION OR QUALIFICATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION OR QUALIFICATION UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS UNLESS REGISTRATION, OR QUALIFICATION IS NOT REQUIRED IN CONNECTION WITH SUCH DISPOSITION.

REVOLVING PROMISSORY NOTE

U.S. \$3,000,000

Oklahoma City, Oklahoma

April 30, 2004

For value received, the undersigned, GULFPORT ENERGY CORPORATION, a Delaware corporation (the "Borrower"), hereby promises to pay to the order of CD Holding, LLC, a Delaware limited liability company ("Lender"), at the addresses identified in the Loan Agreement (defined below), or at such other place as from time to time may be designated by the holder of this Note, in lawful money of the United States of America in immediately available funds, on or before August 1, 2005, the principal sum of the lesser of (A) THREE MILLION DOLLARS AND NO CENTS (U.S. \$3,000,000), and (B) the aggregate unpaid principal amount of all Loans made by Lender to the Borrower pursuant to the loan agreement, dated as of the date hereof, by and between the Borrower and Lender (as such may be amended or otherwise modified from time to time, the "Loan Agreement"), with accrued interest on the principal balance from time to time remaining unpaid from the date of advancement until default or maturity at a rate per annum equal to the lesser of (a) the Maximum Rate (defined below), and (b) the Base Rate (defined below). If, at any time, the Base Rate shall exceed the Maximum Rate, thereby causing the interest herein to be limited to the Maximum Rate as provided for in clause (a) then any subsequent changes in such rates shall not reduce the rate of interest charged hereunder below the Maximum Rate until the total amount of interest accrued hereon equals the amount of interest that would have accrued hereon if the Base Rate had been in effect at all times in the period during which the rate charged hereon was limited to the Maximum Rate. All past due principal and interest shall bear interest from maturity until paid at a rate per annum equal to the lesser of (a) the Maximum Rate, and (b) the Default Rate (as hereinafter defined) from the date of such nonpayment until paid in full (both before and after judgment).

This Note is the Note referred to in the Loan Agreement and is entitled to the benefits thereof and of all documents executed in connection therewith. All capitalized terms not otherwise defined herein have the meanings assigned to such terms in the Loan Agreement. The Loan Agreement contains certain Events of Default relating to this Note.

The holder of this Note is authorized to record the date and amount of each advance hereunder made by it and the date and amount of each payment of

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principal hereof on the schedule annexed hereto and made a part hereof or in such holder's internal records and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, that the failure of such holder to make such a notation or any error in any such notation shall not affect the obligation of the Borrower to repay all advances hereunder in accordance with the terms hereof and of the Loan Agreement.

As used herein the term "Base Rate" means with respect to each tranche a per annum interest rate equal to 10%. The term "Default Rate" means the Base Rate plus three percent (3%) per annum; the term "Maximum Rate" means the maximum non-usurious interest rate permitted under applicable law; and the term "applicable law" means the applicable laws of the State of Oklahoma or the applicable laws of any other jurisdiction, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

Interest hereunder from the date of each advancement hereof shall be due and payable (i) quarterly in arrears on the last business day of each March, June, September and December, commencing on September 30, 2004, and continuing on the last day of each third month thereafter, until maturity, (ii) at the maturity of this Note (whether at the stated maturity of August 1, 2005, by acceleration or otherwise), at which time the entire unpaid principal balance hereof, together with all unpaid accrued interest thereon, shall be due and payable, and (iii) after maturity, on demand.

Subject to the provisions of the paragraph of this Note that begins "Interest on the indebtedness" (the tenth paragraph), each payment received by Lender shall be applied pro rata based on Lender's participation first to late

charges and collection expenses, if any, due under the Loan Documents, then to the payment of fees, if any, due under the Loan Documents, then to the payment of accrued but unpaid interest due hereunder, and finally to the reduction of the unpaid principal balance hereof.

Upon the occurrence of any Event of Default specified in the Loan Agreement, Lender may, at Lender's option, exercise any or all of the rights, remedies, powers and privileges afforded under the Loan Documents or by law, including, without limitation, the right to declare the unpaid principal balance of this Note, together with all accrued but unpaid interest on such principal balance, immediately due and payable without demand or notice and to offset against amounts then due and owing on this Note and sums deposited by the Borrower with Lender or otherwise owed to the Borrower by Lender.

No failure or delay on the part of Lender in exercising any right, power or privilege hereunder and no course of dealing between the Borrower and Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Except as may be otherwise provided herein, the borrower, signers, sureties, guarantors and endorsers of this Note severally waive demand, presentment, notice or dishonor, notice of intent to demand or accelerate payment hereof, notice of acceleration, diligence in collecting, grace, notice, and protest, and agree to one or more extensions for any period or periods of

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time and partial payments, before or after maturity, without prejudice to the holder. If this Note shall be collected by legal proceedings or through a probate or bankruptcy court, or shall be placed in the hands of an attorney for collection after default or maturity, the Borrower agrees to pay all costs of collection, including reasonable attorney's fees.

Interest on the indebtedness evidenced by this Note is expressly limited so that in no contingency or event whatsoever, whether by acceleration of the maturity of this Note or otherwise, shall be interest contracted for, charged or received by Lender exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever fulfillment of any provisions of this Note, the Loan Agreement, the other Loan Documents or of any other document evidencing, securing, guaranteeing or otherwise pertaining to the indebtedness evidenced hereby, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances Lender shall ever receive anything of value as interest or deemed interest by applicable law under this Note, the Loan Agreement, the other Loan Documents or any other document evidencing, securing, guaranteeing or otherwise pertaining to the indebtedness evidenced hereby or otherwise an amount that would exceed the highest lawful amount, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under this Note or on account of any other indebtedness of the Borrower to Lender, and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of this Note and such other indebtedness, such excess shall be refunded to the Borrower. In determining whether or not the interest paid or payable with respect to any indebtedness of the Borrower to Lender, under any specific contingency, exceeds the Maximum Rate, the Borrower and Lender shall, to the maximum extent permitted by applicable law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate and spread the total amount of interest throughout the full term of such indebtedness so that the actual rate of interest on account of such indebtedness does not exceed the maximum amount permitted by applicable law, and/or (d) allocate interest between portions of such indebtedness, to the end that no such portion shall bear interest at a rate greater than that permitted by law. The terms and provisions of this paragraph shall control and supersede every other conflicting provision of this Note.

THIS PROMISSORY NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF OKLAHOMA WITHOUT GIVING EFFECT TO THE CHOICE OF LAW OR CONFLICT OF LAWS RULES THEREOF.

EXECUTED as of the date first set forth above.

BORROWER:

GULFPORT ENERGY CORPORATION

By:

-----

Name:

-----

Title:

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EXHIBIT "A"

<TABLE>  
<CAPTION>

Date	Amount of Loan	Payments		Unpaid Principal Balance of Note	Name of Person Making Notation
		Principal	Interest		
<S>	<C>	<C>	<C>	<C>	<C>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

</TABLE>

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*LIST OF SUBSIDIARIES OF REGISTRANT*

*NONE*

HOGAN & SLOVACEK  
A Professional Corporation  
Certified Public Accountants

Harvey Parkway  
301 N.W. 63rd, Suite 290  
Oklahoma City, Oklahoma 73116  
Office: (405) 848-2020 Fax: (405) 848-7359

CONSENT OF INDEPENDENT AUDITORS  
-----

We hereby consent to the incorporation in this Registration Statement Form SB-2 of our report dated May 10, 2004, relating to the audited financial statements of Gulfport Energy Corporation.

/s/ Hogan & Slovacek

HOGAN & SLOVACEK

Oklahoma City, OK  
May 10, 2004

NSA  
Netherland, Sewell & Associates, Inc.

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS  
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We hereby consent to the incorporation by reference in you Form SB-2 Registration statement of Gulfport Energy Corporation (Gulfport), of our reserve report dated March 11, 2004, of the estimates of the net proved oil and gas reserves of Gulfport and their present values, as of January 1, 2004, and all references to our firm therein.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ Frederic D. Sewell

-----  
Frederic D. Sewell  
Chairman and Chief Executive Officer

Dallas, Texas  
May 6, 2004



INSTRUCTIONS AS TO USE OF GULFPORT ENERGY CORPORATION SUBSCRIPTION RIGHTS  
CERTIFICATES

The following instructions relate to a rights offering (the "Rights Offering") by Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), to the holders of record (the "Recordholders") of its common stock, par value \$0.01 per share (the "Common Stock"), as described in Gulfport's Prospectus dated \_\_\_\_\_, 2004 (the "Prospectus"). Recordholders of Common Stock at the close of business on \_\_\_\_\_, 2004 (the "Record Date") are receiving transferable subscription rights (the "Rights") to subscribe for and purchase shares of the Common Stock. An aggregate of approximately 10,000,000 shares of Common Stock are being offered by the Prospectus. Each Recordholder will receive one Right for each 1.0146 shares of Common Stock owned of record as of the close of business on the Record Date. The Rights will expire, if not exercised, at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless extended in the sole discretion of Gulfport (as it may be extended, the "Expiration Date"). After the Expiration Date, unexercised Rights will be null and void and will have no value. Gulfport will not be obligated to honor any purported exercise of Rights received by UMB Bank, N.A. (the "Subscription Agent") after 5:00 p.m., Dallas time, on the Expiration Date, regardless of when the documents relating to such exercise were sent, except pursuant to the Guaranteed Delivery Procedures described below. Gulfport may extend the Expiration Date by issuing a press release announcing such extension no later than 9:00 a.m., Dallas time, on the next business day after the most recently announced expiration date. The Rights will be evidenced by transferable Rights certificates (the "Subscription Rights Certificates").

Each Right allows the holder thereof to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$\_\_\_\_\_ per share (the "Subscription Price").

In addition, holders of Rights who exercises their Basic Subscription Privilege in full will be eligible to subscribe (the "Over-Subscription Privilege") at the same cash price of \$\_\_\_\_\_ per share for shares of Common Stock that are not otherwise purchased pursuant to the exercise of Rights under the Basic Subscription Privilege (the "Excess Shares"), subject to availability and pro rata as described below. A holder of Rights may only exercise its Over-Subscription Privilege if the holder exercised its Basic Subscription Privilege in full and other holders of subscription Rights do not exercise their Basic Subscription Privilege in full. If there are not enough Excess Shares to satisfy all subscriptions made under the Over-Subscription Privilege, Gulfport will allocate the remaining Excess Shares pro rata, after eliminating all fractional shares, among those Rights holders who exercised their Over-Subscription Privileges. "Pro rata" means in proportion to the number of shares of Common Stock that each holder of Rights has purchased by exercising its Basic Subscription Privileges. If there is a pro rata allocation of the remaining Excess Shares and a holder of Rights receives an allocation of a greater number of Excess Shares than the holder subscribed for under its Over-Subscription Privilege, then Gulfport will allocate to the holder only the number of Excess Shares for which the holder subscribed. Gulfport will allocate the remaining Excess Shares among all other holders exercising their Over-Subscription Privileges. See "The Rights Offering- Subscription Privileges" in the Prospectus.

The number of Rights to which you are entitled is printed on the face of your Subscription Rights Certificate. You should indicate your wishes with regard to the exercise or transfer of your Rights by completing the appropriate portions of your Subscription Rights Certificate and returning the certificate to the Subscription Agent in the envelope provided pursuant to the procedures described in these instructions and the Prospectus.

Your Subscription Rights Certificates, or Notice of Guaranteed Delivery, and Subscription Price payment, including final clearance of any checks, must be received by the Subscription Agent, on or before 5:00 p.m., Dallas time, on the Expiration Date. Once a holder of Rights has exercised the Basic Subscription Privilege or the Over-Subscription Privilege, such exercise may not be revoked.

Rights not exercised prior to the Expiration Date of the Rights Offering will expire without value. Consult the Subscription Agent or your bank or broker as to any questions.

1. Method Of Subscription-Exercise Of Rights.

To exercise Rights, complete your Subscription Rights Certificate and send the properly completed and executed Subscription Rights Certificate evidencing such Rights with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, on or prior to 5:00 p.m., Dallas time, on the Expiration Date. Payment of the Subscription Price will be held in a segregated account to be maintained by the Subscription Agent. All payments must be made in U.S. dollars for the full number of shares of Common Stock being subscribed for (a) by check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order payable to UMB Bank, N.A., as Subscription Agent, or (b) by wire transfer of immediately available funds, to the account maintained by the Subscription Agent for purposes of accepting subscriptions in the Rights Offering at UMB Bank, Kansas City, MO, ABA #101000695, Acct #9800006823 (the "Subscription Account"). Any wire transfer should clearly indicate the identity of the subscriber who is paying the Subscription Price by the wire transfer. Payments will be deemed to have been received by the Subscription Agent only upon (i) clearance of any uncertified check, (ii) receipt by the Subscription Agent of any certified check or bank draft drawn upon a U.S. bank or of any postal, telegraphic or express money order or (iii) receipt of collected funds in the Subscription Account designated above. If paying by uncertified personal check, please note that the funds paid thereby may take at least five business days to clear. Accordingly, Rights holders who wish to pay the Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment is received and clears by such date and are urged to consider payment by means of certified or cashier's check, money order or wire transfer of funds.

The Subscription Rights Certificate and payment of the Subscription Price, or, if applicable, Notices of Guaranteed Delivery (as defined below) must be delivered to the Subscription Agent by one of the methods described below:

By Mail, by Hand or by Overnight Courier to:

UMB Bank, N.A.  
2401 Grand Blvd  
Kansas City, Missouri 64108

Telephone Number for Confirmation: 816-860-3020

Delivery to any address other than the one identified above does not constitute valid delivery.

If you have any questions or require additional copies of relevant documents, please contact the Subscription Agent at the address and telephone number provided above.

By making arrangements with your bank or broker for the delivery of funds on your behalf, you may also request such bank or broker to exercise the Subscription Rights Certificate on your behalf. Alternatively, you may cause a written guarantee substantially in the form of Exhibit A to these instructions (the "Notice of Guaranteed Delivery"), from a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or from a commercial bank or trust company having an office or correspondent in the United States or from a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended (each, an "Eligible Institution"), to be received by the Subscription Agent on or prior to the Expiration Date together with payment in full of the applicable Subscription Price. Such Notice of Guaranteed Delivery must state your name, the number of Rights represented by the Subscription Rights Certificate or Subscription Rights Certificates held by you, the number of shares of Common Stock being subscribed for pursuant to your Basic Subscription Privilege and the number of shares of Common Stock, if any, being subscribed for pursuant to the Over-Subscription Privilege, and that you

will guarantee the delivery to the Subscription Agent of any properly completed and executed Subscription Rights Certificate or Subscription Rights Certificates evidencing such Rights within three business days following the date of the Notice of Guaranteed Delivery. If this procedure is followed, the properly completed Subscription Rights Certificate or Subscription Rights Certificates evidencing the Rights being exercised, with any signatures required to be guaranteed so guaranteed, must be received by the Subscription Agent within three business days following the date of the Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery may be delivered to the Subscription Agent in the same manner as Subscription Rights Certificates at the address set forth above, or may be transmitted to the Subscription Agent by facsimile transmission (Facsimile No.: (816) 860-3029). Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the Subscription Agent at the address, or by calling the telephone number, set forth above.

Banks, brokers and other nominee holders of Rights who exercise the Basic Subscription Privilege and the Over-Subscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and Gulfport, in connection with the exercise of the Over-Subscription Privilege, as to the aggregate number of Rights that have been exercised and the number of shares of Common Stock that are being subscribed for pursuant to the Over-Subscription Privilege, by each beneficial owner of Rights (including such nominee itself) on whose behalf such nominee holder is acting. If more Excess Shares are subscribed for pursuant to the Over-Subscription Privilege than are available for sale, the Excess Shares will be allocated, as described above, among beneficial owners exercising the Over-Subscription Privilege in proportion to such owners' exercise of Rights pursuant to the Basic Subscription Privilege.

If you exercise less than all of the Rights evidenced by your Subscription Rights Certificate by so indicating in Form 1 of your Subscription Rights Certificate, the Subscription Agent will issue to you a new Subscription Rights Certificate evidencing the unexercised Rights. A new Subscription Rights Certificate will be sent by first class mail to you if the Subscription Agent receives your properly completed Subscription Rights Certificate by 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004. Unless you make arrangements with the Subscription Agent, a new Subscription Rights Certificate received by the Subscription Agent after 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004 will be held for pick-up at the Subscription Agent's address provided above. After the Expiration Date no new Subscription Rights Certificates will be issued. All deliveries of Subscription Rights Certificates, whether by you, the Subscription Agent or the Company, will be at your own risk.

If the aggregate Subscription Price paid by you is insufficient to purchase the number of shares of Common Stock subscribed for, or if no number of shares of Common Stock to be purchased is specified, then you will be deemed to have exercised the Basic Subscription Privilege to purchase Common Stock to the full extent of the payment tendered. If the aggregate Subscription Price paid by you exceeds the amount necessary to purchase the number of shares of Common Stock for which you have indicated an intention to subscribe (such excess being the "Subscription Excess"), then you will be deemed to have exercised the Over-Subscription Privilege to the full extent of the excess payment tendered, to purchase, to the extent available, that number of whole shares of Common Stock equal to the quotient obtained by dividing the Subscription Excess by the Subscription Price. Any remaining amount shall be returned to you by mail, without interest or deduction, as soon as practicable after the Expiration Date and after all pro rations and adjustments contemplated by the terms of the Rights Offering have been effected.

## 2. Issuance Of Common Stock.

The following deliveries and payments will be made to the address shown on the face of your Subscription Rights Certificate unless you provide instructions to the contrary in your Subscription Rights Certificate.

- a. Basic Subscription Privilege. As soon as practicable after the Expiration Date and the valid exercise of Rights, the Subscription Agent will mail to each exercising Rights holder certificates representing shares of Common Stock purchased pursuant to the Basic Subscription Privilege. See "The Rights Offering-Subscription Privileges-Basic Subscription Privilege" in the Prospectus.

- b. **Over-Subscription Privilege.** As soon as practicable after the Expiration Date and after all pro rations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will mail to each Rights holder who validly exercises the Over-Subscription Privilege certificates representing the number of shares of Common Stock, if any, allocated to such Rights holder pursuant to the Over-Subscription Privilege. See "The Rights Offering-Subscription Privileges-Over-Subscription Privilege" in the Prospectus.
- c. **Excess Cash Payments.** As soon as practicable after the Expiration Date and after all pro rations and adjustments contemplated by the terms of

the Rights Offering have been effected, the Subscription Agent will mail to each Rights holder who exercises the Over-Subscription Privilege any excess amount, without interest or deduction, received in payment of the Subscription Price for Excess Shares that are subscribed for by such Rights holder but not allocated to such Rights holder pursuant to the Over-Subscription Privilege. See "The Rights Offering-Subscription Privileges-Return of Excess Payment."

### 3. Sale Or Transfer Of Rights.

a. **Sale of Rights Through a Bank or Broker.** To sell all Rights evidenced by a Subscription Rights Certificate through your bank or broker, so indicate on Form 2 and deliver your properly completed and executed Subscription Rights Certificate to your bank or broker. Your Subscription Rights Certificate should be delivered to your bank or broker in ample time for it to be exercised. If Form 2 is completed without designating a transferee, the Subscription Agent may thereafter treat the bearer of the Subscription Rights Certificate as the absolute owner of all of the Rights evidenced by such Subscription Rights Certificate for all purposes, and the Subscription Agent shall not be affected by any notice to the contrary. Because your bank or broker cannot issue Subscription Rights Certificates, if you wish to sell less than all of the Rights evidenced by a Subscription Rights Certificate, either you or your bank or broker must instruct the Subscription Agent as to the action to be taken with respect to the Rights not sold, or you or your bank or broker must first have your Subscription Rights Certificate divided into Subscription Rights Certificates of appropriate denominations by following the instructions in Section 4 of these instructions. The Subscription Rights Certificates evidencing the number of Rights you intend to sell can then be transferred by your bank or broker in accordance with the instructions in this Section 3(a).

b. **Transfer of Rights to a Designated Transferee.** To transfer all of your Rights to a transferee other than a bank or broker, you must complete Form 2 in its entirety, execute the Subscription Rights Certificate and have your signature guaranteed by an Eligible Institution. A Subscription Rights Certificate that has been properly transferred in its entirety may be exercised by a new holder without having a new Subscription Rights Certificate issued. In order to exercise, or otherwise take action with respect to, such a transferred Subscription Rights Certificate, the new holder should deliver the Subscription Rights Certificate, together with payment of the applicable Subscription Price (with respect to the exercise of both the Basic Subscription Privilege and the Over-Subscription Privilege) and complete separate instructions signed by the new holder, to the Subscription Agent in ample time to permit the Subscription Agent to take the desired action. Because only the Subscription Agent can issue Subscription Rights Certificates, if you wish to transfer less than all of the Rights evidenced by your Subscription Rights Certificate to a designated transferee, you must instruct the Subscription Agent as to the action to be taken with respect to the Rights not sold or transferred, or you must divide your Subscription Rights Certificate into Subscription Rights Certificates of appropriate smaller denominations by following the instructions in Section 4 below. The Subscription Rights Certificate evidencing the number of Rights you intend to transfer can then be transferred by following the instructions in this Section 3(b).

Rights holders wishing to transfer a portion of their Rights (but not fractional Rights) should allow a sufficient amount of time prior to the

Expiration Date for (i) the transfer instructions to be received and processed by the Subscription Agent, (ii) a new Subscription Rights Certificate to be issued and transmitted to the transferee or transferees with respect to transferred Rights and to the transferor with respect to retained Rights, if any, and (iii) the Rights evidenced by such new Subscription Rights Certificates to be exercised or sold by the recipients thereof. Neither Gulfport nor the Subscription Agent shall have any liability to a transferee or transferor of Rights if Subscription Rights Certificates are not received in time for exercise or sale prior to the Expiration Date.

Gulfport will pay all fees and expenses of the Subscription Agent and has also agreed to indemnify the Subscription Agent from certain liabilities which they may incur in connection with the rights offering. All commissions, fees and other expenses (including brokerage commissions and transfer taxes) incurred in connection with the purchase, sale or exercise of Rights will be for the account of the transferor of the Rights, and none of such commissions, fees or expenses will be paid by Gulfport or the Subscription Agent.

#### 4. Division Of Subscription Rights Certificate Into Smaller Denominations.

To have a Subscription Rights Certificate divided into smaller denominations, send your Subscription Rights Certificate, together with complete

separate instructions (including specification of the denominations into which you wish your Rights to be divided) signed by you, to the Subscription Agent, allowing a sufficient amount of time for new Subscription Rights Certificates to be issued and returned so that they can be used prior to the Expiration Date. Alternatively, you may ask a bank or broker to effect such actions on your behalf. Your signature must be guaranteed by an Eligible Institution if any of the new Subscription Rights Certificates are to be issued in a name other than that in which the old Subscription Rights Certificate was issued. Subscription Rights Certificates may not be divided into fractional Rights, and any instruction to do so will be rejected. As a result of delays in the mail, the time of the transmittal, the necessary processing time and other factors, you or your transferee may not receive such new Subscription Rights Certificates in time to enable the Rights holder to complete a sale or exercise by the Expiration Date. Neither Gulfport nor the Subscription Agent will be liable to either a transferor or transferee for any such delays.

#### 5. Execution.

a. Execution by Registered Holder. The signature on the Subscription Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Subscription Rights Certificate without any alteration or change whatsoever. Persons who sign the Subscription Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

b. Execution by Person Other than Registered Holder. If the Subscription Rights Certificate is executed by a person other than the holder named on the face of the Subscription Rights Certificate, proper evidence of authority of the person executing the Subscription Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

c. Signature Guarantees. Your signature must be guaranteed by an Eligible Institution if you specify special payment or delivery instructions.

#### 6. Method Of Delivery.

The method of delivery of Subscription Rights Certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights holder, but, if sent by mail, it is recommended that such certificates and payments be sent by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the Subscription Agent and the clearance of payment prior to 5:00 p.m., Dallas time, on the Expiration Date. Because uncertified personal checks may take at least five business days to clear, you are strongly urged to pay, or arrange for payment, by means of certified or cashier's check, money

order or wire transfer of funds.

7. Special Provisions Relating To The Delivery Of Rights Through The Depository Trust Company.

In the case of Rights that are held of record through the Depository Trust Company (the "Book-Entry Transfer Facility"), exercises of the Basic Subscription Privilege and of the Over-Subscription Privilege may be effected by instructing the Book-Entry Transfer Facility to transfer Rights from the Book-Entry Transfer Facility account of such holder to the Book-Entry Transfer Facility account of the Subscription Agent, together with certification as to the aggregate number of Rights exercised and the number of shares of Common Stock thereby subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege by each beneficial owner of Rights on whose behalf such nominee is acting, and payment of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege.

NOTICE OF GUARANTEED DELIVERY FOR  
SUBSCRIPTION RIGHTS CERTIFICATES ISSUED  
BY GULFPORT ENERGY CORPORATION

This form, or one substantially equivalent, must be used to exercise Rights pursuant to the Rights Offering described in the Prospectus dated \_\_\_\_\_, 2004 (the "Prospectus") of Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), if a holder of Rights cannot deliver the certificate(s) evidencing the Rights (the "Subscription Rights Certificate(s)"), to the Subscription Agent listed below (the "Subscription Agent") at or prior to 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless such time is extended by Gulfport as described in the Prospectus (as it may be extended, the "Expiration Date"). Such form must be delivered by hand or sent by facsimile transmission, first class mail or overnight courier to the Subscription Agent, and must be received by the Subscription Agent on or prior to the Expiration Date. See "The Rights Offering-Method of Subscription-Exercise of Rights" in the Prospectus.

Payment of the Subscription Price of \$\_\_\_\_\_ per share for each share of Gulfport's Common Stock subscribed for upon exercise of such Rights must be received by the Subscription Agent in the manner specified in "The Rights Offering--Method of Payment" in the Prospectus at or prior to 5:00 p.m., Dallas time, on the Expiration Date even if the Subscription Rights Certificate(s) evidencing such Rights is (are) being delivered pursuant to the Guaranteed Delivery Procedures thereof. See "The Rights Offering-Method of Subscription-Exercise of Rights" in the Prospectus.

The Subscription Agent is: UMB Bank, N.A.

By Mail, Hand or Overnight Courier:

UMB Bank, N.A.  
Corporate Trust Department  
2401 Grand Blvd.  
Kansas City, Missouri 64108

Confirm by Telephone:

Facsimile Transmission:

(816) 860-3020

(816) 860-3029

Delivery or transmission of this instrument other than as set forth above does not constitute a valid delivery.

If you have any questions or require additional copies of relevant documents, please contact the Subscription Agent at the address and telephone number provided above.

Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of Subscription Rights Certificate(s) representing \_\_\_\_\_ Rights and that such Subscription Rights Certificate(s) cannot be delivered to the Subscription Agent at or before 5:00 p.m., Dallas time, on the Expiration Date. Upon the

terms and subject to the conditions set forth in the Prospectus, receipt of which is hereby acknowledged, the undersigned hereby elects to exercise (i) the Basic Subscription Privilege to subscribe for \_\_\_\_\_share(s) of Common Stock with respect to each of the Rights represented by such Subscription Rights Certificates(s) and (ii) the Over-Subscription Privilege relating to such Rights, to the extent that shares of Common Stock that are not otherwise purchased pursuant to the exercise of Rights (the "Excess Shares") are available therefore, for an aggregate of up to \_\_\_\_\_ Excess Shares, subject to availability and pro ration.

The undersigned understands that payment of the Subscription Price of \$\_\_\_\_\_ per share for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege must be received by the Subscription Agent at or before 5:00 p.m., Dallas time, on the Expiration Date and represents that such payment, in the aggregate amount of \$\_\_\_\_\_either (check appropriate box):

is being delivered to the Subscription Agent herewith; or

has been delivered separately to the Subscription Agent in the manner set forth below (check appropriate box and complete information relating thereto):

Wire transfer of funds

Name of transferor institution: \_\_\_\_\_

Date of transfer: \_\_\_\_\_

Confirmation number (if available): \_\_\_\_\_

Uncertified check (payment by uncertified check will not be deemed to have been received by the Subscription Agent until such check has cleared. Holders paying by such means are urged to make payment sufficiently in advance of the Expiration Date to ensure that such payment clears by such date.)

Certified check

Bank draft (cashier's check)

Money order

Name of maker: \_\_\_\_\_

Date of check, draft or money order: \_\_\_\_\_

Check, draft or money order number: \_\_\_\_\_

Bank or other institution on which check is drawn or issuer of money order: \_\_\_\_\_

Signature(s) \_\_\_\_\_ Address \_\_\_\_\_

Name(s) \_\_\_\_\_ Area Code and Tel. No. \_\_\_\_\_

(Please print or type)

Subscription Rights Certificates No(s). (if available) \_\_\_\_\_

#### GUARANTEE OF DELIVERY

(Not To Be Used For Subscription Rights Certificates Signature Guarantee)

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees that the undersigned will deliver to the Subscription Agent the certificates representing the Rights being exercised hereby, with any required signature guarantee and any



other required documents, all within three (3) business days after the date hereof.

Dated:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(Authorized Signature)

The institution that completes this form must communicate the guarantee to the Subscription Agent and must deliver the Subscription Rights Certificates(s) to the Subscription Agent within the time period shown in the Prospectus of Gulfport Energy Corporation, dated \_\_\_\_\_, 2004. Failure to do so could result in a financial loss to such institution.

## GULFPORT ENERGY CORPORATION

## SHARES OF COMMON STOCK

OFFERED PURSUANT TO RIGHTS DISTRIBUTED TO RECORD STOCKHOLDERS  
OF GULFPORT ENERGY CORPORATION

\_\_\_\_\_, 2004

Dear Stockholder:

This notice is being distributed by Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), to all holders of record of shares of its common stock, par value \$0.01 per share (the "Common Stock"), at the close of business on \_\_\_\_\_, 2004 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of transferable subscription rights (the "Rights") to subscribe for and purchase shares of its Common Stock. The Rights are described in Gulfport's Prospectus dated \_\_\_\_\_, 2004 (the "Prospectus").

In the Rights Offering, Gulfport is offering an aggregate of approximately 10,000,000 shares of its Common Stock, as described in the Prospectus. The Rights will expire, if not exercised, at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless extended in the sole discretion of Gulfport (as it may be extended, the "Expiration Date"). As described in the accompanying Prospectus, you will receive one Right for every 1.0146 shares of Common Stock owned of record as of the close of business on the Record Date. Each right will allow you to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$\_\_\_\_\_ per share (the "Subscription Price").

In addition, holders of Rights who exercises their Basic Subscription Privilege in full will be eligible to subscribe (the "Over-Subscription Privilege") at the same cash price of \$\_\_\_\_\_ per share for shares of Common Stock that are not otherwise purchased pursuant to the exercise of Rights under the Basic Subscription Privilege (the "Excess Shares"), subject to availability and pro rata as described below. A holder of Rights may only exercise its Over-Subscription Privilege if the holder exercised its Basic Subscription Privilege in full and other holders of subscription Rights do not exercise their Basic Subscription Privilege in full. If there are not enough Excess Shares to satisfy all subscriptions made under the Over-Subscription Privilege, Gulfport will allocate the remaining Excess Shares pro rata, after eliminating all fractional shares, among those Rights holders who exercised their Over-Subscription Privileges. "Pro rata" means in proportion to the number of shares of Common Stock that each holder of Rights has purchased by exercising its Basic Subscription Privileges. If there is a pro rata allocation of the remaining Excess Shares and a holder of Rights receives an allocation of a greater number of Excess Shares than the holder subscribed for under its Over-Subscription Privilege, then Gulfport will allocate to the holder only the number of Excess Shares for which the holder subscribed. Gulfport will allocate the remaining Excess Shares among all other holders exercising their Over-Subscription Privileges. See "The Rights Offering-Subscription Privileges" in the Prospectus.

The Rights will be evidenced by transferable Rights certificates (the "Subscription Rights Certificates") and will be transferable until the close of business on the last trading day preceding the Expiration Date.

Enclosed are copies of the following documents:

1. Prospectus;
2. Subscription Rights Certificate;
3. Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates (including a Notice of Guaranteed Delivery for Subscription Rights Certificates Issued by Gulfport Energy Corporation); and

4. A return envelope addressed to UMB Bank, N.A., the Subscription Agent.

Your prompt action is requested. To exercise Rights, you should properly complete and sign the Subscription Rights Certificate (or the Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures) and forward it, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Subscription Rights Certificate or Notice of Guaranteed Delivery with payment of the Subscription Price, including final clearance of any checks, prior to 5:00 p.m., Dallas time, on the Expiration Date. Failure to return the properly completed Subscription Rights Certificate with the correct payment will result in your not being able to exercise your Rights. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Date will expire.

Additional copies of the enclosed materials may be obtained from the Subscription Agent at (816) 860-3020.

Very truly yours,

GULFPORT ENERGY CORPORATION

## GULFPORT ENERGY CORPORATION

SHARES OF COMMON STOCK OFFERED PURSUANT TO RIGHTS DISTRIBUTED TO RECORD  
STOCKHOLDERS OF GULFPORT ENERGY CORPORATION

To Securities Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering (the "Rights Offering") by Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), of shares of its common stock, par value \$0.01 per share (the "Common Stock"), pursuant to transferable subscription rights (the "Rights") distributed to all holders of record ("Recordholders") of shares of Gulfport's Common Stock at the close of business on \_\_\_\_\_, 2004 (the "Record Date"). The Rights are described in Gulfport's Prospectus dated \_\_\_\_\_, 2004 (the "Prospectus").

In the Rights Offering, Gulfport is offering an aggregate of approximately 10,000,000 shares of its Common Stock, as described in the Prospectus. The Rights will expire, if not exercised, at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless extended in the sole discretion of Gulfport (as it may be extended, the "Expiration Date"). Each Right allows the holder thereof to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$\_\_\_\_\_ per share (the "Subscription Price").

Each Right also carries with it the ability for the holder thereof to subscribe (the "Over-Subscription Privilege") for additional shares of Common Stock that have not been purchased by other Recordholders pursuant to their Basic Subscription Privilege, at the Subscription Price, if such holder has fully exercised its Basic Subscription Privilege. See "The Rights Offering-Subscription Privileges" in the Prospectus.

The Rights are evidenced by a transferable Rights certificate (a "Subscription Rights Certificate") registered in your name or the name of your nominee. Each beneficial owner of shares of Common Stock registered in your name or the name of your nominee is entitled to one Right for every 1.0146 shares of Common Stock owned by such beneficial owner as of the close of business on the Record Date. The Rights will be transferable until the close of business on the last trading day preceding the Expiration Date.

We are asking persons who hold shares of Common Stock beneficially and who have received the Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Subscription Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Subscription Rights Certificate be issued.

Please take prompt action to notify any beneficial owners of Common Stock as to the Rights Offering and the procedures and deadlines that must be followed to exercise, transfer or sell their Rights. If you exercise the Over-Subscription Privilege on behalf of beneficial owners of Rights, you will be required to certify to the Subscription Agent and Gulfport, in connection with the exercise of the Over-Subscription Privilege, as to the aggregate number of Rights that have been exercised pursuant to the Basic Subscription Privilege, whether the Basic Subscription Privilege of each beneficial owner of Rights on whose behalf you are acting has been exercised in full, and the number of shares of Common Stock being subscribed for pursuant to the Over-Subscription Privilege by each beneficial owner of Rights on whose behalf you are acting.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent, incurred in connection with the exercise of the Rights will be for the account of the holder of the Rights, and none of such commissions, fees or expenses will be paid by Gulfport or the Subscription Agent.

Enclosed are copies of the following documents:

1. Prospectus;
2. Instruction as to Use of Gulfport Energy Corporation Subscription Rights Certificates (including a Notice of Guaranteed Delivery for Subscription Rights Certificates Issued by Gulfport Energy Corporation);
3. A form of letter that may be sent to your clients for whose accounts you hold shares of Common Stock registered in your name or the name of your nominee, with an attached form of instruction;
4. Nominee Holder Certification; and
5. A return envelope addressed to UMB Bank, N.A., the Subscription Agent.

Your prompt action is requested. To exercise Rights, you should deliver the properly completed and signed Subscription Rights Certificate (or the Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures), with payment of the Subscription Price in full for each share of Common Stock subscribed for, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Subscription Rights Certificate or Notice of Guaranteed Delivery with payment of the Subscription Price, including final clearance of any checks, prior to 5:00 p.m., Dallas time, on the Expiration Date. Failure to return the properly completed Subscription Rights Certificate with the correct payment may result in your not being able to exercise your Rights. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Date will expire.

Additional copies of the enclosed materials may be obtained from the Subscription Agent by calling (816) 860-3020.

Very truly yours,

GULFPORT ENERGY CORPORATION

Nothing in the Prospectus or in the enclosed documents shall constitute you or any person as an agent of Gulfport Energy Corporation, the Subscription Agent or any other person making or deemed to be making offers of the securities issuable upon valid exercise of the Rights, or authorize you or any other person to make any statements on behalf of any of them with respect to the Offering except for statements expressly made in the Prospectus.

## GULFPORT ENERGY CORPORATION

## SHARES OF COMMON STOCK

OFFERED PURSUANT TO RIGHTS DISTRIBUTED TO RECORD STOCKHOLDERS  
OF GULFPORT ENERGY CORPORATION

\_\_\_\_\_, 2004

To Our Clients:

Enclosed for your consideration are a Prospectus, dated \_\_\_\_\_, 2004 (the "Prospectus"), and the "Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates" relating to the offering (the "Rights Offering") by Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), of shares of its common stock, par value \$0.01 per share (the "Common Stock"), pursuant to transferable subscription rights (the "Rights") distributed to all holders of record of shares of its Common Stock at the close of business on \_\_\_\_\_, 2004 (the "Record Date"). The Rights are described in Gulfport's Prospectus.

In the Rights Offering, Gulfport is offering an aggregate of approximately 10,000,000 shares of its Common Stock, as described in the Prospectus. The Rights will expire, if not exercised, at 5:00 p.m., Dallas time, on \_\_\_\_\_, 2004, unless extended in the sole discretion of Gulfport (as it may be extended, the "Expiration Date"). As described in the accompanying Prospectus, you will receive one Right for every 1.0146 shares of Common Stock carried by us in your account as of the Record Date. Each Right will allow you to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$\_\_\_\_\_ per share (the "Subscription Price").

In addition, holders of Rights who exercises their Basic Subscription Privilege in full will be eligible to subscribe (the "Over-Subscription Privilege") at the same cash price of \$\_\_\_\_\_ per share for shares of Common Stock that are not otherwise purchased pursuant to the exercise of Rights under the Basic Subscription Privilege (the "Excess Shares"), subject to availability and pro ration as described below. A holder of Rights may only exercise its Over-Subscription Privilege if the holder exercised its Basic Subscription Privilege in full and other holders of subscription Rights do not exercise their Basic Subscription Privilege in full. If there are not enough Excess Shares to satisfy all subscriptions made under the Over-Subscription Privilege, Gulfport will allocate the remaining Excess Shares pro rata, after eliminating all fractional shares, among those Rights holders who exercised their Over-Subscription Privileges. "Pro rata" means in proportion to the number of shares of Common Stock that each holder of Rights has purchased by exercising its Basic Subscription Privileges. If there is a pro rata allocation of the remaining Excess Shares and a holder of Rights receives an allocation of a greater number of Excess Shares than the holder subscribed for under its Over-Subscription Privilege, then Gulfport will allocate to the holder only the number of Excess Shares for which the holder subscribed. Gulfport will allocate the remaining Excess Shares among all other holders exercising their Over-Subscription Privileges. See "The Rights Offering-Subscription Privileges" in the Prospectus.

The Rights will be evidenced by transferable Rights certificates and will be null and void at the close of business on the Expiration Date. The Rights will be transferable until the close of business on the last trading day preceding the Expiration Date.

The materials enclosed are being forwarded to you as the beneficial owner of Common Stock carried by us in your account but not registered in your name. Exercises and sales of Rights may be made only by us as the record owner and pursuant to your instructions. Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock, or sell any Rights, to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the Prospectus and other enclosed materials carefully before instructing us

to exercise or sell your Rights.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise or sell Rights on your behalf in accordance with the provisions of the Rights Offering. The Rights Offering will expire at 5:00 p.m., Dallas time, on the Expiration Date. Once you have exercised your Basic Subscription Privilege and your Over-Subscription Privilege, such exercise may not be revoked.

If you wish to have us, on your behalf, exercise the Rights for any shares of Common Stock to which you are entitled or sell such Rights, please so instruct us by completing, executing and returning to us the instruction form on the reverse side of this letter.

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO THE SUBSCRIPTION AGENT, AT THE FOLLOWING TELEPHONE NUMBER: (816) 860-3020.

GULFPORT ENERGY CORPORATION

NOMINEE HOLDER CERTIFICATION

The undersigned, a bank, broker, trustee, depository or other nominee of rights (the "Rights") to purchase shares of Common Stock of Gulfport Energy Corporation, a Delaware corporation ("Gulfport"), pursuant to the Rights Offering described and provided for in Gulfport's prospectus dated, \_\_\_\_\_, 2004 (the "Prospectus"), hereby certifies to Gulfport and to UMB Bank, N.A., as Subscription Agent for such Rights Offering, that (1) the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the Basic Subscription Privilege (as defined in the Prospectus) on behalf of beneficial owners of Rights who have subscribed for the purchase of additional shares of Common Stock pursuant to the Over-Subscription Privilege (as defined in the Prospectus), listing separately below each such exercised Basic Subscription Privilege and the corresponding Over-Subscription Privilege (without identifying any such beneficial owner), and (2) each such beneficial owner's Basic Subscription Privilege has been exercised in full:

Number of shares owned on the Record Date	Rights exercised pursuant to Basic Subscription Privilege	Number of shares subscribed for pursuant to Over-Subscription Privilege
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____

Provide the following information if applicable:

\_\_\_\_\_  
 Depository Trust Company ("DTC")  
 Participant Number

[PARTICIPANT]

By: \_\_\_\_\_  
 Name:  
 Title:

\_\_\_\_\_  
 DTC Basic Subscription Confirmation Number(s)



BENEFICIAL OWNER ELECTION FORM

INSTRUCTIONS

The undersigned acknowledge(s) receipt of your letter and the enclosed materials referred to therein relating to the offering of shares of Common Stock of Gulfport Energy Corporation, a Delaware corporation ("Gulfport").

This will instruct you whether to exercise or sell Rights to purchase shares of Gulfport's Common Stock distributed with respect to the shares of Gulfport's Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related "Instructions as to Use of Gulfport Energy Corporation Subscription Rights Certificates."

Box 1.  Please DO NOT EXERCISE RIGHTS for shares of Common Stock.

Box 2.  Please SELL \_\_\_\_\_ RIGHTS and remit the net proceeds to the undersigned.

Box 3.  Please EXERCISE RIGHTS for shares of Common Stock as set forth below.

Payment	Number of Rights	Subscription Price
Basic Subscription Privilege:	x	= \$ _____ (Line 1)
Over-Subscription Privilege:	x	= \$ _____ (Line 2)
Total Payment Required		= \$ _____ (Sum of Lines 1 and 2; must equal total in Boxes 4 and 5.)

Box 4.  Payment in the following amount is enclosed \$ \_\_\_\_\_.

Box 5.  Please deduct payment from the following account maintained by you as follows:

Type of Account	Account Number:
Account to be deducted:	\$ _____

\_\_\_\_\_  
Signature(s)

Please type or print name(s) below:  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_, 2004