UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-10753

GULFPORT ENERGY CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	73-1521290
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6307 Waterford Blvd.
Building D, Suite 100
Oklahoma City, Oklahoma 73118
(405) 848-8807
(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Issuer was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes[X] No[ ]

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEEDING FIVE YEARS.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities and Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes [X] No [ ]

The number of shares of the Registrant's Common Stock, $0.01 par value, outstanding as of August 12, 1998 was 22,076,315.

GULFPORT ENERGY CORPORATION

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FORM 10-Q QUARTERLY REPORT

GULFPORT ENERGY CORPORATION

PART I. Financial Information
Item 1. Consolidated Financial Statements
September 30, 1998 and 1997

Forming a part of Form 10-Q Quarterly Report to the
Securities and Exchange Commission

This quarterly report on Form 10-Q should be read in conjunction with Gulfport Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 1997.

Gulfport Energy Corporation
Consolidated Balance Sheet

<TABLE>
<CAPTION>

	September 30, 1998 (unaudited)	December 31, 1997
ASSETS		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	$ 1,351,000	$ 1,203,000
Cash, restricted	-	2,060,000
Accounts receivable, net of allowance for doubtful accounts of $4,996,000 for		

September 30, 1998 and December 31, 1997, respectively	2,621,000	4,364,000
Prepaid expenses and other	65,000	192,000
Total current assets	4,037,000	7,819,000
Property and equipment:		
Oil and natural gas properties	84,495,000	84,466,000
Other property and equipment	2,027,000	1,577,000
Accumulated depletion, depreciation and amortization	(54,345,000)	(4,542,000)
Property and equipment, net	32,177,000	81,501,000
Other assets	3,034,000	3,026,000
Total assets	$ 39,248,000	$ 92,346,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,410,000	$ 6,346,000
Notes payable to affiliates	4,557,000	-
Current maturities of long-term debt	10,283,000	2,192,000
Total current liabilities	20,250,000	8,538,000
Other long-term liabilities	376,000	528,000
Long term debt	-	13,000,000
Total liabilities	20,626,000	22,066,000
Shareholders' equity:		
Common stock - $.01 par value, 50,000,000 authorized, 22,076,315 issued and outstanding at September 30, 1998 and December 31, 1997, respectively	221,000	221,000
Paid-in-capital	71,772,000	71,772,000
Accumulated deficit	(53,371,000)	(1,713,000)
Total shareholders' equity	18,622,000	70,280,000
Commitments and contingencies	-	-
Total liabilities and shareholders' equity	$ 39,248,000	$ 92,346,000

</TABLE>

- See accompanying notes to consolidated financial statements -

Gulfport Energy Corporation
Consolidated Statement of Operations
(Unaudited)

<TABLE>
<CAPTION>

	Three months Ended September 30,	Nine months Ended September 30,

	1998	1997 (2)	1998	1997 (2)
Revenues:				
<S>	<C>	<C>	<C>	<C>
Gas sales	$ 694,000	$ 1,610,000	$ 3,541,000	$ 6,105,000
Oil and condensate sales	1,610,000	3,202,000	5,485,000	8,363,000
Other Income, net	90,000	81,000	436,000	201,000
Total revenues	2,394,000	4,893,000	9,462,000	14,669,000
Expenses:				
Production costs	3,160,000	2,437,000	8,330,000	7,305,000
Depreciation, depletion and amortization	29,768,000	2,720,000	49,866,000	5,844,000
General and administrative expenses	533,000	755,000	1,855,000	3,116,000
Provision for doubtful accounts	-	-	-	71,000
	33,461,000	5,912,000	60,051,000	16,336,000
Income (loss) from operations	(31,067,000)	(1,019,000)	(50,589,000)	(1,667,000)
Interest expense	310,000	400,000	1,068,000	1,432,000
Income (loss) before reorganization costs and income taxes and extraordinary item	(31,377,000)	(1,419,000)	(51,657,000)	(3,099,000)
Reorganization costs	-	1,044,000	-	4,771,000
(Loss) before income taxes and extraordinary item	(31,377,000)	(2,463,000)	(51,657,000)	(7,870,000)
Income tax expense	-	-	-	-
Net (loss) before extraordinary item	(31,377,000)	(2,463,000)	(51,657,000)	(7,870,000)
Extraordinary item - gain on debt discharge	-	88,723,000	-	88,723,000
Net income(loss)	(31,377,000)	86,260,000	(51,657,000)	80,853,000
Undeclared dividends on preferred stock	-	(87,000)	-	(1,510,000)
Net income (loss) available to common shareholders	$(31,377,000)	$ 86,173,000	$(51,657,000)	$ 79,343,000
Per common share:				
Income (loss) per common and common equivalent share	$ (1.42)	$ (1)	$ (2.34)	$ (1)
Average common and common equivalent shares outstanding	22,076,000	(1)	22,076,000	(1)

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</TABLE>

(1) Amounts not meaningful as a result of the reorganization.

(2) The 1997 comparative income statement numbers for the three months ended September 30, 1997 include 11 days of activity prior to the Company's reorganization. Likewise, the comparative income statement numbers for the nine months ended September 30, 1997, include six months and 11 days of predecessor Company activity incurred prior to the date of reorganization.

- See accompanying notes to consolidated financial statements -

Gulfport Energy Corporation
Consolidated Statement of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

	Nine months Ended September 30, 1998	1997 (1)
Cash flow from operating activities:		
<S>	<C>	<C>
Net income(loss)	$ (51,657,000)	$ 80,853,000
Adjustments to reconcile net loss to net cash provided by operating activities:		
Extraordinary item - gain on debt discharge	-	(88,723,000)
Depreciation, depletion, and amortization	49,866,000	5,844,000
Provision for doubtful accounts and notes receivable	-	71,000
Amortization of debt issuance costs	145,000	(12,000)
Loss on sale of asset	9,000	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	1,743,000	(17,000)
(Increase) decrease in prepaid expenses and other	126,000	(87,000)
Increase in accounts payable and accrued liabilities	453,000	3,376,000
Pre-petition liabilities subject to compromise	-	(268,000)
Discharge of pre-petition liabilities	-	(7,837,000)
Net cash provided by operating activities	855,000	(6,800,000)
Cash flow from investing activities:		
Additions to cash held in escrow	(60,000)	(17,000)
Additions to other assets	(389,000)	-
Additions to property and equipment	(1,524,000)	(5,449,000)
Proceeds from sale of oil and gas properties	1,100,000	35,000
Net cash used in investing activities	(873,000)	(5,431,000)
Cash flow from financing activities:		
Proceeds from rights offering	-	13,300,000
Principal payments on borrowings	(4,894,000)	(15,018,000)
Proceeds from borrowings from affiliates	3,000,000	15,000,000
Net cash used in financing activities	(1,894,000)	13,282,000
Net increase (decrease) in cash and cash equivalents	(1,912,000)	1,051,000
Cash and cash equivalents - beginning of period	3,263,000	5,679,000

Cash and cash equivalents - end of period	$ 1,351,000	$ 6,730,000
	=============	=============
Supplemental Disclosures of Cash Flow Information		
Interest paid	$ 921,000	$ 94,000
Income taxes paid		-
Supplemental Information of Non-Cash Investing And Financing Activities		
Accrued dividends on preferred stock (Undeclared on Predecessor Company)		(1,510,000)

</TABLE>

(1) The 1997 comparative cash flow numbers include the activity of the predecessor Company for the six months and eleven days ended July 11, 1998.

- See accompanying notes to consolidated financial statements -

Gulfport Energy Corporation
Notes to Consolidated Financial Statements
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Reorganization Proceedings

The following summary is qualified in its entirety by the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this document. Unless otherwise stated, the term "Company" means Gulfport Energy Corporation, formerly known as WRT Energy Corporation, and its subsidiaries taken as a whole, either prior to or after the Effective Date (as defined herein), as the context requires and the term "WRT", "Old WRT", or "Debtor" means WRT Energy Corporation and its subsidiaries taken as a whole prior to the Effective Date.

Gulfport Energy Corporation owns and operates mature oil and gas properties in the Louisiana Gulf Coast area. Currently, the Company is seeking to achieve reserve growth and increase its cash flow by entering into strategic alliances with companies possessing Gulf Coast exploration experience and by undertaking lower risk development projects. In July 11, 1997, WRT's subsidiaries were merged into the Company. On the effective date of the reorganization, the state of incorporation of the reorganized Company was changed from the State of Texas to the State of Delaware. Prior to July 11, 1997, the financial statements represented the consolidated financial statements of WRT and its subsidiaries.

As discussed in Note 3, on February 14, 1996, (the "Petition Date"), WRT filed a voluntary petition with the Bankruptcy court for the Western District of Louisiana (the "Bankruptcy Court") for protection under Chapter 11 of the Bankruptcy Code. On May 5, 1997, the Bankruptcy Court confirmed an Amended Plan of Reorganization (the "Plan") for WRT and on the Effective Date an order of substantial consummation regarding the Plan became final and nonappealable. On the Effective Date, the Debtor was merged with and into a newly formed Delaware corporation named "WRT Energy Corporation". Effective July 11, 1997 (the "Effective Date"), the Company implemented fresh start reporting, as defined by the Accounting Standards Division of the American Institute of Certified Public Accountants Statement of Position Number 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code" ("SOP 90-7"). Effective March 30, 1998, WRT Energy Corporation underwent a name change to "Gulfport Energy Corporation".

Principles of Consolidation

In November 1995, WRT formed a wholly owned subsidiary, WRT Technologies, Inc., which was established to own and operate WRT's proprietary, radioactive, cased-hole logging technology. Prior to July 11, 1997, the financial statements *were consolidated and include the accounts of WRT and its wholly owned subsidiary, WRT Technologies, Inc., which was merged into WRT on that date. All significant intercompany transactions were eliminated during the consolidation periods.*

Cash and Cash Equivalents

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

Fair Value of Financial Instruments

At September 30, 1998 and December 31, 1997, the carrying amounts of all financial instruments approximate their fair market values.

Oil and Natural Gas Properties

Before July 11, 1997, WRT used the successful efforts method for reporting oil and gas operations. Commencing with the reorganization, the Company converted to the full cost pool method of accounting to be in conformity with the method used by its then principal shareholder, DLB Oil & Gas, Inc. ("DLB").

In connection with the implementation of fresh start reporting commencing on July 11, 1997 (as described in Note 2), the Company implemented the full cost pool 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 natural gas properties are capitalized. Net capitalized costs are limited to the estimated future net revenues, after income taxes, discounted at 10% per year, from proved oil and natural 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 natural gas to barrels at the ratio of six Mcf of natural 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 proved oil and natural gas reserves.

Oil and natural gas properties not subject to amortization consist of the cost of undeveloped leaseholds. These costs are reviewed periodically by management for impairment, with the impairment provision included in the cost of oil and natural gas properties subject to amortization. Factors considered by management in its impairment assessment include drilling results by the Company and other operators, the terms of oil and gas leases not held by production, and available funds for exploration and development.

Prior to July 11, 1997, WRT followed the successful efforts method of accounting for its oil and gas operations. Under the successful efforts method, costs of productive wells, development dry holes and productive leases are capitalized and amortized on a unit-of-production basis over the life of the remaining proved reserves as estimated by the WRT's independent engineers. WRT's estimate of future dismantlement and abandonment costs was considered in computing the aforementioned amortization.

Cost centers for amortization purposes were determined based on a reasonable aggregation of properties with common geological structures or stratigraphic conditions, such as a reservoir or field. WRT performed a review for impairment of proved oil and gas properties on a depletable unit basis when circumstances suggest the need for such a review. For each depletable unit determined to be impaired, an impairment loss equal to the difference between the carrying value and the fair value of the depletable unit was recognized. Fair value, on a depletable unit basis, was estimated to be the present value of expected future net cash flows computed by applying estimated future oil and gas prices, as determined by management, to estimated future production of oil and gas reserves over the economic lives of the reserves.

Exploration expenses, including geological, geophysical and costs of carrying and retaining undeveloped properties were charged to expense as *incurred.*

Unproved properties were assessed periodically and a loss was recognized to the extent, if any, that the cost of the property had been impaired. If proved reserves were not discovered within one year after drilling was completed, costs were charged to expense.

As prescribed by the full cost pool method of reporting oil and gas properties, ceiling tests are performed to determine if the carrying value of oil and gas assets exceeds the sum of the discounted estimated future cash flows. As a result of a ceiling test performed at June 30, 1998, and again at September 30, 1998, the Company was required to write down the value of its oil and gas properties by $16.0 million and $28.0 million, respectively, for a total year to date write down of $44.0 million.

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.

Implementation of Statement of Accounting Standards No. 121

Effective December 31, 1995, WRT adopted the provisions of Financial Accounting Standards No 121 ("SFAS No. 121") which requires that an impairment loss be recognized whenever the carrying amount of a long-lived asset exceeds the sum of the estimated future cash flows (undiscounted) of the assets. Due to the Company's use of the full cost method, on the Effective Date, of accounting for its oil and gas properties, SFAS No. 121 does not apply to the Company's oil and gas property assets. Accordingly, the adoption of SFAS No. 121 did not have an impact on the Company's financial position or results of operations during 1998.

Earnings (Loss) per Share

Earnings (loss) per share computations are calculated on the weighted-average of common shares and common share equivalents outstanding during the year. Common stock options and warrants are considered to be common share equivalents and are used to calculate earnings per common and common share equivalents except when they are anti-dilutive.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities and 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

Natural 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 the Company's entitlement is received, the underproduction is recorded as a receivable. Oil revenues are recognized in the month produced.

Concentration of Credit Risk

The Company operates in the oil and natural gas industry in the state of Louisiana with sales to refineries, re-sellers such as pipeline companies, and local distribution companies. While certain of these customers are affected by periodic downturns in the economy in general or in their specific segment of the natural gas industry, the Company 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.

The Company maintains cash balances at several banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation up to $100,000. Cash balances in excess of insured limits total $1,251,000 and $3,163,000 at September 30, 1998 and December 31, 1997, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgements 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. The financial statements are highly dependent on oil and gas reserve estimates, which are inherently imprecise. Actual results could differ materially from those estimates.

Stock Options and Warrant Agreements

Effective at the date of reorganization, all previously issued stock option plans of WRT were terminated and all outstanding options were canceled. At that date a Warrant Agreement went into effect. These warrants are exercisable at $10 per share and will expire on July 11, 2002. The Plan authorized the issuance of up to 1,104,000 warrants. As of September 30, 1998 and December 31, 1997, there were 221,000 warrants issued and outstanding. See Note 6 for further details.

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. See Note 8 for further details.

On July 10, 1997, WRT entered into an employment agreement with Mr. Ray Landry, WRT's former president, to perform certain services for the Company. In connection with this employment agreement, Mr. Landry was granted Incentive Stock Options to acquire 60,000 shares of the Company's common stock for $3.50 per share. The employment agreement does not specify the life of these options.

2. REORGANIZATION PROCEEDING

On February 14, 1996, WRT filed a voluntary petition in the United States Bankruptcy Court for the Western District of Louisiana (the "Bankruptcy Court") for reorganization pursuant to Chapter 11 of the Federal Bankruptcy Code (the "Reorganization Proceeding"). During the balance of 1996 and a portion of 1997, WRT operated as a debtor-in-possession, continuing in possession of its estate and the operation of its business and management of its property. On May 5, 1997, the Bankruptcy Court confirmed an Amended Plan of Reorganization (the "Plan") for WRT. On July 11, 1997, the Bankruptcy Court determined that the Plan had been substantially consummated, and the Bankruptcy Court's order of substantial consummation became final and nonappealable on July 11, 1997 (the "Effective Date").

As a result of the consummation of the Plan and due to; (i) the reallocation of the voting rights of equity interest owners and (ii) the reorganization value of WRT's assets being less than the total of all post-petition liabilities and allowed claims, the effects of the Reorganization Proceeding were accounted for in accordance with fresh start reporting standards promulgated under SOP 90-7.

In conjunction with implementing fresh start reporting, management determined a reorganized value of WRT's assets and liabilities in the following manner:

To determine the value allocated to the reorganized Company's assets, the Company looked to the fair value of its equity securities. On the date of reorganization there were 22,100,000 shares outstanding to which a value of $71,993,000 or $3.26 per share was assigned. The Company believes that the 1997 Rights Offering of 3.8 million shares at $3.50 per share, in addition to approximately 2,655,000 shares issued to fully secured creditors in exchange for the conversion of their fully secured claims to equity at an exchange rate of $3.50 per share help to support the $3.26 value used in the fresh start accounting. Once the value of the Company was established, the value allocated to assets complied with the procedures outlined in APB Opinion 16.

DLB Oil & Gas, Inc. ("DLB") contributed certain interests previously owned by Texaco Exploration and Production. Inc. ("TEPI") in the West Cote Blanche Bay Field ("WCBB Assets") along with a $1,000,000 deposit to a plugging and abandonment trust in exchange for 5,616,000 shares of the reorganized Company's common stock. This transaction was recorded at DLB's net basis in the WCBB Assets of $15,144,000. In connection with this acquisition, the Reorganized Company assumed the obligation to contribute approximately $18,000 per month through March 2004 to this plugging and abandonment trust and the obligation to plug a minimum of 20 wells per year for 20 years commencing March 11, 1997. TEPI retained a security interest in production from these properties and the plugging and abandonment trust until such time the Company's obligations for plugging and abandonment to TEPI have been fulfilled. Once the plugging and abandonment trust is fully funded, the Company can access it for use in plugging and abandonment charges associated with the property.

In accordance with the Plan, $3,000,000 was set aside by WRT to form a Litigation Entity (defined herein). The Company owns a 12% interest in this Litigation Entity. The entire $3,000,000 was included in reorganization expense on the financial statements for the six months and ten day period ended July 10, 1997. No value was assigned to the Company's interest in the Litigation Entity on the reorganized balance sheet as management was not able to determine with any certainty the amount, if any, that the Company might recover from this investment.

Current assets and liabilities were recorded at book value which approximates their fair market value. Long-term liabilities were recorded at present values of amounts to be paid and the pre-consummation stockholders' deficit was adjusted to reflect the par value of pre-consummation equity interests and the recognition of $88,723,000 in debt forgiveness income. On the Effective Date, the shareholders' deficit was closed into paid in capital and the Company started with no deficit or retained earnings.

It should be noted that the reorganized value was determined by management on the basis of its best judgement of what it considers to be current fair market value of the Company's assets and liabilities after reviewing relevant facts concerning the price at which similar assets are being sold between willing buyers and sellers. However, there can be no assurances that the reorganized value and the fair market value are comparable and the difference between the Company's calculated reorganized value and the fair market value may, in fact, be material.

As of July 11, 1997, the effect on the Company's balance sheet of consummating the Plan and implementing the fresh start reporting was:

<TABLE>
<CAPTION>

	July 11, 1997 Prior to Consummation	Substantial Consummation Adjustments	Fresh Start Reporting Adjustments	Reorganized Balance Sheet
ASSETS				
Current assets:				
Cash and cash				
<S>	<C>	<C>	<C>	<C>
equivalents	$ 3,714,000	$ 1,598,000	$ -	$ 5,312,000
Accounts receivable, net	3,287,000	-	-	3,287,000
Prepaid expenses and other	870,000	-	-	870,000
Total current assets	7,871,000	1,598,000	-	9,469,000
Property and equipment:				
Properties subject to depletion	80,120,000	15,144,000	(20,187,000)	75,077,000
Properties not subject to depletion	-	-	5,000,000	5,000,000
Other property, plant, and equipment	5,300,000	-	(2,362,000)	2,938,000

	85,420,000	15,144,000	(17,549,000)	83,015,000
Less accumulated depreciation, depletion and amortization	(29,274,000)	-	29,274,000	-
	56,146,000	15,144,000	11,725,000	83,015,000
Other assets	1,231,000	94,000	(285,000)	1,040,000
	$ 65,248,000	$ 16,836,000	$ 11,440,000	$ 93,524,000

</TABLE>

<TABLE>
<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
<S>	<C>	<C>	<C>	<C>
Accounts payable and accrued liabilities	$ 9,545,000	$ (3,771,000)	$ -	$ 5,774,000
Pre-petition secured debt	16,915,000	(16,915,000)	-	-
Total current liabilities	26,460,000	(20,686,000)	-	5,774,000
Pre-petition current liabilities Subject to compromise:				
Unsecured debt	136,818,000	(7,012,000)	(129,806,000)	-
Long-term liabilities:				
Other non-current liabilities	-	757,000	-	757,000
Notes payable	-	15,000,000	-	15,000,000
	-	15,757,000	-	15,757,000
Stockholders' equity (deficit):				
Common stock	95,000	104,000	22,000	221,000
Preferred stock	27,677,000	-	(27,677,000)	-
Additional paid in capital	39,570,000	31,673,000	529,000	71,772,000
Treasury stock	(333,000)	-	333,000	-
Retained earnings	(165,039,000)	(3,000,000)	168,039,000	-
	(98,030,000)	28,777,000	141,246,000	71,993,000
	$ 65,248,000	$ 16,836,000	$ 11,440,000	$ 93,524,000

</TABLE>

Substantial consummation adjustments are those involving cash transactions occurring on the Effective Date. Fresh start reporting adjustments are those involving non-cash transactions occurring on the Effective Date.

In accordance with the provisions of the Plan, the Company:

Issued to its unsecured creditors, on account of their allowed claims, an aggregate of 10 million shares of the Reorganized Company's common stock. At the Effective Date, 1,412,000 of the above-described shares were held in escrow to cover the settlement of disputed unsecured claims in the amount of $18,339,000.

Issued 3,800,000 shares of the Reorganized Company's common stock for $13,300,000 in cash in connection with a stock rights offering to it's unsecured creditors.

Issued 952,000 shares of the Reorganized Company's common stock in payment of $3,332,000 in secured claims.

Issued 1,703,000 shares of the Reorganized Company's common stock in payment of a $5,961,000 claim purchased by DLB from TEPI.

Issued 5,616,000 shares of the Reorganized Company's common stock in exchange for the WCBB Assets acquired by DLB from TEPI along with the associated P&A trust fund and associated funding and plugging obligations. In connection with this transaction, WRT transferred to TEPI certain assets and non-producing acreage.

The Company paid $2,492,000 in administrative claims and $2,963,000 in secured priority claims

The Company transferred $3,000,000 to a Litigation Trust along with the Company's rights to any and all causes of action, claims, rights of actions, suits or proceedings which have been or could be asserted by it except for (a) the action to recover unpaid production proceeds payable to the Company by Tri-Deck Oil & Gas Company ("Tri-Deck") and (b) the foreclosure action to recover title to certain assets (See Note 9 regarding the subsequent transfer of these claims to the Litigation Entity). This transfer was treated as a pre-reorganization expense on the financial statements for the six months and ten day period ended July 10, 1997. The Reorganized Company owns a 12% economic interest in the Litigation Entity and the remainder of the economic interests in the Litigation Entity was allocated to former unsecured creditors based on their ownership percentage of the 13.8 million shares as described above.

On January 20, 1998, the Company and the Litigation Trust entered into a Clarification Agreement whereby the rights to pursue various claims reserved by the Company in 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 the Company had incurred in connection with these claims. As additional consideration for the contribution of this claim to the Litigation Trust, the Company is entitled to 50% to 85% of the net proceeds from these claims.

3. RELATED PARTY TRANSACTIONS

Subsequent to the Effective Date of the Plan of Reorganization, substantially all of the Company's former unsecured creditors became shareholders. The Company still conducts business on an arms length basis with a substantial number of these shareholders.

DLB Oil & Gas, Inc. ("DLB") and Wexford Management LLC ("Wexford") were, along with the Company, co-proponents in the Plan of Reorganization. As of December 31, 1997, DLB and Wexford owned approximately 49% and 10.5%, respectively, of the Company's outstanding common stock. During April of 1998, DLB distributed all of its shares in the Company to its shareholders. As of September 30, 1998, Wexford owned approximately 10.5% of the Company's outstanding stock.

DLB paid $1,515,000 in reorganization costs incurred on WRT's behalf, which amount was repaid to DLB on the Effective Date. These costs were included in reorganization cost incurred during the six months and 10 days ended July 10, 1997. In addition, DLB charged WRT $465,000 for management services provided to it during the period July 11, 1997 through December 31, 1997. During the period May 1, 1997 through July 10, 1997, DLB was the operator of the WCBB properties in which WRT had a 50% working interest at that time. Subsequent to July 10, 1997, the WCBB properties were contributed to the Company for common stock, as described above, and WRT became the operator of these properties.

Pursuant to the terms and conditions of an Administrative Services Agreement dated as of July 10, 1997, by and between the Company and DLB (the "Services Agreement"), DLB agreed to make available to the Company such personnel, services, facilities, supplies, and equipment as the Company may need including executive and managerial, accounting, auditing and tax, engineering, geological and geophysical, legal, land, and administrative and clerical services. The initial term (the "Initial Term") is one year beginning on the date of the Services Agreement. The Services Agreement will continue for subsequent one-year periods unless terminated by either party by written notice no less than 60 days prior to the anniversary date of the Services Agreement. In return for the services rendered, the Company agreed to pay DLB a monthly service charge based on the pro rata proportion of the Company's use of DLB services, personnel, facilities, supplies, and equipment as determined by DLB in a good-faith, reasonable manner. The service charge is calculated as the sum of (1) DLB's fully allocated internal costs of providing personnel and/or performing services, (2) the actual costs to DLB of any third-party services required, (3) the equipment, occupancy, rental, usage, or depreciation and interest charges, and (4) the actual cost to DLB for supplies. On April 28, 1998, the rights and obligations of DLB under the Service Agreement were assigned to DLB Equities, L.L.C.

At December 31, 1997, Gulfport owed DLB $1,557,000 for services rendered pursuant to the Administrative Services Agreement. In March 1998, in order to facilitate the acquisition of DLB by Chesapeake Energy Corp., Mike Liddell, Mark Liddell and Charles Davidson purchased the receivable from DLB for its then outstanding amount of $1,557,000. Each of Messrs. Mike and Mark Liddell and Mr. Davidson subsequently transferred his portion of the receivable to Liddell Investments, LLC, Liddell Holdings, LLC and CD Holding, LLC, respectively. The receivable accrues interest at the rate of LIBOR plus 3% per annum. To the extent Liddell Investments, LLC, Liddell Holdings, LLC and CD Holding, LLC purchase Shares and Excess Shares, in the proposed Rights Offering, they will do so through the forgiveness of an equal amount owed to them by the Company under the Stockholder Credit Facility and the Administrative Services Agreement. To the extent all such amounts are not forgiven through the purchase of Shares and Excess Shares in the proposed Rights Offering, the Company will pay the outstanding amount in cash with a portion of the proceeds from the Rights Offering to the extent such funds are available. If such funds are not sufficient, any outstanding amounts will be repaid from other funds as they become available. (See Rights Offering.)

During the three and nine months ended September 30, 1998, the Company sold $877,000 in oil to a DLB subsidiary. During the period July 11, 1997 through December 31, 1997, the Company sold $4,335,000 in oil to a DLB subsidiary. These sales occurred at prices which the Company could be expected to obtain from an unrelated third party.

On August 18, 1998, the Company entered into a $3.0 million revolving credit facility (the "Stockholder Credit Facility") with the certain stockholders of the Company (the "Affiliated Stockholders"). Borrowings under the Stockholder Credit Facility are due on August 17, 1999 and bear interest at LIBOR plus 3% (8.41% at November 12, 1998). Pursuant to the Stockholder Credit Facility, the Affiliated Stockholders have the right to convert any borrowings made under such facility into shares of Common Stock at a conversion price of $0.20 per share only if the Rights Offering (as defined herein) is not completed. As of November 12, 1998, $3.0 million was outstanding under the Stockholder Credit Facility. The Company repaid $2.0 million of principal under the Amended Credit Facility with borrowings under the Stockholder Credit Facility. The remaining $1.0 million was used for working capital and general corporate purposes. Each Affiliated Eligible Stockholders will pay the Subscription Price for Shares and Excess Shares if any, purchased in the Rights Offering through the forgiveness of an equal owed to such Affiliated Eligible Stockholder under the Stockholder Credit Facility and the Administrative Service Agreement receivable. Any amounts that remain outstanding after such application will be repaid by the Company with a portion of the cash proceeds from the Rights Offering to the extent such funds are available. If such funds are not sufficient, any outstanding amounts will be repaid from other funds as they become available. (See Rights Offering.)

4. RESTRUCTURING CHARGES AND REORGANIZATION COSTS

WRT incurred certain restructuring costs in connection with its change in strategy and corporate structure. These costs consisted primarily of the write-off of approximately $1,000,000 in leasehold improvements related to the relocation of WRT's operations from The Woodlands, Texas, approximately $300,000 in severance costs related to staff reductions and changes in senior management and $100,000 in legal fees and other costs directly related to the WRT's Reorganization Case.

During 1996, WRT incurred $7,345,000 in reorganization costs, primarily consisting of professional fees totaling $2,594,000 and the write-off of previously capitalized debt issuance costs on the Senior Notes (herein defined) in the amount of $3,834,000.

During 1997, WRT incurred $7,771,000 in reorganization costs, consisting of $3,000,000 contributed to the Litigation Trust (See Note 9 for further details), $1,515,000 in reimbursements to DLB for restructuring costs it incurred on WRT's behalf, professional fees totaling $2,213,000, and an accrual of $1,044,000 for estimated future costs to be incurred in connection with the reorganization. As of September 30, 1998, the balance of an accrual for estimated future costs to be incurred in connection with the reorganization was $423,000.

5. LONG-TERM LIABILITIES

As of September 30, 1998 and December 31, 1997, long term liabilities include the following:
<TABLE>
<CAPTION>

	1998	1997
Debt:		
<S>	<C>	<C>
Credit facility	$ 10,087,000	$ 15,000,000
Priority tax claims	376,000	527,000
Building loan	196,000	193,000
	10,659,000	15,720,000
Less current portion	2,950,000	2,192,000
	$ 7,709,000	$ 13,528,000

</TABLE>

Credit Facility

In December 1994, WRT entered into a $40,000,000 credit facility with International Nederlanden (U.S.) Capital Corporation ("INCC") ("Credit Facility") that was secured by substantially all of WRT's assets. At December 31, 1996, WRT had borrowings outstanding of $15,000,000, the maximum amount of borrowings available under the Credit Facility. At December 31, 1995, the revolving loan borrowings were converted to a term loan whereby quarterly principal payments of one-sixteenth of the outstanding indebtedness were due and payable. Amounts outstanding under the Credit Facility bore interest at an annual rate selected by WRT of either (i) the London Inter-Bank offered rate ("LIBOR") plus 3%, or (ii) the Lender's prime lending rate plus 1.25%.

At December 31, 1996, WRT was in default under certain financial covenants of the Credit Facility. Accordingly, WRT classified the debt as current at December 31, 1996. While in bankruptcy, INCC was stayed from enforcing certain remedies provided for in the credit agreement and the indenture. On the Effective Date, this loan was repaid in full along with $3,154,000 in accrued interest and legal fees.

On the Effective Date, the Company entered into a new $15,000,000 Credit Agreement (the "Credit Agreement") with ING (U.S.) Capital Corporation (successor to INCC) ("ING") that was secured by substantially all of the Company's assets. Initial loan fees of $188,000 were paid on or prior to the Effective Date, an additional loan fee of $100,000 was made on December 31, 1997 and a final loan fee of $100,000 is due on or before December 31, 1998. The loan matures on July 11, 1999, with interest to be paid quarterly and with three interim principal payments of $1,000,000 each to be made in September 1998, December 1998, and March 1999. The Company paid its September 1998 payment of $1,000,000 and prepaid its December 1998 payment of $1,000,000. This loan bears interest at the option of the Company at either (1) LIBOR plus 3% or (2) ING's *fluctuating "reference rate" plus 1.25%. This loan is collateralized by substantially all of the Company's assets. At November 12, 1998, this rate was 8.41%.*

The Credit Agreement contains restrictive covenants which impose limitations on the Company with respect to, among other things: (i) the maintenance of current assets equal to at least 110% of current liabilities (excluding any current portion of the Credit Agreement); (ii) the incurrence of debt outside the ordinary course of business; (iii) dividends and similar payments; (iv) the creation of additional liens on, or the sale of, the Company's oil and gas properties and other assets; (v) the Company's ability to enter into forward, future, swap or hedging contracts; (vi) mergers or consolidations; (vii) the issuance of securities other that Common Stock and options or warrants granting the right to purchase Common Stock; (viii) the sale, transfer, lease, exchange, alienation or disposal of Company properties or assets; (ix) investments outside the ordinary course of business; (x) transactions with affiliates; (xi) general and administrative expenditures in excess of $1 million during any fiscal quarter or in excess of $3 million during each fiscal year; and (xii) the maintenance of an aggregate net present value attributable to all collateral as determined from engineering reports equal to 120% of the principal amount of the Credit Agreement on such date.

On August 18, 1998, the Company amended the Credit Agreement (as so amended, the "Amended Credit Agreement") to, among other things: (i) delete the coverage ratio set forth in the Credit Agreement; and (ii) require interest payments to be made by the Company on a monthly basis. The interest rate set forth in the Credit Agreement was unchanged in the Amended Credit Agreement. In connection with the execution and delivery of the Amended Credit Agreement, ING waived certain provisions of the Credit Agreement to permit (i) the Rights Offering and the use of proceeds as specified therein, (ii) the Company to enter certain contractual agreements. and (iii) the Company to undertake certain other actions. In consideration for ING entering into the Amended Credit Agreement and granting the waivers, the Company (a) prepaid $2.0 million of principal otherwise due in September and December 1998 with borrowings made under the Stockholder Credit Facility, (b) agreed to pay a $250,000 amendment fee to ING on July 11, 1999, provided that such amendment fee will be waived if the amounts owed to ING under the Amended Credit Agreement have been paid in full by July 10, 1999; and (c) issued warrants to ING, which warrants will permit ING to purchase 2% of the outstanding shares of Common Stock on a fully diluted basis after giving effect to the Rights Offering. The exercise price for the warrants will equal the average of the closing sale prices for the Common Stock for the 30 trading days following consummation of the Rights Offering. If, however, the Rights Offering is not consummated within 30 days from October 30, 1998, then the exercise price shall be $0.25. The warrants expire five years after the date the exercise price is established. Pursuant to the Amended Credit Agreement, an Event of Default (as defined therein) shall be deemed to have occurred if the Rights Offering is not completed by November 30, 1998. The Rights Offering is scheduled to close November 20, 1998.

At December 31, 1997, the Company held $2,060,000 in a restricted cash account. These funds represent the proceeds from the sale of its field equipment. As of September 30, 1998, the Company had applied $1,778,000 of these funds to the outstanding principal balance of the Credit Agreement and the balance has been released from restriction and used by the Company.

Priority Tax Claims

In accordance with the Plan of Reorganization, priority taxes totaling $1,168,000 are to be paid in four annual installments without interest. The first annual installment of $292,000 was made on July 11, 1997 and the second annual installment of $291,000 was made on July 11, 1998. On August 14, 1998 an additional $150,000 of these priority taxes was paid to secure the release of certain liens.

Building Loan

During early 1996, WRT entered into a loan agreement with M C Bank and Trust Company to finance the acquisition of land and a building located in Lafayette, Louisiana. The original loan balance was $215,000 and called for monthly principal and interest payments totaling $3,000 per month through 2005 with the unpaid balance due at that time. The loan bears interest at 9.5% per annum and is collateralized by the land and building. During June 1998, the Company borrowed against the building loan approximately $35,000 to finance *improvements to the Lafayette, LA office building.*

6. COMMON STOCK OPTIONS AND WARRANTS

All outstanding stock options and warrants issued prior to July 11, 1997 were cancelled in connection with the Plan of Reorganization.

On July 10, 1997, WRT entered into an employment agreement with Mr. Ray Landry, WRT's former president, to perform certain services for the Company. In connection with this employment agreement, Mr. Landry was granted Incentive Stock Options to acquire 60,000 shares of the Company's common stock for $3.50 per share. The employment agreement does not specify the life of these options.

In connection with the Plan of Reorganization, new warrants for 221,000 shares of the Reorganized Company common stock were issued to the former preferred shareholders. In addition, to the extent that any securities litigation claims based on preferred or common stock ownership are allowed as a "Class Proof of Claim", the Company has the obligation to issue this class an additional 221,000 in warrants to purchase common stock in the Reorganized Company. These warrants are each exercisable for one share of common stock at an exercise price of $10 per share. The warrants will expire on July 11, 2007. In accordance with the Plan of Reorganization, the Company has the right to issue up to 1,104,000 warrants.

According to the Amended Credit Agreement, the Company issued warrants to ING, which warrants will permit ING to purchase 2% of the outstanding shares of Common Stock on a fully diluted basis after giving effect to the Rights Offering. The exercise price for the warrants will equal the average of the closing sale prices for the Common Stock for the 30 trading days following consummation of the Rights Offering. If, however, the Rights Offering is not consummated within 30 days from October 30, 1998, then the exercise price shall be $0.25. The warrants expire five years after the date the exercise price is established. Pursuant to the Amended Credit Agreement, an Event of Default (as defined therein) shall be deemed to have occurred if the Rights Offering is not completed by November 30, 1998.

7. EARNINGS (LOSS) PER SHARE

Earnings per share for all periods were computed based on common stock equivalents outstanding on that date during the applicable periods.

8. COMMITMENTS AND CONTINGENCIES

Lac Blanc Escrow Account

In connection with its purchase of a 91% working interest in the Lac Blanc Field, the Company deposited $170,000 in a segregated trust account and agreed to make additional deposits of $20,000 per month until the accumulated balance of the trust account reaches $1,700,000. These funds are held in a segregated account for the benefit of the State of Louisiana to insure that the wells in the Lac Blanc Field are properly plugged upon cessation of production. In return for this financial commitment, the State of Louisiana has granted the sellers an unconditional release from their contingent liability to the state to plug and abandon the wells. When all existing wells in the Lac Blanc Field have been properly plugged and abandoned, the funds in the trust account, should any remain, will revert to the Company. Due to the filing of the Reorganization Case in February 1996, the Company ceased making contributions to the segregated account. Under the Plan, commencing July 1997, the Company was obligated to fund the unfunded portion of the trust account and maintain future funding requirements. To date, the Company has not made any additional contributions to such trust account. At September 30, 1998, the balance in this trust account was $871,000.

Plugging Funds

In December 1994, the Company entered into a definitive agreement with LLOG Exploration Company ("LLOG") for the purchase of LLOG's working interest in the Bayou Penchant Field (the "Initial LLOG Property"). This sale was completed in January 1995. In March 1995, the Company completed its acquisition of additional oil and gas properties owned by LLOG in four South Louisiana fields (the "Remaining LLOG Properties"). In connection with these purchases, the Company *agreed to establish plugging and abandonment escrow funds as allowed by the Orphaned Well Act. In connection with the Reorganization Case, LLOG filed a claim asserting that Old WRT was required, notwithstanding the bankruptcy case, to fulfill its contractual commitment to establish plugging and abandonment funds (the "Asserted LLOG P&A Trusts"), and that LLOG had a vendor's lien on the Initial LLOG Property and Remaining LLOG Properties securing Old WRT's performance of the contractual commitment. Old WRT's disputed LLOG's claim and its asserted vendor's lien, and filed an objection seeking a disallowance of LLOG's claim and a determination that any claim asserted by LLOG with respect to the Asserted LLOG P&A Trusts was unsecured. On July 8, 1997, the Bankruptcy Court ruled that LLOG's claim with respect to the Asserted LLOG P&A Trusts was secured by a valid vendor's lien on the Initial LLOG Property and Remaining LLOG Properties, but did not determine the amount of such claim. Old WRT filed a motion requesting that the Bankruptcy Court reconsider its ruling. On January 15, 1998, the Bankruptcy Court denied Gulfport's motion to reconsider its ruling. Therefore, if Gulfport does not appeal this ruling, the Company will satisfyLLOG's secured claim. The amount and terms of payment have not been established. In September 1998, LLOG filed a temporary restraining order to prohibit any sale of the LLOG Properties (which are the subject of the Castex Sale) pending a preliminary injunction hearing. LLOG is claiming that it has a continuing security interest in certain real property and equipment to secure the claim for plugging and abandonment obligations. The Company is currently negotiating with LLOG to settle the matter.*

In connection with the acquisition of the remaining 50% interest in certain WCBB properties, Gulfport assumed the obligation to contribute approximately $18,000 per month through March of 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. TEPI retained a security interest in production from these properties and the plugging and abandonment trust until such time as the Company's plugging and abandonment obligations to TEPI have been fulfilled. Once the plugging and abandonment trust is fully funded, the Company can access it for use in plugging and abandonment charges associated with the property. The Company is current in these plugging and abandonment obligations. Texaco Global Settlement

Pursuant to the terms of the Global Settlement Agreement, dated February 22, 1994, between Texaco, Inc. ("Texaco") and the State of Louisiana (the "Global Settlement Agreement"), which agreement includes the State Lease No. 50 portion of the Company's East Hackberry field, the Company was obligated to commence a well or other qualifying development operation on certain non-producing acreage in the field prior to March 1998. On January 8, 1998, the Company applied for and was granted a permit to conduct seismic operations on the East Hackberry field as well as other Company properties. Because the Company had financial constraints during this time period, the Company believes it was commercially impracticable to shoot seismic and commence drilling operations on such property. As a result, the Company surrendered approximately 440 non-producing acres in this field.

On May 13, 1998, under the terms of the Global Settlement Agreement, the Louisiana State Mineral Board re-classified approximately 1,500 acres of State Lease 340 (West Cote Blanche Bay field) as non-producing acreage. To extend the term of the acreage, the Company has proposed the drilling of the Gulfport Energy Corporation S.L. 340 Well No. 847. In light of this fact, the Company has agreed to drill with a 1,900 foot test well bottom hole objective at some time prior to December 31, 1998 under the recently re-classified acreage. The drilling of such well will allow the Company an additional six months to submit a plan to the Louisiana State Mineral Board for additional development of non-producing acreage. The cost of this well is estimated to be approximately $250,000.

Reimbursement of Employee Expenses & Contributions to 401(k) Plan

The Company sponsors a 401(k) savings plan under which eligible employees may choose to save up to 15% of salary income on a pre-tax basis, subject to certain Internal Revenue Service ("IRS") limits. The Company currently matches up to 6% of each employee's contributions with 25% cash contributions. During the period commencing July 11, 1997 and ending on December 31, 1997, the period commencing January 1, 1997 and ending on July 10, 1997, and the years ended December 31, 1996 and 1995, the Company funded $13,000, $23,000, $32,000, and $22,000, respectively, in matching contributions expense associated with this plan.

Tri-Deck/Perry Gas Litigation

During 1995, the Company entered into a marketing agreement with Tri-Deck Oil and Gas Company ("Tri-Deck") pursuant to which Tri-Deck would market all of the Company's oil and gas production. Subsequent to the agreement, Tri-Deck's principal, and the Company's Director of Marketing, James Florence, assigned to Plains Marketing and Transportation ("Plains Marketing") Tri-Deck's right to market the Company's oil production and assigned to Perry Oil & Gas ("Perry Gas") its right to market the Company's gas production. During early 1996, Tri-Deck failed to make payments to the Company attributable to several months of its gas production.

On January 20, 1998, the Company and the Litigation Entity (as defined herein) entered into a Clarification Agreement whereby the rights to pursue Old WRT's claims against Tri-Deck were assigned to the Litigation Entity. In connection with this agreement, the Litigation Entity agreed to reimburse the Company $100,000 for legal fees the Company had incurred in connection with these claims. As additional consideration for the contribution of this claim to the Litigation Entity, the Company is entitled to 85% of the recovery of all monies held in the court registry and 50% of the recovery from all other Tri-Deck litigation pursued by the Litigation Entity.

Title to Oil and Gas Properties

On July 20, 1998, Sanchez Oil & Gas Corporation ("Sanchez") initiated litigation against the Company in the Fifteenth Judicial District Court, Parish of Lafayette, State of Louisiana. In its petition, Sanchez alleges, among other things, that the Company was obligated, by virtue of the terms of a letter dated June 26, 1997, between Sanchez and the Company (the "Sanchez Letter"), to grant a sublease to Sanchez for an undivided 50% interest in two of the Company's oil, gas and mineral leases covering lands located in the North Bayou Penchant area of Terrebonne Parish, Louisiana. Pursuant to this lawsuit, Sanchez is seeking specific performance by the Company of the contractual obligation that Sanchez alleges to be present in the Sanchez Letter and monetary damages. The litigation is in its earliest stages and discovery has not yet begun. In addition, the Company is currently reviewing the claims set forth in the lawsuit to determine the appropriate response thereto.

Year 2000 Compliance

Many currently installed computer systems and software products are coded to accept only two digit entries in the data code field. These data code fields will need to accept four digit entries to distinguish the 21st century dates from 20th century dates. As a result, computer systems and software used by many companies may need to be upgraded to comply with such "Year 2000" requirements.

The Company is currently in the process of evaluating its information technology infrastructure for the Year 2000 compliance. To date, the Company has not incurred significant costs related to Year 2000 compliance and does not expect that the cost to modify and replace its information technology infrastructure to be Year 2000 compliant will be material to its financial condition or results of operations. The Company does not anticipate any material disruption in its operations as a result of any failure by the Company to be in compliance. The costs of these projects and the date on which the Company plans to complete modifications and replacements are based on management's best estimates, which were derived utilizing numerous assumptions of future events including the continued availability of certain resources, third party modification plans and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those plans.

The Company does not currently have any information concerning the Year 2000 compliance status of its suppliers and customers. The Company intends to initiate communications with significant suppliers and customers to evaluate the risk of their failure to be Year 2000 compliant and the extent to which the Company may be vulnerable to such failure. In the event that any of the Company's significant suppliers or customers do not successfully and timely achieve Year 2000 compliance, the Company's business or operations could be adversely affected. The Company has and will continue to make certain investments in software systems and applications to ensure it is year 2000 complaint. The financial impact to the Company to ensure year 2000 compliance has not been and is not anticipated to be material to its financial position or results of operations.

Other litigation

Company has been named as a defendant in various other 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.

9. LITIGATION TRUST ENTITY

On August 13, 1996, the Bankruptcy Court executed and entered its "Order Appointing Examiner", directing the United States Trustee to appoint a disinterested person as examiner in the WRT's bankruptcy case.

The Court ordered the appointed examiner ("Examiner") to file a report of the investigation conducted, including any fact ascertained by the examiner pertaining to fraud, dishonesty, incompetence, misconduct, mismanagement or irregularity in the management of the affairs of WRT.

The Examiner's final report dated April 2, 1997, recommended numerous actions for recovery of property or damages for WRT's estate which appear to exist and should be pursued. Management does not believe the resolution of the matters referred to in the Examiner's report will have a material impact on WRT's consolidated financial statements or results of operations.

Pursuant to the Plan of Reorganization, all of 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), existing as of the effective date of the Plan, were transferred into a "Litigation Entity" controlled by an independent party for the benefit of most of 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 Entity as described below.

The Litigation Trust was funded by a $3,000,000 cash payment from the Company, which was made on the Effective Date. The Company owns a 12% interest in the Litigation Entity with the other 88% being owned by the former general unsecured creditors of WRT. For financial statement reporting purposes, the Company has not recognized the potential value of recoveries which may ultimately be obtained, if any, as a result of the actions of the Litigation Entity, treating the entire $3,000,000 payment as a reorganization cost incurred during the period commencing January 1, 1997 and ending on July 10, 1997.

On January 20, 1998, the Company and the Litigation Entity entered into a Clarification Agreement whereby the rights to pursue various claims reserved by the Company in 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 the Company had incurred in connection with these claims. As additional consideration for the contribution of this claim to the Litigation Trust, the Company is entitled to 50% to 85% of the net proceeds from these claims.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q includes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). All statements, other than statements of historical facts, included in this Form 10-Q that address activities, events or developments that Gulfport Energy Corporation ("Gulfport" or the "Company"), a Delaware corporation formerly named WRT Energy Corporation, 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 strengths, goals, expansion and growth of Gulfport's business and operations, plans, references to future success, references 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 Form 10-Q are qualified by these cautionary statements and there can be no assurance 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 or its business or operations.

The following discussion is intended to assist in an understanding of the Company's unaudited results of operations for the three month and the nine month periods ended September 30, 1998 and 1997. The unaudited consolidated financial statements and notes included in this report contain additional information and should be referred to in conjunction with this discussion. It is presumed that the readers have read or have access to Gulfport Energy Corporation's 1997 annual report on Form 10-K.

FINANCIAL DATA
(Unaudited)
<TABLE>
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	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997 (4)	1998	1997 (4)
Revenues:				
<S>	<C>	<C>	<C>	<C>
Gas sales	$ 694,000	$ 1,610,000	$ 3,541,000	$ 6,105,000
Oil and condensate sales	1,610,000	3,202,000	5,485,000	8,363,000
Other income, net	90,000	81,000	436,000	201,000
	2,394,000	4,893,000	9,462,00	14,669,000
Expenses:				
Production costs (1)	3,160,000	2,437,000	8,330,000	7,305,000
General & administrative	533,000	755,000	1,855,000	3,116,000
Provision for doubtful accounts	-	-	-	71,000
	3,693,000	3,192,000	10,185,000	10,492,000
EBITDA (2)	(1,299,000)	1,701,000	(723,000)	4,177,000
Depreciation, depletion & amortization	29,768,000	2,720,000	49,866,000	5,844,000
(Loss) before interest, reorganization costs and Taxes and extraordinary item	(31,067,000)	(1,019,000)	(50,589,000)	(1,667,000)
Interest expense	310,000	400,000	1,068,000	1,432,000
Reorganization costs	-	1,044,000	-	4,771,000
(Loss) before income taxes and extraordinary item	(31,377,000)	(2,463,000)	(51,657,000)	(7,870,000)

Income taxes	-	-	-	-
Net (loss) before extraordinary item	(31,377,000)	(2,463,000)	(51,657,000)	(7,870,000)
Extraordinary item - gain on debt discharge	-	88,723,000	-	88,723,000
Net income (loss)	(31,377,000)	86,260,000	(51,657,000)	80,853,000
Dividends on preferred stock (undeclared)	-	(87,000)	-	(1,510,000)
Net income (loss) available to common shareholders	$(31,377,000)	$ 86,173,000	$(51,657,000)	$ 79,343,000
Per share data:				
Net loss	$ (1.42)	$ (3)	$ (2.34)	$ (3)
Weighted average common and common equivalent shares	22,076,000	(3)	22,076,000	(3)

</TABLE>

(1) The components of production costs may vary substantially among wells depending on the methods of recovery employed and other factors, but generally include maintenance, repairs, labor and utilities.

(2) EBITDA is defined as earnings before interest, taxes, depreciation, depletion and amortization. EBITDA is an analytical measure frequently used by securities analysts and is presented to provide additional information about the Company's ability to meet its future debt service, capital expenditure and working capital requirements. EBITDA should not be considered as a better measure of liquidity than cash flow from operations.

(3) Amounts not meaningful as a result of the reorganization.

(4) The 1997 comparative numbers include activity of the predecessor Company prior to July 11, 1997, the date of reorganization.

RESULTS OF OPERATIONS

Comparison of the Three Months Ended September 30, 1998 and 1997

During the three months ended September 30, 1998, the Company reported a net loss of $31.4 million as compared to net income before undeclared dividends on preferred stock of $86.3 million for the corresponding period in 1997. This change is primarily due to the following factors:

Oil and Gas Revenues. During the three months ended September 30, 1998, the Company reported oil and gas revenues of $2.3 million, a 53% decrease from $4.9 million for the comparable period in 1997. This decrease was primarily attributable to a significant reduction in the average oil and natural gas prices received during 1998 in combination with a 40% reduction in oil production and a 21% reduction in gas production from the same period in 1997. The decline in oil and gas production was due in part to the Company's failure to perform rework and development activities due to the lack of adequate working capital. The following table summarizes the Company's oil and gas production and related pricing for the three months ended September 30, 1998 and 1997:

<TABLE>
<CAPTION>

	Three Months Ended September 30, 1998	1997

<S>	<C>	<C>
Oil production volumes (Mbbls)	102	168
Gas production volumes (Mmcf)	535	676
Average oil price (per Bbl)	$15.78	$19.06
Average gas price (per Mcf)	$1.48	$2.38

</TABLE>

Other Income. Other income remained relatively consistent during the three months ended September 30, 1997 and 1998.

Production Costs. Production costs, including lease operating costs and gross production taxes, increased $0.8 million, or 33%, from $2.4 million for the three months ended September 30, 1997 to $3.2 million for the comparable period in 1998. This increase is due primarily to the resolution of billing overhead charges to third parties.

General and Administrative Expenses. General and administrative expenses decreased $0.3 million, or 38%, from $0.8 million for the three months ended September 30, 1997 to $0.5 million for the comparable period in 1998. This decrease was due primarily to the Company's change in business strategy to reduce personnel and overall general and administrative costs.

Provision for Doubtful Accounts. Provision for doubtful accounts remained consistent when comparing the three months ended September 30, 1997 with the comparable period in 1998.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased $27.1 million, or 1004%, from $2.7 million for the three months ended September 30, 1997 to $29.8 million for the comparable period in 1998. This increase was due primarily to a $28.0 million write down as described below which was partially offset by a 40% decline in oil production and a 21% decline in gas production in 1998 as compared with the same period for 1997. As a result of fresh start accounting prescribed for companies emerging from bankruptcy, a new cost basis in assets is recognized based upon the fair market value of the assets. In addition, the Company converted from the successful efforts method to the full cost pool method for reporting oil and gas properties on the Effective Date. As prescribed by the full cost pool method of reporting oil and gas properties, ceiling tests are performed to determine if the carrying value of oil and gas assets exceeds the sum of the discounted estimated future cash flows. As a result of a ceiling test performed at September 30, 1998, the Company was required to write-down the value of its oil and gas properties by $28.0 million.

Interest Expense. Interest expense remained relatively consistent during the three months ended September 30, 1997 and 1998.

Reorganization Costs. Reorganization costs decreased $1.0 million, or 100% from $1.0 million for the three months ended September 30, 1997 to $0.0 million for the comparable period in 1998. On the Effective Date, the Company recorded a $1.0 million accrual for estimated future costs to be incurred in connection with the reorganization. As a result, any reorganization costs incurred since that time will have no effect on the income statement of the Company.

Extraordinary Item. During the three months ended September 30, 1997, the Company recognized a gain of $88.7 million associated with the discharge of debt as called for in the plan or reorganization. This gain was recognized as an extraordinary item for financial reporting purposes.

Comparison of the Nine Months Ended September 30, 1998 and 1997

During the nine months ended September 30, 1998, the Company reported a net loss of $51.7 million, as compared with net income before undeclared dividends on preferred stock of $80.9 million for the corresponding period in 1997. This decrease is primarily due to the following factors:

Oil and Gas Revenues. During the nine months ended September 30, 1998, the Company reported oil and gas revenues of $9.0 million, a 38% decrease from $14.5 million for the comparable period in 1997. This decrease was primarily attributable to a 36% reduction in gas production, a 9% reduction in oil production, and the decline in the average price received for oil and natural gas during 1998. The decline in oil and gas production was due in part to the Company's failure to perform rework and development activities due to the lack of adequate working capital. The following table summarizes the Company's oil *and gas production and related pricing for the nine months ended September 30, 1998 and 1997:*

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 1998	1997
<S>	<C>	<C>
Oil production volumes (Mbbls)	377	414
Gas production volumes (Mmcf)	1,532	2,388
Average oil price (per Bbl)	$14.55	$20.20
Average gas price (per Mcf)	$2.31	$2.56

</TABLE>

Other Income. Other income increased $0.2 million, or 100% from $0.2 million for the nine months ended September 30, 1997 to $0.4 million for the comparable period in 1998. This increase was due primarily to interest income.

Production Costs. Production costs, including lease operating costs and gross production taxes, increased $1.0 million, or 14%, from $7.3 million for the nine months ended September 30, 1997 to $8.3 million for the comparable period in 1998. The increase is due primarily to the resolution of billing overhead charges to third parties. Although there is an increase for comparison purposes, there is a decrease in operating costs primarily as the result of a reduction of field related services performed by third party contractors. This reduction is offset somewhat by an increase to operating costs in the WCBB field as a result of the Company's acquisition, on the Effective Date, of an additional 50% working interest in depths above the Rob "C" marker.

General and Administrative Expenses. General and administrative expenses decreased $1.2 million, or 39%, from $3.1 million for the nine months ended September 30, 1997 to $1.9 million for the comparable period in 1998. This decrease was due primarily to the Company's change in business strategy to reduce personnel and overall general and administrative costs.

Provision for Doubtful Accounts. Provision for doubtful accounts remained consistent when comparing the nine months ended September 30, 1998 with the comparable period in 1997.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased $44.1 million, or 760% from $5.8 million for the nine months ended September 30, 1997 to $49.9 million for the comparable period in 1998. As a result of fresh start accounting prescribed for companies emerging from bankruptcy, a new cost basis in assets is recognized based upon the fair market value of the assets. In addition, the Company converted from the successful efforts method to the full cost pool method for reporting oil and gas properties on the Effective Date. As prescribed by the full cost pool method of reporting oil and gas properties, ceiling tests are performed to determine if the carrying value of oil and gas assets exceeds the sum of the discounted estimated future cash flows. As a result of a ceiling test performed at June 30, 1998, and again at September 30, 1998, the Company was required to write-down the value of its oil and gas properties by $16.0 million and $28.0 million respectively, for a total year to date write down of $44.0 million. Due to the restating of property values to comply with fresh start accounting and the conversion from the successful efforts method to the full cost pool method of reporting oil and gas properties, comparisons of the 1998 and 1997 periods are not meaningful.

Interest Expense. Interest expense decreased $0.3 million, or 21%, from $1.4 million for the nine months ended September 30, 1997 to $1.1 million for the comparable period in 1998. This decrease was due to: (a) a reduction in outstanding debt and (b) a .8125% reduction in the Credit Agreement interest rate.

Reorganization Costs. Reorganization costs decrease $4.8 million, 100% from $4.8 million for the nine months ended September 30, 1997 to $0.0 million for the comparable period in 1998. On the Effective Date, the Company recorded a $1.0 million accrual for estimated future costs to be incurred in connection with the reorganization. As a result, any reorganization costs incurred since that time will have no effect on the income statement of the Company.

Liquidity and Capital Resources

Net cash flow provided by operating activities for the nine months ended September 30, 1998 was $0.9, as compared to net cash used in operations of $6.8 million for the comparable period in 1997. This increase is due primarily to the treatment of $7.8million of discharged debt in 1997 as a use of operating funds combined with a $1.7 million reduction in accounts receivable in 1998 which was offset in part by lower oil and gas prices in 1998.

Net cash flow used by operating activities for the year ended December 31, 1997 was $1,446,000 as compared to net cash flow used by operating activities of $20,610,000 for the year ended December 31, 1996. The reduction in the cash flow was due primarily to an increase in payables in 1996 of approximately $16,920,000. The increase in payables in 1996 was due to the stay provided by the Bankruptcy Court from the payment of any pre-petition payables and interest on the Company's then existing credit facility.

Also on the Effective Date, the Company entered into a $15,000,000 credit agreement (the "Credit Agreement") with ING (U.S.) Capital Corporation ("ING") that was secured by substantially all of the Company's assets. The terms of the Credit Agreement required the payoff of a portion of the $18,081,590 in principal and interest outstanding under the Prior Credit Facility with INCC, a predecessor to ING, with proceeds under the Credit Agreement. As of September 30, 1998, the outstanding principal balance under the Credit Agreement was approximately $10,087,000. Pursuant to the terms of the Credit Agreement, the Company may elect to be charged at the bank's fluctuating reference rate plus 1.25% or the rate plus 3.0% at which Eurodollar deposits for one, two, three or six months are offered to the bank in the Interbank Eurodollar. The interest rate was 8.41% at November 12, 19988. The Credit Agreement provided for principal payments of $1,000,000 each in September 1998, December 1998, and March 1999, with the remaining principal balance due at maturity on July 10, 1999. The Company had paid its September 1998 payment of $1,000,000 and prepaid its December 1998 payment of $1,000,000.

The Credit Agreement contains restrictive covenants which impose limitations on the Company with respect to, among other things: (i) the maintenance of current assets equal to at least 110% of current liabilities (excluding any current portion of the Credit Agreement); (ii) the incurrence of debt outside the ordinary course of business; (iii) dividends and similar payments; (iv) the creation of additional liens on, or the sale of, the Company's oil and gas properties and other assets; (v) the Company's ability to enter into forward, future, swap or hedging contracts; (vi) mergers or consolidations; (vii) the issuance of securities other than Common Stock and options or warrants granting the right to purchase Common Stock; (viii) the sale, transfer, lease, exchange, alienation or disposal of Company properties or assets; (ix) investments outside the ordinary course of business; (x) transactions with affiliates; (xi) general and administrative expenditures in excess of $1 million during any fiscal quarter or in excess of $3 million during each fiscal year; and (xii) the maintenance of a 1.2 to 1 coverage ratio.

On August 18, 1998, the Company amended the Credit Agreement (as so amended, the "Amended Credit Agreement") to, among other things: (i) delete the coverage ratio set forth in the Credit Agreement; and (ii) require interest payments to be made by the Company on a monthly basis. The interest rate set forth in the Credit Agreement was unchanged in the Amended Credit Agreement. In connection with the execution and delivery of the Amended Credit Agreement, ING waived certain provisions of the Credit Agreement to permit (i) the Rights Offering and the use of proceeds as specified herein, (ii) the Company to enter into the Plymouth Farmout and the Tri-C Farmout as discussed below under "Recent Developments and Plans" and (iii) the Company to undertake certain other actions. In consideration for ING entering into the Amended Credit Agreement and granting the waivers, the Company (a) prepaid $2.0 million of principal otherwise due in September and December 1998 with borrowings made under the Stockholder Credit Facility, (b) agreed to pay a $250,000 amendment fee to ING on July 11, 1999, provided that such amendment fee will be waived if the amounts owed to ING under the Amended Credit Agreement have been paid in full by July 10, 1999; and (c) issued warrants to ING, which warrants will permit ING to purchase 2% of the outstanding shares of Common Stock on a fully diluted basis after giving effect to the Rights Offering. The exercise price for the warrants will equal the average of the closing sale prices for the Common Stock for the 30 trading days following consummation of the Rights Offering. If, however, the

Rights Offering is not consummated by November 30,1998, then the exercise price shall be $0.25. The proposed closing of the Rights Offering is November 20, 1998.The warrants expire five years after the date the exercise price is established. Pursuant to the Amended Credit Agreement, an Event of Default (as defined therein) shall be deemed to have occurred if the Rights Offering is not completed by such date.

On August 18, 1998, the Company entered into the Stockholder Credit Facility, a $3.0 million revolving credit facility with the Affiliated Eligible Stockholders. Borrowings under the Stockholder Credit Facility are due on August 17, 1999 and bear interest at LIBOR plus 3% (8.41% at November 12, 1998). Pursuant to the Stockholder Credit Facility, the Affiliated Eligible Stockholders have the right to convert any borrowings made under such facility into shares of Common Stock at a conversion price of $0.20 per share only if the Rights Offering is not completed. As of November 12, 1998, $3.0 million was outstanding under the Stockholder Credit Facility.

During 1997, the Company invested $21,931,000 in property acquisition and development, as compared to $4,282,000 during 1996. Included in such 1997 property additions was the acquisition of the 50% interest in certain WCBB properties not owned by the Company in exchange for 5,616,000 shares of Common Stock, 616,000 shares of which were issued for additional capital expenditures on these properties paid by DLB. See "Business -- Events Leading to the Reorganization Case." This 50% interest in such WCBB properties was valued at $15,144,000 for financial reporting purposes. During 1997, the Company received approximately $2,100,000 from the sale of substantially all of its well servicing equipment.

Net cash provided in financing activities for 1997 was $5,137,000 as compared to $29,611,000 during 1996. The 1996 cash flows from financing activities occurred as a result of the deferral of pre-petition claims in connection with the Company's bankruptcy filing in February 1996.

On the Effective Date, the Company commenced a program to increase production rates, lengthen the productive life of wells and increase total proved reserves primarily through sidetracks out of and recompletions of shut-in wells. During the period extending from the Effective Date through December 31, 1997, the Company spent approximately $4.4 million for these purposes. However, these expenditures did not generate the anticipated cash flow on the projected schedule. At the same time, the Company's revenues were adversely affected by declining oil and gas prices. As a result, cash flow from operations has not been sufficient to meet the Company's capital requirements.

In an effort to reduce the Company's capital requirements while at the same time developing its properties as quickly as possible, the Company is implementing its business strategy of utilizing farmout arrangements, in which investors pay the development costs in exchange for a working interest in the project, and selling nonstrategic properties. See "-- Recent Developments and Plans" below for a discussion of recent farmouts and sales of properties. The Company also intends to continue to undertake internally financed, low risk projects to the extent permitted by its financial position.

On October 30, 1998, the Company's registration statement relating to a stock rights offering of up to 200 million shares at an offering price of $.05 per share (the "Rights Offering") was declared effective by the Securities and Exchange Commission. There is no minimum number of shares that must be subscribed for in the Rights Offering for it to be completed. Accordingly, proceeds to the Company from the Rights Offering will range from zero, assuming that no shares are purchased, to approximately $10.0 million, assuming that all of the shares are purchased, in each case prior to deducting expenses of the Rights Offering which are currently estimated to be $150,000. The net proceeds, if any, from the Rights Offering will be used by the Company's immediate and near term capital requirements, and may include payments on obligations owed by the Company to Affiliated Stockholders arising from the Stockholder Credit Facility and Service Agreement. As of November 12, 1998, the Company owed (i) the Affiliated Stockholders an aggregate of $3.0 million as lenders under the Stockholder Credit Facility and (ii) Liddell Investments, LLC, Liddell Holdings, LLC and CD Holding, LLC approximately $1.6 million as the holders of a receivable arising from services provided to the Company under the Service Agreement. Borrowings under the Stockholder Credit Facility, of which $2 million was used to repay outstanding indebtedness under the Amended Credit Agreement and the balance was used for working capital and general corporate purposes, bear interest at LIBOR plus 3% (8.41% at November 12, 1998)) and are due on

August 17, 1999. The subscription price for the shares, if any, purchased by Affiliated Stockholders will be paid through the forgiveness of an equal amount owed to them by the Company and any outstanding amounts will be repaid to such stockholders in cash out of proceeds of the Rights Offering or other available funds. At a subscription price of $.05 per share, the Affiliated Stockholders could purchase approximately 96 million share in the Rights Offering through the forgiveness of all such amounts.

The ability of the Company to satisfy its capital requirements and implement its business strategy is dependent upon the success of the Rights Offering. The Rights are non-transferable and the Company is not a party to any standby commitment or other agreement pursuant to which Eligible Stockholders have agreed to exercise any minimum number of Rights. The Company believes that it will need to raise at least $7.5 million from the Rights Offering, including any amounts forgiven by the Affiliated Stockholders as payment of their subscription price, to pay outstanding obligations consisting primarily of overdue trade payables and to meet the Company's immediate and near-term capital requirements. At that level, assuming that the full $4.6 million owed to the Affiliated Stockholders is forgiven as payment for the subscription price for Shares, the Company would receive gross cash proceeds of $2.9 million. Of this amount, approximately $1.5 million would first be used to pay outstanding obligations consisting primarily of overdue trade payables. The balance of any cash proceeds from the Rights Offering would be used to meet the Company's immediate and near-term capital requirements consisting primarily of operating and general and administrative expenses and, to the extent possible, relatively low risk projects, such as workovers and recompletions, intended to generate positive cash flow. If the Affiliated Stockholders do not forgive the full amount owed to them by the Company in exercise of the subscription price, the balance of any cash proceeds may also be used to repay amounts owed to Affiliated Stockholders. At the $7.5 million level, the Company believes that the balance of the cash proceeds from the Rights Offering, together with cash flow from operations, will be sufficient to meet the Company's capital requirements until the Company's recent farmouts start generating sufficient cash flow. There can be no assurance, however, that such funds will be sufficient to meet the Company's needs.

The failure of the Company to raise at least $7.5 million through the Rights Offering or a private placement of Common Stock on or before November 30, 1998 will constitute an event of default under the Amended Credit Agreement. If such funds are not raised, the Company believes that it will be forced to seek protection from its creditors under applicable bankruptcy laws. In such an event, the Company believes that holders of the Common Stock may lose their entire investment in the Company. The Company currently has no financing plan to raise such capital other than the Rights Offering.

The independent auditor's report on the financial statements of the Company is modified and it states that there are conditions, which raise substantial doubt about the ability of the Company to continue as a going concern. Specifically, the auditor's report states that revenues from the Company's producing properties will not be sufficient to finance the estimated future capital expenditures necessary to fully develop the existing proved reserves, nor recover the carrying value of the Company's oil and natural gas properties. The financial statements do not include any adjustments that might result from this uncertainty. The financial statements included in this Prospectus have been prepared assuming the Company will continue as a going concern.

RECENT DEVELOPMENTS AND PLANS

West Cote Blanche Bay

The Company has developed a threefold plan to convert undeveloped and non-producing reserves in the WCBB field into cash flow by (i) farming out new drilling opportunities, (ii) farming out recompletion and reworking opportunities and (iii) undertaking its own development program.

Farmout of New Drilling Opportunities. On March 27, 1998, the Company and Tri-C Resources, Inc. ("Tri-C") executed an agreement to farmout drilling rights at WCBB. During the course of the three phase program contemplated by the agreement, Tri-C has agreed either to drill 22 wells to an average drilling depth of 6,500 feet or drill 12 wells to the same depth and shoot 3-D seismic surveys covering the field. The Company will be carried to the tanks for a 30% to 50% working interest in each well. If Tri-C successfully completes all three *phases of the program, it will earn a 50% interest in the WCBB field. The effectiveness of the Tri-C agreement is subject to the prior consent of Texaco Exploration and Production, Inc. ("TEPI"). There can be no assurance that such consent will be obtained.*

Farmout of Recompletion and Rework Opportunities. On October 6, 1998, the Company and Plymouth Resources 1998, LLC ("Plymouth") executed a wellbore farmout on West Cote Blanche Bay in which Plymouth agreed to rework 15 wells in the first year of the farmout. Each year thereafter, Plymouth agreed to rework at least 22 wells a year. The Company will receive a 50% reversionary interest calculated on a well by well basis. Once Plymouth has spent $4.0 million in the field, Gulfport's reversionary interest will decrease to 45%. Additionally, Plymouth assumed 50% of the plugging liability for the farmout wells. The effectiveness of such agreement is subject to the prior consent of TEPI. There can be no assurance that such consent will be obtained.

Capital Expenditures. During the next 12 months, the Company plans to spend approximately $1,000,000 in the WCBB field on a shallow drilling program and/or recompletions. The program consists of three new drills with objective depths lying between approximately 2,000 and 4,000 feet. The Company is also in the process of examining recompletion projects.

East Hackberry

Within the Hackberry field, the Company has proven non-producing and undeveloped net reserves of 1.53 MMBO and 2.0 Bcf of gas. The Company is in the process of selling the field through auction to accomplish the following goals in this field: (i) begin 3-D seismic data acquisition by the fourth quarter of 1998 to enable the Company to explore the field more effectively and at a lower risk, (ii) begin the processing of such data by the first quarter of 1999 and (iii) begin the interpretation of this data by the second quarter of 1999 at an estimated cost of $1,820,000. Beginning in the third quarter of 1999 and continuing through the second quarter of 2000, the Company intends to (a) recomplete or rework five existing wells for a net expenditure of approximately $600,000, (b) drill three to five development wells in the 4,000 to 6,000 foot range at a net cost of between $750,000 and $1,500,000 and (c) drill two to five development and/or exploratory wells in the 9,000 to 13,000 foot range for a net cost of between $1,000,000 and $3,500,000.

Napoleonville

Pursuant to a Purchase and Sale Agreement (the "Napoleonville Agreement") with Plymouth Resource Group 1998, L.L.C. ("Plymouth"), the Company sold, effective as of July 1, 1998, its interest in the Napoleonville field for $1.1 million and a 2.5% overriding royalty interest in such field. In connection with the sale, Plymouth agreed to establish a plugging and abandoning escrow account in accordance with and pursuant to the provisions of LSA-R.S. 30:88, et. seq. The establishment of this escrow account is intended to protect the Company from future liability associated with the plugging and abandoning of the field and associated environmental liabilities.

Other Agreements

On August 12, 1998, the Company entered into a Contract Operating Agreement (the "Castex Agreement") with Castex Energy, Inc. ("Castex"), pursuant to which the Company designated Castex as the contract operator on the Bayou Penchant field, the Bayou Pigeon field, the Deer Island field, the Golden Meadow field and the Lac Blanc field (collectively, the "Castex Operated Properties"). As a contract operator for the Castex Operator Properties, Castex is authorized to conduct all management, administration and operations for such properties as if Castex were named as the operator thereof. The Castex Agreement continues, on a month-to-month basis, until either party terminates upon 30 days notice or until the Company conveys any portion or all of the Castex Operated Properties to Castex or a third party. In exchange for its services, the Company will pay Castex $10,000 per month plus all compensation that is due to the operator of the respective Castex Operated Properties.

In September 1998, the Company and an affiliate of Castex entered into an agreement in which it agreed to purchase the Castex Operated Properties from the Company (the "Castex Sale") for approximately $7.8 million plus overriding royalties and reversionary interests in the properties. The transaction is expected to close November 28, 1998. However, the transaction is subject to certain conditions, including the consent of ING. In addition, in September

1998, LLOG filed a temporary restraining order to prohibit any sale of the Castex Operated Properties pending a preliminary injunction hearing. Accordingly, there can be no assurance that the transaction will close. Net cash proceeds from the Castex Sale would be used to reduce borrowings under the Amended Credit Facility.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In 1997, Wildwing initiated litigation against the Company in the Fifteenth Judicial District Court, Parish of Lafayette, State of Louisiana. In its petition, Wildwing alleged that Old WRT's title had failed as to approximately 43 acres in the Bayou Pigeon Field. Revenue attributable to mineral production from the acreage in dispute has been held in suspense by Plains Resource & Transportation, Inc. and Wickford Energy Marketing, Inc. (the "Stakeholders") since the time the notice of possible title failure was received by the Company. On February 28, 1998, the Company entered into a settlement agreement with Wildwing. The settlement provides that the Company direct the Stakeholders to deliver to Wildwing in full and final compromise of the Wildwing claims, the sum of $269,500, and Wildwing would convey, assign, transfer, sell, setover and deliver to the Company, all of Wildwing's right, title and interest in the leases subject to dispute. Additional revenue attributable to mineral production from this acreage, held in suspense by the Stakeholders, was or will be distributed to the lessors of the property with the balance of approximately $370,000 to be distributed to the Company.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GULFPORT ENERGY CORPORATION

Date: November 13, 1998

/s/Mark Liddell

Mark Liddell
President
Financial Officer

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