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 JUNE 30, 2000

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 (I.R.S. Employer incorporation or organization) 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 11, 2000 was 10,145,400.



GULFPORT ENERGY CORPORATION

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FORM 10-Q QUARTERLY REPORT

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
June 30, 2000 and 1999

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, 1999



GULFPORT ENERGY CORPORATION
BALANCE SHEETS

<TABLE>
<CAPTION>

| ASSETS | June 30, 2000 | December 31, 1999 |
|---|---|---|
| | (Unaudited) | |
| Current assets: | | |
| <S> | <C> | <C> |
| Cash and cash equivalents | $ 4,322,000 | $ 5,664,000 |
| Accounts receivable, net of allowance for doubtful accounts of $244,000 as of June 30, 2000 and December 31, 1999 | 2,333,000 | 2,055,000 |

| | | |
|---|---|---|
| Prepaid expenses and other | 86,000 | 120,000 |
| | 6,741,000 | 7,839,000 |
| Property and equipment: | | |
| Oil and gas properties | 87,825,000 | 84,135,000 |
| Other property, plant and equipment | 1,883,000 | 1,866,000 |
| | 89,708,000 | 86,001,000 |
| Accumulated depreciation, depletion and amortization | (64,012,000) | (62,532,000) |
| | 25,696,000 | 23,469,000 |
| Other assets | 1,946,000 | 2,176,000 |
| | 1,946,000 | 2,176,000 |
| | $34,383,000 | $33,484,000 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 6,753,000 | $ 6,296,000 |
| Current portion of long-term debt | 1,217,000 | 2,895,000 |
| | 7,970,000 | 9,191,000 |
| Long- term liabilities: | 570,000 | 179,000 |
| Shareholders' equity (deficit): | | |
| Preferred stock - $.01 par value, 1,000,000 authorized, none issued | | |
| Common stock - $.01 par value, 15,000,000 authorized, 10,145,400 issued and outstanding | 101,000 | 101,000 |
| Paid-in capital | 84,190,000 | 84,190,000 |
| Accumulated deficit | (58,448,000) | (60,177,000) |
| Total shareholders' equity | 25,843,000 | 24,114,000 |
| Commitments and contingencies | - | - |
| | $34,383,000 | $33,484,000 |

</TABLE>

See notes to financial statements.



GULFPORT ENERGY CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

| | For the Three Months Ended June 30, 2000 | 1999 | For the Six Months Ended June 30, 2000 | 1999 |
|---|---|---|---|---|
| Revenues: | | | | |
| <S> | <C> | <C> | <C> | <C> |
| Gas sales | $ 106,000 | $ 66,000 | $ 177,000 | $ 142,000 |
| Oil and condensate sales | 3,240,000 | 2,487,000 | 6,909,000 | 4,186,000 |
| Other income | 94,000 | 84,000 | 367,000 | 130,000 |
| Total revenues | 3,440,000 | 2,637,000 | 7,453,000 | 4,458,000 |
| Expenses: | | | | |
| Lease operating expenses including gross production taxes | 1,681,000 | 1,044,000 | 3,135,000 | 2,177,000 |
| Depreciation, depletion and amortization | 705,000 | 1,206,000 | 1,480,000 | 1,854,000 |
| General and administrative expenses | 378,000 | 408,000 | 718,000 | 896,000 |
| | 2,764,000 | 2,658,000 | 5,333,000 | 4,927,000 |

| | | | | |
|---|---|---|---|---|
| Income (loss) from operations | 676,000 | (21,000) | 2,120,000 | (469,000) |
| Other (income) expense: | | | | |
| Proceeds from Litigation Trust | - | (1,267,000) | - | (1,267,000) |
| Interest expense | 179,000 | 130,000 | 391,000 | 286,000 |
| | 179,000 | (1,137,000) | 391,000 | (981,000) |
| Income before income tax | 497,000 | 1,116,000 | 1,729,000 | 512,000 |
| Income tax expense (benefit): | | | | |
| Current | 198,000 | 412,000 | 685,000 | 189,000 |
| Deferred | (198,000) | (412,000) | (685,000) | (189,000) |
| | - | - | - | - |
| Net income | $ 497,000 | $ 1,116,000 | $ 1,729,000 | $ 512,000 |
| Income per common share: | | | | |
| Basic and diluted | $ 0.05 | $ 0.32 | $ 0.17 | $ 0.15 |

</TABLE>

See notes to financial statements



GULFPORT ENERGY CORPORATION
STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

<TABLE>
<CAPTION>

| | Preferred Stock | Common Stock Shares | Common Stock Amount | Additional Paid-In Capital | Accumulated Deficit | Treasury Stock |
|---|---|---|---|---|---|---|
| Balance, | | | | | | |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| December 31, 1998 | $ - | 3,445,400 | $ 34,000 | $79,287,000 | $(60,818,000) | $ - |
| Additional offering costs-stock rights offering | - | - | - | (43,000) | - | - |
| Net income | - | - | - | - | 512,000 | - |
| Balance, June 30, 1999 | $ - | 3,445,400 | $ 34,000 | $79,244,000 | $(60,306,000) | $ - |
| Balance, December 31, 1999 | $ - | 10,145,400 | $101,000 | $84,190,000 | $(60,177,000) | $ - |
| Net income | - | - | - | - | 1,729,000 | - |
| Balance, June 30, 2000 | $ - | 10,145,400 | $101,000 | $84,190,000 | $(58,448,000) | $ - |

</TABLE>

See notes to financial statements.



GULFPORT ENERGY CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

| | For the Six Months Ended June 30, 2000 | 1999 |
|---|---|---|

Cash flow from operating activities:

| <S> | <C> | <C> |
|---|---|---|
| Net income | $ 1,729,000 | $ 512,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, depletion, and amortization | 1,480,000 | 1,854,000 |
| Amortization of debt issuance costs | 84,000 | 97,000 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (278,000) | 123,000 |
| (Increase) decrease in prepaid expenses and other | 29,000 | 69,000 |
| Increase (decrease) in accounts payable, distribution payables and accrued liabilities | 482,000 | (919,000) |
| Net cash provided by operating activities | 3,526,000 | 1,736,000 |
| Cash flow from investing activities: | | |
| (Additions) reductions to oil and gas escrow accounts | 182,000 | (117,000) |
| Additions to other assets | (56,000) | - |
| Additions to other property, plant and equipment | (17,000) | - |
| Proceeds from sale of oil and gas equipment | 100,000 | 8,000 |
| Costs capitalized to the full cost pool | (3,790,000) | (3,157,000) |
| Net cash used in investing activities | (3,581,000) | (3,266,000) |
| Cash flow from financing activities: | | |
| Other | - | (21,000) |
| Borrowings on note payable | 1,600,000 | - |
| Principal payments on borrowings | (2,887,000) | (946,000) |
| Net cash used in financing activities | (1,287,000) | (967,000) |
| Net decrease in cash and cash equivalents | (1,342,000) | (2,497,000) |
| Cash and cash equivalents - beginning of period | 5,664,000 | 3,714,000 |
| Cash and cash equivalents - end of period | $ 4,322,000 | $ 1,217,000 |
| Supplemental Disclosures Of Cash Flow Information: | | |
| Interest paid | $ 137,000 | $ 189,000 |

</TABLE>

See notes to financial statements



GULFPORT ENERGY CORPORATION
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

These condensed financial statements have been prepared by Gulfport Energy Corporation (the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the financial statements and the summary of significant accounting policies and notes thereto included in the Company's most recent annual report on Form 10-K.

1. PROPERTY AND EQUIPMENT

The major categories of property and equipment and related accumulated depreciation, depletion and amortization are as follows:

<TABLE>
<CAPTION>

| | June 30, 2000 | December 31, 1999 |
|---|---|---|

| | | |
|---|---|---|
| <S> | <C> | <C> |
| Oil and gas properties | $ 87,825,000 | $ 84,135,000 |
| Office furniture and fixtures | 1,406,000 | 1,389,000 |
| Building | 217,000 | 217,000 |
| Land | 260,000 | 260,000 |
| Total property and equipment | 89,708,000 | 86,001,000 |
| Accumulated depreciation, depletion, amortization and impairment reserve | (64,012,000) | (62,532,000) |
| Property and equipment, net | $ 25,696,000 | $ 23,469,000 |

</TABLE>

## 2. OTHER ASSETS

Other assets consist of the following:

<TABLE>
<CAPTION>

| | June 30, 2000 | December 31, 1999 |
|---|---|---|
| Plugging and abandonment escrow account | | |
| <S> | <C> | <C> |
| on the WCBB properties | $ 1,635,000 | $ 1,610,000 |
| Prepaid loan fees, net of amortization | - | 34,000 |
| CD's securing letter of credit | 200,000 | 400,000 |
| Deposits | 111,000 | 132,000 |
| | $ 1,946,000 | $ 2,176,000 |

</TABLE>

## 3. LONG-TERM DEBT

On June 28, 2000, the Company repaid in full its credit facility at ING in the amount of $2,500,000 and established a new credit facility at Bank of Oklahoma in the amount of $1,600,000. This new credit facility calls for interest to be paid monthly in addition to twelve monthly principal reductions of $100,000 each with the remaining balance due on August 31, 2001.

The building loan of $187,000 relates to a building in Lafayette, Louisiana, purchased in 1996 to be used as the Company's Louisiana headquarters. The building is 12,480 square feet with approximately 6,180 square feet of finished office area and 6,300 square feet of warehouse space. This building allows the



Company to provide office space for Louisiana personnel, have access to meeting space close to the fields and to maintain a corporate presence in Louisiana.

A break down of long-term debt is as follows:

| | June 30, 2000 | December 31, 1999 |
|---|---|---|
| Credit facility | $ 1,600,000 | $ 2,879,000 |
| Building loan | 187,000 | 195,000 |
| | 1,787,000 | 3,074,000 |
| Less current portion | 1,217,000 | 2,895,000 |
| | $ 570,000 | $ 179,000 |

## 4. COMMON STOCK OPTIONS

During the first quarter of 2000, the Company's Chief Executive Officer, employees, and non-employee directors were granted a total of 313,635 stock options with an exercise price of $2.00 per share. The options vest 35% in January 2001, and 35% in January 2002, with the remaining options vesting in January 2003. The option agreements provide for pro-rata adjustments to options granted if the Company at any time increases the number of outstanding shares or otherwise alters its capitalization. The Company did not recognize any compensation expense related to these options, as fair value at the grant date approximated the exercise price. Options outstanding as of June 30, 2000 totaled

599,087. Of this total, 98,771 options were exercisable at June 30, 2000, with the remaining 500,316 options vesting in future periods.

5. EARNINGS (LOSS) PER SHARE

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

<TABLE>
<CAPTION>

| | For the Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2000 | | | 1999 | | |
| | Income | Shares | Per Shares | Income | Shares | Per Shares |
| Basic: | | | | | | |
| Income attributable to | | | | | | |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| common Stock | $ 497,000 | 10,145,400 | $.05 | $1,116,000 | 3,445,400 | $.32 |
| Effect of Dilutive Securities: | | | | | | |
| Stock options plans | - | 214,405 | | - | - | |
| Diluted: | | | | | | |
| Income attributable to common Stock after assumed dilutions | $ 497,000 | 10,359,805 | $.05 | $1,116,000 | 3,445,400 | $.32 |

</TABLE>
<TABLE>
<CAPTION>

| | For the Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2000 | | | 1999 | | |
| | Income | Shares | Per Shares | Income | Shares | Per Shares |
| Basic: | | | | | | |
| Income attributable to | | | | | | |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| common Stock | $1,729,000 | 10,145,400 | $.17 | $ 512,000 | 3,445,400 | $.15 |
| Effect of Dilutive Securities: | | | | | | |
| Stock options plans | - | 161,312 | | - | - | |
| Diluted: | | | | | | |
| Income attributable to common Stock after assumed dilutions | $1,729,000 | 10,306,712 | $.17 | $ 512,000 | 3,445,400 | $.15 |

</TABLE>



Not included in the calculation of diluted earnings per share above are 221,000 warrants issued at the time of the Company's reorganization. Also not included in the calculation of the 1999 diluted earnings per share are 253,635 stock options issued to an officer of the Company in June, 1999. These potential common shares were not considered in the calculations due to their anti-dilutive effect during the periods presented.

6. COMMITMENTS

In connection with the acquisition of the remaining 50% interest in the West Cote Blanche Bay properties ("WCBB"), the Company assumed the obligation to contribute approximately $18,000 per month through March, 2004, to a plugging and abandonment trust and the obligation to plug a minimum of 20 wells per year for 20 years commencing March 11, 1997. Texaco Exploration and Production, Inc. ("Texaco") 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 Texaco 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. As of June 30, 2000, the plugging and abandonment trust totaled $1,635,000, including interest received during 2000 of approximately $40,000. The Company was in arrears on its escrow payments in the amount of $257,000 as of June 30, 2000.

*7. CONTINGENCIES*

*On October 1, 1999, Plymouth Resources Group 1998 LLC (Plymouth) filed a complaint in the Western District of Louisiana alleging breach of contract regarding rework operations at WCBB. Plymouth and the Company entered into a settlement agreement on July 25, 2000 to resolve all disputes in the above referenced action. As part of the settlement, the Company agreed to grant a 120 day Option on a wellbore farmout at WCBB to Plymouth. If the conditions of the Option are met and the Option is exercised, Plymouth will be entitled to recomplete ten wellbores at West Cote Blanche Bay during a one year farmout period.*

*The Company owns and operates a production facility at WCBB. Pursuant to facility use agreements, the Company charges third parties including Texaco for use of the facility. In addition, Texaco provides natural gas, boats and other services to the Company at its WCBB facility. The Company and Texaco are currently negotiating past due amounts related to the facility. The Company believes that it has adequately recorded in its financial statements all material obligations arising from the operations of WCBB as well as revenues earned attributed to operating these facilities.*



*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, 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 the Company'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 the Company 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 the Company'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 the Company; competitive actions by other oil and gas companies; changes in laws or regulations; and other factors, many of which are beyond the control of the Company. 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 the Company will be realized, or even if realized, that they will have the expected consequences to or effects on the Company or its business or operations.*

*The following discussion is intended to assist in an understanding of the Company's financial position as of June 30, 2000 and its results of operations for the three month and the six month periods ended June 30, 2000 and 1999. The 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 1999 annual report on Form 10-K.*

*Overview*

*Gulfport Energy Corporation is a domestic independent energy company engaged in the production of oil and gas. The Company's operations are concentrated in two fields: West Cote Blanche Bay and the Hackberry fields.*

*West Cote Blanche Bay*

*West Cote Blanche Bay ("WCBB") lies approximately five miles off the coast of Louisiana primarily in St. Mary's parish in a shallow bay, with water depths averaging eight to ten feet. WCBB overlies one of the largest salt dome structures in the Gulf Coast. There are over 100 distinct sandstone reservoirs recognized throughout most of the field and nearly 200 major and minor discrete intervals have been tested. Within over 800 wellbores that have been drilled to date in the field, over 4,000 potential zones have been penetrated. The sands are highly porous and permeable reservoirs primarily with a strong water drive.*

Estimated cumulative field gross production is 190 MMBO and 226 BCF of gas. There have been 860 wells drilled in WCBB, and of these 42 have daily current production, 37 produce intermittently, 297 are shut-in and 4 have been converted to salt water disposal wells.

*Hackberry Fields*

The Hackberry fields are located along the shore of Lake Calcasieu in Cameron Parish, Louisiana. The Hackberry Field is a major salt intrusive feature, elliptical in shape with East Hackberry on the east end of the ridge with West Hackberry located on the western end of the ridge. There are over 30 pay zones in this field. The salt intrusion at East Hackberry trapped Oligocene



through Lower Miocene rocks in a series of complex, steeply dipping fault blocks. The Camerina sand series at East Hackberry is a prolific producer with 1-2 MMBL per well oil potential. West Hackberry consists of a series of fault bounded traps in the Oligocene-age Vincent and Keough sands associated with the Hackberry Salt Ridge.

*Second Quarter Overview*

The Company has enjoyed a strong second quarter with revenues of $3.4 million dollars and net income of $0.5 million dollars. The focus of the Company in the second quarter was implementation of the drilling and development program prepared early in the year. The primary emphasis of this drilling program is in the WCBB field. The Company has also conducted remedial operations in the Hackberry fields to increase production. With the additional capital provided from current pricing, the Company anticipates that it will continue its developmental program to further exploit its reserves.

The following financial table recaps the Company's operating activity for the first three months and six months of 2000 as compared to the first three months and six months of 1999.



FINANCIAL DATA
(Unaudited)
<TABLE>
<CAPTION>

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Revenues: | | | | |
| <S> | <C> | <C> | <C> | <C> |
| Gas sales | $ 106,000 | $ 66,000 | $ 177,000 | $ 142,000 |
| Oil and condensate sales | 3,240,000 | 2,487,000 | 6,909,000 | 4,186,000 |
| Other income, net | 94,000 | 84,000 | 367,000 | 130,000 |
| | 3,440,000 | 2,637,000 | 7,453,000 | 4,458,000 |
| Expenses: | | | | |
| Operating expenses including production taxes | 1,681,000 | 1,044,000 | 3,135,000 | 2,177,000 |
| General & administrative | 378,000 | 408,000 | 718,000 | 896,000 |
| | 2,059,000 | 1,452,000 | 3,853,000 | 3,073,000 |
| Proceeds from Litigation Trust | - | 1,267,000 | - | 1,267,000 |
| EBITDA (1) | 1,381,000 | 2,452,000 | 3,600,000 | 2,652,000 |

| | | | | |
|---|---|---|---|---|
| Depreciation, depletion & amortization | 705,000 | 1,206,000 | 1,480,000 | 1,854,000 |
| Income before interest, and taxes | 676,000 | 1,246,000 | 2,120,000 | 798,000 |
| Interest expense | 179,000 | 130,000 | 391,000 | 286,000 |
| Income before income taxes | 497,000 | 1,116,000 | 1,729,000 | 512,000 |
| Income tax expense (benefit): | | | | |
| Current | 198,000 | 412,000 | 685,000 | 189,000 |
| Deferred | (198,000) | (412,000) | (685,000) | (189,000) |
| | - | - | - | - |
| Net income | $ 497,000 | $1,116,000 | $1,729,000 | $ 512,000 |
| Per share data: | | | | |
| Net income | $ 0.05 | $ 0.32 | $ 0.17 | $ 0.15 |
| Weighted average common shares | 10,145,400 | 3,445,400 | 10,145,400 | 3,445,400 |

</TABLE>

(1) 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.



RESULTS OF OPERATIONS

Comparison of the Three Months Ended June 30, 2000 and 1999

During the three months ended June 30, 2000, the Company reported a net income of $0.5 million, a $0.6 million decrease from net income of $1.1 million for the corresponding period in 1999. This decrease is primarily due to the following factors:

Oil and Gas Revenues. During the three months ended June 30, 2000, the Company reported oil and gas revenues of $3.3 million, a 27% increase from $2.6 million for the comparable period in 1999. This increase was due principally to an increase of 85% in the price of oil from $15.45 for the three months ended June 30, 1999 to $28.67 for the comparable period in 2000. The increase in oil revenues was offset in part by a 48 mbbls decrease in oil production. The following table summarizes the Company's oil and gas production and related pricing for the three months ended June 30, 2000 and 1999:

<TABLE>
<CAPTION>

| | Three Months Ended June 30, | |
|---|---|---|
| | 2000 | 1999 |
| <S> | <C> | <C> |
| Oil production volumes (Mbbls) | 113 | 161 |
| Gas production volumes (Mmcf) | 42 | 32 |
| Average oil price (per Bbl) | $28.67 | $15.45 |
| Average gas price (per Mcf) | $2.52 | $2.06 |

</TABLE>

Production Costs. Production costs, including lease operating costs and gross production taxes, increased $.64 million, or 62%, from $1.04 million for the three months ended June 30, 1999 to $1.68 million for the comparable period in 2000. This increase is due primarily to an increase in gas lift costs from $0.12 million in 1999 to $0.60 million in 2000.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization decreased $.5 million, or 42% from $1.2 million for the three months ended June 30, 1999 to $0.7 million for the comparable period in 2000. This decrease was attributable primarily to a 48 mbbls or 30% decrease in oil production.

*General and Administrative Expenses. General and administrative expenses decreased $0.03 million, or 7%, from $0.40 million for the three months ended June 30, 1999 to $0.37 million for the comparable period in 2000. This decrease was due primarily to the Company's efforts to reduce personnel and overall general and administrative costs.*

*Interest Expense. Interest expense increased $.05 million, or 38%, from $0.13 million for the three months ended June 30, 1999 to $0.18 million for the comparable period in 2000. This increase was principally due to accrual of $.07 million in interest on amounts owed to Texaco during the three months ended June 30, 2000.*

*Litigation Trust. In June 1999, the Company received proceeds of $1,267,000 from the Trust. Since the Company had no basis in the Litigation Trust, the Company recognized the entire proceeds of $1,267,000 as income in the month in which it was received. No revenues were received from the Litigation Trust for the comparable period in 2000.*

*Income Taxes. As of December 31, 1999, the Company had a net operating loss carryforward of approximately $70 million, in addition to numerous timing differences which gave rise to a deferred tax asset of approximately $43 million, which was fully reserved by a valuation allowance at that date. Utilization of net operating loss carryforwards and other timing differences will be recognized as a reduction in income tax expense in the year utilized. A current tax provision of $0.2 million was provided for the three month period ending June 30, 2000 due to the above, which was fully offset by an equal income tax benefit due to operating loss carryforwards.*



*Comparison of the Six Months Ended June 30, 2000 and 1999*

*During the six months ended June 30, 2000, the Company reported a net income of $1.7 million, a $1.2 million increase from net income of $0.5 million for the corresponding period in 1999. This increase is primarily due to the following factors:*

*Oil and Gas Revenues. During the six months ended June 30, 2000, the Company reported oil and gas revenues of $7.1 million, a 65% increase from $4.3 million for the comparable period in 1999. This increase was due principally to an increase of 109% in the price of oil from $13.76 for the six months ended June 30, 1999 to $28.79 for the comparable period in 2000. The increase in oil revenues was offset in part by a 64 mbbls decrease in oil production. The following table summarizes the Company's oil and gas production and related pricing for the six months ended June 30, 2000 and 1999:*

<TABLE>
<CAPTION>

| | Three Months Ended June 30, 2000 | 1999 |
|---|---|---|
| <S> | <C> | <C> |
| Oil production volumes (Mbbls) | 240 | 304 |
| Gas production volumes (Mmcf) | 70 | 61 |
| Average oil price (per Bbl) | $28.79 | $13.76 |
| Average gas price (per Mcf) | $ 2.53 | $ 2.33 |

</TABLE>

*Other Income. Other income increased by $.2 million due to receipt of holdover funds held by escrow agent in connection with the bankruptcy reorganization in 1997 of WRT Energy Corporation (now Gulfport Energy Corporation) during the six months ended June 30, 2000.*

*Production Costs. Production costs, including lease operating costs and gross production taxes, increased $0.9 million, or 44%, from $2.2 million for the six months ended June 30, 1999 to $3.1 million for the comparable period in 2000. This increase was due primarily to an increase in gas lift cost from $0.3 million in 1999 to $1.0 million in 2000.*

*Depreciation, Depletion and Amortization. Depreciation, depletion and amortization decreased $.4 million, or 21% from $1.9 million for the six months ended June 30, 1999 to $1.5 million for the comparable period in 2000. This decrease was attributable primarily to a 64 mbbls or 21% decrease in oil production.*

*General and Administrative Expenses. General and administrative expenses decreased $0.18 million, or 20%, from $0.90 million for the six months ended June 30, 1999 to $0.72 million for the comparable period in 2000. This decrease was due primarily to the Company's efforts to reduce personnel and overall general and administrative costs.*

*Interest Expense. Interest expense increased $.1 million, or 34%, from $0.29 million for the six months ended June 30, 1999 to $0.39 million for the comparable period in 2000. This increase was principally due to accrual of $.15 million in interest on amounts owed to Texaco during the six months ended June 30, 2000.*

*Litigation Trust. In June 1999, the Company received proceeds of $1,267,000 from the Trust. Since the Company had no basis in the Litigation Trust, the Company recognized the entire proceeds of $1,267,000 as income in the month in which it was received. No revenues were received from the Litigation Trust for the comparable period in 2000.*

*Income Taxes. As of December 31, 1999, the Company had a net operating loss carryforward of approximately $70 million, in addition to numerous timing differences which gave rise to a deferred tax asset of approximately $43 million, which was fully reserved by a valuation allowance at that date. Utilization of net operating loss carryforwards and other timing differences will be recognized as a reduction in income tax expense in the year utilized. A current tax provision of $0.7 million was provided for the six month period ending June 30, 2000 due to the above, which was fully offset by an equal income tax benefit due to operating loss carryforwards.*



*Liquidity and Capital Resources*

*Operating Activities*

*The Company's strategy is to continue to increase cash flows generated by it's properties by undertaking new drilling, workover, sidetrack and recompletion projects in the fields to exploit its extensive reserves. The Company drilled four wells in the first half of 2000 in the West Cote Blanche Bay field resulting in three completed wells. One shallow well was drilled on the perimeter of the field, which resulted in a dry hole. Two deeper tests and one shallow test were drilled and completed in the central portion of the productive area, which confirmed 477,000 BO proved undeveloped reserves and added 310,000 BO from serendipitous horizons. These wells were drilled on a recently reprocessed and interpreted 3D data set confirming geological and geophysical mapping techniques.*

*In the first quarter, the Company reprocessed 3-D seismic data at West Cote Blanche Bay. The Company has completed approximately 75% of the interpretation of the seismic data. The reprocessed data will enable the Company's geophysicists to generate new prospects and enhance existing prospects in the intermediate zones in the field thus creating a portfolio of new drilling opportunities in the most prolific depths of the field.*

*The Company has used the reprocessed 3-D seismic data to delineate the locations of two new wells at West Cote Blanche Bay to be in drilled in October 2000. Both wells will be drilled to depths of approximately 9,000 feet.*

*During the six months ended June 30, 2000 the Company has undertaken a program to upgrade its infrastructure by enhancing its existing facilities to increase operating efficiencies, increase volume capacities and lower lease operating expense. During the second quarter, the Company received state approval to convert an existing shut-in wellbore to a saltwater disposal well. The additional saltwater disposal well is expected to relieve pressure from the exisiting disposal wells thus increasing the life of the existing wells. The conversion was completed in the third quarter. The Company has capacity to dispose of 32,000 barrels of saltwater a day at West Cote Blanche Bay and currently averages approximately 20,000 barrels to 25,000 barrels a day.*

*The Company also continued to perform remedial work at the Hackberry fields. The Company continues to decrease its reliance on gas lift in the Hackberry fields, by converting the lifting methods of selected wells to downhole submersible pumps or pumping units thereby lowering lease operating expenses.*

*Capital Requirements and Resources*

*The primary capital commitments faced by the Company are the capital expenditures required to continue developing the Company's proved reserves and the required principal payments on its Bank of Oklahoma Credit Facility.*

*In the Company's January 1, 2000 reserve report, 95% of the Company's reserves were categorized as non-developed non-producing. The proved reserves of the Company will generally decline as reserves are depleted, except to the extent that the Company conducts successful exploration or development activities or acquires properties containing proved developed reserves, or both. To realize reserves and increase production, the Company must commence exploratory drilling, undertake other replacement activities or utilize third* *parties to accomplish those activities. It is anticipated that these reserve development projects will be funded either through the use of cash flow from operations when available or by accessing the capital markets.*

*In August 2000, the Company engaged Netherland, Sewell and Associates, to prepare an engineering report on the Company's oil and gas reserves.*



*During the six month period ended June 30, 2000, the Company invested $3.8 million in property and equipment and other long-term assets as compared to $3.2 million during the comparable period in 1999.*

*Net cash flow provided by operating activities for the six months ended June 30, 2000 was $3.5 million as compared to net cash flow provided by operating activities of $1.7 million for six months ended June 30, 1999. Management anticipates that future operations will continue to contribute sufficient cash flows to develop its remaining reserves and service the Company's existing debt.*

*Net cash used in financing activities was $1.29 million for the six months ended June 30, 2000 compared to $.97 million used in financing activities for the same period in 1999. This increase is principally due to principal reduction of $2.9 million on the ING credit facility during the six months ended June 30, 2000, offset by new borrowings from Bank of Oklahoma of $1.6 million.*

*On June 28, 2000, the Company repaid in full its credit facility at ING and established a new credit facility at Bank of Oklahoma. A total of $1.6 million was advanced on this new facility, which calls for interest payments to be made monthly in addition to twelve monthly principal payments of $100,000, with the remaining unpaid balance due on August 31, 2001.*

*COMMITMENTS*

*Plugging and Abandonment Funds*

*In connection with the acquisition of the remaining 50% interest in the WCBB properties, the Company assumed the obligation to contribute approximately $18,000 per month through March 2004 to a plugging and abandonment trust and the obligation to plug a minimum of 20 wells per year for 20 years commencing March 11, 1997. Texaco retained a security interest in production from these properties and the plugging and abandonment trust until such time the Company's obligations plugging and abandonment obligations to Texaco 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 ceased making the required monthly contributions to the plugging and abandonment escrow account in June 1999 and is currently negotiating a settlement of this issue with Texaco. As of June 30, 2000, the plugging and abandonment trust totaled $1,635,000. These funds are invested in a U.S. Treasury Money Market.*

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



*PART II.*

*OTHER INFORMATION*

*ITEM 1. LEGAL PROCEEDINGS*

*On October 1, 1999, Plymouth Resources Group 1998 LLC (Plymouth) filed a complaint in the Western District of Louisiana alleging breach of contract regarding rework operations at West Cote Blanch Bay. Plymouth and the Company entered into a settlement agreement on July 25, 2000 to resolve all disputes in the above referenced action. As part of the settlement, the Company agreed to grant a 120 day Option on a wellbore farmout at WCBB to Plymouth. If the conditions of the Option are met and the Option is exercised, Plymouth will be* *entitled to recomplete ten wellbores at West Cote Blanche Bay during a one year farmout period.*

*ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS*

*Not applicable*

*ITEM 3. DEFAULTS UPON SENIOR SECURITES*

*Not applicable*

*ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS*

*Not applicable*

*ITEM 5. OTHER INFORMATION*

*None*

*ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K*

*No reports filed on Form 8-K during the quarter.*



*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: August 14, 2000*

*/s/Mike Liddell*
*-----------------------------------------*
*Mike Liddell*
*Chief Executive Officer*

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