HARVEST OIL & GAS CORP.

1001 Fannin, Suite 300
Houston, Texas 77002
(713) 651-1144
hvstog.com
harvest_ir@hvstog.com
SIC: 1311 – Crude Petroleum & Natural Gas

Annual Report

For the Period Ending: December 31, 2020

As of April 30, 2021, the number of shares outstanding of our Common Stock was: 1,026,541

As of September 30, 2020, the number of shares outstanding of our Common Stock was: 1,022,272

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 1,026,541

Indicate by check mark whether the company is a shell company
(as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

YES ☐ NO ☑

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

YES ☐ NO ☑

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

YES ☐ NO ☑

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ITEM 1. NAME AND ADDRESS OF THE ISSUER AND ITS PREDECESSORS

Issuer

Harvest Oil & Gas Corp., a Delaware corporation, is an independent oil and natural gas company formed in 2018. As used herein, the terms “Harvest” or the “Company” refer to Harvest Oil & Gas Corp. and its consolidated subsidiaries as a whole or on an individual basis, depending on the context in which the statements are made.

Reverse Stock Split

On May 8, 2020, the Company effected a one-for-ten reverse stock split of its common stock. As a result of the reverse stock split, each 10 pre-split shares of common stock outstanding were automatically converted into one issued and outstanding share of common stock. Harvest did not issue any fractional shares in connection with the reverse stock split. Stockholders who would otherwise be entitled to receive a fractional share of common stock received a cash payment in lieu of such fractional shares. The reverse stock split reduced the total number of outstanding shares of common stock from 10,173,707 as of May 8, 2020 to 1,017,219. The total number of shares of common stock that the Company is authorized to issue was also reduced from 65,000,000 to 2,000,000 shares. The reverse stock split did not affect the par value of the Company’s common stock.

The number of warrants outstanding did not change; however, automatic adjustments pursuant to the terms of the warrant agreement prompted by the occurrence of the reverse stock split effected a reduction in the number shares of the Company’s common stock issuable upon the exercise of warrants in proportion to the reverse stock split ratio, with a similarly proportional increase in the exercise price of the warrants.

The number of shares granted or available for grant under the Company’s share-based compensation plan were proportionally adjusted to reflect the reverse stock split.

Harvest common stock began trading on the post-split adjusted basis at the market open on May 11, 2020 on the OTCQX U.S. Premium Marketplace.

Unless otherwise specified, all share and per share amounts in this Annual Report were retroactively adjusted for all periods presented to give effect to this reverse stock split.

Principal Executive Offices and Place of Business

Address: 1001 Fannin, Suite 300, Houston, Texas 77002

Telephone: (713) 651-1144

Facsimile: (713) 250-8004

Website: hvstog.com

Emergence from Voluntary Reorganization under Chapter 11

Harvest is the successor to EV Energy Partners, L.P. (“EVEP” or the “Predecessor”). The Predecessor was a publicly held Delaware limited partnership formed in 2006, which was publicly traded from September 2006 to June 2018 until it was dissolved on June 4, 2018.

On April 2, 2018, EVEP and 13 affiliated debtors (collectively, the “Debtors”) each filed Chapter 11 proceedings under the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). During the pendency of the Chapter 11 proceedings, EVEP continued to operate its business and manage its properties under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court as “Debtors-in-Possession.” On May 17, 2018, the Bankruptcy Court entered an order confirming the Plan.

On June 4, 2018, the Debtors' plan of reorganization (the "Plan") became effective in accordance with its terms. In accordance with the Plan, EVEP's equity was cancelled, EVEP transferred all of its assets and operations to Harvest, EVEP was dissolved and Harvest became the successor reporting company to EVEP pursuant to Rule 15d-5 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For additional information, see the audited consolidated financial statements and related notes included in Harvest's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission on April 4, 2020.

ITEM 2. SECURITY INFORMATION

Common Shares

Trading Symbol: HRST

CUSIP: 41755V 201

Par or Stated Value: $0.01 per share of common stock

Warrants

Trading Symbol: HRSTW

CUSIP: 41755V 110

Exercise Price: $284.80 per share

The following table provides information for each class of securities authorized:

	12/31/2020	12/31/2019 (1)	12/31/2018 (1)
Common Shares:			
Number of shares authorized	2,000,000	65,000,000	65,000,000
Number of shares outstanding	1,026,541	10,183,467	10,042,468
Freely tradable shares (public float)	315,464	3,032,409	2,951,661
Number of beneficial holders owning at least 100 shares	50	95	67
Number of shareholders of record	123	287	317
Warrants: (2)			
Number of warrants authorized	800,000	800,000	800,000
Number of warrants outstanding	800,000	800,000	800,000
Freely tradable warrants	794,961	794,961	794,961
Number of holders of record	291	309	316
Preferred Stock:			
Number of shares authorized	10,000,000	10,000,000	10,000,000
Number of shares outstanding	—	100,000	100,000
Freely tradable shares	—	—	—
Number of holders of record	—	3	3

(1) Amounts as of December 31, 2019 and 2018 have not been retroactively adjusted to give effect to the reverse stock split.

(2) The Warrants were terminated and stopped trading in April 2021.

Transfer Agent

Name:	Computershare Investor Services
Telephone:	1-800-962-4284
Address:	First Class/Registered/Certified Mail – PO Box 505000, Louisville, KY 40233-5022
	Courier Services – 462 South 4th Street, Suite 160, Louisville, KY 40202
Website:	www.computershare.com/investor

Is the Transfer Agent registered under the Exchange Act? YES ☑ NO ☐

ITEM 3. ISSUANCE HISTORY

Changes to the Number of Outstanding Shares

The following table provides information on the changes in each class of securities outstanding during the two year period ended December 31, 2020:

Shares Outstanding as of Second Most Recent Fiscal Year End:

Date: December 31, 2018

Opening Balance	
Common Shares:	**10,042,468**
Warrants: (1)	**800,000**
Preferred Stock:	**100,000**

Date of Transaction	Transaction Type	Number of Shares Issued (Cancelled)	Class of Securities	Value of Shares Issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance?	Individual/Entity Shares were issued to:	Reason for share issuance or Nature of Services Provided	Restricted or Unrestricted as of this filing	Exemption or Registration Type
6/5/2019	Vesting of Share-based Compensation	75,004	Common Shares	$ 14.40	No	(2)	(2)	Unrestricted	S-8
9/10/2019	Vesting of Share-based Compensation	52,734	Common Shares	12.20	No	(2)	(2)	Unrestricted	S-8
9/13/2019	Vesting of Share-based Compensation	9,173	Common Shares	12.30	No	(2)	(2)	Unrestricted	S-8
12/4/2019	Vesting of Share-based Compensation	2,724	Common Shares	6.10	No	(2)	(2)	Unrestricted	S-8
12/12/2019	Share Repurchase Plan	(1,542)	Common Shares	(6.44)	No	(3)	(3)	Unrestricted	N/A
12/23/2019	Vesting of Share-based Compensation	3,743	Common Shares	6.25	No	(2)	(2)	Unrestricted	S-8
12/26/2019	Share Repurchase Plan	(837)	Common Shares	(6.30)	No	(3)	(3)	Unrestricted	N/A
1/2/2020 to 4/1/20	Share Repurchase Plan (4)	(9,760)	Common Shares	(5.57)	No	(3)	(3)	Unrestricted	N/A
5/8/2020	Reverse Stock Split	(9,156,488)	Common Shares	N/A	No	(5)	(5)	Unrestricted	N/A
6/5/2020	Vesting of Share-based Compensation	4,847	Common Shares	19.00	No	(2)	(2)	Unrestricted	S-8
8/4/2020	Vesting of Share-based Compensation	206	Common Shares	31.00	No	(2)	(2)	Unrestricted	S-8
10/23/2020	Vesting of Share-based Compensation	4,269	Common Shares	30.10	No	(2)	(2)	Unrestricted	S-8
10/23/2020	Redemption of Preferred Stock	(100,000)	Preferred Stock	N/A	N/A	(6)	(6)	N/A	N/A

Shares Outstanding on Date of This Report:

Date: April 30, 2021

Ending Balance	
Common Shares:	**1,026,541**
Warrants: (1)	**800,000**
Preferred Stock:	**-**

(1) The Warrants were terminated and stopped trading in April 2021.

(2) Vesting of restricted stock granted to employees, directors, consultants and other services providers under the 2018 Omnibus Incentive Plan. See Note 5 included under "Item 4. Financial Statements" contained herein for additional information.

(3) Repurchase of shares from various individuals and/or entities under the share repurchase program. See Note 14 included under "Item 4. Financial Statements" contained herein for additional information.

(4) The value of shares issued in this row reflects the weighted average price per share for all shares repurchased during the period of January 2, 2020 to April 1, 2020.

(5) Impact of one-for-ten reverse stock split effected on May 8, 2020. See “Item 2. Security Information” contained herein for additional details.

(6) Redemption of 8% Cumulative Nonparticipating Redeemable Series A Preferred Stock. See Note 5 included under “Item 4. Financial Statements” contained herein for additional information.

Debt Securities, Including Promissory and Convertible Notes

The Company did not have any outstanding promissory, convertible notes or debt arrangements as of December 31, 2020. See Note 10 included under “Item 4. Financial Statements” contained herein for additional information on debt arrangements which were in place prior to December 31, 2020.

ITEM 4. FINANCIAL STATEMENTS

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Assurance · Tax · Advisory

Independent Auditor's Report

To the Stockholders and the Board of Directors of
Harvest Oil & Gas Corp.

We have audited the accompanying consolidated financial statements of Harvest Oil & Gas Corp.(the Company), which comprise the consolidated balance sheet as of December 31, 2020, and the related consolidated statements of operations, cash flows and stockholders' equity for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.We conducted our audit in accordance with auditing standards generally accepted in the United Statesof America. Those standards require that we plan and perform our audits to obtain reasonable assuranceabout whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures inthe consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in orderto design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no suchopinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis forour audit opinion.

To the stockholders and the Board of Directors of
Harvest Oil & Gas Corp.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Harvest Oil & Gas Corp. as of December 31, 2020, and theresults of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the consolidated financial statements, the Company divested significant assets during 2020 and is actively considering the potential divestiture of all of its remaining assets. On January 26, 2021, the Company filed for a certificate of dissolution with the Secretary of State of the State of Delaware. The Company intends to return capital to its stockholders, subject to an analysis of the net cash available for distribution to its stockholders and the amount of net cash that must be retained to satisfy the Company's ongoing liabilities during the winding-up process. Our opinion is not modified withrespect to this matter.

Prior Period Financial Statements

The balance sheet of Harvest Oil & Gas Corp. as of December 31, 2019 and the related statements of operations, cash flows and stockholders' equity for the year then ended were audited by other auditors in accordance with accounting principles generally accepted in the United States of America, whose report, dated April 14, 2020, on those statements was unmodified.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
May 12, 2021

Weaver and Tidwell, L.L.P.
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Harvest Oil & Gas Corp.
Consolidated Balance Sheets
(In thousands, except number of shares)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,314	$ 28,968
Restricted cash	—	10,000
Accounts receivable:		
Oil, natural gas and natural gas liquids revenues	3,280	14,075
Other	973	1,322
Current note receivable	9,001	—
Derivative asset	—	6,231
Other current assets	734	277
Total current assets	30,302	60,873
Oil and natural gas properties, net of accumulated depreciation, depletion and amortization; December 31, 2020, $0; December 31, 2019, $15,066	—	114,031
Assets held for sale	1,031	316
Long-term note receivable	13,426	
Other assets	2,100	4,965
Total assets	$ 46,859	$ 180,185
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 7,817	$ 23,524
Other current liabilities	35	586
Total current liabilities	7,852	24,110
Asset retirement obligations	—	88,668
Liabilities held for sale	1,029	139
Other long–term liabilities	548	1,770
Commitments and contingencies (Note 10)		
Mezzanine equity	—	127
Stockholders' equity:		
Common stock – $0.01 par value; 2,000,000 shares authorized; 1,032,885 shares issued and 1,026,541 shares outstanding as of December 31, 2020; 1,022,101 shares issued and 1,018,347 shares outstanding as of December 31, 2019	102	102
Additional paid-in capital	161,304	180,177
Treasury stock at cost – 6,344 shares at December 31, 2020; 3,754 shares at December 31, 2019	(657)	(562)
Retained earnings (accumulated deficit)	(123,319)	(114,346)
Total stockholders' equity	37,430	65,371
Total liabilities and equity	$ 46,859	$ 180,185

See accompanying notes to consolidated financial statements.

Harvest Oil & Gas Corp.
Consolidated Statements of Operations
(In thousands, except per share data)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenues:		
Oil, natural gas and natural gas liquids revenues	$ 26,259	$ 112,419
Transportation and marketing–related revenues	—	1,401
Total revenues	26,259	113,820
Operating costs and expenses:		
Lease operating expenses	23,691	77,798
Cost of purchased natural gas	—	1,043
Dry hole and exploration costs	1	75
Production taxes	346	5,593
Accretion expense on obligations	3,366	8,112
Depreciation, depletion and amortization	1,103	11,666
General and administrative expenses	15,099	26,782
Impairment of oil and natural gas properties	3,757	129,082
Gain on sales of oil and natural gas properties	(952)	(318)
Total operating costs and expenses	46,411	259,833
Operating loss	(20,152)	(146,013)
Other income (expense), net:		
Gain on derivatives, net	9,610	3,058
Interest expense	(39)	(3,489)
Interest income	531	—
Gain on equity securities	—	4,593
Other income, net	1,175	3,523
Total other income, net	11,277	7,685
Loss before income taxes	(8,875)	(138,328)
Income tax benefit	—	13
Net loss	$ (8,875)	$ (138,315)
Earnings (loss) per share:		
Basic	$ (8.69)	$ (136.88)
Diluted	$ (8.69)	$ (136.88)
Weighted average common shares outstanding:		
Basic	1,021	1,010
Diluted	1,021	1,010

See accompanying notes to consolidated financial statements.

Harvest Oil & Gas Corp.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash flows from operating activities:		
Net loss	$ (8,875)	$ (138,315)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Accretion expense on obligations	3,366	8,112
Depreciation, depletion and amortization	1,103	11,666
Share-based compensation cost	1,733	2,543
Cash dividends paid on share-based compensation	(541)	—
Impairment of oil and natural gas properties	3,757	129,082
Gain on sales of oil and natural gas properties	(952)	(318)
Gain on equity securities	—	(4,593)
Gain on derivatives, net	(9,610)	(3,058)
Cash settlements of derivative contracts	15,841	19,613
Interest income paid-in-kind	(531)	—
Other	—	1,792
Changes in operating assets and liabilities:		
Accounts receivable	5,521	20,385
Other current assets	(456)	408
Accounts payable and accrued liabilities	(11,179)	1,377
Other, net	1,041	(1,014)
Net cash flows provided by operating activities	218	47,680
Cash flows from investing activities:		
Additions to oil and natural gas properties	(2,113)	(1,304)
Reimbursements related to oil and natural gas properties	—	1,441
Proceeds from sale of oil and natural gas properties	3	119,750
Proceeds from sale of equity securities	—	51,675
Other	46	50
Net cash flows provided by (used in) investing activities	(2,064)	171,612
Cash flows from financing activities:		
Repayment of long–term debt borrowings	—	(115,000)
Purchase of treasury stock	(95)	(315)
Dividends	(20,488)	(71,256)
Redemption of preferred stock	(210)	—
Other	(15)	(66)
Net cash flows used in financing activities	(20,808)	(186,637)
Increase (decrease) in cash, cash equivalents and restricted cash	(22,654)	32,655
Cash, cash equivalents and restricted cash – beginning of period	38,968	6,313
Cash, cash equivalents and restricted cash – end of period	$ 16,314	$ 38,968

See accompanying notes to consolidated financial statements.

Harvest Oil & Gas Corp.
Consolidated Statements of Stockholders' Equity
(In thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2018	1,004	$ 100	$ 249,717	$ (247)	$ 23,969	$ 273,539
Net loss	—	—	—	—	(138,315)	(138,315)
Share–based compensation	—	—	2,478	—	—	2,478
Restricted shares vested	17	2	(2)	—	—	—
Purchase of treasury stock	(3)	—	—	(315)	—	(315)
Dividends	—	—	(71,256)	—	—	(71,256)
Other	—	—	(760)	—	—	(760)
Balance, December 31, 2019	1,018	102	180,177	(562)	(114,346)	65,371
Net loss	—	—	—	—	(8,875)	(8,875)
Share–based compensation	—	—	1,733	—	—	1,733
Restricted shares vested	11	—	—	—	—	—
Treasury stock at cost	(3)	—	—	(95)	—	(95)
Dividends	—	—	(20,488)	—	—	(20,488)
Redemption of preferred stock	—	—	—	—	(98)	(98)
Other	—	—	(118)	—	—	(118)
Balance, December 31, 2020	1,026	$ 102	$ 161,304	$ (657)	$ (123,319)	$ 37,430

See accompanying notes to consolidated financial statements.

Harvest Oil & Gas Corp.
Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATION AND NATURE OF BUSINESS

Harvest Oil & Gas Corp., a Delaware corporation, is an independent oil and natural gas company. As used herein, the terms "Harvest" or the "Company" refer to Harvest Oil & Gas Corp. and its consolidated subsidiaries as a whole or on an individual basis, depending on the context in which the statements are made.

The Company operates one reportable segment engaged in the development and production of oil and natural gas properties, and all of its operations are located in the United States. In order to maximize shareholder value, the Company divested significant assets during 2019 and 2020. This included the divestiture of the Appalachia Basin assets, which represented substantially all of Harvest's remaining oil and gas assets, and the Company intends to divest all of its remaining oil and gas assets. As of December 31, 2020, the remaining oil and natural gas properties, which Harvest intends to divest or plug and abandon in 2021, were located in the Appalachia Basin and the Barnett Shale.

On January 26, 2021, Harvest filed a Certificate of Dissolution with the Secretary of State of the State of Delaware. The Company intends to return capital to its shareholders, subject to an analysis of the net cash available for distribution to its shareholders and the amount of net cash that must be retained to satisfy the Company's ongoing liabilities during the winding-up process.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deregistration of Harvest Common Stock

Given the significant costs and resource demands of being a public company, the Company decided to deregister its common stock under the Exchange Act. On May 15, 2020, Harvest filed a Form 15 with the SEC to voluntarily deregister its common stock and suspend its reporting obligations under the Exchange Act. By deregistering under the Exchange Act, Harvest's obligations to file reports with the Securities and Exchange Commission ("SEC") (including periodic reports, proxy statements, and tender offer statements) were terminated, and Harvest is no longer subject to Exchange Act reporting obligations. Harvest's common stock was quoted and traded on the OTCQX until January 8, 2021, after which Harvest's common stock continues to be quoted and trades on the OTC PINK Market. Although Harvest currently provides the financial information required by the OTC Markets Group to allow for public quotation of its common stock on the OTC PINK Market, there is no assurance it will continue to do so.

Basis of Presentation

The Company's consolidated financial statements included herein have been prepared pursuant to the Alternative Reporting Standard: Pink Basic Disclosure Guidelines and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company believes that the presentations and disclosures herein are adequate to make the information not misleading. The consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for fair presentation.

Unless otherwise specified, all share and per share amounts in these consolidated financial statements and notes related thereto were retroactively adjusted for all periods presented to give effect to the reverse stock split. Please see Note 14 for additional information.

All intercompany accounts and transactions have been eliminated in consolidation. In the Notes to Consolidated Financial Statements, all dollar and share amounts in tabulations are in thousands of dollars and shares, respectively, unless otherwise indicated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and judgments on historical experience and on various other assumptions and information that are believed to be reasonable under the circumstances. Estimates and assumptions about future events and their effects cannot be perceived with certainty and, accordingly, these estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. While Harvest believes that the estimates and assumptions used in the preparation of the consolidated financial statements are appropriate, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. All of its cash and cash equivalents are maintained with major financial institutions in the United States. Deposits with these financial institutions may exceed the amount of insurance provided on such deposits; however, the Company regularly monitors the financial stability of these financial institutions and believes that it is not exposed to any significant default risk.

Accounts Receivable

Accounts receivable from oil, natural gas and natural gas liquids sales were recorded at the invoiced amount and do not bear interest. The Company routinely assessed the financial strength of its customers and bad debts were recorded based on an account–by–account review after all means of collection were exhausted and the potential recovery was considered remote.

The Company did not have any reserves for doubtful accounts as of December 31, 2020 and 2019, and did not incur any expense related to bad debts for the years ended December 31, 2020 and 2019.

Note Receivable

The Company evaluates its Note Receivable (as defined in Note 3) for impairment whenever events or changes in circumstances indicate that not all of the principal and interest payments may be collected. The determination of collectability is made based upon certain factors including, but not limited to, satisfying scheduled payments, compliance with financial covenants and the financial strength and credibility of the borrower. The amount of impairment loss, if any, is determined by comparing the present value of the expected future cash flows, as well as the value of the related collateral, to the recorded value of the loan. For the year ended December 31, 2020, the Company has not recorded any impairment of the Note Receivable.

See Note 3 for additional information on the Note Receivable.

Property and Depreciation

Oil, natural gas and natural gas liquids producing activities were accounted for under the successful efforts method of accounting. Under this method, exploration costs, other than the costs of drilling exploratory wells, were charged to expense as incurred. Costs that were associated with the drilling of successful exploration wells were capitalized if proved reserves were found. Lease acquisition costs were capitalized when incurred. Costs associated with the drilling of exploratory wells that did not find proved reserves, geological and geophysical costs and costs of certain non–producing leasehold costs were expensed as incurred. Capitalized costs associated with unproved properties totaled $0 million and $0.5 million as of December 31, 2020 and 2019, respectively.

Sales proceeds were credited to the carrying value of the properties, and no gains or losses were recognized upon the disposition of proved oil and natural gas properties except in transactions such as the significant disposition of an amortizable base that significantly affected the unit–of–production amortization rate.

The capitalized costs of producing oil and natural gas properties were depreciated and depleted by the units–of–production method based on the ratio of current production to estimated total net proved reserves as estimated by independent petroleum engineers. Proved developed reserves were used in computing unit rates for drilling and development costs and total proved reserves were used for depletion rates of leasehold and pipeline costs.

Other property was stated at cost less accumulated depreciation, which was computed using the straight–line method based on estimated economic lives ranging from three to 25 years. The Company expensed costs for maintenance and repairs in the period incurred. Significant improvements and betterments were capitalized if they extended the useful life of the asset.

Impairment of Oil and Natural Gas Properties

The Company evaluated its proved oil and natural gas properties and related equipment and facilities for impairment whenever events or changes in circumstances indicated that the carrying amounts of such properties may not be recoverable. The determination of recoverability was made based upon estimated undiscounted future net cash flows. The amount of impairment loss, if any, was determined by comparing the fair value, as determined by a discounted cash flow analysis, with the carrying value of the related asset. For the years ended December 31, 2020 and 2019, the Company recorded several impairments either as a result of asset sales or because assets were not recoverable (see Note 8 for further information).

Unproved oil and natural gas properties were assessed periodically on a property–by–property basis, and any impairment in value was recognized. For the years ended December 31, 2020 and 2019, the Company did not record any impairment expense related to unproved oil and natural gas properties.

Asset Retirement Obligations

An asset retirement obligation ("ARO") represents the future abandonment costs of tangible assets, such as wells, service assets, and other facilities. The Company recorded an ARO and capitalized the asset retirement cost in oil and natural gas properties in the period in which the retirement obligation was incurred based upon the fair value of an obligation to perform site reclamation, dismantle facilities or plug and abandon wells. After recording these amounts, the ARO was accreted to its future estimated value using an assumed cost of funds and the additional capitalized costs were depreciated on a unit–of–production basis. If the ARO is settled for an amount other than the recorded amount, a gain or loss is recognized.

Revenue Recognition

Oil, natural gas and natural gas liquids revenues were recognized upon the transfer of control of the products to a purchaser. Transfer of control typically occurred when the products were delivered to the purchaser, title and/or risk of loss had transferred and collectability of the revenue was reasonably assured. Revenue was recognized net of royalties due to third parties in an amount that reflected the consideration the Company expected to receive in exchange for those products.

The Company's oil production was primarily sold under market-sensitive contracts that were typically priced at a differential to the NYMEX price or at purchaser posted prices for the producing area. For oil contracts, the Company generally recorded sales based on the net amount received.

The Company's natural gas production was primarily sold under market-sensitive contracts that were typically priced at a differential to the published natural gas index price for the producing area due to the natural gas quality and the proximity to major consuming markets. For natural gas contracts, the Company generally recorded wet gas sales at the wellhead or inlet of the gas processing plant as revenues net of transportation, gathering and processing expenses if the processor was the customer and there was no redelivery of commodities to the Company at the tailgate of the plant.

Conversely, the Company generally recorded residual natural gas and natural gas liquids sales at the tailgate of the plant on a gross basis along with the associated transportation, gathering and processing expenses if the processor was a service provider and there was redelivery of commodities to the Company at the tailgate of the plant. All facts and circumstances of an arrangement were considered and judgment was often required in making this determination.

In addition, the Company recognized processing expenses for commodities paid as noncash consideration in exchange for processing services and recognized the associated revenues for those same commodities. This recognition resulted in an increase to revenues and expenses with no impact on net income.

The Company followed the sales method of accounting for natural gas revenues. Under this method of accounting, revenues were recognized based on volumes sold, which may differ from the volume to which the Company was entitled based on its working interest. An imbalance was recognized as a liability only when the estimated remaining reserves would not be sufficient to enable the under–produced owner(s) to recoup its entitled share through future production. Under the sales method, no receivables were recorded where the Company had taken less than its share of production. There were no significant gas imbalances at December 31, 2020 or 2019.

Harvest owned and operated a network of natural gas gathering systems in the Appalachian Basin which gathered and transported owned natural gas and a small amount of third party natural gas to intrastate, interstate and local distribution pipelines. Natural gas gathering and transportation revenue was recognized when the natural gas had been delivered to a custody transfer point.

See Note 4 for additional information regarding revenue recognition.

Income Taxes

The Company is a corporation subject to federal and state income taxes. Income taxes are accounted for 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 of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Potential uncertain tax positions are assessed and, if required, an estimate and accrual is established for such amounts.

In addition, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit.

See Note 13 for additional information regarding income taxes.

Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings attributable to stockholders by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is computed by adjusting the average number of shares outstanding for the dilutive effect, if any, of potential common shares. The Company uses the treasury stock method to determine the dilutive effect.

Derivatives

The Company monitored its exposure to various business risks, including commodity price and interest rate risks, and used derivatives to manage the impact of certain of these risks. The Company's policies did not permit the use of derivatives for speculative purposes. Harvest used energy derivatives for the purpose of mitigating risk resulting from fluctuations in the market price of oil, natural gas and natural gas liquids.

The Company had elected not to designate its derivatives as hedging instruments. Changes in the fair value of derivatives were recorded immediately to earnings as “Gain on derivatives, net” in the consolidated statements of operations.

Equity Method Investment

In 2011, the predecessor of the Company and certain institutional partnerships managed by EnerVest carved out 7.5% overriding royalty interests from certain acres in Ohio (the “Underlying Properties”), which the predecessor believed may be prospective for the Utica Shale, and contributed the ORRI to a newly formed limited partnership. EnerVest is the general partner of this partnership. The ORRI entitles the partnership to an average approximate 5.64% of the gross revenues from the Underlying Properties. The Company owned a 48% limited partner interest in the partnership and accounted for the investment using the equity method of accounting, as it did not constitute a controlling interest. Accordingly, the Company recognized its proportionate share of the partnership’s income included in “Other income, net” in the consolidated statement of operations rather than when realized through limited partner distributions. Distributions by the partnership decreased the Company’s investment.

As of December 31, 2019, the Company’s investment in the partnership, which was included in “Other assets” on the consolidated balance sheet was $1.4 million. The Company recognized equity earnings from the partnership of $1.0 million and $2.9 million in the years ended December 31, 2020 and 2019, respectively.

The Company sold its limited partner interest in the partnership as part of the Appalachia Divestiture in 2020. See Note 6 for additional information about the Appalachia Divestiture.

Recent Accounting Standards

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“ASU 2016-02”). The main objective of ASU 2016-02 is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 (“Topic 842”) is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. ASU 2016-02 requires lessees to recognize assets and liabilities arising from leases on the balance sheet. ASU 2016-02 further defines a lease as a contract that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Control over the use of the identified asset means that the customer has both (1) the right to obtain substantially all of the economic benefit from the use of the asset and (2) the right to direct the use of the asset. The Company adopted this new standard as of January 1, 2019 using a modified retrospective approach. The Company elected the package of practical expedients within ASU 2016-02 that allows an entity to not reassess prior to the effective date (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases or (iii) initial direct costs for any existing leases. Additionally, the Company elected the practical expedient under ASU 2018-01 that allows an entity to not evaluate existing or expired land easements not previously accounted for as leases prior to the effective date. The adoption of this standard resulted in an increase in the assets and liabilities on the Company’s consolidated balance sheet. The quantitative impacts of the new standard were dependent on the leases in force at the time of adoption. See Note 11 for additional details about the impact upon adoption and related disclosures.

No other new accounting pronouncements issued or effective during the year ended December 31, 2020 have had or are expected to have a material impact on the consolidated financial statements.

Risks and Uncertainties

The coronavirus disease 2019 global pandemic and related economic repercussions have created significant volatility, uncertainty, and turmoil in the oil and natural gas industry. Oil demand has significantly deteriorated as a result of the virus outbreak and corresponding preventative measures taken around the world to mitigate the spread of the virus. The implications of the decrease in global demand for oil, coupled with the general oversupply, may have further negative effects on the Company. Demand and pricing may again decline if there is a resurgence of the outbreak across the U.S. and other locations across the world and the related social distancing guidelines, travel restrictions, and stay-at-home orders, which could result in a negative impact on the repayment of the Company's senior note receivable. The extent of the additional impact on the Company cannot be reasonably predicted at this time.

Subsequent Events

The Company evaluated subsequent events for appropriate accounting and disclosure through the date these consolidated financial statements were issued. Subsequent events are disclosed throughout the notes to the financial statements.

NOTE 3. NOTE RECEIVABLE

Notes receivable consists of the following:

		December 31, 2020
Tranche One:		
Current note receivable	$	9,001
Long-term note receivable		9,302
Total	$	18,303
Tranche Two:		
Current note receivable	$	—
Long-term note receivable		4,124
Total	$	4,124
Total Note Receivable:		
Current note receivable	$	9,001
Long-term note receivable		13,426
Total	$	22,427

In October 2020, the Appalachia Divestiture was funded with a $21.895 million two-tranche senior secured seller note (the "Note Receivable") which is held by EV Properties, L.P., a wholly-owned subsidiary of Harvest. The Note Receivable initially consisted of $17.795 million for Tranche One and $4.1 million for Tranche Two.

The Note Receivable is subject to customary covenants including maintaining certain minimum required commodity hedges, which initially are 75% of estimated proved developed producing volumes through October 2021, 60% from November 2021 through October 2022 and 50% from November 2022 through October 2023.

Tranche One

Tranche One of the Note Receivable matures October 31, 2025 and bears an interest rate of 11% per annum (plus, at any time during which one-month LIBOR exceeds 1%, the positive difference between one-month LIBOR and 1%) if the interest is paid in cash. If the interest is paid-in-kind, Tranche One bears an interest rate of 14% per annum to be added to the principal balance. Tranche One also includes monthly scheduled amortization payments of 1% beginning February 2021, and an additional monthly amortization payment based on a 90% excess cash flow sweep, with the first payment scheduled for the end of February 2021.

The Company recognized interest income of $0.5 million paid-in-kind for Tranche One during the year ended December 31, 2020.

Tranche Two

Tranche Two of the Note Receivable matures October 31, 2027 and bears an interest rate, payable in kind, of 3% per annum through April 30, 2024, 7.5% from May 1, 2024 through October 31, 2025 and 11% thereafter. Tranche Two also includes a monthly amortization payment based on a 90% excess cash flow sweep that begins after Tranche One is fully repaid.

The Company recognized interest income of $24 thousand paid-in-kind for Tranche Two during the year ended December 31, 2020.

NOTE 4. REVENUE

Revenue from contracts with customers includes the sale of oil, natural gas and natural gas liquids production (recorded in "Oil, natural gas and natural gas liquids revenues" in the consolidated statements of operations) and gathering and transportation revenues (recorded in "Transportation and marketing-related revenues" in the consolidated statements of operations).

The following table disaggregates revenue by significant product and service type:

	Year Ended December 31,	
	2020	2019
Oil	$ 12,479	$ 32,004
Natural gas [1]	13,810	60,035
Natural gas liquids [1] [2]	(30)	20,380
Oil, natural gas and natural gas liquids revenues	26,259	112,419
Transportation and marketing–related revenues	—	1,401
Total revenues [2]	$ 26,259	$ 113,820

(1) The Company recognizes wet gas revenues, which are recorded net of transportation, gathering and processing expenses, partially as natural gas revenues and partially as natural gas liquids revenues based on the end products after processing occurs. For the year ended December 31, 2020, wet gas revenues were $0.2 million which were recognized as natural gas liquids revenues. For the year ended December 31, 2019, wet gas revenues were $4.4 million which were recognized as $1.5 million of natural gas revenues and $2.9 million of natural gas liquids revenues.

(2) Natural gas liquids revenues for the year ended December 31, 2020 include a prior period adjustment of $0.3 million. Excluding this prior period adjustment for the year ended December 31, 2020, natural gas liquids revenues would have been $0.3 million, respectively, and total revenues would have been $26.6 million, respectively.

Contract Balances

Customers are invoiced once the Company's performance obligations have been satisfied. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. There are no significant judgments that significantly affect the amount or timing of revenue from contracts with customers. Accordingly, the Company's product sales contracts do not give rise to material contract assets or contract liabilities.

Accounts receivable are primarily from purchasers of oil, natural gas and natural gas liquids. As of December 31, 2020 and December 31, 2019, the Company had receivables of $3.3 million and $14.1 million, respectively, due from purchasers of oil, natural gas and natural gas liquids. This industry concentration could affect overall exposure to credit risk, either positively or negatively, because the Company's purchasers may be similarly affected by changes in economic, industry or other conditions. The Company routinely assesses the financial strength of its customers and bad debts are recorded based on an account-by-account review specifically identifying receivables that the Company believes may be uncollectible after all means of collection have been exhausted, and the potential recovery is considered remote. As of December 31, 2020 and December 31, 2019, the Company did not have any reserves for doubtful accounts.

Performance Obligations

The Company applies the optional exemptions in Topic 606 and does not disclose consideration for remaining performance obligations with an original expected duration of one year or less or for variable consideration related to unsatisfied performance obligations.

NOTE 5. SHARE–BASED COMPENSATION

In June 2018, the Company adopted the 2018 Omnibus Incentive Plan (the "2018 Plan"), pursuant to which employees, directors, consultants and other service providers of the Company and its subsidiaries were eligible to receive stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards and cash-based awards. An aggregate of 689,362 shares of the Company's common stock were reserved for issuance under the 2018 Plan. To the extent that an award under the 2018 Plan was expired, forfeited or cancelled for any reason without having been exercised in full, the unexercised award would then have been available again for grant under the 2018 Plan.

The Compensation Committee of the Company's Board of Directors (the "Board") (or any properly delegated subcommittee thereof) or a committee of at least two people as the Board could appoint or, if no such committee or subcommittee had been appointed by the Board, the Board (the "Committee") administered the 2018 Plan. The Committee had broad authority under the 2018 Plan to, among other things: (i) select participants; (ii) determine the types of awards that participants were to receive and the number of shares or the amount of cash that were to be subject to such awards and grant such awards; and (iii) determine the terms, conditions and restrictions of awards, including the applicable performance criteria relating to the award.

On April 14, 2020, the Company deregistered all unsold shares of the Registrant's common stock under the Registration Statement on Form S-8, filed on June 4, 2018, registering 689,362 shares of Common Stock under the 2018 Plan. As a result of this deregistration, the 2018 Plan was terminated; however, any unvested shares as of April 14, 2020 were still eligible to vest under the original terms of the award.

During the year ended December 31, 2020, the Company did not grant any shares of restricted stock under the 2018 Plan. During the year ended December 31, 2020, 2,797 shares were forfeited.

The following table summarizes the activity related to these awards of restricted stock units for the years ended December 31, 2020 and 2019:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value
Nonvested awards as of beginning of period	13,754	$ 152.30	650	$ 232.00
Granted	—	—	32,217	152.40
Vested	(10,957)	152.27	(16,621)	155.60
Forfeited	(2,797)	152.50	(2,492)	152.50
Nonvested awards as of end of period	—	$ —	13,754	$ 152.30

The Company recognized compensation cost related to outstanding restricted stock units of $1.7 million and $2.5 million for the years ended December 31, 2020 and 2019, respectively. These costs are included in "General and administrative expenses" in the consolidated statements of operations. As of December 31, 2020, there were no outstanding unvested restricted stock units and there was no unrecognized compensation cost.

In October 2019 and August 2020, the Company paid dividends to the holders its common stock; see Note 14 for additional information. As of December 31, 2019, the Company recognized an accrual of $0.7 million for unpaid dividends on outstanding restricted stock units expected to vest as of that date. This accrued liability was included in "Accounts payable and accrued liabilities" on the consolidated balance sheet and was payable upon the vesting of those restricted stock unit awards. In accordance with the terms of the 2018 Plan, the Company paid dividends of $0.4 million during the year ended December 31, 2020 for restricted stock units that vested during that same time frame.

Series A Preferred Stock

In June 2018, Harvest issued 21,000 shares of 8% Cumulative Nonparticipating Redeemable Series A Preferred Stock (the "Series A Preferred Stock") pursuant to Preferred Stock Purchase Agreements. The Company estimated the fair value of the Series A Preferred Stock as of December 31, 2019 at $0.2 million. The fair value of the preferred stock award was recognized on a straight–line basis over the service period, and the Company accounted for forfeitures as they occurred. The 21,000 shares of Series A Preferred Stock vested during June 2019. During the year ended December 31, 2019, the Company recognized $65 thousand of compensation cost related to this preferred stock. These costs are included in "General and administrative expenses" in the consolidated statement of operations.

The Series A Preferred Stock was entitled to receive mandatory and cumulative dividends payable semi-annually in arrears with respect to each dividend period ending on and including the last calendar day of each six-month period ending June 4 and December 4, at a rate per share of Series A Preferred Stock equal to 8.0% per annum. In the event that dividends due to each share of Series A Preferred Stock had not been paid for a period of two consecutive Dividend Periods, the holders of the Series A Preferred Stock, as an independent class, would be entitled to nominate and vote to appoint one director of the Board of Directors of the Company. Holders of shares of Series A Preferred Stock had no right, by virtue of their status as holders of shares of Series A Preferred Stock, to vote on any matters on which holders of shares of New Common Stock were entitled to vote.

On October 23, 2020, as a result of the Appalachia Divestiture, which constituted a sale of substantially all of the Company's assets, the Series A Preferred Stock were redeemed for $0.2 million.

NOTE 6. DIVESTITURES

In January 2019, the Company closed on the sale of certain oil and natural gas properties in the Mid-Continent area to a third party for total consideration of $1.8 million, net of purchase price adjustments. The Company did not record a gain, loss or impairment related to this sale.

In April 2019, the Company closed on the sale of all of its (i) oil and natural gas properties in the San Juan Basin and (ii) membership interests in EnerVest Mesa, LLC, a wholly-owned subsidiary of EV Properties, L.P., to a third party for total consideration of $36.7 million, net of purchase price adjustments, of which $0.2 million is receivable related to the final purchase price settlement and is included in "Accounts receivable – other" on the consolidated balance sheets. The Company expects to receive these proceeds in 2021. The Company recognized impairment expense of $25.4 million during the year ended December 31, 2019 related to this sale.

During the second quarter of 2019, the Company closed on the sale of certain oil and natural gas properties in the Mid-Continent area to a third party for total consideration of $2.2 million, net of purchase price adjustments, which included $0.9 million of preferential rights to purchase that were exercised by other working interest owners. The Company recognized impairment expense of $1.8 million during the year ended December 31, 2019 related to this sale.

In July 2019, the Company entered into a definitive agreement to sell substantially all of its interests in the Barnett Shale to a third party. In September and December of 2019, the Company closed on the sale of substantially all of the properties in the Barnett Shale for total cash consideration of $68.9 million, net of preliminary purchase price adjustments. The sale of the remaining oil and gas properties in the Barnett Shale are expected to close during 2021 for total consideration of less than $0.1 million, subject to purchase price adjustments. The Company recognized an impairment of $0.1 million for these remaining properties during the year ended December 31, 2020. As of December 31, 2020, the remaining oil and gas properties in the Barnett Shale were classified as assets held for sale; less than $0.1 million of the assets held for sale and less than $0.1 million of the asset retirement obligations classified as liabilities related to assets held for sale on the consolidated balance sheet were attributable to these unsold properties.

In September 2019, the Company closed on the sale of certain oil and natural gas properties in the Mid-Continent area to a third party for total cash consideration of $4.9 million, net of purchase price adjustments. The Company recognized a gain of $0.2 million during the year ended December 31, 2020 related to this sale.

In October 2019, the Company entered into a definitive agreement to sell all of its interest in the Permian Basin. In December 2019, the Company closed on the sale of substantially all of its oil and natural gas properties in the Permian Basin for total cash consideration of $2.5 million, net of purchase price adjustments. The Company recognized impairment expense of $0.6 million during the year ended December 31, 2020 related to this sale. The sale of the remaining oil and gas properties in the Permian Basin closed in November 2020 for a de minimis amount of consideration.

In November 2019, the Company closed on the sale of all of its oil and natural gas properties in the Monroe Field in Northern Louisiana for total consideration due to the buyer of $0.2 million, net of preliminary purchase price adjustments. The Company recognized impairment expense of $0.2 million during the year ended December 31, 2020 related to this sale.

In August 2020, the Company closed on the sale of substantially all of its Michigan oil and natural gas properties for total cash consideration of $0.1 million, net of preliminary purchase price adjustments. The Company recognized impairment expense of $2.5 million during the year ended December 31, 2020 related to this sale. The sale of the remaining oil and gas properties in Michigan are closed in January 2021 for a de minimis amount of consideration. As of December 31, 2020, the remaining oil and gas properties in Michigan were classified as assets held for sale; $1.0 million of assets held for sale and $1.0 million of the asset retirement obligations classified as liabilities related to assets held for sale on the consolidated balance sheet were attributable to these unsold properties.

In October 2020, the Company closed on the sale of substantially all of its oil and natural gas properties in the Appalachia Basin for a purchase price of $21.895 million, subject to customary purchase price adjustments, and put in place a senior secured seller note to fund the purchase price. The Company recognized a gain of $0.6 million during the year ended December 31, 2020 related to this sale.

NOTE 7. RISK MANAGEMENT

The Company's historical business activities exposed it to risks associated with changes in the market price of oil, natural gas and natural gas liquids. In addition, the Credit Facility (as defined below in Note 8) exposed the Company to risks associated with changes in interest rates. As such, future earnings were subject to fluctuation due to changes in the market prices of oil, natural gas and natural gas liquids and interest rates. The Company used derivatives to reduce its risk of volatility in the prices of oil, natural gas and natural gas liquids. The Company policies did not permit the use of derivatives for speculative purposes.

The Company elected not to designate any of its derivatives as hedging instruments. Accordingly, changes in the fair value of derivatives were recorded immediately to operations as "Gain on derivatives, net" in the consolidated statements of operations.

During the year ended December 31, 2020, in conjunction with the divestitures of oil and natural gas properties, the Company terminated all of its commodity derivatives, which resulted in the receipt of a cash settlement of $2.6 million. The derivatives terminated included 146.0 MBbls of oil swaps, 2,992.0 MMMBtus of natural gas swaps and 88.3 MBbls of natural gas liquids swaps for the periods between January and December 2020.

As of December 31, 2020, the Company does not have any outstanding derivatives.

The following table sets forth the fair values and classification of the Company's outstanding derivatives as of December 31, 2019:

	Gross Amount of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets Presented in the Consolidated Balance Sheet
As of December 31, 2019:			
Current derivative asset	$ 6,231	$ —	$ 6,231

The Company entered into master netting arrangement with its counterparties. The amounts above are presented on a net basis on the consolidated balance sheets when such amounts were with the same counterparty. In addition, the Company recorded accounts payable and receivable balances related to settled derivatives that were subject to the master netting agreements. These amounts are not included in the above table; however, under the master netting agreements, the Company had the right to offset these positions against forward exposure related to outstanding derivatives.

NOTE 8. FAIR VALUE MEASUREMENTS

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets or liabilities. Level 2 refers to fair values determined based on quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration. Level 3 refers to fair values determined based on the Company's own assumptions used to measure assets and liabilities at fair value.

Recurring Basis

The following table presents the fair value hierarchy for the Company's assets and liabilities that are required to be measured at fair value on a recurring basis:

		Fair Value Measurements at the End of the Reporting Period		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2019:				
Assets:				
Oil, natural gas and natural gas liquids derivatives	$ 6,231	$ —	$ 6,231	$ —

The Company's derivatives consisted of over–the–counter contracts which were not traded on a public exchange. As the fair value of these derivatives was based on inputs using market prices obtained from independent brokers or determined using quantitative models that use as their basis readily observable market parameters that were actively quoted and could be validated through external sources, including third party pricing services, brokers and market transactions, the Company categorized these derivatives as Level 2. The Company valued these derivatives using the income approach with inputs such as the forward curve for commodity prices based on quoted market prices and prospective volatility factors related to changes in the forward curves and yield curves based on money market rates and interest rate swap data, such as forward LIBOR curves. Estimates of fair value were determined at discrete points in time based on relevant market data. Furthermore, fair values were adjusted to reflect the credit risk inherent in the transaction, which may include amounts to reflect counterparty credit quality and/or the effect of the Company's creditworthiness. These assumed credit risk adjustments were based on published credit ratings, public bond yield spreads and credit default swap spreads.

Nonrecurring Basis

		Fair Value Measurements			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
Year Ending December 31, 2019:					
Long–lived assets held and used	$ 2,327	$ —	$ —	$ 2,327	$ 8,830

Long-lived Assets Held and Used

During the year ended December 31, 2020, the Company did not recognize any impairment expense related to oil and natural gas properties that were held and used as all assets were either sold or held for sale as of that date. During the year ended December 31, 2019, the Company incurred impairment charges of $8.8 million to write down oil and natural gas properties that were held and used to their fair value of $2.3 million. This impairment charge was included in earnings during the period indicated.

The fair values were determined using the income approach and were based on the expected present value of the future net cash flows from reserves. Significant Level 3 assumptions associated with the calculation of discounted cash flows used in the impairment analysis included estimates of future prices, production costs, development expenditures, anticipated production, appropriate risk-adjusted discount rates and other relevant data.

Long-lived Assets Sold or Held For Sale

During the year ended December 31, 2020, the Company recognized an impairment expense of $0.1 million related to proved oil and natural gas properties in the Barnett Shale that were held for sale as of December 31, 2020. During the year ended December 31, 2020, the Company recognized an impairment expense of $2.6 million related to proved oil and natural gas properties in Michigan and the Permian Basin, which were sold during 2020. Also, during the year ended December 31, 2020, the Company recognized an impairment expense of $1.0 million related to proved oil and natural gas properties in Monroe, the Barnett Shale and the Permian Basin, which were all sold during 2019.

During the year ended December 31, 2019, the Company recognized an impairment expense of $120.3 million related to proved oil and natural gas properties which were sold or held for sale as of December 31, 2019. Of this proved property impairment amount, $78.1 million was related to properties located in the Barnett Shale, which were sold or held for sale as of December 31, 2019, $25.4 million was related to properties located in the San Juan Basin, which were sold during 2019, $8.0 million was related to properties located in the Permian Basin, which were sold or held for sale as of December 31, 2019, $6.7 million was related to properties located in the Mid-Continent area, which were sold during 2019, and $2.1 million was related to properties in the Monroe Field, which were sold during 2019.

The fair values of the oil and natural gas properties sold were determined using the transaction price of the then pending transactions. The fair value of the oil and natural gas properties held for sale as of December 31, 2020 were determined using the transaction price for the pending transaction.

Financial Instruments

The estimated fair values of the Company’s financial instruments have been determined at discrete points in time based on relevant market information. As of December 31, 2020, the Company’s financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The carrying amounts of the Company’s financial instruments approximate fair value because of the short–term nature of the items.

NOTE 9. ASSET RETIREMENT OBLIGATIONS

The changes in the aggregate ARO are as follows:

ARO as of December 31, 2018	$ 119,606
Liabilities incurred	346
Revisions	(6)
Accretion expense	8,112
Settlements and divestitures	(37,949)
Liabilities held for sale	(139)
ARO as of December 31, 2019	89,970
Accretion expense	3,366
Settlements and divestitures	(92,211)
Liabilities held for sale	(891)
ARO as of December 31, 2020	$ 234

As of December 31, 2020 and as of December 31, 2019, $0.2 million and $1.3 million, respectively, of ARO was classified as current and is included in "Accounts payable and accrued liabilities" on the consolidated balance sheets, respectively. The remaining $0.2 million of ARO as of December 31, 2020, relates to uneconomic wells in the Appalachia Basin that the Company is currently in the process of plugging and abandoning.

NOTE 10. LONG–TERM DEBT

The following table presents the consolidated debt obligations at the dates indicated:

	December 31, 2020	December 31, 2019
Credit Facility	$ —	$ —

In October 2019, the Company entered into a new $10.0 million revolving credit facility with Regions Bank (the "Credit Facility"). The Credit Facility matured on October 4, 2020. The Company did not renew the Credit Facility. Borrowings under the Credit Facility were secured by cash collateral which was included as "Restricted cash" on the consolidated balance sheet as of December 31, 2019. The Company could use borrowings under the Credit Facility for acquiring and developing oil and natural gas properties, working capital purposes and general corporate purposes. The Company also could use up to $2.0 million of available borrowing capacity for letters of credit, prior to its termination in July 2020.

NOTE 11. LEASES

On January 1, 2019, Harvest adopted ASU No. 2016-02, *Leases (Topic 842)* ("Topic 842"), using a modified retrospective method. At adoption on January 1, 2019, an operating lease right of use asset of $1.8 million and an operating lease liability of $1.8 million was recorded. There was no cumulative earnings effect adjustment. There were no significant changes to the timing and amount of lease expense recognized in "Lease operating expenses" in the consolidated statements of operations.

The Company recognizes right of use assets and lease liabilities for certain commitments related to real estate, vehicles and field equipment. The Company determines if an arrangement is a lease at inception. Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Contracts with lease terms less than 12 months are not recorded on the unaudited condensed consolidated balance sheet, but instead are disclosed as short-term lease cost.

During the normal course of business, Harvest leases office space, vehicles, IT equipment and field equipment. The Company's leases have remaining lease terms of 1 year or less, some of which include options to renew. The exercise of lease renewal options is at the Company's sole discretion. The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company used the incremental borrowing rate on January 1, 2019 for operating leases that commenced prior to that date.

Operating leases are included in other assets, other current liabilities and other long-term liabilities on the unaudited condensed consolidated balance sheets as of December 31, 2020 and December 31, 2019. Operating lease right of use assets and lease liabilities included on the unaudited condensed consolidated balance sheets were as follows:

	December 31, 2020	December 31, 2019
Other assets	$ 39	$ 1,036
Other current liabilities	35	586
Other long-term liabilities	4	450
Total operating lease liabilities	$ 39	$ 1,036
Weighted average remaining lease term (in years)	1.0	1.9
Weighted average discount rate	5.8%	5.8%

During the years ended December 31, 2020 and 2019, the Company paid $1.9 million and $3.4 million of lease cost, respectively. Furthermore, during the years ended December 31, 2020 and 2019, the Company recognized lease cost, net of reimbursements from other working interest owners, of $0.5 million and $0.9 million, respectively, for operating leases and $1.4 million and $2.4 million, respectively, for short-term leases. The lease cost for operating leases and short-term leases is included in "Lease operating expenses" on the Company's consolidated statement of operations.

Maturities of operating lease liabilities as of December 31, 2020, were as follows:

2021	$ 13
2022	—
2023	—
Total lease payments	13
Add: imputed interest	26
Present value of lease liabilities	$ 39

NOTE 12. COMMITMENTS AND CONTINGENCIES

In June 2018, Harvest entered into a Services Agreement (the "Services Agreement") with EnerVest, Ltd. and EnerVest Operating (together, the "EnerVest Group"). Pursuant to the Services Agreement, the EnerVest Group provides certain administrative, management, operating and other services and support (the "Services") to Harvest. In addition, the EnerVest Group also provides Harvest with sufficient office space, equipment and office supplies pursuant to the Services Agreement. The Services Agreement covers the people EnerVest Group employs who provide direct support to the Company's operations; however, the Services Agreement does not cover the full-time employees of Harvest. The management fee is subject to an annual redetermination by agreement of the parties and will also be adjusted for acquisitions or divestitures over $5 million. The initial term of the Services Agreement continued through December 31, 2020. In March 2021, the Company entered into a Second Amendment to Services Agreement with the EnerVest Group with an effective date of January 1, 2021 to extend the Services Agreement through April 30, 2021 for a fee of $0.4 million. The Company has no intention of extending the Services Agreement in the future.

In October 2019, the EnerVest Group informed Harvest that there are approximately $4.1 million of uncollectible accounts receivable from third party working interest owners in oil and natural gas properties where Harvest owns a significant working interest. The EnerVest Group recently increased this amount by approximately $1.6 million and believes that Harvest may be responsible for these accounts receivable because the EnerVest Group was unable to collect them. The costs related to these receivables were primarily incurred over the last eight years and were paid by the EnerVest Group as the contract operator for such properties. Harvest has performed a preliminary assessment of its obligations with respect to these amounts and has communicated to the EnerVest Group that it believes that the amounts are not currently owed by Harvest to the EnerVest Group. Accordingly, Harvest has determined that the amount of its obligations with respect to these uncollectible accounts receivable is not estimable at this time and has not accrued any losses with respect to the EnerVest Group's uncollectible accounts receivable as of December 31, 2020 and December 31, 2019.

In August 2018, the Company was notified by the Office of Natural Resources Revenue ("ONRR") of potential underpayments of royalties related to certain leases for the period of 2009 through 2018. The Company submitted amended royalty filings for the period of 2009 to 2018, pursuant to which Harvest had an additional liability of approximately $5.2 million. This amount was paid upon ONRR review and concurrence with the accuracy of royalties per the amended filings. The Company recognized an accrual of $5.2 million for the estimated liability for the period of 2009 to 2018 as of December 31, 2019, and the Company paid the total liability during the year ended December 31, 2020.

The Company is involved in other disputes or legal actions arising in the ordinary course of business. The Company does not believe the outcome of other such disputes or legal actions will have a material effect on its consolidated financial statements. No amounts, other than as described above, were accrued as of December 31, 2020 or December 31, 2019.

NOTE 13. INCOME TAXES

The Company is a corporation subject to federal and state income taxes. Tax obligations of the Company are recorded as "Income taxes" in the consolidated statements of operations.

The Company's tax benefit (expense) is comprised of the following:

	Year Ended December 31,	
	2020	**2019**
Current tax benefit (expense):		
Federal	$ —	$ —
State	—	13
Total	$ —	$ 13
Deferred tax benefit (expense):		
Federal	$ —	$ —
State	—	—
Total	$ —	$ —
Total tax benefit (expense):		
Federal	$ —	$ —
State	—	13
Total	$ —	$ 13

A reconciliation of the statutory federal income tax expense to the income tax expense or benefit from continuing operations for the Company is as follows:

	Year Ended December 31,	
	2020	2019
Tax expense at statutory rate	$ 1,864	$ 29,049
State income tax benefit (expense), net of federal benefit	—	13
Changes in valuation allowance	(1,862)	(28,957)
Other	(2)	(92)
Total income tax benefit (expense)	$ —	$ 13

The Company's net deferred tax is comprised of the following:

	Year Ended December 31,	
	2020	2019
Deferred tax assets:		
Net operating loss carryforward	$ 47,621	$ 30,643
Asset retirement obligation	—	19,909
Other	401	1,588
Total deferred tax assets before valuation allowance	48,022	52,140
Valuation allowance	(48,022)	(45,976)
Net deferred tax assets	—	6,164
Deferred tax liability:		
Oil and natural gas properties	—	4,785
Derivative instruments	—	1,379
Total deferred tax liability	—	6,164
Total net deferred tax	$ —	$ —

Management assesses the available positive and negative evidence to estimate whether it is more likely than not that sufficient future taxable income will be generated to realize the Company's deferred tax assets. In making this determination, Management considers all available positive and negative evidence and makes certain assumptions. Management considers, among other things, its deferred tax liabilities, the overall business environment, its historical earnings and losses, current industry trends and its outlook for future years. Due to significant negative evidence, the Company has established a full valuation allowance against its net deferred tax assets of $46.0 million as of December 31, 2019. As of December 31, 2020, the Company continued to record a full valuation allowance against its net deferred tax assets.

As of December 31, 2020, the Company had federal net operating loss ("NOL") carryforwards of approximately $205.4 million, which can be carried forward indefinitely, and state NOLs of $40.0 million, which will expire in varying amounts beginning in 2028.

ASC 740, *Income Taxes* ("ASC 740") prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of income tax positions taken or expected to be taken in an income tax return. For those benefits to be recognized, an income tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company must recognize the tax effects of any uncertain tax positions it may adopt, if the position taken is more likely than not sustainable based on its technical merits. Interest and penalties related to uncertain tax positions are reported in the income tax provision. As of December 31, 2020, the Company has no uncertain tax positions, and for the year ended December 31, 2020, no amounts were incurred for income tax uncertainties or interest and penalties.

The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company's tax returns are subject to periodic audits by the various jurisdictions in which the Company operates. These audits can result in adjustments of taxes due or adjustments of the NOL carryforwards that are available to offset future taxable income.

NOTE 14. STOCKHOLDERS' EQUITY AND EARNINGS (LOSS) PER SHARE

Reverse Stock Split

On May 8, 2020, the Company effected a one-for-ten reverse stock split of its common stock. As a result of the reverse stock split, each 10 pre-split shares of common stock outstanding were automatically converted into one issued and outstanding share of common stock. Harvest did not issue any fractional shares in connection with the reverse stock split. Stockholders who would otherwise have been entitled to receive a fractional share of common stock received a cash payment in lieu of such fractional shares. The reverse stock split reduced the total number of outstanding shares of common stock from 10,173,707 as of May 8, 2020 to 1,017,219. The total number of shares of common stock that the Company is authorized to issue was also reduced from 65,000,000 to 2,000,000 shares. The reverse stock split did not affect the par value of the Company's common stock.

The number of shares granted or available for grant under the Company's share-based compensation plan were proportionally adjusted to reflect the reverse stock split. See Note 5 for additional information about the Company's share-based compensation plan.

Share Repurchase Program

In December 2019, the Board approved a share repurchase program under which Harvest was authorized to repurchase up to \$5.0 million of its outstanding common stock. Share repurchases were made from time to time, at the Company's discretion, through open market repurchases or negotiated transactions, which were effected through Rule 10b5-1 trading plans. The Company funded repurchases from cash on hand. This program was intended to continue the Company's commitment to shareholder returns and the efficient management of the Company's assets, including cash on hand. Repurchases by the Company were subject to general market and economic conditions, alternate uses for the capital and other factors, and the share repurchase program could have been suspended, modified or discontinued by the Board at any time. The Company had no obligation to repurchase any amount of its common stock under the program. During the years ended December 31, 2020 and 2019, the Company repurchased 9,760 and 2,379 pre-split shares, respectively, under the share repurchase program. The share repurchase program expired on March 31, 2020.

Dividends

In October 2019, the Company paid a dividend of \$7.00 per share (the "October 2019 Dividend") on a pre-split basis to the holders of record of its common stock as of the close of business on October 18, 2019. In August 2020, the Company declared and paid a dividend of \$10.00 per share (the "August 2020 Dividend") to the holders of record of its common stock as of the close of business on August 17, 2020. In November 2020, the Company declared and paid a dividend of \$10.00 per share (the "November 2020 Dividend") to the holders of record of its common stock as of the close of business on November 23, 2020.

Warrants

In June 2018, the Company entered into a warrant agreement with Computershare Trust Company N.A., as warrant agent, pursuant to which the Company issued Warrants to purchase up to 800,000 shares of the Company's common stock (representing 8% of the Company's outstanding total issued and outstanding common stock as of the date of issuance including shares of the Company's common stock issuable upon full exercise of the Warrants, but excluding any common stock issuable under the Company's incentive plan), exercisable for a five year period commencing on June 4, 2018 at an exercise price of \$37.48 per warrant.

Per the terms of the Warrant Agreement entered into on June 4, 2018, the October 2019 Dividend was classified as a Special Dividend. As a result, there was a reduction to the warrant exercise price of $7.00 to $30.48 effective immediately prior to the opening of business on October 21, 2019.

As a result of the reverse stock split on May 8, 2020, the number of warrants outstanding did not change; however, automatic adjustments pursuant to the terms of the warrant agreement prompted by the occurrence of the reverse stock split effected a reduction in the number shares of the Company's common stock issuable upon the exercise of warrants in proportion to the reverse stock split ratio, with a similarly proportional increase in the exercise price of the warrants from $30.48 to $304.80.

Furthermore, the August 2020 Dividend and the November 2020 Dividend were classified as Special Dividends. As a result, there was a reduction to the warrant exercise price of $10.00 to $294.80, effective August 18, 2020, and a reduction to the warrant exercise price of $10.00 to $284.80, effective November 24, 2020.

The Warrants were terminated and stopped trading in April 2021.

Earnings (Loss) Per Share

The following sets forth the calculation of earnings (loss) per share retroactively adjusted to reflect the reverse stock split, for the periods indicated (in thousands, except number of shares and per share data):

	Year Ended December 31,	
	2020	**2019**
Net loss available to common stockholders	$ (8,875)	$ (138,315)
Weighted average common shares outstanding:		
Basic	1,021,024	1,010,491
Dilutive effect of potential common shares	—	—
Diluted	1,021,024	1,010,491
Earnings (loss) per share:		
Basic	$ (8.69)	$ (136.88)
Diluted	$ (8.69)	$ (136.88)
Antidilutive restricted stock shares (1)	—	13,754
Antidilutive warrants (2)	800,000	800,000

(1) Amount represents unvested restricted stock shares as of the end of the period that are excluded from the diluted net earnings (loss) per share calculations because of their antidilutive effect.

(2) Amount represents warrants to purchase common stock that are excluded from the diluted net earnings (loss) per share calculations because of their antidilutive effect.

NOTE 15. OTHER SUPPLEMENTAL INFORMATION

Supplemental cash flows and noncash transactions were as follows:

	Year Ended December 31,	
	2020	2019
Supplemental cash flows information:		
Cash paid for interest	$ —	$ 1,119
Cash paid for reorganization items [1]	—	472

(1) Relates to the reorganization during 2018. See Harvest's Annual Report on Form 10-K for the year ended December 31, 2019 for additional information.

	December 31, 2020	December 31, 2019
Non–cash transactions:		
Costs for additions to oil and natural gas properties in accounts payable and accrued liabilities	$ —	$ 287
Note receivable procceds from sale of oil and natrual gas properties [1]	21,895	—

(1) Relates to the sale of oil and natural gas properties in Appalachian Basin. See Note 3 and Note 6 for additional information.

Accounts payable and accrued liabilities consisted of the following:

	December 31, 2020	December 31, 2019
General and administrative expenses	$ 3,021	$ 2,550
Purchase price adjustment due to buyer of oil and natural gas properties	2,663	—
Lease operating expenses	1,311	4,894
San Juan royalties	—	5,000
Production and ad valorem taxes	250	2,453
Current portion of ARO	234	1,302
Due to contract operator	—	4,809
Costs for additions to oil and natural gas properties	—	287
Other	338	2,229
Total	$ 7,817	$ 23,524

ITEM 5. ISSUER'S BUSINESS, PRODUCTS AND SERVICES

Harvest Oil & Gas Corp. operates one reportable segment engaged in the development and production of oil and natural gas properties, and all of its operations are located in the United States. In order to maximize shareholder value, the Company divested significant assets during 2019 and 2020, and intends to divest all of its remaining oil and gas assets.

Subsidiaries of the Company are as follows:

Subsidiary		Jurisdiction of Formation
1.	Harvest Oil & Gas Acquisition Corp.	Delaware
2.	EV Energy Finance Corp.	Delaware
3.	EV Properties GP, LLC	Delaware
4.	EV Properties, L.P.	Delaware
5.	EVCG GP, LLC	Delaware
6.	CGAS Properties, L.P.	Texas
7.	EV Midstream, LLC	Delaware
8.	EV Midstream, L.P.	Delaware
9.	Belden & Blake, LLC	Texas

On January 26, 2021, Harvest filed a Certificate of Dissolution with the Secretary of State of the State of Delaware. The Company intends to return capital to its shareholders, which will include an analysis of the net cash available for distribution to its shareholders and the amount of net cash that must be retained to satisfy the Company's ongoing liabilities during the winding-up process.

ITEM 6. ISSUER'S FACILITIES

As of December 31, 2020, the oil and natural gas properties of Harvest Oil & Gas Corp. were located in the Appalachia Basin and the Barnett Shale.

Appalachia Basin

The Company's remaining Appalachia Basin properties are concentrated in Ohio and West Virginia and consist of wells that are in the process of being plugged and abandoned.

Barnett Shale

The Company's Barnett Shale properties consist of a non-operating interest in wells located in Denton, Parker, Tarrant and Wise counties in Northern Texas. The Company entered into a definitive agreement to sell these properties in July 2019. The sale of these oil and gas properties in the Barnett Shale is expected to close during 2021 for total consideration of less than $0.1 million, subject to purchase price adjustments.

ITEM 7. COMPANY INSIDERS

The executive officer and directors of Harvest Oil & Gas Corp., and their ages as of April 30, 2021, are as follows:

Name	Position	Age
Steven J. Pully	President, Chief Executive Officer, Secretary, General Counsel and Director	61
Lance G. Sepulvado	Vice President and Chief Financial Officer	29
Chang Lee	Director	29
James F. Murchison	Director	44

Steven J. Pully has served as President, Chief Executive Officer, Secretary and General Counsel of Harvest since April 2021, as the Chairman of the Board since March 2019 and as a member of the Board since June 2018. He provides consulting and investment banking services for companies and investors focused on the oil and gas sector. From 2008 until 2014, Mr. Pully served as General Counsel and a Partner of the investment firm Carlson Capital, L.P. Mr. Pully was also previously a Senior Managing Director at Bear Stearns and a Managing Director at Bank of America Securities focused on energy investment banking. He has also served on numerous other boards in the oil and gas and other industries, including as a director of EPL Oil & Gas, Goodrich Petroleum, Bellatrix Exploration, Energy XXI, VAALCO Energy and Titan Energy within the past five years. Mr. Pully is a Chartered Financial Analyst, a Certified Public Accountant in the State of Texas and a member of the State Bar of Texas. Mr. Pully earned his undergraduate degree in Accounting from Georgetown University and is also a graduate of The University of Texas School of Law. The Board believes that Mr. Pully's broad knowledge of the oil and gas industry, his extensive financial, accounting and legal expertise, and his experience in corporate finance and strategic planning qualify him to serve as a director.

Lance G. Sepulvado has served as Vice President and Chief Financial Officer of Harvest since April 2021. Mr. Sepulvado joined the Company in July 2016. Prior to joining Harvest, Mr. Sepulvado worked in the Energy Finance group at Comerica Bank from June 2014 to June 2016. Mr. Sepulvado received a Bachelor of Business Administration in Finance from Baylor University.

Chang Lee has served as a member of the Board since April 2021. Mr. Lee is an employee of the investment team of Finepoint Capital LP, a Boston-based investment firm. Mr. Lee jointed Finepoint in 2017 from Fidelity Investments, where he was an equity research analyst. He graduated from The University of Pennsylvania with Bachelors' Degrees in Finance and East Asian Studies. The Board believes that Mr. Lee's financial expertise qualify him to serve as a director.

James F. Murchison has served as a member of the Board since June 2018. He is the founder and Chief Executive Officer of Hatch Resources LLC ("Hatch"), which was formed in January 2019 with a partnership with Ridgemont Equity Partners to pursue the acquisition of oil and gas assets in the Permian Basin. Prior to forming Hatch, Mr. Murchison served as Chief Financial Officer and Board Member of Venado Oil & Gas, LLC ("Venado") from September 2016 to May 2018, during which time Venado acquired $1.6 billion of Eagle Ford assets. Prior to joining Venado, Mr. Murchison spent 15 years in the banking industry, focusing on the oil and gas space. Over the course of his career, Mr. Murchison's work touched most of the major basins in the lower 48 states and involved capital formation, corporate mergers and acquisitions, asset acquisitions and divestitures, restructuring, reserve based lending, and IPOs. Mr. Murchison joined Raymond James & Associates ("Raymond James") in their energy investment banking group as a Senior Associate in 2005 and departed in 2016 as a Managing Director and Head of E&P Advisory. Prior to Raymond James, Mr. Murchison spent four years as a credit analyst at BNP Paribas and Southwest Bank of Texas, originating and structuring reserve and cash flow based loans. Mr. Murchison received his Bachelor's degree in Liberal Arts in the English Honors Program from the University of Texas in 1999 and his Master of Business Administration from the University of Texas in 2005. The Board believes that Mr. Murchison's broad knowledge of the oil and gas industry and his significant experience in capital formation, corporate mergers and acquisitions, asset acquisitions and divestitures, restructuring and reserve-based lending qualify him to serve as a director.

The following table sets forth information regarding the beneficial ownership of the Company's common stock as of December 31, 2020, based on information obtained from the persons named below, with respect to the beneficial ownership of shares of our common stock by:

- Each person known by the Company to be the beneficial owner of more than 5% of its outstanding shares of common stock;
- Each of the Company's named executive officers and directors that beneficially owns shares of its common stock; and
- All executive officers and directors as a group.

Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name of Officer/Director or Control Person	Affiliation with Company	Address	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding
Finepoint Capital funds (1)	5% Holder	See footnote (1)	327,539	Common Stock	31.9%
FS Energy and Power Funds (2)	5% Holder	See footnote (2)	135,062	Common Stock	13.2%
CO Ohio HOG Holdings LLC	5% Holder	See footnote (3)	380,789	Common Stock	37.1%
Steven J. Pully	Officer & Director	See footnote (4)	818	Common Stock	*
Lance G. Sepulvado	Officer	See footnote (4)	1,113	Common Stock	*
Chang Lee	Director	See footnote (4)	-	Common Stock	-
James F. Murchison	Director	See footnote (4)	818	Common Stock	*
All executive officers and directors as a group (4 individuals)	Officers & Directors	See footnote (4)	2,749	Common Stock	*

* Less than 1%.

(1) Consists of shares owned by Finepoint Capital Partners I, LP and shares owned by Finepoint Capital Partners II, LP (collectively, the "Finepoint Capital funds"). The Finepoint Capital funds share an investment manager and ultimate general partner. Mr. Lee, a Director of the Company, is a member of the investment team of Finepoint Capital. Mr. Lee disclaims beneficial ownership of the common stock held by Finepoint Capital funds. The contact and address for the Finepoint Capital funds is Mr. Lee, 500 Boylston Street, 24th Floor, Boston, Massachusetts 02116.

(2) FS Energy and Power Fund ("FSEP") is an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended. The investment advisor to FSEP is FS/EIG Advisor, LLC ("FS/EIG Advisor"). The investment committee of FS/EIG Advisor makes investment decisions on behalf of FS/EIG Advisor and has the power to vote or to direct the vote of, and to dispose or to direct the disposition of, the shares of common stock held by FSEP. FS/EIG Advisor is a registered investment advisor under the Investment Advisors Act of 1940, as amended. The contact and address for FSEP and FS/EIG Advisor is Mr. Stephen S. Sypher, 201 Rouse Boulevard, Philadelphia, Pennsylvania 19112.

(3) Cross Ocean Partners Management LP ("COPM") is a SEC-registered investment advisor. COPM is administrative manager to CO Ohio HOG Holdings LLC, which holds the shares of HRST. COPM-managed funds ultimately own CO Ohio HOG Holdings LLC. The contact and address for COPM's managed funds is Mr. Nick Renwick, 20 Horseneck Lane, Greenwich, CT 06830.

(4) The business address of our executive officers and directors is 1001 Fannin Street, Suite 300, Houston, Texas 77002.

ITEM 8. LEGAL / DISCIPLINARY HISTORY

The Company is involved in disputes or legal actions arising in the ordinary course of business. The Company does not believe the outcome of such disputes or legal actions will have a material adverse effect on its consolidated financial statements, and no amounts have been accrued at December 31, 2020.

ITEM 9. THIRD PARTY PROVIDERS

The third party provides for Harvest Oil & Gas Corp. are as follows:

Accountant or Auditor

Firm:	Weaver and Tidwell, L.L.P.
Address:	24 Greenway Plaza, Suite 1800, Houston, Texas 77046
Telephone:	(713) 850-8787
Website:	www.weaver.com

Operations Service Provider

Firms:	EnerVest, Ltd. And EnerVest Operating
Address:	1001 Fannin Street, Suite 800, Houston, Texas 77002
Telephone:	(713) 659-3500
Website:	www.enervest.net

See Note 12 included under "Item 4. Financial Statements" contained herein for additional information about services provided by EnerVest, Ltd. And EnerVest Operating.

Transfer Agent

Firm:	Computershare Investor Services
Address:	First Class/Registered/Certified Mail – PO Box 505000, Louisville, KY 40233-5022
	Courier Services – 462 South 4th Street, Suite 160, Louisville, KY 40202
Telephone:	1-800-962-4284
Website:	www.computershare.com/investor

ITEM 10. ISSUER CERTIFICATION

I, Steven J. Pully, certify that:

1 I have reviewed this annual disclosure statement of Harvest Oil & Gas Corp.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 12, 2021

/s/ STEVEN J. PULLY
Steven J. Pully
President and Chief Executive Officer

I, Lance G. Sepulvado, certify that:

1 I have reviewed this annual disclosure statement of Harvest Oil & Gas Corp.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 12, 2021

/s/ LANCE G. SEPULVADO
Lance G. Sepulvado
Vice President and Chief Financial Officer