

Petrus Resources Announces Year End 2019 Financial, Operating & Reserves Results; Significant Net Debt Reduction & Increased Light Oil Reserve Volumes

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CALGARY, Feb. 19, 2020 - [Petrus Resources Ltd.](#) ("Petrus" or the "Company") (TSX: PRQ) is pleased to report financial and operating results as at and for the three and twelve months ended December 31, 2019 and to provide 2019 year end reserves information as evaluated by Sproule Associates Limited ("Sproule"). The Company's Management's Discussion and Analysis ("MD&A") and audited consolidated financial statements are available on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

In 2019, the Company's primary objectives were to generate funds flow in excess of capital expenditures to repay debt and to maximize the profitability of its production by increasing its light oil weighting. Petrus generated funds flow of \$33.6 million in 2019 and invested approximately half (\$18.1 million) to drill 10 gross (3.1 net) Cardium light oil wells in Ferrier. The Company exceeded its debt repayment target for the year and used \$15.5 million of its funds flow to reduce net debt⁽¹⁾. Despite average annual production being 8% lower year over year, funds flow was higher in 2019 due to increased light oil weighting, lower costs and improved commodity pricing.

- **Debt repayment** - Reduction of debt is the Company's first and foremost priority. Since December 31, 2015 Petrus has repaid \$103 million (45%) of net debt⁽¹⁾. This includes a \$55 million reduction of the Company's second lien term loan ("Term Loan") which was \$90 million in 2014 and currently has \$35 million outstanding. The Company's revolving credit facility ("RCF") and Term Loan are due in 2020 and therefore have been reclassified to current liabilities in the December 31, 2019 consolidated financial statements. The RCF maturity date is May 31, 2020 which was set prior to the Term Loan maturity of October 8, 2020 due to the inter-creditor relationship between the RCF and the Term Loan. The Company requires an extension of its Term Loan before the syndicate of lenders will contemplate an extension to the RCF. Management is currently in discussion with the Term Loan lender and continues to focus on its disciplined debt reduction strategy.
- **Stronger natural gas pricing** - The average benchmark natural gas price in Canada (AECO 5A monthly index) was \$2.35/GJ in the fourth quarter, a significant increase from the third quarter 2019 average price of \$0.87/GJ. In January 2020 the AECO 5A monthly index was \$2.18/ GJ. Petrus anticipates the impacts of TC Energy Corporation's previously announced Temporary Service Protocol, continued expansion of the NGTL system in 2020 and 2021 and current Alberta natural gas storage levels will all continue to support Canadian natural gas prices⁽²⁾.
- **Higher funds flow per share** - Fourth quarter 2019 production of 8,292 boe/d was 5% higher than the prior year and quarterly funds flow per share was \$0.19 in 2019, significantly higher (90%) than the \$0.10 generated in the prior year.
- **Free funds flow** - In 2019 Petrus generated funds flow of \$33.6 million (\$0.68 per share), invested \$18.1 million of capital to maintain production and exceeded its debt reduction target of \$1 to \$2 million per quarter; net debt⁽¹⁾ was reduced by \$15.5 million. During the fourth quarter of 2019, Petrus generated funds flow of \$9.3 million, more than double the funds flow generated in the third quarter.
- **Increased light oil weighting** - Fourth quarter average production included 1,834 bbl/d of light oil, which was a 47% increase from the third quarter. This was attributable to the new wells brought on production during the fourth quarter.

- Increased light oil reserve volumes - In 2019, the Company realized Finding Development and Acquisition ("FD&A") costs of \$13.31 per boe for PDP reserves. These finding costs were consistent with the best in the Company's history. In 2019, Petrus's development program generated PDP reserve volume additions of 1.3 mmboe which were comprised of 45% light oil. The Company produced 3.0 mmboe during 2019 and ended the year with 11.7 mmboe of PDP reserve volume (34% oil and liquids).
- Company best operating costs - Total annual operating costs were 11% lower than 2018 at \$4.25 per boe in 2019, which is the lowest in the Company's history (a 68% decrease since 2012). This marks the fourth consecutive year of operating cost reductions. The Company continues to focus on optimizing its cost structure, particularly in the Ferrier area, through facility ownership and control.
- Non-core asset disposition - In December 2019, Petrus entered into an agreement for the sale of its oil and natural gas interests in the Foothills area of Alberta to an arm's length private company for total consideration of \$1.8 million (the "Disposition"). The Disposition is expected to close in the first quarter of 2020, subject to regulatory approvals. The Company expects it will reduce Petrus's undiscounted, uninflated decommissioning obligation by approximately \$7.5 million or 18%. The cash proceeds from the Disposition will be used to reduce the borrowings under the Company's credit facility ⁽²⁾.

2020 Outlook

Petrus's Board of Directors has approved a first quarter 2020 capital budget of \$9.0 million to drill 2 (2.0 net) Cardium wells in the Ferrier area. First quarter funds flow combined with proceeds from the previously announced non-core asset disposition are expected to total \$9.5 million which will permit excess funds to be directed toward debt repayment⁽²⁾. Petrus is committed to maintaining its financial flexibility and the Company will determine subsequent quarter capital spending as the year progresses. For the coming year there is significant optionality in the number, the commodity composition and the location of drilling opportunities. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter by approximately \$1 to \$2 million. The objectives of the 2020 capital plan are to reduce debt, maintain or grow production, grow funds flow per share and increase the Company's liquids weighting. Petrus continues its efforts to divest additional non-core assets to improve the balance sheet and also continues its discussions with its lenders in order to extend the upcoming 2020 debt maturity dates.

⁽¹⁾ Refer to "Non-GAAP Financial Measures".

⁽²⁾ Refer to "Advisories - Forward-Looking Statements".

⁽³⁾ Refer to "Oil and Gas Disclosures".

SELECTED FINANCIAL INFORMATION

OPERATIONS	Twelve months ended Dec. 31, 2019	Twelve months ended Dec. 31, 2018	Three months ended Dec. 31, 2019	Three months ended Sept. 30, 2019	Three months ended Jun. 30, 2019
Average Production					
Natural gas (mcf/d)	32,032	37,101	32,641	30,998	32,350
Oil (bbl/d)	1,616	1,402	1,834	1,247	1,679
NGLs (bbl/d)	1,351	1,433	1,018	1,372	1,576
Total (boe/d)	8,306	9,019	8,292	7,785	8,647
Total (boe)	3,031,659	3,292,828	762,874	716,220	786,819
Light oil weighting	19	% 16	% 22	% 16	% 19
Realized Prices					
Natural gas (\$/mcf)	1.89	1.73	2.65	1.12	1.30
Oil (\$/bbl)	64.11	69.74	65.16	65.64	70.96
NGLs (\$/bbl)	22.13	40.50	20.62	11.49	19.91
Total realized price (\$/boe)	23.35	24.40	27.39	16.99	22.29
Royalty income	0.20	0.12	0.13	0.48	0.15
Royalty expense	(2.35)	(3.54)	(2.91)	(1.65)	(1.72)
Net oil and natural gas revenue (\$/boe)	21.20	20.98	24.61	15.82	20.72
Operating expense	(4.25)	(4.75)	(4.47)	(4.44)	(4.33)

Transportation expense	(1.26)	)	(1.15)	)	(1.30)	)	(1.25)	)	(1.22))
Operating netback ⁽¹⁾ (\$/boe)	15.69		15.08		18.84		10.13		15.17	
Realized gain (loss) on derivatives (\$/boe)	(0.44)	)	(0.90)	)	(1.86)	)	0.50		(1.02))
Other income	0.03		0.13		—		0.03		0.10	
General & administrative expense	(1.20)	)	(1.57)	)	(1.91)	)	(1.08)	)	(0.67))
Cash finance expense	(2.72)	)	(2.51)	)	(2.54)	)	(3.11)	)	(2.70))
Decommissioning expenditures	(0.28)	)	(0.14)	)	(0.41)	)	(0.29)	)	(0.24))
Funds flow & corporate netback ⁽¹⁾⁽²⁾ (\$/boe)	11.08		10.09		12.12		6.18		10.64	

FINANCIAL (000s except \$ per share)	Twelve months ended Dec. 31, 2019	Twelve months ended Dec. 31, 2018	Three months ended Dec. 31, 2019	Three months ended Sept. 30, 2018
Oil and natural gas revenue	71,398	80,716	20,998	12,517
Net income (loss)	(42,176)	(3,284)	(3,332)	(29,569)
Net income (loss) per share				
Basic	(0.85)	(0.07)	(0.06)	(0.60)
Fully diluted	(0.85)	(0.07)	(0.06)	(0.60)
Funds flow	33,625	33,184	9,260	4,427
Funds flow per share				
Basic	0.68	0.67	0.19	0.09
Fully diluted	0.68	0.67	0.19	0.09
Capital expenditures	18,073	24,098	4,351	2,734
Net dispositions	651	448	—	651
Weighted average shares outstanding				
Basic	49,472	49,492	49,469	49,469
Fully diluted	49,472	49,492	49,469	49,469
As at year end				
Common shares outstanding				
Basic	49,469	49,492	49,469	49,469
Fully diluted	49,469	49,492	49,469	49,469
Total assets	289,225	341,820	289,225	296,367
Non-current liabilities	42,346	171,646	42,346	82,650
Net debt ⁽¹⁾	123,744	139,214	123,744	128,553

⁽¹⁾Refer to "Non-GAAP Financial Measures".

⁽²⁾Corporate netback is equal to funds flow which is a directly comparable GAAP measure. Petrus analyzes these measures on an absolute value and per unit basis.

OPERATIONS UPDATE

Fourth quarter average production by area was as follows:

For the three months ended December 31, 2019	Ferrier	Foothills	Central Alberta	Total
Natural gas (mcf/d)	25,149	1,745	5,747	32,641
Oil (bbl/d)	1,357	135	342	1,834
NGLs (bbl/d)	852	8	158	1,018
Total (boe/d)	6,401	433	1,458	8,292

Fourth quarter average production was 8,292 boe/d in 2019 compared to 7,785 boe/d in the third quarter of 2019. During the second half of 2019 the Company drilled 7 gross (1.6 net) Cardium light oil wells. Average production from the 1.6 net wells over the fourth quarter, net to Petrus, was approximately 560 bbl/d of oil and approximately 1,600 mcf/d of natural gas. The Company's development plan is strategically balanced between increasing its Cardium light oil weighting in the Ferrier area and continuing to improve its balance sheet. In 2019, Petrus drilled 10 gross (3.1 net) Cardium light oil wells, increased its light oil weighting 24% from the beginning of 2018 and reduced net debt⁽¹⁾ \$15.5 million. Since December 31, 2017 Petrus has repaid \$24.3 million (16%) of net debt.

The average benchmark natural gas price in Canada (AECO 5A monthly index) was \$2.35/GJ in the fourth quarter, a significant increase from the third quarter 2019 average price of \$0.87/GJ. Petrus anticipates the impacts of TC Energy Corporation's previously announced Temporary Service Protocol, continued expansion of the NGTL system in 2020 and 2021 and current Alberta natural gas storage levels will all continue to support Canadian natural gas prices⁽²⁾.

Petrus' Board of Directors has approved a first quarter 2020 capital budget of \$9.0 million to drill 2 (2.0 net) Cardium light oil wells in the Ferrier area. First quarter funds flow combined with proceeds from the previously announced non-core asset disposition are expected to total \$9.5 million which will provide excess funds to be directed toward debt repayment. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter by approximately \$1 to \$2 million. The objectives of the 2020 capital plan are to reduce debt, maintain or grow production, grow funds flow per share and increase the Company's liquids weighting⁽²⁾.

Petrus believes it is unique in the junior E&P company space, as few gas-weighted companies are able to repay debt and grow production and funds flow all within funds from operations. Over the past four years, Petrus has dramatically strengthened its business in order to improve its sustainability as well as mitigate commodity price risk. Operating costs have been reduced by 68% since 2012 and management believes Petrus' total cash costs of \$9.43/boe are consistently one of the lowest amongst its peers. The Company intends to continue its disciplined focus on balance sheet improvement and capital deployment in 2020⁽²⁾.

CREDIT FACILITY UPDATE

In November 2019, Petrus completed its semi-annual revolving credit facility ("RCF") review where its \$100 million facility was reconfirmed. On December 31, 2019 Petrus reduced its borrowings under the RCF by \$2 million and expects to make another \$2 million repayment on March 31, 2020. The Company's RCF maturity date is May 31, 2020 which was set prior to the Company's term loan maturity date of October 8, 2020 ("Term Loan"), due to the inter-creditor relationship between the RCF and the Term Loan. The Company requires an extension of its Term Loan before the syndicate of lenders will contemplate an extension to the RCF. The borrowings under the RCF and Term Loan are classified as current liabilities in the December 31, 2019 consolidated financial statements which has no impact on the debt covenants and the Company remains, and expects to continue to be, in compliance with each of its covenants. Management is actively engaged in discussions with its lenders in order to extend the upcoming 2020 maturity dates. The Company continues its efforts to divest certain non-core assets to improve its balance sheet.

NON-CORE ASSET DISPOSITION

In December 2019, Petrus entered into an agreement for the sale of its oil and natural gas interests in the Foothills area of Alberta to an arm's length private company for total consideration of \$1.8 million, subject to regulatory approvals and customary closing conditions and adjustments (the "Disposition"). The Disposition has an effective date of November 1, 2019 and is expected to close in the first quarter of 2020. In the fourth quarter of 2019, production in the Company's Foothills area averaged approximately 433 boe/d (67% natural gas), which comprised 5% of Petrus' total production. The Foothills assets include facility interests and 35,127 net acres of undeveloped land. The Disposition is expected to reduce the Company's indebtedness, operating expenses and future abandonment liabilities. It is expected to reduce Petrus' undiscounted, uninflated decommissioning obligation by \$7.5 million or 18%. The cash proceeds from the Disposition will be used to reduce the borrowings under the Company's RCF.

⁽¹⁾Refer to "Non-GAAP Financial Measures".

⁽²⁾Refer to "Advisories - Forward-Looking Statements".

RESERVES

Petrus' 2019 year end reserves were evaluated by independent reserves evaluator, Sproule Associates Limited, in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") as of December 31, 2019 ("2019 Sproule Report"). Additional reserve information as required under NI 51-101 will be included in our Annual Information Form for the year ended December 31, 2019, which will be available under the Company's profile on SEDAR (the System for Electronic Document Analysis and Retrieval) at

www.sedar.com.

Petrus has a reserves committee, comprised of independent board members, that reviews the qualifications and appointment of the independent reserves evaluator. The committee also reviews the procedures for providing information to the evaluators. All booked reserves are based upon annual evaluations by the independent qualified reserve evaluator conducted in accordance with the COGE Handbook and NI 51-101. The evaluations are conducted using all available geological and engineering data. The reserves committee has reviewed the reserves information and approved the 2019 Sproule Report.

The following table provides a summary of the Company's before tax reserves as evaluated by Sproule:

Reserve Category	Total Company Interest ⁽¹⁾⁽³⁾						
	Conventional Natural Gas (mmcf)	Light and Medium Crude Oil (mbbl)	NGL (mbbl)	Total (mboe)	NPV 0% ⁽²⁾ (\$000s)	NPV 5% ⁽²⁾ (\$000s)	NPV 10% ⁽²⁾ (\$000s)
Proved Producing	46,105	1,248	2,723	11,655	143,061	151,543	138,707
Proved Non-Producing	18,202	5	91	3,129	15,255	11,428	9,032
Proved Undeveloped	56,397	1,260	4,763	15,422	204,442	138,197	95,400
Total Proved	120,703	2,513	7,576	30,207	362,758	301,168	243,140
Proved + Probable Producing	59,232	1,671	3,414	14,957	212,786	194,341	167,735
Total Probable	62,672	2,477	3,773	16,696	306,799	207,302	149,307
Total Proved Plus Probable	183,376	4,990	11,350	46,902	669,557	508,470	392,446

⁽¹⁾Tables may not add due to rounding.

⁽²⁾NPV 0%, NPV 5% and NPV 10% refer to the risked net present value of the future net revenue of the Company's reserves, discounted by 0%, 5% and 10%, respectively and is presented before tax and based on Sproule's pricing assumptions.

⁽³⁾Total company interest reserve volumes presented above and in the remainder of this Annual Report are presented as the Company's total working interest before the deduction of royalties (but after including any royalty interests of Petrus).

In 2019, Petrus's development program generated Proved Developed Producing ("PDP") reserve volume additions of 1.3 mmboe which were comprised of 45% light oil. The Company produced 3.0 mmboe during 2019 and ended the year with 11.7 mmboe of PDP reserve volume (34% oil and liquids).

Petrus ended 2019 with \$147.7 million, \$243.1 million and \$392.4 million of Proved Developed ("PD"), Total Proved ("TP"), and Proved plus Probable ("P+P"), respectively, reserve value before-tax, discounted at 10%, based on the 2019 Sproule Report. In 2019, the Company realized Finding and Development ("FD&A")⁽¹⁾⁽²⁾ costs of \$13.31/boe for PDP reserves.

Based on the 2019 Sproule Report, the Company's PDP reserve value before-tax, discounted at 10% is \$2.80 per share. On the same basis, the P+P reserve value is \$7.93 per share.

⁽¹⁾Refer to "Oil and Gas Disclosures".

⁽²⁾Certain changes in FD&A and F&D produce non-meaningful figures as discussed in "Oil and Gas Disclosures".

While FD&A and F&D costs, reserve life index, reserve replacement ratio and finding and development costs are commonly used in the oil and nature gas industry and have been prepared by management, these terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons.

FUTURE DEVELOPMENT COST

Future Development Cost ("FDC") reflects Sproule's best estimate of what it will cost to bring the P+P undeveloped reserves on production. The following table provides a summary of the Company's FDC as set forth in the 2019 Sproule Report:

Future Development Cost (\$000s)

	Total Proved	Total Proved + Probable
2020	41,019	54,452
2021	72,106	135,558
2022	50,186	57,561
2023	5,782	15,147
Thereafter	4,934	4,934
Total FDC, Undiscounted	174,027	267,652
Total FDC, Discounted at 10%	149,383	229,770

PERFORMANCE RATIOS

The following table highlights annual performance ratios for the Company from 2015 to 2019:

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Proved Producing					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	13.31	37.76	13.05	(0.43	) 2
F&D (\$/boe) ⁽¹⁾⁽²⁾	12.81	42.27	11.57	9.89	2
Reserve Life Index (yr) ⁽¹⁾	3.8	4.6	4.1	4.4	5
Reserve Replacement Ratio ⁽¹⁾	0.4	0.2	1.6	0.4	0
FD&A Recycle Ratio ⁽¹⁾	1.2	0.4	1.1	(24.8	) 0
Proved Developed					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	12.49	11.34	16.74	(0.23	) 3
F&D (\$/boe) ⁽¹⁾⁽²⁾	12.03	11.55	14.62	7.69	6
Reserve Life Index (yr) ⁽¹⁾	4.8	5.6	4.5	5.3	5
Reserve Replacement Ratio ⁽¹⁾	0.5	0.6	1.2	0.7	0
FD&A Recycle Ratio ⁽¹⁾	1.3	1.4	0.9	(46.3	) 0
Total Proved					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	1.09	8.73	14.33	(15.78	) 1
F&D (\$/boe) ⁽¹⁾⁽²⁾	(6.83	) 8.16	12.03	2.46	2
Reserve Life Index (yr) ⁽¹⁾	9.9	11.1	8.0	9.8	1
Reserve Replacement Ratio ⁽¹⁾	0.3	1.3	1.1	0.5	2
FD&A Recycle Ratio ⁽¹⁾	14.4	1.8	1.0	(0.7	) 0
Future Development Cost (\$000s)	174,027	194,757	182,086	201,556	2
Total Proved + Probable					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	(7.32	) 6.49	14.87	350.09	1
F&D (\$/boe) ⁽¹⁾⁽²⁾	190.21	5.15	17.28	(8.06	) 1
Reserve Life Index (yr) ⁽¹⁾	15.4	17.1	12.3	14.6	1
Reserve Replacement Ratio ⁽¹⁾	—	1.5	1.7	(0.1	) 3
FD&A Recycle Ratio ⁽¹⁾	(2.1	) 2.4	1.0	—	1
Future Development Cost (\$000s)	267,652	290,876	283,030	269,144	3

⁽¹⁾Refer to "Oil and Gas Disclosures".

⁽²⁾Certain changes in FD&A and F&D produce non-meaningful figures as discussed in "Oil and Gas Disclosures".

While FD&A and F&D costs, reserve life index, reserve replacement ratio and finding and development costs are commonly used in the oil and nature gas industry and have been prepared by management, these terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons.

NET ASSET VALUE

The following table shows the Company's Net Asset Value ("NAV"), calculated using Sproule's December 31, 2019 price forecast:

As at December 31, 2019 (\$000s except per share)

	Proved Producing	Developed	Total Proved	Proved + Probable
Present Value Reserves, before tax (discounted at 10%) ⁽¹⁾	138,707		243,140	392,446
Undeveloped Land Value ⁽²⁾	36,116		36,116	36,116
Net Debt ⁽³⁾	(123,744	)	(123,744	) (123,744
Net Asset Value	51,079		155,512	304,818
Estimated Net Asset Value per Share	\$1.03		\$3.14	\$6.16

⁽¹⁾Based on the 2019 Sproule Report, using the forecast future prices and costs.

⁽²⁾Based on the exploration and evaluation assets as per the Company's December 31, 2019 audited consolidated financial statements.

⁽³⁾See "Non-GAAP Financial Measures".

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held at 240FOURTH (previously BP Centre) 240, 4th Ave SW Calgary, Alberta, on Tuesday May 5, 2020 at 2:00 p.m. (Calgary time).

An updated corporate presentation can be found on the Company's website at www.petrusresources.com.

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NON-GAAP FINANCIAL MEASURES

This press release makes reference to the terms "operating netback", "corporate netback" and "net debt". These indicators are not recognized measures under GAAP (IFRS) and do not have a standardized meaning prescribed by GAAP (IFRS). Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Management uses these terms for the reasons set forth below.

Operating Netback

Operating netback is a common non-GAAP financial measure used in the oil and natural gas industry which is a useful supplemental measure to evaluate the specific operating performance by product at the oil and natural gas lease level. The most directly comparable GAAP measure to operating netback is funds flow. Operating netback is calculated as oil and natural gas revenue less royalties, operating and transportation expenses. It is presented on an absolute value and per unit basis.

Funds Flow and Corporate Netback

Corporate netback is a common non-GAAP financial measure used in the oil and natural gas industry which evaluates the Company's profitability at the corporate level. Corporate netback is equal to funds flow which is a directly comparable GAAP measure. Petrus analyzes these measures on an absolute value and per unit basis. Management believes that funds flow and corporate netback provide information to assist a reader in understanding the Company's profitability relative to current commodity prices. It is calculated, in the following table, as the operating netback less general and administrative expense, finance expense, decommissioning expenditures, plus other income and the net realized gain (loss) on financial derivatives.

Net Debt

Net debt is a non-GAAP financial measure and is calculated as current assets (excluding unrealized financial derivative assets) less current liabilities (excluding unrealized financial derivative liabilities, right-of-use lease obligations, and deferred share unit liabilities) and long term debt. Petrus uses net debt as a key indicator of its leverage and strength of its balance sheet. There is no GAAP measure that is reasonably comparable to net debt.

ADVISORIES

Basis of Presentation

Financial data presented above has largely been derived from the Company's financial statements,

prepared in accordance with GAAP which require publicly accountable enterprises to prepare their financial statements using IFRS. Accounting policies adopted by the Company are set out in the notes to the consolidated financial statements as at and for the twelve months ended December 31, 2019. The reporting and the measurement currency is the Canadian dollar. All financial information is expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements

Certain information regarding Petrus set forth in this press release contains forward-looking statements within the meaning of applicable securities law, that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such statements represent Petrus' internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital investment, anticipated future debt, production, revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Petrus believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Petrus' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Petrus.

In particular, forward-looking statements included in this press release include, but are not limited to, statements with respect to: the anticipated impacts of TSP; continued expansion of the NGTL system and low Alberta natural gas storage levels; Petrus' ability to modify its operations; Petrus' business plan and expected debt repayment in 2020 and the anticipated results thereof; the Closing of the Disposition, including the timing and results thereof; Petrus' expected drilling and operations activities in 2020; the results of Petrus' 2019 capital plan and the targets thereof; Petrus' 2020 capital plan and the expected results thereof; expectations regarding the adequacy of Petrus' liquidity and the funding of its financial liabilities; Petrus' ability to extend the RCF and Term Loan and the timing thereof; the impact of the current economic environment on Petrus; the performance characteristics of the Company's crude oil, NGL and natural gas properties; future prospects; the focus of and timing of capital expenditures; access to debt and equity markets; Petrus' future operating and financial results; capital investment programs; supply and demand for crude oil, NGL and natural gas; future royalty rates; drilling, development and completion plans and the results therefrom; and treatment under governmental regulatory regimes and tax laws. In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

These forward-looking statements are subject to numerous risks and uncertainties, most of which are beyond the Company's control, including the impact of general economic conditions; volatility in market prices for crude oil, NGL and natural gas; industry conditions; currency fluctuation; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition; the lack of availability of qualified personnel or management; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; stock market volatility; ability to access sufficient capital from internal and external sources; completion of the financing on the timing planned and the receipt of applicable approvals; and the other risks. With respect to forward-looking statements contained in this press release, Petrus has made assumptions regarding: future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment and services; effects of regulation by governmental agencies; and future operating costs. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide shareholders with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Petrus' prospective results of operations including, without limitation, its ability to repay debt, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Petrus will derive therefrom. Petrus has included the FOFI in order to provide readers with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes.

These forward-looking statements and FOFI are made as of the date of this press release and the Company disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

BOE Presentation

The oil and natural gas industry commonly expresses production volumes and reserves on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved measurement of results and comparisons with other industry participants. Petrus uses the 6:1 boe measure which is the approximate energy equivalence of the two commodities at the burner tip. Boe's do not represent an economic value equivalence at the wellhead and therefore may be a misleading measure if used in isolation.

Abbreviations

<i>\$000's</i>	<i>thousand dollars</i>
<i>\$/bbl</i>	<i>dollars per barrel</i>
<i>\$/boe</i>	<i>dollars per barrel of oil equivalent</i>
<i>\$/GJ</i>	<i>dollars per gigajoule</i>
<i>\$/mcf</i>	<i>dollars per thousand cubic feet</i>
<i>bbl</i>	<i>barrel</i>
<i>bbl/d</i>	<i>barrels per day</i>
<i>boe</i>	<i>barrel of oil equivalent</i>
<i>mboe</i>	<i>barrel of oil equivalent</i>
<i>mmboe</i>	<i>thousand barrel of oil equivalent</i>
<i>boe/d</i>	<i>million barrel of oil equivalent per day</i>
<i>GJ</i>	<i>gigajoule</i>
<i>GJ/d</i>	<i>gigajoules per day</i>
<i>mcf</i>	<i>thousand cubic feet</i>
<i>mcf/d</i>	<i>thousand cubic feet per day</i>
<i>mmcf/d</i>	<i>million cubic feet per day</i>
<i>NGLs</i>	<i>natural gas liquids</i>
<i>WTI</i>	<i>West Texas Intermediate</i>

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