

Petrus Resources Announces Termination Of Previously Announced Disposition And Operations Update

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CALGARY, April 01, 2020 - [Petrus Resources Ltd.](#) ("Petrus" or the "Company") (TSX: PRQ) announces the termination of its previously announced disposition of its oil and natural gas interests in the Foothills area (the "Disposition").

Petrus has been advised in writing by the purchaser that they are terminating the asset purchase and sale agreement (the "Agreement") providing for the Disposition. The Disposition was to be for total consideration of \$1.8 million, subject to customary closing conditions and adjustments. Concurrent with the signing of the Agreement, the purchaser deposited \$90,000 with an escrow agent which will now be released to Petrus pursuant to the terms of the Agreement.

OPERATIONS UPDATE

With the recent extreme collapse in oil prices, Petrus is actively assessing its future capital plans. The Board of Directors of Petrus sets its capital budget on a quarterly basis instead of an annual basis in order to reduce capital commitments to shorter time frames given the increasing volatility in the energy industry. This approach allows Petrus to protect its balance sheet in more real-time and allows the Company to focus on its primary objective of quarterly debt reductions.

Based on Petrus' high working interest and control of its infrastructure system, Petrus is able to decrease or increase capital development spending with very limited lead time. Similar to its peers, the Company's future drilling plans are expected to be significantly reduced to protect the balance sheet. Petrus does not currently expect any significant capital spending in the second quarter and will continue to evaluate future capital plans as time progresses.

Petrus' first quarter capital spending has been completed with the drilling and completion of 2 (2.0 net) Cardium oil wells. The wells are currently on production at very restricted production rates given the current low commodity price environment.

Petrus utilizes financial derivative contracts to mitigate commodity price risk and provide stability and sustainability to the Company's funds flow and capital development plan. As a percentage of fourth quarter 2019 production, Petrus has derivative contracts in place for 59% at an average price of \$75.35 CAD/bbl and 41% at an average price of \$1.74 CAD/mcf, of its oil and natural gas production, respectively, for 2020.

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

For further information, please contact:
Neil Korchinski, P.Eng.
President and Chief Executive Officer
T: 403-930-0889
E: nkorchinski@petrusresources.com

ADVISORIES

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. In particular, forward-looking statements in this press release include statements with respect to the release of the deposit to Petrus, the Company's approach to setting its budget and the rationale therefor and the expected capital spending for the second quarter of 2020. Such statements represent Petrus' internal views about future events. 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 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.

These forward-looking statements are subject to certain risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions; the impact of COVID-19; volatility in market prices for crude oil, NGL and natural gas; industry conditions; currency fluctuation; any future asset dispositions; the utilization of financial derivative contracts; and other risks.

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

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