# Petrus Resources Announces Year End 2021 Financial, Operating & Reserves Results

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CALGARY, March 03, 2022 - 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, 2021 and to provide 2021 year end reserves information as evaluated by Insite Petroleum Consultants Ltd. ("Insite"). 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.

An updated corporate presentation as well as the monthly activity update can be found on the Company's website at www.petrusresources.com.

Q4 2021 HIGHLIGHTS

- Commodity price improvement - Realized price per boe increased by 92% in the fourth quarter of 2021 compared to the fourth quarter of 2020 due to strengthened oil, natural gas and NGL pricing, which increased by 81%, 78% and 140%, respectively.
- Operating netback up 112% - Operating netback(1) increased by 122% to $33.12/boe in the fourth quarter of 2021 up from $14.95/boe in the fourth quarter of 2020.
- Total funds flow up 62% - Petrus generated funds flow and corporate netback(2) of $10.4 million and $19.26/boe in the fourth quarter of 2021, 62% and 75% higher, respectively, than the fourth quarter of the prior year.
- Increased capital activity - Petrus incurred capital expenditures of $12.2 million in the fourth quarter of 2021 compared to $2.8 million in the fourth quarter of 2020. Petrus began execution of its fourth quarter 2021 drilling program in November, which included the Company's first operated well in North Ferrier. In December, the Company drilled two net wells in its core Ferrier area.

ANNUAL 2021 HIGHLIGHTS

- Transformative debt reduction - During 2021, Petrus executed transactions that transformed its debt position, as follows:
  - Reduced net debt(1) by 46% from $114.4 million to $61.8 million;
  - Debt to fourth quarter 2021 annualized funds flow (excluding realized hedge settlements) is now 1.5x;
  - Second lien term loan settled in full; and
  - First lien debt is now fully conforming at $57.7 million drawn.
- Funds flow per boe up 41% - Petrus generated funds flow and corporate netback of $33.4 million and $15.19/boe in 2021, 26% and 40% higher, respectively, than funds flow of $26.4 million and $10.93/boe in 2020.
- Capital expenditures doubled - Petrus incurred $26.9 million of capital expenditures in 2021, compared to $14.3 million in 2020; drilling ten gross (6.4 net) wells in Ferrier and North Ferrier.
- Maintained production - Petrus held production relatively flat at 6,009 boe/d through 2021 as it focused on debt repayment, which limited capital reinvestment during the first nine months of the year.

2022 OUTLOOK(3)

The completion of the debt restructuring transactions during the third quarter of 2021 transformed Petrus

from a company with limited capital resources to one with the ability to create meaningful shareholder value. The substantial debt reduction associated with the second lien debt settlement and equity financing has bolstered the Company's financial position and provides the flexibility required to invest in the development of its land base and unlock proven value.

On March 1, 2022, the Company entered into a definitive agreement to acquire producing oil and gas properties that are held by a privately owned limited partnership and its general partner (the "Acquired Entities") for total consideration of approximately $14.4 million, consisting of 10 million common shares of the Company issued at a deemed price of $1.44 per share based on the volume weighted average trading price of the common shares of the Company on the TSX for the five trading days prior to the date of the Agreement (the "Acquisition"). The Acquisition is expected to close in March 2022 and is subject to customary closing conditions. For more information, please refer to the related press release dated March 1, 2022.

Petrus' Board of Directors has approved a 2022 capital budget of $50 to $55 million. Capital will be largely focused on the drilling, completion and tie-in of 14 net wells in Ferrier. The 2022 budget was constructed using a price forecast of WTI at US$69.00/bbl, AECO at $3.20/GJ and a foreign exchange rate of US$0.79. Through the successful execution of this capital plan and with the Acquired Entities now included, Petrus is expecting to:

- Achieve a 2022 exit production rate of 9,000 to 9,500 boe per day (62% conventional natural gas, 25% light crude oil and 13% natural gas liquids), a projected increase of 40 to 50% compared to 2021 average annual production.
- Generate in excess of $60 million in annual funds flow, an anticipated 65 to 80% improvement compared to 2021 results.
- Continue to reduce debt and further strengthen the Company's balance sheet.

*(1)Non-GAAP measure or non-GAAP ratio. Refer to "Non-GAAP and Other Financial Measures" below.*
*(2)Corporate netback is equal to funds flow, which is a comparable additional GAAP measure. Petrus analyzes these measures on an absolute value and per unit basis. Refer to "Non-GAAP and Other Financial Measures".*
*(3)Refer to "Advisories - Forward-Looking Statements" below.*

SELECTED FINANCIAL INFORMATION

| OPERATIONS | Twelve months ended Dec. 31, 2021 | | Twelve months ended Dec. 31, 2020 | | Three months ended Dec. 31, 2021 | | Three m ended Sept. 30 |
|---|---|---|---|---|---|---|---|
| Average production | | | | | | | |
| Natural gas (mcf/d) | 23,680 | | 27,640 | | 23,494 | | 23,942 |
| Oil (bbl/d) | 1,019 | | 1,021 | | 1,002 | | 937 |
| NGLs (bbl/d) | 1,043 | | 980 | | 962 | | 1,010 |
| Total (boe/d) | 6,009 | | 6,608 | | 5,880 | | 5,937 |
| Total (boe) | 2,193,432 | | 2,418,259 | | 540,924 | | 546,227 |
| Light oil weighting | 17 | % | 15 | % | 20 | % | 21 |
| Realized Prices | | | | | | | |
| Natural gas ($/mcf) | 4.03 | | 2.57 | | 5.45 | | 4.04 |
| Oil ($/bbl) | 78.82 | | 44.14 | | 89.71 | | 82.56 |
| NGLs ($/bbl) | 44.09 | | 20.84 | | 56.35 | | 45.10 |
| Total realized price ($/boe) | 36.90 | | 20.67 | | 46.29 | | 37.00 |
| Royalty income | 0.14 | | 0.16 | | 0.06 | | 0.18 |
| Royalty expense | (4.72 | ) | (2.15 | ) | (6.34 | ) | (3.94 |
| Net oil and natural gas revenue ($/boe) | 32.32 | | 18.68 | | 40.01 | | 33.24 |
| Operating expense | (5.89 | ) | (4.64 | ) | (5.02 | ) | (5.57 |
| Transportation expense | (1.79 | ) | (1.43 | ) | (1.87 | ) | (1.81 |

| | | | | |
|---|---|---|---|---|
| Operating netback[1] ($/boe) | 24.64 | 12.61 | 33.12 | 25.86 |
| Realized gain (loss) on derivatives ($/boe) | (5.34) | 2.70 | (9.52) | (6.41 |
| Other income (cash) | 0.49 | 0.15 | 0.04 | 0.02 |
| General & administrative expense | (1.95) | (1.41) | (2.24) | (1.47 |
| Cash finance expense | (2.34) | (2.75) | (1.58) | (3.30 |
| Decommissioning expenditures | (0.31) | (0.37) | (0.56) | (0.27 |
| Funds flow & corporate netback[2] ($/boe) | 15.19 | 10.93 | 19.26 | 14.43 |

| FINANCIAL (000s except $ per share) | Twelve months ended Dec. 31, 2021 | Twelve months ended Dec. 31, 2020 | Three months ended Dec. 31, 2021 | Three m Sept. 30 |
|---|---|---|---|---|
| Oil and natural gas revenue | 81,268 | 50,368 | 25,070 | 20,306 |
| Net income (loss) | 114,556 | (97,554) | 114,633 | 7,343 |
| Net income (loss) per share | | | | |
| Basic | 1.83 | (1.97) | 1.19 | 0.04 |
| Fully diluted | 1.76 | (1.97) | 1.11 | 0.03 |
| Funds flow | 33,354 | 26,397 | 10,418 | 7,874 |
| Funds flow per share | | | | |
| Basic | 0.53 | 0.53 | 0.11 | 0.15 |
| Fully diluted | 0.51 | 0.53 | 0.10 | 0.14 |
| Capital expenditures | 26,916 | 14,298 | 12,235 | 6,101 |
| Weighted average shares outstanding | | | | |
| Basic | 62,557 | 49,469 | 96,660 | 54,167 |
| Fully diluted | 65,207 | 49,469 | 102,868 | 57,638 |
| As at period end | | | | |
| Common shares outstanding | | | | |
| Basic | 96,708 | 49,469 | 96,708 | 96,603 |
| Fully diluted | 103,889 | 49,469 | 103,889 | 100,074 |
| Total assets | 290,492 | 177,914 | 290,492 | 173,101 |
| Non-current liabilities | 42,172 | 45,321 | 42,172 | 40,200 |
| Net debt[1] | 61,779 | 114,361 | 61,779 | 60,071 |

*[1]Non-GAAP measure or non-GAAP ratio. Refer to "Non-GAAP and Other Financial Measures" below.*
*[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. Refer to "Non-GAAP and Other Financial Measures".*

OPERATIONS UPDATE

Fourth quarter average production by area was as follows:

| For the three months ended December 31, 2021 | Ferrier | North Ferrier | Foothills | Central Alberta | Kakwa | Total |
|---|---|---|---|---|---|---|
| Natural gas (mcf/d) | 16,288 | 1,194 | 1,405 | 4,415 | 163 | 23,465 |
| Oil (bbl/d) | 560 | 40 | 109 | 257 | 37 | 1,003 |
| NGLs (bbl/d) | 799 | 26 | 5 | 132 | 4 | 966 |
| Total (boe/d) | 4,073 | 265 | 347 | 1,126 | 69 | 5,880 |

Fourth quarter 2021 production averaged 5,880 boe/d compared to 5,937 boe/d in the previous quarter. Three gross (3.0 net) wells were drilled with one well brought on production late in the quarter adding 114 boe/d to the fourth quarter average, which offset natural declines. Production was relatively consistent quarter over quarter.

RESERVES

Petrus' 2021 year end reserves were evaluated by independent reserves evaluator, InSite Petroleum Consultants Ltd. ("Insite"), 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, 2021 ("2021 Insite Report"). Additional reserve information as required under NI 51-101 will be included in our Annual Information Form for the year ended December 31, 2021, 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 a majority 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 2021 Insite Report.

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

| As at December 31, 2021 | Total Company Interest [1][3] | | | | | | |
|---|---|---|---|---|---|---|---|
| Reserve Category | 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 | 49,580 | 885 | 2,550 | 11,698 | 119,994 | 136,554 | 128,517 |
| Proved Non-Producing | 1,066 | 2 | 24 | 204 | 1,756 | 1,509 | 1,329 |
| Proved Undeveloped | 82,065 | 1,725 | 5,797 | 21,200 | 302,220 | 193,014 | 130,575 |
| Total Proved | 132,711 | 2,612 | 8,371 | 33,101 | 423,970 | 331,078 | 260,421 |
| Proved + Probable Producing | 59,462 | 1,057 | 3,049 | 14,017 | 163,359 | 162,738 | 146,541 |
| Total Probable | 67,070 | 2,300 | 3,812 | 17,291 | 321,029 | 193,091 | 130,210 |
| Total Proved Plus Probable | 199,781 | 4,912 | 12,183 | 50,392 | 744,999 | 524,168 | 390,631 |

*[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 Insite's pricing assumptions.*
*[3]Total company interest reserve volumes presented above and in the remainder of this press release are presented as the Company's total working interest before the deduction of royalties (but after including any royalty interests of Petrus).*

In 2021, Petrus' development program generated proved developed producing ("PDP") reserve volume additions of 3.0 mmboe. The Company produced 2.2 mmboe and had dispositions of 1.3 mmboe of PDP reserves. The Company ended the year with 11.7 mmboe of PDP reserves (29% crude oil and liquids).

Petrus ended 2021 with $129.9 million, $260.4 million and $390.6 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 2021 Insite Report. In 2021, the Company realized Finding, Development and Acquisition ("FD&A") costs of $15.64/boe for PDP reserves.

Based on the 2021 Insite Report, the Company's PDP reserve value before-tax, discounted at 10% is $1.33 per share (96,707,912 basic common shares outstanding at December 31, 2021). On the same basis, the P+P reserve value before tax, discounted at 10%, is $4.04 per share.

FUTURE DEVELOPMENT COST
Future Development Cost ("FDC") reflects Insite'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 2021 Insite Report:

| Future Development Cost ($000s) | Total Proved | Total Proved + Probable |
|---|---|---|
| 2022 | 49,560 | 49,560 |
| 2023 | 68,890 | 76,030 |
| 2024 | 68,752 | 68,752 |
| 2025 | 40,854 | 82,203 |
| 2026 | 5,629 | 66,942 |
| Total FDC, Undiscounted | 233,684 | 343,489 |
| Total FDC, Discounted at 10% | 194,687 | 270,860 |

PERFORMANCE RATIOS

The following table highlights annual performance ratios for the Company from 2017 to 2021[3]:

| | December 31, 2021 | December 31, 2020 | December 31, 2019 | December 31, 2018 | D |
|---|---|---|---|---|---|
| Proved Producing | | | | | |
| FD&A ($/boe) [1][2] | 15.64 | 4.83 | 13.31 | 37.76 | 1 |
| F&D ($/boe) [1][2] | 8.90 | 4.83 | 12.81 | 42.27 | 1 |
| Reserve Life Index (yr) [1] | 5.4 | 5.2 | 3.8 | 4.6 | 4 |
| Reserve Replacement Ratio [1] | 1.4 | 1.2 | 0.4 | 0.2 | 1 |
| FD&A Recycle Ratio [1] | 1.6 | 2.6 | 1.2 | 0.4 | 1 |
| Proved Developed | | | | | |
| FD&A ($/boe) [1][2] | 14.54 | 4.71 | 12.49 | 11.34 | 1 |
| F&D ($/boe) [1][2] | 8.53 | 4.71 | 12.03 | 11.55 | 1 |
| Reserve Life Index (yr) [1] | 5.5 | 5.2 | 4.8 | 5.6 | 4 |
| Reserve Replacement Ratio [1] | 1.4 | 1.2 | 0.5 | 0.6 | 1 |
| FD&A Recycle Ratio [1] | 1.7 | 2.7 | 1.3 | 1.4 | 0 |
| Total Proved | | | | | |
| FD&A ($/boe) [1][2] | 10.51 | 1.29 | 1.09 | 8.73 | 1 |
| F&D ($/boe) [1][2] | 9.24 | 1.29 | (6.83) | 8.16 | 1 |
| Reserve Life Index (yr) [1] | 15.3 | 10.9 | 9.9 | 11.1 | 8 |
| Reserve Replacement Ratio [1] | 5.1 | (1) | 0.3 | 1.3 | 1 |
| FD&A Recycle Ratio [1] | 2.3 | 9.8 | 14.4 | 1.8 | 1 |
| Future Development Cost ($000s) | 233,684 | 156,815 | 174,027 | 194,757 | 1 |
| Total Proved + Probable | | | | | |
| FD&A ($/boe) [1][2] | 10.57 | 0.37 | (7.32) | 6.49 | 1 |
| F&D ($/boe) [1][2] | 8.36 | 0.37 | 190.21 | 5.15 | 1 |
| Reserve Life Index (yr) [1] | 23.3 | 17.7 | 15.4 | 17.1 | 1 |
| Reserve Replacement Ratio [1] | 6.4 | (1.3) | - | 1.5 | 1 |
| FD&A Recycle Ratio [1] | 2.3 | 33.7 | (2.1) | 2.4 | 1 |
| Future Development Cost ($000s) | 343,489 | 252,335 | 267,652 | 290,876 | 2 |

*[1]Refer to "Oil and Gas Disclosures" below.*
*[2]Certain changes in FD&A costs and F&D costs produce non-meaningful figures as discussed in "Oil and Gas Disclosures" below.*
*[3]While FD&A costs and F&D costs, reserve life index, reserve replacement ratio and FD&A recycle ratio 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 the 2021 Insite Report and Insite's December 31, 2021 price forecast:

| As at December 31, 2021 ($000s except per share) | Proved Developed Producing | Total Proved | Proved + Prob |
|---|---|---|---|
| Present Value Reserves, before tax (discounted at 10%) (1) | 128,517 | 260,421 | 390,631 |
| Undeveloped Land Value (2) | 35,634 | 35,634 | 35,634 |
| Net Debt (3) | (61,779) | (61,779) | (61,779 |
| Net Asset Value | 102,372 | 234,276 | 364,486 |
| Fully Diluted Shares Outstanding | 103,889 | 103,889 | 103,889 |
| Estimated Net Asset Value per Share | $0.99 | $2.26 | $3.51 |

*(1)Based on the 2021 Insite Report, using the forecast future prices and costs.*
*(2)Based on the exploration and evaluation assets as per the Company's December 31, 2021 audited consolidated financial statements.*
*(3)See "Non-GAAP and Other Financial Measures" below.*

ANNUAL GENERAL MEETING
The Company's Annual General Meeting will be held at 240FOURTH (previously BP Centre) 240, 4th Ave SW Calgary, Alberta, on Thursday May 12, 2022 at 1:30 p.m. (Calgary time).

For further information, please contact:

Ken Gray, P.Eng.
President and Chief Executive Officer
T: (403) 930-0889
E: kgray@petrusresources.com

NON-GAAP AND OTHER FINANCIAL MEASURES
This press release makes reference to the terms "operating netback", "corporate netback" and "net debt". These non-GAAP and other financial measures 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. These non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS as indicators of our performance. Management uses these non-GAAP and other financial measures 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 type at the oil and natural gas lease level. The most directly comparable GAAP measure to operating netback is funds flow / oil and natural gas revenue. Operating netback is calculated as oil and natural gas revenue less royalties and operating and transportation expenses. It is presented on an absolute value and on a per unit (boe) basis as a non-GAAP ratio. See below for a reconciliation of operating netback to oil and natural gas revenue.

*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 on a per unit (boe) basis as a non-GAAP ratio. 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. They are calculated 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. See below for a reconciliation of funds flow and corporate netback to oil and natural gas revenue.

| | Three months ended December 31, 2021 | | Three months ended December 31, 2020 | | Twelve months ended December 31, 2021 | | Twelve Decemb |
|---|---|---|---|---|---|---|---|
| | $000s | $/boe | $000s | $/boe | $000s | $/boe | $000s |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Oil and natural gas revenue | 25,070 | | 46.35 | | 14,143 | | 24.18 | | 81,268 | | 37.04 | | 50,368 |
| Royalty expense | (3,429 | ) | (6.34 | ) | (1,183 | ) | (2.02 | ) | (10,361 | ) | (4.72 | ) | (5,194 |
| Net oil and natural gas revenue | 21,641 | | 40.01 | | 12,960 | | 22.16 | | 70,907 | | 32.32 | | 45,174 |
| Transportation expense | (1,010 | ) | (1.87 | ) | (983 | ) | (1.68 | ) | (3,920 | ) | (1.79 | ) | (3,452 |
| Operating expense | (2,715 | ) | (5.02 | ) | (3,237 | ) | (5.53 | ) | (12,914 | ) | (5.89 | ) | (11,223 |
| Operating netback | 17,916 | | 33.12 | | 8,740 | | 14.95 | | 54,073 | | 24.64 | | 30,499 |
| Realized gain (loss) on financial derivatives | (5,148 | ) | (9.52 | ) | 381 | | 0.65 | | (11,713 | ) | (5.34 | ) | 6,518 |
| Other income | 21 | | 0.04 | | 184 | | 0.31 | | 1,075 | | 0.49 | | 354 |
| General & administrative expense | (1,213 | ) | (2.24 | ) | (1,059 | ) | (1.81 | ) | (4,274 | ) | (1.95 | ) | (3,409 |
| Cash finance expense[1] | (856 | ) | (1.58 | ) | (1,456 | ) | (2.49 | ) | (5,133 | ) | (2.34 | ) | (6,661 |
| Decommissioning expenditures | (302 | ) | (0.56 | ) | (366 | ) | (0.63 | ) | (674 | ) | (0.31 | ) | (904 |
| Funds flow and corporate netback | 10,418 | | 19.26 | | 6,424 | | 10.98 | | 33,354 | | 15.19 | | 26,397 |

*[1]Excludes non-cash Term Loan interest payment-in-kind.*

*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. See below for a reconciliation of net debt to long-term debt, being our nearest measure prescribed by GAAP (IFRS).

| ($000s) | As at December 31, 2021 | As at December 31, 2020 |
|---|---|---|
| Adjusted current assets[1] | 15,611 | 7,428 |
| Less: adjusted current liabilities[1] | (77,390 ) | (121,789 ) |
| Net debt | (61,779 ) | (114,361 ) |

*[1]Adjusted for unrealized risk management assets, liabilities, lease obligations and unrealized deferred share unit liabilities.*

OIL AND GAS DISCLOSURES
Our oil and gas reserves statement for the year ended December 31, 2021, which includes disclosure of our oil and natural gas reserves and other oil and natural gas information in accordance with NI 51-101, is contained in the AIF. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Petrus' operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

*F&D Costs and FD&A Costs*
FD&A cost is defined as capital costs for the time period including change in FDC divided by change in reserves including revisions and production for that same time period. F&D cost is defined as capital costs for the time period including change in FDC divided by change in reserves including revisions and production for that same time period, excluding acquisitions and dispositions. Both F&D costs and FD&A costs take into account reserves revisions during the year on a per boe basis. The methodology used to calculate F&D costs includes disclosure required to bring the proved undeveloped and probable reserves to production. Annually, changes in forecast FDC occur as a result of Petrus' development, acquisition and disposition activities, undeveloped reserve revision and capital cost estimates. These values reflect the independent evaluator's best estimate of the cost to bring the proved and probable undeveloped reserves to production.

*Reserve Life Index*
Reserve life index is defined as total reserves by category divided by the annualized fourth quarter production.

*Reserve Replacement Ratio*
The reserve replacement ratio is calculated by dividing the yearly change in reserves net of production by the

actual annual production for the year.

*FD&A Recycle Ratio*
The FD&A recycle ratio is calculated by dividing operating netback by FD&A.

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 audited consolidated financial statements as at and for the twelve months ended December 31, 2021. 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 new 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, 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 ability of Petrus to create meaningful shareholder value; that Petrus has the flexibility required to invest in the development of its land base and unlock proven value; our 2022 capital budget and the components thereof, including the wells that we intend to drill; our forecast for 2022 exit production rate including by product type; our forecast for 2022 funds flow; our ability to continue to reduce debt and further strengthen the Company's balance sheet. 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; the ability of the Company to renegotiate or refinance its credit facility ("RCF") at or before maturity; 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; and the other risks and uncertainties described in our annual information form. With respect to forward-looking statements contained in this press release, Petrus has made assumptions regarding: future commodity prices (including as disclosed herein) and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; ability to renegotiate and/or refinance Petrus' RCF; 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 investors 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 2022 capital budget, its forecast for 2022 funds flow and 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*

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

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