Notice of Annual General Meeting of
Shareholders to be held on May 15, 2015

Notice is hereby given that the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Petrus Resources Ltd. (the "**Corporation**") will be held at the Jamieson Place Conference Centre, 3rd floor, 308 - 4th Avenue SW, Calgary, Alberta on Friday, May 15, 2015 at 9:00 a.m. (Calgary time) to:

1. receive the financial statements of the Corporation for the year ended December 31, 2014, together with the auditor's report thereon;
2. fix the number of directors of the Corporation to be elected at the Meeting at six (6) directors;
3. elect six (6) directors of the Corporation for the ensuing year;
4. appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such; and
5. transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the form of proxy and deposit it with the Corporation's transfer agent, Valiant Trust Company at Suite 310, 606 – 4th Street SW Calgary, AB, T2P 1T1 or by facsimile at (403) 233-2857 or you may use the internet site at https://proxy.valianttrust.com to transmit your voting instructions. You should have your form of proxy in hand when you access the web site. You will be prompted to enter your Control Number, which is located on the Form of Proxy. In order to be valid and acted upon at the Meeting, the form of proxy must be returned to Valiant Trust Company not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the use of mail to transmit proxies is at each shareholder's risk.

Only Shareholders of record at the close of business on April 13, 2015, (the "**Record Date**") are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice of Annual General Meeting of Shareholders.

DATED at Calgary, Alberta this 13th day of April, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Kevin Adair*"
Kevin Adair
President, Chief Executive Officer and a Director

Management Information Circular and Proxy Statement dated April 13, 2015
for the Annual General Meeting of the Holders of Common Shares of
Petrus Resources Ltd. to be Held on May 15, 2015

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Petrus Resources Ltd. (the "**Corporation**" or "**Petrus**") for use at the Annual General Meeting of the holders of common shares ("**Shareholders**") of the Corporation (the "**Meeting**") to be held on Friday, May 15, 2015 at the Jamieson Place Conference Centre, 3rd floor, 308 – 4th Avenue S.W., Calgary, Alberta at 9:00 a.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting as at the close of business on April 13, 2015 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the form of proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy. In order to be effective, the form of proxy must be deposited with Valiant Trust Company, the registrar and transfer agent of the Corporation, at Suite 310, 606 – 4th Street SW Calgary, AB, T2P 1T1 or by facsimile at (403) 233-2857 not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the holding of the Meeting or any adjournment thereof.

Unless otherwise stated, the information in this information circular – proxy statement (the "**Information Circular**") is given at April 13, 2015.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to you if you do not hold Common Shares in your own name. Only proxies deposited by Shareholders whose names appear on our records as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. or another intermediary. If you receive a voting instruction form from Broadridge Financial Solutions, Inc. or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you or the person to whom you give your proxy attends personally at the Meeting you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited at our head office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General Meeting of Shareholders and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefore.

Exercise of Discretion by Proxy Holder

The Common Shares represented by proxy in favour of management nominees shall be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted in accordance with the specification so made. **In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon at the Meeting. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Annual General Meeting of Shareholders. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of (non-voting) first preferred shares without nominal or par value. As at April 13, 2015 there were 140,592,598 Common Shares issued and outstanding. No first preferred shares are issued or outstanding.

As a holder of Common Shares, you are entitled to one vote for each Common Share you own.

Other than as set out below, to the knowledge of our directors and officers, as at April 13, 2015, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares:

Shareholder	Common Shares beneficially owned, or controlled or directed, directly or indirectly	Percentage of the Common Shares represented by the number of Common Shares so owned, controlled or directed, directly or indirectly
Wingren B.V.[(1)]	40,052,858	28.5%

Note:

(1) Wingren B.V. ("**NGP**") is a company formed under the laws of the Netherlands and a subsidiary of NGP Natural Resources X, L.P.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditor's Report

At the Meeting, our financial statements for the year ended December 31, 2014 and the auditor's report thereon will be placed before Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting for the ensuing year, at six (6), as may be adjusted between Shareholders' meetings by way of resolution of the Board.

Election of Directors

Directors will be elected at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of the election as directors of the six (6) nominees set forth below:

Kevin Adair	Don Gray
Patrick Arnell	Brian Minnehan
Donald Cormack	Peter Verburg

Each director elected will hold office until the next annual general meeting, or until his successor is duly elected or appointed in accordance with the *Business Corporations Act* (Alberta), unless his office is earlier vacated.

Pursuant to a certain Shareholders' agreement dated June 29, 2012 among the Corporation, NGP, certain members of management and the Board and certain other shareholders (the "**Shareholders' Agreement**"), the parties thereto agreed, among other things, to vote an aggregate of 42,673,061 Common Shares in favour of the above-referenced nominees.

Management does not contemplate that any of these nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominees and sets forth the names, province and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations during the five preceding years and the number of Common Shares owned or controlled or directed, directly or indirectly, by each of them as of April 13, 2015.

Name, Province and Country of Residence	Director Since	Principal Occupation During the Five Preceding Years	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Kevin Adair Alberta, Canada	June 22, 2011	President and a Director of Petrus since August 8, 2011 and President, Chief Executive Officer and a Director of Petrus since April 3, 2012; prior thereto, co-founder and Vice President, Engineering of Spry Energy Ltd. from December, 2003 until April 2011; prior thereto, Vice President, International of Petrobank (Petrominerales) from June 2002 to October 2003; prior thereto, Vice President, Business Development & Marketing of Petrobank from March 2000 to June 2002; prior thereto President, Chief Operating Officer and a Director of Petrobank from June 1997 to March 2000.	677,000
Patrick Arnell(1)(2)(3) Alberta, Canada	August 3, 2011	Independent businessman; since 2005, early stage investor in several successful oil and gas enterprises as well as a founding shareholder and Chairman of Rangeland Industrial Service Ltd.; prior thereto, president and majority owner of Rayton Packaging Inc. from 1992 to 2005.	550,000(4)
Donald Cormack(1)(3) Alberta, Canada	October 8, 2014	Mr. Cormack is currently a part-time quality review consultant with PricewaterhouseCoopers LLP. Mr. Cormack was a partner with PricewaterhouseCoopers LLP from until his retirement in the summer of 2012, including as Calgary audit practice leader from 1997 to 2007. At PricewaterhouseCoopers LLP, Mr. Cormack served as audit partner on numerous major oil, natural gas, energy and regulated entities both public and private and providing oversight of financial reporting, security offering and audit functions. Mr. Cormack is a director of the Calgary Police Foundation and past director of The Calgary Foundation and Alberta Health Services.	75,000
Don Gray(2)(3) Alberta, Canada	December 13, 2010	Private investor; a director and Chairman of the Corporation since December 2010; a founding partner and President of EIQ Capital Corp., a private capital management company from May 2007 to September 2013; prior thereto, Mr. Gray was the Chief Executive Officer of Peyto Exploration & Development Corp. ("Peyto") from August 2006 to January 2007; prior thereto, Mr. Gray was the President and Chief Executive Officer of Peyto from October 1998 to August 2006.	11,355,506(5)(6)
Brian Minnehan(2)(3) Texas, United States	January 14, 2015	Managing Director of Natural Gas Partners, a private equity fund focused on investments in energy, since 2007. Prior thereto, a Director at Prudential Capital Group from 2004 to 2007 where he was focused on investments in the energy industry. Mr. Minnehan began his career in Arthur Andersen LLP's Corporate Restructuring practice. He currently sits on the board of directors of Northern Blizzard Resources Inc. and Triangle Petroleum Corp. and several private oil and gas companies.	40,052,858(7)
Peter Verburg(1) Alberta, Canada	December 13, 2010	A founding partner and President of EIQ Capital Corp., a private investment firm, since September 2013; prior thereto, Managing Director of EIQ Capital Corp. since March 2008; prior thereto Vice President, Investment Banking of GMP Securities L.P. since February 2005.	3,785,900(5)(8)

Notes:

(1) Member of the Audit Committee of the Corporation (the "**Audit Committee**"). Please refer to "*Schedule A – Audit Committee Charter*" for more information on the Audit Committee.

(2) Member of the Reserves Committee of the Corporation (the "**Reserves Committee**").

(3) Member of the Corporate Governance, Compensation and Nominating Committee of the Corporation (the "**Compensation Committee**").

(4) Includes 270,000 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Arnell and 280,000 Common Shares held by Mr. Arnell's spouse.

(5) EIQ Capital Corp. is controlled or directed, directly or indirectly by Messrs. Gray and Verburg. EIQ Capital Corp. holds an aggregate of 3,600,000 Common Shares.

(6) This total includes the 3,600,000 Common Shares held by EIQ Capital Corp.; Mr. Gray holds 7,755,506 Common Shares directly.
(7) Mr. Minnehan is a Managing Director of NGP and the nominee director of NGP pursuant to the Shareholders' Agreement. NGP is the registered holder of 40,052,858 Common Shares, being 28.5% of the issued and outstanding Common Shares.
(8) This total includes the 3,600,000 Common Shares held by EIQ Capital Corp.; Mr. Verburg holds 26,000 Common Shares directly and an additional 159,900 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Verburg.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of our executive officers and directors, other than as disclosed below, none of the proposed directors is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that; (a) while that person was acting in that capacity, was the subject of a cease trading order or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

In addition, other than as disclosed below, no proposed director of the Corporation is, or within the ten years prior to the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any other issuer (including the Corporation) that: (a) was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or (b) was a director or executive officer of a corporation (including the Corporation) that while that person acing in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Further, no proposed director or any personal holding companies of a proposed director of the Corporation have been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote proxies in favour of Ernst & Young LLP, Chartered Accountants of Calgary, Alberta to serve as our auditors until the next annual general meeting of our Shareholders and to authorize our directors to fix their remuneration as such. At the Meeting Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to engage the services of Ernst & Young LLP, Chartered Accountants of Calgary, Alberta to act as our auditors until the next annual general meeting of our shareholders and to authorize our directors to fix their remuneration as such. Ernst & Young LLP has served as auditors of the Corporation since November 9, 2011.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, each duly completed and submitted form of proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

Petrus' compensation policies are founded on the principle that compensation should be aligned with Shareholders' interests, while also recognizing that Petrus' corporate performance is dependent upon the retention of highly trained, experienced and committed executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the business. Petrus' compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences from time to time.

The main objectives of the Corporation's executive compensation program are to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of the Corporation's shareholders. In approaching these key objectives, the Board recognizes that compensation based on performance promotes the Corporation's continued growth in production, reserves, funds from operations and earnings on an absolute and per share basis.

Compensation Governance

The Compensation Committee, composed of a majority of independent directors, is involved in (i) the implementation and oversight of the human resources and compensation policies recommended by such committee, specifically those concerning executive compensation, employment agreements, the Corporation's stock option plan (the "**Option Plan**"), the issuance of performance warrants ("**Performance Warrants**") and those concerning proposed changes involving officers reporting to the President and Chief Executive Officer. The committee also endeavours to ensure that the Corporation has programs in place to attract and develop quality management personnel and a process to provide for the orderly succession of management, sets the annual salary, bonus, and other benefits of the Chief Executive Officer and approves the compensation for all other designated officers; (ii) providing a focus on corporate governance that will enhance corporate performance and to ensure that the Corporation's corporate governance system is effective in discharging the Board's obligations to the Corporation's shareholders. This includes developing and monitoring the Corporation's overall approach to corporate governance issues and implementing and administering a system of corporate governance that reflects appropriate standards of corporate governance practices; and (iii) overseeing and assessing the functioning of the Board and the committees of the Board and for the development, recommendation to the Board, implementation, and assessment of effective governance principles and for the nomination of appropriate candidates to serve the Board as directors, as chair of the Board, as committee members and as committee chairs for the Board.

The members of the Compensation Committee are each a highly experienced executive, director and/or businessman who has dealt with numerous compensation issues in the course of their leadership roles and each member of the Compensation Committee is independent.

Compensation Committee or Advisor

The Corporation has not yet retained an external compensation advisor to assist the Compensation Committee in reviewing the Corporation's compensation program. The Corporation may engage such a professional in the future.

Executive Compensation Principles

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of the Corporation and the Corporation's paid executives (and other executive officers who may become paid employees of the Corporation at a future date) are examined by the Board in conjunction with setting executive compensation packages. When determining compensation, including the assessment of the competiveness of the Corporation's compensation, management and the Compensation Committee review the compensation practices of companies in its peer group. Each year the total compensation of the Named Executive Officers (as defined below) is reviewed by the Compensation Committee and compared to the total compensation for executives holding similar positions with other junior oil and gas companies.

Management and the Compensation Committee review comparative industry data to ensure compensation effectiveness. Together with the market data, the individual performance and development of each Named Executive Officer is assessed by the Chief Executive Officer, and a recommendation is made to the Compensation Committee for the appropriate salary and annual incentive for each individual. The Compensation Committee then reviews these recommendations, in conjunction with its own review of the Corporation's performance, executive performance, and market data and a recommendation is made to the Board by the Compensation Committee for the compensation package payable to each of the Named Executive Officers for the Board's approval. There are no specific performance objectives set by the Compensation Committee in assessing the performance of the Named Executive Officers and there are no identifiable quantitative performance goals that are required to be met by a Named Executive Officer. In assessing the performance of the Corporation and its executive officers, the Board and Compensation Committee consider the following factors: (a) absolute and per share production growth; (b) finding costs (for both current and longer periods); (c) overall oil and gas reserve changes (proved and probable reserves); (d) funds from operations per share changes; and (e) the Corporation's performance for all of the above relative to its goals and objectives and in relation to the performance of its industry peer group.

Executive compensation consists of three principal components: (a) base salary; (b) short term incentive compensation (bonuses); and (c) long term incentive compensation (participation in the Option Plan and the issuance of Performance Warrants). The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competiveness of Petrus' executive compensation package. Each element of Petrus' executive compensation program is described below.

The named executive officers (as defined in Form 51-102F6 as prescribed in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) of the Corporation are Kevin Adair (President and Chief Executive Officer), Cheree Stephenson (Vice President, Finance and Chief Financial Officer) and Neil Korchinski (Vice President, Engineering and Chief Operating Officer) (collectively referred to herein as the "**Named Executive Officers**" or the "**NEOs**").

Elements of the Corporation's Executive Compensation Program

Base Salaries

The Board recognizes that the size of the Corporation prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. The Board does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's officers, and that long-term incentive compensation, in the form of stock options ("**Options**") issued pursuant to the Option Plan and Performance Warrant grants, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

The base salary component of the Corporation's compensation program is intended to provide a fixed level of competitive pay that reflects the executive's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary to its executives that are competitive with those of comparable companies in the oil and gas industry. The Compensation Committee compares the base salaries of its executives with that of officers at peer companies in the oil and gas industry and recommends to the Board that Petrus set its pay level in-line with peers for such positions while also considering the other components of its executive compensation package. Factors reviewed in assessing peer companies includes total revenue, total assets, funds from operations, total level of capital expenditures, number of employees and daily production levels on a per barrel of oil (boe) basis. Such peer companies include: RMP Energy Inc., Journey Energy Inc., Cardinal Energy Ltd., Tamarack Valley Energy Ltd. and Marquee Energy Inc.

Short Term Incentive Compensation - Annual Cash Bonuses

The Corporation does not have a formal bonus plan but may award discretionary bonuses. The award of a bonus is recommended, in all cases (excluding the bonus paid to the Chief Executive Officer), by the Chief Executive Officer with the Board having final approval. The Chief Executive Officer's bonus is established by the Board upon the recommendation of the Compensation Committee. Bonus awards are considered by the Compensation Committee and recommended to the Board who has the ultimate discretion to award the bonuses, based on corporate, departmental and individual performance. The discretionary bonus plan is structured to drive and reward current year results. As of the Record Date, no bonuses were paid to the Named Executive Officers (as described above) in respect of the fiscal year ended December 31, 2014. The annual cash bonus element of the compensation program is designed to reward both corporate and individual performance during the most recently completed financial year. The amount of any bonus paid is the result of analysis and subjective determination of both the Corporation's and the individual's performance and is approved by the Board. Neither the Board nor the Compensation Committee has established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Long Term Incentive Compensation

Options are granted under the Option Plan and the issuance of Performance Warrants, respectively to directors, officers, employees and consultants, and are intended to align director, executive, employee, consultant and shareholder interests by attempting to create a direct link between compensation and shareholder return, particularly in the event of a liquidity event in the case of the Performance Warrants. The issuances of such incentive securities rewards overall corporate performance, as measured with reference to the price of the Common Shares. In addition, this enables executives to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted such securities to an individual is taken into account when considering new grants.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Compensation Committee considered whether the compensation program provided executive officers of the Corporation with adequate incentives to achieve both short and long term objectives without motivating them to take inappropriate or excessive risk. The Compensation Committee concluded that the compensation program and policies of the Corporation did not encourage its Named Executive Officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan provide that Options vest over a period of three (3) years and expire on the fifth (5^{th}) anniversary from the date of grant. This encourages executive officers to continue to develop favourable results over a longer period of time and reduces the risk of actions which may have short term advantages; (b) the terms of the Performance Warrants provide for expiry on the fifth anniversary from the date of grant and two separate vesting hurdles, namely: (i) a time vesting component (vesting in 1/3 tranches on the first through third anniversaries, respectively, from the date of grant; and (ii) a "*Liquid Value per Common Share*" (as such term is defined in the Performance Warrant certificates) hurdle component (vesting in 1/3 tranches when the Liquid Value per Common Share is greater than or equal to 1.6, 2.0 and 2.5 times the exercise price of the Performance Warrants). This encourages executive officers to maximize the value of the Common Shares in the event of any liquidity event, and further aligns management objectives with those of Shareholders to participate in transactions with attractive returns; (c) a portion of executive compensation in the form of bonuses is not guaranteed and is variable year over year. The Board has discretion to pay bonuses to Named Executive Officers based on recommendations made by the Compensation Committee, which recommendations are based on internal corporate, administrative, operating and financial performance as compared to its stated goals and objectives; (d) the Corporation's compensation program for certain executive officers is not structured significantly differently from the compensation program for other executive officers within the Corporation; and (e) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Outside Directors considered whether the compensation program provided executive officers of the Corporation with adequate incentives to achieve both short and long term objectives without motivating them to take inappropriate or excessive risk. The Outside Directors concluded that the compensation program and policies of the Corporation did not encourage its Named Executive Officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan provide that Options vest over a period of 3 years and expire on the fifth anniversary from the date of grant and the terms of the Warrants also provide that the Warrants have a five year expiry; this encourages executive officers to continue to develop favourable results over a longer period of time and reduces the risk of actions which may have short term advantages; (b) the portion of executive compensation in the form of bonuses is not guaranteed and is variable year over year; and (c) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing Shareholder value. The Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Summary Compensation Table

The following table sets forth for the years ended December 31, 2014, 2013 and 2012, as applicable, information concerning the compensation paid to Named Executive Officers.

Name and principal position	Year	Salary ($)	Share-based awards ($)(1)	Option-based awards ($)(2)	Non-equity incentive plan compensation ($)		Pension value ($)(4)	All other compensation(5)	Total compensation ($)
					Annual incentive plans(3)	Long-term incentive plans(3)			
Kevin Adair(6) President and Chief Executive Officer	2014	213,200	N/A	Nil	Nil	N/A	N/A	Nil	213,200
	2013	193,800	N/A	21,600	227,130	N/A	N/A	Nil	442,530
	2012	174,417	N/A	731,500	92,961	N/A	N/A	Nil	998,878
Cheree Stephenson(7) Vice President, Finance and Chief Financial Officer	2014	183,040	N/A	Nil	Nil	N/A	N/A	Nil	183,040
	2013	167,280	N/A	18,480	153,300	N/A	N/A	Nil	339,060
	2012	156,000	N/A	320,500	58,800	N/A	N/A	Nil	535,300
Neil Korchinski(8) Vice President, Engineering and Chief Operating Officer	2014	187,200	N/A	Nil	Nil	N/A	N/A	Nil	187,200
	2013	171,360	N/A	18,480	176,400	N/A	N/A	Nil	366,240
	2012	156,000	N/A	541,500	66,560	N/A	N/A	Nil	764,060

Notes:

(1) The Corporation does not have share-based awards.

(2) Based on the grant date fair value of the applicable awards. No Options were granted to NEOs for the year ended December 31, 2014. The fair value of: the Options granted to each NEO for the year ended December 31, 2013 and 2012 were estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 50 percent, risk-free interest rate of 1.09 and 1.23 percent, respectively, and an expected life of 5.0 years, resulting in a value per Option of $0.79 and $0.77, respectively. The Options issued vest equally over a three-year period commencing one year from the date of grant. No Performance Warrants were granted to NEOs for the year ended December 31, 2014. The fair value of the Performance Warrants granted to each NEO for the years ended December 31, 2012 and 2013 were estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions: dividend yield (2012 and 2013; zero percent), expected volatility (2012 and 2013 – 50 percent), risk-free interest rate (2012 – 1.23 percent; 2013 – 1.09 percent), and an expected life (2012 and 2013 – 5.0 years), resulting in a value per Performance Warrant of $0.24 (2012) and $0.25 (2013). The Performance Warrants issued vest equally over a three-year period commencing one year from the date of grant and also have additional performance based vesting criteria.

(3) Non-equity annual incentive plans relate to cash payments made under the Corporation's bonus plan with respect to the applicable year, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.

(4) The Corporation does not have a pension plan or similar benefit program.

(5) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

(6) Mr. Adair was appointed President of the Corporation on August 8, 2011 and Chief Executive Officer of the Corporation on April 3, 2012.

(7) Ms. Stephenson was appointed Controller of the Corporation on August 8, 2011 and Vice President, Finance and Chief Financial Officer of the Corporation effective January 1, 2012.

(8) Mr. Korchinski was appointed Vice President, Engineering of the Corporation on August 8, 2011. Mr. Korchinski was appointed Chief Operating Officer of the Corporation effective April 25, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each Named Executive Officer, all option based awards and all share based awards outstanding at the end of the year ended December 31, 2014.

	Option-based Awards[1]				**Share-based Awards**		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Kevin Adair	1,140,000 Performance Warrants	2.00	December 18, 2016	$1,710,000	Nil	Nil	Nil
	90,000 Performance Warrants	2.25	November 14, 2018	112,500			
	950,000 Options	1.75	June 29, 2017	1,662,500			
Cheree Stephenson	519,000 Performance Warrants	2.00	December 18, 2016	778,500	Nil	Nil	Nil
	50,000 Performance Warrants	2.00	November 5, 2017	75,000			
	77,000 Performance Warrants	2.25	November 14, 2018	96,250			
	400,000 Options	1.75	June 29, 2017	700,000			
Neil Korchinski	990,000 Performance Warrants	2.00	December 18, 2016	1,485,000	Nil	Nil	Nil
	10,000 Performance Warrants	2.00	November 5, 2017	15,000			
	77,000 Performance Warrants	2.25	November 14, 2018	96,250			
	700,000 Options	1.75	June 29, 2017	1,225,000			

Notes:

(1) The value of these Performance Warrants is calculated based on the difference between the price of $3.50 per Common Share, being management's estimate of the fair market of the Common Shares as at December 31, 2014 and the exercise price of the Performance Warrants, multiplied by the number of Performance Warrants outstanding. The value of these Options is calculated based on the difference between the

price of $3.50 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2014 pursuant to arm's length transactions, and the exercise price of the Options, multiplied by the number of Options outstanding.

(2) The Corporation does not have any share-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value of the option based awards and share based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	**Option-based awards – Value vested during the year(1) ($)**	**Share-based awards – Value vested during the year(2) ($)**	**Non-equity incentive plan compensation – Value earned during the year(3) ($)**
Kevin Adair	1,157,475	Nil	Nil
Cheree Stephenson	937,365	Nil	Nil
Neil Korchinski	550,770	Nil	Nil

Notes:

(1) The value of these Options is calculated based on the difference between the price of $3.50 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2014 pursuant to arm's length transactions, and the exercise price of the Options, multiplied by the number of Options vested.

(2) The Corporation does not have any share-based awards.

(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Employment Contracts, Termination and Change of Control Benefits

The Corporation has entered into an executive employment agreement (collectively, the "**Employment Agreements**") with each of Kevin Adair, Cheree Stephenson and Neil Korchinski, respectively (the "**Executives**"). The following is a brief summary of these employment agreements.

The employment agreements for Mr. Adair, Ms. Stephenson and Mr. Korchinski provide for employment with the Corporation as President and Chief Executive Officer, Vice President Finance and Chief Financial Officer, and Vice President, Engineering, respectively, for an indefinite term. Pursuant to the employment agreements, Mr. Adair, Ms. Stephenson and Mr. Korchinski will be paid total compensation comprised of an annual base salary, participation in any employee benefits plan, vacation and cash bonuses and equity based incentives at the discretion of the Board. The Board reviews each executive officer's performance annually and may adjust the annual salary based on the performance review.

The employment agreements provide that an executive officer may resign from his or her position by giving at least 30 days advanced notice of the same to the Corporation. The Corporation may terminate the employment of an executive officer for just cause with no notice at any time without any payment to an executive officer with the exception of pro-rata annual base salary, unpaid bonus, accrued vacation and reimbursable expenses.

The Corporation shall be entitled to immediately terminate the employment agreements and each Executive's employment with the Corporation at any time and for any reason other than Cause (as defined in the Employment Agreements) by providing written notice of the Termination Date (as defined in the Employment Agreements) to the Executive, and the Corporation shall, subject to the Executive performing his or her obligations under Section 3.7 of the Employment Agreement, pay the following:

(a) the pro rata annual base salary earned, but not yet paid up to and including the Termination Date;

(b) all vacation pay accrued and owing and expenses incurred and owing as of the Termination Date;

(c) any declared but unpaid cash bonus; and

(d) a retiring allowance equal to the total of (i) one (1) times the Executive's annual base salary as at the Termination Date, (ii) an amount equal to fifteen percent (15%) of one (1) times the Executive's annual base salary as at the Termination Date to compensate the Executive for the loss of employment benefits and perquisites, (iii) an amount equal to one (1) times the average of the cash equivalent of any bonuses paid to the Executive in the two (2) years prior to the Termination Date, or if the Executive has been employed for a lesser period, one (1) times any the cash equivalent of any bonuses paid to the Executive prior to the Termination Date;

in each case, less any applicable withholdings.

The following table sets forth the estimated incremental payments (rounded to the nearest thousand dollars) that would be made to each of the NEOs assuming that a "*change of control*" event (as described above) occurred as of December 31, 2014.

Name and principal position	**Severance multiple**	**Salary(1)**	**Benefits and Perquisites(2)**	**Non-equity Incentive Plan Compensation(1)**	**Total Incremental Payment(3)**
Kevin Adair President and Chief Executive Officer	1	$235,750	$N/A	$108,500	$344,250
Cheree Stephenson Vice President, Finance and Chief Financial Officer	1	$202,400	$N/A	$73,000	$275,400
Neil Korchinski Vice President, Engineering and Chief Operating Officer	1	$207,000	$N/A	$84,000	$291,000

Notes:

(1) Calculated in accordance with the employment agreements: a retiring allowance equal to the total of (i) one (1) times the Executive's annual base salary as at the Termination Date, (ii) an amount equal to fifteen percent (15%) of one (1) times the Executive's annual base salary as at the Termination Date to compensate the Executive for the loss of employment benefits and perquisites, (iii) an amount equal to one (1) times the average of the cash equivalent of any bonuses paid to the Executive in the two (2) years prior to the Termination Date, or if the Executive has been employed for a lesser period, one (1) times any the cash equivalent of any bonuses paid to the Executive prior to the Termination Date.

(2) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers are not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

(3) Each of the Executives is also party to a non-competition agreement ("**Non-Competition Agreement**") that provides that in the event that the Executive is terminated from his or her employment for reasons other than for Cause (as defined in the Non-Competition Agreement) or the Executive resigns from his or her employment under certain circumstances, then the Corporation shall have the option to enforce a non-competition period on the Executive for twelve (12) months after the termination date in a certain defined area in exchange for one (1) times Executive's annual salary in effect on the Termination Date, payable monthly in arrears. This table does not include such payment.

Director Compensation

Except as otherwise disclosed in the table below, prior to January 1, 2014, Petrus has not paid fees for services to non-management directors, including fees for annual retainer, committee service, service as Chair of the Board or a committee thereof, or meeting attendance. Directors may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management Directors also participate in the Corporation's stock option plan. Effective January 1, 2014, Petrus implemented the payment of director fees for its non-management directors. Non-management directors, other than the Chairman, are paid annual fees of $24,000 and the Chairman of the Board is paid an annual fee of $45,000. The chair of the Audit Committee is paid an additional annual fee of $7,000 while the chairs of the other committees are each paid an additional annual fee of $4,000.

Name	Year	Fees Earned	Share-based awards ($)(1)	Option based awards ($)(2)	Non-equity incentive plan compensation ($)(3)	Pension value ($)	All other compensation ($)	Total ($)
Patrick Arnell	2014	35,000	Nil	Nil	Nil	Nil	Nil	35,000
	2013	Nil	Nil	12,000	Nil	Nil	Nil	12,000
	2012	Nil	Nil	96,250	Nil	Nil	Nil	96,250
Donald Cormack	2014	6,964	Nil	112,000	Nil	Nil	Nil	6,964
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Don Gray	2014	49,000	Nil	Nil	Nil	Nil	Nil	49,000
	2013	Nil	Nil	12,000	Nil	Nil	Nil	12,000
	2012	Nil	Nil	173,250	Nil	Nil	Nil	173,250
Joe Looke(4)	2014	24,000	Nil	Nil	Nil	Nil	Nil	24,000
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Peter Verburg(5)	2014	24,000	Nil	Nil	Nil	Nil	457,000	481,000
	2013	Nil	Nil	17,250	Nil	Nil	165,170	182,420
	2012	Nil	Nil	173,250	Nil	Nil	106,800	280,050

Notes:

(1) The Corporation does not have any share-based awards.

(2) Based on the grant date fair value of the applicable awards. The fair value of: the Options granted to each NEO for the year ended December 31, 2014, was estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 50 percent, risk-free interest rate of 1.40% percent, and an expected life of 5.0 years, resulting in a value per Option of $1.12. The Options issued vest equally over a three-year period commencing one year from the date of grant. The fair value of the Performance Warrants granted to each NEO for the years ended December 31, 2012, 2013 and 2014, were estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions: dividend yield (2012, 2013 and 2014; zero percent), expected volatility (2012 and 2013 – 50 percent; 2014 – 50 percent), risk-free interest rate (2012 – 1.23 percent; 2013 – 1.09 percent; 2014 – N/A percent), and an expected life (2012, 2013 and 2014 - 5.0 years), resulting in a value per Performance Warrant of $0.25 (2012), $0.24 (2013) and Nil (2014). The Performance Warrants issued vest equally over a three-year period commencing one year from the date of grant and also have additional performance based vesting criteria.

(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity incentive plans for its directors.

(4) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the Shareholders' Agreement, are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current representative of NGP, became a director as of such date.

(5) Mr. Verburg is also the corporate secretary of the Corporation and an entity that is controlled or directed by Mr. Verburg provides consulting services to the Corporation, primarily in the areas of finance and business development. During the year ended December 31, 2014, that entity received consulting fees in the amount of $457,000 (2013 - $165,170; 2012 - $106,800).

Directors' Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each of Petrus' directors all option-based awards outstanding at the end of the year ended December 31, 2014.

	Option-based Awards[1]				Share-based Awards[2]		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Patrick Arnell	90,000 Performance Warrants	$2.00	December 18, 2016	135,000	Nil	Nil	Nil
	50,000 Performance Warrants	$2.25	November 14, 2018	62,500			
	125,000 Options	$1.75	June 29, 2017	218,750			
Donald Cormack	100,000 Options	$4.00	October 9, 2019	50,000	Nil	Nil	Nil
Don Gray	1,002,000 Performance Warrants	$2.00	December 18, 2016	1,503,000	Nil	Nil	Nil
	50,000 Performance Warrants	$2.25	November 14, 2018	62,500			
	225,000 Options	$1.75	June 29, 2017	393,750			
Joe Looke[3]	225,000 Options	$1.75	June 29, 2017	393,750	Nil	Nil	Nil
Peter Verburg	417,000 Performance Warrants	$2.00	December 18, 2016	625,500	Nil	Nil	Nil
	73,000 Performance Warrants	$2.25	November 14, 2018	91,250			
	225,000 Options	$1.75	June 29, 2017	393,750			

Notes:

(1) The value of these Performance Warrants is calculated based on the difference between the price of $3.50 per Common Share, being management's estimate of the fair market of the Common Shares as at December 31, 2014 and the exercise price of the Performance Warrants, multiplied by the number of Performance Warrants outstanding. The value of these Options is calculated based on the difference between the price of $3.50 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2014 pursuant to arm's length transactions, and the exercise price of the Options, multiplied by the number of Options outstanding.

(2) The Corporation does not have any share-based awards.

(3) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the Shareholders' Agreement, are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current representative of NGP, became a director as of such date.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our directors, the value of option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year[(2)] ($)	Non-equity incentive plan compensation – Value earned during the year[(3)] ($)
Patrick Arnell	142,973	Nil	Nil
Donald Cormack	Nil	Nil	Nil
Don Gray	650,678	Nil	Nil
Joe Looke[(4)]	129,938	Nil	Nil
Peter Verburg	372,488	Nil	Nil

Notes:

(1) The value of these Options is calculated based on the difference between the price of $3.50 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2014 pursuant to arm's length transactions, and the exercise price of the Options, multiplied by the number of Options vested.
(2) The Corporation does not have any share-based awards.
(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity incentive plans for its directors.
(4) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the Shareholders' Agreement, are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current representative of NGP, became a director as of such date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect to securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders - Stock Option Plan[(1)] - Performance Warrants[(2)]	Options: 6,115,000 Performance Warrants: 6,407,603	Options: $2.21 Performance Warrants: $2.02	Options: 4,732,958 Performance Warrants: 15,000
Total	Options: 6,115,000 Performance Warrants: 6,407,603	Options: $2.21 Performance Warrants: $2.02	Options: 4,732,958 Performance Warrants: 15,000

Notes:

(1) As at December 31, 2011, the Option Plan was a standard "rolling" 10% option plan and at that date 32,113,017 Common Shares were issued and outstanding and no Options had been issued. On June 29, 2012, the Corporation amended the Option Plan such that the aggregate number of Common Shares that may be acquired upon exercise of all Options granted pursuant to the Option Plan (the "**Option Shares**") shall, at any date or time of determination, be equal to ten percent (10%) of the number that is equal to (i) the number of the Corporation's basic Common Shares then issued and outstanding, minus (ii) a number equal to five (5) times the number of Common Shares that are issuable upon exercise of the then outstanding Performance Warrants minus (iii) a number equal to fifty percent (50%) of the number of Common Shares that have previously been issued upon the exercise of Performance Warrants. Accordingly, in most instances, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of Options will make new grants available under the Option Plan. As at December 31, 2014, the Corporation had 4,732,958 Options available for issuance of which 6,115,000 were issued and outstanding.
(2) As at December 31, 2014, the Corporation had authorized the issuance of 6,422,603 Performance Warrants of which 6,407,603 were issued and outstanding.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of our directors, executive officers, employees or former executive officers, directors or employees of the Corporation or our subsidiaries, is or has been at any time since the beginning of our most recently completed financial year, indebted to us or any of our subsidiaries nor is any indebtedness still outstanding, nor, at any time since the beginning of our most recently completed financial year, has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of our subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101 ("**Form 58-101F2 Disclosure**").

Set out below is a description of our current corporate governance practices, relative to the Form 58-101F2 Disclosure (which is set out below in italics).

Board of Directors

Our Board of Directors currently consists of six directors, four of whom are independent. The following directors are independent:

Brian Minnehan
Donald Cormack
Don Gray
Patrick Arnell

Kevin Adair is not an independent director as he is the President and Chief Executive Officer of the Corporation. Peter Verburg is not an independent director as he is the corporate secretary of the Corporation and is actively involved in the day to day operations of management.

For additional information about our directors, please see "*Matters to be Acted Upon at the Meeting*".

Our Board facilitates its exercise of independent supervision over management by endeavouring for at least 50% of the directors to qualify as independent directors pursuant to NI 58-101 and by establishing committees, which are comprised of all or a majority of independent members. The Corporation is actively pursuing identification of additional independent director candidates. In order to ensure that the Board acts independently, the chairs of all committees are independent members of the Board. Independent directors hold in camera sessions at most Board meetings at which non-independent directors and members of management are not in attendance.

Directorships

The following directors are also directors of other reporting issuers (or the equivalent):

Name	Other Reporting Issuers
Brian Minnehan	Northern Blizzard Resources Inc. Triangle Petroleum Corp.
Don Gray	Gear Energy Ltd. Peyto Exploration & Development Corp.
Kevin Adair	Canamax Energy Ltd.
Peter Verburg	Gear Energy Ltd.

Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation provides such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that the procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board.

Ethical Business Conduct

The Board believes that at the present time that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

It is expected that any new candidates will be identified having regard to: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Compensation Committee has been formed to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, analyzes the needs of the Board and recommends nominees who meet such needs.

Compensation

The Compensation Committee is responsible for (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of the Corporation.

Other Board Committees

The Corporation has two committees of the Board in addition to the Audit Committee, namely, the Reserves Committee and the Compensation Committee.

Reserves Committee

The function of the Reserves Committee is to review the results of independent engineering appraisals of the Corporation's oil and gas reserves. The Reserve Committee's responsibilities include ensuring that the Corporation's reserves are assessed in a reasonable and consistent manner to provide a satisfactory level of confidence for all stakeholders and the public and ensuring that the disclosure relating to the same is accurate and timely.

Compensation Committee

The Compensation Committee, composed of a majority of independent directors, is involved in the implementation and oversight of the human resources and compensation policies recommended by such committee, specifically those concerning executive compensation, employment agreements, stock option plans and performance warrants and those concerning proposed changes involving officers reporting to the President and Chief Executive Officer. For further information, see "*Statement of Executive Compensation - Compensation Governance*" in this Information Circular.

Assessments

The Board makes annual assessments regarding the effectiveness of the Board itself, committees and individual directors in fulfilling their responsibilities.

AUDIT COMMITTEE

Audit Committee Charter

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain open communication among the Board, the independent auditors and the financial and senior management of the Corporation.

The Corporation has established an Audit Committee charter to address certain matters, which include but are not limited to the following: (a) the procedure to nominate the external auditor and the recommendation of its compensation; (b) the overview of the external auditor's work; (c) pre-approval of non-audit services; (d) the review of financial statements, management's discussion and analysis and financial sections of other public reports requiring board approval; (e) the procedure to respond to complaints respecting accounting, internal accounting controls or auditing matters and the procedure for confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and (f) the review of the Corporation's hiring policies towards present or former employees or partners of the Corporation's present or former external auditor. The full text of the Audit Committee's Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of Messrs. Arnell, Cormack and Verburg. Mr. Cormack is the Chairman of the Audit Committee and he and Mr. Arnell are "independent" within the meaning of Section 1.8 of NI 52-110. Mr. Verburg is not "independent" within the meaning of Section 1.8 of NI 52-110 as he is involved in the day to day operations of the Corporation. All of the members of the Audit Committee are financially literate.

Relevant Education and Experience of Audit Committee Members

Mr. Donald Cormack (Chair)

Mr. Cormack is currently a part-time quality review consultant with PricewaterhouseCoopers LLP. Mr. Cormack was a partner with PricewaterhouseCoopers LLP from until his retirement in the summer of 2012, including as Calgary audit practice leader from 1997 to 2007. He has extensive financial accounting and reporting experience with both private and public companies of all sizes covering regulatory compliance, risk management, acquisitions, corporate restructuring, internal controls and governance in Canada and the U.S. Mr. Cormack is a director of the Calgary Police Foundation and past director of The Calgary Foundation and Alberta Health Services. He is a Chartered Accountant, a graduate of the Institute of Corporate Directors Program and has a Bachelor of Commerce degree from the University of Saskatchewan.

Mr. Patrick Arnell

Mr. Arnell holds an MBA from the University of Saskatchewan and is a Director of Petrus Resources Ltd. Since 2005, he has been an early stage investor in several successful oil and gas enterprises as well as a founding shareholder and Chairman of Rangeland Industrial Service Ltd., a rapidly growing manufacturer of automated service rigs and pipe handling equipment for the energy industry. Mr. Arnell was previously President and majority owner of Rayton Packaging Inc. from 1992 to 2005, overseeing its expansion from Alberta to extensive operations in Canada, the U.S., Mexico and Chile.

Mr. Peter Verburg

Mr. Verburg holds an MBA from the University of Calgary. Mr. Verburg is Corporate Secretary and Director of Petrus Resources Ltd. He is President of EIQ Capital Corp., where he is responsible for portfolio investment monitoring and business development. Mr. Verburg also sits on the board of directors of Gear Energy Ltd. He was formerly an officer at GMP Securities L.P. in the Corporate Finance energy group since 2005. Prior thereto, Mr. Verburg was a member of the editorial board at a leading financial periodical, and held other senior positions in the communications industry.

Pre-Approval Policies and Procedures

The Audit Committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

External Auditor Service Fees

On November 9, 2011, the Corporation engaged the services of Ernst & Young LLP, Chartered Accountants for the provision of auditor services. The table below summarizes the fees billed by Ernst & Young LLP for the years ended December 31, 2013 and December 31, 2014, respectively.

	2013	2014
Audit fees(1)	$80,000	$140,000
Audit-related fees(2)	Nil	$82,500
Tax fees(3)	$25,000	$64,200
All other fees(4)	$5,000	$100,000
Total	$110,000	$386,700

Notes:

(1) Audit fees includes fees billed regarding the annual audit of the financial statements.
(2) Audit-related fees includes amounts billed for assurance related services that are reasonably related to the performance of the audit of financial statements that are not reported under "Audit fees".
(3) Fees in connection with preparation of Canadian and U.S. tax returns.
(4) Other fees charged by the auditors, including other non-audit products and services.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed below.

MANAGEMENT CONTRACTS

Management functions of the Corporation are not to any substantial degree performed other than by the directors and executive officers of the Corporation.

BOARD APPROVAL

The Board has approved the contents, and sending of, this Information Circular to the Shareholders of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on its website at www.petrusresources.com. Financial information respecting the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders can access this information by request to Cheree Stephenson, Vice President, Finance and Chief Financial Officer of the Corporation, at the following address: Petrus Resources Ltd., 2400, 240 - 4 Avenue SW, Calgary Alberta T2P 4H4, phone (403) 930-0891 and fax (403) 984-2717.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

This charter governs the operations of the audit committee (the "**Committee**") of Petrus Resources Ltd. (the "**Corporation**"). The Committee shall report to the Board of Directors (the "**Board**") of the Corporation.

PURPOSE

The primary function of the Committee is to assist the Board in fulfilling it's responsibilities regarding the integrity of the Corporation's financial statements including the financial reporting process and systems of internal controls, the compliance by the Corporation with legal and regulatory requirements and the qualifications, performance and independence of the Corporation's external auditor by reviewing:

the financial information that will be provided to the shareholders, regulatory authorities and others;

the systems of internal controls management has established;

all audit processes;

all reporting from the external auditors.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the external auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the external auditor or to assure compliance with laws and regulations.

COMPOSITION AND OPERATIONS

The Committee shall be composed of not fewer than three directors, none of whom shall be officers, employees or consultants to the Corporation or any of its related legal entities. The Committee shall only be comprised of unrelated directors. An unrelated director is a director who is independent of management and is free from any interest or other relationship which could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Corporation as the case may be, other then interests and relationships arising from shareholding.

The Committee shall review and reassess this Charter annually.

All Committee members shall be financially literate (as defined by the TSX or other regulatory authority), or shall become financially literate within a reasonable period of time after appointment to the Committee, and at least one member shall have appropriate financial management experience or expertise.

The Corporation's auditors shall be advised of the names of the Committee members and when appropriate will receive notice of and be invited to attend meetings of the Committee and to be heard at those meetings on matters relating to the auditor's duties.

The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or unitholders.

The Committee shall meet at least four times each year.

The Committee shall have access to the Corporation's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.

The Committee shall provide open avenues of communication among management, employees, external auditors and the Board.

The secretary to the Committee shall be the Corporate Secretary or an appointee of the Corporate Secretary.

Notice of the time and place of every meeting shall be given to each Committee member at least 48 hours prior to the meeting.

A majority of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.

The Chief Executive Officer, VP Finance/Chief Financial Officer and external auditor would be expected to be available to attend meetings or portions thereof. The external auditors would meet at least twice annually with the Committee. Others may or may not attend the meetings at the sole discretion of the Committee.

Minutes of Committee meetings shall be approved by the Committee and sent to all directors of the Board.

DUTIES AND RESPONSIBILITIES

Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

the Corporation's annual and quarterly financial statements;

the Corporation's press releases and reports as they relate to the finances of the Corporation;

the Management Discussion and Analysis;

the financial content of the Annual Report;

the Annual Information Form and any Prospectus or Private Placement Memorandums; and

any reports required by regulatory or government authorities as they relate to the finances of the Corporation.

The Committee will review and discuss:

the appropriateness of accounting policies and financial reporting practices to be adopted by the Corporation;

any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation:

any new or pending developments in accounting and reporting standards that may affect the Corporation;

ascertain compliance with the covenants under applicable loan agreements;

management's key estimates and judgments that may be material to financial reporting; and any other matters required to be reviewed under applicable legal, regulatory or stock exchange requirements.

Risk Management, Internal Control and Information Systems

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

review the Corporation's risk management controls and policies;

obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;

review management steps to implement and maintain appropriate internal control procedures including a review of policies;

review adequacy of security of information, information systems and recovery plans;

monitor compliance with statutory and regulatory obligations;

review the appointment of the VP Finance and Chief Financial Officer; and

review the adequacy of accounting and finance resources.

External Audit

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors qualifications, independence and performance;

review and recommend to the Board the annual external audit plan, including but not limited to the following:

1. engagement letter;
2. objectives and scope of the external audit work;
3. procedures for quarterly review of financial statements;
4. materiality limit;
5. areas of audit risk;
6. staffing;
7. timetable; and
8. proposed fees.

meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;

review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:

1. any difficulties encountered, or restrictions imposed by management during the

annual audit;

2. any significant accounting or financial reporting issue including the resolution of any disagreement between management and the external auditors;
3. the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation;
4. the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weakness;
5. assess the performance and consider the annual appointment of external auditors for recommendation to the Board.

review and receive assurances on the independence of the external auditor;

review the non-audit services to be provided by the external auditor's firm and consider the impact on the independence of the external audit; and

meet periodically with the external auditor without management present.

Other

review material litigation and its impact on financial reporting; and

establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

ACCOUNTABILITY

The committee shall report its discussions to the Board by distributing the minutes of its meetings and where appropriate, by oral report at the next Board meeting.

STANDARDS OF LIABILITY

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.