Notice of Annual Meeting of
Shareholders to be held on May 18, 2017

Notice is hereby given that the annual meeting (the "**Meeting**") of the holders ("Shareholders") of common shares ("**Common Shares**") of Petrus Resources Ltd. (the "**Corporation**") will be held at the Jamieson Conference Centre (3rd floor), 308 – 4th Avenue SW, Calgary, Alberta on Thursday, May 18, 2017 at 9:00 a.m. (Calgary time) to:

1. receive the financial statements of the Corporation for the year ended December 31, 2016, together with the auditor's report thereon;

2. fix the number of directors of the Corporation to be elected at the Meeting at seven (7) directors;

3. elect seven (7) 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, Computershare Investor Services Inc., at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on May 16, 2017 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. 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 March 29, 2017 (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, she or it 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 Meeting of Shareholders.

DATED at Calgary, Alberta this 3rd day of April, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Neil Korchinski*"
Neil Korchinski
President, Chief Executive Officer and Director

Information Circular and Proxy Statement dated April 3, 2017
for the Annual Meeting of the Holders of Common Shares of
Petrus Resources Ltd. to be held on May 18, 2017

Solicitation of Proxies

This information circular and proxy statement ("**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 meeting of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held at the Jamieson Conference Centre (3rd floor), 308 – 4th Avenue SW, Calgary, Alberta on Thursday, May 18, 2017 at 9:00 a.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual 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 March 29, 2017 (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, she or it 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 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 the Corporation 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 Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on May 16, 2017 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

Unless otherwise stated, the information in this Information Circular is given at April 3, 2017.

Advice to Beneficial Holders of Common Shares

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. ("**CDS**"), 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 Common Shares. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held. The majority of Common Shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

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 Common 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. ("**Broadridge**") or another intermediary. If you receive a voting instruction form from Broadridge 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 your 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 the broker's agent), well in advance of the Meeting.

Notice-and-Access and Other Matters

The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders, including beneficial Shareholders. The Corporation will be delivering proxy-related materials to non-objecting beneficial Shareholders with the assistance of Broadridge Investor Communications, Canada and the non-objecting beneficial Shareholders' intermediaries and intends to pay for the costs of an intermediary to deliver proxy-related materials to objecting beneficial Shareholders.

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 Petrus' 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 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/or employees who will not be remunerated therefor.

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 favor 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, Notice of Annual Meeting of Shareholders and this Information Circular. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

Notice in Respect of the Plan of Arrangement

Effective February 2, 2016, the Corporation was party to a plan of arrangement (the "**Arrangement**") completed under the provisions of the *Business Corporations Act* (Alberta) ("**ABCA**"), among Petrus Resources Corp. (formerly Petrus Resources Ltd. ("**Old Petrus**")), Petrus Resources Inc. (formerly PhosCan Chemical Corp. ("**PhosCan**")), Petrus, Fox River Resources Corporation (formerly 9508309 Canada Inc.) and the shareholders thereof. Pursuant to the Arrangement: (i) all of the issued and outstanding common shares of Old Petrus ("**Old Petrus Shares**") were transferred to Petrus in exchange for one-quarter (0.25) of one Common Share per Old Petrus Share, which Common Shares were issued to the former holders of Old Petrus Shares; (ii) holders of subscription receipts of Petrus ("Subscription Receipts") were issued one-quarter (0.25) of one Common Share for each Subscription Receipt held, pursuant to the terms of the subscription receipt agreements dated December 22, 2015, December 30, 2015 and January 13, 2016; and (iii) Petrus acquired all of the issued and outstanding common shares of PhosCan ("**PhosCan Shares**") in exchange for 0.0452672 of one Common Share per PhosCan Share, which Common Shares were issued to the former holders of the PhosCan Shares. **Unless otherwise noted, reference herein to the "Corporation", "Petrus", "us", "our" or "we" at a point in time prior to February 2, 2016 shall refer to Old Petrus and thereafter shall refer to Petrus.**

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at April 3, 2017, there were 49,427,900 Common Shares issued and outstanding. No preferred shares are issued or outstanding. The Common Shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "PRQ".

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 3, 2017, 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) (2)	12,040,340	24.4%
Don Gray(2)(3)	5,692,963(3)	11.5%

Notes:

(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.
(2) Information is based solely on filings on the Corporation's profile at www.sedi.ca.
(3) Includes 43,061 Common Shares held by investment funds managed by EIQ Capital Corp., which are indirectly beneficially owned by Mr. Gray. 5,649,902 Common Shares are directly beneficially owned by Mr. Gray.

As at April 3, 2017, Petrus' directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 18,525,935 Common Shares or approximately 37.5% of the issued and outstanding Common Shares.

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, 2016 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 seven (7), as may be adjusted between Shareholders' meetings by way of resolution of the Board.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR and in favour of the resolution fixing the number of directors.

Election of Directors

Directors of the Corporation will be elected at the Meeting. Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote proxies FOR the election as directors of the seven (7) nominees set forth below:

Neil Korchinski	Don Gray
Patrick Arnell	Brian Minnehan
Donald Cormack	Stephen White
Jeffrey Zlotky	

Each director elected will hold office until the next annual meeting of the Corporation or until his successor is duly elected or appointed in accordance with the ABCA, unless his office is earlier vacated. In the event that a vacancy among such nominees occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy.

Management does not contemplate that any of the proposed 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.**

Pursuant to a nomination rights agreement dated February 2, 2016, between the Corporation and NGP (the "**Nomination Rights Agreement**"), for as long as NGP owns: (i) at least 20% of the outstanding Common Shares (on a non-diluted basis), Petrus is required to include two (2) nominees of NGP; or (ii) at least 10% but not more than 20% of the outstanding Common Shares (on a non-diluted basis), Petrus is required to include one (1) nominee of NGP, among the nominees for election to the Board at each meeting of Shareholders at which directors are to be elected. The members of the Board so designated for election by NGP at the Meeting are Brian Minnehan and Jeffrey Zlotky. See "Material Contracts – Agreements with NGP – Nomination Rights Agreement" in the Corporation's annual information form for the year ended December 31, 2016 (the "**AIF**") for additional information in respect of the Nomination Rights Agreement.

The Board has adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, the Compensation and Nominating Committee (as defined herein) will consider such offer and make a recommendation to the Board whether to accept it or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any Compensation and Nominating Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days of such meeting of Shareholders. The decision of the Board will be announced by way of a press release, which, if the Board has decided to reject such resignation, the reasons for rejecting the resignation.

In addition, the Corporation's by-laws include "advance notice provisions" designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide Shareholders, directors and management of the Corporation with a clear framework for nominating directors. In particular, these provisions of the by-laws fix a deadline (being not less than 30 days before the date of an annual meeting of Shareholders and, in the case of a special meeting, the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made) by which holders of record of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders, and also set forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders. The Corporation's by-laws are available on SEDAR at www.sedar.com.

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominee directors and sets forth the names, province/state and country of residence of all of the persons nominated for election as directors, the periods during which they have served as director, their principal occupations during the five (5) preceding years and certain other professional experience and the number of Common Shares owned or controlled or directed, directly or indirectly, by each of them as of April 3, 2017.

Name, Province and Country of Residence	**Director Since**	**Principal Occupations and Experience**	**Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly**
Neil Korchinski Alberta, Canada	November 7, 2016	Mr. Korchinski has been the President and Chief Executive Officer of Petrus since November 7, 2016; prior thereto, Mr. Korchinski held the position of Chief Operating Officer and Vice President Engineering at Petrus since April 25, 2014 and, prior thereto, Mr. Korchinski held the position of Vice President, Engineering at Petrus since August 8, 2011. Preceding his time at Petrus, Mr. Korchinski spent seven (7) years as the Senior Exploitation Engineer for Peyto Exploration & Development Corp. ("**Peyto**"), a public oil and gas production company. Earlier in his career, he worked as a Professional Engineer for Renaissance Energy Ltd., Husky Energy Inc. and Crescent Point Energy Ltd. in exploitation, operation and production engineering roles. Mr. Korchinski is a Professional Engineer and earned a BSc in Chemical Engineering from the University of Calgary in 2000.	94,575
Patrick Arnell(1)(2)(3) Alberta, Canada	November 25, 2015	Mr. Arnell was a director of Old Petrus from August 3, 2011 to February 2, 2016. Mr. Arnell has been an independent businessman since 2005 and a founding shareholder of Rangeland Drilling Automation Inc. Currently, Mr. Arnell is also the Chairman and Chief Executive Officer of Orix Investments Inc., a private investment company headquartered in Calgary, Alberta, since September 5, 2005. Prior thereto, he was the president and majority owner of Rayton Packaging Inc., from 1992 to 2005.	195,700(4)

Donald Cormack[1][3] Alberta, Canada	November 25, 2015	Mr. Cormack is a director of the Walton Group public registrants and YYC Calgary International Airport and has served on the board of directors of numerous not for profit organizations. Mr. Cormack was a director of Old Petrus from October 8, 2014 to February 2, 2016. Prior thereto, Mr. Cormack was a partner with PricewaterhouseCoopers LLP ("**PWC**"), and also the Calgary audit practice leader from 1997 to 2007, until his retirement in 2012. Mr. Cormack 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.	21,250
Don Gray[2][3] Arizona, United States	November 25, 2015	Mr. Gray is private investor, and was a director and the Chairman of Old Petrus from December 13, 2010 to February 2, 2016. Prior thereto, Mr. Gray was 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 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. Mr. Gray is also a director of Gear Energy Ltd.	5,692,963[6][7]
Brian Minnehan[2][3] Texas, United States	November 25, 2015	Mr. Minnehan was a director of Old Petrus from January 14, 2015 to February 2, 2016. He is a Partner of NGP Energy Capital Management LLC, a private equity fund advisor focused on investments in energy, where he has been since 2007. Prior thereto, Mr. Minnehan was a director at Prudential Capital Group from 2004 to 2007 where he 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., a TSX-listed oil and natural gas company, and several private oil and gas companies.	12,040,340[5]
Jeffrey Zlotky Texas, United States	December 29, 2015	Mr. Zlotky is a Partner and the General Counsel of NGP Energy Capital Management LLC, a private equity fund focused on investments in energy, where he has worked since 2015. Prior thereto, Mr. Zlotky spent his entire professional career at the law firm of Thompson & Knight LLP, a Texas based law firm, where he worked in their Corporate and Securities Department and specialized in corporate transactions involving the oil and gas industry and private equity. He served in a variety of increasing management positions at the law firm, including as its global Managing Partner from 2009 to 2012. He currently serves as the Corporate Secretary for Vantage Energy Acquisition Corp., a NASDAQ listed company, and several private oil and gas companies.	12,040,340[5]

Stephen White(1) Alberta, Canada	February 2, 2016	Mr. White was President and Chief Financial Officer of Fort Chicago Energy Management Ltd., the general partner of Fort Chicago Energy Partners L.P., from its inception in 1997 until January 1, 2003 when he assumed the role of President and Chief Executive Officer, the position he held until his retirement as President and Chief Executive Officer of Veresen Inc. effective November 20, 2012. Mr. White has over 25 years of experience in Canada and New Zealand in the finance, accounting and business development areas working in public accounting and with natural resource companies. Mr. White was previously a member of the New Zealand Society of Accountants. Mr. White serves on the board of directors of several private companies and trusts.	94,936

Notes:

(1) Member of the Audit Committee of the Board (the "**Audit Committee**").
(2) Member of the Reserves Committee of the Board (the "**Reserves Committee**").
(3) Member of the Compensation and Nominating Committee of the Board (the "**Compensation and Nominating Committee**").
(4) Includes 125,700 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Arnell and 70,000 Common Shares held by Mr. Arnell's spouse.
(5) Mr. Minnehan is a Partner of NGP and Mr. Zlotky is the General Counsel of NGP, and each are nominee directors of NGP pursuant to the Nomination Rights Agreement (Mr. Minnehan was initially appointed as a director nominee of NGP pursuant to the Shareholders' Agreement (defined herein)). NGP controls or directs, directly or indirectly, 12,040,340 Common Shares, being 24.4% of the issued and outstanding Common Shares as at April 3, 2017.
(6) Includes 43,061 Common Shares held by investment funds managed by EIQ Capital Corp., which are indirectly beneficially owned by Mr. Gray, and 5,649,902 Common Shares directly beneficially owned by Mr. Gray, being a total 11.5% of the issued and outstanding Common Shares as at April 3, 2017.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than as disclosed below, to the knowledge of our executive officers and directors, none of the proposed directors is, or has been in the last 10 years before the date hereof, 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 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; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, of 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; or (c) while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, 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.

Stephen White was a director of Lignol Energy Corporation ("**Lignol**"), a biofuels technology company listed on the TSX Venture Exchange. On August 22, 2014, a secured creditor of Lignol appointed a receiver over the assets and undertaking of Lignol.

No proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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 Shareholder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditors

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 meeting of Shareholders and to authorize our directors to fix their remuneration as such. Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote proxies FOR Ernst & Young LLP, Chartered Accountants of Calgary, Alberta to serve as our auditors until the next annual meeting of Shareholders and to authorize our directors to fix their remuneration as such. Ernst & Young LLP, Chartered Accountants of Calgary, Alberta has served as auditors of the Corporation since November 25, 2015 and has served as the auditors of Old Petrus since November 9, 2011.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR and in favour of approving the appointment of Ernst & Young LLP, Chartered Accountants of Calgary, Alberta.

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 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 except as disclosed herein.

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 Corporation's 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 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 and Nominating Committee, composed entirely of independent directors (within the meaning of National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI 58-101**")), is responsible for developing the approach of the Corporation with respect to matters concerning human resources, compensation and corporate governance and, from time to time, reviewing and making recommendations to the Board in respect of such matters.

The Compensation and Nominating Committee focuses on ensuring that the Corporation's human resource strategies support the Corporation's objectives, and on developing and recommending to the Board governance standards applicable to the Corporation. The Compensation and Nominating Committee is responsible for overseeing the evaluation of the Board and annually assessing the effectiveness of the Board as a whole.

The Compensation and Nominating Committee is also responsible for reviewing compensation levels of senior management, the corporate goals and objectives relevant to the Chief Executive Officer's compensation, assisting in the determination of the Chief Executive Officer's compensation and providing advice to the Board concerning the general oversight of compensation and governance matters. The Compensation and Nominating Committee also assists the Board in identifying individuals qualified to become Board members and recommending director nominees.

The members of the Compensation and Nominating Committee, Messrs Arnell, Minnehan, Cormack and Gray, are each highly experienced executives, directors and/or businessmen who have dealt with numerous compensation issues in the course of their leadership roles and each member of the Compensation and Nominating Committee is independent within the meaning of NI 58-101. A brief summary of the relevant work experience of each such member is set out below.

Mr. Patrick Arnell (Chair)

Mr. Arnell holds an MBA from the University of Saskatchewan. 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. Arnell was previously Chairman of Rangeland Industrial Service Ltd. ("Rangeland"), a manufacturer of automated service rigs and pipe handling equipment for the energy industry where he was responsible for the compensation policies for Rangeland's employees.

Mr. Brian Minnehan

Mr. Minnehan is a Partner of Natural Gas Partners, a private equity fund focused on investments in energy, since 2007 and currently sits on the board of directors of Northern Blizzard Resources Inc. and several private oil and gas companies. Mr. Minnehan oversees the compensation plans and policies for several of NGP's portfolio investment companies.

Mr. Donald Cormack

Mr. Donald Cormack was a Partner at PWC. He served as the Calgary and Alberta Audit and Advisory Practice Leader at PWC and was a member of the National Assurance executive of PWC. Mr. Cormack 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 has reviewed and audited the compensation plans of a number of private and public companies over his career.

Mr. Don Gray

Mr. Gray was the Chief Executive Officer of 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. Mr. Gray oversaw the structuring and implementation of Peyto's compensation policies during his tenure at Peyto.

Compensation and Nominating Committee

The Corporation has not retained an external compensation advisor to assist the Compensation and Nominating Committee in reviewing the Corporation's executive compensation program at any time since the Corporation's most recently completed financial year. The Corporation may engage such a professional in the future.

Executive Compensation Principles

The Board believes that a performance-based compensation plan is an important element in the compensation package for the Corporation's executive officers. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group. The Corporation's compensation program is primarily designed to reward performance. Accordingly, the performance of the Corporation, and the Corporation's executive officers, are examined by the Board in conjunction with setting executive compensation packages. The Corporation's compensation policies are founded on the principle that executive and employee compensation should be consistent with shareholders' interests and, therefore, the compensation strategy employed is balanced between fixed and variable performance based compensation. The objectives of the policies are to attract and retain a high-quality management and employee team and to motivate performance by tying a significant component of compensation to performance measures. The current elements of the Corporation's executive and employee compensation policies are consistent with the Corporation's business strategy of creating shareholder value by efficiently developing and producing oil and gas reserves. The Compensation and Nominating Committee evaluates these objectives on an ongoing basis. The Corporation's compensation plan consists of the following items:

- Base Salaries
- Short Term Incentive Compensation (Value Component)
- Long Term Incentive Compensation (stock options)

When determining compensation, including the assessment of the competitiveness of the Corporation's compensation, management and the Compensation and Nominating Committee review the compensation practices of companies in Petrus' peer group. Each year the total compensation of the Named Executive Officers (as defined herein) is reviewed by the Compensation and Nominating Committee and compared to the total compensation for executives holding similar positions with other oil and natural gas companies. Management and the Compensation and Nominating 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 and Nominating Committee for the appropriate salary and annual incentive for each individual. The Compensation and Nominating Committee then reviews these recommendations, in conjunction with its own review of the Corporation's growth in value (Value Component which is the accretive growth in oil and natural gas reserve value as discussed in detail below), executive performance, and market data. A recommendation for approval of the compensation is made to the Board by the Compensation and Nominating Committee. The Corporation does not have a pension plan or other form of formal retirement compensation.

Executive compensation consists of three principal components: (a) base salary; (b) short-term incentive compensation (Value Component); and (c) long-term incentive compensation (participation in the Option Plan (as defined herein) and, historically, the issuance of Old Performance Warrants (as defined herein) and Old Options (as defined herein)). The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness 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 Neil Korchinski (President and Chief Executive Officer), Kevin Adair (former President and Chief Executive Officer), Cheree Stephenson (Vice President, Finance and Chief Financial Officer), Michael Scheuerman (Completions Manager), Marcus Schlegel (Vice President, Engineering) and Jesse Neudorf (Production Manager) (collectively referred to herein as the "**Named Executive Officers**" or the "**NEOs**").

Elements of the Corporation's Executive Compensation Program

Base Salaries

The base salary component of the Corporation's compensation program is intended to provide a fixed level of competitive pay that reflects the executive officer'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 executive officers and senior management that is competitive with peer companies in the oil and natural gas industry. The Compensation and Nominating Committee compares the base salaries of its executive officers with that of officers at peer companies in the oil and natural gas industry and recommends to the Board that Petrus set its pay level in-line with the Corporation's peer group for such positions, while also considering the other components of its executive officer compensation package. Factors reviewed in assessing peer companies includes total revenue, total assets, total level of capital expenditures, number of employees, business strategy, asset characteristics and daily production levels on a per barrel of oil equivalent (boe) basis. Such peer companies include: RMP Energy Inc., Journey Energy Inc., Crew Energy Inc., Tamarack Valley Energy Ltd., Raging River Exploration Inc., Spartan Energy Corp., Storm Resources Ltd., Cequence Energy Ltd. and Delphi Energy Corp.

Short Term Incentive Compensation – Value Component

The principal purpose of the Value Component is to coincide with the interests of Petrus by providing for bonuses for employees of the Corporation who are designated as participants thereunder. The main strategy of the Value Component is to reward participants for accretive oil and natural gas reserve value growth, which is a result of Petrus' exploration and development program. The Value Component is designed to recognize individual performance that has played a role in creating incremental value per common share but not to reward for increases in commodity prices. Petrus believes that the change in value of the Corporation's proven producing reserves is the best measure of performance of an oil and gas company.

The Value Component is administered by the CEO, who designates the participants, other than the CEO, in the Value Component among key employees of Petrus and allocates a component of the value pool to each such participant. The allocation of the value pool is not set in relation to any formula or specific criteria but is the result of a subjective determination by the CEO and is approved by the Compensation and Nominating Committee and the Board with the use of the Corporation's third party reserve evaluator's calculation of the incremental value of the Corporation's proven producing reserves using the same price forecast for the opening and closing valuation and an 8% discount factor. This incremental value is adjusted for debt and equity in order to isolate the net incremental value added on a per share basis and assists the CEO in making his recommendation. Recommendations regarding the allocations made by the CEO are reviewed by the Compensation and Nominating Committee. Allocations and payments made to the CEO are determined by the Board on the advice of the Compensation and Nominating Committee. Given the relatively low number of employees at Petrus, this manner of allocation remains optimal.

Under the Value Component, the Short Term Incentive Compensation is comprised of 4% of the annual incremental increase in value, if any, as adjusted to reflect changes in debt, equity, general and administrative expenses and interest expense, of the Corporation's proven producing reserves calculated using a discount rate of 8%. The change in the Corporation's proven producing reserves is calculated on a calendar year basis. The Corporation's proven producing reserves are calculated by a third party reserve evaluator, at the end of each fiscal year. The resulting payments, if any, under the Value Component are paid in cash.

Long-Term Incentive Compensation

Stock options ("**Options**") granted under the Option Plan and, historically, the issuance of Old Performance Warrants and Old Options to directors, officers, employees and service providers, are, and were, intended to align director, executive officer, employee, service provider 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 Old 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 executive officers to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted securities to an individual is taken into account when considering new grants.

Option Plan

The Corporation has adopted an option plan (the "**Option Plan**") pursuant to which Options may be granted to directors, executive officers, employees and certain service providers of the Corporation or its subsidiaries (each an "**Eligible Person**"). The purpose of the Option Plan is to align director, executive officer, employee, certain service provider and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. The Option Plan is administered by the Board (which may delegate its authority to the Compensation and Nominating Committee or other committee), which has authority to interpret the Option Plan, including in respect of any Options granted thereunder. In accordance with the policies of the TSX, unallocated options under rolling option plans must receive Shareholder approval three (3) years from the date of listing on the TSX and subsequently every three (3) years after that. The Option Plan was last approved by Shareholders on December 19, 2015.

When making recommendations with respect to Options to be granted to each of the executive officers of Petrus, it is expected that the Board, or the Compensation and Nominating Committee, as applicable, will review the recommendations of management and information with respect to Options granted by companies in Petrus' peer group as well as previous grants of Options to the Eligible Person. Options are not transferable or assignable, except in accordance with the Option Plan, and the holding of Options shall not entitle the holder to any rights as a Shareholder.

The Board will set the term of the Options granted under the Option Plan provided that such term does not exceed a maximum term of five (5) years. Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. Where no determination as to vesting is made, the Options shall vest as to one third (1/3) of the number of Options granted on the first anniversary of the date of grant and as to one third (1/3) of the number of Options granted on the second and third anniversaries of the date of grant.

The exercise price of Options shall not be less than the "Current Market Price", where such term is defined to mean the volume weighted average trading price of the Common Shares on the TSX (or if the Common Shares are listed on more than one stock exchange, on such stock exchange as may be designated by the Compensation and Nominating Committee for such purpose) for the five (5) trading days immediately preceding the date of the grant of Options and, for this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period; or, if the Common Shares are not listed on any exchange, a price determined by the Board, Compensation and Nominating Committee or any committee thereof.

In addition to the typical exercise method of issuing Common Shares to the holder in exchange for the payment of the exercise price of the Option, the Option Plan also allows Options to be exchanged for the issuance of Common Shares equal to the number determined by dividing the Current Market Price into the difference between the Current Market Price and the exercise price of such Options. The resulting Common Shares issued to the optionee could subsequently be held, or sold on the open market for cash, at the holder's option.

The Option Plan limits insider participation such that in aggregate, no more than ten percent (10%) of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(aa) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(c) of the Securities Act (Alberta) under the Option Plan, together with all of Petrus' other security based compensation arrangements (the "**Common Share Maximum**"). Further, the number of securities Petrus issues to insiders within any twelve (12) month period under all of Petrus' security based compensation arrangements cannot exceed ten percent (10%) of the issued and outstanding Common Shares. The Option Plan also provides that no single service provider may be granted Options to purchase a number of Common Shares equaling more than five percent (5%) of the issued and outstanding Common Shares in any twelve (12) month period unless Petrus has obtained disinterested Shareholder approval in respect of such grant and meets TSX requirements.

The Board has discretion to make amendments to the Option Plan which it may deem necessary, without having to obtain Shareholder approval, provided that no such amendment may, without the consent of optionees, alter or impair any Option previously granted to an optionee under the Option Plan and provided further that any amendment to the Option Plan is subject to prior approval of the TSX. The Board may by resolution amend the Option Plan and any Options granted under it without Shareholder approval, however, the Board will not be entitled, in the absence of Shareholder and TSX approval, to:

(a) make any amendment to the Option Plan to increase the Common Share Maximum;

(b) reduce the exercise price of any outstanding Options;

(c) cancel an Option and subsequently issue the holder of such Option a new Option or other entitlements in replacement thereof;

(d) extend the term of any outstanding Option beyond the original expiry date of such Option;

(e) make an amendment to increase or remove the maximum limit on the number of securities that may be issued to insiders;

(f) make an amendment to increase the value of Options issuable to directors who are not officers or employees of the Corporation, or its subsidiaries, under the Corporation's incentive plans;

(g) make any amendment to the Option Plan that would permit an optionee to transfer or assign Options to a new beneficial optionee other than in the case of death of the optionee; or

(h) make an amendment to the section of the Option Plan governing amendments.

Upon termination of an Eligible Person for cause, the Options held by the Eligible Person shall become null and void on the date on which notice is given to the optionee of such termination. Upon termination of an Eligible Person for any other reason, other than death, the Eligible Person may exercise the Options, to the extent to which the Eligible Person was entitled to exercise them, at the date of termination, provided that the exercise occurs within thirty (30) days following the termination of the Eligible Person. In the case of death, permanent disability or retirement, the Eligible Person is entitled to exercise those Options which such person was entitled to exercise on the date of death, permanent disability or retirement for not more than twelve (12) months following the date of death, permanent disability or retirement and in the absence of a determination by the Board, not more than six (6) months from the date of the same.

As of April 3, 2017, the Corporation has issued 1,791,480 Options under the Option Plan.

Old Long-Term Incentive Compensation

Prior to the completion of the Arrangement, Old Petrus had a stock option plan (as amended, the "**Old Option Plan**") pursuant to which Old Petrus had options to purchase Old Petrus Shares ("**Old Options**") outstanding. Old Petrus also had performance warrants ("**Old Performance Warrants**" and together with the Old Options, the "**Old Incentive Securities**") outstanding, pursuant to which holders were entitled to purchase Old Petrus Shares pursuant to the terms and conditions set out in the certificates underlying such Old Performance Warrants (the "**Old Performance Warrant Certificates**").

Following the completion of the Arrangement, all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, as applicable; provided, however that the Old Incentive Securities now entitle the holders thereof to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share. No further Old Options may be granted under the Old Option Plan nor will any Old Petrus Warrants be granted.

Old Option Plan

Each Old Option entitles the holder thereof to purchase 0.25 of a Common Share at the exercise price of the Old Option. The Old Options vest one third (1/3) on the anniversary of the grant date (each a "**Grant Anniversary**") until all Old Options have vested, and, in the event that the number of Old Options that have vested must be determined on a date other than a Grant Anniversary, then the number of Old Options vesting since the most recent Grant Anniversary shall be pro-rated by multiplying the number of Old Options that would have vested on the next Grant Anniversary by a fraction, the numerator of which shall be the number of days that have passed since the most recent Grant Anniversary and the denominator of which shall be 365 (rounded to the nearest whole number). All Old Options will expire on the fifth (5th) anniversary of the grant.

If an optionee ceases to be a director, employee of, or consultant to, Petrus for any reason other than death, all Old Options held shall automatically terminate as of the date of such termination and any right to exercise such Old Options shall cease. If an optionee's employment by Petrus is terminated for constructive dismissal pursuant to the applicable provisions of an employment agreement between an optionee and Petrus (if and where such an agreement is in effect) or if Petrus terminates the optionee's employment without cause, then (i) all Old Options that have not vested as of the date of termination of employment shall automatically terminate as of such date and any right to exercise such Old Options shall be forfeited as of such date and the optionee will have ninety (90) days from the date of termination of employment to elect to exercise any vested Old Options, after which time any unexercised vested Old Options shall automatically terminate and any right to exercise such Old Options shall be forfeited. In the event of an optionee's death or permanent disability, all Old Options that have not vested shall automatically terminate as of the date of death or permanent disability, and any right to exercise such Old Options shall be forfeited as of such date, and all Old Options that have vested in accordance shall remain outstanding and may be exercised by the person who acquires such Old Options by will or the laws of descent and distribution, or by optionee or the optionee's legal representative, as the case may be.

Old Performance Warrants

Each Old Performance Warrant entitles the holder thereof to purchase 0.25 of one Common Share at the exercise price of the Old Performance Warrant. The Old Performance Warrants issued vested one third (1/3) on the first anniversary of the date of grant, one third (1/3) on the date that was two years from the date of grant and one third (1/3) on the third anniversary of the date of grant. All Old Performance Warrants will expire on the fifth anniversary of the date of grant. All of the remaining Old Performance Warrants will expire by November 1, 2017.

Notwithstanding that the Old Performance Warrants may have vested, the Old Performance Warrants may not be exercised by the holder until the following thresholds are reached: (i) one third (1/3) of the Old Performance Warrants shall be exercisable when the Common Shares are listed on an exchange and the weighted average trading price for 20 consecutive trading days is equal or greater to 1.6 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share (as defined below) is equal or greater than 1.6 times the exercise price; (ii) one third (1/3) of the Old Performance Warrants shall be exercisable when the Common Shares are listed on an exchange (including the TSX) and the weighted average trading price for 20 consecutive trading days is equal or greater to 2.0 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share is equal or greater than 2.0 times the exercise price; and (iii) one third (1/3) of the Old Performance Warrants will be exercisable when the Common Shares are listed on a stock exchange (including the TSX) and the weighted average trading price for 20 consecutive trading days is equal or greater to 2.5 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share is equal or greater than 2.5 times the exercise price.

The "**Liquid Value per Common Share**" means: (i) the cumulative cash amount distributed by Petrus per Common Share; (ii) the cash price paid per Common Share in an arm's length treasury offering of Common Shares for aggregate gross proceeds of a minimum of $5,000,000; (iii) the cash price paid per Common Share in an acquisition of all of the Common Shares; or (iv) the price per Common Share received in a transaction wherein all of the Common Shares are exchanged solely for securities of another issuer whereby the securities of the other issuer have a market price on a recognized exchange, as such term is defined in the Securities Act (Alberta), provided that the price per Common Share will be calculated using twenty (20) consecutive trading days of such other issuer's securities on such exchange adjusted in accordance with the exchange ratio on the date the agreement to effect such exchange is announced.

If permitted by the Board, the holder may elect for a cashless exercise of the holder's then vested and exercisable Old Performance Warrants (the "**Old Cashless Exercise**"). If the holder elects for an Old Cashless Exercise, the Old Performance Warrants will be surrendered in exchange for the issuance of Common Shares equal to the number determined by dividing the current market price (calculated per the terms of the Old Performance Warrant certificate as at the date of exercise) into the difference between the current market price and the exercise price of such Old Performance Warrants.

If a holder ceases to be a director, officer, employee of, or consultant to, Petrus for any reason other than death, the unvested Old Performance Warrants shall cease and be terminated on the date of cessation of office, employment or consulting arrangement as the case may be. Upon death of the holder of the Old Performance Warrants, the unvested Old Performance Warrants shall cease and terminate on the earlier of the expiry date of the Old Performance Warrants and 30 days following the date of death.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Compensation and Nominating Committee considers whether the compensation program provides 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. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan; (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 and Compensation and Nominating Committee 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, 2016, 2015 and 2014, as applicable, information concerning the compensation paid to Named Executive Officers.

Name and principal position	Year	Salary[16] ($)	Share-based awards ($)[1]	Option-based awards ($)[2]	Non-equity incentive plan compensation ($)		Pension value ($)[4]	All other compensation [5][6]	Total compensation ($)
					Annual incentive plans[3]	Long-term incentive plans[3]			
Neil Korchinski[7] President and Chief Executive Officer	2016	209,400	N/A	92,022	Nil	N/A	N/A	Nil	301,422
	2015	213,525	N/A	Nil	Nil	N/A	N/A	Nil	213,525
	2014	187,200	N/A	Nil	Nil	N/A	N/A	Nil	187,200

Kevin Adair[8] (former President and Chief Executive Officer)	2016	216,800	N/A	Nil	Nil	N/A	N/A	690,014	906,814
	2015	242,775	N/A	Nil	Nil	N/A	N/A	Nil	242,775
	2014	213,200	N/A	Nil	Nil	N/A	N/A	Nil	213,200
Cheree Stephenson[9] Vice President, Finance and Chief Financial Officer	2016	197,600	N/A	64,827	Nil	N/A	N/A	Nil	262,427
	2015	204,750	N/A	Nil	Nil	N/A	N/A	Nil	204,750
	2014	183,040	N/A	Nil	Nil	N/A	N/A	Nil	183,040
Michael Scheuerman[10] Completions Manager	2016	169,000	N/A	16,200	Nil	N/A	N/A	Nil	185,200
	2015	156,900	N/A	403,000	Nil	N/A	N/A	Nil	559,900
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marcus Schlegel[11] Vice President, Engineering	2016	164,400	N/A	21,021	Nil	N/A	N/A	Nil	185,421
	2015	165,800	N/A	Nil	Nil	N/A	N/A	Nil	165,800
	2014	85,000	N/A	364,000	18,000	N/A	N/A	N/A	467,000
Jesse Neudorf[12] Production Manager	2016	161,300	N/A	12,936	Nil	N/A	N/A	N/A	174,236
	2015	162,200	N/A	Nil	Nil	N/A	N/A	N/A	162,200
	2014	140,400	N/A	Nil	36,000	N/A	N/A	N/A	176,400

Notes:

(1) The Corporation does not have 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, 2016, 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%, risk-free interest rate of 1.20% to 1.40%, and an expected life of 5.00 years, resulting in a value per Option of $4.96. No Old Options were granted to NEOs for the year ended December 31, 2015. The fair value of the Old Options granted to each NEO for the year ended December 31, 2014, estimated on the date of the grant, using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 50%, risk-free interest rate of 1.20%, and an expected life of five (5) years, resulting in a value per Old Option of $4.48. The Old Options issued vest equally over a three (3) year period commencing one (1) year from the date of grant. No Old Performance Warrants were granted to NEOs for the years ended December 31, 2016, 2015 or 2014.

(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 paid $690,014 following his resignation on November 7, 2016. $105,014 (less required withholdings) was paid by December 31, 2016 and the remainder of $585,000 (less required withholdings) was paid in January 2017. The total other compensation paid to Mr. Adair was comprised of the following: a retiring allowance equal to the total of (i) one (1) times his annual base salary as at the November 7, 2016 (the "**Termination Date**"), (ii) an amount equal to fifteen percent (15%) of one (1) times his annual base salary as at the Termination Date to compensate him for the loss of employment benefits and perquisites, (iii) statutory payment in lieu of notice, (iv) unutilized vacation entitlement, (v) a retiring allowance equal to the total of one (1) times his annual base salary as at the Termination Date in respect on a non-competition agreement, and (vi) to six twelfths (6/12) times his annual base salary in respect of a share transfer restriction agreement.

(7) Mr. Korchinski was appointed President and Chief Executive Officer on November 7, 2016. Mr. Korchinski was appointed Vice President, Engineering and Chief Operating Officer of the Corporation on November 25, 2015. Mr. Korchinski was appointed Vice President, Engineering of Old Petrus on August 8, 2011 and Vice President, Engineering and Chief Operating Officer of Old Petrus effective April 25, 2014.

(8) Mr. Adair resigned as President and Chief Executive Officer on November 7, 2016. Mr. Adair was appointed President and Chief Executive Officer of Petrus on November 25, 2015. Mr. Adair was appointed President of Old Petrus on August 8, 2011 and President and Chief Executive Officer of Old Petrus on April 3, 2012.

(9) Ms. Stephenson was appointed Vice President, Finance and Chief Financial Officer of Petrus on November 25, 2015. Ms. Stephenson was appointed Controller of Old Petrus on August 8, 2011 and Vice President, Finance and Chief Financial Officer of Old Petrus effective January 1, 2012.

(10) Mr. Scheuerman is employed as Completions Manager. Mr. Scheuerman commenced employment with Old Petrus on January 26, 2015.

(11) Mr. Schlegel was appointed Vice President, Engineering on January 24, 2017. Mr. Schlegel commenced employment with Old Petrus on July 9, 2014.

(12) Mr. Neudorf was employed as Production Manager of Petrus. Mr. Neudorf commenced employment with Old Petrus on August 7, 2012. Mr. Neudorf resigned from his position at Petrus effective January 6, 2017.

(13) The compensation listed in the above table for the years ended December 31, 2015 and 2014, is in respect of compensation paid or granted to each of the Named Executive Officers for their positions at Old Petrus by Old Petrus.

(14) Following the completion of the Arrangement, all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, as applicable; provided, however that the Old Incentive Securities now entitle the holders to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share. See "*Long Term Incentive Compensation – Old Long Term Incentive Compensation*".

(15) Mr. Korchinski does not receive compensation for acting as a director and, prior to his departure, Mr. Adair did not receive compensation for acting as a director.

(16) Petrus had temporary 10% salary reductions in place during portions of 2015 and 2016 due to economic circumstances, which are reflected in the above amounts.

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 as at December 31, 2016.

		Option-based Awards(2)				Share-based Awards(4)		
Name	**Year of grant**	**Number of Common Shares underlying unexercised options(1) (#)**	**Option exercise price(3) ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Neil Korchinski	2016	187,800 Options	1.98	November 18, 2019	238,506	N/A	N/A	N/A
	2012	19,250 (77,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	2,500 (10,000 Old Performance Warrants)	8.00	November 5, 2017	Nil			
	2012	175,000 (700,000 Old Options)	7.00	June 29, 2017	Nil			
	Total	**384,550**	-	-	**238,506**			
Cheree Stephenson	2016	132,300	1.98	November 18, 2019	168,021	N/A	N/A	N/A
	2012	19,250 (77,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	12,500 (50,000 Old Performance Warrants)	8.00	November 5, 2017	Nil			
	2012	100,000 (400,000 Old Options)	7.00	June 29, 2017	Nil			
	Total	**264,050**	-	-	**168,021**			
Michael Scheuerman	2016	33,060	1.98	November 18, 2019	41,986	N/A	N/A	N/A
	2015	81,250 (325,000 Old Options)	14.00	February 10, 2020	Nil			
	Total	**114,310**	-	-	**41,986**			
Marcus Schlegel	2016	42,900 Options	1.98	November 18, 2019	54,483	N/A	N/A	N/A
	2014	81,250 (325,000 Old Options)	13.00	July 9, 2019	Nil			
	Total	**124,250**	-	-	**54,483**			

Jesse Neudorf	2016	26,400	1.98	November 18, 2019	33,528	N/A	N/A	N/A
	2012	43,750 (175,000 Old Options)	7.00	August 6, 2017	Nil			
	2012	100,000 (400,000 Old Performance Warrants)	8.00	August 6, 2017	Nil			
	Total	**170,150**	-	-	**33,528**			

Notes:

(1) Following the completion of the Arrangement, all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, respectively; provided, however that the Old Incentive Securities now entitle the holders to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, respectively and as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares, pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share. See "*Long Term Incentive Compensation – Old Long Term Incentive Compensation*".

(2) The value of these Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Options multiplied by the number of Options outstanding. The value of these Old Performance Warrants is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Performance Warrants (see Note 3 below), multiplied by the number of Old Performance Warrants outstanding. The value of these Old Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Options (see Note 3 below), multiplied by the number of Old Options outstanding.

(3) The exercise price for the Old Options and Old Performance Warrants was calculated as the exercise price per Old Option or Old Performance Warrant, as the case may be, multiplied by four (4) to reflect the number of each respective Old Incentive Security required to be exercised to obtain one (1) Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

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

(5) Mr. Adair resigned as President and Chief Executive Officer on November 7, 2016 and, as such, all incentive securities granted to Mr. Adair expired prior to December 31, 2016.

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, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	Option-based awards – Value vested during the year[(2)] ($)	Share-based awards – Value vested during the year[(3)] ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Neil Korchinski	Nil	N/A	N/A
Kevin Adair[(4)]	Nil	N/A	N/A
Cheree Stephenson	Nil	N/A	N/A
Michael Scheuerman	Nil	N/A	N/A
Marcus Schlegel	Nil	N/A	N/A
Jesse Neudorf	Nil	N/A	N/A

Notes:

(1) The value of these Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Options multiplied by the number of Options outstanding. The value of these Old Performance Warrants is calculated based on the difference between the closing

price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Performance Warrants (see Note 2 below), multiplied by the number of Old Performance Warrants outstanding. The value of these Old Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Options (see Note 2 below), multiplied by the number of Old Options outstanding. See "*Long Term Incentive Compensation – Old Long Term Incentive Compensation*".

(2) The exercise price for the Old Options and Old Performance Warrants was calculated as the exercise price per Old Option or Old Performance Warrant, as the case may be, multiplied by four (4) to reflect the number of each respective Old Incentive Security required to be exercised to obtain one (1) Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

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

(4) Mr. Adair resigned as President and Chief Executive Officer on November 7, 2016 and, as such, all incentive securities granted to Mr. Adair expired prior to December 31, 2016.

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 executive employment agreements (collectively, the "**Employment Agreements**") with the President and Chief Executive Officer (Neil Korchinski), Vice President, Finance and Chief Financial Officer (Cheree Stephenson), Vice President, Engineering (Marcus Schlegel), Vice President, Exploration (Ross Keilly) and Vice President, Land (Brett Booth). The following is a brief summary of the Employment Agreements.

The Employment Agreements provide for employment of each individual with the Corporation for an indefinite term. Pursuant to the Employment Agreements, each of Mr. Korchinski, Ms. Stephenson, Mr. Schlegel, Mr. Keilly and Mr. Booth (each an "**Executive**") 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's performance annually and may adjust the annual salary based on the performance review.

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

The Corporation is 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 by providing written notice of the termination date to the Executive, and the Corporation shall, subject to the Executive performing his or her obligations under 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; and (iii) an amount equal to one 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 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 of the Corporation or termination for any reason other than cause occurred as of December 31, 2016.

Name and principal position	Severance multiple	Salary(1)	Benefits and Perquisites(1)	Non-equity Incentive Plan Compensation(1)	Total Incremental Payment (2)(3)
Neil Korchinski President and Chief Executive Officer	1	$219,000	$32,850	Nil	$251,850
Cheree Stephenson Vice President, Finance and Chief Financial Officer	1	$210,000	$31,500	Nil	$241,500
Marcus Schlegel(3) Vice President, Engineering	1	$170,000	$25,500	$9,000	$204,500
Brett Booth(3) Vice President, Land	1	$120,000	$18,000	$36,500	$174,500
Ross Keilly(3) Vice President, Exploration	1	$161,200	$24,180	$30,000	$215,380

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 of such Executive's employment, (ii) an amount equal to fifteen percent (15%) of one (1) times the Executive's annual base salary as at the termination date of such Executive's employment 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 years prior to the termination date of such Executive's employment, or if the Executive has been employed for a lesser period, one times the cash equivalent of any bonuses paid to the Executive prior to the termination date of such Executive's employment.

(2) Each of the Executives is also party to a non-competition agreement ("**Non-Competition Agreement**") which provides that in the event that the executive officer is terminated from his or her employment for reasons other than for cause, 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 the Executive's annual salary in effect on the termination date, payable monthly in arrears. This table does not include such payment.

(3) The Corporation entered into Employment Agreements with each of Marcus Schlegel, Ross Keilly and Brett Booth on January 24, 2017.

As noted, Mr. Adair resigned as President and Chief Executive Officer on November 7, 2016 and the following table sets forth the amount payable to Mr. Adair following his departure from the Corporation.

Name and principal position	Severance multiple	Salary(1)	Benefits and Perquisites(1)	Other Compensation(2)	Non-equity Incentive Plan Compensation	Total Amount Paid(3)
Kevin Adair Former President and Chief Executive Officer	1	$249,000	$67,514	$373,500	Nil	$690,014

Notes:

(1) Calculated in accordance with the Executive's Employment Agreement, a retiring allowance was paid to Mr. Adair 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. Perquisites paid include a statutory payment in lieu of notice in addition to payment in respect of vacation entitlement.

(2) Mr. Adair was paid a retiring allowance equal to the total of one (1) times the Executive's annual base salary as at the Termination Date in respect on a non-competition agreement in addition to six twelfths (6/12) times the Executive's annual base salary in respect of a share transfer restriction agreement.

(3) Mr. Adair was paid $690,014 following his resignation on November 7, 2016. $105,014 (less required withholdings) was paid by December 31, 2016 and the remainder of $585,000 (less required withholdings) was paid in January 2017.

Director Compensation

Directors may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management directors are also eligible to participate in the Option Plan. Non management directors, other than the Chairman, are each paid an annual fee of $24,000 and the Chairman 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. From January 1, 2016 to June 30, 2016 the director's fees were reduced by 10% due to the economic environment.

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	2016	$26,600	N/A	$12,078	Nil	N/A	Nil	**$38,678**
Donald Cormack	2016	$29,450	N/A	$12,078	Nil	N/A	Nil	**$41,528**
Don Gray	2016	$46,550	N/A	$18,288	Nil	N/A	Nil	**$64,838**
Brian Minnehan	2016	$22,800	N/A	$12,078	Nil	N/A	Nil	**$34,878**
Peter Verburg(4)	2016	$22,800	N/A	$12,078	Nil	N/A	$105,947	**$140,825**
Jeffrey Zlotky	2016	$22,800	N/A	$12,078	Nil	N/A	Nil	**$34,878**
Stephen White	2016	$20,000	N/A	$12,078	N/A	N/A	N/A	**$32,078**

Notes:

(1) The Corporation does not have any share-based awards.
(2) The value of these Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Options multiplied by the number of Options outstanding.
(3) The Corporation does not have any non-equity incentive plans for its directors.
(4) 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, 2016, that entity received consulting fees in the amount of $105,947. Mr. Verburg is not standing for re-election at the Meeting.

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

The following table sets forth, for each of Petrus' directors, all option-based awards and share based awards outstanding as at December 31, 2016.

		Option-based Awards(1)				Share-based Awards(3)		
Name	**Year of Grant**	**Number of Common Shares underlying unexercised options (#)**	**Option exercise price(2) ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**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	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A
	2012	12,500(50,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	31,250 (125,000	7.00	June 29, 2017	Nil			

		Old Options)						
	Total	**53,260**	**-**	**-**	**12,078**			
Donald Cormack	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A
	2014	25,000 (100,000 Old Options)	16.00	October 9, 2019	Nil			
	Total	**34,510**	**-**	**-**	**12,078**			
Don Gray	2016	14,400 Options	1.98	November 18, 2019	18,288	N/A	N/A	N/A
	2012	12,500 (50,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	Nil			
	Total	**83,150**	**-**	**-**	**18,288**			
Brian Minnehan(4)	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A
	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	Nil			
	Total	**65,760**	**-**	**-**	**12,078**			
Peter Verburg(5)	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A
	2012	18,250 (73,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	Nil			
	Total	**84,010**	**-**	**-**	**12,078**			
Jeffrey Zlotky(4)	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A
Stephen White	2016	9,510 Options	1.98	November 18, 2019	12,078	N/A	N/A	N/A

Notes:

(1) The value of these Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Options multiplied by the number of Options outstanding. The value of these Old Performance Warrants is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Performance Warrants (see Note 2 below), multiplied by the number of Old Performance Warrants outstanding. The value of these Old Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Options (see Note 2 below), multiplied by the number of Old Options outstanding.

(2) The option exercise price for the Old Options and Old Performance Warrants was calculated as the exercise price per Old Option or Old Performance Warrant, as the case may be, multiplied by four (4) to reflect the number of each respective Old Incentive Security required to be exercised to obtain one (1) Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

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

(4) The Old Option awards allocated to Mr. Minnehan and Mr. Zlotky are held by NGP and are only indicated in the table above under Mr. Minnehan's name.

(5) Mr. Verburg is not standing for re-election at the Meeting.

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, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

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	Nil	N/A	N/A
Donald Cormack	Nil	N/A	N/A
Don Gray	Nil	N/A	N/A
Brian Minnehan(4)	Nil	N/A	N/A
Peter Verburg(5)	Nil	N/A	N/A
Jeffrey Zlotky(4)	Nil	N/A	N/A
Stephen White	Nil	N/A	N/A

Notes:

(1) The value of these Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Options multiplied by the number of Options vested during the year. The value of these Old Performance Warrants is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Performance Warrants, multiplied by the number of Old Performance Warrants vested during the year. The value of these Old Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2016 of $3.25 and the exercise price of the Old Options, multiplied by the number of Old Options vested during the year.

(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 Old Options granted to Mr. Minnehan and Mr. Zlotky are held by NGP and are only indicated in the table above under Mr. Minnehan's name.

(5) Mr. Verburg is not standing for re-election at the Meeting.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of the 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

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.

Set out below is a description of our current corporate governance practices.

Board of Directors

Our Board currently consists of eight (8) directors, six (6) of whom are independent within the meaning of NI 58-101. A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

The following directors are independent within the meaning of NI 58-101: Brian Minnehan, Donald Cormack, Don Gray, Patrick Arnell, Jeffrey Zlotky and Stephen White. Brian Minnehan and Jeffrey Zlotky may not be considered independent for the purposes of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") as Mr. Minnehan is a Partner of NGP and Mr. Zlotky is the General Counsel of NGP, which holds greater than 10% of the Common Shares, and thus they may each be considered to be an "affiliated entity" of Petrus (within the meaning of NI 52-110). However, for each of Mr. Minnehan and Mr. Zlotky, the Board does not consider such relationship to be a material relationship which could reasonably be expected to interfere with the exercise of such director's independent judgment, for the purposes of NI 58-101, and therefore consider them to be independent for such purpose.

Neil Korchinski 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 has provided consulting services to management from time to time. Mr. Verburg is not standing for re-election at the Meeting.

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

The Board facilitates its exercise of independent supervision over management by endeavoring 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 independent members. In order to ensure that the Board acts independently, the Chairman of the Board as well as all committees of the Board are independent within the meaning of NI 58-101. Independent directors hold in-camera sessions at most Board meetings at which non-independent directors and members of management are not in attendance. Since January 1, 2016, in-camera sessions were held during all Compensation and Nominating Committee meetings, Reserve Committee meetings and Audit Committee meetings and 5 of 9 Board of Directors meetings.

Position Descriptions

The Board has developed written position descriptions for the Chief Executive Officer, the Chairman of the Board as well as each chair of the committees of the Board.

Directorships

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

Name	Other Reporting Issuers
Brian Minnehan	Northern Blizzard Resources Inc.
Jeffrey Zlotky	Vantage Energy Acquisition Corp.
Don Gray	Gear Energy Ltd. Peyto Exploration & Development Corp.
Peter Verburg	Gear Energy Ltd.

Donald Cormack	Walton Westphalia Development Corporation Walton Edgemont Development Corporation Walton Ontario Land L.P. Walton Big Lake Development L.P. YYC Calgary International Airport

Board and Committee Meetings and Meeting Attendance

The Board maintains three standing committees: the Audit Committee, the Reserves Committee and the Compensation and Nominating Committee. The members of the Audit Committee are Messrs. Arnell, Cormack and White. The members of the Reserves Committee are Messrs. Arnell, Gray and Minnehan. The members of the Compensation and Nominating Committee are Messrs. Arnell, Cormack, Gray and Minnehan. The following is a summary of attendance of the directors at meetings of our Board and its committees since January 1, 2016.

Director	Board	Audit	Reserves	Compensation
Brian Minnehan	9/9	-	2/2	2/2
Patrick Arnell	9/9	5/5	2/2	2/2
Don Gray	9/9	-	2/2	2/2
Kevin Adair(1)	7/7	-	-	-
Peter Verburg(2)	9/9	-	-	-
Jeffrey Zlotky	9/9	-	-	-
Donald Cormack	9/9	5/5	-	2/2
Stephen White	9/9	5/5	-	-
Neil Korchinski(3)	2/2	-	-	-

Notes:

(1) Mr. Adair resigned from the Corporation on November 7, 2016, and, as such, the above reflects his attendance at meetings held prior to his departure.
(2) Mr. Verburg is not standing for re-election at the Meeting
(3) Mr. Korchinski was appointed November 7, 2016 and, as such, the above reflects his attendance at meetings held following his appointment.

Board Mandate

The text of the mandate of the Board is attached hereto as Schedule "A".

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 has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to our directors, officers and employees. A copy of the Code is available for review on SEDAR at (www.sedar.com). All employees and consultants are provided with a copy of the Code on commencement of service/employment and are required to confirm in writing that they have read and understand the Code and acknowledge his or her agreement to abide by the Code. Annual reminders that compliance with the Code is required are provided.

There have been no material change reports filed since the beginning of our most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of, a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, our Board has adopted a "Whistleblower Policy" wherein our employees are provided with the mechanics by which they may raise concerns in a confidential and anonymous process.

Nomination of Directors

The Compensation and Nominating Committee is comprised of Messrs. Arnell, Cormack, Gray and Minnehan, all of whom are independent directors within the meaning of NI 58-101. New candidates will be identified having regard to: (i) the competence and skills that the Compensation and Nominating Committee considers to be necessary for our Board, as a whole, to possess; (ii) the competence and skills that the Compensation and Nominating Committee considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the Board; 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 and Nominating 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.

The Board has adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, the Compensation and Nominating Committee will consider such offer and make a recommendation to the Board whether to accept it or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any Compensation and Nominating Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days of such meeting of Shareholders. The decision of the Board will be announced by way of a press release, which, if the Board has decided to reject such resignation, the reasons for rejecting the resignation.

In addition, the Corporation's by-laws include "advance notice provisions" designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide Shareholders, directors and management of the Corporation with a clear framework for nominating directors. In particular, these provisions of the by-laws fix a deadline (being not less than 30 days before the date of an annual meeting of Shareholders and, in the case of a special meeting, the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made) by which holders of record of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders, and also set forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders. The Corporation's by-laws are available on SEDAR at www.sedar.com.

Audit Committee

The Audit Committee is comprised of Messrs. Cormack, Arnell and White, all of whom are independent and financially literate within the meaning of such terms under NI 52 110. The specific responsibilities of the Audit Committee are set out in the Audit Committee Mandate, a copy of which is attached as Schedule "A" to the AIF. The Audit Committee's primary role is to: (i) assist the Board to meet its responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters; (ii) provide better communication between directors and external auditors; (iii) assist the Board's oversight of the auditor's qualifications and independence; (iv) assist the Board's oversight of the credibility, integrity and objectivity of the financial reports; (v) strengthen the role of the outside directors by facilitating discussions between directors on the Audit Committee, management and external auditors; (vi) assist the Board's oversight of the Corporation's compliance with legal and regulatory requirements; and (vii) review the risks that may affect the Corporation and the risk management policies and procedures of the Corporation.

Petrus believes that each of the members of the Audit Committee possesses substantially all of the following: (i) an understanding of the accounting principles used by Petrus to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Petrus' financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see "Election of Directors" in this Information Circular.

Compensation and Nominating Committee

The Compensation and Nominating Committee, comprised entirely of independent directors within the meaning of NI 58-101, 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, performance warrants, incentive plans 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.

Other Board Committees

The Corporation has one committee of the Board in addition to the Audit Committee and the Compensation and Nominating Committee namely, the Reserves Committee.

The function of the Reserves Committee is to review the results of independent engineering appraisals of the Corporation's oil and natural 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.

Assessments

The Compensation and Nominating Committee expects to perform an annual assessment of the Board as a whole, of the committees of the Board and of the contributions of individual directors, including consideration of the appropriate size of the Board. The Compensation and Nominating Committee expects to perform this assessment by December 31, 2017 and subsequently by December 31 of each fiscal year, in order to evaluate the effectiveness of the Board and its committees and directors thereof. The Compensation and Nominating Committee will summarize the results of the assessment, which in turn will be presented to the Board as a whole and the Chairman. It will communicate the results of the committee assessments to each committee Chairman.

Director Term Limits

In light of Petrus' stage of development and the recent appointment of all members of the Board, the Board has not adopted term limits for its directors or any other formal mechanism of Board renewal at this time. The Board does however have formal means of reviewing the contributions of its directors to the effectiveness of the Board through annual director and committee evaluations, annual review of the skills and needs of the Board. Through these and other measures, the Board believes it can effectively monitor and evaluate its effectiveness and diversity while balancing the value of experience and continuity of its incumbent directors.

Representation of Women on the Board and in Executive Officer Roles

Petrus currently has no (0%) female directors and one female executive officer (~33% of the executive officers).

The Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. Petrus is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of Petrus and its Shareholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board, diversity will also be considered by the Compensation and Nominating Committee, the Board will not compromise the principles of a meritocracy.

The Board does not specifically consider the level of female representation in executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of Petrus' executive officers as a whole. Petrus focuses on the identification, assessment and development of internal candidates to build leadership capability and strengthen overall succession and believes it is poised to ensure it has strong internal female candidates to drive both short and long-term performance. Petrus' philosophy of development and promotion from within will strengthen its values and culture, aid in retention of talent and provide a diversity of options for succession.

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, 2016.

Plan Category	**Number of Common Shares to be issued upon exercise of outstanding options (a)**	**Weighted average exercise price of outstanding options[3] (b)**	**Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by Shareholders - Option Plan[1]	Options: 791,580	$1.98	Options: 2,128,665
Equity compensation plans not approved by securityholders - Old Stock Option Plan[2] - Old Performance Warrants[3]	Old Options: 1,976,580 Old Performance Warrants: 429,667	Old Options: $9.80 Old Performance Warrants: $8.14	Old Options: Nil[5] Old Performance Warrants: Nil[5]

Total	Options: 791,580 Old Options: 1,976,580 Old Performance Warrants: 429,667	Options: $1.98 Old Options: $9.80 Old Performance Warrants: $8.14	Options: 2,128,665 Old Options: Nil(5) Old Performance Warrants: Nil(5)

Notes:

(1) On December 19, 2015, the Corporation adopted, and the Shareholders approved, the Option Plan. Under the Option Plan, the total number of Options that may be issued at any one time is equal to ten percent (10%) of the total issued and outstanding Common Shares (calculated on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance to insiders under any other security based compensation arrangement of the Corporation (including 1,185,000 Old Options and 429,667 Old Performance Warrants). See "*Long Term Incentive Compensation – Option Plan*".

(2) As at December 31, 2016, Old Petrus had authorized the issuance of 2,711,990 Old Options of which 1,185,000 Old Options were issued and outstanding. See "*Long Term Incentive Compensation – Old Option Plan*".

(3) As at December 31, 2016, Old Petrus had authorized the issuance of 1,605,651 Old Performance Warrants of which 429,667 Old Performance Warrants were issued and outstanding.

(4) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant multiplied by four to reflect the number of each respective Old Inventive Security required to be exercised to obtain one Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(5) The Corporation has not made and will not make further grants under the Old Option Plan or of Old Performance Warrants.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except for the Nomination Rights Agreement and the agreements forth under "Agreements with NGP" in the AIF, there were no material interests, direct or indirect, of directors and officers of Petrus, any Shareholder who beneficially owns more than ten percent (10%) of the Common Shares, or any known associate or affiliate of such persons in any transaction completed since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected, or would materially affect, Petrus. Brian Minnehan and Jeffrey Zlotky are current directors of Petrus and are principals of NGP. Joe Looke and Roy Aneed were principals of NGP during the time they each served as directors of Old Petrus.

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.

BOARD APPROVAL

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

ADDITIONAL INFORMATION

Additional information relating to Petrus is available on SEDAR at www.sedar.com. Financial information concerning Petrus is provided in our financial statements for the year ended December 31, 2016 and the accompanying management's discussion and analysis, which can be accessed under our profile on the SEDAR website at www.sedar.com.

We will mail our annual financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by: (i) contacting our transfer agent, Computershare Trust Company of Canada, at Suite 600, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8 or by fax at (403) 267-6529 or online at www.computershare.com/mailinglist; or (ii) contacting Petrus at Petrus Resources Ltd., Suite 2400, 240 - 4 Avenue SW, Calgary, Alberta T2P 4H4 or by fax at (403) 984-2717.

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 Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Petrus Resources Ltd. ("**Petrus**" or the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibilities, each member of the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Petrus. In general terms, the Board will endeavor to:

(a) define the principal objective(s) of the Corporation based upon the recommendations of the Chief Executive Officer of the Corporation (the "**CEO**") and others deemed appropriate for such purpose;

(b) monitor the management of the business and affairs of Petrus with the goal of achieving Petrus' principal objective(s) as defined by the Board;

(c) discharge the duties imposed on the Board by applicable laws; and

(d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will endeavor to perform the following duties:

1. Strategic Operating, Capital Plans and Financing Plans

(a) require the CEO to present annually to the Board a strategic plan for Petrus' business, which plan must:

(i) be designed to achieve Petrus' principal objectives;

(ii) identify the principal strategic and operational opportunities and risk of Petrus' business; and

(iii) be approved by the Board as a pre-condition to the implementation of such plans.

(b) review progress towards the achievement of the goals established in the strategic, operating and capital plans;

(c) review the principal risks of the Corporation's business identified by the CEO and review management's implementation of the appropriate systems to manage these risks;

(d) approve the annual operating and capital budgets and plans and subsequent revisions thereof;

(e) approve property acquisitions and dispositions in excess of $500,000;

(f) approve the establishment of credit facilities and borrowings;

(g) approve issuances of securities;

2. Monitoring and Acting

(a) monitor Petrus' progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;

(b) monitor overall human resource policies and procedures, including compensation and succession planning;

(c) appoint the officers of the Corporation and, as required, determine the terms of the officers' employment with Petrus;

(d) review the systems implemented by management and the Board which are designed to maintain or enhance the integrity of Petrus' internal control and management information systems;

(e) monitor the "good corporate citizenship" of Petrus, including compliance by Petrus with all applicable environmental laws;

(f) in consultation with the CEO, establish the ethical standards to be observed by all officers, employees and consultants of Petrus and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;

(g) require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by Petrus and its officers and employees;

(h) approve all matters relating to a takeover bid of Petrus;

3. Compliance Reporting and Corporate Communications

(a) review the procedures implemented by Management and the Board which are designed to ensure that the financial performance of Petrus is properly reported to shareholders, other security holders and regulators on a timely and regular basis;

(b) recommend to shareholders of Petrus a firm of chartered accountants to be appointed as Petrus' auditors;

(c) review the procedures designed and implemented by management and the independent auditors to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;

(d) review the procedures implemented by Management and the Board which are designed to ensure the timely reporting of any other developments that have a significant and material impact on the value of Petrus;

(e) review, consider and where required, approve, disclosure required under National Instrument 51 101;

(f) report annually to shareholders on the Board's stewardship for the preceding year with respect to the disclosure requirements set forth in National Instrument 51 102; and

(g) where required, approve any policy designed to enable Petrus to communicate effectively with its shareholders and the public generally.

4. Governance

(a) in consultation with the Chair of the Board, develop a position description for the Chair of the Board;

(b) facilitate the continuity, effectiveness and independence of the Board by, amongst other things:

(i) selecting nominees for election to the Board;

(ii) appointing a Chair of the Board who is not a member of management or, failing that, ensuing that an independent "lead director" is appointed;

(iii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;

(iv) defining the mandate or terms of reference of each committee of the Board;

(v) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each committee of the Board and each director;

(vi) establishing a system to enable any director to engage an outside adviser at the expense of Petrus; and

(vii) review annually the adequacy and form of the compensation of directors.

5. Delegation and Composition

(a) the Board may delegate its duties to and receive reports and recommendations from any committee of the Board.

(b) a majority of Board members should be "independent" Directors as such term is defined in National Instrument 58-101;

(c) on at least an annual basis, the Board shall conduct an analysis and make a positive affirmation as to the "independence" of a majority of its Board members; and

(d) members should have or obtain sufficient knowledge of Petrus and the oil and gas business to assist in providing advice and counsel on relevant issues.

6. 6. Meetings

(a) the Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;

(b) minutes of each meeting shall be prepared by the Corporate Secretary of the Corporation;

(c) the CEO may be present at all meetings of the Board subject to being excused from all in camera sessions of independent directors or where otherwise required for conflict or good governance purposes; and

(d) Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board.

7. Reporting / Authority

(a) following each meeting, the Corporate Secretary will promptly provide draft copies of the minutes of the meeting;

(b) supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any director upon request to the CEO;

(c) the Board shall have the authority to review any corporate report or material and to investigate activity of the Corporation and to request any employees to cooperate as requested by the Board; and

(d) the Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Petrus.

8. Standards of Liability

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