Monthly Update from the Petrus Team — Sept, 2016

The following tables provide selected historical results as well as estimated monthly results based upon field data:

Capital Investment* ($K CAD)	Q3 '15	Q4 '15	2015	Q1 '16	Q2 '16	Jul '16	Aug '16
Acq/Disp	-	-	938	-	-	(28,952)	(37)
Drill & Complete	4,045	2,117	30,313	6,423	963	-	-
Equip & Facility	4,127	4,262	21,853	2,423	1,244	250	1,835
Geological	1	-	302	-	-	-	-
Land & Lease	56	-	106	30	109	-	-
Other	812	378	1,895	401	396	160	61
Total	**9,041**	**6,757**	**55,407**	**9,277**	**2,712**	**(28,542)**	**1,859**

Daily Sales *	Q3 '15	Q4 '15	2015	Q1 '16	Q2 '16	Jul '16	Aug '16
Gas (mcf/d)	32,505	31,217	32,088	35,456	33,071	29,712	29,759
Oil (bbl/d)	2,616	2,380	2,838	2,218	2,200	1,526	1,342
NGLs (bbl/d)	634	590	576	694	723	665	685
Total (BOE_6/d)	**8,668**	**8,172**	**8,762**	**8,821**	**8,435**	**7,143**	**6,987**

Benchmark Prices *	Q3 '15	Q4 '15	2015	Q1 '16	Q2 '16	Jul '16	Aug '16
AECO (C$/mcf)	2.91	2.47	2.69	1.84	1.45	2.37	1.93
Edm Light (C$/Bbl)	54.95	52.52	57.48	41.22	55.04	53.30	53.80

* Tables above include estimates based upon field data.
Actual financial results may vary from these estimates and such variances may be material.
Tables may not add due to rounding.

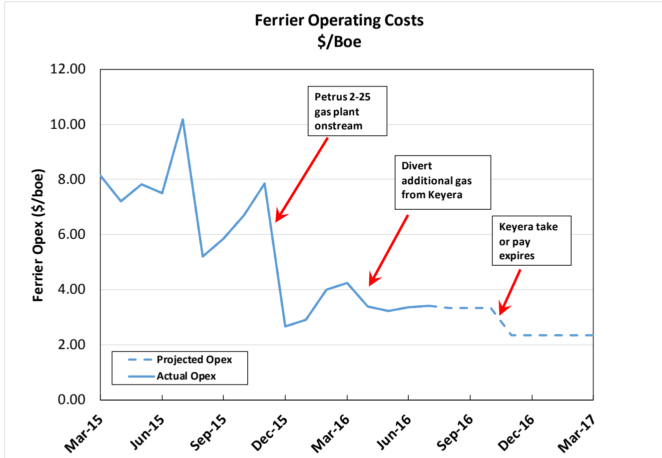
August sales rates were consistent with July. August production fully reflects the Peace River asset sale which closed July 7th. The final first half new drill (40% net WI) was brought onstream September 1st.

AECO gas prices softened in August as high Alberta storage levels are weighing on the market. Edmonton light crude prices were similar to July.

July and August capital was primarily directed toward Ferrier facility and pipeline infrastructure projects in anticipation of new volumes coming onstream later in the year related to our second half drilling program. Surface lease acquisition, construction, and planning are underway for the second half capital program and the first well commenced drilling on September 7th. The program is focused on low risk, high rate of return wells in Ferrier where production can be brought onstream quickly generating incremental cashflow.

In our August newsletter we discussed capital cost optimization initiatives related to Ferrier drilling. Petrus has modified its drilling program well design to monobore drills with cemented sliding sleeve frac liners. This change, combined with improvements in mud programs, drill bit design as well as general industry cost reductions will result in significant potential for overall reduced well costs and therefore improved economics.

Another significant component to overall profitability is operating costs for wells on production. Petrus has undertaken several initiatives to ensure that our operating costs are optimized or reduced wherever possible.



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In Ferrier, costs have been reduced to date by approximately 60%. At the end of October, our remaining volume commitments to the Keyera Strachan plant (inherited in the original Arriva transaction) expire which will further reduce costs by approximately $170,000 per month. These cost reductions have a significant impact on our current operating netback as well as the economic viability of our drilling inventory. We continue to examine additional opportunities to reduce costs and increase third party processing revenue. The 25 mmcf/d Ferrier gas plant, sales line, and TCPL meter station were designed to accommodate expansions to double the capacity relatively easily. Depending on the pace of drilling and third party processing opportunities, an expansion during 2017 is possible.

In June, abandonment liability management took centre stage in our industry. The AER mandated operators to maintain a minimum Liability Management Ratio ("LMR") rating of 2 or above in order to receive additional well and or facility operatorship transfers. The prior minimum requirement was an assets to liabilities threshold of 1:1. Since that time, Petrus has undertaken a series of initiatives to review and mitigate deemed liabilities associated with both our operated and non-operated properties. Most significantly the sale of our Peace River property was a significant improvement to our LMR. Other asset swaps, dispositions, and administrative corrections to the AER's records have resulted in Petrus' current LMR improving to 3.31. We anticipate with ongoing initiatives, additional LMR improvements will be made.