

May 2020 Activity Update

During May world oil prices showed gradual improvement as markets continued to respond to the fallout of the COVID-19 pandemic. Hedging gains supported cash flow over the period and with the current price strip, the Company expects to realize hedging gains through the remainder of 2020, which will be utilized to continue debt repayment.

Petrus' Board of Directors has approved a second quarter 2020 capital budget of \$0.5 million, which provides for non-discretionary maintenance capital only. No drilling or completion activities are expected to take place in the second quarter. By the end of March, Petrus had brought on production the two 100% WI wells drilled in the first quarter. The company has been producing these wells at significantly restricted rates to date in order to conserve value in the current low pricing environment.

Debt reduction continues to be the main focus for the company. Since December 31, 2015 Petrus has repaid \$105 million (45%) of net debt. This includes a \$55 million reduction of the Company's second lien term loan ("Term Loan") which was \$90 million in 2014 and currently has \$35 million outstanding. The Company's revolving credit facility ("RCF") and Term Loan are due in 2020 and therefore were reclassified to current liabilities in the December 31, 2019 consolidated financial statements. Management is currently in discussion with the RCF syndicate and the Term Loan lender on an extension to existing maturities and continues to focus on its disciplined debt reduction strategy. Petrus has recently announced a short-term extension to the RCF to allow time to continue working toward a one year extension on both the RCF and Term Loan. The Company also continues to explore opportunities to access government support programs put in place during the COVID-19 pandemic including increased debt facilities from the EDC, wage subsidies, and well abandonment and reclamation subsidies.

Petrus is committed to maintaining its financial flexibility and the Company will determine capital expenditures on a quarterly basis as the year progresses. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter by approximately \$1 to \$2 million. The objectives of the 2020 capital plan are to reduce debt, and maintain production rates. With the backdrop of volatile commodity prices, the Company currently expects a very limited capital program for Q2 and Q3.

Capital spending is estimated at \$0.1 million for May 2020, which relates to the capitalized G&A for the month. Virtually no discretionary capital was spent during the month. Petrus has only budgeted amounts for maintenance capital during the second quarter of 2020.

Estimated May 2020 average production is 6,244 boe/d, comprised of 16% light oil and 28% total liquids. May production continued to be impacted by restricting volumes from two 100% working interest wells drilled in the first quarter.

Capital Investment (\$000s) (note 1)	12 months*			3 mos.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20
Drill & Complete	51,283	16,510	12,871	7,511	109	(40)
Equip & Tie-in	5,670	4,177	2,001	690	(104)	36
Facility	12,948	-	1,634	105	-	-
Geological	227	-	-	-	-	-
Land & Lease	343	1,635	37	18	-	-
Other	2,279	1,776	1,530	331	82	87
Total Capital	72,750	24,098	18,073	8,655	87	83

Net Acquisition/(Disposition)	4,741	(448)	(651)	-	-	-
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Average Daily Production (note 1)	12 months*			3 mos.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20
Gas (mcf/d)	46,625	37,101	32,032	30,604	28,283	28,869
Oil (bbl/d)	1,854	1,402	1,616	1,134	1,035	974
NGLs (bbl/d)	1,086	1,433	1,351	1,088	887	792
Total (BOE₆/d)	10,711	9,019	8,306	7,323	6,636	6,244
Light Oil Weighting (%)	17%	16%	19%	15%	16%	16%
Total Liquids Weighting (%)	27%	31%	36%	30%	29%	28%

Benchmark Average Prices (note 1)	12 months*			3 mos.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20
AECO 5A (C\$/GJ)	2.04	1.42	1.67	1.93	1.91	1.97
AECO 7A (C\$/GJ)	2.30	1.45	1.54	2.03	1.68	1.79
WTI (US\$/Bbl)	50.95	64.77	57.03	46.17	16.70	28.52
Mixed Sweet Blend (C\$/Bbl)	62.28	69.13	69.03	52.20	12.72	35.97
CAD/US FX	0.77	0.77	0.75	0.74	0.72	0.72

Note 1: Tables include estimated information based on operations data; actual reported results may vary.

*Audited annual financial information.