



## PETRUS RESOURCES LTD. ANNOUNCES CLOSING OF ACQUISITION AND FINANCING

**CALGARY, ALBERTA, Tuesday, July 3, 2012** – Petrus Resources Ltd. ("Petrus" or the "Company") is pleased to announce that it closed the acquisition of certain oil and natural gas assets in the Peace River area of Alberta on June 29, 2012, with an effective date of April 1, 2012 (the "Acquisition"), for cash consideration of \$60 million before closing adjustments and related costs. The Acquisition includes production of approximately 1,600 barrels of oil equivalent per day ("boe/d"), weighted 50% to oil.

Petrus is also pleased to announce that it has closed the previously announced \$90 million private placement (the "Offering") of 50.8 million common shares of the Company ("Common Shares") at an issue price of \$1.75 per Common Share and 605,488 Common Shares issued on a "flow-through" basis pursuant to the provisions of the *Income Tax Act* (Canada) ("Flow-Through Shares") at an issue price of \$2.10 per Flow-Through Share, for aggregate gross proceeds of \$90.1 million. Due to additional late demand we expect to close on additional subscriptions on or about July 5, 2012. NGP Natural Resources X, L.P. ("NGP") subscribed for \$63 million of Common Shares in the Offering. The brokered component of the Offering was completed by a syndicate of agents led by RBC Capital Markets and including CIBC World Markets Inc. and FirstEnergy Capital Corp. A portion of the net proceeds from the Offering were used to fund the Acquisition.

The Company is well positioned for growth, with a foundation of stable, low decline production and a significant inventory of drilling opportunities in its two core areas. The Company's attributes include: (i) current production of approximately 2,650 boe/d, weighted 41% to oil and natural gas liquids (in addition, Petrus has 180 boe/d of gas currently shut-in for plant turnarounds); (ii) 62,350 net acres of undeveloped land; (iii) positive working capital of approximately \$20 million; and (iv) an undrawn bank line of \$40 million. Available cash and credit facilities are expected to be used to expand the Company's successful light oil drilling program in the foothills region of Alberta, and for development drilling on the acquired lands.

Petrus is also pleased to announce that Roy Aneed, Principal of NGP, has joined the Board of Directors of the Company.

### **About Petrus**

Petrus is a private Canadian energy company focused on property exploitation, strategic acquisitions and risk-managed exploration in western Canada. The Company currently has 83.5 million Common Shares outstanding.

### **For further information, please contact:**

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### ***Forward-Looking Statements***

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning the use of proceeds from the Offering, expected closing date for a second closing, expected production levels, undeveloped land position, working capital, Common*

*Shares outstanding and available credit facilities, operational and strategic plans of the Company and future growth. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Petrus, including assumptions related to: future commodity prices and production levels; future exchange rates and interest rates; ability to procure equipment and services in a timely manner to carry out operational plans; ability to market products successfully to customers; the impact of increasing competition; the ability to obtain financing on acceptable terms; geological conditions relating to the Company's properties; the impact of regulatory changes especially as such relate to royalties, taxation and environmental changes; labour shortages; supply and demand metrics for oil and natural gas; the impact of pipeline capacity; and general economic business and market conditions. Although the Company believes that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the ability of management to execute its business plan; general economic and business conditions; the risks of the oil and natural gas industry, such as operational risks in exploring for, developing and producing such commodities and market demand; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; risks and uncertainties involving geology of oil and natural gas deposits; the uncertainty of reserves estimates and reserves life; the ability of the Company to add production and reserves through acquisition, development and exploration activities; the Company's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production (including decline rates), costs and expenses; fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates; risks inherent in the Company's marketing operations, including credit risk; uncertainty in amounts and timing of royalty payments; health, safety and environmental risks; risks associated with unexpected potential future law suits and regulatory actions against the Company; uncertainties as to the availability and cost of financing; and financial risks affecting the value of the Company's investments. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.*

*The forward-looking statements contained in this document are made as of the date hereof and Petrus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*Certain crude oil and natural gas liquids ("NGLs") volumes that have been converted on the basis of one barrel ("bbl") to six thousand cubic feet ("mcf"). Also, certain natural gas volumes have been converted to barrels of oil equivalent ("boe") on the same basis. Mcf and boe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*