PETRUS RESOURCES LTD. ANNOUNCES RECORD FIRST QUARTER 2014 CASH FLOW AND OPERATING RESULTS

CALGARY, ALBERTA, Tuesday, June 3, 2014 – Petrus Resources Ltd. ("Petrus" or the "Company") is pleased to report its operating and financial results for the first quarter of 2014. Highlights include:

- Average production of 4,373 boe per day in the quarter, up from 3,007 boe per day in the first quarter of 2013, an increase of 33% per debt-adjusted share.

- The operating netback was $36.71 per boe in the first quarter of 2014, compared to $21.98 per boe in the same period of 2013 (a 67% increase) due to the Company's higher liquids weighting and a significant improvement in natural gas prices; the realized gas price during the quarter was up 83% year-over-year.

- Production growth and improved netbacks drove strong growth in cash flow per share. Petrus generated $13.5 million in cash flow from operations during the first quarter, a one-and-a-half-fold increase over the $5.6 million generated in the same period a year ago. On a debt-adjusted per share basis, year-over-year cash flow growth was 121%.

- Operating expenses decreased from $11.38 per boe to $9.47 per boe year over year. Production in Tangent and Berwyn is now tied in to water disposal facilities constructed in 2013 which results in a significant reduction in water hauling and third party disposal fees.

- During the quarter, Petrus closed the previously announced acquisition of oil and natural gas assets in the foothills of Alberta; included in this acquisition were 875 boe per day of production and 36,307 net acres of undeveloped land. The acquisition was made for total cash consideration of approximately $19.1 million.

- Over the three month period ended March 31, 2014, Petrus invested $43.0 million in exploration and acquisition activity, up from $19.5 million in the same period of 2013.

- Petrus had 86.4 million common shares outstanding at March 31, 2014 and access to a $90.0 million credit facility. The Company ended the quarter with net debt of $51.6 million, or 0.9x annualized first quarter cash flow.

- At quarter end Petrus had 169,646 net acres of undeveloped land, with a large inventory of oil and gas drilling locations in each of its core operating areas.

- The Petrus Board of Directors approved a base capital budget of $74 million for 2014, excluding acquisitions. The capital budget provides for the drilling of 36 gross (24 net) wells, with approximately $45 million directed at foothills development and $29 million directed toward the Peace River area. Concurrent with closing of the foothills acquisition the capital budget increased to $100 million. The capital budget will be funded through cash flow and available credit facilities.

- On June 2, 2014 the Company closed its previously announced private placement of common shares; 9,240,000 common shares were issued by way of a brokered private placement and 6,016,000 common shares and 115,000 flow-through shares were issued by way of a concurrent non-brokered private placement. Aggregate gross proceeds of $50,030,500 from the Offering will be used to fund ongoing capital expenditures and for general corporate purposes.

SELECTED FINANCIAL INFORMATION

(000s) except per boe amounts	Three months ended Mar. 31, 2014	Three months ended Mar. 31, 2013	Three months ended Dec. 31, 2013	Three months ended Sept. 30, 2013	Three months ended June 30, 2013
OPERATIONS					
Average Production					
Natural gas (mcf/d)	12,864	10,315	10,848	10,405	9,681
Oil (bbl/d)	2,134	1,212	1,778	1,373	1,300
NGLs (bbl/d)	95	76	72	54	76
Total (boe/d)	**4,373**	**3,007**	**3,658**	**3,162**	**2,990**
Total (boe)	**393,601**	**270,638**	**336,539**	**290,877**	**272,090**
Natural gas sales weighting	***49%***	***57%***	***49%***	***55%***	***54%***
Exit production (boe/d)	***4,641***	***3,071***	***4,052***	***3,235***	***3,065***
Exit natural gas sales weighting	***57%***	***53%***	***54%***	***53%***	***53%***
Realized Sales Prices					
Natural gas ($/mcf)	6.03	3.29	3.78	2.54	3.60
Oil ($/bbl)	94.13	77.02	77.83	93.93	88.13
NGLs ($/bbl)	60.91	71.55	65.17	67.20	45.37
Total ($/boe)	64.99	44.15	50.33	50.31	51.14
Hedging gain (loss) ($/boe)	(3.64)	(1.21)	(1.21)	(1.46)	(0.55)
Operating Netback ($/boe)					
Effective price	61.35	42.94	49.12	48.85	50.59
Royalty income (1)	0.73	0.55	0.46	0.56	0.57
Royalty expense (1)	(13.69)	(8.31)	(7.05)	(8.02)	(7.39)
Operating expense	(9.47)	(11.38)	(9.88)	(8.46)	(10.12)
Transportation expense	(2.21)	(1.82)	(1.61)	(2.19)	(1.71)
Operating netback (3) ($/boe)	**36.71**	**21.98**	**31.04**	**30.74**	**31.94**
G & A expense	(1.61)	(1.02)	(1.73)	(1.96)	(1.57)
Net interest expense (2)	(0.85)	(0.02)	(0.75)	(0.74)	(0.79)
Corporate netback (3) ($/boe)	**34.25**	**20.94**	**28.56**	**28.04**	**29.58**
FINANCIAL ($000s except per share)					
Oil and natural gas revenue (1)	25,581	12,128	17,094	14,741	14,093
Cash flow from operations (3)	13,466	5,566	9,320	8,157	8,048
Cash flow from operations per share (3)	0.16	0.06	0.11	0.09	0.09
Net income (loss)	2,208	46	2,086	2,171	4,010
Net income (loss) per share	0.03	0.01	0.02	0.03	0.05
Capital expenditures	23,930	19,533	9,736	14,166	15,416
Net acquisitions (dispositions)	19,113	—	—	—	(1,701)
Common shares outstanding	86,377	86,276	86,377	86,377	86,362
Weighted average shares	86,377	86,276	86,377	86,369	86,349
As at quarter end ($000s)					
Working capital (deficit)	(51,638)	(10,551)	(22,288)	(21,558)	(15,756)
Bank debt outstanding	51,901	11,304	23,380	17,966	20,968
Bank debt available	38,099	28,696	36,620	42,034	39,032
Shareholder’s equity	158,655	146,432	156,002	153,857	151,304
Total assets	257,245	184,139	211,952	201,208	199,508

(1) The Company re-classified gross overriding royalty expense from oil and natural gas revenue to royalty expenses in the Statement of Net Income and Comprehensive Income. The comparative information has been re-classified to conform to current presentation.

(2) Interest expense is presented net of interest income.

(3) Non-GAAP measures defined on pages 4 and 5 of the MD&A for the period ended March 31, 2014.

OPERATIONS UPDATE

Foothills

Three successful light oil wells (0.8 net) were drilled in the Cordel area during the first quarter of 2014. Each well had test oil production rates in line with expectations. One of the wells was on production at quarter end with gross production of 339 boe per day (85 net), comprised of 70% light oil. The other two wells were put on production early in the second quarter adding gross production of 360 bbl per day (191 net) of light oil.

During the quarter Petrus closed the previously announced foothills asset acquisition, adding 875 boe per day (94% natural gas) of production. The base purchase price of $22.9 million was reduced to net cash consideration of $19.1 million, as $2.6 million was received due to exercise of a third party ROFR on a minor facility working interest in addition to purchase price adjustments. The acquisition was funded using available credit facilities.

In Brown Creek, Petrus has entered into a two Cardium oil well farm-in with an industry partner. A summer drilling program operated by Petrus will drill two to three wells in Brown Creek and two to five wells on other foothills land currently owned by Petrus. This program will primarily target Cardium oil but other zones of interest will also be tested, including Cardium and Notikewin gas.

Peace River

During the first quarter Petrus drilled six net Montney oil wells. Five of the wells produced economic quantities of oil, contributing 335 bbl per day of light oil during the first quarter.

Two new oil batteries with water disposal capabilities are now fully operational at Tangent and Berwyn contributing to reduced operating costs and increased runtime. Petrus is evaluating the economics of a pilot waterflood in each of Tangent and Berwyn and has commenced water injection operations in both areas. The Company believes the waterflood will ultimately improve Montney oil recoveries, based on offset pools in the area.

Petrus has planned a seven to 10 well summer drilling program in Peace River which will commence later in the second quarter.

ANNUAL GENERAL MEETING

The Company’s Annual General Meeting will be held at the Jamieson Place Conference Centre, 3rd floor, 308-4th Ave SW Calgary, Alberta, on Tuesday June 3, 2014 at 9:00 a.m. (Calgary time). The Information Circular and Annual Report for 2013 will be available on the Company’s website, www.petrusresources.com.

ABOUT PETRUS

Petrus is a private Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta. Petrus is a return-driven company that is focused on delivering per share growth.

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READER ADVISORIES

This press release contains forward-looking statements. More particularly, this press release contains statements concerning Petrus' commodity weighting, plans related to drilling and other operations, commodity focus, commodity pricing, drilling locations, production rates, the expected ability of Petrus to execute on its exploration and development program and Petrus' anticipated production (both in terms of quantity and raw attributes) cash flow, operating netbacks, planned operations and the timing thereof, evaluation of completed operations, capital budget and capital expenditure program, the availability of opportunities and other similar matters. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Petrus, including: (i) with respect to capital expenditures, generally, and at particular locations, the availability of adequate and secure sources of funding for Petrus' proposed capital expenditure program and the availability of appropriate opportunities to deploy capital; (ii) with respect to drilling plans, the availability of drilling rigs, expectations and assumptions concerning the success of future drilling and development activities and prevailing commodity prices; (iii) with respect to Petrus' ability to execute on its exploration and development program, the performance of Petrus' personnel, the availability of capital and prevailing commodity prices; and (iv) with respect to anticipated production, the ability to drill and operate wells on an economic basis, the performance of new and existing wells and accounting risks typically associated with oil and gas exploration and production; (v) oil and gas prices; (vi) currency exchange rates; (vii) royalty rates; (viii) operating costs; (ix) transportation costs; and (x) the availability of opportunities to deploy capital effectively. Although Petrus believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Petrus can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties *resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures). 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.

Any references in this news release to initial, early and/or test or production/performance rates or data related thereto are useful in confirming the presence of hydrocarbons, however, such rates or data are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates may be estimated based on other third party estimates or limited data available at this time. In all cases in this press release such rates not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one boe (6 mcf/bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this report are derived from converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil. 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. 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.

"Funds from operations" should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Petrus' performance. "Funds from operations" represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Petrus also presents funds from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.