PETRUS RESOURCES ANNOUNCES FIRST QUARTER 2016 RESULTS

CALGARY, ALBERTA, Thursday, May 12, 2016 – Petrus Resources Ltd. ("Petrus" or the "Company") (TSX: PRQ) is pleased to announce financial and operating results for the three month period ended March 31, 2016. The associated Management's Discussion and Analysis ("MD&A") and quarterly financial statements as at and for the period ended March 31, 2016 are accessible at www.sedar.com. During the first quarter Petrus focused its business strategy on efficiently deploying a modest level of capital, reducing operating costs, mitigating exposure to commodity prices and reducing debt.

- Average production was 8,821 boe per day (33% oil and liquids) in the first quarter of 2016 compared to 8,172 boe per day (36% oil and liquids) reported for the fourth quarter of 2015. First quarter production is 8% higher than the previous quarter due to alleviation of transportation curtailments on TransCanada Pipelines Limited's ("TCPL") infrastructure as well as new production volumes attributed to the Company's capital program. Incremental production from two wells drilled later in the first quarter, were brought on stream in April 2016.

- Petrus has invested in operated processing facilities and pipelines in order to reduce operating costs as well as reliance on third parties. Operating costs decreased from $11.00 per boe in the fourth quarter of 2015 to $8.52 per boe in the first quarter of 2016. The Company generated incremental processing fees and reduced third party processing fees in the first quarter as the new gas plant was operational beginning in December 2015. The new plant contributed to a $0.63 per boe reduction in operating expenses for the first quarter. Petrus is on track to recognize continued cost reductions.

- Commodity prices fell dramatically in the first quarter which reinforced the Company's need to protect funds flow through risk management contracts. Petrus aims to hedge 60 to 70% of its 12 month production forecast and 30 to 40% of the following year production forecast. Petrus' hedging approach has resulted in a strong hedge position ($18.8 million mark to market at quarter end) and in the first quarter of 2016, the realized hedging gain increased the Company's effective realized commodity price by $7.84 per boe which is 35% higher than $5.81 per boe realized in the first quarter of the prior year. The Company currently has oil hedges in place for 2016 for an average 1,500 bbl per day at an average floor price of C$67.77 per bbl. Similarly, gas hedges are in place for 2016 for approximately 26,455 GJ per day at an average gas floor price of $2.80 per GJ. Additional information related to the Company's risk management strategy is available in the Company's MD&A for the first quarter of 2016.

- The Company generated funds from operations in the first quarter of $4.6 million compared to $6.7 million in the prior quarter. The corporate netback for the first quarter was $5.59 per boe compared to $8.94 per boe in the previous quarter. The differences are attributed to commodity price fluctuations and one time transaction costs which contributed $0.62 per boe to the decrease.

- To-date in 2016, Petrus has conducted a modest drilling program in order to preserve capital. The low decline nature of our diversified asset base permits moderate capital spending to maintain current production levels. In the first quarter Petrus invested $9.3 million of its $11.0 million first half budget. Petrus invested $6.4 million on drilling and completion to drill 2.3 net wells in the Ferrier area. Drilling and completion costs were significantly lower than the prior year due to lower demand for services and operational efficiencies achieved. Petrus estimates that total capital costs for the operated drilling projects were 15% lower than the previous year and cycle time improved significantly. The new wells were on production in early April and well performance has been consistent with expectation. Subsequent to the quarter end the Board approved the participation by Petrus in a non-operated Ferrier Cardium drill (40% WI) which increased the first half capital budget to $12.2 million. Petrus invested $2.4 million on tie-in, facility and well equipment costs which optimize the Company's new gas plant in the Ferrier area to reduce future third-party processing fees.

- The Company is working toward closing of the previously announced cashless property swap transaction whereby Petrus will dispose of non-core assets with production of approximately 250 boe per day, associated land and a working interest in non-operated production facilities. In exchange Petrus will acquire production of approximately 400 boe per day and approximately 40% working interest in eight sections of predominantly undeveloped land in its Ferrier core area. Petrus expects to close the transaction later in the second quarter.

- During the quarter the Company closed certain financing transactions which raised total gross proceeds of $75.5 million. Petrus was successful in the listing of its shares on the Toronto Stock Exchange ("TSX") under the symbol "PRQ" and commenced trading on the TSX on February 8, 2016. In Q1 Petrus incurred $0.5 million or $0.62 per boe in one-time transaction costs associated with financing activities.

- On March 22, 2016, Petrus reduced its total debt by $80 million and extended the maturity of its term loan to October 2017 at the same terms which include zero cost prepayment privilege and an annual interest rate of the Canadian Dealer Offered Rate (CDOR) plus 700 basis points. Annual interest costs are expected to decrease by approximately $5 million as a result of the debt reductions. The Company ended the quarter with net debt of $157.7 million.

- At the end of the first quarter of 2016, Petrus had 244,714 net acres of undeveloped land, and a diverse drilling inventory, including more than 100 economic projects at current strip pricing.

SELECTED FINANCIAL INFORMATION

(000s) except per boe amounts	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015	Three months ended Dec. 31, 2015	Three months ended Sept. 30, 2015	Three months ended June 30, 2015
OPERATIONS					
Average Production					
Natural gas (mcf/d)	35,456	31,525	31,217	32,505	31,103
Oil (bbl/d)	2,218	3,559	2,380	2,616	2,811
NGLs (bbl/d)	694	519	590	634	560
Total (boe/d)	**8,821**	9,333	**8,172**	8,668	8,890
Total (boe)	**802,744**	839,927	**751,845**	797,439	808,947
Natural gas sales weighting	***67%***	*56%*	***64%***	62%	62%
Realized Sales Prices					
Natural gas ($/mcf)	2.01	3.12	2.79	2.92	2.90
Oil ($/bbl)	34.52	47.38	48.27	50.91	64.76
NGLs ($/bbl)	18.18	29.77	30.52	16.14	24.99
Total ($/boe)	18.18	30.27	26.90	27.48	32.85
Hedging gain (loss) ($/boe)	7.84	5.81	6.68	4.72	3.58
Operating Netback ($/boe)					
Effective price	26.02	36.08	33.58	32.20	36.43
Royalty income	0.13	0.09	0.32	0.10	0.08
Royalty expense	(3.08)	(4.55)	(3.74)	(2.89)	(3.73)
Operating expense	(8.52)	(7.78)	(11.00)	(7.87)	(9.14)
Transportation expense	(1.62)	(1.86)	(1.31)	(1.43)	(1.93)
Operating netback (2) **($/boe)**	**12.93**	21.98	**17.85**	20.11	21.71
G & A expense (1)	(2.72)	(1.98)	(3.08)	(2.10)	(2.28)
Net interest expense	(4.53)	(2.72)	(5.83)	(4.41)	(3.91)
Corporate netback (2) **($/boe)**	**5.59**	17.28	**8.94**	13.60	15.52
FINANCIAL ($000s except per share)					
Oil and natural gas revenue	14,698	25,495	20,460	21,991	26,641
Funds flow from operations (2)	4,558	14,535	6,717	10,838	12,549
Funds flow from operations/ share (2)	0.11	0.41	0.19	0.31	0.36
Net income (loss)	(4,110)	(6,312)	(36,425)	(19,055)	(7,239)
Net income (loss) per share	(0.10)	(0.18)	(1.04)	(0.54)	(0.21)
Capital expenditures	9,277	25,383	6,757	9,041	13,288
Net acquisitions (dispositions)	—	1,063	—	—	(125)
Common shares outstanding	45,349	35,148	35,148	35,148	35,148
Weighted average shares	41,762	35,148	35,148	35,148	35,148
As at quarter end ($000s)					
Net debt (3)	157,675	227,607	226,742	226,809	228,562
Bank debt outstanding	105,000	115,000	235,000	233,000	232,000
Bank debt available	12,300	85,000	12,600	34,600	35,600
Shareholders' equity	313,936	305,912	243,904	280,118	299,061
Total assets	544,548	641,547	555,145	595,890	627,808

(1) G&A expenses are shown net of capitalized general & administrative costs. Please refer to the G&A section on page 8 of the March 31, 2016 MD&A.
(2) Non-GAAP measures are defined on page 5 of the March 31, 2016 MD&A.
(3) Net debt includes working capital (deficiency).

OPERATIONS UPDATE

The Petrus Board of Directors has approved a capital budget of $12.2 million for the first half of 2016. The capital budget includes the drilling of four gross (2.7 net) wells and some tie-in and pipeline costs to optimize the Company's new gas plant in the Ferrier area to reduce future third-party processing fees. The capital budget will be funded through a portion of cash flow.

The Company's production was significantly impacted in 2015 as a result of third party pipeline restrictions which limited production. To date in 2016, Petrus has been largely unaffected by these curtailments. Average first quarter production from the Company's four operating areas was as follows:

Average production for the quarter ended March 31, 2016	**Foothills**	**Peace River**	**Ferrier**	**Central Alberta**	**Total**
Average Production					
Natural gas (mcf/d)	9,188	3,227	13,640	9,401	**35,456**
Oil (bbl/d)	500	598	475	645	**2,218**
NGLs (bbl/d)	58	25	382	229	**694**
Total (boe/d)	**2,089**	**1,162**	**3,129**	**2,441**	**8,821**
Natural gas sales weighting	***73%***	***46%***	***73%***	***64%***	***67%***

During the first quarter Petrus invested $9.3 million of its $12.2 million first half budget, which was funded by funds flow and working capital. The Company’s capital development plan for the first half of 2016 is focused on the Ferrier area, where Petrus invested $6.4 million on drilling and completion costs to drill three wells (2.3 net) during the first quarter. The drilling and completion operations were planned for the first quarter in advance of spring break up. The new wells were on production in early April and well performance has been consistent with expectation. Capital costs were significantly lower than the prior year due to efficiencies achieved as well as cost reductions due to lower demand for services. Total capital costs for the two operated Ferrier drilling projects were approximately 15% lower than comparable projects completed in 2015. In addition, Petrus reduced total cycle time by drilling on a multi-well pad which contributed to cost savings and efficiency.

Petrus invested $2.4 million on tie-in, facility and well equipment costs to further increase operational control and reduce operating expenses.

Petrus will continue to monitor commodity prices and can opportunistically increase capital development as industry conditions warrant. Petrus currently has a diverse drilling inventory, including more than 100 economic projects at current strip pricing.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held at the Riverview Room, International Hotel, 35th floor, 220 – 4th Ave SW Calgary, Alberta, on Thursday May 12, 2016 at 9:00 a.m. (Calgary time). The Information Circular, Annual Information Form, 2015 Annual Report and the First Quarter 2016 Report are all available on the SEDAR filing system (www.sedar.com) as well as on the Company's website (www.petrusresources.com).

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

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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 the Company's 2016 capital budget, including planned drilling and other operations, commodity focus, commodity pricing, drilling locations, production rates, expected source of funding of the 2016 capital budget, the belief of economic projects and drilling opportunities at current strip pricing, 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, 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.

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.

Please refer to the disclosure with respect to non-GAAP measures in the Company's MD&A.

"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.