



PETRUS RESOURCES PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA, Thursday, October 20, 2016 – Petrus Resources Ltd. ("Petrus" or the "Company") (TSX: PRQ) is pleased to provide the following operations update:

- The Company has recently drilled three 100% WI wells in its Ferrier core area targeting liquids rich gas in the Cardium formation. Average drill and case costs were 18% lower than budget.
- The first well was successfully frac'd and tested at a restricted rate of approximately 800 Boe/d over the final 93 hours of its flowback test period. The well commenced production on October 14th at an average rate of approximately 450 Boe/d over its first five production days. The well is purposely restricted as part of our normal operations for a new well. All-in capital costs for this well were approximately \$2.4MM.
- As part of our cost savings plans, the second and third wells were drilled from the same surface pad and frac preparations will begin after the drilling rig has been moved off the location later this week.
- The Company has also completed facility and pipeline optimization projects. A new compressor has been added to the Ferrier gas plant, which is expected to improve throughput capability and operational flexibility. Current plant throughput is approximately 21 mmcf/d of a nominal 25 mmcf/d capacity. A new main gathering pipeline has allowed the Company to tie-in the first new well mentioned above plus an additional 100% WI well that was producing through a third party facility at a reduced rate. The new gathering line will accommodate future growth plans.
- On October 31, the Company's firm processing agreement through Strachan will expire resulting in approximately \$170,000 per month savings in unutilized processing fees. These cost savings will contribute to lower operating costs going forward.
- With the above changes in Ferrier together with the return of various shut-in volumes in the Company's Foothills area, overall Corporate production is currently approximately 8,100 Boe/d, essentially back to the level Petrus had before it sold approximately 1,000 Boe/d when it disposed of its Peace River assets for \$30MM in July 2016.
- Petrus anticipates drilling approximately two net additional wells prior to year-end and remains on track with its second half capital program of \$17.5 MM – expected to be funded with cash flow.
- With the remaining completions and new drills on-stream, year-end production is expected to be approximately 9,000 Boe/d.
- The Company plans to release its third quarter financial results on or before November 9, 2016.

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation and strategic acquisitions in Alberta.

For further information, please contact:

Kevin Adair, P.Eng.
President and CEO

T: 403-930-0888

E: kadair@petrusresources.com

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This press release contains forward-looking statements. More particularly, this press release contains statements concerning Petrus' drilling results, production rates, planned operations and the timing thereof, evaluation of completed operations and anticipated benefits therefrom, 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.

Any references in this news release to initial and/or early production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered fluids used in well completion stimulation. 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.