

PETRUS RESOURCES ANNOUNCES YEAR END 2020 FINANCIAL, OPERATING & RESERVES RESULTS; SIGNIFICANT NET DEBT REDUCTION

CALGARY, ALBERTA, Thursday, February 25, 2021 – Petrus Resources Ltd. ("Petrus" or the "Company") (TSX: PRQ) is pleased to report financial and operating results as at and for the three and twelve months ended December 31, 2020 and to provide 2020 year end reserves information as evaluated by Sproule Associates Limited ("Sproule"). The Company's Management's Discussion and Analysis ("MD&A") and audited consolidated financial statements are available on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Given the significant turmoil in global energy markets in 2020, Petrus is pleased to report annual results that achieved the objectives management laid out for the year. This includes the generation of free cash flow in excess of capital expenditures used to repay debt and continue to strengthen the Company's balance sheet. Petrus generated \$26.4 million of funds flow in 2020. This was used to fund a capital program of \$14.3 million, the lowest in the Company's history, with the remainder used to reduce the balance drawn on the company's Revolving Credit Facility ("RCF"). In light of the volatile commodity prices during the outbreak of the COVID-19 pandemic, the Company pursued a very disciplined capital program. To conserve cash, Petrus drilled 4 gross wells (3.2 net) during the year. The Company continues to focus the majority of capital spending in its Ferrier core area where ownership of key infrastructure generates low operating costs, high netbacks and quick capital payouts.

- **Debt repayment** - Reduction of debt was the top priority for the Company in 2020 and Petrus was successful in reducing net debt by \$9.4 million during the year. Since December 31, 2015 Petrus has repaid \$112.4 million (50%) of net debt. As part of the extension agreement reached in mid-2020 in respect of Petrus' second lien term loan ("Term Loan"), interest is now paid-in-kind and is added to the balance of the loan outstanding. Petrus focused on paying down the balance of the RCF, which was reduced by \$14.8 million during the year, and is ahead of its required scheduled repayments.
- **Stronger natural gas pricing** – Natural gas prices showed marked improvement from the prior year and continue to strengthen. Petrus' average realized price was \$2.57/mcf in 2020, compared to \$1.89/mcf in 2019, a 36% improvement. Company production was weighted 70% towards natural gas in 2020.
- **Free funds flow** – In 2020 Petrus generated funds flow of \$26.4 million (\$0.53/share), and invested \$14.3 million in capital projects including the drilling of three 100% working interest wells. During the fourth quarter of 2020, Petrus generated funds flow of \$6.4 million.
- **Increased PDP reserves** – In 2020, Petrus' development program generated PDP reserve volume additions of 2.9 mmboe, or 1.2x production in the year. Despite decreased capital spending, the Company produced 2.4 mmboe during 2020 and ended the year with 12.2 mmboe of PDP reserves. Petrus realized Finding Development and Acquisition ("FD&A") costs of \$4.83/boe for PDP reserves, which are the best in the Company's history.
- **Low operating costs** – Total annual operating costs were \$4.64/boe in 2020. The Company continues to focus on optimizing its cost structure, particularly in the Ferrier area, through facility ownership and control.
- **Reduced general and administrative costs** – Petrus reduced gross general and administrative expenses ("G&A") by \$1.0 million in 2020, in comparison to 2019, to a total of \$5.2 million. This marks the fourth consecutive year of G&A cost reductions and a 40% reduction since 2017.

2021 OUTLOOK

Petrus' Board of Directors has approved a first quarter 2021 capital budget of \$9.0 million to drill 3 gross (2.1 net) Cardium wells in its Ferrier area. With current commodity prices and the low operating cost structure utilizing company owned infrastructure, new wells operated by Petrus in the Ferrier area are expected to reach payout in under one year.

Petrus is committed to maintaining its financial flexibility and the Company will determine subsequent quarter capital spending as the year progresses. With stronger forward oil and gas prices than were experienced through most of 2020, Petrus management is forecasting stronger cash flow in 2021 than 2020 that will be used to fund a larger capital program and grow production from 2020 levels. Management anticipates that the 2020 capital plan will be funded by funds flow, with free funds flow used to continue significant debt reduction targets. With improved commodity pricing so far in 2021, Petrus has been active in adding price protection for the remainder of the year through additional forward sale contracts. The average volume of oil hedged for 2021 (825 bbl/d) represents 41% of fourth quarter 2020 average oil production. The 15,250 GJ/day average natural gas hedged for 2021 represents 61% of fourth quarter 2020 average natural gas production. Petrus' management continues to layer in additional hedged volumes into 2022.

Refer to "Non-GAAP Financial Measures".

Refer to "Advisories - Forward-Looking Statements".

Refer to "Advisories - Presentation".



SELECTED FINANCIAL INFORMATION

OPERATIONS	Twelve months ended	Twelve months ended	Three months ended	Three months ended	Three months ended	Three months ended
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Average Production						
Natural gas (mcf/d)	27,640	32,032	26,177	26,181	27,630	30,604
Oil (bbl/d)	1,021	1,616	980	1,103	867	1,134
NGLs (bbl/d)	980	1,351	1,014	997	819	1,088
Total (boe/d)	6,608	8,306	6,357	6,463	6,291	7,323
Total (boe)	2,418,259	3,031,659	584,860	594,599	572,440	666,361
Light oil weighting	15 %	19 %	15 %	17 %	14 %	15 %
Realized Prices						
Natural gas (\$/mcf)	2.57	1.89	3.07	2.51	2.35	2.40
Oil (\$/bbl)	44.14	64.11	49.64	46.46	27.18	50.02
NGLs (\$/bbl)	20.84	22.13	23.52	22.05	12.87	23.19
Total realized price (\$/boe)	20.67	23.35	24.05	21.48	15.73	21.23
Royalty income	0.16	0.20	0.13	0.12	0.06	0.30
Royalty expense	(2.15)	(2.35)	(2.02)	(2.09)	(1.51)	(2.85)
Net oil and natural gas revenue (\$/boe)	18.68	21.20	22.16	19.51	14.28	18.68
Operating expense	(4.64)	(4.25)	(5.53)	(4.05)	(4.44)	(4.55)
Transportation expense	(1.43)	(1.26)	(1.68)	(1.63)	(1.40)	(1.05)
Operating netback⁽¹⁾ (\$/boe)	12.61	15.69	14.95	13.83	8.44	13.08
Realized gain (loss) on derivatives (\$/boe)	2.70	(0.44)	0.65	2.20	6.39	1.76
Other income	0.15	0.03	0.31	0.04	0.17	0.07
General & administrative expense	(1.41)	(1.20)	(1.81)	(1.07)	(1.43)	(1.35)
Cash finance expense	(2.75)	(2.72)	(2.49)	(2.16)	(3.20)	(3.13)
Decommissioning expenditures	(0.37)	(0.28)	(0.63)	(0.13)	(0.15)	(0.56)
Funds flow & corporate netback⁽¹⁾⁽²⁾ (\$/boe)	10.93	11.08	10.98	12.71	10.22	9.87
FINANCIAL (000s except \$ per share)	Twelve months ended	Twelve months ended	Three months ended	Three months ended	Three months ended	Three months ended
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020
Oil and natural gas revenue	50,368	71,398	14,143	12,840	9,041	14,344
Net loss	(97,554)	(42,176)	(151)	(3,678)	(6,281)	(87,444)
Net loss per share						
Basic	(1.97)	(0.85)	—	(0.07)	(0.13)	(1.77)
Fully diluted	(1.97)	(0.85)	—	(0.07)	(0.13)	(1.77)
Funds flow	26,397	33,625	6,423	7,551	5,855	6,566
Funds flow per share						
Basic	0.53	0.68	0.13	0.15	0.12	0.13
Fully diluted	0.53	0.68	0.13	0.15	0.12	0.13
Capital expenditures	14,298	18,073	2,797	2,543	305	8,655
Net dispositions	—	651	—	—	—	—
Weighted average shares outstanding						
Basic	49,469	49,472	49,469	49,469	49,469	49,469
Fully diluted	49,469	49,472	49,469	49,469	49,469	49,469
As at year end						
Common shares outstanding						
Basic	49,469	49,469	49,469	49,469	49,469	49,469
Fully diluted	49,469	49,469	49,469	49,469	49,469	49,469
Total assets	177,914	289,225	177,914	179,895	184,532	193,679
Non-current liabilities	45,321	42,346	45,321	44,471	43,017	38,533
Net debt ⁽¹⁾	114,361	123,744	114,361	116,717	120,570	125,974

⁽¹⁾ Refer to "Non-GAAP Financial Measures".

⁽²⁾ Corporate netback is equal to funds flow which is a comparable additional GAAP measure. Petrus analyzes these measures on an absolute value and per unit basis.



OPERATIONS UPDATE

Fourth quarter average production by area was as follows:

For the three months ended December 31, 2020	Ferrier	Foothills	Central Alberta	Total
Natural gas (mcf/d)	19,637	1,425	5,118	26,180
Oil (bbl/d)	569	113	298	980
NGLs (bbl/d)	860	7	147	1,014
Total (boe/d)	4,702	357	1,298	6,357

Fourth quarter production averaged 6,357 boe/d in 2020 versus 6,463 boe/d in the third quarter. Production was lower due to natural declines as no new wells were brought on production during the quarter. One well completed during the fourth quarter is awaiting tie-in and is expected to be brought on production in the first quarter of 2021.

Petrus' Board of Directors has approved a first quarter 2021 capital budget of \$9.0 million to drill 3 gross (2.1 net) Cardium wells in the Ferrier area. With current commodity prices and the low operating cost structure utilizing company owned infrastructure, new wells operated by Petrus in the Ferrier area are expected to reach payout in under one year.

With stronger forward oil and natural gas prices than were experienced through most of 2020, Petrus management is forecasting stronger cash flow in 2021 than 2020 that will be used to fund a larger capital program and grow production from 2020 levels. Management anticipates that the 2020 capital plan will be funded by funds flow, with free funds flow used to continue significant debt reduction targets. With improved commodity pricing so far in 2021, Petrus has been active in adding price protection for the remainder of the year through additional forward sale contracts. The average volume of oil hedged for 2021 (825 bbl/d) represents 41% of fourth quarter 2020 average oil production. The 15,250 GJ/day average natural gas hedged for 2021 represents 61% of fourth quarter 2020 average natural gas production.

RESERVES

Petrus' 2020 year end reserves were evaluated by independent reserves evaluator, Sproule Associates Limited, in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") as of December 31, 2020 ("2020 Sproule Report"). Additional reserve information as required under NI 51-101 will be included in our Annual Information Form for the year ended December 31, 2020, which will be available under the Company's profile on SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Petrus has a reserves committee, comprised of independent board members, that reviews the qualifications and appointment of the independent reserves evaluator. The committee also reviews the procedures for providing information to the evaluators. All booked reserves are based upon annual evaluations by the independent qualified reserve evaluator conducted in accordance with the COGE Handbook and NI 51-101. The evaluations are conducted using all available geological and engineering data. The reserves committee has reviewed the reserves information and approved the 2020 Sproule Report.

The following table provides a summary of the Company's before tax reserves as evaluated by Sproule:

As at December 31, 2020				Total Company Interest ⁽¹⁾⁽³⁾			
Reserve Category	Conventional Natural Gas (mmcf)	Light and Medium Crude Oil (mmbbl)	NGL (mmbbl)	Total (mboe)	NPV 0% ⁽²⁾ (\$000s)	NPV 5% ⁽²⁾ (\$000s)	NPV 10% ⁽²⁾ (\$000s)
Proved Producing	53,172	1,158	2,150	12,170	120,922	130,024	119,122
Proved Non-Producing	309	8	14	74	726	639	571
Proved Undeveloped	52,448	943	3,492	13,177	113,185	68,344	39,745
Total Proved	105,929	2,109	5,657	25,421	234,833	199,007	159,438
Proved + Probable Producing	66,071	1,435	2,650	15,097	167,144	154,424	133,562
Total Probable	65,186	2,231	2,894	15,989	224,418	142,949	97,553
Total Proved Plus Probable	171,115	4,340	8,551	41,410	459,251	341,956	256,991

⁽¹⁾ Tables may not add due to rounding.

⁽²⁾ NPV 0%, NPV 5% and NPV 10% refer to the risked net present value of the future net revenue of the Company's reserves, discounted by 0%, 5% and 10%, respectively and is presented before tax and based on Sproule's pricing assumptions.

⁽³⁾ Total company interest reserve volumes presented above and in the remainder of this Annual Report are presented as the Company's total working interest before the deduction of royalties (but after including any royalty interests of Petrus).

In 2020, Petrus' development program generated Proved Developed Producing ("PDP") reserve volume additions of 1.3 mmboe. The Company produced 2.4 mmboe during 2019 and ended the year with 12.2 mmboe of PDP reserve volume (34% oil and liquids).

Petrus ended 2020 with \$119.7 million, \$159.4 million and \$257.0 million of Proved Developed ("PD"), Total Proved ("TP"), and Proved plus Probable ("P+P"), respectively, reserve value before-tax, discounted at 10%, based on the 2020 Sproule Report. In 2020, the Company realized Finding and Development ("FD&A")⁽¹⁾⁽²⁾ costs of \$4.83/boe for PDP reserves.

Based on the 2020 Sproule Report, the Company's PDP reserve value before-tax, discounted at 10% is \$2.41 per share. On the same basis, the P+P reserve value is \$5.20 per share.

⁽¹⁾ Refer to "Oil and Gas Disclosures".

⁽²⁾ Certain changes in FD&A and F&D produce non-meaningful figures as discussed in "Oil and Gas Disclosures".

While FD&A and F&D costs, reserve life index, reserve replacement ratio and finding and development costs are commonly used in the oil and nature gas industry and have been prepared by management, these terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons.



FUTURE DEVELOPMENT COST

Future Development Cost ("FDC") reflects Sproule's best estimate of what it will cost to bring the P+P undeveloped reserves on production. The following table provides a summary of the Company's FDC as set forth in the 2020 Sproule Report:

Future Development Cost (\$000s)	Total Proved	Total Proved + Probable
2021	28,582	36,242
2022	45,758	70,913
2023	57,783	65,731
2024	6,164	20,582
2025	12,944	28,895
2026	5,583	11,129
2027	—	18,844
Thereafter	—	—
Total FDC, Undiscounted	156,815	252,335
Total FDC, Discounted at 10%	129,059	198,745

PERFORMANCE RATIOS

The following table highlights annual performance ratios for the Company from 2016 to 2020:

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Proved Producing					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	4.83	13.31	37.76	13.05	(0.43)
F&D (\$/boe) ⁽¹⁾⁽²⁾	4.83	12.81	42.27	11.57	9.89
Reserve Life Index (yr) ⁽¹⁾	5.2	3.8	4.6	4.1	4.4
Reserve Replacement Ratio ⁽¹⁾	1.2	0.4	0.2	1.6	0.4
FD&A Recycle Ratio ⁽¹⁾	2.6	1.2	0.4	1.1	(24.8)
Proved Developed					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	4.71	12.49	11.34	16.74	(0.23)
F&D (\$/boe) ⁽¹⁾⁽²⁾	4.71	12.03	11.55	14.62	7.69
Reserve Life Index (yr) ⁽¹⁾	5.2	4.8	5.6	4.5	5.3
Reserve Replacement Ratio ⁽¹⁾	1.2	0.5	0.6	1.2	0.7
FD&A Recycle Ratio ⁽¹⁾	2.7	1.3	1.4	0.9	(46.3)
Total Proved					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	1.29	1.09	8.73	14.33	(15.78)
F&D (\$/boe) ⁽¹⁾⁽²⁾	1.29	(6.83)	8.16	12.03	2.46
Reserve Life Index (yr) ⁽¹⁾	10.9	9.9	11.1	8.0	9.8
Reserve Replacement Ratio ⁽¹⁾	(1.0)	0.3	1.3	1.1	0.5
FD&A Recycle Ratio ⁽¹⁾	9.8	14.4	1.8	1.0	(0.7)
Future Development Cost (\$000s)	156,815	174,027	194,757	182,086	201,556
Total Proved + Probable					
FD&A (\$/boe) ⁽¹⁾⁽²⁾	0.37	(7.32)	6.49	14.87	350.09
F&D (\$/boe) ⁽¹⁾⁽²⁾	0.37	190.21	5.15	17.28	(8.06)
Reserve Life Index (yr) ⁽¹⁾	17.7	15.4	17.1	12.3	14.6
Reserve Replacement Ratio ⁽¹⁾	(1.3)	—	1.5	1.7	(0.1)
FD&A Recycle Ratio ⁽¹⁾	33.7	(2.1)	2.4	1.0	—
Future Development Cost (\$000s)	252,335	267,652	290,876	283,030	269,144

⁽¹⁾Refer to "Oil and Gas Disclosures".

⁽²⁾Certain changes in FD&A and F&D produce non-meaningful figures as discussed in "Oil and Gas Disclosures". While FD&A and F&D costs, reserve life index, reserve replacement ratio and finding and development costs are commonly used in the oil and nature gas industry and have been prepared by management, these terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons.



NET ASSET VALUE

The following table shows the Company's Net Asset Value ("NAV"), calculated using Sproule's December 31, 2020 price forecast:

As at December 31, 2020 (\$000s except per share)	Proved Developed Producing	Total Proved	Proved + Probable
Present Value Reserves, before tax (discounted at 10%) ⁽¹⁾	119,122	159,438	256,991
Undeveloped Land Value ⁽²⁾	17,568	17,568	17,568
Net Debt ⁽³⁾	(114,361)	(114,361)	(114,361)
Net Asset Value	22,329	62,645	160,198
Estimated Net Asset Value per Share	\$0.45	\$1.27	\$3.24

⁽¹⁾Based on the 2020 Sproule Report, using the forecast future prices and costs.

⁽²⁾Based on the exploration and evaluation assets as per the Company's December 31, 2020 audited consolidated financial statements.

⁽³⁾See "Non-GAAP Financial Measures".

ANNUAL GENERAL MEETING

The Corporation currently intends to hold its Annual General Meeting ("Meeting") on Thursday, May 13, 2021 at 2:00 p.m. (Calgary time). Due to the COVID-19 pandemic and restrictions on indoor gatherings implemented by the Government of Alberta in response thereto, and out of concern for the wellbeing of all participants, access to the Meeting may be limited. The Company does not plan to have a formal presentation at the conclusion of the Meeting. We encourage all shareholders and proxyholders not to attend the meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. Shareholders and guests can listen to the Meeting via teleconference at 1-888-433-2192 (participant code 6841494) however shareholders and proxyholders will not be able to vote their shares via teleconference. We encourage all shareholders to submit their proxies in advance of the Meeting.

An updated corporate presentation can be found on the Company's website at www.petrusresources.com.

For further information, please contact:

Neil Korchinski, P.Eng.
 President and Chief Executive Officer
 T: (403) 930-0889
 E: nkorchinski@petrusresources.com

NON-GAAP FINANCIAL MEASURES

This press release makes reference to the terms "operating netback", "corporate netback" and "net debt". These indicators are not recognized measures under GAAP (IFRS) and do not have a standardized meaning prescribed by GAAP (IFRS). Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Management uses these terms for the reasons set forth below.

Operating Netback

Operating netback is a common non-GAAP financial measure used in the oil and natural gas industry which is a useful supplemental measure to evaluate the specific operating performance by product at the oil and natural gas lease level. The most directly comparable GAAP measure to operating netback is funds flow. Operating netback is calculated as oil and natural gas revenue less royalties, operating and transportation expenses. It is presented on an absolute value and per unit basis.

Funds Flow and Corporate Netback

Corporate netback is a common non-GAAP financial measure used in the oil and natural gas industry which evaluates the Company's profitability at the corporate level. Corporate netback is equal to funds flow which is a directly comparable GAAP measure. Petrus analyzes these measures on an absolute value and per unit basis. Management believes that funds flow and corporate netback provide information to assist a reader in understanding the Company's profitability relative to current commodity prices. It is calculated, in the following table, as the operating netback less general and administrative expense, finance expense, decommissioning expenditures, plus other income and the net realized gain (loss) on financial derivatives.

Net Debt

Net debt is a non-GAAP financial measure and is calculated as current assets (excluding unrealized financial derivative assets) less current liabilities (excluding unrealized financial derivative liabilities, right-of-use lease obligations, and deferred share unit liabilities) and long term debt. Petrus uses net debt as a key indicator of its leverage and strength of its balance sheet. There is no GAAP measure that is reasonably comparable to net debt.

OIL AND GAS DISCLOSURES

Our oil and gas reserves statement for the year ended December 31, 2020, which includes disclosure of our oil and natural gas reserves and other oil and natural gas information in accordance with NI 51-101, is contained in the AIF. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

F&D and FD&A Costs

FD&A cost is defined as capital costs for the time period including change in FDC divided by change in reserves including revisions and production for that same time period. F&D cost is defined as capital costs for the time period including change in FDC divided by change in reserves including revisions and production for that same time period, excluding acquisitions and dispositions. Both F&D and FD&A costs take into account reserves revisions during the year on a per boe basis. The methodology used to calculate F&D costs includes disclosure required to bring the proved undeveloped and probable reserves to production. Annually, changes in



forecast FDC occur as a result of Petrus' development, acquisition and disposition activities, undeveloped reserve revision and capital cost estimates. These values reflect the independent evaluator's best estimate of the cost to bring the proved and probable undeveloped reserves to production. In 2019, the P+P FD&A and F&D costs including changes in FDC can generate non meaningful information because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs.

Reserve Life Index

Reserve life index is defined as total reserves by category divided by the annualized fourth quarter production.

Reserve Replacement Ratio

The reserve replacement ratio is calculated by dividing the yearly change in reserves net of production by the actual annual production for the year.

Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Petrus' operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this MD&A, should not be relied upon for investment or other purposes.

FD&A Recycle Ratio

The FD&A recycle ratio is calculated by dividing field netback by FD&A.

Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Petrus' operations overtime. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this MD&A, should not be relied upon for investment.

ADVISORIES

Basis of Presentation

Financial data presented above has largely been derived from the Company's financial statements, prepared in accordance with GAAP which require publicly accountable enterprises to prepare their financial statements using IFRS. Accounting policies adopted by the Company are set out in the notes to the consolidated financial statements as at and for the twelve months ended December 31, 2020. The reporting and the measurement currency is the Canadian dollar. All financial information is expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements

In particular, forward-looking statements included in this MD&A include, but are not limited to, statements with respect to: Petrus focus on paying down the balance of the RCF; the Company's focus on optimizing its cost structure, particularly in the Ferrier area, through facility ownership and control; Petrus' commitment to maintaining its financial flexibility and expectation that it will determine subsequent quarter capital spending as the year progresses; forecast cash flow in 2021 and the use thereof; managements expectation that the 2020 capital plan will be funded by funds flow, with free funds flow used to continue significant debt reduction targets; management expectation that it will continue to layer in hedges; expectations regarding the payout of new wells in the Ferrier area; the drilling 3 gross (2.1 net) Cardium wells under Petrus' first quarter 2021 capital budget; the Company's strategy to prioritize debt repayment and moderate capital spending; Petrus' ability to modify its operations according to NGL market pricing; the intent of the Company's hedging strategy; expectations regarding the adequacy of Petrus' liquidity and the funding of its financial liabilities; the impact of the current economic environment on Petrus; the performance characteristics of the Company's crude oil, NGL and natural gas properties; future prospects; the focus of and timing of capital expenditures; access to debt and equity markets; Petrus' future operating and financial results; capital investment programs; supply and demand for crude oil, NGL and natural gas; future royalty rates; drilling, development and completion plans and the results therefrom; and treatment under governmental regulatory regimes and tax laws.

In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Petrus' prospective results of operations including, without limitation, forecast cash flow in 2021, managements expectation that the 2020 capital plan will be funded by funds flow, expectations regarding the payout of new wells in the Ferrier area, Petrus' liquidity to execute the Company's business plan over the coming year and ability to repay debt, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Petrus will derive therefrom. Petrus has included the FOFI in order to provide readers with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes.

These forward-looking statements and FOFI are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

BOE Presentation

The oil and natural gas industry commonly expresses production volumes and reserves on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved measurement of results and comparisons with other industry participants. Petrus uses the 6:1 boe measure which is the approximate energy equivalence of the two commodities at the burner tip. Boe's do not represent an economic value equivalence at the wellhead and therefore may be a misleading measure if used in isolation.



Abbreviations

<i>\$000's</i>	<i>thousand dollars</i>
<i>\$/bbl</i>	<i>dollars per barrel</i>
<i>\$/boe</i>	<i>dollars per barrel of oil equivalent</i>
<i>\$/GJ</i>	<i>dollars per gigajoule</i>
<i>\$/mcf</i>	<i>dollars per thousand cubic feet</i>
<i>bbl</i>	<i>barrel</i>
<i>bbl/d</i>	<i>barrels per day</i>
<i>boe</i>	<i>barrel of oil equivalent</i>
<i>mboe</i>	<i>barrel of oil equivalent</i>
<i>mmboe</i>	<i>thousand barrel of oil equivalent</i>
<i>boe/d</i>	<i>million barrel of oil equivalent per day</i>
<i>GJ</i>	<i>gigajoule</i>
<i>GJ/d</i>	<i>gigajoules per day</i>
<i>mcf</i>	<i>thousand cubic feet</i>
<i>mcf/d</i>	<i>thousand cubic feet per day</i>
<i>mmcf/d</i>	<i>million cubic feet per day</i>
<i>NGLs</i>	<i>natural gas liquids</i>
<i>WTI</i>	<i>West Texas Intermediate</i>

