



**NOTICE OF ANNUAL GENERAL MEETING AND
INFORMATION CIRCULAR AND PROXY STATEMENT**

For the Annual General Meeting of Shareholders
to be held on Wednesday, May 29, 2024



**Notice of Annual General Meeting of
Shareholders to be held on May 29, 2024**

Notice is hereby given that the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Petrus Resources Ltd. (the "**Corporation**") will be held at Conference Room A, 240 – 4th Avenue SW, Calgary, Alberta on Wednesday, May 29, 2024 at 1:00 p.m. (Calgary time) to:

1. receive the financial statements of the Corporation for the year ended December 31, 2023, together with the auditor's report thereon;
2. fix the number of directors of the Corporation to be elected at the Meeting at five (5) directors;
3. elect five (5) directors of the Corporation for the ensuing year;
4. appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such;
5. approve the unallocated stock options under the Corporation's option plan; and
6. transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Registered Shareholders are requested to date and sign the form of proxy and deposit it with the Corporation's transfer agent, Odyssey Trust Company at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, Attn: Proxy Department. Alternatively, by internet using the 12 digit control number located at the bottom of your proxy at <https://vote.odysseytrust.com>. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received, in each case, no later than 1:00 p.m. (Calgary time) on May 27, 2024 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.

Only Shareholders of record at the close of business on April 12, 2024 (the "**Record Date**"), are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he, she or it owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The information circular relating to the business to be conducted at the Meeting accompanies this Notice of Annual General Meeting of Shareholders.

DATED at Calgary, Alberta this 15th day of April, 2024

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Ken Gray*"

Ken Gray

President, Chief Executive Officer and Director



**Information Circular and Proxy Statement dated April 15, 2024
for the Annual General Meeting of the Holders of Common Shares of
Petrus Resources Ltd. to be held on May 29, 2024**

Solicitation of Proxies

This information circular and proxy statement ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Petrus Resources Ltd. (the "**Corporation**" or "**Petrus**") for use at the annual general meeting of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held at Conference Room A, 240 – 4th Avenue SW, Calgary, Alberta on Wednesday, May 29, 2024 at 1:00 p.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting as at the close of business on April 12, 2024 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he, she or it owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are officers of the Corporation. **Each Shareholder has the right to appoint a proxyholder other than the persons designated in the form of proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting.** To exercise such right, the names of the nominees of the Corporation should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy. In order to be effective, the form of proxy must be deposited with **Odyssey Trust Company at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, Attn: Proxy Department.** Alternatively, by internet using the 12 digit control number located at the bottom of your proxy at <https://vote.odysseytrust.com>. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received, in each case, no later than 1:00 p.m. (Calgary time) on May 27, 2024 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.

Unless otherwise stated, the information in this Information Circular is given at April 12, 2024.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold Common Shares in your own name. Only proxies deposited by Shareholders whose names appear on our records as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. ("**CDS**"), the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker, or their nominee, can only be voted upon your instructions. Without specific instructions, your broker, or their nominee, is prohibited from voting your Common Shares. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held. The majority of Common Shares held in the United States

are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another intermediary. If you receive a voting instruction form from Broadridge or another intermediary, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the Meeting in order to have your Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or the broker's agent), well in advance of the Meeting.

Notice-And-Access

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to beneficial Shareholders who do not hold Common Shares in their own name but not in respect of mailings to registered Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Corporation has also elected to use procedures known as 'stratification' in relation to the use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis ("**Financial Information**"), to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered Shareholders will receive a paper copy of the Notice of Annual Meeting, this Information Circular and a form of proxy whereas Beneficial Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form. Furthermore, a paper copy of the Financial Information in respect of the Corporation's most recently completed financial year was mailed to all registered Shareholders and those beneficial Shareholders who previously requested to receive such information.

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you, or the person to whom you give your proxy, attends personally at the Meeting you, or such person, may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited at Petrus' head office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the form of proxy, the Notice of Annual General Meeting of Shareholders and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and/or employees who will not be remunerated therefor.

Exercise of Discretion by Proxy Holder

The Common Shares represented by proxy in favour of management nominees shall be voted or withheld from voting, in accordance with the instructions of the Shareholder on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted in accordance with the specification so made. **In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon at the Meeting. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy, the Notice of Annual General Meeting of Shareholders and this Information Circular. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at April 12, 2024, there were 124,259,472 Common Shares issued and outstanding. No preferred shares are issued or outstanding. The Common Shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "PRQ".

As a holder of Common Shares, you are entitled to one vote for each Common Share you own.

Other than as set out below, to the knowledge of our directors and officers, as at April 12, 2024, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares.

<u>Shareholder</u>	<u>Common Shares beneficially owned, or controlled or directed, directly or indirectly</u>	<u>Percentage of the Common Shares represented by the number of Common Shares so owned, controlled or directed, directly or indirectly</u>
Don Gray ⁽¹⁾	34,031,688	27.4%
Glen Gray ⁽¹⁾⁽²⁾	28,463,884	22.9%
Stuart Gray ⁽¹⁾⁽³⁾	25,805,896	20.8%

Note:

- (1) Information is based solely on filings on the Corporation's profile at www.sedi.ca.
- (2) Includes: (i) 25,954,327 Common Shares held directly by Glen Gray; (ii) 2,283,324 Common Shares held by GwG 2009A Ltd.; and (iii) 226,233 Common Shares held by GwG PCE Ltd.
- (3) Includes: (i) 25,146,653 Common Shares held directly by Stuart Gray; and (ii) 659,243 Common Shares held by SAG 2009 Ltd.

As at April 12, 2024, Petrus' directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 38,689,030 Common Shares or approximately 31.1% of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditor's Report

At the Meeting, our financial statements for the year ended December 31, 2023 and the auditor's report thereon will be placed before Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting for the ensuing year at five (5), as may be adjusted between Shareholders' meetings by way of resolution of the Board.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby FOR and in favour of the resolution fixing the number of directors.

Election of Directors

Directors of the Corporation will be elected at the Meeting. Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote proxies FOR the election as directors of the five (5) nominees set forth below:

Don Gray	Donald Cormack
Patrick Arnell	Ken Gray
Peter Verburg	

Each director elected will hold office until the next annual meeting of the Corporation or until his successor is duly elected or appointed in accordance with the *Business Corporations Act* (Alberta) (the "**ABCA**"), unless his office is earlier vacated. In the event that a vacancy among such nominees occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy. At the 2023 annual meeting of Shareholders, each of the directors were elected with votes in favour ranging from 99.332% to 99.977% of the Common Shares voted. See "*Biographies of Directors*" below for additional detail on the 2023 voting results.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

The Board has adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, the Compensation Committee (as defined herein) will consider such offer and make a recommendation to the Board whether to accept it or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any Compensation Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days of such meeting of Shareholders. The decision of the Board will be announced by way of a press release, which, if the Board has decided to reject such resignation, the reasons for rejecting the resignation. The majority voting policy is available on Petrus' website at www.petrusresources.com.

In addition, the Corporation's by-laws include "advance notice provisions" designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow

Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide Shareholders, directors and management of the Corporation with a clear framework for nominating directors. In particular, these provisions of the by-laws fix a deadline (being not less than 30 days before the date of an annual meeting of Shareholders and, in the case of a special meeting, the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made) by which holders of record of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders, and also set forth the information that Shareholders must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders. The Corporation's by-laws are available on Petrus' profile on SEDAR+ at www.sedarplus.ca or on Petrus' website www.petrusresources.com.

Biographies of the Directors

The following information relating to the nominee directors is based partly on Petrus' records and partly on information received by Petrus from the nominee directors and sets forth the names, province/state and country of residence of all of the persons nominated for election as directors, the periods during which they have served as director, their principal occupations during the five (5) preceding years, certain other professional experience and the number of Common Shares owned or controlled or directed, directly or indirectly, by each and the number of deferred share units ("**DSUs**") granted under the Corporation's deferred share unit plan (the "**DSU Plan**") as well as the number of stock options ("**Options**") granted under the Corporation's option plan (the "**Option Plan**") as of April 12, 2024.

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed ⁽¹⁾	DSUs	Options
Don Gray Arizona, United States	58	November 25, 2015	34,031,688	565,747	52,500
Chairman of the Board Non-Independent	Mr. D. Gray is a private investor and Chairman of Petrus. Mr. D. Gray was a founding partner and President of EIQ Capital Corp., a private capital management company, from May 2007 to September 2013.				
	Mr. D. Gray is also a director and Chairman of Peyto Exploration & Development Corp. and Gear Energy Ltd., both TSX-listed oil and natural gas companies. Mr. D. Gray holds a BSc in petroleum engineering from Texas A&M University and has over 30 years of experience in the Canadian oil and gas business in various capacities.				
Board and Committee Membership ⁽²⁾	Membership			Meeting Attendance	
	Board			(4/4)	100%
	Reserves Committee (Chair)			(1/1)	100%
	Total			(10/10)	100%
Current Board Directorships	Public Boards				
	Peyto Exploration & Development Corp.				
	Gear Energy Ltd.				
Voting Results of 2023 Annual Meeting	Number of Votes			% of Votes	
Votes For	94,081,080			99.588%	
Votes Withheld	388,978			0.412%	

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed ⁽¹⁾	DSUs	Options
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Patrick Arnell Alberta, Canada	63	November 7, 2016	225,994	565,747	35,000
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Independent

Mr. Arnell has been an independent businessman since 2005 and a founding shareholder of Rangeland Drilling Automation Inc., a private manufacturer of oilfield drilling equipment.

Currently, Mr. Arnell is also the Chairman and Chief Executive Officer of Orix Investments Inc., a private investment company headquartered in Calgary, Alberta, since September 5, 2005. Prior thereto, he was the President and majority owner of Rayton Packaging Inc., a private packaging manufacturer, from 1992 to 2005.

Board and Committee Membership	Membership		Meeting Attendance	
	Board	(4/4)	100%	
	Audit Committee	(4/4)	100%	
	Reserves Committee	(1/1)	100%	
	Compensation Committee (Chair)	(1/1)	100%	
	Total	(10/10)	100%	
Voting Results of 2023 Annual Meeting	Number of Votes		% of Votes	
Votes For	93,839,013		99.332%	
Votes Withheld	631,045		0.668%	

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed ⁽¹⁾	DSUs	Options
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Donald Cormack Calgary, Alberta	71	November 25, 2015	24,620	565,747	35,000
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Independent

Mr. Cormack is a corporate director, who is currently a director of the YYC Calgary International Airport and has served on the board of directors of numerous not for profit organizations. Prior thereto, Mr. Cormack was a partner with PricewaterhouseCoopers LLP and also the Calgary audit practice leader from 1997 to 2007, until his retirement in 2012.

Mr. Cormack has extensive financial accounting and reporting experience with both private and public companies of all sizes covering regulatory compliance, risk management, acquisitions, corporate restructuring, internal controls and governance in Canada and the U.S. Mr. Cormack is a past director of the Calgary Police Foundation, The Calgary Foundation and Alberta Health Services. He is a Chartered Professional Accountant, a graduate of the Institute of Corporate Directors Program and has a Bachelor of Commerce degree from the University of Saskatchewan.

Board and Committee Membership	Membership		Meeting Attendance	
	Board	(4/4)	100%	
	Audit Committee (Chair)	(4/4)	100%	
	Reserves Committee	(1/1)	100%	
	Compensation Committee	(1/1)	100%	
	Total	(10/10)	100%	
Voting Results of 2023 Annual Meeting	Number of Votes		% of Votes	
Votes For	94,229,409		99.745%	
Votes Withheld	240,649		0.255%	

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed ⁽¹⁾	DSUs	Options
Ken Gray Alberta, Canada	62	March 11, 2021	3,958,670	Nil	1,508,336
Non-Independent	Mr. K. Gray is the President and Chief Executive Officer of the Corporation. Mr. Gray has over 40 years experience in the oil and gas business, primarily in Alaska, the North Sea, and Canada. For the last 20 years he has led private oil and gas companies in Alberta, including, prior its sale in 2022, as President of Hell's Half-Acre Petroleum Corp. Mr. Gray holds a Bachelor of Science in Petroleum Engineering from Texas A&M University.				

Board and Committee Membership	Membership		Meeting Attendance	
		Board	(4/4)	100%
	Total	(4/4)	100%	
Voting Results of 2023 Annual Meeting	Number of Votes		% of Votes	
Votes For	94,448,751		99.977%	
Votes Withheld	21,307		0.023%	

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed ⁽¹⁾	DSUs	Options
Peter Verburg Alberta, Canada	54	June 29, 2021	92,365	Nil	43,335
Independent	Mr. Verburg is the founder, Chairman and Chief Executive Officer of Numi Health Inc., a Calgary-based digital health company. He was previously an investment banker and a co-founder and President of a private venture capital company and has served as a director at public and private companies in the energy industry. Mr. Verburg was a director of Gear Energy Ltd. from 2008 to 2017 and Petrus Resources Ltd. from 2011 to 2017. He also served on the founding board of the Veteran's Transition Network, a national organization that helps soldiers transition to civilian life. Mr. Verburg holds an MBA from the University of Calgary, Haskayne School of Business.				

Board and Committee Membership	Membership		Meeting Attendance	
		Board	(4/4)	100%
	Audit Committee	(4/4)	100%	
	Compensation Committee	(1/1)	100%	
	Total	(9/9)	100%	
Voting Results of 2023 Annual Meeting	Number of Votes		% of Votes	
Votes For	94,226,409		99.742%	
Votes Withheld	243,549		0.258%	

Notes:

- (1) The information as to Common Shares beneficially owned, directly or indirectly, is based upon information furnished to Petrus by the nominees.
- (2) Mr. D. Gray attended all Audit Committee meetings during 2023 by invitation.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than as disclosed below, to the knowledge of our executive officers and directors, none of the proposed directors is, or has been in the last 10 years before the date hereof, a director, chief executive officer or chief financial officer

of an issuer (including the Corporation) that: (a) while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (b) was, after that person ceased to be a director, chief executive officer or chief financial officer of the issuer, the subject of a cease trade or similar order, or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer; or (c) while such person was acting in that capacity, or within one year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Donald Cormack was a director of Walton Ontario Land 1 Corporation and Walton Edgemont Development Corporation ("**Walton Entities**"), registered entities engaged in property development, in Ontario and Alberta respectively. Mr. Cormack resigned as a director of the Walton Entities on April 13, 2017. Two weeks after Mr. Cormack's resignation, the Walton Entities filed for creditor protection under the *Companies Creditors' Arrangement Act* (Canada) on April 28, 2017.

No proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Further, no proposed director or any personal holding companies of a proposed director of the Corporation have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditors

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to engage the services of PricewaterhouseCoopers LLP ("**PwC**"), Chartered Professional Accountants of Calgary, Alberta, to act as the Corporation's auditors until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration as such. PwC has served as auditors of the Corporation since June 26, 2023.

See the Corporation's annual information form for the year ended December 31, 2023 (the "**AIF**") on page 33 for additional information regarding the fees paid to the Corporation's external auditors in 2023 and 2022.

Management unanimously recommends that the Shareholders vote FOR the appointment of auditors and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the appointment of auditors.

Approval of Unallocated Options under the Option Plan

The Option Plan is described under "*Statement of Executive Compensation – Long-term Incentive Compensation – Option Plan*" and is currently an integral component of compensation arrangements for officers, directors, employees and service providers of the Corporation and its subsidiaries. The purpose of the Option Plan is to align director, executive officer, employee, service provider and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. The Option Plan is administered by the Board (which may delegate its authority to the Compensation Committee or other committee), which has authority to interpret the Option Plan, including in respect of any Options granted thereunder. When Options have been granted, Common Shares reserved for issuance under any outstanding Options are referred to herein as "allocated Options". Additional Common Shares that may be issued pursuant to the Option Plan, but are not subject to current Options, are referred to herein as "unallocated Options".

The Option Plan is a "rolling plan" whereby the Corporation is entitled to issue Options in respect of a maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance under all other security based compensation arrangements of the Corporation. A rolling plan allows the number of Common Shares covered by Options that have been exercised, to be available for subsequent grants under the Option Plan. In accordance with the policies of the TSX, unallocated options under rolling option plans must receive shareholder approval three (3) years from the date of listing on the TSX and subsequently every three (3) years after that. The Option Plan was approved by the TSX in connection with the listing of the Common Shares on the TSX in the spring of 2016 and was last approved by Shareholders on June 15, 2021.

Based on 124,259,472 issued and outstanding Common Shares at April 12, 2024, the number of Options that may be issued under the Option Plan is currently limited to 12,425,947 of which Options to purchase 8,527,025 Common Shares are outstanding and 1,697,241 DSUs are outstanding entitling the holders thereof to receive an aggregate of 1,697,241 Common Shares on redemption, leaving unallocated 2,201,681 Common Shares available for future Option grants. No RSUs (as defined herein) have been granted to date.

At the Meeting, Shareholders will be asked to consider and, if thought fit, pass an ordinary resolution substantially in the form set forth below.

"BE IT RESOLVED as an ordinary resolution that:

1. all unallocated stock options available under the option plan of Petrus Resources Ltd. (the "**Corporation**") are hereby approved until May 29, 2027; and
2. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute and deliver all other documents, and do all such acts and things, as may be necessary or desirable in connection with the foregoing resolution."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by Shareholders present in person or represented by proxy at the Meeting. **Management recommends that Shareholders vote FOR the above resolution and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR this resolution unless expressly directed to the contrary.**

If at the Meeting, the Shareholders do not approve all unallocated Options under the Option Plan, all currently outstanding Options will be unaffected, however the Corporation will not issue any further Options under the Option Plan and any outstanding Options that are thereafter cancelled or expire will not be available for re-grant until such time as Shareholder approval is obtained.

If approval is not obtained at the Meeting, the Corporation will have to consider alternate forms of performance-based compensation, including additional cash bonuses, additional grants under the RSU Plan (as defined herein) or other means in order to attract and retain qualified personnel as it will not be able to make Option grants going forward.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, each duly completed and submitted form of proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting except as disclosed herein.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

Petrus' compensation policies are founded on the principle that compensation should be aligned with Shareholders' interests, while also recognizing that Petrus' corporate performance is dependent upon the retention of highly trained, experienced and committed executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the Corporation's business. Petrus' compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and natural gas industry and the impact of internal and market-related occurrences from time to time.

The main objectives of the Corporation's executive compensation program are to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of Shareholders. In approaching these key objectives, the Board recognizes that compensation based on performance promotes the Corporation's continued growth in production, reserves, funds from operations and earnings on an absolute and per share basis.

Compensation Governance

The Compensation and Nominating Committee (the "**Compensation Committee**"), comprised entirely of independent directors (within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**")), is responsible for developing the approach of the Corporation with respect to matters concerning human resources, compensation and corporate governance and, from time to time, reviewing and making recommendations to the Board in respect of such matters.

The Compensation Committee focuses on ensuring that the Corporation's human resource strategies support the Corporation's objectives, and on developing and recommending to the Board governance standards applicable to the Corporation. The Compensation Committee is responsible for overseeing the evaluation of the Board and annually assessing the effectiveness of the Board as a whole.

The Compensation Committee is also responsible for reviewing compensation levels of senior management, the corporate goals and objectives relevant to the Chief Executive Officer's compensation, assisting in the determination of the Chief Executive Officer's compensation and providing advice to the Board concerning the general oversight of compensation and governance matters. The Compensation Committee also assists the Board in identifying individuals qualified to become Board members and recommending director nominees.

The current members of the Compensation Committee, Messrs. Arnell, Cormack, and Verburg, are each highly experienced executives, directors and/or businessmen who have dealt with numerous compensation issues in the course of their leadership roles. A brief summary of the relevant work experience of each such member is set out below.

Mr. Patrick Arnell

Mr. Arnell holds an MBA from the University of Saskatchewan. Mr. Arnell was previously President and majority owner of Rayton Packaging Inc. from 1992 to 2005, overseeing its expansion from Alberta to extensive operations in Canada, the U.S., Mexico and Chile. Mr. Arnell was previously Chairman of Rangeland Industrial Service Ltd. ("**Rangeland**"), a manufacturer of automated service rigs and pipe handling equipment for the energy industry where he was responsible for the compensation policies for Rangeland's employees.

Mr. Donald Cormack

Mr. Donald Cormack was a Partner at PwC. He served as the Calgary and Alberta Audit and Advisory Practice Leader at PwC and was a member of the National Assurance executive of PwC. Mr. Cormack has extensive financial accounting and reporting experience with both private and public companies of all sizes covering regulatory compliance, risk management, acquisitions, corporate restructuring, internal controls and governance in Canada and the U.S. Mr. Cormack has reviewed and audited the compensation plans of a number of private and public companies over his career.

Mr. Peter Verburg

Mr. Verburg is the founder, Chairman and Chief Executive Officer of Numi Health Inc., a Calgary-based digital health company. He was previously an investment banker and a co-founder and President of a private venture capital company and has served as a director at public and private companies in the energy industry. Mr. Verburg was a director of Gear Energy Ltd. from 2008 to 2017 and Petrus Resources Ltd. from 2011 to 2017. He also served on the founding board of the Veteran's Transition Network, a national organization that helps soldiers transition to civilian life. Mr. Verburg holds an MBA from the University of Calgary, Haskayne School of Business.

In 2023, the Compensation Committee conducted a review of executive compensation. The process undertaken by the Compensation Committee included a review of the compensation practices of Petrus' peer group, a review of pay philosophy, desired pay positioning, pay mix, high-level incentive pay design and a review and refinement of Executive Compensation Principles.

The Board believes that a performance based compensation plan is an important element in the compensation package for the Corporation's executive officers. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group. The Corporation's compensation program is primarily designed to reward performance. Accordingly, the performance of the Corporation, and the Corporation's executive officers, are examined by the Board in conjunction with setting executive compensation packages. The Corporation's compensation policies are founded on the principle that executive and employee compensation should be consistent with Shareholders' interests and, therefore, the compensation strategy employed is balanced between fixed and variable performance based compensation. The objectives of the policies are to attract and retain a high-quality management and employee team and to motivate performance by tying a significant component of compensation to performance measures. The current elements of the Corporation's executive and employee compensation policies are consistent with the Corporation's business strategy of creating Shareholder value by efficiently developing and producing oil and gas reserves. The Compensation Committee evaluates these objectives on an ongoing basis. The Corporation's compensation plan for executive officers consists of the following items:

- Base Salaries
- Short-Term Incentive Compensation (Value Component)
- Long-Term Incentive Compensation (Options and RSUs)

When determining compensation, including the assessment of the competitiveness of the Corporation's compensation, management and the Compensation Committee review the compensation practices of companies in Petrus' peer group. Each year the total compensation of the Named Executive Officers (as defined herein) is reviewed by the Compensation Committee and compared to the total compensation for executives holding similar positions with other oil and natural gas companies of a similar size and stage of development. Management and the Compensation Committee review comparative industry data to ensure compensation effectiveness. Together with the market data, the individual performance and development of each Named Executive Officer, other than the Chief Executive Officer, is assessed by the Chief Executive Officer, and a recommendation is made to the Compensation Committee for the appropriate salary and annual incentive for each individual. The Compensation Committee then reviews these recommendations and assesses Chief Executive Officer performance and development, in conjunction with its own review of the Corporation's growth in value (Value Component which is the accretive growth in oil and natural gas reserve value as discussed in detail below), executive performance and market data. A recommendation for approval of the compensation is made to the Board by the Compensation Committee. The Corporation does not have a pension plan or other form of formal retirement compensation.

The named executive officers (as defined in Form 51-102F6 as prescribed in NI 51-102) of the Corporation as at December 31, 2023 were Ken Gray (President and Chief Executive Officer), Mathew Wong (Vice President, Finance and Chief Financial Officer), Lindsay Hatcher (Vice President, Commercial & Corporate Development) and Matt Skanderup (Chief Operating Officer) (collectively referred to herein as the "**Named Executive Officers**" or the "**NEOs**").

Elements of the Corporation's Executive Compensation Program

Base Salaries

The base salary component of the Corporation's compensation program is intended to provide a fixed level of competitive pay that reflects the executive officer's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary to its executive officers and senior management that is competitive with its peer companies in the oil and natural gas industry. The Compensation Committee compares the base salaries of its executive officers with that of officers at peer companies in the oil and natural gas industry and recommends to the Board that Petrus set its pay level in-line with the Corporation's peer group for such positions, while also considering the other components of its executive officer compensation package. Factors reviewed in assessing peer companies includes total revenue, total assets, total level of capital expenditures, number of employees, business strategy, asset characteristics and daily production levels on a per barrel of oil equivalent ("**boe**") basis. Such peer companies are:

Journey Energy Inc.	Prairie Provident Resources Inc.	Perpetual Energy Inc.
Bonterra Energy Corp.	Yangarra Resources Ltd.	Crew Energy Inc.
Pine Cliff Energy Ltd.	Inplay Oil Corp.	

Short-Term Incentive Compensation – Value Component

The principal purpose of the Value Component is to coincide with the interests of Petrus by providing for bonuses for key employees of the Corporation who are designated as participants thereunder.

The Value Component is administered by the CEO, who designates the participants, other than the CEO, in the Value Component among key employees of Petrus and allocates a component of the value pool to each such participant. The allocation of the value pool is not set in relation to any formula or specific criteria but is the result of a subjective determination by the CEO and is approved by the Compensation Committee and the Board. Allocations and payments made to the CEO are determined by the Board on the advice of the Compensation Committee. Given the relatively low number of employees at Petrus, this manner of allocation remains optimal.

The Short-Term Incentive Compensation is based on a few financial and operational factors, including Funds Flow, shareholders return, capital activities, production, health and safety, compliance with environmental regulations, and other factors at the discretion of the Board. The Compensation Committee and the Board approved a bonus of \$250,000 for 2023.

Long-Term Incentive Compensation

Options granted under the Option Plan and issuances of RSUs to officers, employees and service providers are intended to align director, executive officer, employee, service provider and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. The issuances of such incentive securities rewards overall corporate performance, as measured with reference to the price of the Common Shares. In addition, this enables executive officers to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted securities to an individual is taken into account when considering new grants.

Option Plan

The Corporation has adopted the Option Plan pursuant to which Options may be granted to directors, executive officers, employees and certain service providers of the Corporation or its subsidiaries (each an "**Eligible Person**"). The purpose of the Option Plan is to align director, executive officer, employee, certain service provider and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. The Option Plan is administered by the Board (which may delegate its authority to the Compensation Committee or other committee), which has authority to interpret the Option Plan, including in respect of any Options granted thereunder. In accordance with the policies of the TSX, unallocated options under rolling option plans must receive Shareholder approval three (3) years from the date of listing on the TSX and subsequently every three (3) years after that. The Option Plan was last approved by Shareholders on June 15, 2021.

When making recommendations with respect to Options to be granted to each of the executive officers of Petrus, it is expected that the Board, or the Compensation Committee, as applicable, will review the recommendations of management and information with respect to Options granted by companies in Petrus' peer group as well as previous grants of Options to an Eligible Person. Options are not transferable or assignable, except in accordance with the Option Plan, and the holding of Options shall not entitle the holder to any rights as a Shareholder.

The Board will set the term of the Options granted under the Option Plan provided that such term does not exceed a maximum term of five (5) years. Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. Where no determination as to vesting is made, the Options shall vest as to one third (1/3) of the number of Options granted on the first, second and third anniversaries of the date of grant.

The exercise price of Options shall not be less than the "Current Market Price", where such term is defined to mean the volume weighted average trading price of the Common Shares on the TSX (or if the Common Shares are listed on more than one stock exchange, on such stock exchange as may be designated by the Compensation Committee for such purpose) for the five (5) trading days immediately preceding the date of the grant of Options and, for this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period; or, if the Common Shares are not listed on any exchange, a price determined by the Board, Compensation Committee or any committee thereof.

In addition to the typical exercise method of issuing Common Shares to the holder in exchange for the payment of the exercise price of the Option, the Option Plan also allows Options to be exchanged for the issuance of Common Shares equal to the number determined by dividing the Current Market Price into the difference between the Current Market Price and the exercise price of such Options. The resulting Common Shares issued to the optionee could subsequently be held, or sold on the open market for cash, at the holder's option. Petrus will not provide financial assistance to Option holders in connection with the exercise of their Options.

The Option Plan limits insider participation such that in aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(aa) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(c) of the *Securities Act* (Alberta) under the Option Plan, together with all of Petrus' other security based compensation arrangements (the "**Common Share Maximum**"). Further, the number of securities Petrus issues to insiders within any twelve (12) month period under all of Petrus' security based compensation arrangements cannot exceed 10% of the issued and outstanding Common Shares. The Option Plan also provides that no single service provider may be granted Options to purchase Common Shares equaling more than 5% of the issued and outstanding Common Shares in any twelve (12) month period unless Petrus has obtained disinterested Shareholder approval in respect of such grant and meets TSX requirements.

The following sets forth the number of Options granted during the periods noted below and the potential dilutive effect of such Options.

Period	Options Granted	Weighted average Common Shares outstanding	Burn Rate ⁽¹⁾
2023	3,245,000	123,468,550	2.6%
2022	4,677,500	115,188,534	4.1%
2021	4,637,500	62,557,207	7.4%

Notes:

(1) The burn rate for a given period is calculated by dividing the number of Options granted during such period by the weighted average number of Common Shares outstanding during such period.

The Board has the discretion to make amendments to the Option Plan which it may deem necessary, without having to obtain Shareholder approval, provided that no such amendment may, without the consent of optionees, alter or impair any Option previously granted to an optionee under the Option Plan and provided further that any amendment to the Option Plan is subject to prior approval of the TSX. The Board may by resolution amend the Option Plan and any Options granted under it without Shareholder approval, however, the Board will not be entitled, in the absence of Shareholder and TSX approval, to:

- (a) make any amendment to the Option Plan to increase the Common Share Maximum;
- (b) reduce the exercise price of any outstanding Options;
- (c) cancel an Option and subsequently issue the holder of such Option a new Option or other entitlements in replacement thereof;
- (d) extend the term of any outstanding Option beyond the original expiry date of such Option;
- (e) make an amendment to increase or remove the maximum limit on the number of Options that may be issued to insiders;
- (f) make an amendment to increase the value of Options issuable to directors who are not officers or employees of the Corporation, or its subsidiaries, under the Corporation's incentive plans;
- (g) make any amendment to the Option Plan that would permit an optionee to transfer or assign Options to a new beneficial optionee other than in the case of death of the optionee; or
- (h) make an amendment to the section of the Option Plan governing amendments.

Upon termination of an Eligible Person for cause, the Options held by the Eligible Person shall become null and void on the date on which notice is given to the optionee of such termination. Upon termination of an Eligible Person for any other reason, other than death, the Eligible Person may exercise the Options, to the extent to which the Eligible Person was entitled to exercise them, at the date of termination, provided that the exercise occurs within thirty (30) days following the termination of the Eligible Person. In the case of death, permanent disability or retirement, the Eligible Person is entitled to exercise those Options which such person was entitled to exercise on the date of death, permanent disability or retirement for not more than twelve (12) months following the date of death, permanent disability or retirement and in the absence of a determination by the Board, not more than six (6) months from the date of the same.

On May 29, 2023, the Corporation amended the Option Plan to: (i) include a cash settlement feature for the in-the-money portion of vested Options to avoid dilution; (ii) permit Options to be granted to the wholly-owned holding companies of eligible optionees (but not transfer or assign existing Options); (iii) permit optionees who make a cashless exercise of Options to elect to have the Corporation satisfy the tax withholding requirement by reducing the number of Common Shares issued to the optionee; and (iv) make certain housekeeping amendments to the Option Plan (the "**2023 Amendments**"). The 2023 Amendments were made by the Corporation without obtaining Shareholder approval. Shareholder approval was not required as the Board used its discretion to make the 2023 Amendments which

did not alter or impair any Option previously granted to an optionee under the Option Plan and the Corporation obtained prior approval from the TSX for the 2023 Amendments.

As of April 12, 2024, 8,527,025 Options to purchase Common Shares are outstanding under the Option Plan. The details of the Corporation's 2021, 2022 and 2023 Option grants are set out below.

Year	Options Granted	Grant Price	Common Shares Outstanding at Year End	Options Granted as a % of Common Shares Outstanding
2023	3,245,000	\$1.67	124,266,370	2.6%
2022	4,677,500	\$2.27	123,238,528	3.8%
2021	4,637,500	\$0.75	96,707,912	4.8%

RSU Plan

Petrus has adopted the restricted share unit award plan (the "**RSU Plan**") for officers, employees and consultants of the Corporation and its subsidiaries ("**Eligible Participants**"). Directors are not eligible to participate in the RSU Plan. The purpose of the RSU Plan is to align the interests of the Eligible Participants with those of Shareholders and to assist the Corporation in attracting and retaining the talent it requires. The Board has authority to interpret the RSU Plan, including any questions in respect of any RSUs granted thereunder and to amend or terminate the RSU Plan at any time, in whole or in part, without the approval of the Shareholders, subject to certain exceptions set forth in the RSU Plan.

In accordance with the policies of the TSX, unallocated RSUs under "rolling" RSU plans must receive shareholder approval three (3) years from the date of listing on the TSX and subsequently every three (3) years after that. The RSU Plan was last approved by Shareholders on June 15, 2021. Following the expiry of the June 15, 2024 unallocated entitlements approval obtained in 2021, the Corporation will be unable to grant any new treasury share settled RSU awards.

Restricted share awards ("**RSUs**") initially have a notional value equivalent to the value of a Common Share. No payment may be made upon settlement of the RSUs on a date following the Expiry Date. With respect to any RSUs, Petrus shall not determine whether the payment method shall take the form of cash or Common Shares, or a combination thereof, until the settlement date (the "**Settlement Date**"), or some reasonable time prior thereto. Upon vesting, the Payment Amount in respect of each RSU, subject to adjustment in accordance with the terms and conditions of the RSU Plan, shall be equal to the "Fair Market Value". RSUs granted pursuant to the RSU Plan shall, unless otherwise determined by the Board, or as otherwise set out in the RSU Plan, vest as to one-third (1/3) of the grant of RSUs on each of the first, second and third anniversaries of the date determined by the Board to be the "Grant Date" of such RSUs. Each RSU expires on December 15 of the third calendar year following the year in which the grant of the RSU is made. The maximum number of Common Shares that may be reserved for issuance under the RSU Plan may not exceed 5% of the number of issued and outstanding Common Shares (on a non-diluted basis). Each RSU granted under the RSU Plan is subject to the terms and conditions of the RSU Plan and evidenced by a written agreement between Petrus and the Eligible Participant or an award letter or other confirmation of such grant from Petrus to the Eligible Participant which includes the vesting criteria for the RSUs, the Settlement Date of the RSUs and the expiry date of the RSUs (the "**Expiry Date**").

Under the RSU Plan, on the Settlement Date, Petrus, at its sole and absolute discretion, has the option of settling the amount payable in respect of an RSU (the "**Payment Amount**") by any of the following methods, or by a combination of such methods:

- (i) payment in cash;
- (ii) in the event that the Common Shares are listed on the TSX, payment in Common Shares acquired by Petrus on the TSX; or
- (iii) if approved by the Board, payment in Common Shares issued from the treasury of Petrus.

With respect to any RSUs, Petrus may not determine whether the payment method shall take the form of cash or Common Shares, or a combination thereof, until the Settlement Date, or some reasonable time prior thereto. The Payment Amount in respect of each RSU, subject to adjustment in accordance with the terms and conditions of the RSU Plan, shall be equal to the "Fair Market Value". "Fair Market Value" is defined in the RSU Plan as, at any date, the weighted average of the prices at which the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board) for the five (5) trading days on which the Common Shares traded on such exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the "Fair Market Value" shall be the fair market value of the Common Shares as determined by the Board, in its sole discretion, acting reasonably and in good faith.

The RSU Plan also contains limits on the number of Common Shares that may be issued to Eligible Participants during specified periods of time. In particular: (i) the maximum number of Common Shares that may be issued from treasury of Petrus to any service provider under the RSU Plan, at any time, is equal to 5% of the number of issued and outstanding Common Shares (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance to such Eligible Participant under any other share compensation arrangement; and (ii) the maximum number of Common Shares that may be issued to "Insiders" (as defined in the *Securities Act* (Ontario)) as a whole may not exceed 5% of the issued and outstanding Common Shares as of the date of the grant of the share unit award, less the aggregate number of Common Shares reserved for issuance under any of the Corporation's other share-based compensation arrangements. The maximum number of Common Shares that may be issued to Insiders as a whole under the RSU Plan within a one (1) year period shall be 5% of the number of issued and outstanding Common Shares (on a non-diluted basis), less the Common Shares issued to Insiders as a whole under the RSU Plan or any other security based compensation arrangement over the preceding one (1) year period. The maximum number of Common Shares that may be issued to any one Insider under the RSU Plan and any other security based compensation arrangement within a one (1) year period shall be 5% of the number of issued and outstanding Common Shares (on a non-diluted basis), less the Common Shares issued to such Insider under the RSU Plan or any other security based compensation arrangement over the preceding one (1) year period.

Petrus may amend or discontinue the RSU Plan or RSUs granted under the RSU Plan at any time by resolution of the Board provided that, any amendment to the RSU Plan that requires approval of any stock exchange on which the Common Shares are listed for trading, may not be made without approval of such stock exchange. In addition, no amendment to the RSU Plan or RSUs granted under the RSU Plan may be made without the consent of the RSU holders, if it adversely alters or impairs any RSUs previously granted to such holders under the RSU Plan; provided that any amendments to the RSU Plan to allow for the Payment Amount of any RSUs to be settled by the issuance of Common Shares, or to comply with the requirements of the TSX, shall not be considered to adversely alter or impair any RSUs previously granted under the RSU Plan and all RSU holders are deemed to have consented to such amendments.

Under the RSU Plan, if an Eligible Participant voluntarily resigns or is terminated for cause, effective as of the date of date of such termination or resignation, all unvested RSUs shall be immediately terminated and all rights to receive payments thereunder shall be forfeited by the Eligible Participant. If an Eligible Participant is terminated by Petrus, for reasons other than for cause, then for any RSUs held by such Eligible Participant with a vesting date that is within ninety (90) days following the date of such termination, the vesting date(s) and Settlement Date(s) for such RSUs shall be the date of such termination, and the Eligible Participant shall be entitled to receive the Payment Amount of such RSUs. Upon the death of an Eligible Participant, the vesting date(s) and Settlement Date(s) of any RSUs held by such Eligible Participant shall be deemed to be the date of death and the Eligible Participant's personal or legal representative shall be entitled to receive the Payment Amount of such RSUs following such vesting date. RSUs are not assignable.

No RSUs have been granted to date.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Compensation Committee considers whether the compensation program provides executive officers of the Corporation with adequate incentives to achieve both short and long-term objectives without motivating them to take inappropriate or excessive risk. This assessment is based on

a number of considerations including, without limitation, the following: (a) the terms of the Option Plan and the RSU Plan; (b) the portion of executive compensation in the form of bonuses is not guaranteed and is variable year over year; and (c) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

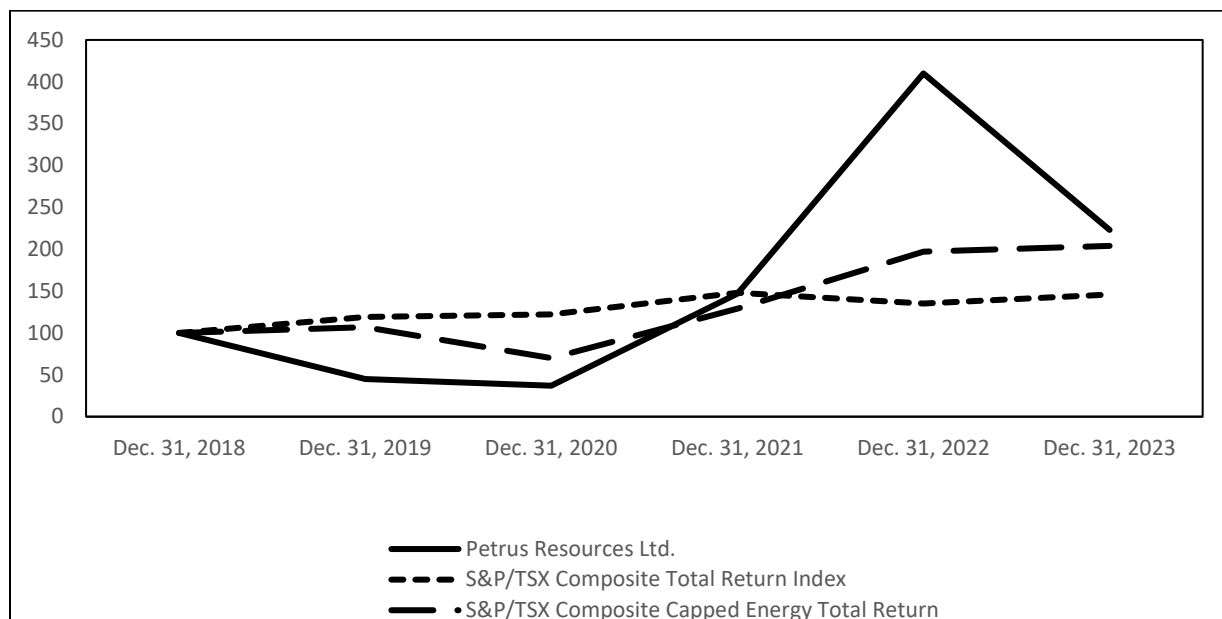
The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing Shareholder value. The Board and Compensation Committee will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Performance Graph

The following graph illustrates the Corporation's cumulative shareholder return since the date the Common Shares were listed on the TSX, as measured by the closing price of the Common Shares from December 31, 2018, to the end of each subsequent financial year, assuming an initial investment of \$100.00 compared to the S&P/TSX Composite Index and the S&P TSX Composite Index Energy.



	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Petrus Resources Ltd.	100	45	37	147	410	223
S&P/TSX Composite Total Return Index	100	119	122	148	135	146
S&P/TSX Composite Capped Energy Total Return Index	100	107	70	129	197	204

Summary Compensation Table

The following table sets forth for the years ended December 31, 2023, 2022 and 2021, as applicable, information concerning the compensation paid to Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$) ⁽⁴⁾	All other compensation ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽³⁾			
Ken Gray ⁽⁶⁾⁽⁷⁾ President and Chief Executive Officer	2023	267,500	N/A	261,400	75,000	N/A	N/A	Nil	603,900
	2022	260,208	N/A	548,850	150,000	N/A	N/A	Nil	959,058
	2021	178,147	N/A	506,850	75,000	N/A	N/A	Nil	759,997
Mathew Wong Vice President, Finance and Chief Financial Officer ⁽⁷⁾	2023	225,000	N/A	173,400	60,000	N/A	N/A	Nil	458,400
	2022	224,750	N/A	426,458	100,000	N/A	N/A	Nil	751,208
	2021	203,955	N/A	253,750	50,000	N/A	N/A	Nil	507,705
Lindsay Hatcher Vice President, Commercial & Corporate Development ⁽⁸⁾	2023	191,167	N/A	153,500	55,000	N/A	N/A	Nil	399,667
	2022	177,000	N/A	255,875	70,000	N/A	N/A	Nil	502,875
	2021	155,000	N/A	241,500	30,000	N/A	N/A	Nil	426,500
Matt Skanderup ⁽⁷⁾ Chief Operating Officer	2023	225,000	N/A	204,500	60,000	N/A	N/A	Nil	489,500
	2022	212,500	N/A	426,458	100,000	N/A	N/A	Nil	738,958
	2021	187,186	N/A	222,150	45,000	N/A	N/A	Nil	454,336

Notes:

- (1) The Corporation has not issued any share-based awards to date to the NEOs.
- (2) Based on the grant date fair value of the applicable awards. The fair value of the Options granted to each NEO for the year ended December 31, 2023, estimated on the date of the grant, using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 85% to 105%, risk-free interest rate of 3.5% to 5.0%, and an expected life of 1 to 3 years, resulting in a value per Option of \$0.35 to \$0.95. The fair value of the Options granted to each NEO for the year ended December 31, 2022, estimated on the date of the grant, using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 107% to 111%, risk-free interest rate of 2.5% to 4.3%, and an expected life of 1.1 to 3.1 years, resulting in a value per Option of \$0.79 to \$1.09. The fair value of the Options granted to each NEO for the year ended December 31, 2021, estimated on the date of the grant, using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 100% to 113%, risk-free interest rate of 0.2% to 0.5%, and an expected life of 1.1 to 3.1 years, resulting in a value per Option of \$0.28 to \$0.51.
- (3) Non-equity annual incentive plans compensation relates to cash payments paid in the subsequent financial year under the Corporation's value based bonus plan with respect to the applicable year, as described earlier in this Information Circular. All of such payments relate only to the single financial year in which they were earned, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.
- (4) The Corporation does not have a pension plan or similar benefit program.
- (5) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not, in the aggregate, greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (6) Mr. K. Gray did not receive compensation for acting as a director.
- (7) In April 2021, Mr. K. Gray was appointed President and Chief Executive Officer of the Corporation and Mr. Wong was appointed Vice President, Finance of the Corporation. In May, 2022, Mr. Wong was appointed Chief Financial Officer of the Corporation and Mr. Skanderup was appointed Chief Operating Officer of the Corporation.
- (8) On February 7, 2023, Ms. Hatcher was appointed Vice President, Commercial & Corporate Development of the Corporation, prior thereto, Ms. Hatcher was Manager, Marketing & Joint Venture at the Corporation since 2014.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer, all option-based awards outstanding as at December 31, 2023.

Option-based Awards					
Name	Year of grant	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)
Ken Gray	2021	233,334 Options	\$0.53	June 10, 2024	182,000
	2021	366,667 Options	\$0.75	February 18, 2025	205,334
	2021	90,000 Options	\$0.89	February 18, 2025	37,800
	2022	216,667 Options	\$2.25	August 17, 2025	Nil
	2022	83,334 Options	\$1.78	October 31, 2025	Nil
	2022	160,000 Options	\$2.81	February 16, 2026	Nil
	2023	90,000 Options	\$2.09	May 29, 2026	Nil
	2023	100,000 Options	\$1.58	August 30, 2026	Nil
	2023	140,000 Options	\$1.51	November 23, 2026	Nil
	2023	140,000 Options	\$1.37	February 26, 2027	Nil
	Total		1,620,002 Options	-	-
Mathew Wong	2021	16,667 Options	\$0.53	June 10, 2024	13,000
	2021	133,334 Options	\$0.75	February 18, 2025	74,667
	2021	41,667 Options	\$0.89	February 18, 2025	17,500
	2022	187,500 Options	\$2.25	August 17, 2025	Nil
	2022	66,667 Options	\$1.78	October 31, 2025	Nil
	2022	100,000 Options	\$2.81	February 16, 2026	Nil
	2023	50,000 Options	\$2.09	May 29, 2026	Nil
	2023	60,000 Options	\$1.58	August 30, 2026	Nil
	2023	100,000 Options	\$1.51	November 23, 2026	Nil
	2023	110,000 Options	\$1.37	February 26, 2027	Nil
	Total		865,835 Options	-	-
Lindsay Hatcher	2020	9,554 Options	\$0.235	January 16, 2024	10,271
	2021	125,000 Options	\$0.75	February 18, 2025	70,000
	2021	50,000 Options	\$0.89	February 18, 2025	21,000
	2022	112,500 Options	\$2.25	August 17, 2025	Nil
	2022	40,000 Options	\$1.78	October 31, 2025	Nil
	2022	60,000 Options	\$2.81	February 16, 2026	Nil

Option-based Awards					
Name	Year of grant	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)
	2023	50,000 Options	\$2.09	May 29, 2026	Nil
	2023	50,000 Options	\$1.58	August 30, 2026	Nil
	2023	85,000 Options	\$1.51	November 23, 2026	Nil
	2023	95,000 Options	\$1.37	February 26, 2027	Nil
	Total	677,054 Options	-	-	\$101,271
Matt Skanderup	2021	240,000 Options	\$0.75	February 18, 2025	134,400
	2021	83,334 Options	\$0.89	February 18, 2025	35,000
	2022	187,500 Options	\$2.25	August 17, 2025	Nil
	2022	66,667 Options	\$1.78	October 31, 2025	Nil
	2022	100,000 Options	\$2.81	February 16, 2026	Nil
	2023	70,000 Options	\$2.09	May 29, 2026	Nil
	2023	70,000 Options	\$1.58	August 30, 2026	Nil
	2023	110,000 Options	\$1.51	November 23, 2026	Nil
	2023	120,000 Options	\$1.37	February 26, 2027	Nil
	Total	1,047,501 Options	-	-	\$169,400

Note:

- (1) The value of the Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 29, 2023 of \$1.31 and the exercise price of the Options multiplied by the number of Options outstanding.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of the option-based awards which vested during the year ended December 31, 2023 was \$0.81 million and the value of non-equity incentive plan compensation under the Corporation's value based bonus plan earned during the year ended December 31, 2023 was \$0.25 million. The following table sets forth for each Named Executive Officer value vested or earned during the year ended December 31, 2023.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ken Gray	398,883	N/A	75,000
Mathew Wong	182,164	N/A	60,000
Lindsay Hatcher	85,303	N/A	55,000
Matt Skanderup	141,820	N/A	60,000

Notes:

- (1) The value of the Options is calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options multiplied by the number of Options outstanding.
- (2) Non-equity incentive plans compensation relates to cash payments paid in the subsequent financial year under the Corporation's value based bonus plan with respect to the applicable year, as described earlier in this Information Circular.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Employment Contracts, Termination and Change of Control Benefits

The Corporation entered into executive employment agreements (the "**Employment Agreements**") with Mathew Wong, Matt Skanderup, Lindsay Hatcher and Ken Gray. The following is a brief summary of the Employment Agreements.

The Employment Agreements provide for the employment of each individual with the Corporation for an indefinite term. Pursuant to the Employment Agreement, (in this section, the "**Executives**") will be paid total compensation comprised of an annual base salary, participation in any employee benefits plan, vacation and cash bonuses and equity-based incentives at the discretion of the Board. The Board reviews each Executive's performance annually and may adjust the annual salary based on the performance review.

The Employment Agreements provide that each Executive may resign from his or her position by giving at least thirty (30) days advance notice of the same to the Corporation. The Corporation may terminate the employment of an Executive for just cause, with no notice, at any time, without any payment to an Executive with the exception of pro-rata annual base salary earned, but not yet paid, up to and including the termination date, unpaid bonus, accrued vacation and reimbursable expenses.

The Corporation is entitled to immediately terminate the Employment Agreements and each Executive's employment with the Corporation at any time, and for any reason other than cause, by providing written notice of the termination date to the Executive, and the Corporation shall, subject to the Executive performing his or her obligations under the Employment Agreement, pay the following:

- (a) the pro-rata annual base salary earned, but not yet paid, up to and including the termination date;
- (b) all vacation pay accrued and owing and expenses incurred and owing as of the termination date;
- (c) any declared but unpaid cash bonus; and
- (d) a retiring allowance equal to the total of: (i) one (1) times the Executive's annual base salary as at the termination date; and (ii) an amount equal to one times the average of the cash equivalent of any bonuses paid to the Executive in the two (2) years prior to the termination date, or if the Executive has been employed for a lesser period, one (1) times the cash equivalent of any bonuses paid to the Executive prior to the termination date;

in each case, less any applicable withholdings.

The following table sets forth the estimated incremental payments (rounded to the nearest thousand dollars) that would be made to each of the NEOs assuming that a change of control of the Corporation or termination of employment for any reason other than cause occurred as of December 31, 2023.

Name and principal position	Severance multiple	Salary⁽¹⁾	Benefits and Perquisites⁽¹⁾	Non-equity Incentive Plan Compensation⁽¹⁾	Total Incremental Payment⁽²⁾
Ken Gray, President and CEO	1x	\$267,500	N/A	\$113,000	\$380,500
Mathew Wong, VP Finance and CFO	1x	\$225,000	N/A	\$80,000	\$305,000
Lindsay Hatcher, Vice President, Commercial & Corporate Development	1x	\$192,000	N/A	\$63,000	\$255,000
Matt Skanderup, COO	1x	\$225,000	N/A	\$80,000	305,000

Notes:

- (1) Calculated in accordance with the Employment Agreement, a retiring allowance equal to the total of: (i) one (1) times the Executive's annual base salary as at the termination date of the Executive's employment; (ii) an amount equal to one (1) times the average of the cash equivalent of any bonuses paid to the Executive in the two years prior to the termination date of such Executive's employment, or if the Executive has been employed for a lesser period, one times the cash equivalent of any bonuses paid to the Executive prior to the termination date of such Executive's employment.
- (2) Each of the Executives is also party to a non-competition agreement which provides that in the event that the Executive is terminated from his or her employment for reasons other than for cause, or the Executive resigns from his or her employment under certain circumstances, then the Corporation shall have the option to enforce a non-competition period on the Executive for twelve (12) months after the termination date in a certain defined area in exchange for one (1) times the Executive's annual salary in effect on the termination date, payable monthly in arrears. This table does not include such payment.

Director Compensation

Directors are paid an annual fee and may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management directors are also eligible to participate in the Option Plan and DSU Plan.

Director compensation in 2023 was comprised of a \$60,000 annual cash retainer fee.

DSU Plan

On October 17, 2017, Petrus adopted the DSU Plan, which was subsequently approved by Shareholders on May 8, 2018. The DSU Plan authorizes the Board to grant DSUs to directors of Petrus. The purpose of the DSU Plan is to provide directors with the opportunity to be credited with DSUs thereby allowing them to participate in the long-term success of the Corporation and promoting a greater alignment of interests between the directors and Shareholders. In addition, the DSU Plan provides a compensation system for directors that, together with the other director compensation mechanisms of the Corporation, are reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board.

In accordance with the policies of the TSX, unallocated DSUs under "rolling" DSU plans must receive shareholder approval three (3) years from the date of listing on the TSX and subsequently every three (3) years after that. The DSU Plan was last approved by Shareholders on June 15, 2021. Following the expiry of the June 15, 2024 unallocated entitlements approval obtained in 2021, the Corporation will be unable to grant any new treasury share settled DSU awards (provided that, pursuant to the provisions of the DSU Plan, additional DSUs will continue to be credited to the holders of DSUs in lieu of monthly cash dividends paid on the Common Shares).

A DSU is a unit of participation in the DSU Plan, equivalent in value to a Common Share at the time of grant, and credited by means of a bookkeeping entry to a director's account. Directors are expected to receive an annual grant of DSUs under the DSU Plan, which is administered by the Board. Unless otherwise provided at the time of grant, DSUs will be fully vested upon being credited to a director's DSU account.

When a director ceases to be a director of the Corporation, the director will be entitled to request redemption of the DSUs, following which the value of the redeemed DSUs will be paid to the director. The value of the DSUs on any particular date will be calculated by multiplying the number of DSUs in the director's DSU account by the then "Fair Market Value" of the Common Shares. If a dividend is paid on the Common Shares, each director's DSU account will be allocated additional DSUs equal in value to the amount that is equal to the quotient of the dividends that would have been paid to such director if the DSUs recorded in such director's DSU account as at the record date for the cash dividend had been Common Shares divided by the "Fair Market Value" on the date on which the dividends are paid on the Common Shares.

All DSUs will be redeemed by the director (or, if the director has died, at the option of his or her estate) and will be paid, at the sole option of Petrus, in: (i) Common Shares in a number equal to the number of DSUs redeemed; (ii) a cash amount equal to the Fair Market Value of such Common Shares represented by the DSUs; or (iii) any combination thereof, on the redemption date specified by the director following their resignation or death (the "**Redemption Date**"). Petrus is required to pay the director as soon as practicable after the director's Redemption Date, provided that, in any event, such payment date shall be no later than December 15 of the first calendar year commencing after the date the director ceases to be a member of the Board (the "**Expiry Date**").

The maximum number of Common Shares that can be issued pursuant to the DSU Plan is limited to the lesser of: (i) 5% of the number of issued and outstanding Common Shares (on a non-diluted basis) at the relevant time; and (ii) 10% of the number of issued and outstanding Common Shares (on a non-diluted basis) at the relevant time, less the aggregate number of Common Shares reserved for issuance under all other share-based compensation arrangements of Petrus. The DSUs are not transferrable or assignable, other than in the case of death of the holder or by operation of law.

In addition to the foregoing, the maximum number of Common Shares: (i) issued from treasury of Petrus to Insiders (as defined in the *Securities Act* (Ontario)), within any one (1) year period; and (ii) issuable from treasury of Petrus to Insiders, at any time, under the DSU Plan, or when combined with all other share-based compensation arrangements of Petrus, is limited to 10% of the number of issued and outstanding Common Shares (on a non-diluted basis). The maximum value of DSUs that may be granted to any one director in any calendar year may not exceed \$150,000.

The DSU Plan and any DSUs granted pursuant to the DSU Plan may be amended, modified or terminated by the Board without approval of the Shareholders, subject to any required approval of the TSX. Notwithstanding the foregoing, the DSU Plan may not be amended without the approval of the Shareholders to:

- (i) make any amendment to the DSU Plan to increase the number of Common Shares issuable pursuant to the DSU Plan;
- (ii) extend the Expiry Date of any outstanding DSUs; or
- (iii) make any amendment to the DSU Plan that would permit a holder to transfer or assign DSUs to a new beneficial holder, other than in the case of death of the holder or by operation of law.

In addition, no amendment to the DSU Plan or DSUs granted pursuant to the DSU Plan may be made without the consent of a director who holds outstanding DSUs, if it adversely alters or impairs the rights of such director in respect of any DSUs previously granted to such director under the DSU Plan.

The following sets forth the number of DSUs granted during the periods noted below and the potential dilutive effect of such DSUs.

Period	DSUs Granted	Weighted average Common Shares outstanding	Burn Rate⁽¹⁾
2023	40,133	123,468,550	0.03%
2022	-	-	-
2021	-	-	-

Notes:

- (1) The burn rate for a given period is calculated by dividing the number of DSUs granted during such period by the weighted average number of Common Shares outstanding during such period.

To date an aggregate of 2,280,155 DSUs have been issued under the DSU Plan, of which 582,914 DSU were settled on the retirement of a director. All outstanding DSUs were granted to non-employee directors.

The actual amounts paid to non-executive directors of Petrus during the year ended December 31, 2023 were as follows:

Name	Fees Earned (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$) ⁽³⁾	Pension value (\$)	All other compensation (\$)	Total (\$)
Patrick Arnell	60,000	16,187	Nil	Nil	N/A	Nil	76,187
Donald Cormack	60,000	16,187	Nil	Nil	N/A	Nil	76,187
Don Gray	60,000	16,187	Nil	Nil	N/A	Nil	76,187
Peter Verburg	60,000	Nil	Nil	Nil	N/A	Nil	60,000

Notes:

- (1) The value of the DSUs is based on the closing price of the Common Shares on the TSX on the grant dates multiplied by the number of DSUs granted.
- (2) No option-based awards were granted to non-executive directors during the year ended December 31, 2023.
- (3) The Corporation does not have any non-equity incentive plans for its non-management directors.
- (4) Mr. Ken Gray did not receive compensation for acting as a director and his compensation details are disclosed in the Named Executive Officer section above.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth, for each of Petrus' non-executive directors, all option-based awards and share-based awards outstanding as at December 31, 2023.

Name	Option-based awards		Share-based awards		
	Number of options that have not vested (#)	Market or payout value of option-based awards that have not vested (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽³⁾
Patrick Arnell	35,000	Nil	552,946	724,359	Nil
Donald Cormack	35,000	Nil	552,946	724,359	Nil
Don Gray	45,000	Nil	552,946	724,359	Nil
Peter Verburg	43,335	4,667	Nil	Nil	4,666

Notes:

- (1) The value of the Options not vested is calculated based on the difference between the closing price of the Common Shares on the TSX on December 29, 2023 of \$1.31 and the exercise price of the Options multiplied by the number of Options outstanding.
- (2) The value of the DSUs is based on the closing price of the Common Shares on the TSX on December 29, 2023 of \$1.31 multiplied by the number of DSUs outstanding.
- (3) The value of the vested Options is calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options multiplied by the number of Options outstanding.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our non-executive directors, the value of option-based awards and share-based awards which vested during the year ended December 31, 2023 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$)
Patrick Arnell	Nil	Nil	N/A
Donald Cormack	Nil	Nil	N/A
Don Gray	Nil	Nil	N/A
Peter Verburg	4,666	Nil	N/A

Notes:

- (1) The value of the Options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 29, 2023 of \$1.31 and the exercise price of the Options multiplied by the number of Options vested during the year.
- (2) The Corporation does not have any non-equity incentive plans for its non-management directors.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of the directors, executive officers, employees or former executive officers, directors or employees of the Corporation or our subsidiaries, is or has been at any time since the beginning of our most recently completed financial year, indebted to us, or any of our subsidiaries, nor is any indebtedness still outstanding, nor, at any time since the beginning of our most recently completed financial year, has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or any of our subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

NI 58-101 requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

Set out below is a description of our current corporate governance practices.

Board of Directors Our Board currently consists of five (5) directors, three (3) of whom are currently independent within the meaning of NI 58-101. A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

The following directors are independent within the meaning of NI 58-101: Donald Cormack, Patrick Arnell and Peter Verburg. Don Gray is not independent for the purposes of National Instrument 52-110 - *Audit Committees* ("NI 52-110") as he is related to Ken Gray, the President and Chief Executive Officer of the Corporation, who was appointed to such position on April 12, 2021. Prior to such appointment, the Board considered Don Gray to be an independent director notwithstanding that Don Gray may be considered to be an "affiliated entity" of Petrus and therefore non-independent (in each case the meaning of NI 52-110) as he holds greater than 10% of the Common Shares. However, for Mr. D. Gray, the Board did not consider such relationship to be a material relationship which could reasonably be expected to interfere with the exercise of such his independent judgment, for the purposes of NI 58-101, and therefore considered him to be independent for such purpose.

Ken Gray is not an independent director as he is the President and Chief Executive Officer of the Corporation.

For additional information about our directors, please see "*Matters to be Acted Upon at the Meeting – Election of Directors*".

The Board facilitates its exercise of independent supervision over management by endeavoring for at least 50% of the directors to qualify as independent directors pursuant to NI 58-101 and by establishing committees, which are comprised of all independent members, except in exceptional circumstances, including through the resignation of otherwise independent directors. During 2023, in order to ensure that the Board acted independently, the Chairman of the Board (who was considered an independent director during such year) as well as all committees of the Board were independent within the meaning of NI 58-101. Independent directors hold in-camera sessions at the majority of Board meetings at which non-independent directors and members of management are not in attendance. Since January 1, 2021, in-camera sessions were held during all Compensation Committee meetings, Reserve Committee meetings and Audit Committee meetings and all four Board meetings.

The Board provides leadership for its independent directors through formal Board meetings, by encouraging independent directors to bring forth agenda items, and by providing independent directors with access to senior management, outside advisors, and unfettered access to information regarding the Corporation's activities. The relatively small size of the Board facilitates this process.

Position Descriptions

The Board has developed written position descriptions for the Chief Executive Officer, the Chairman of the Board as well as each chair of the committees of the Board.

Directorships

The following directors are also directors of other reporting issuers (or the equivalent):

Name	Other Reporting Issuers
Don Gray	Gear Energy Ltd. Peyto Exploration & Development Corp.

Board and Committee Meetings and Meeting Attendance

The Board maintains three standing committees: the Audit Committee, the Reserves Committee and the Compensation Committee. During the year ended December 31, 2023, the members of the Audit Committee were Messrs. Cormack (Chair), Arnell and Verburg. The members of the Compensation Committee were Messrs. Arnell (Chair), Cormack and Verburg. The members of the Reserves Committee were Messrs. D. Gray (Chair), Arnell and Cormack. The following is a summary of attendance of the directors at meetings of our Board and its committees since January 1, 2023 for the year ended December 31, 2023.

Director	Board	Audit	Reserves	Compensation
Patrick Arnell	4	4	1	1
Don Gray	4	N/A	1	N/A
Donald Cormack	4	4	1	1
Ken Gray	4	N/A	N/A	N/A
Peter Verburg	4	4	N/A	1

Board Mandate

The text of the mandate of the Board is attached hereto as Schedule "A".

Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation provides such orientation and education on an informal basis. As new directors join the Board,

management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that the procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to our directors, officers and employees. A copy of the Code is available for review on Petrus' profile on SEDAR+ at (www.sedarplus.ca) and on its website at www.petrusresources.com. All employees and consultants are provided with a copy of the Code on commencement of service/employment and are required to confirm in writing that they have read and understand the Code and acknowledge his or her agreement to abide by the Code. Annual reminders that compliance with the Code is required are provided.

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of, a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, our Board has adopted a "Whistleblower Policy" wherein our employees are provided with the mechanics by which they may raise concerns in a confidential and anonymous process.

Nomination of Directors

During the year ended December 31, 2023, the Compensation Committee was comprised of Messrs. Arnell, Cormack, and Verburg, all of whom are independent directors, within the meaning of NI 58-101. The Compensation Committee has been formed to review, on a periodic basis, the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, analyzes the needs of the Board and recommends nominees who meet such needs.

The Board has adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, the Compensation Committee will consider such offer and make a recommendation to the Board whether to accept it or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any Compensation Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days of such meeting of Shareholders. The decision of the Board will be announced by way of a press release, which, if the Board has decided to reject such resignation, the reasons for rejecting the resignation.

In addition, the Corporation's by-laws include "advance notice provisions" designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide Shareholders, directors and management of the Corporation with a clear framework for nominating directors. In particular, these provisions of the by-laws fix a deadline (being not less than 30 days before the date of an annual meeting of Shareholders and, in the case of a special meeting, the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made) by which holders of record of Common Shares must submit director nominations to the Corporation prior to

any annual or special meeting of Shareholders, and also set forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders. The Corporation's by-laws are available on Petrus' profile on SEDAR+ at www.sedarplus.ca and on its website at www.petrusresources.com.

Audit Committee

During the year ended December 31, 2023, the Audit Committee was comprised of Messrs. Cormack (Chair), Arnell, and Verburg, all of whom are independent and financially literate within the meaning of such terms under NI 52-110. Mr. Cormack was a former audit partner at PwC. Mr. Arnell has served as the chair and chief executive officer of Orix Investment Inc. since 2005 and Mr. Verburg had served as the chair of the Audit Committee at Gear Energy Ltd. The specific responsibilities of the Audit Committee are set out in the Audit Committee Mandate, a copy of which is attached as Schedule "A" to the AIF which is available on Petrus' profile on SEDAR+ at www.sedarplus.ca. The Audit Committee's primary role is to: (i) assist the Board to meet its responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters; (ii) provide better communication between directors and external auditors; (iii) assist the Board's oversight of the auditors' qualifications and independence; (iv) assist the Board's oversight of the credibility, integrity and objectivity of the financial reports; (v) strengthen the role of the outside directors by facilitating discussions between directors on the Audit Committee, management and external auditors; (vi) assist the Board's oversight of the Corporation's compliance with legal and regulatory requirements; and (vii) review the risks that may affect the Corporation and the risk management policies and procedures of the Corporation.

Petrus believes that each of the members of the Audit Committee possesses substantially all of the following: (i) an understanding of the accounting principles used by Petrus to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Petrus' financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see "*Election of Directors*" in this Information Circular.

Compensation Committee

The Compensation Committee, comprised entirely of independent directors within the meaning of NI 58-101, is involved in the implementation and oversight of the human resources and compensation policies recommended by such committee, specifically those concerning executive compensation, employment agreements, stock option plans, performance warrants, incentive plans and those concerning proposed changes involving officers reporting to the President and Chief Executive Officer. For further information, see "*Statement of Executive Compensation - Compensation Governance*" in this Information Circular.

Other Board Committees

The Corporation has one committee of the Board in addition to the Audit Committee and the Compensation Committee namely, the Reserves Committee.

The function of the Reserves Committee is to review the results of independent engineering appraisals of the Corporation's oil and natural gas reserves. The Reserve Committee's responsibilities include ensuring that the Corporation's reserves are assessed in a reasonable and consistent manner to provide a satisfactory level of confidence for all stakeholders and the public and ensuring that the disclosure relating to the same is accurate and timely.

Assessments

The Compensation Committee performs an annual assessment of the Board as a whole, the committees of the Board and of the contributions of individual directors, including consideration of the appropriate size of the Board. In February 2024, the Compensation Committee considered the effectiveness of the Board as a whole, the committees of the Board, the contributions of individual directors and considered the appropriate size of the Board. The Compensation Committee will summarize the results of the assessment, which in turn will be presented to the Board as a whole and the Chairman. The Board then communicates the results of the Compensation Committee's review to each committee Chairman.

Director Term Limits

In light of Petrus' stage of development and the recent appointment of all members of the Board, the Board has not adopted term limits for its directors or any other formal mechanism of Board renewal at this time. The Board does however have formal means of reviewing the contributions of its directors to the effectiveness of the Board through annual director and committee evaluations, annual review of the skills and needs of the Board. Through these and other measures, the Board believes it can effectively monitor and evaluate its effectiveness and diversity while balancing the value of experience and continuity of its incumbent directors.

Representation of Women on the Board and in Executive Officer Roles

Petrus currently has no (0%) female directors and 1 female executive officer (25% of the executive officers) being Ms. Lindsay Hatcher, who was appointed as Vice President, Commercial & Corporate Development on February 7, 2023. Petrus maintains an inclusive work environment that is focussed on providing advancement opportunities to persons of all genders, ethnicities, and orientations, based on merit.

The Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. Petrus is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of Petrus and its Shareholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board, diversity will also be considered by the Compensation Committee, the Board will not compromise the principles of a meritocracy.

The Board does not specifically consider the level of female representation in executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of Petrus' executive officers as a whole. Petrus focuses on the identification, assessment and development of internal candidates to build leadership capability and strengthen overall succession. The Corporation's philosophy of development and promotion from within will strengthen its values and culture, aid in retention of talent and provide a diversity of options for succession.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect to securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2023.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding rights (a)	Weighted average exercise price of outstanding rights (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders			
- Option Plan ⁽¹⁾	Options: 8,616,900	\$1.22	Options: 2,150,900
- DSU Plan ⁽²⁾	DSUs: 1,658,837	\$Nil	DSUs: 2,150,900
- RSU Plan ⁽³⁾	RSUs: Nil	N/A	RSUs: Nil
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
Total	10,275,737	\$1.02	2,150,900

Notes:

- (1) On December 19, 2015, the Corporation adopted, and the Shareholders approved, the Option Plan. Under the Option Plan, the total number of Options that may be issued at any one time is equal to 10% of the total issued and outstanding Common Shares (calculated on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance to insiders under any other share-based compensation arrangement of the Corporation. See "*Long-Term Incentive Compensation – Option Plan*".
- (2) On May 8, 2018 the Shareholders approved the DSU Plan. The maximum number of Common Shares that can be issued pursuant to the DSU Plan is limited to the lesser of: (i) 5% of the number of issued and outstanding Common Shares (on a non-diluted basis) at the relevant time; and (ii) 10% of the number of issued and outstanding Common Shares (on a non-diluted basis) at the relevant time, less the aggregate number of Common Shares reserved for issuance under all other share-based compensation arrangements of Petrus. The DSU Plan was last approved by Shareholders on June 15, 2021. Following the expiry of the June 15, 2024 unallocated entitlements approval obtained in 2021, the Corporation will be unable to grant any new treasury share settled DSU awards (provided that, pursuant to the provisions of the DSU Plan, additional DSUs will continue to be credited to the holders of DSUs in lieu of monthly cash dividends paid on the Common Shares).
- (3) On May 8, 2018 the Shareholders approved the RSU Plan. The aggregate number of Common Shares reserved for issuance under the RSU Plan is limited to 5% of the issued and outstanding Common Shares. The RSU Plan was last approved by Shareholders on June 15, 2021. Following the expiry of the June 15, 2024 unallocated entitlements approval obtained in 2021, the Corporation will be unable to grant any new treasury share settled RSU awards.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth under "*Development of our Business*" in the AIF which is available on Petrus' profile on SEDAR+ at www.sedarplus.ca and will be made available to any securityholder promptly upon request, there were no material interests, direct or indirect, of directors and officers of Petrus, any Shareholder who beneficially owns more than 10% of the Common Shares outstanding, or any known associate or affiliate of such persons in any transaction completed since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected, or would materially affect, Petrus.

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation, or any of its subsidiaries.

BOARD APPROVAL

The Board has approved the contents, and sending, of this Information Circular and the Notice of Annual General Meeting of Shareholders to the Shareholders.

ADDITIONAL INFORMATION

Additional information relating to Petrus is available on SEDAR+ at www.sedarplus.ca. Financial information concerning Petrus is provided in our financial statements for the year ended December 31, 2023 and the accompanying management's discussion and analysis, which can be accessed under our profile on SEDAR+ at www.sedarplus.ca.

We will mail our annual financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by: (i) contacting our transfer agent, Odyssey Trust Company, at 1230 300 5th Avenue SW Calgary AB T2P 3C4 or online at www.odysseytrust.com; or (ii) contacting Petrus at Petrus Resources Ltd., Conference Room A, 240 - 4 Avenue SW, Calgary, Alberta T2P 4H4 or by fax at (403) 984-2717.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "**Board**") of Petrus Resources Ltd. ("**Petrus**" or the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibilities, each member of the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Petrus. In general terms, the Board will endeavor to:

- (a) define the principal objective(s) of the Corporation based upon the recommendations of the Chief Executive Officer of the Corporation (the "**CEO**") and others deemed appropriate for such purpose;
- (b) monitor the management of the business and affairs of Petrus with the goal of achieving Petrus' principal objective(s) as defined by the Board;
- (c) discharge the duties imposed on the Board by applicable laws; and
- (d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will endeavor to perform the following duties:

1. Strategic Operating, Capital Plans and Financing Plans

- (a) require the CEO to present annually to the Board a strategic plan for Petrus' business, which plan must:
 - (i) be designed to achieve Petrus' principal objectives;
 - (ii) identify the principal strategic and operational opportunities and risk of Petrus' business; and
 - (iii) be approved by the Board as a pre-condition to the implementation of such plans.
- (b) review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- (c) review the principal risks of the Corporation's business identified by the CEO and review management's implementation of the appropriate systems to manage these risks;
- (d) approve the annual operating and capital budgets and plans and subsequent revisions thereof;
- (e) approve property acquisitions and dispositions in excess of \$500,000;
- (f) approve the establishment of credit facilities and borrowings;
- (g) approve issuances of securities;

2. Monitoring and Acting

- (a) monitor Petrus' progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- (b) monitor overall human resource policies and procedures, including compensation and succession planning;

- (c) appoint the officers of the Corporation and, as required, determine the terms of the officers' employment with Petrus;
- (d) review the systems implemented by management and the Board which are designed to maintain or enhance the integrity of Petrus' internal control and management information systems;
- (e) monitor the "good corporate citizenship" of Petrus, including compliance by Petrus with all applicable environmental laws;
- (f) in consultation with the CEO, establish the ethical standards to be observed by all officers, employees and consultants of Petrus and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
- (g) require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by Petrus and its officers and employees;
- (h) approve all matters relating to a takeover bid of Petrus;

3. Compliance Reporting and Corporate Communications

- (a) review the procedures implemented by Management and the Board which are designed to ensure that the financial performance of Petrus is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- (b) recommend to shareholders of Petrus a firm of chartered accountants to be appointed as Petrus' auditors;
- (c) review the procedures designed and implemented by management and the independent auditors to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
- (d) review the procedures implemented by Management and the Board which are designed to ensure the timely reporting of any other developments that have a significant and material impact on the value of Petrus;
- (e) review, consider and where required, approve, disclosure required under National Instrument 51 101;
- (f) report annually to shareholders on the Board's stewardship for the preceding year with respect to the disclosure requirements set forth in National Instrument 51 102; and
- (g) where required, approve any policy designed to enable Petrus to communicate effectively with its shareholders and the public generally.

4. Governance

- (a) in consultation with the Chair of the Board, develop a position description for the Chair of the Board;
- (b) facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
 - (i) selecting nominees for election to the Board;
 - (ii) appointing a Chair of the Board who is not a member of management or, failing that, ensuring that an independent "lead director" is appointed;

- (iii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;
- (iv) defining the mandate or terms of reference of each committee of the Board;
- (v) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each committee of the Board and each director;
- (vi) establishing a system to enable any director to engage an outside adviser at the expense of Petrus; and
- (vii) review annually the adequacy and form of the compensation of directors.

5. Delegation and Composition

- (a) the Board may delegate its duties to and receive reports and recommendations from any committee of the Board.
- (b) a majority of Board members should be "independent" Directors as such term is defined in National Instrument 58-101;
- (c) on at least an annual basis, the Board shall conduct an analysis and make a positive affirmation as to the "independence" of a majority of its Board members; and
- (d) members should have or obtain sufficient knowledge of Petrus and the oil and gas business to assist in providing advice and counsel on relevant issues.

6. Meetings

- (a) the Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;
- (b) minutes of each meeting shall be prepared by the Corporate Secretary of the Corporation;
- (c) the CEO may be present at all meetings of the Board subject to being excused from all in-camera sessions of independent directors or where otherwise required for conflict or good governance purposes; and
- (d) Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board.

7. Reporting / Authority

- (a) following each meeting, the Corporate Secretary will promptly provide draft copies of the minutes of the meeting;
- (b) supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any director upon request to the CEO;
- (c) the Board shall have the authority to review any corporate report or material and to investigate activity of the Corporation and to request any employees to cooperate as requested by the Board; and
- (d) the Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Petrus.

8. Standards of Liability

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of its Committees. The purposes and responsibilities outlined in this mandate and accompanying Board materials are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.