PetrusResources

PETRUS RESOURCES LTD. ANNOUNCES THIRD QUARTER RESULTS AND RECORD EXIT PRODUCTION IN OCTOBER

CALGARY, ALBERTA, Tuesday, November 18, 2014 – Petrus Resources Ltd. ("Petrus" or the "Company") is pleased to report its operating and financial results for the third quarter of 2014. Highlights include:

- Production averaged 4,928 boe per day in the third quarter of 2014, up from 3,162 boe per day in the third quarter of 2013, an increase of 46% per debt-adjusted share. The operating netback was $27.86 per boe in the third quarter of 2014, compared to $30.74 per boe in the same period a year earlier.

- Production growth drove strong funds flow from operations per share. Petrus generated $9.9 million in funds flow from operations during the third quarter, 21% higher than the $8.2 million generated in the same period a year ago. On a debt-adjusted per share basis, third quarter year-over-year funds flow growth was 14%.

- Petrus closed the acquisition of Arriva Energy Inc. late in the third quarter, providing Petrus with a new operating area, 1,000 boe per day of then current production (30% oil and liquids), plus an estimated 700 boe per day of production awaiting tie in, 7,078 net acres of undeveloped land in the Ferrier area of Alberta, 80 Cardium oil and gas drilling locations, and additional upside potential in multiple Mannville intervals.

- In the third quarter Petrus also closed an acquisition of petroleum and natural gas assets in the Ferrier/Strachan area of Alberta which provided Petrus with 160 boe per day of then current production (30% oil and liquids), 10,792 net acres of undeveloped land in its new operating area, and approximately 25 Cardium oil and gas drilling locations.

- On August 29, 2014 Petrus divested of certain gross overriding royalty interests in its Foothills area for cash proceeds of $4.2 million. A $2.2 million gain was recorded on the disposition.

- Over the three month period ended September 30, 2014, Petrus invested $29.0 million in exploration and development activity, in addition to $113.6 million in net acquisition activity. Comparatively, Petrus invested $14.2 million in the same period of 2013 in exploration and development activity. At quarter end, Petrus had 151,178 net acres of undeveloped land, with a large inventory of oil and gas drilling locations in each of its core operating areas.

- During the quarter, Petrus closed a private placement of common shares in multiple tranches. The first tranche of the non-brokered component of the offering closed September 5, 2014, for aggregate gross proceeds of approximately $72 million. The funds were used in part to repay outstanding indebtedness incurred to fund the acquisition of Arriva Energy Inc. The remainder of the offering, for aggregate gross proceeds of approximately $83 million, closed September 23, 2014. Proceeds from the second closing were used subsequent to the end of the third quarter to pay a portion of the purchase price for the outstanding common shares of Ravenwood Energy Corp., the previously announced corporate acquisition that closed in the fourth quarter.

- Petrus had 140.5 million common shares outstanding at September 30, 2014 and access to a $140.0 million credit facility. The Company ended the quarter with positive working capital of $21 million.

- Petrus closed the corporate acquisition of Ravenwood Energy Corp. on October 8, 2014. The acquisition provides Petrus with approximately 3,500 boe per day of production (40% oil and liquids) and 42,352 net acres of undeveloped land in the Thorsby/Pembina area of Alberta. Petrus' October exit production was approximately 10,500 boe per day (59% weighted to natural gas).

September 30, 2014

SELECTED FINANCIAL INFORMATION

(000s) except per boe amounts	Three months ended Sep. 30, 2014	Three months ended Sep. 30, 2013	Three months ended Jun. 30, 2014	Three months ended Mar. 31, 2014	Three months ended Dec. 31, 2013
OPERATIONS					
Average Production					
Natural gas (mcf/d)	17,557	10,405	16,800	12,864	10,848
Oil (bbl/d)	1,799	1,373	2,012	2,134	1,778
NGLs (bbl/d)	203	54	147	95	72
Total (boe/d)	**4,928**	**3,162**	**4,959**	**4,373**	**3,658**
Total (boe)	**453,359**	**290,877**	**451,269**	**393,601**	**336,539**
Natural gas sales weighting	***59%***	***55%***	***56%***	***49%***	***49%***
Exit production (boe/d)	***5,600***	***3,235***	***4,836***	***4,641***	***4,052***
Exit natural gas sales weighting	***63%***	***53%***	***55%***	***57%***	***54%***
Realized Sales Prices					
Natural gas ($/mcf)	4.23	2.54	5.21	6.03	3.78
Oil ($/bbl)	95.51	93.93	100.20	94.13	77.83
NGLs ($/bbl)	51.08	67.20	37.60	60.91	65.17
Total ($/boe)	52.04	50.31	59.42	64.99	50.33
Hedging gain (loss) ($/boe)	(3.00)	(1.46)	(3.32)	(3.64)	(1.21)
Operating Netback ($/boe)					
Effective price	49.04	48.85	56.10	61.35	49.12
Royalty revenue (1)	0.28	0.56	0.67	0.73	0.46
Royalty expense (1)	(8.90)	(8.02)	(12.76)	(13.69)	(7.05)
Operating expense	(9.69)	(8.46)	(9.29)	(9.47)	(9.88)
Transportation expense	(2.87)	(2.19)	(2.17)	(2.21)	(1.61)
Operating netback (3) ($/boe)	**27.86**	**30.74**	**32.55**	**36.71**	**31.04**
G & A expense	(3.19)	(1.96)	(1.77)	(1.61)	(1.73)
Net interest expense (2)	(2.88)	(0.74)	(1.36)	(0.85)	(0.75)
Corporate netback (3) ($/boe)	**21.79**	**28.04**	**29.42**	**34.25**	**28.56**
FINANCIAL ($000s except per share)					
Oil and natural gas revenue (1)	23,592	14,741	26,815	25,581	17,094
Funds flow from operations (3)	9,878	8,157	13,278	13,467	9,320
Funds flow from operations per share (3)	0.09	0.09	0.15	0.16	0.11
Net income	7,530	2,171	5,505	2,208	2,086
Net income per share	0.07	0.03	0.06	0.03	0.02
Capital expenditures	28,964	14,166	9,275	23,930	9,736
Net acquisitions (dispositions)	113,605	—	—	19,113	—
Common shares outstanding	140,458	86,377	101,748	86,377	86,377
Weighted average shares	108,212	86,332	91,106	86,377	86,377
As at quarter end ($000s)					
Working capital (deficit)	21,014	(21,558)	415	(51,638)	(22,288)
Bank debt outstanding	90,000	17,966	—	51,901	23,380
Bank debt available (4)	50,000	42,034	90,000	38,099	36,620
Shareholders' equity	374,070	153,857	213,508	158,655	156,002
Total assets	549,248	201,208	259,110	257,245	211,952

(1) The Company re-classified gross overriding royalty expense from oil and natural gas revenue to royalty expenses in the Consolidated Statement of Net Income. The comparative information has been re-classified to conform to current presentation.
(2) Interest expense is presented net of interest income.
(3) Non-IFRS measures defined on pages 4 and 5 of the MD&A for the period ended June 30, 2014.
(4)On close of the acquisition of Ravenwood Energy Corp. on October 8, 2014 the Company's credit facility increased from $140 million to $200 million.

OPERATIONS UPDATE

Petrus closed two acquisitions late in the third quarter and September exit production was approximately 5,600 boe per day. Subsequent to the end of the third quarter Petrus closed a corporate acquisition which, together with new well additions resulted in October exit production of approximately 10,500 boe per day from its four operating areas as follows:

Field estimated production October 31, 2014	**Foothills**	**Peace River**	**Ferrier**	**Central Alberta**	**Total**
Average Production					
Natural gas (mcf/d)	11,949	4,627	7,614	12,826	**37,016**
Oil (bbl/d)	954	1,040	302	1,270	**3,566**
NGLs (bbl/d)	84	38	302	341	**765**
Total (boe/d)	**3,029**	**1,849**	**1,873**	**3,749**	**10,500**
Exit natural gas sales weighting	***65%***	***42%***	***68%***	***57%***	***59%***

Foothills

In Cordel, Petrus participated in the drilling of four wells (0.8 net) during the third quarter of 2014. Each well had test production rates in line with expectations. The fourth well drilled during the third quarter targeted a different segment of the Cardium structure than previous wells in Cordel. Petrus participated in two sidetracks as well as completion of the lower zone which tested over 350 boe per day (84% light oil).

In Brown Creek, Petrus drilled a Cardium oil well as a farm-in with an industry partner. Petrus also drilled a vertical Cardium oil well during the quarter in the area. Both wells encountered lower reservoir pressure than anticipated and Petrus is incorporating the new well data into its model of the structure before proceeding with additional drilling.

In Marsh, Petrus is currently drilling a horizontal well targeting the Belly River formation. Completion will commence in the fourth quarter.

Production in the Foothills has grown 62% year over year from 1,837 boe per day in the third quarter of 2013 to 2,969 boe per day in the third quarter of 2014. As a result of pad drilling and production facility construction delays, Foothills production was lower than expected in the third quarter of 2014; however, the new facilities were completed early in the fourth quarter which enabled incremental production of 550 boe per day net to Petrus. Petrus is currently participating in two Cardium oil drilling locations (0.5 net) in Cordel. Results from these wells are expected later in the fourth quarter.

Peace River

Petrus drilled eight wells (7.6 net) in the Peace River area during the third quarter. Five wells (5.0 net) were drilled in Berwyn and three (2.6 net) were drilled in Tangent. The two strongest wells in the program were horizontal drills that did not require stimulation. Production test rates for the wells ranged from 150 to 225 boe per day of primarily light oil, exceeding expectations. All but one of the wells drilled during the quarter were put on production mid-September.

Production in Peace River has grown from 1,256 boe per day in the third quarter of 2013 to 1,603 boe per day in the third quarter of 2014. October exit production was 1,849 boe per day. The production growth is attributed to drilling activity at Berwyn and Tangent. Two oil batteries with water disposal capabilities are now fully operational at Tangent and Berwyn contributing to significantly reduced operating costs and increased runtime. Operating expenses on a per boe basis have decreased 38% from $26.88 in the third quarter of 2013 to $16.72 in the third quarter of 2014. Petrus has initiated a pilot waterflood program at Berwyn and expects to expand the waterflood area over the next year.

Ferrier

Petrus closed the corporate acquisition of Arriva Energy Inc. on September 8, 2014 and closed an acquisition of complimentary petroleum and natural gas assets on September 5, 2014 in the Ferrier area of Alberta. The two acquisitions provided Petrus with undeveloped land of 17,839 net acres, production of 1,160 boe per day on close of the acquisitions, in addition to incremental production awaiting tie in. Third quarter exit production was approximately 1,200 boe per day.

In the near term, Petrus expects to encounter third party facility constraints in the Ferrier area. However, the company has secured capacity at a third party production facility for the incremental Arriva volumes, and has initiated a process to build its own production facilities in order to mitigate capacity constraints.

Petrus drilled its first Cardium well in the Ferrier area early in the fourth quarter and the results are encouraging and consistent with expectations. Petrus plans to continue drilling in the Ferrier area, including the drilling of two farm-in wells to earn an interest in seven additional sections.

Central Alberta

Petrus closed the corporate acquisition of Ravenwood Energy Corp. on October 8, 2014. The acquisition provided Petrus with approximately 3,500 boe/d of production (40% oil and liquids) and 42,352 net acres of undeveloped land in the Thorsby/Pembina area of Alberta. Petrus is currently drilling a horizontal well targeting Glauconite light oil in the Thorsby area which was scheduled in conjunction with Ravenwood's 2014 nine well drilling program. The well results of the program have been consistent with expectations and tie in activities have added incremental production of over 250 boe per day to date subsequent to close of the transaction.

PRESIDENT'S MESSAGE

The third quarter was extremely busy for Petrus with two corporate acquisitions substantially completed, a successful $155 million equity financing and a new overall debt financing package providing $290 million of available capacity. In addition to these corporate development activities, the Board continued to monitor private and public capital markets to determine the appropriate path forward for the Company. Through the first eight months of the year, capital inflows to the Canadian resource sector drove strong public equity markets and improved corporate valuations. Since September, with a decline in oil prices and broader concerns over the pace of economic recovery particularly in Europe, equity markets have been very soft and volatile. Given this volatility, Petrus' Board continues to monitor events to determine the appropriate timing for a public listing of Petrus' shares.

The price of WTI declined 10% from $93.03 USD/bbl in September to $84.34 USD/bbl in October and has continued to weaken in November. Lower oil prices will obviously affect all producers although the decline in the Canadian dollar partially mitigates the effect for Canadian companies. Petrus is not immune; however, with the lower decline nature of our conventional and naturally fractured drilling projects, our drilling economics are not as sensitive to a short-term drop in oil prices as are many high initial decline multistage frac resource plays. At flat prices of $80 WTI oil and $3.50 Nymex gas, the majority of Petrus' drilling inventory still generates very attractive rates of return in excess of 50%.

It's been said that the best cure for low prices is low prices and on the bright side, the US economy continues to recover from the recession. Lower oil and gasoline prices for consumers will have a further stimulus effect and a strengthened US economy is an important first step in a global economic recovery. Over time, increased demand from an improving economy and reduced supply from lower prices is expected to bring oil prices back to their longer term trading ranges.

Natural gas prices this year remain significantly higher than recent years. AECO averaged $3.97 CAD/GJ in the third quarter of 2014, up 73% from $2.30 CAD/GJ a year earlier and 83% from $2.17 CAD/GJ in the third quarter of 2012. As a result of the upsized private placement in September and strong cash flows from a balanced oil and gas portfolio, Petrus is well positioned to weather the current oil price downturn. Our initial capital expenditure plan for 2015 is to live within expected cash flow based on average oil prices of $80 to $85 USD/Bbl and average Nymex gas prices between $3.75 and $4.00. At that level, our capex program is anticipated to generate production growth rates of over 20% for the year. Our capex program is largely discretionary providing the flexibility to accelerate or decelerate as industry conditions warrant.

Petrus is in an enviable position with strong support in the equity markets and ample flexibility to adjust its capex plan without unduly hampering future growth. Recent production rates of over 10,000 Boe/d are generating significant cash flow even at reduced oil prices. The board, management, and staff are excited to see what 2015 will bring and we will further update shareholders as our plans progress.

Kevin Adair
President, CEO and Director

ABOUT PETRUS

Petrus is a private Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta. Petrus is a return-driven company that is focused on delivering per share growth. Petrus has 140.5 million shares outstanding.

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READER ADVISORIES

This news release contains forward-looking statements. More particularly, this news release contains statements concerning: (a) certain anticipated benefits Petrus expects to accrue as a result of the completion of the acquisition of the Ravenwood Shares; (b) the expected increase in daily production and expansion of drilling inventory upon completion of the Ravenwood acquisition and (c) the characteristics of the debt facilities available to Petrus and Petrus' financial flexibility. The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by Petrus, including: (i) with respect to capital expenditures, the availability of adequate and secure sources of funding; (ii) with respect to the availability of capital and prevailing commodity prices; (iii) with respect to anticipated production, the ability to drill and operate wells on an economic basis, the performance of new and existing wells and accounting risks typically associated with oil and gas exploration and production; (iv) oil and gas prices; (v) currency exchange rates; (vi) royalty rates; (vii) operating costs; (viii) transportation costs; and (ix) the availability of opportunities to deploy capital effectively.

Although Petrus believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Petrus can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, and risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures). Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

The forward-looking statements contained in this news release are made as of the date hereof and Petrus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of boe may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.