



**PETRUS RESOURCES LTD. ANNOUNCES FOURTH QUARTER AND ANNUAL 2014 RESULTS,  
SETTING NEW RECORDS FOR PRODUCTION, CASH FLOW AND RESERVES**

**CALGARY, ALBERTA, Monday, March 30, 2015** – Petrus Resources Ltd. (“Petrus” or the “Company”) is pleased to report operating and financial results for the fourth quarter and the 2014 fiscal year, in which the Company set new records for production, cash flow and reserves.

- Petrus began 2014, its third full year of operations, with production of 4,052 boe per day (46% oil and liquids) and exited the year at a record 11,200 boe per day (46% oil and liquids), nearly a three-fold increase. On a debt-adjusted per share basis, exit production was up 28% year-over-year. Average 2014 production was 6,032 boe per day, up from 3,206 boe per day in 2013. Fourth quarter production averaged 9,822 boe per day, compared to 3,658 boe per day in the same period of 2013, an increase of 24% per debt-adjusted share.
- The increase in production drove strong cash flow growth. Petrus generated \$61.3 million in cash flow from operations during the year, nearly double the \$31.1 million generated in 2013. Cash flow from operations was \$24.6 million in the fourth quarter, up from \$9.2 million in the same period last year, an increase of 24% per debt-adjusted share.
- Cash flow growth was also enhanced by the Company’s continual efforts to build a more efficient business. Operating costs declined 20% in 2014, from \$10.26 per boe in 2013 to \$8.23 per boe. Annual cash costs including net royalties, operating costs, transportation, G&A and interest totaled \$22.43 per boe, delivering a 56% operating margin for 2014. The Company’s cash costs in the fourth quarter totaled \$15.86, resulting in a corporate netback of \$27.24 and a 63% operating margin.
- Reserves per debt-adjusted share increased by 34% on a proved developed producing basis, and 26% on a proved plus probable basis. Total proved plus probable reserves increased from 14.9 mmboe in 2013 to 40.6 mmboe in 2014. The Company replaced 12.7 times annual production at an all-in annual Finding, Development and Acquisition (“FD&A”) cost of \$21.49 per boe including future development capital (“FDC”) for the proved plus probable category.
- Petrus ended 2014 with \$488.5 million of proved plus probable reserve value, discounted at 10%, 2.1 times the prior year total. On a debt-adjusted per share basis, the proved plus probable reserve value declined 1%, partly a reflection of the steep decline in the reserve evaluator’s price forecast. The Company’s proved developed producing reserve value grew 38% per debt-adjusted share.
- Over the twelve month period ended December 31, 2014, Petrus invested \$443.0 million in exploration and acquisition activity, up from \$57.2 million in 2013. Petrus invested \$115.2 million in finding and development activities, along with \$327.7 million in acquisitions (net of dispositions). The investments were funded by cash flow, debt (including the issuance of a \$90 million term loan) and net equity proceeds in 2014 of \$200.8 million.
- At December 31, 2014 Petrus had 140.6 million common shares outstanding and was 50% drawn against its \$200.0 million credit facility. The Company ended the year with net debt of \$215.0 million, 2.2 times annualized fourth quarter cash flow.
- At year end Petrus had 248,038 net acres of undeveloped land, a two-fold increase over the undeveloped land position a year earlier. The percentage of operated production more than doubled in 2014, from 32% to 78%.
- Subsequent to December 31, 2014 Petrus closed two acquisitions in the Ferrier area of Alberta; included in these acquisitions were approximately 815 boe per day of production and 1,759 net acres of undeveloped land. The acquisitions were made for total cash consideration of approximately \$8.9 million (before post-closing adjustments) and closed in the first quarter of 2015. Petrus also disposed of working interest in a non-core property in the Pembina area of Alberta in the first quarter, for net proceeds of \$8.2 million (before post-closing adjustments).
- The Petrus Board of Directors has approved a base capital budget of \$50 million for 2015, excluding acquisitions. The capital budget includes the drilling of 10 gross (six net) wells and the construction of a gas plant in the Ferrier area to reduce future third-party processing fees. The capital budget will be funded through cash flow.

## SELECTED FINANCIAL INFORMATION

	Twelve months ended Dec. 31, 2014	Twelve months Ended Dec. 31, 2013	Three months ended Dec. 31, 2014	Three months ended Sept. 30, 2014	Three months ended June 30, 2014	Three months ended Mar. 31, 2014
<b>(000s) except per boe amounts</b>						
<b>OPERATIONS</b>						
<b>Average Production</b>						
Natural gas (mcf/d)	20,540	10,314	34,626	17,557	16,800	12,864
Oil (bbl/d)	2,227	1,417	2,998	1,799	2,012	2,134
NGLs (bbl/d)	382	70	1,053	203	147	95
<b>Total (boe/d)</b>	<b>6,032</b>	<b>3,206</b>	<b>9,822</b>	<b>4,928</b>	<b>4,959</b>	<b>4,373</b>
<b>Total (boe)</b>	<b>2,201,856</b>	<b>1,170,141</b>	<b>903,620</b>	<b>453,359</b>	<b>451,269</b>	<b>393,601</b>
<b>Natural gas sales weighting</b>	<b>57%</b>	<b>54%</b>	<b>59%</b>	59%	56%	49%
<b>Exit production (boe/d)</b>	<b>11,200</b>	<b>4,052</b>	<b>11,200</b>	<b>5,600</b>	<b>4,836</b>	<b>4,641</b>
<b>Exit natural gas sales weighting</b>	<b>54%</b>	<b>54%</b>	<b>54%</b>	63%	55%	57%
<b>Realized Sales Prices</b>						
Natural gas (\$/mcf)	4.59	3.30	3.97	4.23	5.21	6.03
Oil (\$/bbl)	87.14	83.95	67.47	95.51	100.20	94.13
NGLs (\$/bbl)	45.23	61.87	47.52	51.08	37.60	60.91
Total (\$/boe)	50.67	49.08	39.37	52.04	59.42	64.99
Hedging gain (loss) (\$/boe)	0.42	(1.12)	3.73	(3.00)	(3.32)	(3.64)
<b>Operating Netback (\$/boe)</b>						
Effective price	51.09	47.96	43.10	49.04	56.10	61.35
Royalty income	0.52	0.53	0.47	0.28	0.67	0.73
Royalty expense	(8.69)	(7.66)	(4.38)	(8.90)	(12.76)	(13.69)
Operating expense	(8.23)	(10.26)	(6.43)	(9.69)	(9.29)	(9.47)
Transportation expense	(1.94)	(1.83)	(1.25)	(2.87)	(2.17)	(2.21)
<b>Operating netback<sup>(2)</sup> (\$/boe)</b>	<b>32.75</b>	<b>28.74</b>	<b>31.51</b>	<b>27.86</b>	<b>32.55</b>	<b>36.71</b>
G & A expense <sup>(1)</sup>	(2.27)	(1.59)	(2.34)	(3.19)	(1.77)	(1.61)
Net interest expense	(1.82)	(0.59)	(1.93)	(2.88)	(1.36)	(0.85)
<b>Corporate netback<sup>(2)</sup> (\$/boe)</b>	<b>28.66</b>	<b>26.56</b>	<b>27.24</b>	<b>21.79</b>	<b>29.42</b>	<b>34.25</b>
<b>FINANCIAL (\$000s except per share)</b>						
Oil and natural gas revenue	112,705	58,055	35,998	23,592	26,815	25,581
Cash flow from operations <sup>(2)</sup>	61,250	31,091	24,627	9,878	13,278	13,467
Cash flow from operations per share <sup>(2)</sup>	0.57	0.36	0.18	0.09	0.15	0.16
Net income (loss)	(47,491)	8,141	(63,308)	7,530	5,505	2,208
Net income (loss) per share	(0.45)	0.09	(0.45)	0.07	0.06	0.03
Capital expenditures	115,218	58,851	53,049	28,964	9,275	23,930
Net acquisitions (dispositions)	327,746	(1,701)	195,028	113,605	—	19,113
Common shares outstanding	140,593	86,377	140,593	140,458	101,748	86,377
Weighted average shares	106,719	86,343	140,571	108,212	91,106	86,377
<b>As at quarter end (\$000s)</b>						
Net debt <sup>(3)</sup>	(215,049)	(22,288)	(215,049)	21,014	415	(51,638)
Bank debt outstanding	190,000	23,380	190,000	90,000	—	51,901
Bank debt available	100,000	36,620	100,000	50,000	90,000	38,099
Shareholder's equity	311,760	156,002	311,760	374,070	213,508	158,655
Total assets	647,304	211,952	647,304	549,248	259,110	257,245

(1) G&A expense is shown net of capitalized general & administrative costs. Please refer to the G&A section on page 12 of the Company's December 31, 2014 MD&A.

(2) Non-GAAP measures, including the methodology used to calculate debt-adjusted share amounts, are defined on page 8 of the Company's December 31, 2014 MD&A.

(3) Net debt includes working capital (deficiency).

## OPERATIONS UPDATE

The Petrus Board of Directors has approved a base capital budget of \$50 million for 2015, excluding acquisitions. The capital budget includes the drilling of 10 gross (six net) wells and the construction of a gas plant in the Ferrier area to reduce future third-party processing fees. The capital budget is expected to be funded through cash flow.

The Company's production was significantly diversified during the year as a result of acquisition activities that provided Petrus with new core areas in Ferrier and Central Alberta, more than doubling the operated production (to 78%) and doubling the net undeveloped land (to 248,035 acres). In late February, production was estimated at 9,700 boe per day, with some volumes shut in due to an interruption in service on a major TransCanada pipeline. Average fourth quarter production from the Company's four operating areas was as follows:

Average production for the quarter ended December 31, 2014	Foothills	Peace River	Ferrier <sup>(1)</sup>	Central Alberta <sup>(2)</sup>	Total
<b>Average Production</b>					
Natural gas (mcf/d)	11,313	4,468	6,490	12,355	<b>34,626</b>
Oil (bbl/d)	871	908	10	1,209	<b>2,998</b>
NGLs (bbl/d)	119	34	590	310	<b>1,053</b>
<b>Total (boe/d)</b>	<b>2,876</b>	<b>1,687</b>	<b>1,681</b>	<b>3,578</b>	<b>9,822</b>
<b>Natural gas sales weighting</b>	<b>66%</b>	<b>44%</b>	<b>64%</b>	<b>58%</b>	<b>59%</b>

(1) Petrus closed a property acquisition in Ferrier September 5, 2014 and the corporate acquisition of Arriva Energy Inc. on September 8, 2014. Petrus amalgamated Arriva on October 8, 2014.

(2) Petrus closed the acquisition of Ravenwood Energy Corp. on October 8, 2014. Petrus amalgamated Ravenwood on October 8, 2014.

### Foothills

Petrus invested \$65.6 million in the Foothills area in 2014 to drill 18 (6.0 net) wells and for the construction of production facilities; \$17.7 million of the 2014 spending was invested during the fourth quarter. Production in the Foothills has grown 16% year-over-year from 2,427 boe per day in the fourth quarter of 2013 to 2,826 boe per day in the fourth quarter of 2014.

Petrus has entered into two farm-in deals in the Foothills, one in Cordel and one in Brown Creek. The first well is a twin of an existing well in Brown Creek for a Notikewin gas target, and will earn Petrus a 65% working interest. The second is an offset location to a producing well in Cordel in which Petrus would earn a 75% working interest. The wells are being drilled in the first quarter and the drilling rig will be released.

### Peace River

Petrus invested \$28.4 million in the Peace River area in 2014 to drill 17 (16.6 net) wells and construct water disposal and production facilities; \$4.3 million was invested during the fourth quarter to drill three (3.0 net) wells in the Berwyn area. Production in the Peace River area has grown 45% year-over-year, from 1,166 boe per day in the fourth quarter of 2013 to 1,687 boe per day in the fourth quarter of 2014.

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 costs per boe in the two areas have declined 54% from \$25.30 in 2013 to \$11.70 in 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. Fourth quarter production was 1,681 boe per day.

Petrus invested \$134.9 million (including acquisitions of \$117.9 million) in the Ferrier area in 2014. Following the close of the Arriva acquisition Petrus drilled five (3.9 net) wells in Ferrier. Two of the wells were drilled under a farm-in arrangement which earned Petrus a working interest in two sections of land plus an option on three additional sections. The well results have been consistent with expectations and Petrus plans to drill at least six wells in Ferrier in 2015.

In the near term, Petrus expects to encounter third party facility constraints in the Ferrier area. The Company has secured capacity at a third party production facility for incremental Arriva volumes, and has initiated a process to build its own production facilities in order to mitigate capacity constraints. In addition, an interruption in service on a major TransCanada pipeline in the second half of January resulted in many producers being required to reduce sales volumes. Petrus was required to shut in approximately half of its Ferrier volumes and is currently flowing on varied capacity constraints. TransCanada has stated that it expects the pipeline issue to be rectified in the first quarter of 2015.

## 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. In 2014 Petrus executed a horizontal well program targeting Glauconite light oil in the Thorsby area which was scheduled in conjunction with Ravenwood's 2014 nine well drilling program. Tie in activities have added incremental production of over 250 boe per day to date subsequent to close of the transaction. Fourth quarter production in the Central Alberta area was 3,578 boe per day.

Petrus invested \$217 million (including acquisitions of \$195 million) in the Central Alberta area in 2014. Following the close of the Ravenwood acquisition Petrus drilled five (4.7 net) wells in Thorsby. Petrus does not plan to invest additional capital in Central Alberta until commodity prices improve; however Petrus is evaluating waterflood expansion opportunities to optimize the assets in the near term.

## ANNUAL GENERAL MEETING

The Company's Annual General Meeting will be held at the Jamieson Place Conference Centre, 3<sup>rd</sup> floor, 308-4<sup>th</sup> Ave SW Calgary, Alberta, on Friday May 15, 2015 at 9:00 a.m. (Calgary time). The Information Circular and Annual Report for 2014 will be available on the Company's website, [www.petrusresources.com](http://www.petrusresources.com).

## 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.

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### READER ADVISORIES

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning Petrus' commodity weighting, plans related to drilling and other operations, commodity focus, commodity pricing, drilling locations, production rates, the expected ability of Petrus to execute on its exploration and development program and Petrus' anticipated production (both in terms of quantity and raw attributes) cash flow, operating netbacks, planned operations and the timing thereof, evaluation of completed operations, capital budget and capital expenditure program, the availability of opportunities and other similar matters. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Petrus, including: (i) with respect to capital expenditures, generally, and at particular locations, the availability of adequate and secure sources of funding for Petrus' proposed capital expenditure program and the availability of appropriate opportunities to deploy capital; (ii) with respect to drilling plans, the availability of drilling rigs, expectations and assumptions concerning the success of future drilling and development activities and prevailing commodity prices; (iii) with respect to Petrus' ability to execute on its exploration and development program, the performance of Petrus' personnel, the availability of capital and prevailing commodity prices; and (iv) with respect to anticipated production, the ability to drill and operate wells on an economic basis, the performance of new and existing wells and accounting risks typically associated with oil and gas exploration and production; (v) oil and gas prices; (vi) currency exchange rates; (vii) royalty rates; (viii) operating costs; (ix) transportation costs; and (x) the availability of opportunities to deploy capital effectively. Although Petrus believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Petrus can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures). Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.*

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

*Any references in this news release to initial, early and/or test or production/performance rates or data related thereto are useful in confirming the presence of hydrocarbons, however, such rates or data are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates may be estimated based on other third party estimates or limited data available at this time. In all cases in this press release such rates not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.*

*The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one boe (6 mcf/bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this report are derived from converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. The forward-looking statements contained in this document are made as of the date hereof and Petrus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*"Funds from operations" should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Petrus' performance. "Funds from operations" represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Petrus also presents funds from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.*