

THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR TO ANY UNITED STATES NEWS SERVICES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

## PETRUS AND PHOSCAN ANNOUNCE SHAREHOLDER APPROVALS

January 21, 2016

CALGARY, ALBERTA and TORONTO, ONTARIO – Petrus Resources Ltd. ("**Petrus**") and PhosCan Chemical Corp. (TSX: FOS) ("**PhosCan**") are pleased to jointly announce that the shareholders of each of Petrus and PhosCan have approved the previously announced plan of arrangement (the "**Arrangement**") involving Petrus, PhosCan, Petrus Acquisition Corp. (to be renamed "Petrus Resources Ltd." following the completion of the Arrangement) ("**New Petrus**"), Fox River Resources Corp., a wholly-owned subsidiary of PhosCan ("**Fox River**") and the shareholders thereof.

Petrus and PhosCan shareholders approved the Arrangement, with over 99% and 90% of the shares that were voted in person or by proxy at the special meetings of Petrus shareholders and PhosCan shareholders, respectively, being voted in favour of the Arrangement. Over 90% of PhosCan shares that were voted in person or by proxy also approved the related continuance of PhosCan into the Province of Alberta for the purposes of participating in the Arrangement, and 82% of PhosCan shares that were voted in person or by proxy approved Fox River's stock option plan.

Pursuant to the Arrangement, PhosCan will spin-off all of its assets, including its mineral leases, other than approximately \$45.4 million in cash (after taking into consideration adjustments for the exercise of dissent rights by holders of approximately 10.8% of the outstanding common shares of PhosCan), and all of its liabilities to Fox River. All of the common shares of PhosCan ("**PhosCan Shares**"), other than PhosCan Shares in respect of which shareholders exercised dissent rights, will be exchanged for common shares of Fox River ("**Fox River Shares**") and common shares of New Petrus ("**New Petrus Shares**"), on the basis of 0.25 Fox River Shares and 0.0452672 New Petrus Shares for each PhosCan Share. The existing holders of PhosCan Shares will retain their interest in PhosCan's mineral business through their ownership of Fox River Shares. All of the common shares of Petrus ("**Petrus Shares**") will also be exchanged for New Petrus Shares on the basis of 0.25 New Petrus Shares for each Petrus Share, reflecting a notional 4 to 1 consolidation of the Petrus Shares. Additionally, upon the completion of the Arrangement, the proceeds from the previously announced bought deal financing of subscription receipts of New Petrus ("**Subscription Receipts**") will be released to New Petrus and each holder of Subscription Receipts will receive 0.25 New Petrus Shares for each Subscription Receipt held without further payment or action on the part of such holder. The Subscription Receipts were issued at a price of \$1.85 per Subscription Receipt, for aggregate gross proceeds of approximately \$30 million, through a syndicate of underwriters led by FirstEnergy Capital Corp. and GMP Securities L.P. and including Cormark Securities Inc., National Bank Financial Inc., Dundee Securities Ltd. and Macquarie Capital Markets Canada Ltd.

Petrus and PhosCan expect to seek court approval to proceed with the Arrangement on Monday, January 25, 2016 and expect that, subject to receipt of court approval and the satisfaction or waiver of the remaining conditions to the completion of the Arrangement, the Arrangement will be completed shortly thereafter.

As previously announced, New Petrus has received conditional approval for the listing of the New Petrus Shares on the Toronto Stock Exchange ("**TSX**") under the symbol "PRQ". Such listing is subject to compliance with the requirements of the TSX. Assuming the requirements of the TSX are met and the Arrangement is completed, Petrus and PhosCan expect that the New Petrus Shares will commence trading on the TSX two trading days after closing of the Arrangement.

## **ABOUT PETRUS**

Petrus is a Canadian oil and gas company focused on property exploitation and strategic acquisitions in Alberta. Petrus has established a sustainable platform of low decline, low operating cost assets with a multi-year inventory of repeatable, low risk, economic drilling locations.

For further information, please contact:

Kevin Adair, P.Eng.  
President and CEO  
T: (403) 930-0888  
E: kadair@petrusresources.com

## **ABOUT PHOSCAN**

PhosCan owns a 100% interest in the Martison Project and currently has cash, short term investments and marketable securities of approximately \$52.9 million.

For further information, please contact:

Stephen Case  
President and CEO  
T: (416) 972-9222

## **READER ADVISORIES**

### ***Forward-Looking Statements***

*This news release contains forward-looking statements. More particularly, this news release contains forward-looking statements concerning the timing and completion of the Arrangement and the court approvals related thereto and matters related to the listing of the New Petrus Shares on the TSX, including the anticipated timing thereof.*

*The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Petrus and PhosCan. Although Petrus and PhosCan believe 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 and PhosCan cannot give any 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 Court approvals for the Arrangement.*

*The forward-looking statements contained in this document are made as of the date hereof and Petrus and PhosCan undertake 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.*

THIS NEWS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES NOR SHALL THERE BE ANY SALE OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL. THE SECURITIES ISSUED PURSUANT TO THE PLAN OF ARRANGEMENT AND FINANCING DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF

1933 AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT IN TRANSACTIONS EXEMPT FROM SUCH REGISTRATION.