



PETRUS RESOURCES ANNOUNCES FARM-IN AGREEMENT AND PROVIDES AN OPERATIONS UPDATE

CALGARY, ALBERTA, Wednesday, October 4, 2017 – Petrus Resources Ltd. ("Petrus" or the "Company") (TSX: PRQ) continues to focus on expanding its core Ferrier operating area, improving the Company's balance sheet, lowering its cost structure and growing the Company's production and resulting funds from operations. Petrus is pleased to announce the following recent developments which demonstrate the Company's commitment to achieving these objectives.

FERRIER FARM-IN

Petrus has entered into a farm-in agreement (the "Farm-in Agreement") to drill two extended reach horizontal ("ERH") Cardium wells in Ferrier, the Company's core operating area. Upon drilling these wells, Petrus will also earn a working interest in three additional sections of land in Ferrier. Petrus expects the ERH wells will be drilled with a lateral length of approximately 2 sections. The Company estimates that the Farm-in Agreement will contribute 16 gross (5.2 net) Cardium locations to its drilling inventory.

UPDATED 2017 OUTLOOK

In order to accommodate for the Farm-in Agreement, Petrus' Board of Directors has approved a \$10 million increase to the Company's capital budget for 2017 to \$60 to \$70 million, increased from the \$50 to \$60 million previously approved for 2017. The budget increase is expected to be funded through availability under the Company's existing credit facilities. The Company's capital expenditure program anticipates drilling 16 gross (11.8 net) Cardium wells in Ferrier. The capital expenditure program also provides for investment in facilities; the processing and compression capability of the Ferrier gas plant is expected to double, reaching a capacity of approximately 60 mmcf/d in early October 2017.

OPERATIONS UPDATE

Petrus' estimated August monthly field production is 10,650 boe/d. Subsequent to the end of the second quarter of 2017, Petrus drilled 3 gross (2.2 net) wells in Ferrier. The wells are currently drilled but uncompleted ("DUC") and the fracture stimulations are scheduled to coincide with the completion of the facility expansion. New production related to the 2.2 net DUC wells and the 2 net ERH wells related to the Farm-in Agreement are expected to be brought on stream in the fourth quarter once additional processing capacity is available at the Ferrier gas plant.

PROPERTY ACQUISITION & DISPOSITION ACTIVITY

Since the acquisition of Arriva Energy Inc. on September 9, 2014, Petrus has drilled 26 wells in the Ferrier area and participated as a working interest partner in 10 additional wells. In that same period, the Company has increased net production in Ferrier from approximately 1,000 boe/d to over 7,300 boe/d and increased its undeveloped land position in Ferrier by five times. This growth is in part due to strategically divesting non-core assets which has enabled the Company to acquire additional assets in Ferrier.

On August 15, 2017 Petrus closed the disposition of its working interest in certain non-core oil and natural gas properties in the Company's Foothills area for cash consideration of \$4.9 million. The assets disposed of included approximately 150 boe/d of production along with related land and infrastructure. The proceeds were utilized to repay indebtedness under the Company's credit facilities.

Petrus has initiated a non-core asset divestiture process for its Central Alberta (Thorsby) and Foothills areas, and has engaged GMP Securities L.P. ("GMP FirstEnergy") as its exclusive financial advisor to assist with the process. The process is expected to take place in the fourth quarter of 2017. The divestiture of these non-core assets is expected to further enhance Petrus' balance sheet and continue to strengthen the focus on the Company's core Ferrier operating area.

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

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READER ADVISORIES

Forward Looking Information

This press release contains forward-looking statements. More particularly, this press release contains statements concerning plans related to the Company's 2017 capital budget, including planned drilling and other operations, expected increase in production, expected timing for the completion of the facility expansion, expected source of funding of the 2017 capital budget and expected timing of wells coming on production. 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; (x) the availability of opportunities to deploy capital effectively; and (xi) with respect to the completion of the facility, the availability of services, resources and approvals necessary to complete the construction as well as the timeliness of the construction of the facility. There are no assurances or guarantees that the non-core asset divestiture process will result in a sale of such assets or, if a sale is undertaken, what the terms or timing of such a sale will be. 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.

Oil and Gas Metrics

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.

Potential Drilling Locations

This press release discloses drilling locations, which are unbooked locations based on Petrus' prospective acreage and internal estimates as to the number of wells that can be drilled per section. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information.

There is no certainty that the Company will drill any unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.