

## April 2020 Activity Update

April was the most volatile month for WTI pricing on record, including the first ever negative pricing quotes, as the market continues to manage the impact of the COVID-19 pandemic and the significant disruption to oil demand globally. Due largely to a strong hedging portfolio as well as a natural gas weighting to the production base, Petrus was much less impacted than many of our peers, but continues to take a cautious approach to the managing the balance sheet. At the beginning of 2019, Petrus' Board of Directors moved away from setting a capital budget on an annual basis, and instead chose to determine its capital budget on a quarterly basis. The philosophy was to reduce capital commitments to shorter time frames given the increasing volatility in the energy industry. This approach allows Petrus to protect its balance sheet in real-time to focus on our primary objective of quarterly debt reductions.

Petrus' Board of Directors has approved a second quarter 2020 capital budget of \$0.5 million, which provides for non-discretionary maintenance capital only. No drilling or completion activities are expected to take place in the second quarter. By the end of March, Petrus had brought on production the two 100% WI wells drilled in the first quarter. The company has been producing these wells at significantly restricted rates to date in order to conserve value in the current low pricing environment.

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Debt reduction continues to be the main focus for the company. Since December 31, 2015 Petrus has repaid \$105 million (45%) of net debt. This includes a \$55 million reduction of the Company's second lien term loan ("Term Loan") which was \$90 million in 2014 and currently has \$35 million outstanding. The Company's revolving credit facility ("RCF") and Term Loan are due in 2020 and therefore were reclassified to current liabilities in the December 31, 2019 consolidated financial statements. The RCF maturity date is May 31, 2020 which was set prior to the Term Loan maturity of October 8, 2020 due to the inter-creditor relationship between the RCF and the Term Loan. Management is currently in discussion with the RCF syndicate and the Term Loan lender on an extension to existing maturities and continues to focus on its disciplined debt reduction strategy.

Petrus is committed to maintaining its financial flexibility and the Company will determine capital expenditures on a quarterly basis as the year progresses. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter by approximately \$1 to \$2 million. The objectives of the 2020 capital plan are to reduce debt, and maintain production rates. With the backdrop of volatile commodity prices, the Company currently expects a very limited capital program for Q2 and Q3. We continue to explore opportunities to utilize government support programs for business announced during the COVID-19 pandemic.

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Capital spending is estimated at \$0.1 million for April 2020, which relates to the capitalized G&A for the month. Virtually no discretionary capital was spent during the month. Petrus has only budgeted amounts for maintenance capital during the second quarter of 2020.

Estimated April 2020 average production is 6,636 boe/d, comprised of 16% light oil and 29% total liquids. April production was impacted by restricting volumes from two 100% working interest wells in the Q1.

Capital Investment (\$000s) (note 1)	12 months*			3 mos.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20
Drill & Complete	51,283	16,510	12,871	7,511	6
Equip & Tie-in	5,670	4,177	2,001	690	-
Facility	12,948	-	1,634	105	-
Geological	227	-	-	-	-
Land & Lease	343	1,635	37	18	-
Other	2,279	1,776	1,530	331	82
<b>Total Capital</b>	<b>72,750</b>	<b>24,098</b>	<b>18,073</b>	<b>8,655</b>	<b>88</b>

<b>Net Acquisition/(Disposition)</b>	<b>4,741</b>	<b>(448)</b>	<b>(651)</b>	<b>-</b>	<b>-</b>
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Average Daily Production (note 1)	12 months*			3 mos.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20
Gas (mcf/d)	46,625	37,101	32,032	30,604	28,283
Oil (bbl/d)	1,854	1,402	1,616	1,134	1,035
NGLs (bbl/d)	1,086	1,433	1,351	1,088	887
<b>Total (BOE<sub>e</sub>/d)</b>	<b>10,711</b>	<b>9,019</b>	<b>8,306</b>	<b>7,323</b>	<b>6,636</b>
<b>Light Oil Weighting (%)</b>	<b>17%</b>	<b>16%</b>	<b>19%</b>	<b>15%</b>	<b>16%</b>
<b>Total Liquids Weighting (%)</b>	<b>27%</b>	<b>31%</b>	<b>36%</b>	<b>30%</b>	<b>29%</b>

Benchmark Average Prices (note 1)	12 months*			3 mos.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20
AECO 5A (C\$/GJ)	2.04	1.42	1.67	1.93	1.91
AECO 7A (C\$/GJ)	2.30	1.45	1.54	2.03	1.68
WTI (US\$/Bbl)	50.95	64.77	57.03	46.17	16.70
Mixed Sweet Blend (C\$/Bbl)	62.28	69.13	69.03	52.20	12.72
CAD/US FX	0.77	0.77	0.75	0.74	0.72

Note 1: Tables include estimated information based on operations data; actual reported results may vary.

\*Audited annual financial information.