

December 2020 Activity Update

December 2020 production averaged 6,095 boe/d, compared to 6,320 boe/d in November. Volumes were comprised of 16% light oil and 32% total liquids. Production volumes were lower in the month due to natural declines.

Capital expenditures in the month were mostly related to the tie in of one well which was completed early in the fourth quarter. It is anticipated that this well will be on production in the Q1 of 2021. Petrus' Board of Directors has approved a first quarter 2021 capital budget of \$9.0 million to drill three (2.1 net) Cardium wells in the Ferrier area. With the risk of volatility in the price of Canadian light oil and natural gas, the Company believes that it is prudent to maintain a disciplined capital budget that is flexible from an operational and financial perspective. Petrus will continue to monitor the Canadian commodity price environment and will evaluate subsequent quarter capital spending as the year progresses. The first quarter capital budget is focused on the highest rates of return, lowest risk, condensate rich drilling opportunities in the Company's inventory at Ferrier, Alberta. Petrus is focused on designing its 2020 capital plan to invest capital systematically within funds flow, permitting excess funds to reduce debt.

Petrus ended 2020 with \$77.5 MM drawn on its revolving credit facility which had a borrowing base maximum size of \$83.0 MM at December 31, 2020. Management believes the Company has adequate liquidity to execute the Petrus business plan over the coming year. Consistent with past years, Petrus plans to continue to make quarterly paydowns to the revolving credit facility in addition to a disciplined capital spending program in 2021. Recent improvements in the 2021 commodity price outlook as well as pricing protection afforded from a continued systematic hedging program should allow this to be funded within cash flow.

The Company continues to explore opportunities to access government support programs put in place during the COVID-19 pandemic including increased debt facilities from the EDC, wage subsidies, and well abandonment and reclamation subsidies. Petrus is committed to maintaining its financial flexibility and the Company will continue to determine capital expenditures on a quarterly basis. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter. Objectives of the 2020 capital plan are to reduce debt, and maintain production rates. With a stronger forward strip for Alberta gas prices in 2021 combined with the current hedge portfolio, the Company is expecting to have greater free cash flow in 2021 to allocate to additional drilling activity compared to 2020, in addition to continuing systematic debt reductions.

| Capital Investment (\$000s) (note 1) | 12 months* | | | 3 mos. | 3 mos. | 3 mos. | 1 mo. | 1 mo. | 1 mo. |
|---|---------------|---------------|---------------|--------------|------------|--------------|--------------|------------|------------|
| | 2017 | 2018 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Oct-20 | Nov-20 | Dec-20 |
| Drill & Complete | 51,283 | 16,510 | 12,871 | 7,511 | 70 | 2,250 | 1,433 | 325 | (173) |
| Equip & Tie-in | 5,670 | 4,177 | 2,001 | 690 | - | - | - | 4 | 888 |
| Facility | 12,948 | - | 1,634 | 105 | 24 | - | - | - | - |
| Geological | 227 | - | - | - | - | - | - | - | - |
| Land & Lease | 343 | 1,635 | 37 | 18 | 12 | 5 | 36 | 11 | 10 |
| Other | 2,279 | 1,776 | 1,530 | 331 | 199 | 288 | 131 | 131 | 131 |
| Total Capital | 72,750 | 24,098 | 18,073 | 8,655 | 305 | 2,543 | 1,600 | 471 | 856 |

| | | | | | | | | | |
|--------------------------------------|--------------|--------------|--------------|----------|----------|----------|----------|----------|----------|
| Net Acquisition/(Disposition) | 4,741 | (448) | (651) | - | - | - | - | - | - |
|--------------------------------------|--------------|--------------|--------------|----------|----------|----------|----------|----------|----------|

| Average Daily Production (note 1) | 12 months* | | | 3 mos. | 3 mos. | 3 mos. | 1 mo. | 1 mo. | 1 mo. |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2017 | 2018 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Oct-20 | Nov-20 | Dec-20 |
| Gas (mcf/d) | 46,625 | 37,101 | 32,032 | 30,604 | 27,630 | 26,181 | 25,966 | 25,789 | 25,947 |
| Oil (bbl/d) | 1,854 | 1,402 | 1,616 | 1,134 | 867 | 1,103 | 1,014 | 1,022 | 955 |
| NGLs (bbl/d) | 1,086 | 1,433 | 1,351 | 1,088 | 819 | 997 | 997 | 1,000 | 971 |
| Total (BOE₆/d) | 10,711 | 9,019 | 8,306 | 7,323 | 6,291 | 6,463 | 6,339 | 6,320 | 6,095 |
| Light Oil Weighting (%) | 17% | 16% | 19% | 15% | 14% | 17% | 16% | 16% | 16% |
| Total Liquids Weighting (%) | 27% | 31% | 36% | 30% | 27% | 32% | 32% | 32% | 32% |

| Benchmark Average Prices (note 1) | 12 months* | | | 3 mos. | 3 mos. | 3 mos. | 1 mo. | 1 mo. | 1 mo. |
|--------------------------------------|------------|-------|-------|---------|---------|---------|--------|--------|--------|
| | 2017 | 2018 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Oct-20 | Nov-20 | Dec-20 |
| AECO 5A (C\$/GJ) | 2.04 | 1.42 | 1.67 | 1.93 | 1.89 | 2.02 | 2.35 | 2.71 | 2.45 |
| AECO 7A (C\$/GJ) | 2.30 | 1.45 | 1.54 | 2.03 | 1.81 | 2.04 | 2.19 | 2.93 | 2.74 |
| WTI (US\$/Bbl) | 50.95 | 64.77 | 57.03 | 46.17 | 27.81 | 40.93 | 39.73 | 41.35 | 47.07 |
| Mixed Sweet Blend (C\$/Bbl) | 62.28 | 69.13 | 69.03 | 52.20 | 32.17 | 48.96 | 47.69 | 47.95 | 54.00 |
| CAD/US FX | 0.77 | 0.77 | 0.75 | 0.74 | 0.74 | 0.74 | 0.76 | 0.77 | 0.78 |

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

*Audited annual financial information.