February 2020 Activity Update

With the recent extreme collapse in oil prices, Petrus is actively assessing its future capital plans, similar to other energy companies worldwide. 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 more real-time and allows us to focus on our primary objective of quarterly debt reductions.

Based on Petrus' high working interest and control of its infrastructure system, we are able to decrease or increase our capital development spending with very limited lead time, often only a few days. We will continue to release our formal capital budget plans quarterly, and similar to our peers, our future drilling plans will most likely be significantly reduced to protect our balance sheet. Our first quarter capital spending has already been completed with the drilling and completion of 2 (2.0 net) Cardium oil wells. The wells are currently on production at very restricted production rates given the current low commodity price environment. We currently forecast no significant capital spending in the second quarter and will continue to evaluate as time progresses. The company remains completely flexible in its capital spending for the future.

Reduction of debt is the Company's first and foremost priority. Since December 31, 2015 Petrus has repaid $103 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. The Company requires an extension of its Term Loan before the syndicate of lenders will contemplate an extension to the RCF. Management is currently in discussion with the Term Loan lender and continues to focus on its disciplined debt reduction strategy.

Petrus is committed to maintaining its financial flexibility and the Company will determine subsequent quarter capital spending as the year progresses. For the coming year there is significant optionality in the number, the commodity composition and the location of drilling opportunities. 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, maintain or grow production, grow funds flow per share and increase the Company's liquids weighting. Petrus continues its efforts to divest additional non-core assets to improve the balance sheet and also continues its discussions with its lenders in order to extend the upcoming 2020 debt maturity dates.

Capital spending is estimated at $3.7 million for February 2020, which relates to the drilling of two gross (2.0 net) Ferrier Cardium light oil wells which have been drilled in the first quarter of 2020.

Estimated February 2020 average production is 7,069 boe/d, comprised of 15% light oil and 30% total liquids.

Capital Investment ($000s) (note 1)	12 months*			1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20
Drill & Complete	51,283	16,510	12,871	1,198	3,515
Equip & Tie-in	5,670	4,177	2,001	43	37
Facility	12,948	-	1,634	-	-
Geological	227	-	-	-	-
Land & Lease	343	1,635	37	10	-
Other	2,279	1,776	1,530	125	106
Total Capital	**72,750**	**24,098**	**18,073**	**1,376**	**3,658**

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

Average Daily Production (note 1)	12 months*			1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20
Gas (mcf/d)	46,625	37,101	32,032	31,147	29,824
Oil (bbl/d)	1,854	1,402	1,616	1,479	1,067
NGLs (bbl/d)	1,086	1,433	1,351	1,032	1,031
Total (BOE_6/d)	**10,711**	**9,019**	**8,306**	**7,702**	**7,069**
Light Oil Weighting (%)	**17%**	**16%**	**19%**	**19%**	**15%**
Total Liquids Weighting (%)	**27%**	**31%**	**36%**	**33%**	**30%**

Benchmark Average Prices (note 1)	12 months*			1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20
AECO 5A (C$/GJ)	2.04	1.42	1.67	2.18	1.74
AECO 7A (C$/GJ)	2.30	1.45	1.54	2.30	2.11
WTI (US$/Bbl)	50.95	64.77	57.03	57.53	50.54
Mixed Sweet Blend (C$/Bbl)	62.28	69.13	69.03	63.75	58.82
CAD/US FX	0.77	0.77	0.75	0.76	0.75

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

**Audited annual financial information.*