

January 2020 Activity Update

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' Board of Directors has approved a first quarter 2020 capital budget of \$9.0 million to drill 2 (2.0 net) Cardium wells in the Ferrier area. First quarter funds flow combined with proceeds from the previously announced non-core asset disposition are expected to total \$9.5 million and any excess funds will be directed toward debt repayment. 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 \$1.4 million for January 2020, which relates to the drilling of the first of two gross (2.0 net) Ferrier Cardium light oil wells to be drilled in the first quarter of 2020.

Estimated January 2020 average production is 7,729 boe/d, comprised of 17% light oil and 32% total liquids.

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

Net Acquisition/(Disposition)	4,741	(448)	(651)	-
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Average Daily Production (note 1)	12 months*			1 mo.
	2017	2018	2019	Jan-20
Gas (mcf/d)	46,625	37,101	32,032	31,470
Oil (bbl/d)	1,854	1,402	1,616	1,324
NGLs (bbl/d)	1,086	1,433	1,351	1,160
Total (BOE₆/d)	10,711	9,019	8,306	7,729
Light Oil Weighting (%)	17%	16%	19%	17%
Total Liquids Weighting (%)	27%	31%	36%	32%

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

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

*Audited annual financial information.