

## June 2020 Activity Update

June commodity pricing showed greater stability following significant volatility in 2020 to date. Petrus continued to realize strong hedging gains in June which supported cash flow, allowing further reductions to debt levels.

Petrus has been producing two new wells drilled at Ferrier in Q1/2020 at significantly restricted rates given the lower pricing environment but with recent improved pricing, the Company has begun to increase production from these wells in July.

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Petrus recently announced extensions to maturity dates to both the second lien Term Loan the Revolving Credit Facility. Petrus has entered into an amending agreement with Macquarie Bank Limited to extend the \$35 million Term Loan maturity date to July 31, 2021. The interest rate on the Term Loan balance will be updated to become the Canadian Dealer Offered Rate (“CDOR”) plus 975 basis points. All of the interest will be made by way of payment-in-kind (“PIK”) and added to the outstanding balance of the Term Loan in lieu of monthly payment of cash interest.

The Company has also completed its annual RCF review. The RCF was updated to \$88.5 million. At the end of the second quarter of 2020, the Company was drawn approximately \$86.7 million against the RCF, inclusive of a \$0.6 million letter of credit outstanding. The RCF will be reduced by \$2.75 million at the end of each fiscal quarter. The Company's RCF maturity date has been updated to May 31, 2021 which was set prior to the Term Loan maturity of July 31, 2021.

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 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. Objectives of the 2020 capital plan are to reduce debt, and maintain production rates. With the backdrop of volatile commodity prices, the Company continues to forecast a very limited capital program for Q2 and Q3.

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Capital spending is estimated at \$0.2 million for June 2020, which relates to facility upgrades and capitalized G&A for the month. The Company budgeted amounts for maintenance capital only during the second quarter of 2020. Petrus’ Board of Directors has approved a third quarter 2020 capital budget of \$0.7 million, which provides for non-discretionary maintenance capital similar to the second quarter.

Estimated June 2020 average production is 6,264 boe/d, comprised of 16% light oil and 29% total liquids. June production continued to be impacted by restricting volumes from two 100% working interest wells drilled in the first quarter.

Capital Investment (\$000s) (note 1)	12 months*			3 mos.	1 mo.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20	Jun-20
Drill & Complete	51,283	16,510	12,871	7,511	102	-	(20)
Equip & Tie-in	5,670	4,177	2,001	690	(96)	9	34
Facility	12,948	-	1,634	105	-	-	80
Geological	227	-	-	-	-	-	-
Land & Lease	343	1,635	37	18	-	-	12
Other	2,279	1,776	1,530	331	67	67	67
<b>Total Capital</b>	<b>72,750</b>	<b>24,098</b>	<b>18,073</b>	<b>8,655</b>	<b>73</b>	<b>76</b>	<b>173</b>

<b>Net Acquisition/(Disposition)</b>	<b>4,741</b>	<b>(448)</b>	<b>(651)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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Average Daily Production (note 1)	12 months*			3 mos.	1 mo.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20	Jun-20
Gas (mcf/d)	46,625	37,101	32,032	30,604	28,182	28,869	26,698
Oil (bbl/d)	1,854	1,402	1,616	1,134	880	974	1,018
NGLs (bbl/d)	1,086	1,433	1,351	1,088	864	792	796
<b>Total (BOE<sub>6</sub>/d)</b>	<b>10,711</b>	<b>9,019</b>	<b>8,306</b>	<b>7,323</b>	<b>6,441</b>	<b>6,244</b>	<b>6,264</b>
<b>Light Oil Weighting (%)</b>	<b>17%</b>	<b>16%</b>	<b>19%</b>	<b>15%</b>	<b>14%</b>	<b>16%</b>	<b>16%</b>
<b>Total Liquids Weighting (%)</b>	<b>27%</b>	<b>31%</b>	<b>36%</b>	<b>30%</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>

Benchmark Average Prices (note 1)	12 months*			3 mos.	1 mo.	1 mo.	1 mo.
	2017	2018	2019	Q1 2020	Apr-20	May-20	Jun-20
AECO 5A (C\$/GJ)	2.04	1.42	1.67	1.93	1.91	1.97	1.80
AECO 7A (C\$/GJ)	2.30	1.45	1.54	2.03	1.68	1.79	1.97
WTI (US\$/Bbl)	50.95	64.77	57.03	46.17	16.70	28.52	38.21
Mixed Sweet Blend (C\$/Bbl)	62.28	69.13	69.03	52.20	12.72	36.72	46.92
CAD/US FX	0.77	0.77	0.75	0.74	0.72	0.72	0.74

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

\*Audited annual financial information.