March 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 real-time 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 adjust 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. 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. Our first quarter capital spending has been completed with the drilling and completion of 2 (2.0 net) Cardium oil wells. 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, and maintain production rates. 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 $4.0 million for March 2020, which relates to the completion, equipping and tie-ins of two gross (2.0 net) Ferrier Cardium light oil wells which were drilled in the first quarter of 2020. Both of the wells are currently tied in, though we have shut in one of the wells to best manage value considering the current pricing environment. The second well is on production at a choked back rate. Combined, the wells are capable of production over 1,500 boe/d which includes 900 bbl/d of light oil.

Estimated March 2020 average production is 7,347 boe/d, comprised of 18% light oil and 32% total liquids.

Capital Investment ($000s) (note 1)	12 months*			1 mo.	1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20	Mar-20
Drill & Complete	51,283	16,510	12,871	1,084	3,515	3,225
Equip & Tie-in	5,670	4,177	2,001	150	37	602
Facility	12,948	-	1,634	7	-	97
Geological	227	-	-	-	-	-
Land & Lease	343	1,635	37	10	-	8
Other	2,279	1,776	1,530	127	102	107
Total Capital	**72,750**	**24,098**	**18,073**	**1,378**	**3,654**	**4,039**

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

Average Daily Production (note 1)	12 months*			1 mo.	1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20	Mar-20
Gas (mcf/d)	46,625	37,101	32,032	31,085	30,605	30,123
Oil (bbl/d)	1,854	1,402	1,616	998	1,102	1,299
NGLs (bbl/d)	1,086	1,433	1,351	1,104	1,135	1,027
Total (BOE_6/d)	**10,711**	**9,019**	**8,306**	**7,283**	**7,338**	**7,347**
Light Oil Weighting (%)	**17%**	**16%**	**19%**	**14%**	**15%**	**18%**
Total Liquids Weighting (%)	**27%**	**31%**	**36%**	**29%**	**30%**	**32%**

Benchmark Average Prices (note 1)	12 months*			1 mo.	1 mo.	1 mo.
	2017	2018	2019	Jan-20	Feb-20	Mar-20
AECO 5A (C$/GJ)	2.04	1.42	1.67	2.18	1.74	1.86
AECO 7A (C$/GJ)	2.30	1.45	1.54	2.30	2.11	1.67
WTI (US$/Bbl)	50.95	64.77	57.03	57.53	50.54	30.45
Mixed Sweet Blend (C$/Bbl)	62.28	69.13	69.03	63.75	58.82	34.26
CAD/US FX	0.77	0.77	0.75	0.76	0.75	0.72

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

Audited annual financial information.