



Petrus Resources Announces Fully Backstopped Rights Offering

THIS PRESS RELEASE IS NOT FOR PUBLICATION OR DISSEMINATION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.

CALGARY, Alberta, March 24, 2022 – Petrus Resources Ltd. (TSX:PRQ) ("**Petrus**" or the "**Corporation**") is pleased to announce that it has filed today a rights offering circular (the "**Rights Offering Circular**") and related notice of rights offering (the "**Notice of Rights Offering**") with the securities regulatory authorities in each of the provinces and territories of Canada in connection with an offering (the "**Rights Offering**") of rights ("**Rights**") to acquire common shares of Petrus ("**Common Shares**") for gross proceeds of approximately \$20 million.

Pursuant to the Rights Offering, each eligible registered holder of Common Shares as at the close of business on March 31, 2022 (the "**Record Date**") will receive one (1) Right for each Common Share held. 7.214653 Rights plus the sum of \$1.35 will entitle the holder to subscribe for one (1) Common Share. The Rights issued under the Rights Offering will be evidenced by direct registration system advices (each, a "**Rights DRS**"), and will expire at 5:00 p.m. (Toronto time) on April 26, 2022 (the "**Expiry Date**"), after which time unexercised Rights will be void and of no value. The Rights Offering includes an additional subscription privilege under which eligible holders of Rights who fully exercise their Rights will be entitled to subscribe for additional available Common Shares.

The Common Shares will trade on the Toronto Stock Exchange ("**TSX**") on an "ex-rights" basis. The Rights will be listed for trading on the TSX under the symbol "PRQ.RT" commencing on March 30, 2022 and will be de-listed from the TSX at 12:00 p.m. (Toronto time) on the Expiry Date.

In connection with the Rights Offering, the Corporation has entered into a standby purchase agreement (the "**Standby Purchase Agreements**") with each of its major shareholders, being Don Gray, Stuart Gray and Glen Gray (collectively, the "**Stand-By Guarantors**"). Each of the Standby-by Guarantors has agreed, subject to the satisfaction of certain conditions, to fully exercise his basic subscription privilege to purchase his pro rata share of the Common Shares offered pursuant to the Rights Offering and to acquire his pro rata share of all other Common Shares offered pursuant to the Rights Offering that are not acquired on the exercise of Rights held by shareholders other than the Stand-By Guarantors. As a result, the Rights Offering will be fully backstopped by the Stand-By Guarantors. As of the date hereof, the Stand-By Guarantors collectively own approximately 70.8% of the Corporation's issued and outstanding Common Shares. If the standby commitment is utilized in full because no other shareholders exercise Rights, the Stand-By Guarantors will collectively own approximately 74.4% of the issued and outstanding Common Shares on completion of the Rights Offering.

The Notice of Rights Offering and related Rights DRS will be mailed to all eligible registered shareholders as of the close of business on the Record Date. Eligible registered shareholders wishing to exercise their Rights must forward a completed Rights DRS, together with the applicable funds, to Odyssey Trust Company, the rights agent of the Corporation, on or before the Expiry Date. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.



Closing of the Rights Offering is expected to occur on or about April 29, 2022. The net proceeds of the Rights Offering will be used to repay amounts drawn under the Corporation's senior secured credit facility as further detailed in the Rights Offering Circular.

The Rights Offering is part of a larger strategy continuing the restructuring of the Corporation's debt to provide more long-term stability. Despite having other viable financing alternatives available, the Corporation moved forward with the Rights Offering because Petrus continues to enjoy strong support from existing shareholders who see significant value in the Corporation and recognize the important contributions Alberta's energy sector makes to the overall quality of life in North America. Through the Rights Offering, Petrus is providing its shareholders an additional opportunity to participate in the Corporation's potential upside.

Further details concerning the Rights Offering, including the details of the Standby Purchase Agreements, are contained in the Notice of Rights Offering and Rights Offering Circular available on the Corporation's SEDAR profile at www.sedar.com.

This press release is not an offer of securities of the Corporation for sale in the United States. The Rights and Common Shares issuable on exercise of the Rights have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and the Rights and Common Shares may not be offered or sold in the United States except pursuant to an applicable exemption from such registration. No public offering of securities is being made in the United States.

For inquiries please contact:

Ken Gray
President and Chief Executive Officer
T: 403-930-0889
E: kgray@petrusresources.com

Website: www.petrusresources.com

About Petrus

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

Reader Advisories

Forward looking information: Certain information set forth in this news release, including: matters relating to the timing and completion of the Rights Offering, the proceeds to be raised pursuant to the Rights Offering, the use of proceeds from the Rights Offering, our strategy to restructure our debt to provide long-term stability, the availability of alternative financing alternatives, and the Corporation's potential upside, is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Petrus' control. Such risks include but are not limited to: the receipt of all necessary regulatory and third party approvals; the risk that the Rights Offering is not completed in the manner and timeframes contemplated herein (or at all) due to the termination of the Standby Purchase Agreements or otherwise; the risk that the Corporation may reallocate the net proceeds from the Rights Offering; the risk that we are not able to restructure all of our debt before it matures and/or that other financing alternatives are not available on acceptable terms or at all; and the risk that the Corporation's potential upside does not materialize. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Petrus will derive therefrom. With respect to forward-looking information contained herein, the Corporation has made certain assumptions, including that: the Standby Purchase Agreements will not be terminated and that the Stand-By



Guarantors will comply with their obligations thereunder; the timely receipt of any required regulatory approvals; that the Corporation will be able to deploy the net proceeds from the Rights Offering as anticipated; and that the Corporation will be able to refinance its credit facility before it matures with the proceeds of the Rights Offering and alternative financing sources. Additional information on these and other factors that could affect Petrus are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the Rights Offering Circular and in the Corporation's most recent annual information form, and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking information contained in this news release are made as of the date of this document, and Petrus does not undertake any obligation to update publicly or to revise any of the included forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.