



PETRUS RESOURCES ANNOUNCES THIRD QUARTER 2024 FINANCIAL & OPERATING RESULTS

CALGARY, ALBERTA, Wednesday, November 6, 2024 – Petrus Resources Ltd. ("Petrus" or the "Company") (TSX: PRQ) is pleased to report financial and operating results as at and for the three and nine months ended September 30, 2024.

Q3 2024 HIGHLIGHTS:

- **Dividends** – Petrus continued its monthly dividend payment of \$0.01 per share throughout the third quarter, totaling \$3.7 million. Including the dividend declared on November 4, 2024, by the end of November shareholders will have cumulatively received \$0.14 per share, or \$17.4 million in dividends since the Company began paying dividends in Q4 2023. Based on the average closing share price for Q3 2024 of \$1.34 per share, the current dividend yield is approximately 9% annually.
- **Production** – Production for the third quarter of 2024 averaged 9,215 boe/d⁽¹⁾, as compared to 9,471 boe/d in the second quarter of 2024. The 3% decrease was primarily due to scheduled downtime associated with third party maintenance, and strategic shut-ins due to low natural gas prices.
- **Increased oil production** – Average oil⁽¹⁾ production for the third quarter of 2024 increased to 1,522 bbl/d, up 15% from 1,322 bbl/d in the second quarter of 2024. New wells brought on production in July contributed to the increased oil production in the third quarter, reflecting Petrus' increased focus on oil-weighted development.
- **Commodity prices** – Total realized price was \$24.07/boe in the third quarter of 2024, down by 10% from \$26.81/boe in the second quarter. Realized natural gas and oil prices fell by 43% and 12%, respectively.
- **Funds flow**⁽²⁾ – Generated funds flow of \$10.7 million (\$0.09 per share⁽²⁾) in the third quarter of 2024, up slightly from \$10.6 million (\$0.09 per share) reported in the second quarter of 2024. The decreases in gas and NGL production and commodity prices were offset by higher oil production and realized gains on hedge contract settlements.
- **Net debt**⁽²⁾ – Petrus reduced net debt by \$1.4 million to \$60.4 million during the third quarter of 2024.

OUTLOOK⁽³⁾

In September, the Company resumed its capital program with a plan to drill 3 (1.3 net) extended reach wells in the second half of the year. The remainder of the 2024 capital program is expected to be funded through funds flow, with debt expected to remain relatively flat for the balance of 2024.

For the next 12 months, the Company has hedged approximately 52% of forecasted production at an average of \$2.98/GJ for natural gas and CAD\$94.00/bbl for oil.

The Company is well-positioned to continue its monthly dividend payments. As always, Petrus will closely monitor market conditions and is prepared to adjust its capital program as needed, guided by its commitment to delivering sustainable returns to shareholders.

THIRD QUARTER 2024 CONFERENCE CALL

Date: November 7, 2024

Time: 9:00 am (mountain time)

Please refer to the events page on Petrus' website for conference call details and links: www.petrusresources.com/events

MONTHLY ACTIVITY UPDATE

The most recent version of the Company's monthly activity update can be found on the Company's website at www.petrusresources.com/monthlyupdates

An updated corporate presentation can be found on the Company's website at www.petrusresources.com.

⁽¹⁾Disclosure of production on a per boe basis consists of the constituent product types and their respective quantities. Refer to "BOE Presentation" and "Production & Product Type Information" for further details.

⁽²⁾Non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures"

⁽³⁾Refer to "Advisories - Forward-Looking Statements".

SELECTED FINANCIAL INFORMATION

OPERATIONS	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Three months ended Jun. 30, 2024	Three months ended Mar. 31, 2024	Three months ended Dec. 31, 2023
Average Production					
Natural gas (mcf/d)	37,368	42,045	38,908	40,174	39,891
Oil and condensate (bbl/d)	1,522	1,316	1,322	1,529	1,218
NGLs (bbl/d)	1,465	1,556	1,664	1,557	1,607
Total (boe/d)	9,215	9,880	9,471	9,783	9,474
Total (boe)⁽¹⁾	847,760	908,985	861,838	890,267	871,567
Liquids weighting	32 %	29 %	32 %	32 %	30 %
Realized Prices					
Natural gas (\$/mcf)	0.80	2.81	1.41	2.54	2.76
Oil and condensate (\$/bbl)	90.80	99.33	103.77	90.38	98.63
NGLs (\$/bbl)	36.81	37.09	37.25	43.09	37.26
Total realized price (\$/boe)	24.07	31.05	26.81	31.42	30.60
Royalty income	0.05	0.06	0.05	0.07	0.09
Royalty expense	(3.06)	(3.37)	(3.83)	(3.89)	(4.78)
Net oil and natural gas revenue (\$/boe)	21.06	27.74	23.03	27.60	25.91
Operating expense	(6.10)	(6.70)	(4.96)	(6.76)	(5.07)
Transportation expense	(1.46)	(1.54)	(1.46)	(1.81)	(1.46)
Operating netback⁽²⁾ (\$/boe)	13.50	19.50	16.61	19.03	19.38
Realized gain (loss) on financial derivatives	2.49	1.21	(0.36)	2.90	1.99
Other cash income (expense)	0.09	0.04	0.05	0.05	(0.18)
General & administrative expense	(1.43)	(1.27)	(1.34)	(1.32)	(0.37)
Cash finance expense	(1.95)	(1.26)	(1.91)	(1.78)	(1.43)
Decommissioning expenditures	(0.12)	(0.34)	(0.72)	(0.61)	(0.43)
Funds flow & corporate netback⁽²⁾ (\$/boe)	12.58	17.88	12.33	18.27	18.96
FINANCIAL (000s except \$ per share)	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Three months ended Jun. 30, 2024	Three months ended Mar. 31, 2024	Three months ended Dec. 31, 2023
Oil and natural gas sales	20,446	28,273	23,150	28,039	26,747
Net income (loss)	5,302	(11,293)	2,789	(5,333)	39,708
Net income (loss) per share					
Basic	0.04	(0.09)	0.02	(0.04)	0.32
Fully diluted	0.04	(0.09)	0.02	(0.04)	0.32
Funds flow ⁽²⁾	10,665	16,243	10,628	16,272	16,525
Funds flow per share ⁽²⁾					
Basic	0.09	0.13	0.09	0.13	0.13
Fully diluted	0.08	0.13	0.08	0.13	0.13
Capital expenditures	4,859	21,617	6,907	12,343	32,029
Weighted average shares outstanding					
Basic	124,372	123,743	124,290	124,299	123,812
Fully diluted	126,686	123,743	126,559	124,299	124,840
As at period end					
Common shares outstanding					
Basic	124,372	123,867	124,372	124,259	124,266
Fully diluted	134,952	134,436	134,919	134,484	134,542
Total assets	421,196	380,100	419,584	427,574	437,842
Non-current liabilities	62,869	59,687	59,511	59,995	60,926
Net debt ⁽²⁾	60,423	42,251	61,848	63,114	62,596

⁽¹⁾ Disclosure of production on a per boe basis consists of the constituent product types and their respective quantities. Refer to "BOE Presentation" and "Production and Product Type Information" for further details.

⁽²⁾ Non-GAAP financial measure or non-GAAP ratio. Refer to "Non-GAAP and Other Financial Measures".

OPERATIONS UPDATE

Third quarter average production by area was as follows:

For the three months ended September 30, 2024	Ferrier	Foothills	Central Alberta	Total
Natural gas (mcf/d)	32,273	599	4,496	37,368
Oil and condensate (bbl/d)	1,222	54	246	1,522
NGLs (bbl/d)	1,347	1	117	1,465
Total (boe/d)	7,948	155	1,112	9,215

Third quarter average production was 9,215 boe/d in 2024 compared to 9,880 boe/d in Q3 2023. The 9.7% decrease in production from the prior year comparative period was mainly due to a decrease in drilling and completion activity, natural declines and uneconomic wells shut-in due to low gas prices.

Completion activities for the wells drilled earlier in 2024 began in late June and the wells commenced production in late July.

CAPITAL EXPENDITURES

Capital expenditures (excluding acquisitions and dispositions) totaled \$4.9 million in the third quarter of 2024, compared to \$21.6 million in the prior year comparative period. The majority of the capital spent in the third quarter of 2024 is related to the drilling of 1 (0.6 net) well and also includes some costs related to the completion of wells drilled earlier in 2024.

The following table shows capital expenditures (excluding acquisitions and dispositions) for the reporting periods indicated. All capital is presented before decommissioning obligations.

Capital Expenditures (\$000s)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Drill and complete	3,290	17,058	18,818	41,768
Oil and gas equipment	1,199	4,200	4,429	11,277
Geological	—	—	—	545
Land and lease	114	—	121	217
Office	—	7	6	109
Capitalized general and administrative expense	256	352	735	898
Total capital expenditures	4,859	21,617	24,109	54,814
Gross (net) wells drilled	1 (0.6)	6 (3.4)	11 (5.8)	13 (10.4)

For further information, please contact:

Ken Gray, P.Eng.
President and Chief Executive Officer
T: (403) 930-0889
E: kgray@petrusresources.com

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release makes reference to the terms "operating netback" (on an absolute and \$/boe basis), "corporate netback" (on an absolute and \$/boe basis), "funds flow" (on an absolute, per share (basic and fully diluted) and \$/boe basis), and "net debt". These non-GAAP and other financial measures are not recognized measures under GAAP (IFRS) and do not have a standardized meaning prescribed by GAAP (IFRS). Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. These non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS as indicators of our performance. Management uses these non-GAAP and other financial measures for the reasons set forth below.

Operating Netback

Operating netback is a common non-GAAP financial measure used in the oil and natural gas industry which is a useful supplemental measure to evaluate the specific operating performance by product type at the oil and natural gas lease level. The most directly comparable GAAP measure to operating netback is oil and natural gas sales. Operating netback is calculated as oil and natural gas sales less royalty expenses, gain (loss) on risk management activities, operating expenses and transportation expenses. See below for a reconciliation of operating netback to oil and natural gas sales.

Operating netback (\$/boe) is a non-GAAP ratio used in the oil and natural gas industry which is a useful supplemental measure to evaluate the specific operating performance by product type at the oil and natural gas lease level. It is calculated as operating netbacks divided by weighted average daily production on a per boe basis. See below.

Corporate Netback and Funds Flow

Corporate netback or funds flow is a common non-GAAP financial measure used in the oil and natural gas industry which evaluates the Company's profitability at the corporate level. Corporate netback and funds flow are used interchangeably. Petrus analyzes these measures on an absolute value and on a per unit (boe) and per share (basic and fully diluted) basis as non-GAAP ratios. Management believes that funds flow and corporate netback provide information to assist a reader in understanding the Company's profitability relative to current commodity prices. They are calculated as the operating netback less general and administrative expense, cash finance expense and decommissioning expenditures, plus or minus other income (expense) and the realized gain (loss) on financial derivatives. See below for a reconciliation of funds flow and corporate netback to oil and natural gas sales.

Corporate netback (\$/boe) or funds flow (\$/boe) is a non-GAAP ratio used in the oil and natural gas industry which evaluates the Company's profitability at the corporate level. Management believes that funds flow (\$/boe) or corporate netback (\$/boe) provide information to assist a reader in understanding the Company's profitability relative to current commodity prices. It is calculated as corporate netbacks or funds flow divided by weighted average daily production on a per boe basis. See below.

Funds flow per share (basic and fully diluted) is comprised of funds flow divided by basic or fully diluted weighted average common shares outstanding.

	Three months ended		Three months ended		Nine months ended		Nine months ended	
	Sept. 30, 2024		Sept. 30, 2023		September 30, 2024		September 30, 2023	
	\$000s	\$/boe	\$000s	\$/boe	\$000s	\$/boe	\$000s	\$/boe
Oil and natural gas sales	20,446	24.12	28,273	31.11	71,635	27.55	98,858	34.23
Royalty expense	(2,593)	(3.06)	(3,061)	(3.37)	(9,359)	(3.60)	(13,088)	(4.53)
Gain (loss) on risk management activities	—	—	—	—	—	—	1,522	0.53
Net oil and natural gas revenue	17,853	21.06	25,212	27.74	62,276	23.95	87,292	30.23
Transportation expense	(1,239)	(1.46)	(1,401)	(1.54)	(4,113)	(1.58)	(4,844)	(1.68)
Operating expense	(5,172)	(6.10)	(6,086)	(6.70)	(15,461)	(5.95)	(19,086)	(6.61)
Operating netback	11,442	13.50	17,725	19.50	42,702	16.42	63,362	21.94
Realized gain (loss) on financial derivatives	2,115	2.49	1,102	1.21	4,391	1.69	6,314	2.19
Other income ⁽¹⁾	77	0.09	34	0.04	166	0.06	240	0.08
General & administrative expense	(1,209)	(1.43)	(1,158)	(1.27)	(3,539)	(1.36)	(3,864)	(1.34)
Cash finance expense	(1,657)	(1.95)	(1,148)	(1.26)	(4,888)	(1.88)	(3,557)	(1.23)
Decommissioning expenditures	(103)	(0.12)	(312)	(0.34)	(1,265)	(0.49)	(998)	(0.35)
Funds flow and corporate netback	10,665	12.58	16,243	17.88	37,567	14.44	61,497	21.29

⁽¹⁾Excludes non-cash government grant related to decommissioning expenditures.



	Three months ended		Three months ended		Three months ended	
	Jun. 30, 2024		March 31, 2024		Dec. 31, 2023	
	\$000s	\$/boe	\$000s	\$/boe	\$000s	\$/boe
Oil and natural gas sales	23,150	26.86	28,039	31.50	26,747	30.70
Royalty expense	(3,305)	(3.83)	(3,461)	(3.89)	(4,167)	(4.78)
Net oil and natural gas revenue	19,845	23.03	24,578	27.61	22,580	25.92
Transportation expense	(1,259)	(1.46)	(1,615)	(1.81)	(1,271)	(1.46)
Operating expense	(4,271)	(4.96)	(6,018)	(6.76)	(4,419)	(5.07)
Operating netback	14,315	16.61	16,945	19.04	16,890	19.39
Realized gain (loss) on financial derivatives	(307)	(0.36)	2,583	2.90	1,737	1.99
Other income (expense) ⁽¹⁾	40	0.05	48	0.05	(161)	(0.18)
General & administrative expense	(1,152)	(1.34)	(1,178)	(1.32)	(319)	(0.37)
Cash finance expense	(1,650)	(1.91)	(1,581)	(1.78)	(1,246)	(1.43)
Decommissioning expenditures	(618)	(0.72)	(545)	(0.61)	(376)	(0.43)
Funds flow and corporate netback	10,628	12.33	16,272	18.28	16,525	18.97

⁽¹⁾Excludes non-cash government grant related to decommissioning expenditures.

Net Debt

Net debt is a non-GAAP financial measure and is calculated as the sum of long term debt and working capital (current assets and current liabilities), excluding the current financial derivative contracts and current portion of the lease obligation and decommissioning obligation. Petrus uses net debt as a key indicator of its leverage and strength of its balance sheet. Net debt is reconciled, in the table below, to long-term debt which is the most directly comparable GAAP measure.

(\$000s)	As at Sep. 30, 2024	As at Sept. 30, 2023	As at Jun. 30, 2024	As at March 31, 2024	As at Dec. 31, 2023
Long-term debt	25,000	25,000	25,000	25,000	25,000
Current assets	(20,258)	(19,375)	(16,333)	(21,081)	(30,805)
Current liabilities	48,458	40,636	52,379	61,099	61,755
Current financial derivatives	7,690	(3,397)	1,276	(716)	8,374
Current portion of lease obligation	(230)	(254)	(237)	(263)	(258)
Current portion of decommissioning obligation	(237)	(359)	(237)	(925)	(1,470)
Net debt	60,423	42,251	61,848	63,114	62,596

ADVISORIES

Basis of Presentation

Financial data presented above has largely been derived from the Company's financial statements, prepared in accordance with GAAP which require publicly accountable enterprises to prepare their financial statements using IFRS. Accounting policies adopted by the Company are set out in the notes to the audited consolidated financial statements as at and for the twelve months ended December 31, 2023. The reporting and the measurement currency is the Canadian dollar. All financial information is expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements

Certain information regarding Petrus set forth in this press release contains forward-looking statements within the meaning of applicable securities law, that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such statements represent Petrus' internal projections, estimates, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Petrus believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Petrus' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Petrus. In particular, forward-looking statements included in this press release include, but are not limited to statements with respect to: our increased focus on oil-weighted development; the details of our capital program in the second half of the year, including the number and type of wells that we intend to drill; that the remainder of our 2024 capital program is expected to be funded through funds flow, with debt expected to remain relatively flat for the balance of 2024; our belief that, for the next 12 months, we have hedged approximately 52% of forecasted production and the details of such hedges; our belief that we are well-positioned to continue our monthly dividend payments; and our intention to closely monitor market conditions and that we are prepared to adjust our capital program as needed, guided by our commitment to delivering sustainable returns to shareholders. In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.



These forward-looking statements are subject to numerous risks and uncertainties, most of which are beyond the Company's control, including: the impact of general economic conditions; volatility in market prices for crude oil, NGL and natural gas; industry conditions; currency fluctuation; changes in interest rates and inflation rates; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition; the lack of availability of qualified personnel or management; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury and/or increase our costs, decrease our production, or otherwise impede our ability to operate our business; extreme weather events, such as wild fires, floods, drought and extreme cold or warm temperatures, each of which could result in substantial damage to our assets and/or increase our costs, decrease our production, or otherwise impede our ability to operate our business; stock market volatility; ability to access sufficient capital from internal and external sources; that the amount of dividends that we pay may be reduced or suspended entirely; that we reduce or suspend the repurchase of shares under our NCIB; and the other risks and uncertainties described in our Annual Information Form. With respect to forward-looking statements contained in this press release, Petrus has made assumptions regarding: the amount of dividends that we will pay; the number of shares that we will repurchase under our NCIB; future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment and services; effects of regulation by governmental agencies; the effects of inflation on our costs and profitability; future interest rates; and future operating costs. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide investors with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Petrus' prospective results of operations including, without limitation, our forecast for our capital program for the second half of the year, our expectation for debt levels for the remainder of 2024, the percentage of our forecast production for the next 12 months that is hedged, and that we are well positioned to continue our monthly dividend payments, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Petrus will derive therefrom. Petrus has included the FOFI in order to provide readers with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes.

These forward-looking statements and FOFI are made as of the date of this press release and the Company disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

BOE Presentation

The oil and natural gas industry commonly expresses production volumes and reserves on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved measurement of results and comparisons with other industry participants. Petrus uses the 6:1 boe measure which is the approximate energy equivalence of the two commodities at the burner tip. Boe's do not represent an economic value equivalence at the wellhead and therefore may be a misleading measure if used in isolation.

Production & Product Type Information

References to crude oil (or oil), natural gas liquids ("NGLs"), natural gas and average daily production in this document refer to the light and medium crude oil, conventional natural gas, and NGLs product types, as applicable, as defined in National Instrument 51-101 ("NI 51-101"), except as noted below.

NI 51-101 includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, and condensate. NGLs refers to ethane, propane, butane and pentane combined. Natural gas refers to conventional natural gas.

Abbreviations

\$000's	thousand dollars
\$/bbl	dollars per barrel
\$/boe	dollars per barrel of oil equivalent
\$/GJ	dollars per gigajoule
\$/mcf	dollars per thousand cubic feet
bbl	barrel
bbl/d	barrels per day
boe	barrel of oil equivalent
mboe	thousand barrel of oil equivalent
mmboe	million barrel of oil equivalent
boe/d	barrel of oil equivalent per day
GJ	gigajoule
GJ/d	gigajoules per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
NGLs	natural gas liquids
WTI	West Texas Intermediate

