Notice of Annual General Meeting of
Shareholders to be held on May 12, 2016

Notice is hereby given that the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Petrus Resources Ltd. (the "**Corporation**") will be held at the International Hotel, Riverview Room (35th Floor), 220 – 4th Avenue SW, Calgary, Alberta on Thursday, May 12, 2016 at 9:00 a.m. (Calgary time) to:

1. receive the financial statements of the Corporation for the year ended December 31, 2015, together with the auditor's report thereon;

2. fix the number of directors of the Corporation to be elected at the Meeting at eight directors;

3. elect eight directors of the Corporation for the ensuing year;

4. appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such; and

5. transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the form of proxy and deposit it with the Corporation's transfer agent, Computershare Investor Services Inc. at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9 a.m. (Mountain Time) on May 10, 2016 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Shareholders are cautioned that the use of mail to transmit proxies is at each shareholder's risk.

Only Shareholders of record at the close of business on March 28, 2016 (the "**Record Date**"), are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice of Annual General Meeting of Shareholders.

DATED at Calgary, Alberta this 1st day of April, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Kevin Adair*"
Kevin Adair
President, Chief Executive Officer and Director

Information Circular and Proxy Statement dated April 1, 2016
for the Annual General Meeting of the Holders of Common Shares of
Petrus Resources Ltd. to be Held on May 12, 2016

Solicitation of Proxies

This information circular and proxy statement ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Petrus Resources Ltd. (the "**Corporation**" or "**Petrus**") for use at the annual general meeting of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held at the International Hotel, Riverview Room (35th Floor), 220 – 4th Avenue SW, Calgary, Alberta on Thursday, May 12, 2016 at 9:00 a.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting as at the close of business on March 28, 2016 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **Each Shareholder has the right to appoint a proxyholder other than the persons designated in the form of proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting.** To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy. In order to be effective, the form of proxy must be deposited with Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9 a.m. (Mountain Time) on May 10, 2016 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

Unless otherwise stated, the information in this Information Circular is given at April 1, 2016.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to you if you do not hold Common Shares in your own name. Only proxies deposited by Shareholders whose names appear on our records as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. ("**CDS**"), the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company ("**DTC**"), which is the United States equivalent of CDS.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another intermediary. If you receive a voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Notice-and-Access and Other Matters

The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders, including beneficial Shareholders. The Corporation will be delivering proxy-related materials to non-objecting beneficial Shareholders with the assistance of Broadridge Investor Communications, Canada and the non-objecting beneficial Shareholders' intermediaries and intends to pay for the costs of an intermediary to deliver proxy-related materials to objecting beneficial Shareholders.

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you or the person to whom you give your proxy attends personally at the Meeting you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited at our head office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General Meeting of Shareholders and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy Holder

The Common Shares represented by proxy in favour of management nominees shall be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted in accordance with the specification so made. **In the absence of such specification, the Common Shares will be voted in favor of the matters to be acted upon at the Meeting. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments**

or variations of those matters specified in the form of proxy, Notice of Annual General Meeting of Shareholders and this Information Circular. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

Notice in Respect of the Plan of Arrangement

Effective February 2, 2016, the Corporation was party to a plan of arrangement (the "**Arrangement**") completed under the provisions of the *Business Corporations Act* (Alberta), among Petrus Resources Corp. (formerly Petrus Resources Ltd., ("**Old Petrus**")), Petrus Resources Inc. (formerly PhosCan Chemical Corp., ("**PhosCan**")), Petrus, Fox River Resources Corporation (formerly 9508309 Canada Inc.) and the shareholders thereof. Pursuant to the Arrangement: (i) all of the issued and outstanding common shares of Old Petrus ("**Old Petrus Shares**") were transferred to Petrus in exchange for one-quarter (0.25) of one Common Share per Old Petrus Share, which Common Shares were issued to the former holders of the Old Petrus Shares; (ii) holders of subscription receipts of Petrus ("**Subscription Receipts**") were issued one-quarter (0.25) of one Common Share for each Subscription Receipt held, pursuant to the terms of the subscription receipt agreements dated December 22, 2015, December 30, 2015 and January 13, 2016; and (iii) Petrus acquired all of the issued and outstanding shares of PhosCan ("**PhosCan Shares**") in exchange for 0.0452672 of one Common Share per PhosCan Share, which Common Shares were issued to the former holders of the PhosCan Shares. **Unless otherwise noted, reference herein to the "Corporation", "Petrus", "us", "our" or "we" at a point in time prior to February 2, 2016 shall refer to Old Petrus and thereafter shall refer to Petrus.**

VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at April 1, 2016, there were 45,349,192 Common Shares issued and outstanding. No preferred shares are issued or outstanding. As of February 8, 2016, the Common Shares were listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "PRQ". The Common Shares were not listed on any stock exchange in 2015.

As a holder of Common Shares, you are entitled to one vote for each Common Share you own.

Other than as set out below, to the knowledge of our directors and officers, as at April 1, 2016, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares.

Shareholder	Common Shares beneficially owned, or controlled or directed, directly or indirectly	Percentage of the Common Shares represented by the number of Common Shares so owned, controlled or directed, directly or indirectly
Wingren B.V.[(1) (2)]	12,040,340	26.6%

Note:

(1) Wingren B.V. ("**NGP**") is a company formed under the laws of the Netherlands and a subsidiary of NGP Natural Resources X, L.P.
(2) Information is based solely on filings on the Corporation's profile at www.sedi.ca.

As at April 1, 2016, Petrus' directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control over 15,680,953 Common Shares or approximately 34.6% of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditor's Report

At the Meeting, our financial statements for the year ended December 31, 2015 and the auditor's report thereon will be placed before Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting for the ensuing year at eight, as may be adjusted between Shareholders' meetings by way of resolution of the Board.

Election of Directors

Directors will be elected at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of the election as directors of the eight nominees set forth below:

Kevin Adair	Don Gray
Patrick Arnell	Brian Minnehan
Donald Cormack	Peter Verburg
Jeffrey Zlotky	Stephen White

Each director elected will hold office until the next annual general meeting of the Corporation, or until his successor is duly elected or appointed in accordance with the *Business Corporations Act* (Alberta), unless his office is earlier vacated. In the event that a vacancy among such nominees occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy.

Management does not contemplate that any of these nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

Pursuant to the nomination rights agreement dated February 2, 2016, between the Corporation and NGP (the "**Nomination Rights Agreement**"), for as long as NGP owns: (i) at least 20% of the outstanding Common Shares (on a non-diluted basis), Petrus is required to include two nominees of NGP; or (ii) at least 10% but not more than 20% of the outstanding Common Shares (on a non-diluted basis), Petrus is required to include one (1) nominee of NGP, among the nominees for election to the Board at each meeting of Shareholders at which directors are to be elected. The members of the Board so designated for election by NGP at the Meeting are Brian Minnehan and Jeffrey Zlotky. See "*Material Contracts – Agreements with NGP – Nomination Rights Agreement*" in the Corporation's Annual Information Form for the year ended December 31, 2015 (the "**AIF**").

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominees and sets forth the names, province/state and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations during the five preceding years and the number of Common Shares owned or controlled or directed, directly or indirectly, by each of them as of April 1, 2016.

Name, Province and Country of Residence	Director Since	Principal Occupations and Experience	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Kevin Adair Alberta, Canada	November 25, 2015	Mr. Adair is the President and Chief Executive Officer of Petrus and held the same positions with Old Petrus from August 8, 2011 to February 2, 2016. Mr. Adair was also a director of Old Petrus from April 3, 2012 to February 2, 2016. Prior thereto, co-founder and Vice President, Engineering of Spry Energy Ltd. from December 2003 until April 2011; Vice President, International of Petrobank (Petrominerales) from June 2002 to October 2003; Vice President, Business Development & Marketing of Petrobank from March 2000 to June 2002; and President, Chief Operating Officer and a director of Petrobank from June 1997 to March 2000.	176,001[(4)]

Name, Province and Country of Residence	Director Since	Principal Occupations and Experience	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Patrick Arnell(1)(2)(3) Alberta, Canada	November 25, 2015	Mr. Arnell was a director of Old Petrus from August 3, 2011 to February 2, 2016; is an independent businessman and since 2005, a founding shareholder of Rangeland Drilling Automation Inc. Currently, Mr. Arnell is also the Chairman and Chief Executive Officer of Orix Investments Inc., a private investment company headquartered in Calgary, Alberta. Prior thereto, he was the president and majority owner of Rayton Packaging Inc., from 1992 to 2005.	164,525(5)
Donald Cormack(1)(3) Alberta, Canada	November 25, 2015	Mr. Cormack is retired and is currently also a director of the Walton Group public registrants. Mr. Cormack was a director of Old Petrus from October 8, 2014 to February 2, 2016. Prior thereto, Mr. Cormack was a partner with PricewaterhouseCoopers LLP, including as Calgary audit practice leader from 1997 to 2007, until his retirement in 2012. He has extensive financial accounting and reporting experience with both private and public companies of all sizes covering regulatory compliance, risk management, acquisitions, corporate restructuring, internal controls and governance in Canada and the U.S. Mr. Cormack serves as a Director and Audit Committee Chair at the Walton Group public companies and has served on the Board of Directors of numerous not-for-profit organizations.	21,250
Don Gray(2)(3) Arizona, United States	November 25, 2015	Mr. Gray is private investor, and was a director and the Chairman of Old Petrus from December 13, 2010 to February 2, 2016. Prior thereto, Mr. Gray was a founding partner and President of EIQ Capital Corp., a private capital management company, from May 2007 to September 2013; prior thereto, Mr. Gray was the Chief Executive Officer of Peyto Exploration & Development Corp. ("**Peyto**") from August 2006 to January 2007; prior thereto, Mr. Gray was the President and Chief Executive Officer of Peyto from October 1998 to August 2006.	2,940,252(6)(7)
Brian Minnehan(2)(3)(8) Texas, United States	November 25, 2015	Mr. Minnehan was a director of Old Petrus from January 14, 2015 to February 2, 2016. He is a Managing Director of Natural Gas Partners, a private equity fund focused on investments in energy, which he joined in 2007. Prior thereto, Mr. Minnehan was a director at Prudential Capital Group from 2004 to 2007 where he was focused on investments in the energy industry. Mr. Minnehan began his career in Arthur Andersen LLP's Corporate Restructuring practice. He currently sits on the board of directors of Northern Blizzard Resources Inc. and several private oil and gas companies.	12,040,340(8)
Peter Verburg Alberta, Canada	November 25, 2015	Mr. Verburg was a director of Old Petrus from December 2010 to February 2, 2016 and has been a founding partner and President of EIQ Capital Corp., a private investment firm, since September 2013. Prior thereto, Managing Director of EIQ Capital Corp. since March 2008; and Vice President, Investment Banking of GMP Securities L.P. since February 2005. Mr. Verburg is also a director of Gear Energy Ltd.	947,825(6)(9)
Jeffrey Zlotky(8) Texas, United States	December 29, 2015	Mr. Zlotky is General Counsel of Natural Gas Partners, a private equity fund focused on investments in energy, since 2015. Prior thereto, Mr. Zlotky spent his entire professional career at the law firm of Thompson & Knight LLP, a Texas based law firm, where he worked in their Corporate and Securities Department and specialized in corporate transactions involving the oil and gas industry and private equity. He served in a variety of increasing management positions at the law firm, including as its global Managing Partner from 2009 to 2012.	12,040,340(8)

Name, Province and Country of Residence	Director Since	Principal Occupations and Experience	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Stephen White[(1)] Alberta, Canada	February 2, 2016	Mr. White was President and Chief Financial Officer of Fort Chicago Energy Management Ltd., the general partner of Fort Chicago Energy Partners L.P., from its inception in 1997 until January 1, 2003 when he assumed the role of President and Chief Executive Officer, the position he held until his retirement as President and Chief Executive Officer of Veresen Inc. effective November 20, 2012. Mr. White has over 25 years of experience in Canada and New Zealand in the finance, accounting and business development areas working in public accounting and with natural resource companies. Mr. White was previously a member of the New Zealand Society of Accountants. Mr. White serves on the board of directors of several private corporations and trusts.	94,936

Notes:

(1) Member of the Audit Committee of the Board (the "**Audit Committee**").
(2) Member of the Reserves Committee of the Board (the "**Reserves Committee**").
(3) Member of the Compensation and Nominating Committee of the Board (the "**Compensation and Nominating Committee**").
(4) Includes 11,375 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Adair.
(5) Includes 94,525 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Arnell and 70,000 Common Shares held by Mr. Arnell's spouse.
(6) EIQ Capital Corp. is controlled or directed, directly or indirectly by Messrs. Gray and Verburg. EIQ Capital Corp. holds an aggregate of 900,000 Common Shares;
(7) This total includes 900,000 Common Shares held by EIQ Capital Corp. Mr. Gray holds 2,040,252 Common Shares directly;
(8) Mr. Minnehan is a Managing Director of NGP and Mr. Zlotky is the General Counsel of NGP, and each are nominee directors of NGP pursuant to the Nomination Rights Agreement (Mr. Minnehan was initially appointed as a director nominee of NGP pursuant to the Shareholders' Agreement (defined below)). NGP controls or directs, directly or indirectly, 12,040,340 Common Shares, being 26.6% of the issued and outstanding Common Shares.
(9) This total includes 900,000 Common Shares held by EIQ Capital Corp. Mr. Verburg holds 7,125 Common Shares directly and an additional 40,700 Common Shares registered in the name of an entity that is controlled or directed, directly or indirectly by Mr. Verburg.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of our executive officers and directors, none of the proposed directors is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that; (a) while that person was acting in that capacity, was the subject of a cease trading order or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

In addition, other than as disclosed below, no proposed director of the Corporation is, or within the 10 years prior to the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any other issuer (including the Corporation) that: (a) was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or (b) was a director or executive officer of a corporation (including the Corporation) that while that person acing in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Stephen H. White was a director of Lignol Energy Corporation ("**Lignol**"), a biofuels technology company listed on the TSX Venture Exchange. On August 22, 2014, a secured creditor of Lignol appointed a receiver over the assets and undertaking of Lignol.

Further, no proposed director or any personal holding companies of a proposed director of the Corporation have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditors

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to engage the services of Ernst & Young LLP, Chartered Accountants of Calgary, Alberta to act as our auditors until the next annual general meeting of Shareholders and to authorize our directors to fix their remuneration as such. Unless otherwise directed, it is management's intention to vote proxies in favour of Ernst & Young LLP, Chartered Accountants of Calgary, Alberta to serve as our auditors until the next annual general meeting of Shareholders and to authorize our directors to fix their remuneration as such. Ernst & Young LLP has served as auditors of the Corporation since November 25, 2015 and has served as the auditors of Old Petrus since November 9, 2011.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, each duly completed and submitted form of proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

Petrus' compensation policies are founded on the principle that compensation should be aligned with Shareholders' interests, while also recognizing that Petrus' corporate performance is dependent upon the retention of highly trained, experienced and committed executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the Corporation's business. Petrus' compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences from time to time.

The main objectives of the Corporation's executive compensation program are to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of the Shareholders. In approaching these key objectives, the Board recognizes that compensation based on performance promotes the Corporation's continued growth in production, reserves, funds from operations and earnings on an absolute and per share basis.

Compensation Governance

The Compensation and Nominating Committee, composed entirely of independent directors, is responsible for developing the approach of the Corporation with respect to matters concerning human resources, compensation and corporate governance and, from time to time, reviewing and making recommendations to the Board in respect of such matters.

The Compensation and Nominating Committee focuses on ensuring that the Corporation's human resource strategies support the Corporation's objectives and developing and recommending to the Board governance standards applicable to the Corporation. The Compensation and Nominating Committee is responsible for overseeing the evaluation of the Board and annually assessing the effectiveness of the Board as a whole.

The Compensation Committee is also responsible for reviewing compensation levels of senior management, the corporate goals and objectives relevant to Chief Executive Officer compensation, assisting in the determination of Chief Executive Officer compensation and providing advice to the Board concerning the general oversight of compensation and governance matters. The Compensation Committee also assists the Board in identifying individuals qualified to become Board members and recommending director nominees.

The members of the Compensation and Nominating Committee, Messrs Arnell, Minnehan, Cormack and Gray, are each highly experienced executives, directors and/or businessmen who have dealt with numerous compensation issues in the course of their leadership roles and each member of the Compensation and Nominating Committee is independent. A brief summary of the relevant work experience of each such member is included below:

Mr. Patrick Arnell (Chair)

Mr. Arnell holds an MBA from the University of Saskatchewan and is a Director of Petrus Resources Ltd. Mr. Arnell was previously President and majority owner of Rayton Packaging Inc. from 1992 to 2005, overseeing its expansion from Alberta to extensive operations in Canada, the U.S., Mexico and Chile. Mr. Arnell was previously Chairman of Rangeland Industrial Service Ltd. ("**Rangeland**"), a successful manufacturer of automated service rigs and pipe handling equipment for the energy industry where he was responsible for the compensation policies for Rangeland's employees.

Mr. Brian Minnehan

Mr. Minnehan is a Managing Director of Natural Gas Partners, a private equity fund focused on investments in energy, since 2007 and currently sits on the board of directors of Northern Blizzard Resources Inc. and several private oil and gas companies. Mr. Minnehan oversees the compensation plans and policies for several of NGP's portfolio investment companies.

Mr. Donald Cormack

Mr. Donald Cormack was a Partner at PricewaterhouseCoopers. He served as the Calgary and Alberta Audit and Advisory Practice Leader at PwC and was a member of the National Assurance executive of PwC. He has extensive financial accounting and reporting experience with both private and public companies of all sizes covering regulatory compliance, risk management, acquisitions, corporate restructuring, internal controls and governance in Canada and the U.S. Mr. Cormack has reviewed and audited the compensation plans of a number of private and public companies over his career.

Mr. Don Gray

Mr. Gray was the Chief Executive Officer of Peyto Exploration & Development Corp. ("**Peyto**") from August 2006 to January 2007; prior thereto, Mr. Gray was the President and Chief Executive Officer of Peyto from October 1998 to August 2006. Mr. Gray oversaw the structuring and implementation of Peyto's compensation policies during his tenure at Peyto.

Compensation and Nominating Committee

The Corporation has not yet retained an external compensation advisor to assist the Compensation and Nominating Committee in reviewing the Corporation's executive compensation program. The Corporation may engage such a professional in the future.

Executive Compensation Principles

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of the Corporation and the Corporation's paid executives (and other executive officers who may become paid employees of the Corporation at a future date) are examined by the Board in conjunction with setting executive compensation packages. When determining compensation, including the assessment of the competiveness of the Corporation's compensation, management and the Compensation and Nominating Committee review the compensation practices of companies in Petrus' peer group. Each year the total compensation of the Named Executive Officers (as defined below) is reviewed by the Compensation and Nominating Committee and compared to the total compensation for executives holding similar positions with other oil and natural gas companies. Management and the Compensation and Nominating Committee review comparative industry data to ensure compensation effectiveness. Together with the market data, the individual performance and development of each Named Executive Officer is assessed by the Chief Executive Officer, and a recommendation is made to the Compensation and Nominating Committee for the appropriate salary and annual incentive for each individual. The Compensation and Nominating Committee then reviews these recommendations, in conjunction with its own review of the Corporation's performance, executive performance, and market data and a recommendation is made to the Board by the Compensation and Nominating Committee for the compensation package payable to each of the Named Executive Officers for the Board's approval. There are currently no specific performance objectives set by the Compensation and Nominating Committee in assessing the performance of the Named Executive Officers and there are no identifiable quantitative performance goals that are required to be met by a Named Executive Officer. In assessing the performance of the Corporation and its executive officers, the Board and Compensation and Nominating Committee consider the following factors: (a) absolute and per share production growth; (b) finding costs (for both current and longer periods); (c) overall oil and gas reserve changes (proved producing, total proved and probable reserves); (d) changes in funds from operations per share changes; and (e) the Corporation's performance for all of the above relative to its goals and objectives and in relation to the performance of its industry peer group.

Executive compensation consists of three principal components: (a) base salary; (b) short-term incentive compensation (bonuses); and (c) long-term incentive compensation (participation in the Option Plan and, historically, the issuance of Old Performance Warrants (as defined below) and Old Options(as defined below)). The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competiveness of Petrus' executive compensation package. Each element of Petrus' executive compensation program is described below.

The named executive officers (as defined in Form 51-102F6 as prescribed in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) of the Corporation are Kevin Adair (President and Chief Executive Officer), Cheree Stephenson (Vice President, Finance and Chief Financial Officer), Neil Korchinski (Vice President, Engineering and Chief Operating Officer), Marcus Schlegel (Manager Exploitation) and Robert Moncrieff (Field Production Foreman) (collectively referred to herein as the "**Named Executive Officers**" or the "**NEOs**").

Elements of the Corporation's Executive Compensation Program

Base Salaries

The Board recognizes that the size of the Corporation prohibits base salary compensation for executive officers from matching those of larger companies in the petroleum and natural gas industry. The Board does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's executive officers, and that long-term incentive compensation, in the form of stock options ("**Options**") issued pursuant to the Option Plan and, historically, Old Performance Warrants and Old Options grants compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

The base salary component of the Corporation's compensation program is intended to provide a fixed level of competitive pay that reflects the executive officer's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary to its executive officers and senior management that is competitive with those of comparable companies in the oil and natural gas industry. The Compensation and Nominating Committee compares the base salaries of its executive officers with that of officers at peer companies in the oil and natural gas industry and recommends to the Board that Petrus set its pay level in-line with the Corporation's peer group for such positions, while also considering the other components of its executive officer compensation package. Factors reviewed in assessing peer companies includes total revenue, total assets, funds from operations, total level of capital expenditures, number of employees and daily production levels on a per barrel of oil (boe) basis. Such peer companies include: RMP Energy Inc., Journey Energy Inc., Cardinal Energy Ltd., Tamarack Valley Energy Ltd. and Marquee Energy Inc.

Short-Term Incentive Compensation - Annual Cash Bonuses

The Corporation does not currently have a formal bonus plan but may award discretionary bonuses. The award of a bonus is recommended, in all cases (excluding the bonus paid to the Chief Executive Officer), by the Chief Executive Officer to the Compensation and Nominating Committee, with the Board having final approval. The Chief Executive Officer's bonus is established by the Board upon the recommendation of the Compensation and Nominating Committee. Bonus awards are considered by the Compensation and Nominating Committee and recommended to the Board who has the ultimate discretion to award the bonuses, based on corporate, departmental and individual performance. The discretionary bonus plan is structured to drive and reward current year results. As of the Record Date, no bonuses were paid to the Named Executive Officers in respect of the fiscal year ended December 31, 2015. The annual cash bonus element of the executive compensation program is designed to reward both corporate and individual performance during the most recently completed financial year. The amount of any bonus paid is the result of analysis and subjective determination of both the Corporation's and the individual's performance and is approved by the Board. Neither the Board nor the Compensation and Nominating Committee has established strict predetermined quantitative performance criteria linked to the payment of bonuses.

Long-Term Incentive Compensation

Options granted under the Option Plan and, historically, the issuance of Old Performance Warrants and Old Options, respectively to directors, officers, employees and consultants, are intended to align director, executive officer, employee, consultant and Shareholder interests by attempting to create a direct link between compensation and Shareholder return, particularly in the event of a liquidity event in the case of the Old Performance Warrants. The issuances of such incentive securities rewards overall corporate performance, as measured with reference to the price of the Common Shares. In addition, this enables executive officers to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted securities to an individual is taken into account when considering new grants.

Stock Option Plan

The Corporation has adopted an option plan (the "**Option Plan**"), pursuant to which Options may be granted to directors, executive officers, employees and certain service providers of the Corporation or its subsidiaries (each an "**Eligible Person**"). The purpose of the Option Plan is to align director, executive officer, employee, certain service provider and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. The Option Plan is administered by the Board (which may delegate its authority to the Compensation and Nominating Committee or other committee), which has authority to interpret the Option Plan, including in respect of any Options granted thereunder. In accordance with the policies of the TSX, unallocated options under rolling option plans must receive Shareholder approval three years from the date of listing on the TSX and subsequently every three years after that.

When making recommendations with respect to Options to be granted to each of the executive officers of Petrus, it is expected that the Board or Compensation and Nominating Committee, as applicable, will review the recommendations of management and information with respect to Options granted by companies in Petrus' peer group as well as previous grants of Options to the participants. Options are not transferable or assignable except in accordance with the Option Plan and the holding of Options shall not entitle the holder to any rights as a securityholder.

The Board will set the term of the Options granted under the Option Plan provided that such term does not exceed a maximum term of five years. Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. Where no determination as to vesting is made, the Options shall vest as to one third (1/3) of the number of Options granted on the first anniversary of the date of grant and as to one third (1/3) of the number of Options granted on the second and third anniversaries of the date of grant.

The exercise price of Options shall not be less than the "Current Market Price", where such term is defined to mean the volume weighted average trading price of the Common Shares on the TSX (or if the Common Shares are listed on more than one stock exchange, on such stock exchange as may be designated by the Compensation and Nominating Committee for such purpose) for the five trading days immediately preceding the date of the grant of Options and, for this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period; or, if the Common Shares are not listed on any exchange, a price determined by the Board or a committee thereof.

In addition to the typical exercise method of issuing Common Shares to the holder in exchange for the payment of the exercise price of the Option, the Option Plan also allows Options to be exchanged for the issuance of Common Shares equal to the number determined by dividing the Current Market Price into the difference between the Current Market Price and the exercise price of such Options.

The Option Plan limits insider participation such that in aggregate, no more than ten percent (10%) of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(i) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(a.1) of the *Securities Act* (Alberta) under the Option Plan, together with all of Petrus' other security based compensation (the "**Common Share Maximum**"). Further, the number of securities Petrus issues to insiders within any twelve (12) month period under all of Petrus' security based compensation arrangements cannot exceed 10 percent (10%) of the issued and outstanding Common Shares. The Option Plan also provides that no single service provider may be granted Options to purchase a number of Common Shares equaling more than five percent (5%) of the issued Common Shares in any 12 month period unless Petrus has obtained disinterested Shareholder approval in respect of such grant and meets TSX requirements.

The Board has discretion to make amendments to the Option Plan which it may deem necessary, without having to obtain Shareholder approval provided that no such amendment may, without the consent of optionees, alter or impair any Option previously granted to a service provider under the Option Plan and provided further that any amendment to the Option Plan is subject to prior approval of the TSX. The Board may by resolution amend the Option Plan and any Options granted under it without Shareholder approval, however, the Board will not be entitled, in the absence of Shareholder and TSX approval, to:

(a) make any amendment to the Option Plan to increase the Common Share Maximum;

(b) reduce the exercise price of any outstanding Options;

(c) cancel an Option and subsequently issue the holder of such Option a new Option or other entitlements in replacement thereof;

(d) extend the term of any outstanding Option beyond the original expiry date of such Option;

(e) make an amendment to increase or remove the maximum limit on the number of securities that may be issued to insiders;

(f) make an amendment to increase the value of Options issuable to directors who are not officers or employees of the Corporation or its subsidiaries under the Corporation's incentive plans;

(g) make any amendment to the Option Plan that would permit an optionee to transfer or assign Options to a new beneficial optionee other than in the case of death of the optionee; or

(h) make an amendment to the section of the Option Plan governing amendments.

Upon termination of a service provider for cause, the Options held by the service provider shall become null and void on the date on which notice is given to the optionee of such termination. Upon termination of a service provider for any other reason, other than death, the service provider may exercise the Options to the extent to which the service provider was entitled to exercise them at the date of termination, provided that the exercise occurs within 30 days following the termination of the service provider. In the case of death, permanent disability or retirement, the service provider is entitled to exercise those Options which such person was entitled to exercise on the date of the death, permanent disability or retirement for not more than 12 months following the date of the death, permanent disability or retirement and in the absence of a determination by the Board, not more than six months from the date of the same.

To date, the Corporation has not issued any Options under the Option Plan.

Old Long-Term Incentive Compensation

Prior to the completion of the Arrangement, Old Petrus had a stock option plan (as amended, the "**Old Option Plan**") pursuant to which Old Petrus had an aggregate of 5,815,000 options to purchase Old Petrus Shares ("**Old Options**") outstanding. Old Petrus also had an aggregate of 6,274,270 performance warrants ("**Old Performance Warrants**" and together with the Old Options, the "**Old Incentive Securities**") outstanding, pursuant to which holders were entitled to purchase Old Petrus Shares pursuant to the terms and conditions set out in the certificates underlying such Old Performance Warrants (the "**Old Performance Warrant Certificates**").

Following the completion of the Arrangement all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, as applicable; provided, however that the Old Incentive Securities now entitle the holders thereof to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share. The Corporation will not be granting any further Old Options under the Old Option Plan.

Old Option Plan

Each Old Option entitles the holder thereof to purchase 0.25 of a Common Share at the exercise price of the Old Option. The Old Options vest one third (1/3) on the anniversary of the grant date (each a "**Grant Anniversary**") until all Old Options have vested, and, in the event that the number of Old Options that have vested must be determined on a date other than a Grant Anniversary, then the number of Old Options vesting since the most recent Grant Anniversary shall be pro-rated by multiplying the number of Old Options that would have vested on the next Grant Anniversary by a fraction, the numerator of which shall be the number of days that have passed since the most recent Grant Anniversary and the denominator of which shall be 365 (rounded to the nearest whole number). All Old Options will expire on the fifth anniversary of the grant.

If a holder ceases to be an employee of, or consultant to, Petrus for any reason other than death, all Old Options held shall automatically terminate as of the date of such termination and any right to exercise such Old Options shall cease. If a holders employment by Petrus is terminated for constructive dismissal pursuant to the applicable provisions of an employment agreement between an optionee and Petrus (if and where such an agreement is in effect) or if Petrus terminates the optionee's employment without cause, then (i) all Old Options that have not vested as of the date of termination of employment shall automatically terminate as of such date and any right to exercise such Old Options shall be forfeited as of such date and the optionee will have 90 days from the date of termination of employment to elect to exercise any vested Old Options, after which time any unexercised vested Old Options shall automatically terminate and any right to exercise such Old Options shall be forfeited. In the event of an optionee's death or permanent disability, all Old Options that have not vested shall automatically terminate as of the date of death or permanent disability, and any right to exercise such Old Options shall be forfeited as of such date, and all Old Options that have vested in accordance shall remain outstanding and may be exercised by the person who acquires such Old Options by will or the laws of descent and distribution, or by optionee or the optionee's legal representative, as the case may be.

Old Performance Warrants

Each Old Performance Warrant entitles the holder thereof to purchase 0.25 of one Common Share at the exercise price of the Old Performance Warrant. The Old Performance Warrants issued vested one third (1/3) on the first anniversary of the date of grant, one third (1/3) on the date that is two years from the date of grant and one third (1/3) on the third anniversary of the date of grant. All Old Performance Warrants will expire on the fifth anniversary of the date of grant.

Notwithstanding that the Old Performance Warrants may have vested, the Old Performance Warrants may not be exercised by the holder until the following thresholds are reached: (i) one third (1/3) of the Old Performance Warrants shall be exercisable when the Common Shares are listed on an exchange and the weighted average trading price for 20 consecutive trading days is equal or greater to 1.6 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share (as defined below) is equal or greater than 1.6 times the exercise price; (ii) one third (1/3) of the Old Performance Warrants shall be exercisable when the Common Shares are listed on an exchange (including the TSX) and the weighted average trading price for 20 consecutive trading days is equal or greater to 2.0 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share (as defined below) is equal or greater than 2.0 times the exercise price; and (iii) one third (1/3) of the Old Performance Warrants will be exercisable when the Common Shares are listed on a stock exchange (including the TSX) and the weighted average trading price for 20 consecutive trading days is equal or greater to 2.5 times the exercise price of the Old Performance Warrant, or the Liquid Value per Common Share (as defined below) is equal or greater than 2.5 times the exercise price.

The "**Liquid Value per Common Share**" means (i) the cumulative cash amount distributed by Petrus per Common Share; (ii) the cash price paid per Common Share in an arm's length treasury offering of Common Shares for aggregate gross proceeds of a minimum of $5,000,000; (iii) the cash price paid per Common Share in an acquisition of all of the Common Shares; or (iv) the price per Common Share received in a transaction wherein all of the Common Shares are exchanged solely for securities of another issuer whereby the securities of the other issuer have a market price on a recognized exchange as such term is defined in the *Securities Act* (Alberta) provided that the price per Common Share will be calculated using 20 consecutive trading days of such other issuer's securities on such exchange adjusted in accordance with the exchange ratio on the date the agreement to effect such exchange is announced.

If permitted by the Board, the holder may elect for a cashless exercise of the holder's then vested and exercisable Old Performance Warrants (the "**Old Cashless Exercise**"). If the holder elects for a Old Cashless Exercise, the Old Performance Warrants will be surrendered in exchange for the issuance of Common Shares equal to the number determined by dividing the current market price (calculated per the terms of the Old Performance Warrant certificate as at the date of exercise) into the difference between the current market price and the exercise price of such Old Performance Warrants.

If a holder ceases to be a director, officer, employee of, or consultant to, Petrus for any reason other than death, the unvested Old Performance Warrants shall cease and be terminated on the date of cessation of office, employment or consulting arrangement as the case may be. Upon death of the holder of the Old Performance Warrants, the unvested Old Performance Warrants shall cease and terminate on the earlier of the expiry date of the Old Performance Warrants and 30 days following the date of death.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Compensation and Nominating Committee considers whether the compensation program provides executive officers of the Corporation with adequate incentives to achieve both short and long term objectives without motivating them to take inappropriate or excessive risk. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan; (b) the portion of executive compensation in the form of bonuses is not guaranteed and is variable year over year; and (c) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly by the executive officer or director.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing Shareholder value. The Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Summary Compensation Table

The following table sets forth for the years ended December 31, 2015, 2014 and 2013, as applicable, information concerning the compensation paid to Named Executive Officers.

Name and principal position	Year	Salary ($)	Share-based awards ($)(1)	Option-based awards ($)(2)	Non-equity incentive plan compensation ($)		Pension value ($)(4)	All other compensation (5)	Total compensation ($)
					Annual incentive plans(3)	Long-term incentive plans(3)			
Kevin Adair(6) President and Chief Executive Officer	2015	242,775(10)	N/A	Nil	Nil	N/A	N/A	Nil	242,775
	2014	213,200	N/A	Nil	Nil	N/A	N/A	Nil	213,200
	2013	193,800	N/A	Nil	227,130	N/A	N/A	Nil	420,930
Cheree Stephenson(7) Vice President, Finance and Chief Financial Officer	2015	204,750(10)	N/A	Nil	Nil	N/A	N/A	Nil	204,750
	2014	183,040	N/A	Nil	Nil	N/A	N/A	Nil	183,040
	2013	167,280	N/A	Nil	153,300	N/A	N/A	Nil	320,580
Neil Korchinski(8) Vice President, Engineering and Chief Operating	2015	213,525(10)	N/A	Nil	Nil	N/A	N/A	Nil	213,525
	2014	187,200	N/A	Nil	Nil	N/A	N/A	Nil	187,200

Officer	2013	171,360	N/A	Nil	176,400	N/A	N/A	Nil	347,760
Marcus Schlegel[9] Manager Exploitation	2015	165,800[10]	N/A	Nil	Nil	N/A	N/A	Nil	165,800
	2014	85,000	N/A	364,000[12]	18,000	N/A	N/A	Nil	467,000
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Moncrieff Field Production Foreman	2015	162,200[10]	N/A	Nil	Nil	N/A	N/A	Nil	162,200
	2014	159,100	N/A	Nil	30,000	N/A	N/A	Nil	189,100
	2013	150,000	N/A	Nil	55,000	N/A	N/A	Nil	205,000

Notes:

(1) The Corporation does not have share-based awards.

(2) Based on the grant date fair value of the applicable awards. No Option or Old Options were granted to NEOs for the years ended December 31, 2015 or 2013. The fair value of the Old Options granted to each NEO for the year ended December 31, 2014 estimated on the date of the grant using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 50 percent, risk-free interest rate of 1.20 percent, and an expected life of 5.0 years, resulting in a value per Old Option of $4.48. The Old Options issued vest equally over a three-year period commencing one year from the date of grant. No Old Performance Warrants were granted to NEOs for the years ended December 31, 2015, 2014 or 2013.

(3) Non-equity annual incentive plans relate to cash payments made under the Corporation's bonus plan with respect to the applicable year, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.

(4) The Corporation does not have a pension plan or similar benefit program.

(5) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

(6) Mr. Adair was appointed President and Chief Executive Officer of Petrus on November 25, 2015. Mr. Adair was appointed President of Old Petrus on August 8, 2011 and President and Chief Executive Officer of Old Petrus on April 3, 2012.

(7) Ms. Stephenson was appointed Vice President, Finance and Chief Financial Officer of Petrus on November 25, 2015. Ms. Stephenson was appointed Controller of Old Petrus on August 8, 2011 and Vice President, Finance and Chief Financial Officer of Old Petrus effective January 1, 2012.

(8) Mr. Korchinski was appointed Vice President, Engineering and Chief Operating Officer of the Corporation on November 25, 2015. Mr. Korchinski was appointed Vice President, Engineering of Old Petrus on August 8, 2011 and Vice President, Engineering and Chief Operating Officer of Old Petrus effective April 25, 2014.

(9) Mr. Schlegel commenced employment with Old Petrus on July 9, 2014.

(10) Effective October 1, 2015, the compensation of all employees and contractors was reduced by ten percent (10%) on a non-permanent basis in light of current economic circumstances. The current adjusted annual salaries are as follows: Mr. Adair - $224,100; Ms. Stephenson - $189,000; Mr. Korchinski - $197,100; Mr. Schlegel - $153,000; and Mr. Moncrieff - $149,800.

(11) **All compensation listed in the above table is in respect of compensation paid or granted to each of the Named Executive Officers for their positions at Old Petrus by Old Petrus. No amounts were paid nor were any Options granted to the Named Executive Officers in the year ended 2015 as Named Executive Officers of Petrus.**

(12) Following the completion of the Arrangement all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, as applicable; provided, however that the Old Incentive Securities now entitle the holders to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share.

Mr. Adair does not receive compensation for acting as a director. Pursuant to the Arrangement the exercise ratio of the Old Incentive Securities was adjusted to be 0.25 of one Common Share (see "*Old Long Term Incentive Compensation*").

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each Named Executive Officer, all option based awards and all share based awards outstanding at the end of the year ended December 31, 2015.

		Option-based Awards(2)				Share-based Awards(4)		
Name	**Year of grant**	**Number of Common Shares underlying unexercised options(1) (#)**	**Option exercise price(3) ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Kevin Adair	2012	22,500 (90,000 Old Performance Warrants)	9.00	November 14, 2017	Nil	Nil	Nil	Nil
	2012	237,500 (950,000 Old Options)	7.00	June 29, 2017	95,000			
	2011	285,000 (1,140,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**545,000**	-	-	**95,000**			
Cheree Stephenson	2012	19,250 (77,000 Old Performance Warrants)	9.00	November 14, 2017	Nil	Nil	Nil	Nil
	2012	12,500 (50,000 Old Performance Warrants)	8.00	November 5, 2017	Nil			
	2012	100,000 (400,000 Old Options)	7.00	June 29, 2017	40,000			
	2011	129,750 (519,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**261,500**	-	-	**40,000**			
Neil Korchinski	2012	19,250 (77,000 Old Performance Warrants)	9.00	November 14, 2017	Nil	Nil	Nil	Nil
	2012	2,500 (10,000 Old Performance Warrants)	8.00	November 5, 2017	Nil			
	2012	175,000 (700,000 Old Options)	7.00	June 29, 2017	70,000			

		Option-based Awards(2)				Share-based Awards(4)		
Name	**Year of grant**	**Number of Common Shares underlying unexercised options(1) (#)**	**Option exercise price(3) ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
	2011	247,500 (990,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**444,250**	-	-	**70,000**			
Marcus Schlegel	2014	81,250 (325,000 Old Options)	13.00	July 9, 2019	Nil	Nil	Nil	Nil
	Total	**81,250**	-	-	**Nil**			
Robert Moncrieff	2012	2,500 (10,000 Old Performance Warrants)	8.00	November 5, 2017	Nil	Nil	Nil	Nil
	2012	15,000 (60,000 Old Options)	7.00	July 10, 2017	6,000			
	2012	10,401 (41,603 Old Performance Warrants)	8.00	July 10, 2017	Nil			
	Total	**27,901**	-	-	**6,000**			

Notes:

(1) Following the completion of the Arrangement all of the issued and outstanding Old Incentive Securities remained outstanding pursuant to the Old Option Plan and Old Performance Warrant Certificates, respectively; provided, however that the Old Incentive Securities now entitle the holders to purchase Common Shares and the number of Common Shares issuable pursuant to the Old Incentive Securities and the exercise prices and related prices and values set out in the agreements for the Old Options and the Old Performance Warrant Certificates, respectively and as the case may be, have been adjusted to reflect the exchange of Old Petrus Shares into Common Shares, pursuant to the Arrangement, on the basis of 0.25 of one Common Share for each Old Petrus Share.

(2) The value of these Old Performance Warrants is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2015 pursuant to arm's length transactions, and the exercise price of the Old Performance Warrants (see Note 3 below), multiplied by the number of Old Performance Warrants outstanding. The value of these Old Options is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2015 pursuant to arm's length transactions, and the exercise price of the Old Options (see Note 3 below), multiplied by the number of Old Options outstanding.

(3) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant, as the case may be, multiplied by four (4) to reflect the number of each respective Old Incentive Security required to be exercised to obtain one (1) Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(4) The Corporation does not have any share-based awards.

(5) **All amount listed in the above table are in respect of grants to each of the Named Executive Officers pursuant to their prior positions at Old Petrus by Old Petrus. No option based awards were granted by the Corporation in the year ended December 31, 2015.**

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value of the option-based awards and share-based awards which vested during the year ended December 31, 2015 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015.

Name	**Option-based awards – Value vested during the year[(1)]** **($)**	**Share-based awards – Value vested during the year[(2)]** **($)**	**Non-equity incentive plan compensation – Value earned during the year[(3)]** **($)**
Kevin Adair	31,667	Nil	Nil
Cheree Stephenson	13,333	Nil	Nil
Neil Korchinski	23,333	Nil	Nil
Marcus Schlegel	Nil	Nil	Nil
Robert Moncrieff	2,000	Nil	Nil

Notes:

(1) The value of these Old Options is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2015 pursuant to arm's length transactions, and the exercise price of the Old Options (see Note 4 below), multiplied by the number of Old Options vested.

(2) The Corporation does not have any share-based awards.

(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.

(4) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant multiplied by four (4) to reflect the number of each respective Old Incentive Security required to be exercised to obtain one Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(5) **All amount listed in the above table are in respect of grants to each of the Named Executive Officers pursuant to their prior positions at Old Petrus by Old Petrus. No option-based awards were granted by Petrus in the year ended December 31, 2015.**

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Employment Contracts, Termination and Change of Control Benefits

The Corporation has entered into executive employment agreements (collectively, the "**Employment Agreements**") with the President and Chief Executive Officer, Vice President Finance and Chief Financial Officer, and Vice President, Engineering. The following is a brief summary of the Employment Agreements.

The Employment Agreements provide for employment with the Corporation as President and Chief Executive Officer, Vice President Finance and Chief Financial Officer, and Vice President, Engineering, respectively, for an indefinite term. Pursuant to the Employment Agreements, Mr. Adair, Ms. Stephenson and Mr. Korchinski will be paid total compensation comprised of an annual base salary, participation in any employee benefits plan, vacation and cash bonuses and equity-based incentives at the discretion of the Board. The Board reviews each executive officer's performance annually and may adjust the annual salary based on the performance review.

The Employment Agreements provide that an executive officer may resign from his or her position by giving at least 30 days advance notice of the same to the Corporation. The Corporation may terminate the employment of an executive officer for just cause with no notice at any time without any payment to an executive officer with the exception of pro-rata annual base salary, unpaid bonus, accrued vacation and reimbursable expenses.

The Corporation shall be entitled to immediately terminate the Employment Agreements and each executive officer's employment with the Corporation at any time and for any reason other than cause by providing written notice of the termination date to the Executive, and the Corporation shall, subject to the executive officer performing his or her obligations under the Employment Agreement, pay the following:

(a) the pro rata annual base salary earned, but not yet paid up to and including the Termination Date;

(b) all vacation pay accrued and owing and expenses incurred and owing as of the Termination Date;

(c) any declared but unpaid cash bonus; and

(d) a retiring allowance equal to the total of (i) one times the executive officer's annual base salary as at the Termination Date, (ii) an amount equal to fifteen percent (15%) of one times the Executive's annual base salary as at the Termination Date to compensate the Executive for the loss of employment benefits and perquisites, (iii) an amount equal to one times the average of the cash equivalent of any bonuses paid to the Executive in the two years prior to the Termination Date, or if the executive officer has been employed for a lesser period, one times any the cash equivalent of any bonuses paid to the executive officer prior to the Termination Date;

in each case, less any applicable withholdings.

The following table sets forth the estimated incremental payments (rounded to the nearest thousand dollars) that would be made to each of the NEOs assuming that a change of control of the Corporation occurred as of December 31, 2015.

Name and principal position	Severance multiple	Salary(1)	Benefits and Perquisites(2)	Non-equity Incentive Plan Compensation(1)	Total Incremental Payment(3)
Kevin Adair President and Chief Executive Officer	1	$249,000	$37,350	Nil	$286,350
Cheree Stephenson Vice President, Finance and Chief Financial Officer	1	$210,000	$31,500	Nil	$241,500
Neil Korchinski Vice President, Engineering and Chief Operating Officer	1	$219,000	$32,850	Nil	$251,850

Notes:

(1) Calculated in accordance with the Employment Agreements, a retiring allowance equal to the total of (i) one times the executive officer's annual base salary as at the Termination Date, (ii) an amount equal to fifteen percent (15%) of one times the executive officer's annual base salary as at the Termination Date to compensate the executive officer for the loss of employment benefits and perquisites, (iii) an amount equal to one (1) times the average of the cash equivalent of any bonuses paid to the executive officer in the two years prior to the Termination Date, or if the executive officer has been employed for a lesser period, one times the cash equivalent of any bonuses paid to the executive officer prior to the Termination Date.

(2) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers are not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

(3) Each of the NEOs is also party to a non-competition agreement ("**Non-Competition Agreement**") that provides that in the event that the executive officer is terminated from his or her employment for reasons other than for cause or the executive officer resigns from his or her employment under certain circumstances, then the Corporation shall have the option to enforce a non-competition period on the executive officer for 12 months after the Termination Date in a certain defined area in exchange for one times executive officer's annual salary in effect on the Termination Date, payable monthly in arrears. This table does not include such payment.

Director Compensation

Directors may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management directors also participate in the Option Plan. Non-management directors, other than the

Chairman, are paid annual fees of $24,000 and the Chairman of the Board is paid an annual fee of $45,000. The chair of the Audit Committee is paid an additional annual fee of $7,000 while the chairs of the other committees are each paid an additional annual fee of $4,000.

Name	**Year**	**Fees Earned**	**Share-based awards ($)(1)**	**Option based awards ($)(2)**	**Non-equity incentive plan compensation ($)(3)**	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
Patrick Arnell	2015	$26,600	N/A	Nil	Nil	N/A	Nil	$26,600
Donald Cormack	2015	$29,450	N/A	Nil	Nil	N/A	Nil	$29,450
Don Gray	2015	$46,550	N/A	Nil	Nil	N/A	Nil	$46,550
Joe Looke(4)	2015	Nil	N/A	Nil	Nil	N/A	Nil	Nil
Mr. Minnehan(4)	2015	$22,800	N/A	Nil	Nil	N/A	Nil	$22,800
Peter Verburg(5)	2015	$22,800	N/A	Nil	Nil	N/A	$131,941	$154,741
Jeffrey Zlotky(4)	2015	Nil	N/A	Nil	Nil	N/A	Nil	Nil
Stephen White(6)	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) The Corporation does not have any share-based awards.

(2) Based on the grant date fair value of the applicable awards. No Old Options were granted for the year ended December 31, 2015.

(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity incentive plans for its directors.

(4) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the shareholders' agreement dated June 29, 2012 among the Corporation, NGP, certain members of management and the Board and certain other shareholders (the "**Shareholders' Agreement**"), are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current nominee of NGP, became a director as of such date. Mr. Zlotky was appointed to the Board December 29, 2015 and he is a nominee of NGP pursuant to the Nomination Rights Agreement.

(5) Mr. Verburg is also the corporate secretary of the Corporation and an entity that is controlled or directed by Mr. Verburg provides consulting services to the Corporation, primarily in the areas of finance and business development. During the year ended December 31, 2015, that entity received consulting fees in the amount of $131,941.

(6) **The amounts listed above reflect the compensation received by each individual in their capacity as a director of Old Petrus in the year ended December 31, 2015. Mr. White was appointed to the Board following the completion of the Arrangement on February 2, 2016. Petrus paid no amounts to its directors for the year ended December 31, 2015.**

(7) Effective October 1, 2015, the compensation of all directors, employees and contractors was reduced by ten percent (10%) on a non-permanent basis in light of current economic circumstances.

Directors' Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each of Petrus' directors all option-based awards outstanding at the end of the year ended December 31, 2015.

		Option-based Awards[1]				Share-based Awards[3]		
Name	**Year of Grant**	**Number of Common Shares underlying unexercised options (#)**	**Option exercise price[2] ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Patrick Arnell	2012	12,500 (50,000 Old Performance Warrants)	9.00	November 14, 2017	Nil			
	2012	31,250 (125,000 Old Options)	7.00	June 29, 2017	12,500			
	2011	23,250 (93,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**67,000**	-	-	**12,500**			
Donald Cormack	2014	25,000 (Old Options)	16.00	October 9, 2019	Nil	Nil	Nil	Nil
Don Gray	2012	12,500 (50,000 Old Performance Warrants)	9.00	November 14, 2017	Nil	Nil	Nil	Nil
	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	22,500			
	2011	250,500 (1,002,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**319,250**	-	-	**22,500**			
Joe Looke[4]	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	22,500	Nil	Nil	Nil
Brian Minnehan[4]	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	22,500	Nil	Nil	Nil
Peter Verburg	2012	18,250 (73,000 Old Performance Warrants)	9.00	November 14, 2017	Nil	Nil	Nil	Nil
	2012	56,250 (225,000 Old Options)	7.00	June 29, 2017	22,500			
	2011	104,250 (417,000 Old Performance Warrants)	8.00	December 18, 2016	Nil			
	Total	**178,750**	-	-	**22,500**			

Name	Year of Grant	Option-based Awards[1] Number of Common Shares underlying unexercised options (#)	Option exercise price[2] ($)	Option expiration date	Value of unexercised in-the-money options ($)	Share-based Awards[3] Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Jeffrey Zlotky[4]	N/A	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen White[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) The value of these Old Performance Warrants is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market of the Common Shares as at December 31, 2015 pursuant to the arm's length transactions, and the exercise price of the Old Performance Warrants (see Note 2 below), multiplied by the number of Old Performance Warrants outstanding. The value of these Old Options is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2015 pursuant to arm's length transactions, and the exercise price of the Old Options (see Note 2 below), multiplied by the number of Old Options outstanding.

(2) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant multiplied by four to reflect the number of each respective Old Inventive Security required to be exercised to obtain one Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(3) The Corporation does not have any share-based awards.

(4) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the Shareholders' Agreement, are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current nominee of NGP, became a director as of such date. Mr. Zlotky was appointed to the Board December 29, 2015 and he is a nominee of NGP pursuant to the Nomination Rights Agreement.

(5) The amounts listed above reflect the compensation received by each individual in their capacity as a director of Old Petrus in the year ended December 31, 2015. Mr. White was appointed to the Board following the completion of the Arrangement on February 2, 2016. Petrus did not issue any option based awards during the year ended December 31, 2015.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our directors, the value of option-based awards and share-based awards which vested during the year ended December 31, 2015 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year[2] ($)	Non-equity incentive plan compensation – Value earned during the year[3] ($)
Patrick Arnell	4,167	Nil	Nil
Donald Cormack	Nil	Nil	Nil
Don Gray	7,500	Nil	Nil
Joe Looke[5]	Nil	Nil	Nil
Brian Minnehan[5]	7,500	Nil	Nil
Peter Verburg	7,500	Nil	Nil
Jeffrey Zlotky[5]	Nil	Nil	Nil

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year[(2)] ($)	Non-equity incentive plan compensation – Value earned during the year[(3)] ($)
Stephen White[(6)]	N/A	N/A	N/A

Notes:

(1) The value of these Old Options is calculated based on the difference between the price of $7.40 per Common Share, being management's estimate of the fair market value of the Common Shares as at December 31, 2015 pursuant to arm's length transactions, and the exercise price of the Old Options (see Note 4 below), multiplied by the number of Old Options vested.

(2) The Corporation does not have any share-based awards.

(3) Non-equity incentive plan compensation relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity incentive plans for its directors.

(4) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant multiplied by four to reflect the number of each respective Old Inventive Security required to be exercised to obtain one Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(5) The option-based awards allocated to Mr. Looke, the former representative of NGP pursuant to the Shareholders' Agreement, are held by NGP. Mr. Looke resigned from the Board on January 14, 2015 and Mr. Minnehan, the current representative of NGP, became a director as of such date. Mr. Zlotky was appointed to the Board December 29, 2015 and he is a nominee of NGP pursuant to the Nomination Rights Agreement.

(6) The amounts listed above reflect the compensation received by each individual in their capacity as a director of Old Petrus in the year ended December 31, 2015. Mr. White was appointed to the Board following the completion of the Arrangement on February 2, 2016. Petrus did not issue any option based awards during the year ended December 31, 2015.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of the directors, executive officers, employees or former executive officers, directors or employees of the Corporation or our subsidiaries, is or has been at any time since the beginning of our most recently completed financial year, indebted to us or any of our subsidiaries nor is any indebtedness still outstanding, nor, at any time since the beginning of our most recently completed financial year, has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of our subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

Set out below is a description of our current corporate governance practices.

Board of Directors

Our Board currently consists of eight directors, six of whom are independent. A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

The following directors are independent: Brian Minnehan, Donald Cormack, Don Gray, Patrick Arnell, Jeffrey Zlotky and Stephen White.

Kevin Adair is not an independent director as he is the President and Chief Executive Officer of the Corporation. Peter Verburg is not an independent director as he is the corporate secretary of the Corporation and provides consulting services to management from time to time.

For additional information about our directors, please see "*Matters to be Acted Upon at the Meeting*".

The Board facilitates its exercise of independent supervision over management by endeavoring for at least 50% of the directors to qualify as independent directors pursuant to NI 58-101 and by establishing committees, which are comprised of all independent members. In order to ensure that the Board acts independently, the chair of the Board as well as all committees of the Board are independent. Independent directors hold in camera sessions at most Board meetings at which non-independent directors and members of management are not in attendance.

Position Descriptions

The Board has developed written position descriptions for our CEO, the Chairman of the Board as well as each chair of the committees of the Board.

Directorships

The following directors are also directors of other reporting issuers (or the equivalent):

Name	**Other Reporting Issuers**
Brian Minnehan	Northern Blizzard Resources Inc.
Patrick Arnell	N/A
Don Gray	Gear Energy Ltd. Peyto Exploration & Development Corp.
Kevin Adair	N/A
Peter Verburg	Gear Energy Ltd.
Jeffrey Zlotky	N/A
Donald Cormack	Walton Westphalia Development Corporation Walton Edgemont Development Corporation Walton Ontario Land L.P. 1 Walton Big Lake Development L.P.
Stephen White	N/A

Board and Committee Meetings and Meeting Attendance

The Board maintains three standing committees: the Audit Committee, the Reserves Committee and the Compensation and Nominating Committee. The members of the Audit Committee are Messrs. Arnell, Cormack and White. The members of the Reserves Committee are Messrs. Arnell, Gray and Minnehan. The members of the Compensation and Nominating Committee are Messrs. Arnell, Cormack, Gray and Minnehan. The following is a summary of attendance of the directors at meetings of our board and its committees for 2015.

Director	Board	Audit	Reserves	Compensation
Brian Minnehan	7/7	4/4	1/1	1/1
Patrick Arnell	7/7	4/4	1/1	1/1
Don Gray	7/7	4/4	1/1	1/1
Kevin Adair	7/7	4/4	1/1	N/A
Peter Verburg	7/7	4/4	1/1	N/A
Jeffrey Zlotky(1)	1/1	1/1	1/1	N/A
Donald Cormack	7/7	4/4	1/1	1/1
Stephen White(2)	N/A	N/A	N/A	N/A

Note:

(1) Jeffrey Zlotky was appointed director on December 29, 2015.

(2) Stephen White was appointed director on February 2, 2016.

Board Mandate

The text of the mandate of the Board is attached hereto as Schedule "A".

Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation provides such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that the procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the Code) applicable to our directors, officers and employees. A copy of the Code is available for review on SEDAR at (www.sedar.com). All employees and consultants are provided with a copy of the Code on commencement of service and are required to confirm in writing that they have read and understand the Code and acknowledge his or her agreement to abide by the Code. Annual reminders that compliance with the Code is required are provided.

There have been no material change reports filed since the beginning of our most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, our board has also adopted a "Whistleblower Policy" wherein our employees are provided with the mechanics by which they may raise concerns in a confidential, anonymous process.

Nomination of Directors

The Compensation and Nominating Committee is comprised of Messrs. Arnell, Cormack, Gray and Minnehan, all of whom are independent directors. New candidates will be identified having regard to: (i) the competence and skills that the Compensation and Nominating Committee considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Compensation and Nominating Committee considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Compensation and Nominating Committee has been formed to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, analyzes the needs of the Board and recommends nominees who meet such needs.

Audit Committee

The Audit Committee is comprised of Messrs. Cormack, Arnell and White, all of whom are independent and financially literate within the meaning of such terms under NI 52-110. The specific responsibilities of the Audit Committee are set out in the Audit Committee Mandate, a copy of which is attached as Schedule "A" to the AIF. The Audit Committee's primary role is to: (i) assist the Board to meet its responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters; (ii) provide better communication between directors and external auditors; (iii) assist the Board's oversight of the auditor's qualifications and independence; (iv) assist the Board's oversight of the credibility, integrity and objectivity of financial reports; (v) strengthen the role of the outside directors by facilitating discussions between directors on the Audit Committee, management and external auditors; (vi) assist the Board's oversight of the Corporation's compliance with legal and regulatory requirements; and (vii) review the risks that may affect the Corporation and the risk management policies and procedures of the Corporation.

Petrus believes that each of the members of the Audit Committee possesses substantially all of the following: (i) an understanding of the accounting principles used by Petrus to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Petrus' financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, see "*Election of Directors*" in this Information Circular.

Compensation and Nominating Committee

The Compensation and Nominating Committee**,** comprised entirely of independent directors, is involved in the implementation and oversight of the human resources and compensation policies recommended by such committee, specifically those concerning executive compensation, employment agreements, stock option plans and performance warrants and those concerning proposed changes involving officers reporting to the President and Chief Executive Officer. For further information, see "*Statement of Executive Compensation - Compensation Governance*" in this Information Circular.

Other Board Committees

The Corporation has one committee of the Board in addition to the Audit Committee and the Compensation and Nominating Committee namely, the Reserves Committee.

The function of the Reserves Committee is to review the results of independent engineering appraisals of the Corporation's oil and natural gas reserves. The Reserve Committee's responsibilities include ensuring that the Corporation's reserves are assessed in a reasonable and consistent manner to provide a satisfactory level of confidence for all stakeholders and the public and ensuring that the disclosure relating to the same is accurate and timely.

Assessments

The Compensation and Nominating Committee performs annual assessments of the Board as a whole, the committees of the Board and the contributions of individual directors, including considerations of the appropriate size of the Board. The Compensation and Nominating Committee performs these assessments on an annual basis in order to evaluate the effectiveness of the Board and its committees and directors thereof.

Director Term Limits

In light of Petrus' stage of development and the recent appointment of all members of the Board, the Board has not adopted term limits for its directors or any other formal mechanism of Board renewal at this time. The Board does however have formal means of reviewing the contributions of its directors to the effectiveness of the Board through annual director and committee evaluations, annual review of the skills and needs of the Board. Through these and other measures, the Board believes it can effectively monitor and evaluate its effectiveness and diversity while balancing the value of experience and continuity of its incumbent directors.

Representation of Women on the Board and in Executive Officer Roles

Petrus currently has no female directors (0% of the independent directors) and one female executive officer (~33% of the executive officers).

The Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. Petrus is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of Petrus and its stakeholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board, diversity will also be considered by the Compensation and Nominating Committee, the Board will not compromise the principles of a meritocracy.

The Board does not specifically consider the level of female representation in executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of Petrus' executive officers as a whole. Petrus focuses on the identification, assessment and development of internal candidates to build leadership capability and strengthen overall succession and believes it is poised to ensure it has strong internal female candidates to drive both short and long-term performance. Petrus' philosophy of development and promotion from within will strengthen its values and culture, aid in retention of talent and provide a diversity of options for succession.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect to securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2015.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options[4] (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders - Option Plan[1]	Nil	Nil	1,258,240
Equity compensation plans not approved by securityholders - Old Stock Option Plan[2] - Old Performance Warrants[3]	Old Options: 1,453,750 Old Performance Warrants: 1,568,568	Old Options: $9.28 Old Performance Warrants: $8.07	Old Options: Nil[5] Old Performance Warrants: Nil[5]
Total	Old Options: 1,453,750 Old Performance Warrants: 1,568,568	Old Options: $9.28 Old Performance Warrants: $8.07	Options: 1,258,240 Old Options: Nil[5] Old Performance Warrants: Nil[5]

Notes:

(1) On December 19, 2015 the Corporation adopted, and the Shareholders approved, the Option Plan. Under the Option Plan the total number of Options that may be issued at any one time is equal to 10% of the total issued and outstanding Common Shares (calculated on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance to insiders under any other security based compensation arrangement of the Corporation (including 5,815,000 Old Options and 6,274,270 Old Performance Warrants).

(2) As at December 31, 2015, the Corporation had authorized the issuance of 10,847,958 Old Options of which 5,815,000 Old Options were issued and outstanding.

(3) As at December 31, 2015, the Corporation had authorized the issuance of 6,422,603 Old Performance Warrants of which 6,274,270 Old Performance Warrants were issued and outstanding.

(4) The Option exercise price was calculated as the exercise price per Old Option or Old Performance Warrant multiplied by four to reflect the number of each respective Old Inventive Security required to be exercised to obtain one Common Share, based on the post-Arrangement entitlement of the Old Incentive Securities to 0.25 of one Common Share per Old Incentive Security exercised.

(5) **The Corporation will make no further grants under the Old Option Plan or of Old Performance Warrants.**

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except for the Nomination Rights Agreement and the agreements forth under "*Agreements with NGP*" in the AIF, there were no material interests, direct or indirect, of directors and officers of Petrus, any shareholder who beneficially owns more than 10% of the Common Shares, or any known associate or affiliate of such persons in any transaction completed within three years before the date of this Annual Information Form, or in any proposed transaction which has materially affected or would materially affect Petrus. Brian Minnehan and Jeffrey Zlotky are current directors of Petrus and are principals of NGP. Joe Looke and Roy Aneed were principals of NGP during the time they each served as directors of Old Petrus.

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed below.

BOARD APPROVAL

The Board has approved the contents, and sending, of this Information Circular to the Shareholders.

ADDITIONAL INFORMATION

Additional information relating to Petrus is available on SEDAR at www.sedar.com. Financial information concerning Petrus is provided in our financial statements for the year ended December 31, 2015 and the accompanying management's discussion and analysis, which can be accessed under our profile on the SEDAR website at www.sedar.com.

We will mail our annual financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by: (i) contacting our transfer agent, Computershare Trust Company of Canada at Suite 600, 530 – 8th Avenue SW, Calgary, Alberta, T2P 3S8 or by fax at (403) 267-6529 or online at www.computershare.com/mailinglist; or (ii) contacting Petrus at Petrus Resources Ltd., 2400, 240 - 4 Avenue SW, Calgary Alberta T2P 4H4 or by fax at (403) 984-2717.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

SCHEDULE "A"

MANDATE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The primary function of the audit committee (the "**Audit Committee**") of the board of directors (the "**Board of Directors**" or "**Board**") of Petrus Resources Ltd. ("**Petrus**" or the "**Corporation**") is to assist in fulfilling the Board's responsibilities by reviewing: (a) the financial reports and other financial information provided by Petrus to any governmental body or the public; (a) Petrus' systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and (c) Petrus' auditing, accounting and financial reporting processes generally. Consistent with this function, the Audit Committee should endeavour to encourage continuous improvement of, and should endeavour to foster adherence to, the Corporation's policies, procedures and practices at all levels. In performing its duties, the external auditor of the Corporation is to report directly to the Audit Committee.

II. OBJECTIVES

The Audit Committee's primary objectives are:

1. to assist the Board to meet its responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;

2. to facilitate better communication between directors and external auditors;

3. to assist the Board's oversight of the auditor's qualifications and independence;

4. to assist the Board's oversight of the credibility, integrity and objectivity of financial reports;

5. to strengthen the role of the outside directors by facilitating discussions between directors on the Audit Committee, management and external auditors;

6. to assist the Board's oversight of the Corporation's compliance with legal and regulatory requirements; and

7. to review the risks that may affect Petrus and the risk management policies and procedures of the Corporation.

III. COMPOSITION

The Audit Committee shall be comprised of three or more directors as determined by the Board of Directors, none of whom are members of management of Petrus, except as otherwise permitted in National Instrument 52-110 ("**NI 52-110**"), all of whom are "independent" and "financially literate" (as such terms are defined in NI 52-110). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant. In addition, at least one member of the Audit Committee must have accounting or related financial management expertise, as the Corporation's Board of Directors interprets such qualification in its business judgment.

The members of the Audit Committee shall be appointed by the Board of Directors by resolution and remain as members of the Audit Committee until their successors are duly appointed. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

IV. MEETINGS

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet at least annually with management, internal auditors (if any) and the independent auditors to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee or at least its Chair should meet with the independent auditors and management quarterly to review the Corporation's financial statements and MD&A consistent with Section V.4 below. The Audit Committee should also meet with management and independent auditors on an annual basis to review and discuss annual financial statements and the management's discussion and analysis of financial conditions and results of operations. Attached as Schedule "A" is an example of an annual meeting schedule/agenda.

A quorum for meetings of the Audit Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Audit Committee shall be the same as those governing the Board.

V. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall endeavour to:

Documents/Reports Review

1. Review and, if deemed appropriate, update this Mandate, at least annually, as conditions dictate.

2. Review and recommend to the Board the organization's annual and interim financial statements, MD&A, earnings press releases and review any reports or other financial information submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the independent auditors.

3. Review the reports to management prepared by the independent auditors and management's responses.

4. Review with financial management and the independent auditors the quarterly financial statements prior to their filing or prior to the release of earnings.

5. Review significant findings during the year, including the status of previous significant audit recommendations.

6. Periodically assess the adequacy of procedures for the review of corporate disclosure that is derived or extracted from the financial statements.

7. Periodically discuss guidelines and policies to govern the processes by which the Chief Executive Officer and senior management assess and manage the Corporation's exposure to risk.

8. Report to the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, performance and independence of the Corporation's auditors, or performance of the internal audit function.

9. Reviewing any inquiry or investigation by governmental or professional authorities respecting any independent audits carried out on the Corporation and any steps to deal with any such issues.

Independent Auditors

10. Recommend to the Board the external auditors to be nominated for appointment by the shareholders.

11. Approve the compensation of the external auditors.

12. On an annual basis, the Audit Committee should review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditors' independence.

13. Review and, as appropriate, resolve any material disagreements between management and the independent auditors and review, consider and make a recommendation to the Board regarding any proposed discharge of the auditors when circumstances warrant.

14. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.

15. Periodically consult with the independent auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.

16. Periodically (not less than once annually) assess the Corporation's internal controls, including the Corporation's risk management policies and processes.

17. Review the audit scope and plan of the independent auditor.

18. Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Petrus.

19. Pre-approve the completion of any non-audit services by the external auditors and, with the assistance of the auditors, determine which non-audit services the external auditor is prohibited from providing. The Audit Committee may delegate to one or more members of the Audit Committee authority to pre-approve non-audit services in satisfaction of this requirement and if such delegation occurs, the pre-approval of non-audit services by the Audit Committee member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee shall be entitled to adopt specific policies and procedures for the engagement of non-audit services if:

    (a) the pre-approval policies and procedures are detailed as to the particular service;

    (b) the Audit Committee is informed of each non-audit service; and

    (c) the procedures do not include delegation of the Audit Committee's responsibilities to management.

The Audit Committee will satisfy the pre-approval requirement set forth in this paragraph if:

    (d) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by Petrus and its subsidiary entities to the auditors during the fiscal year in which the services are provided;

    (e) Petrus or a subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

    (f) the services are promptly brought to the attention of the Audit Committee and approved, prior to completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.

Financial Reporting

20. In consultation with the independent auditors, annually review the organization's financial reporting processes and the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

21. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors or management.

Process Improvement

22. Request reporting to the Audit Committee by each of management and the independent auditors of any significant judgments made in the management's preparation of the financial statements and the view of each group as to appropriateness of such judgments.

23. Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

24. Review any significant disagreements among management and the independent auditors in connection with the preparation of the financial statements.

25. Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review may be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.)

26. Conduct and authorize investigations into any matters brought to the Audit Committee's attention and within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain and to approve compensation for any independent counsel and other professionals to assist in the conduct of any investigation.

27. Assist with the establishment of a procedure for:

    (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

    (b) the confidential, anonymous submission by employees of Petrus of concerns regarding questionable accounting matters, auditing matters and matters set forth in Petrus' Code of Business Conduct and Ethics.

    which procedure shall be set forth in a "Whistle Blower Policy" to be adopted by the Board in connection with such matters.

Ethical and Legal Compliance

28. Assist with the establishment of a Code of Business Conduct and Ethics and ensure that management has established a system to enforce same.

29. Review management's monitoring of the Corporation's compliance with the Code of Business Conduct and Ethics.

30. In consultation with the auditors, consider the review system established by management regarding the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public in the context of the applicable legal requirements.

31. On at least an annual basis, review with the Corporation's auditors or counsel, as appropriate, any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or government agencies.

Risk Management Process and Policy Review

32. Review the systems that identify and manage principal business risks.

33. Review risk management policies and procedures of Petrus including but not limited to litigation, insurance, hedging, credit risk and significant contracts.

34. Review counterparty credit risk.

Other

35. Perform any other activities consistent with this Mandate, Petrus' by-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

36. In connection with the performance of its responsibilities as set forth above, the Audit Committee shall have the authority to engage outside advisors and to pay outside auditors and advisors.

Standards of Liability

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of its Committees. The purposes and responsibilities outlined in this mandate and accompanying Board materials are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

SCHEDULE "A"

Audit Committee Meeting Agenda for Year

As noted previously, it is important to review the completeness of the Audit Committee charter as well as the agenda established for each meeting. The following is an example of topics that could be covered in Audit Committee meetings. This example assumes a December year-end with four audit committee meetings scheduled in connection with quarterly earnings releases.

	Scheduled Meetings			
	May	**August**	**November**	**March**
I. Audit Committee Purpose				
Conduct special investigations	*	*	*	*
II. Audit Committee Composition and Meetings				
Assess independence and financial literacy of Audit Committee				X
Audit Committee Chair to establish meeting agenda	X	X	X	X
Enhance financial literacy - update on current financial events	X	X	X	X
Executive sessions with auditors, management, committee	X	X	X	X
III. Audit Committee Responsibilities and Duties				

1. Review mandate, publish relevant information in proxy				X
2. Review quarterly and annual financial statements and management's discussion & analysis - discuss with management, auditors	X	X	X	X
3. Review other public disclosures including Information Circular, Annual Information Form				X
4. Consider internal controls and financial risks				X
5. Review quarterly and annual financial and operating results and findings	X	X	X	X
6. Review financial reporting issues	X	X	X	X
7. Review treasury status and debt compliance	X	X	X	X
8. Review tax status and tax issues	*	*	*	X
9. Review insurance coverage and claims or potential claims	*	*	X	*
10. Review legal issues, claims or potential claims	*	*	*	X
11. Review risk management policies including hedging, derivative contracts, counterparty credit risk	*	*	*	X
12. Review abandonment and reclamation liability exposure	*	*	*	X
13. Review credit risk including joint venture partner share of operations, capital and future abandonment costs	*	*	*	X
14. Recommend appointment of auditors				X
15. Approve audit fees			X	X
16. Discuss auditor independence				X
17. Review auditor plan			X	X
18. Discuss year-end results			X	X
19. Discuss quality of accounting principles	*	*	*	X
20. Review legal matters with counsel and auditors	*	*	*	X
21. Perform other activities as appropriate	*	*	*	*
22. Maintain minutes and report to Board of Directors	X	X	X	X

23. Review Code of Conduct and Whistleblower Policy	*	*	*	X
24. Perform self-assessment of Audit Committee performances				X
25. Review sufficiency and adequacy of financial accounting staff				X
26. Review CEO and senior executive expenses and related party transactions				X

X = Recommended Timing *** = As Needed**