

THIRD QUARTER REPORT

For the three and nine months ended September 30, 2024

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

Q3 2024 HIGHLIGHTS:

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

OUTLOOK⁽³⁾

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

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

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

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

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

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

OPERATIONS UPDATE

Third quarter average production by area was as follows:

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

Third quarter average production was 9,215 boe/d in 2024 compared to 9,471 boe/d in the second quarter of 2024. The 3% decrease in production from the prior quarter was mainly due to a planned maintenance shutdown at a third-party processing facility, which led to production curtailment in September. With the maintenance now complete, Petrus returned to normal operations in October. Certain non-operated wells were also shut-in due to low gas prices during the quarter, with production expected to resume once gas prices improve. Note that the increased oil production in the third quarter was attributable to new wells brought on production in July, reinforcing Petrus' increased focus on oil-weighted development.

CAPITAL EXPENDITURES

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

The following table shows capital expenditures for the reporting periods indicated. All capital is presented before decommissioning obligations.

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



MANAGEMENT'S DISCUSSION & ANALYSIS

The following is Management's Discussion and Analysis ("MD&A") of the financial and operating results of Petrus Resources Ltd. ("Petrus" or the "Company") as at and for the three and nine months ended September 30, 2024. This MD&A is dated November 6, 2024 and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the Company's interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023. The Company's consolidated financial statements are prepared in compliance with Canadian generally accepted accounting principles ("GAAP") which require publicly accountable enterprises to prepare their financial statements using International Financial Reporting Standards ("IFRS Accounting Standards"). Readers are directed to the "Advisories" section at the end of this MD&A regarding forward-looking statements and boe presentation and to the section "Non-GAAP and Other Financial Measures" herein.

The principal undertaking of Petrus is the investment in energy assets. The operations of the Company consist of the acquisition, development, exploration and exploitation of these assets. The Company's head office is located at 2400, 240 - 4th Avenue SW, Calgary, Alberta, Canada. Additional information on Petrus, including the most recently filed Annual Information Form ("AIF"), are available under the Company's profile on SEDAR+ (the System for Electronic Document Analysis and Retrieval) at www.sedarplus.ca.

SELECTED FINANCIAL INFORMATION

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

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

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



RESULTS OF OPERATIONS

FINANCIAL AND OPERATIONAL RESULTS OF OIL AND NATURAL GAS ACTIVITIES

	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Three months ended Jun. 30, 2024	Three months ended Mar. 31, 2024	Three months ended Dec. 31, 2023
Average production					
Natural gas (mcf/d)	37,368	42,045	38,908	40,174	39,891
Oil and condensate (bbl/d)	1,522	1,316	1,322	1,529	1,218
NGLs (bbl/d)	1,465	1,556	1,664	1,557	1,607
Total (boe/d)	9,215	9,880	9,471	9,783	9,474
Total (boe)	847,760	908,985	861,838	890,267	871,567
Revenue (\$000s)					
Natural gas	2,734	10,882	4,984	9,290	10,114
Oil and condensate	12,714	12,031	12,483	12,579	11,049
NGLs	4,958	5,308	5,639	6,107	5,508
Royalty revenue	40	52	44	63	76
Oil and natural gas sales	20,446	28,273	23,150	28,039	26,747
Average realized prices					
Natural gas (\$/mcf)	0.80	2.81	1.41	2.54	2.76
Oil and condensate (\$/bbl)	90.80	99.33	103.77	90.38	98.63
NGLs (\$/bbl)	36.81	37.09	37.25	43.09	37.26
Total realized price (\$/boe)	24.07	31.05	26.81	31.42	30.60
Realized gain (loss) on financial derivatives	2.49	1.21	(0.36)	2.90	1.99
Total price including hedging (\$/boe)	26.56	32.26	26.45	34.32	32.59

	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Three months ended Jun. 30, 2024	Three months ended Mar. 31, 2024	Three months ended Dec. 31, 2023
Average benchmark prices					
Natural gas					
AECO 5A (C\$/GJ)	0.65	2.46	1.12	2.36	2.18
AECO 7A (C\$/GJ)	0.77	2.26	1.36	1.94	2.52
Crude oil					
Mixed Sweet Blend Edm (C\$/bbl)	98.48	107.47	105.97	94.79	96.60
WTI (US\$/bbl)	75.09	82.26	80.57	76.96	78.39
Foreign exchange					
US\$/C\$	0.73	0.74	0.73	0.74	0.73

FUNDS FLOW AND NET INCOME (LOSS)

Petrus generated funds flow of \$10.7 million in the third quarter of 2024 compared to \$16.2 million in the third quarter of 2023. The 34% decrease is due to the decline in natural gas prices combined with lower production volumes. In the third quarter of 2024, Petrus realized a hedging gain of \$2.1 million, compared to a realized hedging gain of \$1.1 million in the third quarter of the prior year comparative period. In the third quarter Petrus' total realized price (before realized hedging and risk management) was \$24.07/boe compared to \$31.05/boe in the third quarter of 2023.

Petrus reported net income of \$5.3 million in the third quarter of 2024, compared to a loss of \$11.3 million in the third quarter of 2023. The increase in net income in the third quarter of 2024 is primarily due to a \$9.9 million gain on financial instruments while there was a \$14.8 million loss on financial instrument during the third quarter of 2023. Offsetting the large increase in financial instrument valuation was a decline in oil and natural gas sales.

(\$000s except per share)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Funds flow	10,665	16,243	37,567	61,497
Funds flow per share - basic	0.09	0.13	0.30	0.50
Funds flow per share - fully diluted	0.08	0.13	0.30	0.48
Net income (loss)	5,302	(11,293)	2,758	11,023
Net income (loss) per share - basic	0.04	(0.09)	0.02	0.09
Net income (loss) per share - fully diluted	0.04	(0.09)	0.02	0.09
Common shares outstanding (000s)				
Basic	124,372	123,867	124,372	123,867
Fully diluted	134,952	134,436	134,952	134,436
Weighted average shares outstanding (000s)				
Basic	124,372	123,743	124,318	123,740
Fully diluted	126,686	123,743	124,871	127,208

OIL AND NATURAL GAS SALES

Third quarter average production in 2024 was 9,215 boe/d (17% light oil), 7% lower than the third quarter of 2023 (9,880 boe/d; 13% light oil). Third quarter oil and natural gas sales in 2024 was \$20.4 million compared to \$28.3 million in 2023. The 28% decrease is due to lower natural gas prices combined with lower production volumes resulting in a 75% decline in natural gas revenue from the third quarter of 2023. The lower production volumes were primarily due to a third party processing facility closure resulting in some production curtailment in September and the shut-in of uneconomic wells due to low gas prices.

The following table provides a breakdown of composition of the Company's production volume by product:

Production Volume by Product	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Natural gas (mcf/d)	37,368	42,045	38,811	43,752
Crude oil and condensate (bbl/d)	1,522	1,316	1,458	1,723
Natural gas liquids (bbl/d)	1,465	1,556	1,560	1,565
Total production	9,215	9,880	9,487	10,581

The following table presents oil and natural gas sales by product and the change from the prior comparative periods:

Oil and Natural Gas Sales (\$000s)	Three months ended			Nine months ended		
	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Natural gas	2,734	10,882	(75)%	17,008	36,858	(54)%
Crude oil and condensate	12,714	12,031	6 %	37,776	44,627	(15)%
Natural gas liquids	4,958	5,308	(7)%	16,704	17,095	(2)%
Royalty income	40	52	(23)%	147	278	(47)%
Total oil and natural gas sales	20,446	28,273	(28)%	71,635	98,858	(28)%



The following table provides the average benchmark commodity prices and the Company's average realized commodity prices (before hedging and risk management gains/losses):

	Three months ended			Nine months ended		
	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Average benchmark prices						
Natural gas						
AECO 5A (C\$/GJ)	0.65	2.46	(74)%	1.38	2.61	(47)%
AECO 7A (C\$/GJ)	0.77	2.26	(66)%	1.36	2.87	(53)%
Crude oil						
Mixed Sweet Blend Edm (C\$/bbl)	98.48	107.47	(8)%	99.75	100.80	(1)%
WTI (US\$/bbl)	75.09	82.26	(9)%	77.54	77.39	— %
Average realized prices						
Natural gas (\$/mcf)	0.80	2.81	(72)%	1.60	3.09	(48)%
Oil and condensate (\$/bbl)	90.80	99.33	(9)%	94.56	94.89	— %
NGLs (\$/bbl)	36.81	37.09	(1)%	39.05	40.02	(2)%
Total average realized price	24.07	31.05	(22)%	27.50	34.13	(19)%

Natural gas

Natural gas sales for the three months ended September 30, 2024 decreased by 75% to \$2.7 million, compared to sales of \$10.9 million in the prior year comparative period. This decrease is primarily due to lower natural gas prices. Natural gas accounted for 13% of total oil and gas sales for the quarter, lower than the 39% in the third quarter of 2023. Third quarter 2024 average realized natural gas price was \$0.80/mcf, compared to \$2.81/mcf in the third quarter of 2023, a 72% decrease. The decrease in realized price is due to the significant decline in natural gas prices (AECO 5A down 74% and AECO 7A down 66% in the third quarter of 2024) from the prior year comparative period. Natural gas production of 37,368 mcf/d was down 11% from the prior year comparative period production of 42,045 mcf/d.

Crude oil and condensate

Oil and condensate sales for the three months ended September 30, 2024 increased 6% to \$12.7 million, compared to \$12.0 million in the prior year comparative period; this increase is due to higher production partially offset by lower realized prices. Oil and condensate accounted for 62% of total oil and gas sales for the quarter. The average realized price of light oil and condensate was \$90.80/bbl for the third quarter of 2024 compared to \$99.33/bbl in the third quarter of 2023, a decrease of 9%. Oil and condensate production of 1,522 bbl/d was higher by 16% over the prior year comparative period production of 1,316 bbl/d. The increased oil and condensate production is due to the new wells commencing production in July as part of Petrus focus on drilling oil rich wells.

Natural gas liquids (NGLs)

NGL sales (excluding condensate) for the three months ended September 30, 2024 decreased 7% to \$5.0 million, compared to \$5.3 million in the prior year comparative period. The decrease is due to lower production volumes. NGLs accounted for 24% of total oil and natural gas sales for the quarter, up from 19% in the third quarter of 2023. In the third quarter of 2024, the Company's realized blended NGL price averaged \$36.81/bbl, compared to \$37.09/bbl in the prior year comparative period. NGL production was lower by 6% in the third quarter of 2024 to 1,465 bbl/d, compared to 1,556 bbl/d in the prior year comparative period.

The Company's NGL production mix (excluding condensate) consists of ethane, propane, butane and pentane. The pricing received for NGL production is based on annual contracts effective the first of April each year. The contract prices are based on the product mix, the fractionation process required and the demand for fractionation facilities.

ROYALTY EXPENSE

Royalties are paid to the Government of Alberta and to gross overriding royalty owners. The following table shows the Company's royalty expense (net of royalty allowances and incentives) for the periods shown:

Royalty Expense (\$000s)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Crown	1,620	1,507	5,112	7,625
Percent of production revenue	8 %	5 %	7 %	8 %
Gross overriding	973	1,555	4,247	5,463
Total	2,593	3,062	9,359	13,088



Third quarter royalty expense (net of royalty allowances and incentives) decreased from \$3.1 million in 2023 to \$2.6 million in 2024. On a nine month basis, total royalty expense (net of royalty allowances and incentives) decreased from \$13.1 million in 2023 to \$9.4 million in 2024. Third quarter of 2023 crown royalties was lower due to adjustments related to higher than anticipated 2022 gas cost allowance and lower than estimated royalty expense in the previous quarter. Total royalties have decreased for each comparative period mainly as a result of lower natural gas pricing which affect royalty rates.

Gross overriding royalties decreased from \$1.6 million in the third quarter of 2023 to \$1.0 million in the third quarter of 2024 also due to lower natural gas pricing. For the nine months ended September 30, 2024, gross overriding royalties decreased from \$5.5 million in 2023 to \$4.2 million in 2024.

RISK MANAGEMENT

The Company utilizes financial derivative contracts and physical commodity contracts to mitigate commodity price risk and provide stability and sustainability to the Company's economic returns, funds flow, dividend payments and capital development plan. Petrus' risk management program is governed by guidelines approved by its Board of Directors.

The impact of the contracts that were settled during the reporting periods are actual cash settlements and are recorded as realized hedging gains (losses) for financial derivatives and premium (loss) on risk management activities for physical commodity contracts. The unrealized gain (loss) is recorded to demonstrate the change in fair value of the outstanding financial derivative contracts during the financial reporting period for financial statement purposes. Petrus does not follow hedge accounting for any of its risk management contracts in place. Petrus considers all of its risk management contracts to be effective economic hedges of its underlying business transactions.

The table below shows the realized and unrealized gain or loss on financial derivative contracts for the periods shown:

Net Gain (Loss) on Financial Derivatives (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Realized hedging gain	2,115	1,102	4,391	6,314
Unrealized hedging gain (loss)	7,735	(15,864)	(1,000)	(10,295)
Net gain (loss) on financial derivatives	9,850	(14,762)	3,391	(3,981)

For the third quarter of 2024, the Company recognized a realized hedging gain of \$2.1 million in comparison to a realized hedging gain of \$1.1 million in the third quarter of 2023. The realized gain is due to the decrease in both oil and natural gas prices relative to the respective contracts outstanding. The realized gain on gas hedge contracts was \$2.8 million, offset by a realized loss on oil hedge contracts of \$0.7 million. The realized hedging gain in the third quarter of 2024 increased the Company's corporate netback by \$2.49/boe.

For the nine months ended September 30, 2024, the Company recognized a realized hedging gain of \$4.4 million in comparison to a gain of \$6.3 million in the comparable period in 2023.

During the third quarter of 2024, the Company recorded an unrealized gain of \$7.7 million compared to an unrealized loss of \$15.9 million in the third quarter of 2023. Between June 30, 2024, and September 30, 2024, commodity prices declined, leading to an unrealized gain in the fair value of the outstanding financial derivative contracts in Q3 2024. In the comparative period of Q3 2023, commodity prices increased, resulting in an unrealized loss on the outstanding financial derivative contracts for financial statement purposes.

During the nine months ended September 30, 2024, the Company recorded a net gain on financial derivatives of \$3.4 million compared to a net loss on financial derivatives of \$4.0 million in the comparative period of 2023, due to changes in commodity prices.

During the three and nine months ended September 30, 2024, the Company did not realize any gain or loss on physical hedge commodity contracts as there were no contracts in place during these periods and none outstanding as at September 30, 2024. The three and nine months ended September 30, 2023 was - \$nil million gain and \$1.5 million gain, respectively.

The Company's risk management contracts provide protection from significant changes in crude oil and natural gas commodity prices for 2024, 2025 and 2026. The Company endeavors to hedge approximately half of its forecasted production for up to 12 months forward, and approximately 10% to 25% of its forecasted production for 12 to 24 months forward. The Company's hedging strategy is intended to provide stability and sustainability to the Company's economic returns, funds flow, and dividend payments and capital development plans. A summary of Petrus' risk management contracts as at September 30, 2024 is included in note 8 of the Company's interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2024.



The table below summarizes Petrus' quarterly average crude oil and natural gas hedged volumes and average cap and floor prices through financial derivative contracts that are outstanding as at the date of this MD&A:

	2024		2025					2026				
	Q4	Avg. ⁽¹⁾	Q1	Q2	Q3	Q4	Avg. ⁽¹⁾	Q1	Q2	Q3	Q4	Avg. ⁽¹⁾
Oil hedged (bbl/d)	1,700	1,700	1,500	1,000	900	800	1,050	400	200	—	—	150
Avg. WTI price (\$C/bbl)	97.01	97.01	93.07	93.29	93.47	93.24	93.24	91.56	92.08	—	—	91.73
Natural gas hedged (GJ/d)	19,000	19,000	21,000	13,000	13,000	11,000	14,500	10,000	10,000	5,000	1,667	6,667
Avg. AECO 7A cap price (\$C/GJ)	3.06	3.06	3.19	2.98	2.98	3.41	3.14	3.62	2.51	2.51	2.51	2.79
Avg. AECO 7A floor price (\$C/GJ)	3.02	3.02	3.14	2.88	2.88	3.32	3.06	3.54	2.51	2.51	2.51	2.77

⁽¹⁾The volumes and prices reported are the weighted average volumes and prices for the period.

OPERATING EXPENSE

The following table shows the Company's operating expense for the reporting periods shown:

Operating Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Fixed and variable operating expense	4,138	5,256	12,967	16,569
Processing, gathering and compression charges	1,371	1,196	3,520	3,611
Total gross operating expense	5,509	6,452	16,487	20,180
Overhead recoveries	(337)	(366)	(1,026)	(1,094)
Total net operating expense	5,172	6,086	15,461	19,086
Operating expense, net (\$/boe)	6.10	6.70	5.95	6.61

For the three months ended September 30, 2024, net operating expense totaled \$5.2 million, a 15% decrease from \$6.1 million during the prior year comparative period. The decrease in total net operating expense is primarily due to reduced power costs, lower production volumes and an increase in processing and transportation fees received from third parties which offset operating expenses. On a per boe basis, net operating expense was 9% lower at \$6.10/boe in the third quarter of 2024 compared to \$6.70/boe in the third quarter of 2023.

For the nine months ended September 30, 2024, net operating expense totaled \$15.5 million, a 19% decrease from the prior year comparative period. The decrease in total net operating expense is due to 7% lower production volumes, reduced power costs and offsets to operating expense from an increase in processing and transportation fees received from third parties. On a per boe basis, net operating expense was 10% lower at \$5.95/boe in the nine months ended September 30, 2024 compared to \$6.61/boe in the 2023 comparative period.

TRANSPORTATION EXPENSE

The following table shows transportation expense paid in the reporting periods:

Transportation Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Transportation expense	1,239	1,401	4,113	4,844
Transportation expense (\$/boe)	1.46	1.54	1.58	1.68

Petrus pays commodity and demand charges for transporting its gas on pipeline systems. The Company also incurs trucking costs on the portion of its oil and natural gas liquids production that is not pipeline connected. For the three months ended September 30, 2024, transportation expense was \$1.2 million or \$1.46/boe compared to \$1.4 million or \$1.54/boe in the prior year comparative period.

For the nine months ended September 30, 2024, transportation expense was \$4.1 million or \$1.58/boe compared to \$4.8 million or \$1.68/boe in the prior year comparative period. The decrease in total transportation expense is due to lower production volumes. On a per boe basis, transportation expense is lower due to a higher percentage of liquids produced, which have lower transportation costs, the utilization of a higher percentage of contracted firm service, and lower fuel gas charges.



GENERAL AND ADMINISTRATIVE EXPENSE

The following table illustrates the Company's general and administrative ("G&A") expense which is shown net of capitalized costs directly related to exploration and development activities:

General and Administrative Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Personnel, consultants and directors	899	847	2,679	2,652
Administrative expenses	572	511	1,529	1,477
Regulatory and professional expenses	116	135	596	879
Gross general and administrative expense	1,587	1,493	4,804	5,008
Capitalized general and administrative expense	(256)	(240)	(735)	(745)
Overhead recoveries	(122)	(95)	(530)	(399)
General and administrative expense	1,209	1,158	3,539	3,864
General and administrative expense (\$/boe)	1.43	1.27	1.36	1.34

For the three months ended September 30, 2024, gross G&A expense (before capitalization and overhead recoveries) was \$1.6 million compared to \$1.5 million in the prior year comparative period. Third quarter G&A expense (net) in 2024 was \$1.2 million unchanged from \$1.2 million in the prior year comparative period.

For the nine months ended September 30, 2024, gross G&A expense (before capitalization and overhead recoveries) was \$4.8 million compared to \$5.0 million in the prior year comparative period. Net G&A expense on a nine month basis was \$3.5 million or \$1.36/boe, a decrease from the \$3.9 million or \$1.34/boe in the first nine months of 2023. In addition, regulatory and professional expenses were lower during the three and nine months ended September 30, 2024 as the Company incurred less legal and stock exchange fees.

SHARE-BASED COMPENSATION EXPENSE

The following table illustrates the Company's share-based compensation expense which is shown net of capitalized costs directly related to exploration and development activities:

Share-Based Compensation Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Gross share-based compensation expense	556	702	2,277	2,080
Capitalized share-based compensation expense	(167)	(211)	(631)	(624)
Share-based compensation expense	389	491	1,646	1,456

For the three months ended September 30, 2024, net share-based compensation expense was \$0.4 million compared to \$0.5 million in the prior year comparative period. For the nine months ended September 30, 2024, net share based compensation expense was \$1.6 million, compared to \$1.5 million in 2023.

FINANCE EXPENSE

The following table illustrates the Company's finance expense which includes cash and non-cash expenses:

Finance Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest expense	1,493	1,015	4,427	3,089
Finance fees	164	132	460	467
Foreign exchange	—	—	1	—
Deferred financing costs	106	60	274	309
Accretion on decommissioning obligations	297	299	877	956
Total finance expense	2,060	1,506	6,039	4,821

Third quarter total finance expense was \$2.1 million in 2024, comprised of \$0.3 million of non-cash accretion of its decommissioning obligations, \$1.5 million of cash interest expense, \$0.2 million of finance fees, and \$0.1 million of deferred financing fee amortization (related to the Company's revolving loan facility). In the third quarter of 2023, the Company incurred total finance expense of \$1.5 million, comprised of \$0.3 million in non-cash accretion of its decommissioning obligation, \$1.0 million cash interest expense, \$0.1 million of finance



fees, and \$0.1 million of deferred financing fee amortization. For the nine months ended September 30, 2024, total finance expense was \$6.0 million compared to \$4.8 million in the prior year comparative period. The increase in total finance expense from the prior year comparative periods is due to higher loan balances from the capital activity and lower funds flow.

DEPLETION AND DEPRECIATION

The following table compares depletion and depreciation expense recorded in the reporting periods shown:

Depletion and Depreciation Expense (\$000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Depletion and depreciation expense	10,247	11,134	31,123	36,331
Depletion and depreciation expense (\$/boe)	12.09	12.55	11.97	12.58

Depletion and depreciation expense is calculated on a unit-of-production (boe) basis. This fluctuates period to period primarily as a result of changes in the underlying proved plus probable reserve base and in the amount of costs subject to depletion and depreciation, including future development cost. Such costs are segregated and depleted on an area by area basis relative to the respective underlying relevant reserve base.

For the three months ended September 30, 2024, the Company recorded depletion and depreciation of \$10.2 million or \$12.09/boe, compared to \$11.1 million or \$12.55/boe in the prior year comparative period. For the nine months ended September 30, 2024, the Company recorded depletion and depreciation of \$31.1 million or \$11.97/boe, compared to \$36.3 million or \$12.58/boe in the prior year comparative period. The decrease in depletion and depreciation expense is attributed to lower production volumes.

SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares. The Company has not issued any preferred shares. The following table details the number of issued and outstanding securities for the periods shown:

Share Capital (000s)	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Weighted average common shares outstanding				
Basic	124,372	123,743	124,354	123,740
Fully diluted	126,686	123,743	124,871	127,208
Common shares outstanding				
Basic	124,372	123,867	124,372	123,867
Fully diluted	134,952	134,436	134,952	134,436
Stock options outstanding	8,806	8,951	8,806	8,951
Deferred share units outstanding	1,775	1,619	1,775	1,619

At September 30, 2024 and as of the date of this MD&A, the Company had 124,371,925 common shares, 8,805,692 stock options, and 1,774,654 DSUs outstanding.

Dividends

During the three and nine months ended September 30, 2024, the Company paid monthly dividends of \$0.01 per common share totaling \$3.7 million and \$11.2 million, respectively.

Normal Course Issuer Bid ("NCIB")

On June 25, 2024, the Company announced the approval of its renewed NCIB by the Toronto Stock Exchange ("the TSX"). The 2024 NCIB allows the Company to purchase up to 6,218,596 common shares over a period of twelve months (expiring no later than June 27, 2025).

Purchases are made on the open market through the TSX or alternative Canadian trading platforms at the market price of such common shares. All common shares purchased under the NCIB are cancelled. The total cost paid, including commissions and fees, is first charged to share capital to the extent of the average carrying value of the Company's common shares and the excess paid is recorded to retained earnings and any shortfall is recorded to contributed surplus.



During the three months ended September 30, 2024, no shares were repurchased for cancellation. During the nine months ended September 30, 2024, the Company repurchased 396,100 shares for cancellation at an average price of \$1.30 per share totaling \$0.51 million.

Deferred share units

The Company has a deferred share unit plan in place whereby it may issue deferred share units ("DSUs") to directors of the Company. At September 30, 2024 and the date of this MD&A, 1,774,654 DSUs were issued and outstanding (December 31, 2023 – 1,658,837). Each DSU entitles the participants to receive, at the Company's discretion, either common shares or a cash equivalent to the number of DSUs multiplied by the current trading price of the equivalent number of common shares. All DSUs vest and become payable upon retirement of the director. The DSUs are included as equity as the Company does not intend to settle the DSUs for cash.

On each date that a dividend payment is made, holders of DSUs are credited with additional DSUs; the number of additional DSUs is calculated by dividing the dividends that would have been paid to such holder if the DSUs held at the record date of the cash dividend had been common shares, by the fair market value of the common shares on the date on which the dividends are paid on the common shares.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2024, Petrus had two debt instruments outstanding; a reserve-based, secured operating revolving loan facility with an Alberta-based financial institution (the "Revolving Loan Facility" or "RLF") and a second lien secured term facility (the "Second Lien Facility").

Revolving Loan Facility

At September 30, 2024, the RLF was comprised of a \$60.0 million operating facility payable on demand by the lender and has an interest rate of Canada Prime plus 2.5%. The amount of the RLF is subject to a borrowing base review performed on a semi-annual basis by the lender, based primarily on reserves and commodity prices estimated by the lenders as well as other factors. The next semi-annual review is due on November 30, 2024.

At September 30, 2024, the Company had a \$0.7 million letter of credit outstanding against the RLF (December 31, 2023 – \$0.7 million) and had drawn \$35.1 million against the RLF (December 31, 2023 – \$24.2 million).

Second Lien Facility

At September 30, 2024 the Company had \$25.0 million outstanding on the \$25 million Second Lien Facility. The Second Lien Facility is a three-year term facility (maturity date May 31, 2027) with a fixed interest rate of 11% per annum and can be repaid at the discretion of the Company. The Second Lien Facility is a related party transaction with a major shareholder who owns approximately 21% of the outstanding shares of the Company. The total interest paid during the three months ended September 30, 2024 to the major shareholder, related to the Second Lien facility, was \$0.7 million.

Financial Covenants

The Company's RLF is subject to certain financial covenants. The key financial covenant as at September 30, 2024 is summarized in the following table. At September 30, 2024 the Company is in compliance with all financial covenants.

Financial Covenant Description	Required Ratio	As at September 30, 2024
Working Capital Ratio	Over 1.0	2.80

Liquidity

The following are the contractual maturities of financial liabilities as at September 30, 2024:

\$000s	Total	< 1 year	1-5 years
Accounts payable and accrued liabilities	12,738	12,738	—
Long term debt	32,333	2,750	29,583
Bank indebtedness	153	153	—
Revolving Loan Facility	38,241	38,241	—
Lease obligations (discounted)	1,256	230	1,026
Total	84,721	54,112	30,609



At September 30, 2024, the Company had a working capital deficiency (excluding non-cash risk management assets and liabilities) of \$35.9 million, primarily due to the \$35.1 million drawn on the RLF, which is classified as a current liability. The RLF has a credit limit of \$60 million and is payable upon demand, with the borrowings classified as current liabilities as of September 30, 2024. Excluding the RLF, the working capital deficit would have been \$0.8 million. The Company expects the working capital deficiency to diminish over the next 12 months as the RLF is paid down by the cash flow from operations.

The commitments for which the Company is responsible are as follows:

\$000s	Total	< 1 year	1-5 years	> 5 years
Firm service transportation	7,287	2,799	4,488	—

Risk Management

Petrus is engaged in the acquisition, development, exploration and exploitation of oil and natural gas in western Canada. The Company is exposed to a number of risks, both financial and operational, through the pursuit of its strategic objectives. Actively managing these risks improves the ability to effectively execute Petrus' business strategy. Financial risks associated with the oil and natural gas industry include fluctuations in commodity prices, interest rates, inflation rates, currency exchange rates and the cost of goods and services. Financial risks also include third party credit risk and liquidity risk. Operational risks include reservoir performance uncertainties, competition, regulatory, environment and safety concerns.

For a more in-depth discussion of risk management, see notes 8 and 13 of the Company's September 30, 2024 condensed interim consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(\$000s unless otherwise noted)	Sept. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
Average Production								
Natural gas (mcf/d)	37,368	38,908	40,174	39,891	42,045	44,010	45,237	33,201
Oil and condensate (bbl/d)	1,522	1,322	1,529	1,218	1,316	1,670	2,192	2,458
NGLs (bbl/d)	1,465	1,664	1,557	1,607	1,556	1,486	1,654	1,121
Total (boe/d)	9,215	9,471	9,783	9,474	9,880	10,492	11,385	9,113
Total (boe)	847,760	861,838	890,267	871,567	908,985	954,738	1,024,645	838,375
Financial Results								
Oil and natural gas sales	20,446	23,150	28,039	26,747	28,273	29,266	41,319	48,590
Royalty expense	(2,593)	(3,305)	(3,461)	(4,167)	(3,061)	(3,492)	(6,534)	(6,636)
Gain (loss) on risk management activities	—	—	—	—	—	32	1,490	(1,056)
Net oil and natural gas revenue	17,853	19,845	24,578	22,580	25,212	25,806	36,275	40,898
Transportation expense	(1,239)	(1,259)	(1,615)	(1,271)	(1,401)	(1,341)	(2,102)	(1,743)
Operating expense	(5,172)	(4,271)	(6,018)	(4,419)	(6,086)	(5,566)	(7,434)	(5,753)
Operating netback⁽¹⁾	11,442	14,315	16,945	16,890	17,725	18,899	26,739	33,402
Realized gain (loss) on financial derivatives	2,115	(307)	2,583	1,737	1,102	3,398	1,814	2,421
Other income (expense)	77	40	48	(161)	34	37	169	186
General and administrative expense	(1,209)	(1,152)	(1,178)	(319)	(1,158)	(1,476)	(1,230)	(926)
Cash finance expense	(1,657)	(1,650)	(1,581)	(1,246)	(1,148)	(1,269)	(1,140)	(987)
Decommissioning expenditures	(103)	(618)	(545)	(376)	(312)	(549)	(136)	21
Corporate netback and funds flow⁽¹⁾	10,665	10,628	16,272	16,525	16,243	19,040	26,216	34,117
Oil and natural gas sales								
Per share - basic	0.16	0.19	0.23	0.22	0.23	0.24	0.33	0.40
Per share - fully diluted	0.16	0.18	0.23	0.21	0.23	0.23	0.32	0.38
Net income (loss)	5,302	2,856	(5,333)	39,708	(11,293)	5,043	17,273	22,097
Per share - basic	0.04	0.02	(0.04)	0.32	(0.09)	0.04	0.14	0.18
Per share - fully diluted	0.04	0.02	(0.04)	0.32	(0.09)	0.04	0.14	0.17
Common shares outstanding (000s)								
Basic	124,372	124,372	124,259	124,266	123,867	123,849	123,711	123,239
Fully diluted	134,952	134,919	134,484	134,542	134,436	134,423	133,916	133,377
Weighted average shares outstanding (000s)								
Basic	124,372	124,290	124,299	123,812	123,743	123,752	123,416	122,545
Fully diluted	126,686	126,559	124,299	124,840	123,743	127,040	127,358	127,600
Total assets	421,196	419,584	427,574	437,842	380,100	383,231	403,276	381,057

⁽¹⁾Non-GAAP measure. Refer to "Non-GAAP and Other Financial Measures".

The oil and natural gas exploration and production industry is cyclical in nature. Petrus' financial position, results of operations and corporate netback are affected by commodity prices, exchange rates, Canadian commodity price differentials and production levels. Petrus' average quarterly production has fluctuated between 9,113 boe/d in the fourth quarter of 2022 and 11,385 boe/d in the first quarter of 2023. Petrus has made a conscious effort to limit its capital activity to its existing funds flow and available credit facilities.



CRITICAL ACCOUNTING ESTIMATES

The timely preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company's critical accounting estimates can be read in note 2 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2023.

OTHER FINANCIAL INFORMATION

Material accounting policies

The Company's material accounting policies can be read in note 3 of the Company's audited consolidated financial statements as at and for the year ended December 31, 2023.

New standards and interpretations

The Company has not adopted any new standards and interpretations for the period ended September 30, 2024.

In April, 2024 the International Accounting Standards Board issued IFRS 18 "Presentation and Disclosure in Financial Statements", which provides presentation and disclosure requirements for the primary financial statements and related notes, replacing IAS 1 "Presentation of Financial Statements". IFRS 18 introduces defined categories for income and expenses and requires disclosure of new defined subtotals, including operating profit. The new standard also requires additional notes for management performance measures and disclosure of certain expenses by nature. There are some associated changes to the statement of cash flows, including the starting point for the calculation of cash flows from operating activities and the categorization of interest and dividends. IFRS 18 is effective January 1, 2027, with early adoption permitted. The new standard is required to be adopted retrospectively. The Company is assessing the impact of IFRS 18 on the Company's consolidated financial statements.

Internal Controls over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Company's CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in compliance with IFRS. The Company is required to disclose herein any change in the Company's internal controls over financial reporting that occurred during the period beginning on July 1, 2024 and ending on September 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No changes in the Company's internal controls over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

NON-GAAP AND OTHER FINANCIAL MEASURES

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



Operating Netback

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

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

Corporate Netback and Funds Flow

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

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

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

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

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

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

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

Net Debt

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

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

ADVISORIES

Basis of Presentation

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

Forward-Looking Statements

Certain information regarding Petrus set forth in this MD&A contains forward-looking statements within the meaning of applicable securities law, that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such statements represent Petrus' internal projections, estimates, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Petrus believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Petrus' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Petrus. In particular, forward-looking statements included in this MD&A include, but are not limited to, statements with respect to: our increased focus on oil-weighted development; the



details of our capital program in the second half of the year, including the number and type of wells that we intend to drill; that the remainder of our 2024 capital program is expected to be funded through funds flow, with debt expected to remain relatively flat for the balance of 2024; our belief that, for the next 12 months, we have hedged approximately 52% of forecasted production and the details of such hedges; our belief that we are well-positioned to continue our monthly dividend payments; and our intention to closely monitor market conditions and that we are prepared to adjust our capital program as needed, guided by our commitment to delivering sustainable returns to shareholders. In addition, statements relating to “reserves” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

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

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

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

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

BOE Presentation

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



Production & Product Type Information

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

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

Abbreviations

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



**CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

(Presented in 000's of Canadian dollars)

As at	September 30, 2024	December 31, 2023
ASSETS		
Current		
Cash	40	375
Carbon credits	788	1,842
Deposits and prepaid expenses (note 19)	3,274	2,536
Accounts receivable	8,466	17,282
Risk management asset (note 8)	7,690	8,770
Total current assets	20,258	30,805
Non-current		
Risk management asset (note 8)	1,370	1,685
Exploration and evaluation assets (note 3)	30,507	30,628
Property, plant and equipment (note 4)	349,867	355,103
Deferred income taxes	19,194	19,621
Total non-current assets	400,938	407,037
Total assets	421,196	437,842
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	153	208
Revolving loan facility (note 5)	35,100	24,175
Accounts payable and accrued liabilities	12,738	34,003
Dividends payable	—	1,245
Risk management liability (note 8)	—	396
Lease obligations (note 6)	230	258
Current portion of decommissioning obligation (note 7)	237	1,470
Total current liabilities	48,458	61,755
Non-current liabilities		
Long term debt (note 5)	25,000	25,000
Lease obligations (note 6)	829	105
Decommissioning obligation (note 7)	37,040	35,821
Total liabilities	111,327	122,681
Shareholders' equity		
Share capital (note 9)	491,102	492,205
Contributed surplus	34,848	31,848
Deficit	(216,081)	(208,892)
Total shareholders' equity	309,869	315,161
Total liabilities and shareholders' equity	421,196	437,842

Commitments (note 17)

See accompanying notes to the condensed interim consolidated financial statements

Approved by the Board of Directors,

(signed) "Don T. Gray"

Don T. Gray
Chairman

(signed) "Donald Cormack"

Donald Cormack
Director


**CONSOLIDATED STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)**

(Presented in 000's of Canadian dollars, except per share amounts)

	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023
REVENUE				
Oil and natural gas sales (note 18)	20,446	28,273	71,635	98,858
Royalty expense	(2,593)	(3,062)	(9,359)	(13,088)
Gain on risk management activities (note 8)	—	—	—	1,522
Net revenue (note 18)	17,853	25,211	62,276	87,292
Other income	77	34	284	1,463
Net gain (loss) on financial instruments (note 8)	9,850	(14,762)	3,391	(3,981)
Total income	27,780	10,483	65,951	84,774
EXPENSES				
Operating (note 11)	5,172	6,086	15,461	19,086
Transportation	1,239	1,401	4,113	4,844
General and administrative (note 12)	1,209	1,158	3,539	3,864
Share-based compensation (note 9)	389	491	1,646	1,456
Finance (note 15)	2,060	1,506	6,039	4,821
Exploration and evaluation (note 3)	30	—	235	3,349
Depletion and depreciation (note 4)	10,247	11,134	31,123	36,331
Unrealized loss on foreign exchange	90	—	394	—
Other	216	—	216	—
Total expenses	20,652	21,776	62,766	73,751
INCOME (LOSS) BEFORE INCOME TAX	7,128	(11,293)	3,185	11,023
Income tax expense	1,826	—	427	—
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	5,302	(11,293)	2,758	11,023
Net income (loss) per common share				
Basic (note 10)	0.04	(0.09)	0.02	0.09
Diluted (note 10)	0.04	(0.09)	0.02	0.09

See accompanying notes to the condensed interim consolidated financial statements

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)**

(Presented in 000's of Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
Balance, December 31, 2022	492,241	29,061	(254,661)	266,641
Net income	—	—	11,023	11,023
Common shares repurchased	(459)	—	—	(459)
Issuance of common shares	470	95	—	564
Share issue costs	(73)	—	—	(73)
Share-based compensation	—	2,080	—	2,080
Balance, September 30, 2023	492,179	31,236	(243,638)	279,777
Balance, December 31, 2023	492,205	31,848	(208,892)	315,161
Net income	—	—	2,758	2,758
Common shares repurchased	(1,566)	1,055	—	(511)
Issuance of common shares on exercise of stock options	463	(332)	—	131
Share-based compensation	—	2,277	—	2,277
Dividends	—	—	(9,947)	(9,947)
Balance, September 30, 2024	491,102	34,848	(216,081)	309,869

See accompanying notes to the condensed interim consolidated financial statements



**CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)**

(Presented in 000's of Canadian dollars)

	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
OPERATING ACTIVITIES				
Net income (loss)	5,302	(11,293)	2,758	11,023
Adjust items not affecting cash:				
Share-based compensation	389	491	1,646	1,456
Unrealized loss/(gain) on financial derivatives <i>(note 8)</i>	(7,735)	15,864	1,000	10,295
Non-cash finance expenses	403	359	1,150	1,265
Depletion and depreciation <i>(note 4)</i>	10,247	11,134	31,123	36,331
Exploration and evaluation expense <i>(note 3)</i>	30	—	235	3,349
Other income	216	—	98	(1,222)
Unrealized loss on foreign exchange	90	—	394	—
Deferred income tax expense	1,826	—	427	—
Decommissioning expenditures <i>(note 7)</i>	(103)	(312)	(1,265)	(998)
Funds flow	10,665	16,243	37,566	61,499
Change in operating non-cash working capital <i>(note 16)</i>	1,700	2,624	2,644	(16,390)
Cash flows from operating activities	12,365	18,867	40,210	45,109
FINANCING ACTIVITIES				
Shares repurchased <i>(note 9)</i>	—	(172)	(511)	(172)
Stock options exercised <i>(note 9)</i>	—	47	131	452
Cash dividends paid	(3,734)	—	(11,192)	—
Draw down of revolving loan facility	57	(7,005)	10,835	7,788
Increase (decrease) in bank indebtedness	92	2,572	(55)	2,633
Transaction costs on debt	—	—	(350)	(240)
Repayment of lease liabilities <i>(note 6)</i>	(65)	(91)	(192)	(208)
Change in financing non-cash working capital <i>(note 16)</i>	(107)	75	(26)	—
Cash flows from (used in) financing activities	(3,757)	(4,574)	(1,360)	10,253
INVESTING ACTIVITIES				
Property, plant and equipment acquisitions <i>(note 4)</i>	—	—	—	(50)
Property, plant and equipment dispositions	—	—	—	150
Exploration and evaluation asset acquisitions <i>(note 3)</i>	(114)	—	(114)	(138)
Petroleum and natural gas property expenditures <i>(note 4)</i>	(4,745)	(21,557)	(23,995)	(54,411)
Exploration and evaluation asset expenditures <i>(note 3)</i>	—	(60)	—	(186)
Change in investing non-cash working capital <i>(note 16)</i>	(3,748)	7,406	(15,076)	(654)
Cash flows used in investing activities	(8,607)	(14,211)	(39,185)	(55,289)
Increase (decrease) in cash	1	82	(335)	73
Cash, beginning of period	39	31	375	40
Cash, end of period	40	113	40	113
Cash interest paid <i>(note 15)</i>	1,657	1,147	4,888	3,556

See accompanying notes to the condensed interim consolidated financial statements



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the periods ended September 30, 2024 and 2023

1. NATURE OF THE ORGANIZATION

Petrus Resources Ltd. (the "Company" or "Petrus") was incorporated under the laws of the Province of Alberta on November 25, 2015. The principal undertaking of Petrus is the investment in energy business-related assets. The operations of the Company consist of the acquisition, development, exploration and exploitation of these assets. These condensed interim consolidated financial statements reflect only the Company's proportionate interest in such activities and are comprised of the Company and its subsidiaries, Petrus Resources Corp. and Petrus Resources Inc. The Company's head office is located at 2400, 240 - 4th Avenue SW, Calgary, Alberta, Canada.

These condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and prior year comparative periods were approved by the Company's Audit Committee and Board of Directors on November 6, 2024.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared by management on a historical basis, except for certain financial instruments that have been measured at fair value. These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statement, International Accounting Standard 34 "Interim Financial Reporting." Certain information and disclosures normally included in the notes to the annual financial statements have been condensed. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023 which have been prepared by management in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The preparation of these condensed interim consolidated financial statements requires the use of certain critical accounting estimates and also requires management to exercise judgment in applying the Company's accounting policies. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended December 31, 2023. The condensed interim consolidated financial statements have been prepared following the same accounting policies as the annual audited financial statements for the year ended December 31, 2023. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency, except where otherwise noted.

Critical Accounting Estimates

The Company's critical accounting estimates can be read in note 2 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2023.

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, shareholders' equity, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continuously reviewed with the financial statement effect being recognized in the reporting period that the changes to estimates are made.

Material Accounting Policies

The Company's material accounting policies can be read in note 3 to the Company's audited consolidated financial statements as at and for the year ended December 31, 2023.

IAS 1 - Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* ("IAS 1"), to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. The amendments were adopted on January 1, 2024 and had no impact on the Company's condensed interim consolidated financial statements.

New Accounting Standards

In April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements", which provides presentation and disclosure requirements for the primary financial statements and related notes, replacing IAS 1 "Presentation of Financial Statements". IFRS 18 introduces defined categories for income and expenses and requires disclosure of new defined subtotals, including operating profit. The new standard also requires additional notes for management performance measures and disclosure of certain expenses by nature. There are some associated changes to the statement of cash flows, including the starting point for the calculation of cash flows from operating activities and the categorization of interest and dividends. IFRS 18 is effective January 1, 2027, with early adoption permitted. The new standard is to be adopted retrospectively. The Company is assessing the impact of IFRS 18 on the Company's consolidated financial statements.



3. EXPLORATION AND EVALUATION ASSETS

The components of the Company's exploration and evaluation ("E&E") assets are as follows:

\$000s	
Balance, December 31, 2022	34,837
Property acquisitions	1,064
Exploration and evaluation expense	(4,706)
Capitalized G&A	284
Capitalized share-based compensation	194
Transfers to property, plant and equipment (<i>note 4</i>)	(1,045)
Balance, December 31, 2023	30,628
Additions	114
Exploration and evaluation expense	(235)
Balance, September 30, 2024	30,507

During the three and nine months ended September 30, 2024, the Company incurred exploration and evaluation expenses of \$0.03 million and \$0.23 million, respectively, which relates to expired and nearly expired undeveloped, non-core land (three and nine months ended September 30, 2023 – \$0.00 million and \$3.35 million).

During the three and nine months ended September 30, 2024, the Company did not capitalize any of its general and administrative expenses ("G&A") (three and nine months ended September 30, 2023 – \$0.06 million and \$0.19 million) or its non-cash share-based compensation as the Company did not have any exploration activities during the periods (three and nine months ended September 30, 2023 – \$0.05 million and \$0.16 million).

The Company did not identify any indicators of impairment at September 30, 2024.

4. PROPERTY, PLANT AND EQUIPMENT

The components of the Company's property, plant and equipment ("PP&E") assets are as follows:

\$000s	Cost	Accumulated DD&A	Net book value
Balance, December 31, 2022	962,616	(646,864)	315,752
Additions	85,220	—	85,220
Property acquisitions	50	—	50
Property dispositions	(150)	—	(150)
Capitalized G&A	852	—	852
Capitalized share based compensation	583	—	583
Transfer from exploration and evaluation assets (<i>note 3</i>)	1,045	—	1,045
Depletion & depreciation	—	(46,623)	(46,623)
Decrease in decommissioning provision	(1,626)	—	(1,626)
Balance, December 31, 2023	1,048,590	(693,487)	355,103
Additions	23,260	—	23,260
Addition of right of use asset	888	—	888
Capitalized G&A	735	—	735
Capitalized share-based compensation (<i>note 9</i>)	631	—	631
Depletion & depreciation	—	(31,123)	(31,123)
Decrease in decommissioning provision (<i>note 7</i>)	373	—	373
Balance, September 30, 2024	1,074,477	(724,610)	349,867

At September 30, 2024, estimated future development costs of \$482.5 million (December 31, 2023 – \$507 million) associated with the development of the Company's proved plus probable undeveloped reserves were included with the costs subject to depletion. During the three and nine months ended September 30, 2024, the Company capitalized \$0.2 million and \$0.7 million, respectively, of general and administrative expenses ("G&A") (three and nine months ended September 30, 2023 – \$0.2 million and \$0.6 million) and non-cash share-based compensation of \$0.17 million and \$0.63 million, respectively, (three and nine months ended September 30, 2023 – \$0.16 million and \$0.47 million), directly attributable to development activities.

The Company did not identify any indicators of impairment or impairment reversal for the three and nine months ended September 30, 2024.



At September 30, 2024, the carrying balance of the right of use asset was \$1.3 million.

5. DEBT

At September 30, 2024, Petrus had two debt instruments outstanding; a reserve-based, secured operating revolving loan facility with an Alberta-based financial institution (the "Revolving Loan Facility" or "RLF") and a second lien secured term facility (the "Second Lien Facility").

Revolving Loan Facility

At September 30, 2024, the RLF was comprised of a \$60.0 million operating facility payable on demand by the lender and has an interest rate of Canada Prime plus 2.5%. The amount of the RLF is subject to a borrowing base review performed on a semi-annual basis by the lender, based primarily on reserves and commodity prices estimated by the lenders as well as other factors. The next semi-annual review is due on November 30, 2024.

At September 30, 2024, the Company had a \$0.7 million letter of credit outstanding against the RLF (December 31, 2023 – \$0.7 million) and had drawn \$35.1 million against the RLF (December 31, 2023 – \$24.2 million).

Second Lien Facility

At September 30, 2024 the Company had \$25.0 million outstanding on the \$25 million Second Lien Facility. The Second Lien Facility is a three-year term facility (maturity date May 31, 2027) with a fixed interest rate of 11% per annum and can be repaid at the discretion of the Company. The Second Lien Facility is a related party transaction with a major shareholder who owns approximately 21% of the outstanding shares of the Company. The total interest paid during the three months ended September 30, 2024 to the major shareholder, related to the Second Lien facility, was \$0.7 million.

Financial Covenants

The Company's RLF is subject to certain financial covenants. The key financial covenant as at September 30, 2024 is summarized in the following table. At September 30, 2024 the Company is in compliance with all financial covenants.

Financial Covenant Description	Required Ratio	As at September 30, 2024
Working Capital Ratio (as defined in the RLF agreement)	Over 1.00	2.80

6. LEASES

The Company's lease obligations are as follows:

\$000s	
Balance, December 31, 2023	363
Additions	887
Finance expense	17
Lease payments	(208)
Balance, September 30, 2024	1,059

The Company's future commitments associated with its lease obligations are as follows:

\$000s	
	As at September 30, 2024
Less than 1 year	230
1 to 3 years	432
4 to 5 years	594
Total lease payments	1,256
Amounts representing finance expense	(197)
Present value of lease obligation	1,059
Current portion of lease obligation	230
Non-current portion of lease obligation	829

In July, 2024, the Company entered into a new office lease. The Company has recognized a right of use asset of \$0.9 million. The asset was measured at amounts equal to the present value of the lease obligation. The weighted average incremental borrowing rate used to determine the lease obligation at adoption was 8%.

7. DECOMMISSIONING OBLIGATION

The decommissioning liability was estimated based on the Company's net ownership interest in all wells and facilities, the estimated costs to abandon and



reclaim the wells and facilities and the estimated timing of the costs to be incurred in future periods. The estimated future cash flows have been discounted using an average risk free rate of 3.11% and an inflation rate of 2.0% (3.05% and 2.0%, respectively at December 31, 2023). Changes in estimates in 2023 and 2024 are due to the changes in the risk free and inflation rates and changes in the estimated future cash flow to reclaim the wells and facilities. The Company has estimated the net present value of the decommissioning obligations to be \$37.3 million as at September 30, 2024 (\$37.3 million at December 31, 2023). The undiscounted, uninflated total future liability at September 30, 2024 is \$44.3 million (\$44.3 million at December 31, 2023). The payments are expected to be incurred over the operating lives of the assets.

The following table reconciles the decommissioning liability:

\$000s	
Balance, December 31, 2022	39,015
Liabilities incurred	525
Liabilities settled	(1,374)
Change in estimates	(2,152)
Accretion expense	1,277
Balance, December 31, 2023	37,291
Liabilities incurred	283
Liabilities settled	(1,265)
Change in estimates or discount rate	91
Accretion expense	877
Balance, September 30, 2024	37,277
Current portion of decommissioning obligation	237
Non-current portion of decommissioning obligation	37,040

8. FINANCIAL RISK MANAGEMENT

The Company utilizes commodity contracts as a risk management technique to mitigate exposure to commodity price volatility.

The following table summarizes the financial derivative contracts Petrus had outstanding at September 30, 2024:



Contract Period	Type	Total Daily Volume (GJ)	Average Price (CDN\$/GJ)
Natural Gas Swaps			
Oct. 1, 2024 to Oct. 31, 2024	Fixed price	14,000	\$2.82
Nov. 1, 2024 to Mar. 31, 2025	Fixed price	18,000	\$3.17
Apr. 1, 2025 to Oct. 31, 2025	Fixed price	10,000	\$2.98
Nov. 1, 2025 to Mar. 31, 2026	Fixed price	8,000	\$3.66
Apr. 1, 2026 to Oct. 31, 2026	Fixed price	3,000	\$2.57
Natural Gas Collars			
Oct. 1, 2024 to Oct. 31, 2024	Costless collar	1,000	\$2.12-2.46
Nov. 1, 2024 to Mar. 31, 2025	Costless collar	1,000	\$3.25-4.12
Nov. 1, 2024 to Mar. 31, 2025	Costless collar	1,000	\$3.42-3.62
Apr. 1, 2025 to Oct. 31, 2025	Costless collar	1,000	\$3.10-3.83
Apr. 1, 2025 to Oct. 31, 2025	Costless collar	1,000	\$2.50-3.16
Nov. 1, 2025 to Mar. 31, 2026	Costless collar	1,000	\$3.30-4.08

Contract Period	Type	Total Daily Volume (Bbl)	Average Price (CDN\$/Bbl)
Crude Oil Swaps			
Oct. 1, 2024 to Dec. 31, 2024	Fixed price	1,400	\$97.54
Oct. 1, 2024 to Mar. 31, 2025	Fixed price	200	\$91.13
Oct. 1, 2024 to Jun. 30, 2025	Fixed price	100	\$101.45
Jan 1, 2025 to Mar. 31, 2025	Fixed price	200	\$94.78
Jan. 1, 2025 to Jun. 30, 2025	Fixed price	400	\$91.36
Jan. 1, 2025 to Dec. 31, 2025	Fixed price	500	\$93.20
Jul. 1, 2025 to Sep. 30, 2025	Fixed price	100	\$95.25
Jul. 1, 2025 to Dec. 31, 2025	Fixed price	300	\$93.32
Jan. 1, 2026 to Mar. 31, 2026	Fixed price	200	\$91.05
Jan. 1, 2026 to Jun. 30, 2026	Fixed price	200	\$92.08

Risk management asset and liability:

	Asset	Liability
\$000s At September 30, 2024		
Current commodity derivatives	7,690	—
Non-current commodity derivatives	1,370	—
	9,060	—
\$000s At December 31, 2023		
Current commodity derivatives	8,770	396
Non-current commodity derivatives	1,685	—
	10,455	396

Earnings impact of realized and unrealized gains (losses) on financial derivatives:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Realized gain on financial derivatives	2,115	1,102	4,391	6,314
Unrealized gain on financial derivatives	7,735	(15,864)	(1,000)	(10,295)
Net gain on financial derivatives	9,850	(14,762)	3,391	(3,981)

9. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common voting shares without par value and an unlimited number of preferred shares.

Issued and Outstanding



Common shares (\$000s)	Number of Shares	Amount
Balance, December 31, 2022	123,238,528	492,241
Common shares repurchased	(198,700)	(789)
Common shares issued on exercise of stock options	1,226,542	753
Balance, December 31, 2023	124,266,370	492,205
Common shares repurchased	(396,100)	(1,567)
Common shares issued on exercise of stock options	501,655	414
Balance, September 30, 2024	124,371,925	491,052

Dividends

On October 10, 2023, the Company declared a special dividend of \$0.03 per common share totaling \$3.7 million that was paid in November 2023. During the year ended December 31, 2023, the Company declared a monthly dividend of \$0.01 per common share totaling \$1.2 million, with the first paid in January 2024. During the three and nine months ended September 30, 2024, the Company paid monthly dividends of \$0.01 per common share totaling \$3.7 million and \$11.2 million, respectively.

Normal Course Issuer Bid ("NCIB")

On June 25, 2024, the Company announced the approval of its renewed NCIB by the Toronto Stock Exchange ("the TSX"). The 2024 NCIB allows the Company to purchase up to 6,218,596 common shares over a period of twelve months (expiring no later than June 27, 2025).

Purchases are made on the open market through the TSX or alternative Canadian trading platforms at the market price of such common shares. All common shares purchased under the NCIB are cancelled. The total cost paid, including commissions and fees, is first charged to share capital to the extent of the average carrying value of the Company's common shares and the excess paid is recorded to retained earnings and any shortfall is recorded to contributed surplus.

During the three months ended September 30, 2024, no shares were repurchased for cancellation. During the nine months ended September 30, 2024, the Company repurchased 396,100 shares for cancellation at an average price of \$1.30 per share totaling \$0.51 million.

SHARE-BASED COMPENSATION

Stock Options

The Company has a stock option plan in place whereby it may issue stock options to employees, consultants and directors of the Company. The aggregate number of shares that may be acquired upon exercise of all options granted pursuant to the plans shall, at any date or time of determination, be equal to ten percent (10%) of the number that is equal to (i) the number of the Company's basic common shares then issued and outstanding; minus (ii) a number equal to five (5) times the number of common shares that are issuable upon exercise of the then outstanding Performance Warrants, if any, minus (iii) a number equal to fifty percent (50%) of the number of common shares that have previously been issued upon the exercise of Performance Warrants, if any.

At September 30, 2024, 8,805,692 (December 31, 2023 – 8,616,900) stock options were outstanding. The summary of stock option activity is presented below:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022	8,519,709	\$1.56
Granted	3,245,000	\$1.67
Forfeited	(447,501)	\$0.59
Expired	(1,207,500)	\$2.12
Exercised	(1,492,808)	\$0.61
Balance, December 31, 2023	8,616,900	\$1.74
Granted	3,279,001	\$1.52
Forfeited	(550,000)	\$2.09
Exercised	(1,053,551)	\$0.71
Expired	(1,486,658)	\$2.37
Balance, September 30, 2024	8,805,692	\$1.54
Exercisable, September 30, 2024	594,004	\$0.90

The following table summarizes information about the stock options granted and outstanding:



Range of Exercise Price	Stock Options Outstanding		
	Number granted	Weighted average exercise price	Weighted average remaining life (years)
\$0.75	815,005	\$0.75	0.39
\$0.89	288,337	\$0.89	0.39
\$1.26	1,147,000	\$1.26	1.63
\$1.33	929,001	\$1.33	2.15
\$1.37-\$1.78	3,908,008	\$1.49	1.31
\$2.09	340,000	\$2.09	1.16
\$2.25	755,000	\$2.25	0.38
\$2.81	623,341	\$2.81	0.88
	8,805,692	\$1.54	1.21

During the nine months ended September 30, 2024 the Company granted 3,279,001 options which vest equally over three years, and upon vesting, expire within 90 days thereafter. The weighted average fair value of each option granted during the nine months ended September 30, 2024 of \$0.38 was estimated on the date of grant using the Black-Scholes pricing model with the following weighted average assumptions:

	2024	2023
Risk free interest rate	3.23% - 4.79%	3.54% - 5.04%
Expected life (years)	1.00 - 3.00	1.13 - 3.13
Estimated volatility of underlying common shares (%)	72.62% - 77.90%	100% to 113%
Estimated forfeiture rate	5%	33%
Expected dividend yield (%)	9%	—%

Petrus estimated the volatility of the underlying common shares by analyzing the Company's volatility as well as the volatility of peer group public companies with similar corporate structure, oil and gas assets and size.

Deferred Share Unit ("DSU") Plan

The Company has a deferred share unit plan in place whereby it may issue deferred share units to directors of the Company. The aggregate number of shares that may be issued from treasury of Petrus pursuant to the plan shall not exceed: (i) five percent (5%) of the number of issued and outstanding common shares of the Company (on a non-diluted basis) at the date of issue; and (ii) ten percent (10%) of the number of issued and outstanding common shares of the Company (on a non-diluted basis) at the date of issue, less the aggregate number of common shares of the Company reserved for issuance under any other share compensation plan.

Each DSU entitles the participants to receive, at the Company's discretion, either shares of the Company or cash equal to the trading price of the equivalent number of shares of the Company. All DSUs granted vest and become payable upon retirement of the director.

The compensation expense was calculated as equity using the fair value method based on the trading price of the Company's shares on the grant date. At September 30, 2024, 1,774,654 DSUs were issued and outstanding (December 31, 2023 – 1,658,837).

On each date that a dividend payment is made, holders of DSUs are credited with additional DSUs; the number of additional DSUs is calculated by dividing the dividends that would have been paid to such holder if the DSUs held at the record date of the cash dividend had been common shares, by the fair market value of the common shares on the date on which the dividends are paid on the common shares.

Share-based Compensation

The following table summarizes the Company's share-based compensation costs:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Expensed	389	491	1,646	1,456
Capitalized to exploration and evaluation assets	—	53	—	156
Capitalized to property, plant and equipment	167	158	631	468
Total share-based compensation	556	702	2,277	2,080



10. NET INCOME (LOSS) PER SHARE

Net income (loss) per share amounts are calculated by dividing the net income for the period attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the period.

	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Net income (loss) for the period (\$000s)	5,302	(11,293)	2,758	11,023
Weighted average number of common shares – basic (000s)	124,372	123,743	124,354	123,740
Weighted average number of common shares – diluted (000s)	126,686	123,743	124,871	127,208
Net income (loss) per common share – basic	\$0.04	(\$0.09)	\$0.02	\$0.09
Net income (loss) per common share – diluted	\$0.04	(\$0.09)	\$0.02	\$0.09

In computing diluted income per share for the three and nine months ended September 30, 2024, 8,266,725 and 8,288,513 outstanding stock options, respectively, were excluded (three and nine months ended September 30, 2023 – 7,420,017, and 7,101,576, respectively).

11. OPERATING EXPENSES

The Company's operating expenses consisted of the following expenditures:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Fixed and variable operating expenses	4,138	5,256	12,967	16,569
Processing, gathering and compression charges	1,371	1,196	3,520	3,611
Total gross operating expenses	5,509	6,452	16,487	20,180
Overhead recoveries	(337)	(366)	(1,026)	(1,094)
Total net operating expenses	5,172	6,086	15,461	19,086

12. GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses consisted of the following expenditures:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Gross general and administrative expense	1,587	1,493	4,804	5,008
Capitalized general and administrative expense	(256)	(240)	(735)	(745)
Overhead recoveries	(122)	(95)	(530)	(399)
General and administrative expense	1,209	1,158	3,539	3,864

13. FINANCIAL INSTRUMENTS

Risks associated with financial instruments

Credit risk

The Company's accounts receivable are with customers and joint venture partners in the petroleum and natural gas business and are subject to normal credit risk. Concentration of credit risk is mitigated by marketing the majority of the Company's production to reputable and financially sound purchasers under normal industry sale and payment terms. As is common in the petroleum and natural gas industry in western Canada, Petrus' receivables relating to the sale of petroleum and natural gas are received on or about the 25th day of the following month. Of the \$8.5 million of accounts receivable outstanding at September 30, 2024 (December 31, 2023 – \$17.3 million), \$5.1 million is owed from 2 parties (December 31, 2023 – \$5.8 million from 2 parties), and the balances were received subsequent to the quarter end. The Company considers accounts receivable outstanding past 120 days to be 'past due'. At September 30, 2024, the Company had an allowance for doubtful accounts of \$0.1 million (December 31, 2023 – \$0.1 million). At September 30, 2024, 99.2% of Petrus' accounts receivable were aged less than 120 days. The Company does not anticipate any material collection issues.



The Company's risk management assets and cash are with chartered Canadian banks and the Company does not consider these assets to carry material credit risk.

Liquidity risk

At September 30, 2024, the Company had a \$60.0 million RLF, of which \$35.1 million was drawn (December 31, 2023 – \$24.4 million). For the three and nine months ended September 30, 2024, the Company generated cash flow from operating activities of \$12.4 million and \$40.2 million, respectively.

The following are the contractual maturities of financial liabilities as at September 30, 2024:

\$000s	Total	< 1 year	1-5 years
Accounts payable and accrued liabilities	12,738	12,738	—
Long term debt	32,333	2,750	29,583
Bank indebtedness	153	153	—
Revolving Loan Facility	38,241	38,241	—
Lease obligations (discounted)	1,256	230	1,026
Total	84,721	54,112	30,609

At September 30, 2024, the Company had a working capital deficiency (excluding non-cash risk management assets and liabilities) of \$35.9 million, primarily due to the \$35.1 million drawn on the RLF, which is classified as a current liability. The RLF has a credit limit of \$60 million and is payable upon demand, with the borrowings classified as current liabilities as of September 30, 2024. Excluding the RLF, the working capital deficit would have been \$0.8 million.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash, bank indebtedness and accounts receivable are not exposed to significant interest rate risk. The RLF is exposed to interest rate cash flow risk as the instrument is priced on a floating interest rate subject to fluctuations in market interest rates. The remainder of Petrus' financial assets and liabilities are not exposed to interest rate risk. A 1% increase in the Canadian prime interest rate during the three and nine months ended September 30, 2024 would have increased/decreased net income by approximately \$0.3 million for both periods, which relates to interest expense on the average outstanding RLF during the periods assuming that all other variables remain constant (September 30, 2023 – \$0.1 million).

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. A significant change in commodity prices can materially impact the Company's borrowing base limit under its RLF and may reduce the Company's ability to raise capital. Commodity prices for petroleum and natural gas are not only influenced by Canadian and United States demand, but also by world events that dictate the levels of supply and demand.

The Company manages the risks associated with changes in commodity prices by entering into a variety of financial derivative contracts (see note 9). The Company assesses the effects of movement in commodity prices on net loss. When assessing the potential impact of these commodity price changes, the Company believes a \$5/CDN WTI/bbl change in the price of oil and a \$0.25/GJ change in the price of natural gas are reasonable measures.

At September 30, 2024, it was estimated that a \$0.25/GJ decrease in the price of natural gas would have increased net income by \$2.0 million (September 30, 2023 – \$2.3 million). An opposite change in commodity prices would result in an opposite impact on net income. At September 30, 2024, it was estimated that a \$5.00/CDN WTI/bbl decrease in the price of oil would have increased net income by \$2.9 million (September 30, 2023 – \$3.7 million). An opposite change in commodity prices would result in an opposite impact on net income.

Foreign Exchange Risk

The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate on crude oil sales based on U.S. dollar benchmark prices and commodity contracts that are settled in U.S. dollars. Foreign exchange risk is mitigated by entering into Canadian dollar denominated commodity risk management contracts.

14. CAPITAL MANAGEMENT

The Company's general capital management policy is to maintain a sufficient capital base in order to manage its business to enable the Company to increase the value of its assets and therefore its underlying share value. In the management of capital, the Company includes share capital and total net debt, which is made up of debt and working capital (current assets less current liabilities). The Company manages its capital structure and makes adjustments in light of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Petrus may issue new equity, increase or decrease debt, adjust capital expenditures and acquire or dispose of assets.



15. FINANCE EXPENSES

The components of finance expenses are as follows:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Cash:				
Interest	1,493	1,015	4,427	3,089
Finance fees	164	132	460	467
Foreign exchange	—	—	1	—
Total cash finance expenses	1,657	1,147	4,888	3,556
Non-cash:				
Deferred financing costs	106	60	274	309
Accretion on decommissioning obligations (note 7)	297	299	877	956
Total non-cash finance expenses	403	359	1,151	1,265
Total finance expenses	2,060	1,506	6,039	4,821

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following table reconciles the changes in non-cash working capital as disclosed in the statements of cash flows:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Source (use) in non-cash working capital:				
Deposits and prepaid expenses	87	351	(612)	(918)
Transaction costs on debt	(157)	60	(75)	69
Carbon credits	—	97	927	(370)
Accounts receivable	2,376	(2,334)	8,816	7,790
Accounts payable and accrued liabilities	(4,461)	11,931	(21,514)	(23,615)
	(2,155)	10,105	(12,458)	(17,044)
Operating activities	1,700	2,624	2,644	(16,390)
Financing activities	(107)	75	(26)	—
Investing activities	(3,748)	7,406	(15,076)	(654)



The following table reconciles the changes in liability resulting from financing activities:

\$000s	Bank Indebtedness	Revolving Credit Facility	Term Loan	Total Liabilities from Financing Activities
Balance, December 31, 2023	208	24,175	25,000	49,383
Cash flows	(55)	10,835	—	10,780
Non-cash changes	—	90	—	90
Balance, September 30, 2024	153	35,100	25,000	60,253

17. COMMITMENTS AND CONTINGENCIES

Commitments

The commitments for which the Company is responsible are as follows:

\$000s	Total	< 1 year	1-5 years	> 5 years
Firm service transportation	7,287	2,799	4,488	—

Contingencies

In the normal course of Petrus' operations, the Company may become involved in, named as a party to, or be the subject of, various legal proceedings. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty. Petrus does not anticipate that these claims will have a material impact on its financial position.

18. REVENUE

The following table presents Petrus' oil and natural gas revenue disaggregated by product type:

\$000s	Three months ended	Three months ended	Nine months ended	Nine months ended
	Sept. 30, 2024	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2023
Oil and condensate sales	12,714	12,031	37,776	44,627
Natural gas sales	2,734	10,882	17,008	36,858
Natural gas liquids sales	4,958	5,308	16,704	17,095
Royalty revenue	40	52	147	278
Total oil and natural gas sales	20,446	28,273	71,635	98,858
Royalty expense	(2,593)	(3,062)	(9,359)	(13,088)
Gain (loss) on risk management activities	—	—	—	1,522
Net revenue	17,853	25,211	62,276	87,292

19. DEPOSITS AND PREPAID EXPENSES

The components of the Company's deposits and prepaid expenses for the periods indicated are as follows:

\$000s	As at September 30, 2024	As at December 31, 2023
Prepaid interest and bank fees	295	169
Prepaid insurance	78	202
Prepaid operating expenses	29	19
Prepaid property tax	353	—
Prepaid software	532	154
Deposits	1,987	1,992
Deposits and prepaid expenses	3,274	2,536



CORPORATE INFORMATION

OFFICERS & VICE PRESIDENTS

Ken Gray, P.Eng
President and
Chief Executive Officer

Mathew Wong, CPA, CFA, CPA (WA, USA)
Chief Financial Officer

Matt Skanderup
Chief Operating Officer

Lindsay Hatcher
Vice President, Commercial & Corporate
Development

DIRECTORS

Don T. Gray
Chairman
Scottsdale, Arizona

Ken Gray
Calgary, Alberta

Patrick Arnell
Calgary, Alberta

Donald Cormack
Calgary, Alberta

Peter Verburg
Calgary, Alberta

SOLICITOR

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

AUDITOR
Price Waterhouse Coopers LLP (PwC)
Chartered Professional Accountants
Calgary, Alberta

INDEPENDENT RESERVE EVALUATORS
InSite Petroleum Consultants Ltd.
Calgary, Alberta

BANKERS
ATB Financial
Calgary, Alberta

TRANSFER AGENT
Odyssey Trust Company
Calgary, Alberta

HEAD OFFICE
2400, 240 – 4th Avenue S.W.
Calgary, Alberta T2P 4H4
Phone: 403-984-9014
Fax: 403-984-2717

WEBSITE
www.petrusresources.com

