PEYTO
Exploration & Development Corp.

2023 Sustainability Report

Sustainable Energy through Operational Excellence

ENVIRONMENT
SOCIAL
GOVERNANCE

November 2023

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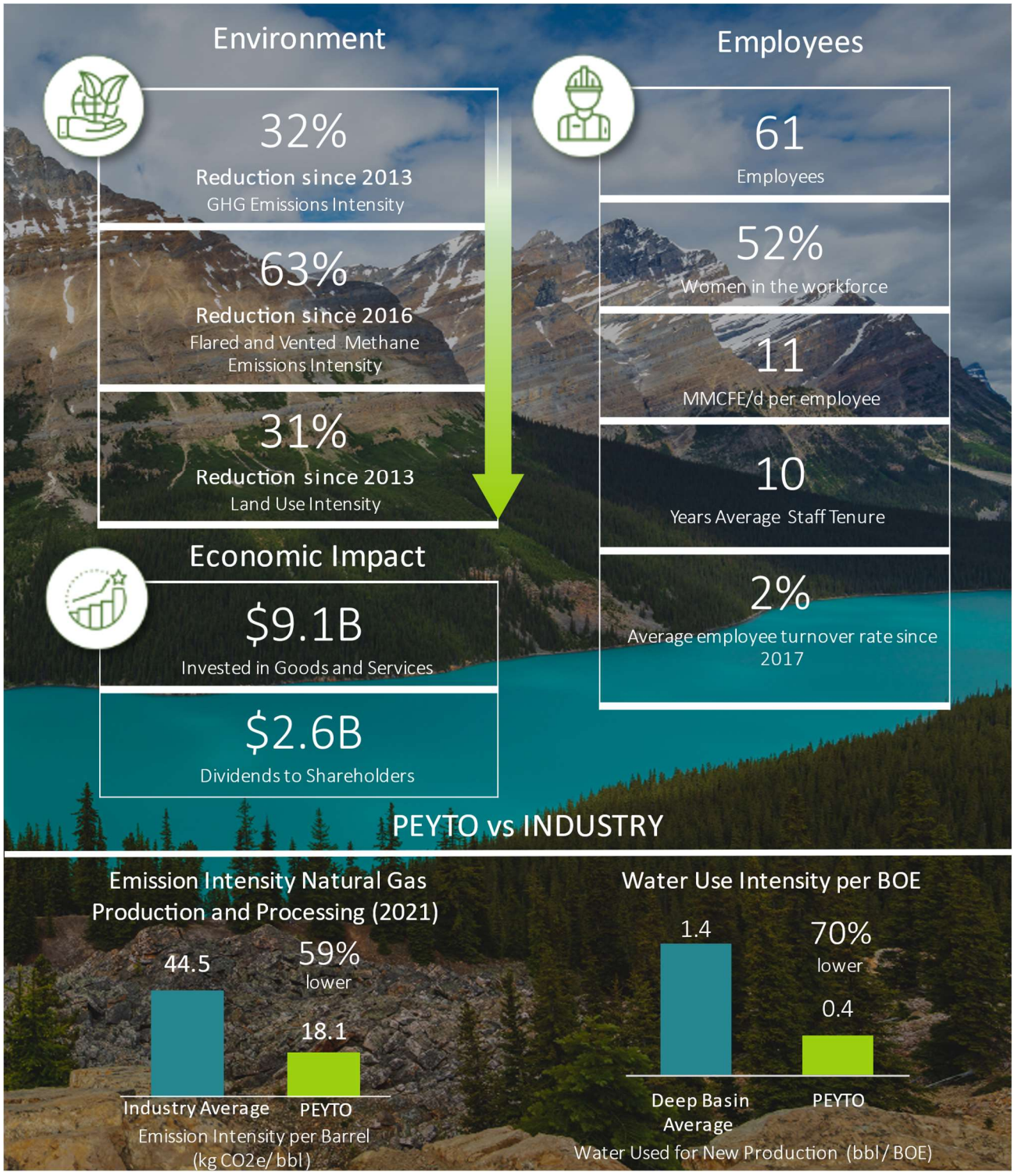
HIGHLIGHTS


Environment
32%
Reduction since 2013
GHG Emissions Intensity
63%
Reduction since 2016
Flared and Vented Methane Emissions Intensity
31%
Reduction since 2013
Land Use Intensity
Employees
61
Employees
52%
Women in the workforce
11
MMCFE/d per employee
10
Years Average Staff Tenure
2%
Average employee turnover rate since 2017
Economic Impact
$9.1B
Invested in Goods and Services
$2.6B
Dividends to Shareholders
PEYTO vs INDUSTRY
Emission Intensity Natural Gas Production and Processing (2021)
44.5
59%
lower
18.1
Industry Average
PEYTO
Emission Intensity per Barrel (kg CO2e/ bbl)
Water Use Intensity per BOE
1.4
70%
lower
0.4
Deep Basin Average
PEYTO
Water Used for New Production (bbl/ BOE)

MESSAGE TO STAKEHOLDERS

Peyto has always believed that natural gas is the fuel for the future and that belief has driven our strategy for over the last two decades. Natural gas plays a critical role in our modern way of life, not only as a source for electricity generation and a fuel for heat, but as an essential ingredient for staple materials such as concrete, steel, plastics, and ammonia fertilizer. It's no wonder consumption of natural gas continues to grow year over year.

There has been much talk about the "Energy Trilemma - Reliability, Affordability, Sustainability". These are important factors that need to be managed for our future. Reliability means that the source of our energy is there when it is needed. Renewable energy will continue to play a role in our energy mix of the future. However, natural gas has always been a reliable source when the wind is not blowing, and the sun is not shining. In Canada, world class deposits in the Montney and Deep Basin have ample supply to reliably deliver natural gas not only to Canada, but export markets as well. The continual construction of LNG export facilities in North America means we will be able to supply more to the world in the future. Look no further than the challenges facing Europe after the Russian invasion of Ukraine to understand how energy security also plays a role in reliability.

Closer to home, Peyto's operations team are experts at ensuring our production flows every hour of every day. The team prides itself on high runtimes, especially during severe cold weather or the forest fires this past summer in Alberta, to deliver the most reliable supply of energy to consumers when they need it most.

"Peyto's approach to sustainable development has always been about operational excellence."

Affordability of natural gas has never been better. Infrastructure for the supply of natural gas is well established and costly retrofits and buildout of alternatives energy sources make gas the clear economic choice. As the lowest cost producer of natural gas in Canada, Peyto strives to develop gas supply affordably and maintain that supply for years to come with our long-life reserves.

Sustainability implies the need to economically produce the energy that the world requires with the least amount of harm to the environment. Natural gas can supplement dirtier burning coal for power generation. The emissions of natural gas combustion can be further reduced by utilizing carbon capture and storage technology. At Peyto, we have one of lowest GHG emissions intensities in the industry, while minimizing land and water use to develop and produce our natural gas reserves. Peyto's approach to sustainable development has always been about operational excellence which naturally reduces waste. The job is never done, and we will continue to minimize waste, and further reduce, or capture emissions going forward. But we are reminded that as we move towards capturing low pressure carbon emissions, these projects also need to be profitable, if they are to be sustainable. Without assurances of profitability, Peyto is reluctant to make empty promises such as future targets of net-zero emissions that will require large subsidies or increases to the cost of energy to support them.

Peyto has been developing natural gas reserves for over 25 years and will continue to focus on improving reliability, affordability, and sustainability of our operations to provide Canadians and the world with responsibly developed natural gas.

Sincerely,

Jean-Paul Lachance,
President & CEO

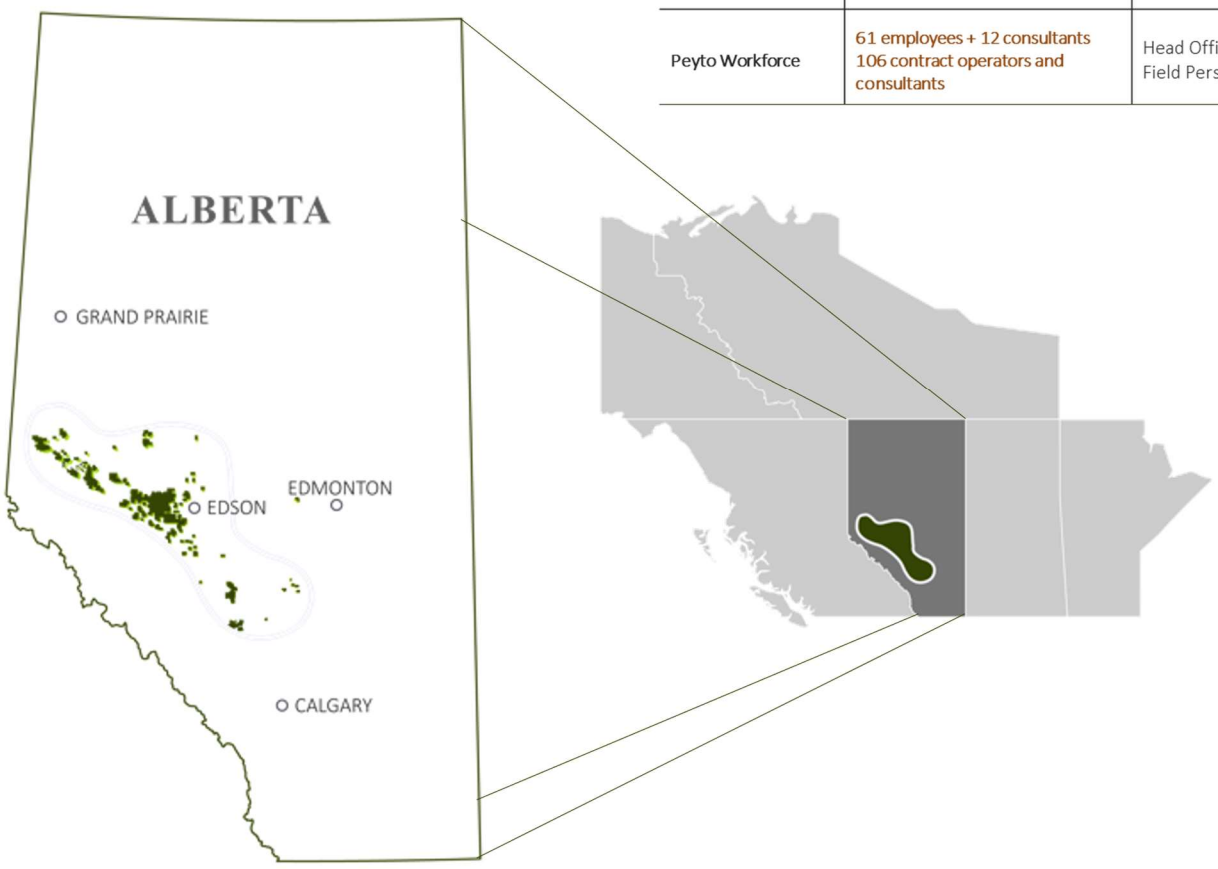
ABOUT

PEYTO EXPLORATION & DEVELOPMENT CORP.

Peyto Exploration & Development Corp. (Peyto) is a Calgary – based public company focused on the responsible development and production of natural gas and natural gas liquids from the Western Canadian Sedimentary Basin. The Company was founded in 1998 with a strategy to maximize value through sustainable low-cost development and operational excellence. Peyto is the 5th largest Canadian natural gas producer which supplies both Canadian and US markets. Peyto is publicly traded on the Toronto Stock Exchange (TSX: PEY).

GENERAL		
Returns Focused	14% ROCE 25% ROE	Average over 24 years
Own and Control	~2100 operated wells 12 gas processing plants	99% Production Operated by Peyto
Low Cost	$1.62/MCFE $1.41/MCFE	2022 Total Cash Costs 2022 PDP F&D Costs
Long Life Reserves	2.43 TCFE 10.6 years (based on 2022 Q4 production)	Developed (PDP+PA) Reserve Life Index

2022 HIGHLIGHTS		
Production	115,056 boe/d (gross operated) 103,548 boe/d (net)	13% Liquids
New Wells	95 (gross) 82 (net)	90% Working Interest
Capital incl corp acq	$529MM (net)	70% Well-Related
Peyto Workforce	61 employees + 12 consultants 106 contract operators and consultants	Head Office Field Personnel



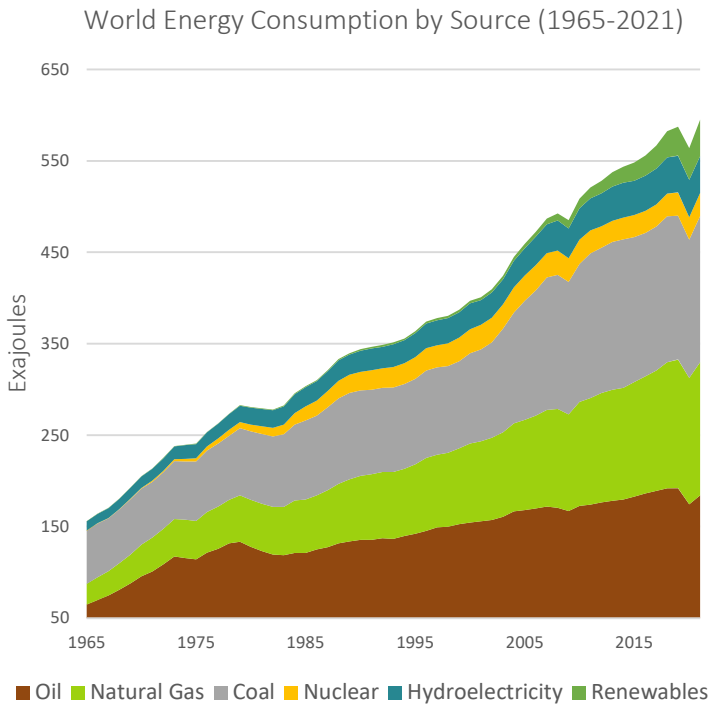
THE ENERGY TRANSFORMATION

THE ENERGY INDUSTRY IS CONSTANTLY CHANGING

Peyto is committed to participating in the global energy transformation to cleaner, more sustainable fuels. At the same time, Peyto recognizes the incredible contribution oil and natural gas has had on human civilization by increasing life expectancy, lifting people out of poverty, improving the quality of life, and advancing economies around the world. Strong demand for clean burning natural gas resulted in record prices across the globe. The supply and demand balance was further altered by the Russian invasion of Ukraine during the first quarter of 2022. Peyto believes that a robust demand for ethically and environmentally responsibly sourced natural gas will continue for years to come.

NATURAL GAS IS EXPECTED TO PLAY A MAJOR ROLE

Natural gas has become the fastest growing hydrocarbon as it provides an affordable, reliable, and scalable way to increase global energy supply while at the same time reducing emissions. Natural gas can be used in residential, commercial, industrial, and transportation sectors. Advancement and growth in the Liquified Natural Gas (LNG) industry has improved the availability of natural gas for both developed and industrializing nations around the world. Natural gas is uniquely positioned to supplement renewable energy sources as both the cleanest hydrocarbon and quickest power plant start up. Unlike coal and nuclear, gas-fired power plants complement the renewable grid by supplying fast acting peak load when solar and wind cannot keep up with the demand, further improving power grid reliability.



PEYTO'S STRATEGIC PRIORITIES

DELIVER LOW-COST PRODUCTION AND STRONG SHAREHOLDER RETURNS

Peyto continues to be successful targeting sweet, liquids-rich natural gas reservoirs in Alberta's Deep Basin. Peyto's land base allows for the development of multiple zones from the same surface location. This minimizes the surface footprint and lowers capital costs. The following table outlines Peyto's strategic priorities in supporting ESG.

Corporate Strength

- Concentrated resource play
- Long reserve life assets
- Returns focused strategy
- Track record of success
- Continued profitable growth

Sustainable Energy Future

- Continued environmental leadership
- Minimal land disturbance
- Low emissions
- Water management
- Commitment to ESG reporting and disclosure
- Continuous innovation improves environmental impact

Capital Efficiency

- Lowest cost producer
- Structurally efficient resulting in reduced capital costs
- Supports strong free cash flow generation
- Low decline production

Operational Excellence

- Own and control assets
- Focus on value creation and return
- Technically strong workforce
- Superior HSE compliance

Nosehill Gas Plant, Alberta

APPROACH TO ESG

At Peyto, ESG leadership is everyone's responsibility and an integral part of the commitment to operational excellence. The Board and leadership team direct the Company's ESG strategies and monitor progress and performance through the Board's ESG Committee and the Reserves, Health, Safety and Environment Committee. This report focuses on key ESG topics relevant to Peyto and its stakeholders.

Peyto is committed to providing transparency around ESG performance. The Company has been actively tracking sustainability metrics since 2013 and publishing those results in an annual sustainability report since 2016.

ESG MATERIALITY

In preparing this report, Peyto identified a list of material ESG focus areas using the Sustainable Accounting Standards Board's (SASB) Oil & Gas – Exploration & Production Sustainability Accounting Standard and the Task Force for Climate Related Financial Disclosure (TCFD) as guidance. Materiality is defined as:

"Any issue that could likely impact the financial condition or operating performance of the Company and, therefore would be a relevant indicator for investors."

As part of the commitment to operational excellence, Peyto is concentrating its efforts on material ESG focus areas that have the potential to be financially impactful.

The ESG metrics disclosed in this report were identified during a benchmarking and gap analysis process and will be used to monitor performance going forward. Peyto will also continue to monitor changing market conditions and new ESG issues that could impact Peyto's future performance.

Oldman North Gas Plant, Alberta

Material ESG Focus Areas

GOVERNANCE

- Board Oversight
- Leadership Accountability
- Policy and Culture

HEALTH, SAFETY and ENVIRONMENT

- Safety Culture
- Emergency Preparedness
- Pollution, Emissions and Climate
- Water Management
- Biodiversity and Reclamation

SOCIAL

- Diversity and Inclusion
- Stakeholder Engagement
- Indigenous Consultation
- Corporate Policy Development

CORPORATE

- ESG Targets and Strategy
- Materiality
- Transparency and Disclosure
- Culture

PEYTO SUSTAINABILITY COMMITMENTS

Governance

Topic	Commitment	ESG Focus Area	ESG Metric
Risk Management (Economic, HSE, Market Access, Staffing, Security)	• Enhance collaboration among critical functions within the Company to best assess risk and opportunities • Review risk policies with BOD on annual basis	• Corporate governance • Code of business conduct and ethics • Transparency • HSE	• Board independence • Board make-up and skills • Meeting attendance • Risk matrix

Health, Safety and Environment

Topic	Commitment	ESG Focus Area	ESG Metric
Climate Change and Energy Efficiency	• **TARGET:** By the end of 2023, reduce vented and flared methane emission intensity to 25% of 2016 levels	• Climate change • GHG emission reduction • Energy efficiency	• Emissions management
Environmental Improvements	• **TARGET:** Achieve 80% recycling of flowback water annually during fracturing operations to reduce make-up water • Continue to reduce Peyto's land footprint intensity by using existing wellsites/roads/other Peyto infrastructure to develop resources • Re-use modular equipment on new Peyto developments • **TARGET:** Proactively abandon and reclaim wellsites and/or facilities by outspending the minimum AER annual closure targets	Environmental stewardship: • Water • Waste • Responsible resource use • Biodiversity	• Water • Waste management • Biodiversity/reclamation
Health and Safety	• Focus on thorough incident investigation for causation and follow-up on corrective actions to prevent recurrence. • Monitor industry safety incidents and incorporate learnings within company • **TARGET:** Reduce the 3-year weighted average Total Recordable Incident Frequency year over year and annual rate below 1.0	• Health & Safety • Wellness	• Injuries, high potential incidents • HSE training compliance • Incident rates - TRIF

Social

Topic	Commitment	ESG Focus Area	ESG Metric
Diversity and Inclusion	• Provide a diverse, equitable and inclusive environment that upholds our core values of collaboration and respect and provides all employees with opportunities for growth and development	• Diversity and Inclusion • Board leadership	• Gender diversity throughout the organization • Board diversity
Workforce	• Commit to an engaged workforce that feels valued with the right support and resources to be successful • Support employee development, training, and succession	• Employee value proposition	• Training hours • Development program • Turnover rates • Employee feedback surveys
Supply Chain Management	• Develop a sustainable supply chain by working collaboratively with our diverse mix of local and global suppliers • Continually evaluate new supplier entrants for technological, work process and cost advances	• Supply chain sustainability	• Spend with small and diverse group of suppliers
Community Relationships	• Enhance the social value of communities in which we live and work through effective engagement and social investment	• Local communities	• Community investment
Indigenous Relationships	• Engage with Indigenous communities to help ensure they understand the potential impacts of our operations so we can identify ways to mitigate any potential impacts and find mutual benefits	• Indigenous engagement	• Indigenous consultation

ABOUT THIS REPORT

The report is designed to inform Peyto's key stakeholders, including employees, shareholders, investors, and the communities we operate in of Peyto's ongoing commitment to operational excellence and ESG. Peyto believes that quantification and tracking of key economic, energy efficiency, emissions and land disturbance metrics is vital to achieving long term sustainability. The goals and targets within this report are meant to guide corporate sustainability initiatives in order to drive continuous improvement of energy efficiency.

Currently there are multiple methodologies that apply to all Oil & Gas companies with respect to calculating GHG emissions and sustainability metrics. This report was prepared using guidance provided by:

- American Petroleum Institute (API) 2009 Compendium
- Sustainability Accounting Standards Board (SASB) Guidelines for Oil & Gas – Exploration & Production
- Alberta Energy Regulator (AER) Manual 015, Estimating Methane Emissions 2019
- Alberta Energy Regulator (AER) Directive 060, Upstream Petroleum Industry Flaring, Incinerating, and Venting
- Task Force for Climate Related Financial Disclosure (TCFD) recommendations

Peyto's GHG emissions inventory is compiled with an intent to account for all emissions sources from the wellsite to the sales point. The emissions values listed in this report cover facilities where Peyto is the operator. These values also contain emissions associated with non-Peyto owned volumes processed at Company facilities.

During 2022, Peyto operated and processed 98% of its production. This extremely high level of operatorship allows the Company to take full control over the energy efficiency of its operations and limit the exposure to third party carbon levy costs that are often passed through by midstream operators. When comparing GHG emissions in this report to other similar publications the reader must understand that the data may not be comparable with similar information reported by other companies because of the different quantification approaches and calculation methodologies. For example, some operators may not include the emissions associated with their production processed at third party facilities, therefore caution should be taken when comparing total emissions and emissions intensity between operators. In this report, Peyto attempts to normalize the emissions intensity discrepancies amongst its peers.

Peyto has reviewed the data in this report to ensure the information is accurate. Peyto will continue to enhance its sustainability reporting systems and implement new GHG quantification methodologies as they become industry standard. From time-to-time Peyto may adjust the methodologies used to calculate emissions. In these instances, the change will be implemented on "go forward" basis. Currently, Peyto does not externally assure the metrics published in this report.

On October 17, 2023, Peyto closed the deal to acquire the assets of Repsol Canada Energy Partnership (Repsol). This report reflects results and data from the year ending December 31, 2022, therefore does not include an analysis of Repsol-related data. Goals and targets contemplated in this report do not include the impacts of the Repsol acquisition and were designed to reflect Peyto's stand alone business. Goals and targets will be re-evaluated and adjusted as applicable in 2024.

GOVERNANCE

Peyto's Board of Directors (the Board or BOD) is responsible for stewarding the Company and providing oversight and governance to the leadership team. This includes guiding the Company's strategic planning, HSE, risk management, corporate communications and ESG. The Board is also responsible for selection of executive leadership and ensuring that management's decision-making aligns with corporate strategic goals and objectives.

Currently, the Peyto Board consists of nine directors of which seven are independent[1]. The positions of Lead Director and the Board Chair are independent and separate from the role of CEO. Each independent board member is evaluated annually for competencies to ensure a comprehensive and diverse skill set.

The Board has policies in place that outline the criteria for selecting new board members, and to ensure that any conflicts of interest are identified. The Board's Nominating Committee is responsible for evaluating Board and Board member performance.

Peyto's Board meets at least quarterly and has established six committees that oversee the execution and adherence to our corporate policies and the different components of our business. Membership of all committees consists of independent[1] directors.

To support Peyto's commitment to Operational Excellence, the Board has established an ESG Committee. This Committee's mandate is to provide oversight of the policies and strategies, communications, and engagement on ESG and sustainability matters to ensure that, as a responsible corporate citizen, all Peyto's obligations and objectives are met.

In May 2023, the Board committed to increasing the percentage of female directors to at least 30% before the 2024 annual general meeting of Peyto shareholders. The Board also committed to attending not less than 75% of all meetings. The compositional target has been met with the addition of one director in October 2023 and meeting attendance is on target to exceed 75% participation for 2023.

[1]According to TSX definition

Corporate Policies Related to ESG:

- Board Diversity Policy
- Code of Business Conduct and Ethics
- Diversity and Inclusion
- Whistleblower
- Health, Safety and Environment
- Biodiversity and Reclamation
- Human Rights and Freedom of Association
- Community and Indigenous Engagement
- Board Renewal Policy
- Information Security Policy

Board Composition

- 9 Board members
- 7 Independent members[1]
- 33% Female members

Risks and Opportunities

Risk Management and maintaining an ongoing risk/opportunities matrix are led by Peyto's Board and Management team. This function is also included as a key part of the mandate for the ESG committee. The following table provides an overview of potential ESG risks and opportunities.

Risks	Potential Impact	Mitigation
Legislation/Policy Changes	• Peyto's operations are impacted by Alberta provincial and federal government legislation • Any changes to legislation or policy could have a material impact on Peyto's operations and financial performance	• Continue to engage with industry partners, government, regulators, and other stakeholders to understand and influence effects of potential changes • Participate in industry advocacy groups
Material HSE Incident	• Peyto's business inherently involves operational and natural hazards that have the potential to harm the employees, service providers, the public, environment, and equipment	• HSE management system in place, including frequently updated emergency and incident response plans and training • Peyto has a strong corporate HSE culture • Preventive maintenance programs are in place including routine audits and integrity inspections
Stakeholder Acceptance	• Increased scrutiny and requirements from stakeholders to maintain public acceptance and support to operate. Perception of energy production and impacts on the environment could reduce access to capital	• Comprehensive ESG disclosure to demonstrate commitment to sustainability • Continued advocacy for sustainable energy development • Consultation with local communities including Indigenous stakeholders
Market Access	• Economic success is one of the cornerstones of Peyto's corporate goals. Success is contingent on effective market access which drives commodity prices	• Continue to explore opportunities that provide new market access • Continue a clear diversification strategy that includes hedging and access to local and export markets • Publicly advocate for and support the development of future energy infrastructure in Canada
Attracting/Retaining Key Staff	• Staff are a critical component of Peyto's success. The loss of essential staff would negatively affect our operations	• Continue to promote a corporate culture that empowers staff, makes them accountable, and provides job satisfaction beyond compensation • Be competitive with respect to compensation. Peyto has short-term and long-term financial incentive plans designed to reward employees and other key contributors for successful execution of Peyto business plans • Peyto seeks to hire qualified staff that are aligned with the core values of Operational Excellence while maintaining inclusion and diversity • Development and succession planning • Conduct periodic employee surveys for feedback

Risks	Potential Impact	Mitigation

Security	• Security falls into two categories
	  • Cyber security
	  • Operations security
	• Any cyber intrusion or failure of our electronic systems, or physical interference in operations could severely impact operations and create safety concerns for both employees and the public
		• Peyto has an Information Security Policy and an IT Acceptable Use Policy. In addition, Peyto utilizes the computing world's best threat protection mechanisms and user awareness training.
		• Access to control networks for critical infrastructure are limited to senior field operations personnel
		• Mandatory check in policy in place for all visitors/contractors at gas plants

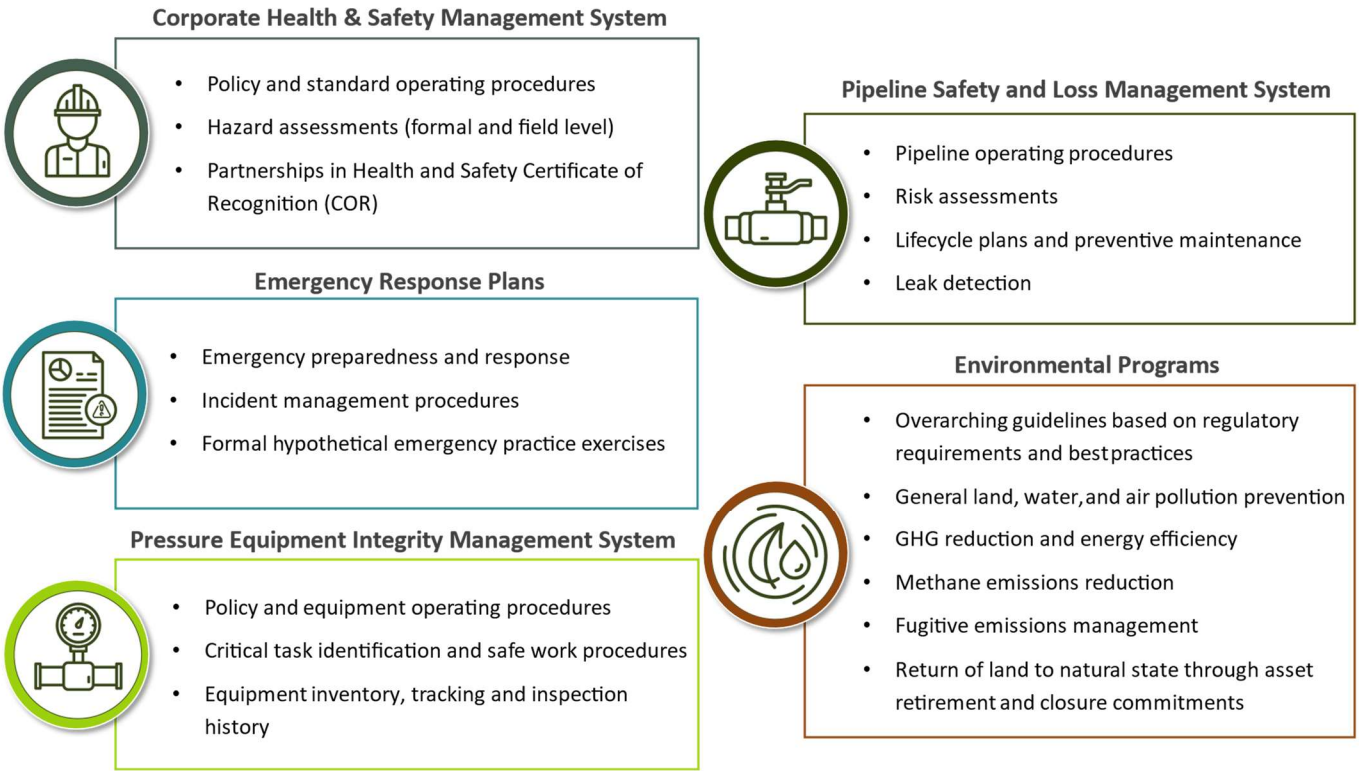
Conflict of Interest/Unethical Business Conduct	• Unethical business conduct would lead to a loss of reputation for the Company, loss of access to capital, possible prosecution, and undermine the integrity of the workplace	• Peyto has a Code of Business Conduct and Ethics which is acknowledged annually by all staff and contractors • Peyto publishes a report annually in accordance with The Extractive Sector Transparency Act (ESTMA) which discloses cash payments made to governments (including Indigenous governments) available on the website at www.peyto.com. • The Company has a Whistleblower Policy that allows for confidential reporting direct to the Board of Directors

Peyto Swanson Gas Plant, Edson AB

HEALTH, SAFETY AND ENVIRONMENT

PEYTO'S APPROACH

Peyto is committed to sustainable energy development that is rooted in the principle of operational excellence throughout the full life cycle of operations. A process of 'plan, do, check, act' fosters continuous improvement that drives sustainability and profitability in all areas of Peyto's business. Peyto has the following systems in place to achieve this.



HEALTH AND SAFETY

Peyto prioritizes the health and safety of its employees, contractors, and their families. Peyto's culture is based on internal responsibility, entrusting competent workers, with adequate training, skills and proper processes yields the highest safety performance. Peyto's high employee and contractor retention is a testament to this culture.

The safety culture is strengthened throughout the organization through a multi-faceted, active, and ongoing plan that involves regular inspections, training, emergency practice drills and hazard identification dissemination to all personnel working within the organization. These two focuses – personnel safety and equipment maintenance - protect not only Peyto employees and contractors but also the public at large, the natural surroundings, and tangible assets. Peyto adopted the "**6 Pillars of Operational Excellence**" approach which is made up of the Company's H & S Manual, Emergency Response Plans, Pipeline Manual, Pressure Equipment Integrity Management System, Environmental Program and APEGA Permit to Practice Plan. These key documents and systems are reviewed annually and updated to reflect changes in Regulatory and Government policies and Peyto's internal practices.

Operators at the Chambers and Swanson Operating Areas.

HSE PERFORMANCE SUMMARY

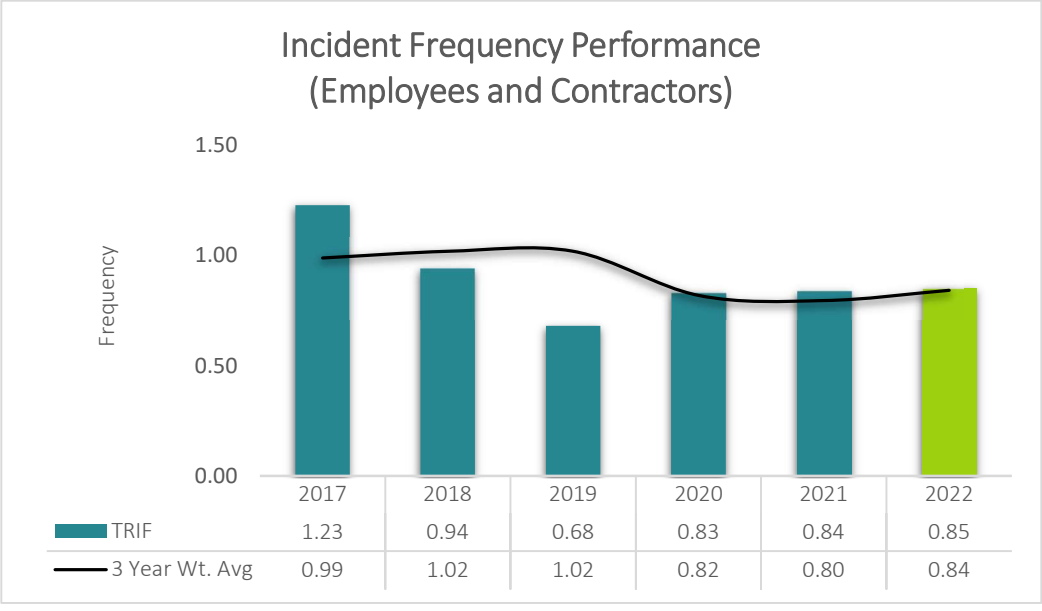
In previous annual sustainability reports, Peyto identified a health and safety goal to reduce Total Recordable Incident Frequency (TRIF) below 1.00. While the target for safety incidents is always zero, Peyto's high level of activity makes this an unrealistic expectation. However, Peyto strives for continuous improvement and to reduce both the frequency and severity of incidents. It is with great sadness we report that one of our third-party contractors had a serious incident that resulted in a fatality on a Peyto work site during 2022 – the only fatality in the 24-year history of the Company. The cause of the fatality was thoroughly investigated, and the learnings have been incorporated in company's work procedures.

Sustainability Goal

Reduce the trailing three-year average TRIF each year

Peyto utilizes industry standard incident reporting methodology, TRIF, to measure incident frequency. Incident frequency is measured by calculating the number of incidents annually for every 200,000 hours worked per year. Peyto includes both employee and contractor hours in its calculation of TRIF and has set a goal to reduce the three-year trailing average TRIF each year. This approach focuses on continuous long-term improvement by smoothing out anomalous single year results.

During 2022, Peyto's TRIF was 0.85, achieving the goal of operating below 1.00. The trailing three-year weighted average for 2022 was 0.84, up slightly from the trailing three-year weighted average of 0.80 in 2021. These strong metrics were achieved even while the 2022 capital program was 46% higher than 2021[1]. This past year served as a heavy reminder to Peyto and its contractors that our work is inherently hazardous due the nature of the products, heavy equipment, and the harsh outdoor working conditions. Peyto not only implements learnings from its own incidents, but also monitors government data, trends, and industry incidents to improve its overall health and safety performance.



	2017	2018	2019	2020	2021	2022
TRIF	1.23	0.94	0.68	0.83	0.84	0.85
3 Year Wt. Avg	0.99	1.02	1.02	0.82	0.80	0.84

[1]Not including asset acquisitions & dispositions.

CERTIFICATE OF RECOGNITION (COR)

Peyto has proudly maintained a Certificate of Recognition ("COR") program since 2015 in accordance with standards set by Alberta Occupational Health and Safety. In order to maintain this good standing, Peyto continuously improves health and safety training of its employees through internal and external courses. Peyto's health and safety management system is then audited every three years and action plans are developed annually. In 2021, Peyto confirmed its commitment to safety by achieving a 95% score on the recertification audit conducted by a third-party evaluator.

HIGHLIGHTS
Total Recordable Incident Frequency of 0.85 (below target of 1.0).
Proudly maintained a Certificate of Recognition
Conducted nine emergency preparedness exercises

2023 TARGETS
Continue to maintain a TRIF below 1.0
Target continuous reduction of the trailing three year weighted average TRIF each year.

Typical Peyto multi-well pad measurement buildings equipped with solar panels, integrated water tanks, remote monitoring, and emergency shutdown equipment designed to minimize footprint while providing safe, reliable operations.

ENVIRONMENT

Peyto's approach to environmental management is based on a robust framework that stresses efficiency and a reduction in overall environmental impact in support of the Company's commitment to Operational Excellence. This approach provides Peyto the opportunity to incorporate both financial and environmental sustainability into its business strategy and exemplifies the true meaning of sustainable development for Peyto.

Environmental Compliance Programs
Fugitive Emissions Management Program
Methane Reduction and Retrofit Compliance Plan
Multi Sector Air Pollutants Regulation
Dehydrator (Benzene) Emissions Regulations

Environmental activities at Peyto are managed through various environmental compliance programs. These provide the structure and corporate oversight to guide our daily operations activities around emissions, water management, waste minimization, biodiversity, and reclamation. This is achieved while maintaining a focus on continuous improvement that drives our ESG performance.

GHG EMISSIONS

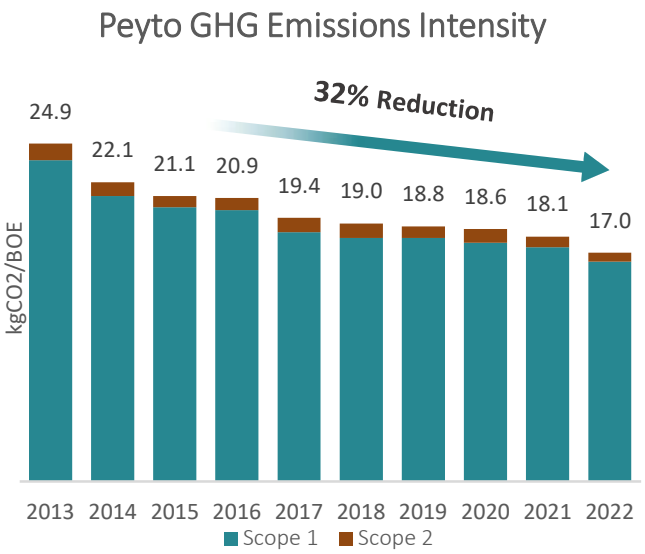
Managing GHG emissions has become a major regulatory, operational, and reputational challenge for all organizations. Federal and Provincial climate policies are becoming more stringent which requires companies to develop operational strategies that are climate resilient. Peyto understands the current trajectory of climate change regulation around GHG emissions management, and the scrutiny that energy producers are under to make significant reductions in GHG emissions. At Peyto, energy efficiency is a core part of the operating philosophy since every molecule that is conserved can be sold to generate additional revenue.

The very nature of Peyto's geographically concentrated assets and stacked reservoirs allows for more efficient development and contributes to low emissions intensity. Infrastructure like roads, pipelines, gas plants, power lines and wellsites can be used to recover reserves at one depth and can be re-used to extract different reserves at another depth. This re-use of Peyto infrastructure over and over eliminates the emissions and capital associated with building new each time like with traditional plays.

Peyto uses solar panels combined with battery storage to power electrical instrumentation and pumps to reduce Methane emissions.

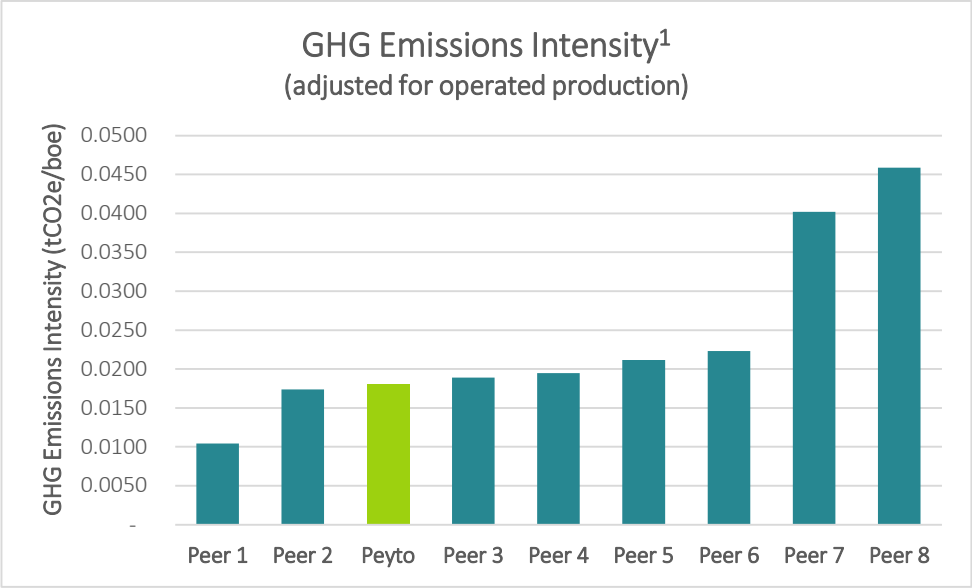
EMISSIONS INTENSITY

Peyto has one of the lowest emissions intensities per barrel of production in the Canadian Oil and Gas sector. Peyto continued to reduce Scope 1 and 2 emissions intensity During 2022, now down 32% from 2013 levels.

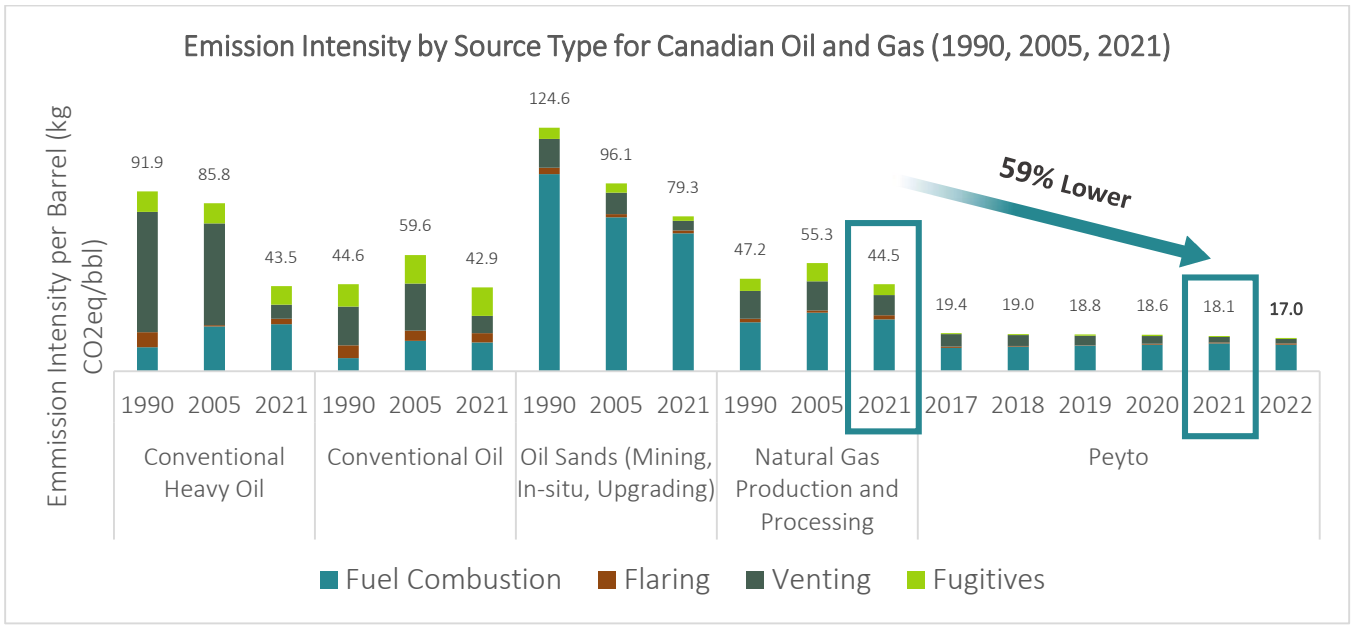


Peyto's GHG emissions inventory was compiled with the intent to account for all operated emissions sources from the wellsite to the sales point. These emission values also contain emissions associated with non-Peyto owned volumes processed at our facilities. During 2022, Peyto operated and processed 98% of its production such that materially all emissions from the Company's production are accounted for in the total emissions and emissions intensity calculations.

Most operators generally report only the emissions associated with the facilities they operate and fail to recognize the emissions generated at third party facilities (such as large midstream plants) where they may send substantial volumes to be gathered and processed. As a result, caution should be used when comparing both total emissions and emissions intensity between producers until such time as a standard is adopted on how to account for third party processing. In the meantime, Peyto believes the best way to represent an operator's true emissions intensity is take the total emissions generated at a company's operated facilities and divide that by the gross operated volumes produced at that facility. Company volumes being processed at third party facilities should be excluded from the intensity calculation (unless an estimate of emissions is provided by the third-party operator). When this approach is used, Peyto stands out as one of the lowest GHG emission intensity operators among its peers.



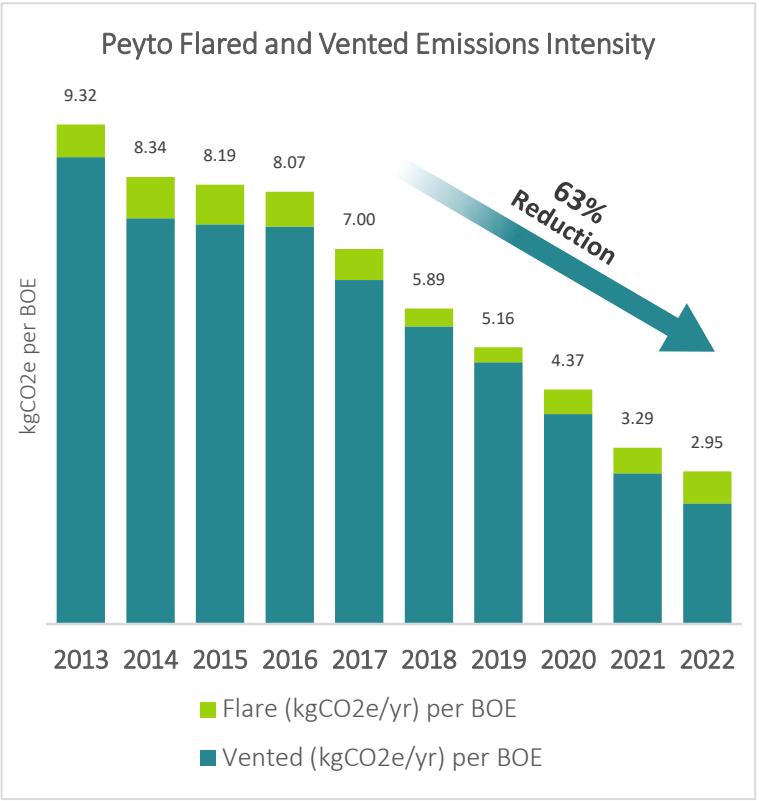
[1]Scope 1 and 2 Emissions from operated facilities divided by gross operated production (excludes volumes processed at third party facilities). Peer group includes Advantage Energy, ARC Resources, Birchcliff Energy, Crew Energy, Kelt Exploration, Paramount Resources, Tourmaline Oil, and Whitecap Resources. Source: Company reports (ESG, AIF) using latest data available (2021 or 2020)



Source:
NIR Greenhouse Gas Sources and Sinks in Canada, 2022 Edition, Part 1, Figure 2-25 (https://unfccc.int/documents/627833).

Peyto continues to concentrate on reducing the emissions intensity of its operations as part of the continued focus on Operational Excellence. The Company specifically targets reducing the methane component of GHG emissions as it provides the best opportunity to make real change.

Back in 2016, Peyto set a goal to reduce flared and vented methane emissions intensity from its operations by 50% in 5 years. The company set out to achieve this goal by retrofitting high bleed equipment, removing methane emitting controllers on low-rate wells and converting pneumatic pumps to electric pumps powered by solar energy.



In 2021, Peyto achieved the original target with 59% reduction. Anticipating the success of the emissions reductions program, Peyto set a new target to reduce emissions intensity further by 75% from 2016 levels by 2023.

At the end of 2022, Peyto emissions are down 63% despite the increase of flared volumes from the completion of longer, more efficient, horizontal wells that require additional flow back time and associated flaring. So, while less wells are required to develop the resource, it comes at the expense of slightly higher flared volumes. This trade off illustrates the holistic approach Peyto takes to environmental impact and sustainability.

EMISSIONS REDUCTION INITIATIVES

To support our emissions reductions efforts, Peyto continues to implement significant operational improvements designed to specifically reduce methane emissions profile. To date, the Company has implemented over 3,800 individual methane emissions abatement projects. All these projects have provided incremental returns to the Company by conserving the gas we sell and preserving profit margin. These reduction initiatives include:

Initiative	Description	Benefit
Modular Design	• Modular design of our processing facilities and well sites allow for higher utilization of in-service equipment and efficient redeployment of underutilized equipment	• Savings of capital costs and reduction in overall GHG emissions
Wellsite Design	• Since 2016, Peyto has been equipping new wells with zero emissions chemical pumps • Current wellsite design relies on electric level controllers, pressure controllers, chemical pumps, solar panels, and batteries for power requirements	• Eliminates continuous venting of instrumentation fuel gas
Methane Emissions	Ongoing methane emission abatement projects including: • conversions to ultra-low bleed level controllers • pressure controller retrofits • conversions of pneumatic chemical pumps to solar powered, zero emission pumps • Methane emissions collection bottles to use as heater fuel	• Resulted in 250,500 tonnes CO_2e reduction in annual methane emissions or the equivalent to taking 54,000 cars off the road annually
Flaring	• During 2022, Peyto eliminated 172,000 tonnes CO_2e associated with flaring during completion operations by producing initial test gas into pre-built pipelines to our gas plants	• Equivalent to removing 37,300 cars off the road annually
Carbon Emission Offset Generation	• Peyto generates offset credits through chemical pump retrofits and low bleed equipment installations	• To date, 470,000 Offset Credits have been generated
Alberta Power Generation	• Peyto is committed to directly supply 60,000 GJ/d for 15 years to the Cascade Power Plant starting in 2024. The Edson-area based project is a 900 MW combined cycle, high efficiency, natural gas-fired power generation facility. This project helps to replace coal-fired power in Alberta, thus reducing Canada's greenhouse gas emissions	• Savings of approximately 25,000 tonnes CO_2e/year in direct connect gas transportation fuel
Waste Heat Recovery	• Peyto's new Chambers Gas Plant is equipped with a waste heat recovery system that will capture compressor exhaust heat and reduce the need for plant fuel gas	• Eliminates emissions from plant heaters 3,700 tCO2e/yr

Peyto continues to comply with all applicable regulatory requirements relating to emission reporting and reduction in the jurisdictions in which the Company operates.

In addition to its active Emissions Reduction Initiatives, Peyto continues to explore and test emerging technologies that could be adopted and further reduce the Company's emissions. These include:

- Waste heat recovery and utilization primarily on Peyto's fleet of 81 compressors (138,000 hp)
- Carbon capture, utilization, and storage (CCUS)

HIGHLIGHTS

Peyto has reduced flared and vented methane emissions intensity by 63% from 2016 levels and achieved its original target of 50% reduction during 2021.

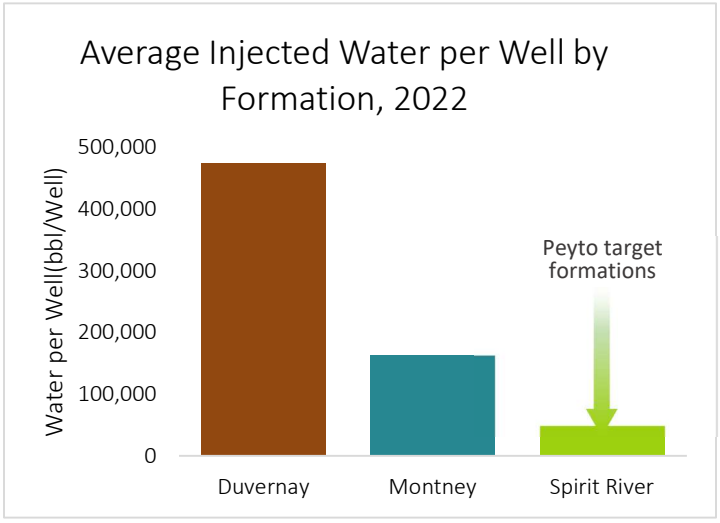
Peyto has completed over 3,800 individual methane emissions abatement projects.

2023 TARGETS

To reduce Peyto's vented and flared methane emissions intensity by 75% from 2016 baseline levels by 2023.

WATER MANAGEMENT

Peyto considers the reduction of freshwater use one of the foundational elements of proper environmental stewardship. The Company's focus on Operational Excellence identifies water management as both a financial cost and environmental benefit. Hydraulic fracturing is a technique that injects high-pressure fluids and sand to fracture the reservoir rock and connect the natural pores in the formation. This process is designed to create a pathway for hydrocarbons to flow more freely from the rock formation. This is the only time Peyto uses any substanial amount of water in the life cycle of a well. Horizontal directional drilling with multiple stage



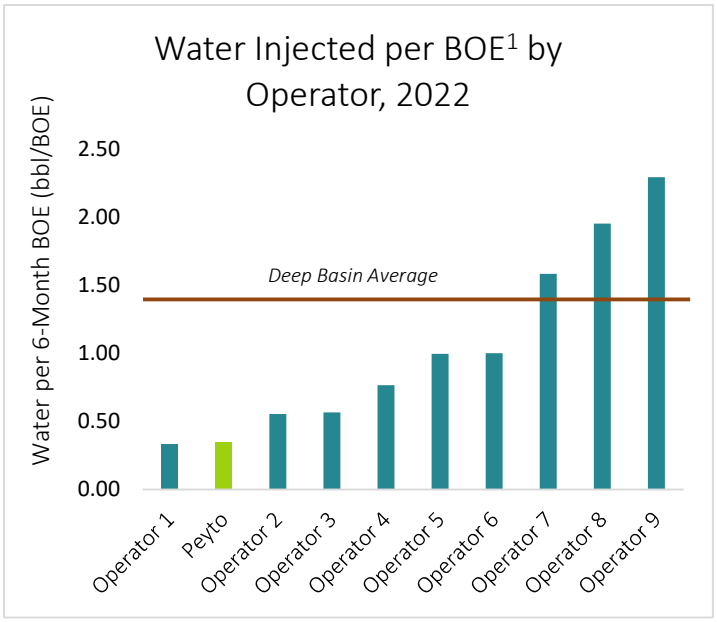
Source: IHS Markit

Peyto's water use intensity near the lowest in the Deep Basin area in 2022.

fracturing decreases the overall number of wells needed to develop a resource which significantly reduces surface disturbance.

For the past 24 years, Peyto has been focused on unlocking natural gas and natural gas liquids from Cretaceous aged sandstone reservoirs in Alberta's Deep Basin. Hydraulic fracturing techniques used to free the hydrocarbons from these tight sand plays require relatively lower water volumes when compared to the tighter shale or siltstone formations such as the Montney and Duvernay plays being developed in Western Canada or shale plays in the United States. As a result, Peyto uses a lot less water to extract hydrocarbons in the Deep Basin area of Alberta than many other operators, to produce an equivalent volume of hydrocarbons. This means less land is required to store that water during fracturing operations, less fresh make-up water is used to add to recycled water, and less water handling costs per boe of new production.

Each hydraulic fracturing operation carries its own unique attributes with respect to water management. When evaluating a well pad fracturing plan, Peyto considers not only the regulatory requirements but also the cost and environmental impact associated with all available sourcing options. These sourcing options may include ground water, surface water, or recycled flowback water. In most situations, a variety of potential sources are combined into a customized strategy unique to each given well or pad.

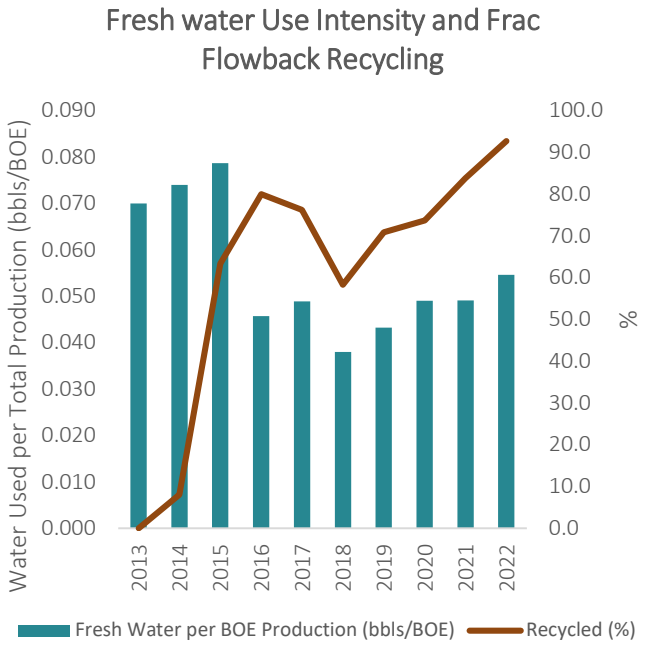


[1]*Water pumped during fracturing operations of Montney, Duvernay and Sprit River wells in 2022 divided by total production (converted at 6mcf:1 boe) from only wells with a minimum of 6 months (4400 hours) history. All operators in the Deep Basin area of Alberta have been included but only the lowest 10 water intensity producers are shown for comparison: ARC Resources, Canadian Natural Resources, Nuvista Energy, Ovintiv, Paramount Resources, Spartan Delta, Tourmaline Oil, Westbrick Energy, and Whitecap Resources.*

The Ensign #401 rig has been drilling for Peyto since November 2009.

When surface water is used, it is important to note that Peyto's operations lie entirely within low to medium baseline water stress areas as defined by the World Resources Institute (WRI) water risk atlas, Aqueduct, 2019. The Baseline Water Stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Peyto does not extract any fresh water for its operations from the high stress regions in Alberta as classified by the WRI. During 2022, Peyto sourced no surface water for hydraulic fracturing operations.

During 2020, Peyto established a sustainability goal to continue to decrease the non-saline make-up water component used in its hydraulic fracturing activities and to increase the recycling of frac flowback water to 80%. This goal was met and exceeded during 2022. Peyto's ongoing success of reducing historical freshwater use per unit of company production while increasing flowback recycling is illustrated in the chart.



HIGHLIGHTS

- Recycled 92% of flowback water exceeding 80% target set in 2020.
- Peyto's water use is one of the most efficient in the Deep Basin area of Alberta.

2023 TARGETS

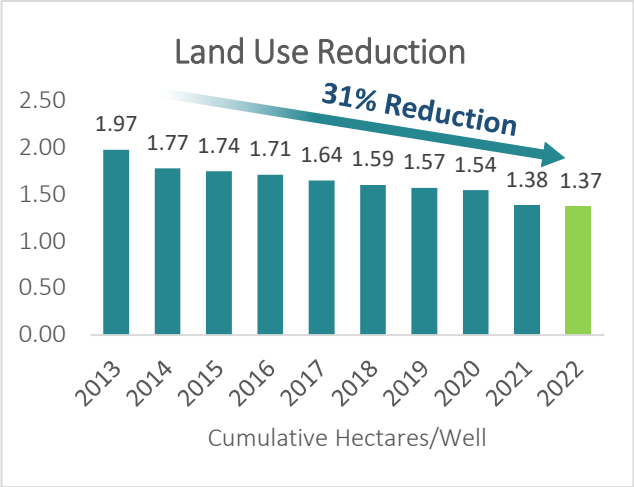
- Decrease non-saline make-up water used in hydraulic fracturing operations.
- Annual target of a minimum flowback water recycling ratio of 80%.

BIODIVERSITY AND RECLAMATION

Optimizing land use and minimizing disturbance are integral to Peyto's resource development strategies. The Company's goal is to plan, build, operate and reclaim our facilities with a focus on footprint minimization and timely reclamation. This approach aligns with Peyto's objectives of profitability while minimizing impact on the environment.

LAND MANAGEMENT

Peyto constructs well pads and compact, modular facilities that are "right- sized" and expandable with our resource development and production growth. This ensures minimal land use per unit of energy produced while simultaneously minimizing capital requirements. Since 2012, Peyto has utilized multi-well pad drilling to reduce overall land use. As a result, wellsite footprints have been decreased based on an area per well basis. During 2022, the cumulative land used for all Peyto's roads and wellsites dropped to 1.4 ha/well, down 31% since tracking began in 2013. The inherent nature of Peyto's operations (use of existing surface locations and smaller hydraulic fracturing footprints), result in less land use than what is otherwise allowed by the regulator.



Peyto's operational efficiency continues to drive down land use on a per well basis.

For each development project Peyto undertakes, a portion of the cost to acquire the surface disposition (lease, road, pipeline, or facility site) goes to the designated Forest Management Agreement (FMA) holder and the Government of Alberta for reforestation of lands. The FMA holder then uses these amounts collected to manage reforestation on Crown land. Effectively, for every tree Peyto cuts down, a replacement tree is paid for, which will be planted by the FMA holder.

When Peyto does harvest a tree for road, pipeline or lease construction, any merchantable timber that is salvaged is transported to the FMA holder's mill. Peyto works closely with FMA holders and the Government of Alberta to manage Peyto's impact on the Crown land.

Reforested Wellsite, Alberta

FACILITY AND PIPELINE INTEGRITY PROGRAM

Peyto completed internal integrity inspections on 17.8 km of pipelines in 2022

Peyto's facility and pipeline asset integrity programs fall under the umbrella of the Health and Safety Management System, specifically:

- Pipeline Safety and Loss Management Process; and
- Pressure Equipment Integrity Management System (PEIMS).

The Integrity program utilizes a combination of routine inspections, equipment, and technology to prevent a loss of product or damage to the environment. Technologies include supervisory control and data acquisition (SCADA) systems, automated gauges, pressure alarms, and emergency shutdown controls and valves which will alert the operations team and immediately shut down equipment to eliminate or minimize the potential for environmental impact in the event of an incident.

Peyto has enhanced the pipeline Integrity program to ensure safe and reliable pipeline operations to avoid future spills. This includes the decommissioning of vintage pipelines, increased chemical corrosion inhibition, and expanded internal integrity inspection surveys. Peyto continues to include Integrity Management as a key focus within the Company's corporate risk profile and mitigates this risk through employee awareness, routine inspections and preventive maintenance of equipment and control systems. The Company completed 17.8 km of internal pipeline inspections and decommissioned 17.8 km of pipeline during 2022, as part of this program. In the past five years, Peyto has internally inspected 46.6 km and decommissioned/abandoned 95.2 km of pipeline.

WATERCOURSE CROSSING PROGRAM

Peyto has long been an active participant of Alberta Watercourse Crossing Program (WCP). This is a collaborative program involving upstream oil & gas producers, forestry operators as well as both Provincial and Federal regulators. The program actively tracks and inspects both new and legacy water crossings to ensure protection and restoration of fisheries habitat. All participants in the program develop a holistic watershed conservation and management plan illustrating Peyto's strong commitment to water management and biodiversity stewardship.

Example of watercourse crossing management in the Edson area

REGULATORY MANAGEMENT

Peyto continually monitors changing regulations as part of the corporate risk matrix. Regulatory risk is managed internally through both the Health and Safety Management System, Environmental Program and the following external initiatives.

- Direct interactions with regulators and peer companies
- Bulletins and updates from the Government of Alberta, the Alberta Energy Regulator (AER) and the Canadian Energy Regulator (CER)
- Active participation in industry associations. During 2022, Peyto was an active member of the following associations:

Explorers and Developers Association (EPAC)

Energy Mutual Aid Co-op (EMAC)

Western Canadian Spill Services (WCSS)

Emergency Response Assistance Canada (ERAC)

The AER frequently inspects or monitors active drilling sites, producing wells, gas plants, and pipelines. These inspections ensure that companies are following AER requirements and are working safely. In addition to inspections, the AER regularly audits companies' operations to ensure that they comply with AER requirements. Scrutinizing facilities and active projects serve to ensure the standards and Directives that the AER sets out in licences, approvals, rules, regulations and requirements are being met by industry. Peyto's AER compliance rating for 2022 was 84% as compared to the industry average of 73%.

ABANDONMENT AND RECLAMATION MANAGEMENT

At the end of 2022, Peyto estimates the cost of future abandonment and reclamation liability (all wells, sites, & facilities) will be approximately $99 million (discounted at 5%) which represents only 1% of Peyto's total $6.5 billion of forecast future value from the developed reserves (at the same discount rate).

92% of Peyto's operated wells are producing and 98% of the assets were developed in -house.

Peyto has been able to maintain low abandonment and reclamation cost because it's been the sole developer of 98% of its assets over the past 24 years. At December 31, 2022, Peyto owned 1,929 net wells, 92% of which are still producing today. This ratio of producing to non-producing wells is among the highest of Canadian producers.

Peyto's low abandonment liability has significant financial advantages under the AER's Licensee Capability Assessment (LCA) framework which was first introduced 2021. The framework contains multiple tools that are used determine the value of company's deemed liability and ability to mitigate the risk to the public and the environment. The AER requires each company to spend 4% of its deemed inactive liability annually on closure activities. It is expected that this program will accelerate the retirement of industry's inactive assets. Other factors considered in the LCA are financial performance, administrative performance (inspection results), closure activities and any other issues the AER deems relevant. Companies are measured against the AER targets and peer group performance. Peyto supports this new AER initiative and its goal to reduce future liability to leave a more sustainable energy industry for generations of future Albertans and Canadians.

Sustainability Goal

Peyto will exceed all yearly AER closure spend targets relating to abandonment and reclamation activities

Peyto spent $4.7 million on closure related activities in 2022.

During 2022, Peyto focused on downhole abandonment of wellbores. The Company abandoned 12 wellbores out of our inventory of 31 candidates and spent $4.7 million, far exceeding the AER mandatory requirement set at just under $1 million.

WASTE MANAGEMENT

Peyto's waste management includes handling and disposal of drilling waste, oilfield/plant waste and municipal waste. All waste generated is either recycled or disposed of at a permitted waste disposal facility. Peyto's waste management strategy requires that all waste be properly manifested and recorded to ensure compliance with all Transportation of Dangerous Goods (TDG) and provincial regulatory requirements.

HIGHLIGHTS
Peyto's operational efficiency has resulted in a 31% reduction of the land required per well.
Peyto internally inspected 17.8 km of pipeline as part of its Pipeline Integrity Program.
Peyto's annual regulatory inspection score was 84%, above the Provincial average of 73%.
Peyto's outstanding abandonment and reclamation liability stands at $ 99 million (discounted at 5%) which represents only 1% of the total $6.5 billion of forecast future value of the developed reserves on the same discount rate.
Peyto spent $4.7 million on closure related activities in 2022 exceeding the AER mandatory requirement of $916,748 .

2023 TARGETS
Peyto will meet or exceed all yearly AER closure spend targets relating to abandonment and reclamation activities

SOCIAL

Peyto's strives to be a company that creates a culture of accountability, inclusion, diversity and collaboration for our employees and the communities we operate in.

PEOPLE AT PEYTO

Peyto recognizes that people are one of its most important assets and is committed to fostering a diverse and inclusive culture across the organization. The Board and leadership are committed to ensuring all employees are positively engaged in supporting the business and are valued for their contribution. This is evidenced by Peyto's high employee retention metrics. Peyto's voluntary turnover rate (excluding retirements) has averaged only 2% over the last 5 years and the average tenure of employees is 10 years. This dedicated team produces over 11 MMSCFE/D per employee, which is the highest productivity ratio of any oil and gas company in Canada.

Peyto's focus on employee engagement and diversity starts at recruitment and is embedded into our policies and procedures. Peyto knows that the best ideas and contributions come from people who are accountable for their decisions, have different perspectives and skills across all disciplines. The collaboration and multi-disciplinary team participation amongst employees provides both superior business outcomes and high employee satisfaction.

Peyto is also committed to maintaining a workplace that respects human rights in accordance with its Human Rights and Freedom of Association Policy. The Company continuously strives to improve its contracting practices and has adopted company-wide principles that are applied when selecting third-party, independent contractors.

2022 Key Figures

61
Total Employees

52%
Women in the workforce

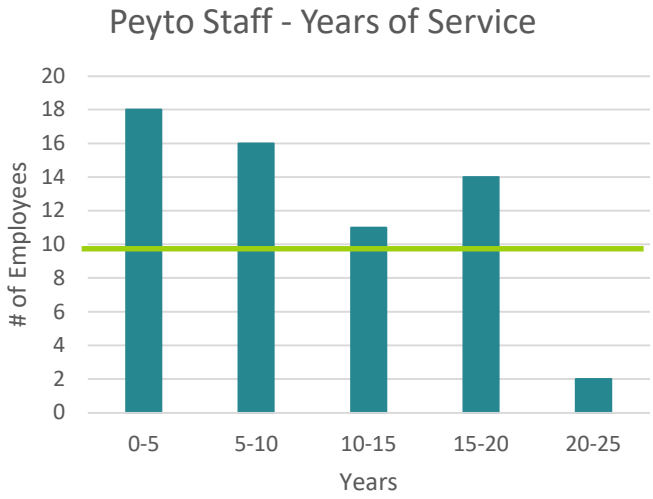
10 Years
Average tenure of staff

2%
Average employee turnover rate since 2017

11 MMSCFE/D
Per Employee

To ensure safety of staff, suppliers, and business partners, Peyto also has a comprehensive whistle-blower policy in place that outlines a safe avenue to report any concerns or issues. No whistleblower reports were received during 2022.

Peyto Calgary Staff



COMMUNITY AND INDIGENOUS ENGAGEMENT

COMMUNITIES

Communities we operate in:
Edson
Hinton
Grande Cache
Drayton Valley
Rocky Mountain House
Calgary

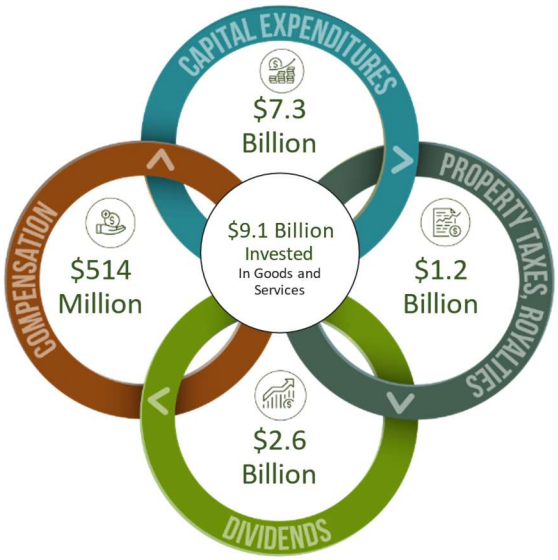
Peyto understands it has a social responsibility to be an active member of the communities in which the Company operates. As part of the focus on operational excellence, Peyto strives to engage with the communities, understand current community issues and concerns, and work to incorporate stakeholder input into its business.

Peyto also understands that being an active member means contributing economically to the community. Peyto approaches community investment from a holistic and scalable perspective, with a focus on primarily supporting the community and local businesses through its annual capital programs. These programs benefit local suppliers and vendors, create jobs, and generate tax revenue for regional municipalities.

As a Company and as individuals, Peyto also contributes to charitable and volunteer organizations such as STARS Air Ambulance and participates in volunteer initiatives which benefit local causes.

Peyto's Economic Impact

(net, cumulative contribution to the end of 2022)



Peyto's cumulative contributions to STARS exceeds $750,000

INDIGENOUS ENGAGEMENT

Peyto recognizes the unique connection that all Indigenous partners hold with the land. The Company seeks to build lasting and mutually beneficial relationships in the areas in which Peyto operates. To ensure this, Peyto engages with Indigenous communities to share information about its activities and listens to genuine concerns in a respectful and comprehensive manner.

Indigenous consultation is a part of Peyto's corporate success which is highlighted in the Company's policy on Community and Indigenous Engagement. Peyto consults in a respectful and timely manner that recognizes traditional culture and knowledge but also the processes outlined by the Alberta government's Aboriginal Consultation Office (ACO).

Peyto also recognizes the opportunity to support Indigenous communities through its annual capital programs by utilizing competitive local Indigenous businesses. Additionally, Peyto offers local direct employment opportunities to career-orientated Indigenous people who seek to make a career in the natural gas industry.

Indigenous Communities in Peyto's Operating Areas:
Alexis Nakota Sioux Nation
Aseniwuche Winewak Nation
Enoch Cree Nation
East Prairie Metis Settlement
Kehiwin Cree Nation
Louis Bull Tribe
Montana First Nation
O'Chiese First Nation
Paul First Nation
Sunchild First Nation
Whitefish Lake Indian Reserve #128

HIGHLIGHTS

The average employee has served at Peyto for 10 years and the Company has a voluntary turnover (resignations) rate of only 2%/yr.
52% of Peyto's staff are women. 31% of Managers are women.
No whistleblower reports were received in 2022

2023 TARGETS

Encourage employees to assist with their time and talents through Peyto sponsored social events and volunteer opportunities.

Athabasca River near Edson Alberta

PEYTO 2022 PERFORMANCE DATA

	Units	2018	2019	2020	2021	2022
Corporate Information						
Production						
Gross Operated Sales Gas [1]	MMcf/d	530.1	451.7	442.1	515.9	601.2
Gross Operated Liquids [1]	bbl/d	10,092	11,469	12,252	12,990	14,858
Gross Operated BOED (6:1) [1]	BOE/d	98,450	86,748	85,934	98,970	115,056
Net Production BOED (6:1)[2]	BOE/d	92,012	80,802	79,577	91,051	103,548
Economic Benefits						
Capital expenditures	$ (gross)/yr	242,000,000	231,000,000	244,000,000	409,000,000	564,000,000
Taxes, Royalties, rentals, fees and levies	$ (gross)/yr	53,000,000	42,000,000	38,000,000	91,000,000	191,000,000
Operating Expenses	$ (gross)/yr	118,000,000	114,000,000	107,000,000	128,000,000	175,000,000
Employee Compensation (salaries and performance awards)	$ (gross)/yr	22,000,000	10,000,000	7,500,000	17,000,000	16,000,000
Dividends	$ (gross)/yr	119,000,000	40,000,000	15,000,000	22,000,000	102,000,000
Total Annual Economic Benefits	**$ (gross)/yr**	**554,000,000**	**437,000,000**	**411,500,000**	**667,000,000**	**1,048,000,000**
Reserves						
Proved Producing [mboe]	MBOE	273,921	266,637	274,556	303,810	328,424
Total Proved [mboe]	MBOE	516,326	527,318	536,522	567,903	590,235
Total Proved + Probable [mboe]	**MBOE**	**802,809**	**814,748**	**834,403**	**903,568**	**929,075**
Total proved + probable reserves in or near Indigenous land	%	-	-	-	-	-

Notes:
1. SasB -EM-EP-000.a
2. Prior to 2021 Annual production values were calculated using CAPP energy equivalency factors. Starting in 2021 Annual Operated production are calculated using industry standard 6 MCF : 1 BOE conversion.

		Units	2018	2019	2020	2021	2022
Environment							
GHG Emissions							
Total Scope 1 (direct) emissions[3][4]		tCO_2e/yr	669,612	585,498	570,738	624,812	685,954
Total Scope 2 (indirect) emissions[3][4]		tCO_2e/yr	39,633	28,289	32,929	27,827	27,827
Total Scope 1+2 Emissions		**tCO_2e/yr**	**709,244**	**613,787**	**603,667**	**652,639**	**713,781**
Vented Emissions[5]		tCO_2e/yr	206,785	159,110	126,812	101,553	98,943
Flared Emissions		tCO_2e/yr	12,564	9,144	14,735	17,298	24,897
Methane Emissions[3]		tCO_2e/yr	289,840	236,297	204,115	206,979	210,621
Emissions Intensity							
Scope 1 (direct) Intensity[3]	All Direct Emissions from drilling and production activities.	tCO_2e/BOE	0.0180	0.0176	0.0173	0.0173	0.0163
Scope 2 (indirect) Intensity[3]	Indirect Emissions from purchased electricity	tCO_2e/BOE	0.0011	0.0009	0.0008	0.0008	0.0007
Total GHG Emissions Intensity		**tCO_2e/BOE**	**0.0190**	**0.0188**	**0.0186**	**0.0181**	**0.0170**
Emissions Intensity per GJ produced[3][4]		tCO_2e/GJ	0.0030	0.0029	0.0029	0.0027	0.0026
Vented + Flared Emissions Intensity (Energy Equiv Basis)		$kgCO_2e/BOE$	5.89	5.16	4.37	3.29	2.95
Methane Emissions intensity (Energy Equiv Basis)[5]		$kgCO_2e/BOE$	7.78	7.25	6.30	5.71	5.02

Notes:

3. SasB -EM-EP-110a.2
4. SasB-EM-EP-110a.3
5. SasB-EM-EP-110a.1

		Units	2018	2019	2020	2021	2022
Energy Efficiency							
Energy Produced (excl consumption)		GJ	238,604,922	208,264,121	205,906,898	238,647,098	278,182,935
Energy Consumed (gas)		GJ	7,825,698	7,257,794	7,515,868	8,235,397	9,195,831
Energy Efficiency (gas)		% of GJ Prod+Cons	3.18	3.37	3.52	3.34	3.20
Energy Efficiency/unit production (gas)		GJ/produced BOE	0.22	0.23	0.24	0.23	0.22
Air Quality (Criteria air contaminants (CAC)							
NOx [5]		tonnes/yr	1,416	1,143	1,220	1,318	1,993
Volatile Organic Compounds (VOC's)		tonnes/yr	386	328	328	388	426
Particulate Matter (PM^{10})		tonnes/yr	3	2	3	3	4
SO2 [3]		tonnes/yr	no SO2 emissions	no SO2 emissions	no SO2 emissions	no SO2 emissions	no SO2 emissions
Water Management							
Total Non-saline make-up water[6]		m3	217,049	217,552	244,524	282,172	364,896
	As a % of total of water use	% of frac water	84	81	82	72	69
Non-saline withdrawals from high stress regions		%	not tracked	not tracked	0	0	0
Hydraulic Fracturing Water Used[6]		m3	259,546	268,397	297,811	389,253	529,911
Number Wells Frac'd[6]		Number	66	58	68	85	98
Frac Water Used per Well[6]		m3	3,933	4,628	4,380	4,579	5,407
Frac Flowback Water Volumes[7]	Produced	m3	72,572	66,258	71,706	127,741	177,284
	Recycled	m3	42,343	46,992	52,860	107,081	164,418
		%	58	71	74	84	93
	Disposed	m3	30,229	19,266	18,846	20,660	12,866
Well/Plant Water Production	Produced[8]	m3	331,062	278,503	274,695	319,791	
	Recycled[9]	m3	154	1,490	427	0	0
		%	0	1	0	0	0
	Disposed[9]	m3	330,908	277,013	274,268	319,791	

Notes:
6. SasB-EM-EP 140a.1
7. SasB-EM-EP 140a.2
8. SasB-EM-EP 140a.3
9. SasB-EM-EP 140a.4

		Units	2018	2019	2020	2021	2022
Biodiversity							
Land Use Intensity[10][11]							
	New wells	ha/well	0.55	0.91	0.99	0.80	1.01
	Cumulative wells	ha/well	1.59	1.57	1.54	1.38	1.37
	Land Use Intensity	boed per ha (6:1)	38.60	33.41	32.30	36.17	40.62
Well Management[10][11]							
	Operated Producing Wells (gross)	Number	1,461	1,492	1,567	1,802	1,894
	Directive 13 Type 6 Inactive Wells	Number	24	17	31	47	46
	Gross Operated Non Producing Wells	Number	114	150	128	98	131
Total Operated Wells (gross)[10][11]		**Number**	**1599**	**1659**	**1726**	**1947**	**2,071**
	Operated Wells Spud in Year (gross)	Number	70	51	64	95	95

Notes:
10. SasB-EM-EP 160a.2
11. SasB-EM-EP 160a.3

		Units	2018	2019	2020	2021	2022
Environmental Liabilities							
Reportable Spills[12]		Number	3	2	0	1	2
Wellsite Inspections		Number	23	19	20	16	17
	High risk deficiencies	Number	0	0	0	0	0
Facility Inspections		Number	1	20	16	10	7
	High risk deficiencies	Number	0	0	1	3	0
Rig Inspections		Number	7	7	7	2	7
	High risk deficiencies	Number	0	1	1	0	0
Abandonment and Reclamation							
Abandonment Requirements		Number	0	0	0	0	0
Wellsite reclamation Certificates obtained		Number	6	0	2	2	1
Total area reclaimed		ha	8.96	0	4.67	8.00	1.0

Notes:
12. SasB-EM-EP 160a.2

		Units	2018	2019	2020	2021	2022
Health and Safety							
Fatalities[13]		Number	0	0	0	0	1
	Employee	Number	0	0	0	0	0
	Contractor/ Consultant	Number	0	0	0	0	1
Recordable Incidents[13]							
	Employee	Number	0	0	0	0	0
	Contractor/ Consultant	Number	7	5	7	10	12
	Total Hours	Number	1,485,653	1,462,235	1,683,795	2.378,909	3,197,763
Total recordable injury frequency (TRIF)[13]							
	Employee	Rate	0	0	0	0	0
	Total Employee/ Contractor	Rate	0.94	0.68	0.83	0.84	0.85

Notes:
13. SasB- EM-EP 320a.1

		Units	2018	2019	2020	2021	2022
Social and Governance							
Community and Indigenous Engagement							
Total Community Investment[14]		$	25,000	50,000	50,000	55,000	55,000
Indigenous business spend[14]	Annually	$	179,596	133,390	82,430	70,295	167,500
Employee Information(FTE)							
Head Office Employees		Number	54	52	52	55	61
Voluntary Turnovers		Number	2	2	2	0	0
Retirements		Number	0	3	1	1	1
Employees per 1,000 boed		Number	0.55	0.60	0.61	0.56	0.53
Production per Employee		MMCFE/person	10.9	10.0	9.9	10.8	11.3
Gender Diversity (FTE)							
Women in Workforce		% total	37	38	42	40	52
Women in Supervisory/Management		% mgmt	24	23	24	24	31
Women on Board of Directors		%	0	14	14	14	25
Governance							
Number Whistleblower Reports		Number	0	0	0	0	0
Number Whistleblower Reports Outstanding		Number	0	0	0	0	0

Notes:
14. SasB- EM-EP 210a.2

		Units	2018	2019	2020	2021	2022
Government Payments							
Federal							
	Payroll Tax	$	10,094,697	9,932,609	2,666,708	5,491,455	16,207,985
	Federal Income Tax	$	0	0	0	0	15,519,000
	Federal Total	$					31,726,985
Provincial							
	Payroll Tax	$	incl in Federal	incl in Federal	incl in Federal	incl in Federal	incl in Federal
	Provincial Income Tax	$	0	0	0	0	4,758,000
	Crown Royalties (net) (net of GCA)	$	23,515,481	10,673,088	18,022,662	61,170,707	146,080,858
	Crown Mineral Lease Purchases	$	3,286,697	2,696,997	99,269	4,147,191	7,063,475
	AER Fees	$	6,538,180	6,133,709	3,151,755	6,007,231	7,026,345
	Orphan Well Levy	$	374,318	606,329	792,966	939,880	1,027,968
	Surface Rentals	$	767,103	810,874	682,226	819,756	969,237
	Mineral Rentals	$	609,408	692,465	820,032	767,046	1,101,000
	SGER Carbon Tax	$	313,980	229,280	0	919,320	848,200
	Business Tax	$	16,909	2,404	2,183	1,610	231
	Total Province	$	35,422,077	21,845,146	24,801,994	74,772,741	168,875,313
Municipal							
	Property Tax	$	10,020,264	9,309,727	10,401,117	11,411,285	12,159,637
	Road Use (net of refund)	$	37,125	37,125	0	0	0
	Well Drilling and Equipment Tax	$	898,860	829,925	919,036	101,888	6,567
	Total Municipal	$	10,956,249	10,176,777	11,320,153	11,513,173	12,166,204
Total (w/ Payroll)		**$**	**56,473,023**	**41,954,531**	**38,788,855**	**91,777,369**	**212,768,503**

Footnotes:

The emissions data contained within this data table and report were compiled by Peyto with support from third party consultants. Peyto looks to API 2009 Compendium, SASB Guidelines and AER Manual 015 to ensure that values reported agree with widely utilized standards. From time-to-time Peyto may adjust the methodologies used to calculate emissions. In these instances, the change will be implemented on "go forward" basis. Currently Peyto does not externally assure the report.

ESG REPORTING FRAMEWORKS

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD)

Item	Description	Report Location (pages)
Governance	Describe the board's oversight of climate-related risks and opportunities	8-11, 12-14
	Describe management's role in assessing and managing climate-related risks and opportunities	5-7, 8-11, 12-14
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	8-11, 14-15
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	8-11, 14-15
	Describe the organization's processes for managing climate-related risks	8-11, 14-15
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management strategy	8-11, 12-14
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	10-11, 20-24
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	20-24, 34
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	8-11, 20-24

SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB)

Corporate Information	Description	Report Location
EM-EP-000.A	Provide Production volumes of (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	33-38
EM-EP-000.B	List Number of offshore sites	33-38
EM-EP-000.C	List Number of onshore sites	33-38
Governance		
EM-EP-420a.3	Amount invested in renewable energy; revenue generated by renewable energy sales	33-38
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	4-8
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not Applicable
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	4-5, 13-15
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	13-15, 29
EM-EP-110a.1	Provide Global Scope 1 emissions, % methane, % covered by emissions-limiting regulations	33-38
EM-EP-110a.2	Provide Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	33-38

EM-EP-110a.3	Provide a discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	10-11, 20-24, 34-39
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	33-38
EM-EP-120a.1	Provide Air emissions data for the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})	33-38
EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	33-38
EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content	33-38
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	33-38
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline Water	Not Applicable
Environmental Management		
EM-EP-160a.1	Describe the Company's environmental management system	16, 20-30
EM-EP-160a.1	Describe environmental management policies and practices for active sites	20-30
EM-EP-160a.2	Provide the number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	28, 33-38
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	33-38
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	33-38
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	33-38
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	32-33
EM-EP-320a.1	(1) Total recordable incident frequency (TRIF), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	17-19, 33-38

EM-EP-320a.2	Discuss Safety management systems and their integration into Company culture	17-19
EM-EP-510a.1	Reserves in 20-lowest countries on Transparency International's Corruption Perception Index	Not Applicable
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	11, 32-33
EM-EP-210b.2	Number and duration of non-technical delays	Not Applicable
EM-EP-540a.1	Process Safety Event rates for Loss of Primary Containment of greater consequence (Tier 1)	17-19, 28
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	14-15, 16-19

This Report contains certain forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws that involve substantial known and unknown risks and uncertainties, many of which are beyond Peyto's control. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", or other similar words or statements that certain events "may" or "will" occur are intended to identify forward-looking statements. Forward-looking information in this Report includes statements regarding the anticipated effects of Peyto's environmental, social, and governance performance on the long term sustainability of its business, Peyto's target to further reduce flared and vented methane emissions intensity, Peyto's ongoing methane reductions projects, Peyto's consideration of future carbon capture and storage projects, Peyto's estimates of abandonment and reclamation liabilities and the matters set forth under "Goals and Targets". The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: macro-economic conditions commodity prices, inflation rates and costs of goods and services, changes in laws and regulations including, without limitation, the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in other commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; results of exploration and testing activities; and the ability to obtain required approvals and extensions from regulatory authorities. Management of the Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurances 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 Peyto will derive from them. As such, undue reliance should not be placed on forward-looking statements.

The forward-looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Peyto's actual financial results, performance or achievement in future periods to differ materially from those expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with: continued changes and volatility in general global economic conditions including, without limitations, changes to budgets and capital allocations, changes in economic conditions in North America and public health concerns (including the impact of the COVID-19 pandemic); imprecise estimates, continued fluctuations and volatility in commodity prices, foreign exchange or interest rates; stock market volatility; imprecision of reserves estimates; competition from other industry participants; failure to secure required equipment; increased competition; the lack of

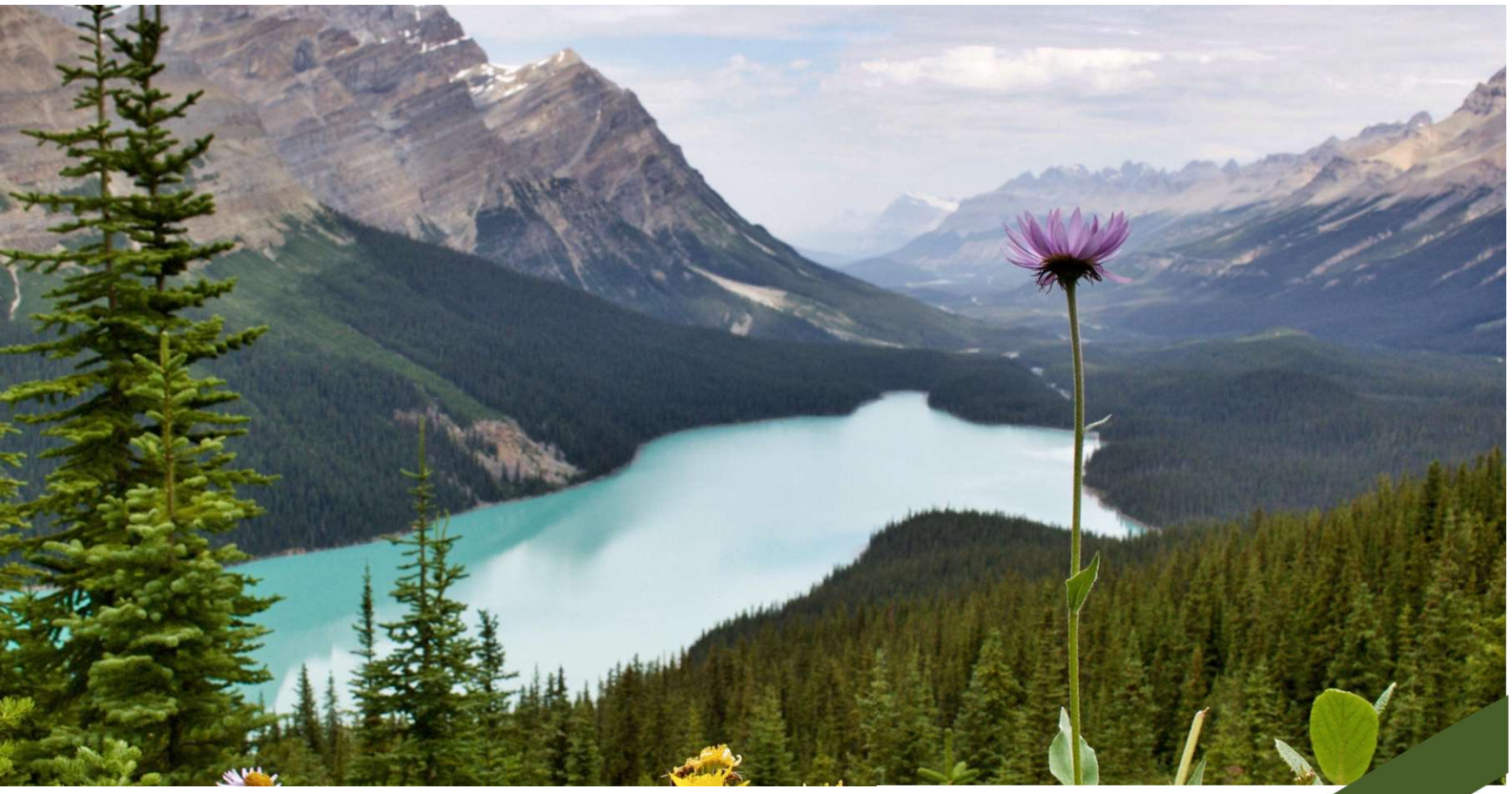
availability of qualified operating or management personnel; environmental risks; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; and the ability to access sufficient capital from internal and external sources.

The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. 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 forward-looking statements. Peyto's 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 Peyto will derive there from. The forward-looking statements, including any future-oriented financial information or financial outlook, contained in this Report speak only as of the date hereof and Peyto does not assume any obligation to publicly update or revise them to reflect new information, future events or circumstances or otherwise, except as may be required pursuant to applicable securities laws.

Certain market, independent third-party and industry data contained in this Report is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This Presentation also includes certain data derived from public filings made by independent third parties. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from independent third-party sources referred to in this Report or ascertained the underlying assumptions relied upon by such sources.

Barrels of Oil Equivalent

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (BOE). Peyto uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.



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