Peyto Exploration & Development Corp.

Condensed Consolidated Balance Sheet *(unaudited)*

(Amount in $ thousands)

	September 30 2022	December 31 2021
Assets		
Current assets		
Cash	21,026	5,718
Accounts receivable (*Note 11)*	143,161	118,948
Prepaid expenses	16,698	19,704
	180,885	144,370
Property, plant and equipment, net *(Note 4)*	3,753,731	3,639,825
	3,753,731	3,639,825
	3,934,616	3,784,195
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	207,944	168,998
Dividends payable *(Note 8)*	8,602	8,408
Current portion of lease obligation *(Note 7)*	1,255	1,123
Derivative financial instruments *(Note 12)*	289,149	61,091
	506,950	239,620
Long-term debt *(Note 5)*	934,828	1,065,712
Long-term derivative financial instruments *(Note 12)*	32,119	12,280
Decommissioning provision (Note 6)	153,671	204,220
Lease obligation *(Note 7)*	4,395	5,440
Deferred income taxes	501,668	490,917
	1,626,681	1,778,569
Equity		
Share capital *(Note 8)*	1,688,601	1,664,508
Contributed surplus	14,197	13,123
Retained earnings	343,910	143,217
Accumulated other comprehensive loss (*Note 8)*	(245,723)	(54,842)
	1,800,985	1,766,006
	3,934,616	3,784,195

See accompanying notes to the condensed consolidated financial statements.

Approved by the Board of Directors

(signed) *"Michael MacBean"*
Director

(signed) *"Darren Gee"*
Director

Peyto Exploration & Development Corp.

Condensed Consolidated Income Statement *(unaudited)*

(Amount in $ thousands except earnings per share amount)

	Three months ended September 30		Nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Revenue				
Natural gas and natural gas liquid sales (*Note 11)*	371,786	236,852	1,124,006	599,600
Royalties	(40,024)	(17,985)	(126,764)	(44,786)
Sales of natural gas from third parties	42,769	-	83,299	-
Natural gas and natural gas liquid sales, net of royalties	374,531	218,867	1,080,541	554,814
Realized loss on derivative financial instruments *(Note 12)*	(92,125)	(72,075)	(249,621)	(119,039)
Unrealized loss on derivative financial instruments *(Note 12)*	-	(1,400)	-	(3,471)
Other Income	2,215	391	2,982	1,162
	284,621	145,783	**833,902**	433,466
Expenses				
Natural gas purchased from third parties	38,657	-	78,201	-
Operating	21,683	17,282	65,817	50,992
Transportation	14,807	11,323	45,301	30,086
General and administrative	1,167	961	3,926	5,216
Performance based compensation *(Note 9)*	2,500	-	5,000	-
Stock based compensation *(Note 10)*	2,948	1,570	7,807	4,123
Interest	12,054	13,009	35,011	47,134
Realized gain on foreign exchange	(1,135)	-	(1,135)	-
Unrealized loss on foreign exchange	3,284	-	4,116	-
Gain on disposition of capital assets	-	-	-	(2,582)
Accretion of decommissioning provision (*Note 6)*	1,632	996	4,473	2,925
Depletion and depreciation (*Note 4)*	75,934	62,159	223,025	189,756
	173,531	107,300	**471,542**	327,650
Earnings before taxes	**111,090**	38,483	**362,360**	105,816
Income tax				
Deferred income tax expense	26,229	9,212	85,138	25,287
Earnings for the period	**84,861**	29,271	**277,222**	80,529

Earnings per share (Note 8)				
Basic	**$0.50**	$0.18	**$1.63**	$0.49
Diluted	**$0.48**	$0.17	**$1.59**	$0.48

See accompanying notes to the condensed consolidated financial statements.

Peyto Exploration & Development Corp.

Condensed Consolidated Statement of Comprehensive Income (loss) *(unaudited)*

(Amount in $ thousands)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Earnings for the period	**84,861**	29,271	**277,222**	80,529
Other comprehensive loss				
Change in unrealized loss on cash flow hedges	(114,047)	(184,877)	(497,518)	(358,748)
Deferred income tax recovery	5,042	27,810	57,016	57,154
Realized loss on cash flow hedges	92,125	63,963	249,621	110,254
Comprehensive income (loss)	**67,981**	(63,833)	**86,341**	(110,811)

See accompanying notes to the condensed consolidated financial statements.

Peyto Exploration & Development Corp.

Condensed Consolidated Statement of Changes in Equity *(unaudited)*

(Amount in $ thousands)

	Nine months ended September 30	
	2022	**2021**
Share capital, beginning of period	**1,664,508**	1,649,635
Private Placement	2,578	-
Common shares issued	21,515	10,749
Share capital, end of period	**1,688,601**	1,660,384

Contributed surplus, beginning of period	**13,123**	10,487
Stock based compensation expense	7,807	4,123
Recognized under share-based compensation plans	(6,733)	(2,497)
Contributed surplus, end of period	**14,197**	12,113

Retained earnings, beginning of period	**143,217**	12,727
Earnings for the period	277,222	80,529
Dividends *(Note 8)*	(76,529)	(4,979)
Retained earnings, end of period	**343,910**	88,277

Accumulated other comprehensive income (loss), beginning of period	**(54,842)**	4,624
Other comprehensive loss	(190,881)	(191,340)
Accumulated other comprehensive loss, end of period	**(245,723)**	(186,716)

Total equity	**1,800,985**	1,574,058

See accompanying notes to the condensed consolidated financial statements.

Peyto Exploration & Development Corp.

Condensed Consolidated Statement of Cash Flows *(unaudited)*

(Amount in $ thousands)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Cash provided by (used in)				
Operating activities				
Earnings	84,861	29,271	277,222	80,529
Items not requiring cash:				
Deferred income tax	26,229	9,212	85,138	25,287
Depletion and depreciation	75,934	62,159	223,025	189,756
Gain on disposition of capital assets	-	-	-	(2,582)
Accretion of decommissioning provision	1,632	996	4,473	2,925
Stock based compensation	2,948	1,570	7,807	4,123
Unrealized loss on derivative financial instruments	-	1,400	-	3,471
Unrealized loss on foreign exchange	3,284	-	4,116	-
Decommissioning expenditures	(3,579)	-	(3,579)	-
Change in non-cash working capital related to operating activities	14,155	(2,626)	13,633	4,139
	205,464	101,982	**611,835**	307,648
Financing activities				
Common shares issued and private placement	6,101	3,694	17,452	8,252
Stock option issuance costs	(108)	-	(119)	-
Cash dividends paid	(25,604)	(1,658)	(76,335)	(4,958)
Lease interest *(Note 6)*	51	61	158	188
Principal repayment of lease *(Note 6)*	(358)	(338)	(1,071)	(1,016)
Decrease in bank debt	(45,000)	(25,000)	(135,000)	(55,000)
	(64,918)	(23,241)	**(194,915)**	(52,534)
Investing activities				
Additions to property, plant and equipment	(114,284)	(90,136)	(365,756)	(220,255)
Change in prepaid capital	(6,740)	(221)	8,190	(4,687)
Asset acquisitions & dispositions	(26,116)	(34)	(26,064)	(35,852)
Corporate Acquisition	-	-	(22,220)	-
Change in non-cash working capital relating to investing activities	6,206	21,155	4,238	9,408
	(140,934)	(69,236)	**(401,612)**	(251,386)
Net increase (decrease) in cash	**(388)**	9,505	**15,308**	3,728
Cash, beginning of period	**21,414**	3,533	**5,718**	9,310
Cash, end of period	**21,026**	13,038	**21,026**	13,038

The following amounts are included in cash flows from operating activities:				
Cash interest paid	**7,837**	14,654	**30,726**	45,275
Cash taxes paid	**-**	-	**-**	-

See accompanying notes to the condensed consolidated financial statements

1. Nature of operations

Peyto Exploration & Development Corp and its subsidiaries (together "Peyto" or the "Company") is a Calgary based oil and natural gas company. Peyto conducts exploration, development, and production activities in Canada. Peyto is incorporated and domiciled in the Province of Alberta, Canada. The address of its registered office is 300, 600 – 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0G5.

These condensed consolidated financial statements were approved and authorized for issuance by the Audit Committee of Peyto on November 9, 2022.

2. Basis of presentation

The condensed consolidated financial statements have been prepared by management and reported in Canadian dollars in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements as at and for the years ended December 31, 2021 and 2020.

Significant Accounting Policies

(a) Significant Accounting Judgments Estimates and Assumptions

The timely preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the condensed consolidated financial statements.

All accounting policies and methods of computation followed in the preparation of these consolidated financial statements are the same as those disclosed in Note 2 of Peyto's consolidated financial statements as at and for the years ended December 31, 2021 and 2020.

3. Corporate Acquisition

On February 28, 2022, Peyto acquired all the issued and outstanding shares of a private company ("PrivateCo") in the Brazeau River area of Alberta for cash consideration of $22.2 million. The acquisition provides for an increase in land, production and infrastructure including a 100% owned and operated 45 MMcf/d sweet natural gas plant. The transaction has been accounted for as a business combination in accordance with IFRS 3 using the acquisition method.

Results from operations for PrivateCo are included in the Company's condensed consolidated financial statements from the closing date of the transaction. Total transaction costs incurred by Peyto of $0.6 million associated with this acquisition were expensed in the condensed consolidated statements of income and comprehensive income. The following purchase price allocation is based on Management's best estimate of the assets acquired and liabilities assumed and is subject to change based upon finalizing the value of the net assets acquired.

Fair value of net assets acquired:	
Working capital	133
Property, plant and equipment	5,900
Deferred income tax asset	17,344
Decommissioning provision	(1,157)
Total	**22,220**

Consideration:	
Cash	**22,220**

The acquisition of PrivateCo has contributed revenue of $6.8 million and earnings of $4.5 million since February 28, 2022. Had the acquisition of PrivateCo closed on January 1, 2022, estimated contributed revenue and earnings would have been approximately $7.6 million and $4.7 million, respectively, for the nine months ended September 30, 2022.

4. Property, plant and equipment, net

Cost	
At December 31, 2021	**6,537,637**
Additions	365,756
Asset acquisitions & dispositions	24,902
Corporate Acquisition	5,900
Change in Decommissioning provision	(51,437)
Prepaid capital	(8,190)
At September 30, 2022	**6,874,568**
Accumulated depletion and depreciation	
At December 31, 2021	**(2,897,812)**
Depletion and depreciation	(223,025)
At September 30, 2022	**(3,120,837)**
Carrying amount at December 31, 2021	3,639,825
Carrying amount at September 30, 2022	**3,753,731**

During the three and nine month periods ended September 30, 2022, Peyto capitalized $3.1 million and $10.1 million (2021 - $2.7 million and $6.2 million) of general and administrative expense directly attributable to exploration and development activities.

As at September 30, 2022, the Company identified no indicators of impairment and therefore a test was not performed.

On February 1, 2021, the Company acquired assets in the Deep Basin for cash consideration of $35.0 million. The acquisition resulted in an increase in PP&E of approximately $48.0 million including $13 million in decommissioning liabilities. The assets acquired include a working interest in production, reserves, and a gas processing facility The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition.

On March 5, 2021, the Company acquired assets in the Deep Basin for cash consideration of $0.75 million. The acquisition resulted in an increase in PP&E of approximately $1.5 million including $0.75 million in decommissioning liabilities. The assets acquired include a working interest in production and reserves. The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition.

On September 13, 2022, the Company acquired assets in the Brazeau area for cash consideration of $26.3 million. The acquisition resulted in an increase in PP&E of approximately $24.7 million and the assumption of $1.6 million in decommissioning liabilities. The assets acquired include a working interest in production and reserves. The Company applied the optional IFRS 3 concentration test to this acquisition which resulted in the acquired assets being accounted for as an asset acquisition.

5. Long-term debt

	September 30, 2022	December 31, 2021
Bank credit facility	515,000	650,000
Long-term senior secured notes	419,828	415,712
Balance, end of the period	934,828	1,065,712

At September 30, 2022, the Company had a credit facility with a credit limit of $950 million. The facility has a maturity date of October 13, 2023 and is made up of a $40 million working capital tranche, a $910 million production line, and is available on a revolving basis. Borrowings under the facility bear interest at Canadian bank prime or US base rate, or, at Peyto's option, Canadian dollar bankers' acceptances or US dollar LIBOR loan rates, plus applicable margin and stamping fees.

Peyto is subject to the following financial covenants as defined in the credit facility and note purchase agreements:

- Long-term debt and subordinated debt plus bank overdraft and letters of credit not to exceed 4.0 times trailing twelve-month net income before non-cash items, interest and income taxes;
- Long-term debt plus bank overdraft and letters of credit not to exceed 3.5 times trailing twelve-month net income before non-cash items, interest and income taxes.
- Trailing twelve months net income before non-cash items, interest and income taxes to exceed 3.0 times trailing twelve months interest expense.

Outstanding senior notes are as follows:

Senior Secured Notes	**Date Issued**	**Rate**	**Maturity Date**
$100 million (CAD)	October 24, 2016	3.70%	October 24, 2023
$65 million (CAD)	May 1, 2015	4.26%	May 1, 2025
$100 million (CAD)	January 3, 2012	4.39%	January 3, 2026
$100 million (CAD)	January 2, 2018	3.95%	January 2, 2028
$40 million (USD)	October 29, 2021	3.98%	October 29, 2028

Peyto is in compliance with all financial covenants at September 30, 2022.

Total interest expense for the three and nine month periods ended September 30, 2022, was $12.0 million and $35.0 million (2021 - $13.0 million and $47.1 million) and the average borrowing rate for the periods was 5.1% and 4.7% (2021– 4.6% and 5.4%).

On October 3, 2022, the Company entered into an agreement with its syndicate of lenders to amend and extend its senior secured covenant-based credit facility to reflect a reduction in credit limit to $800 million. This new facility has a maturity date of October 13, 2025 and is made up of a $40 million working capital tranche, a $760 million production line, and is available on a revolving basis. Borrowings under the facility bear interest at Canadian bank prime or US base rate, or, at Peyto's option, Canadian dollar bankers' acceptances or US dollar LIBOR loan rates, plus applicable margin, and stamping fees. There was no change to the financial covenants in the amended agreement.

6. Decommissioning provision

The following table reconciles the change in decommissioning provision:

Balance, December 31, 2021	**204,220**
New provisions	4,244
New provisions relating to corporate and asset acquisitions	2,800
Accretion of decommissioning provision	4,467
Change in discount rate and estimates	(58,481)
Decommissioning expenditures	(3,579)
Balance, September 30, 2022	**153,671**
Current	-
Non-current	**153,671**

The Company has estimated the net present value of its total decommissioning provision to be $153.7 million as at September 30, 2022 (2021 – $204.2 million) based on a total escalated future undiscounted liability of $394 million (2021 – $374.3 million). At September 30, 2022 management estimates that these payments are expected to be made over the next 50 years (2021 – 50 years) with the majority of payments being made in years 2024 to 2070. The Bank of Canada's long-term bond rate of 3.09 per cent (2021 – 2.00 per cent) and an inflation rate of 2.0 per cent (2021 – 2.0 per cent) were used to calculate the present value of the decommissioning provision.

7. Leases

The ROU asset and lease obligation relates to the Company's head office lease in Calgary.

Right of use Asset

Balance as at December 31, 2021	**5,043**
Depreciation	(757)
Balance at September 30, 2022	**4,286**

The ROU asset is included in Property plant & equipment, refer to Note 4.

Lease Obligation

Lease obligation at December 31, 2021	**6,563**
Lease interest expense	158
Principal repayment of lease	(1,071)
Lease obligation at September 30, 2022	**5,650**
Current portion of lease obligation at September 30, 2022	**1,255**
Non-current portion of lease obligation at September 30, 2022	**4,395**

The variable lease payments not included in the measurement of the office lease obligation is $0.2 million and $0.6 million for the three and nine months ended September 30, 2022 (2021-$0.2 million and $0.6 million). The variable lease payments are recognized through general and administration expense.

During the three and nine months ended September 30, 2022, $9.1 million and $25.1 million (2021- $4.2 million and $10.6 million) was capitalized in relation to short-term leases.

The following sets forth future commitments associated with its lease obligation:

	As at September 30, 2022
Less than 1 year	358
1-3 years	4,286
Year 4	1,428
Total lease payment	6,072
Amount representing interest	(422)
Present value of lease payments	5,650
Current portion of lease obligation	1,255
Non-current portion of lease obligation	4,395

8. Share capital

Authorized: Unlimited number of voting common shares

Issued and Outstanding

Common Shares (no par value)	Number of Common Shares	Amount $
Balance, December 31, 2021	**168,151,219**	**1,664,508**
Private Placement	247,785	2,586
Common shares issued	3,635,163	14,866
Stock option issuance costs (net of tax)	-	(92)
Contributed surplus on exercised stock options	-	6,733
Balance, September 30, 2022	**172,034,167**	**1,688,601**

Earnings per common share has been determined based on the following:

	Three Months ended September 30		Nine Months ended September 30	
	2022	2021	**2022**	2021
Weighted average common shares basic	**171,230,853**	166,440,704	**169,642,562**	165,622,980
Weighted average common shares diluted	**175,140,910**	169,512,566	**174,204,741**	169,112,156

Dividends
During the three and nine month periods ended September 30, 2022, Peyto declared and paid dividends of $0.05 per common share per month $25.6 million and $76.5 million respectively (2021 - $0.01 and $0.03 per common share per month, totaling $1.7 million and $5.0 million respectively).

Comprehensive income
Comprehensive income consists of earnings and other comprehensive income (“OCI”). OCI comprises the change in the fair value of the effective portion of the derivatives used as hedging items in a cash flow hedge. “Accumulated other comprehensive income” is an equity category comprised of the cumulative amounts of OCI.

Accumulated hedging gains and losses
Gains and losses from financial derivative instruments are accumulated until settled. These outstanding hedging contracts are recognized in earnings on settlement. Further information on these contracts is set out in Note 12.

9. Performance-based compensation

Reserve based component

The reserves value-based component is 4% of the incremental increase in value, if any, as adjusted to reflect changes in debt, dividends, general and administrative expenses and interest expense, of proved producing reserves calculated using a realized price at December 31 of the current year and a discount rate of 8%. For three and nine months ended September 30, 2022, $2.5 million and $5 million respectively, (2021 - $nil) was expensed.

10. Stock based compensation

The Company has a stock option plan allowing for the granting of stock options to officers, employees, and consultants of the Company. This plan limits the number of options and DSU's that may be granted to 10% of the issued and outstanding common shares.

The following tables summarize the Company's equity compensation arrangements:

		Weighted Average Exercise price $	**Weighted Average Remaining Contractual life- Years**
Stock options	9,780,501	8.39	1.83
DSU	206,920	4.83	16.14

Stock option plans

The following tables summarize the stock options outstanding at September 30, 2022:

		Weighted average exercise price $
Balance, December 31, 2021	**9,173,137**	**5.05**
Stock options granted	4,271,200	12.19
Exercised	(3,456,142)	4.30
Forfeitures	(204,600)	7.31
Expired	(3,094)	4.38
Balance, September 30, 2022	**9,780,501**	**8.39**

The Company estimates the fair value of options under the stock option plan using the Black-Scholes pricing model.

The following tables summarizes the assumptions used in the Black-Scholes model:

		September 30
	2022	2021
Fair value of options granted	$3.82	$1.61
Expected volatility	54.96%	59.73%
Average life	2 years	2 years
Risk-free interest rate	2.33%	0.36%
Forfeiture rate	3.69%	5.58%

Options are granted throughout the year and vest 1/3 on each of the first, second and third anniversaries from the date of grant. At the vesting, recipients have thirty days to exercise options after which any unexercised options are expired.

Stock based compensation costs for the three and nine months ended September 30, 2022 were $2.9 million and $7.8 million, respectively (September 30, 2021 - $1.6 million and $4.1 million).

At September 30, 2022, no stock options were exercisable.

Deferred Share Units ("DSU's")

The following tables summarize the DSU's outstanding at September 30, 2022:

		Weighted average exercise price $
Balance, December 31, 2021	**176,669**	**3.60**
DSU granted	30,251	11.96
Balance September 30, 2022	**206,920**	**4.83**

11. Revenue and receivables

	Three Months ended September 30		Nine Months ended September 30	
	2022	2021	**2022**	2021
Natural Gas Sales	270,219	169,789	790,760	412,245
Natural Gas Sales from third parties	42,769	-	83,299	-
Natural Gas Liquid sales	101,567	67,063	333,246	187,355
Natural gas and natural gas liquid sales	**414,555**	236,852	**1,207,305**	599,600

	September 30, 2022	December 31, 2021
Accounts receivable from customers	138,527	106,831
Accounts receivable from realized risk management contracts	103	3,481
Accounts receivable from joint venture partners and other	4,531	8,636
	143,161	118,948

A substantial portion of the Company's accounts receivable is with petroleum and natural gas marketing entities. Industry standard dictates that commodity sales are settled on the 25th day of the month following the month of production.

12. Financial instruments

Financial instrument classification and measurement
Financial instruments of the Company carried on the condensed consolidated balance sheet are carried at amortized cost with the exception of cash and derivative financial instruments. There are no significant differences between the carrying amount of financial instruments and their estimated fair values as at September 30, 2022 except for derivative financial instruments.

The Company's areas of financial risk management and risks related to financial instruments remained unchanged from December 31, 2021.

The fair value of the Company's cash and financial derivative instruments are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and financial derivative instruments have been assessed on the fair value hierarchy described above and classified as Level 1.

Fair values of financial assets and liabilities

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, dividend payable, long term debt and derivative financial instruments. At September 30, 2022 and 2021, cash and derivative financial instruments, are carried at fair value. Accounts receivable and current liabilities approximate their fair value due to their short-term nature. The carrying value of the long-term debt approximates its fair value due to the floating rate of interest charged under the credit facility.

Commodity price risk management

Peyto uses derivative instruments to reduce its exposure to fluctuations in commodity prices. Peyto considers all these transactions to be effective economic hedges for accounting purposes.

Following is a summary of all risk management contracts in place as at September 30, 2022:

Natural Gas Period Hedged- Monthly Index	**Type**	**Daily Volume**	**Price (AECO CAD/GJ)**
April 1, 2022 to October 31, 2022	Fixed Price	90,000 GJ	$2.07 to $2.26
November 1, 2022 to March 31, 2023	Fixed Price	205,000 GJ	$2.30 to $6.62
April 1, 2023 to October 31, 2023	Fixed Price	227,500 GJ	$2.05 to $5.00
November 1, 2023 to March 31, 2024	Fixed Price	37,500 GJ	$5.00 to $5.90
April 1, 2024 to October 31, 2024	Fixed Price	15,000 GJ	$4.00 to $4.40

Natural Gas Period Hedged- Daily Index	**Type**	**Daily Volume**	**Price (AECO CAD/GJ)**
April 1, 2022 to October 31, 2022	Fixed Price	25,000 GJ	$2.13 to $2.20
October 1, 2022 to October 31, 2022	Fixed Price	30,000 GJ	$4.65 to $4.70

Natural Gas Period Hedged - NYMEX	**Type**	**Daily Volume**	**Price (Nymex USD/mmbtu)**
April 1, 2022 to October 31, 2022	Fixed Price	55,000 mmbtu	$2.56 to $4.19
November 1, 2022, to December 31, 2022	Fixed Price	70,000 mmbtu	$3.97 to $4.78
November 1, 2022 to March 31, 2023	Fixed Price	70,000 mmbtu	$4.05 to $5.10
January 1, 2023 to December 31, 2023	Fixed Price	70,000 mmbtu	$3.43 to $3.77
April 1, 2023 to October 31, 2023	Fixed Price	50,000 mmbtu	$3.35 to $5.80
November 1, 2023 to March 31, 2024	Fixed Price	5,000 mmbtu	$5.01
January 1, 2024 to March 31, 2024	Fixed Price	70,000 mmbtu	$4.15 to $5.03

Natural Gas Period Hedged - Malin	**Type**	**Daily Volume**	**Price (Nymex USD/mmbtu)**
April 1, 2022 to October 31, 2022	Fixed Price	40,000 mmbtu	$2.35 to $2.40
November 1, 2022, to March 31, 2023	Fixed Price	40,000 mmbtu	$2.90 to $3.10

Crude Oil Period Hedged - WTI	**Type**	**Daily Volume**	**Price (WTI USD/bbl)**
January 1, 2022 to December 31, 2022	Fixed Price	300 bbl	$63.75 to $64.65

Crude Oil Period Hedged - WTI	Type	Daily Volume	Price (WTI CDN/bbl)
January 1, 2022 to December 31, 2022	Fixed Price	900 bbl	$79.75 to $85.50
July 1, 2022 to December 31, 2022	Fixed Price	1,300 bbl	$87.75 to $125.00
October 1, 2022 to December 31, 2022	Fixed Price	1,200 bbl	$100.70 to $134.60
January 1, 2023 to March 31, 2023	Fixed Price	2,300 bbl	$85.25 to $133.75
April 1, 2023 to June 30, 2023	Fixed Price	1,400 bbl	$111.50 to $115.85
July 1, 2023 to September 30, 2023	Fixed Price	500 bbl	$106.20 to $110.60
October 1, 2023 to December 31, 2023	Fixed Price	100 bbl	$103.75

As at September 30 2022, Peyto had committed to the future sale of 93,045,000 gigajoules (GJ) of natural gas at an average price of $3.28 per GJ or $3.77 per Mcf, 67,205,000 MMBtu at an average price of $3.81 US per MMBtu, 27,600 barrels of crude at an average price of $64.05 USD per bbl, and 702,400 barrels of crude at an average price of $106.93 CAD per bbl. Had these contracts closed on September 30, 2022, Peyto would have realized a loss in the amount of $321.3 million. If the gas price on September 30, 2022, were to increase by $0.10/GJ, the unrealized loss would increase by approximately $31.16 million. An opposite change in commodity prices would result in an opposite impact on other comprehensive income.

Subsequent to September 30, 2022, Peyto entered into the following contracts:

Natural Gas Period Hedged - Daily Index	Type	Daily Volume	Average Price (AECO CAD/GJ)
November 1, 2022 to March 31, 2023	Fixed Price	25,000 GJ	$5.46-$5.85
April 1, 2023 to October 31, 2023	Fixed Price	5,000 GJ	$4.40

Natural Gas Period Hedged - Monthly Index	Type	Daily Volume	Average Price (AECO CAD/GJ)
April 1, 2023 to October 31, 2023	Fixed Price	15,000 GJ	$4.05 - $4.15
November 1, 2023 to March 31, 2024	Fixed Price	25,000 GJ	$4.96 - $5.30

Natural Gas Period Hedged – NYMEX	Type	Daily Volume	Average Price (Nymex USD/MMBtu)
November 1, 2023 to March 31, 2024	Fixed Price	20,000 MMBtu	$5.35- $5.48
April 1, 2024 to October 31, 2024	Fixed Price	60,000 MMBtu	$4.17 - $4.35

Crude Oil Period Hedged – WTI	Type	Daily Volume	Price (WTI CAD/bbl)
January 1 2023 to March 31, 2023	Fixed Price	800 bbl	$111.00 - $119.25
April 1, 2023 to June 30, 2023	Fixed Price	200 bbl	$107.25 - $108.20
July 1, 2023 to September 30, 2023	Fixed Price	300 bbl	$104.80 - $111.30
October 1, 2023 to December 31, 2023	Fixed Price	200 bbl	$102.40 - $108.50

13. Related party transactions

Certain directors of Peyto are considered to have significant influence over other reporting entities that Peyto engages in transactions with. Such services are provided in the normal course of business and at market rates. These directors are not involved in the day to day operational decision making of the Company. The dollar value of the transactions between Peyto and the related reporting entities is summarized below:

Expense				Accounts Payable	
Three Months ended September 30		Nine Months ended September 30		As at September 30	
2022	2021	**2022**	2021	**2022**	2021
113.1	181.1	**941.5**	361.0	**25.8**	207.0

14. Commitments

In addition to those recorded on the Company's balance sheet, the following is a summary of Peyto's contractual obligations and commitments as at September 30, 2022:

	2022	2023	2024	2025	2026	Thereafter
Interest payments [1]	4,244	16,827	13,127	11,743	8,163	9,962
Transportation commitments	13,636	58,813	61,977	42,435	31,682	358,620
Operating leases	550	2,200	2,200	2,200	2,200	-
Methanol	-	6,356	-	-	-	-
Total	18,430	84,196	77,304	56,378	42,045	368,582

(1) Fixed interest payments on senior secured notes

Officers

Darren Gee
Chief Executive Officer

Jean-Paul Lachance
President and Chief Operating Officer

Kathy Turgeon
Chief Financial Officer

Scott Robinson
Vice President, Business Development

David Thomas
Vice President, Exploration

Lee Curran
Vice President, Drilling and Completions

Todd Burdick
Vice President, Production

Derick Czember
Vice President, Land

Riley Frame
Vice President, Engineering

Tavis Carlson
Vice President, Finance

Stephen Chetner
Corporate Secretary

Directors
Don Gray, Chairman
Brian Davis
Michael MacBean, Lead Independent Director
Darren Gee
Gregory Fletcher
Kathy Turgeon
John Rossall
Debra Gerlach

Auditors
Deloitte LLP

Solicitors
Burnet, Duckworth & Palmer LLP

Bankers
Bank of Montreal
Canadian Imperial Bank of Commerce
ATB Financial
China Construction Bank (Canada)
Canadian Western Bank
Bank of China (Canada)
National Bank of Canada
Business Development Bank of Canada
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