

NEWS RELEASE

APRIL 15, 2020

SYMBOL: PEY – TSX

PEYTO ANNOUNCES REDUCED CAPITAL PROGRAM, REDUCED DIVIDEND AND COVID-19 PREPAREDNESS

CALGARY, ALBERTA – Peyto Exploration & Development Corp. ("Peyto" or the "Company") announces today its board of directors (the "Board") has approved a reduction to the Company's capital program and dividend in response to the extreme impacts of the COVID-19 pandemic on near term hydrocarbon demand and commodity prices.

The 2020 capital program, which was expected to range between \$250-\$300 million, has been reduced to between \$200-\$250 million. Peyto will ensure it stays nimble with the ability to adjust the capital program either up or down in response to commodity prices and the global economic environment while attempting to match the capital program to funds from operations. To that end, the Company continues to maintain a strong line-up of drill-ready locations. First half 2020 capital investment is expected to range between \$110-\$120 million. Additionally, considering the erosion in forecast commodity prices and the resultant impact on 2020 earnings projections, Peyto is reducing the dividend from \$0.02/month to \$0.01/quarter. Following the March 2020 dividend, paid on April 15, 2020, the Company will commence paying dividends on a quarterly basis with the first quarterly dividend of \$0.01 per common share being paid to shareholders of record as at June 30, 2020, with payment on July 15, 2020. These changes to Peyto's 2020 plans are necessary to preserve Peyto's balance sheet during this period of reduced liquidity for the industry.

Peyto's business model remains robust with long life, low cost natural gas assets that deliver high profit and operating margins. At year-end 2019, the Company had an operating margin of 65% and a producing reserve life of over 9 years, which are some of the highest measures in the industry. Additionally, Peyto owns and controls an enviable midstream asset base that is uniquely located at the intersection of highways, railways, transmission pipelines, high voltage powerlines and natural gas storage reservoirs.

Peyto has been fully prepared for the potential impact of the COVID-19 pandemic to its workforce and the extended service industry with its business continuity plans. The Company's small but experienced head office workforce is fully functional when working remotely using existing technologies which had been previously developed during the Calgary 2013 floods. Meanwhile, field employees and contractors already operate under Peyto's Working Alone policy with well-established emergency response plans that include remote control and well monitoring capability and automation systems. Peyto has long been part of the Energy Mutual Aid Co-op within its areas of operation and is an active member of the local oilfield community. The Company is prepared for extended disruption to supply chains with equipment and materials already stockpiled for an extended spring breakup period. As well Peyto's drilling and completion design requires fewer service industry workers to be on location to conduct specific operations which reduces the potential for person to person transmission.

Peyto has made provisions for this year's annual and special meeting of shareholders to account for the COVID-19 pandemic and in accordance with advice from the Public Health Agency of Canada and Alberta Health Services. While current plans are subject to change, the Company is encouraging registered shareholders and duly appointed proxyholders to NOT attend the meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, the Corporation encourages shareholders to vote their common shares prior to the meeting following the instructions set out in the form of proxy or voting instruction form received by such shareholders. The Corporation may take additional precautionary measures in relation to the meeting in response to further developments with the COVID-19 pandemic. In the event it is not possible or advisable to hold the meeting in person, the Corporation will announce alternative arrangements for the meeting as promptly as practicable, which may include holding the meeting entirely by electronic means, telephone or

other communication facilities. Peyto is planning an electronic presentation for investors by management shortly after the annual and special meeting, the particulars of which will be press released prior to.

Please monitor Peyto's website at www.peyto.com for updated information on the meeting and presentation details.

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April 15, 2019
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Certain information set forth in this document, including information relating to Peyto's revised 2020 capital program and its upcoming annual and special meeting of shareholders, as well as management's assessment of Peyto's future plans and operations, capital expenditures and capital efficiencies, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, the impact of the COVID- 19 pandemic, industry conditions, volatility of commodity prices including the ongoing depressed oil prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. 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. In addition, Peyto is providing future oriented financial information set out in this press release for the purposes of providing clarity with respect to Peyto's strategic direction and readers are cautioned that this information may not be appropriate for any other purpose. Other than is required pursuant to applicable securities law, Peyto does not undertake to update forward looking statements at any particular time. 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.