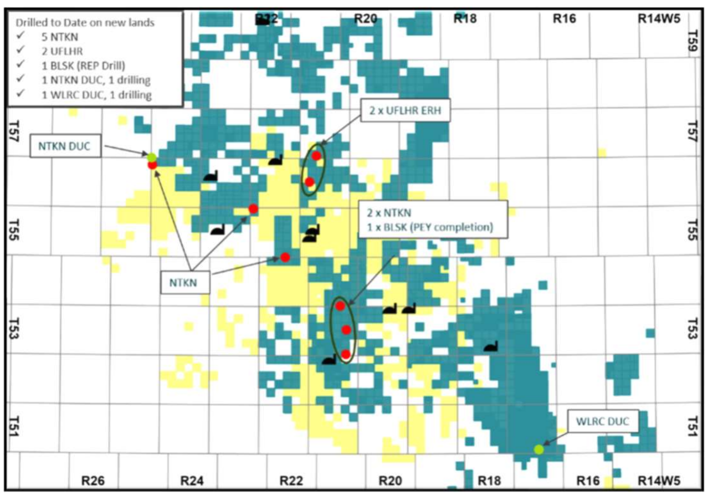
February 2024 **By Jean-Paul Lachance, President and Chief Executive Officer**

Living up to Expectations

Peyto's acquisition strategy over the last five years has been to pursue opportunities that have significant, high-quality upside and clear synergies with our existing operations. When we find a deal that checks those two boxes, we know there is an opportunity to use our operational expertise to create growth through the drill bit and drive down costs as we integrate and optimize the assets with our "own and control" approach. On October 17th, 2023, Peyto closed the acquisition of Repsol Canada Energy Partnership. The acquisition added approximately 800 premium well locations to our inventory which we started drilling immediately, spudding our first well October 18th. In the three months since closing the deal, we have brought on production eight new wells from the purchased lands. With these first wells, we have demonstrated the range of our new inventory both across the land base (flowing new gas to four different facilities) but also through the Deep Basin stack, targeting four different layers (Notikewin, Falher, Wilrich and Bluesky). Figure 1 shows our activity to date on the newly acquired lands.

Figure 1 – Activity on Acquired Lands

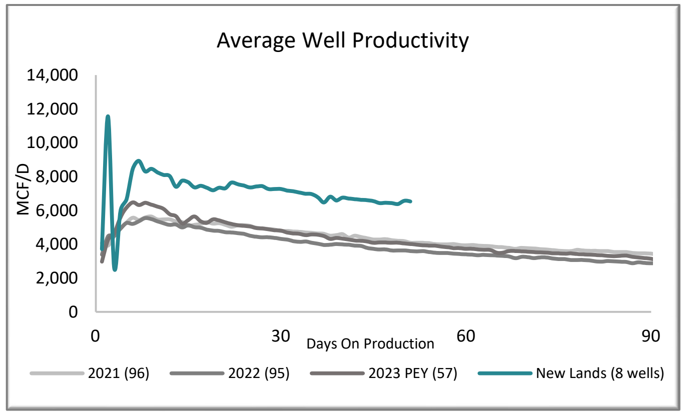


Production from the new wells is a reminder of why we coveted these lands for so long. Figure 2 shows that on average, the new wells are performing approximately 30% better than our legacy asset wells.

In addition to high-impact, high-quality drilling inventory, the acquisition came with over 550 mmcf/d of under-utilized, gross processing capacity bringing the total gross capacity under our control to over 1.5 bcf/d (52% utilization). Integration and consolidation of these new assets has already begun with the redirection of gas to optimize gathering system pressures, but it will take some time to "Peyto-ize" the processes and simplify the operations. We expect to bring down the costs and increase the reliability of our newest facilities to meet Peyto's industry leading standards as we implement more projects throughout 2024.

We are pleased to see that the early drilling results are living up to expectations and as we move through 2024, Peyto plans to deploy at least 50% of our well capital on the new lands.

Figure 2 – Early Success on Acquired Lands



Operational Highlights

After another busy year of activity during 2023, we put a pause on drilling and completions operations in mid December for the Christmas break. As a result of the lower activity levels, we spent less capital in December and only had 4 wells to bring on during January. The mild winter season quickly turned very cold as a stark reminder of the importance of natural gas for both heat and reliable power in Alberta. As temperatures fell below -40°C, supply 'freeze-offs' were inevitable as people and equipment don't work well when it's that cold. We are grateful to our field personnel who worked hard during the cold snap to keep our operations going, but we were not immune to the impact which saw up to 2.5 bcf/d supply come off the NGTL system. Freeze-offs and related downtime accounted for a reduction of approximately 3,500 boe/d on the total production estimate for January primarily at the acquired facilities. In addition, we discovered a production misallocation at the Edson gas plant which resulted in a revision to November and December volume estimates by approximately 1,000 boe/d.

Capital Investment ($C millions)[1]

	Q1 22	Q2 22	Q3 22	Q4 22	2022	Q1 23	Q2 23	Q3 23	Oct 23	Nov 23	Dec 23	Q4 23	2023
D,C,E&T [2]	95	80	98	98	**371**	89	72	81	35	38	**24**	97	**339**
Facilities	47	21	16	16	**100**	32	9	11	7	3	**2**	12	**64**
Other [3]	1	8		1	**10**	1	1	1		12		12	**15**
Acquisitions [4]	22		26		**48**								
Total	166	108	140	115	**529**	122	82	94	42	53	**26**	121	**418**

Production (mboe/d)[1]

	2022	Q1 23	Q2 23	Q3 23	Oct 23	Nov 23	Dec 23	Q4 23	2023	Jan 24
Sundance [5]	**76**	71	67	66	78	91	94	87	**73**	89
Brazeau	**23**	27	28	28	28	29	29	29	**28**	28
Other	**5**	5	4	4	4	4	4	4	**4**	5
Total	**104**	103	99	98	110	124	127	120	**105**	122
Liquids %	**12%**	12%	11%	11%	12%	14%	13%	13%	**12%**	13%

1. *This estimate is based on field data, not a forecast, but actual numbers will vary from the estimate due to accruals and adjustments. Such variance may be material. Tables may not add due to rounding.*
2. *Well related costs including Drilling, Completions, Equip and Tie-in.*
3. *Other costs include Land, Seismic, and Miscellaneous.*
4. *Acquisitions costs include asset and corporate deals but does not include the acquisition of the Repsol partnership.*
5. *Repsol acquisition production has been integrated with Sundance production.*

February 2024 **By Jean-Paul Lachance, President and Chief Executive Officer**

FORWARD LOOKING STATEMENTS

Certain information set forth in this monthly report, including management's expectation of future natural gas prices, and the reasons therefore and management's estimate of monthly capital spending, field estimate of production, current fixed revenue projections for 2024, production decline rates and forecast netbacks, contains forward-looking statements. Reserves disclosures are also forward-looking information, including the volumes and the life of Peyto's reserves, production estimates, project economics including NPV, IRR, netback and recycle ratio. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Peyto's control, including the impact of general economic conditions, industry conditions, volatility of commodity 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 that Peyto will derive there from. The forward-looking statements contained in this monthly report are made as of the date of this monthly report. Except as required by applicable securities law, we assume no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing risks and assumptions affecting such forward-looking statements, whether as a result of new information, future events or otherwise.

All references are to Canadian dollars unless otherwise indicated. Natural gas liquids and oil volumes are recorded in barrels of oil (bbl) and are converted to a thousand cubic feet equivalent (mcfe) using a ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Natural gas volumes recorded in thousand cubic feet (mcf) are converted to barrels of oil equivalent (boe) using the ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based in an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 mcf:1 bbl may be misleading as an indication of value.

NON-GAAP AND OTHER FINANCIAL MEASURES

Peyto employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as long-term debt, net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance.