

**First Energy Capital - Canadian Energy Conference**  
*March 11, 2010 (New York)*



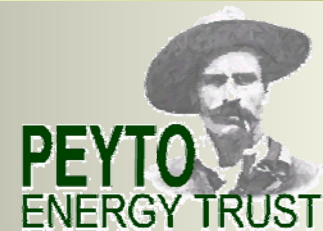
# **Peyto Energy Trust**



**An Alberta-Based Natural Gas  
Exploration and Production Company**

# Advisory

## Regarding Forward-Looking Statements



*This presentation contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this presentation contains forward looking statements and information concerning Peyto Energy Trust ("Peyto") production; reserves, resources and gas in place; undeveloped land holdings; reserve life index; product mix; business strategy; future development and growth prospects, profile targets and rates; prospects; asset base; tax pools; drilling locations and inventory, down-spacing potential; exploration risk; access to capital; future cash flow, value, debt levels and debt to cash flow; capital investment and expenditure programs and the funding thereof; anticipated cash-on-cash yield; Net asset value; credit facility; and statements with respect to levels of distributions to be paid to unit holders, distribution policy, and the timing of payment of such distributions.*

*The forward-looking statements and information are based on certain key expectations and assumptions made by Peyto, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates; reserve and resource volumes; the performance of existing wells; the success obtained in drilling new wells; and the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although Peyto believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Peyto can give no assurance that they will prove to be correct.*

*Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to reserves, resources, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations.*

*Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Peyto are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements and information contained in this presentation are made as of the date hereof and Peyto undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*The information contained in this presentation does not purport to be all-inclusive or to contain all information that a prospective investor may require. Prospective investors are encouraged to conduct their own analyses and reviews of Peyto and of the information contained in this presentation. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors that they consider appropriate in investigating and analyzing Peyto.*

### *Reserves*

*The recovery and reserve estimates of Peyto's crude oil, natural gas liquids and natural gas reserves provided in the presentation are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas liquids and natural gas reserves may be greater than or less than the estimates provided herein.*

### *Barrels of Oil Equivalent*

*"Boe" means barrel of oil equivalent on the basis of 1 Boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A Boe conversion ratio of 1 Boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

### *Original Gas in Place*

*Original gas in place includes both discovered and undiscovered resources, and there is no certainty that any portion of the undiscovered resources will be discovered and, if discovered, that any volumes will be economically viable or technically feasible to recover or produce. Original gas in place also includes volumes that have already been produced from such accumulations. Readers should not unduly rely upon estimates of original gas in place in terms of assessing the combined company's reserves or recoverable resources.*

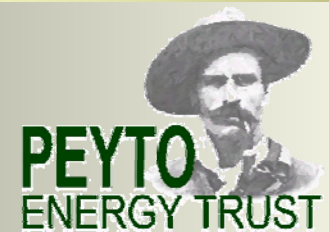
# *Presentation Outline*



- Background Information
- Track Record
- Review of 2009 Results
- 2010 Looking Forward
  - Assets
  - Activities & Plans

# Background Information

## *General*

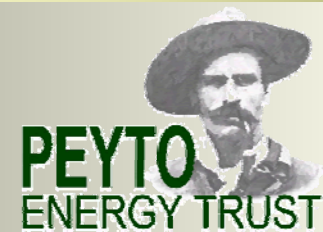


- Founded in 1998
- Concentrated and Disciplined Strategy
  - Geographical Focus – Alberta Deep Basin
  - Reservoir Focus – Areally Extensive Low Permeability Cretaceous Sandstones
  - Fluid Focus – Sweet Gas, Liquids Rich
  - Value Focus – Low Cost Operations, High Return Reinvestment through Drilling
- Trust Structure since June, 2003
  - Consistent Income Stream Coupled with Sustained Growth
- Abundance of Undeveloped Resource
  - Well Positioned to Benefit from Revolutionary MSF Horizontal Development
  - Development Economics Positive to Prices below \$5.00/Mcf



# Background

## Historical Overview



### Investment Input

\$504 million of cumulative share capital

### Investment Results

- \$1 billion of cumulative distributions
- Compound Return: 18%/yr (since mid 2003)
- Asset Value: \$3.8 billion (P+PA PV<sub>5</sub>, debt adj.)
- Enterprise Value: \$2.1 billion (\$14/unit, debt adj)

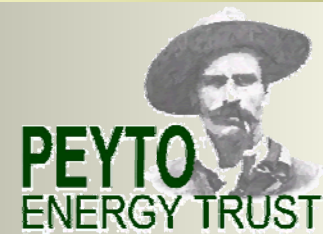


### Resource Development

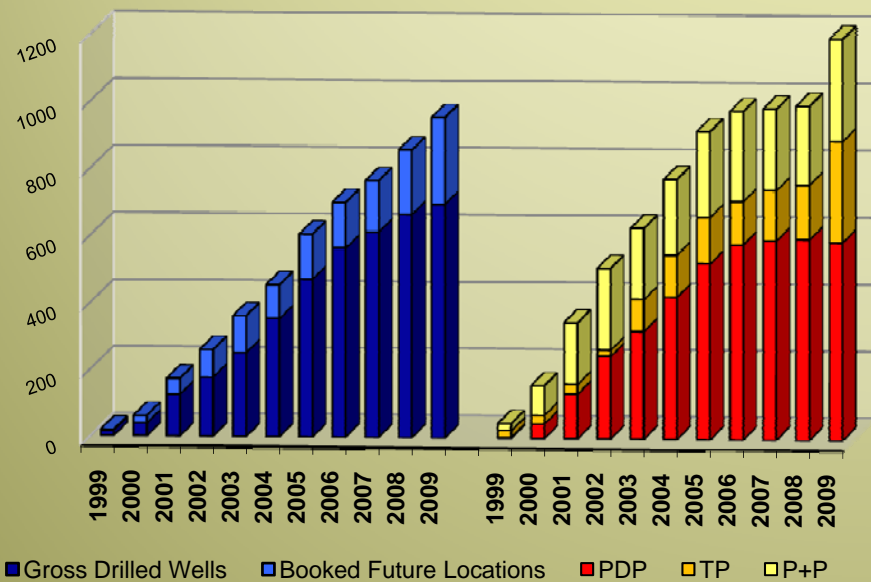
Developed	1.50 Tcfe
Produced (to Dec 31/09)	0.30 Tcfe
P+PA Reserve	1.20 Tcfe
Current Production	126.6 MMcfe/d (21,100 Boed)

# The Peyto Strategy

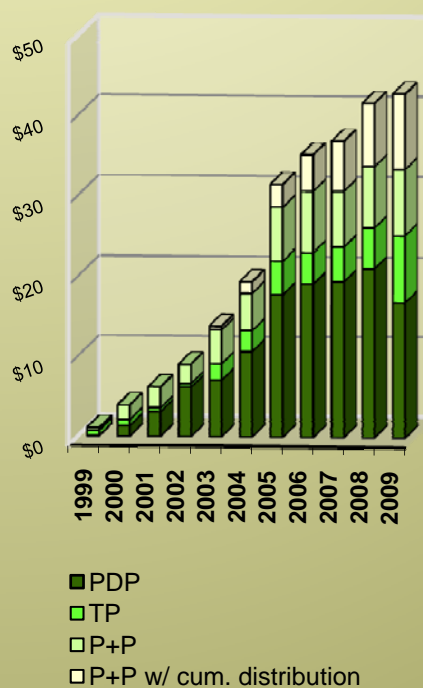
## 11 Year Track Record



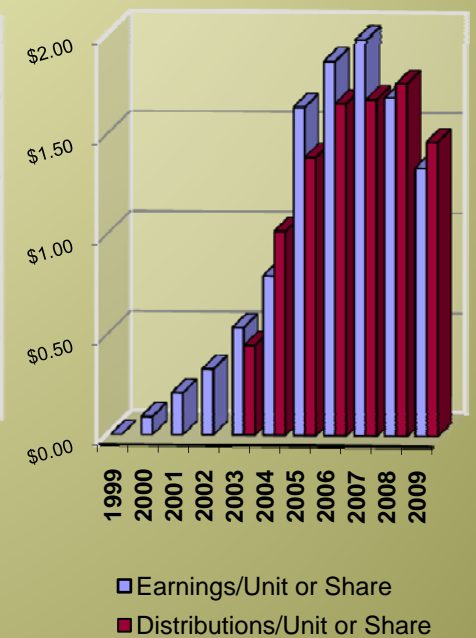
Prospect Generation



Reserves Growth (Bcf)



NAV Growth (NPV<sub>5</sub> Debt Adj/Unit)



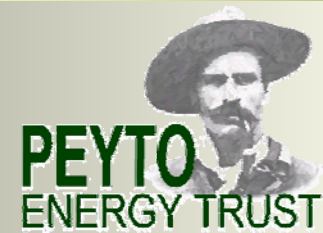
Profit Sharing

Bcf factor : 6 thousand cubic feet equivalent of gas = 1 bbl of oil equivalent

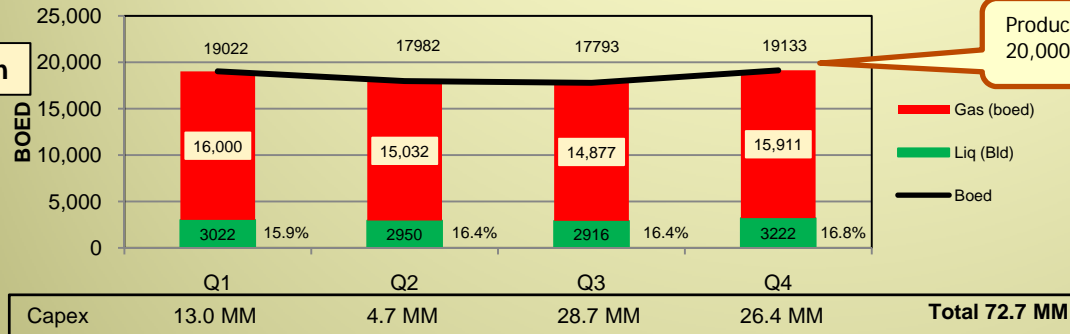
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

# 2009 in Review

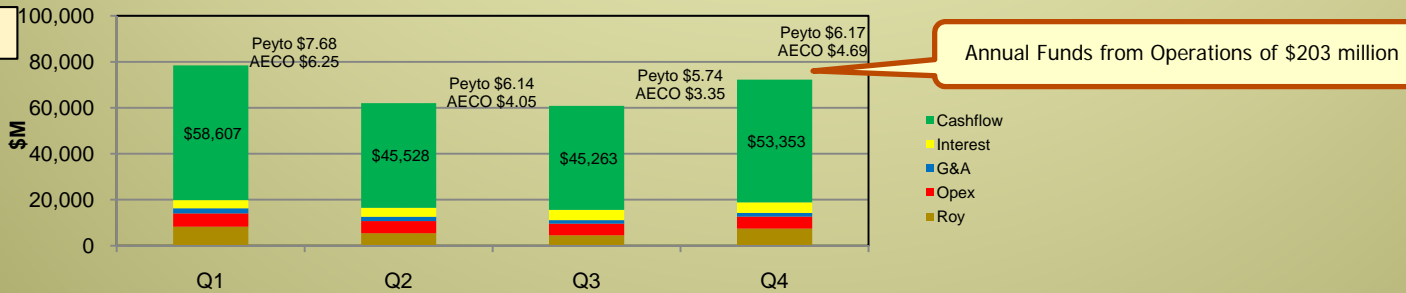
## Overall Performance



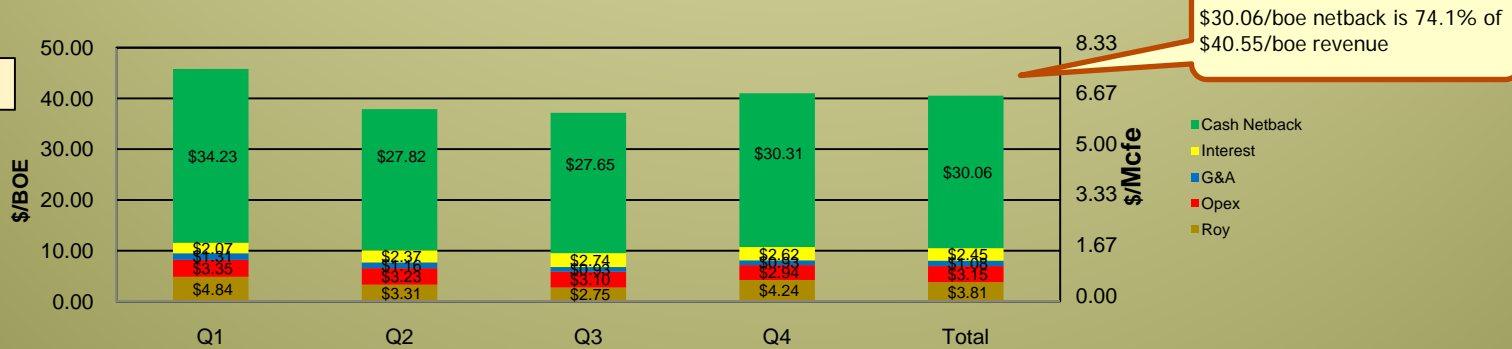
### Production



### Revenue

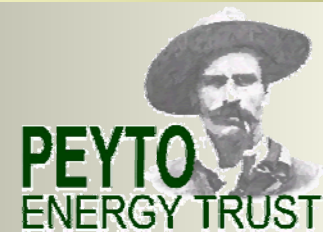


### Netback



# 2009 in Review

## Reinvestment Effectiveness



### Capital Reinvestment

- Modest program of \$72.7 million (36% of C.F.)
- 26.1 net wells drilled (spud), 22.1 net onstream
  - 22.4 net vertical wells
  - 3.7 net (5 gross) MSF horizontal wells (1.7 net onstream by year end)
  - 3 net wells (3 gross) in new Kakwa extension area
- 4,200 Boed production growth (\$17,300/Boed)
- 2009 cash flow \$12.6 million from new wells (mainly Q4)

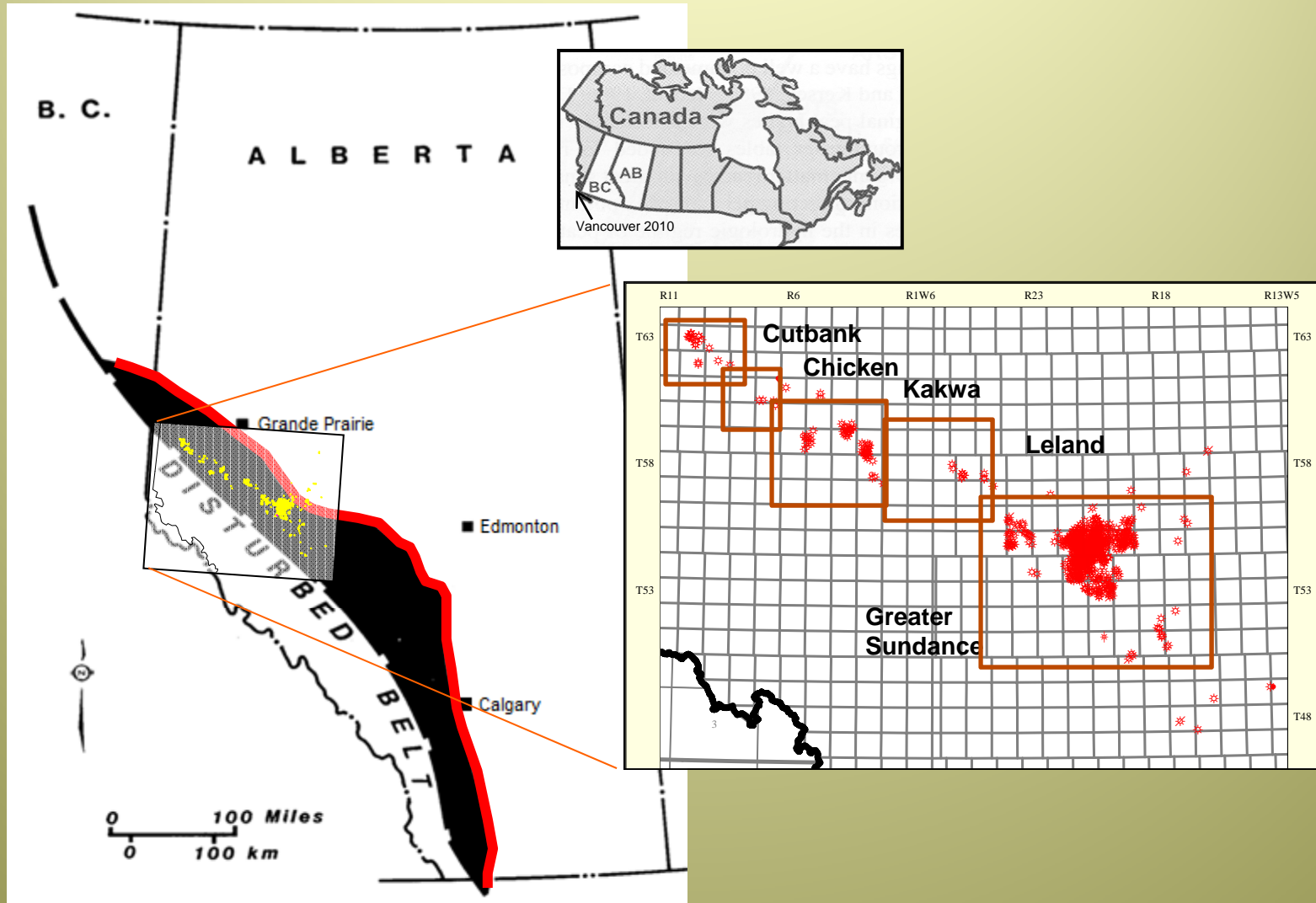
Reserve Volumes for New Onstream Wells		Reserve Cost	Internal ROR
Category	MBOE	\$/BOE	%
PDP	7,545	9.64	42
P+PA	10,719	6.78	80

*Volumes from Paddock Lindstrom and Associates Dec 31, 2009 Reserves Report*



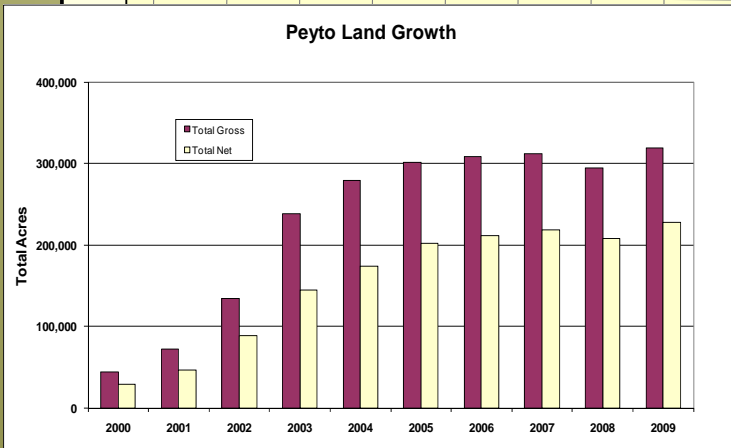
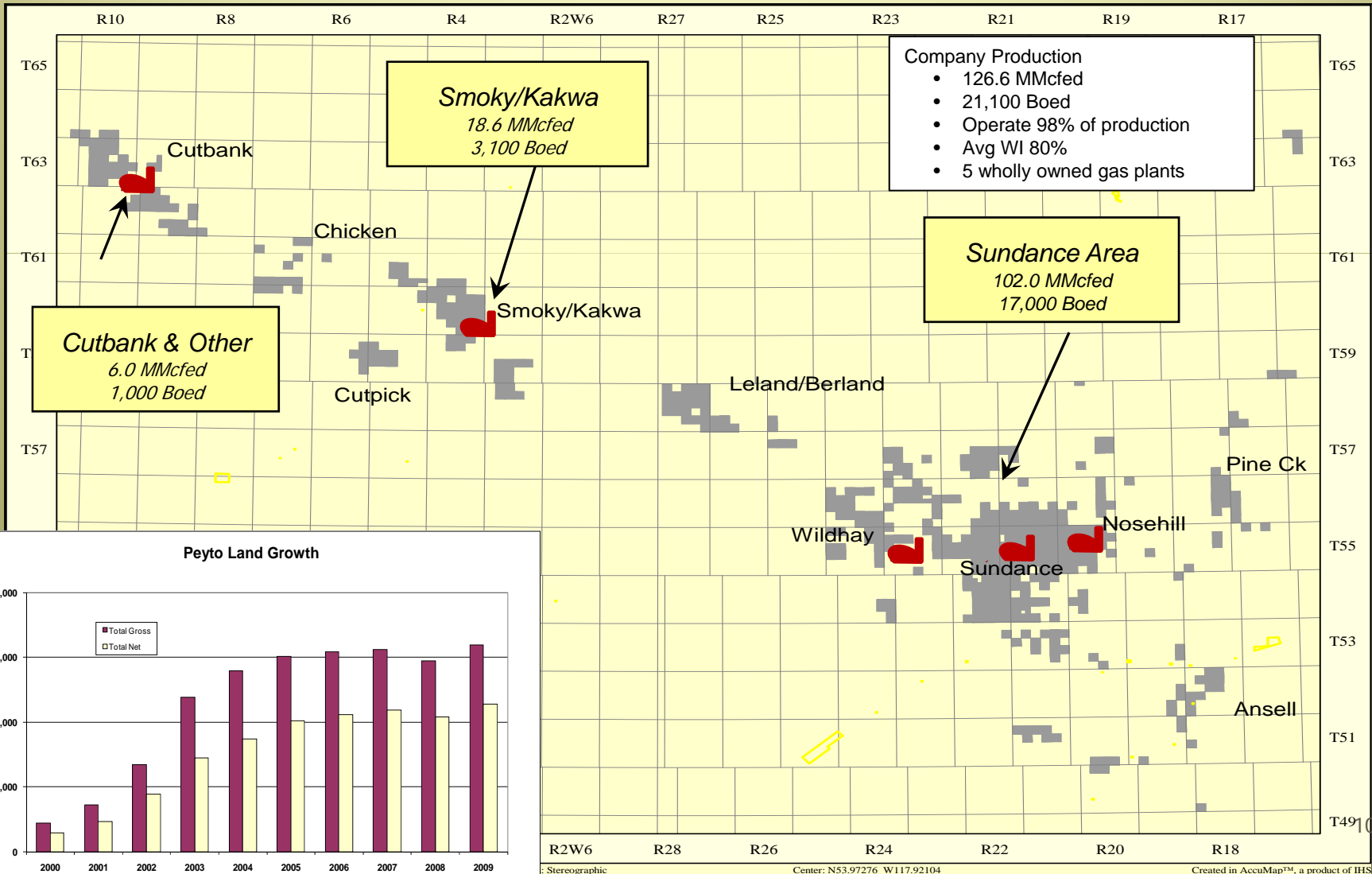
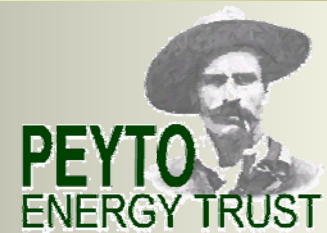
# Background

## Deep Basin Focus



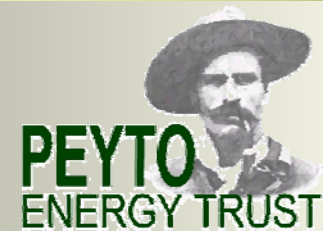
# 2010 Looking Forward

## Current Performance

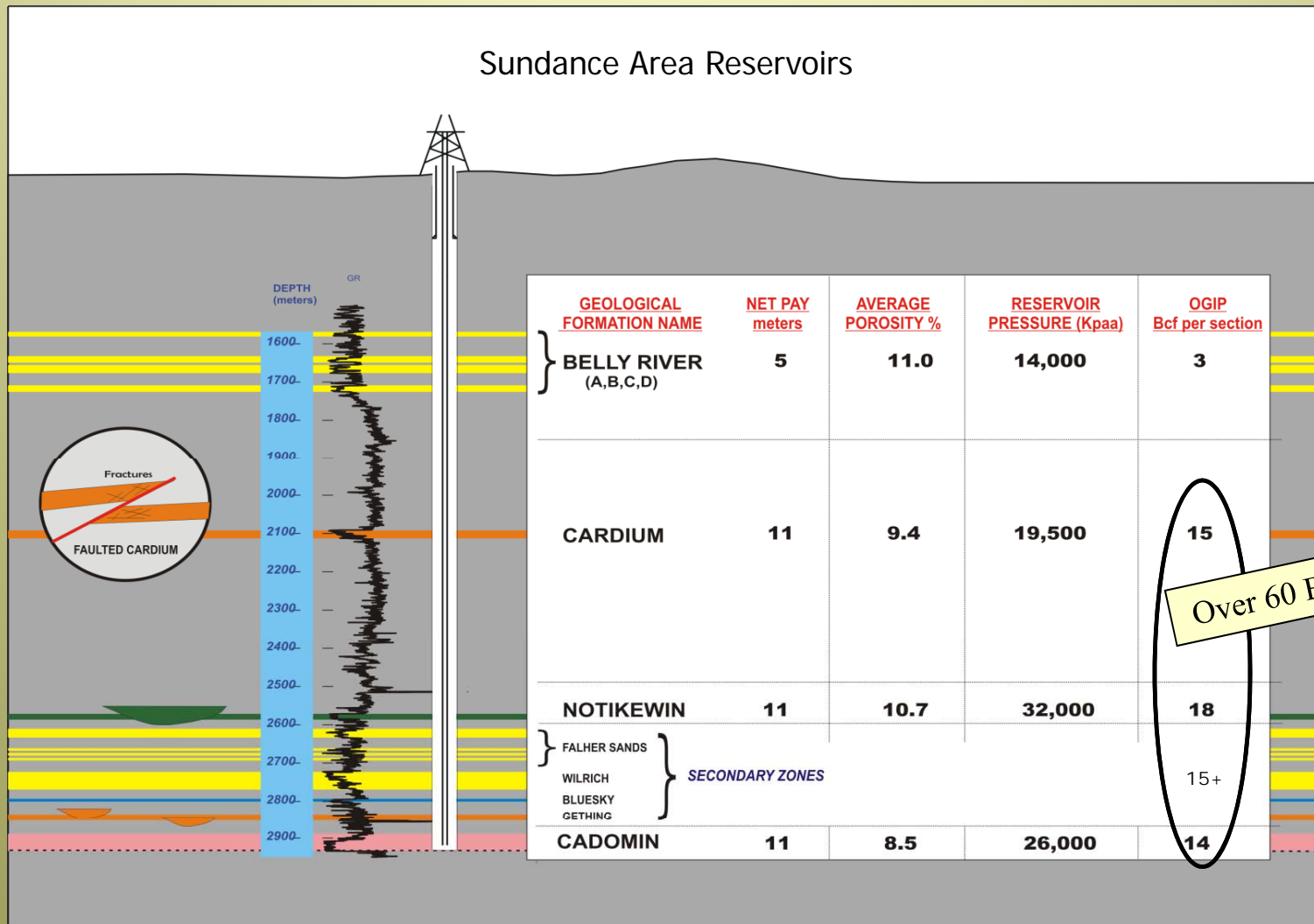


# Peyto's Deep Basin Focus

## Reservoir Targets



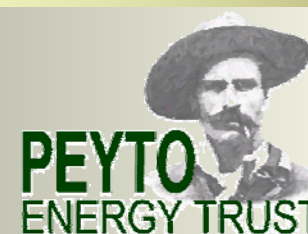
Sundance Area Reservoirs



Over 60 BCF/Section!

# 2010 Looking Forward

## Corporate Asset Overview



Reserve Category	Gas (mmcf)	Oil & NGL (mstb)	BCFe (6:1)	MBOE (6:1)	Before Tax Net Present Value (\$millions) Discounted at				NAV-PV <sub>8</sub> (Debt Adj.)	RLI (yr) (Q4 prod 19,133)
					0%	5%	8%	10%		
					Proved Producing	496,632	15,801	591.4		
Proved Non-producing	15,235	374	17.5	2,913	\$140	\$68	\$49	\$41		
Proved Undeveloped	241,534	7,116	284.2	47,371	\$1,855	\$888	\$626	\$508		
Total Proved	753,401	23,290	893.1	148,857	\$6,650	\$3,344	\$2,500	\$2,127	17.90	21
Probable Additional	260,041	7,693	306.2	51,033	\$2,388	\$951	\$632	\$502		
Proved + Probable Additional	1,013,442	30,983	1,199.30	199,890	\$9,038	\$4,295	\$3,132	\$2,628	23.39	29

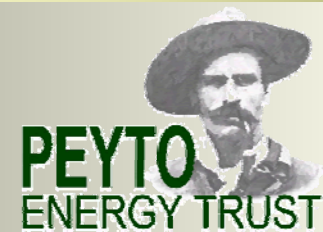
Note: Based on the PLA report effective December 31, 2009. Tables may not add due to rounding. Prices (2010 to 2014 in \$Cd per Mmbtu: \$5.82, \$6.29, \$6.77, \$7.28, \$7.80). Year end debt \$439.9 million. Year end units outstanding 115,116,614.

Proved Undeveloped      52.3 net (70 gross) verticals  
(Dev Cap: \$467.7 million)      73.1 net (97 gross) horizontals

Probable Undeveloped      48.9 net (63 gross) verticals  
(Dev Cap: \$228.6 million)      14.2 net (20 gross) horizontals



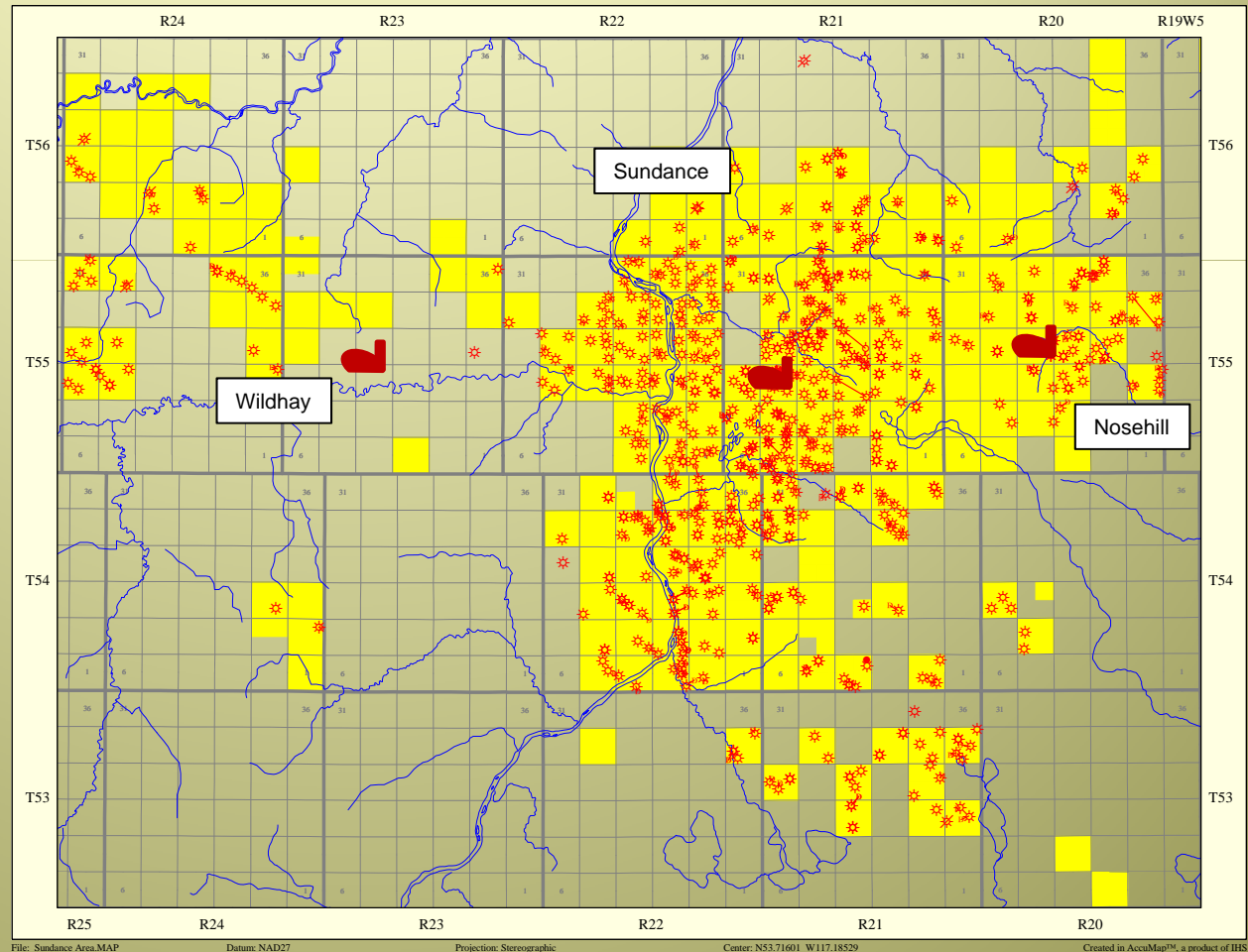
# Sundance Area Overview



## Area Highlights

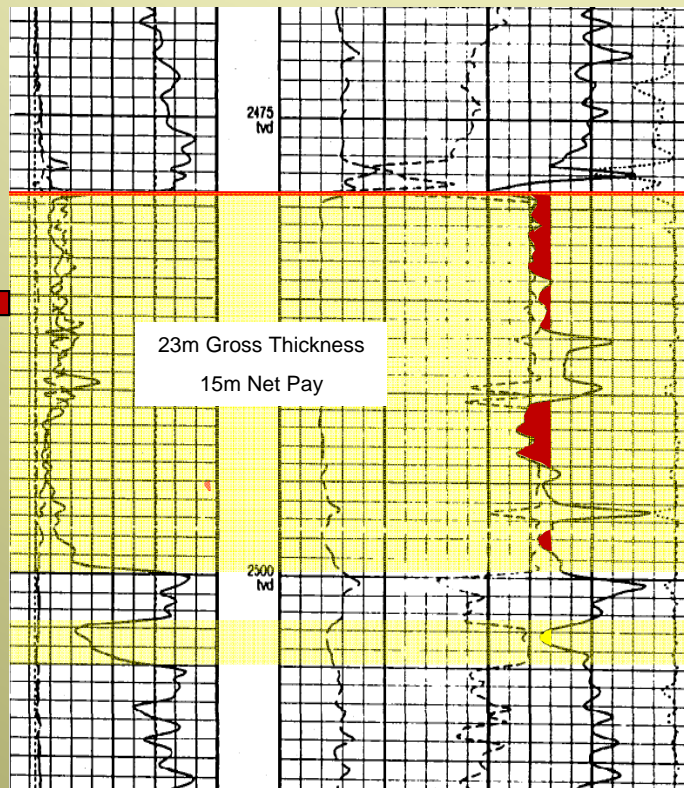
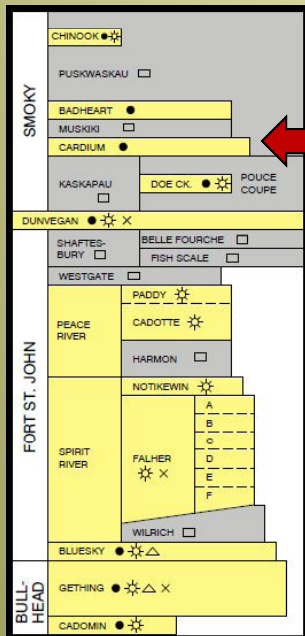
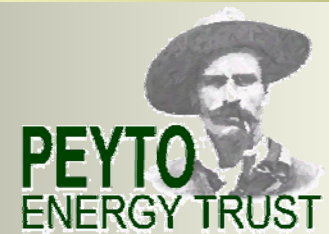
- 430 net wells, 560 net zones
- 3 gas plants, 150 MMcfd capacity (80% utilization)
- Current production (80.6% of Company)
  - 17,000 Boed
  - 102.0 MMcfd
- 2009 performance
  - 15,740 Boed (15% liquid)
  - Field Netback Summary

	<u>BOE</u>	<u>Mcf</u>	
Rev	\$40.38	\$6.73	
-Roy	\$3.59	\$0.60	(9% rev)
-Opex	<u>\$2.88</u>	<u>\$0.48</u>	
	\$33.91	\$5.65	(84% rev)



# Sundance Area

## Cardium Formation

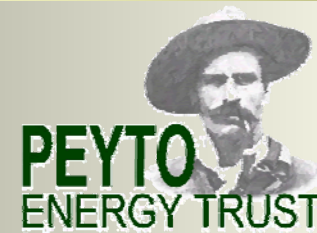


### Volumetric Reserves

AREA(Ha)=	256	(1 section)
H(m)=	15	
POROSITY(%)=	9	
SW(%)=	18	
TEMP.(Deg.C)=	80	
PRES.(kPa)=	19000	
Z=	0.8	
Recovery Factor(%)=	85	
Surface Loss(%)=	7	
<hr/>		
<b>OGIP(BCF)=</b>	<b>19.2</b>	
<b>RGIP RAW(BCF)=</b>	<b>16.4</b>	
<b>SALES GAS(BCF)=</b>	<b>15.2</b>	

# Sundance Area

## Cardium Formation



### Sundance Cardium

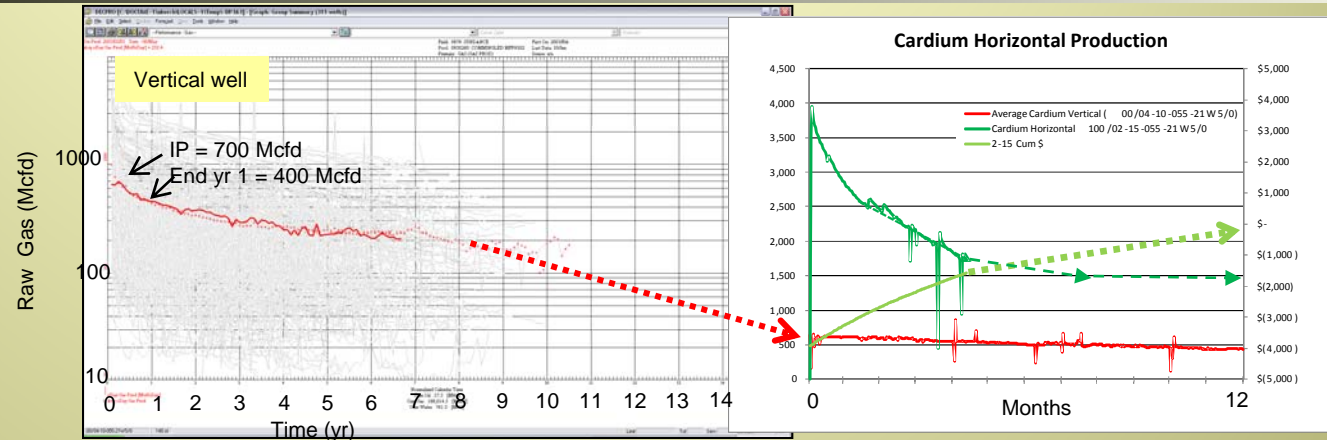
- 2200 m (7,200 ft) deep
- Sweet, liquids rich (40+ bbl/MMcf)
- 288 net producing zones
- Current production
  - 9,460 Boed
  - 56.7 MMcfed
  - 56% of Sundance
- Undeveloped Locations (net)

#### Proved

- 8.6 Vertical
- 49.3 Horizontal

#### Probable

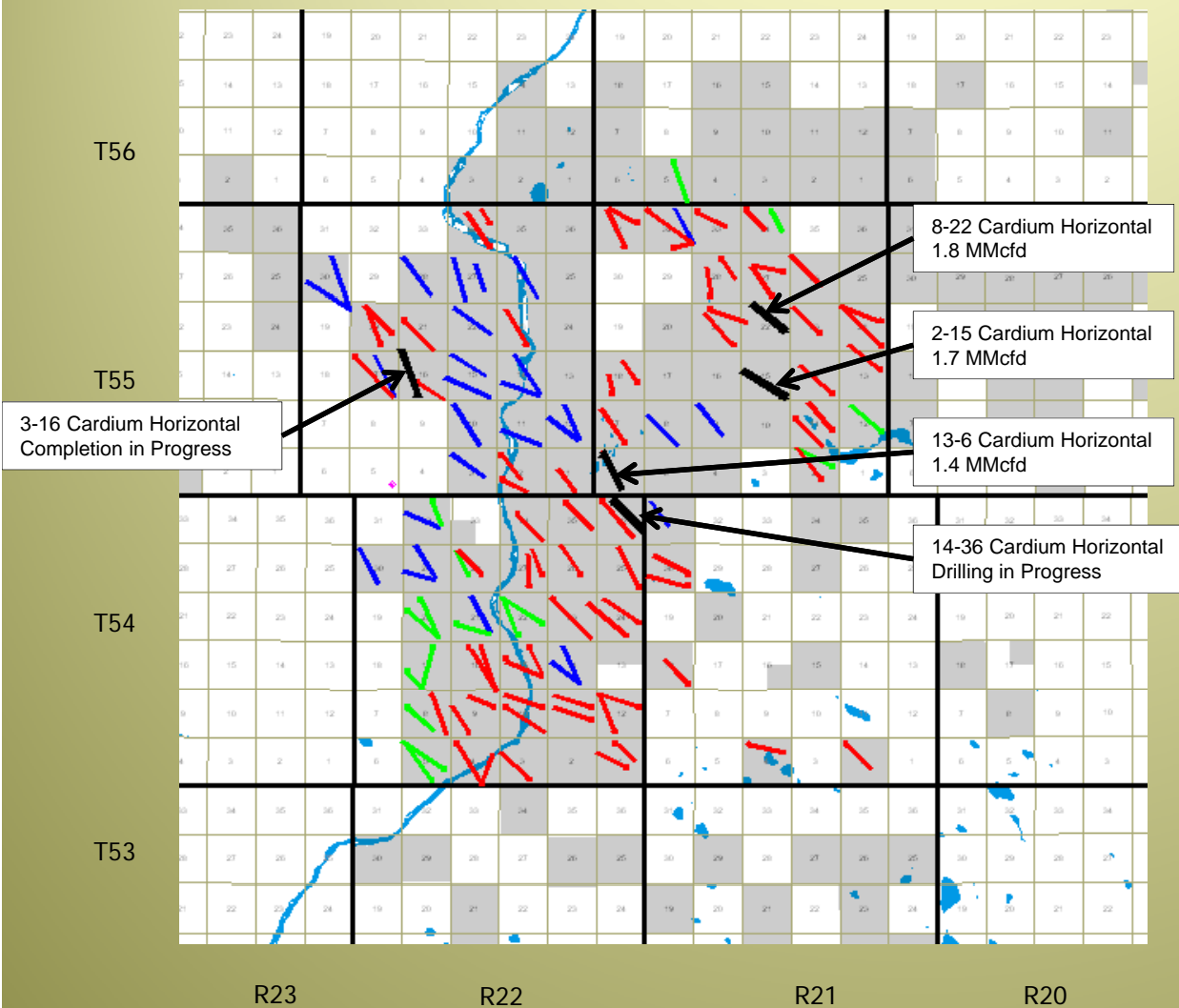
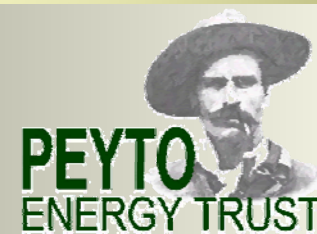
- 6.4 Vertical
- 12.0 Horizontal








	Type Well Economics		
	Average Vertical Cardium	2-15-55-21W5 Horizontal	
Costs:	\$1.3 MM (2,200m)	\$4.6 MM (3,400m)	
IP:	700 Mcfd raw	4.0 MMcfed raw	
End yr 1	400 Mcfd raw	1.5 MMcfed raw	
Reserve:	1.0 Bcf raw, 0.95 Bcf sls, 39 Mbbl liq	3.3 Bcf raw, 2.9 Bcf sls, 121 Mbbl liq	
		At \$5.00/GJ	At \$6.00/GJ
ROR	68%	83%	101%
NPV <sub>5</sub>	\$2.4 MM	8.1 \$MM	9.8 \$MM
NPV <sub>10</sub>	\$1.6 MM	5.3 \$MM	6.5 \$MM
Payout	1.5 yr	1.2 yr	1.0 yr
NPV <sub>10</sub> /Capex	1.2	1.2	1.4
Assumptions: \$5.00/GJ (\$5.78/mcf) and \$70/bbl oil escal at 2% per yr. No Alberta Crown incentives (drill credit or one year 5% flat royalty)			

# Sundance Area

## Cardium Horizontal Well Opportunities



### Peyto HZ Cardium Locations

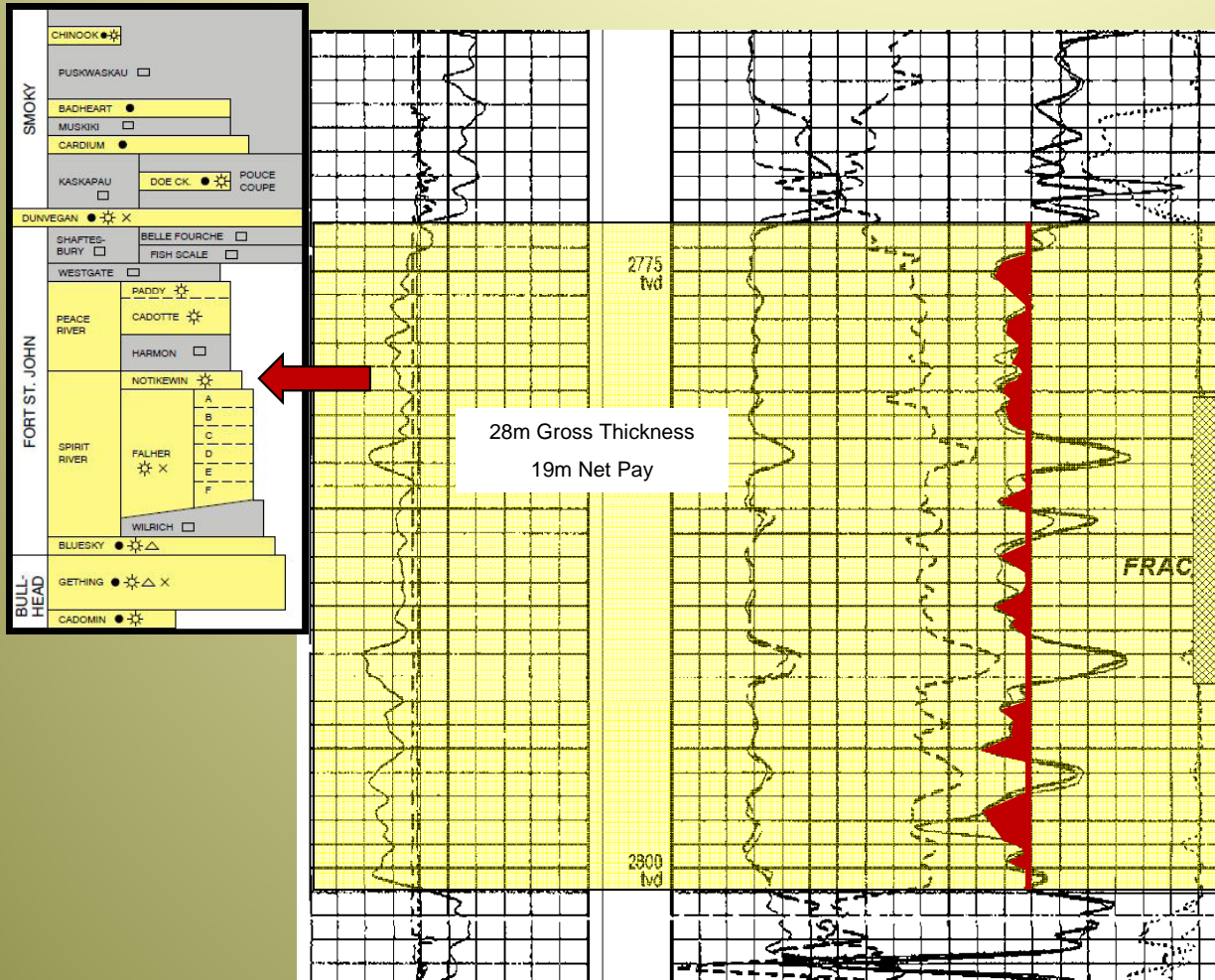
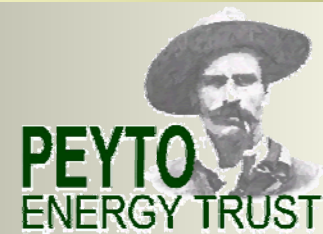
-  HZ Drilled
-  HZ Proved (72 Gross, 49.3 Net)
-  HZ Probable (17 Gross, 12 Net)
-  Possible HZ Locations (27 Gross)
-  Peyto Cardium P&NG

Proved and Probable locations recognized in Paddock Lindstrom Associates Dec. 31, 2009 Reserve Report



# Sundance Area

## Notikewin Formation



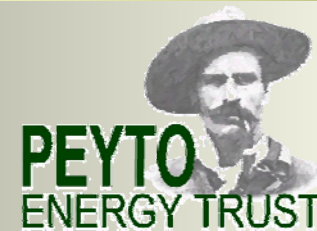
### Volumetric Reserves

AREA(Ha)=	256 (1 section)
H(m)=	19
POROSITY(%)=	8
SW(%)=	35
TEMP.(Deg.C)=	96
PRES.(kPa)=	32,000
Z=	1.02
Recovery Factor(%)=	85
Surface Loss(%)=	4.5
<b>OGIP(BCF)=</b>	<b>22</b>
<b>RGIP RAW(BCF)=</b>	<b>18</b>
<b>SALES GAS(BCF)=</b>	<b>18</b>

BOE factor - 6 mcf = 1 bbl of oil equivalent

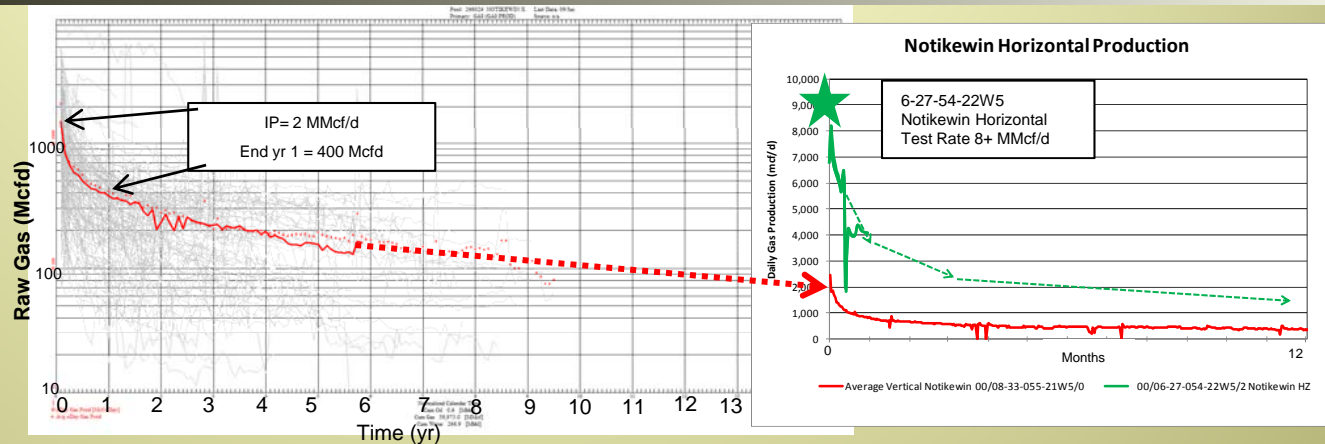
# Sundance Area

## Notikewin Formation



### Sundance Notikewin

- 2,700 m (8,900 ft) deep
- 107 net producing zones
- Sweet, 10 to 15 bbl/MMcf liquids
- Current production
  - 3,700 Boed
  - 22.2 MMcfed
  - 22% of Sundance
- Undeveloped Locations (net)



#### Proved

12.3 Vertical

4.0 Horizontal

#### Probable

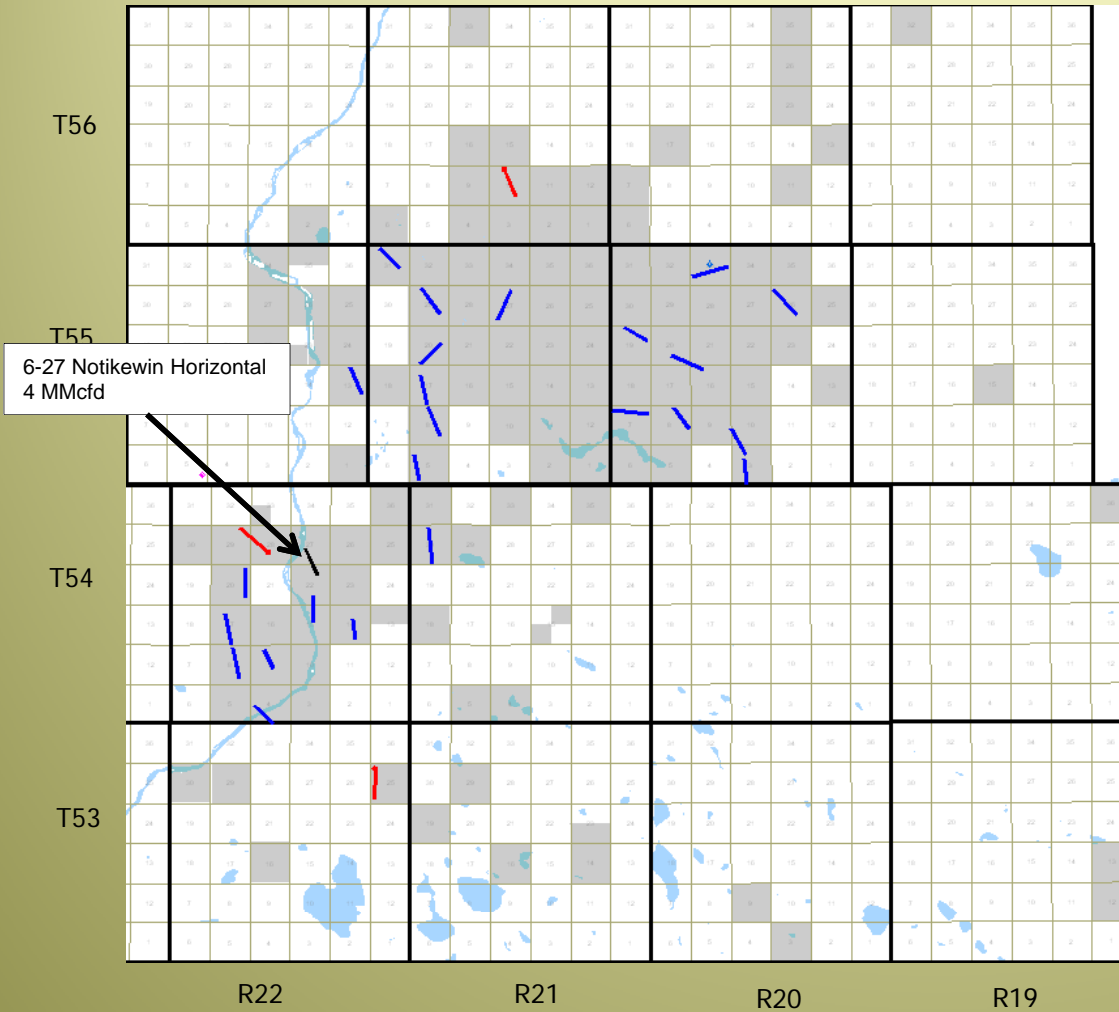
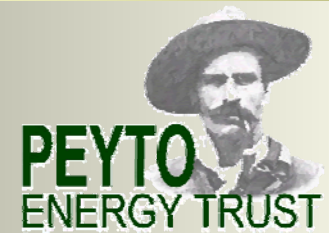
8.9 Vertical

	Type Well Economics		
	Average Vertical Notikewin (2700m)	6-27-54-22W5 Horizontal (4000m)	
Costs:	\$1.98 MM	\$5.5 MM	
IP:	2.0 MMcf raw	5.0 MMcf raw	
End yr 1	409 Mcfd raw	1.5 MMcf raw	
Reserve:	1.4 Bcf raw, 1.3 Bcf sls, 20 Mbbl	4.0 Bcf raw, 3.7 Bcf sls, 58 Mbbl	
		At \$5.00/GJ	At \$6.00/GJ
ROR	33%	59%	75%
NPV <sub>5</sub>	\$1.9 MM	\$8.1 MM	\$10.3MM
NPV <sub>10</sub>	\$1.0 MM	\$4.8 MM	\$6.2 MM
Payout	2.4 yr	1.5 yr	1.2 yr
NPV <sub>10</sub> /Capex	0.5	0.9	1.1

Assumptions: \$5.00/GJ (\$5.71/mcf) and \$70/bbl oil escal at 2% per yr. No Alberta Crown incentives (drill credit or one year 5% flat royalty)

# Sundance Area

## Notikewin Horizontal Well Opportunities



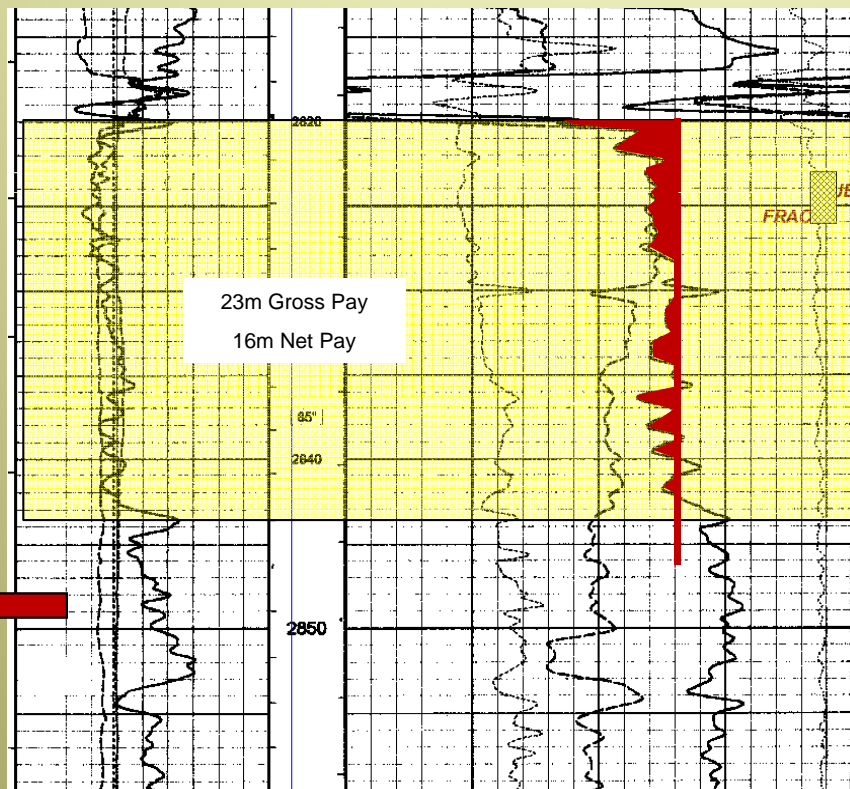
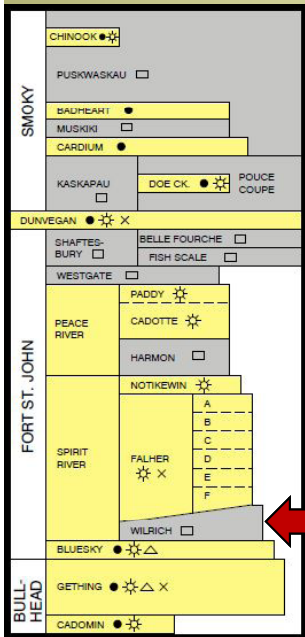
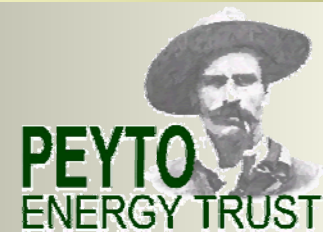
### Peyto HZ Ntkn Locations

- HZ Drilled
- HZ PUD (4 Gross, 4 Net)
- Possible HZ Locations (24 Gross)
- Peyto Notikewin P&NG

Proved and Probable locations recognized in  
Paddock Lindstrom Associates Dec. 31, 2009  
Reserve Report

# Sundance Area

## Wilrich Formation



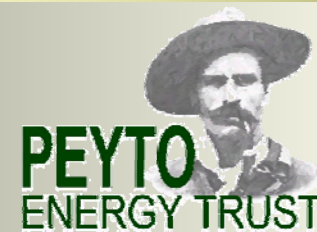
### Volumetric Reserves

AREA(Ha)=	256 (1 section)
H(m)=	16
POROSITY(%)=	8
SW(%)=	35
TEMP.(Deg.C)=	98
PRES.(kPa)=	24,000
Z=	0.92
Recovery Factor(%)=	85
Surface Loss(%)=	4.5
<hr/>	
<b>OGIP(BCF)=</b>	<b>15</b>
<b>RGIP RAW(BCF)=</b>	<b>13</b>
<b>SALES GAS(BCF)=</b>	<b>12</b>



# Sundance Area

## Wilrich Formation



### Sundance Wilrich

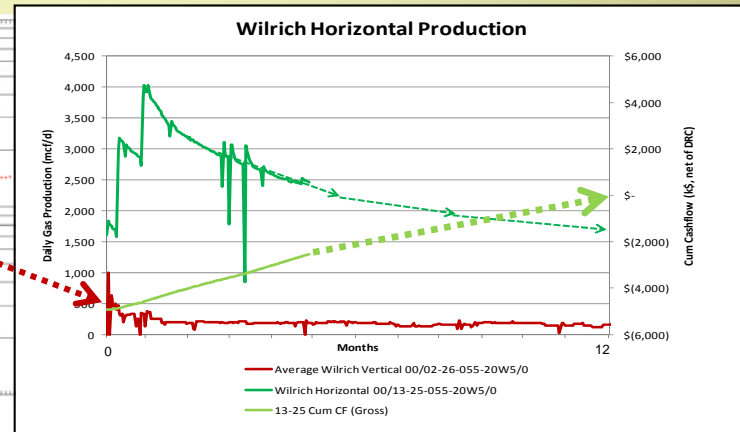
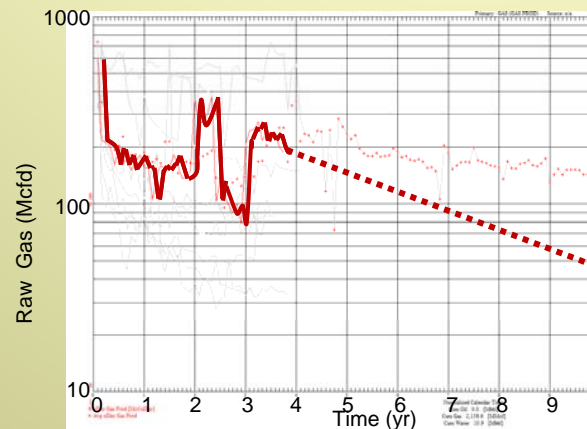
- 2,900 m (9,500 ft) deep
- 10 net producing zones
- Sweet, 12 bbl/MMcf liquids
- Current production
  - 913 Boed
  - 5.5 MMcfed
  - 5.4% of Sundance
- Undeveloped Locations (net)

Proved

18.7 Horizontal

Probable

0.8 Horizontal

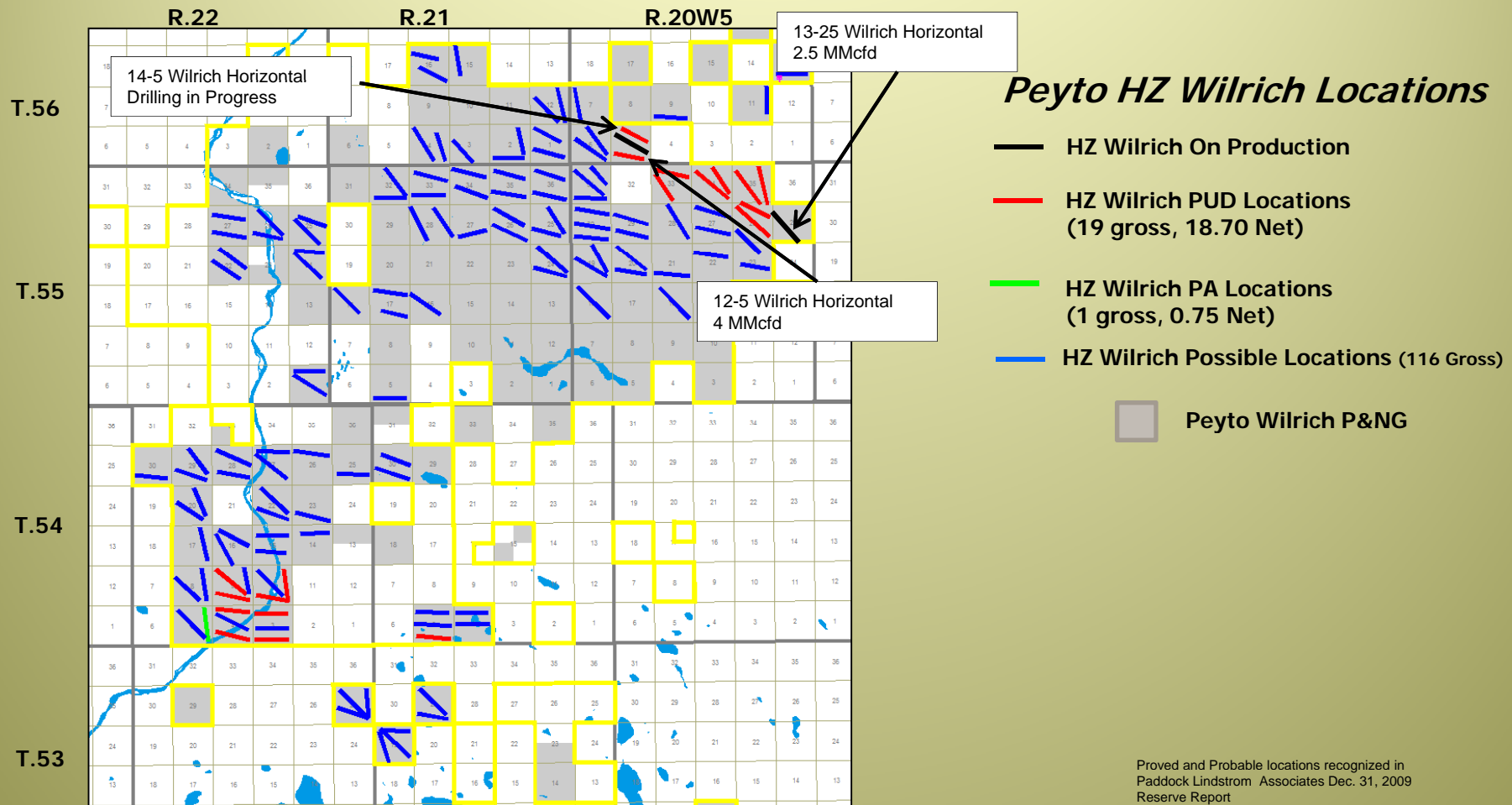
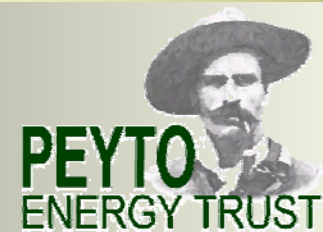


	Type Well Economics		
	Average Vertical Wilrich	13-25-55-20W5 Horizontal (4000m)	
			At \$5.00/GJ
Costs:	\$2.0 MM	\$5.8 MM	
IP:	800 Mcfd raw	4.0 MMcfed raw	
End yr 1	152 Mcfd raw	1.5 MMcfed raw	
Reserve:	825 MMcf raw, 762 MMcf sls, 19 Mbl	4.2 Bcf raw, 3.9 Bcf sls, 100 Mbl	
ROR	4%	67%	82%
NPV <sub>5</sub>	-\$172 M	\$9.9 MM	\$12.1 MM
NPV <sub>10</sub>	-\$623 M	\$6.0 MM	\$7.5 MM
Payout	16 yr	1.4 yr	1.2 yr
NPV <sub>10</sub> /Capex	N/A	1.0	1.3

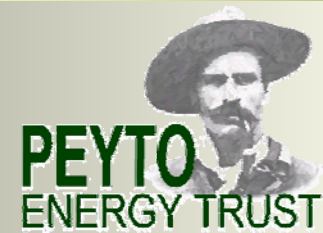
Assumptions: \$5.00/GJ (\$5.71/mcf) and \$70/bbl oil escal at 2% per yr. No Alberta Crown incentives (drill credit or one year 5% flat royalty)

# Sundance Area

## Wilrich Formation



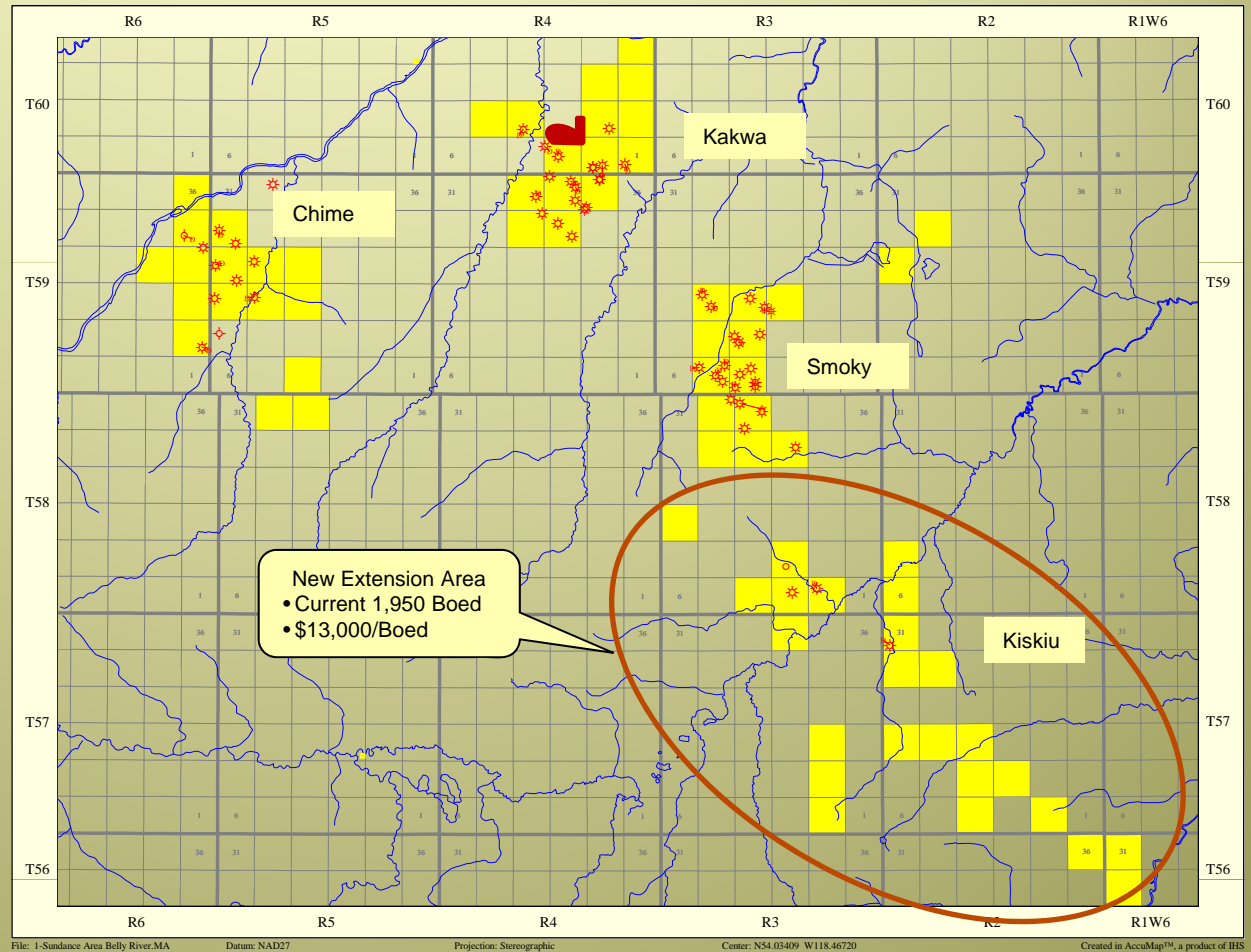
# Kakwa Area Overview



## Area Highlights

- 38 current net wells
- 20 MMcfd gas plant (95% utilization) with idle 20 MMcfd additional refrig
- Current production (17.1% of Company)
  - 3,600 Boed
  - 21.7 MMcfd
- Undeveloped Locations (net)
  - 6.5 proved, 6.8 probable (all vert)
- 2009
  - 2,124 Boed (27% liquid)
  - Field Netback Summary

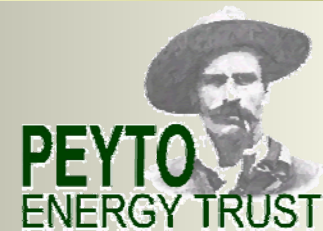
	<u>BOE</u>	<u>Mcf</u>	
Rev	\$40.89	\$6.82	
-Roy	\$6.53	\$1.09	(16% rev)
-Opex	<u>\$2.49</u>	<u>\$0.42</u>	
	\$31.87	\$5.31	(78% rev)



File: I-Sundance Area Belly River.MA Datum: NAD27 Projection: Stereographic Center: NS4.03409 W118.46720 Created in AccuMap™, a product of IHS

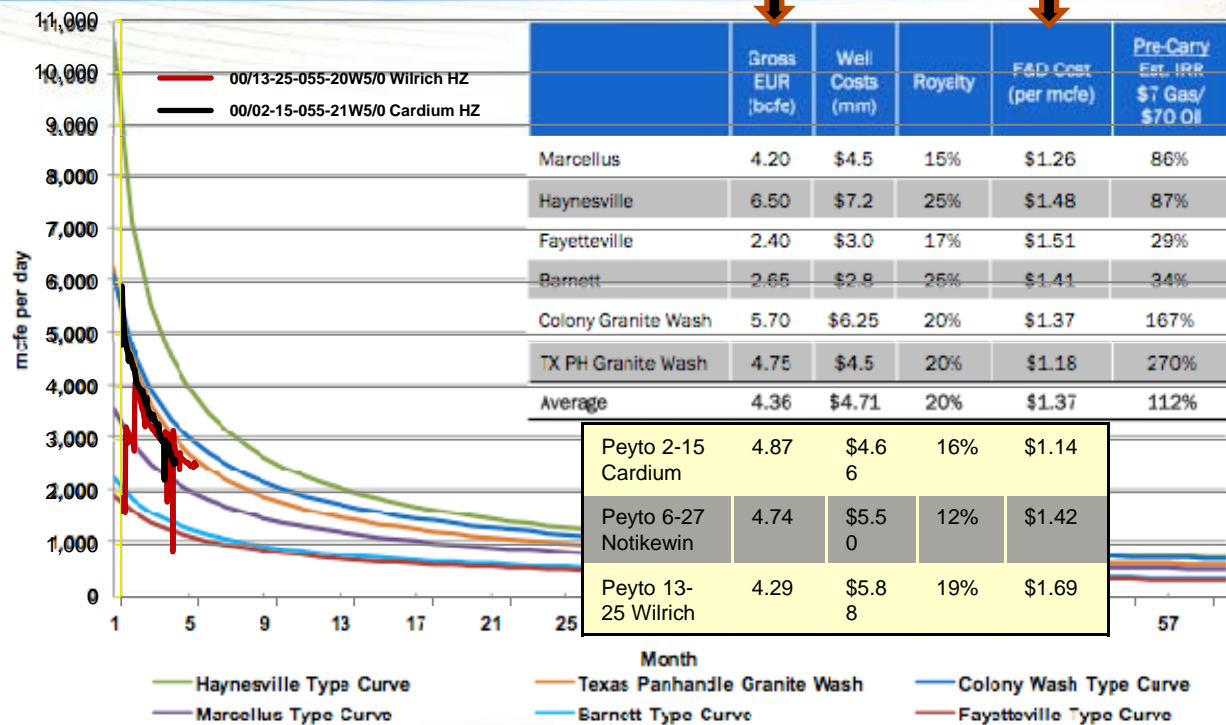
# Horizontal Well Supply Costs

## Peyto's Assets Compete with Shale Plays



February 2010 Investor Presentation

### Decline Curve Comparison

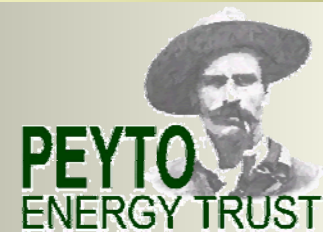


\* Risk disclosure regarding unproved resource estimates appears on page 38





# 2010 Activities & Plans



## To End Feb:

- Approximately \$37 million spent
- New Well Production: 3,000 Boed (\$12,300/Boed)
- Wells Drilled (Spud)
  - 9 net Total (includes 3 carryover 2009)
  - 5 net Horizontals



## Total for Year:

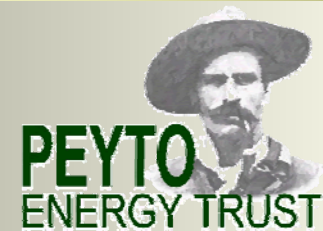
- \$180 to \$200 million
- 4 to 5 Rigs
- 46.7 net (53 gross) Total Wells
- 20.4 net (24 gross) Horizontals
- Two plant expansions (Nosehill, Kakwa)



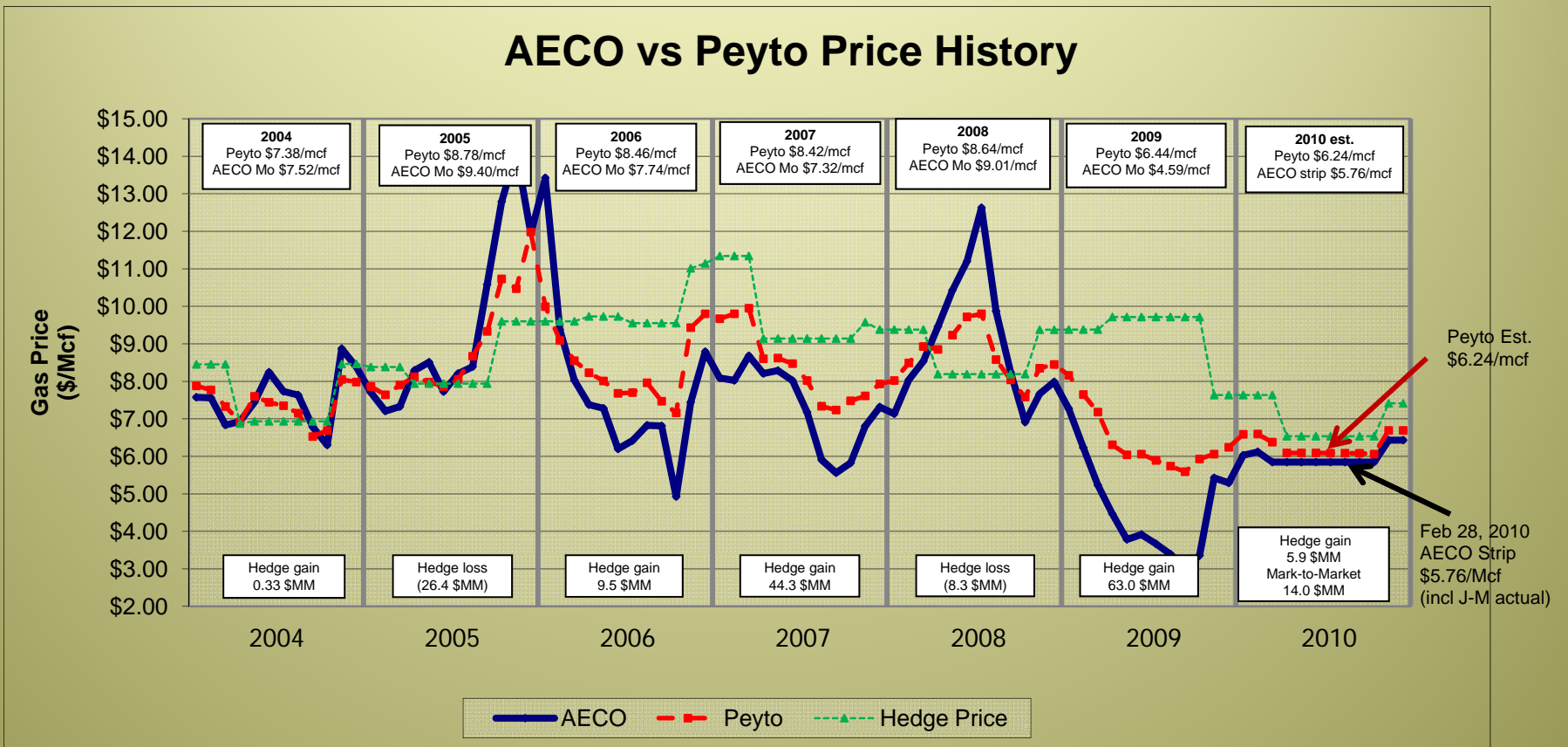


# 2010 Activities & Plans

## Hedged Price



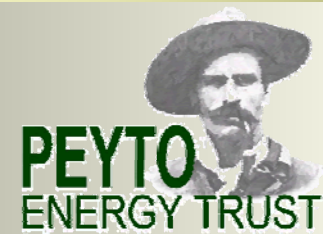
### AECO vs Peyto Price History



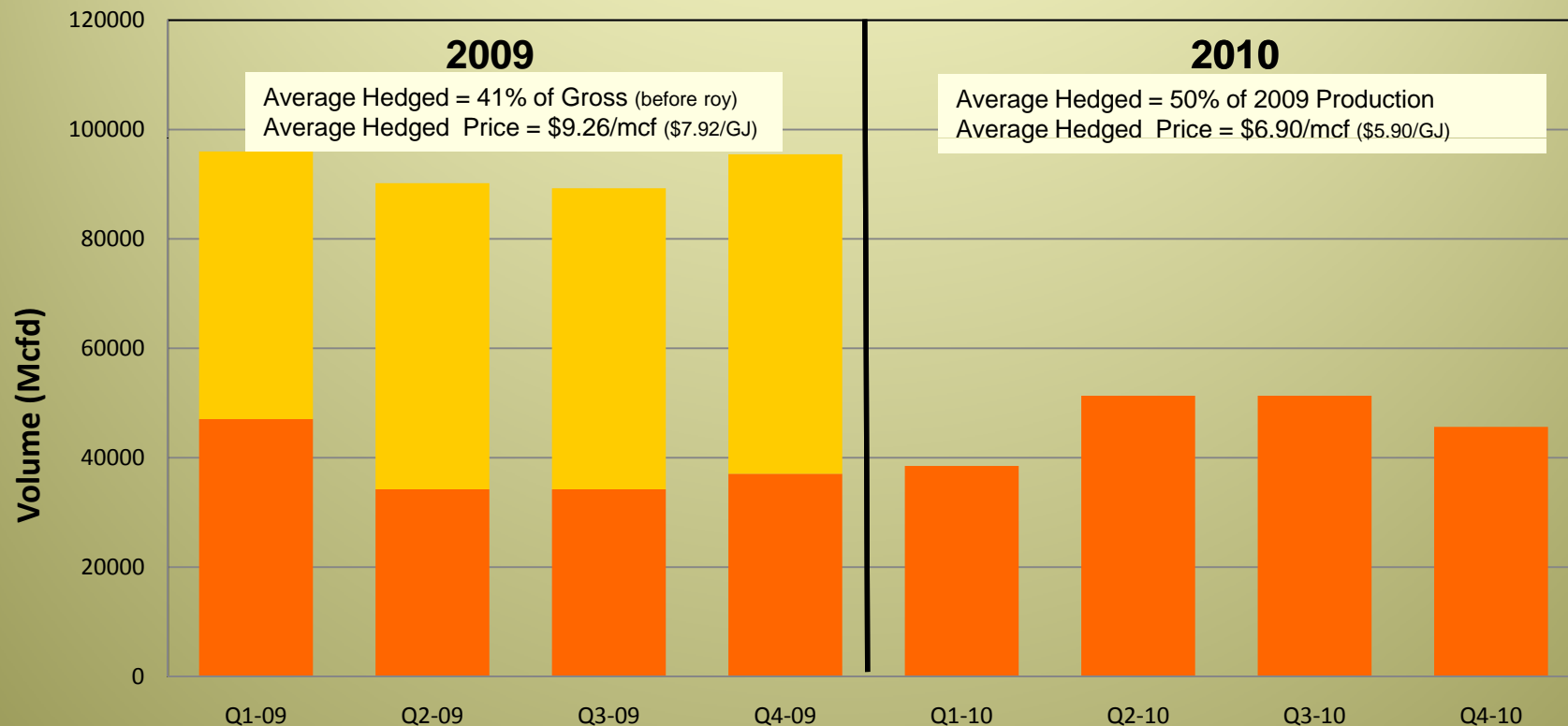
1. 2010 Peyto estimated price based on 54,600 GJ/d (46.7 MMcf/d) hedged at \$5.90/GJ (\$6.90/Mcf)
2. 2010 hedge gain for Jan-Mar based on actual AECO monthly. Mark-to-market as of April 1, 2010 based on March 1, 2010 strip.

# 2010 Activities & Plans

## Hedged Volume



### Peyto Production Volumes vs Hedged Volumes



**2009**  
 Average Hedged = 41% of Gross (before roy)  
 Average Hedged Price = \$9.26/mcf (\$7.92/GJ)

**2010**  
 Average Hedged = 50% of 2009 Production  
 Average Hedged Price = \$6.90/mcf (\$5.90/GJ)

Note: Peyto Sales Gas Heat Content is 41.5 GJ/e3m3 (1109 mmBTU/scf)

