

PEYTO ENERGY TRUST

*Peter's & Co. Energy Conference
September 2010
www.Peyto.com*

*TSX: PEY.UN
121,946,039 units outstanding*

*Current Distribution: \$0.12/month
10.2% Cash on Cash Yield
[\$1.44/\$14.10 = 10.2% (Aug 30/10 closing)]*

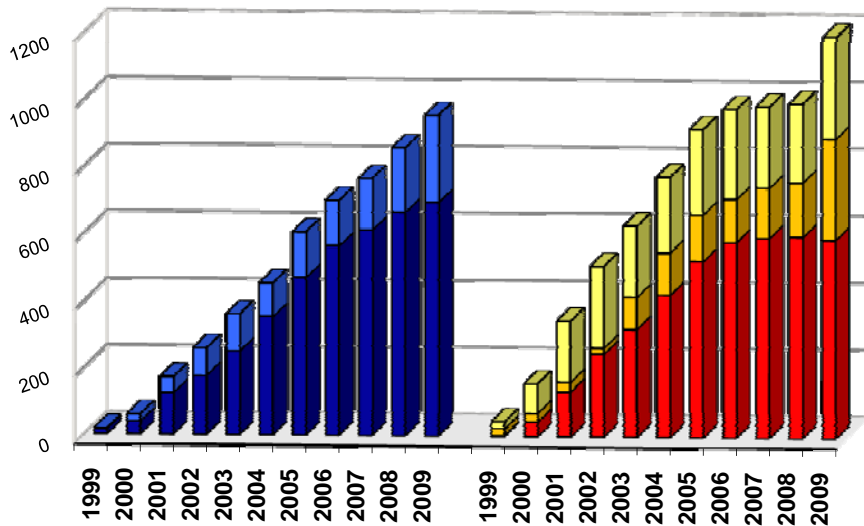
The Peyto Strategy

11 Year Track Record

"Peyto has a proven track record of generating new drilling ideas, that lead to additional reserves and net asset value, which ultimately deliver earnings and distributions for unitholders."

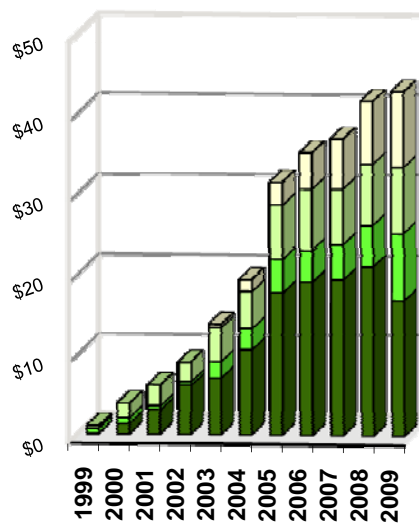


Prospect Generation



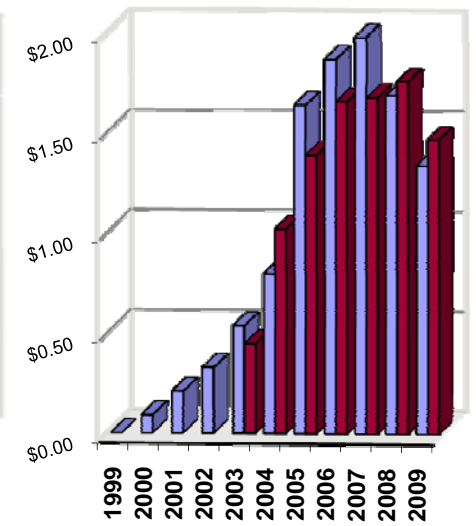
■ Gross Drilled Wells ■ Booked Future Locations ■ PDP ■ TP ■ P+P

Reserves Growth (BCFe)



■ PDP ■ TP ■ P+P ■ P+P w/ cum. distribution

NAV Growth (NPV₅ Debt Adj/Unit)



■ Earnings/Unit or Share ■ Distributions/Unit or Share

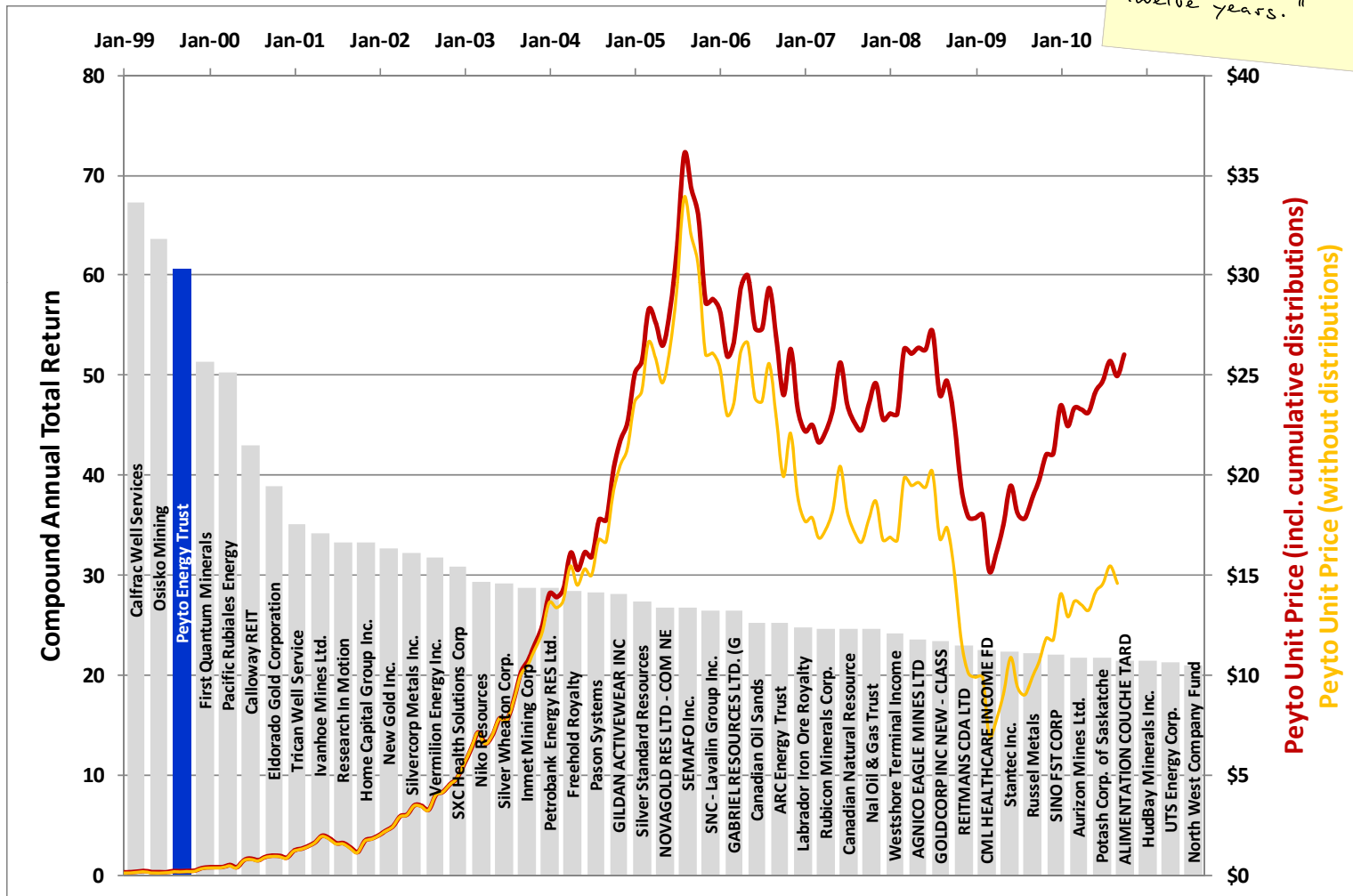
BCFe factor : 6 thousand cubic feet equivalent of gas = 1 bbl of oil equivalent

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

The Peyto Strategy

Largest 12 year return of any E&P on TSX

"Including distributions, Unit/shareholders have enjoyed greater than 60% compound annual return over the last twelve years."



Source: BMO Capital Markets

Why Own Peyto Today?

All the same reasons as before



- All Organic Business Model

- ✓ Exploration and development
- ✓ Re-investment, geographic focus
- ✓ Invest, develop, profit



- Proven Lowest Cost Producer

- ✓ All costs, including F&D, Royalties, Operating, Transportation, G&A, Interest
- ✓ Allows for counter-cyclical investment approach
- ✓ Profitable in all parts of the commodity cycle
- ✓ Low costs drive long reserve life, high value

- Greatest Total Return

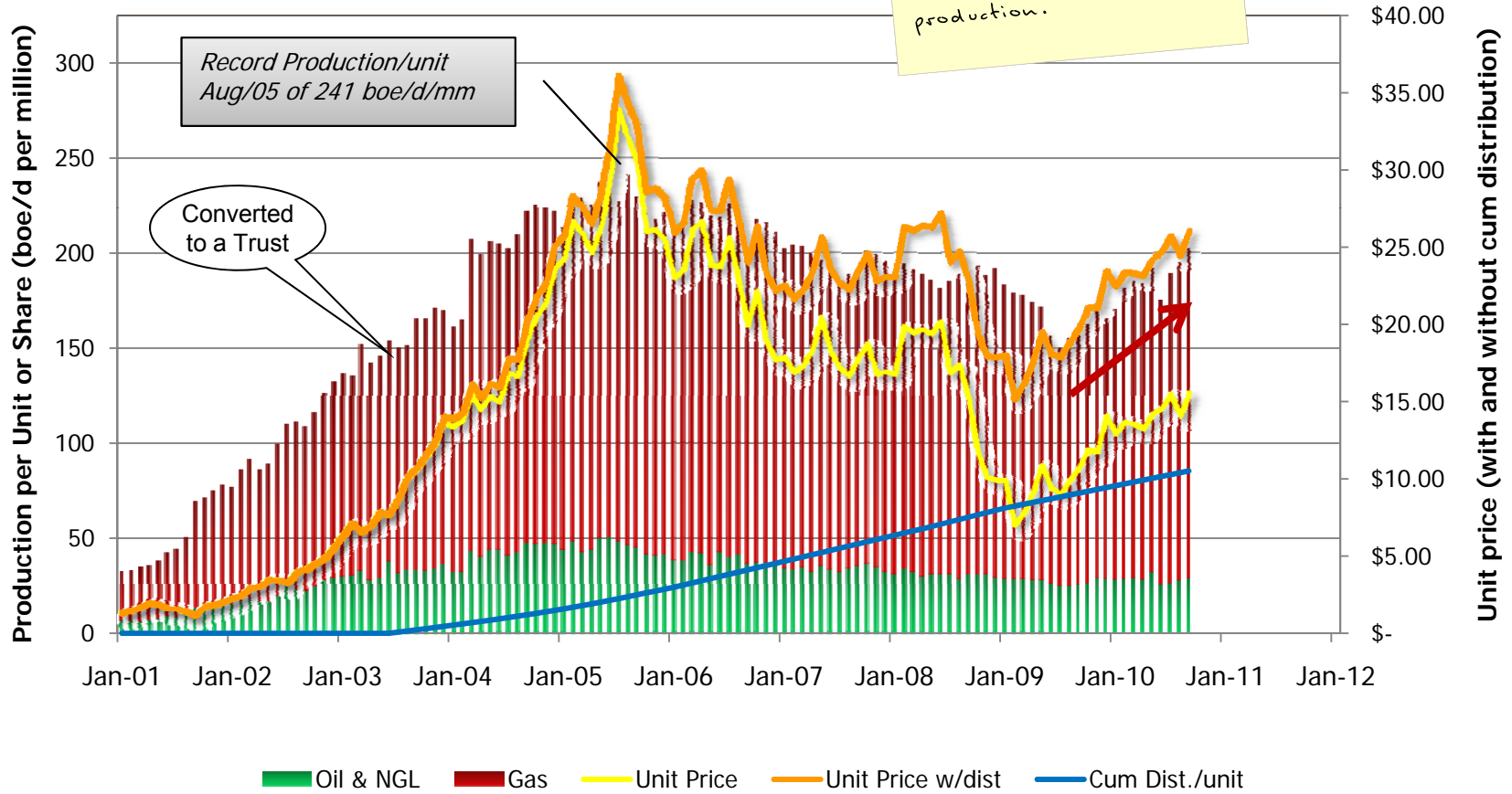
- ✓ Return driven – ROCE, ROE, IRR
- ✓ Shareholder return a combination of growth/unit + distribution/dividend

Organic Business Model

Production per Unit or Share



"Improvements in capital efficiency have resulted in an increased capital program for 2010/11 and growing production."

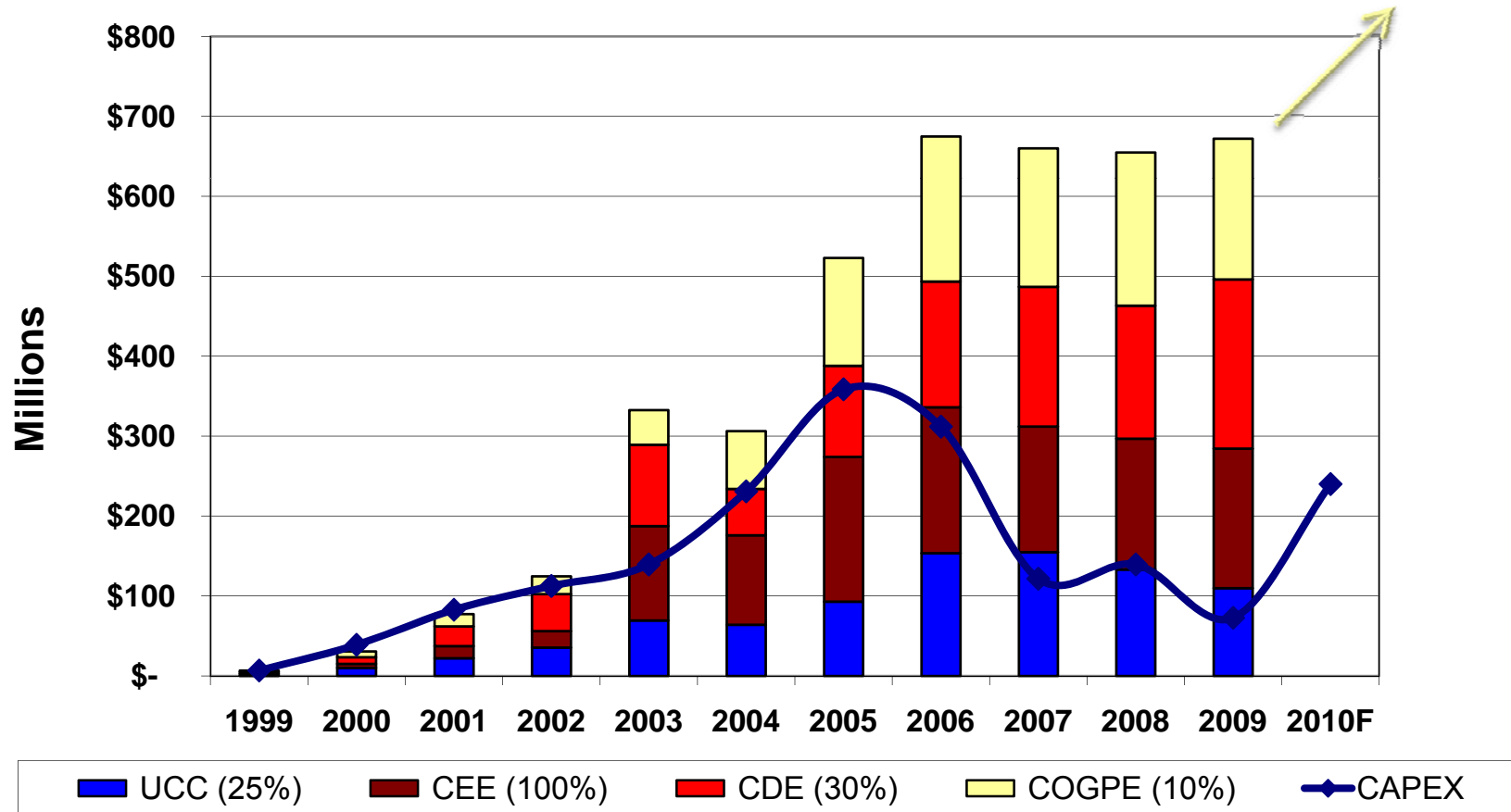


BOE factor - 6 mcf = 1 bbl of oil equivalent

Organic Business Model

Peyto's Tax Pools

"At Peyto, our tax efficiency accumulates the old fashioned way, we build it."

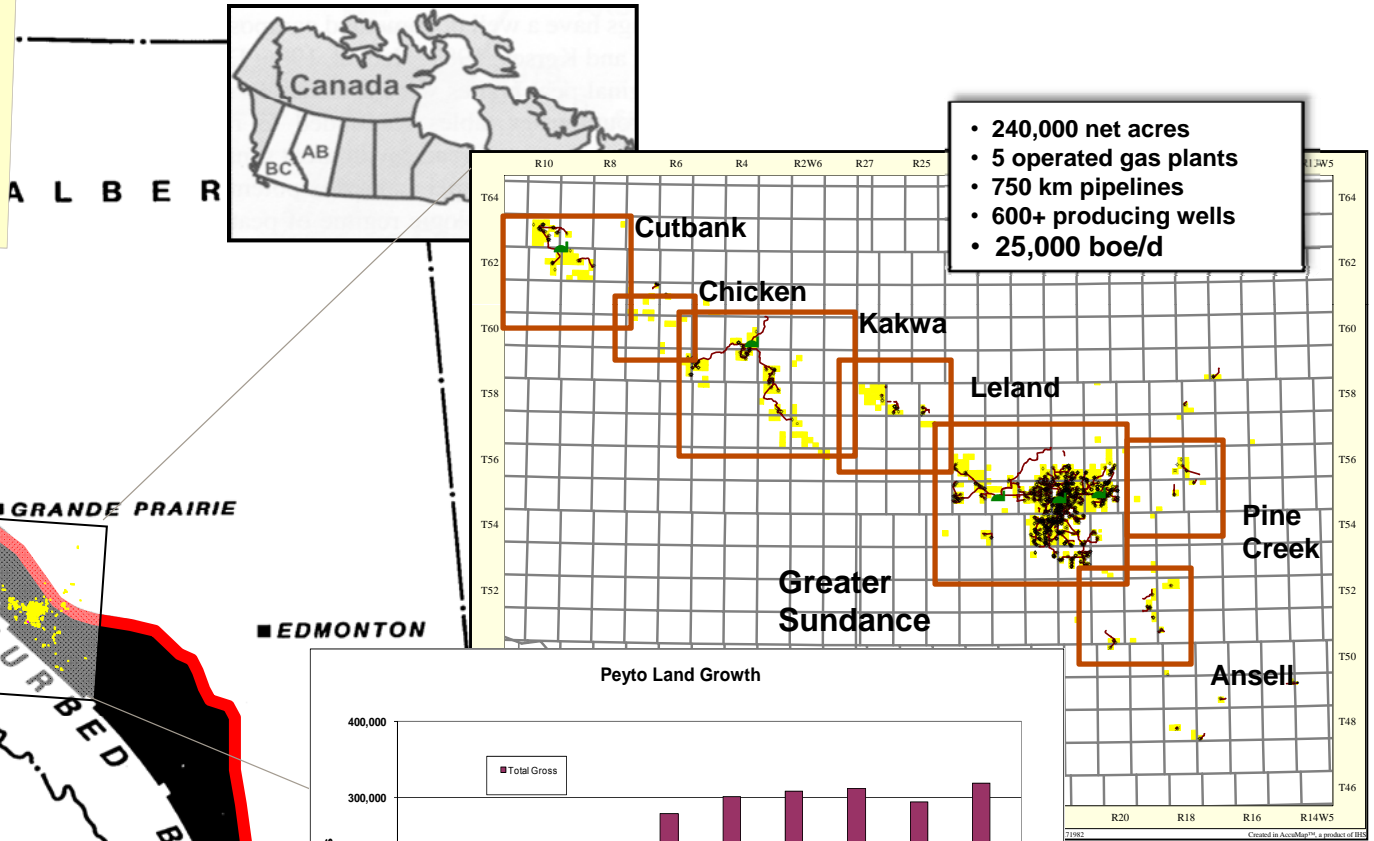


Organic Business Model

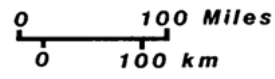
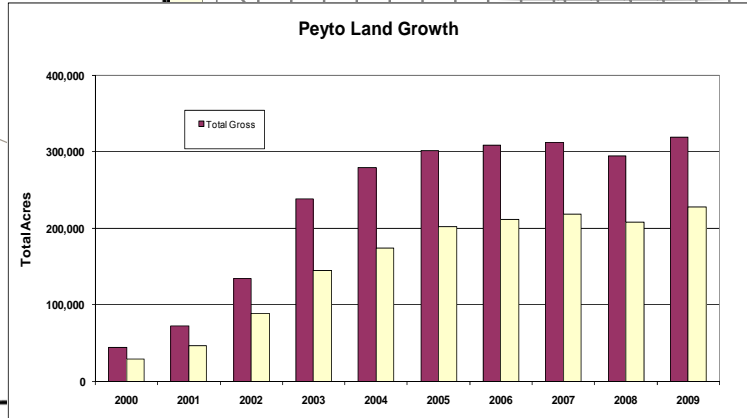
Geographically Focused Asset Base



"The Alberta Deep Basin is considered one of the premier exploration areas where very high returns can be generated. Especially with a design, drill and build strategy like Peyto's."

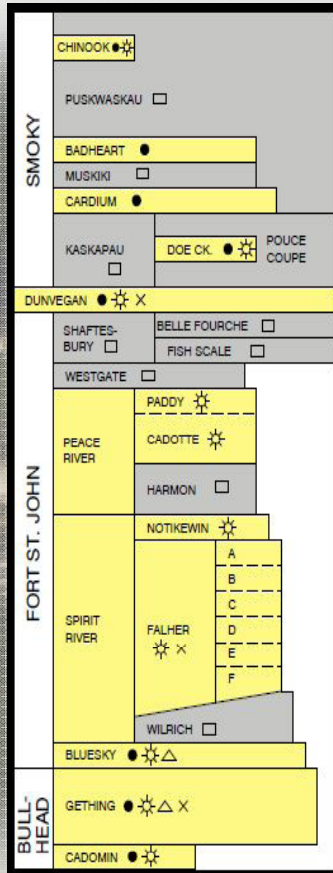


- 240,000 net acres
- 5 operated gas plants
- 750 km pipelines
- 600+ producing wells
- 25,000 boe/d



Tight Gas Resource Plays

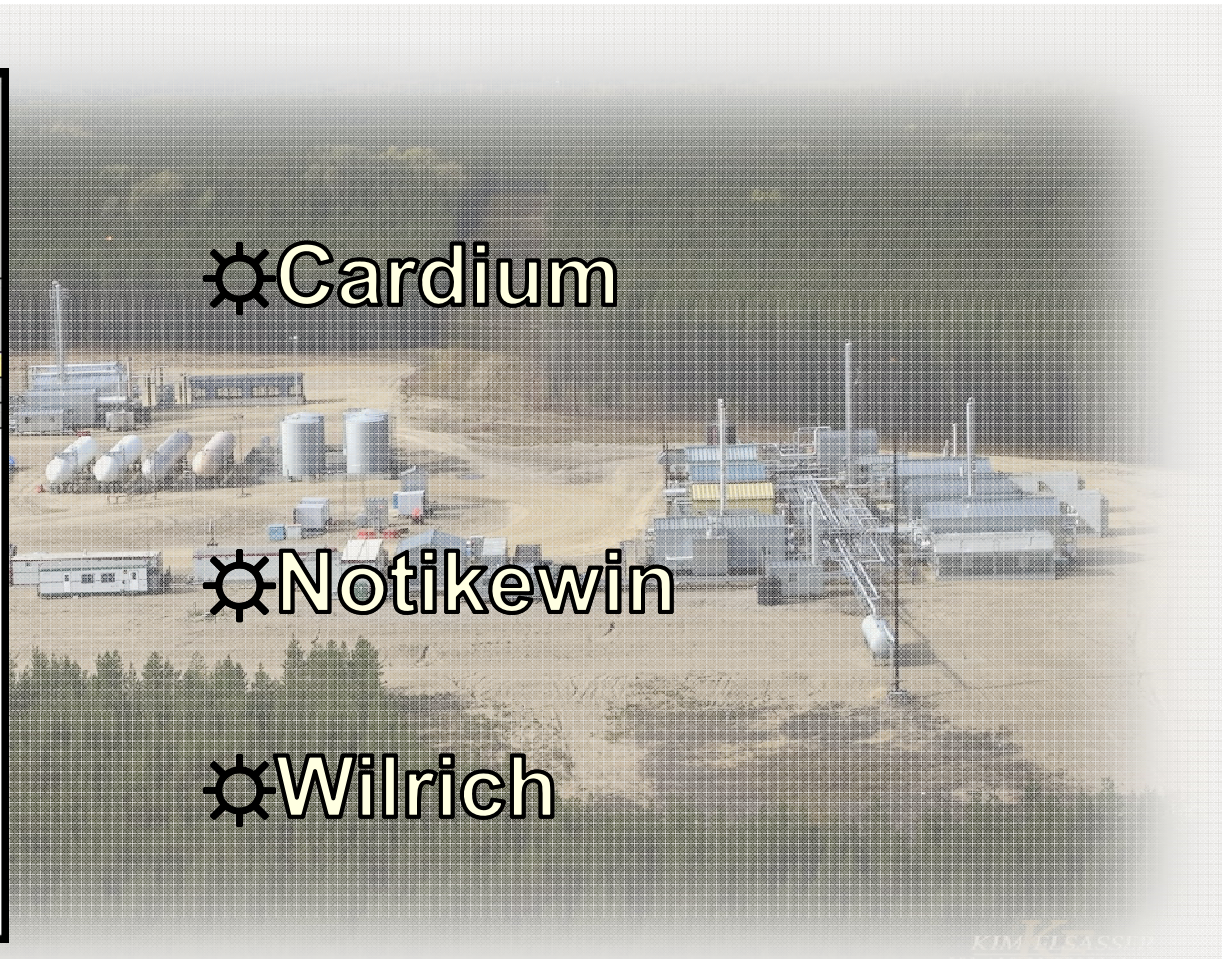
Horizontal MSF Pilot Projects



✱ Cardium

✱ Notikewin

✱ Wilrich



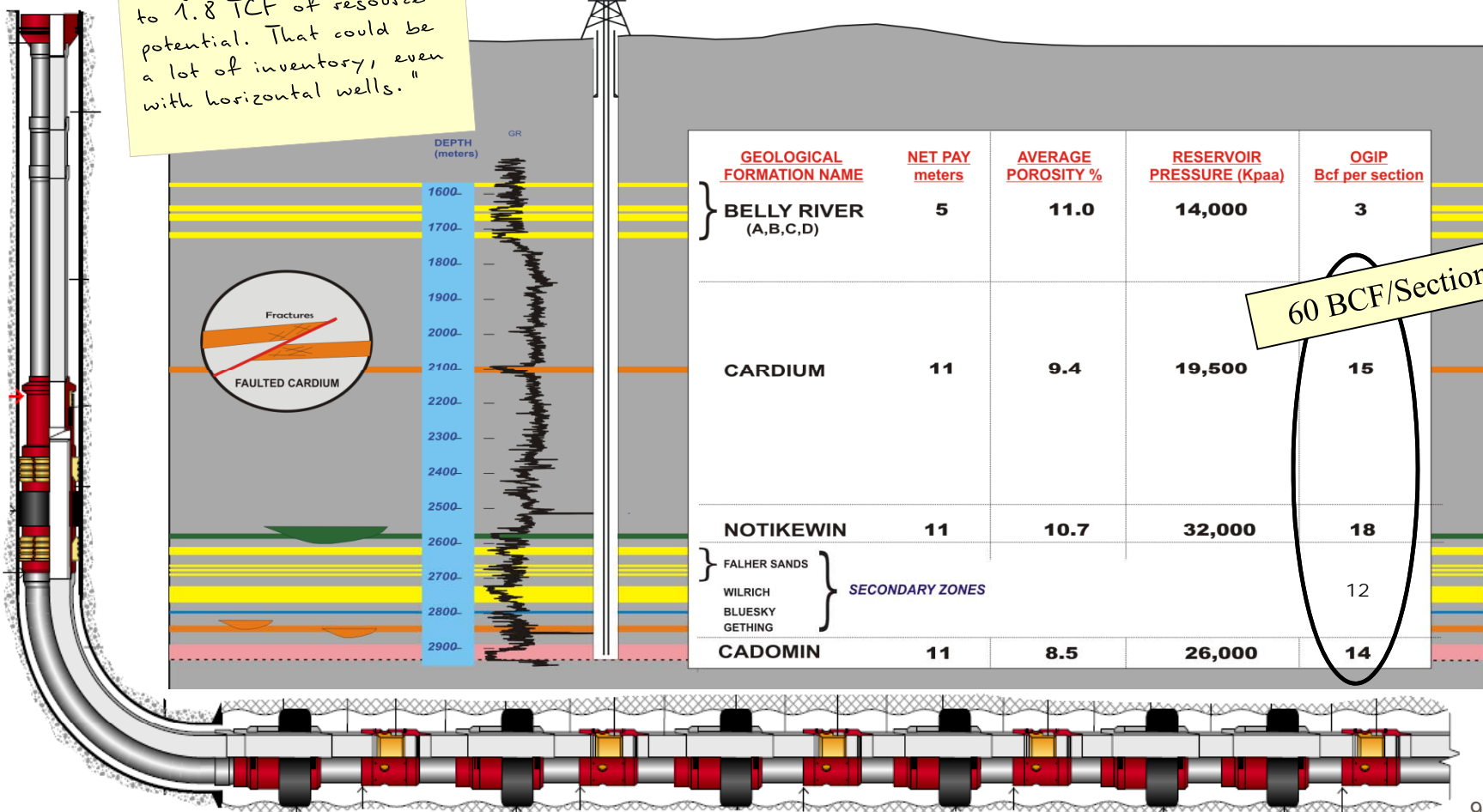
Tight Gas Resource Plays

Multiple Vertical /Horizontal Targets



"At 60 bcf per section, the 31 new sections bought in 2009 have up to 1.8 TCF of resource potential. That could be a lot of inventory, even with horizontal wells."

Sundance Area Reservoirs



Cardium Resource Play

Horizontal MSF Pilot #1



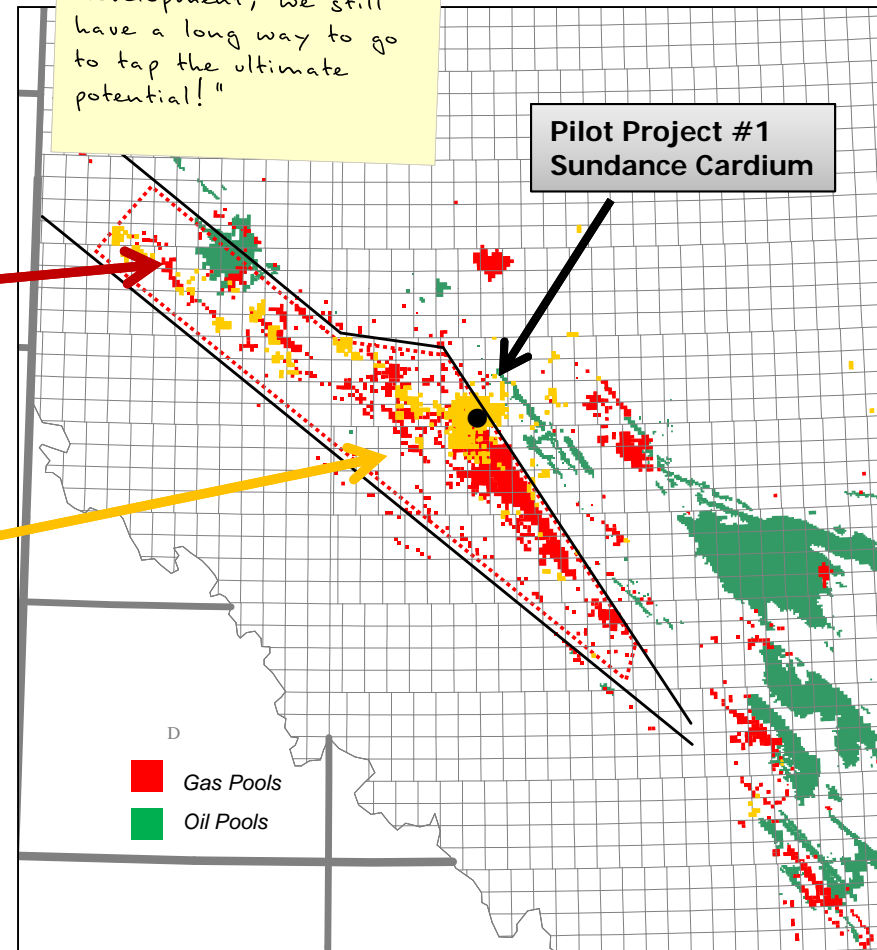
"Although Peyto has been a leader in the Cardium gas development, we still have a long way to go to tap the ultimate potential!"

Cardium Gas Fairway

- >4,000 sq miles
- up to 65 TCF Gas in Place¹
- ~ 2-3 TCF developed to date

Peyto Cardium Rights

- >400 sq miles (gross)
- 1.0 TCF developed to date (vertical wells only)²
- ~ 72% Working Interest



¹Original Gas in place are internal Peyto estimates

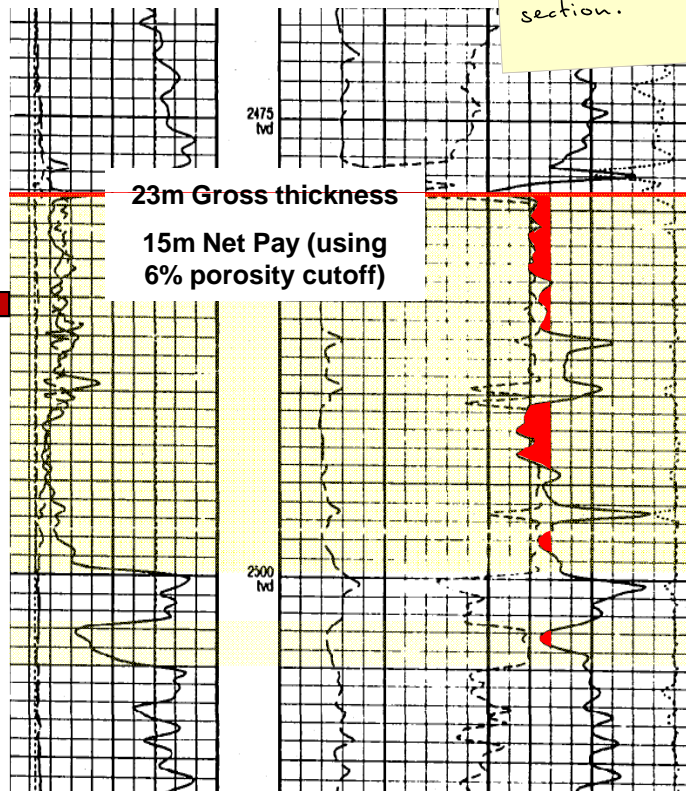
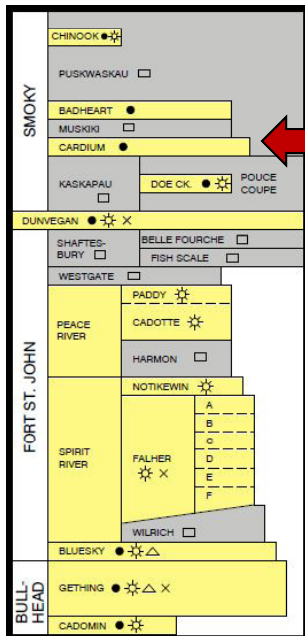
²EUR of Peyto gross developed 2P Cardium reserves as independently evaluated by Paddock Lindstrom & Associates February 2010 reserve report (effective date Dec. 31, 2009)

Cardium Resource Play

Cardium Type Log and Reserves



"The thick, uniform sandstone formation makes it easier to drill horizontally and contains a large amount of gas in every section."



Volumetric Reserves

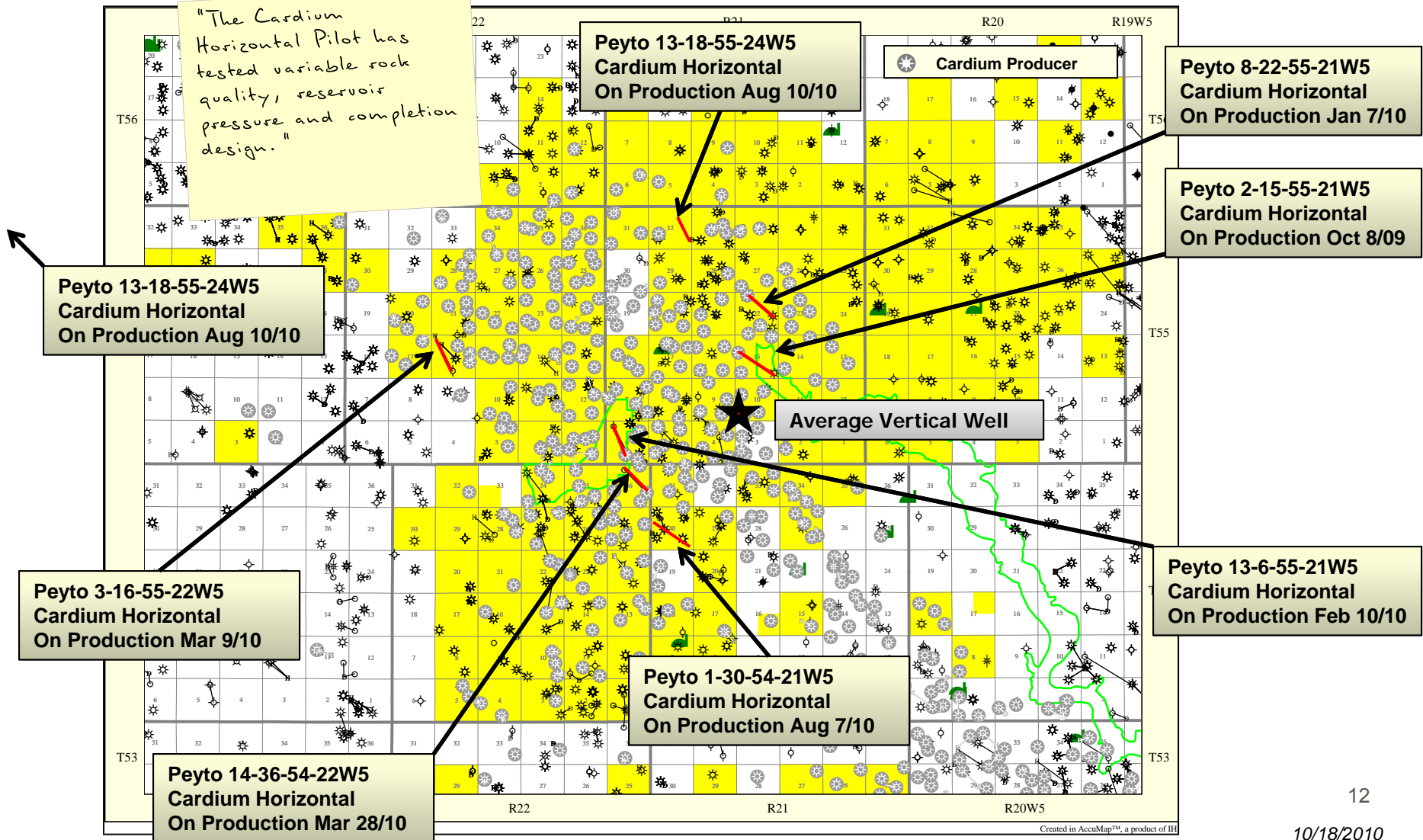
AREA(Ha)=	256 (1 section)
H(m)=	15
POROSITY(%)=	9
SW(%)=	18
TEMP.(Deg.C)=	80
PRES.(kPa)=	19000
Z=	0.8
Recovery Factor(%)=	85
Surface Loss(%)=	7
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OGIP(BCF)=	19.2
RGIP RAW(BCF)=	16.4
SALES GAS(BCF)=	15.2

Cardium Resource Play

Pilot Project #1 – Sundance Cardium



"The Cardium Horizontal Pilot has tested variable rock quality, reservoir pressure and completion design."

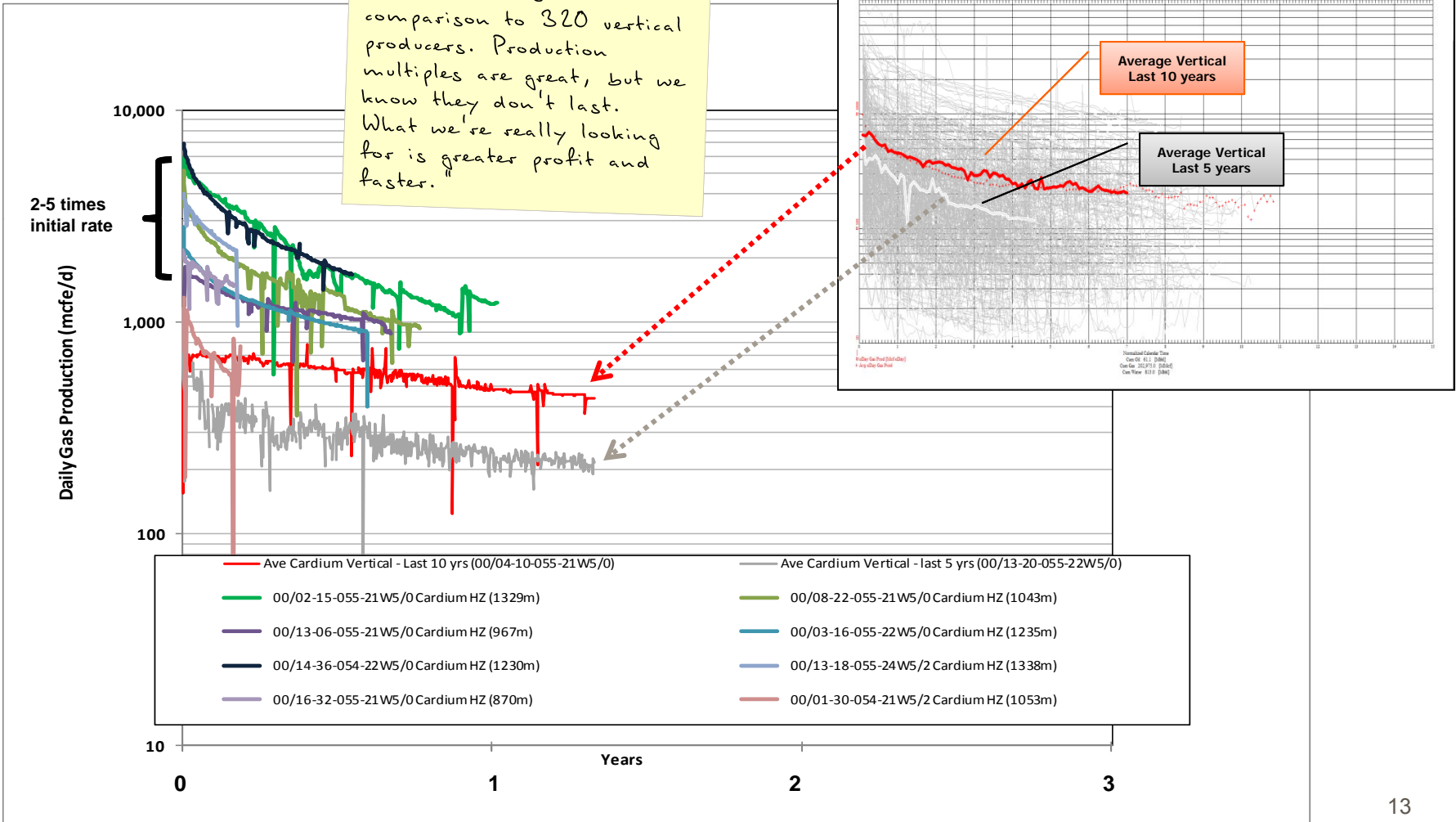


Cardium Resource Play

Normalized Cardium Production – Vertical vs. Horizontal

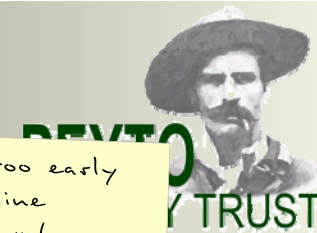


"Here are the first eight horizontal wells in comparison to 320 vertical producers. Production multiples are great, but we know they don't last. What we're really looking for is greater profit and faster."

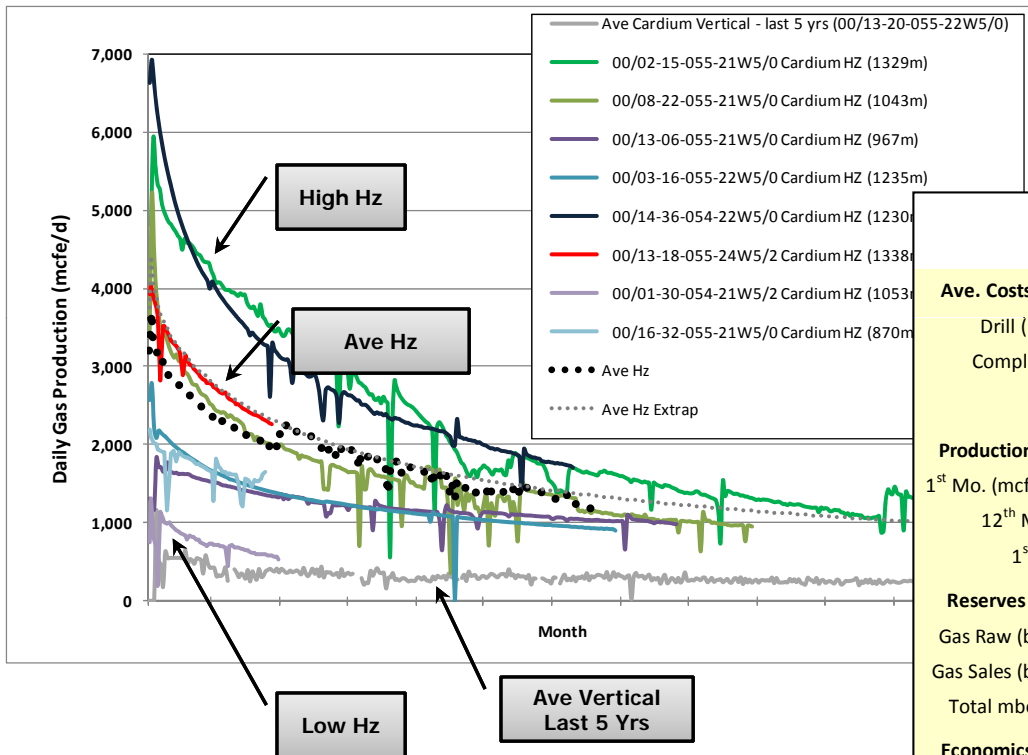


Cardium Resource Play

Economic Comparison – Vertical vs. Horizontal



"It may be too early yet to determine exactly how much more profitable horizontal wells will be than the vertical equivalent, except that it will likely be more."

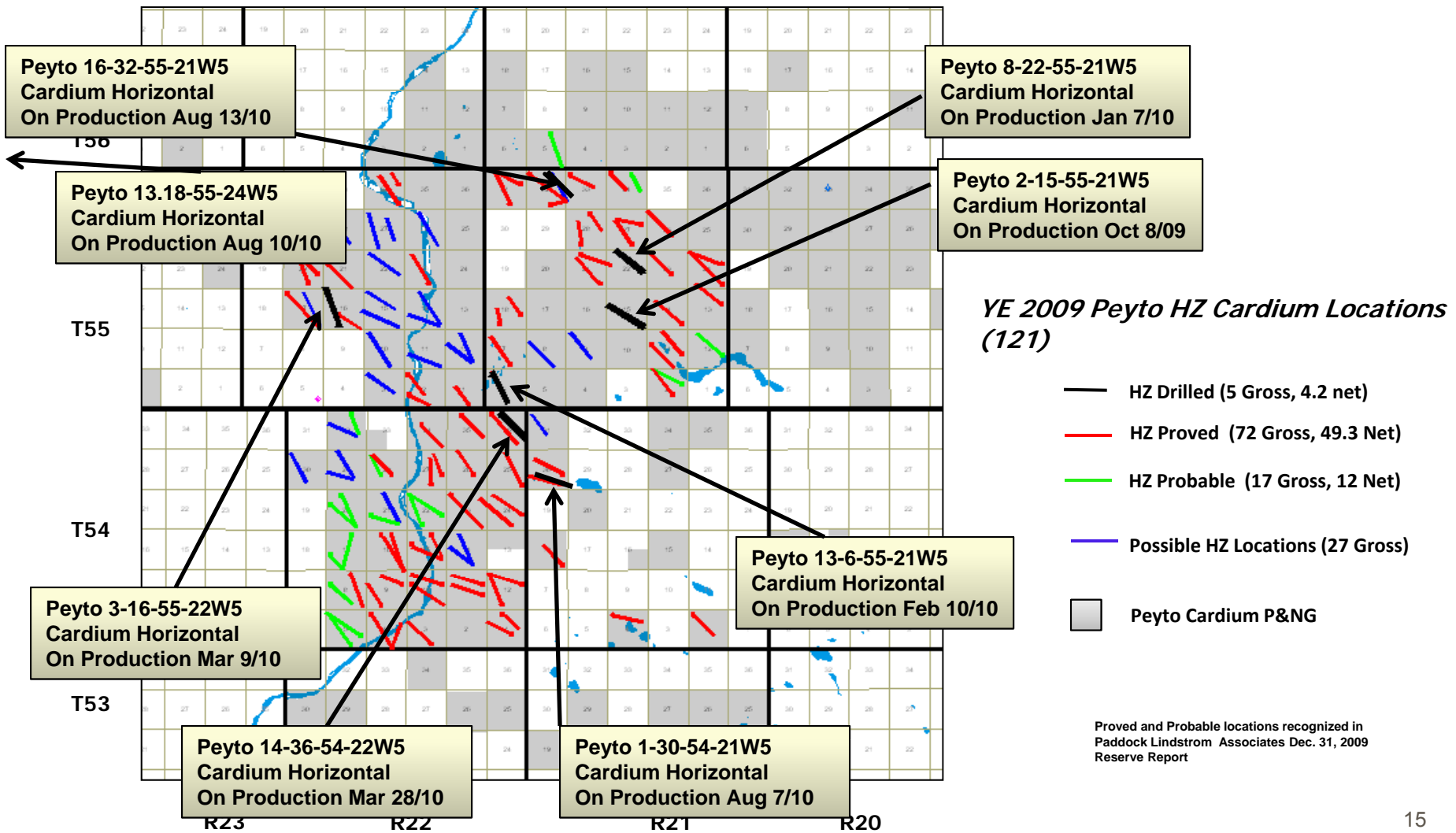


	Ave Vertical (last 10 yrs)	Ave Vertical (last 5 yrs)			High Hz	Ave Horizontal			Low Hz
Ave. Costs	\$1,700	\$1,700			\$5,050	\$5,050			\$5,050
Drill (K\$)	\$1,000	\$1,000			\$2,500	\$2,500			\$2,500
Complete	\$500	\$500			\$2,300	\$2,300			\$2,300
E/T	\$200	\$200			\$250	\$250			\$250
Production									
1 st Mo. (mcf/d)	650	410			4,600	3,200			1,350
12 th Mo.	450	260			1,000	1,000			650
1 st Yr	540	325			2,100	1,700			900
Reserves									
Gas Raw (bcf)	2.2	1.1			3.6	2.8			1.9
Gas Sales (bcf)	2.0	1.0			3.3	2.6			2.1
Total mboes	423	216			679	537			393
Economics									
Gas Price (\$/GJ)	\$5	\$4	\$5	\$6	\$5	\$4	\$5	\$6	\$5
Oil Price (\$/bbl)	\$85	\$85			\$85	\$85			\$85
IRR	84%	23%			92%	46%			21%
PIR ₁₀	2.4	0.5	0.8	1.1	1.4	0.8	1.1	1.4	0.4
Payout (yrs)	1.3	3.6	2.7	2.2	0.9	1.8	1.4	1	3.7
NPV ₅ (\$M)	\$ 6.8	\$ 1.7	\$ 2.4	\$ 3.2	\$ 11.2	\$ 6.3	\$ 8.3	\$ 10.2	\$ 4.1
NPV ₁₀ (\$M)	\$ 4.1	\$ 0.8	\$ 1.3	\$ 1.8	\$ 7.3	\$ 4.1	\$ 5.6	\$ 7.0	\$ 1.9
F&D (\$/mcf)	\$ 0.67	\$ 1.31			\$ 1.24	\$ 1.57			\$ 2.14

BOE factor - 6 mcf = 1 bbl of oil equivalent
 Peyto internal reserve estimates and economic evaluation
 Economics do not include \$200/m DRC but do include 5% max

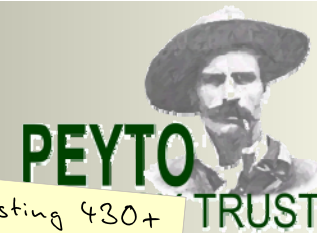
Sundance Cardium Horizontals

Undeveloped Opportunities



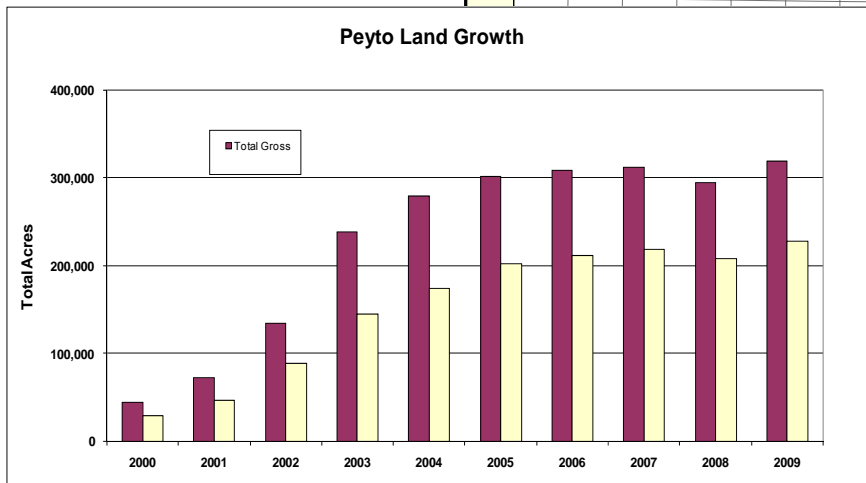
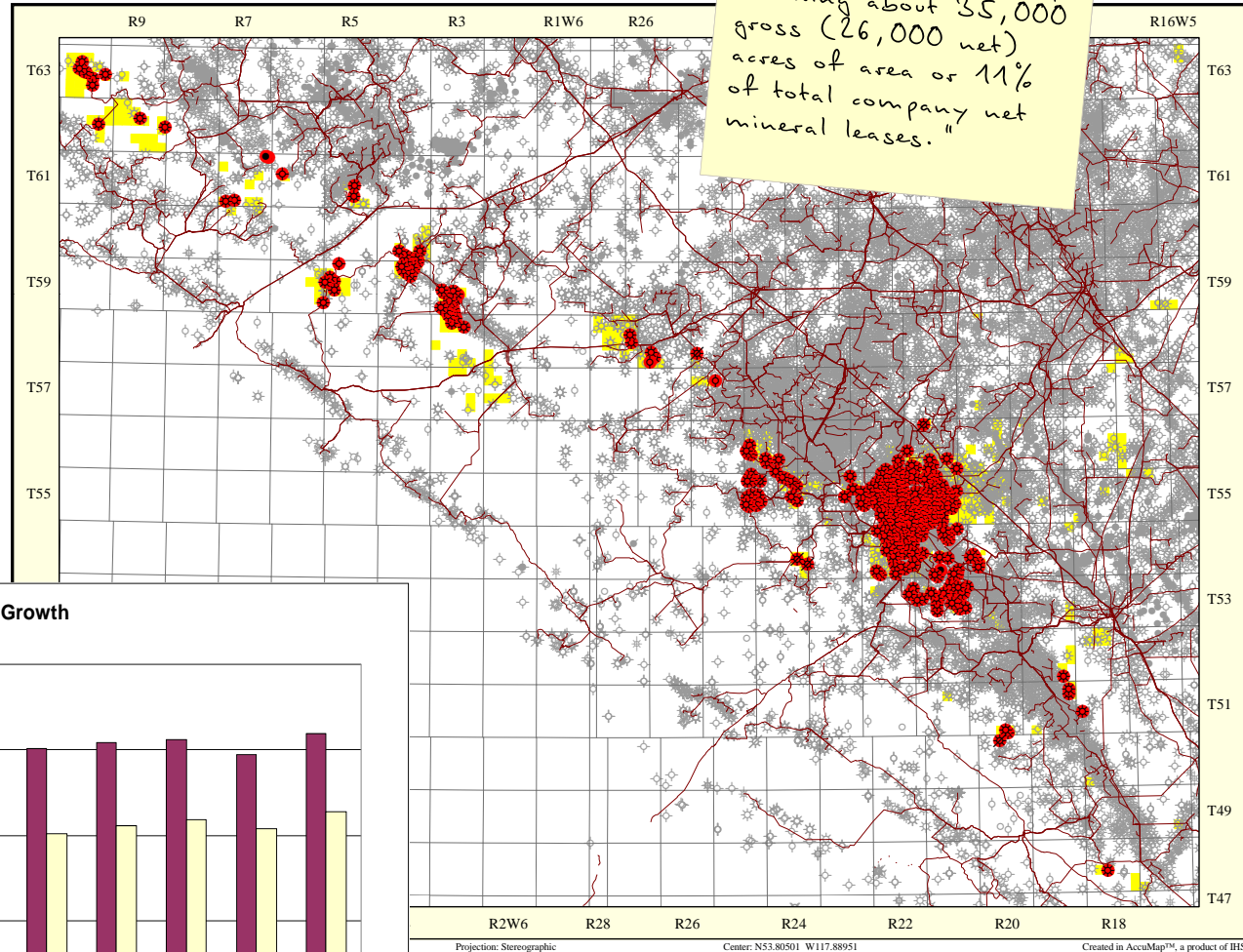
Cardium Horizontal Development

Potential Locations



"Peyto's existing 430+ Cardium wells are only draining about 35,000 gross (26,000 net) acres of area or 11% of total company net mineral leases."

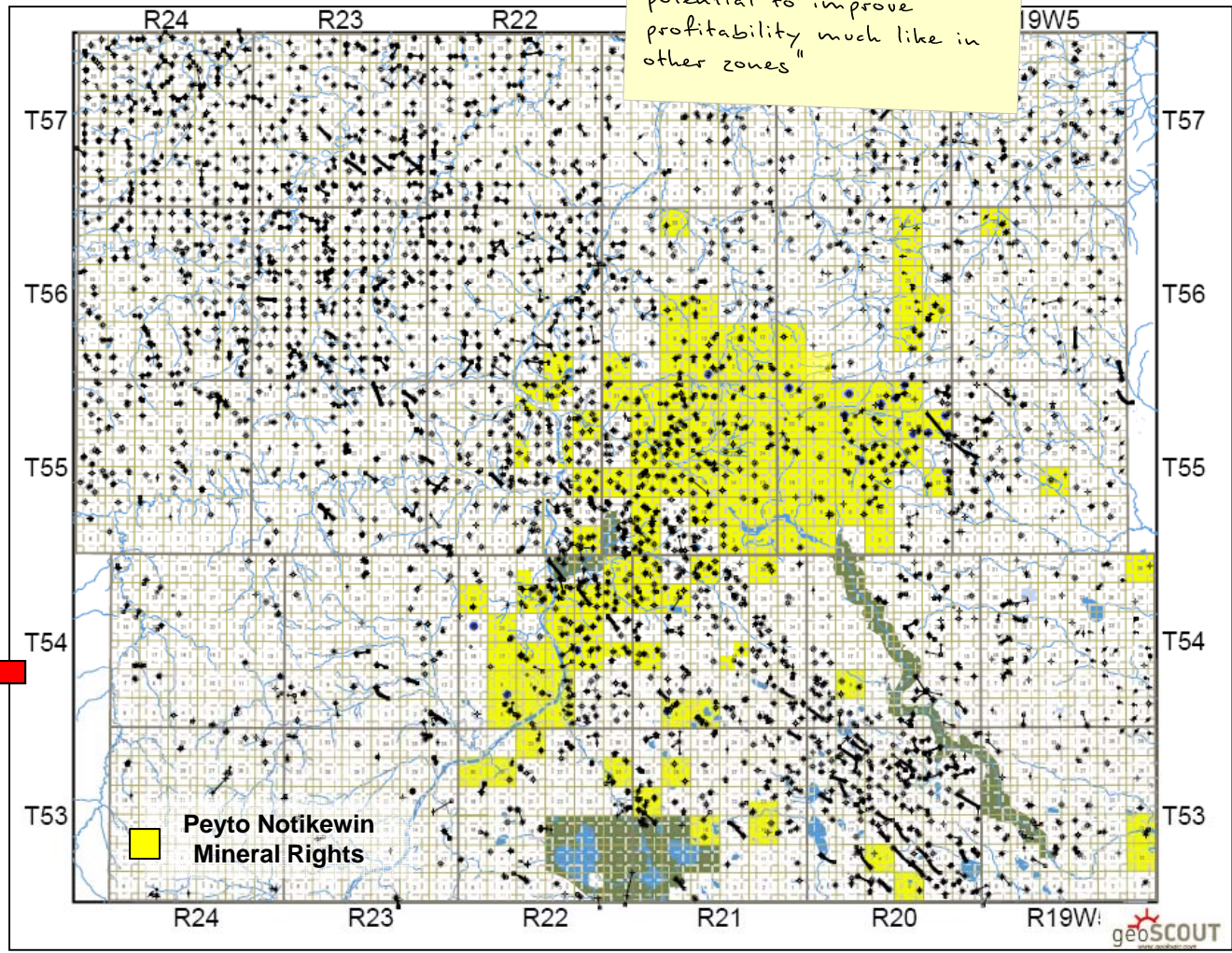
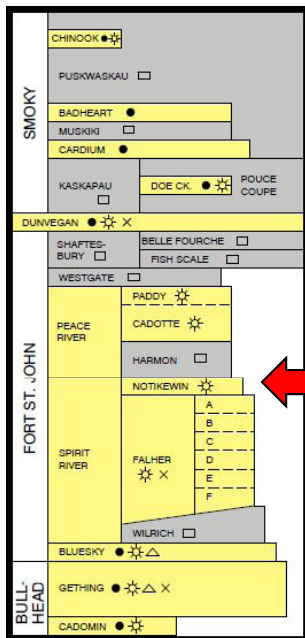
- Remaining Undeveloped Cardium Mineral Leases**
- ~ 200,000 net acres
 - Horizontal simulation predicts an average 260 acre drainage
 - Existing lands could accommodate over 700 (net) horizontal locations
 - 94 locations booked to date (PP, TP, P+P)



Notikewin Resource Play

Horizontal MSF Pilot #2

"Peyto has over 120 sections of Notikewin rights and 140 vertical producers for comparison. Horizontal wells have the potential to improve profitability much like in other zones"

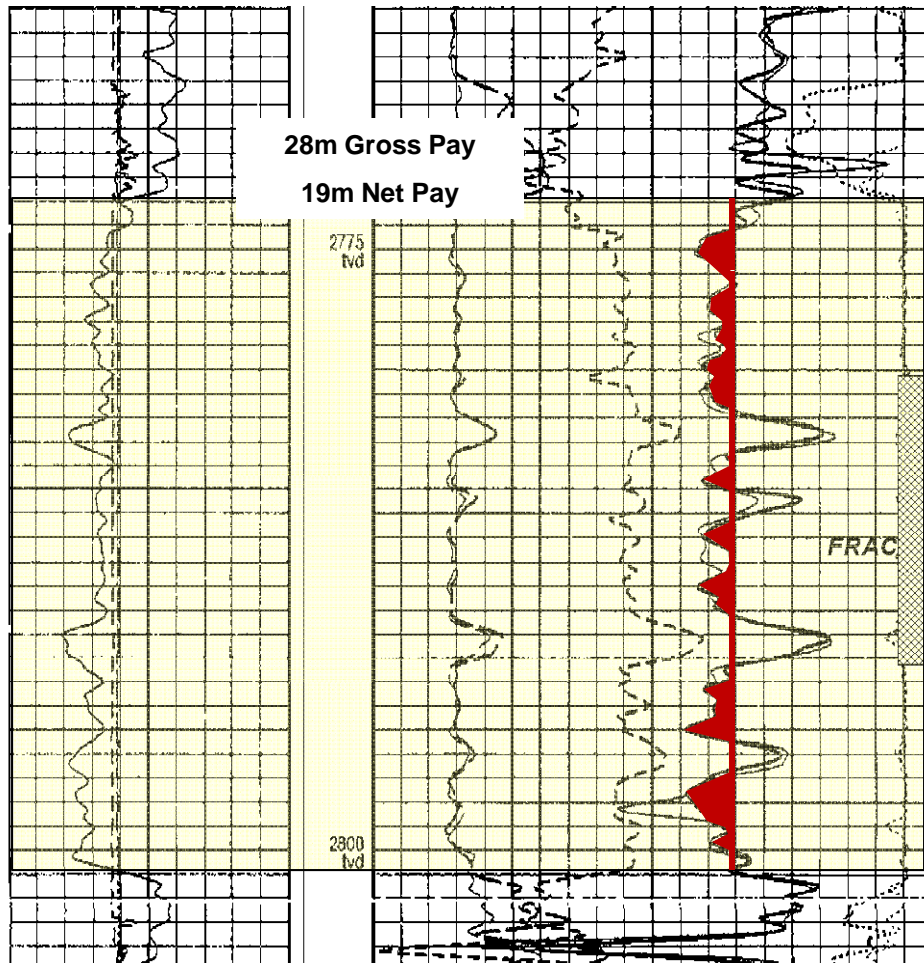


Notikewin Resource Play

Type Log 1-20-54-22W5



"The Notikewin is a series of thick, sandstone channels that crisscross throughout the Sundance Area. We use 3D seismic to target these channels."

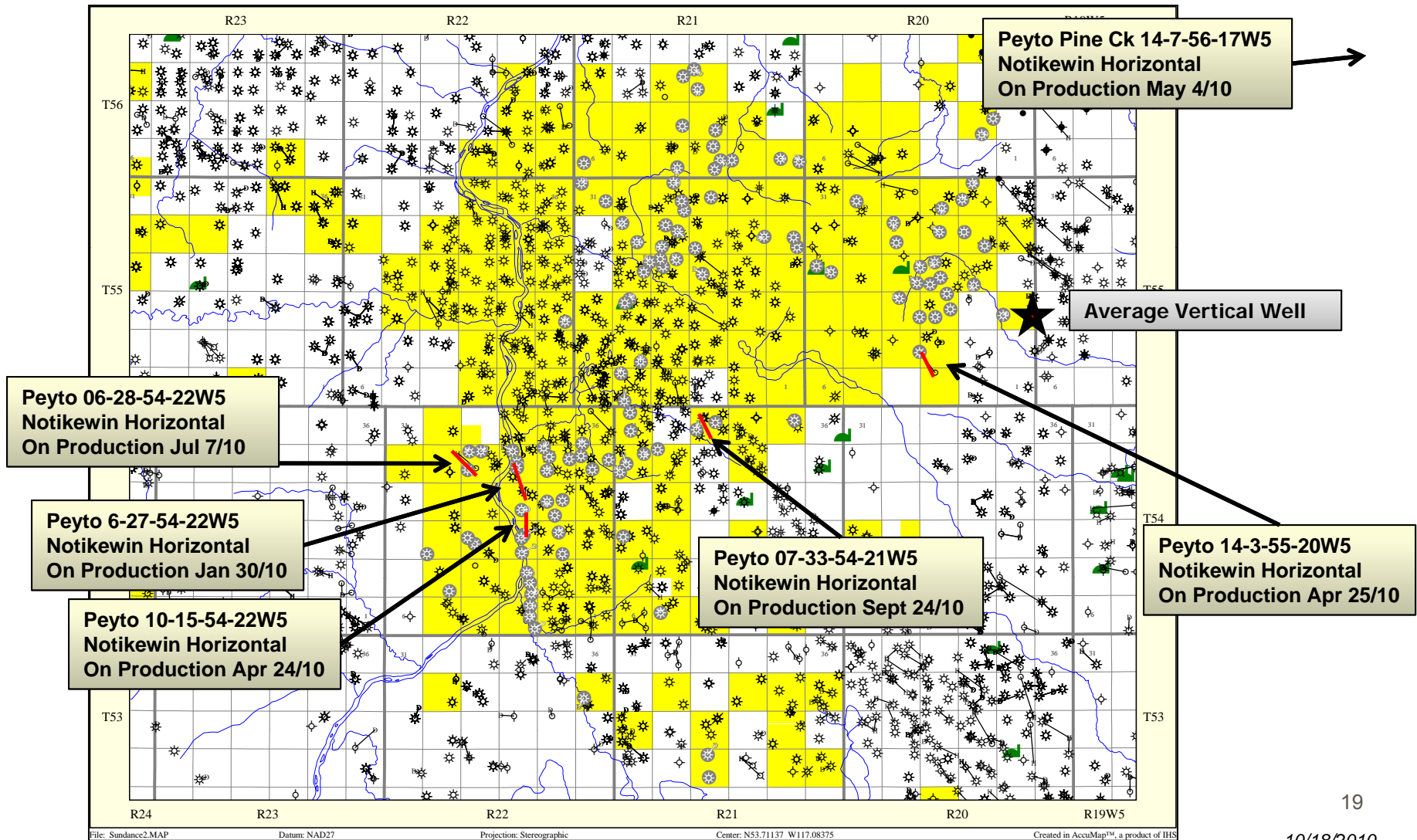


Volumetric Reserves

AREA(Ha)=	256	(1 section)
H(m)=	19	
POROSITY(%)=	8	
SW(%)=	35	
TEMP.(Deg.C)=	96	
PRES.(kPa)=	32000	
Z=	1.02	
Recovery Factor(%)=	85	
Surface Loss(%)=	4.5	
<hr/>		
OGIP(BCF)=	22	
RGIP RAW(BCF)=	18	
SALES GAS(BCF)=	18	

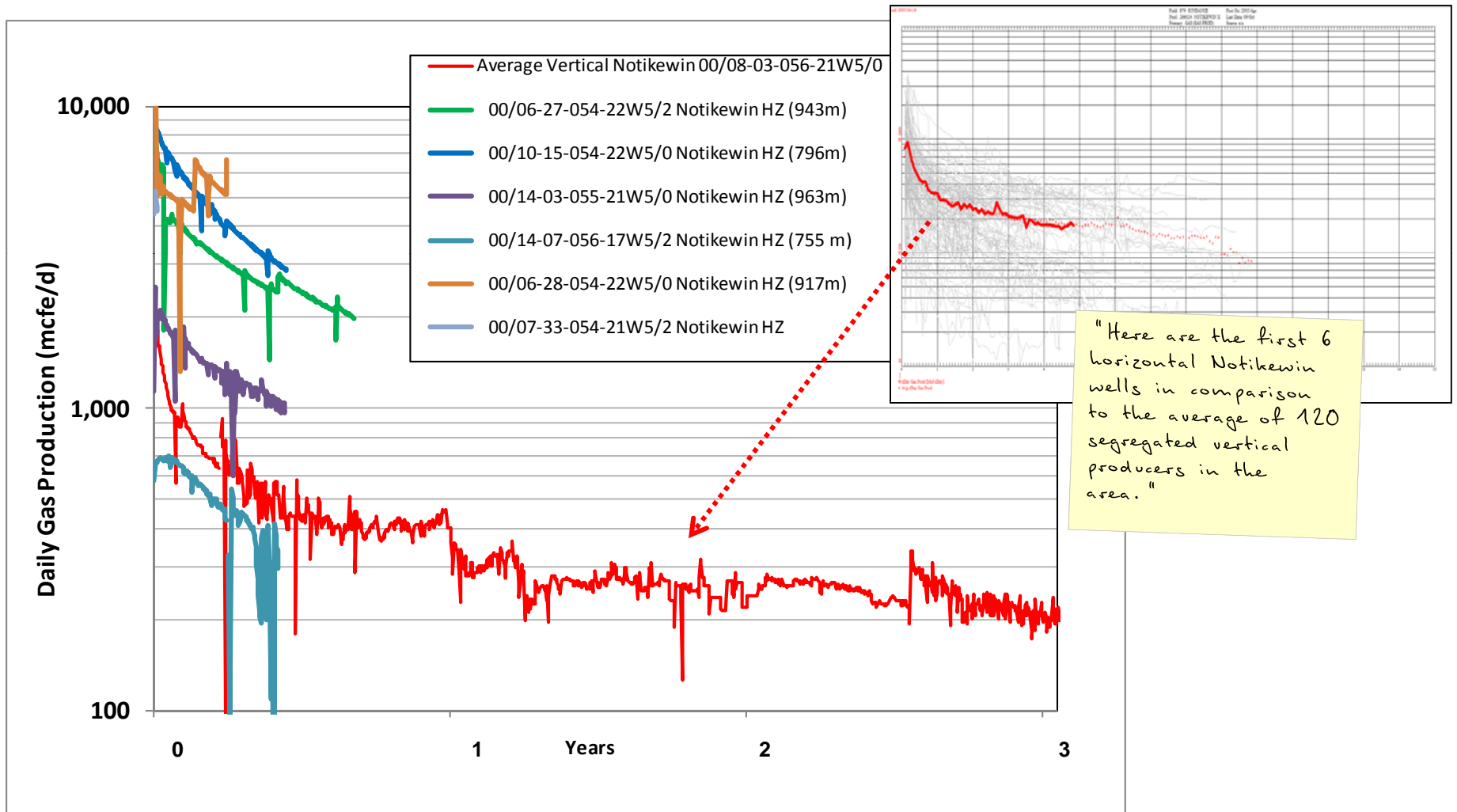
Notikewin Resource Play

Pilot Project #2 – Greater Sundance Notikewin



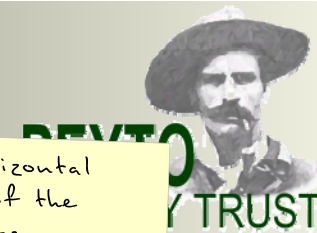
Notikewin Resource Play

Normalized Notikewin Production – Vertical vs. Horizontal

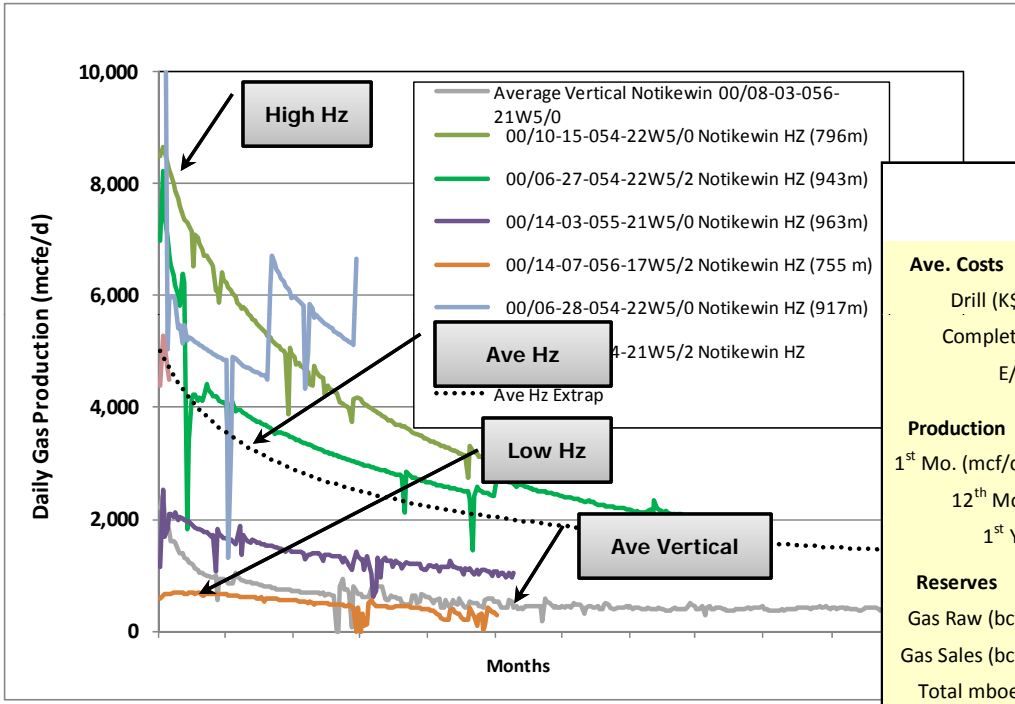


Notikewin Resource Play

Economic Comparison – Vertical vs. Horizontal



"So far, horizontal development of the Notikewin looks impressive with some big initial rates. This should translate into much better profitability."



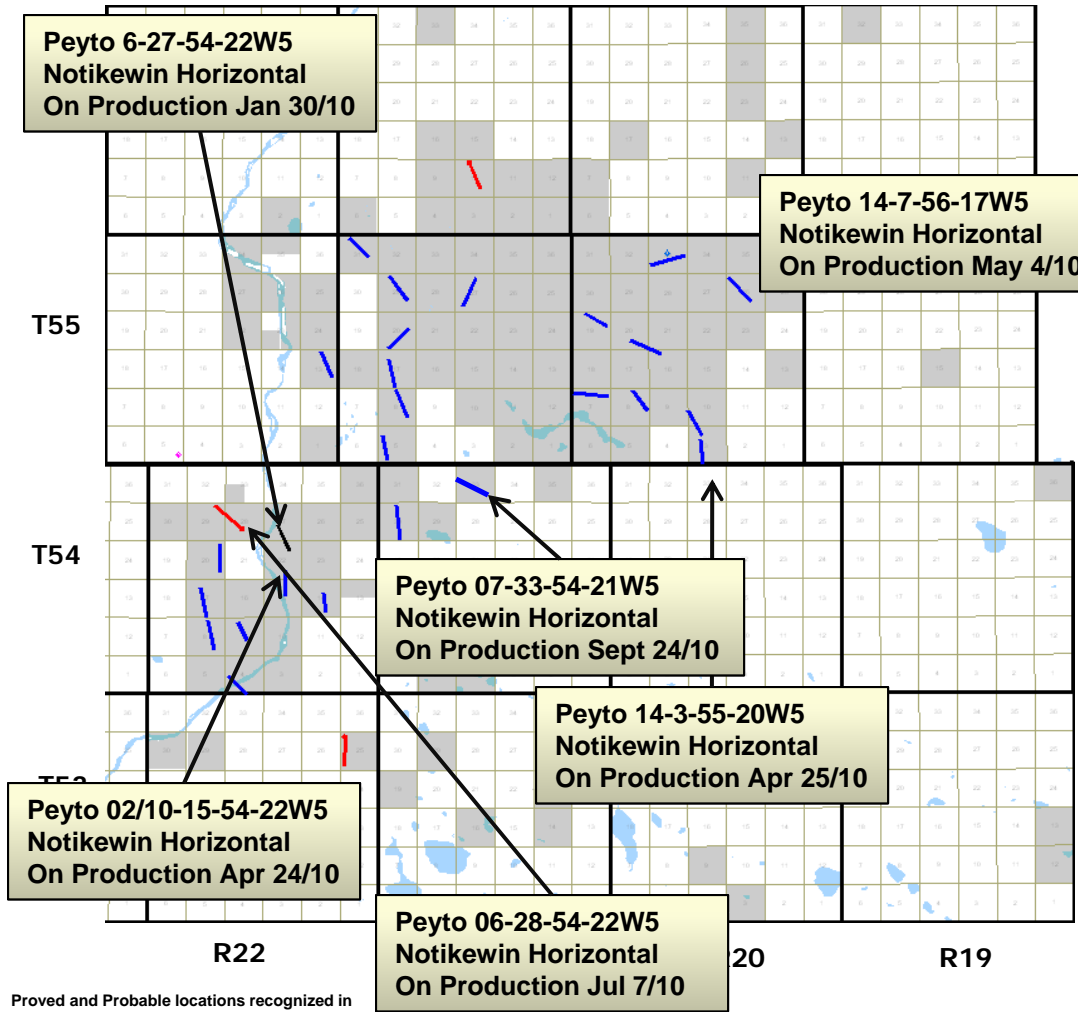
	Ave Vertical 08-03-56-21W5			High Hz	Ave Horizontal		Low Hz	
Ave. Costs	\$2,000			\$4,690	\$4,690		\$4,690	
Drill (K\$)	\$1,300			\$2,500	\$2,500		\$2,500	
Complete	\$500			\$1,940	\$1,940		\$1,940	
E/T	\$200			\$250	\$250		\$250	
<small>*Ave vert costs for 3 wells drilled in 2009 *Average horizontal costs for 3 wells drilled in 2009/2010</small>								
Production								
1 st Mo. (mcf/d)	1,200			7,000	5,000		2,100	
12 th Mo.	310			1,600	1,500		540	
1 st Yr	520			2,100	2,000		860	
Reserves								
Gas Raw (bcf)	1.8			5.5	4.0		2.0	
Gas Sales (bcf)	1.7			5.3	3.8		1.9	
Total mboes	310			965	691		343	
Economics								
Gas Price (\$/GJ)	\$4	\$5	\$6	\$5	\$4	\$5	\$6	\$5
Oil Price (\$/bbl)	\$85			\$85	\$85		\$85	
IRR	22%	33%	45%	101%	61%	91%	125%	14%
PIR ₁₀	0.5	0.9	1.3	2.2	1.2	1.6	2.1	0.2
Payout (yrs)	3.8	2.8	2.1	1	1.5	1.1	0.9	5.3
NPV ₅ (\$M)	\$ 2.2	\$ 3.3	\$ 4.4	\$ 16.0	\$ 8.2	\$ 11.3	\$ 14.0	\$ 2.4
NPV ₁₀ (\$M)	\$ 1.0	\$ 1.8	\$ 2.5	\$ 10.2	\$ 5.4	\$ 7.7	\$ 9.7	\$ 0.8
F&D (\$/mcf)	\$ 1.08			\$ 0.80	\$ 1.12		\$ 2.26	

BOE factor - 6 mcf = 1 bbl of oil equivalent
 Peyto internal reserve estimates and economic evaluation
 Economics do not include \$200/m DRC, but do include 5% max and NGDDP





Sundance Notikewin Horizontals

Undeveloped Opportunities

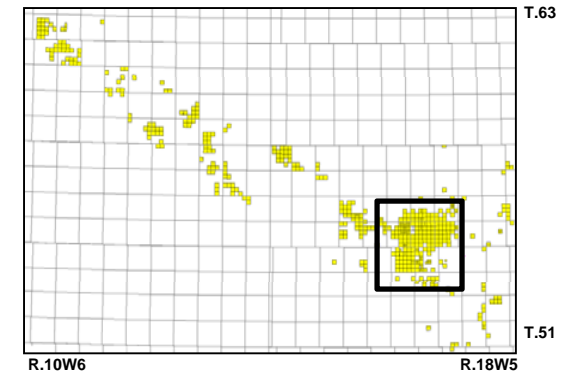
"Orientation of the Notikewin channels will somewhat limit the overall application of horizontal drilling."



YE 2009 Peyto HZ Ntkn Locations (29)

-  HZ Drilled (1 Gross, 1 Net)
-  HZ PUD (4 Gross, 4 Net)
-  Possible HZ Locations (24 Gross)
-  Peyto Notikewin P&NG

Peyto Land



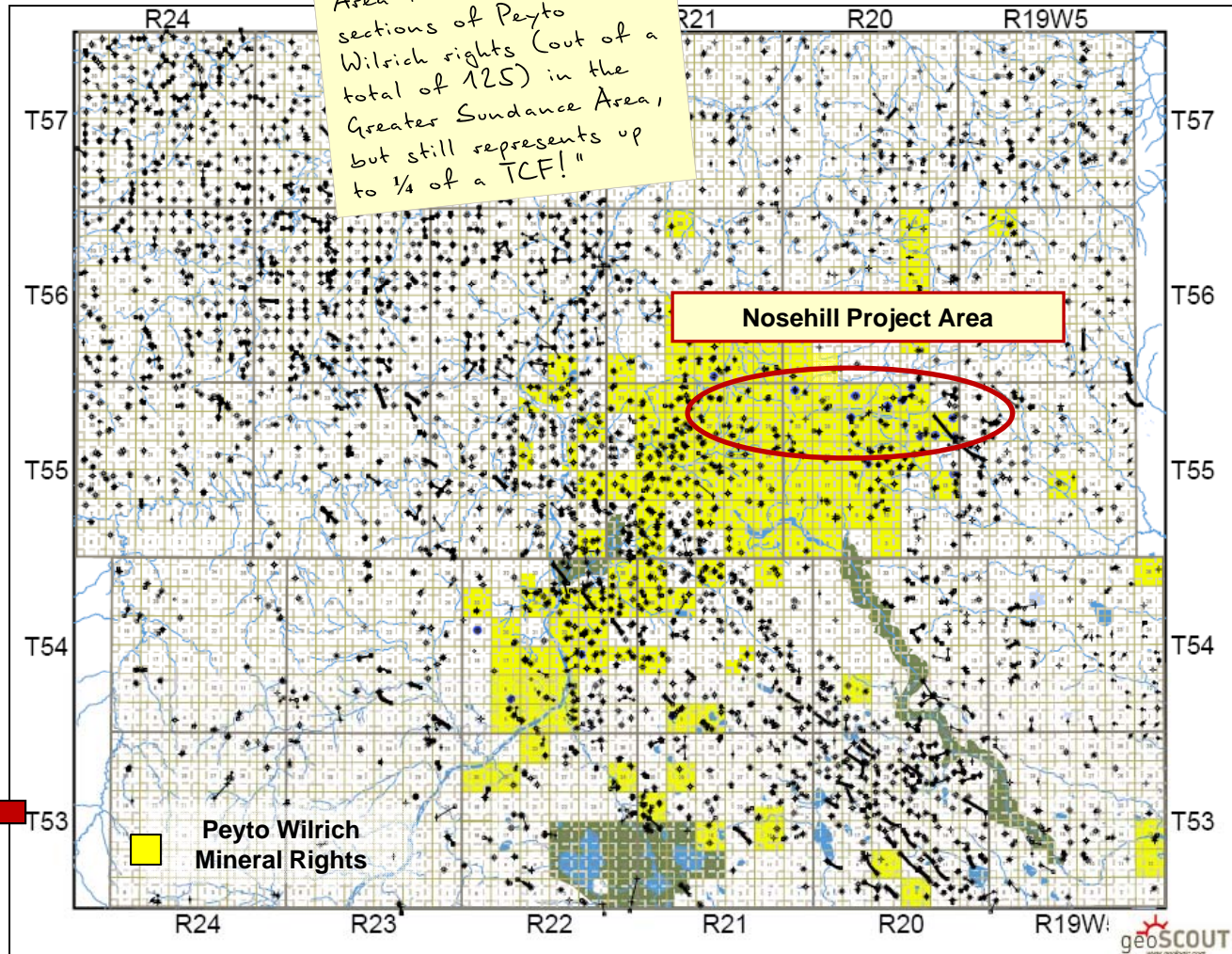
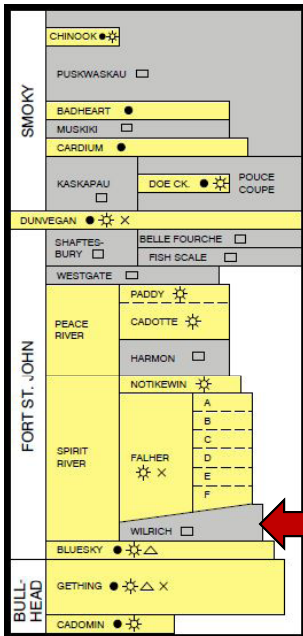
Proved and Probable locations recognized in Paddock Lindstrom Associates Dec. 31, 2009 Reserve Report

Wilrich Resource Play

Horizontal MSF Pilot #3



"The Nosehill Project Area focuses on 15-20 sections of Peyto Wilrich rights (out of a total of 125) in the Greater Sundance Area, but still represents up to 1/4 of a TCF!"

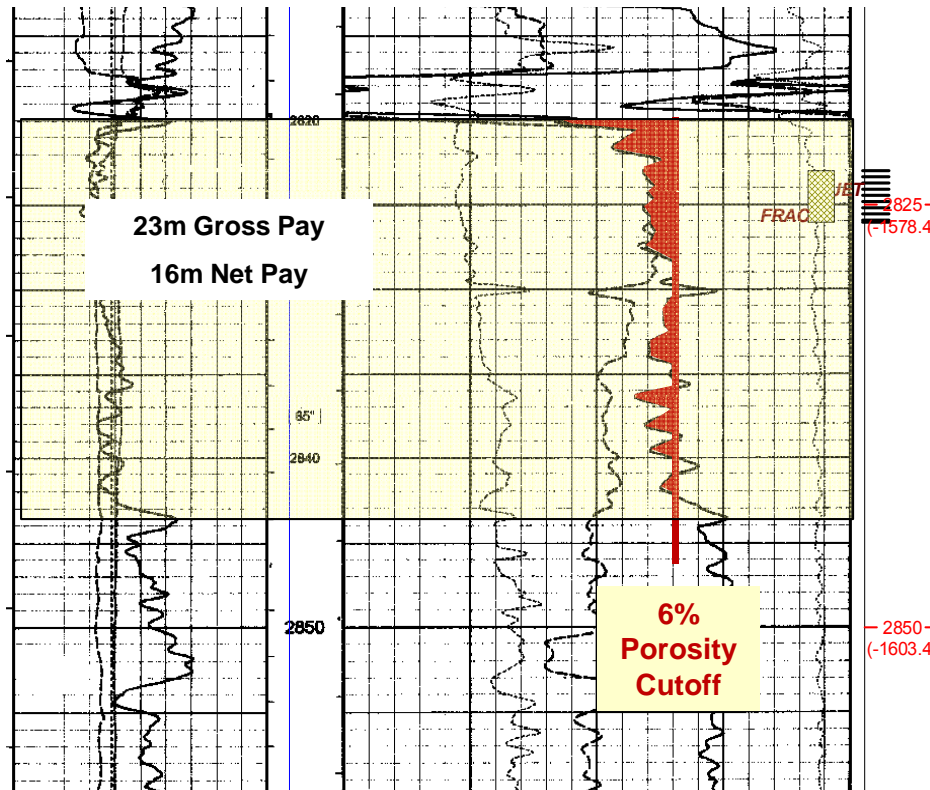


Wilrich Resource Play

Type Log 7-5-56-20W5



"Much like the Cardium, the Wilrich is a marine sand laid down over a large area offering uniform thickness and predictability."



Volumetric Reserves

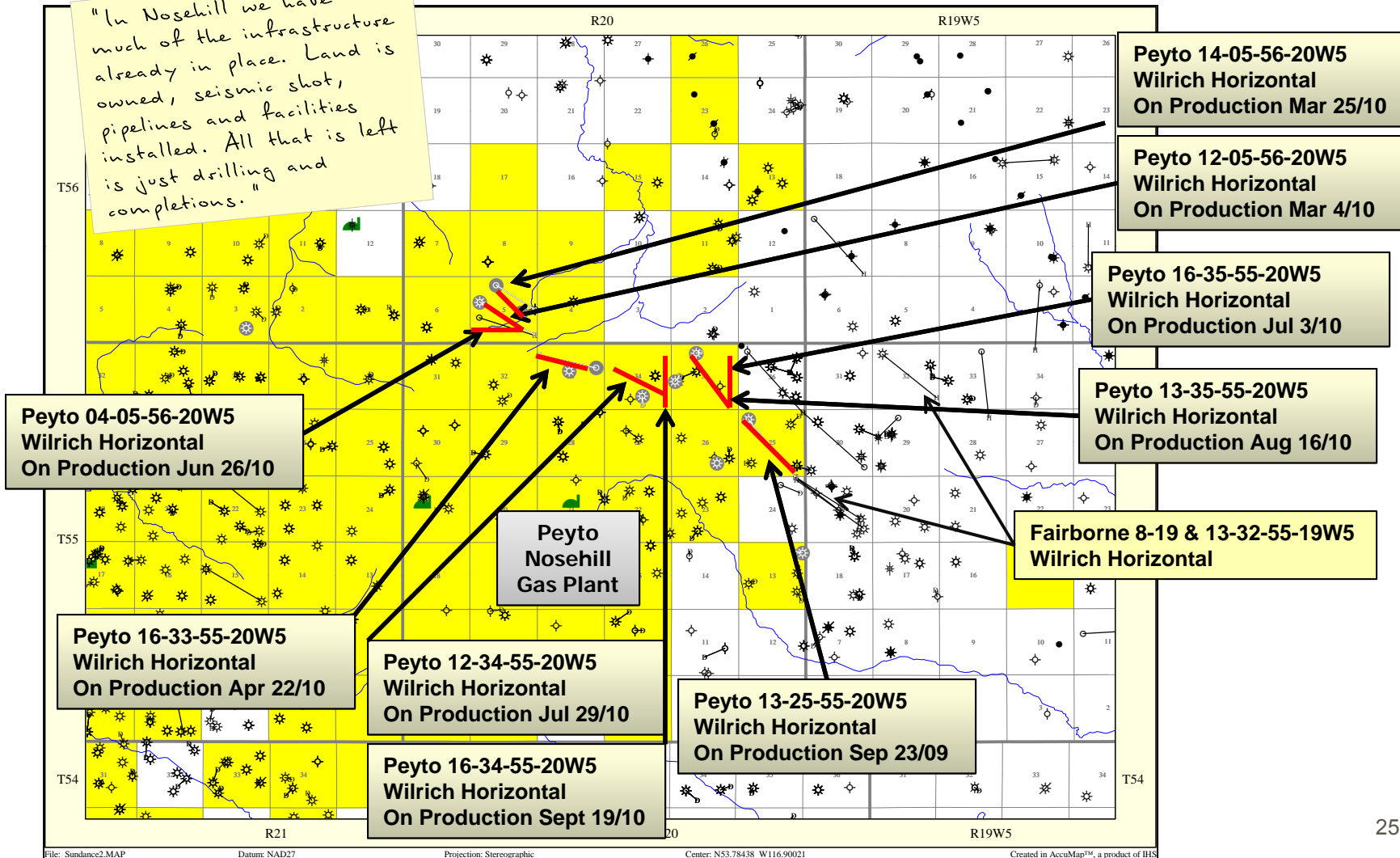
AREA(Ha)=	256	(1 section)
H(m)=	16	
POROSITY(%)=	8	
SW(%)=	35	
TEMP.(Deg.C)=	98	
PRES.(kPa)=	24000	
Z=	0.92	
Recovery Factor(%)=	85	
Surface Loss(%)=	4.5	
<hr/>		
OGIP(BCF)=	15	
RGIP RAW(BCF)=	13	
SALES GAS(BCF)=	12	

Wilrich Resource Play

Pilot Project #3 – Nosehill Wilrich

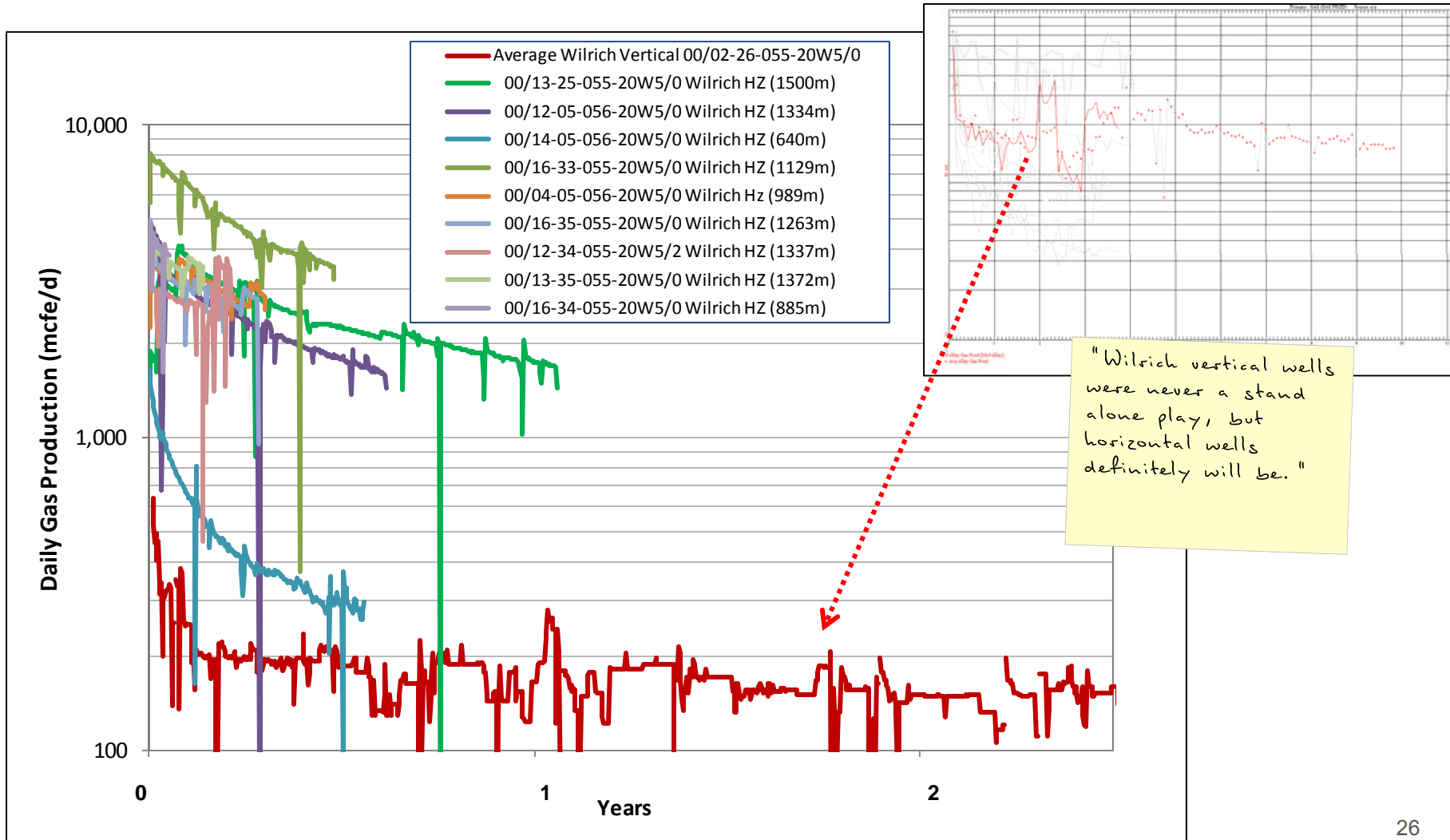


"In Nosehill we have much of the infrastructure already in place. Land is owned, seismic shot, pipelines and facilities installed. All that is left is just drilling and completions."



Wilrich Resource Play

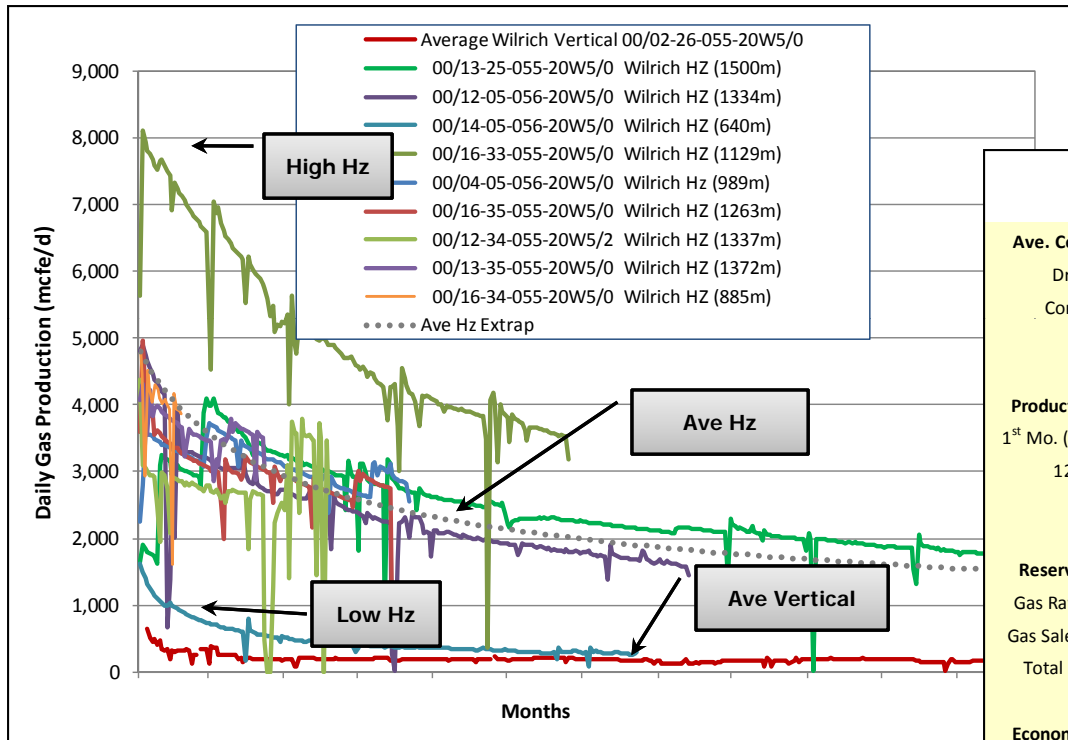
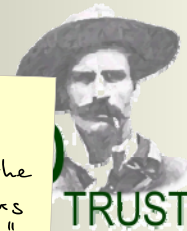
Normalized Wilrich Production – Vertical vs. Horizontal



Wilrich Resource Play

Economic Comparison – Vertical vs. Horizontal

"The economics of vertical Wilrich wells just don't work but the average horizontal looks to be very profitable."



	Ave Vertical			High Hz	Ave Horizontal		Low Hz	
Ave. Costs	\$2,000			\$5,120	\$5,120		\$5,120	
Drill (K\$)	\$1,300			\$2,760	\$2,760		\$2,760	
Complete	\$500			\$2,140	\$2,140		\$2,140	
E/T	\$200			\$220	\$220		\$220	
<small>*Ave vert costs for 3 wells drilled in 2009</small>								
Production				<small>*Average horizontal costs for 4 wells drilled in 2009/2010</small>				
1 st Mo. (mcf/d)	200			7,300	3,800		1,200	
12 th Mo.	150			2,400	1,700		400	
1 st Yr	170			4,100	2,900		600	
Reserves								
Gas Raw (bcf)	0.8			5.2	4.2		1.6	
Gas Sales (bcf)	0.8			5.0	4.0		1.5	
Total mboes	140			905	730		280	
Economics								
Gas Price (\$/GJ)	\$4	\$5	\$6	\$5	\$4	\$5	\$6	\$5
Oil Price (\$/bbl)	\$85			\$85	\$85		\$85	
IRR	1%	5%	9%	157%	54%	79%	106%	5%
PIR ₁₀	-0.4	-0.2	-0.1	2.5	1.1	1.6	2.1	-0.2
Payout (yrs)	24	12	9	0.8	1.7	1.3	1.1	13
NPV ₅ (\$M)	\$ (0.5)	\$ 0.0	\$ 0.6	\$ 17.0	\$ 8.8	\$ 12.1	\$ 15.3	\$ 0.2
NPV ₁₀ (\$M)	\$ (0.8)	\$ (0.5)	\$ (0.1)	\$ 12.5	\$ 5.8	\$ 8.3	\$ 10.7	\$ (1.1)
F&D (\$/mcf)	\$ 2.38			\$ 0.94	\$ 1.16		\$ 3.03	

BOE factor - 6 mcf = 1 bbl of oil equivalent

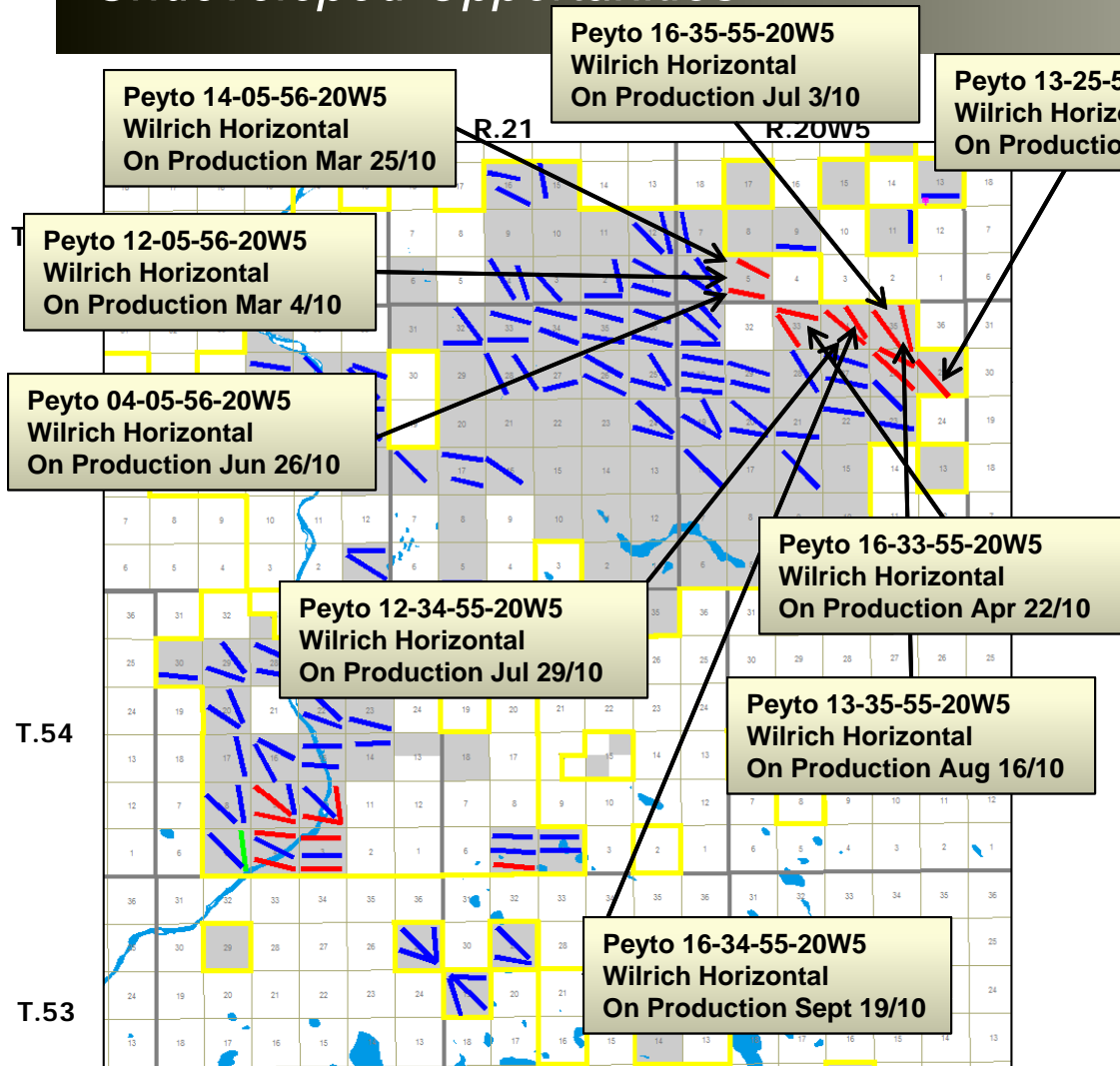
Payto internal reserve estimates and economic evaluation

Economics do not include \$200/m DRC, but do include 5% max and NGDDP

Wilrich Horizontal Development

Undeveloped Opportunities

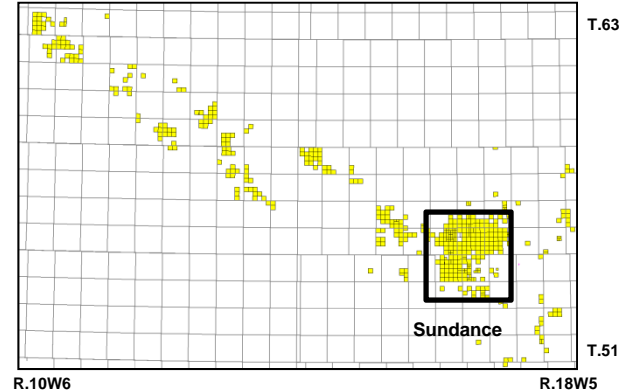
"Overall development of the Wilrich is at a very early stage with the potential for a large inventory of undeveloped opportunities."



YE 2009 Peyto HZ Wilrich Locations (138)

- HZ Wilrich On Production (2 Gross, 1.5 net)
- HZ Wilrich PUD Locations (19 gross, 18.70 Net)
- HZ Wilrich PA Locations (1 gross, 0.75 Net)
- HZ Wilrich Possible Locations (116 Gross)
- Peyto Wilrich P&NG

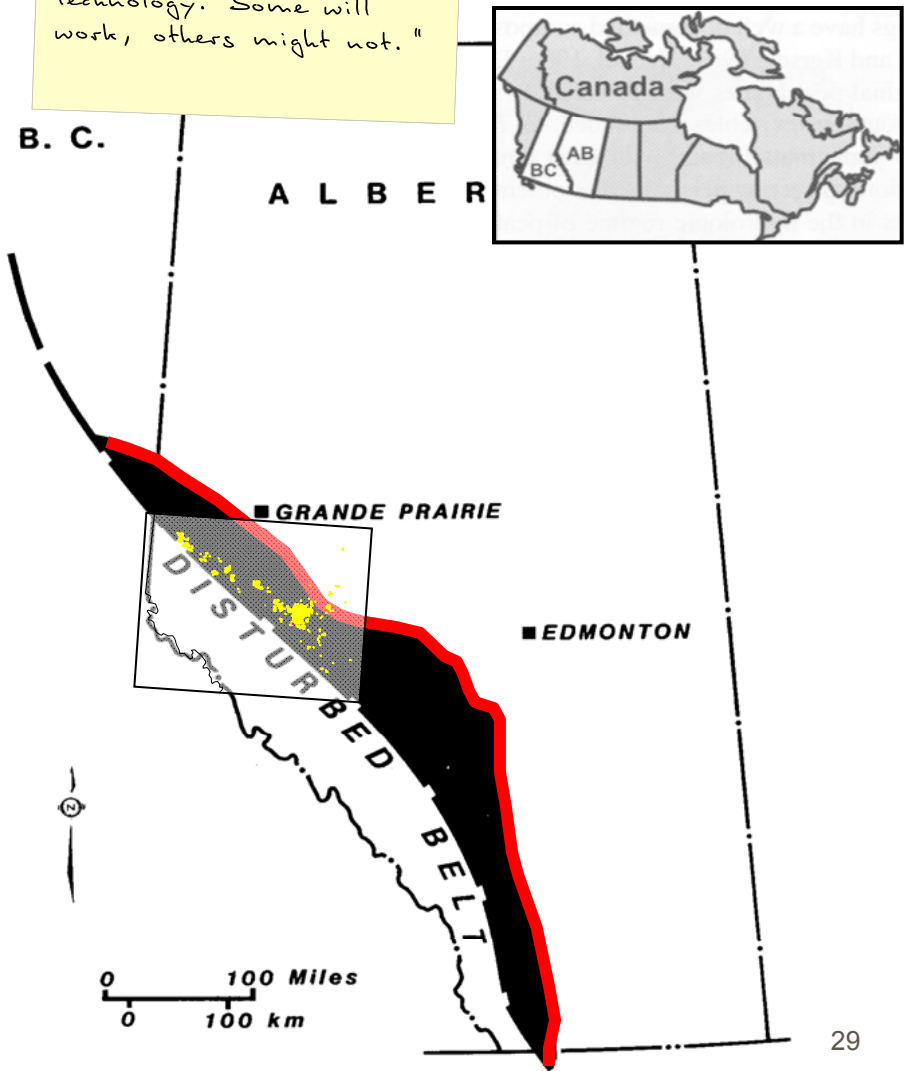
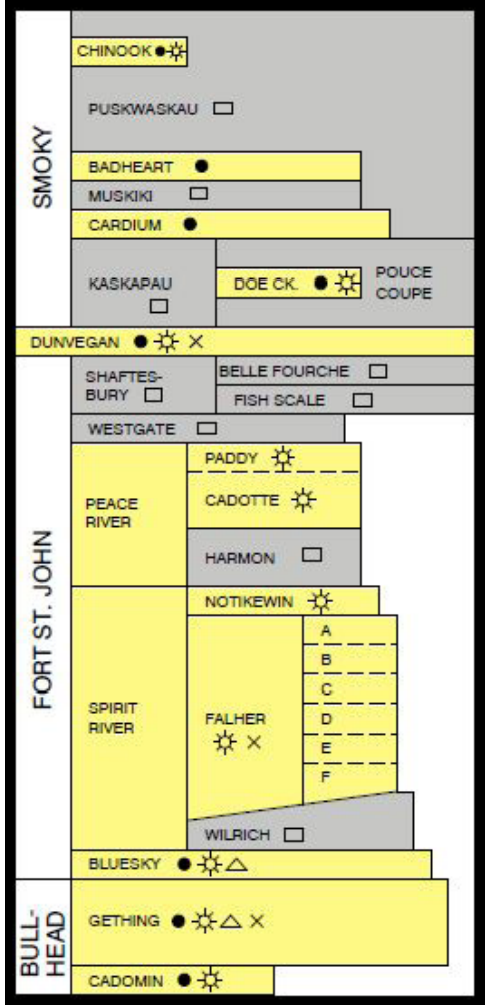
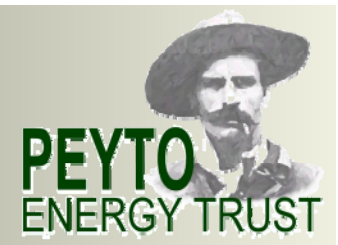
Peyto Land



Other Resource Plays

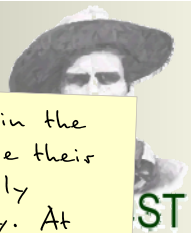
Horizontal MSF Pilot #4,5 and on

"There are numerous formations in the Deep Basin that might be more profitably developed with horizontal MSF technology. Some will work, others might not."

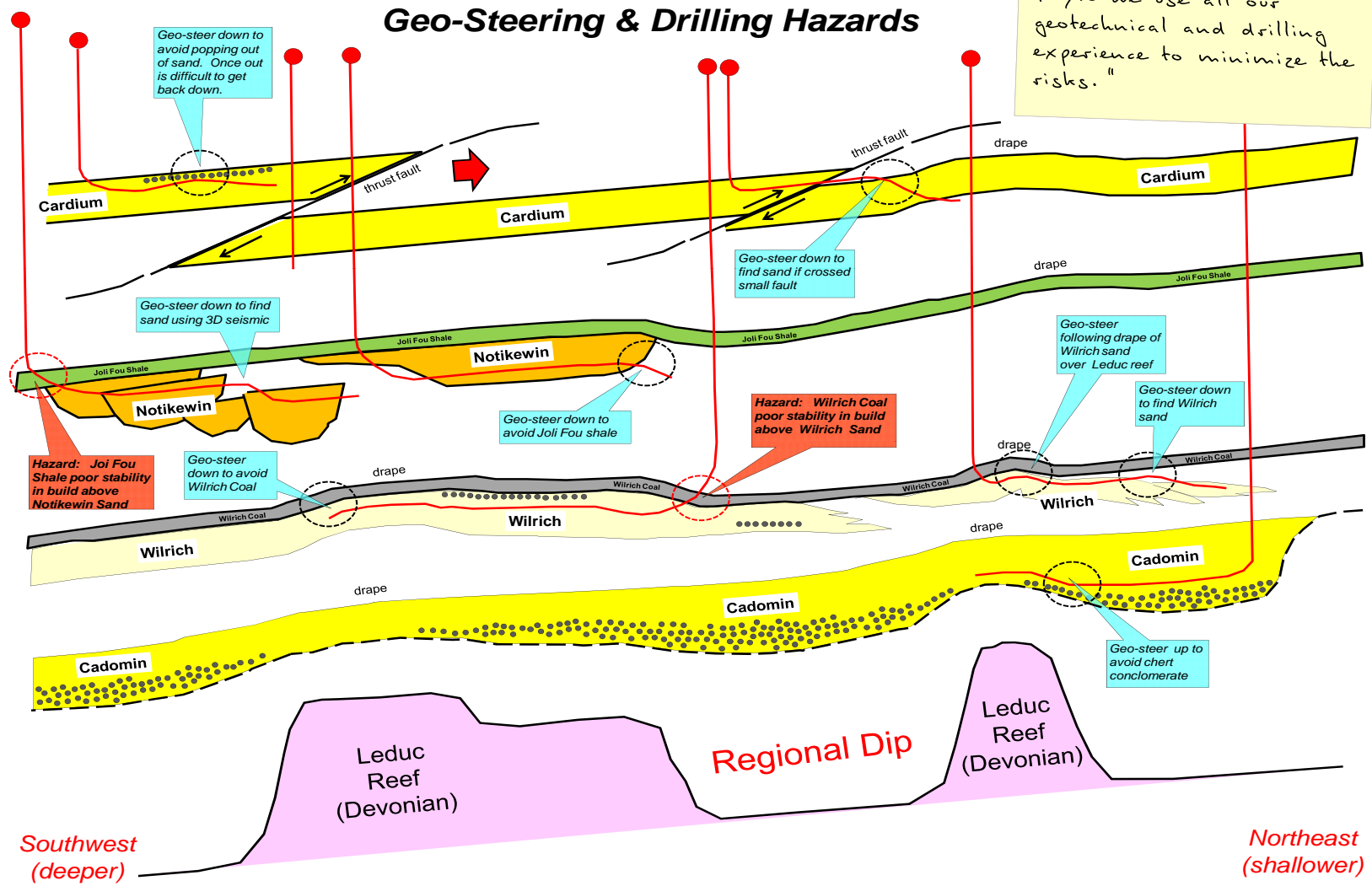


Technical Challenges

Horizontal MSF Directional Drilling



"The many zones in the Deep Basin all have their challenges, especially drilling horizontally. At Peyto we use all our geotechnical and drilling experience to minimize the risks."



Logistical Issues

Summer vs. Winter Completions



"Winter fracturing involves hauling, tanking and heating thousands of cubic meters of water that costs hundreds of thousands of dollars more than in summer."



Why Own Peyto Today

All the same reasons as before



• All Organic Business Model

- ✓ Exploration and development
- ✓ Re-investment, geographic focus
- ✓ Invest, develop, profit

- Acquisitions for inventory
- Need exit strategy
- Sell, lease, operate, liquidate

• Proven Lowest Cost Producer

- ✓ All costs, including F&D, Royalties, Operating, Transportation, G&A, Interest
- ✓ Allows for counter-cyclical investment approach
- ✓ Profitable in all parts of the commodity cycle
- ✓ Low costs drive long reserve life, high value

• Greatest Total Return

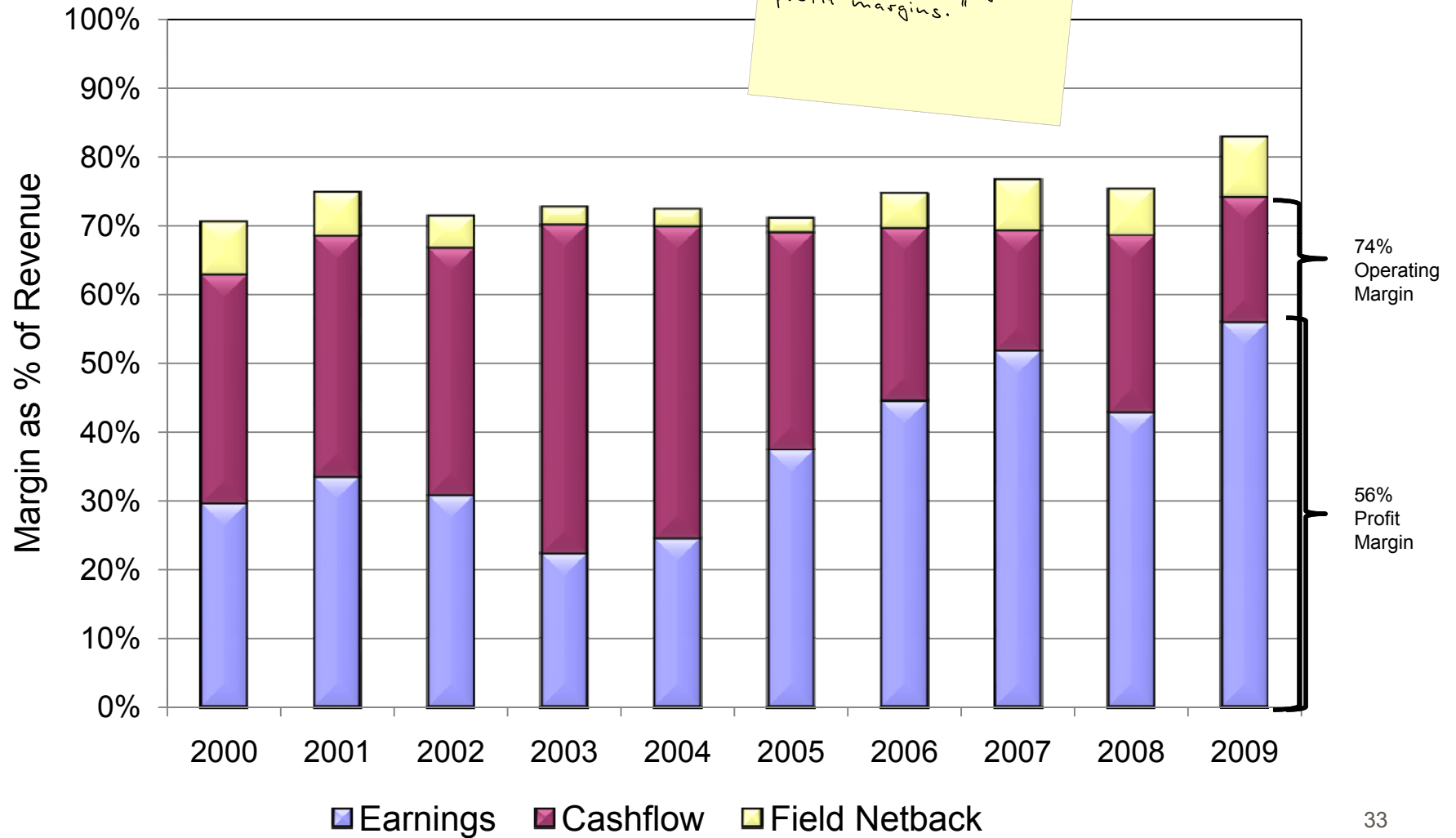
- ✓ Return driven – ROCE, ROE, IRR
- ✓ Shareholder return a combination of growth/unit + distribution/dividend

Low Cost Producer

Margins Matter



"It is Peyto's efficiency and focus on profitability that drives such high operating and profit margins."



Low Cost Producer

The New Margins (how to make \$3 gas work)



"If Peyto can find and develop new reserves for \$10-\$12/boe, then even at \$3 gas prices we're recycling money at 2:1."

Total Peyto Revenue

84% Gas
16% Liquids

Peyto H2 2010 Unhedged

\$4.20/GJ (Ave AECO daily)
\$4.89/mcf (16% up Peyto realized)
\$29.34/boe (6:1)

\$77/bbl Edm
\$67.21/bbl (Peyto realized)

84% * \$29.34 = \$24.70/boe
16% * \$67.21 = \$10.65/bbl

Peyto unhedged = \$35.35/boe

TWP (new drilling)

Cardium Hztl

\$3/GJ
\$3.50/mcf (ave 17% lift for heat)
\$21.00/boe (6:1)

\$70/bbl Edm
\$61/bbl (Q1 % Peyto realized)

65% * \$21 = \$13.65
35% * \$61 = \$21.35

Peyto unhedged ≈ \$35/boe

Wilrich/Notikewin Hztl

87% * \$21 = \$18.27
13% * \$61 = \$7.93

≈ \$26/boe

**68%
Operating
Margin**

\$35.35 Revenue/boe
(\$ 4.87) Royalties/boe (12% existing)
(\$ 2.36) Opex/boe
(\$ 0.78) Transport/boe
\$27.34/boe Field Netback

(\$ 0.75) G&A/boe
(\$ 2.42) Interest/boe
\$24.17/boe Cash Netback

\$35.00 Revenue/boe
(\$ 1.75) (5% new) Royalties/boe
(\$ 2.35) Opex/boe
(\$ 0.70) (Sundance) Transport/boe
\$30.20/boe Field Netback

(\$ 0.75) G&A/boe
(\$ 2.45) Interest/boe
\$27.00/boe Cash Netback

**71-77%
Operating
Margin**

\$26.20 Revenue/boe
(\$ 1.30) (5% new) Royalties/boe
(\$ 2.35) Opex/boe
(\$ 0.70) Transport/boe
\$21.85/boe Field Netback

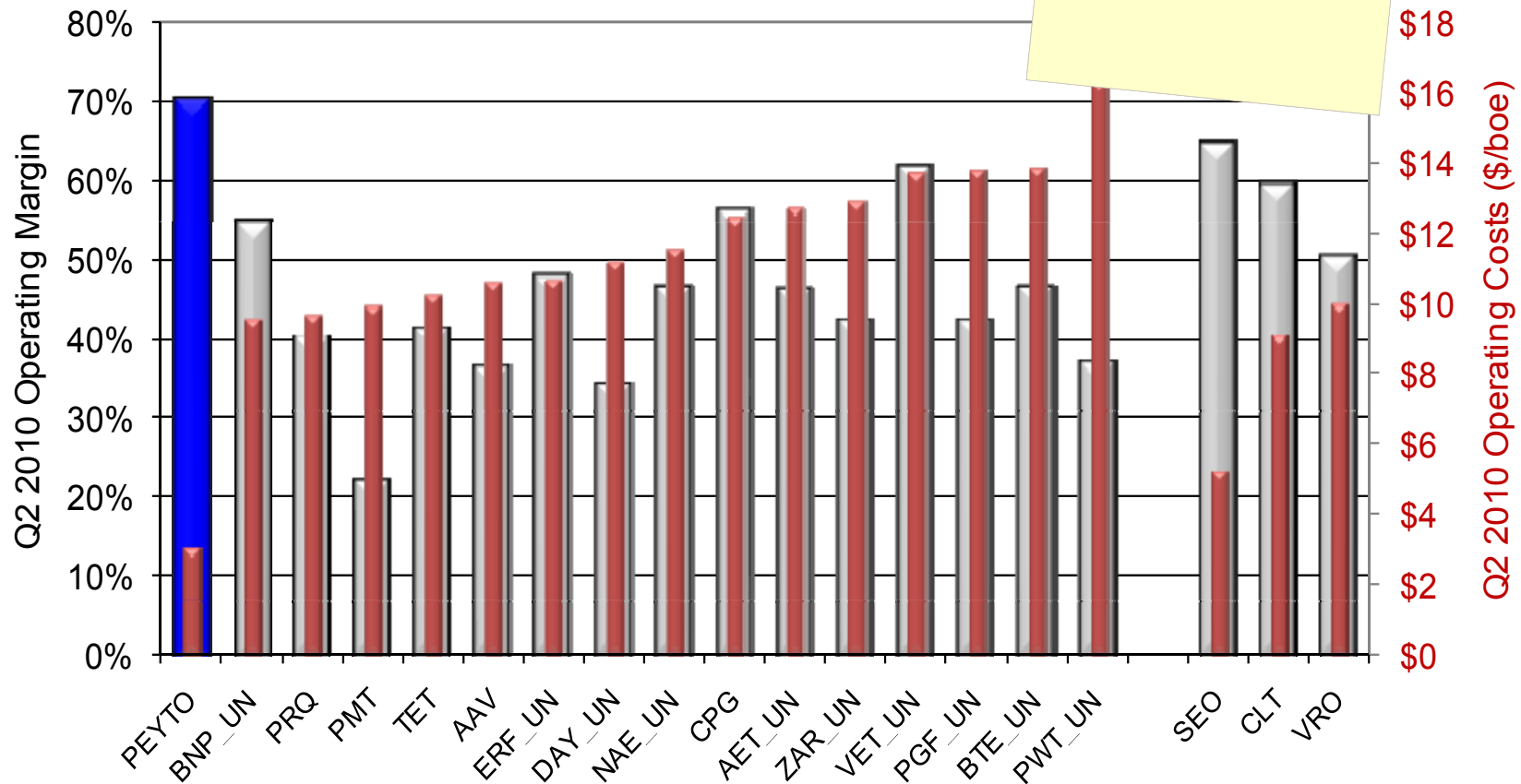
(\$ 0.75) G&A/boe
(\$ 2.45) Interest/boe
\$18.65/boe Cash Netback

Low Cost Producer

Margins - Industry Comparison Q2 2010



"Peyto's margins lead the industry, primarily because of our operating cost advantage."



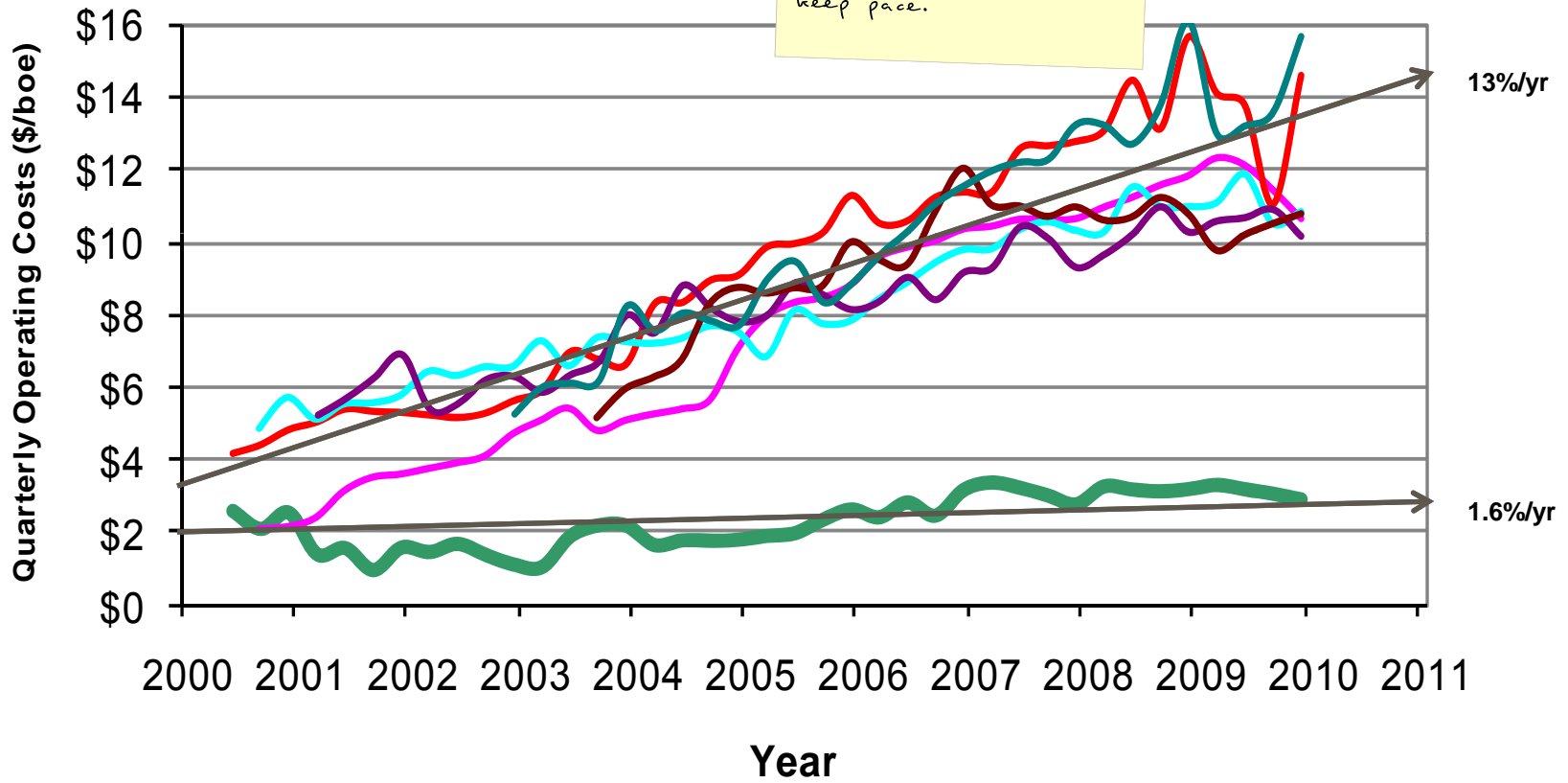
Operating Costs include Transportation costs.
 Operating Margin – Cashflow divided by revenue (both before hedging effects).

Low Cost Producer

Peyto's Industry Leading Op Costs



"When your costs are increasing at over 10%/yr, future reserves lose value very quickly unless commodity prices can keep pace."

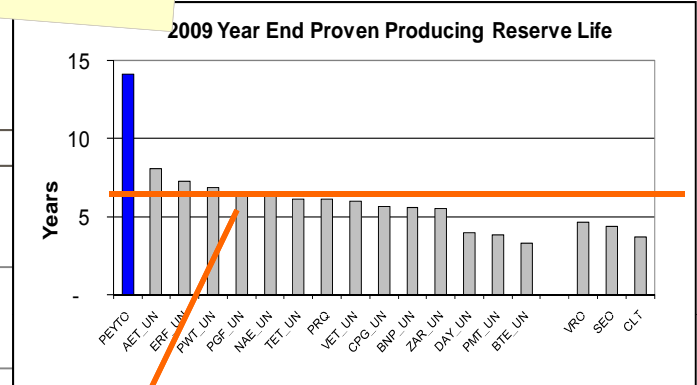
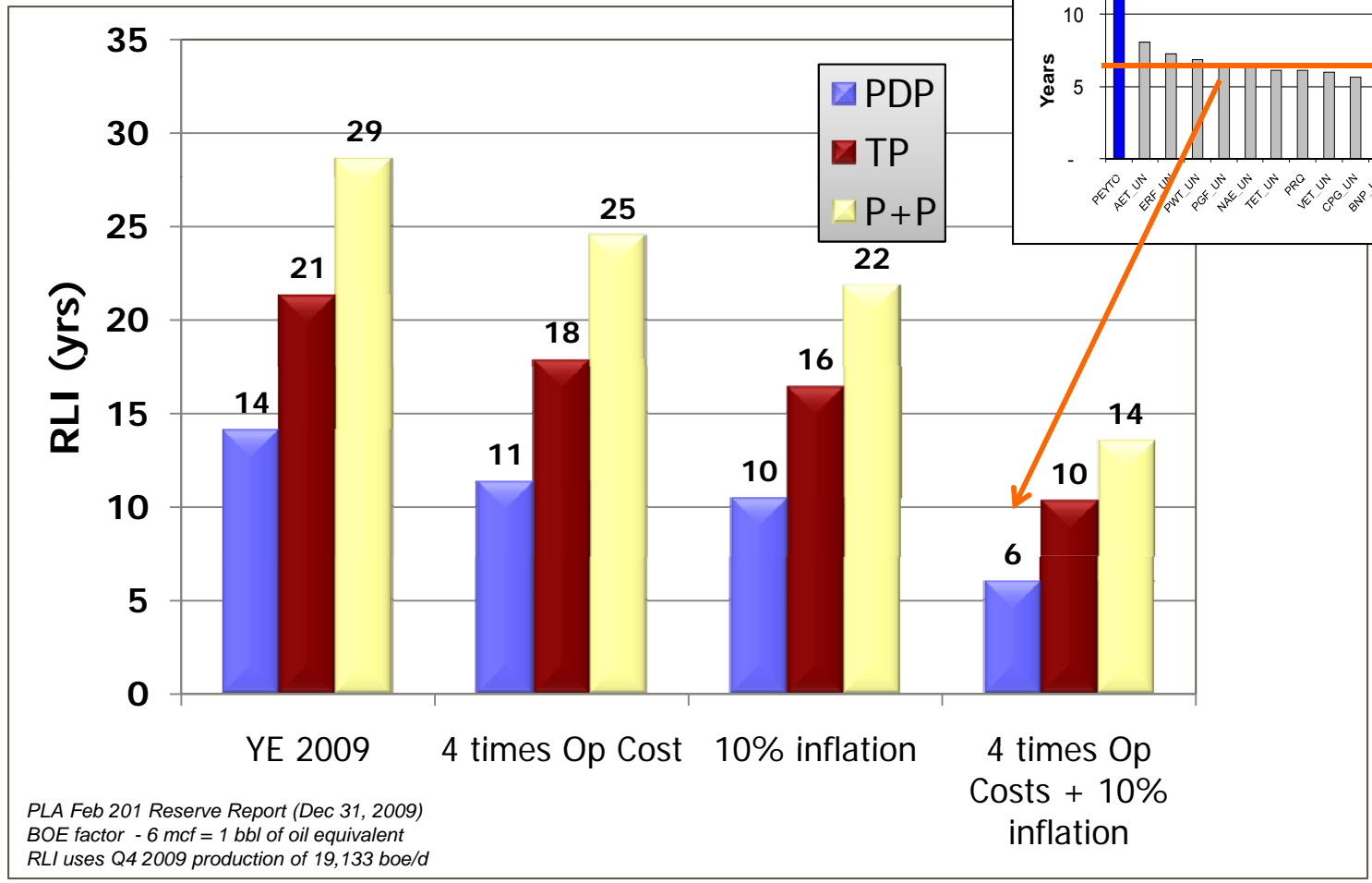


BOE factor - 6 mcf = 1 bbl of oil equivalent
 Note operating costs include transportation

Low Cost Producer

Low Op Cost = Long Reserve Life

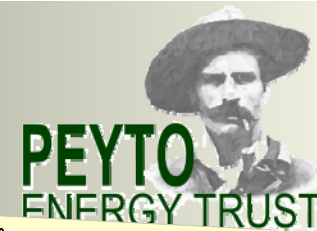
"Peyto's RLI is long because op costs are low. At industry average of costs and 10%/yr inflation, we would have just average RLI too!"



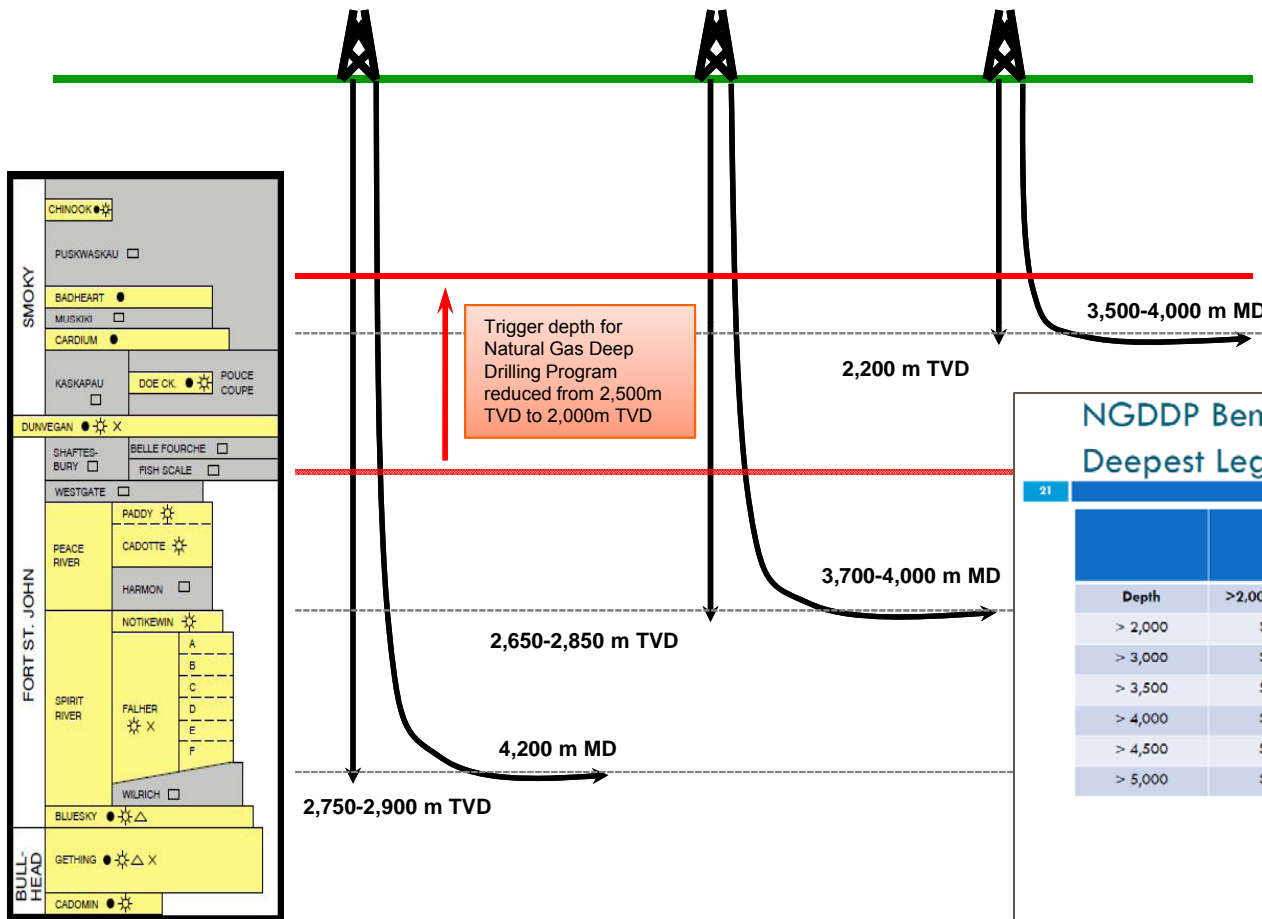
PLA Feb 201 Reserve Report (Dec 31, 2009)
 BOE factor - 6 mcf = 1 bbl of oil equivalent
 RLI uses Q4 2009 production of 19,133 boe/d

Low Cost Producer

Deep Gas Drilling Royalty Incentives



"All of the formations that Peyto targets are eligible for the Natural Gas Deep Drilling incentives. At \$4 gas, royalties for the first 5 yrs are effectively capped at 5%."



NGDDP Benefits – Development Wells – Deepest Leg

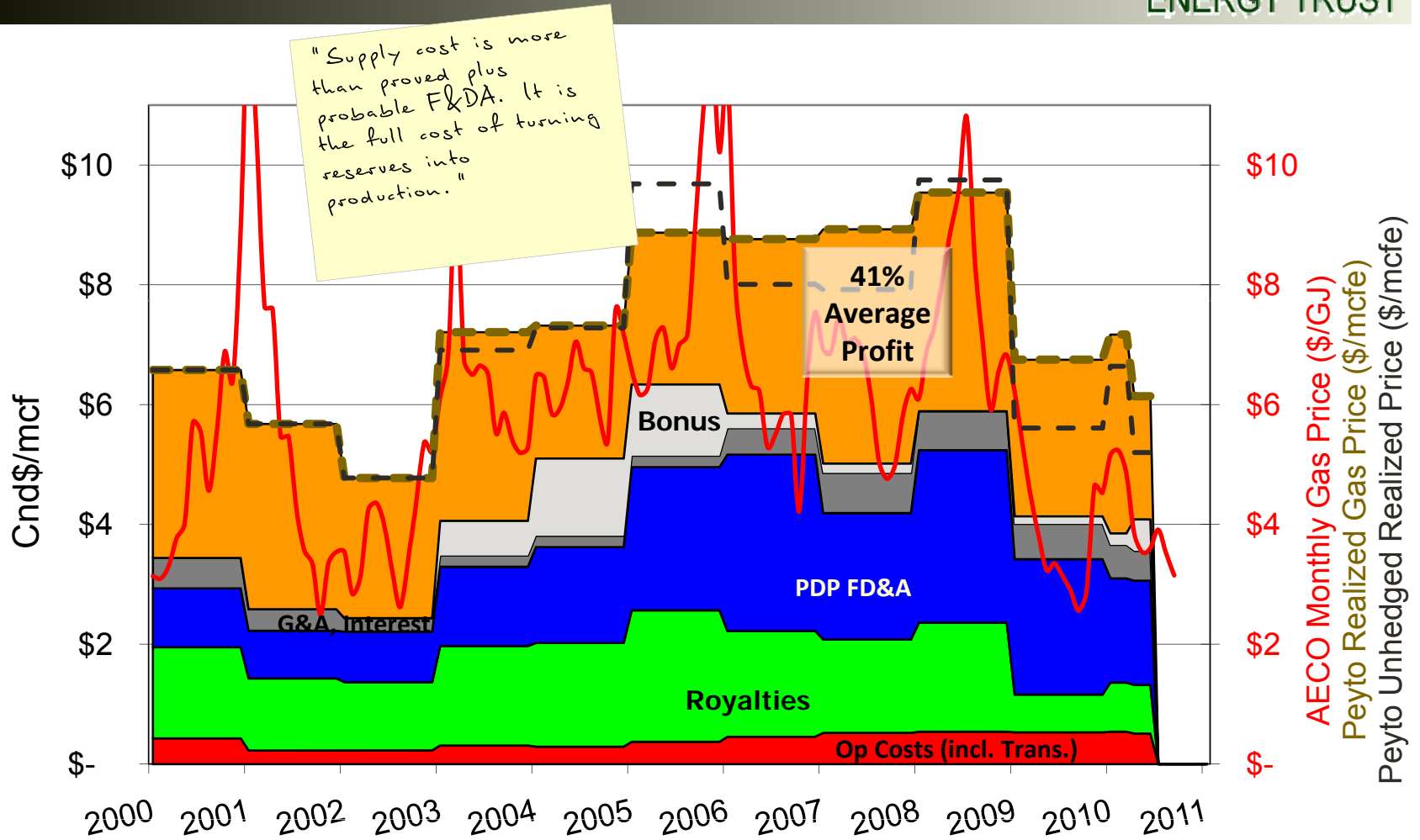
Depth	NGDDP Royalty Adjustment Per Well Development Wells			
	Benefit per metre drilled in the depth range (\$/m)			
> 2,000	\$625			
> 3,000	\$625			
> 3,500	\$625	\$2,500		
> 4,000	\$625	\$2,500	\$2,500	
> 4,500	\$625	\$2,500	\$2,500	
> 5,000	\$625	\$2,500	\$2,500	\$3,000

Alberta

***3,700m Cardium Horizontal Well would receive**
1,500m at \$625/m
+200m at \$2,500/m
\$1,437,500 in royalty credit

Low Cost Producer

Peyto's Full-Cycle Gas Supply Cost



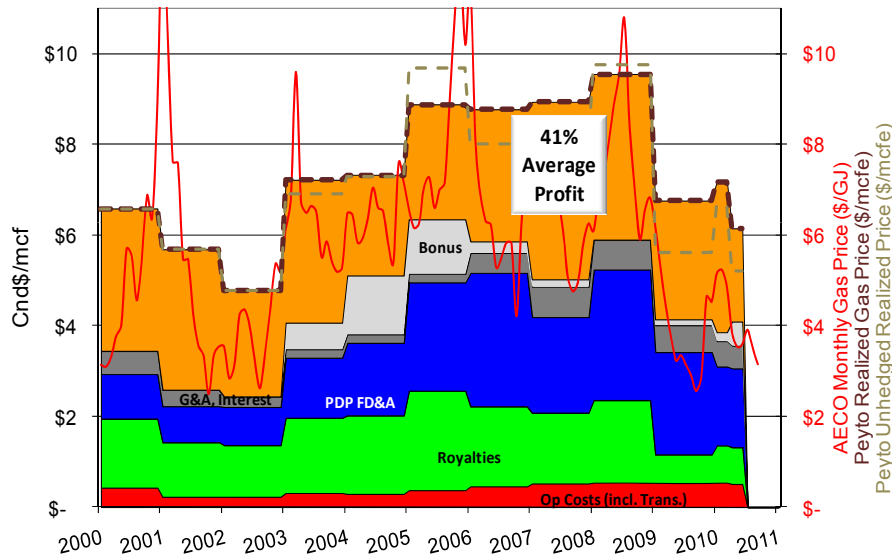
Low Cost Producer

Who's Profitable

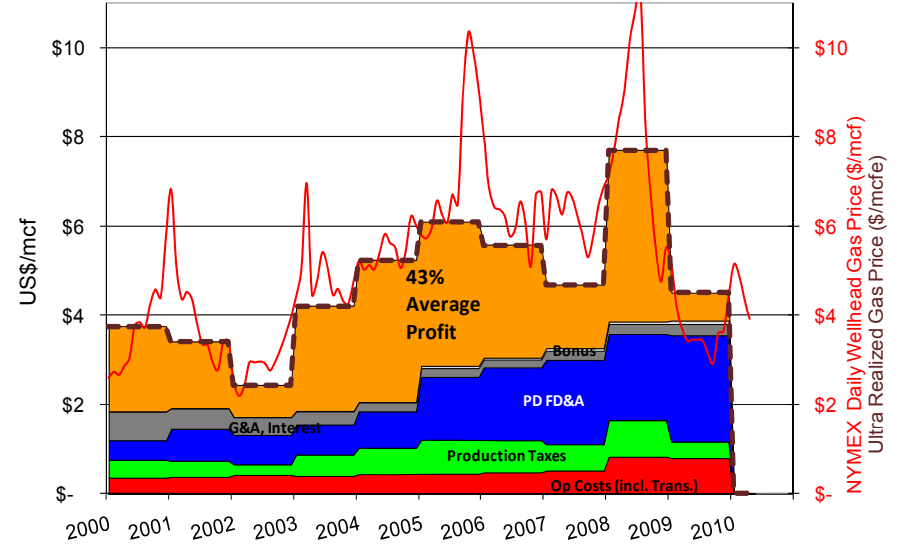
"Ultra Petroleum in the Pinedale field of Wyoming is the only other E&P company to exhibit similar profitability to Peyto."



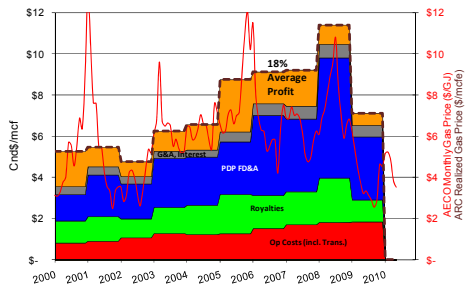
Peyto Ave Profit 2002-2009 = \$2.92/mcfe



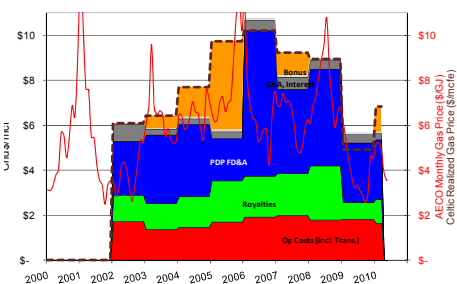
Ultra Pet. Ave Profit 2002-2009 = \$2.79/mcfe



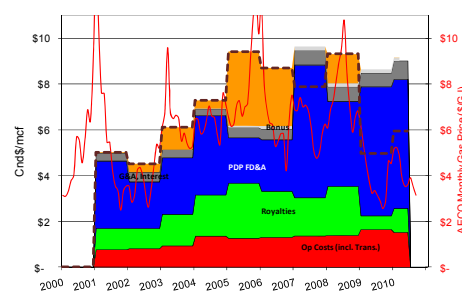
ARC Ave Profit 2002-2009 = \$1.28/mcfe



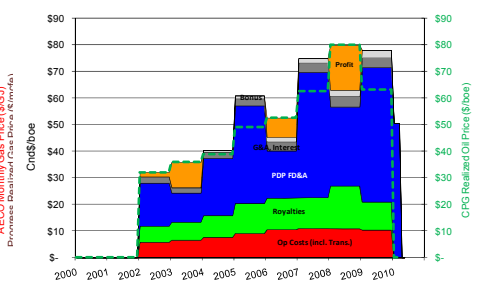
Celtic Ave Profit 2002-2009 = \$0.69/mcfe



Progress Ave Profit 2002-2009 = \$0.42/mcfe



Crescent Point Ave Profit 2002-2009 = (\$0.69)/boe



Why Own Peyto Today

All the same reasons as before



• All Organic Business Model

- ✓ Exploration and development
- ✓ Re-investment, geographic focus
- ✓ Invest, develop, profit

- ~~Acquisitions for inventory~~
- ~~Need exit strategy~~
- ~~Amass, promote, liquidate~~

• Proven Lowest Cost Producer

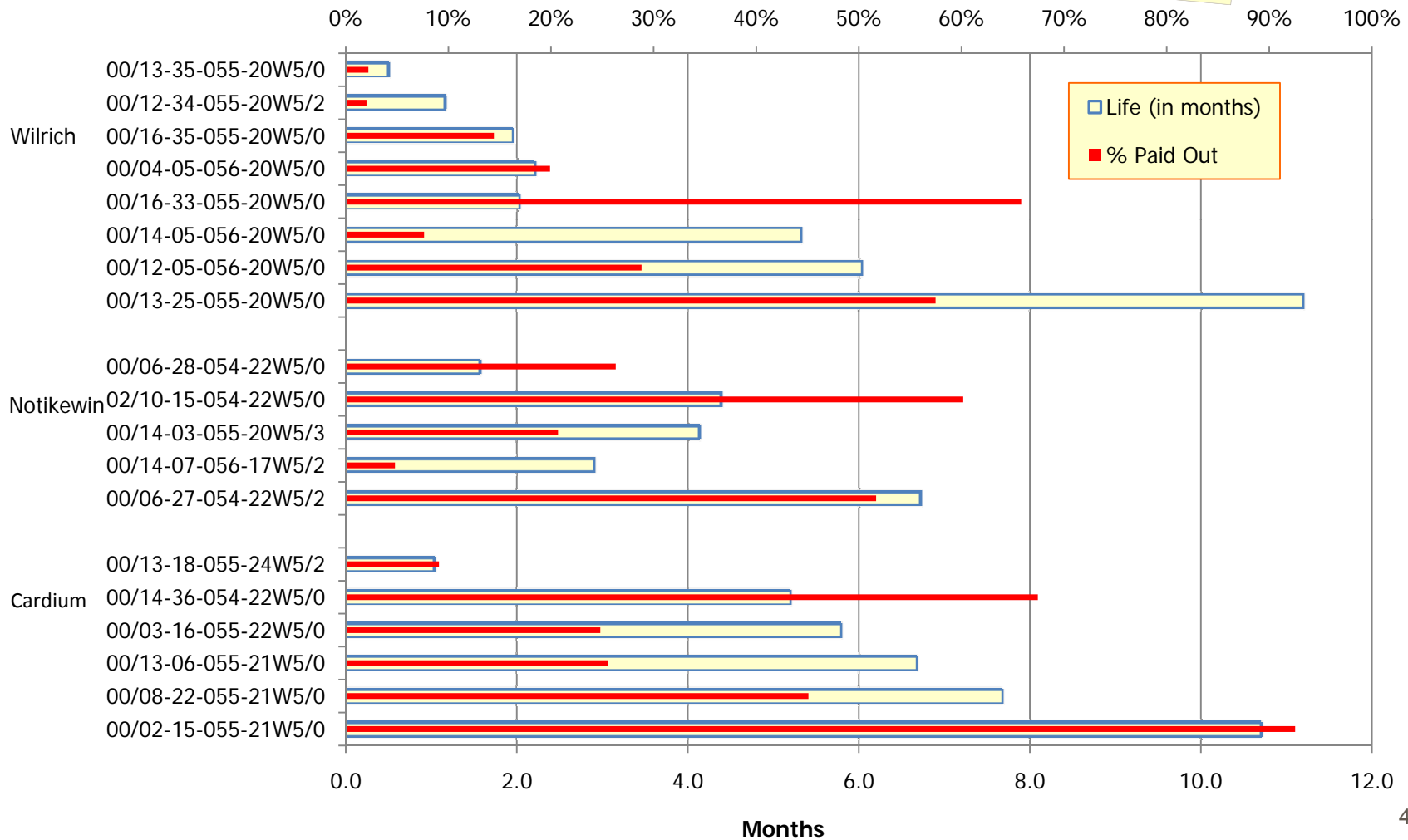
- ✓ All costs, including F&D, Royalties, Operating, Transportation, G&A, Interest
- ✓ Allows for counter-cyclical investment approach
- ✓ Profitable in all parts of the commodity cycle
- ✓ Low costs drive long reserve life, high value

• Greatest Total Return

- ✓ Return driven – ROCE, ROE, IRR
- ✓ Shareholder return a combination of growth/unit + distribution/dividend

Horizontal Well Payout Cost of Capital Advantage

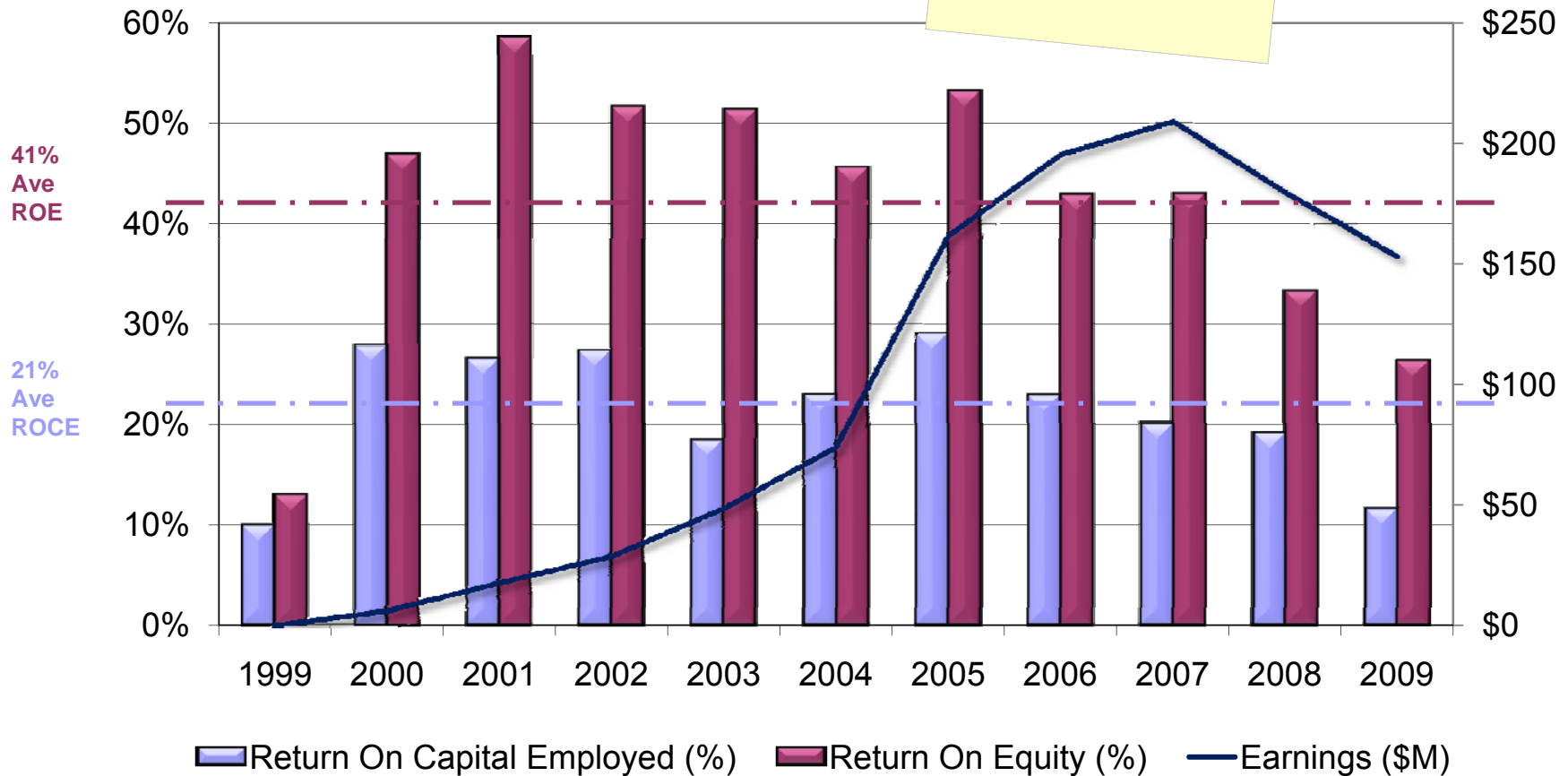
"If the red bar exceeds the yellow, then the well is due to payout under 12 months. If the yellow exceeds the red, then it will take longer. Payout under a year means we're recycling money faster."



The Peyto Strategy

High Returns on Capital and Equity

"Good well economics should translate into good corporate returns. Peyto's do, with average ROE of 41% and ROCE of 21%."



Return on Equity (ROE) is earnings for the period divided by average unitholders equity – reveals how much profit a company generates with the money shareholders have invested

Return on Capital Employed (ROCE) is earnings before interest and tax for the period divided by total assets less current liabilities - indicates the efficiency and profitability of a company's capital investments

2010 Activity To Date

Continue Active Development Pace

"Organic activity has always generated the best returns. The 2010 program is just more of the same."



- Capital Expenditures (\$225-\$250 million before DRC)
 - ~ 50 net wells projected to YE 2010 (29 drilled to date)
 - 80-85% are Horizontal MSF
 - Plant expansion at Nosehill, compressor upgrades at Oldman and Wildhay increase Peyto's raw gas processing capacity to 245 mmcf/d (↑25%)
 - ~ 60 sections of new Deep Basin lands acquired YTD (with potential for 120-180 hztl locations)

2011 Outlook

Evolving Corporate Structure

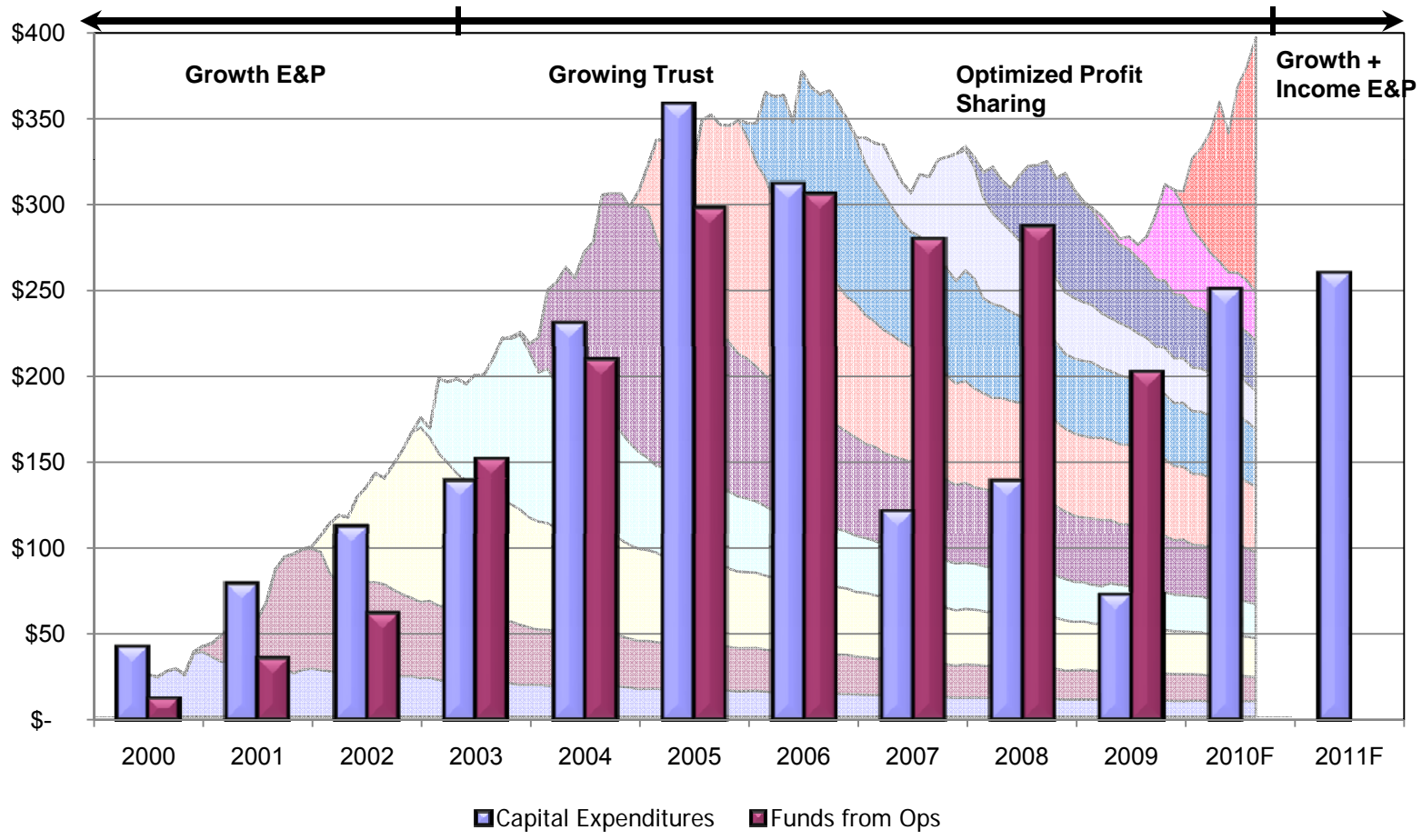
"As corporate structure evolves, so too does Peyto's model; from a Sustainable Energy Trust to a Total Return E&P Model."



Peyto Exploration & Development Corp.

Peyto Energy Trust

Peyto Exploration & Development Corp.

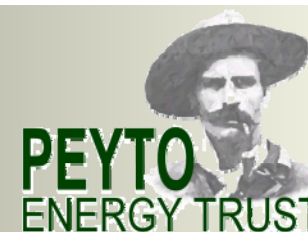


Appendix



- Quarterly Track Record
- Industry Comparisons
- Distribution History
- Payout Ratio
- Gas Marketing
- Hedging Strategy
- Reserves data – volumes, values

Quarterly Track Record



	2010		Total	2009				Total	2008	
	Q2	Q1		Q4	Q3	Q2	Q1		Q4	Q3
Operations										
<u>Production</u>										
Oil & NGLs (bbl/d)	3,465	3,330	3,028	3,222	2,916	2,950	3,022	3,265	3,207	3,199
Natural gas (mcf/d)	112,422	103,934	92,718	95,467	89,259	90,191	95,998	100,384	101,907	100,324
Barrels of oil equivalent (boe/d)	22,202	20,653	18,481	19,133	17,793	17,982	19,022	19,996	20,192	19,920
Year over Year % Growth	23%	9%	-8%	-5%	-11%	-8%	-6%	-3%	-4%	1%
<u>Average Product Prices</u>										
Oil & NGLs (\$/bbl)	65.58	68.93	50.18	60.77	51.06	43.42	44.46	84.78	49.16	99.28
Natural gas (\$/mcf)	5.25	6.34	6.44	6.17	5.74	6.14	7.68	8.64	7.99	8.81
Operating expenses (\$/mcf _e)	0.51	0.54	0.52	0.49	0.52	0.54	0.55	0.54	0.53	0.52
Field Netback (\$/mcf _e)	4.82	5.81	5.60	5.64	5.22	5.23	6.27	7.18	6.61	7.35
Financial (\$000)										
Revenue (net of royalties)	64,649	70,801	247,846	64,761	56,353	56,599	70,133	339,064	79,612	86,607
Funds from Operations ¹	52,415	58,559	202,699	53,302	45,263	45,527	58,607	286,907	67,354	74,485
Net earnings (loss)	24,696	36,874	152,774	33,035	26,976	29,189	63,574	179,397	50,711	64,834
Capital expenditures	37,439	49,361	72,739	26,307	28,725	4,671	13,036	139,324	22,467	62,271
Net Debt ²	417,854	467,368	439,860	439,860	423,965	399,513	490,570	492,644	492,644	489,867
Common shares outstanding (000)	121,476	115,417	115,116	115,116	114,920	114,920	105,920	105,920	105,920	105,920
Weighted average shares	119,420	115,154	110,556	114,920	114,920	106,316	105,920	105,876	105,920	105,920
Per share data										
Funds from operations	0.44	0.51	1.83	0.46	0.39	0.43	0.55	2.71	0.64	0.70
Earnings (loss)	0.21	0.32	1.38	0.29	0.24	0.28	0.60	1.69	0.48	0.61

Management uses funds from operations to analyze operating performance. In order to facilitate comparative analysis funds from operations is defined throughout this report as earnings before performance based compensation, non-cash and non-recurring expenses. As presented, funds from operations does not have any standardized meaning prescribed by Canadian GAAP.

Net debt does not include provision for future performance based compensation, site restoration, abandonment and income taxes.

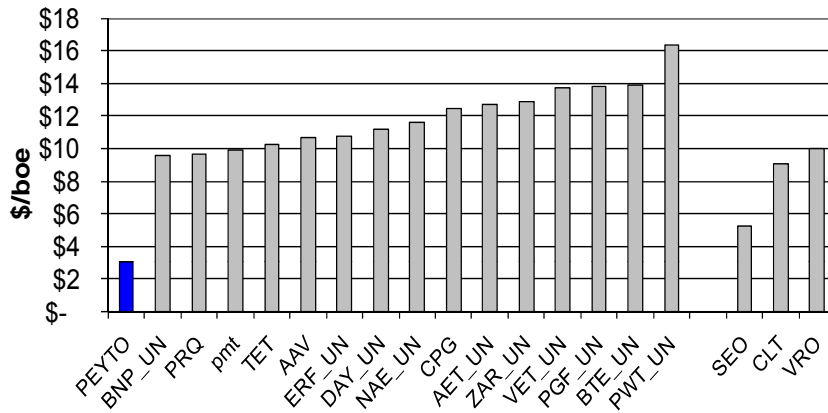
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

Highest Quality Assets

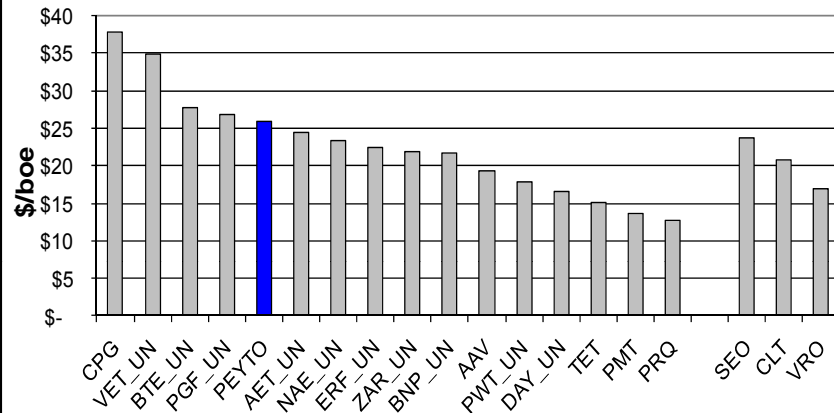
Operating Costs, Netback, Profit Margin, Reserve Life

- ✓ "Lowest Op Costs"
- ✓ "High Netback"
- ✓ "Highest Profit Margin"
- ✓ "Longest Reserve Life"

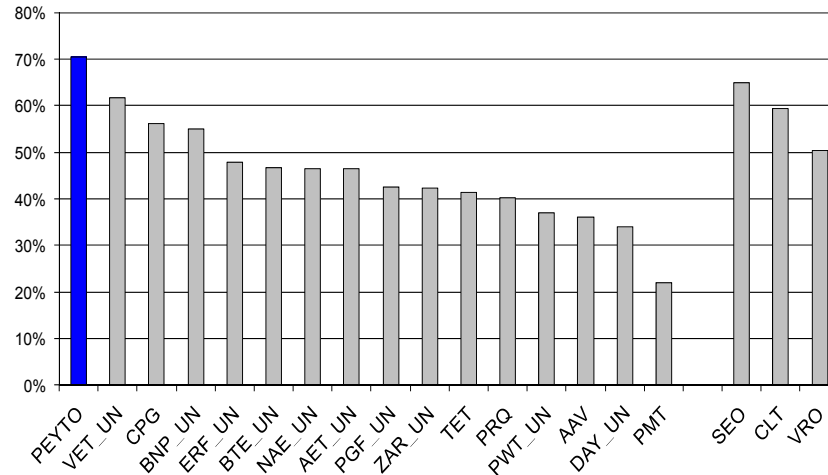
Q2 2010 Operating Costs



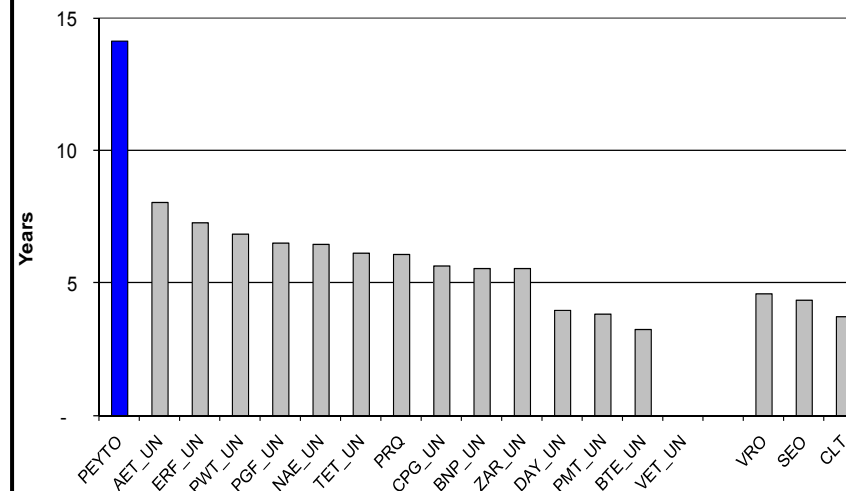
Q2 2010 Netbacks



Q2 2010 CF Margin



2009 Year End Proven Producing Reserve Life



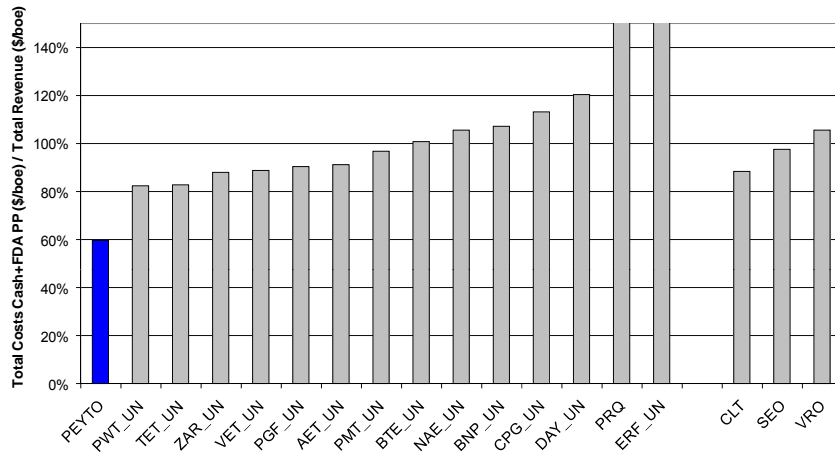
* For more industry comparison analysis see <http://www. Peyton.com/ia/Presentation/20100420PresentationAppendix.pdf>

Most Profitable Business

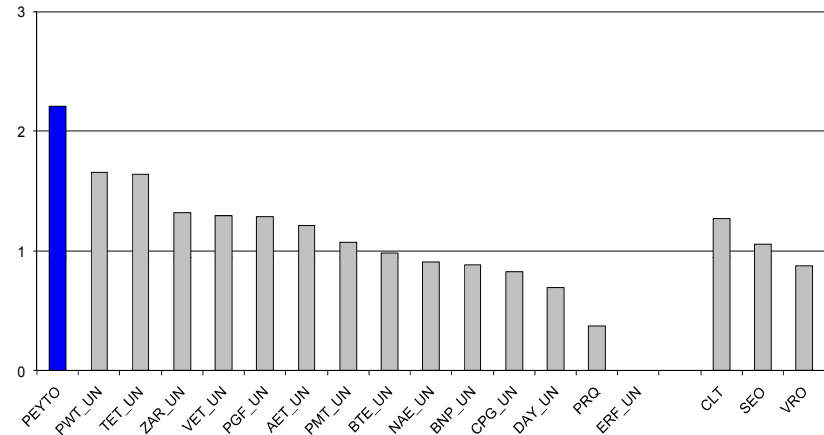
Total Costs, Recycle Ratio, DD&A Recycle, Leverage

- ✓ "Lowest Total Costs"
- ✓ "Highest Recycle Ratio"
- ✓ "Low Debt to NPV"

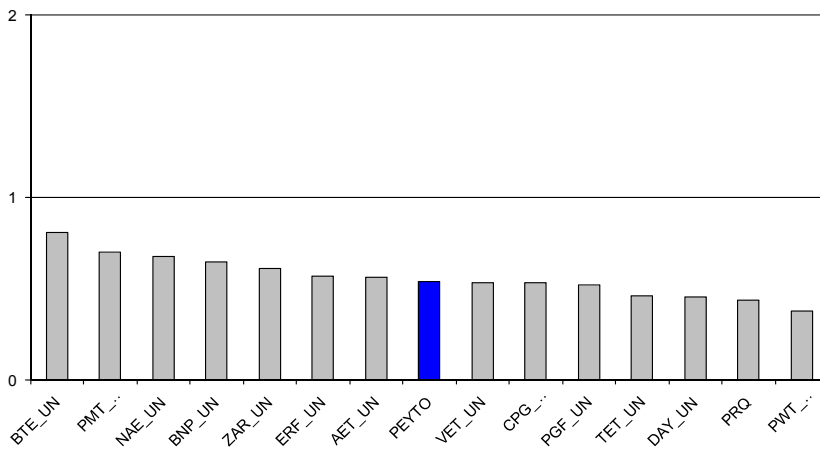
2009 Low Cost Producer



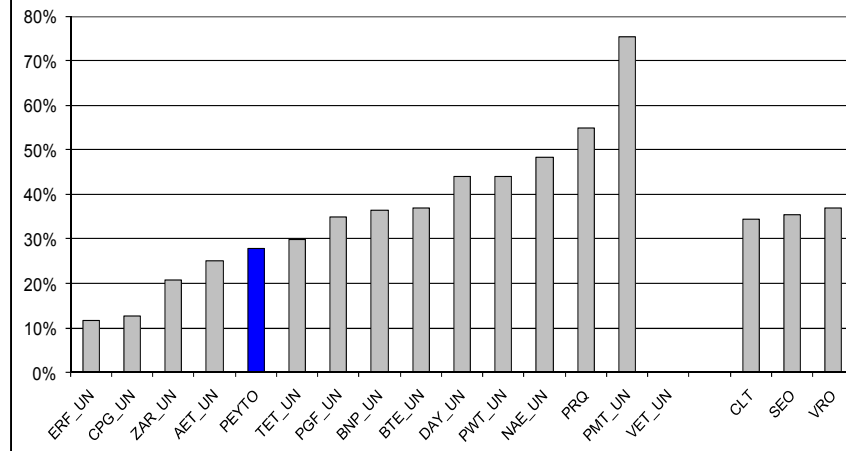
2009 Recycle Ratio, Proven Producing



2009 DD&A Recycle Ratio



2009 Debt to PP NPV10



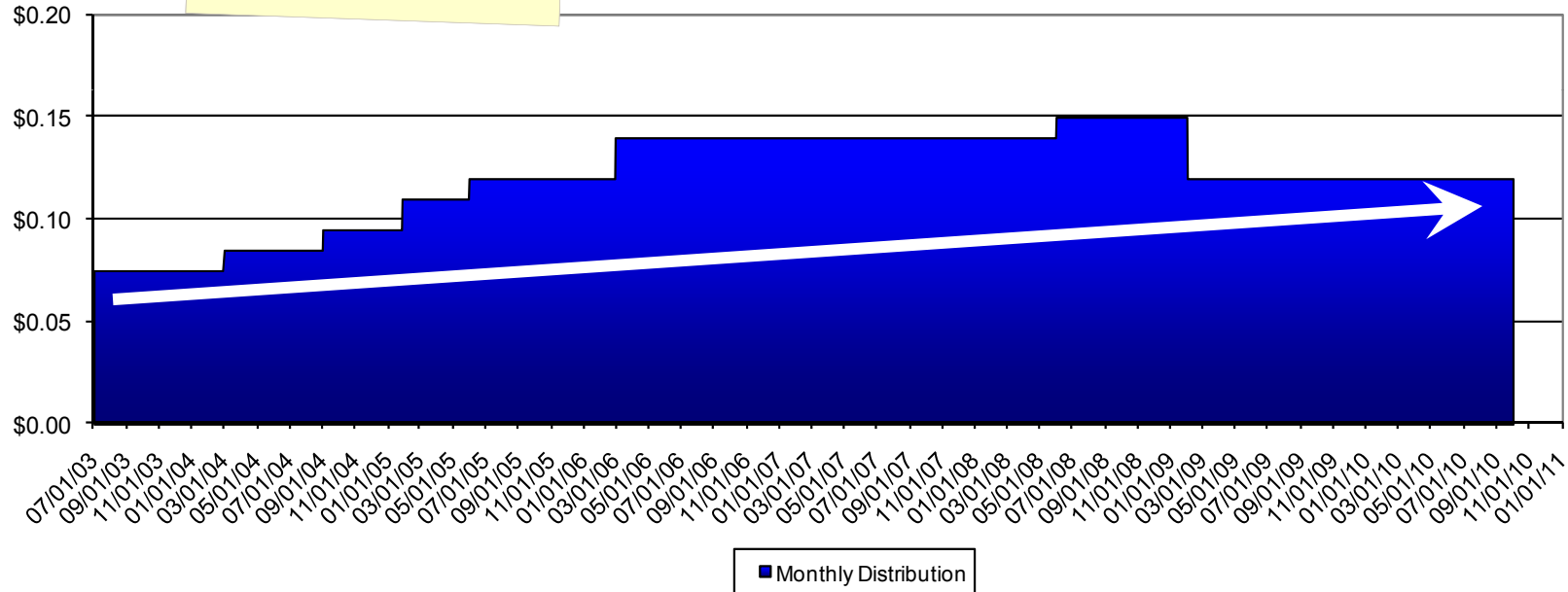
* For more industry comparison analysis see <http://www.peyto.com/ia/Presentation/20091125PresentationAppendix.pdf>

Distribution History



"Our model was designed to grow our reserves per unit, thus, allowing us to grow our distributions per unit over time."

Monthly Distribution



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

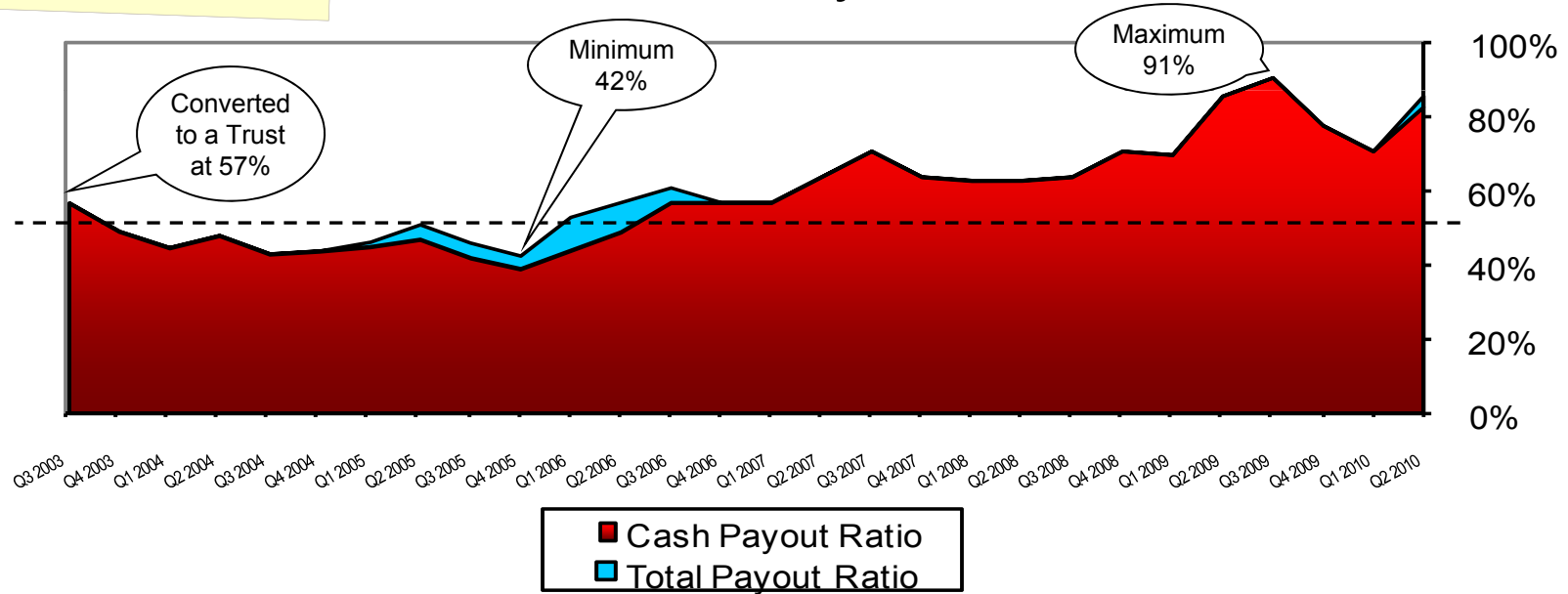
BOE factor - 6 mcf = 1 bbl of oil equivalent

Payout Ratio History



"Our plan was to payout roughly 50% of the funds from operations. Over the past six years our total payout ratio has averaged 59%."

Historical Payout Ratio



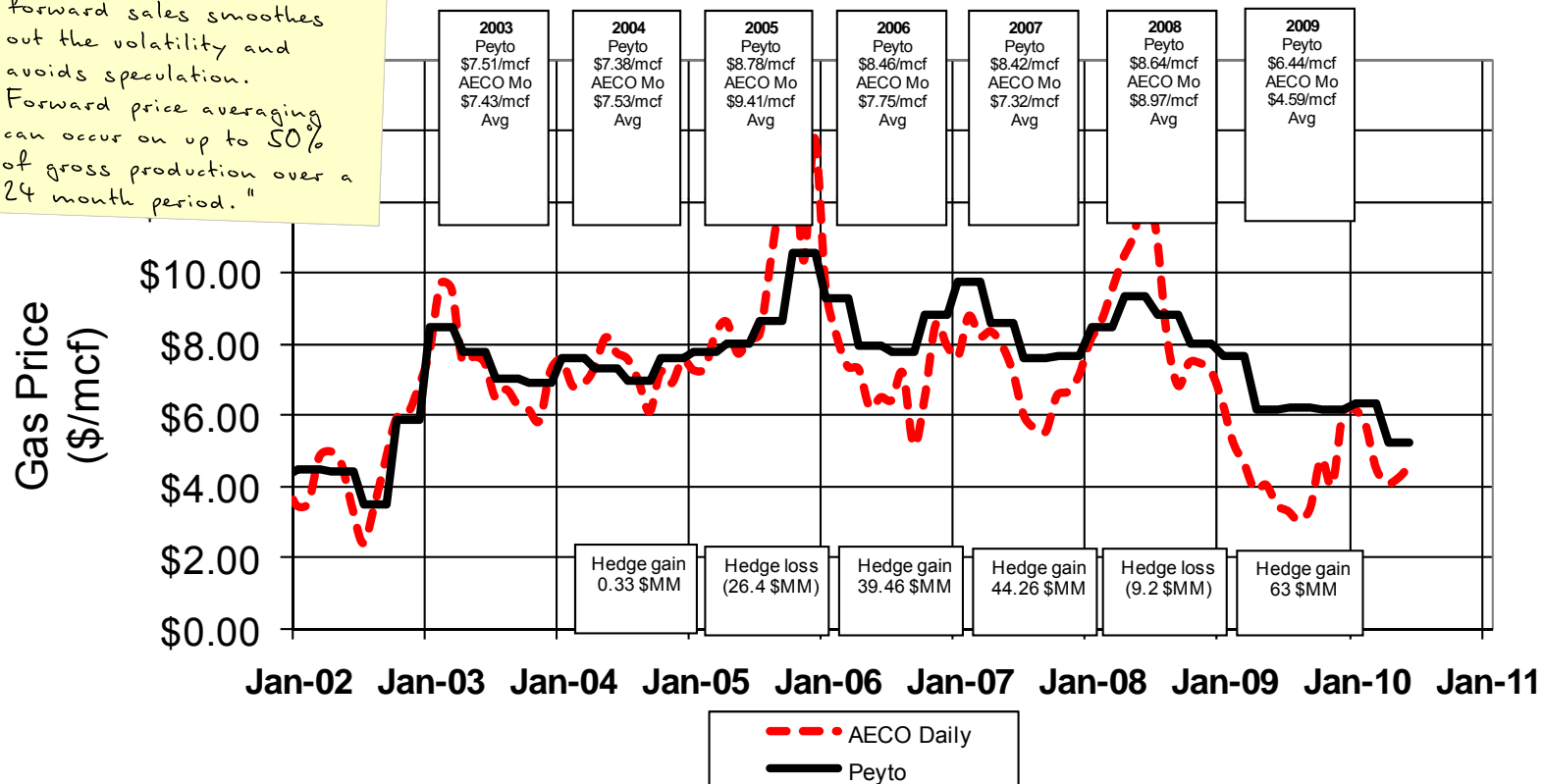
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
 Total Payout Ratio is prior to Distribution Re-investments

Successful Hedging Strategy

Peyto Realized Price History

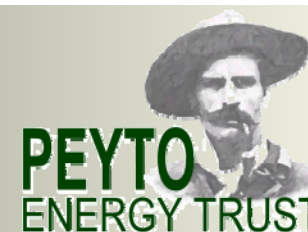


"The "dollar cost averaging" approach to our forward sales smoothes out the volatility and avoids speculation. Forward price averaging can occur on up to 50% of gross production over a 24 month period."



Peyto's Reserves

Volumes

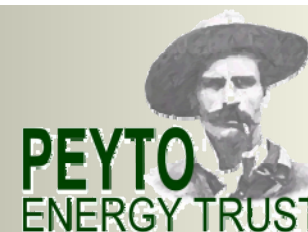


Category	Sales Gas (BCF)	Natural Gas Liquids & Oil (Mstb)	BOE's(Mstb)
Proven Producing	497	15,801	98,573
Proven Non-Producing	15	374	2,913
Proven Undeveloped	242	7,116	47,372
Total Proven	753	23,291	148,858
Probable Additional	260	7,693	51,033
Proved + Probable	1,013	30,984	199,891

Paddock Lindstrom & Associates February 2010 Reserve Report (effective: December 31, 2009)

Peyto's Reserves

Net Present Value



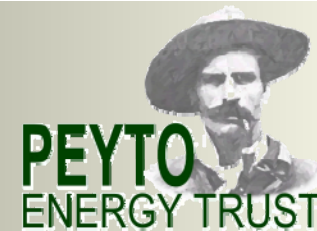
Variable Price Economics

Category	NPV (millions of CDN dollars)			
	0%	5%	8%	10%
Proven Producing	\$4,655	\$2,389	\$1,825	\$1,578
Proven Non-Producing	\$ 140	\$ 68	\$ 49	\$ 41
Proven Undeveloped	\$1,855	\$ 888	\$ 626	\$ 508
Total Proven	\$6,650	\$3,344	\$2,500	\$2,127
Probable Additional	\$2,388	\$ 951	\$ 632	\$ 502
Proven + Probable	\$9,038	\$4,295	\$3,132	\$2,629

Paddock Lindstrom & Associates February 2010 Reserve Report (effective: December 31, 2009)

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 unitholders, 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). 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.