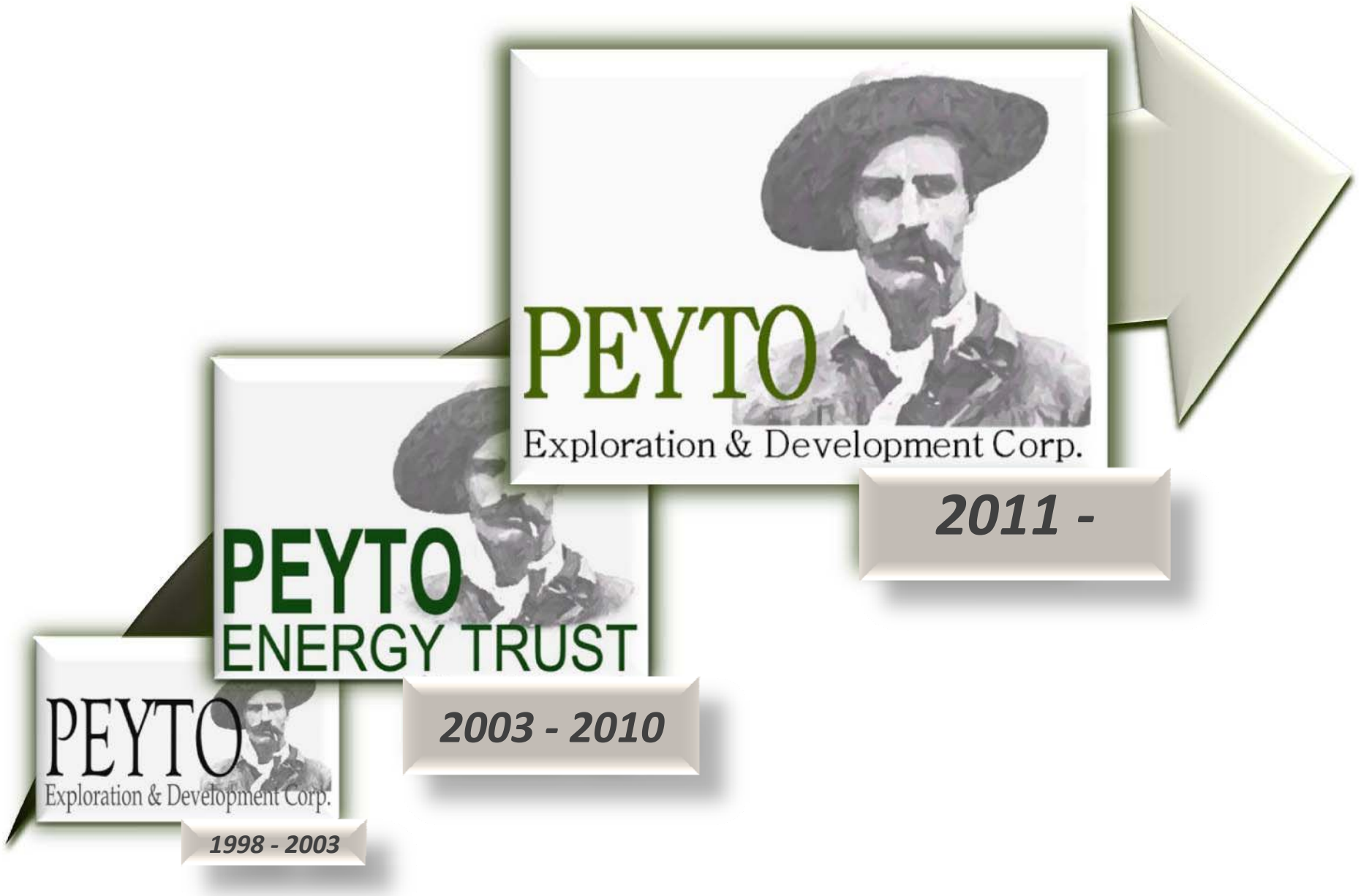

PEYTO
Exploration & Development Corp.
2011 -
PEYTO
ENERGY TRUST
2003 - 2010
PEYTO
Exploration & Development Corp.
1998 - 2003

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. Reserve and production volumes are quoted before royalty deductions.

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.

Prices
All dollar values are quoted in Canadian currency.

Peyto Profile

PEYTO Exploration & Development Corp.

✷ TSX Listing:	PEY
✷ Monthly Dividend:	$0.06/share
✷ Shares Outstanding:	133 million (6% insider ownership)
✷ Current Production:	228 MMCFe/d (38,000 boe/d)
✷ Reserves (12/31/10):	PP 0.7 TCFe (111 mmboes) – 11 yrs TP 1.1 TCFe (180 mmboes) – 17 yrs P+P 1.6 TCFe (260 mmboes) – 25 yrs
✷ Net Debt:	$474 million Q2 2011 ($625 million bank line)
✷ Enterprise Value:	$3.4 billion ($22/share)

BOE factor - 6 mcf = 1 bbl of oil equivalent
RLI or Reserve/Production uses Q4 2010 Ave Production
Reserve and production volumes are before royalty deductions

The Peyto Strategy

Geographically Focused Core Areas

"Peyto operates 99% of its production and processes 98% of that production through the five, 100% owned and operated, gas plants. Concentration and control are how you achieve low costs."

98%

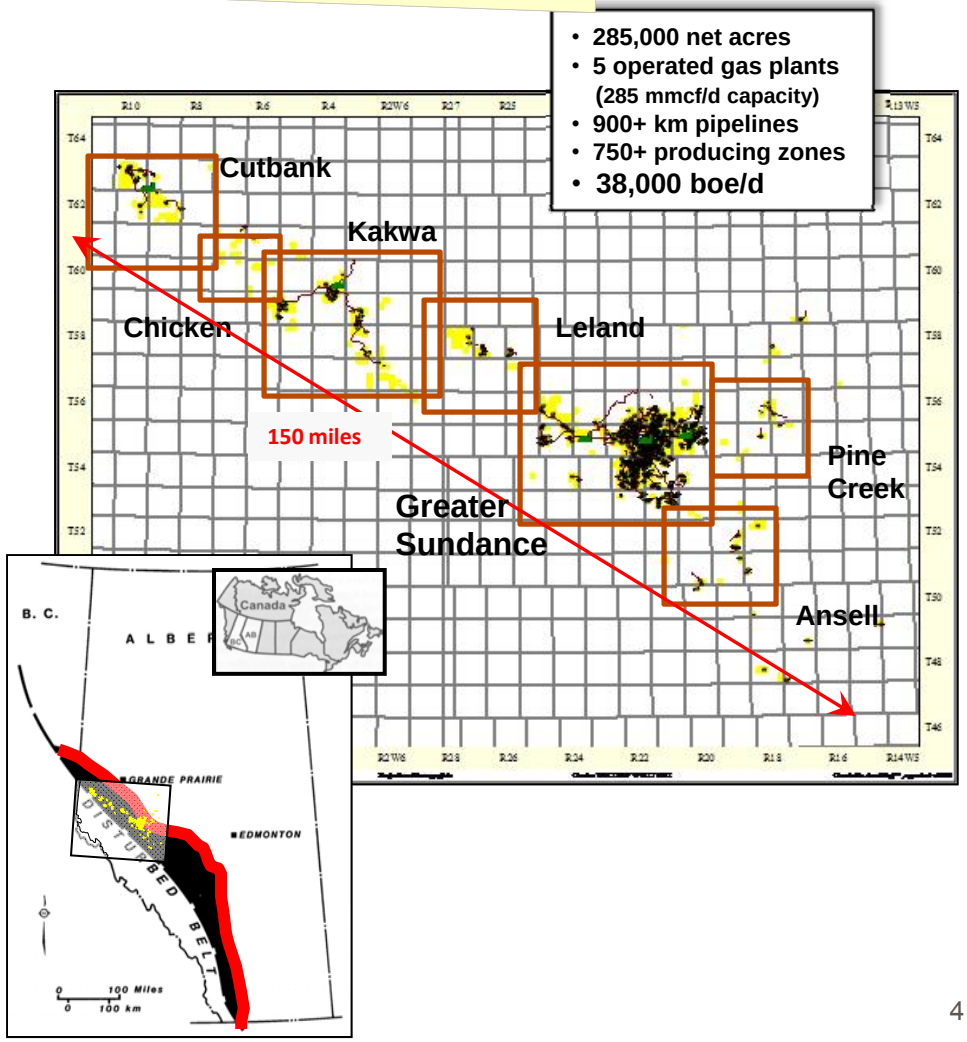
Processed by Peyto

99%

Operated by Peyto

100%

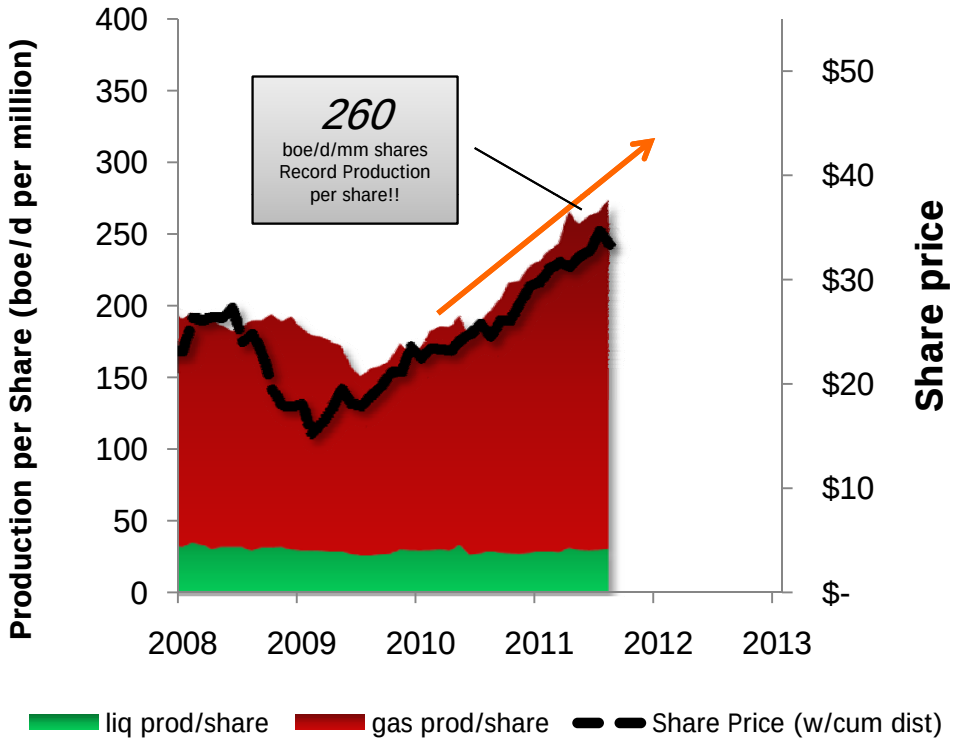
Interest in 5 Processing Facilities



The Peyto Strategy

Growth per Share

"Peyto delivered 42% production per share growth from Q2 2010 to Q2 2011, hitting a new company record of 260 boe/d per million shares. All of it through the drill bit."



40%

YoY production growth/share

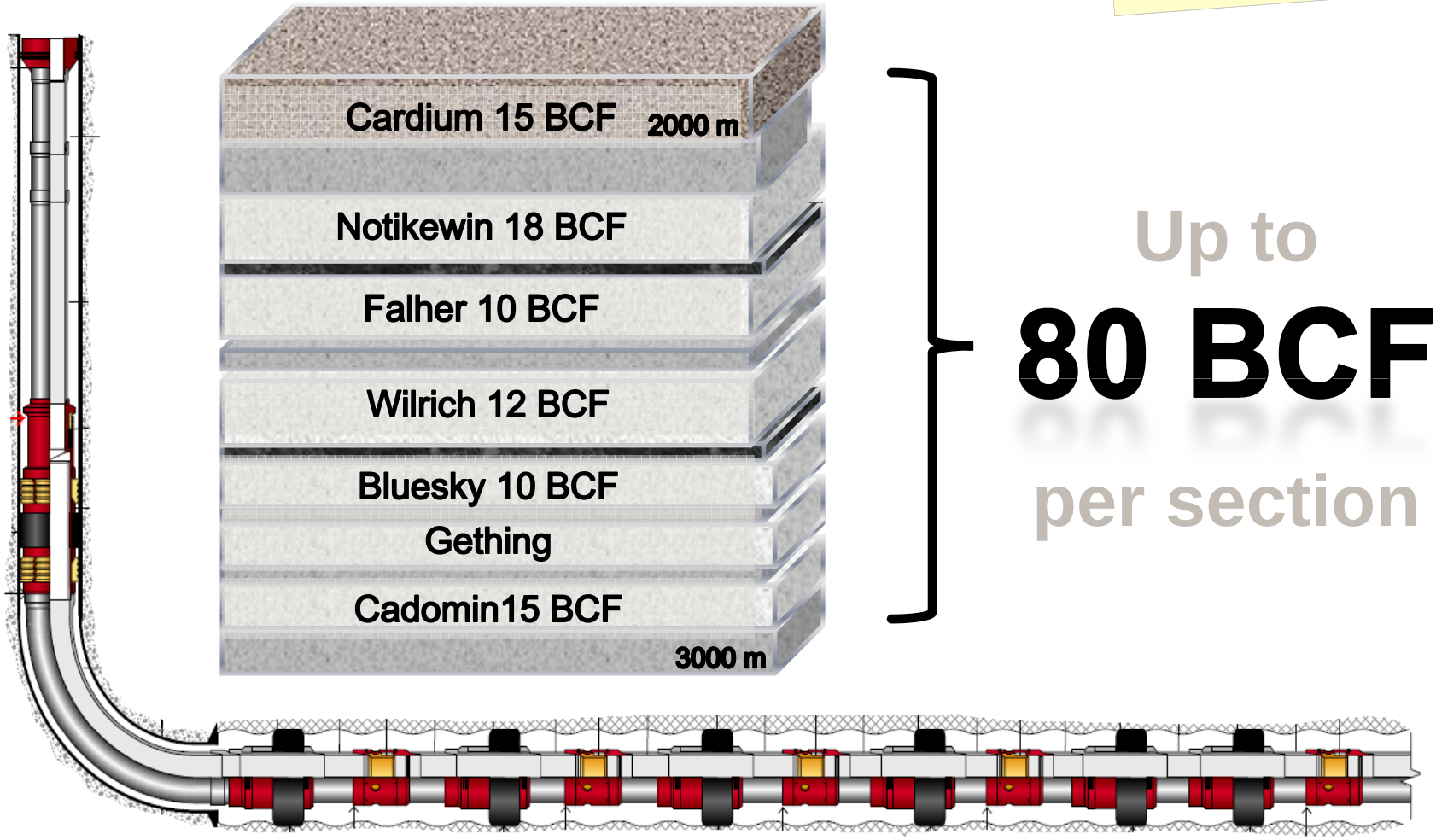
Historical Per Unit (share) and Units (shares) Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

The Peyto Strategy

Applying Hz Technology to Tight Deep Basin Sands

"At 15 bcf per section, the 98 new sections bought in 2010 (at less than $200/ac) have up to 1.5 TCF of resource potential in just one of the prospective horizons."

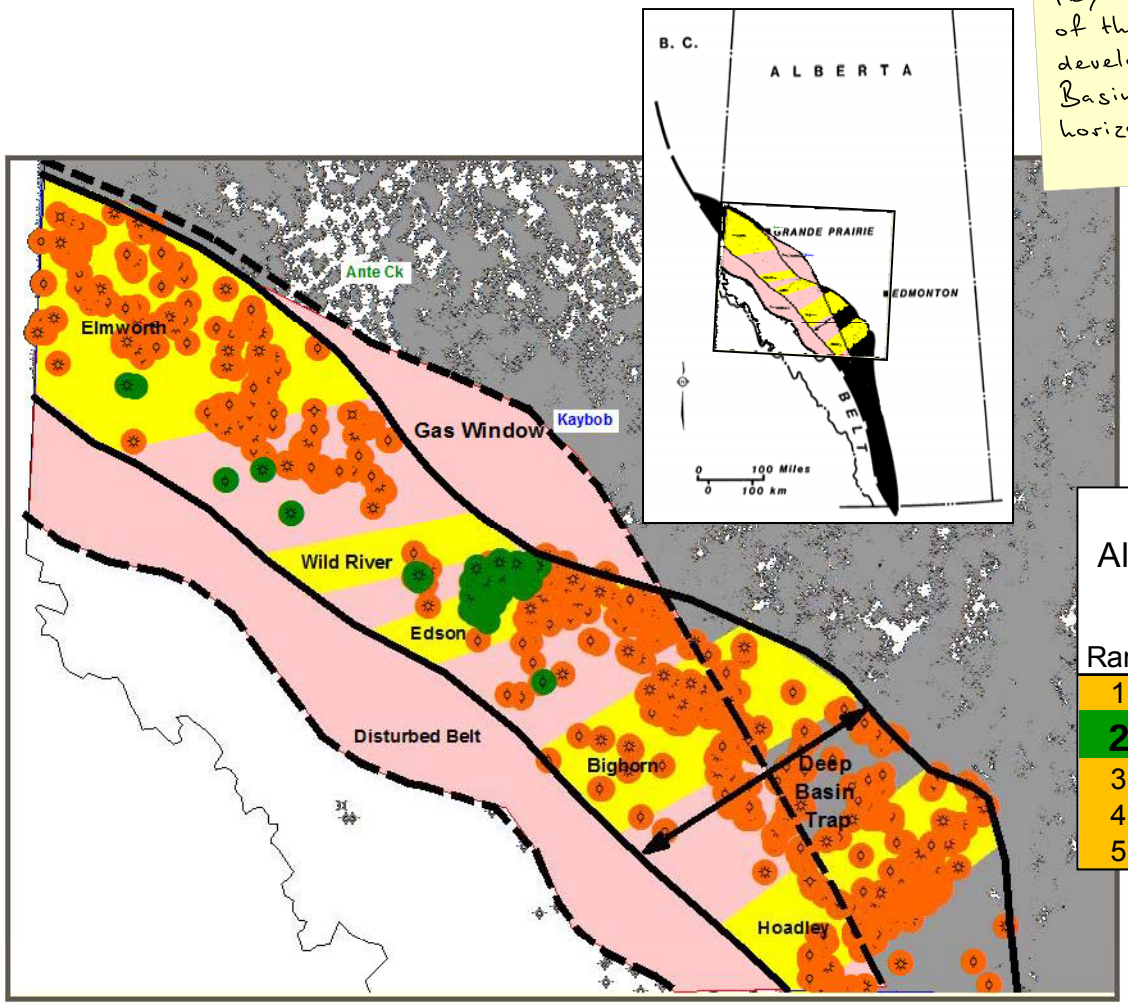


The Peyto Strategy

Proficient Execution of Ideas

PEYTO
n & Development Corp.

"Perhaps it will not come as a surprise that Peyto is once again one of the most active developers in the Deep Basin, this time with horizontal wells."



Alberta's Central Deep Basin Activity
Horizontal gas wells last 24 mo.

Rank	Company	Gas Wells Spud (Since Aug 2009)
1	Bonavista	88
2	**Peyto**	**79**
3	Conoco	78
4	Paramount	47
5	Penn West	39

**Horizontal MSF gas wells spud between August 2009 – August 2011*
** Deep Basin Trap defined by John Masters' Case Study 1984*

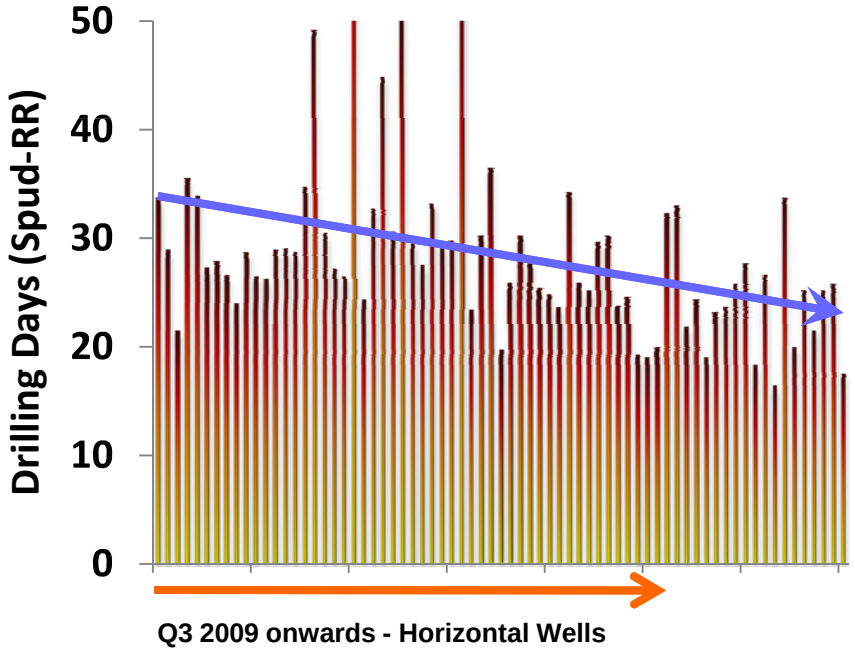
The Peyto Strategy

Drilling Efficiency Gains

"Improvements in drilling time have resulted from mud, drill bit and directional drilling optimization."

10

Drilling days less (30% savings)



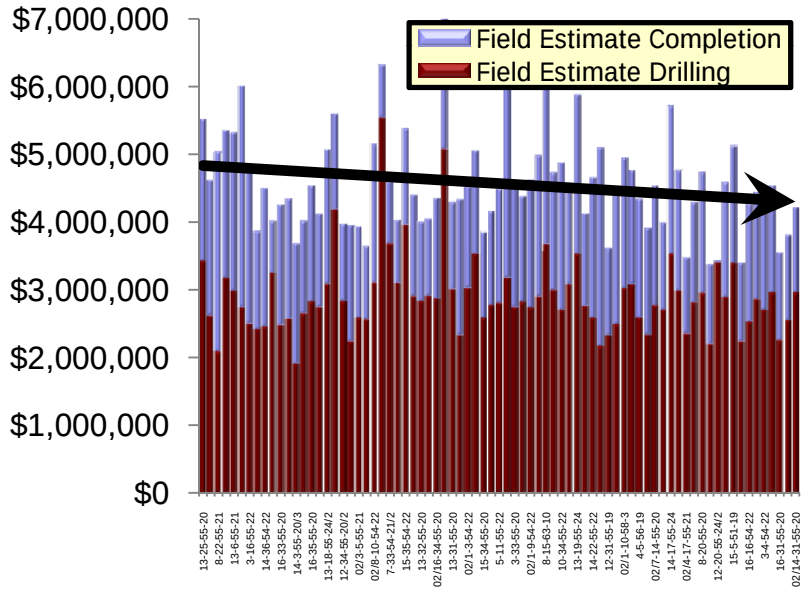
The Peyto Strategy

Drilling Cost Improvements

"Per well costs continue to improve despite wells that are now 10% longer on average. Efficiency gains have lowered D&C costs by $500k/well."

$500k

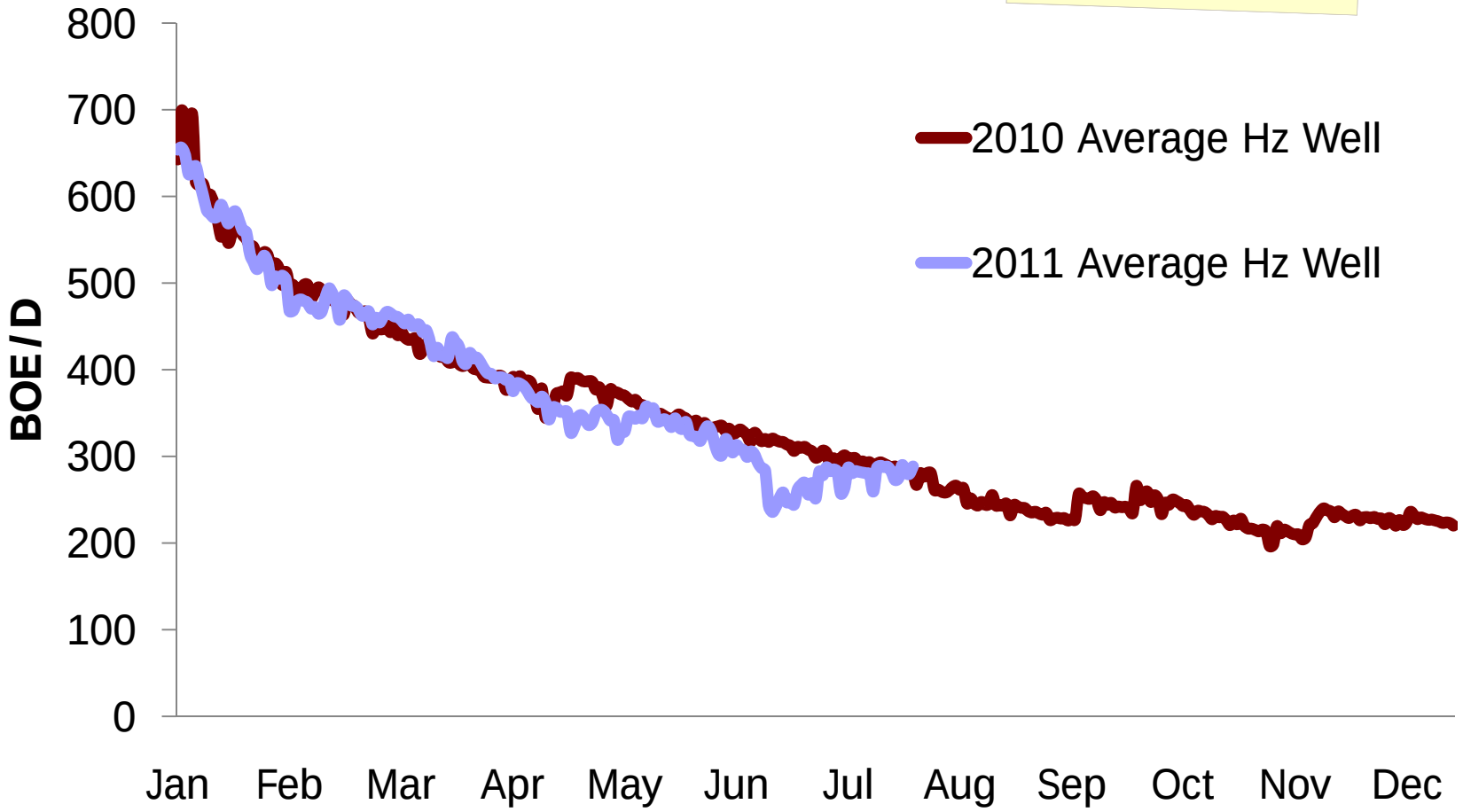
Reduction in per well cost



The Peyto Strategy

Consistent Results

"The average horizontal well drilled this year is performing the same as last year which means returns are likely as good or better."



BOE factor - 6 mcf = 1 bbl of oil equivalent

9/12/2011

The Peyto Strategy

Large Hz MSF Inventory

"We have already proven greater profits are available with horizontal wells in 4 out of 5 zones and this has caused our inventory of drillable locations to increase dramatically! But even after another 500 wells our lands are less than 25% developed."

Horizontal Locations

126 locations

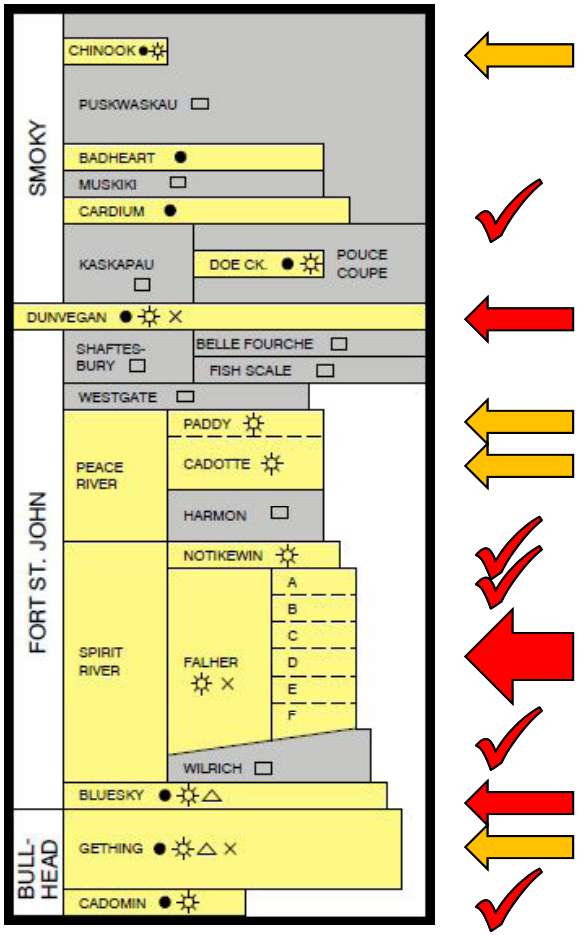
19 locations

87 locations

116 locations

154 locations

6 locations



>500 locations!

500

Identified Locations

**Over 300 of these locations are recognized in the IPC (formerly PLA) independent reserve report dated Dec. 31, 2010*

2011 Outlook

More Of 2010

"Our 2011 budget calls for more of the same. Horizontal drilling in the Deep Basin with infrastructure expansion to handle the new volumes."

$350M-$375M

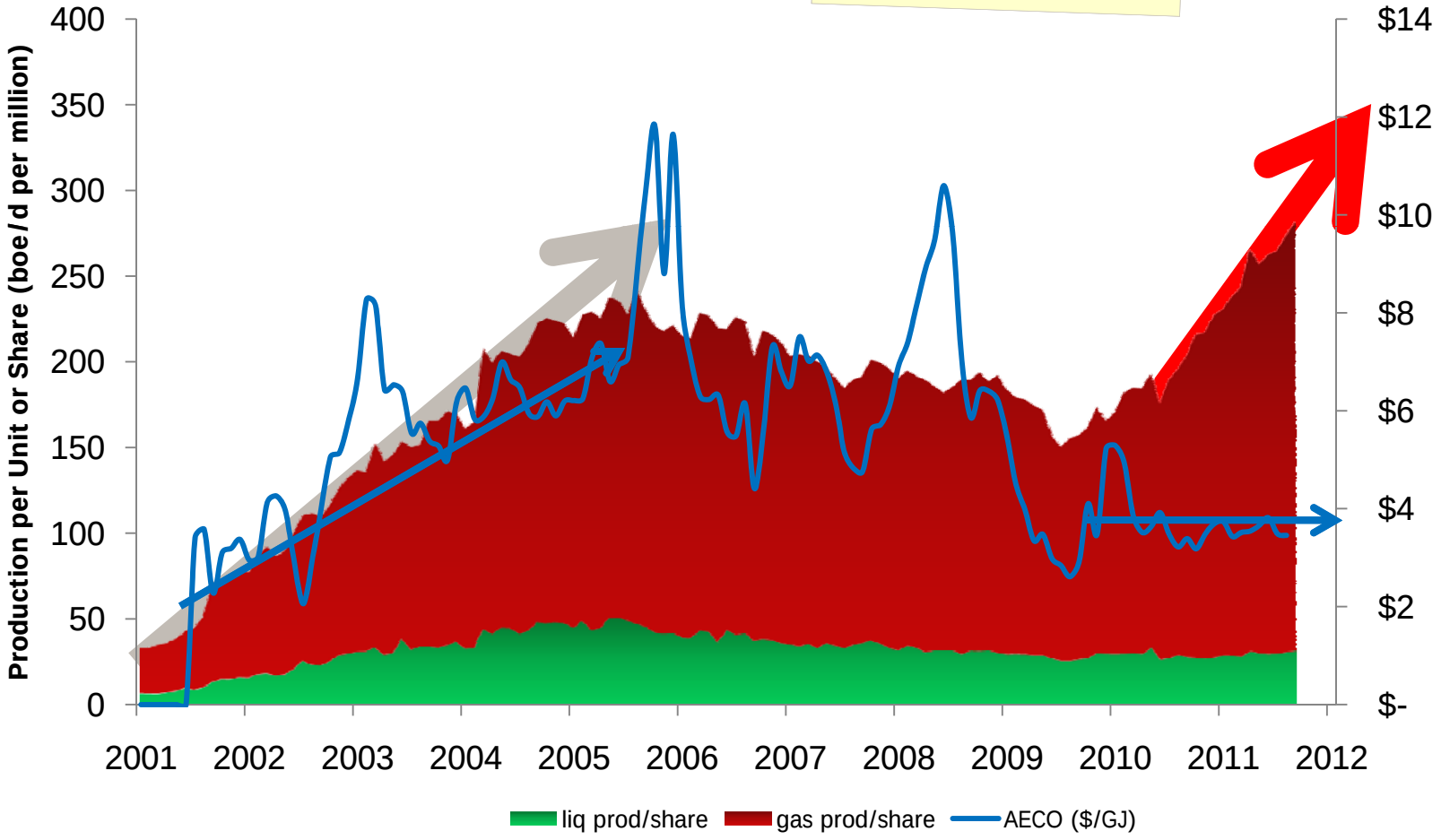
2011 Capital Program

- ✓ **Drill**
  (90% Hz Wells)
- ✓ **Expand**
  Gas Gathering & Processing Capacity
- ✓ **Increase**
  Undeveloped Land Base
- ✓ **Shoot**
  Seismic
- ✓ **Acquire**
  Additional Opportunities and Partner Interests

2012 Outlook

Bigger, Stronger, Faster Than Before

"When we announced last year a conversion back to a dividend paying growth corp., it was to deliver more return through growth per share. That's happening, faster than ever before."



BOE factor - 6 mcf = 1 bbl of oil equivalent

9/12/2011

Appendix

- The Peyto Strategy
- Peyto's Profitable Business
- Peyto's Unique Assets
- Peyto's Incredible Returns
- Tight Gas Resource Plays
- Quarterly Track Record
- Tax Pools
- Distribution History
- Payout Ratio
- Gas Marketing
- Hedging Strategy
- Reserves data – volumes, values, RLI

The Peyto Strategy

Deploy Superior Business Acumen

- Deep basin technical expertise
- Continuous focus on returns
- Internally generated drilling ideas (over 1,000 locations to date)

Develop Superior Assets

- Operated and geographically concentrated (98% operated and processed)
- Longest reserve life (11 yrs PP), lowest cash costs* ($1.63/mcfe – 2010 actual)
- Sweet, liquids rich gas stream (40% more revenue than dry gas)
- Low risk, profitable production growth (42%/share – Q211/Q210)

Deliver Superior Returns

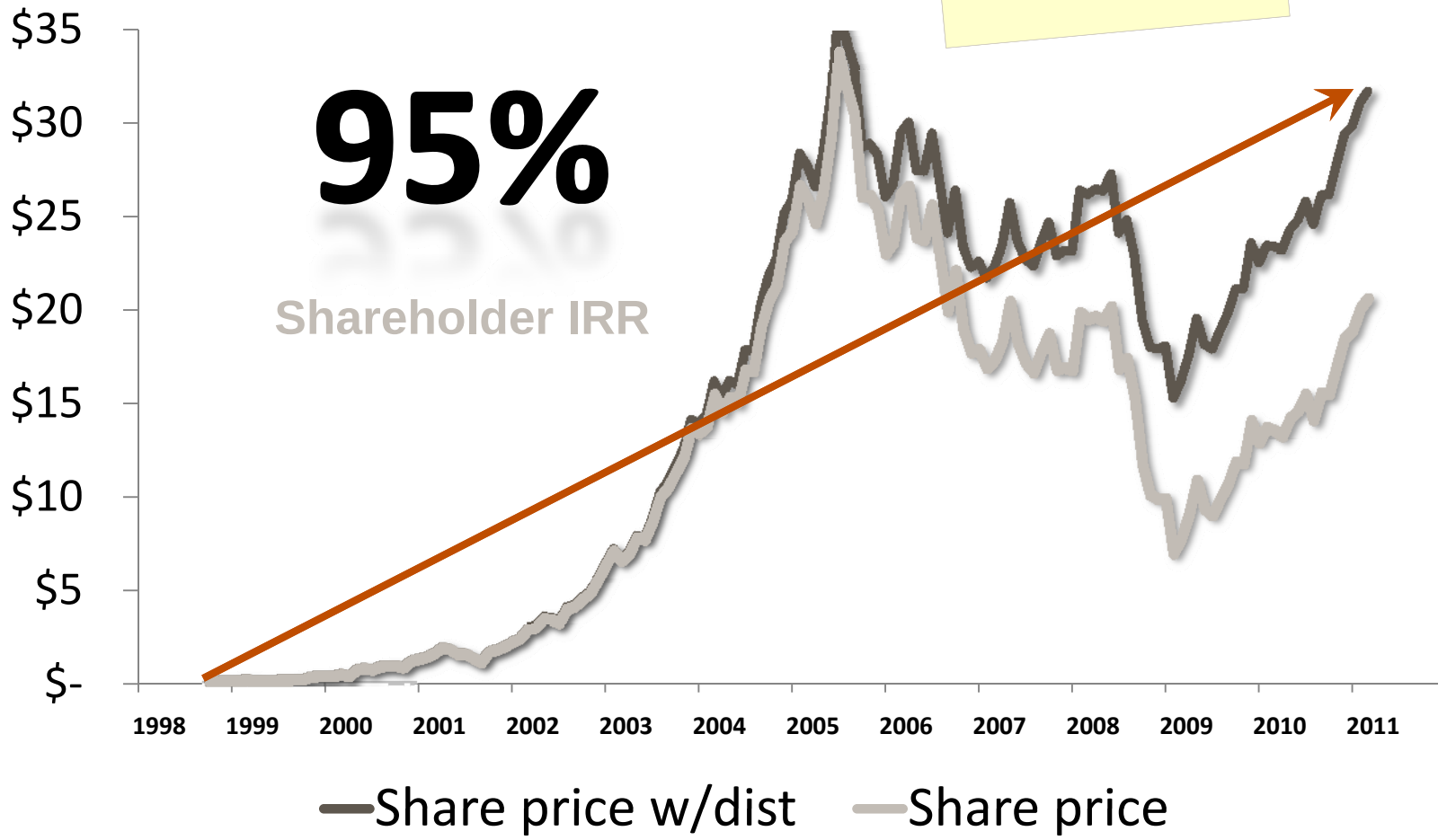
- Return on capital (average 20%)
- Return on equity (average 40%)
- Shareholder rate of return (compound average 95%)

**Cash costs are royalties, operating costs, transportation, G&A and interest*

The Peyto's Strategy

Superior Shareholder Return

"In simple terms $1000 invested into Peyto back in 1998, would be worth over $400,000 today. That's an IRR of 95%!"

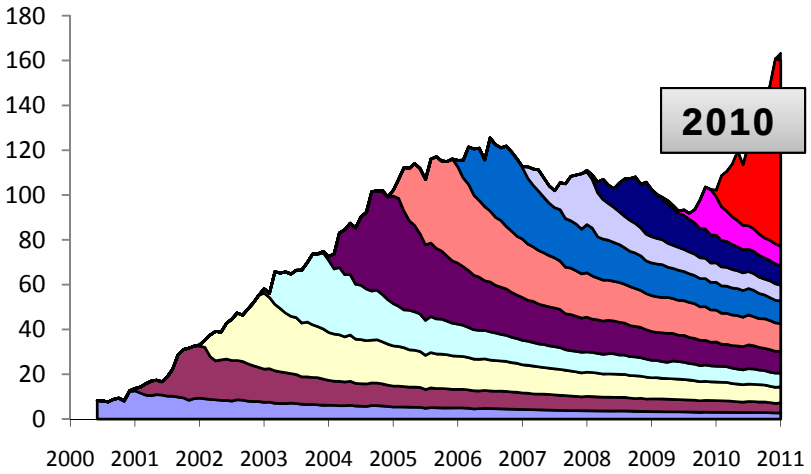


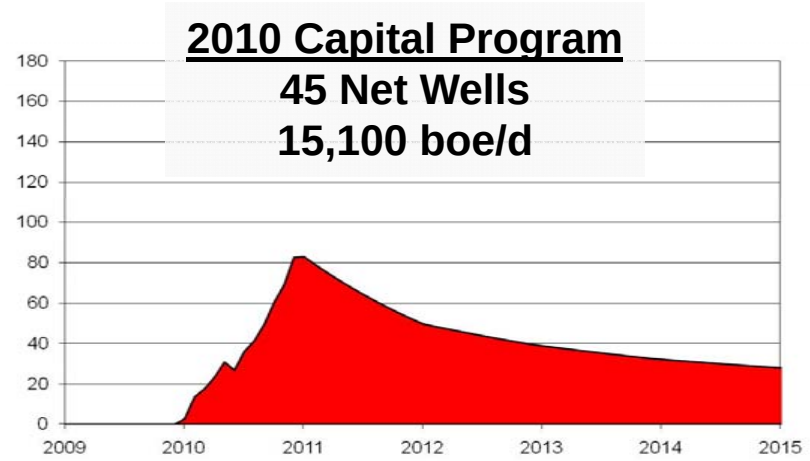
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
Oct 23,1998 price of $0.075/share, Feb 28, 2011 price of $20.05/share

The Peyto Strategy

Real Returns

"The entire 2010 capital program (incl. wells, land, seismic & facilities) generated 33% IRR and turned $200 MM into > $400MM based on the engineering evaluation."





$200M → $400M

Net Capital to PV_{10}

40%

Production/share growth

13%

2P Reserves/share growth

33%

IRR

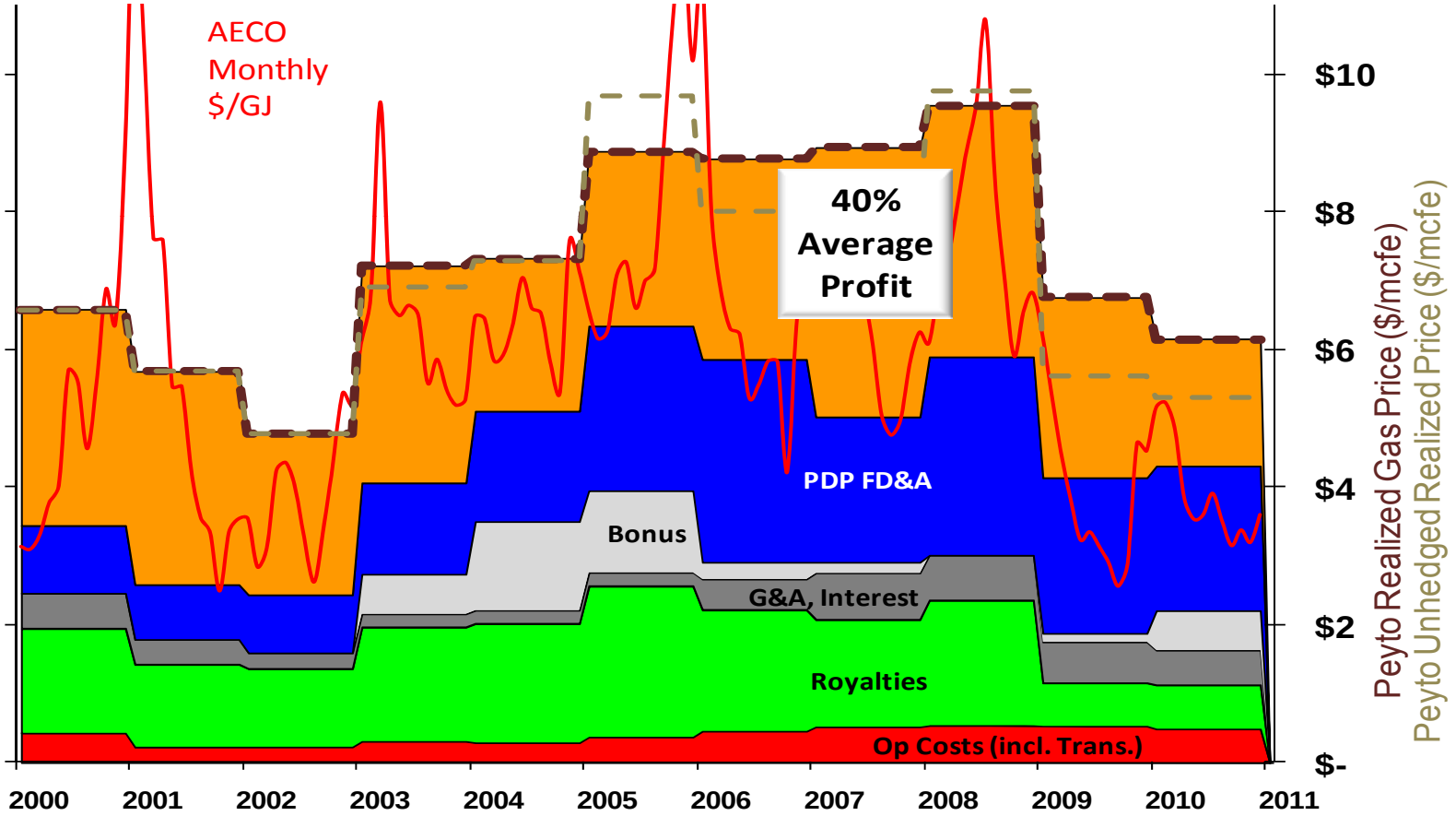
Note: liquids are converted to molar equivalent gas volume for this analysis (1 bbl approximately equal to 1.13 mcfe)
Based on IPC is InSite Petroleum Consultants (formerly Paddock Lindstrom & Ass.) - Dec 31, 2010 Reserve Report.

Peyto's Profitable Business

Peyto's Business

"Build it for less than you sell it"

"Peyto is quite simply a profitable business, consistently building it for less than we sell it, throughout the commodity price cycle."

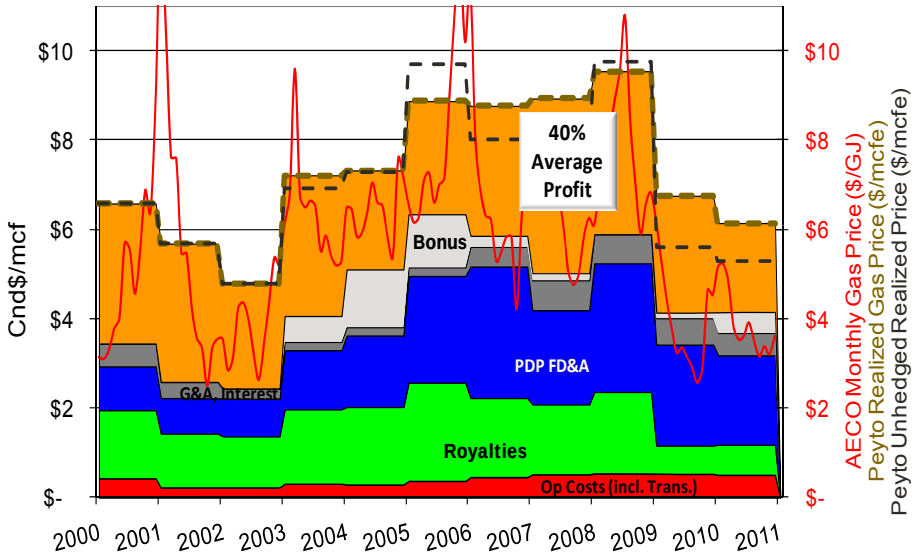


Peyto's Business

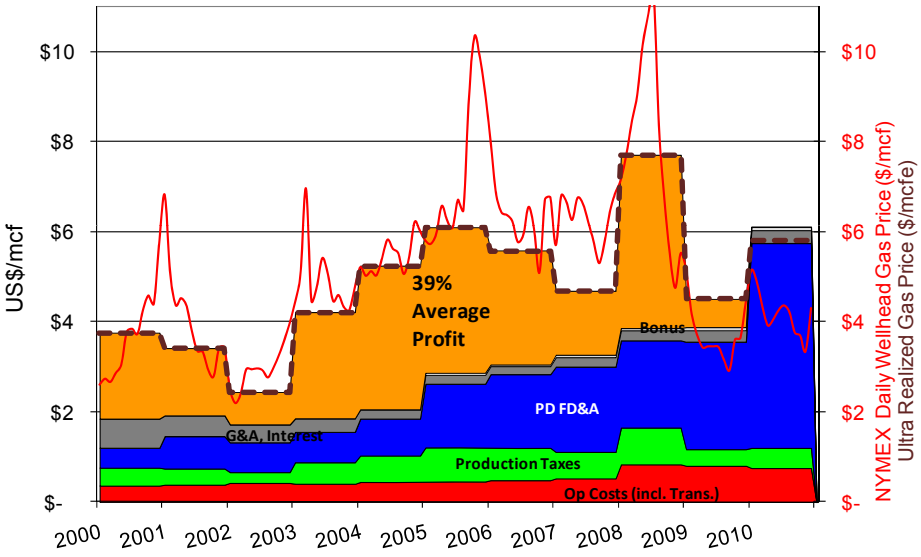
Who's Profitable

"Ultra Petroleum in the Pinedale field of Wyoming is the only other E&P to exhibit similar long term profitability to Peyto, but that may even be slipping."

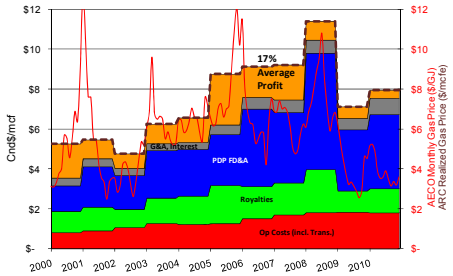
Peyto Ave Profit 2002-2010 = $2.80/mcfe



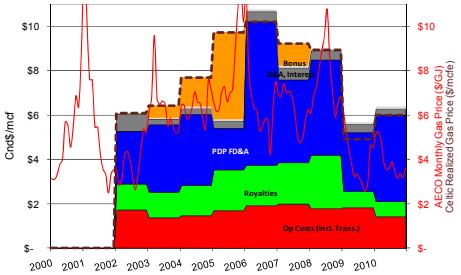
Ultra Pet. Ave Profit 2002-2010 = $1.96/mcfe



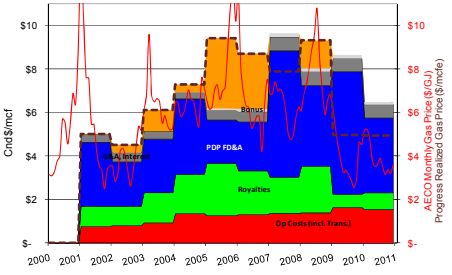
ARC Ave Profit 2002-2010 = $1.19/mcfe



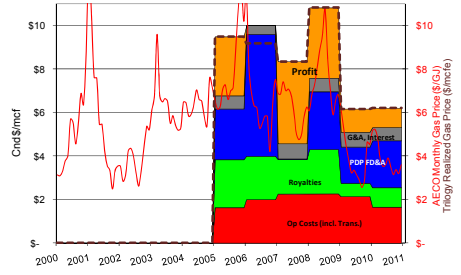
Celtic Ave Profit 2002-2010 = $0.57/mcfe



Progress Ave Profit 2002-2010 = $0.18/mcfe



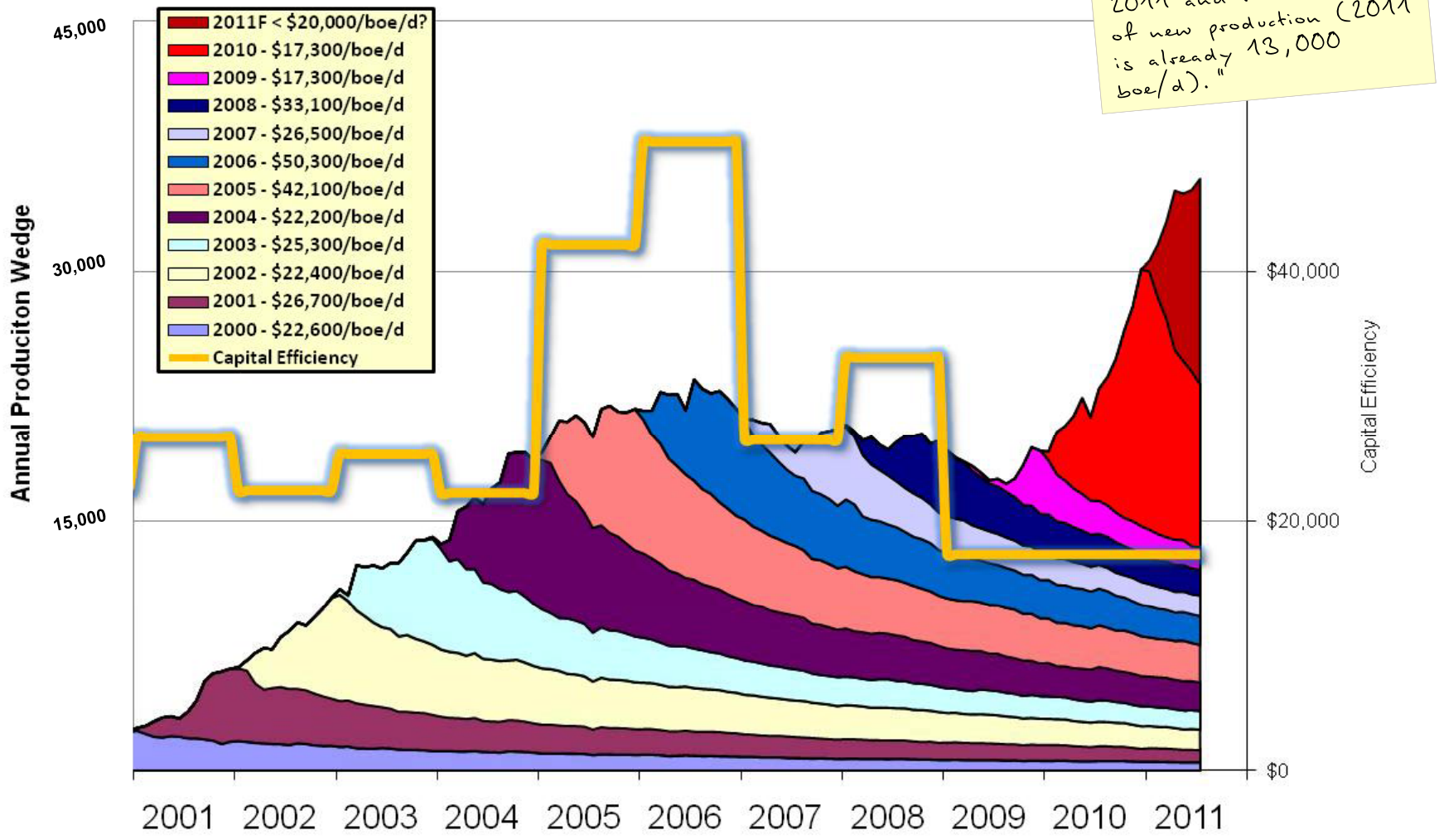
Trilogy Ave Profit 2005-2010 = $1.80/mcfe



Peyto's Business

Focus on Returns Drives Capital Discipline

"Improvements in capital efficiency have resulted in larger capital programs for 2010 & 2011 and record wedges of new production (2011 is already 13,000 boe/d)."

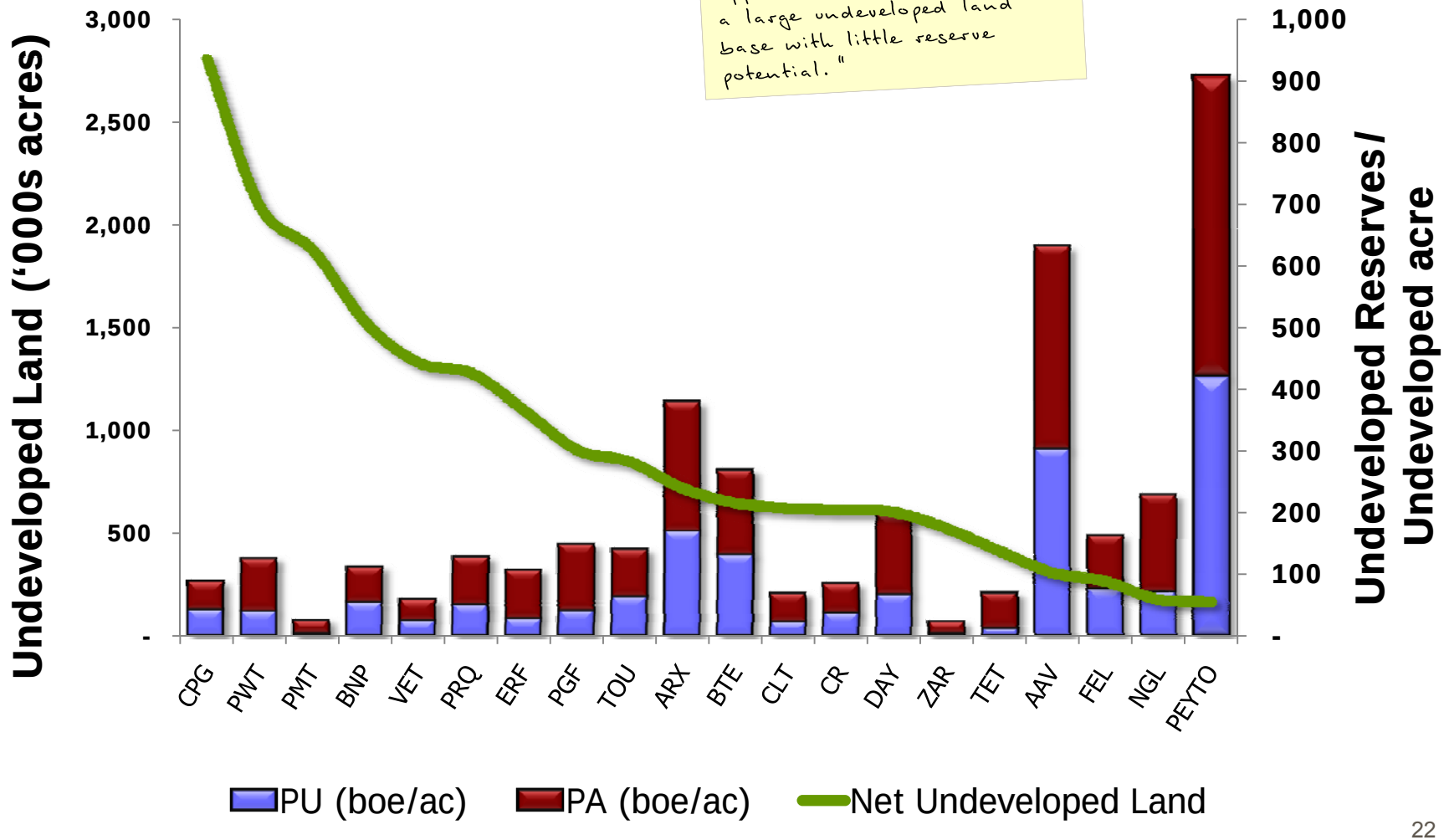


** Capital Efficiency is the cost to add new production measured at Dec 31 each year. Example: In 2010 , Peyto invested $261MM to build 15,100 boe/d for a capital efficiency of $17,300/boe/d.*

Peyto's Business

Unique Land Strategy

"Peyto's land strategy has always been to identify the drilling locations first (Aim), then buy the land (Ready), and then drill (Shoot). Others take the opposite approach and carry a large undeveloped land base with little reserve potential."



Source: 2010 AIF filings of undeveloped land and reserves at Dec 31, 2010

Peyto's Business

Deep Basin Lands Go A Long Way

"A large inventory of undeveloped land can be meaningless. A small amount of the "right land" however, can be developed into something very material."

417

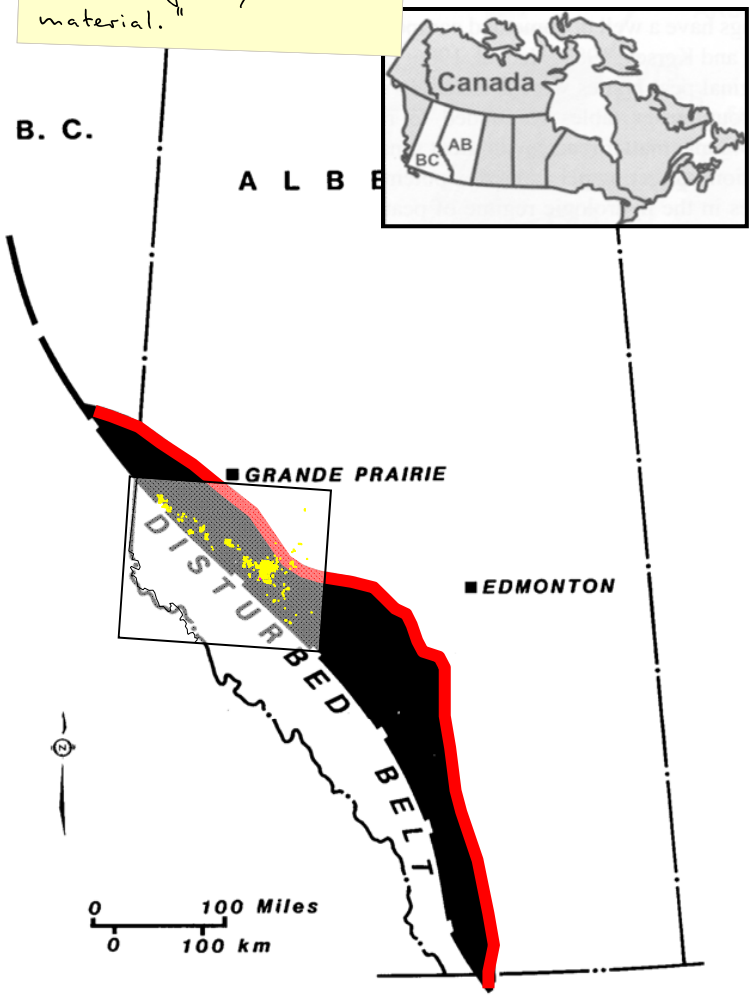
Net Peyto Sections

794

Net Sections of Cardium, Notikewin, Falher and Wilrich

177

Net Sections for 2 TCFe of 2P EUR



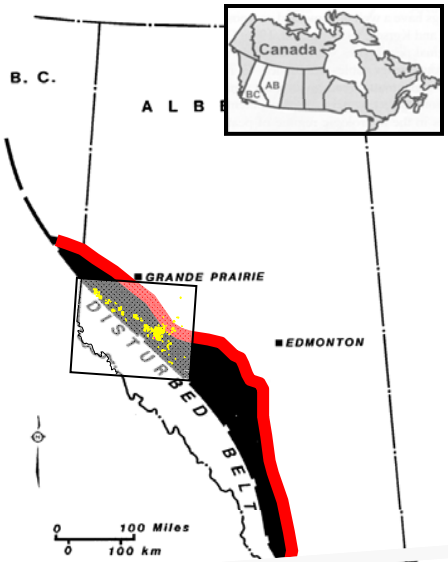
TCFe – Trillion Cubic Feet equivalent
Lands at December 31, 2010
Based on InSite Petroleum Consultants (formerly Paddock Lindstrom & Ass.) Dec 31, 2010 Reserve Report.

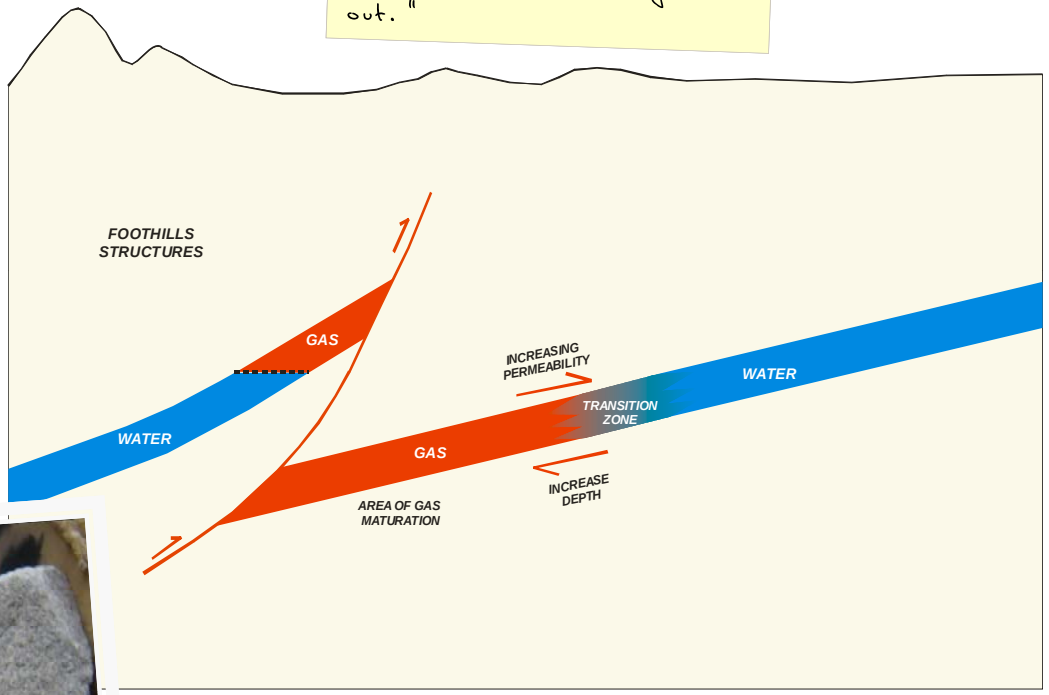
Peyto's Unique Assets

Peyto's Assets

Deep Basin Permeability Segregation

"The Deep Basin is a permeability trap, because the fluids in the updip position can't travel through these fine grained reservoirs so there is no risk of wells watering out."





Peyto's Assets

Longest Reserve Life

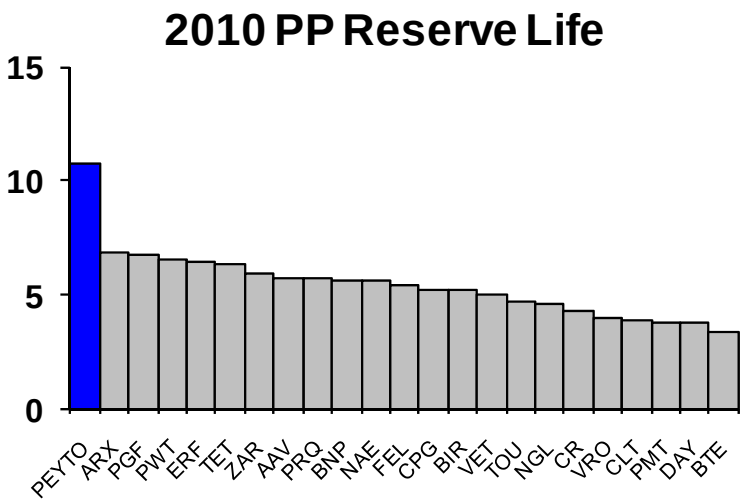
"Peyto is a pure play unconventional tight gas company. Others may claim to have long reserve life assets but only because they are measuring current production against undeveloped reserves, not the reserves associated with the current production"

11

Peyto PP RLI (yrs)

5

Industry PP RLI (yrs)



2010 Year End Proved Producing Reserve Life (using Q4 2010 production rate).
Source: Company AIF & Financials

Peyto's Assets

Lowest Operating Costs

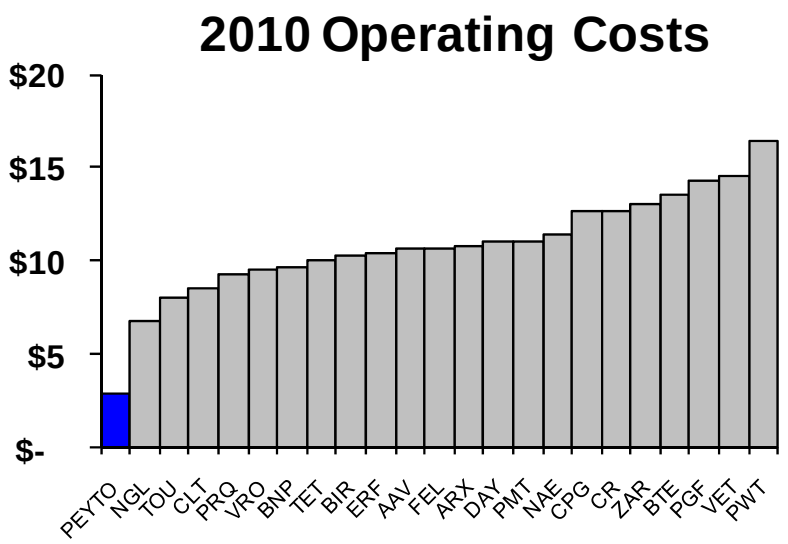
"Peyto's operating costs are not just low, they are unique in the Canadian energy sector."

$3

Peyto Op Costs ($/boe)

$11

Industry Op Costs ($/boe)

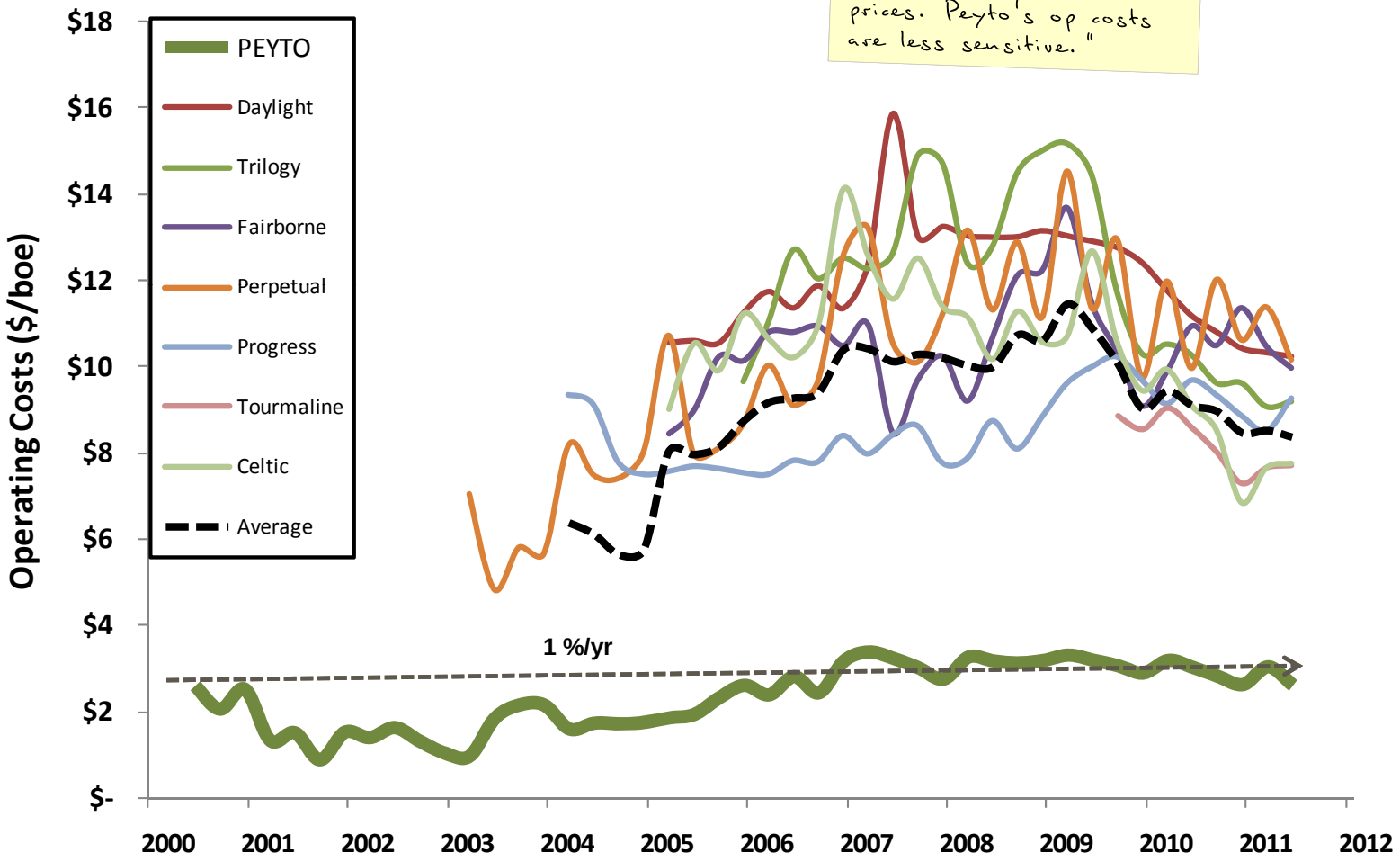


Operating Costs include Transportation costs. ($/boe)
BOE factor - 6 mcf = 1 bbl of oil equivalent

Peyto's Assets

Lowest Operating Costs – Gas Producers

"Rising oil price drives inflation, even in the energy business. It's not surprising most of the gas industry has seen op cost go up with oil prices. Peyto's op costs are less sensitive."

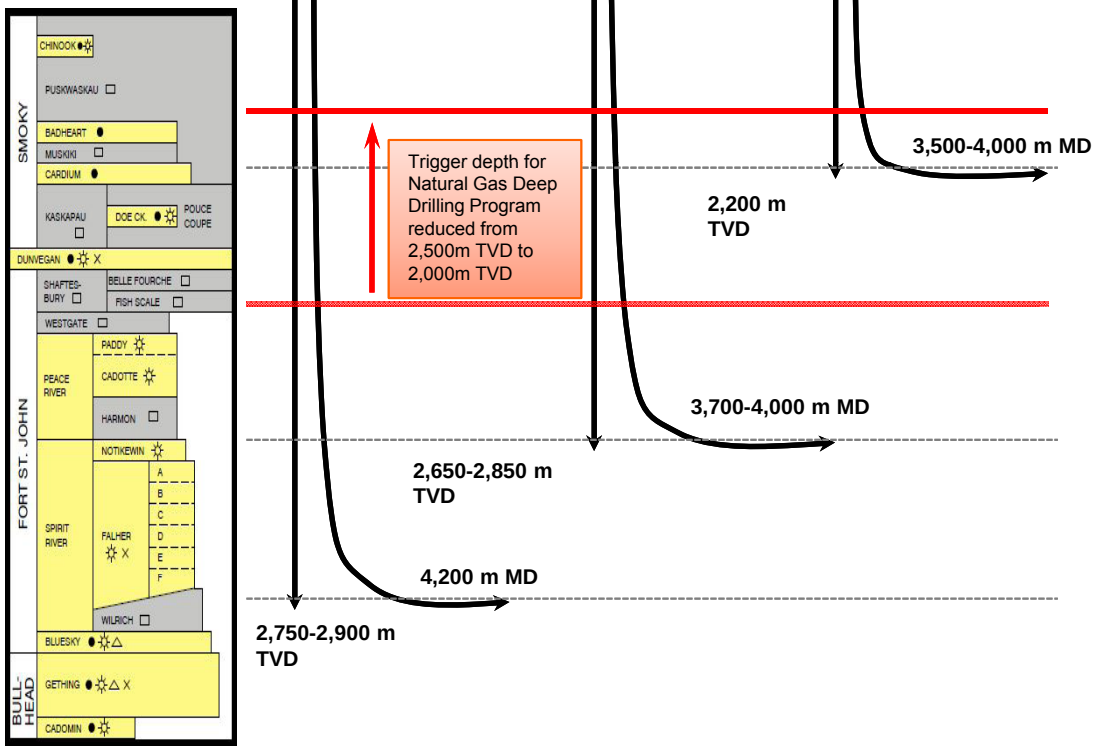


BOE factor - 6 mcf = 1 bbl of oil equivalent
Note operating costs include transportation

Peyto's Assets

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%."



5%

Effective Royalty

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

Peyto's Assets

Lowest FD&A Cost

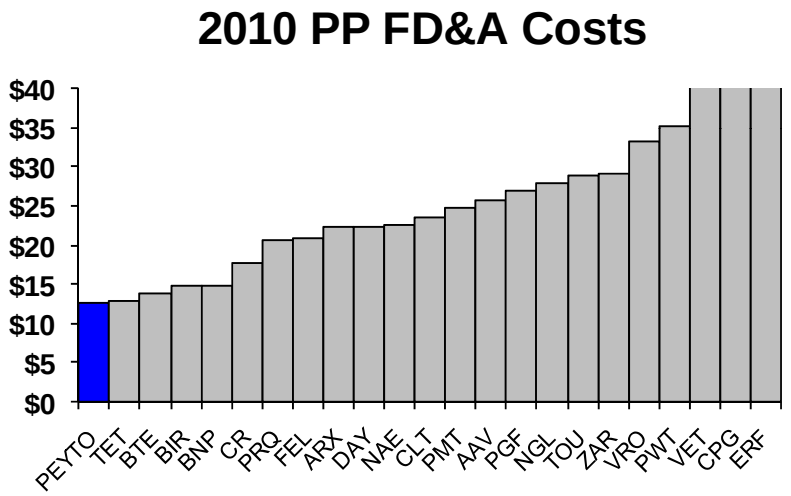
"Proved Producing is the most critical category to evaluate since sooner or later all reserves have to come on production to cover their cost."

$13

Peyto PP FD&A ($/boe)

$30

Industry PP FD&A ($/boe)



Proved Producing FD&A Cost – Inclusive of Acquisition, Finding and Development Capital

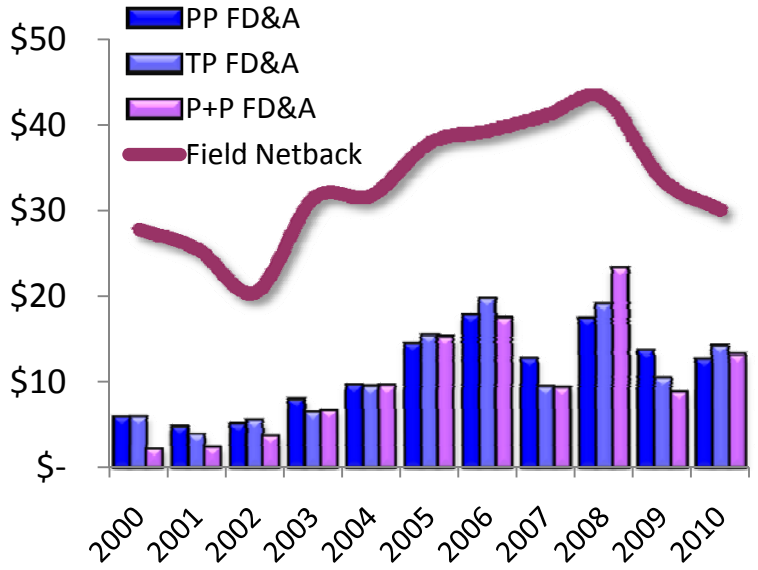
Peyto's Assets

Low FD&A Costs, High Recycle Ratio

"On average Peyto has built producing reserves for 1/3 of what we sell them for. That is where the real profit lies."

3.2

Peyto PP Recycle Ratio (10 yr)



Recycle Ratio is the Netback divided by FD&A
**FD&A costs include all capital expenditures and changes in Future Development Capital*
Field Netback is revenue less royalties, op costs, and transportation
BOE factor - 6 mcf = 1 bbl of oil equivalent

Peyto's Assets

Lowest Total Costs

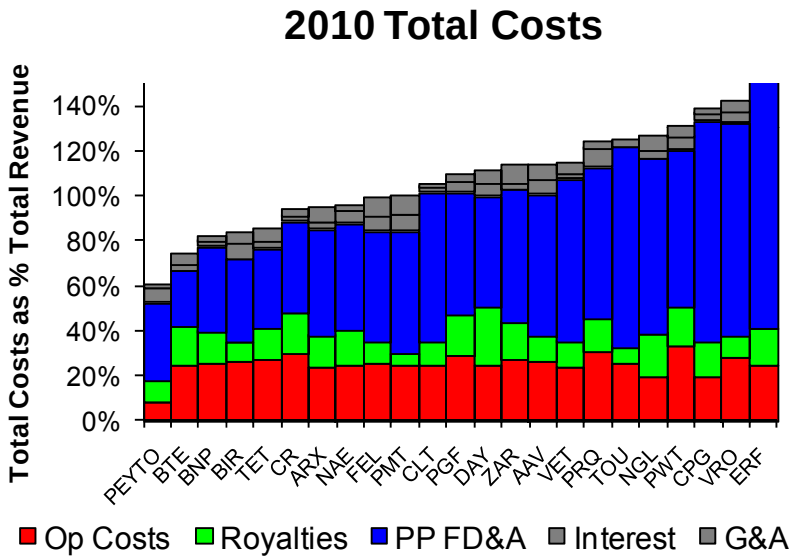
"Being the low cost producer is the best competitive advantage you can have – in both good times and bad."

40%

Peyto Margin

-10%

Industry Margin



Total Costs per boe includes – Royalties, Op Costs, G&A, Interest, Management Fees, and PP FD&A cost

Peyto's Assets

High Margins

"If Peyto can find and develop new reserves for $10–$15/boe, then at $4 future gas prices we are recycling money at >2:1."

Total Peyto Revenue

85.7% Gas (Peyto 2010)
14.3% Liquids

$4/GJ
$4.68/mcf (ave 17% lift for heat)
$28.00/boe (6:1)

$90/bbl Edm
$76/bbl (2010 84% Peyto realized)

85.7%*$28 = $24/boe
14.3%*$76 = $11/bbl
Peyto unhedged = $35/boe
Peyto unhedged = $5.80/mcfe (6:1)

40% More than dry gas

2010 Actuals

$36.89	Revenue/boe (incl. hedges)
($ 3.86)	Royalties/boe (13% existing)
($ 2.13)	Opex/boe
($ 0.80)	Transport/boe
$30.10/boe	Field Netback
($ 0.67)	G&A/boe
($ 2.32)	Interest/boe
$27.11/boe	Cash Netback

86%

High Heat Content Gas

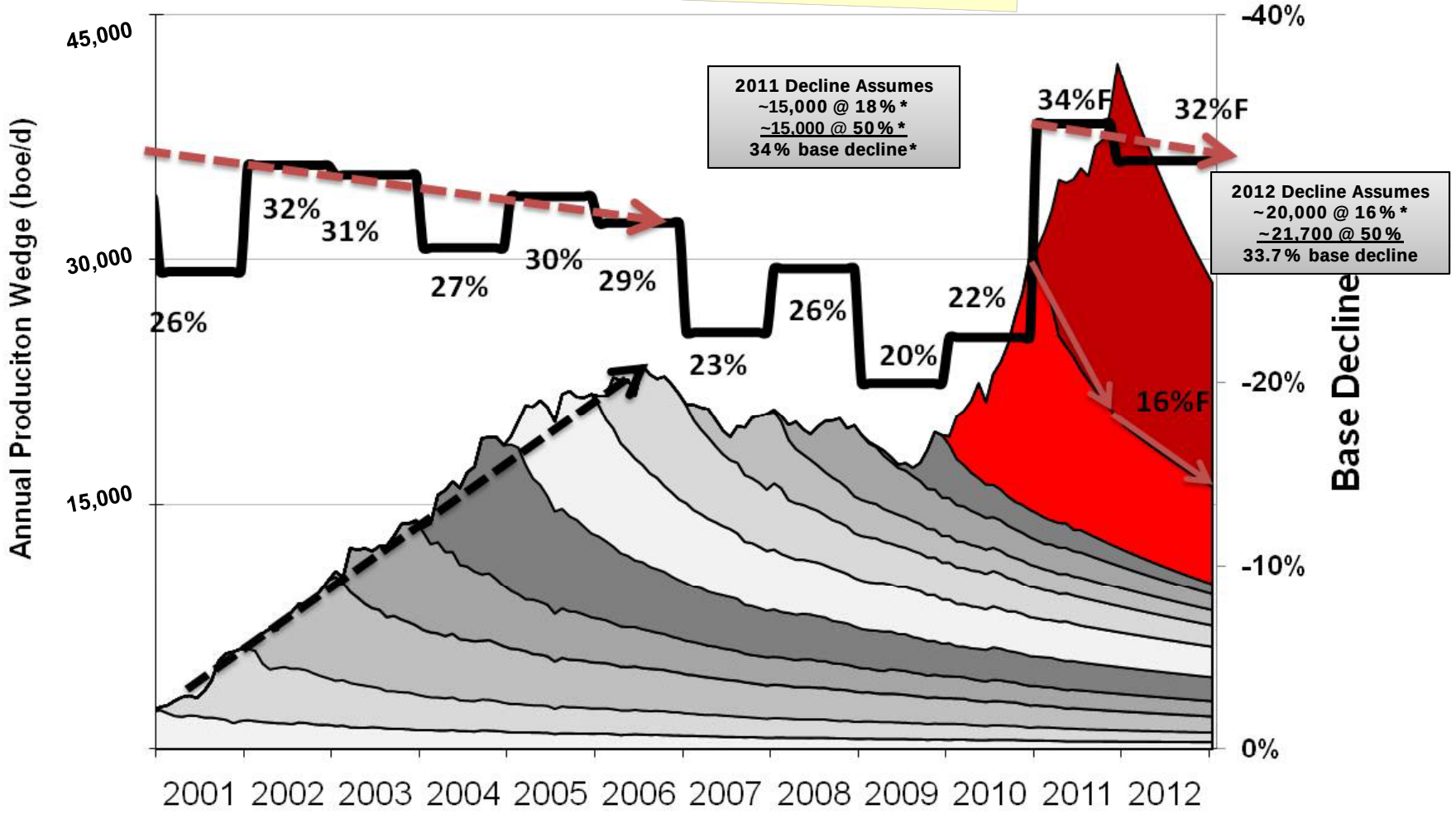
14%

Natural Gas Liquids

Peyto's Assets

It Just Gets Easier to Grow

"Assuming the same capital efficiency as 2010 on a $375 MM capital program, then the base decline is forecast to shrink, making it easier to grow."



**Forecast decline rate based on Insite Petroleum Consultants Dec 31, 2010 Reserve Report*

Peyto's Incredible Returns

Peyto's Returns

High Returns on Capital and Equity

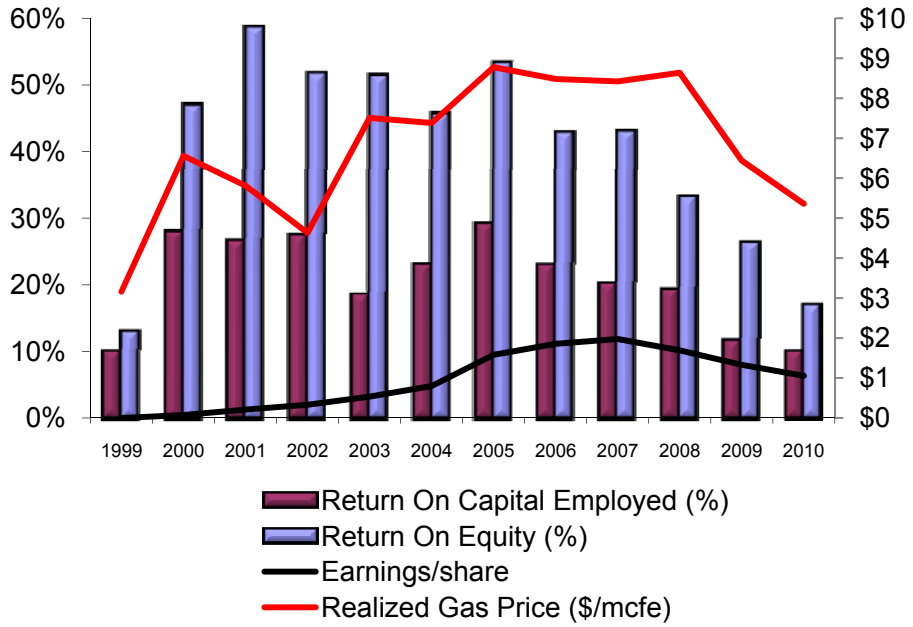
"Good well economics and IRRs should translate into good corporate returns. Peyto's do, with average ROE of 40% and ROCE of 21%."

40%

Average ROE

21%

Average ROCE



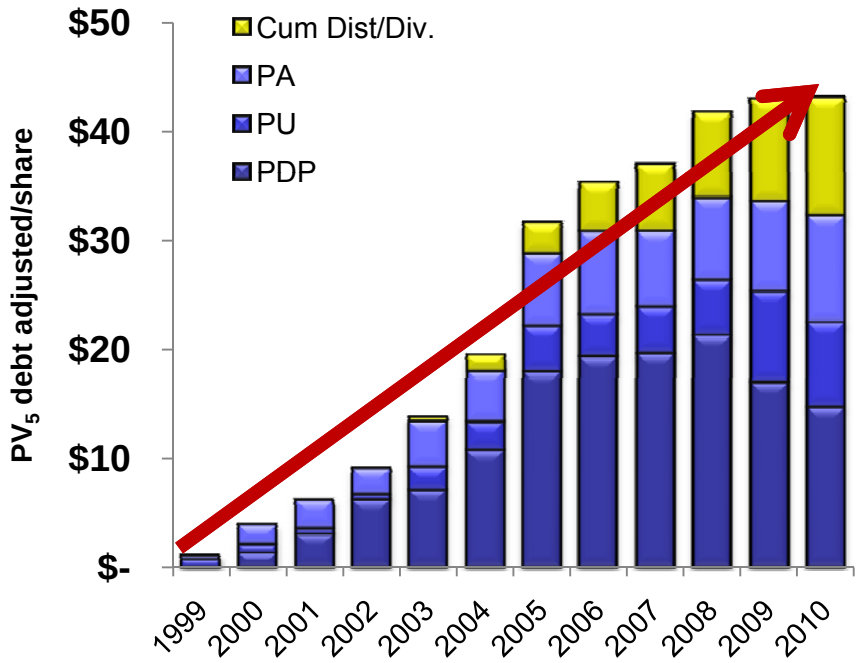
Return on Equity (ROE) is earnings for the period divided by average unitholders equity – reveals how much profit a company generates with the money shareholders have invested

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

Peyto's Returns

Shareholder Returns = NAV Growth + Income

"Peyto offers a total return package. Growth per share in assets plus an income stream."



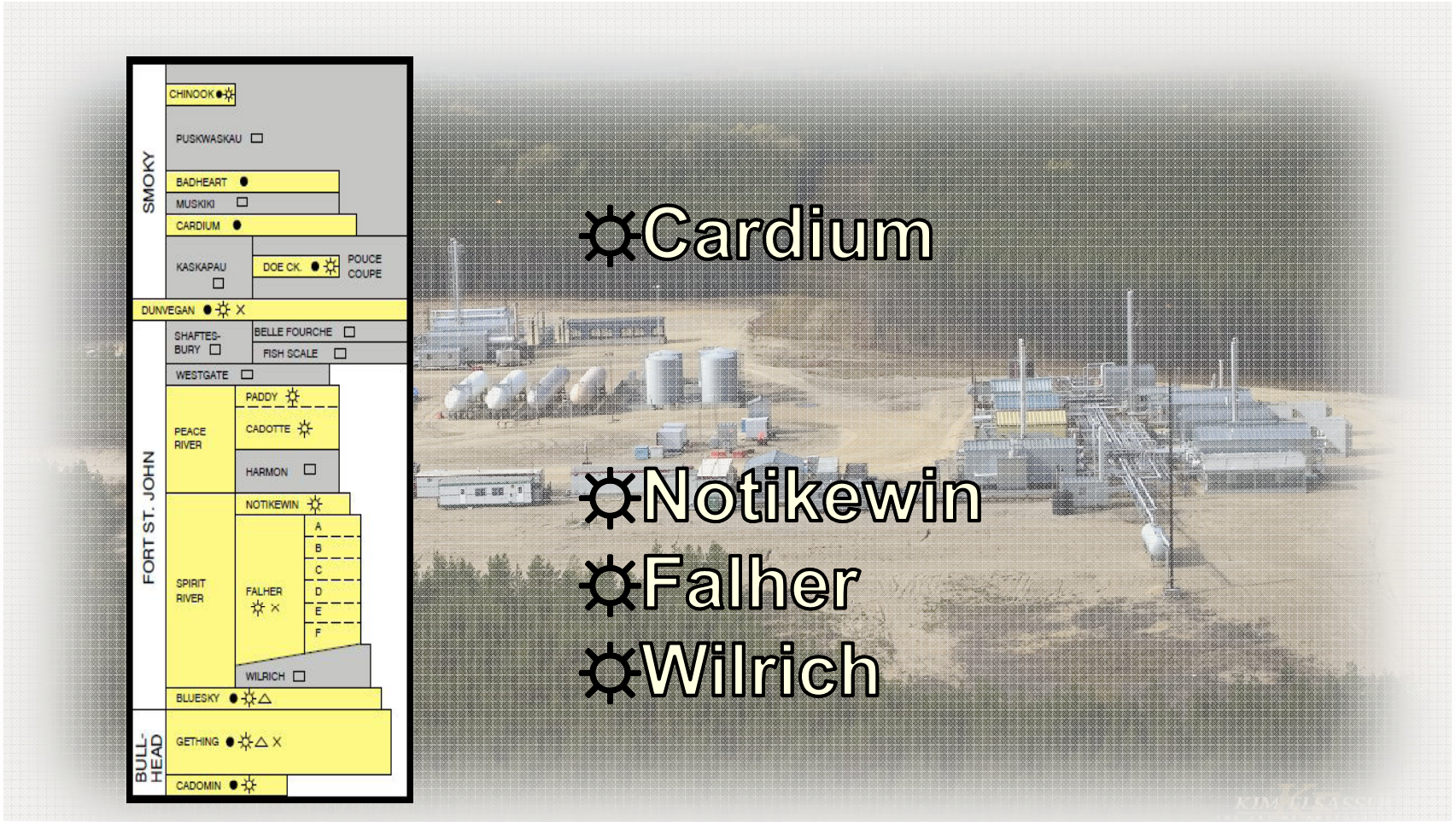
40%

Compound Annual Growth Rate

PV_5 DA/share is Before Tax Net Present Value, discounted at 5%, less debt divided by the number of shares/units outstanding
Historical Units and Shares have been adjusted to reflect the May 27, 2005 2:1 stock split

Tight Gas Resource Plays

Horizontal MSF Projects



Cardium Resource Play

Horizontal MSF Project

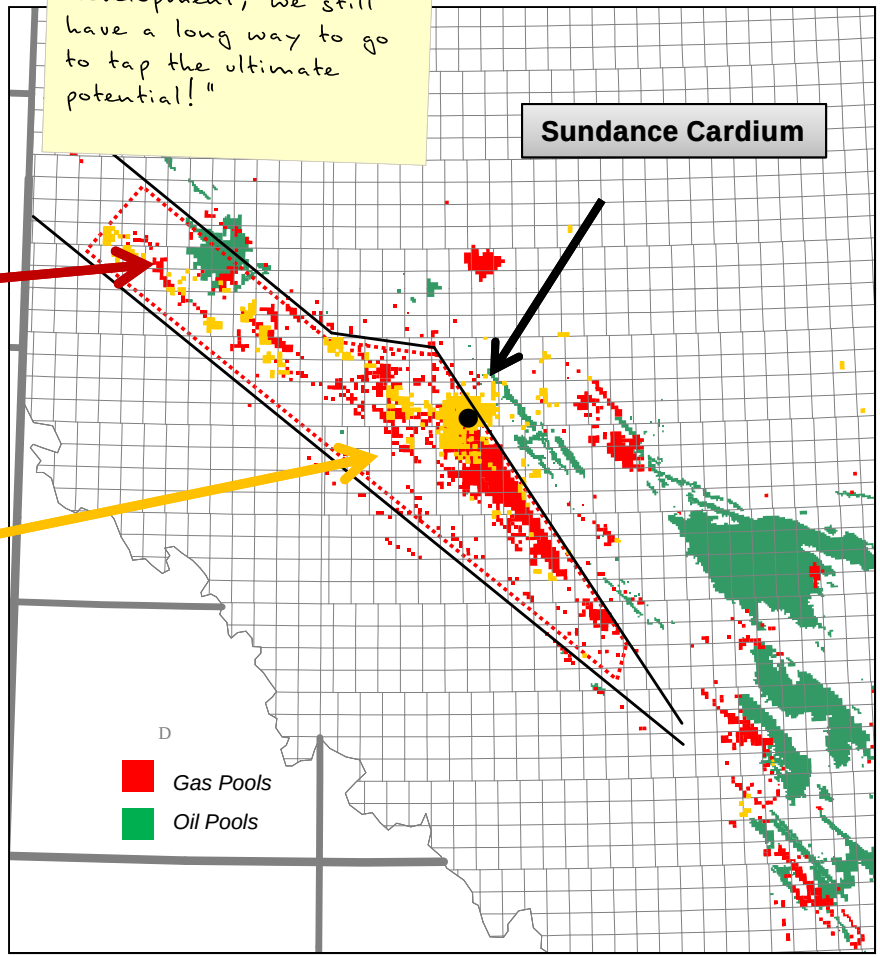
"Although Peyto has been a leader in the Cardium gas development, we still have a long way to go to tap the ultimate potential!"

Cardium Gas Fairway

- >4,000 sq miles
- up to 65 TCF Gas in Place[1]
- ~ 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



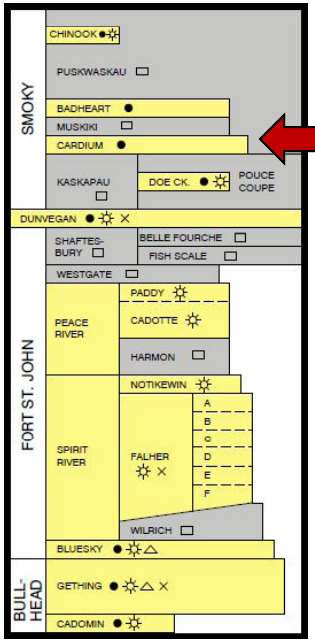
[1]*Original Gas in place are internal Peyto estimates*

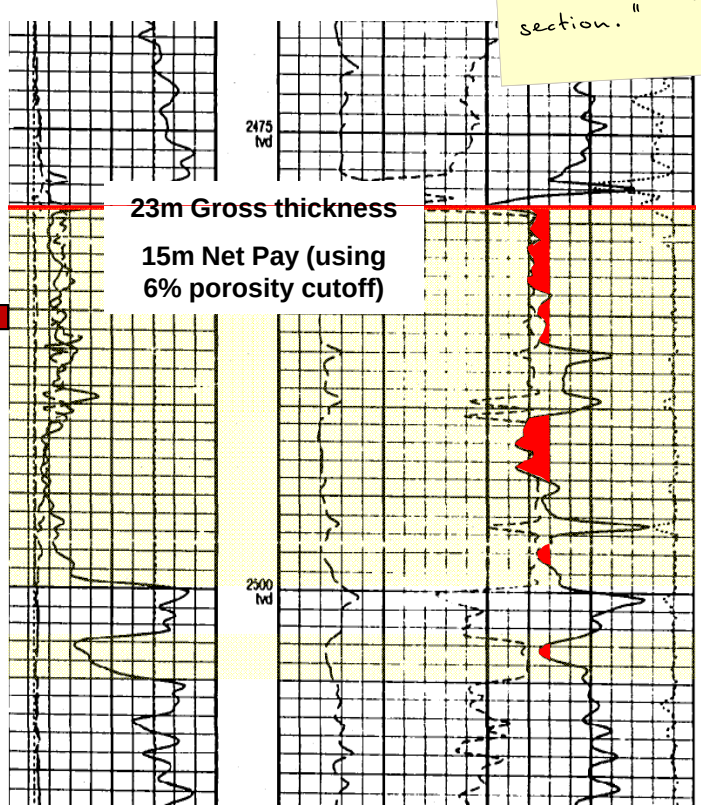
[2]*EUR of Peyto gross developed 2P Cardium reserves as independently evaluated by Paddock Lindstrom & Associates February 2010 reserve report (effective date Dec. 31, 2009)*

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."



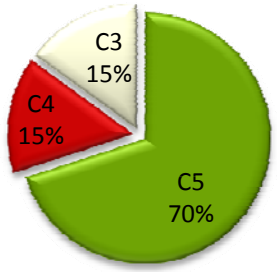


23m Gross thickness

15m Net Pay (using 6% porosity cutoff)

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	
OGIP(BCF)=	19.2	
RGIP RAW(BCF)=	16.4	
SALES GAS(BCF)=	15.2	



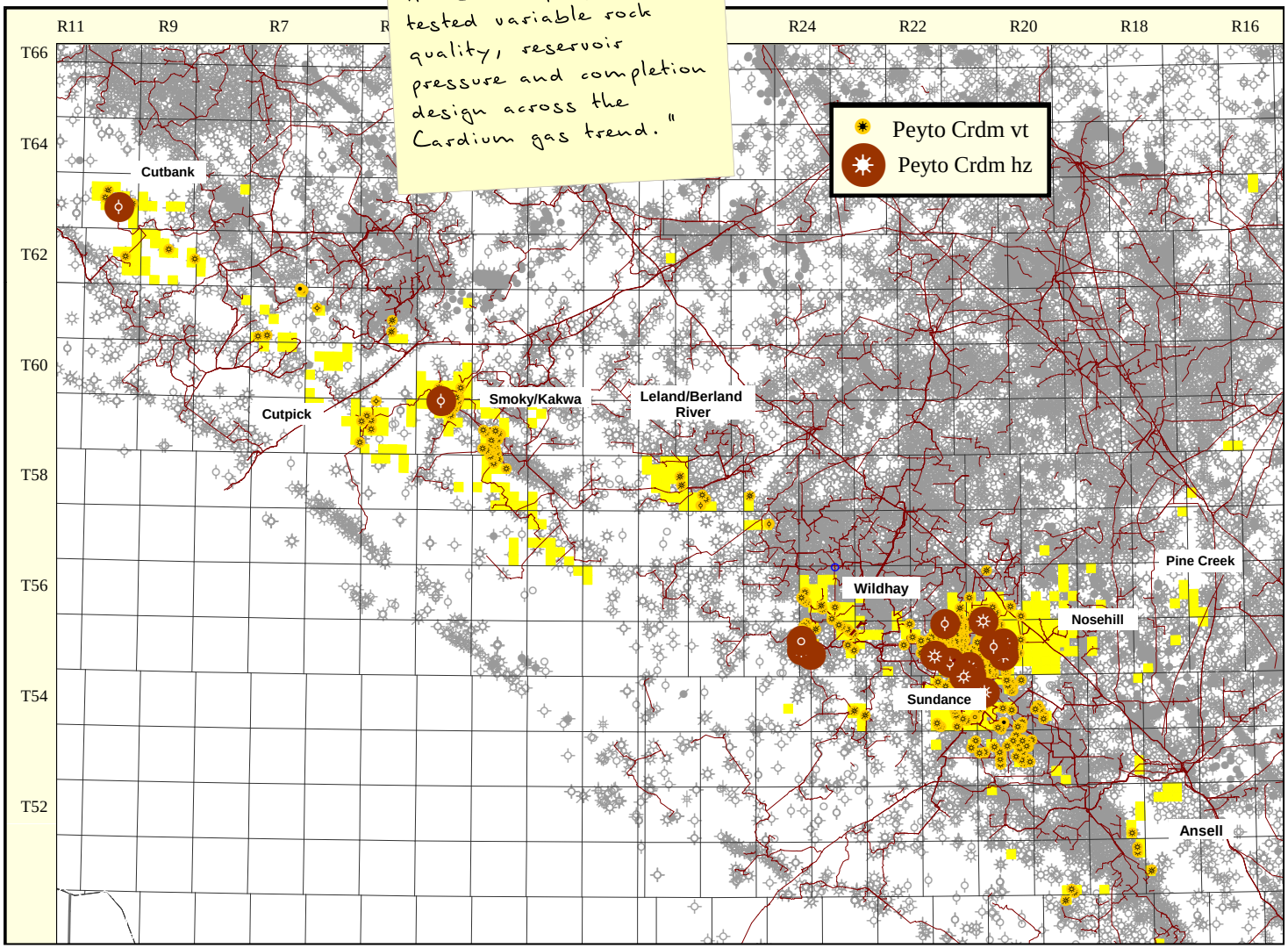
Ave Horizontals 90 bbl/mmcf NGLs
Ave Verticals 40-45 bbl/mmcf NGLs

BOE factor - 6 mcf = 1 bbl of oil equivalent

Cardium Resource Play

Horizontal MSF Project

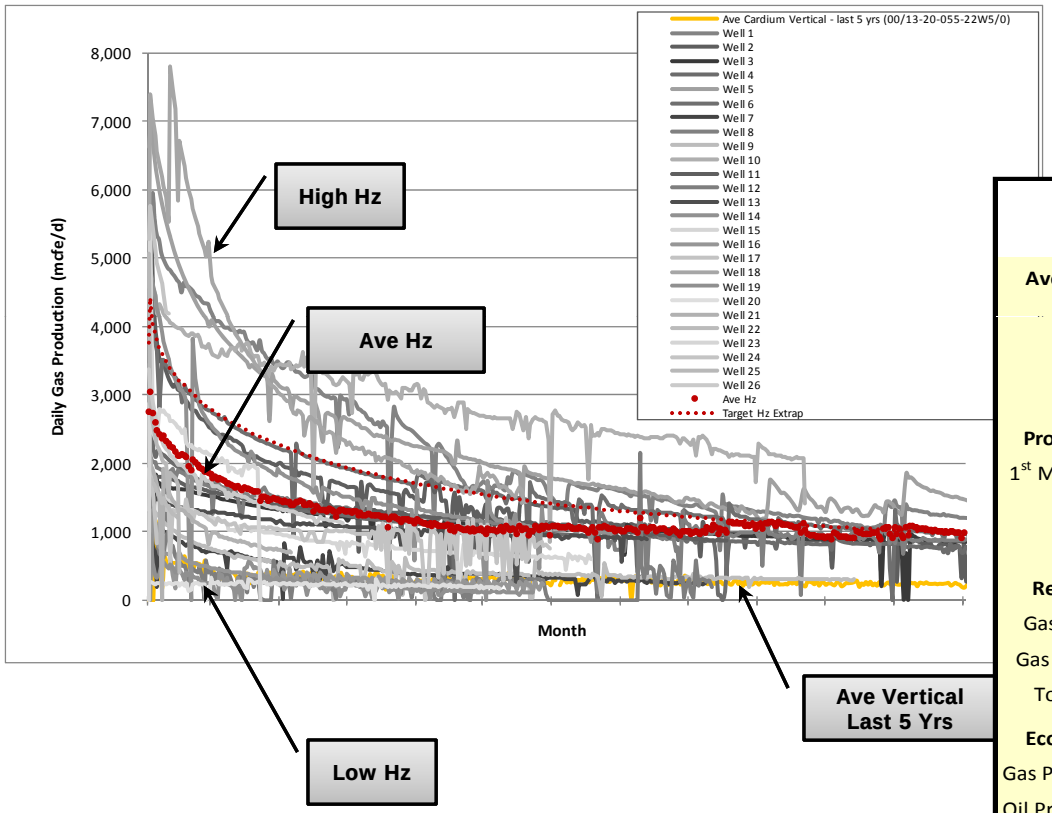
"The Cardium Horizontal project has tested variable rock quality, reservoir pressure and completion design across the Cardium gas trend."



Cardium Resource Play

Economic Comparison – Vertical vs. Horizontal

"The average Cardium horizontal well is coming in slightly lower than our target economics. We're working to improve on that."



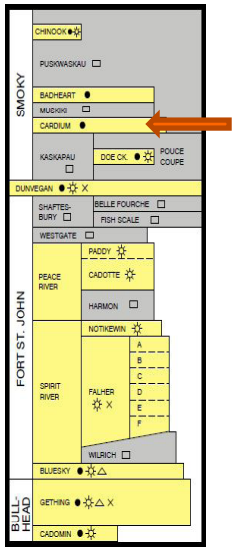
	Ave Vertical (last 10 yrs)	Ave Vertical (last 5 yrs)			Ave Target Horizontal		
Ave. Costs	**$1,700**	**$1,700**			**$5,050**		
Drill (K$)	$1,000	$1,000			$2,500		
Complete	$500	$500			$2,300		
E/T	$200	$200			$250		
		*Average vertical costs for 10 wells drilled in 2009					
Production							
1st Mo. (mcf/d)	650	410			3,200		
12th Mo.	450	260			1,000		
1st Yr	540	325			1,700		
Reserves							
Gas Raw (bcf)	2.2	1.1			2.8		
Gas Sales (bcf)	2.0	1.0			2.6		
Total mboes	423	216			537		
Economics							
Gas Price ($/GJ)	$5	$4	$5	$6	$4	$5	$6
Oil Price ($/bbl)	$85		$85			$85	
IRR	84%	**23%**	**32%**	**41%**	**46%**	**63%**	**83%**
PIR_{10}	2.4	**0.5**	**0.8**	**1.1**	**0.8**	**1.1**	**1.4**
Payout (yrs)	1.3	**3.6**	**2.7**	**2.2**	**1.8**	**1.4**	**1**
NPV_5 ($M)	$ 6.8	**$ 1.7**	**$ 2.4**	**$ 3.2**	**$ 6.3**	**$ 8.3**	**$10.2**
NPV_{10} ($M)	$ 4.1	**$ 0.8**	**$ 1.3**	**$ 1.8**	**$ 4.1**	**$ 5.6**	**$ 7.0**
F&D ($/mcfe)	$ 0.67		**$ 1.31**			**$ 1.57**	

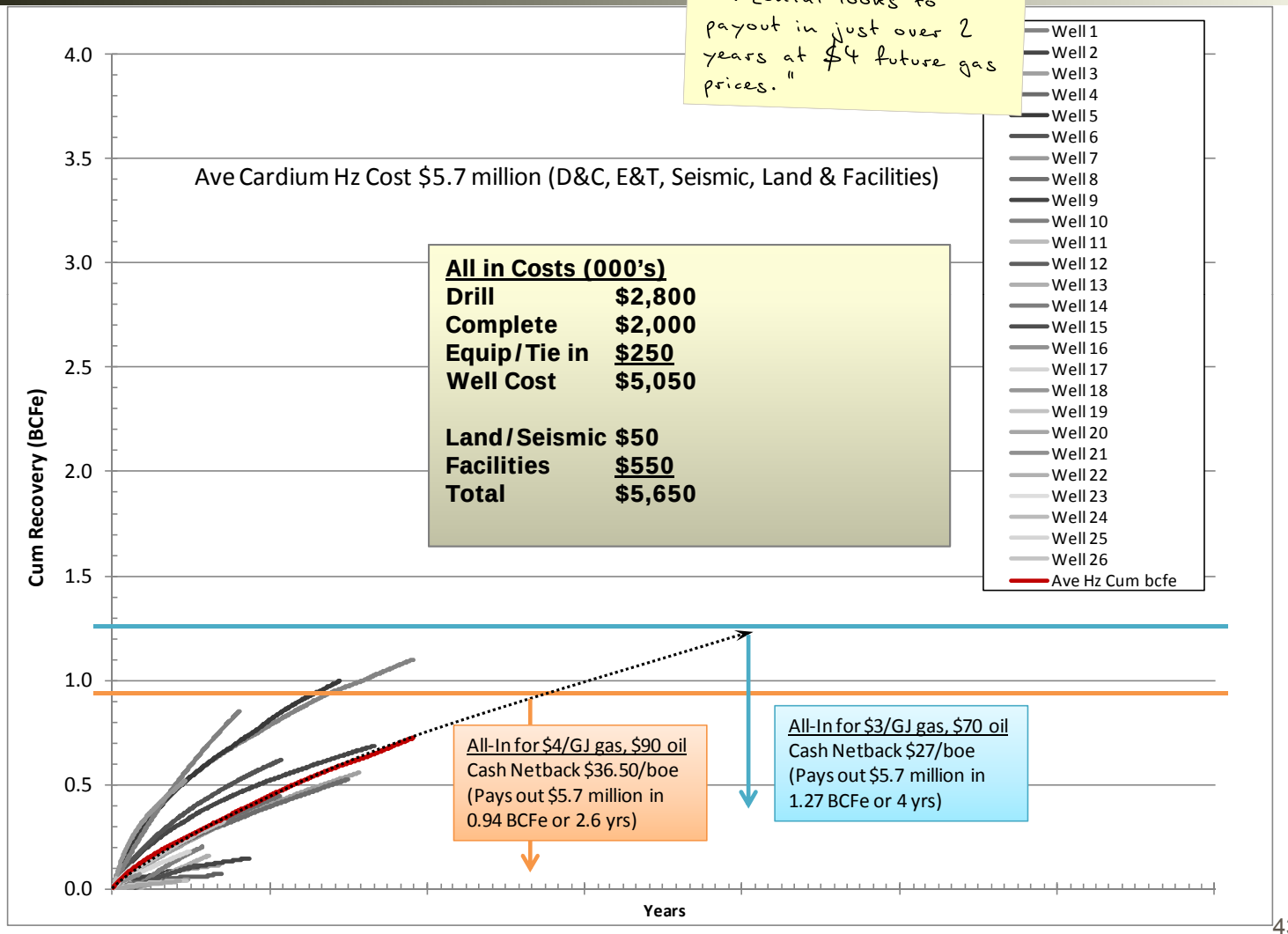
BOE factor - 6 mcf = 1 bbl of oil equivalent
Peyto internal reserve estimates and economic evaluation
Economics do not include $200/m DRC but do include 5% max

Cardium Resource Play

Payout Analysis

"If we include land, seismic and facilities to make it full-cycle, the average Cardium horizontal looks to payout in just over 2 years at $4 future gas prices."

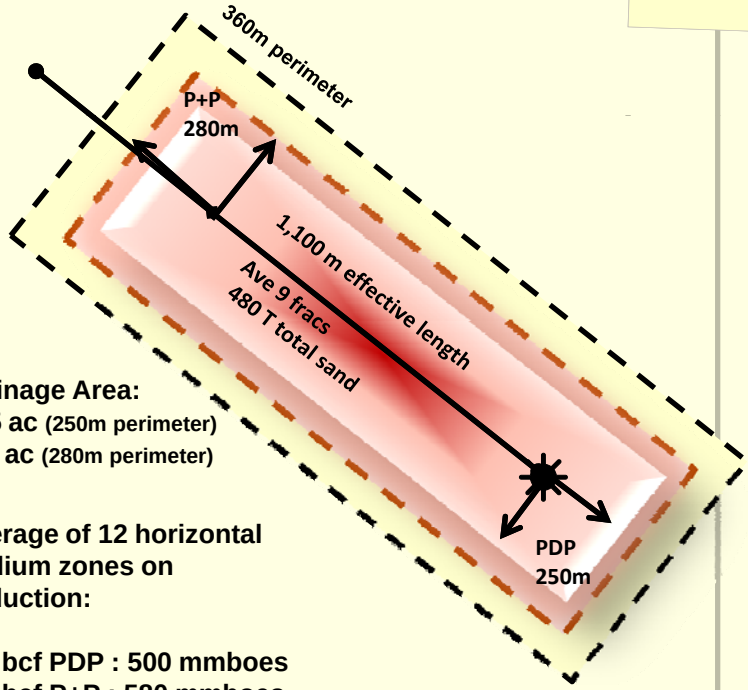




Cardium Resource Play

Conservative Horizontal Reserve Assignment

"The average Cardium horizontal has a stimulation that is 6 times a vertical well but is currently only booked as draining 1.5 times the area."

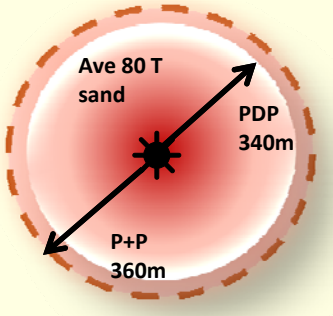


Ave Drainage Area:
PDP 135 ac (250m perimeter)
P+P 155 ac (280m perimeter)

***Average of 12 horizontal Cardium zones on production:**

2.35 bcf PDP : 500 mmboes
2.70 bcf P+P : 580 mmboes

Ave Drainage Area:
PDP 90 ac (340m perimeter)
P+P 100 ac (360m perimeter)



[1]**Average of 395 vertical Cardium zones on production:**

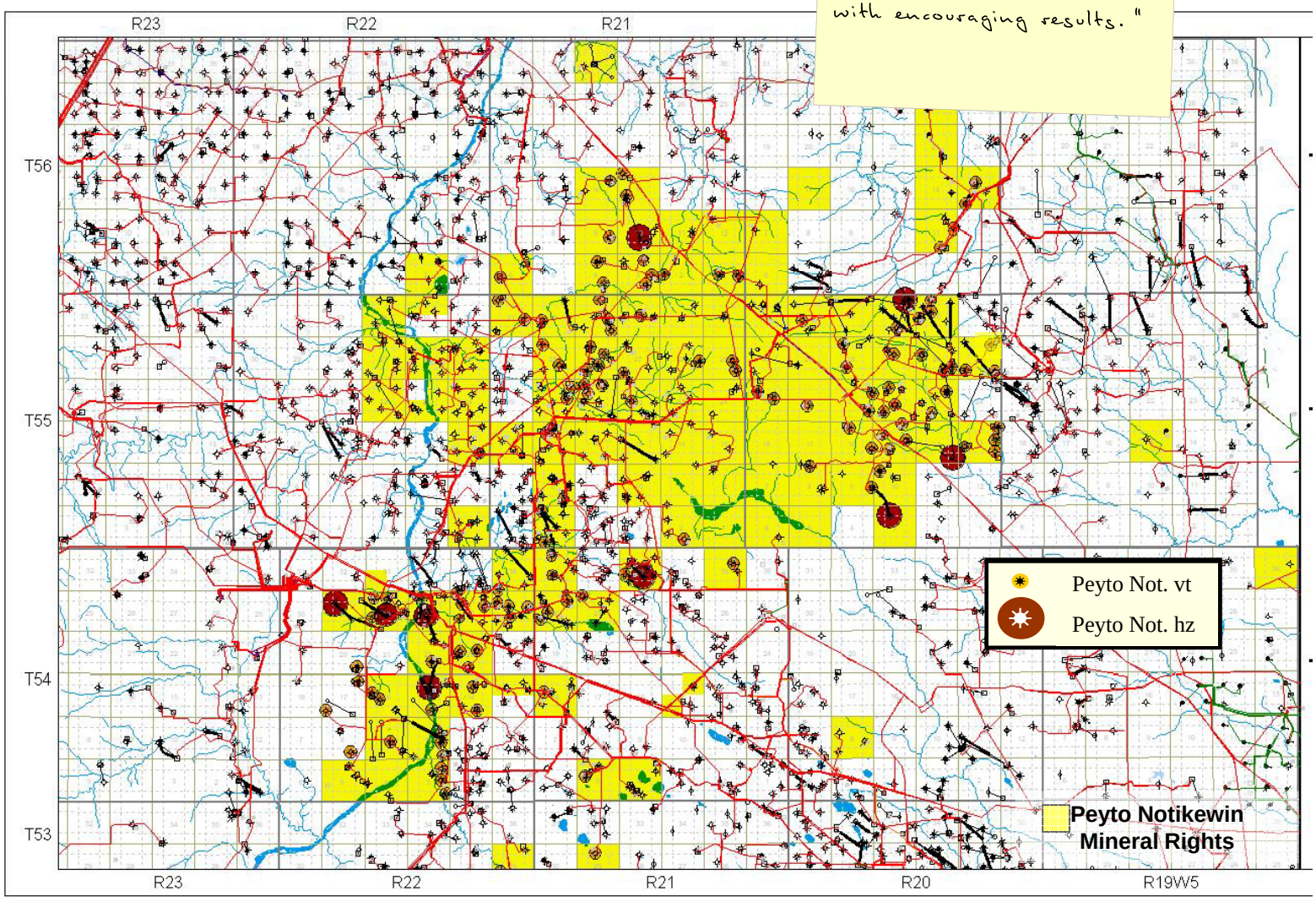
1.7 bcf PDP : 360 mmboes
1.9 bcf P+P : 400 mmboes

**IPC 2010 Reserve Report*
[1] PLA 2009 Reserve Report

Notikewin Resource Play

Horizontal MSF Project

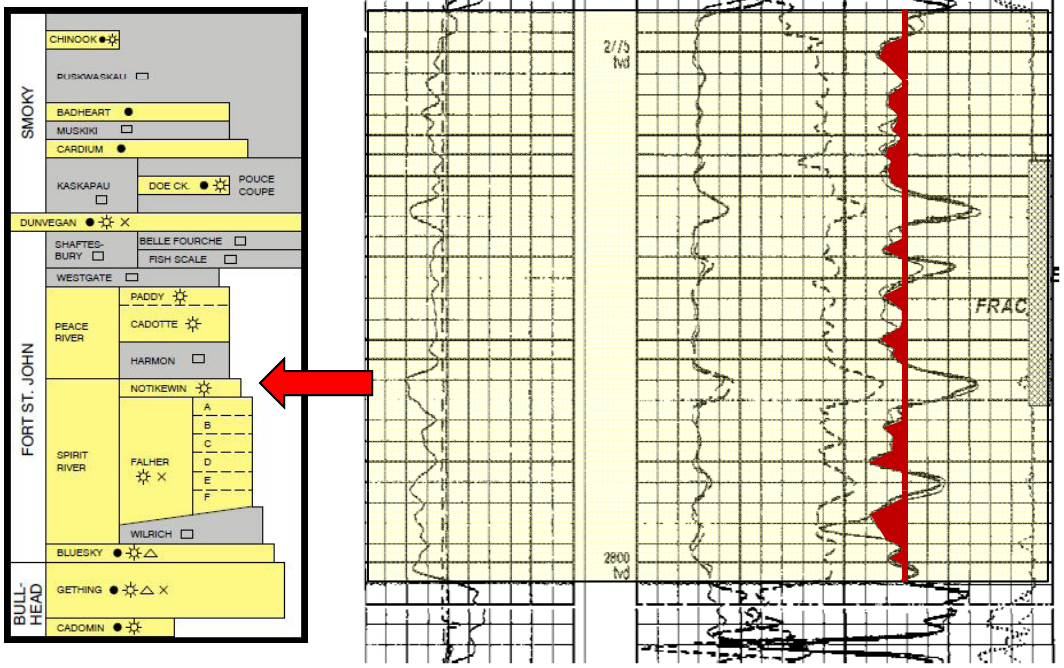
"We've now tested the Notikewin with horizontal multi-stage frac wells several times across Sundance and Nosehill with encouraging results."



Notikewin Resource Play

Type Log 1-20-54-22W5

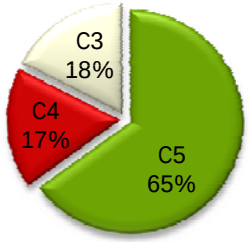
"The Notikewin is a series of thick, sandstone channels that crisscross throughout the Sundance Area. We use 3D seismic to target these channels."



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	
OGIP(BCF)=	22	
RGIP RAW(BCF)=	18	
SALES GAS(BCF)=	18	

Ave Horizontal 8 bbl/mmcf NGLs
Ave Vertical 10-15 bbl/mmcf NGLs

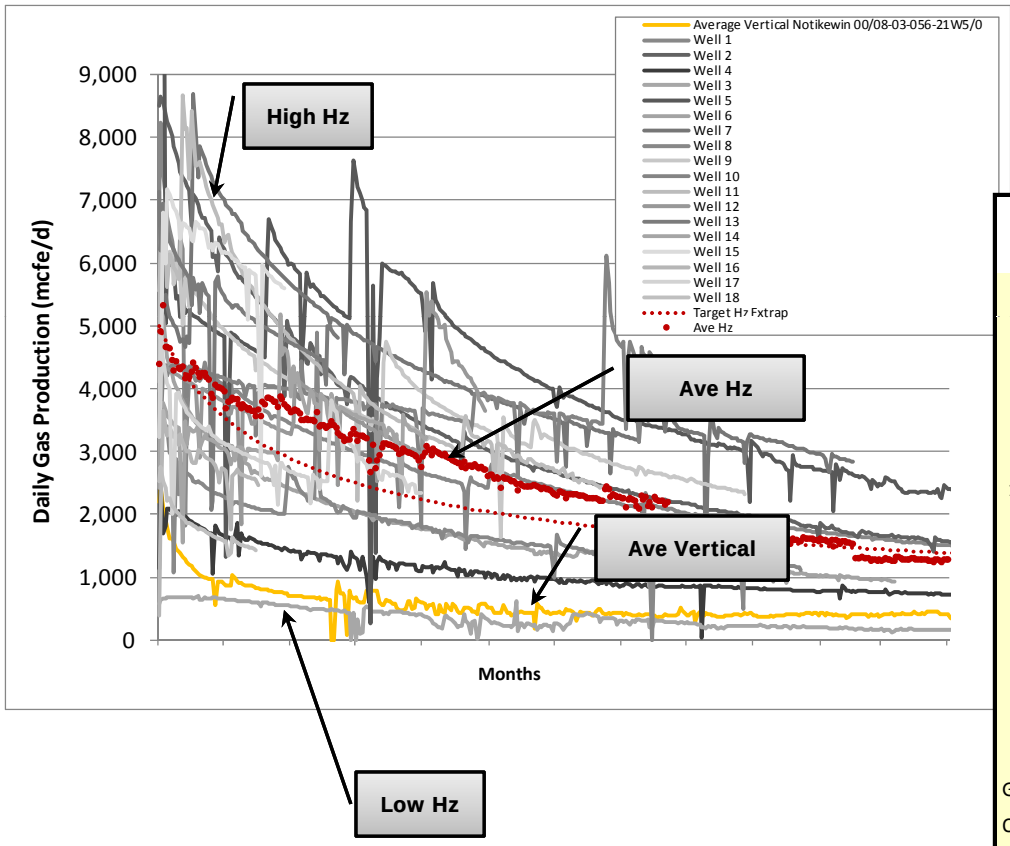


BOE factor - 6 mcf = 1 bbl of oil equivalent

Notikewin Resource Play

Economic Comparison – Vertical vs. Horizontal

"So far, horizontal development of the Notikewin looks to be beating our target economics. And the costs are right on target."



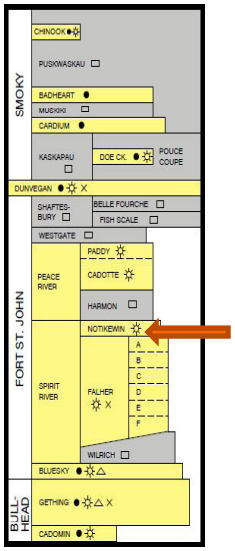
	Ave Vertical 08-03-56-21W5			Ave Target Horizontal		
Ave. Costs	**$2,000**			**$4,690**		
Drill (K$)	$1,300			$2,500		
Complete	$500			$1,940		
E/T	$200			$250		
	*Ave vert costs for 3 wells drilled in 2009					
Production						
1st Mo. (mcf/d)	1,200			5,000		
12th Mo.	310			1,500		
1st Yr	520			2,000		
Reserves						
Gas Raw (bcf)	1.8			4.0		
Gas Sales (bcf)	1.7			3.8		
Total mboes	310			691		
Economics						
Gas Price ($/GJ)	$4	$5	$6	$4	$5	$6
Oil Price ($/bbl)		$85			$85	
IRR	**22%**	**33%**	**45%**	**61%**	**91%**	**125%**
PIR_{10}	**0.5**	**0.9**	**1.3**	**1.2**	**1.6**	**2.1**
Payout (yrs)	**3.8**	**2.8**	**2.1**	**1.5**	**1.1**	**0.9**
NPV_5 ($M)	**$ 2.2**	**$ 3.3**	**$ 4.4**	**$ 8.2**	**$ 11.3**	**$ 14.0**
NPV_{10} ($M)	**$ 1.0**	**$ 1.8**	**$ 2.5**	**$ 5.4**	**$ 7.7**	**$ 9.7**
F&D ($/mcfe)		**$ 1.08**			**$ 1.12**	

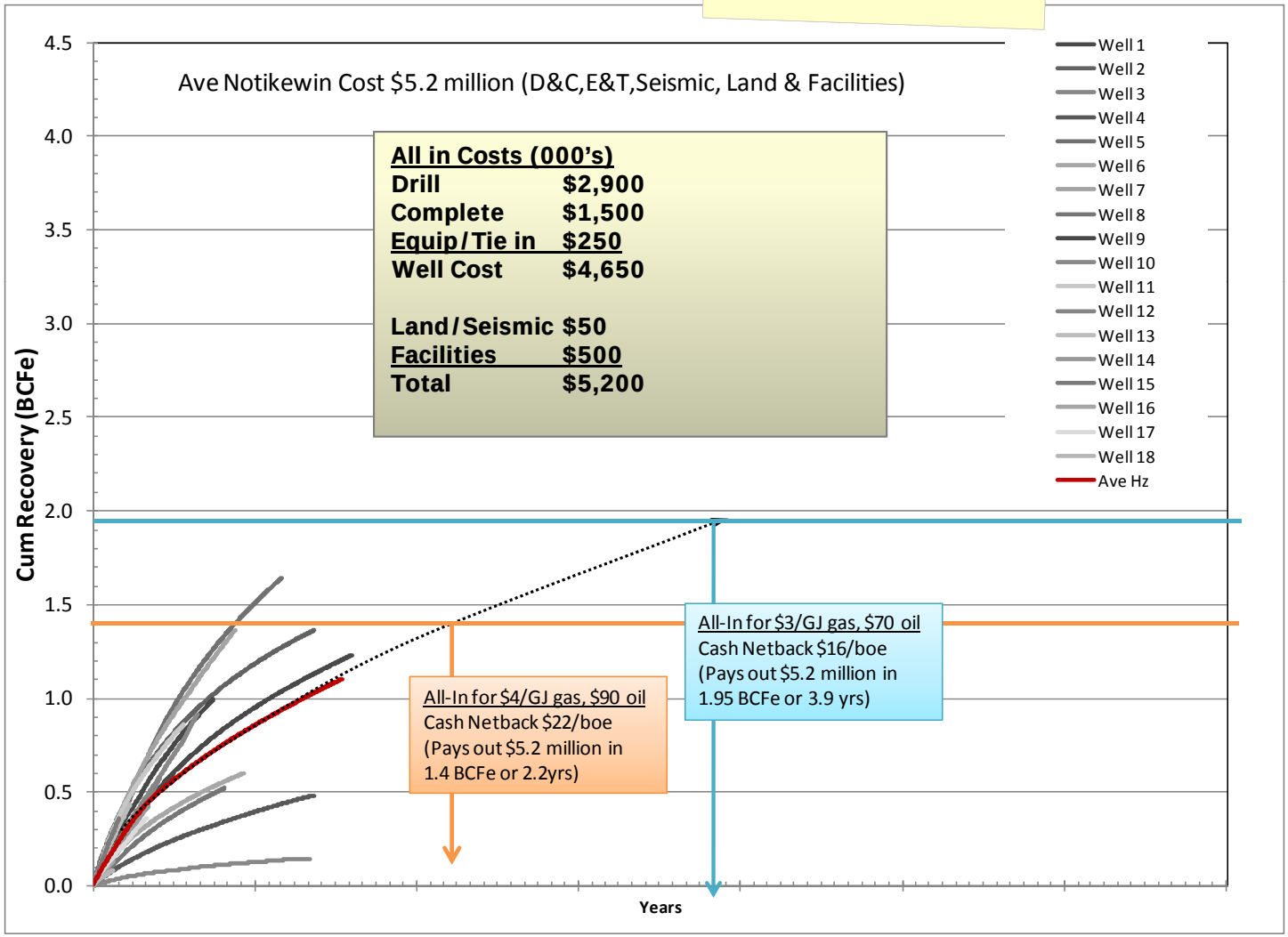
BOE factor - 6 mcf = 1 bbl of oil equivalent
Peyto internal reserve estimates and economic evaluation
Economics do not include $200/m DRC, but do include 5% max and NGDDP

Notikewin Resource Play

Payout Analysis

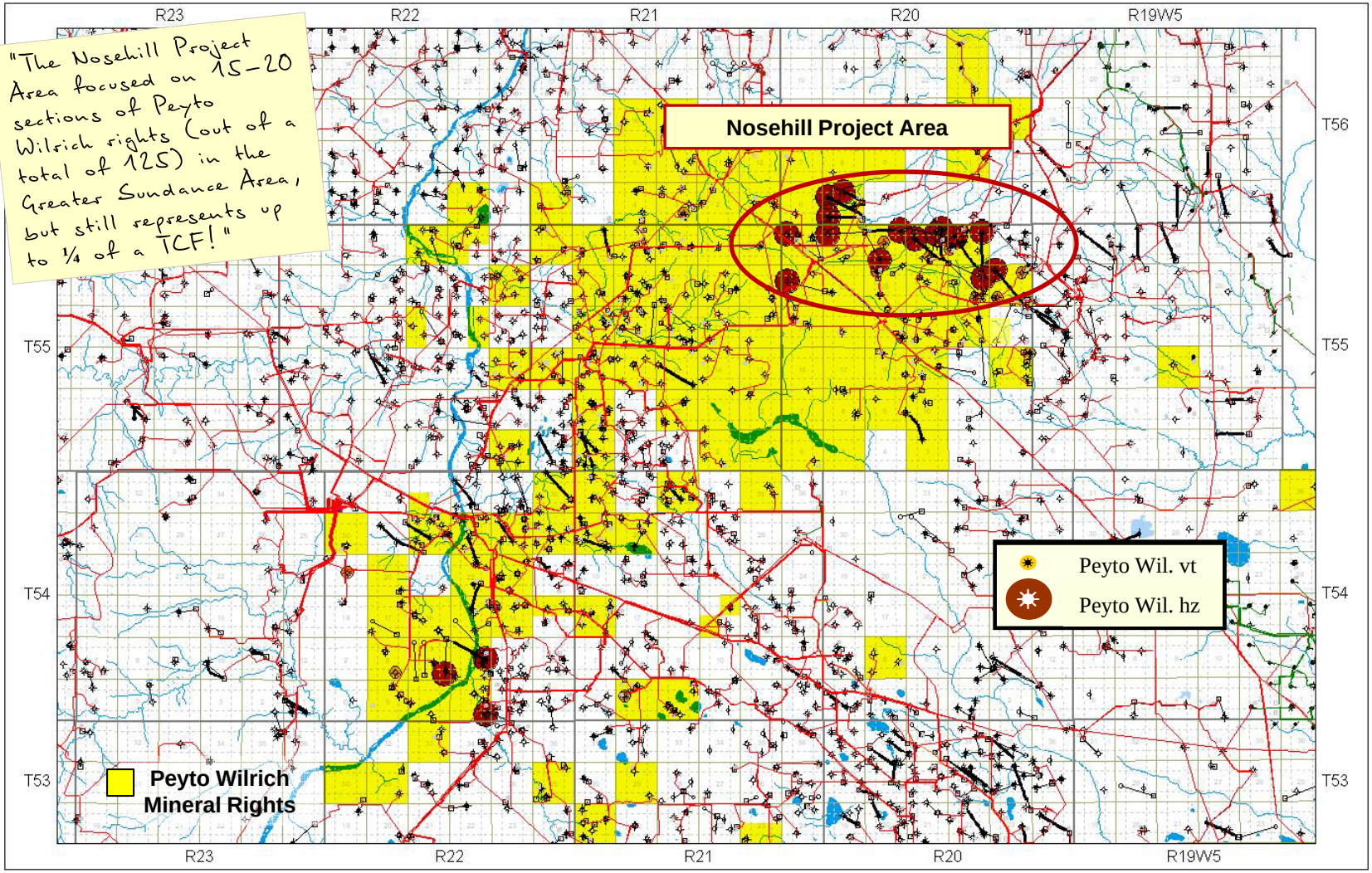
"The average Notikewin horizontal is paying out quite quickly, generating good returns, even with less liquids than the Cardium."





Wilrich Resource Play

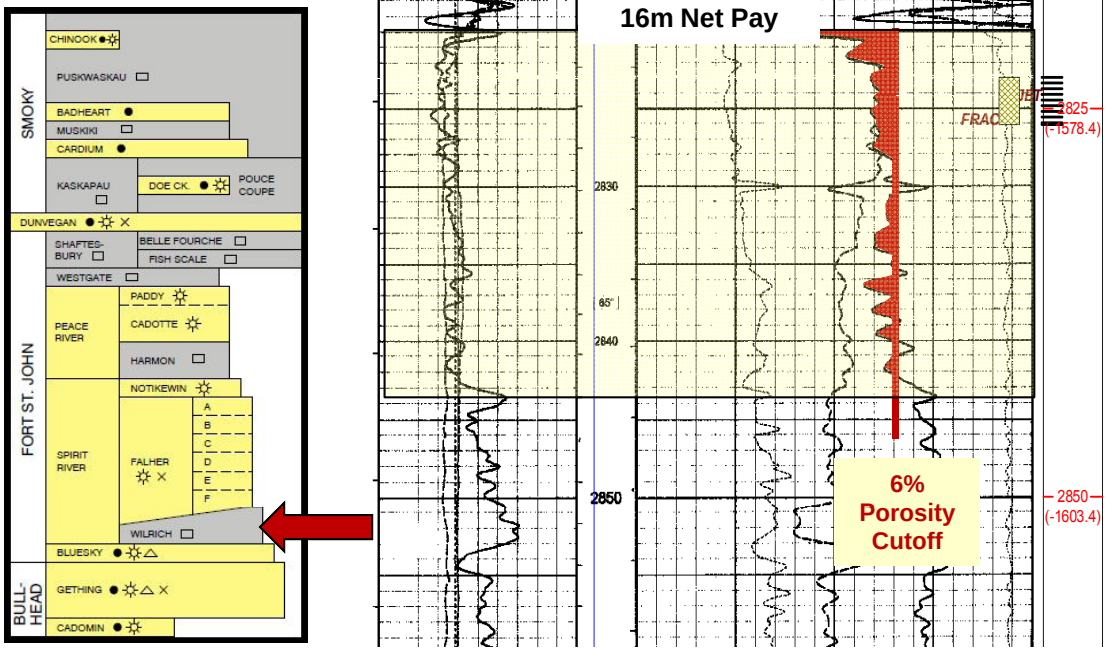
Horizontal MSF Project



Wilrich Resource Play

Type Log 7-5-56-20W5

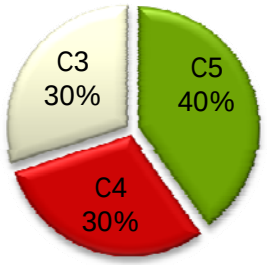
"Much like the Cardium, the Wilrich is a marine sand laid down over a large area offering uniform thickness and predictability."



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	
OGIP(BCF)=	15	
RGIP RAW(BCF)=	13	
SALES GAS(BCF)=	12	

Ave Horizontal 7 bbl/mmcf NGLs



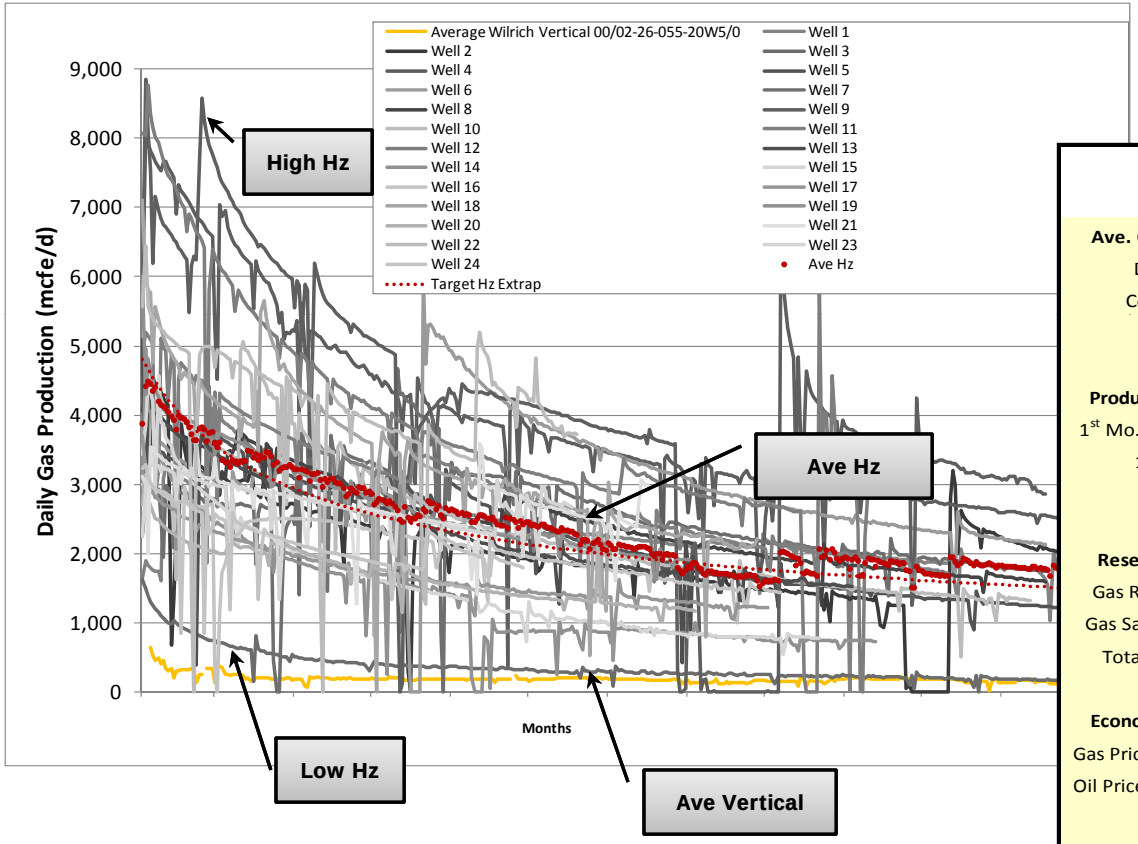
BOE factor - 6 mcf = 1 bbl of oil equivalent

9/12/2011

Wilrich Resource Play

Economic Comparison – Vertical vs. Horizontal

"The Wilrich results are very consistent with the average horizontal well beating our target profile and obviously much better than vertical wells."



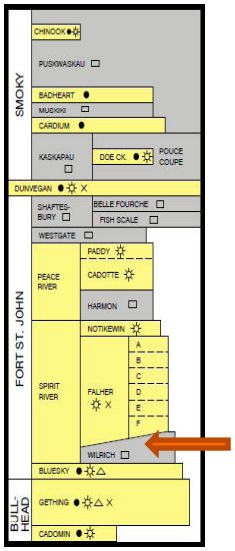
	Ave Vertical			Ave Target Horizontal		
Ave. Costs	**$2,000**			**$5,120**		
Drill (K$)	$1,300			$2,760		
Complete	$500			$2,140		
E/T	$200			$220		
	*Ave vert costs for 3 wells drilled in 2009					
Production						
1st Mo. (mcf/d)	200			3,800		
12th Mo.	150			1,700		
1st Yr	170			2,900		
Reserves						
Gas Raw (bcf)	0.8			4.2		
Gas Sales (bcf)	0.8			4.0		
Total mboes	140			730		
Economics						
Gas Price ($/GJ)	$4	$5	$6	$4	$5	$6
Oil Price ($/bbl)		$85			$85	
IRR	1%	5%	9%	54%	79%	106%
PIR_{10}	-0.4	-0.2	-0.1	1.1	1.6	2.1
Payout (yrs)	24	12	9	1.7	1.3	1.1
NPV_5 ($M)	$ (0.5)	$ 0.0	$ 0.6	$ 8.8	$ 12.1	$ 15.3
NPV_{10} ($M)	$ (0.8)	$ (0.5)	$ (0.1)	$ 5.8	$ 8.3	$ 10.7
F&D ($/mcfe)		$ 2.38			$ 1.16	

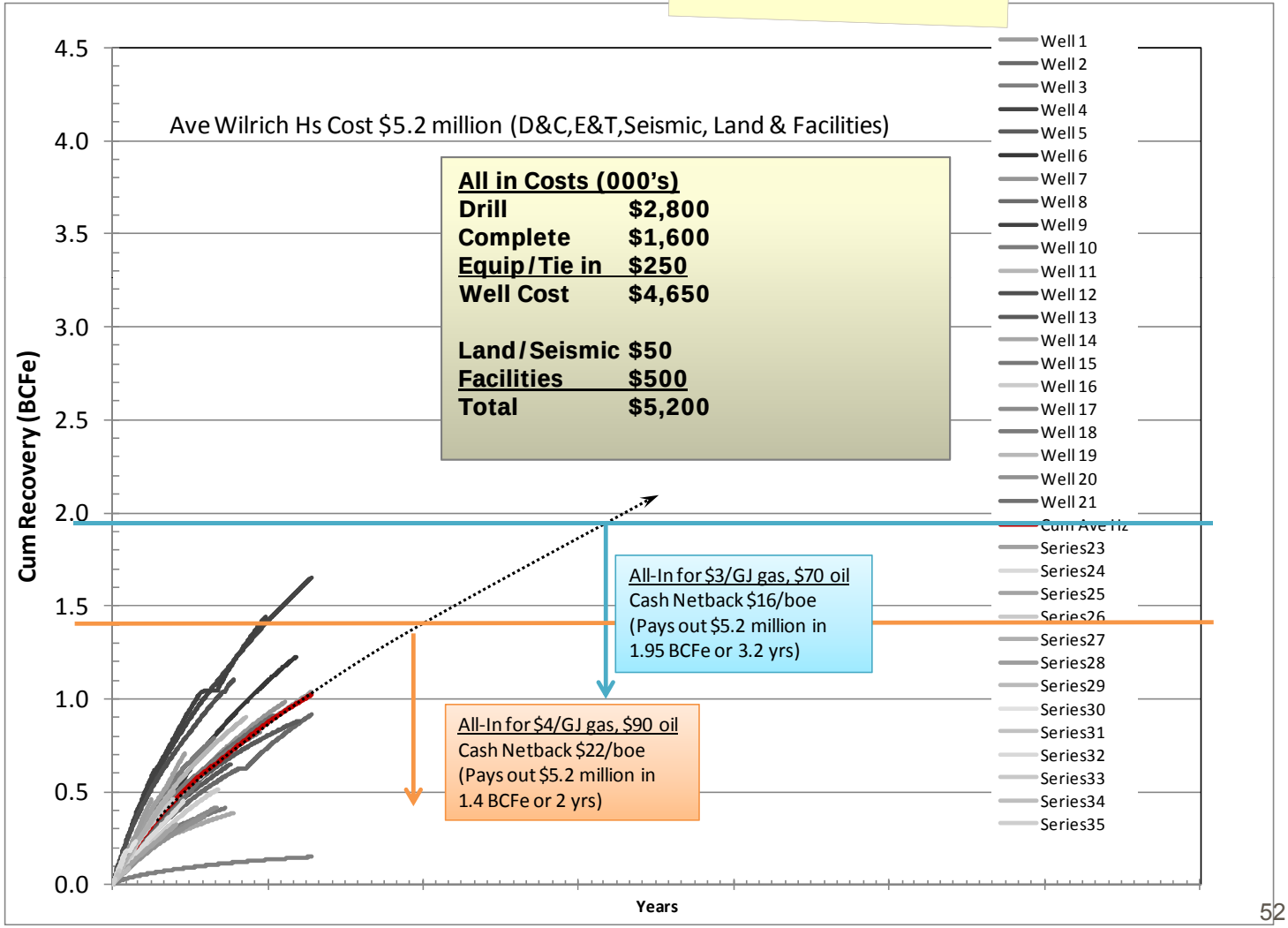
BOE factor - 6 mcf = 1 bbl of oil equivalent
Peyto internal reserve estimates and economic evaluation
Economics do not include $200/m DRC, but do include 5% max and NGDDP

Wilrich Resource Play

Payout Analysis

"The Wilrich has the least amount of liquids but the consistently good rates makes it the fastest to payout. Cost is cheaper than we targeted too!"

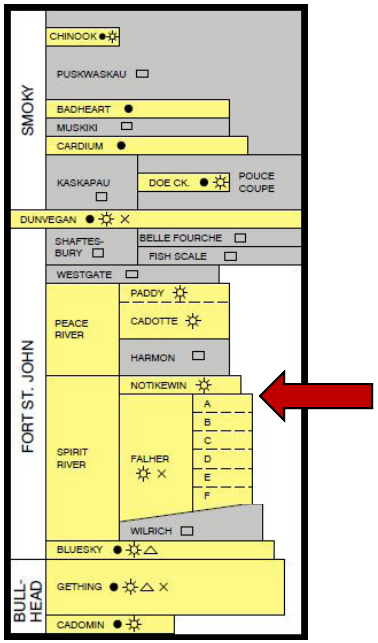


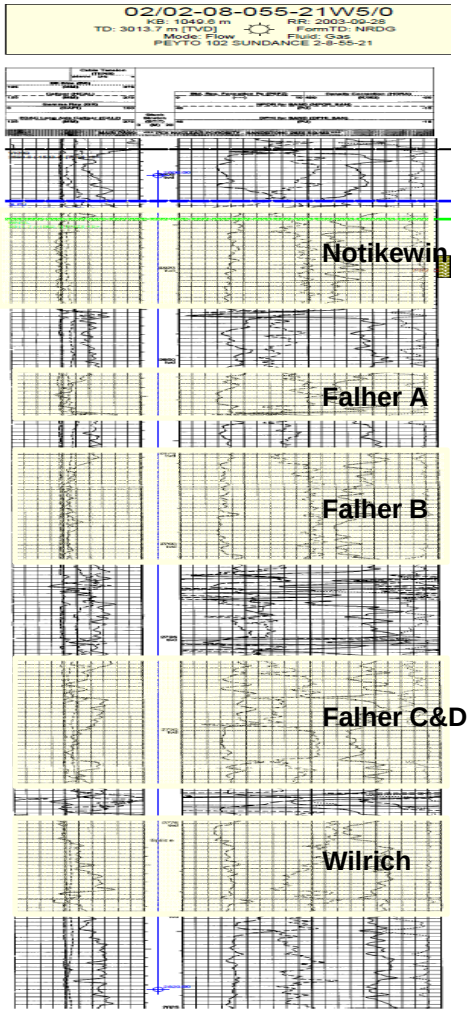


Falher Resource Play

Type Log 2-8-55-21W5

"The entire Falher package has more net sand than either the Wilrich or Notikewin but may require multiple horizontal wells to develop."

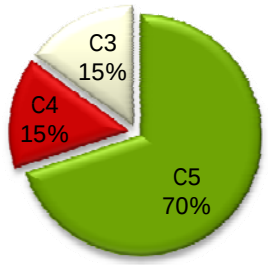




Example Volumetric Reserves

AREA(Ha)=	256	(1 section)
H(m)=	10	
POROSITY(%)=	8	
SW(%)=	35	
TEMP.(Deg.C)=	98	
PRES.(kPa)=	30000	
Z=	0.92	
Recovery Factor(%)=	85	
Surface Loss(%)=	4.5	
OGIP(BCF)=	12	
RGIP RAW(BCF)=	10	
SALES GAS(BCF)=	10	

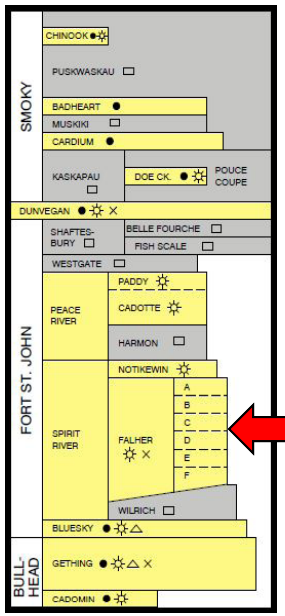
Ave Horizontal 15 bbl/mmcf NGLs

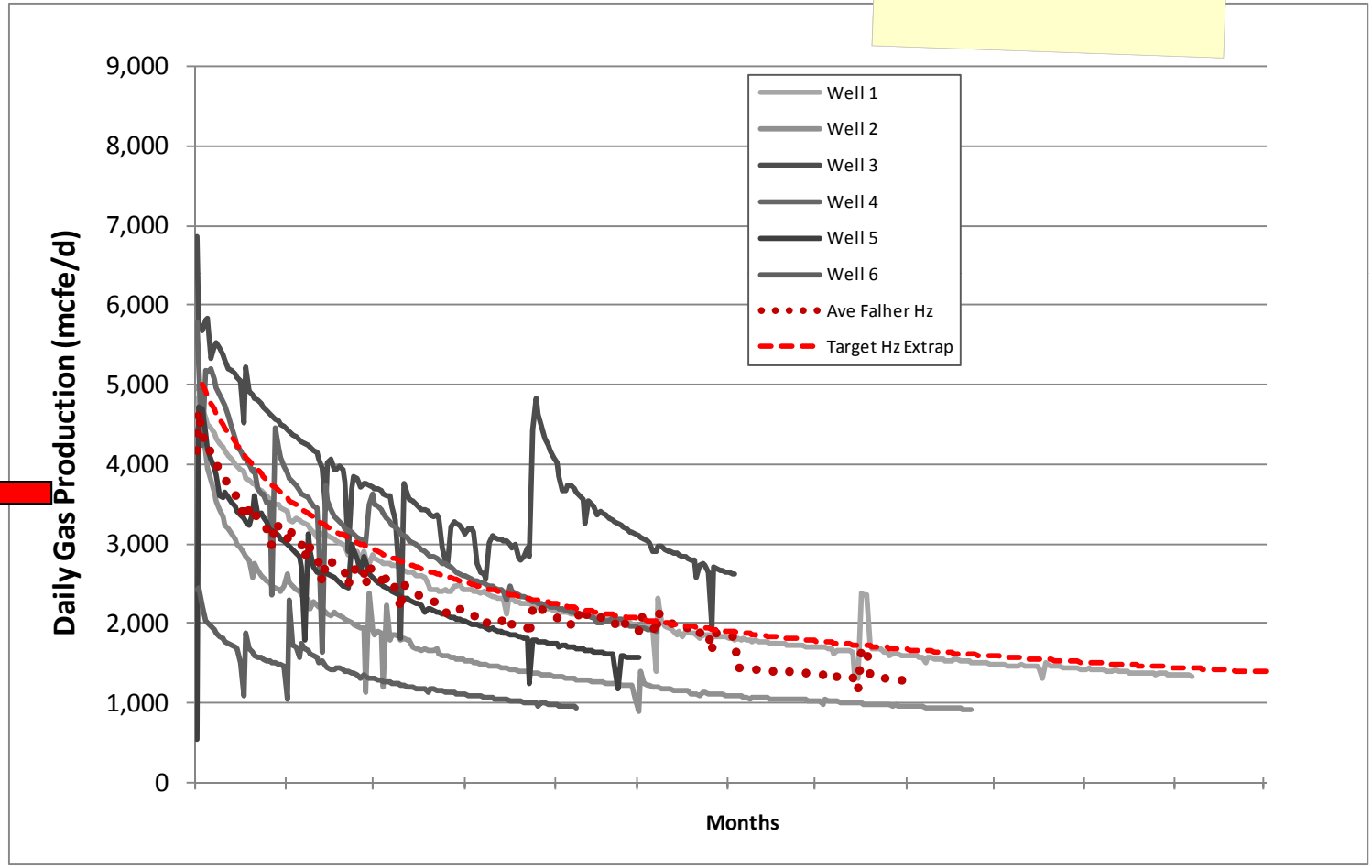


BOE factor - 6 mcf = 1 bbl of oil equivalent

Falher Resource Play
Economic Comparison

"The Falher sands were never developed much in vertical wells but the horizontal results appear consistent with Wilrich and Notikewin results."

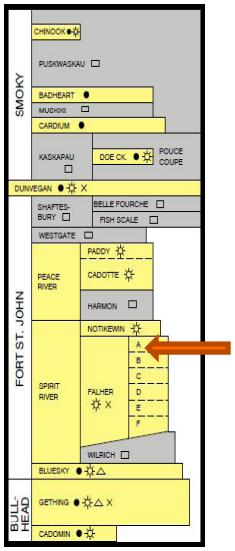


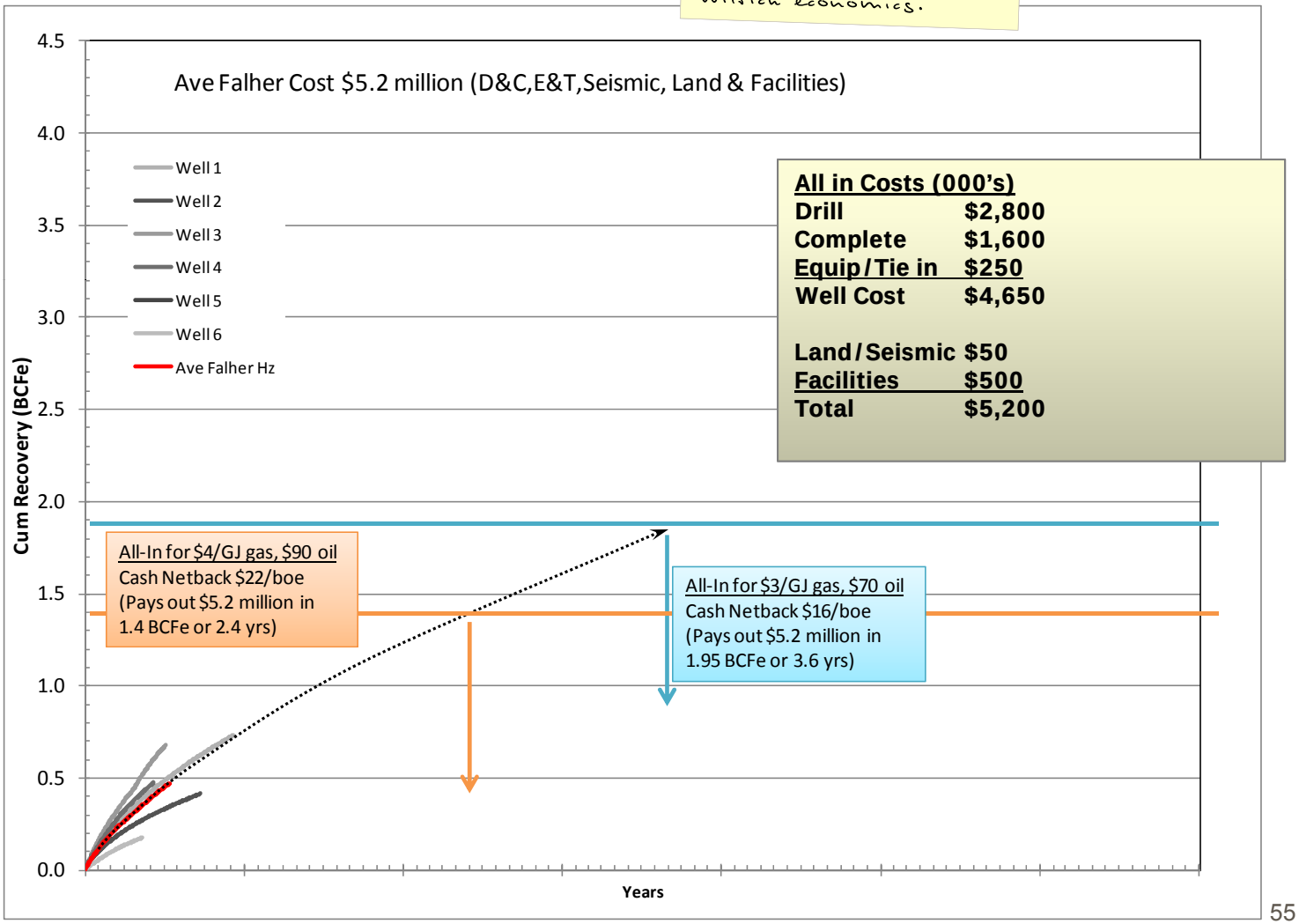


Falher Resource Play

Payout Analysis

"The Falher package is several sands that should all be developable with horizontal wells. Early results look consistent with Notikewin and Wilrich economics."





Quarterly Track Record

	2011		2010					2009			
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2
Operations											
Production											
Oil & NGLs (bbl/d)	3,811	3,746	3,389	3,439	3,322	3,465	3,330	3,028	3,222	2,916	2,950
Natural gas (mcf/d)	183,790	166,710	122,031	148,551	122,717	112,422	103,934	92,718	95,467	89,259	90,191
Barrels of oil equivalent (boe/d)	34,443	31,531	23,728	28,197	23,775	22,202	20,653	18,481	19,133	17,793	17,982
Year over Year % Growth	55%	53%	28%	47%	34%	23%	9%	-8%	-5%	-11%	-8%
Average Product Prices											
Oil & NGLs ($/bbl)	84.06	76.19	65.31	67.06	59.66	65.58	68.93	50.18	60.77	51.06	43.42
Natural gas ($/mcf)	4.43	4.92	5.36	4.93	5.16	5.25	6.34	6.44	6.17	5.74	6.14
Operating expenses ($/mcfe)	0.45	0.52	0.48	0.45	0.48	0.51	0.54	0.52	0.49	0.52	0.54
Field Netback ($/mcfe)	4.41	4.75	5.02	4.75	4.83	4.82	5.81	5.60	5.64	5.22	5.23
Financial ($000)											
Revenue (net of royalties)	91,186	89,655	286,020	80,921	69,650	64,649	70,801	247,846	64,761	56,353	56,599
Funds from Operations [1]	77,010	74,696	234,077	66,359	56,743	52,415	58,559	202,699	53,302	45,263	45,527
Net earnings (loss)	32,718	31,688	121,838	27,700	32,567	24,696	36,874	152,774	33,035	26,976	29,189
Capital expenditures	69,017	103,786	261,484	110,561	64,123	37,439	49,361	72,739	26,307	28,725	4,671
Net Debt [2]	474,008	453,376	404,944	404,944	457,959	417,854	467,368	439,860	439,860	423,965	399,513
Common shares outstanding (000)	133,061	133,061	132,811	132,811	122,136	121,476	115,417	115,116	115,116	114,920	114,920
Weighted average shares	133,061	132,737	120,549	125,726	121,766	119,420	115,154	110,556	114,920	114,920	106,316
Per share data											
Funds from operations	0.58	0.56	1.94	0.53	0.47	0.44	0.51	1.83	0.46	0.39	0.43
Earnings (loss)	0.25	0.24	1.01	0.22	0.27	0.21	0.32	1.38	0.29	0.24	0.28

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.

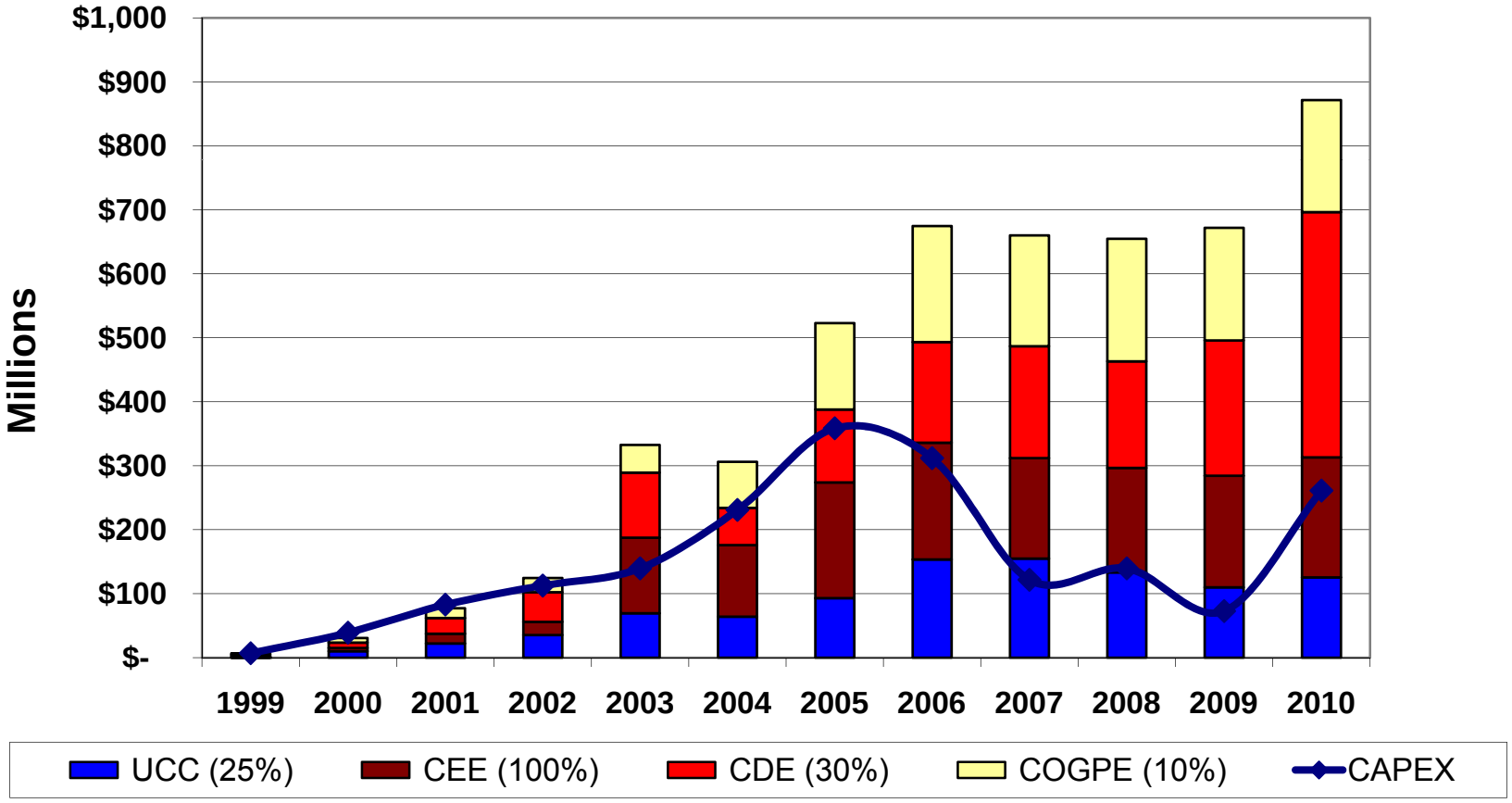
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

Organic Business Model

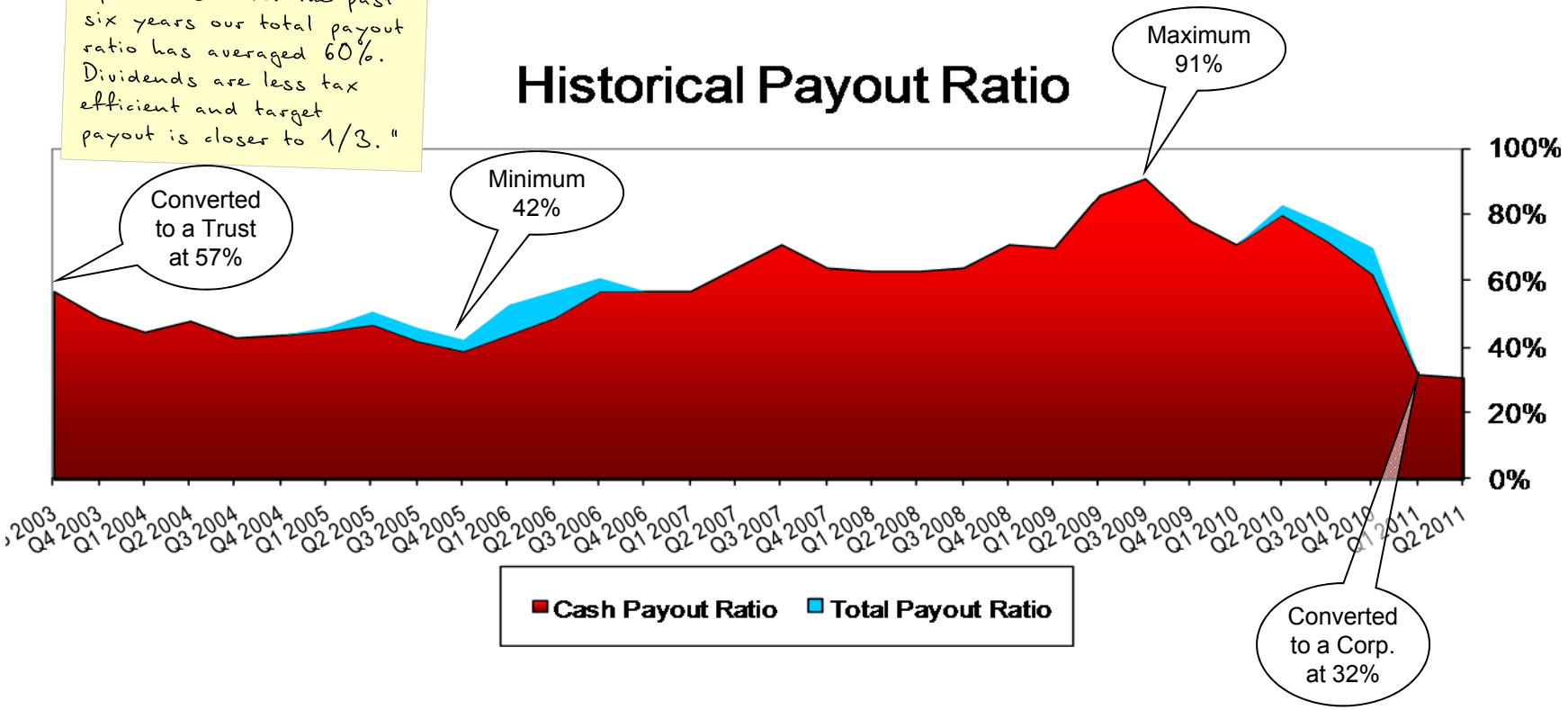
Peyto's Tax Pools

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



Payout Ratio History

"Our plan as a Trust was to payout roughly 50% of the funds from operations. Over the past six years our total payout ratio has averaged 60%. Dividends are less tax efficient and target payout is closer to 1/3."



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

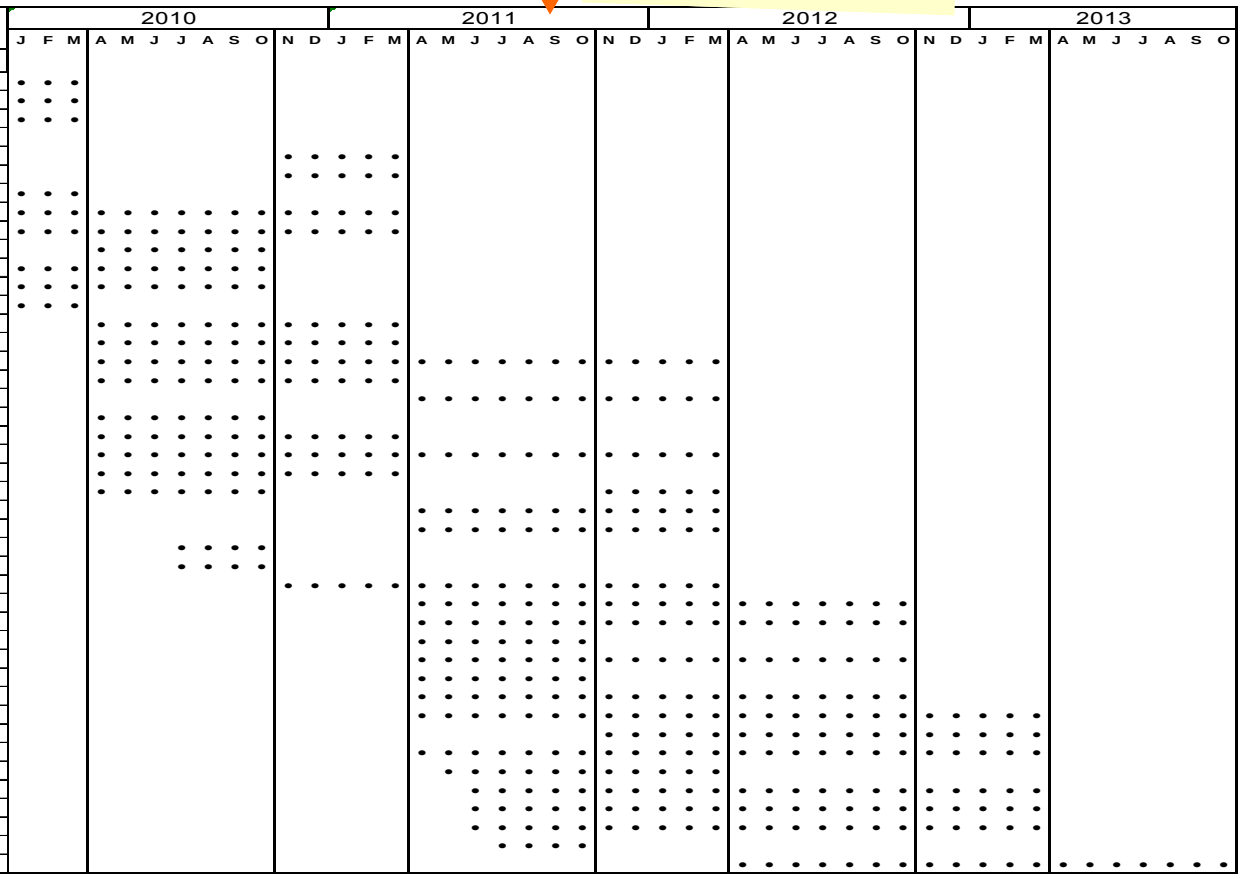
Gas Marketing

Future Sales

"Low risk reserves and production can be forward sold with confidence since you know they will still be there when the time comes."

Financial Hedges - Gas

Term		GJ/d	Pricing ($/GJ)
From	To		
1-Apr-09	31-Mar-10	5000	$7.650
1-Nov-09	31-Mar-10	5000	$8.390
1-Nov-09	31-Mar-10	5000	$8.350
1-Apr-09	31-Oct-09	5000	$7.500
1-Nov-10	31-Mar-11	5000	$8.910
1-Nov-10	31-Mar-11	5000	$9.150
4-Nov-09	31-Mar-10	5000	$6.900
4-Nov-09	31-Mar-11	5000	$6.200
4-Nov-09	31-Mar-11	5000	$5.810
1-Apr-10	31-Oct-10	5000	$6.100
4-Nov-09	31-Oct-10	5000	$5.200
4-Nov-09	31-Oct-10	5000	$5.000
4-Nov-09	31-Mar-10	5000	$5.250
1-Apr-10	31-Mar-11	5000	$5.280
1-Apr-10	31-Mar-11	5000	$5.290
1-Apr-10	31-Mar-12	5000	$5.670
1-Apr-10	31-Mar-11	5000	$5.555
1-Apr-11	31-Mar-12	5000	$6.200
1-Apr-10	31-Oct-10	5000	$5.500
1-Apr-10	31-Mar-11	5000	$5.700
1-Apr-10	31-Mar-12	5000	$5.820
1-Apr-10	31-Mar-11	5000	$4.550
1-Apr-10	31-Mar-12	5000	$4.500
1-Apr-11	31-Mar-12	5000	$5.000
1-Apr-11	31-Mar-12	5000	$5.120
1-Jul-10	31-Oct-10	5000	$4.030
1-Jul-10	31-Oct-10	5000	$4.200
1-Nov-10	31-Mar-12	5000	$4.100
1-Apr-11	31-Oct-12	5000	$4.050
1-Apr-11	31-Oct-12	5000	$4.150
1-Apr-11	31-Oct-11	5000	$3.500
1-Apr-11	31-Oct-12	5000	$4.100
1-Apr-11	31-Oct-11	5000	$3.800
1-Apr-11	31-Oct-12	5000	$4.000
1-Apr-11	31-Mar-13	5000	$3.800
1-Nov-11	31-Mar-13	5000	$4.000
1-Apr-11	31-Mar-13	5000	$4.055
1-May-11	31-Mar-12	5000	$4.000
1-Jun-11	31-Mar-13	5000	$4.170
1-Jun-11	31-Mar-13	5000	$4.100
1-Jun-11	31-Mar-13	5000	$4.100
1-Jul-11	31-Oct-11	5000	$4.030
1-Apr-12	31-Oct-13	5000	$4.000



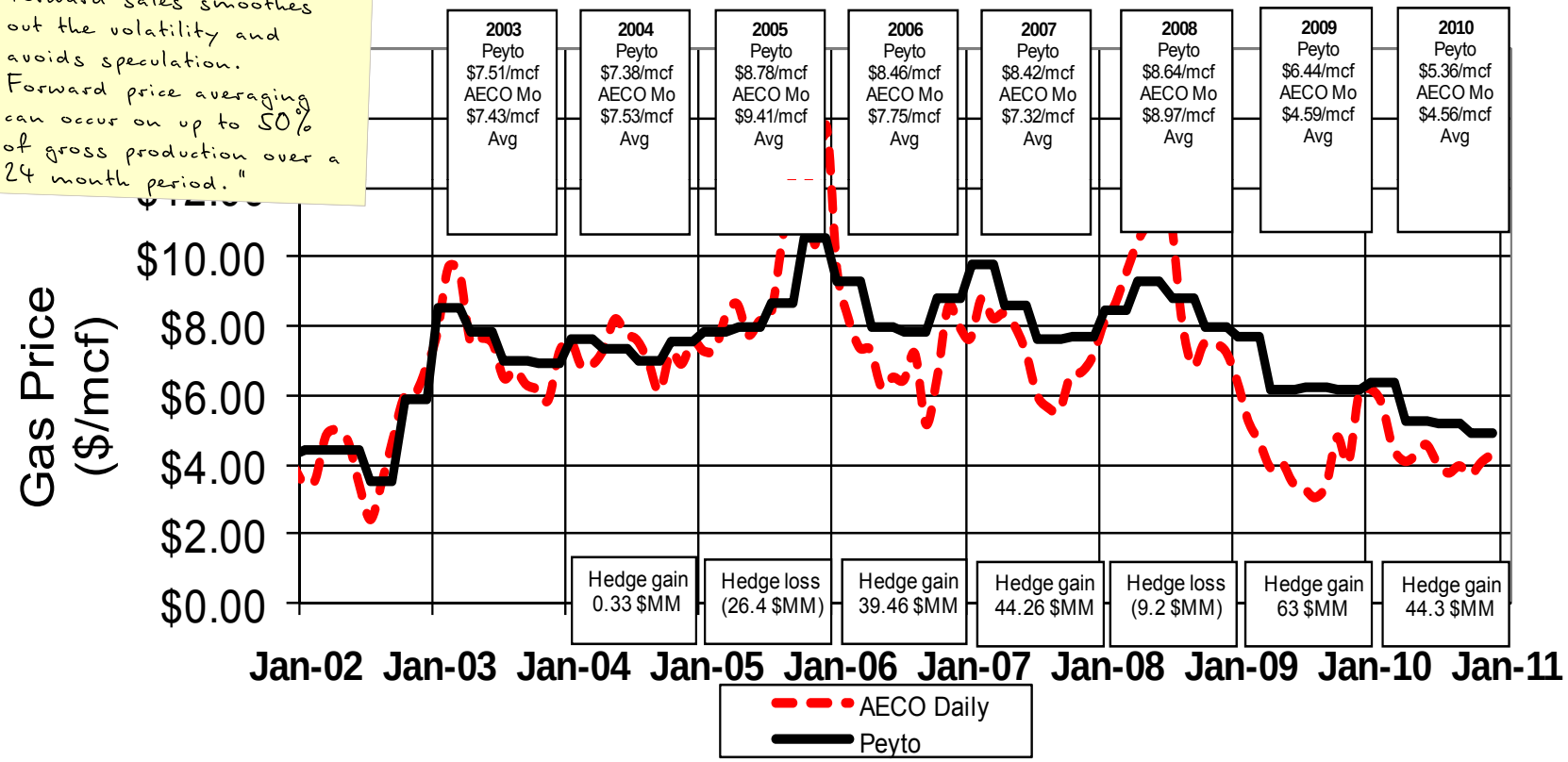
Avg (Gas only)								
Avg GJ/d	45,000	75,714	60,000	87,857	90,000	55,000	35,000	5,000
Avg $ per GJ	$6.53	$5.35	$6.00	$4.44	$4.50	$4.05	$4.03	$4.00
Avg mcf/d	38,500	64,700	51,300	75,100	76,900	47,000	29,900	4,300
Avg $ per mcf	$7.64	$6.26	$7.02	$5.20	$5.26	$4.74	$4.72	$4.68

•Assuming an Average Heating Value of 1.17 GJ/mcf for Peyto's gas

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 2010 Reserves
Volumes

Category	Sales Gas (BCF)	Natural Gas Liquids & Oil (Mstb)	BOE's(Mstb)
Proven Producing	568	15,959	110,620
Proven Non-Producing	12	305	2,236
Proven Undeveloped	350	8,595	66,846
Total Proven	929	24,859	179,701
Probable Additional	424	9,255	79,977
Proved + Probable	1,353	34,113	259,678

InSite Petroleum Consultants (formerly Paddock Lindstrom & Associates) February 2011 Reserve Report (effective: December 31, 2010)

BOE factor - 6 mcf = 1 bbl of oil equivalent

Peyto's 2010 Reserves

Before Tax Net Present Value

Variable Price Economics

	NPV (millions of CDN dollars)			
Category	0%	5%	8%	10%
Proven Producing	$4,503	$2,363	$1,821	$1,582
Proven Non-Producing	$ 92	$ 37	$ 24	$ 18
Proven Undeveloped	$2,198	$1,004	$ 678	$ 532
Total Proven	$6,793	$3,404	$2,523	$2,132
Probable Additional	$3,146	$1,334	$ 897	$ 711
Proven + Probable	$9,939	$4,738	$3,420	$2,843

InSite Petroleum Consultants (formerly Paddock Lindstrom & Associates) February 2011 Reserve Report (effective: December 31, 2010)

BOE factor - 6 mcf = 1 bbl of oil equivalent