Morgan Stanley
Calgary Energy Summit

www.Peyto.com

March 13, 2014

Advisory

Regarding Forward-Looking Statements

PEYTO
Exploration & Development Corp.

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 dividends to be paid to shareholders, dividend policy, and the timing of payment of such dividends.

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

15th 1998-2013 Anniversary

TSX Listing:	PEY
Shares Outstanding:	153.7 million, 4.4% insiders (as of Feb. 5/14)
Monthly Dividend:	$0.08/share (incr. from $0.06 effective May/13)
Current Production:	~450 MMCFe/d (75,000 boe/d)
YE 2013 2P Reserves:	2.8 TCFe (468 mmboes)
Net Debt:	$100 million (senior unsecured notes, 7 yr, 4.39% CAD, Prudential IM)
	$ 50 million (senior unsecured notes, 10 yr, 4.88% CAD, Prudential IM)
	$120 million (senior unsecured notes, 7 yr, 4.5% CAD, syndicate)
*(Q4 2013)	$677 million (revolving bank debt, unaudited)
	$947 million*
Bank Lines:	$1.27B total capacity ($1.0B unsecured bank facility)
Enterprise Value:	$6.2 billion ($34/share)

BOE factor - 6 mcf = 1 bbl of oil equivalent
Reserve and production volumes are before royalty deductions

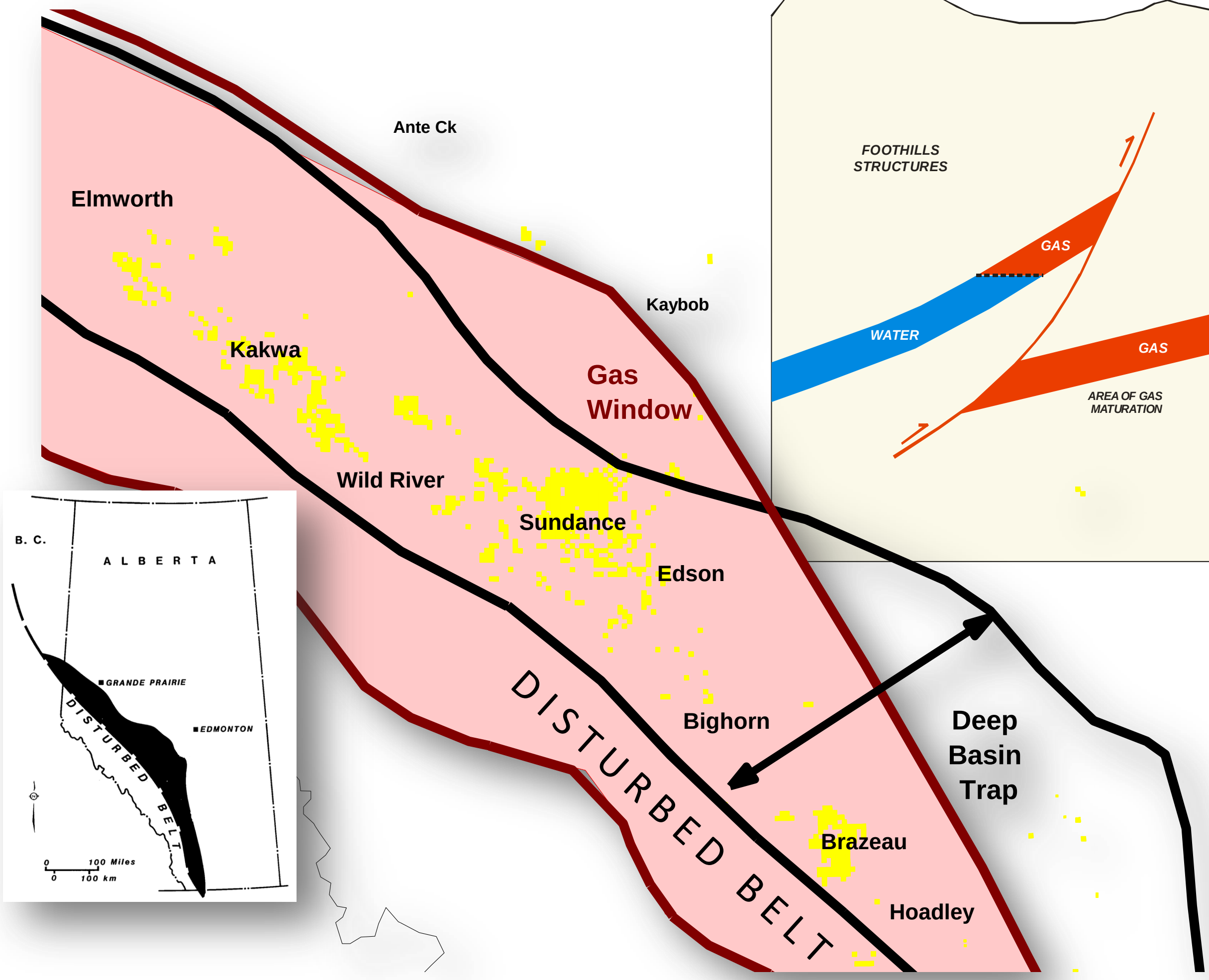
Peyto Strategy

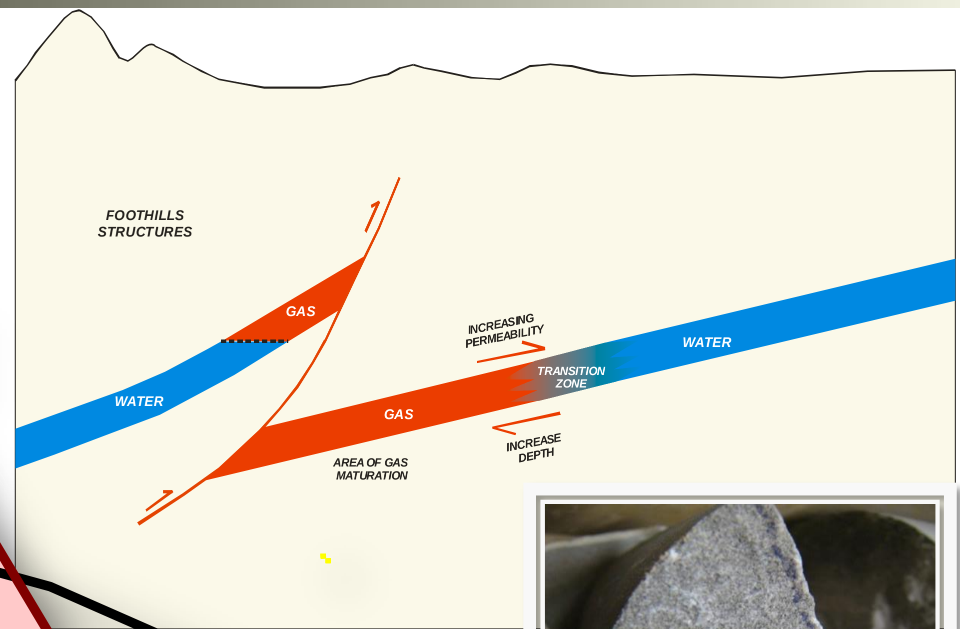
How We Do It

- Invest in our own ideas
- Build it ourselves
- Operate it ourselves
- Focus on maximum return
- Stay concentrated, lean & efficient

Peyto Strategy

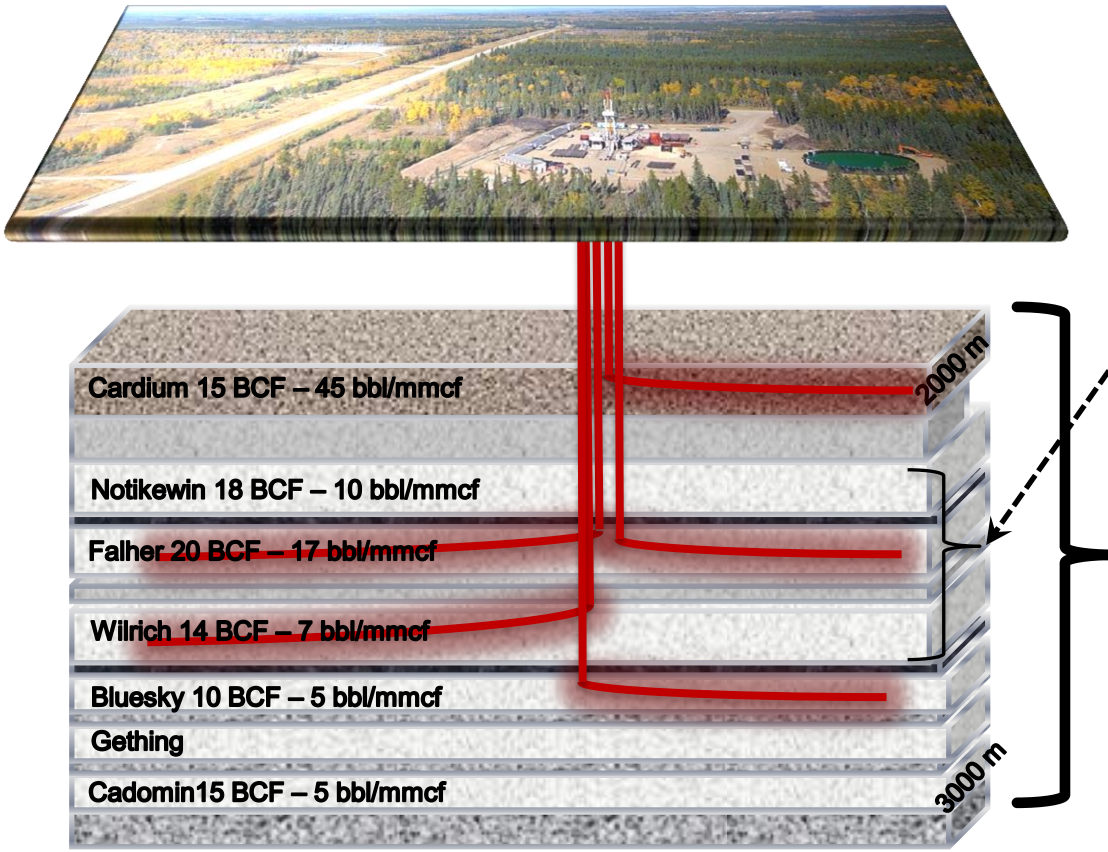
Sweet, Tight sandstone Reservoirs





Peyto Strategy

Multi Zone Stacked Sandstone Reservoirs



Detailed Petrophysical work on the Spirit River sands revealed >30% more reserves per section

Up to 80 BCF per section*

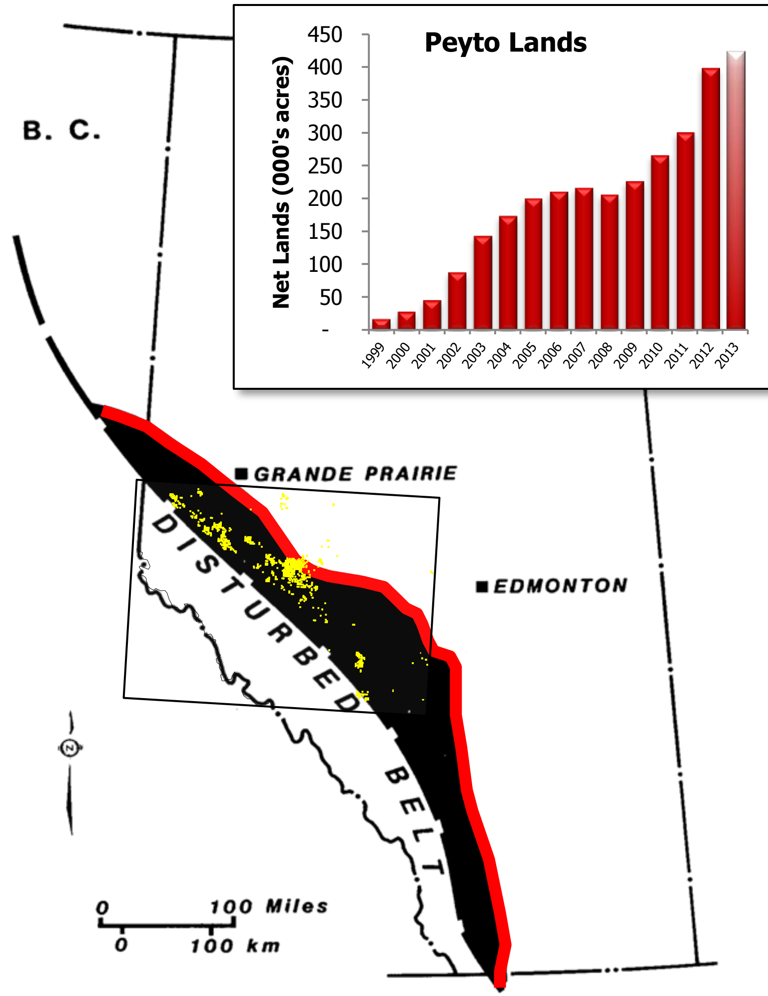
NGL recoveries can increase by 15+ bbl/mmcf with deeper cutting processing facilities
Reserves are 2P recoverable in a section at 85% RF

Peyto Strategy
Alberta's Deep Basin

664
Net Peyto Sections

2,473
Net Sections of Cardium, Dunvegan, Notikewin, Falher, Wilrich, Bluesky, & Cadomin

168
Net Sections for 2.0 TCFe of PD EUR*



TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable
**Based on InSite Petroleum Consultants Dec 31, 2013 Reserve Report.*
Lands at December 31, 2013

Peyto Strategy

Geographically Focused Core Areas

97%

Processed by Peyto

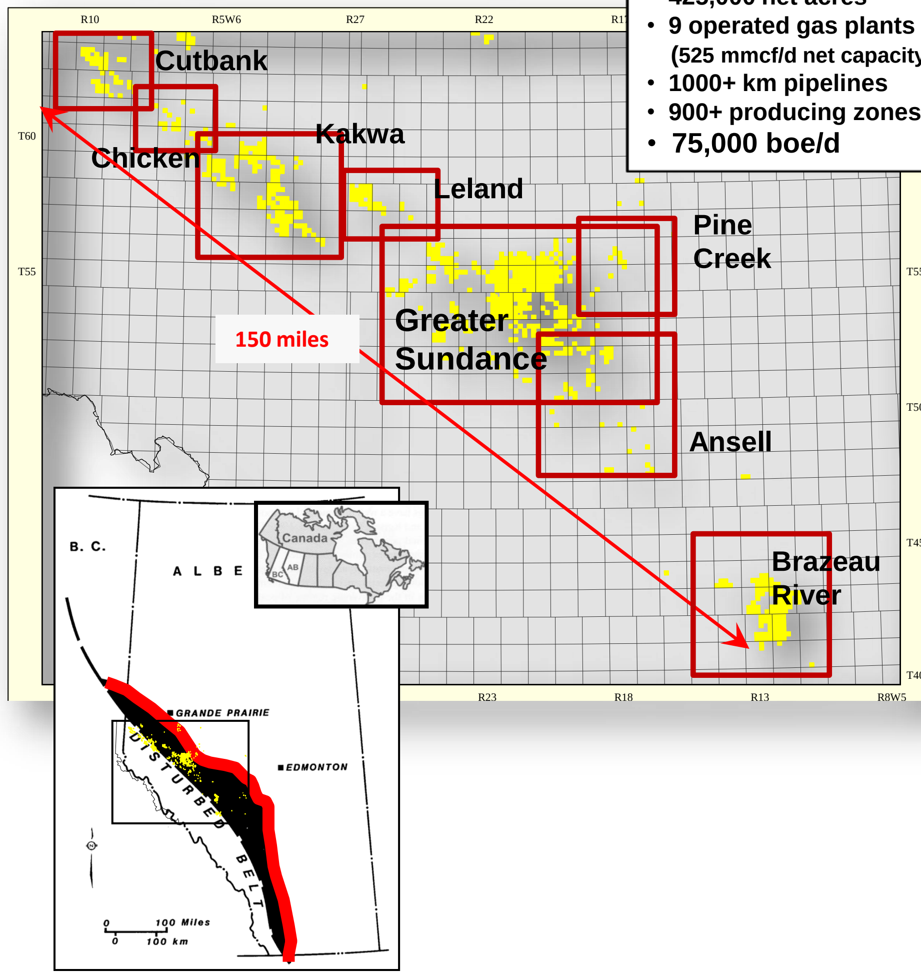
99%

Operated by Peyto

97%

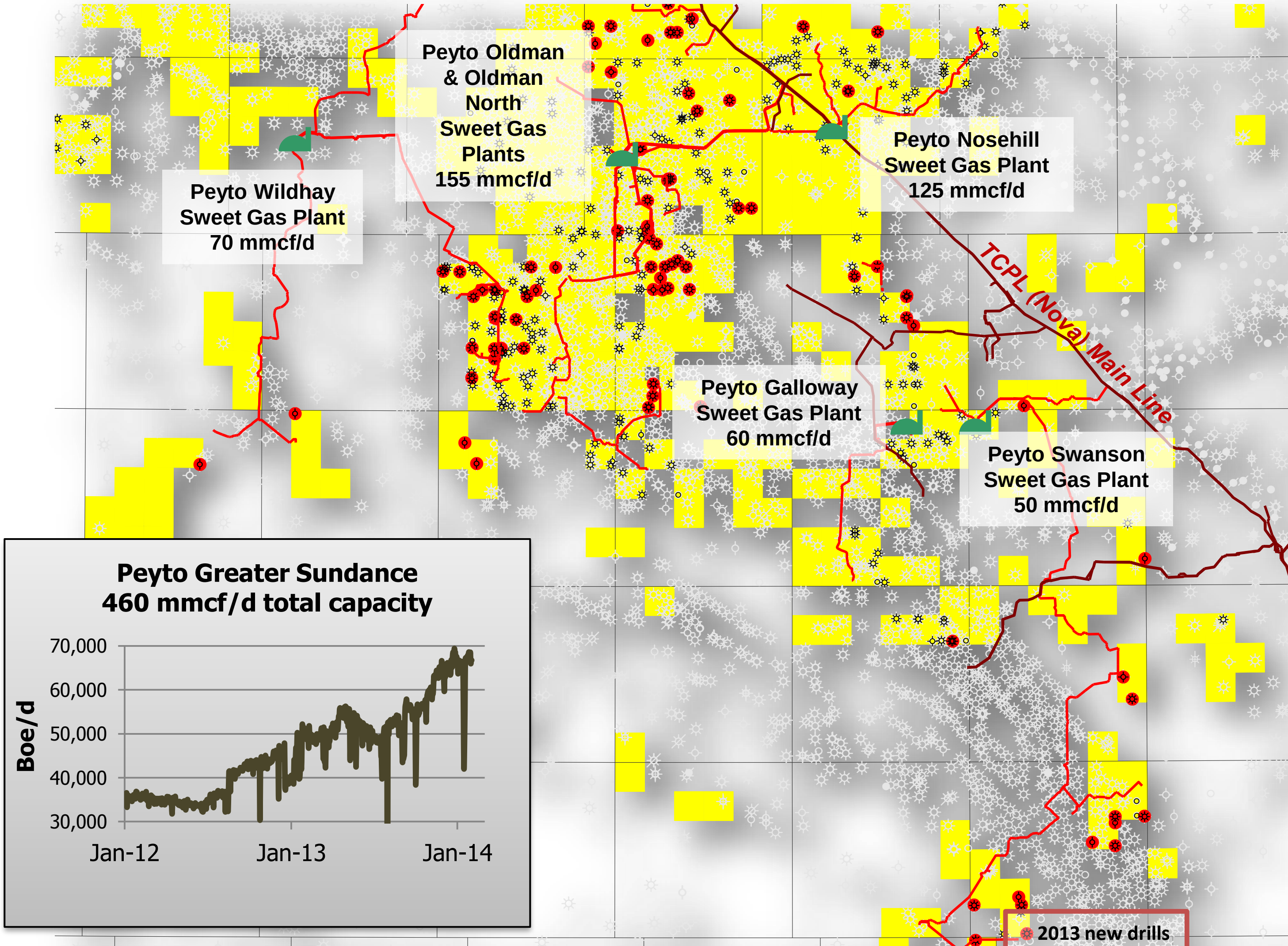
Interest in 9 Processing Facilities

- 425,000 net acres
- 9 operated gas plants (525 mmcf/d net capacity)
- 1000+ km pipelines
- 900+ producing zones
- 75,000 boe/d



Peyto Strategy

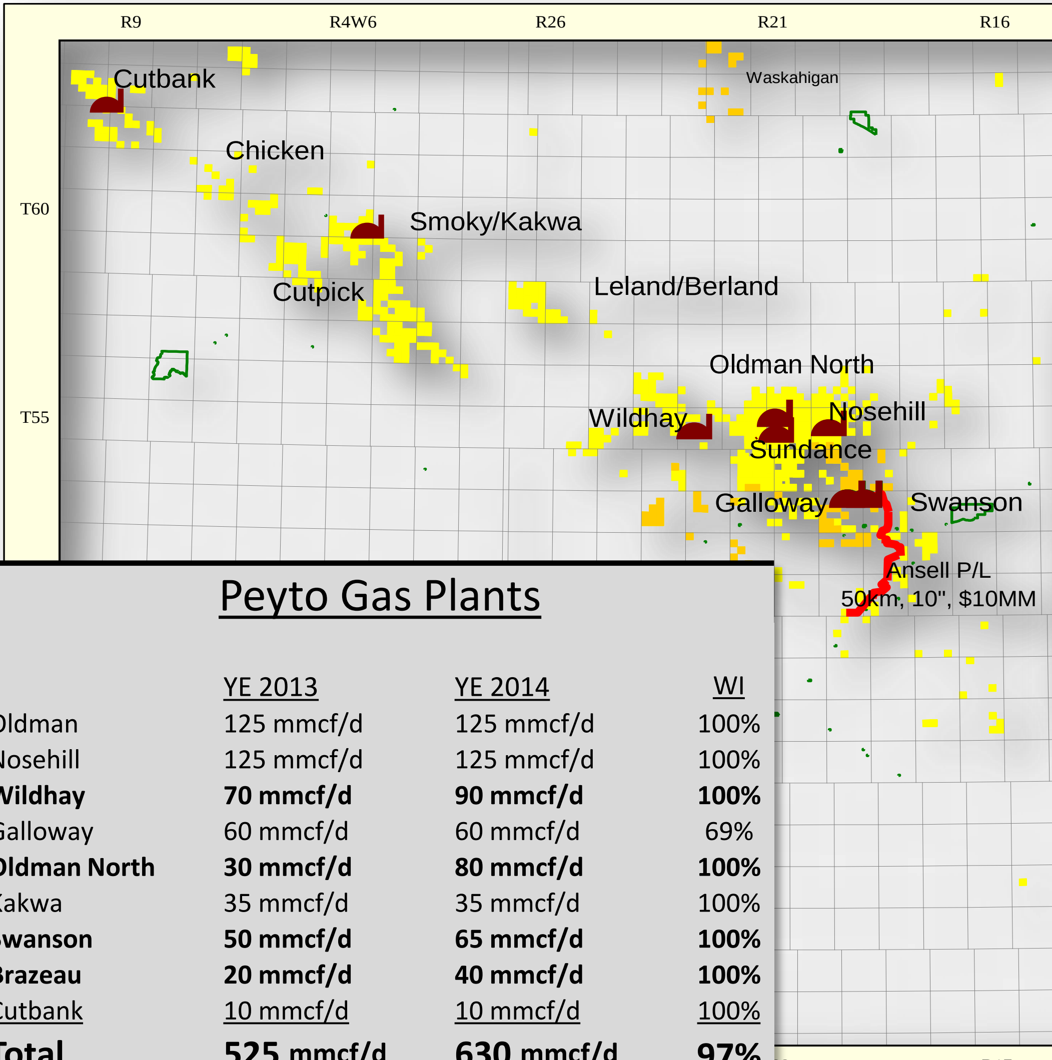
Greater Sundance Area



Peyto Strategy

Facility Ownership and Control

15th 1998-2013 Anniversary



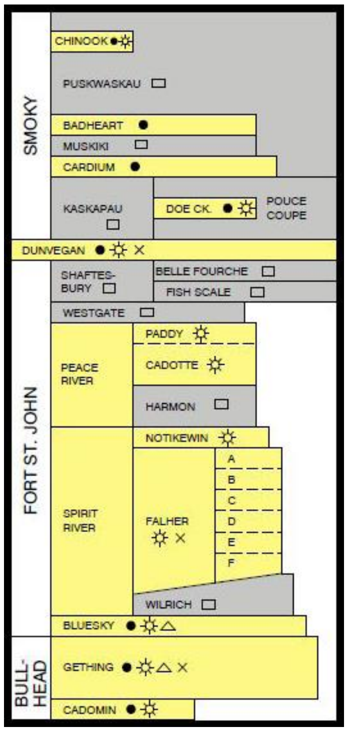
Peyto Gas Plants

	YE 2013	YE 2014	WI
1 Oldman	125 mmcf/d	125 mmcf/d	100%
2 Nosehill	125 mmcf/d	125 mmcf/d	100%
3 **Wildhay**	**70 mmcf/d**	**90 mmcf/d**	**100%**
4 Galloway	60 mmcf/d	60 mmcf/d	69%
5 **Oldman North**	**30 mmcf/d**	**80 mmcf/d**	**100%**
6 Kakwa	35 mmcf/d	35 mmcf/d	100%
7 **Swanson**	**50 mmcf/d**	**65 mmcf/d**	**100%**
8 **Brazeau**	**20 mmcf/d**	**40 mmcf/d**	**100%**
9 Cutbank	10 mmcf/d	10 mmcf/d	100%
Total	**525 mmcf/d**	**630 mmcf/d**	**97%**

Peyto Nosehill Gas Plant: 125 MMCF/d throughput

Peyto Drilling Opportunities

Large Hz MSF Inventory



Done[1]: Total Vertical Wells	Done[1]: Total Hz Wells	To Do: Total Hz Locations Booked*	To Do: Total Hz Locations Unbooked
			56
432	63	200	356
5	1	5	
1			14
90	56	87	43
7	27	37	23
	27	56	254
		1	
14	136	179	192
4	14	47	48
12	2		
87	2	16	177
652	328	628	1163

Over 1700 locations

1. Drilling to Dec 31, 2013

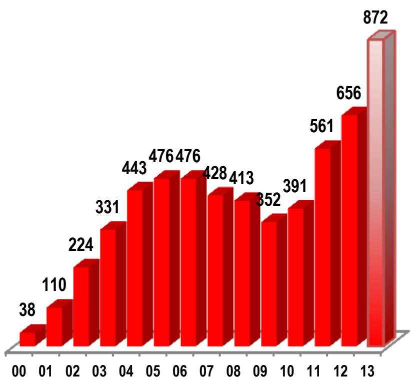
**As recognized in the IPC independent reserve report dated Dec. 31, 2013*

Peyto Performance Measures

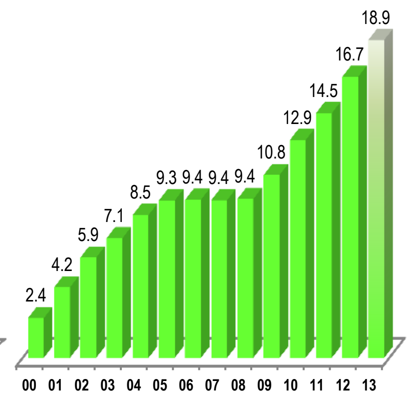
Focus – Growth per Share, Cost per Unit

15th 1998-2013 Anniversary

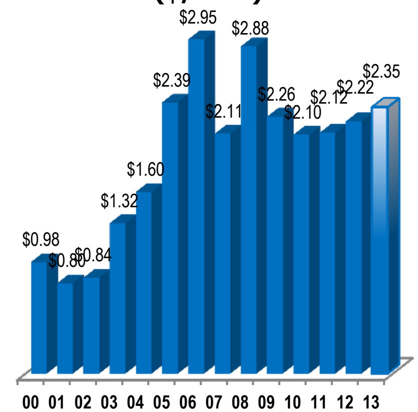
Production Growth (MMcfe/mm sh)



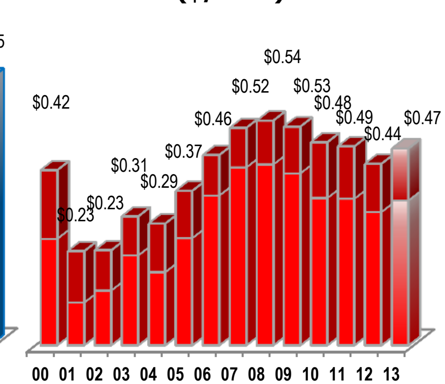
Reserves Growth (2P Bcfe/mm sh)



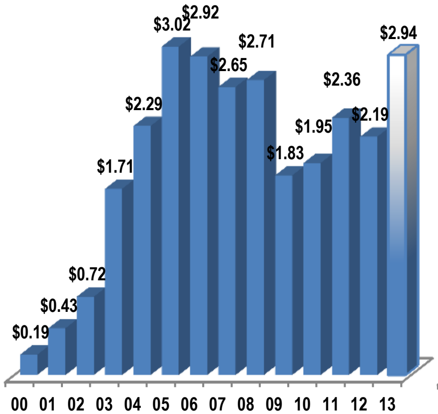
PDP FD&A ($/Mcfe)



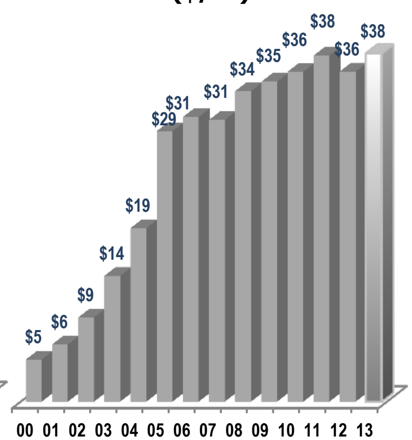
Operating Costs w/transportation ($/Mcfe)



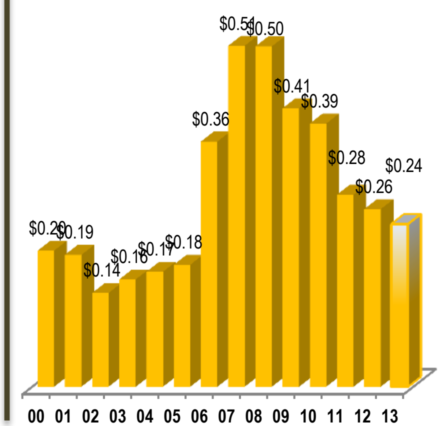
Funds from Operations ($/sh)



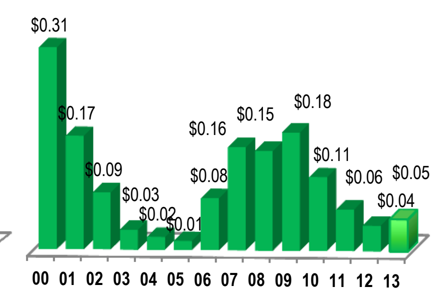
2P NPV$_5$ DA ($/sh)



Interest Cost ($/Mcfe)



G&A Cost ($/Mcfe)

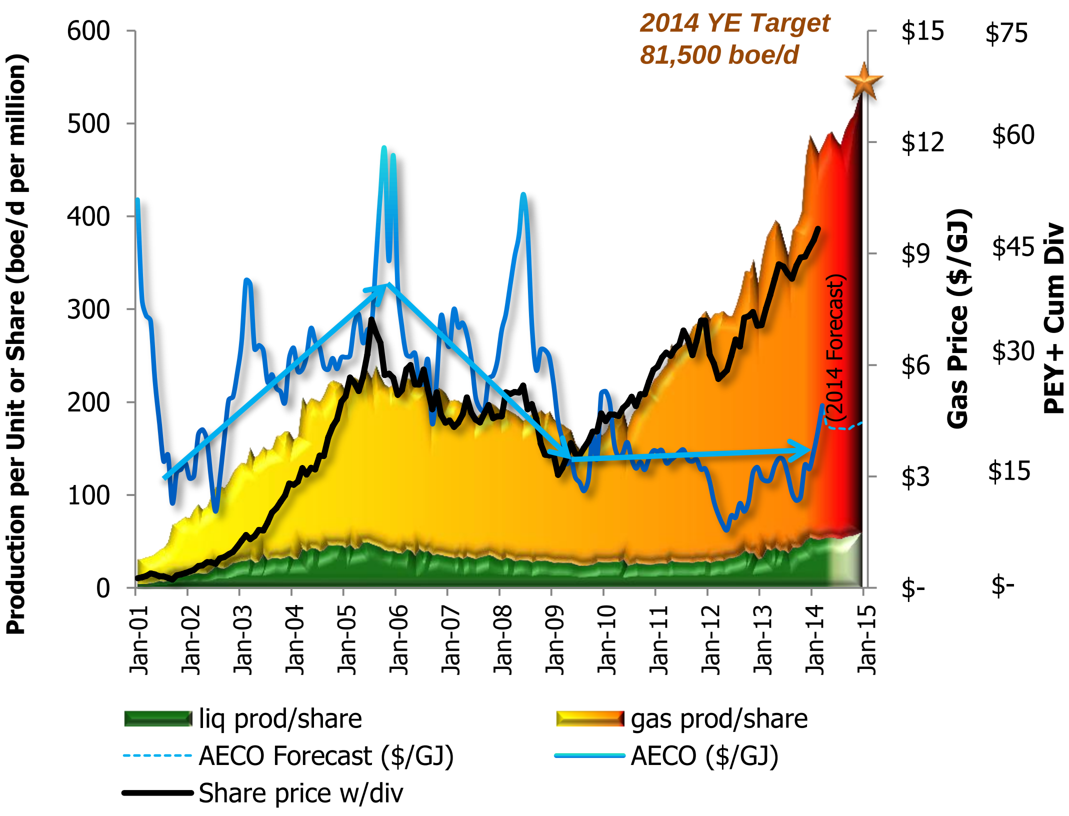


BOE factor - 6 mcf = 1 bbl of oil equivalent
Reserve and production volumes are before royalty deductions
Historical annual average per share and shares outstanding numbers used above have been adjusted to reflect the May 27, 2005 2:1 stock split

Peyto Performance Measures

Growth per Share

15th 1998-2013 Anniversary



30%

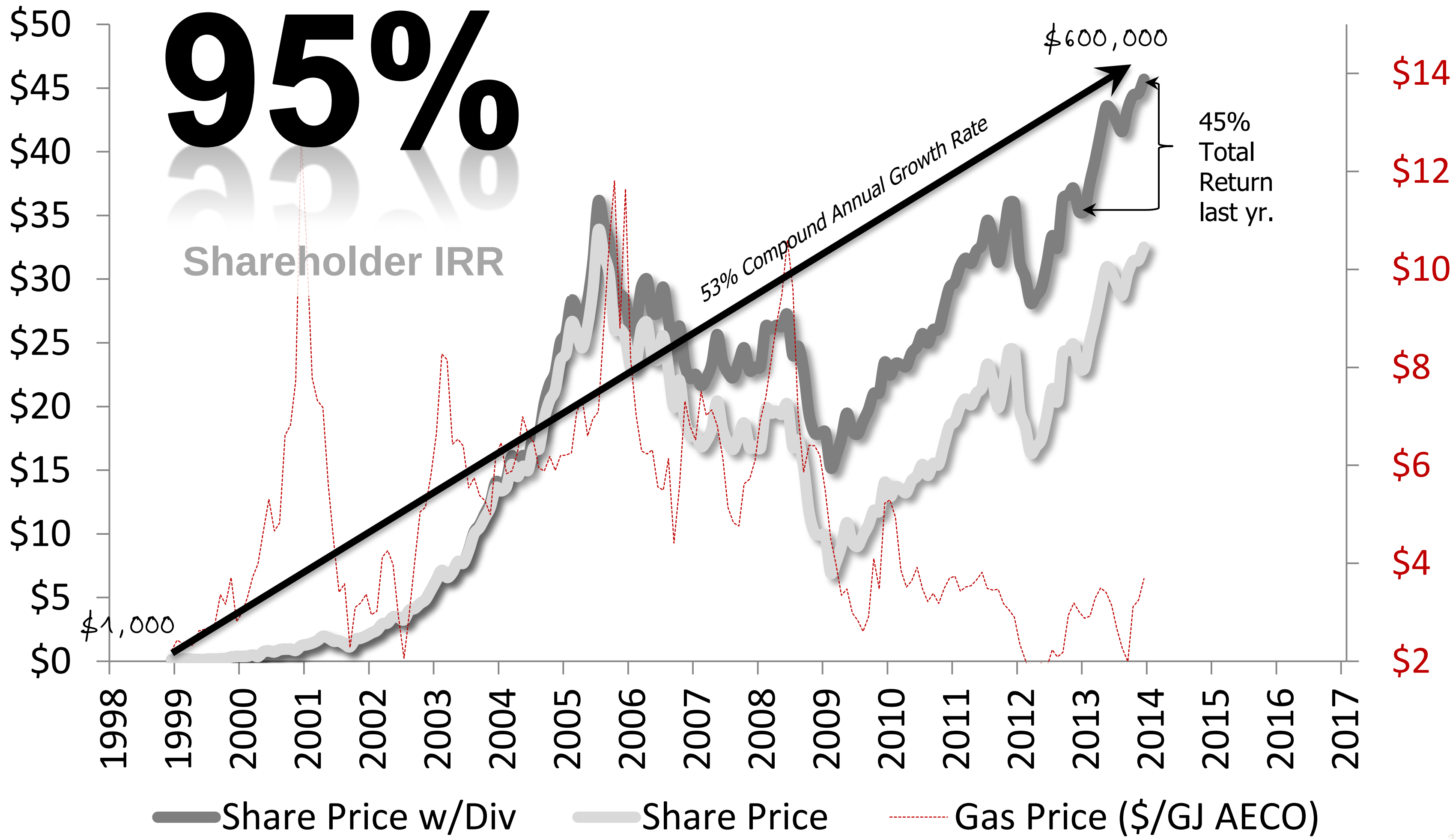
Production/share growth rate

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

Peyto Performance Measures

Superior Shareholder Returns

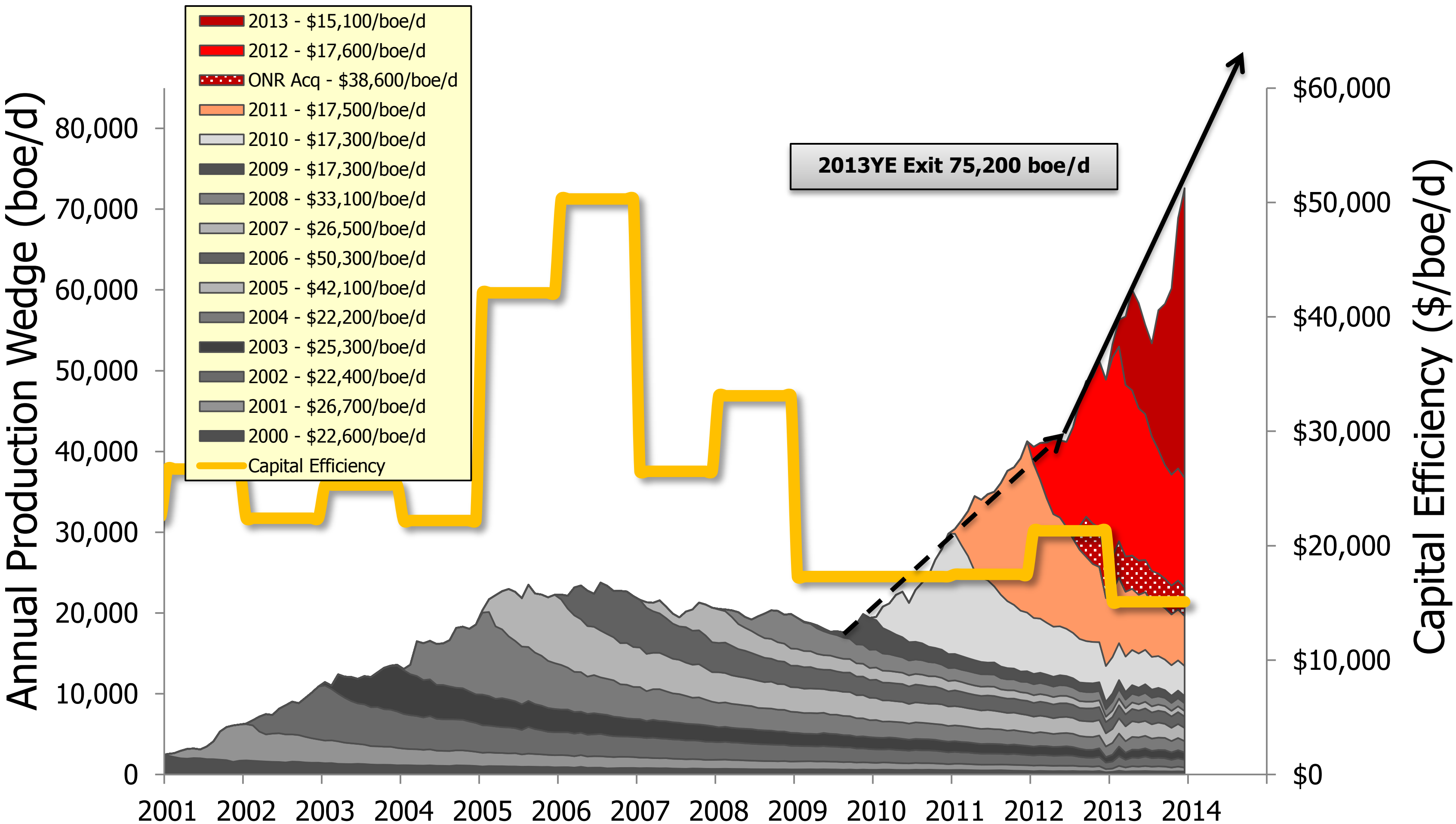


Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
Oct 23,1998 price of $0.075/share, Dec 31/13 price of $32.51/share, Cum Dist./Div. to Dec 31/2013 $13.19
2013 return: $22.99/share to $32.51/share plus $0.88/share dividend

3/12/2014

Peyto Performance Measures

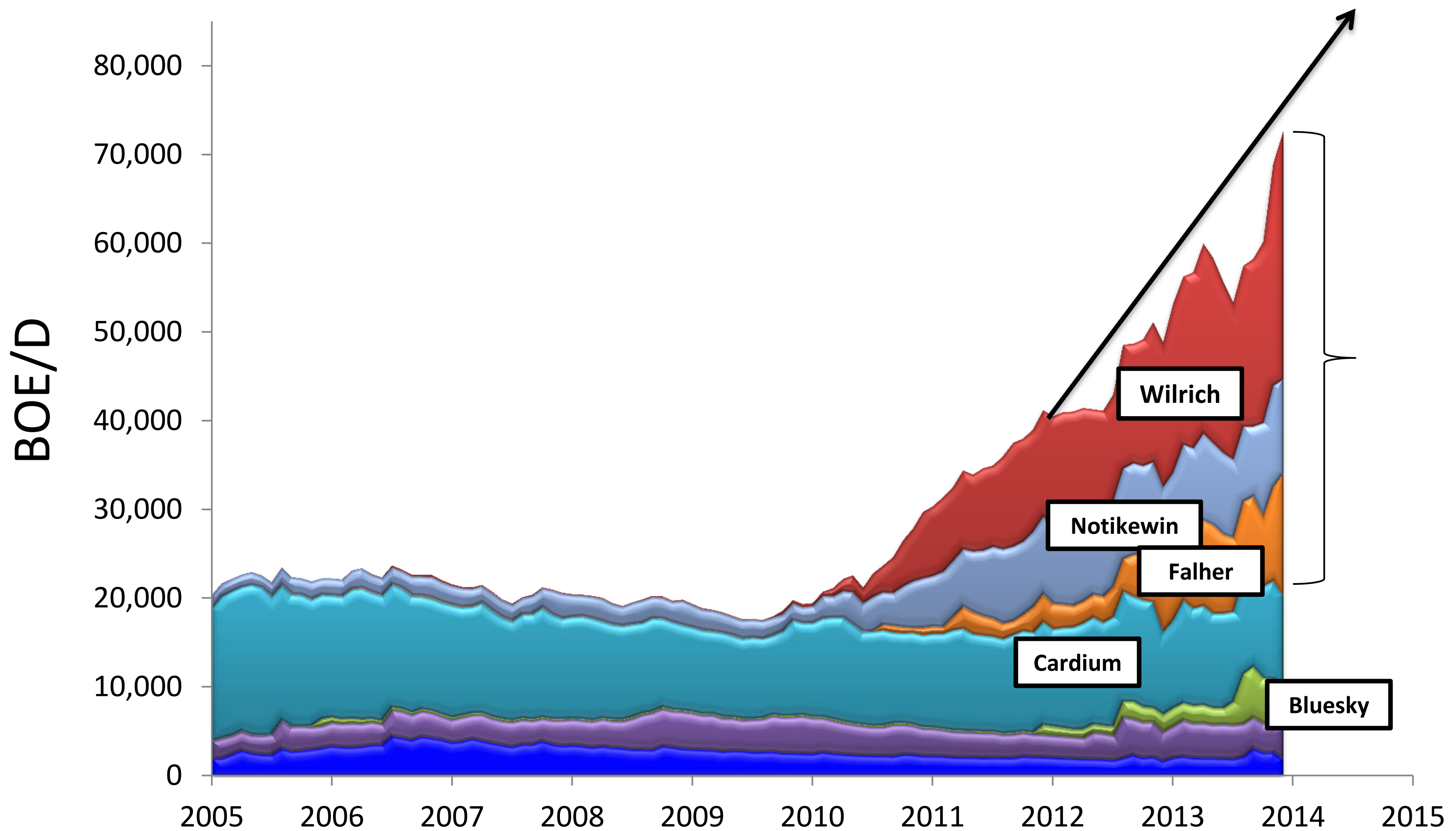
Focus on Returns Drives Capital Discipline



** 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 Performance Details

Production By Formation



Peyto Performance Details

Liquids Rich Natural Gas

Peyto 2013 Realized Prices

Natural Gas — \$3.01/GJ (\$3.16/MMbtu, \$3.43/Mcf)

Ethane C_2H_6 — <1 bbl/mmcf — \$11/bbl = \$3.84/GJ

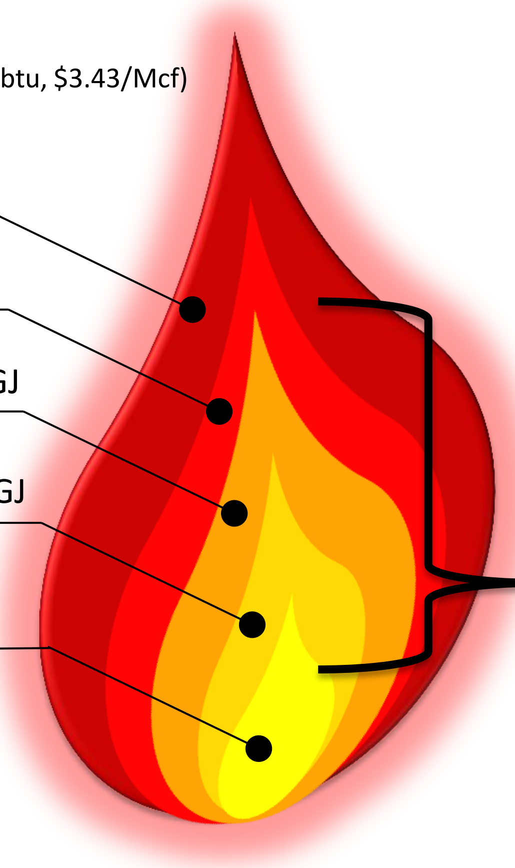
Propane C_3H_8 — 4.3 bbl/mmcf — \$25/bbl = \$6.29/GJ

Butane C_4H_{10} — 3.8 bbl/mmcf — \$53/bbl = \$11.76/GJ

Pentanes C_5 — 4.0 bbl/mmcf — \$97/bbl = \$18.49/GJ

Condensate C_5+ — 7.4 bbl/mmcf — \$90/bbl

NGLs — 20 bbl/mmcf — \$70.97/bbl



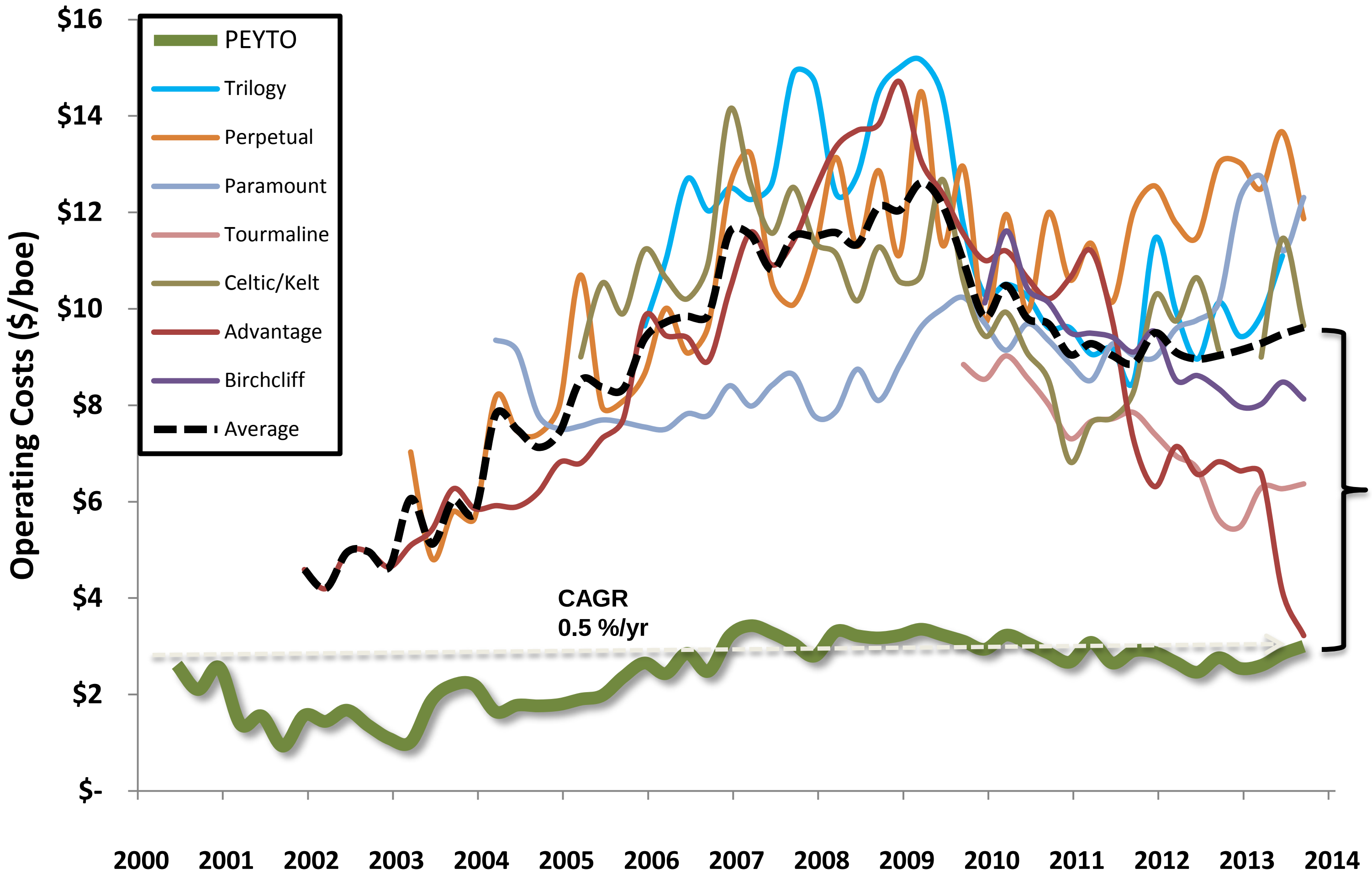
Liquid Conversion

Existing Refrig. (-35C)	Medium Cut (-70 to -80C)	Deep Cut (-110C)
1% C_2	1% C_2	40% C_2
30% C_3	90% C_3	95% C_3
50% C_4	99% C_4	99% C_4
97% C_5+	99% C_5+	99% C_5+

**2013 Liquids prices are monthly average Peyto realized prices after pipeline/fractionation/transportation costs (not volume weighted.) Equivalent gas price uses the gas equivalent and heat values for each liquid component*

Peyto Performance Details

Lowest Operating Costs – Gas Producers



How?

- ***We operate***
- ***Full facilities***
- ***No water***
- ***No sour***
- ***Chemical recycle***
- ***Nat gas fuel***
- ***Continuous innovation***

BOE factor - 6 mcf = 1 bbl of oil equivalent
Operating costs include transportation. (Advantage op costs adjusted for $0.25/mcf reported transportation costs)

Peyto's Profitable Business

"Build it for less than we sell it"

15th 1998-2013 Anniversary

	PEY 2013
PDP FD&A $/mcfe	($2.35)
Cash Costs $/mcfe	($1.06)
Sales Price $/mcfe	$4.43
23% Profit	$1.02
Dividend	*$1.01*

Land/Acq	$9MM
Seismic	$3MM
Drilling	$254MM
Compl.	$152MM
Wellsite	$48MM
Facilities	$112MM
	$578MM

ΔPDP Reserves (before Prod.) 41.0 mmboes

PDP FD&A $14.09/boe

$2.35/mcfe

Royalties	($0.31)
Opex	($0.35)
Transport	($0.12)
G&A	($0.04)
Interest	($0.24)
Total Costs	($1.06/mcfe)

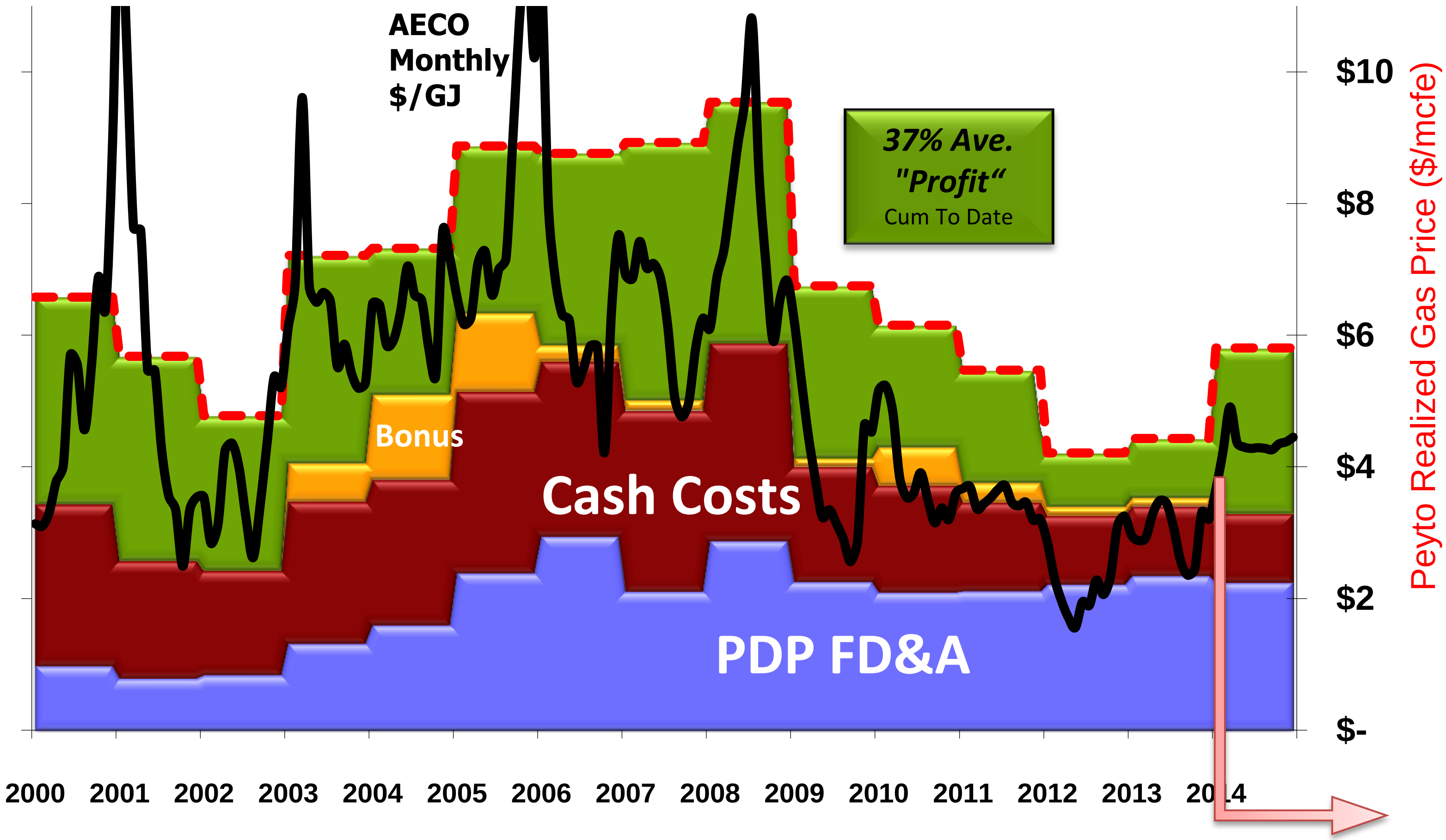
$3.01/GJ AECO daily
X 144%*
$4.32/mcfe
$0.11/mcfe hedging
$4.43/mcfe Peyto Realized

BOE factor - 6 mcfe = 1 bbl of oil equivalent

** 2013F uplift for NGLs and heat content from average Alberta daily natural gas price ($/GJ)*

Peyto's Profitable Business

Profitable Even Through The Lows

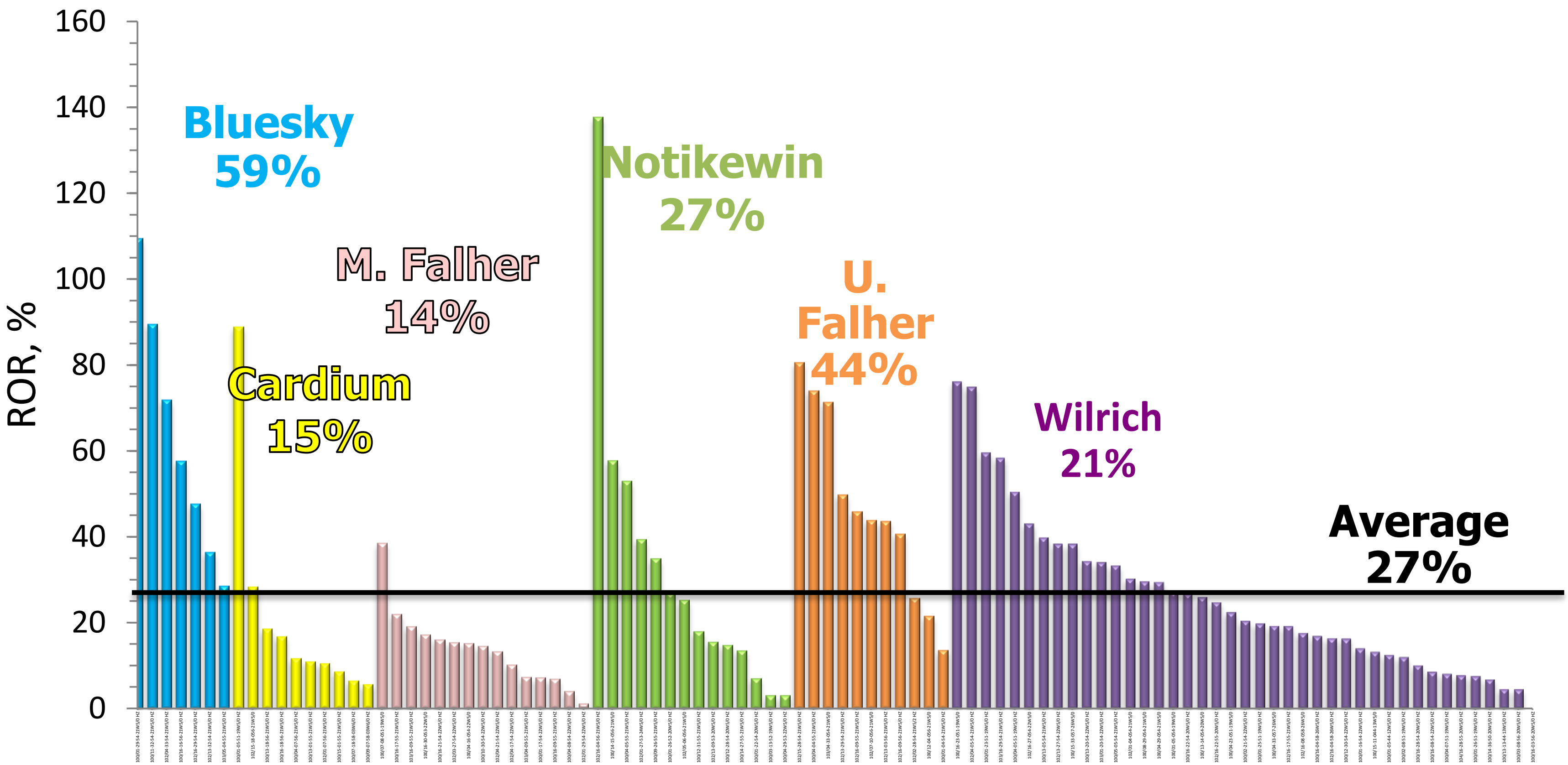


Forecast with AECO Strip Prices and Historical Costs

Total Cash Costs per mcfe includes – Royalties, Op Costs, G&A, and Interest
PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Peyto's Profitable Business

Full Cycle Real Returns (__NOT__ Hypothetical)

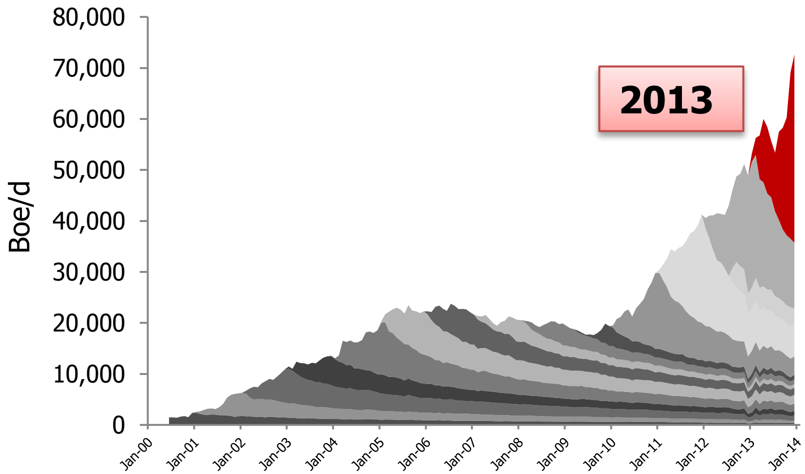


Only 1 well out of 99 will not make back its capital

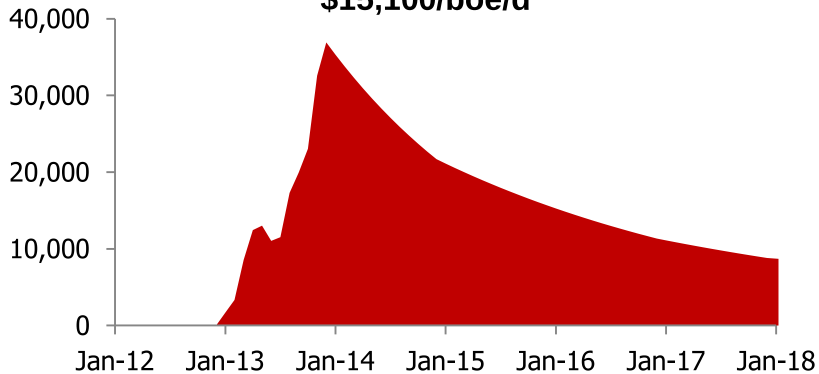
Includes provision of $930k per well for Facilities, Land and Seismic
Peyto's internal Full Cycle actual IRR on 99 Wells by Species using Insite Dec 31/13 Prices

Peyto's Profitable Business

Returns Driven – Organic Activity



<u>2013 Capital Program</u>
99 gross/93 Net Wells
38,400 boe/d
$15,100/boe/d



$446M → $904M

Net Capital (after NOI) to PV_5

33%

Production/share growth

19%

2P Reserves/share growth

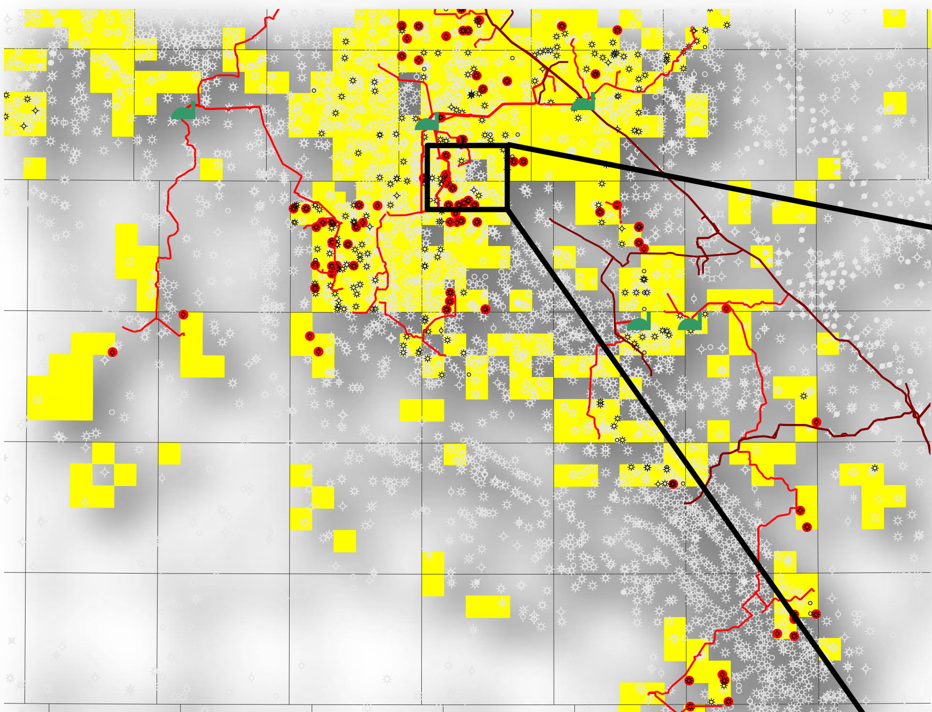
27%

IRR

Based on IPC is InSite Petroleum Consultants - Dec 31, 2013 Reserve Report.
Net Capital for 2013 equals $578MM total capital investment less $132MM of operating income generated in 2013

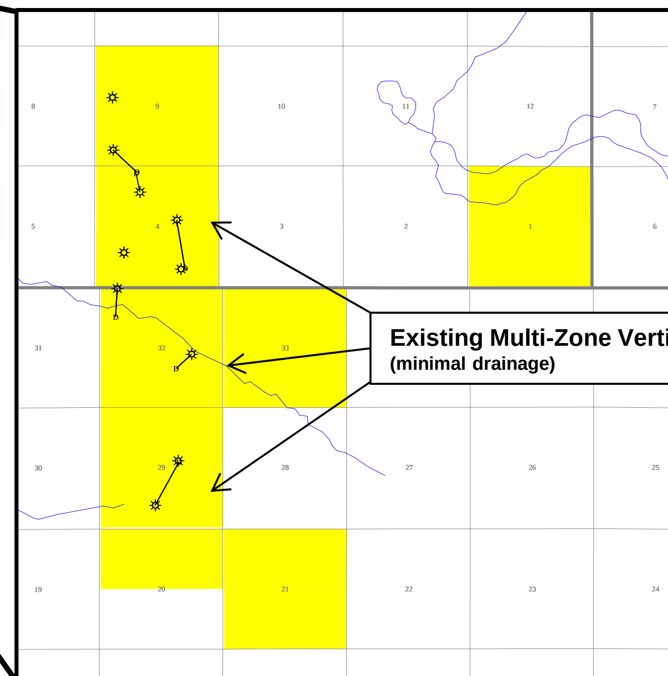
Peyto's Approach – A Case Example
Identify the Opportunity

15th 1998-2013 Anniversary



Project Commencement – Beginning 2012

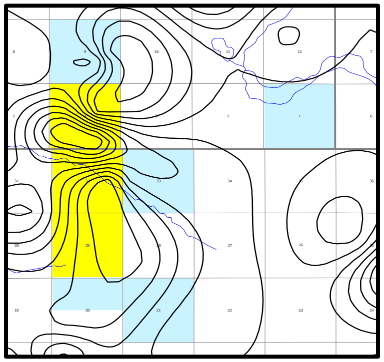
- **Strategic Fit**
  - **Close to Peyto infrastructure**
  - **Largely undeveloped**
  - **Multiple zone resource potential**
  - **Low risk drilling locations**
- **Combination of Old Vertical Wells and Raw Land**
  - **7.5 gross (5.125 net) sections**
  - **11.6 net existing producing wells (multi-zone)**
  - **640 net boed of low cost production**



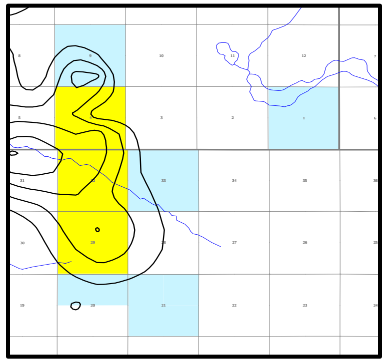
Peyto's Approach – A Case Example

Quantify the Resource

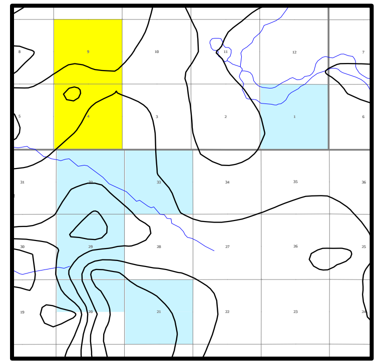
15th 1998-2013 Anniversary



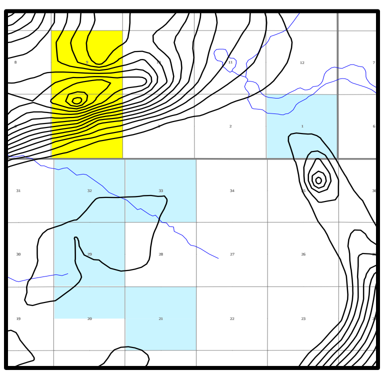
Cadomin
3 net sections – 100% WI
Resource = 48.2 Bcf OGIP



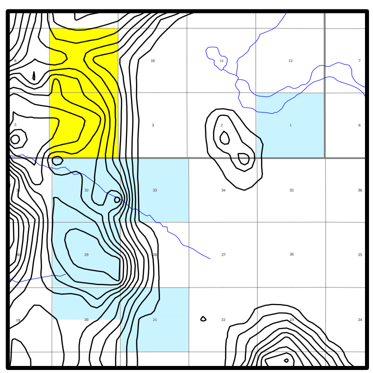
Bluesky
3 net sections – 100% WI
Resource = 42.6 Bcf OGIP



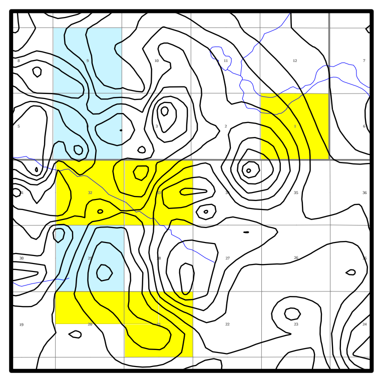
Wilrich
2 net sections – 100% WI
Resource = 19.6 Bcf OGIP



Middle Falher
2 net sections – 100% WI
Resource = 45.9 Bcf OGIP



Upper Falher
2 net sections – 100% WI
Resource = 54.8 Bcf OGIP



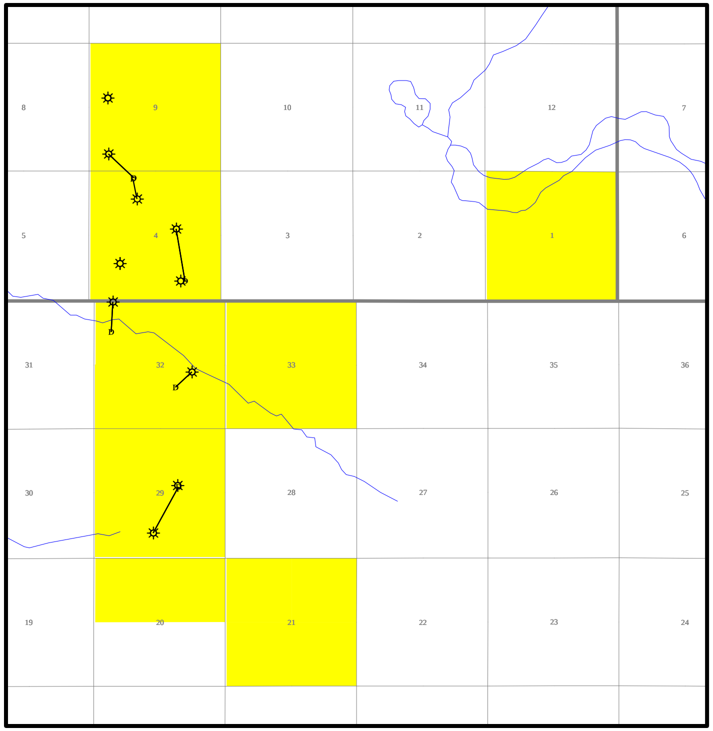
Cardium
1.3 net sections
Resource = 13.0 Bcf OGIP

Feb to May 2012 – Property Appraisal

- **Total Resource-in-Place = 224 Bcf**
- **Existing Wells (11.6 net)**
  - **29.9 Bcf OGIP developed**
  - **24.9 Bcf EUR expected**
  - **11.1 Bcf recovered**
  - **13.8 Bscf reserve (remaining)**
- **Locations**
  - **18 total undeveloped locations**
  - **63.4 Bcf OGIP to develop**
  - **53.9 Bcf EUR expected**
- **Full Development Vision**
  - **Bluesky, Upper and Middle Falher and Cardium focus**
  - **No value allotted to Cadomin or Wilrich**
  - **93.3 Bcf recognized OGIP**
  - **42 % of total OGIP analyzed**

Peyto's Approach – A Case Example

Make the Deal



Initial Investment of $16.75 Million

$14.0 Million (83.5%) for production

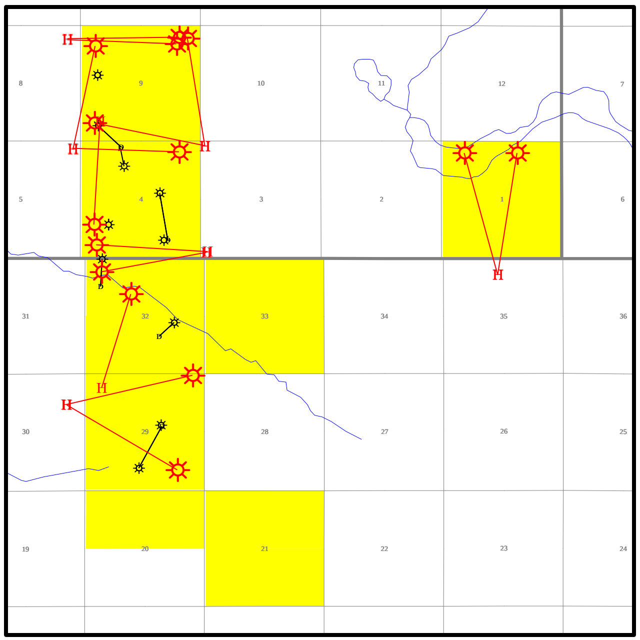
- **IRR = 20%**
- **$21,850/boed**

$2.75 Million (16.5%) for undeveloped land

- **$2,100/ha**

Peyto's Approach – A Case Example

Develop the Opportunities



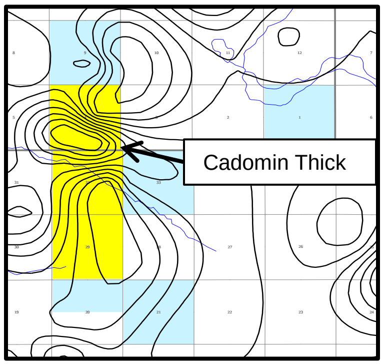
	Cash OutFlows ($M)	Time	Cash Inflows ($M)	
	Investment		Pre-Existing Wells	Peyto Drilled Wells
May, 2012 - Initial Investment	-16,750.0	**May, 2012**	141.7	
		June, 2012	86.3	
		July, 2012	171.6	
		August, 2012	193.0	
		September, 2012	263.6	
		October, 2012	247.7	
Drill 2 Upper Falher Wells	-8,093.1	**November, 2012**	295.6	809.6
		December, 2012	190.7	1,641.6
		January, 2013	204.9	1,381.2
		February, 2013	271.5	1,087.5
		March, 2013	306.9	979.7
Drill Upper and Middle Falher Wells	-7,729.0	**April, 2013**	324.9	908.6
		May, 2013	152.0	1,540.3
		June, 2013	291.8	1,266.7
Drill 2 Cardium and 3 Bluesky Wells	-22,645.6	**July, 2013**	352.3	1,516.7
Drill 2 Middle Falher and 1 Bluesky Wells	-12,645.9	**August, 2013**	216.1	3,402.4
		September, 2013	209.6	3,197.8
		October, 2013	263.1	3,056.6
Drill 1 Upper Falher and 1 Bluesky Well	-7,899.9	**November, 2013**	315.7	3,904.3
		December, 2013	395.3	4,481.2
Total	-75,763.5		4,894.4	29,174.0

$34.1 million operating income over 1.5 years

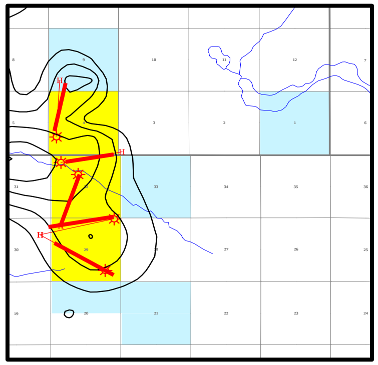
Future Undiscounted Cash Flow of $267 million (NPV10=$134.9MM) (excl PUDs) or $318.4 million (NPV10=$154.0MM) (incl PUDs)

Peyto's Approach – A Case Example

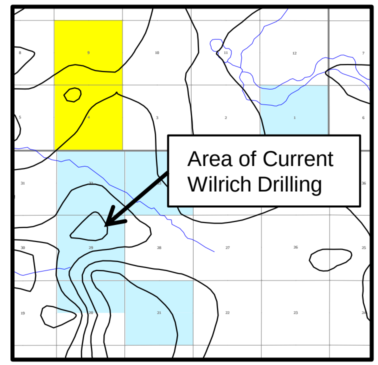
Current Development Status (14 of 18 locations drilled)



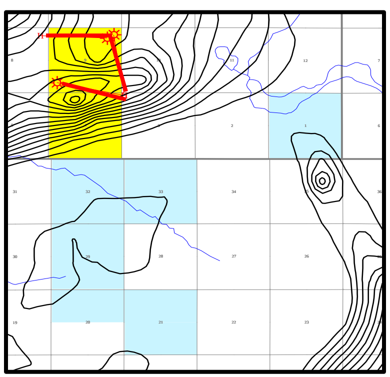
Cadomin
No wells drilled yet and no booked locations



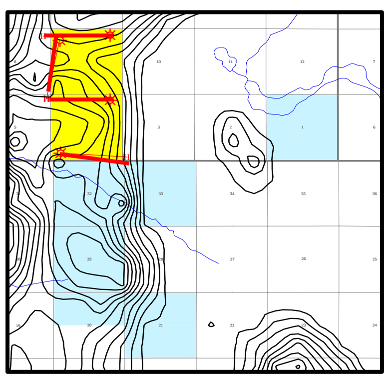
Bluesky
5 wells drilled and 1 additional PUD booked



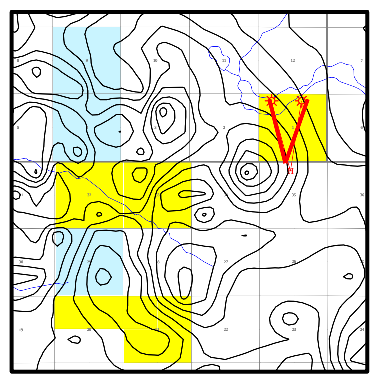
Wilrich
No wells drilled or booked yet. Recent immediately to south.



Middle Falher
3 wells drilled and 1additional PUD booked.



Upper Falher
4 wells drilled and 2 additional PUD booked.



Cardium
2 wells drilled

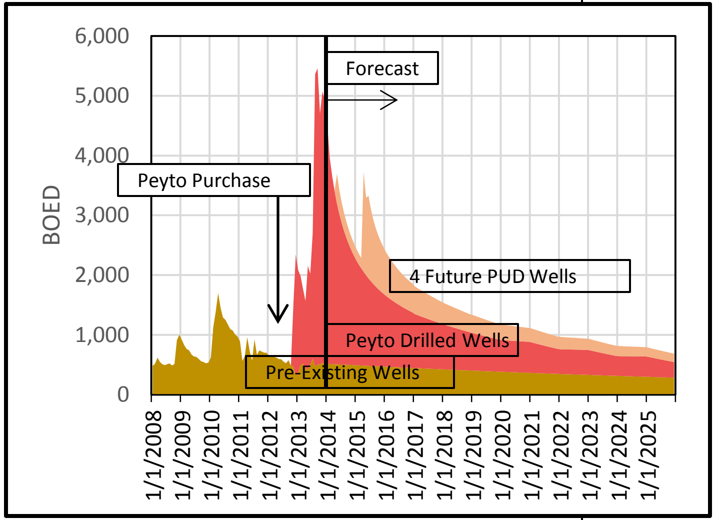
Dec. 31, 2013 Development Status

- **Existing 11.6 net wells still producing 600 boed**
- **14 new horizontals drilled over 1.5 years**
- **4 PUDs remain to be drilled in 2014/2015**
- **Additional unbooked prospects likely in Wilrich and Cadomin**

Peyto's Approach – A Case Example

Results to Date

The Score as of Year End 2013



- **Total Production 5,000 boed**
  - **600 boed from pre-existing wells**
  - **4,400 boed from new wells**
- **Pre-Existing Wells**
  - **$4.9 million cumulative net operating income to end 2013**
  - **$25.0 million NPV(10) reserve, InSite Petroleum**
- **New Peyto Wells**
  - **14 net wells drilled and onstream at $59 million of investment**
  - **$29.2 million cumulative net operating income to end 2013**
  - **$109.9 million NPV(10) reserve, InSite Petroleum**
- **Remaining Booked Undeveloped**
  - **4 locations**
  - **$19.1 million NPV(10) reserve, InSite Petroleum – net of future development capital of $18.6 million**
- **Metrics**
  - **IRR of 29.3% on the combined $72.6 million of time zero investment**
- **Additional Internal Company Locations**
  - **15 to 20 locations (incl Cadomin, Wilrich)**
  - **No value included**

2014 Outlook

Biggest Year Ever (again!)

15th 1998-2013 Anniversary

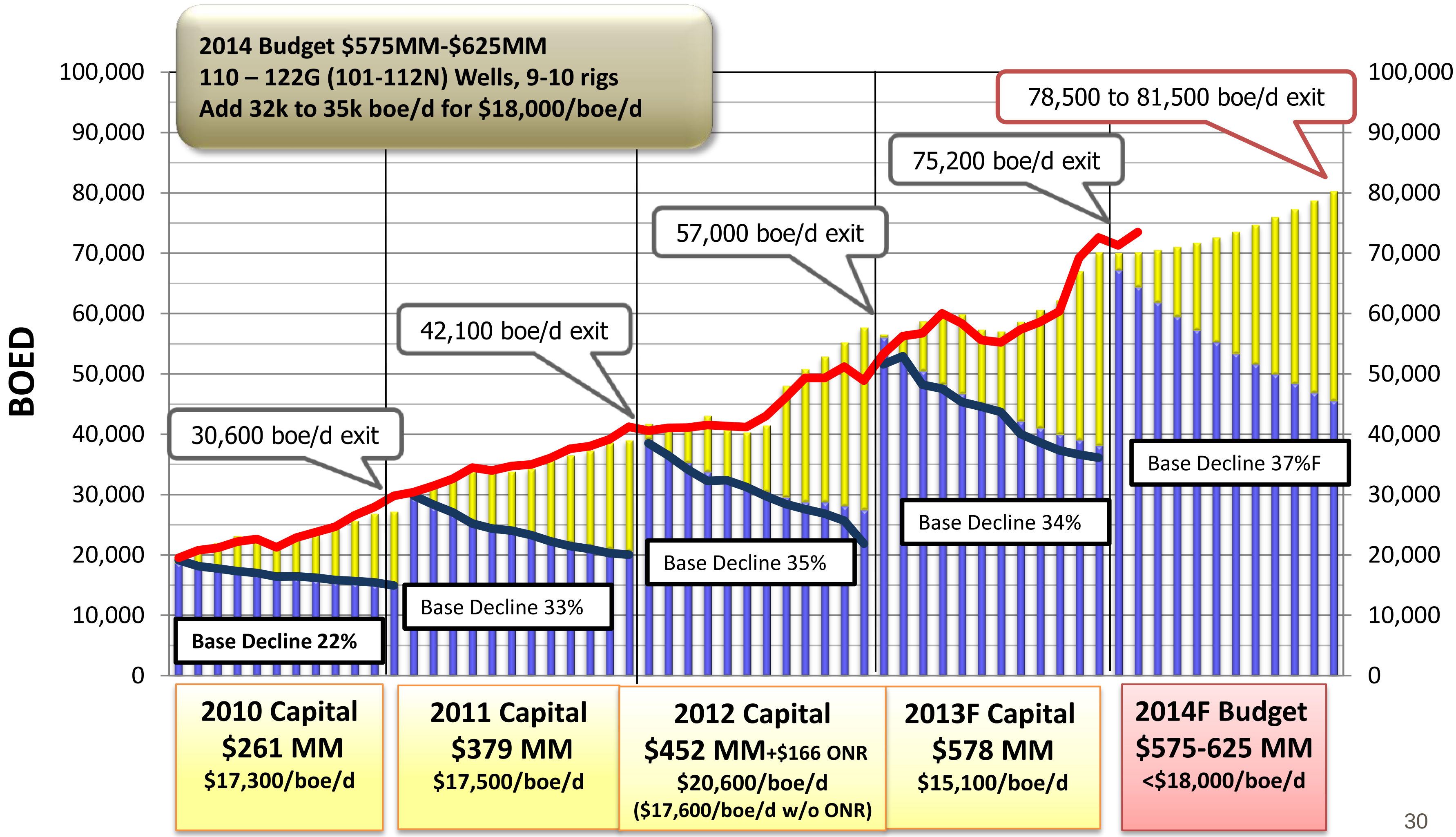
$575M-$625M

2014 Capital Program

- ✓ **Drill 110-122 Hz Wells**
  (100% Hz-MSF, Liquids Rich Natural Gas)
- ✓ **Expand & Extract**
  Increase Processing Capacity & NGL Yield
- ✓ **Increase**
  Undeveloped Land Base
- ✓ **Shoot**
  Seismic
- ✓ **Acquire**
  Additional Opportunities and Partner Interests

2014 Outlook

Large Resource + Low Cost = Profitable Growth



2014 Outlook

Continuously Improve Profitability

15th 1998-2013 Anniversary

2014 Goals*

PDP FD&A $/mcfe	<($2.00)
Cash Costs $/mcfe	<($1.00)
Sales Price $/mcfe	>$5.40
44% Profit	>$2.40
Dividend	*$0.91**

**At current dividend rate*

- Pad drilling
- CNG powered rigs
- Well design improvements
- Water optimization
- Natural gas heated water
- Summer drilling

- Facility utilization
- Pad wellsite/automation
- Operating discipline

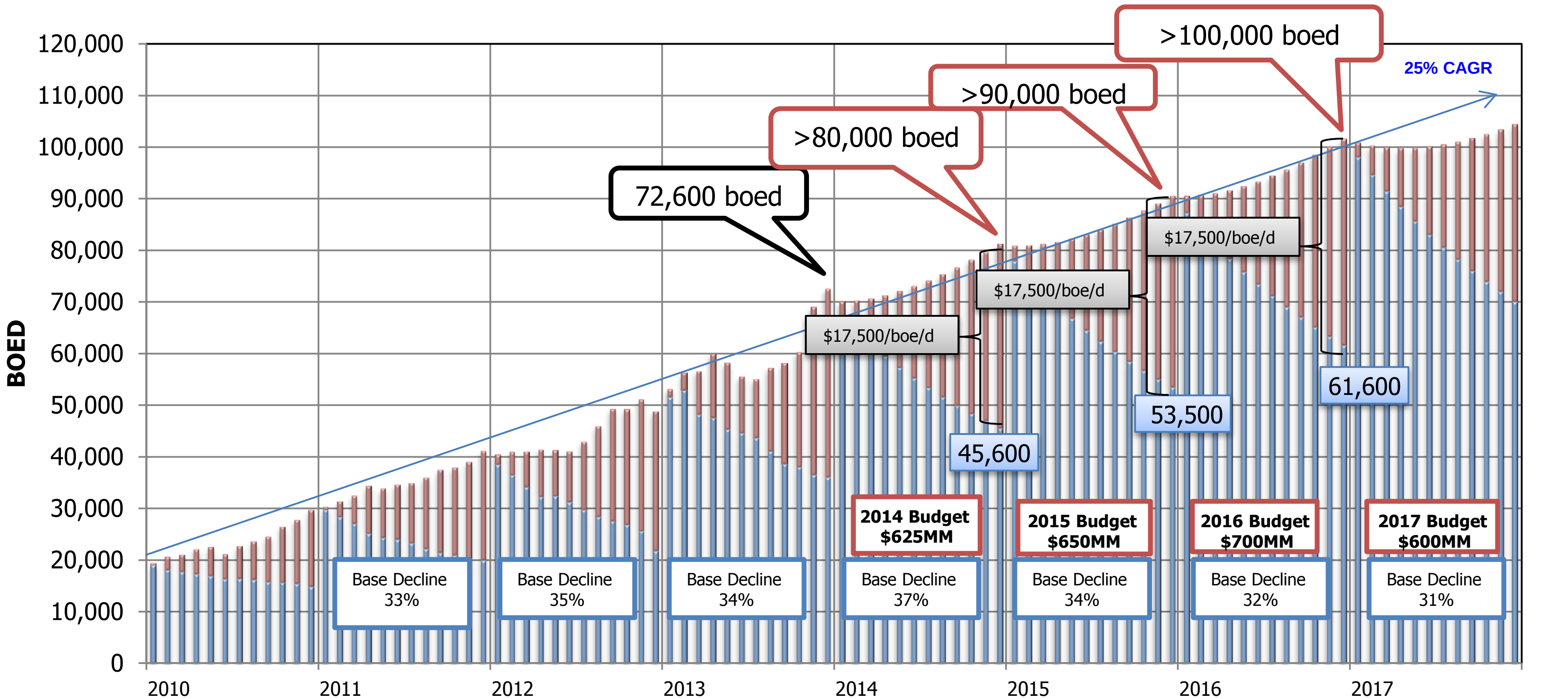
- Deep cut
- Liquids rich fms
- Hedging
- $4.00/GJ*135%

BOE factor - 6 mcfe = 1 bbl of oil equivalent

** 2014 goals are not budgeted expectations*

Peyto's Future

Road to 100,000 boe/d



@$24/boe netback using $4/GJ AECO

Year	Annual Prod.	FFO	CAPEX	Dividend	Net Debt	Debt to FFO	# locations
2014	74,452	$ 652	$ 625	$ 148	$ 1,052	1.6	114
2015	84,429	$ 740	$ 650	$ 148	$ 1,110	1.5	118
2016	94,757	$ 830	$ 700	$ 148	$ 1,128	1.4	127
2017	101,201	$ 887	$ 600	$ 148	$ 989	1.1	109
		$ 3,108	$ 2,575	$ 591			468

*Out of 1,700 currently

** 2014 and beyond provided for illustration only. Budgets and forecasts beyond 2014 have not been finalized and are subject to change due to a variety of factors including but not limited to prior year's results. FFO – Funds from Operations, see definition in Financial Reports. Future illustration derived from historical well performance and cost assumptions.*

Appendix

Quarterly Track Record

	2013					2012					2011		
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3
Operations													
Production													
Oil & NGLs (bbl/d)	6,376	6,984	6,295	6,374	5,840	4,778	5,286	5,236	4,480	4,101	3,856	3,947	3,918
Natural gas (mcf/d)	317,622	361,870	300,286	310,621	297,191	238,490	266,808	244,794	221,176	220,811	189,653	212,715	194,832
Barrels of oil equivalent (boe/d)	59,313	67,296	56,343	58,144	55,372	44,526	49,754	46,035	41,343	40,903	35,465	39,400	36,390
Year over Year % Growth	33%	35%	22%	41%	35%	26%	26%	27%	20%	30%	49%	40%	53%
Average Product Prices													
Oil & NGLs ($/bbl)	70.97	69.84	70.91	67.82	75.88	73.92	73.01	68.62	71.27	84.83	81.67	88.04	78.07
Natural gas ($/mcf)	3.54	3.59	3.35	3.72	3.49	3.23	3.45	3.06	2.86	3.53	4.47	4.21	4.43
Operating expenses ($/mcfe)	0.47	0.48	0.49	0.47	0.43	0.44	0.42	0.46	0.41	0.45	0.48	0.47	0.49
Field Netback ($/mcfe)	3.65	3.67	3.49	3.77	3.67	3.46	3.62	3.29	3.16	3.75	4.46	4.32	4.41
Financial ($000)													
Revenue (net of royalties)	535,394	154,167	123,851	134,765	122,612	380,646	111,105	95,410	80,471	93,661	383,496	104,393	98,261
Funds from Operations [1]	437,737	125,164	99,736	109,987	102,612	308,865	90,078	76,918	64,732	77,645	314,622	80,410	82,506
Net earnings (loss)	142,627	37,989	30,461	37,773	36,405	93,951	25,823	23,058	18,201	26,868	128,183	26,036	37,741
Capital expenditures	578,003	154,295	180,801	73,809	169,099	617,985	156,847	317,089	45,924	98,632	379,061	94,688	111,570
Net Debt [2]	946,542	946,542	862,864	746,094	749,546	662,461	662,461	683,540	519,328	512,627	465,391	465,391	526,743
Common shares outstanding (000)	148,949	148,949	148,759	148,759	148,759	148,519	148,519	143,886	138,486	138,312	137,960	137,960	133,061
Weighted average shares	148,738	148,759	148,759	148,759	148,673	141,094	145,450	142,069	138,399	138,312	133,196	133,913	133,061
Per share data													
Funds from operations	2.94	0.84	0.67	0.74	0.69	2.19	0.62	0.54	0.47	0.56	2.36	0.60	0.62
Earnings (loss)	0.96	0.26	0.21	0.25	0.25	0.67	0.18	0.16	0.13	0.19	0.96	0.19	0.28
Dividends (Distributions)	0.88	0.24	0.24	0.22	0.18	0.72	0.18	0.18	0.18	0.18	0.72	0.18	0.18

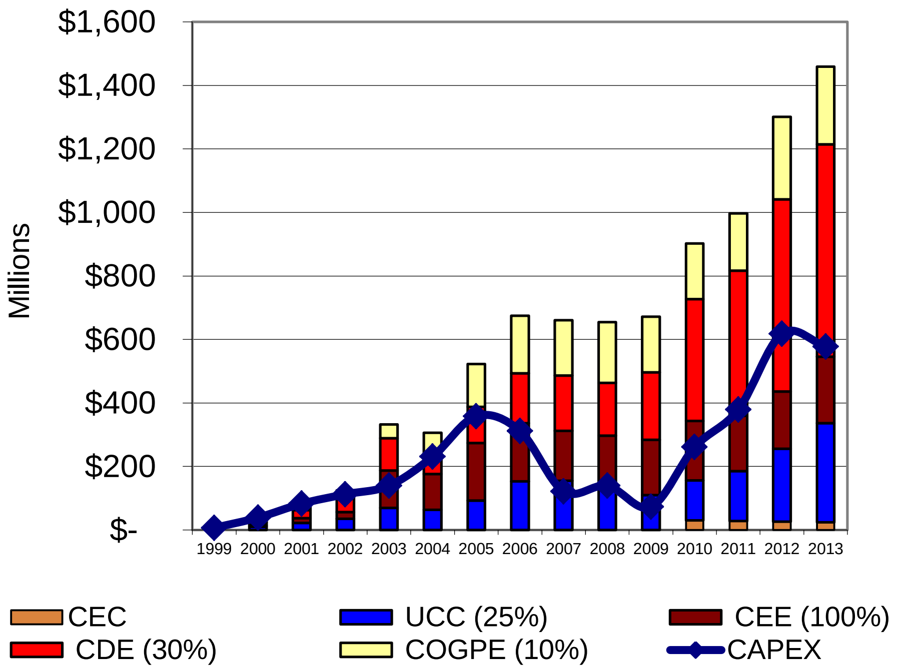
1 Management uses funds from operations to analyze operating performance. In order to facilitate comparative analysis funds from operations is defined throughout this report as earnings before performance based compensation, non-cash and non-recurring expenses. As presented, funds from operations does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

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

BOE factor - 6 mcf = 1 bbl of oil equivalent

Organic Business Model

Peyto's Tax Pools



$1.5B

Federal Tax Pools Q4/13F

$3.5B

Peyto Cum. CapEx Q4/13

Peyto's Payout

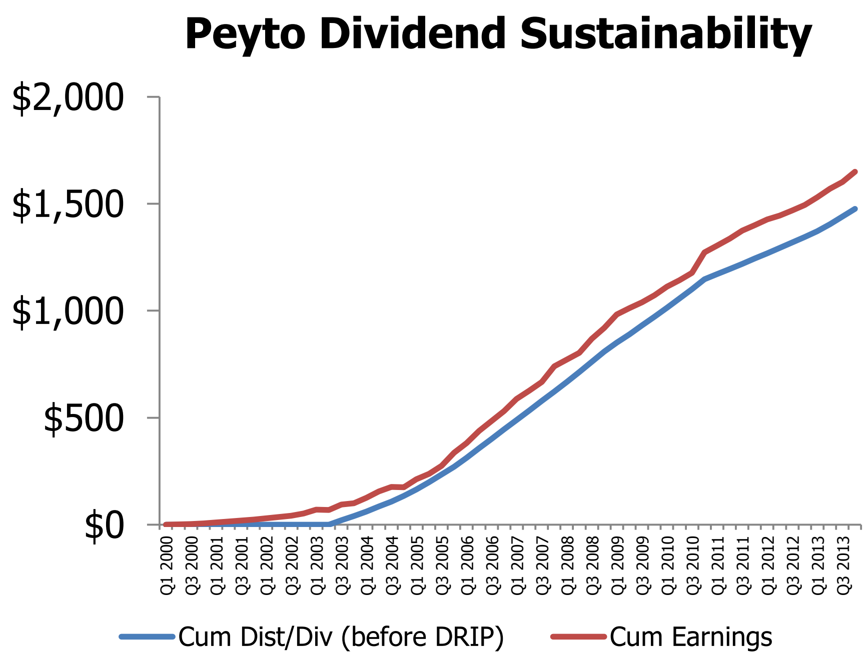
Dividend Sustainability

$1.6B

Peyto Cum. Earnings Q4/13F

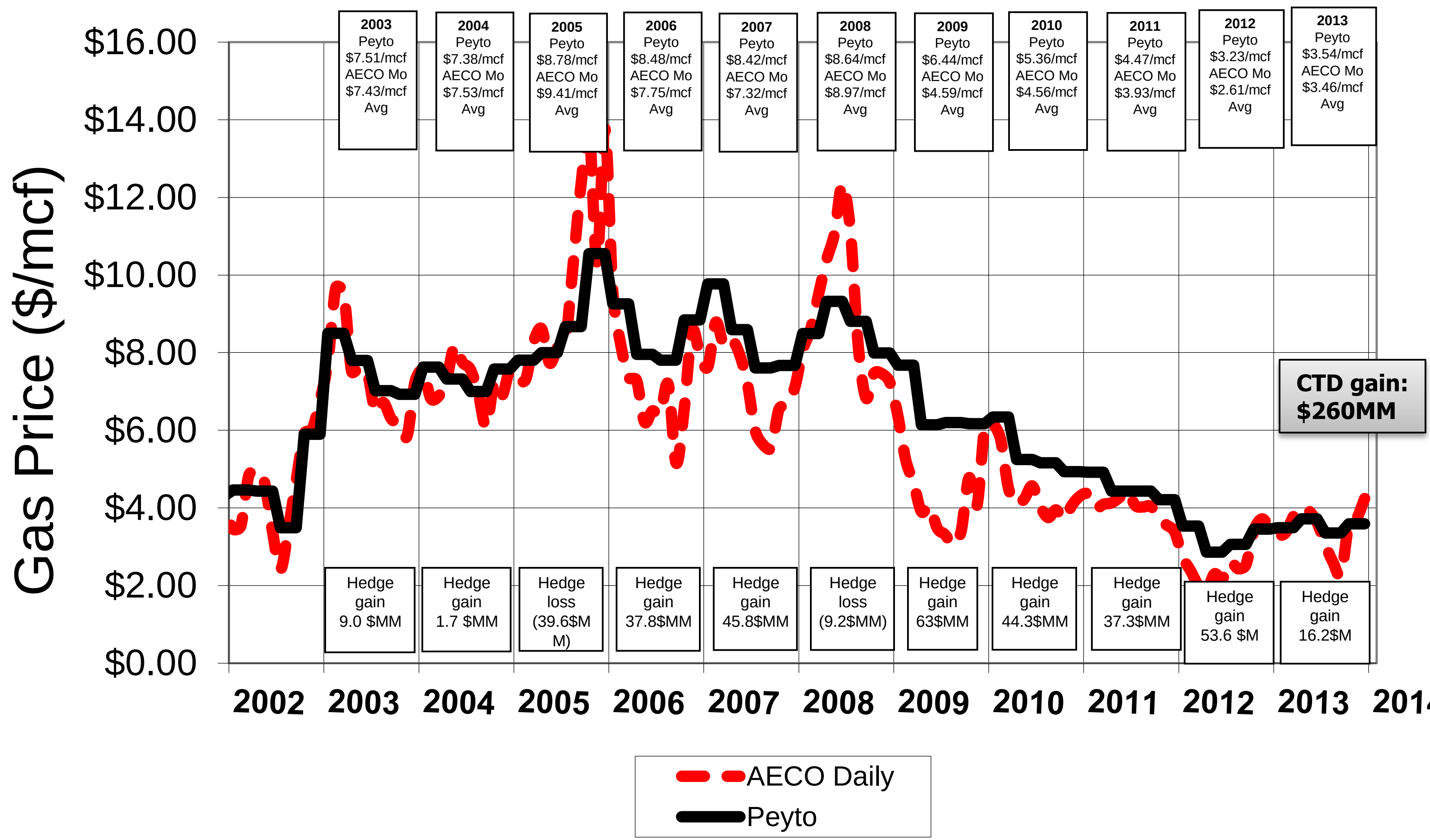
$1.5B

Peyto Cum. Dist/Div. Q4/13

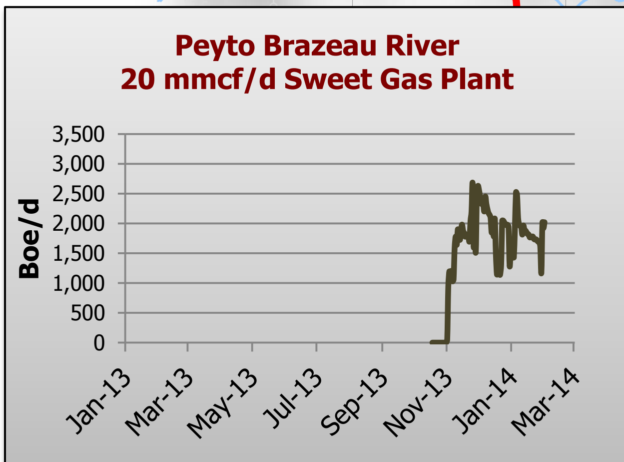


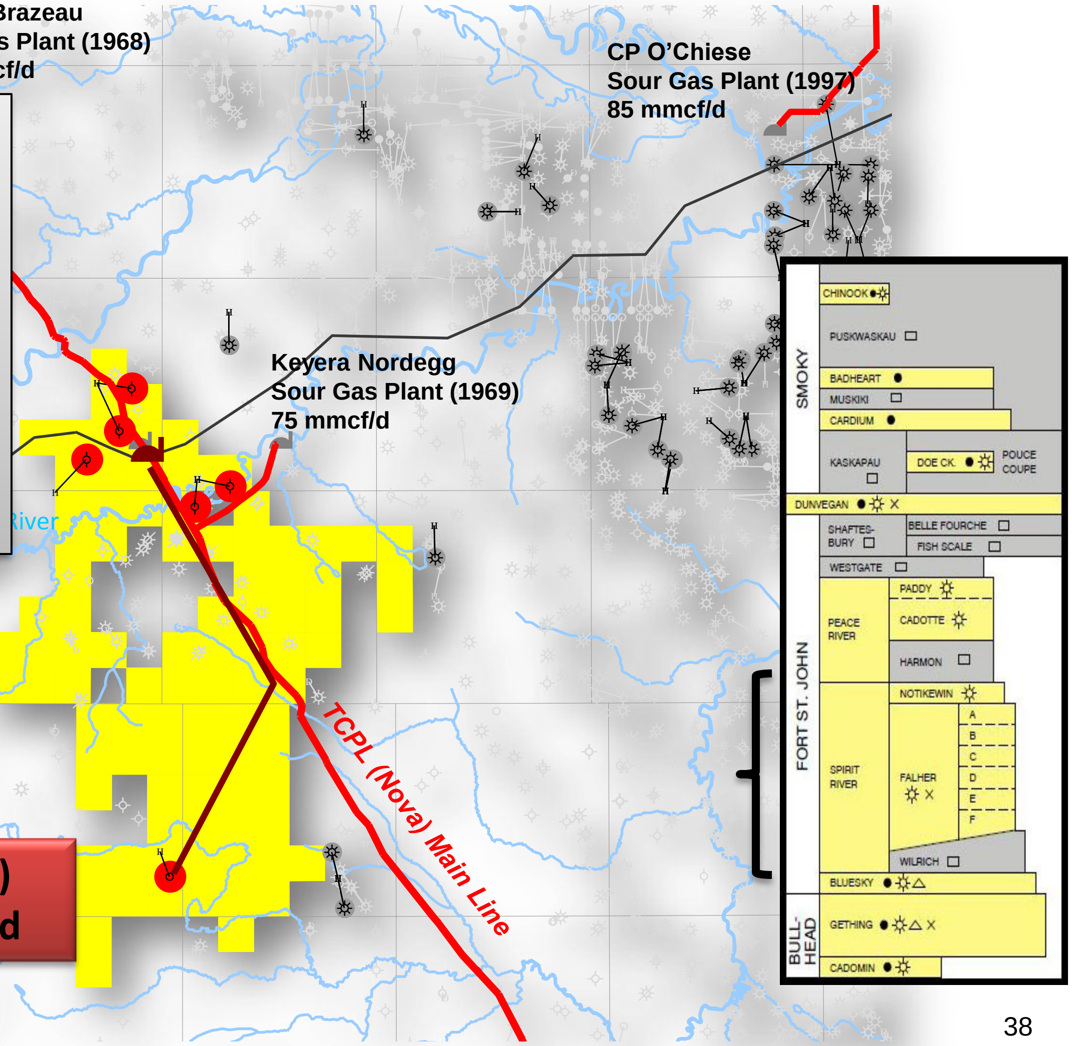
Successful Hedging Strategy

Peyto Realized Price History



Peyto's Assets
Brazeau River Area





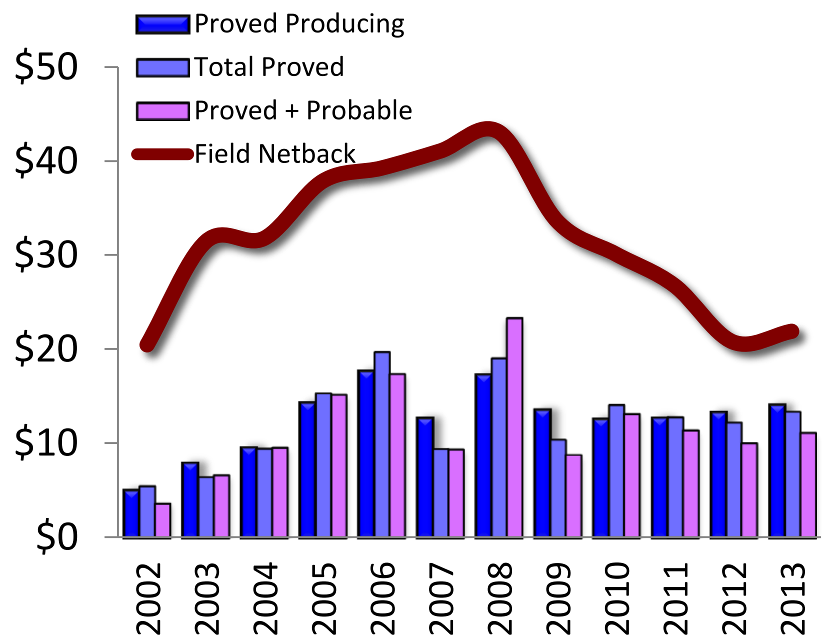
Land: 115.5 sections gross (114 net)
>150 potential SR locations identified

Peyto's Assets

Low FD&A Costs = High Recycle Ratio

3.0

Peyto PP Recycle Ratio (14 yr average)



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