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First Energy
Toronto Energy Growth Conference

November 2015

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

PEYTO Exploration & Development Corp.

TSX Listing:	PEY
Shares Outstanding:	159 million, 4% insiders (as of Feb. 5/14)
Monthly Dividend:	$0.11/share
Current Production:	0.6 BCFe/d (100,000 boe/d, unrestricted)
YE 2014 2P Reserves:	3.2 TCFe (531 mmboes)
Q3 2015 Net Debt:	$0.42 billion (senior unsecured notes, 7-10 yr, 3.79-4.88% CAD) $0.60 billion (revolving bank debt, $1.0B unsecured facility) $1.02 billion
Bank Lines:	$1.42B total capacity
Enterprise Value:	$5.3 billion ($27/share)
Full Time Employees:	50

BOE factor - 6 mcf = 1 bbl of oil equivalent
Reserve and production volumes are before royalty deductions
**Net debt is unaudited*

The Peyto Strategy

What We Believe

"If we are successful, we believe we can make more money for our shareholders and ourselves."

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- ***"We believe nature's gas is the fuel for the future."***
- ***"We believe we can make a <u>real</u> profit by being the lowest cost, most efficient producer in the industry."***
- ***"We believe in partnering with shareholders to make that profit, not by trying to make your money our money."***

The Peyto Strategy

How We Do It

"Basically, we strive to be the smartest (both with ideas and execution), build the best, and make the most for our stakeholders."

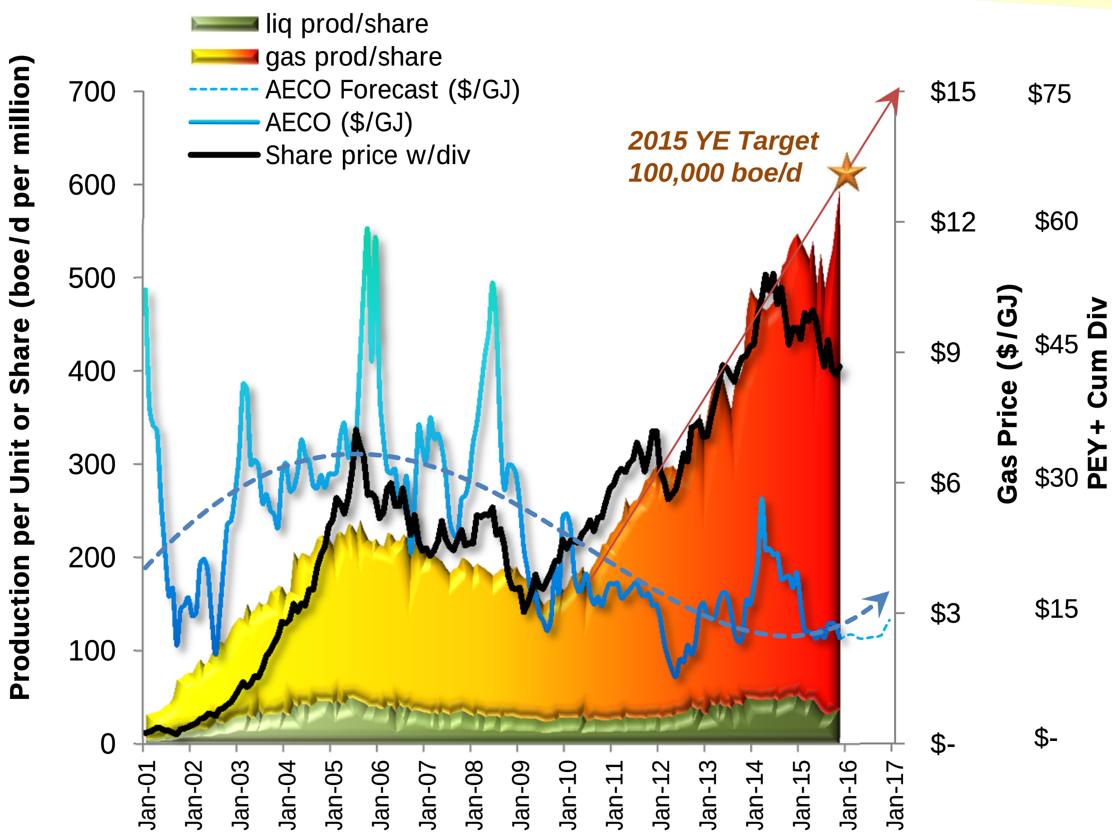
- Invest in our own ideas
- Build it ourselves
- Operate it ourselves
- Focus on maximum return
- Stay concentrated, lean & efficient

The Peyto Strategy

Counter Cyclical Growth Per Share

"Since the adoption of horizontal multi-stage frac well designs in 2009, Peyto has been profitably growing production/share at a CAGR of over 25%, in a $3 gas world. That is forecast to continue in 2016."

Peyto Exploration & Development Corp.



25%

6 Yr Prod/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's Profitable Business

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Peyto's Profitable Business

"Build it for less than we sell it"

"A simple cost analysis shows where Peyto's profits come from. PDP FD&A is a good proxy for replacement cost and tends to match real depletion."

	PEY 2015 YTD	PEY 2014
PDP FD&A $/mcfe	(~$1.80)*	($2.25)
Cash Costs $/mcfe	($0.83)	($1.08)
Sales Price $/mcfe	$3.93	$5.04
Profit $/mcfe	$1.30	$1.71
	33%	*34%*
Dividend $/mcfe	*$1.16*	*$1.05*

Land/Acq	$13MM
Seismic	$8MM
Drilling	$312MM
Compl.	$183MM
Wellsite	$54MM
Facilities	$120MM
	$690MM
ΔPDP Reserves (before Prod.)	51.0 mmboes
PDP FD&A	$13.52/boe
	$2.25/mcfe

Royalties	($0.37)
Opex	($0.34)
Transport	($0.13)
G&A	($0.03)
Interest	($0.21)
Total Costs	($1.08/mcfe)

$4.27/GJ AECO daily
X 127%[1]
$5.44/mcfe
($0.40)/mcfe hedging
$5.04/mcfe Peyto Realized

BOE factor - 6 mcfe = 1 bbl of oil equivalent

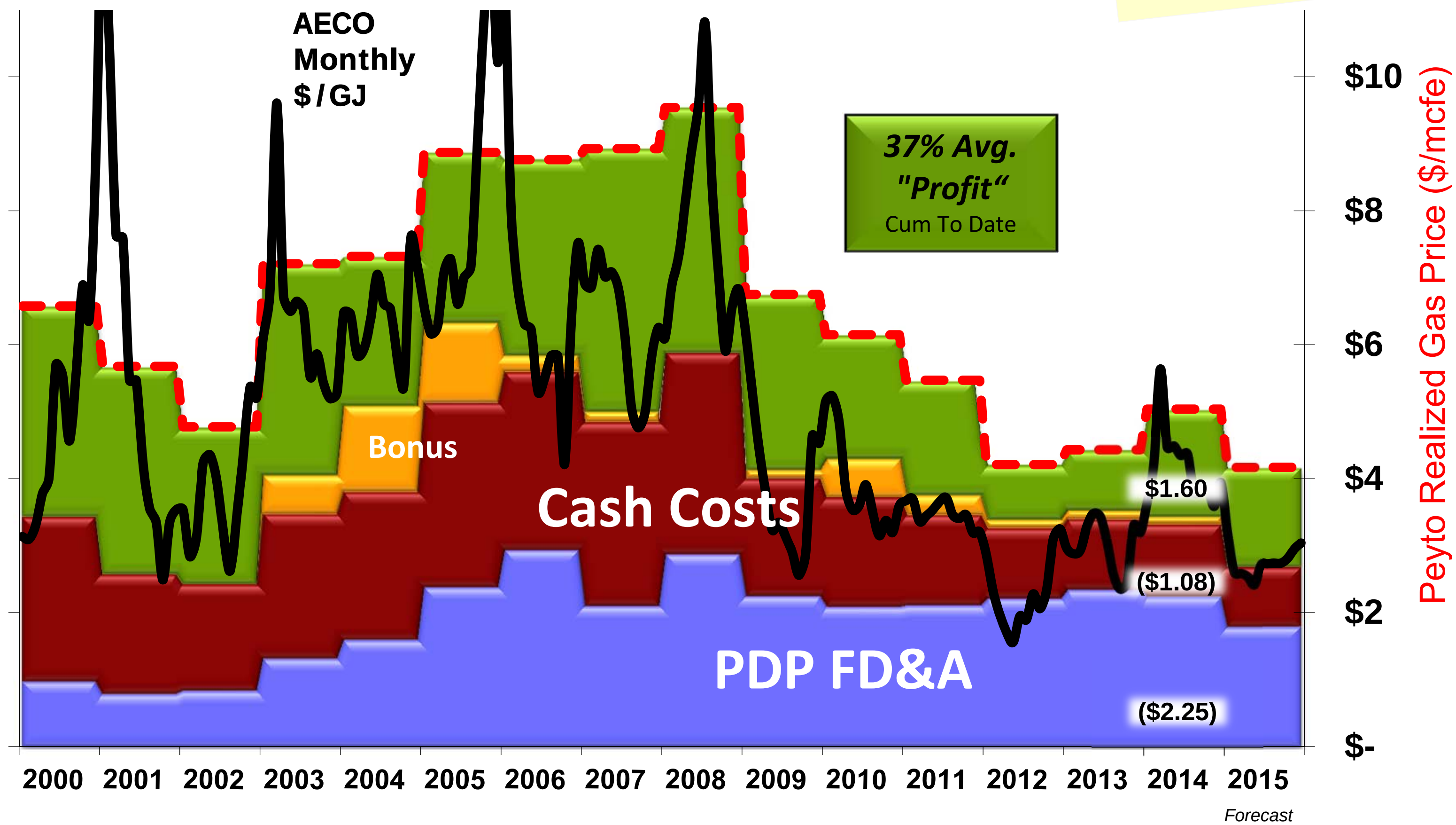
[1] 2014 uplift for NGLs and heat content from average Alberta daily natural gas price ($/GJ)

** 2015 PDP FD&A is estimated using 2014 less 20% cost reduction*

Peyto's Profitable Business

Profitable Even Through The Lows

"Peyto has always built it and produced it for less than we sell it, despite where we are in the commodity price cycle. That's the power of the low cost producer."

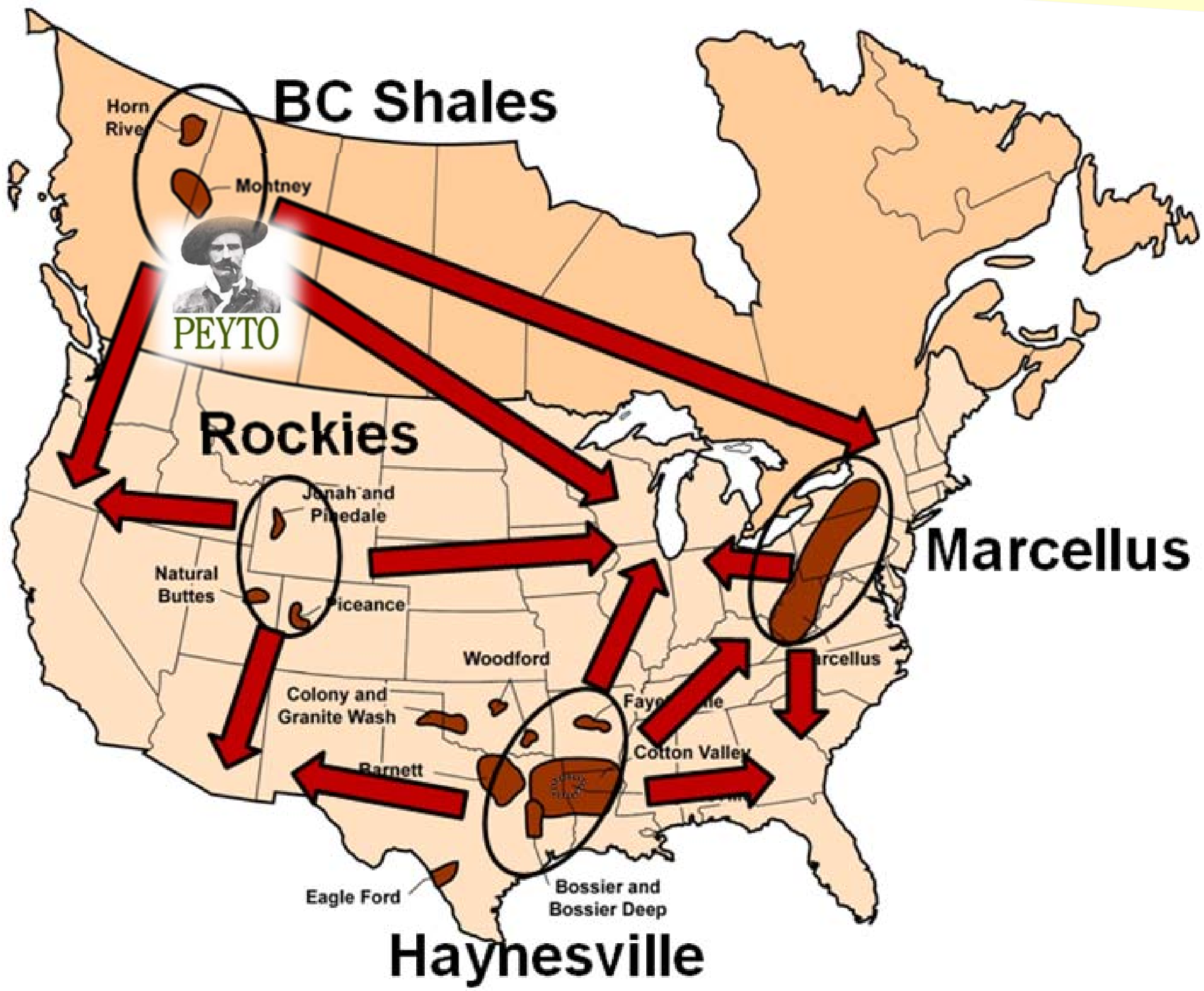


Total Cash Costs per mcfe includes – Royalties, Op Costs, G&A, and Interest
PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Peyto's Profitable Business

Competitive In The North American Marketplace

"We have to be competitive not only in Canada but across North America."



Source: IHS CERA

Peyto's Profitable Business

Profitability By Basin - 2014

"Regardless of the basin, the right operator can still generate good returns if they are cost conscious."

	100% Deep Basin – PEY 2014	80% Marcellus – Cabot 2014*	64% Fay/36% Mar – SWN 2014**
PD FD&A $/mcfe	($2.25)	($0.97)	($2.91)
Cash Costs $/mcfe	($1.08)	($1.27)	($2.32)
Supply Cost	($3.33)	($2.24)	($5.23)
Sales Price $/mcfe	$5.04	$3.51	$5.26
Profit/(Loss)	$1.71	$1.27	$0.03

**Average Revenue, PD FD&A and cash costs (LOE, Transp., gathering, processing, Royalty or Ad Valorem, G&A and interest) per mcfe from 10k reports.*
***SWN in 2014 made a large acquisition in the Marcellus*

Peyto's Unique Assets

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Peyto's Assets

Geographically Focused Core Areas

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

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98%

Processed by Peyto

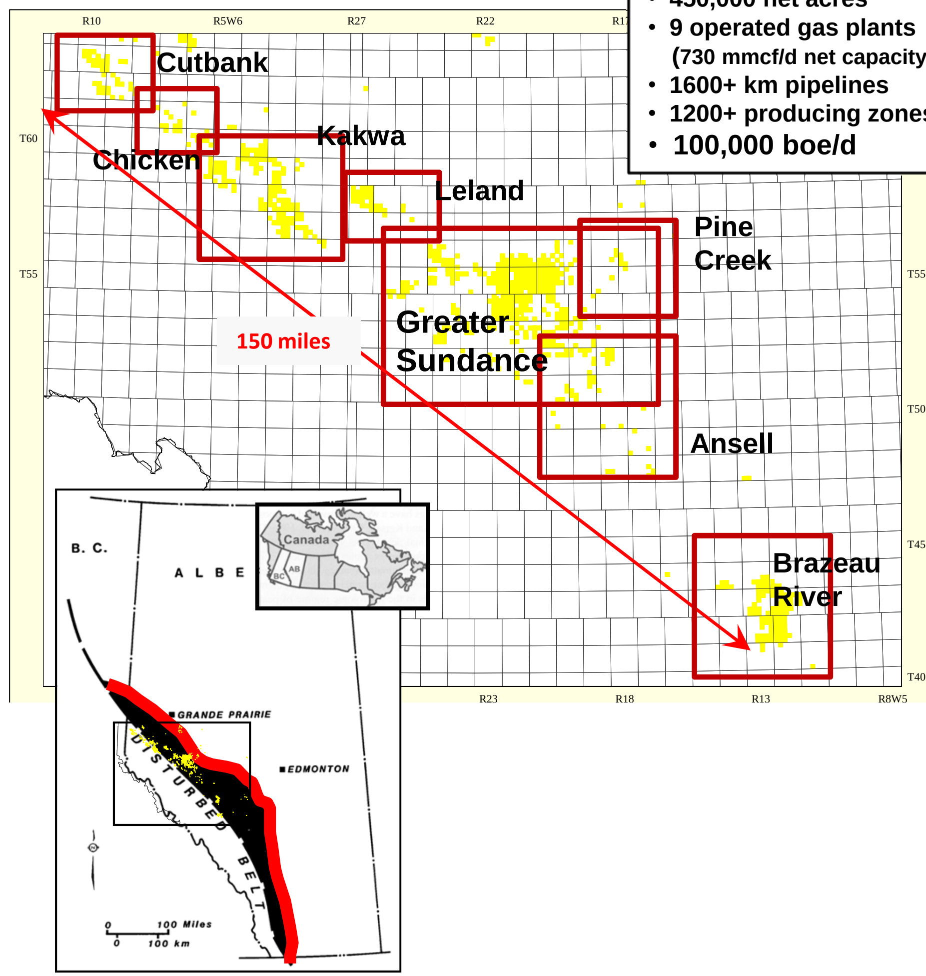
99%

Operated by Peyto

98%

Interest in 9 Processing Facilities

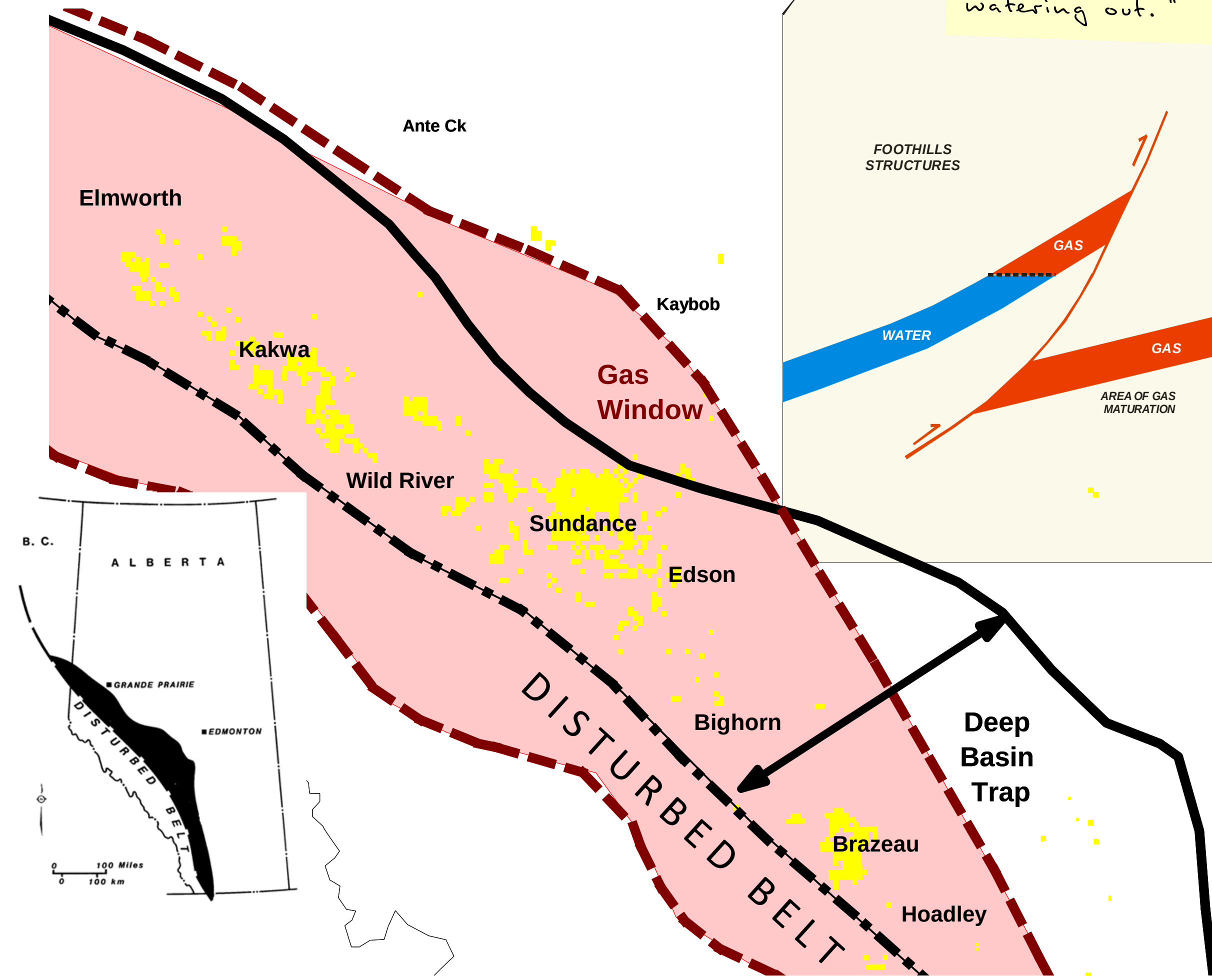
- 450,000 net acres
- 9 operated gas plants (730 mmcf/d net capacity)
- 1600+ km pipelines
- 1200+ producing zones
- 100,000 boe/d

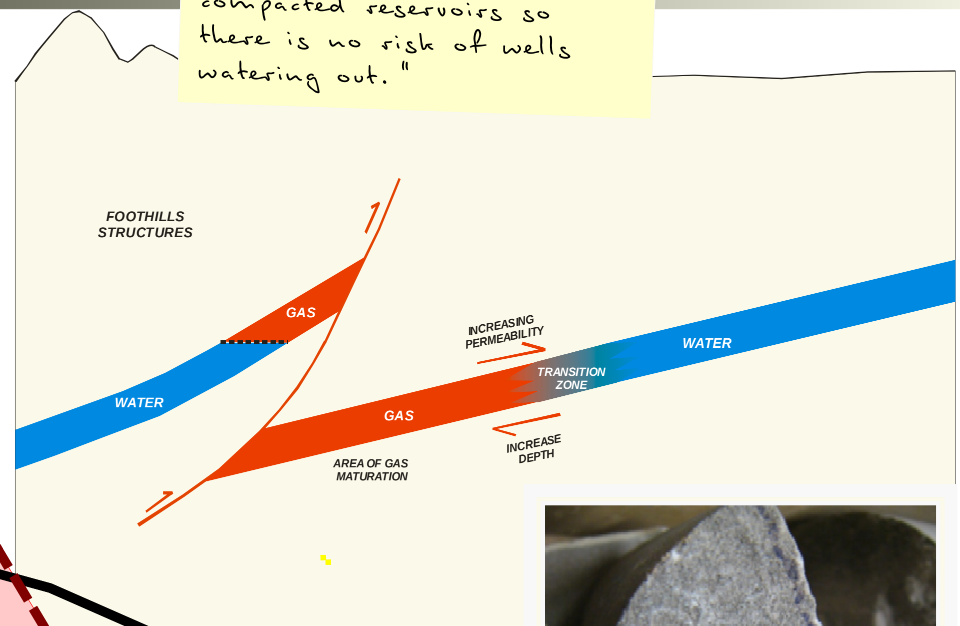


Peyto's Assets

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, tightly compacted reservoirs so there is no risk of wells watering out."

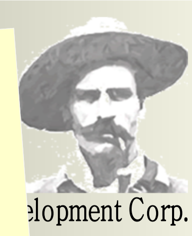


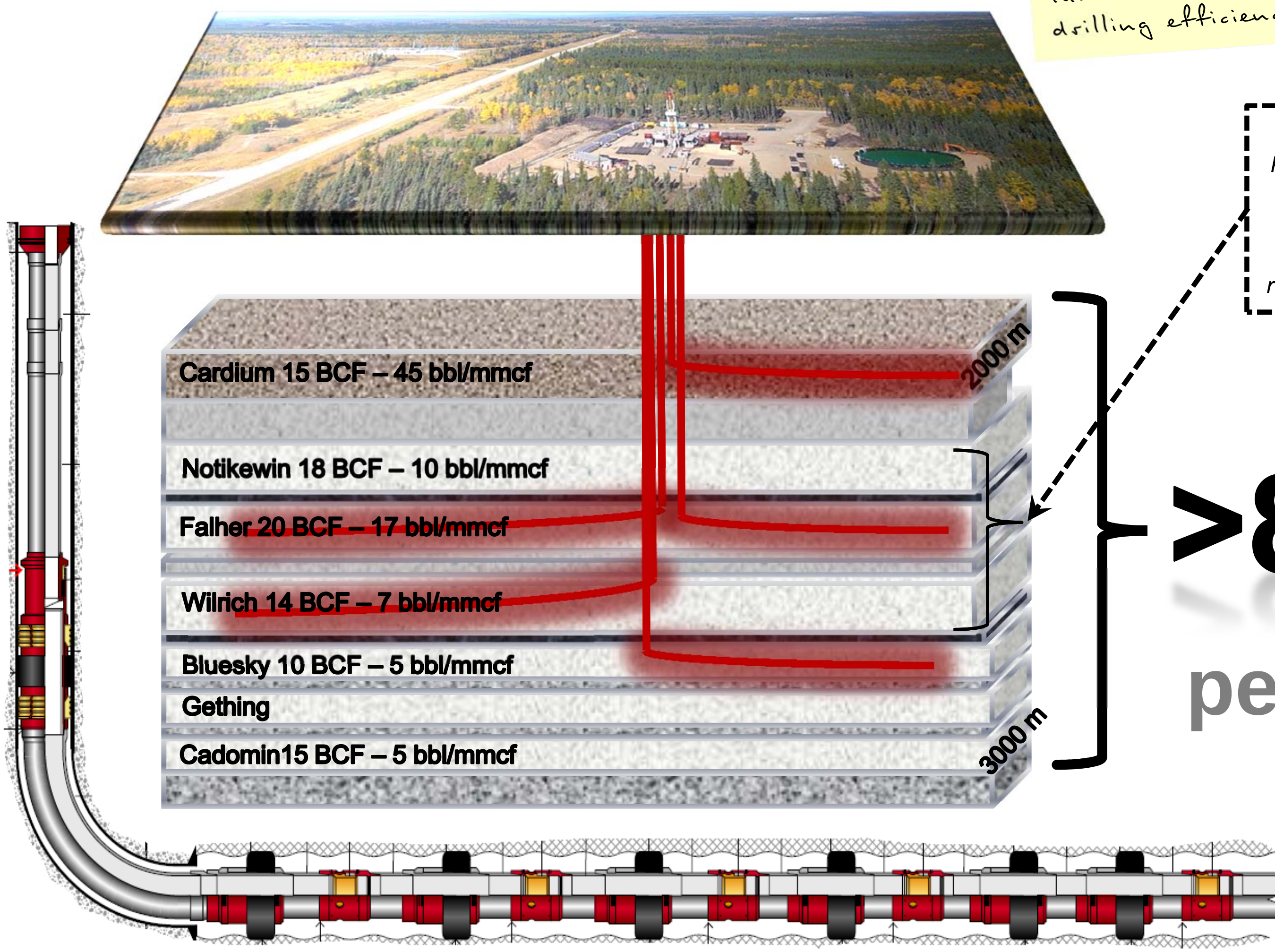


Peyto's Assets

Multi Zone Stacked Sandstone Reservoirs

"Large resource potential, in a concentrated, stacked package, that can be developed with modern horizontal MSF well design and allows us to take advantage of pad drilling efficiencies."





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

Up to

>80 BCF

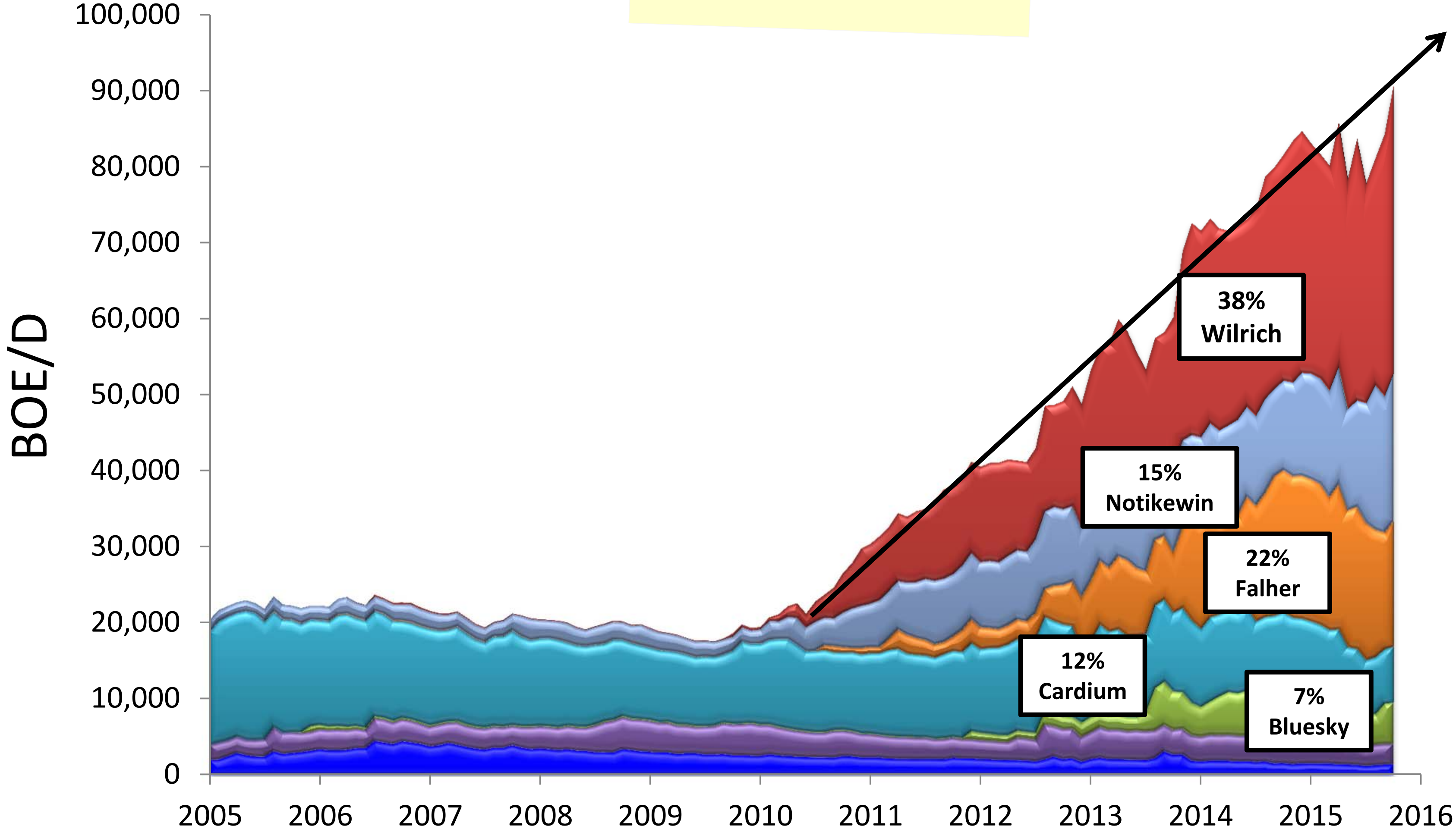
per section*

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

Peyto's Assets

Production By Formation

"The Wilrich, Notikewin and Falher sands of the Spirit River Group have provided the majority of our growth since the implementation of horizontal MSF wells."



Peyto's Assets

Deep Basin Lands Go A Long Way

"Peyto's land in the Deep Basin is more potent due to the multiple stack formations which more than triples the drillable acreage. We add to that land each year through crown land sales."

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685

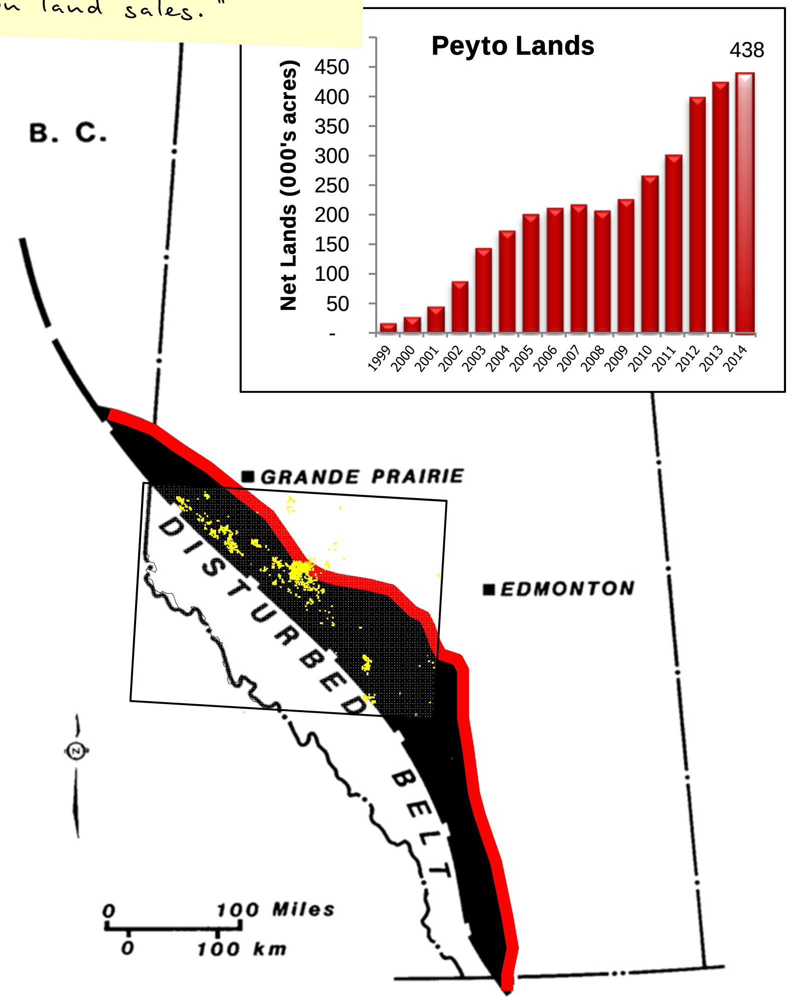
Net Peyto Sections

2,637

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

180

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, 2014 Reserve Report.*
Lands at Dec 31, 2014

Peyto's Assets

Large Hz MSF Inventory

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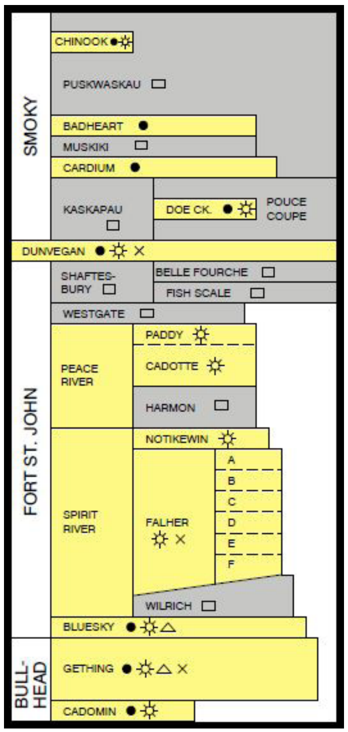
"Peyto has developed 2.3 TCFe using vertical and now horizontal wells. But there is a lot more to do. More than 15 years worth of drilling inventory."



Done[1]: Total Vertical Wells	Done[1]: Total Hz Wells	To Do: Total Hz Locations Booked*	To Do: Total Hz Locations Unbooked
			31
432	72	176	387
5	1	5	13
1			20
			14
90	71	118	62
7	39	41	20
	51	90	292
			16
14	183	256	155
4	28	45	58
12	2		
87	2	16	216
652	449	747	1,237

Over 1,984 locations

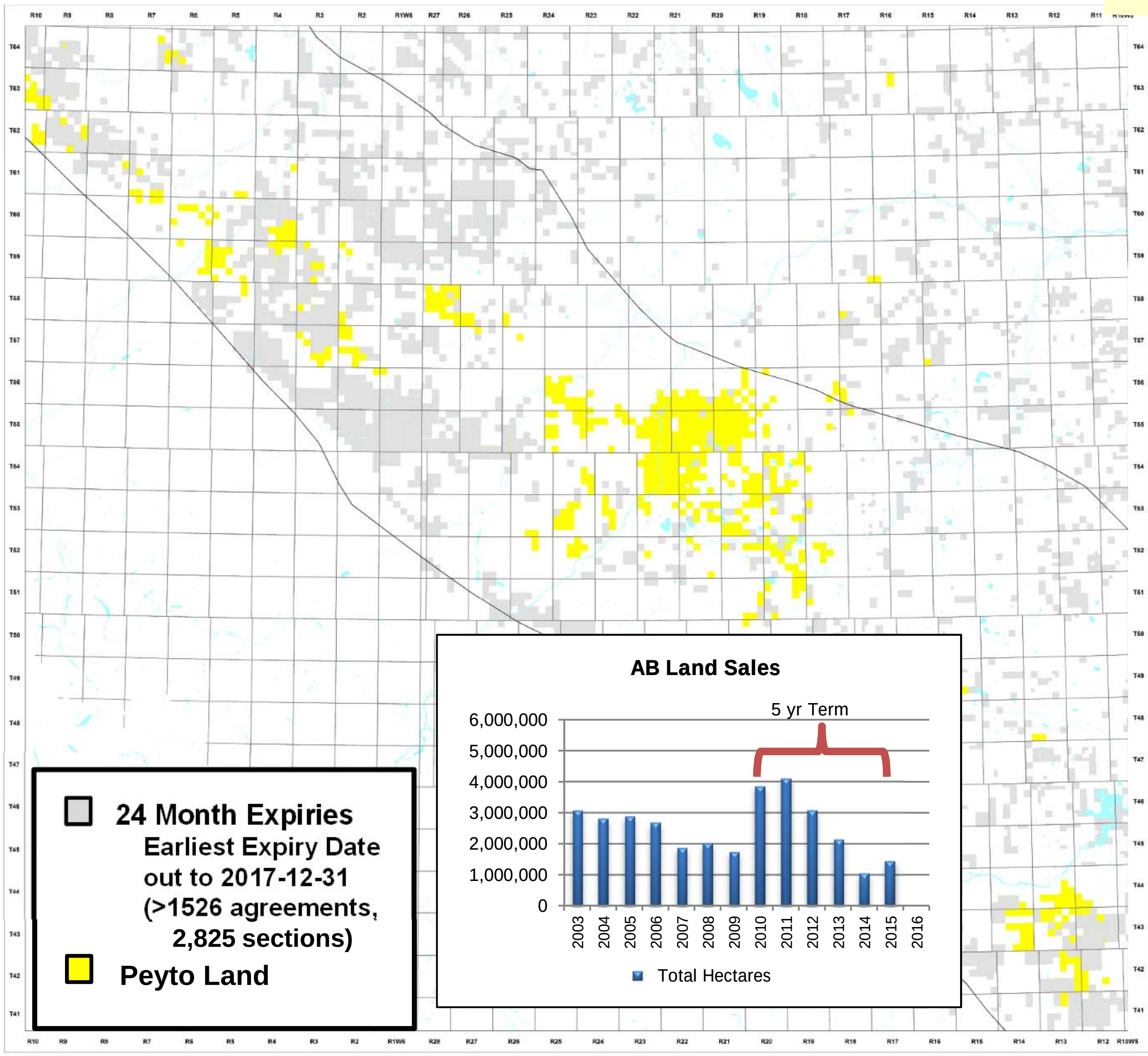
1. *Drilling to Dec 31, 2014*

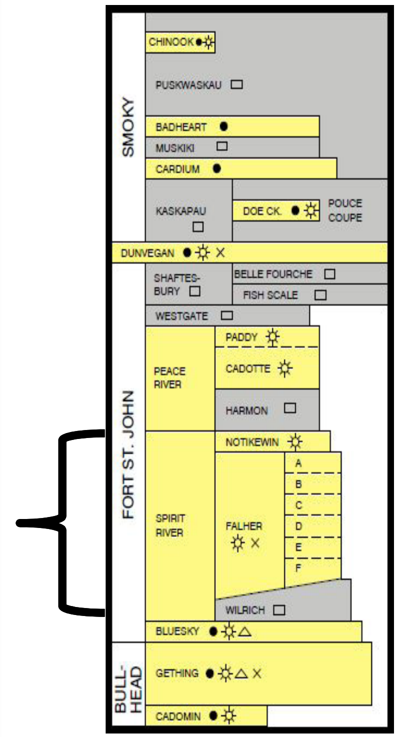
**As recognized in the IPC independent reserve report dated Dec. 31, 2014*

Peyto's Assets

Spirit River Group Potential Land Expiries

"2010/11 were big land sale years in Alberta. Now, 5 yrs later those lands are potentially coming up for expiry. That translates into opportunity for Peyto."





Peyto's Assets

Greater Sundance Area

"The Greater Sundance Area continues to grow, much like a city with new subdivisions and infrastructure."

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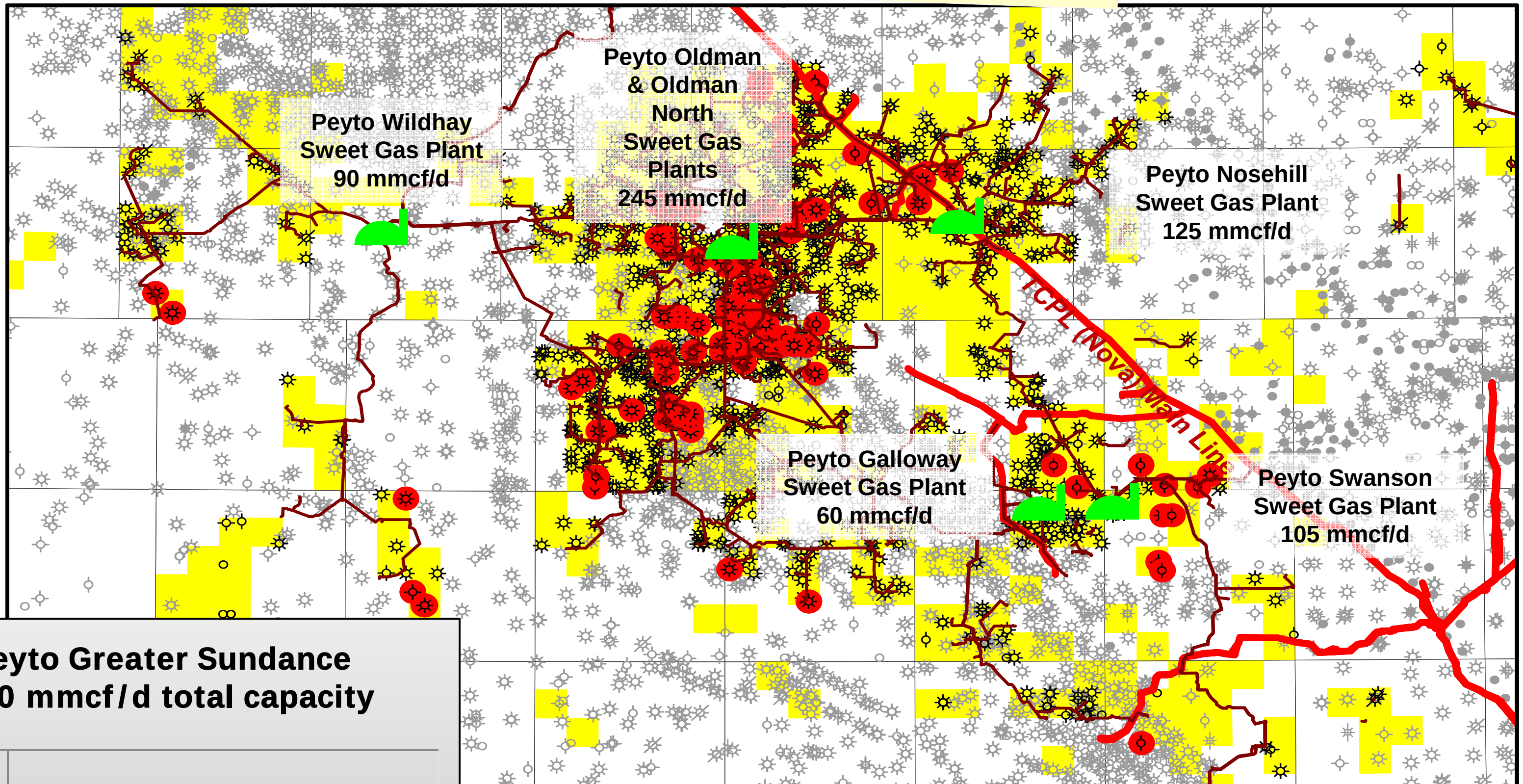
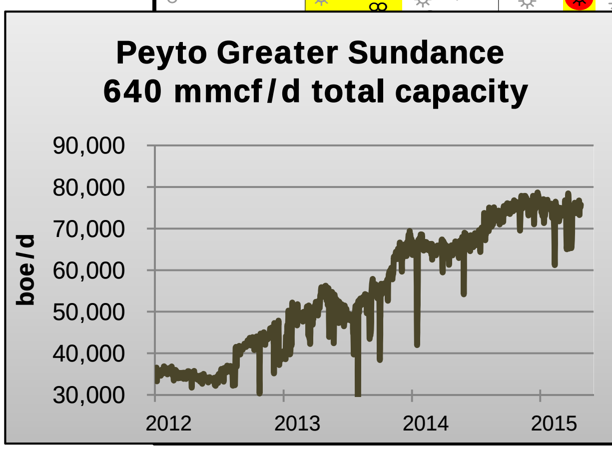
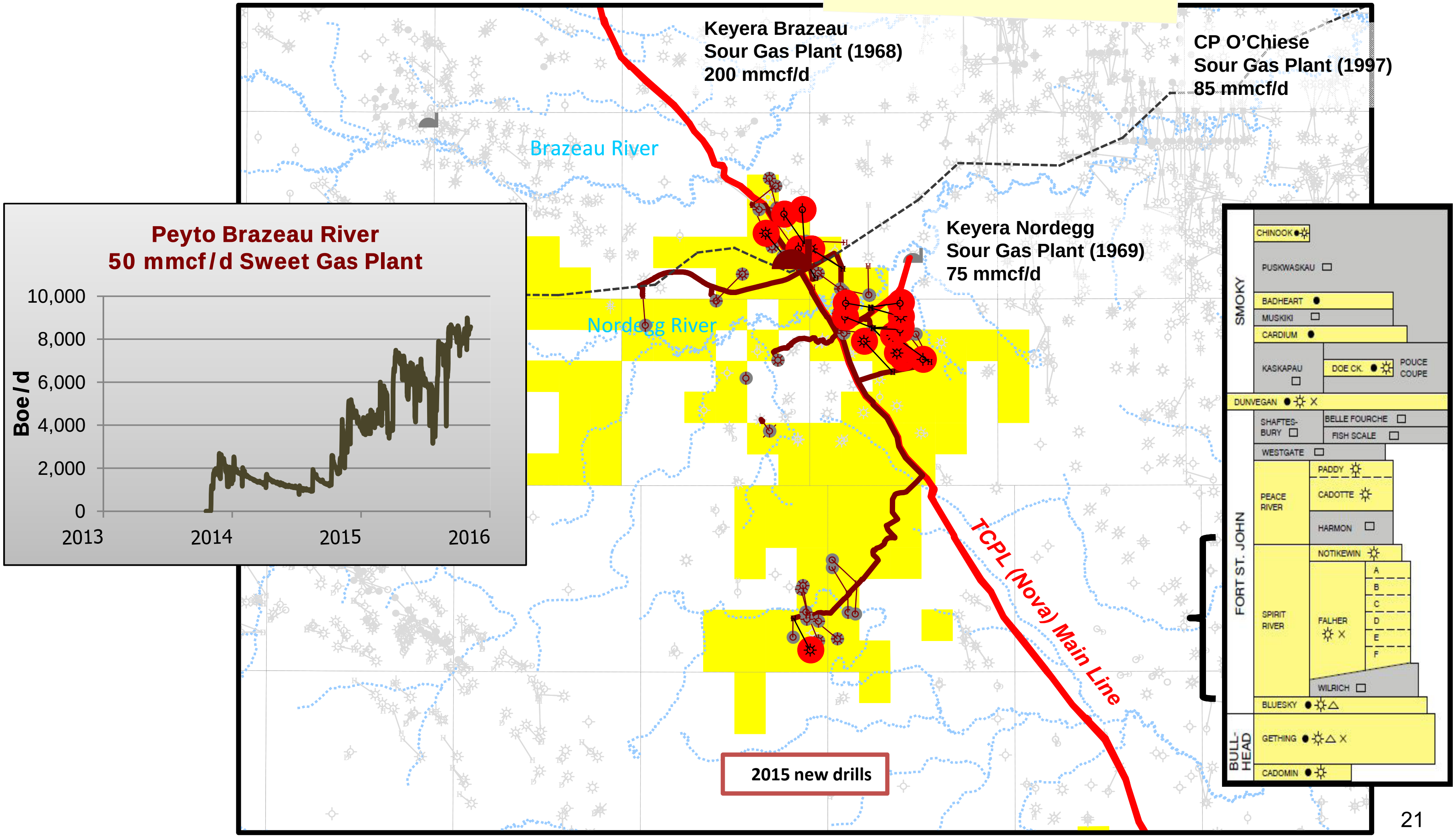




Peyto's Assets

Brazeau River Area

"The new Brazeau area is well positioned on the TCPL system and existing roadways. Peyto's new sweet facility is a much cheaper solution than old, sour gas plants nearby."



* Locations are internally identified from Peyto's geological /geophysical mapping

Peyto's Assets

Facility Ownership And Control

"2016 budget includes expansion work at 2 of Peyto's gas plants. In total, that will be 9 plants with over 0.8 BCF/d of capacity."

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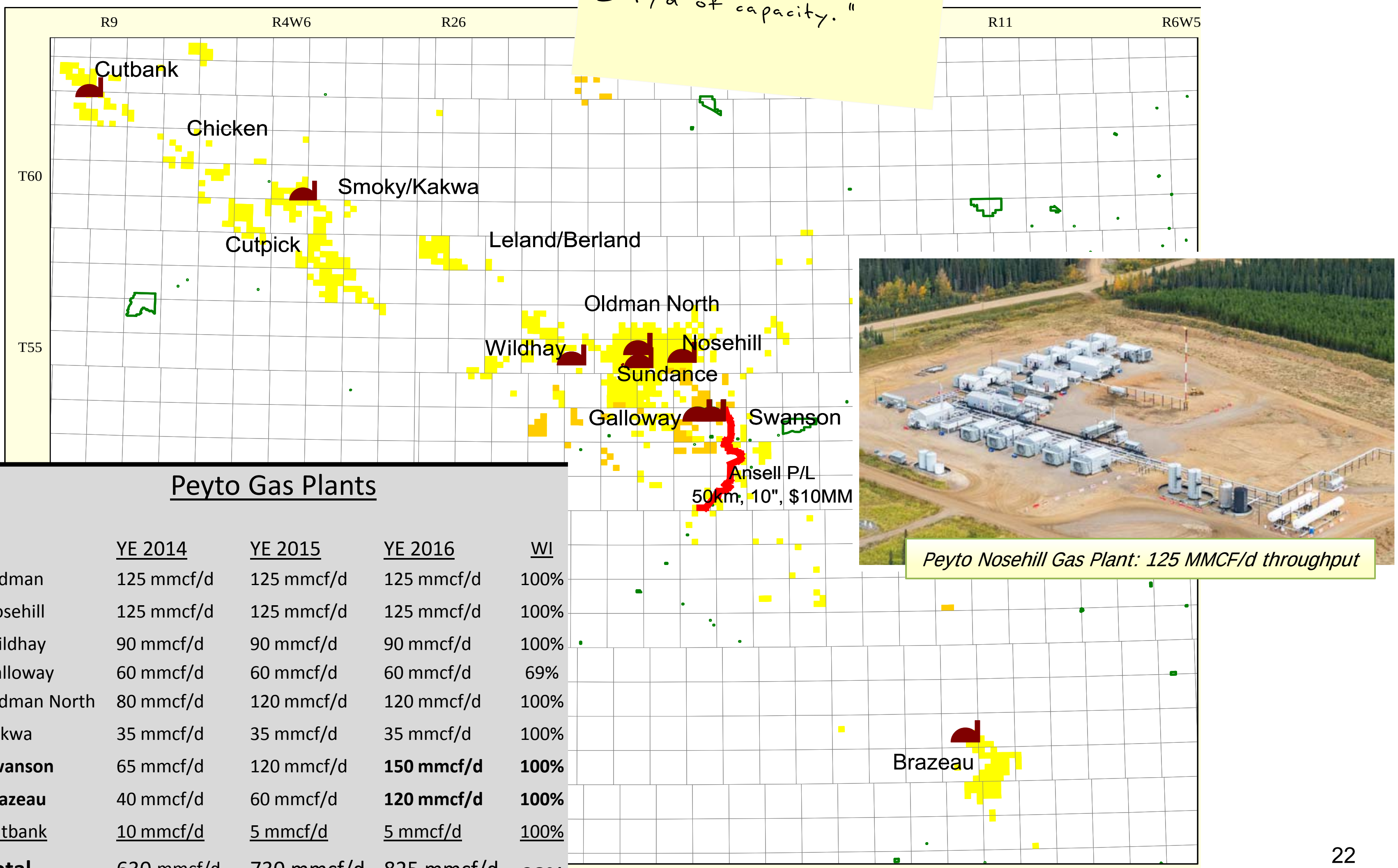


Peyto Nosehill Gas Plant: 125 MMCF/d throughput

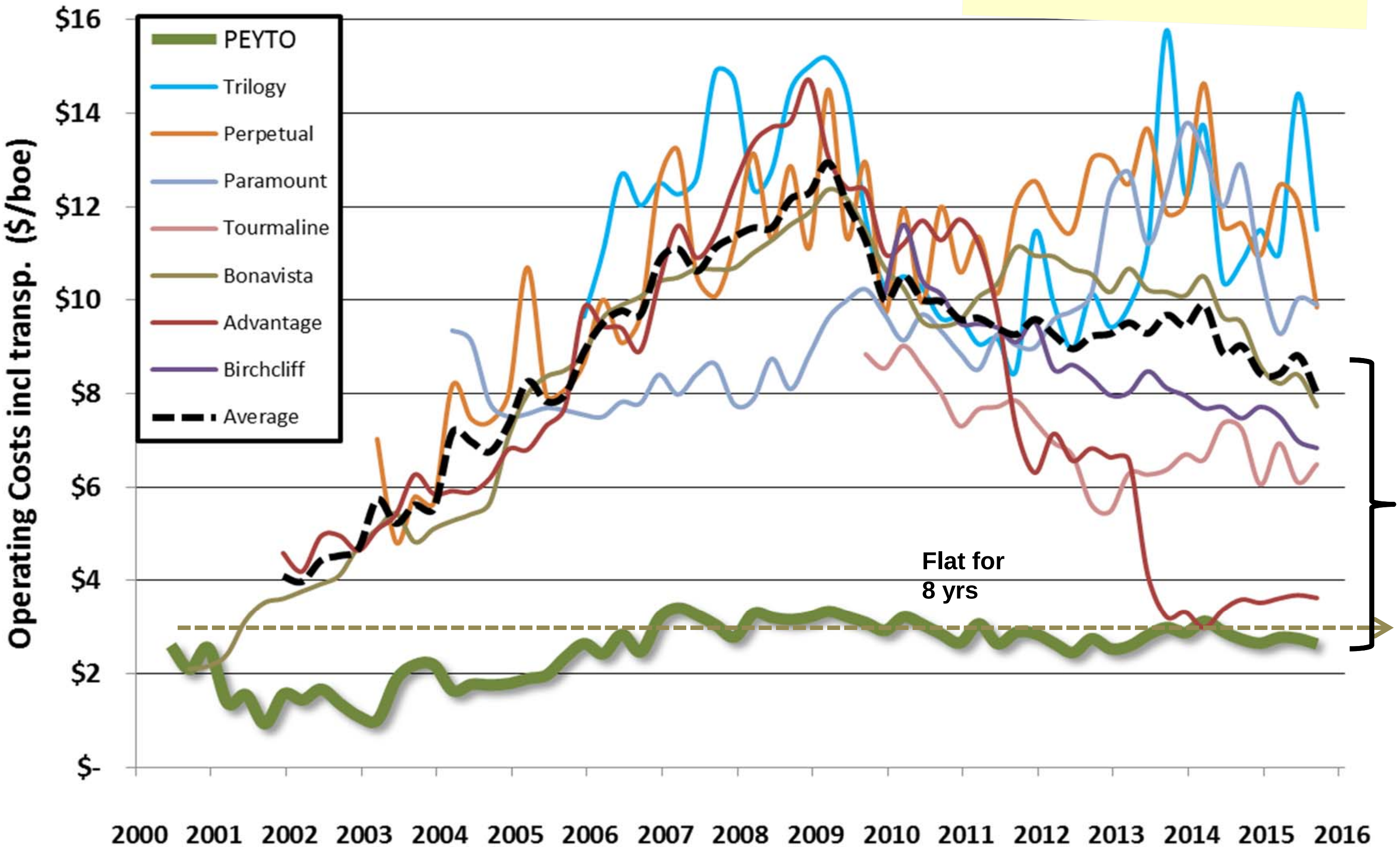
Peyto Gas Plants

	YE 2014	YE 2015	YE 2016	WI
1 Oldman	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
2 Nosehill	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
3 Wildhay	90 mmcf/d	90 mmcf/d	90 mmcf/d	100%
4 Galloway	60 mmcf/d	60 mmcf/d	60 mmcf/d	69%
5 Oldman North	80 mmcf/d	120 mmcf/d	120 mmcf/d	100%
6 Kakwa	35 mmcf/d	35 mmcf/d	35 mmcf/d	100%
7 **Swanson**	65 mmcf/d	120 mmcf/d	**150 mmcf/d**	**100%**
8 **Brazeau**	40 mmcf/d	60 mmcf/d	**120 mmcf/d**	**100%**
9 Cutbank	10 mmcf/d	5 mmcf/d	5 mmcf/d	100%
Total	630 mmcf/d	730 mmcf/d	825 mmcf/d	**98%**

Peyto's Assets

Lowest Operating Costs – Gas Producers

"If all we had was our op cost advantage that would be significant but our other cash costs are low too!"



How?

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

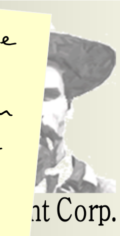
BOE factor - 6 mcf = 1 bbl of oil equivalent

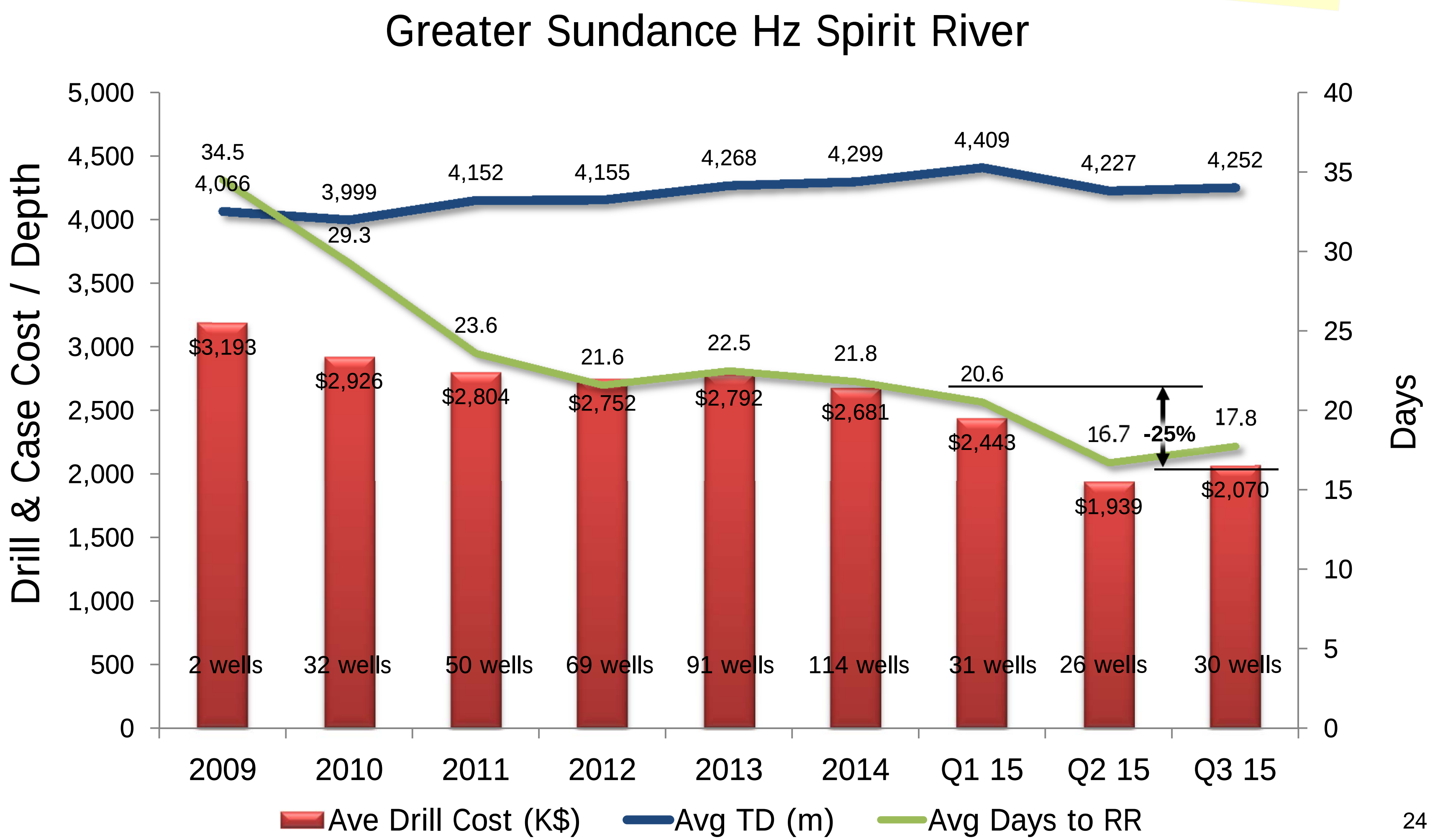
Operating costs include transportation. (Advantage op costs include $0.25/mcf reported transportation costs)

Peyto's Assets

Drilling Cost Performance

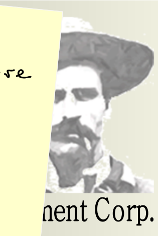
"Looking specifically at the Sundance SR wells, the avg. drilling costs reduction of 25-30% is mostly due to service rates and pad drilling with some additional improvement in execution."



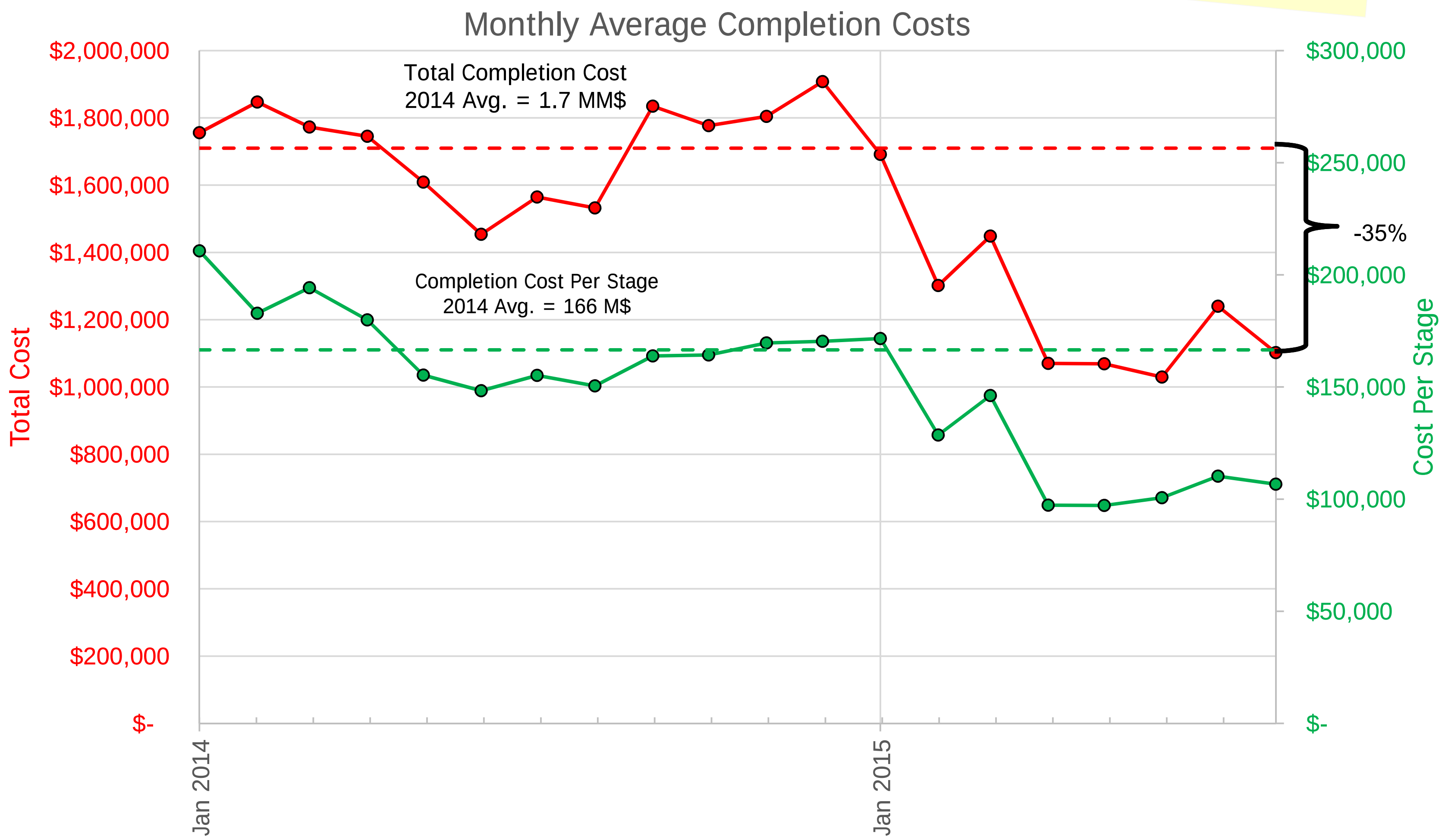


Peyto's Assets

Completion Cost Performance



"Completion costs are down this year even more than drilling. 35% due to service cost reductions and changes in design, including cheaper sand."

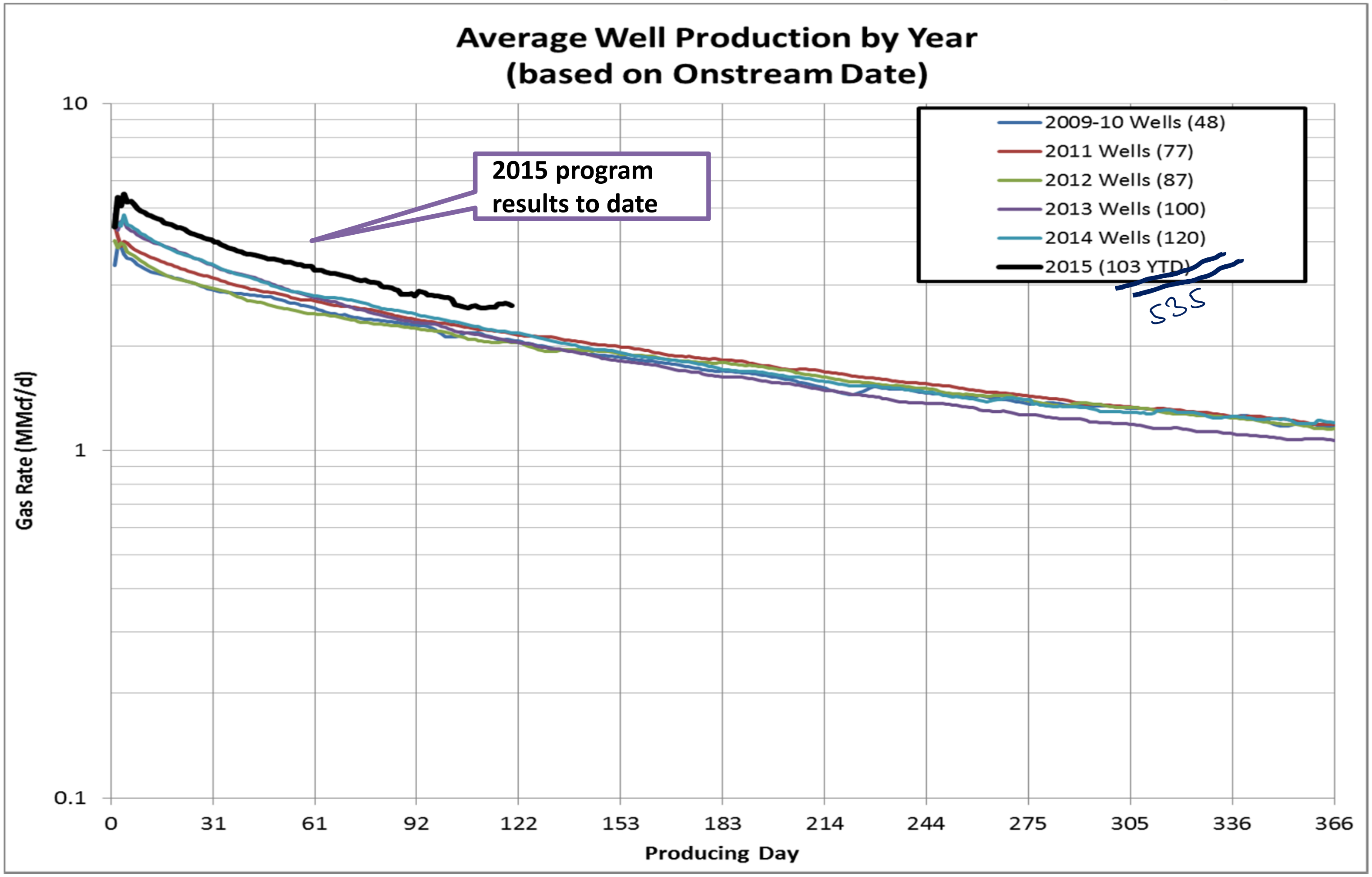


Peyto's Assets

2015 - A Better Year

"We've now drilled over 500 hz wells. 2015's wells are some of the best and cheapest yet!"

Development Corp.



Peyto's Assets

2015 – Why The Better Results?

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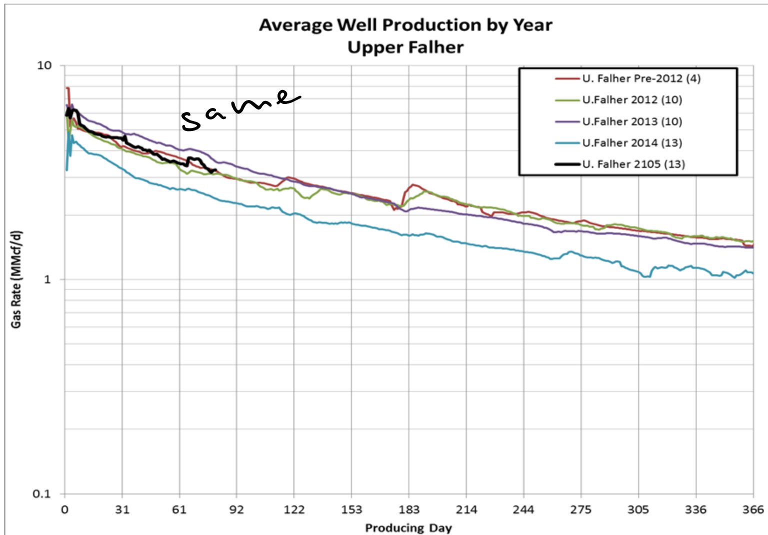

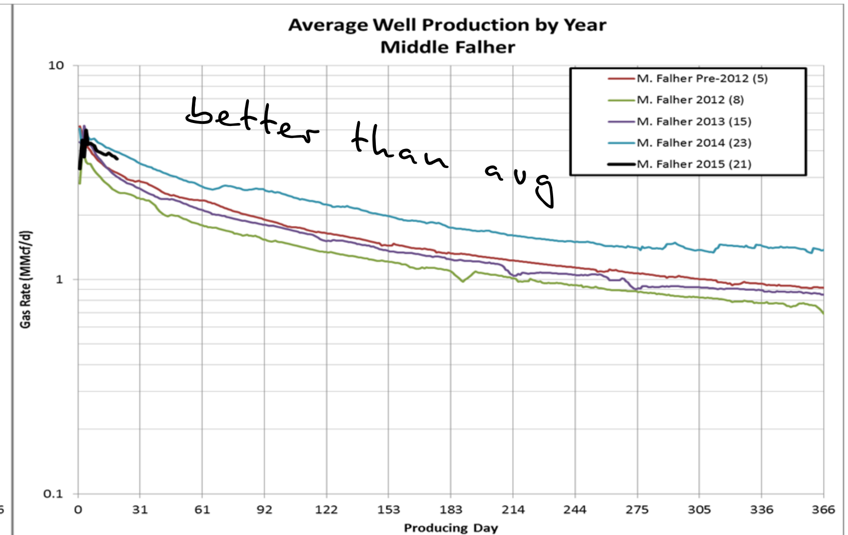

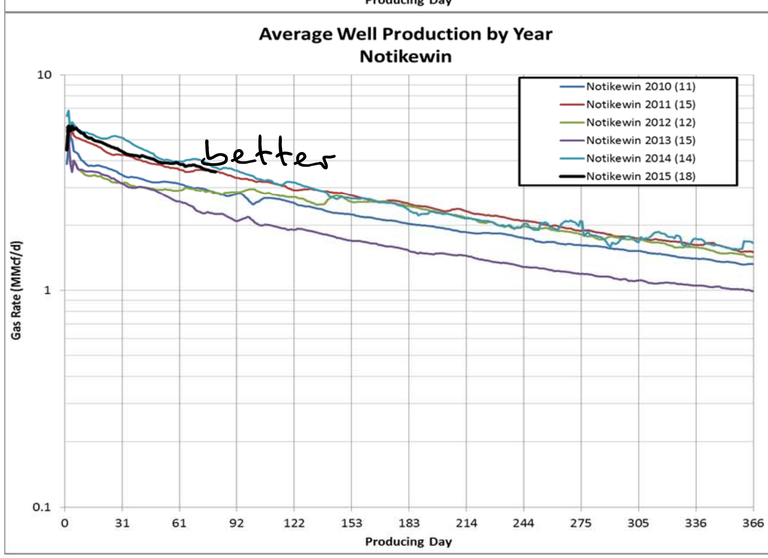

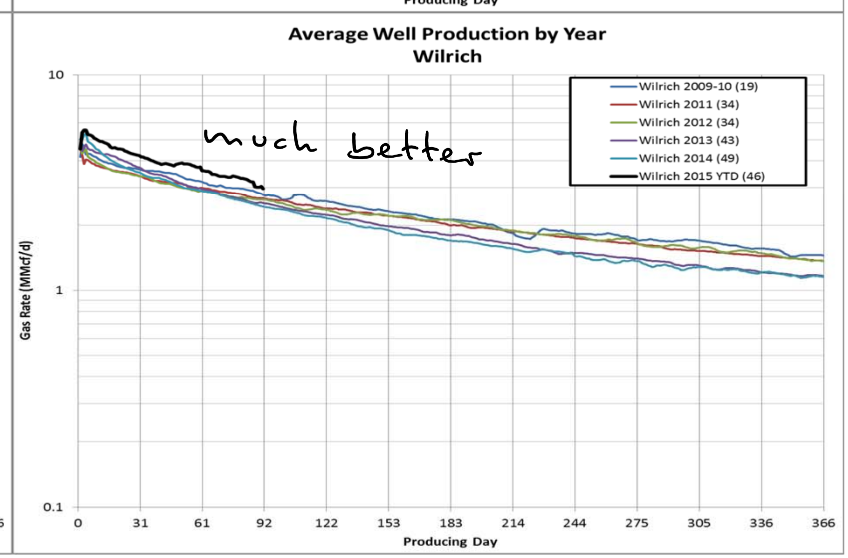

Peyto's Incredible Returns

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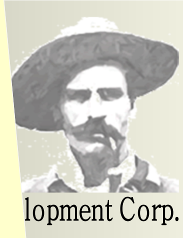
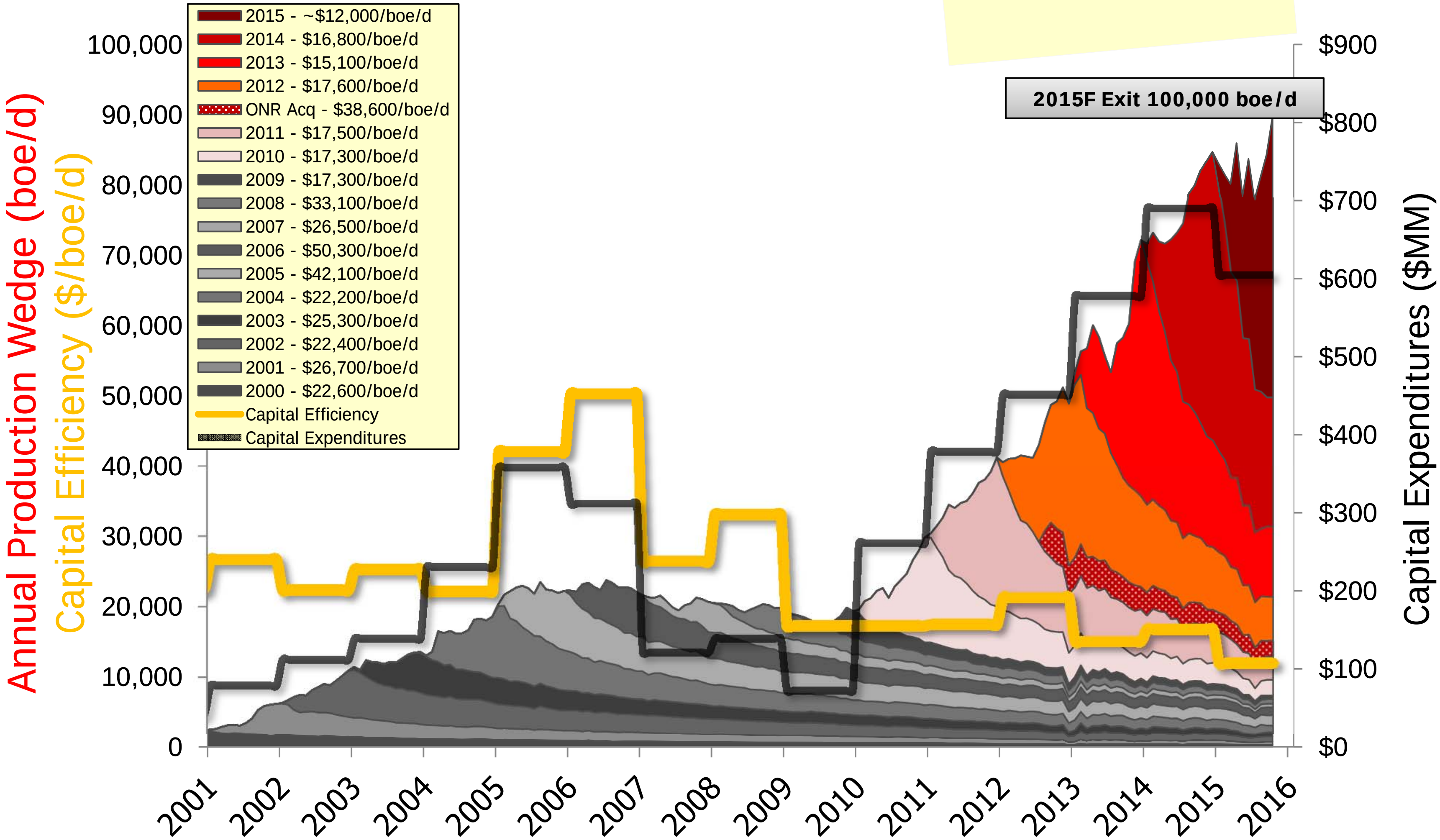
Peyto's Returns

Focus On Returns Drives Capital Discipline

"Rapidly growing capital programs and total production is not unique. Doing it profitably, is what sets Peyto apart from the rest."



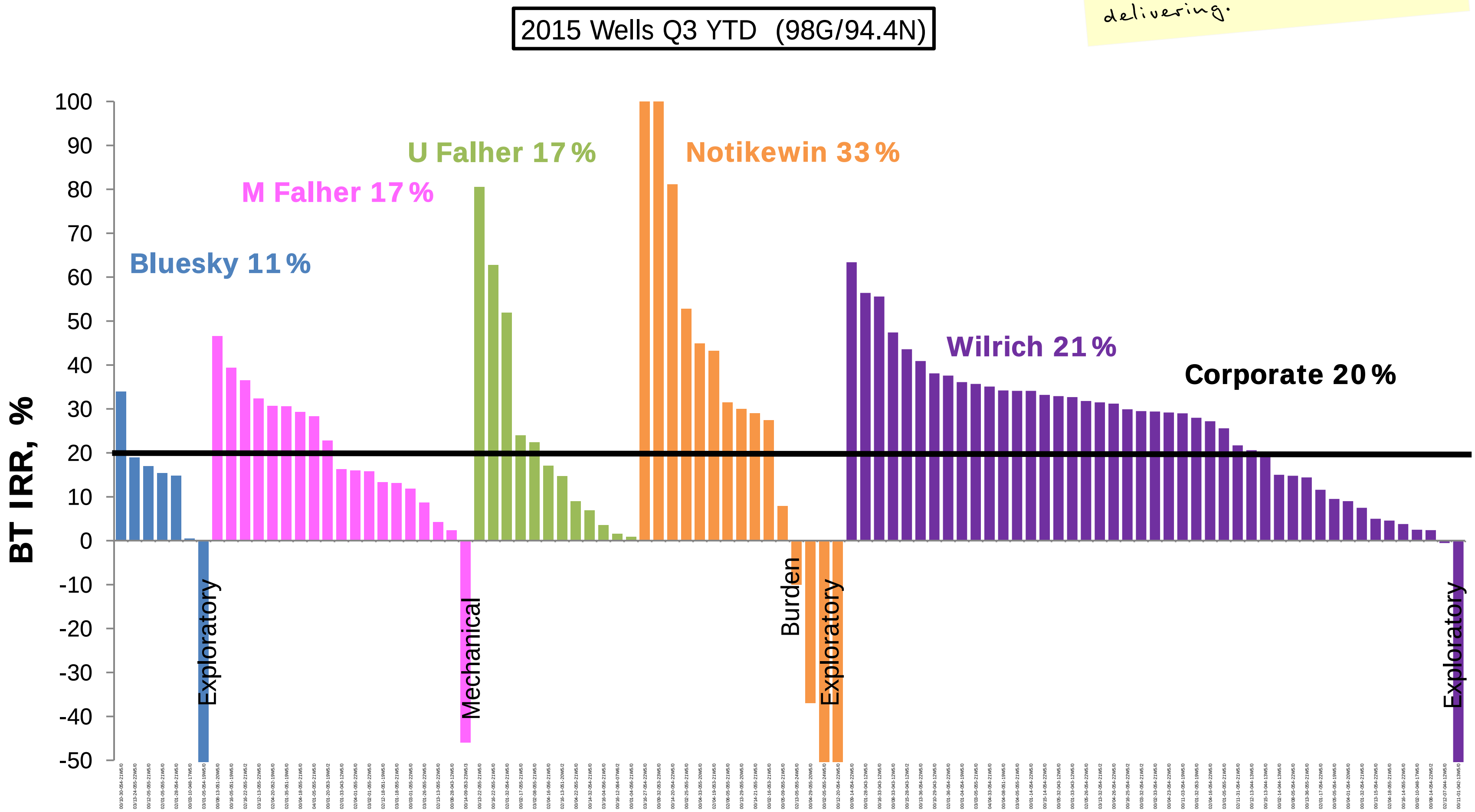


** Capital Efficiency is the cost to add new production measured at Dec 31 each year. Example: In 2010 , Peyto invested $261MM to build 15,100 boe/d for a capital efficiency of $17,300/boe/d.*

Peyto's Returns

*2015 Full Cycle Real Returns (**NOT** Hypothetical)*

"Peyto reports the actual capital spent, full cycle, and actual result achieved, including the ones that don't work out, so investors understand the real returns we are delivering."



Includes provision of $0.7MM per well for Facilities, Land and Seismic
Peyto's internal full cycle actual IRRs on 98 Wells to date using Oct 22/15 strip prices (2016 $2.60/GJ AECO $42/bbl NGL, 2017 $2.80/GJ $57/bbl NGL, 2018 $2.90/GJ $61/bbl)

11/17/2015

Peyto's Returns

Stress Testing Low Commodity Prices

"At $2.00/GJ AECO and CND $42/bbl NGLs, some of the returns start to get a bit too thin. If they were permanent, we'd need additional cost reductions."

evelopment Corp.

Species	IP mmcfd	NGLs bbl/mmcf	EUR BCFE	D/C/E/T/L/S/F $MM	IRR @ Oct 22/15 Strip	IRR @ 2.00/GJ Flat	Number of 2016 Locations
Sundance Wilrich	5	6	3.4	4.4	**24%**	8%	44
Edson Wilrich	4	28	2.9	4.0	**22%**	8%	6
Brazeau Wilrich	7	7	3.5	4.4	**24%**	3%	14
Sundance Notikewin	6	7	3.8	4.4	**33%**	14%	20
Sundance U Falher	6	18	3.3	4.3	**21%**	9%	12
Ansell Falher	6	15	4.0	4.8	**31%**	13%	13
Sundance M Falher	4.5	13	3.3	4.3	**20%**	8%	19
Sundance Bluesky	4.5	16	3.6	4.8	**21%**	8%	7

"Full Cycle Costs" include drilling, completion, wellsite equipment, tie-in, facilities, land, and seismic
For Peyto, that's an additional $700,000/well added to the well specific capital.

Peyto's Returns

High Returns On Your Capital And Equity

"Investors rarely get to participate in the wells themselves, making those economics somewhat meaningless. ROE and ROCE are the returns investors get, <u>after</u> deducting corporate costs."

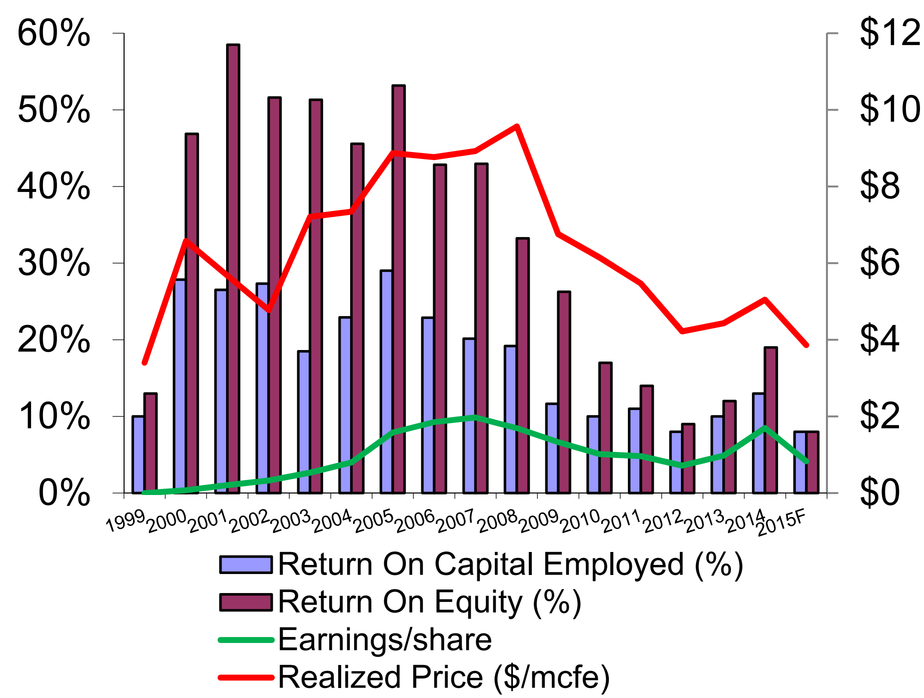
Development Corp.

34%

16 yr Average ROE

18%

16 yr Average ROCE



Return on Equity (ROE) is earnings for the period divided by average shareholders equity – reveals how much profit a company generates with the money shareholders have invested (15 yrs 1999-2013)

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 Future

2016 Outlook

More for less

"2016 looks to be a repeat of 2015, all organic, only at even better efficiencies and similar returns using lower commodity prices."

PEYTO
Exploration & Development Corp.

$600M-$650M

2016 Capital Program

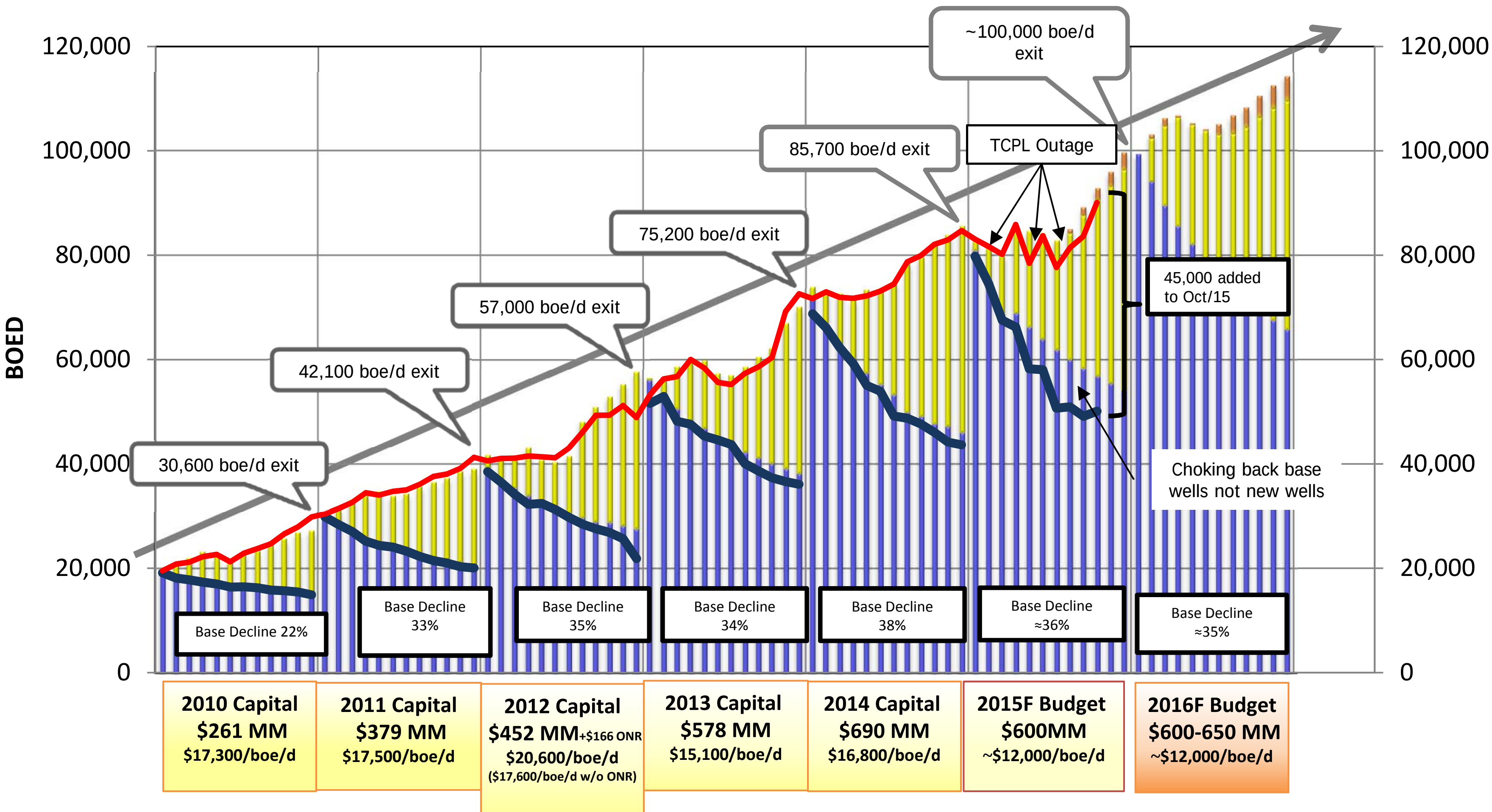
- ✓ **Drill ~130-145 Hz Wells**
  (100% Hz-MSF, Liquids Rich Natural Gas)
- ✓ **Expand & Extract**
  Increase Processing Capacity & NGL Yield ~95 mmcf/d
- ✓ **Increase**
  Undeveloped Land Base
- ✓ **Shoot**
  Seismic
- ✓ **Acquire**
  Additional Opportunities and Partner Interests

2016 Outlook

Drill Our Way To 115,000 BOE/D!

"Our 2016 budget is basically a repeat of 2015. It assumes we will drill 145 gross (137 net) wells that add ~50,000 boe/d of new production."

PEYTO
Exploration & Development Corp.



2016 Outlook

Continuously Improve Profitability

"At Peyto, our cost advantage comes from constantly challenging the status quo on costs. We are always working on ways to improve our profitability."

	2016 Goals*
PDP FD&A $/mcfe	~($1.60)
Cash Costs $/mcfe	~($0.80)
Sales Price $/mcfe	$3.60
33% Profit	~$1.20
Dividend $/mcfe	*$0.91*

- 10% service cost reduction
- Drilling off season
- Longer laterals, more stages
- Continuous operations
- Natural gas heated water
- Slow down facility pre-builds

- Chemical optimization
- Improving runtime
- Water handling/disposal
- Pad wellsite/automation
- Lock low interest rates

- Optimize liquids extraction
- Hedging
- AECO $2.50/GJ & $60/bbl CND

BOE factor - 6 mcfe = 1 bbl of oil equivalent

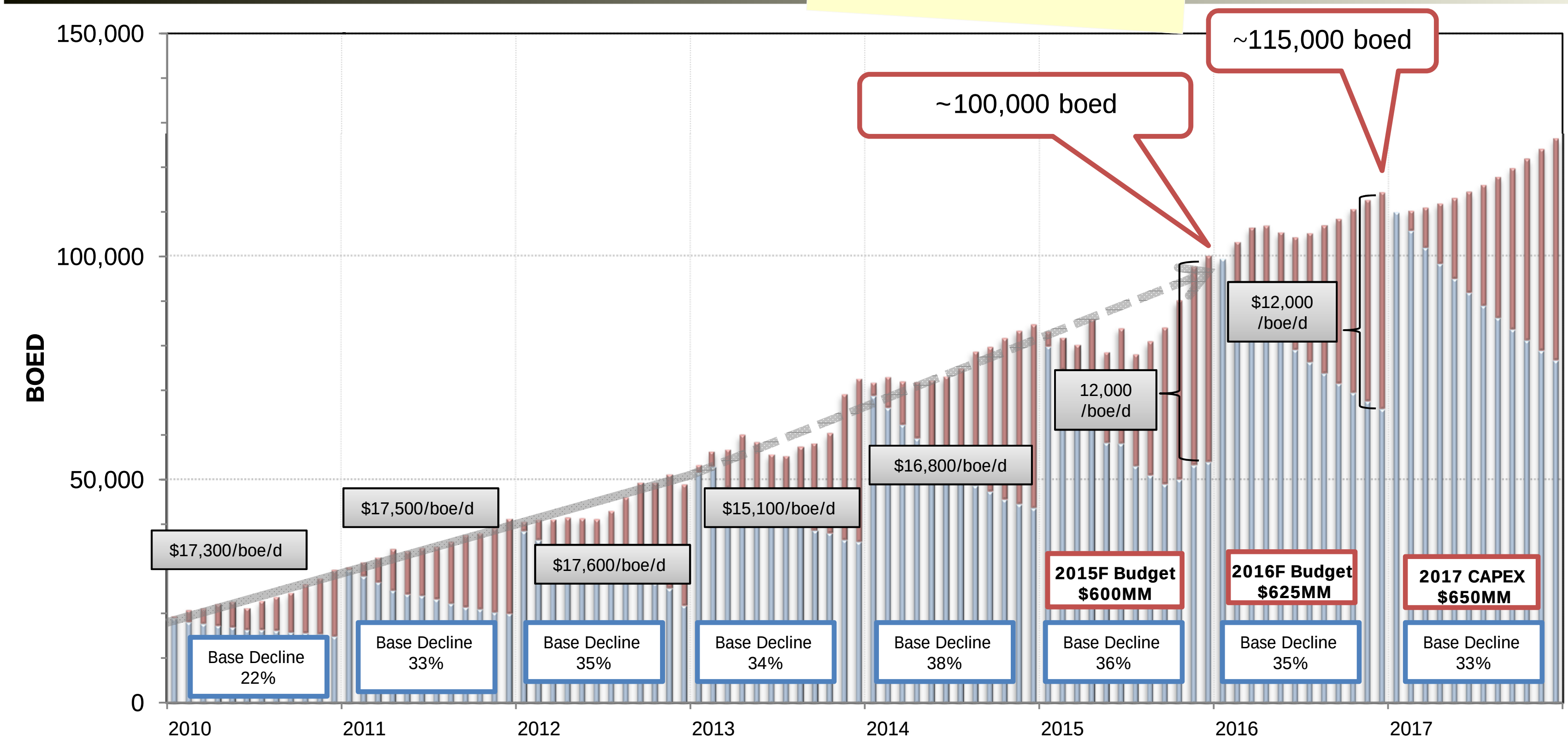
** 2016 goals are not budgeted expectations*

Peyto's Future

Where To From Here?

"There's no reason that at today's commodity prices, Peyto can't continue to keep doing what it's been doing for the last 6 years."

PEYTO Exploration & Development Corp.



@$16/boe netback using $2.50/GJ AECO, $42/bbl CND blended liquid price

Year	Annual Prod.	Netback	FFO	CAPEX	Dividend	YE Net Debt	YE Debt to FFO	# locations
2014	76,372	$ 24	$ 663	$ 690	$ 175	$ 1,009	1.5	123
2015	85,300	$ 18	$ 560	$ 600	$ 210	$ 1,100	2.0	130
2016	107,000	$ 16	$ 625	$ 625	$ 210	$ 1,300	2.1	137
2017	116,000	$ 17	$ 720	$ 650	$ 210	$ 1,400	1.9	145
			$ 2,568	$ 2,565	$ 804			535

** 2015 and beyond provided for illustration only. Budgets and forecasts beyond 2016 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
- Tax Pools
- Payout
- Hedging Strategy
- Gas Marketing
- FAQ

Quarterly Track Record

PEYTO
Exploration & Development Corp.

	2015			2014					2013					
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Operations														
Production														
Oil & NGLs (bbl/d)	5,352	6,843	7,456	7,632	8,077	7,502	7,568	7,375	6,376	6,984	6,295	6,374	5,840	4,778
Natural gas (mcf/d)	455,137	455,443	444,794	412,441	451,044	420,538	388,407	389,002	317,622	361,870	300,286	310,621	297,191	238,490
Barrels of oil equivalent (boe/d)	81,208	82,750	81,588	76,372	83,251	77,592	72,302	72,209	59,313	67,296	56,343	58,144	55,372	44,526
Year over Year % Growth	5%	14%	13%	29%	24%	38%	24%	30%	33%	35%	22%	41%	35%	26%
Average Product Prices														
Oil & NGLs ($/bbl)	41.69	43.54	37.03	70.68	55.47	71.01	77.30	80.49	70.97	69.84	70.91	67.82	75.88	73.92
Natural gas ($/mcf)	3.57	3.50	3.97	4.30	4.22	4.18	4.37	4.45	3.54	3.59	3.35	3.72	3.49	3.23
Operating expenses ($/mcfe)	0.44	0.46	0.47	0.48	0.44	0.46	0.49	0.52	0.47	0.48	0.49	0.47	0.43	0.44
Field Netback ($/mcfe)	3.21	3.22	3.52	4.19	4.02	4.12	4.32	4.39	3.65	3.67	3.49	3.77	3.67	3.46
Financial ($000)														
Revenue (net of royalties)	163,727	166,327	175,820	780,773	205,125	196,062	189,830	191,457	535,394	154,167	123,851	134,765	122,612	380,646
Funds from Operations [1]	134,513	135,195	144,643	662,787	173,437	166,988	161,577	160,785	437,737	125,164	99,736	109,987	102,612	308,865
Net earnings (loss)	37,347	12,295	44,513	261,778	68,597	68,893	62,159	62,129	142,627	37,989	30,461	37,773	36,405	93,951
Capital expenditures	176,618	116,643	138,077	690,389	179,697	180,024	151,290	179,378	578,003	154,295	180,801	73,809	169,099	617,985
Net Debt [2]	1,021,105	934,262	1,064,491	1,009,508	1,009,508	937,611	880,386	838,495	946,542	946,542	862,864	746,094	749,546	662,461
Common shares outstanding (000)	158,958	15,958	153,921	153,860	153,860	153,691	153,691	153,691	148,949	148,949	148,759	148,759	148,759	148,519
Weighted average shares	158,958	158,118	153,853	153,231	153,231	153,691	153,691	151,826	148,738	148,759	148,759	148,759	148,673	141,094
Per share data ($/share)														
Funds from operations	0.85	0.86	0.94	4.33	1.13	1.09	1.05	1.06	2.94	0.84	0.67	0.74	0.69	2.19
Earnings (loss)	0.23	0.08	0.29	1.71	0.45	0.45	0.40	0.41	0.96	0.26	0.21	0.25	0.25	0.67
Dividends (Distributions)	0.33	0.33	0.33	1.14	0.33	0.30	0.28	0.24	0.88	0.24	0.24	0.22	0.18	0.72

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.

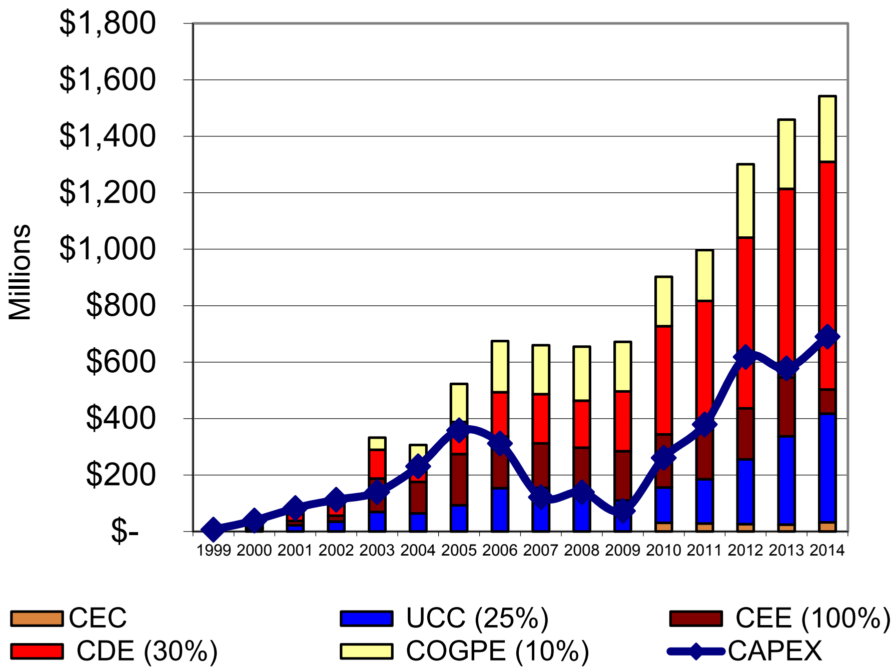
BOE factor - 6 mcf = 1 bbl of oil equivalent

Organic Business Model

Peyto's Tax Pools

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

Development Corp.



$1.5B

Federal Tax Pools Q4/14

$4.1B

Peyto Cum. CapEx Q4/14

Peyto's Payout

Dividend Sustainability

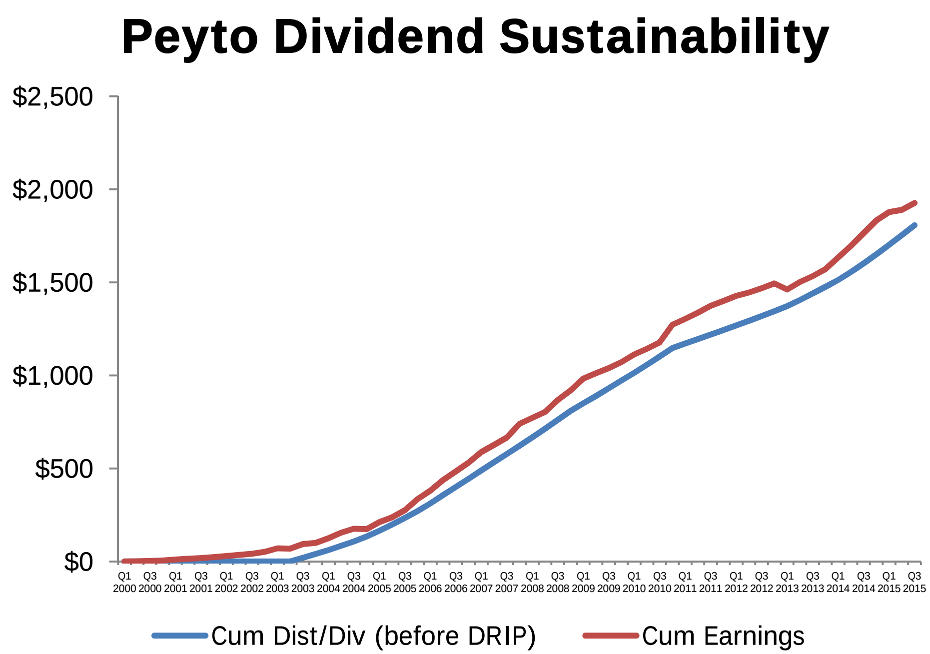
"The best way to ensure sustainable distributions (trust) and dividends (corp.) is to generate earnings. Profits is where dividends are supposed to come from and that's where Peyto's come from."

$1.9B

Peyto Cum. Earnings Q3/15

$1.8B

Peyto Cum. Dist/Div. Q3/15

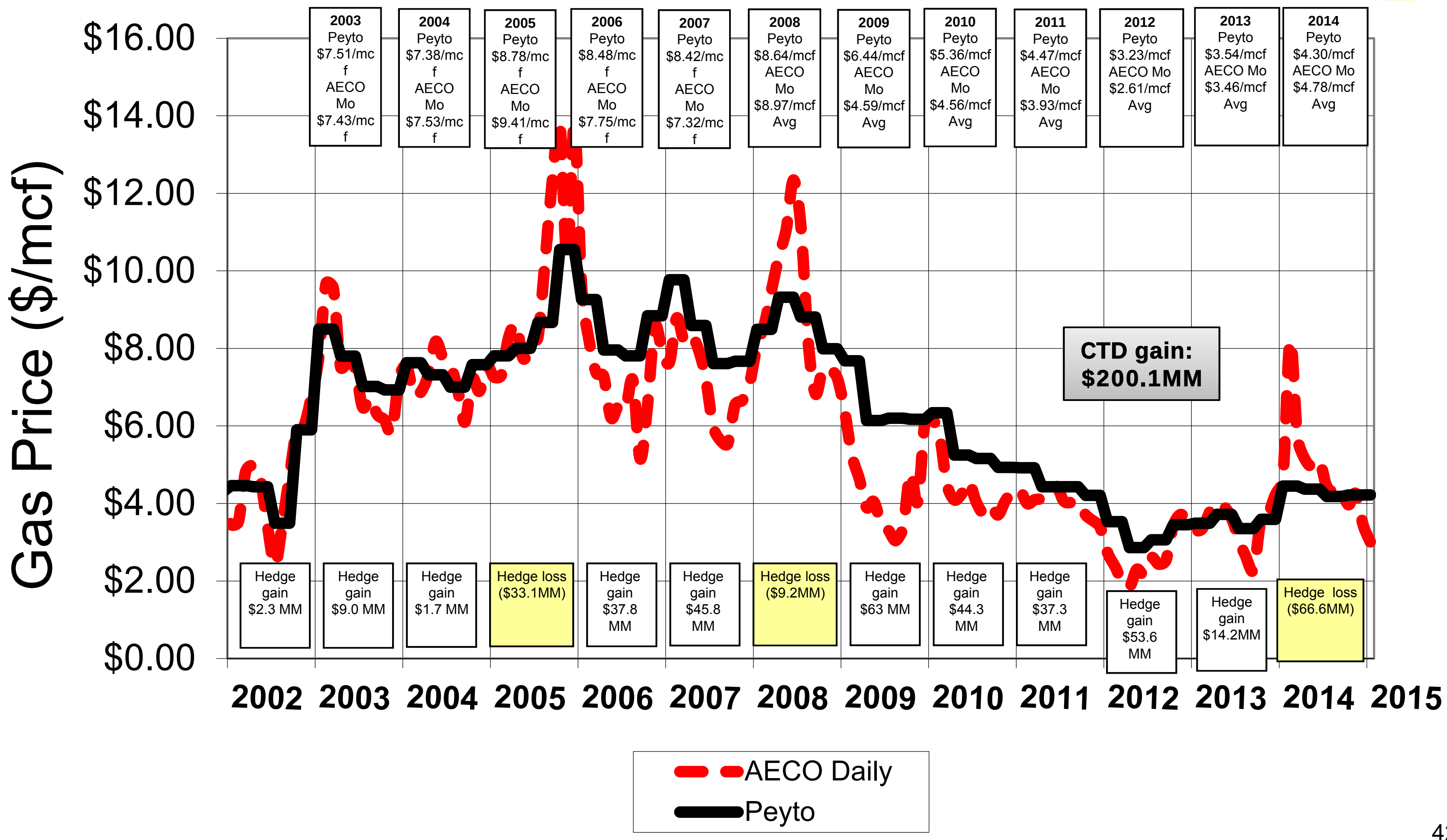


Successful Hedging Strategy

Peyto Realized Price History

"The "dollar cost averaging" approach to our forward sales is to smooth out the volatility and avoid speculation. We forward sell up to 65% of gross production over a 24 month period."

orp.



Gas Marketing

Future Sales (1 of 3)

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

PEYTO
Exploration & Development Corp.

Financial Hedges - Gas

Date contracted	GJ/d	Pricing ($/GJ)
17-Feb-12	5000	$3.000
27-Apr-12	5000	$2.810
08-May-12	5000	$3.000
29-May-12	5000	$3.105
20-Jun-12	5000	$3.058
27-Jun-12	5000	$3.100
13-Jul-12	5000	$3.000
24-Jul-12	5000	$3.105
23-Aug-12	5000	$3.000
12-Sep-12	5000	$3.020
12-Sep-12	5000	$3.050
24-Sep-12	5000	$3.020
03-Oct-12	5000	$3.500
29-Oct-12	5000	$3.530
13-Nov-12	5000	$3.450
21-Nov-12	5000	$3.500
13-Dec-12	5000	$3.080
28-Dec-12	5000	$3.170
15-Jan-13	5000	$3.100
18-Jan-13	5000	$3.250
22-Jan-13	5000	$3.300
25-Jan-13	5000	$3.330
30-Jan-13	7500	$3.200
05-Feb-13	5000	$3.220
13-Feb-13	5000	$3.200
19-Feb-13	5000	$3.193
25-Feb-13	5000	$3.250
25-Feb-13	5000	$3.300
04-Mar-13	5000	$3.603
07-Mar-13	5000	$3.530
15-Mar-13	5000	$3.550
21-Mar-13	5000	$3.710
05-Apr-13	5000	$3.760
05-Apr-13	5000	$3.505
12-Apr-13	5000	$3.860
17-Apr-13	5000	$3.555
18-Apr-13	5000	$4.000
07-May-13	5000	$3.480
13-May-13	5000	$3.810
22-May-13	5000	$3.900
22-May-13	5000	$3.820
13-Jun-13	5000	$3.440
18-Jun-13	5000	$3.520
19-Jun-13	5000	$3.520
08-Jul-13	5000	$3.473
15-Jul-13	5000	$3.525
18-Jul-13	5000	$3.600
14-Aug-13	5000	$3.103
14-Aug-13	5000	$3.270
19-Aug-13	5000	$3.245
20-Aug-13	5000	$3.410
03-Sep-13	5000	$3.558
03-Sep-13	5000	$3.450
11-Sep-13	5000	$3.308
12-Sep-13	5000	$3.465
04-Oct-13	5000	$3.250
07-Oct-13	5000	$3.430
10-Oct-13	5000	$3.540
11-Oct-13	5000	$3.500
24-Oct-13	5000	$3.335
25-Oct-13	5000	$3.500
04-Nov-13	5000	$3.100
12-Nov-13	5000	$3.250
12-Nov-13	5000	$3.250
15-Nov-13	5000	$3.230
20-Nov-13	5000	$3.230
20-Nov-13	5000	$3.230
21-Nov-13	5000	$3.310
22-Nov-13	5000	$3.295
22-Nov-13	5000	$3.353
25-Nov-13	5000	$3.400
25-Nov-13	5000	$3.350
27-Nov-13	5000	$3.490
27-Nov-13	5000	$3.285
03-Dec-13	5000	$3.510
03-Dec-13	5000	$3.540
03-Dec-13	5000	$3.300
03-Dec-13	5000	$3.350
05-Dec-13	5000	$3.600
05-Dec-13	5000	$3.610
09-Dec-13	5000	$3.650
09-Dec-13	5000	$3.700
19-Dec-13	5000	$3.750
19-Dec-13	5000	$3.400
20-Dec-13	5000	$3.700
30-Dec-13	5000	$3.800
03-Jan-14	5000	$3.810
06-Jan-14	5000	$3.470
07-Jan-14	5000	$3.900
07-Jan-14	5000	$3.800
14-Jan-14	5000	$3.850
16-Jan-14	5000	$3.830
16-Jan-14	5000	$3.480

Hedges by year (averaged)

Year	Vol. GJ/d	Price/GJ	Vol. mcf/d	Price/mcf
2014	283,041	3.56	246,123	4.10
2015	344,644	3.48	299,690	4.00
2016	273,975	3.03	238,239	3.48
2017	98,247	2.85	85,432	3.28
2018	12,329	2.83	10,721	3.25

•*Assuming an Average Heating Value of 1.15 GJ/mcf for Peyto's gas*

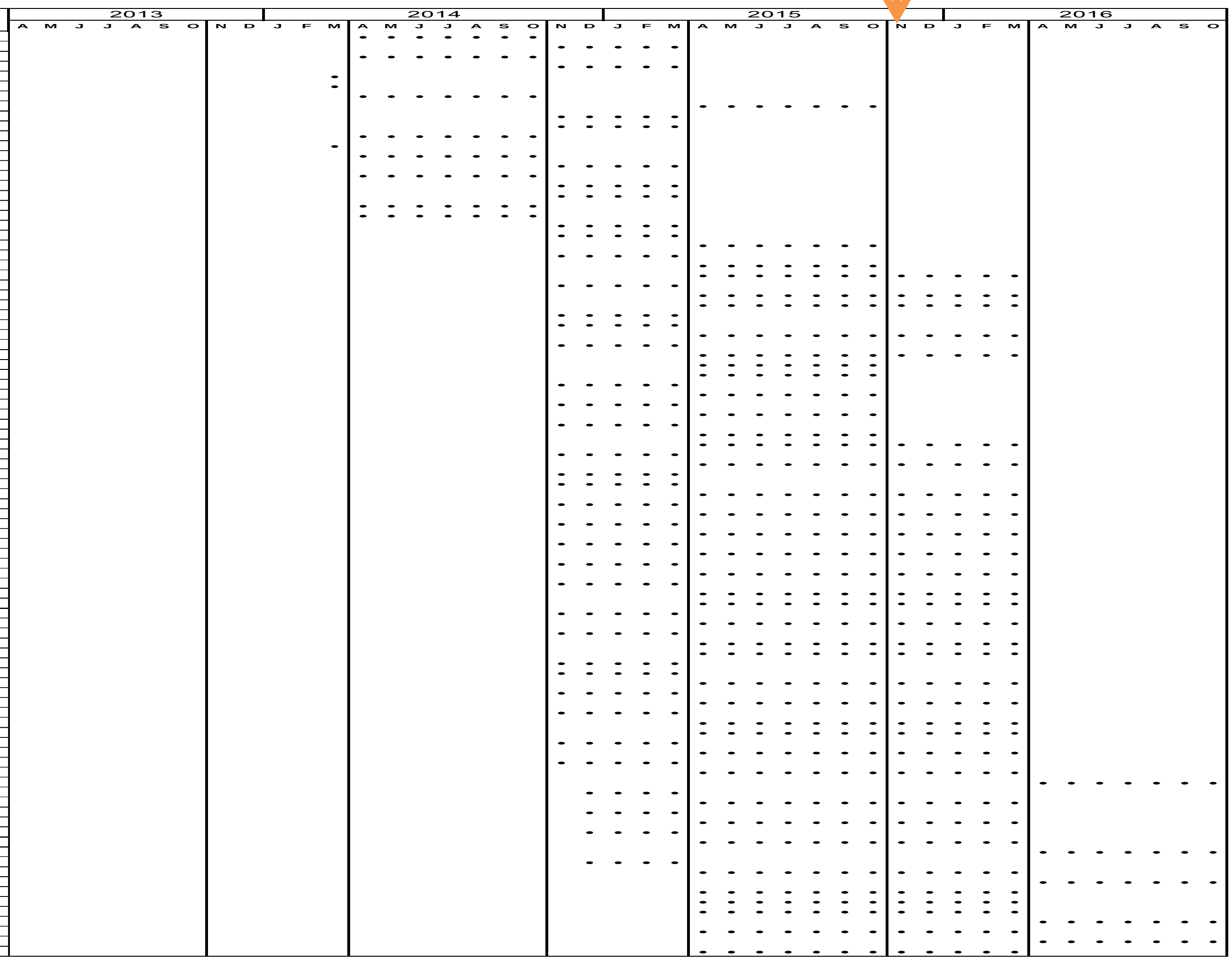
Gas Marketing

Future Sales (2 of 3)

PEYTO
Exploration & Development Corp.

Financial Hedges - Gas

Date contracted	GJ/d	Pricing ($/GJ)
21-Jan-14	5000	$3.825
21-Jan-14	5000	$3.950
23-Jan-14	5000	$3.950
23-Jan-14	5000	$4.050
24-Jan-14	5000	$4.150
24-Jan-14	5000	$4.240
28-Jan-14	5000	$3.980
28-Jan-14	5000	$3.520
28-Jan-14	5000	$4.120
31-Jan-14	5000	$4.200
31-Jan-14	5000	$4.070
04-Feb-14	5000	$5.100
04-Feb-14	5000	$4.320
04-Feb-14	5000	$4.440
13-Feb-14	5000	$4.350
19-Feb-14	5000	$4.585
19-Feb-14	5000	$4.780
28-Feb-14	5000	$4.550
06-Mar-14	5000	$4.420
06-Mar-14	5000	$4.600
14-Mar-14	5000	$4.580
14-Mar-14	5000	$3.700
27-Mar-14	5000	$4.680
27-Mar-14	5000	$3.750
03-Apr-14	5000	$3.918
09-Apr-14	5000	$4.680
09-Apr-14	5000	$3.930
15-Apr-14	5000	$4.000
17-Apr-14	5000	$4.800
29-Apr-14	5000	$4.870
30-Apr-14	5000	$4.050
15-May-14	5000	$4.500
15-May-14	5000	$3.915
21-May-14	5000	$3.780
27-May-14	5000	$3.790
28-May-14	5000	$4.570
04-Jun-14	5000	$3.910
12-Jun-14	5000	$4.690
12-Jun-14	5000	$3.865
24-Jun-14	5000	$4.500
24-Jun-14	5000	$3.750
03-Jul-14	5000	$3.730
03-Jul-14	5000	$4.260
09-Jul-14	5000	$3.700
11-Jul-14	5000	$4.100
24-Jul-14	5000	$3.860
24-Jul-14	5000	$3.560
29-Jul-14	5000	$3.850
29-Jul-14	5000	$3.570
31-Jul-14	5000	$3.900
31-Jul-14	5000	$3.620
06-Aug-14	5000	$4.000
06-Aug-14	5000	$3.700
14-Aug-14	5000	$4.000
14-Aug-14	5000	$3.700
19-Aug-14	5000	$4.000
19-Aug-14	5000	$3.700
28-Aug-14	5000	$3.710
08-Sep-14	5000	$3.903
08-Sep-14	5000	$3.670
09-Sep-14	5000	$4.050
09-Sep-14	5000	$3.740
15-Sep-14	5000	$3.720
15-Sep-14	5000	$4.010
24-Sep-14	5000	$3.940
24-Sep-14	5000	$3.700
25-Sep-14	5000	$4.030
25-Sep-14	5000	$3.710
29-Sep-14	5000	$4.123
29-Sep-14	5000	$3.750
07-Oct-14	5000	$3.650
23-Oct-14	5000	$3.610
23-Oct-14	5000	$3.410
28-Oct-14	5000	$3.570
28-Oct-14	5000	$3.410
29-Oct-14	5000	$3.370
30-Oct-14	5000	$3.630
30-Oct-14	5000	$3.450
31-Oct-14	5000	$3.710
31-Oct-14	5000	$3.500
04-Nov-14	5000	$3.850
04-Nov-14	5000	$3.580
04-Nov-14	5000	$3.430
06-Nov-14	5000	$4.180
06-Nov-14	5000	$3.650
13-Nov-14	5000	$3.400
17-Nov-14	5000	$3.515
20-Nov-14	5000	$3.450
24-Nov-14	5000	$3.450
24-Nov-14	5000	$3.350
01-Dec-14	5000	$3.400
01-Dec-14	5000	$3.350
05-Dec-14	5000	$3.300



•Assuming an Average Heating Value of 1.15 GJ/mcf for Peyto's gas

Gas Marketing

Future Sales (3 of 3)

PEYTO

Exploration & Development Corp.

Financial Hedges - Gas

Date contracted	GJ/d	Pricing ($/GJ)	2013		2014												2015												2016												2017												2018									
			N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
10-Dec-14	5000	$3.250																		•	•	•	•	•	•	•	•	•	•	•	•																															
10-Dec-14	5000	$3.240																															•	•	•	•	•	•	•																								
12-Dec-14	5000	$3.305																		•	•	•	•	•	•	•	•	•	•	•	•																															
23-Dec-14	5000	$2.750																		•	•	•	•	•	•	•																																				
23-Dec-14	5000	$3.050																															•	•	•	•	•	•	•																								
09-Jan-15	5000	$2.753																		•	•	•	•	•	•	•	•	•	•	•	•																															
13-Jan-15	5000	$2.950																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
13-Jan-15	5000	$2.950																																						•	•	•	•	•																			
14-Jan-15	5000	$2.970																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
14-Jan-15	5000	$2.750																		•	•	•	•	•	•	•																																				
21-Jan-15	5000	$2.855																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																								
27-Jan-15	5000	$2.980																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
28-Jan-15	5000	$2.950																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
06-Feb-15	5000	$2.830																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
10-Feb-15	5000	$2.760																		•	•	•	•	•	•	•	•	•	•	•	•																															
13-Feb-15	5000	$2.868																		•	•	•	•	•	•	•	•	•	•	•	•																															
19-Feb-15	5000	$2.925																		•	•	•	•	•	•	•	•	•	•	•	•																															
20-Feb-15	5000	$3.050																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
25-Feb-15	5000	$2.975																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
05-Mar-15	5000	$2.900																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
11-Mar-15	5000	$2.950																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
17-Mar-15	5000	$2.950																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
24-Mar-15	5000	$2.950																		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
02-Apr-15	5000	$2.820																			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
14-Apr-15	5000	$2.825																									•	•	•	•	•																															
14-Apr-15	5000	$2.860																															•	•	•	•	•	•	•	•	•	•	•	•																			
16-Apr-15	5000	$2.500																				•	•	•	•	•																																				
22-Apr-15	5000	$2.500																				•	•	•	•	•																																				
22-Apr-15	5000	$2.850																									•	•	•	•	•																															
29-Apr-15	5000	$2.810																															•	•	•	•	•	•	•	•	•	•	•	•																			
30-Apr-15	5000	$2.600																				•	•	•	•	•																																				
30-Apr-15	5000	$2.880																									•	•	•	•	•																															
30-Apr-15	5000	$2.900																															•	•	•	•	•	•	•	•	•	•	•	•																			
08-May-15	5000	$2.975																															•	•	•	•	•	•	•	•	•	•	•	•																			
08-May-15	5000	$3.000																									•	•	•	•	•																															
12-May-15	5000	$3.000																									•	•	•	•	•																															
19-May-15	5000	$3.000																															•	•	•	•	•	•	•	•	•	•	•	•																			
21-May-15	5000	$3.110																									•	•	•	•	•																															
04-Jun-15	5000	$2.853																															•	•	•	•	•	•	•	•	•	•	•	•																			
04-Jun-15	5000	$2.780																									•	•	•	•	•																															
09-Jun-15	5000	$2.950																									•	•	•	•	•																															
09-Jun-15	5000	$2.920																															•	•	•	•	•	•	•	•	•	•	•	•																			
15-Jun-15	5000	$2.960																									•	•	•	•	•																															
15-Jun-15	5000	$2.940																															•	•	•	•	•	•	•	•	•	•	•	•																			
25-Jun-15	5000	$2.920																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
02-Jul-15	5000	$2.950																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
10-Jul-15	5000	$2.975																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
21-Jul-15	5000	$3.045																									•	•	•	•	•																															
21-Jul-15	5000	$3.010																															•	•	•	•	•	•	•	•	•	•	•	•																			
28-Jul-15	5000	$3.010																									•	•	•	•	•																															
30-Jul-15	5000	$2.950																															•	•	•	•	•	•	•	•	•	•	•	•																			
05-Aug-15	5000	$3.000																									•	•	•	•	•																															
05-Aug-15	5000	$2.950																															•	•	•	•	•	•	•	•	•	•	•	•																			
12-Aug-15	5000	$2.980																															•	•	•	•	•	•	•	•	•	•	•	•																			
12-Aug-15	5000	$3.055																									•	•	•	•	•																															
20-Aug-15	5000	$2.935																									•	•	•	•	•																															
20-Aug-15	5000	$2.920																															•	•	•	•	•	•	•	•	•	•	•	•																			
26-Aug-15	5000	$2.880																															•	•	•	•	•	•	•	•	•	•	•	•																			
26-Aug-15	5000	$2.740																																											•	•	•	•	•	•	•												
28-Aug-15	5000	$2.913																									•	•	•	•	•																															
08-Sep-15	5000	$2.880																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
08-Sep-15	5000	$2.800																																											•	•	•	•	•	•	•												
11-Sep-15	5000	$2.925																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
11-Sep-15	5000	$2.845																																											•	•	•	•	•	•	•												
14-Sep-15	5000	$2.950																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
28-Sep-15	5000	$2.840																									•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
28-Sep-15	5000	$2.945																																											•	•	•	•	•	•	•	•	•	•	•	•							
06-Oct-15	5000	$2.850																																											•	•	•	•	•	•	•	•	•	•	•	•							
08-Oct-15	5000	$2.700																															•	•	•	•	•	•	•	•	•	•	•	•																			
08-Oct-15	5000	$2.835																																											•	•	•	•	•	•	•	•	•	•	•	•							
14-Oct-15	5000	$2.625																									•	•	•	•	•																															
14-Oct-15	5000	$2.700																															•	•	•	•	•	•	•	•	•	•	•	•																			
14-Oct-15	5000	$2.850																																											•	•	•	•	•	•	•	•	•	•	•	•							
19-Oct-15	5000	$2.620																											•	•	•																															
22-Oct-15	5000	$2.643																															•	•	•	•	•	•	•	•	•	•	•	•																			
22-Oct-15	5000	$2.870																																											•	•	•	•	•	•	•	•	•	•	•	•							
27-Oct-15	5000	$2.528																										•	•	•	•																															
27-Oct-15	5000	$2.640																															•	•	•	•	•	•	•	•	•	•	•	•																			
27-Oct-15	5000	$2.875																																											•	•	•	•	•	•	•	•	•	•	•	•							
04-Nov-15	5000	$2.580																															•	•	•	•	•	•	•	•	•	•	•	•																			
04-Nov-15	5000	$2.825																																											•	•	•	•	•	•	•	•	•	•	•	•							
05-Nov-15	5000	$2.825																																											•	•	•	•	•	•	•	•	•	•	•	•							
11-Nov-15	5000	$2.673																															•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•							
13-Nov-15	5000	$2.550																										•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•																			
16-Nov-15	5000	$2.710																															•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•							

Avg (Gas only)										
Avg GJ/d	239,500	282,500	331,000	340,000	381,000	245,000	210,000	65,000	50,000	0
Avg $ per GJ	$3.34	$3.53	$3.88	$3.39	$3.23	$2.94	$2.88	$2.82	$2.83	$0.00
Avg mcf/d	208,300	245,700	287,800	295,700	331,300	213,000	182,600	56,500	43,500	0
Avg $ per mcf	$3.85	$4.06	$4.47	$3.90	$3.71	$3.38	$3.31	$3.24	$3.25	$0.00

•*Assuming an Average Heating Value of 1.15 GJ/mcf for Peyto's gas*

FAQ

Frequently Asked Questions

PEYTO
Exploration & Development Corp.

1. Peyto has had some spectacular growth over the last five years, how can that growth continue?

The profitable growth in production, reserves and funds from operations per share that we've experienced over the last four years is the result of achieving very good rates of return and improved capital efficiency on large capital programs. Much of that improvement is due to a shift to horizontal well development on our traditional tight gas resource plays which has resulted in quicker payout and faster reinvestment of capital, thus driving greater sustained growth. Peyto's superior assets and strong core competency within its technical team continue to yield undeveloped opportunities faster than we can develop them, further expanding our inventory of undeveloped opportunities.

2. Why is Peyto pursuing such high growth levels at low natural gas prices?

Peyto's strategy has always been to maximize returns for shareholders. Our low full cycle development costs and our low producing costs are the foundation for this return and provide robust economics through a spectrum of natural gas prices. History has shown us that when natural gas and oil prices rise, so too do service costs and industry activity levels. This results in much greater development costs and effectively the same rates of return being generated for higher natural gas prices. The problem is that prices tend to be cyclical and do not necessarily stay high to justify higher development costs. Peyto takes a counter-cyclical investment strategy and invests aggressively when gas prices are low, ensuring costs are also at their lowest and returns are at their highest.

3. What will the corporate decline rate be going forward with this growth?

As we've shown in previous analysis (President's Monthly Report May 2011), the only way for our base decline to rise is for us to deploy ever greater capital programs and combine larger volumes of new high-decline production with older low-decline production. In fact, we would have to increase the capital program by 35% or more every year just to hold the current corporate decline flat, otherwise it is expected to naturally come down over time, making it easier to grow.

4. How can this growth be funded in a low gas price environment?

Peyto is the lowest cost producer in Canada. That fact combined with our high heat content, liquids rich natural gas means we generate some of the highest netbacks of any gas weighted producer. By comparison, our netbacks rival those of much oilier companies and allows us to fund the bulk of our capital program and our dividend from our Funds from Operations. The remaining balance of our large capital programs can be funded from the strength of our balance sheet while maintaining a safe and conservative level of debt. As the value of our producing asset base grows, so does the amount of debt we can safely carry against it.

5. What is the end game with Peyto?

The strategy at Peyto has always been about recovering the maximum returns for shareholders on the capital we put to work. Every day we produce and sell our reserves for more than it cost us to build them. Over the company's history this proven strategy has resulted in the largest shareholder "IRR" of any energy company on the TSX and a track record of 16 consecutive years of positive earnings. As long as there are future returns to be generated, Peyto will be hard at work.

6. How much running room is there in terms of locations relative to some of the other Deep Basin players?

Not all land holdings or drilling inventories are the same amongst industry competitors. Likewise, the means by which future locations are funded and when they are developed plays a large part in the real returns that shareholders ultimately realize. At Peyto, we have as many as 10 years of high quality drilling inventory in front of us with several more initiatives in the Deep Basin currently underway which could extend this timeline. Our proven track record of using internal funding to "build it for less than we sell it" in a timely manner will play a large part in ensuring these future opportunities generate accretive returns for shareholders.