



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 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

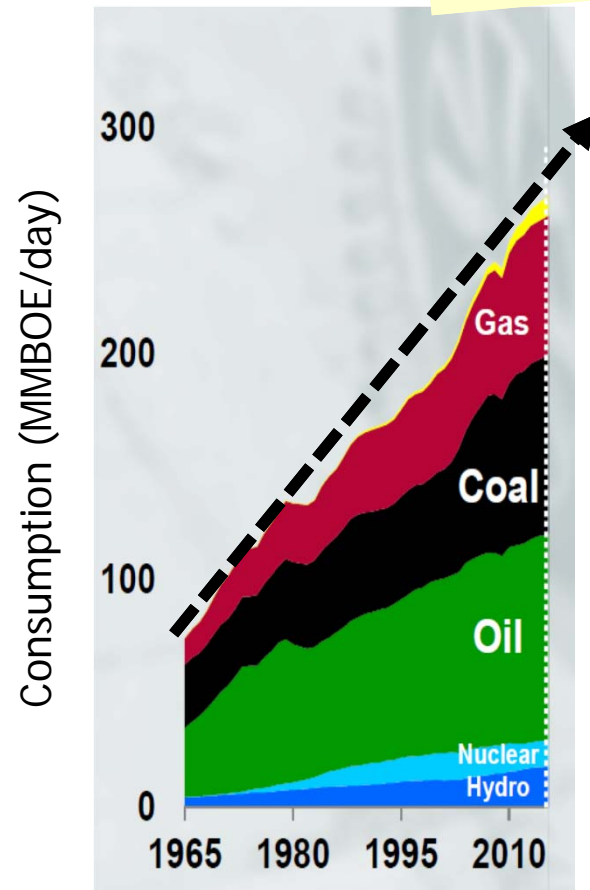
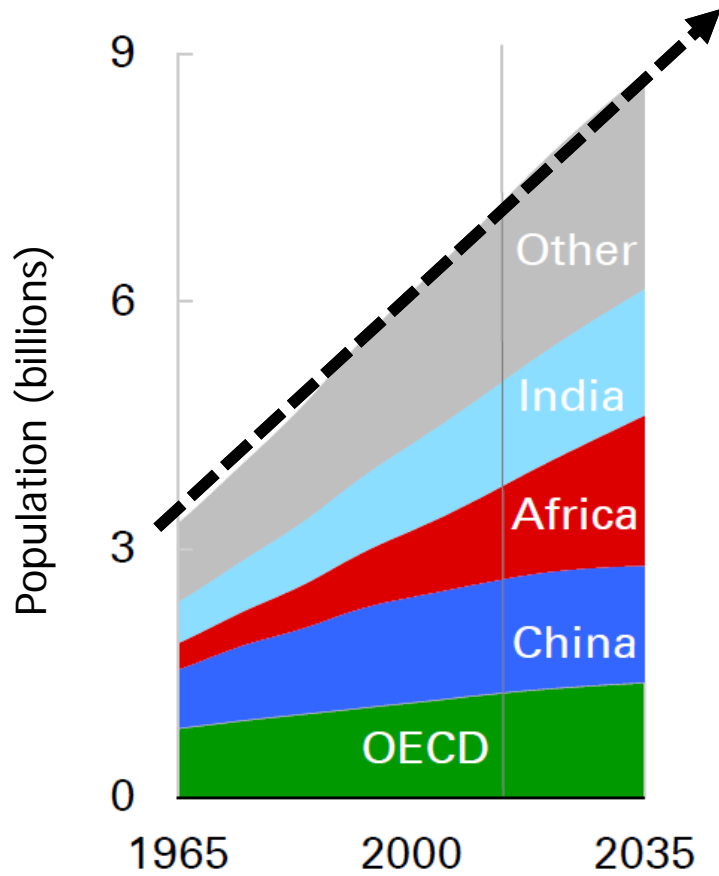


- ✦ TSX Listing: PEY
- ✦ Shares Outstanding: 164.9 million, 3% insiders (as of Jan 6/17)
- ✦ Monthly Dividend: \$0.11/share
- ✦ Current Production: 0.6 BCFe/d
- ✦ YE 2016 2P Reserves: 3.9 TCFe (655 mmboes)
- ✦ Q1 2017 Net Debt: \$0.52 billion (senior unsecured notes, 7-10 yr, 3.7-4.9% CAD)
\$0.68 billion (revolving bank debt, \$1.0B unsecured facility + \$0.3B Acc.)
\$1.20 billion
- ✦ Bank Lines: \$1.52B total capacity
- ✦ Enterprise Value: \$5.5 billion (\$26/share)
- ✦ Full Time Employees: 54

The Big Picture

World Consumption of Hydrocarbons Isn't Slowing

"As world population grows, so does energy consumption. That is not changing. The energy mix, however, is likely to change."



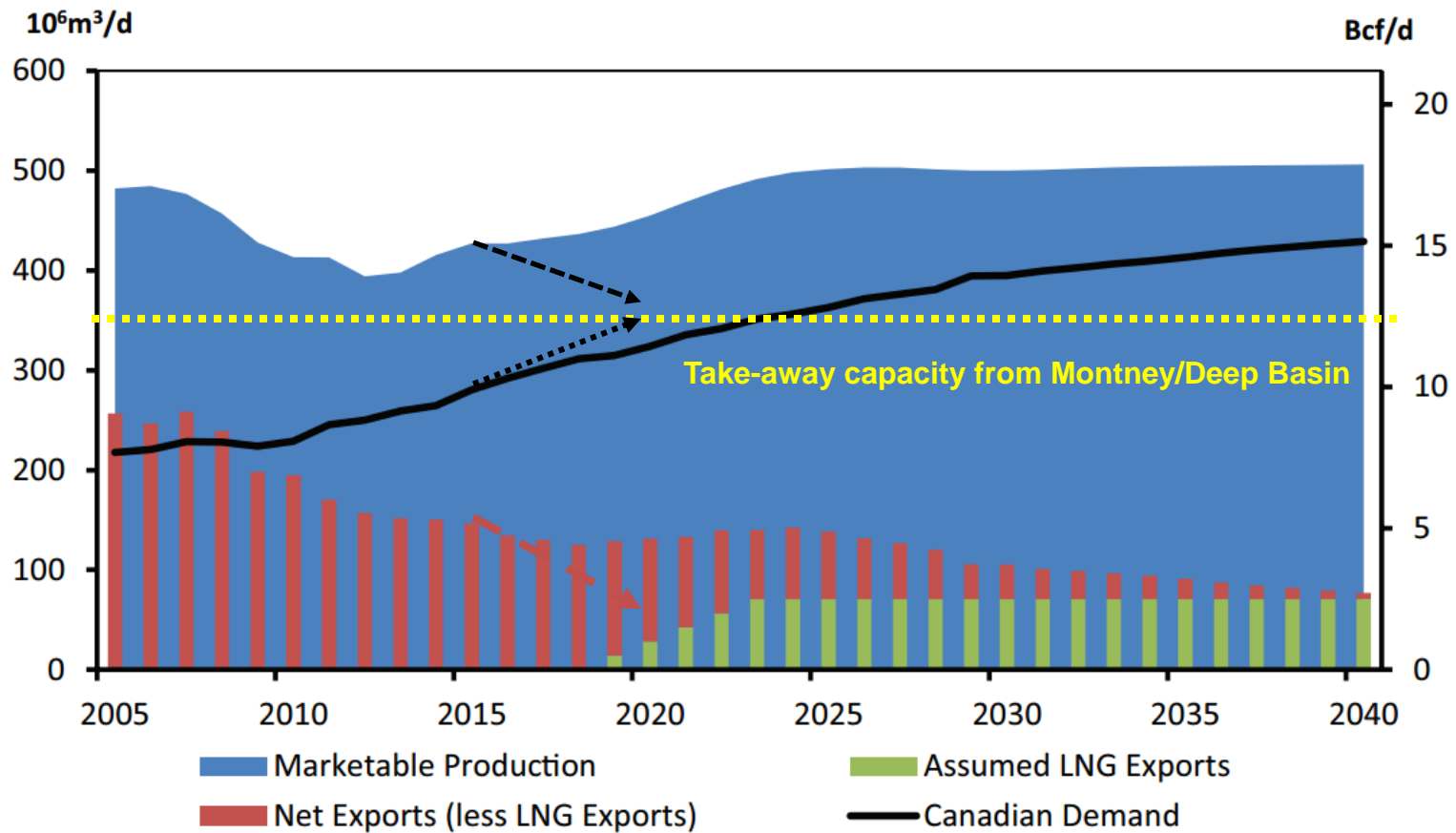
The Big Picture

Canada Supply Demand Compressing

"More domestic consumption (coal-gas) and declining supplies (only Montney/Deep Basin commercial) means less exports to weigh on AECO price."



Supply and Demand Balance, Natural Gas, Reference Case



Source: NEB, Canada's Energy Future 2016 January 2016

The Big Picture

US Can Export Our Excess

"The US is exporting (LNG and Mexico pipelines) about the same amount they are importing from Canada (6BCF/d). Soon they will be exporting even more."

TO

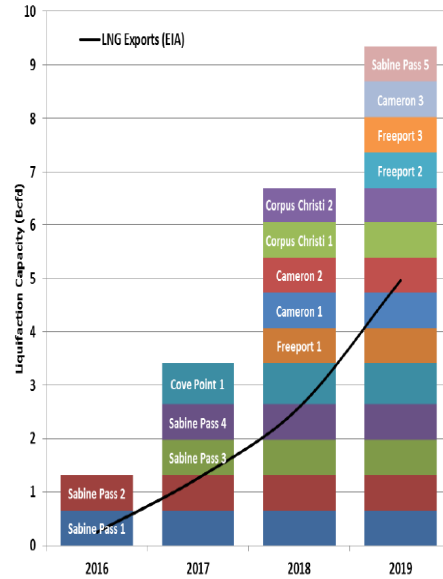
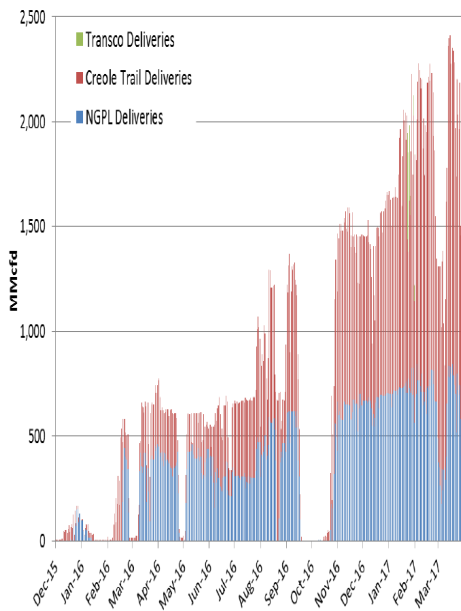


son & Development Corp.

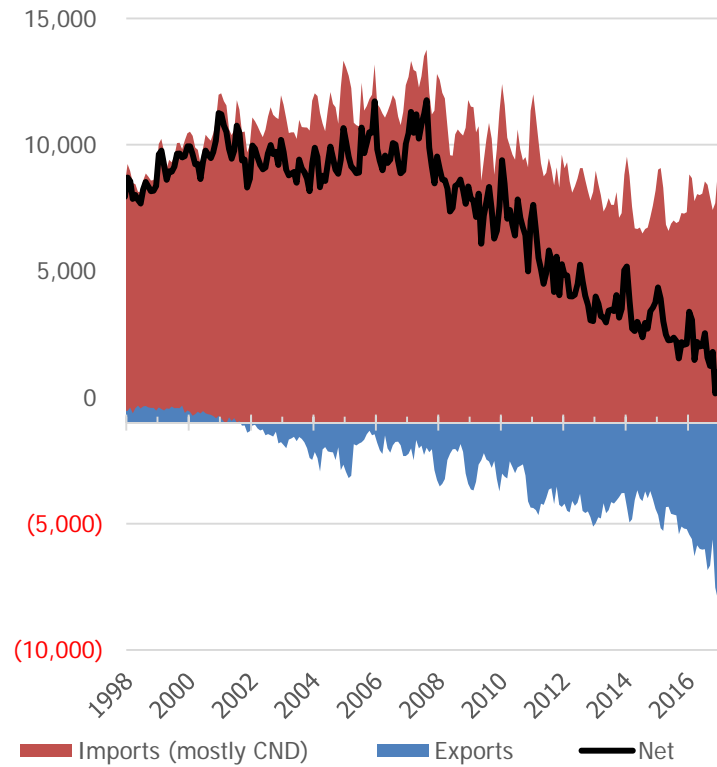
U.S. LNG export capacity: What will be the impact to the global markets?



Sources: EIA, Department of Energy, FERC, various companies websites, Platts, Heren, 3/31/2017



EIA U.S. Natural Gas Net Imports (MMcf/d)



The Peyto Strategy

What We Believe

"We believe in partnering with shareholders to make a profit, not by trying to make your money, our money."

We believe that:

- ✱ *“Nature’s gas is the fuel for the future.”*
- ✱ *“Our focus should be on maximizing the return on invested capital – your capital.”*
- ✱ *“By selectively and efficiently investing capital at periods in the cycle when costs are at their lowest will yield a superior return.”*
- ✱ *“By maintaining low cash costs over the entire production life it ensures returns are maximized regardless of commodity price volatility.”*

The Peyto Strategy

Results in a Low Cost Advantage

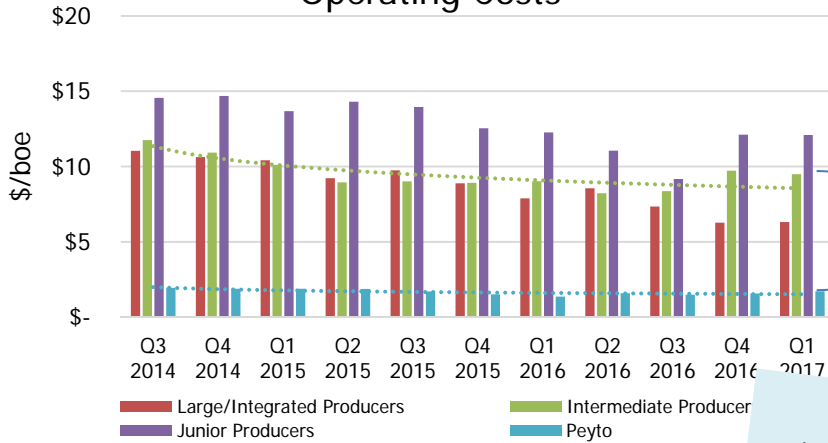
"The Peyto strategy results in a low cost advantage over the rest of the industry in all aspects of the business."

PEYTO

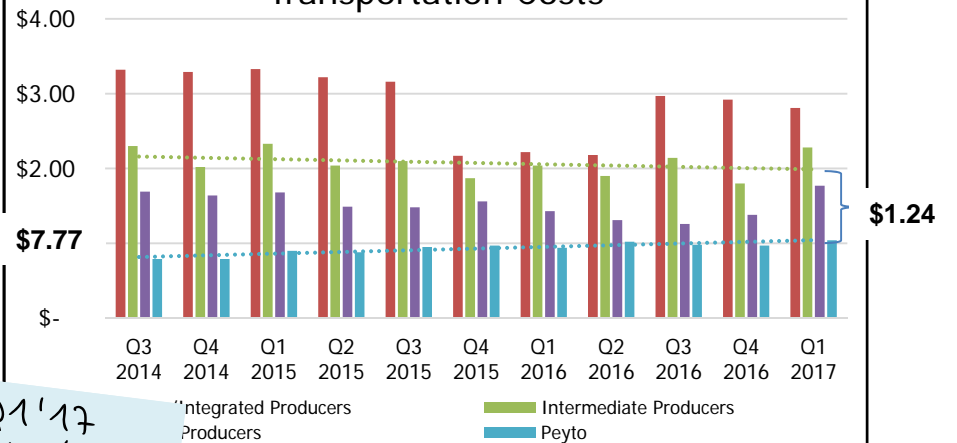


Exploration & Development Corp.

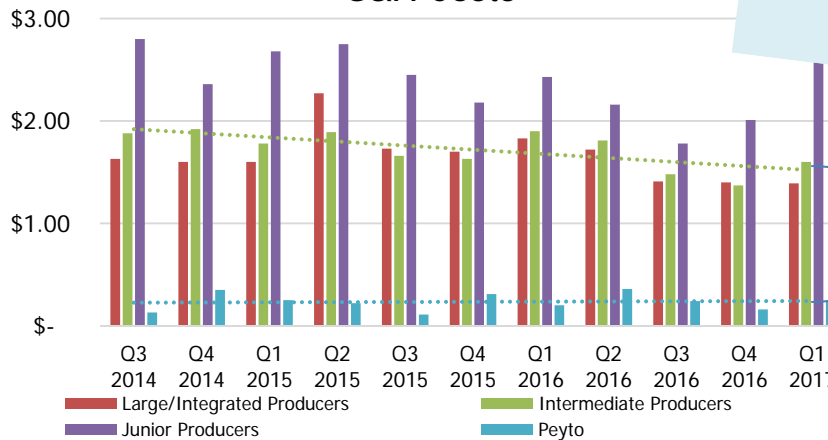
Operating Costs



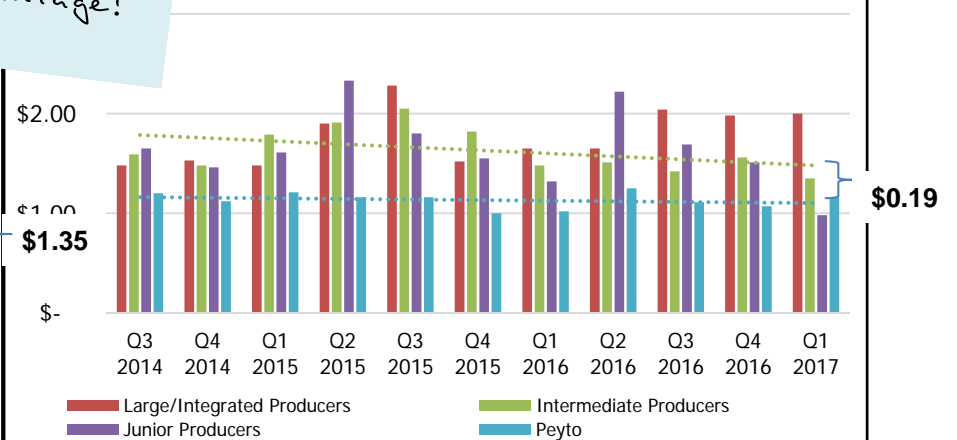
Transportation Costs



G&A Costs



Interest Costs



Q1'17 >\$10/boe advantage!

The Peyto Strategy

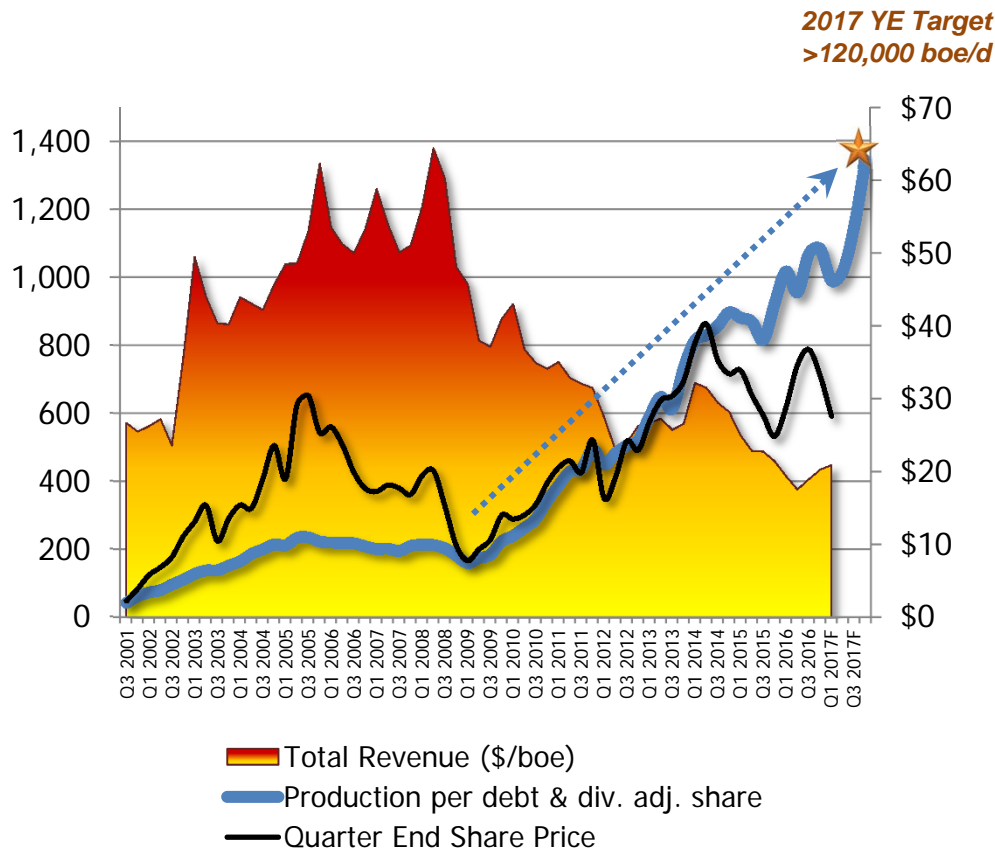
Counter Cyclical Growth Per Share

"Peyto invests aggressively when industry activity is slow and the costs are low (usually when the commodity prices are also low) to deliver superior returns. The result is more profitable growth."

PEYTO



oration & Development Corp.



25%

Growth rate in prod.
/debt & div. adj. share
(last 8 yrs)

Historical Per Unit (share) and Units (shares) Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
Debt & dividend adjusted assumes shares issued to reduce debt and dividends used to buy back shares at quarter end share price.
BOE factor - 6 mcf = 1 bbl of oil equivalent

The Peyto Strategy

Consistent History of Earnings

"Peyto has generated earnings for the last 17 years, totaling \$2.1B, on cumulative capital investments of \$5.2B."



\$2.1B

Peyto Cum. Earnings
Q4/16

\$5.2B

Peyto Cum. Capital
Q4/16



The Peyto Strategy

More Profit Per Dollar Of Capital

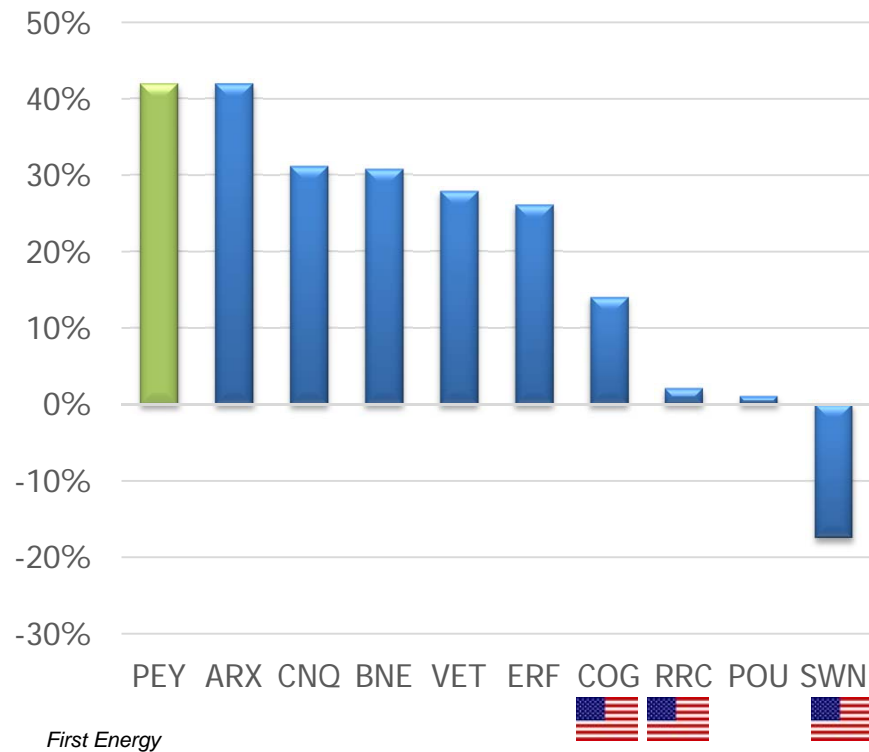
"Peyto has delivered the most profit per dollar of capital invested over the last 15 years."



42%

CTD Earnings/Capital
2001-2016

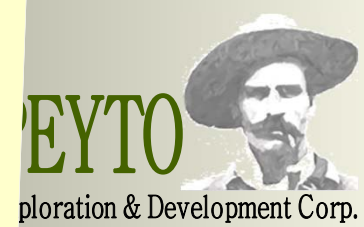
Earnings/Capital 2001-2016



The Peyto Strategy

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."



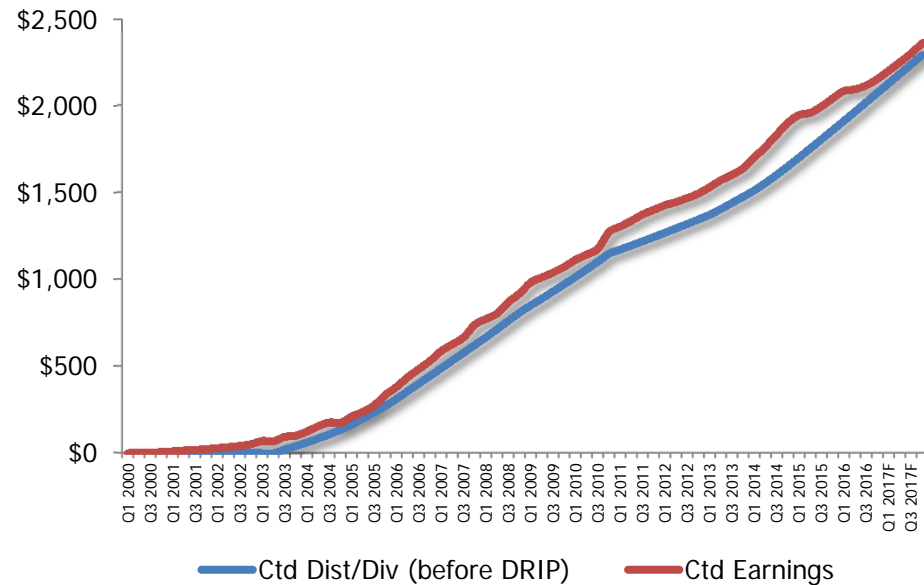
\$2.1B

Peyto Ctd. Earnings
Q4/16

\$2.1B

Peyto Ctd. Dist/Div.
Q4/16

Peyto Dividend Sustainability

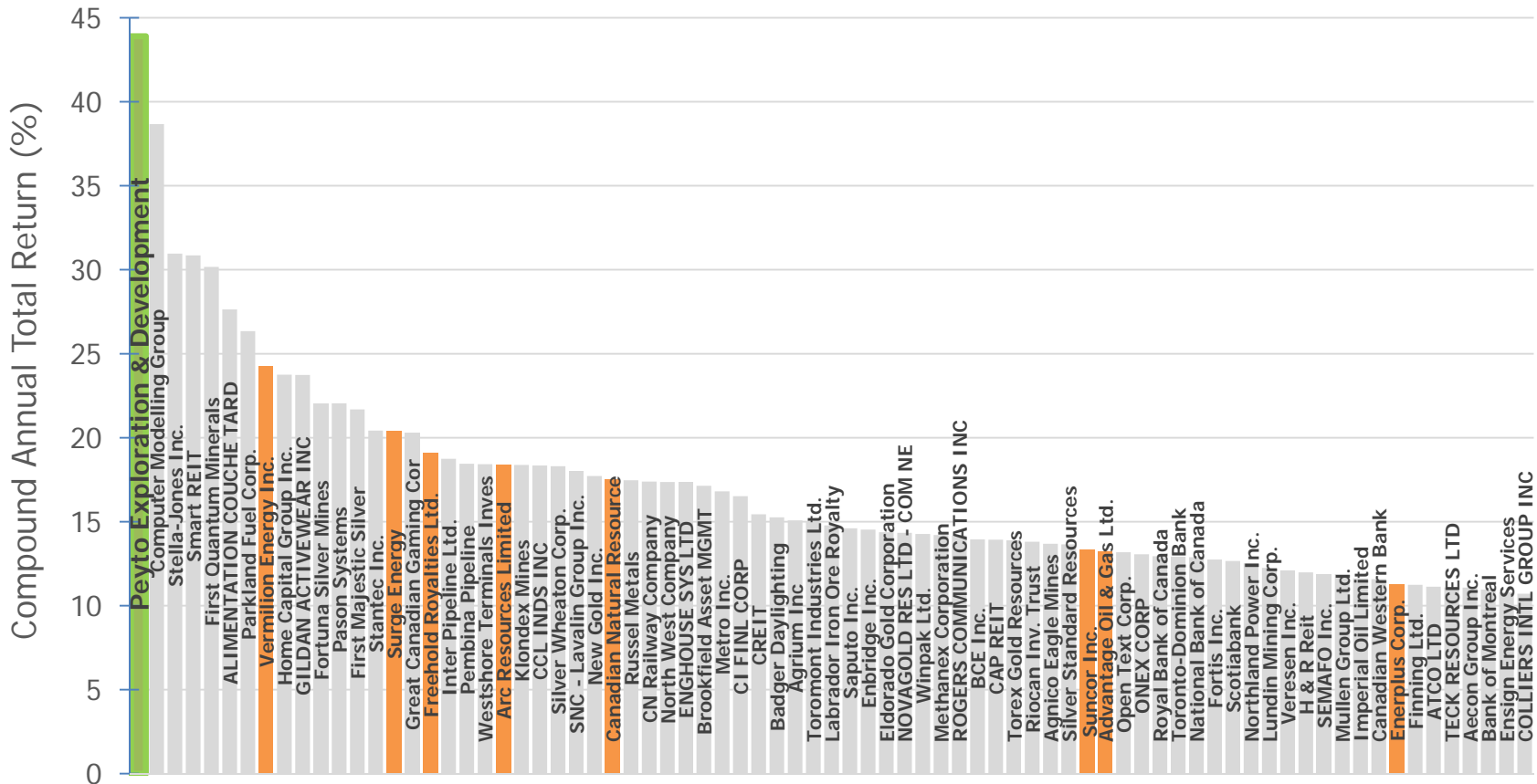


The Peyto Strategy

Highest Total Return On TSX

"The Peyto strategy has not only delivered the highest total return of any E&P on the TSX over the same 18 years, it was the highest of any company, in any industry!"

TSX Total Return December 1998 - 2016



Source: BMO, Total return includes dividends

Peyto's Profitable Business



Peyto's Profitable Business

"Build it for less than we sell it"

"Peyto's full cycle supply costs are consistently low, ensuring new reserves are always generating a profit (earnings)."

	<u>PEY 2014</u>	<u>PEY 2015</u>	<u>PEY 2016</u>
PDP FD&A \$/mcfe	(\$2.25)	(\$1.64)	(\$1.44)
Cash Costs \$/mcfe	<u>(\$1.08)</u>	<u>(\$0.81)</u>	<u>(\$0.76)</u>
Supply Cost	(\$3.26)	(\$2.45)	(\$2.20)
Sales Price \$/mcfe	<u>\$5.04</u>	<u>\$3.83</u>	<u>\$3.18</u>
Profit \$/mcfe	\$1.71	\$1.38	\$0.98
Dividend \$/mcfe	34% \$1.05	36% \$1.11	31% \$1.01

\$34 Land/Acq/Disp
\$8 Seismic
\$220 Drilling
\$105 Compl.
\$41 Wellsite
\$60 Facilities
~\$469MM

54.4 mmoes
ΔPDP Reserves (before Prod.) – 121 net wells

Royalties	(\$0.13)
Opex	(\$0.25)
Transport	(\$0.16)
G&A	(\$0.04)
Interest	(\$0.18)
Total Costs	(\$0.76/mcfe)

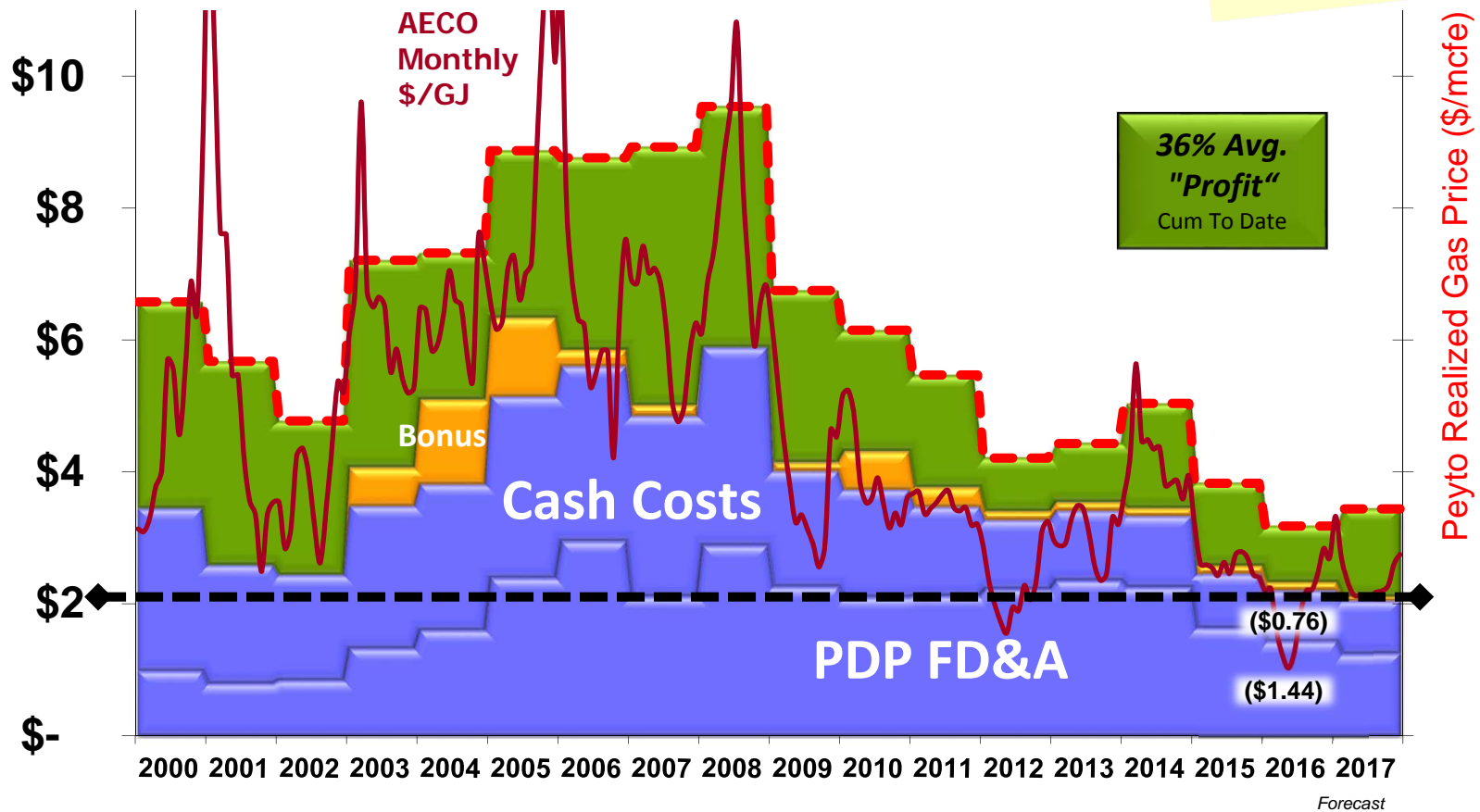
\$1.82/GJ AECO daily/monthly
X 144% (heat content+LPG)
\$2.62/mcfe
\$0.56/mcfe hedging
\$3.18/mcfe Realized

BOE factor - 6 mcfe = 1 bbl of oil equivalent

Peyto's Profitable Business

Profitable Even Through The Lows

"In 2016, Peyto achieved the lowest total supply cost (\$2.20/mcfe) in it's history. Good thing because we also experienced the lowest gas prices in our history."



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

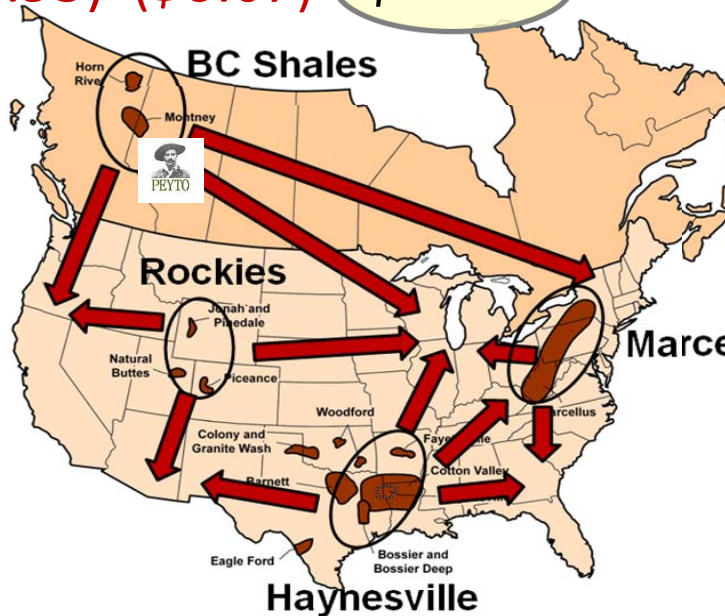
Peyto's Profitable Business

Competitive In The North American Marketplace

"We have to be competitive not only in Canada but across North America. Peyto's margins clearly stand above the rest."

	<u>100% Montney</u> VII 2016	<u>65% DB/35% Mont.</u> TOU 2016	<u>100% Deep Basin</u> PEY 2016
PDP FD&A \$/mcf	(\$3.75)	(\$2.45)	(\$1.44)
Cash Costs \$/mcf	(\$2.39)	(\$1.26)	(\$0.76)
Supply Cost	(\$6.14)	(\$3.71)	(\$2.20)
Sales Price \$/mcf	<u>\$5.18</u>	<u>\$3.04</u>	<u>\$3.18</u>
Profit/(Loss)	(\$0.95)	(\$0.67)	\$0.98

<u>Permian</u> PXD*	<u>Permian</u> FANG*
(\$3.02)	(\$5.06)
<u>(\$1.98)</u>	<u>(\$1.45)</u>
(\$5.00)	(\$6.50)
<u>\$6.11</u>	<u>\$5.55</u>
\$1.11	(\$0.95)



<u>Marcellus</u> Cabot 2016	<u>Marcellus/Utica</u> EQT 2016*	<u>Marcellus/Utica</u> AR 2016*
(\$0.28)	(\$1.72)	(\$1.21)
<u>(\$1.16)</u>	<u>(\$1.76)</u>	<u>(\$2.54)</u>
(\$1.44)	(\$3.48)	(\$3.75)
<u>\$1.88</u>	<u>\$2.18</u>	<u>\$4.10</u>
\$0.44	(\$1.30)	\$0.35

Source: IHS CERA

*Data from Peter's & Co.
Average Revenue, PD FD&A or PDP FD&A and cash costs (LOE, Transp., gathering, processing, Royalty or Ad Valorem, G&A and interest) per mcf from 10k and annual reports.
Costs and revenues left in US\$ or CAD\$ as applicable to show relative margin

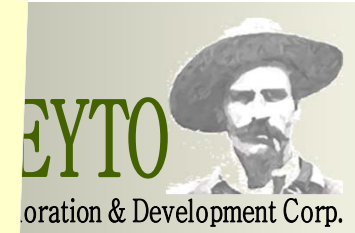
Peyto's Unique Assets



Peyto's Assets

Geographically Focused Core Areas

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

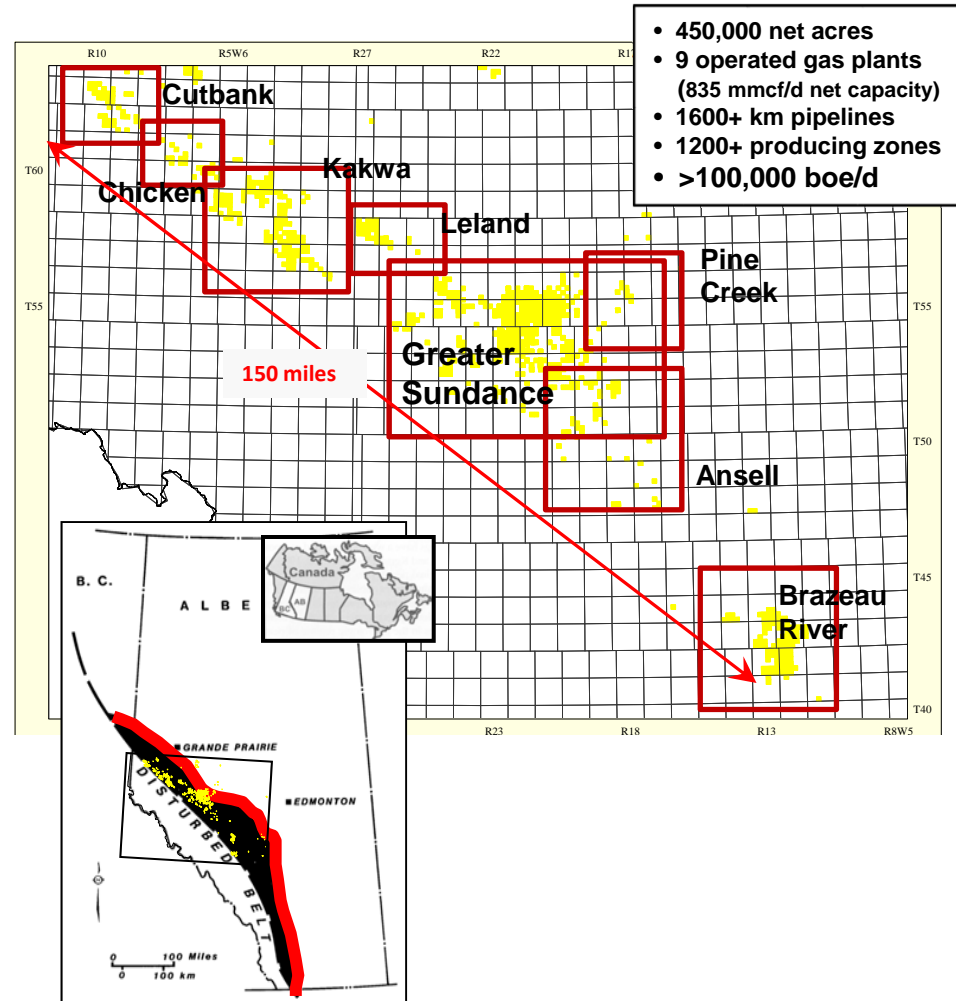


99%

Of Production:
Processed by Peyto
Operated by Peyto

99%

Working Interest in 9
Processing Facilities

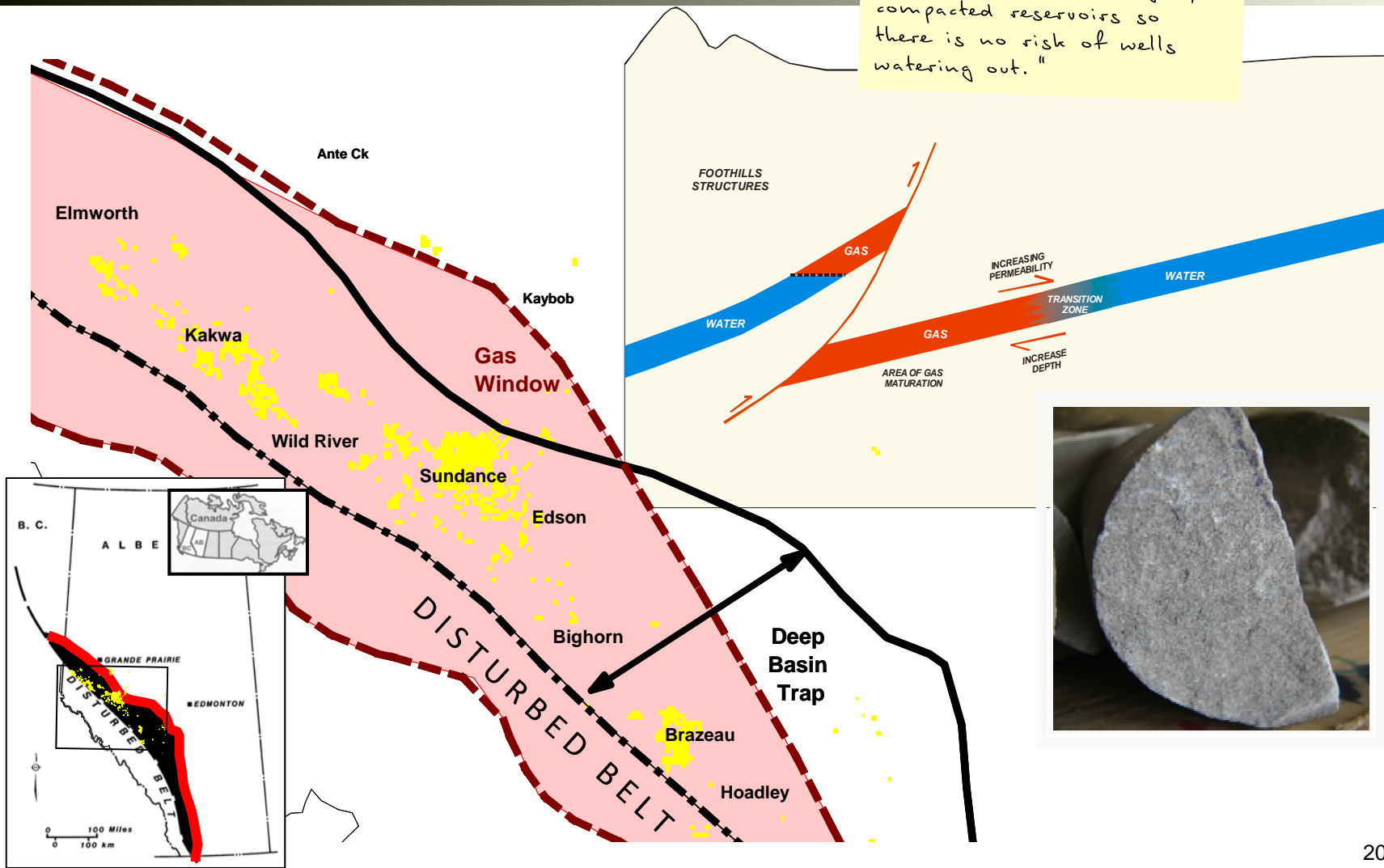


Peyto's Assets

Deep Basin Permeability Segregation



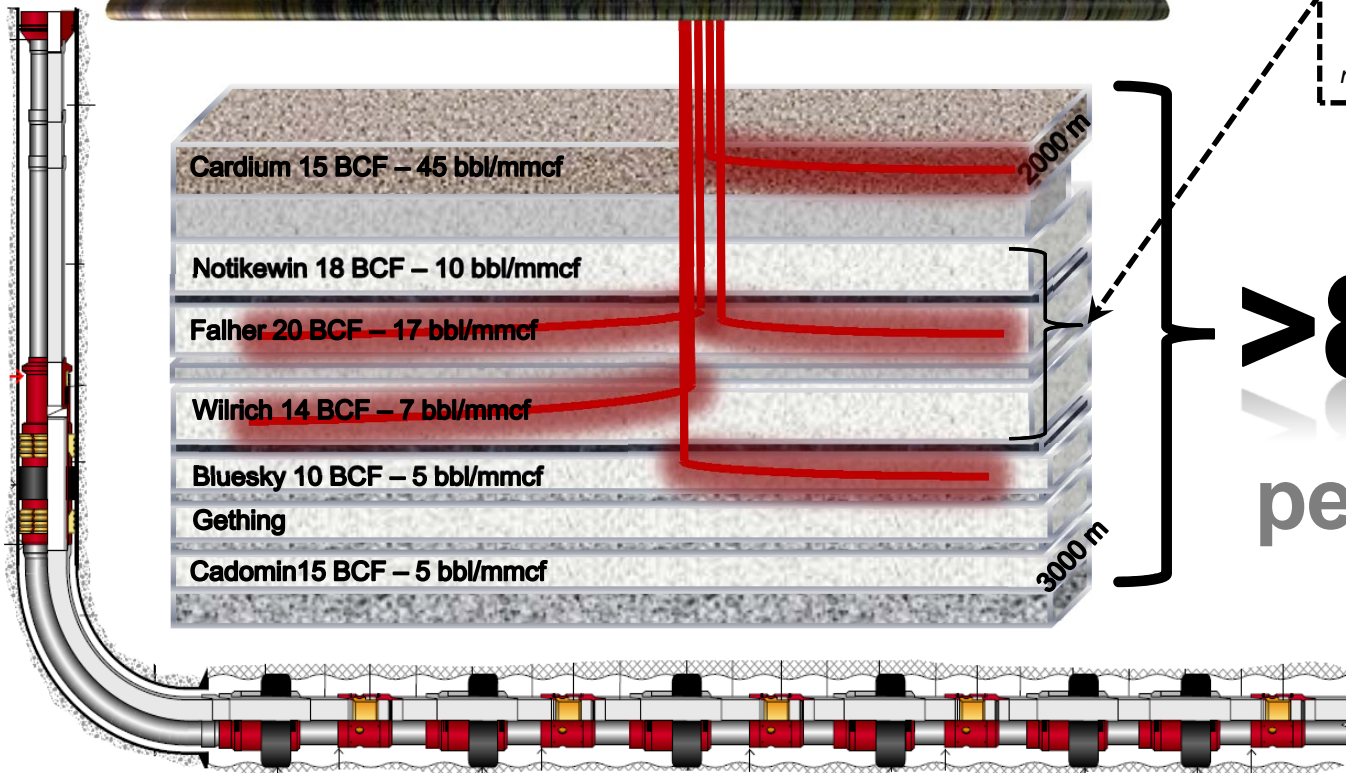
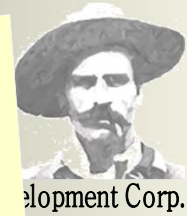
"The Deep Basin is a permeability trap, because the fluids in the updip position can't travel through these fine grained, tightly compacted reservoirs so there is no risk of wells watering out."



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/mmcft with deeper cutting processing facilities
Reserves are 2P recoverable in a section at 85% RF

Peyto's Assets

Deep Basin Lands Go A Long Way

"Peyto's land in the Deep Basin is more potent due to the stacked drilling islands which more than quadruples the drillable acreage. We add to our three dimensional land base each year."



703

Net Peyto Sections

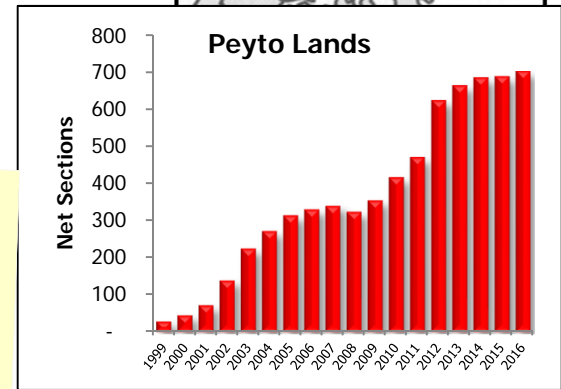
2,987

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

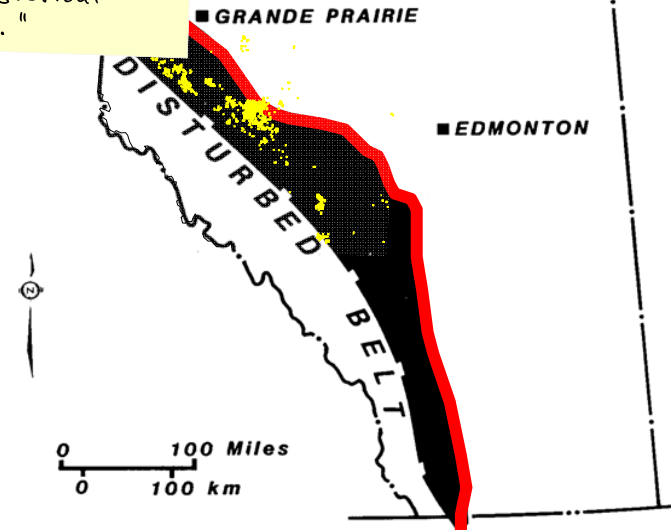
248

Net Sections – Developed Area of All Reserves Found and Developed Since Peyto Began (3.1 TCF_e EUR)*

"We've generated over \$2B in earnings from less than 10% of our land base. The remaining lands could accommodate up to 10,956 additional locations at historical drainage areas."



B. C.



TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable
 *Based on InSite Petroleum Consultants Dec 31, 2016 Reserve Report.
 Lands at Dec 31, 2016

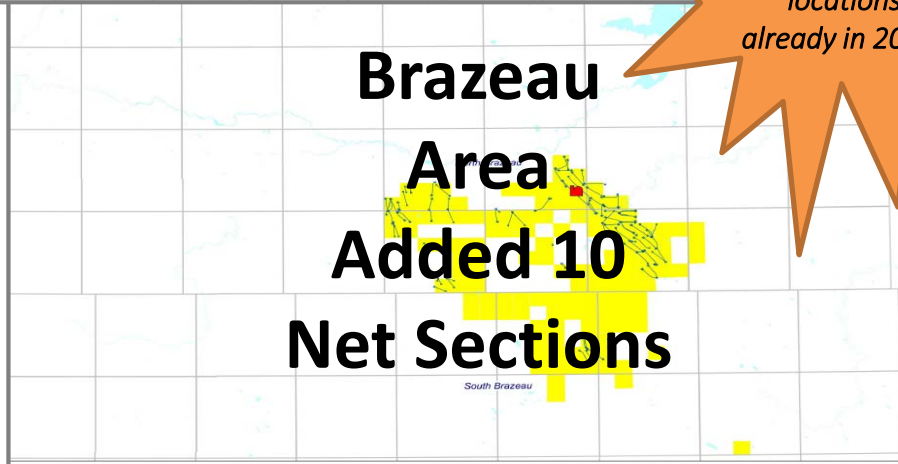
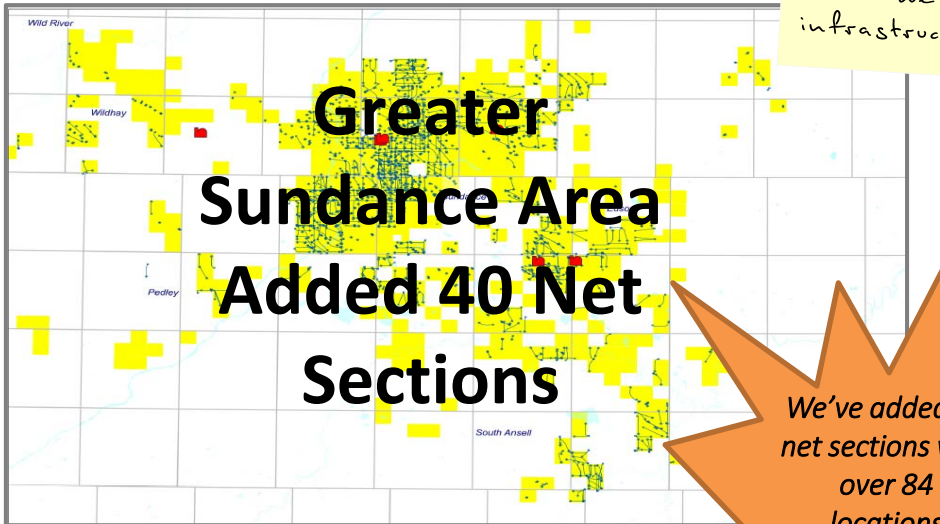
Peyto's Assets

Adding To Our Drilling Islands

"Peyto only acquires lands with pre-identified drilling locations so land carrying costs are minimized. This gives us stacked and concentrated drilling islands where we can focus our infrastructure."

PEYTO

Exploration & Development Corp.



We've added 56 net sections with over 84 locations already in 2017!

50

Net Sections of Land Added in 2016*

117

Locations Identified on New Lands*

- Number of locations are Peyto's internal assessment
- There were 79.25 gross (49.78 net) sections acquired in 2016

Peyto's Assets

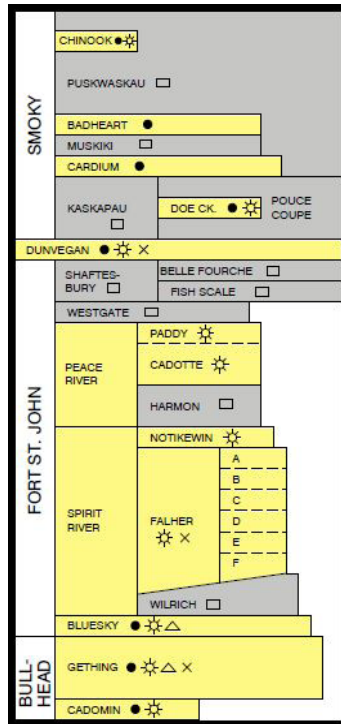
Large Hz MSF Inventory

"Peyto has developed 3.1 TCFe using vertical and now horizontal wells. But there is a lot more to do. Almost 15 years worth of drilling inventory at current pace."



Done¹

To Do



	<u>Total Vertical Wells</u>	<u>Total Hz Wells</u>	<u>Total Hz(Vt) Locations Booked*</u>	<u>Total Hz Locations Unbooked</u>
SMOKY	1	72	(3)	11
DUNVEGAN	434	1	(6)	409
FORT ST. JOHN	5	125	5	8
BULL-HEAD	1	68	2(2)	16
	90	101	169(2)	5
	7	32	32	84
	14	101	135	17
	4	38	2	258
	12	314	336	21
	87	38	50	132
	655	723	16	54
			947	160
				1175

>2100 locations

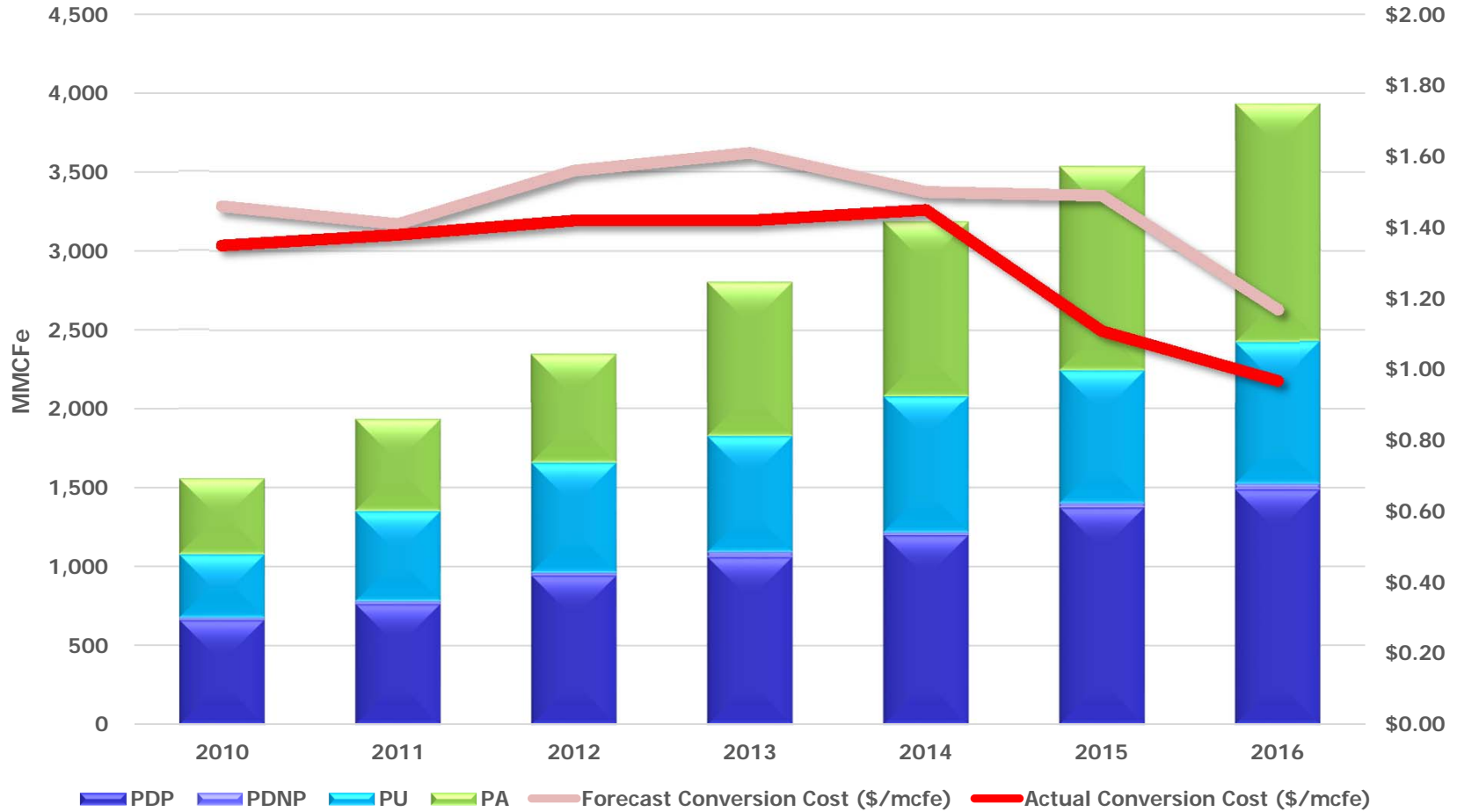
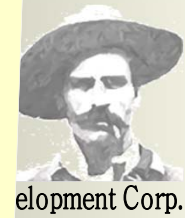
1. Drilling to Dec 31, 2016

*As recognized in the IPC independent reserve report dated Dec. 31, 2016

Peyto's Assets

Reserve Growth Validates Future Locations

"Peyto consistently converts future booked inventory into producing reserves, usually at better efficiency than we're forecasting."



Peyto's Assets

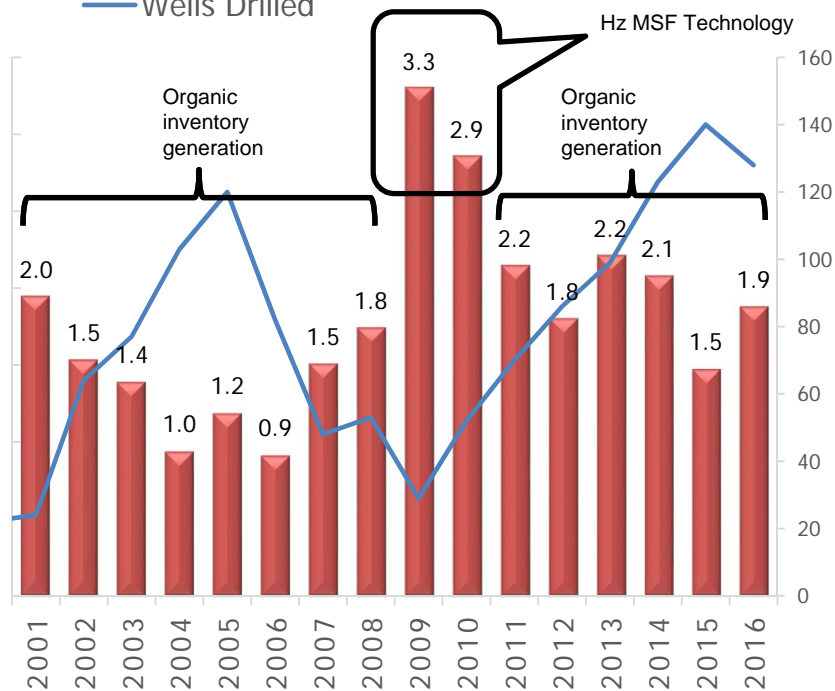
Constantly Growing Inventory

"Peyto has continued to grow a booked inventory of locations, at a rate that's approx. twice as fast as we're harvesting those locations. Meaning our future inventory is continually expanding."



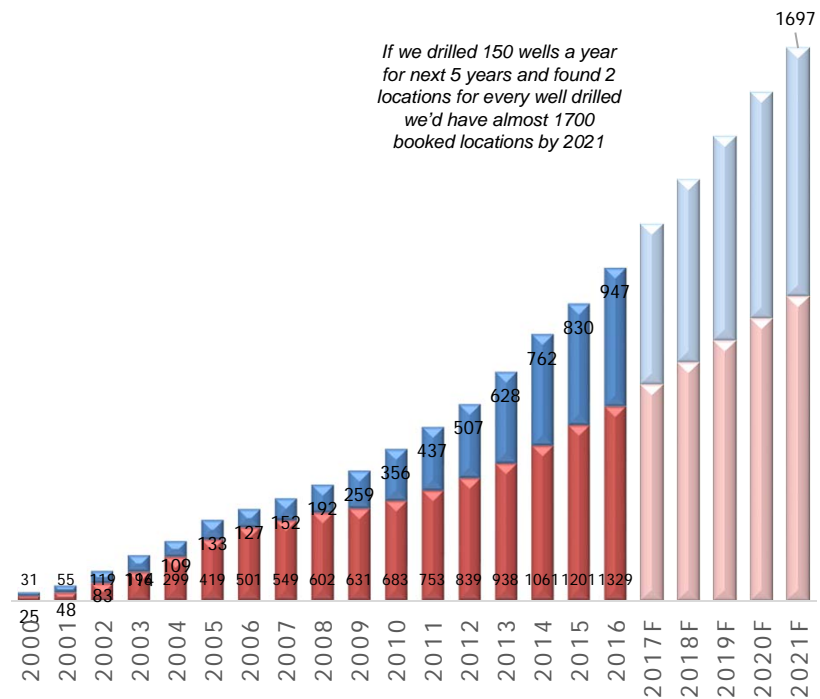
PEYTO INVENTORY GENERATION RATE

Ratio of Locations Added/Total Wells Drilled
Wells Drilled



PEYTO LOCATION INVENTORY

Cumulative Wells Drilled Booked Locations



Peyto's Assets

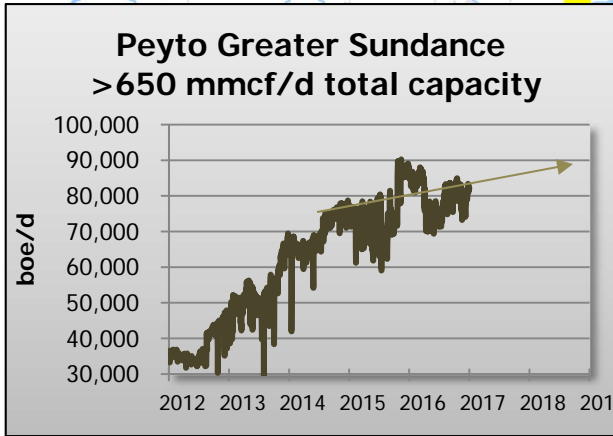
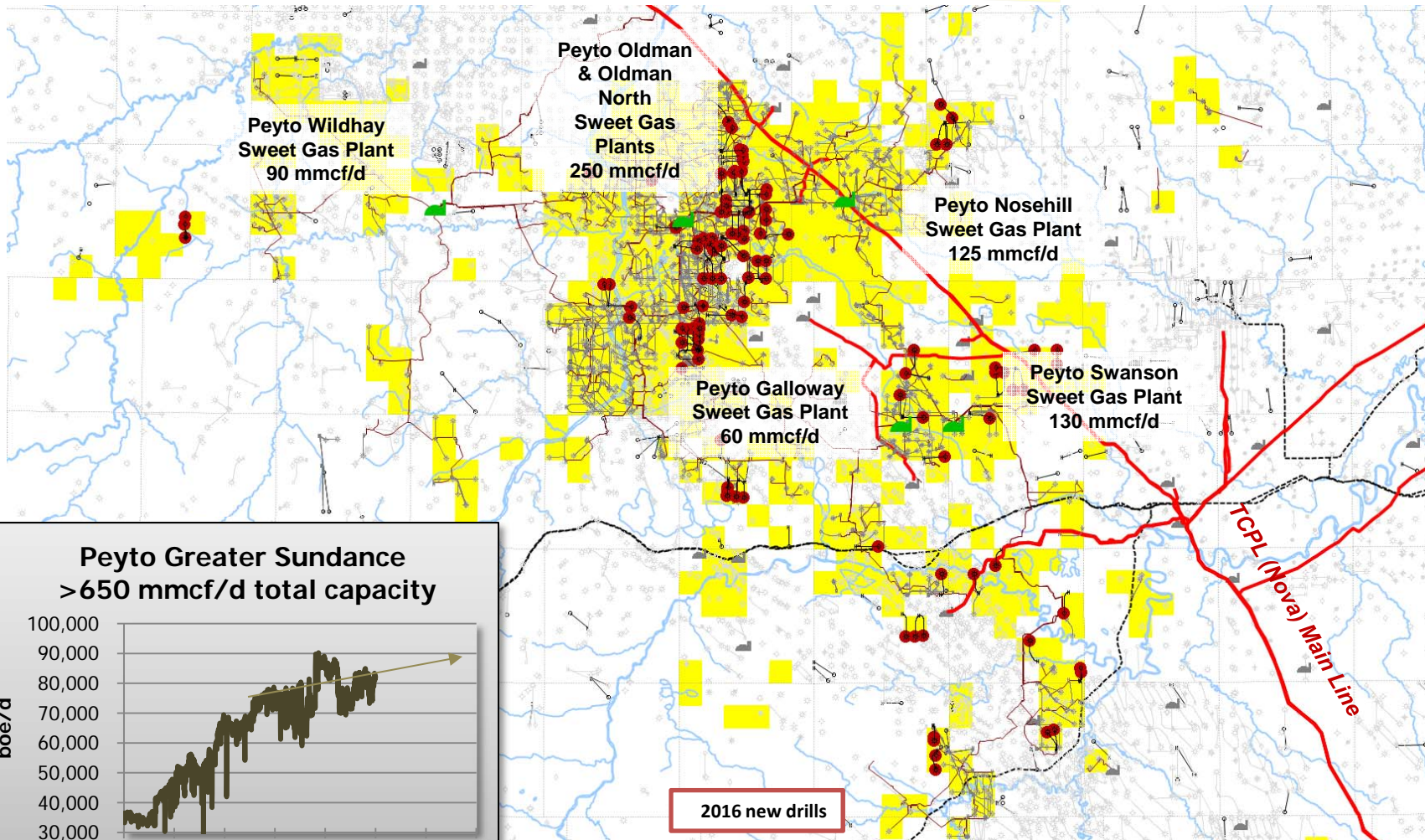
Greater Sundance Area

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

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Peyto's Future

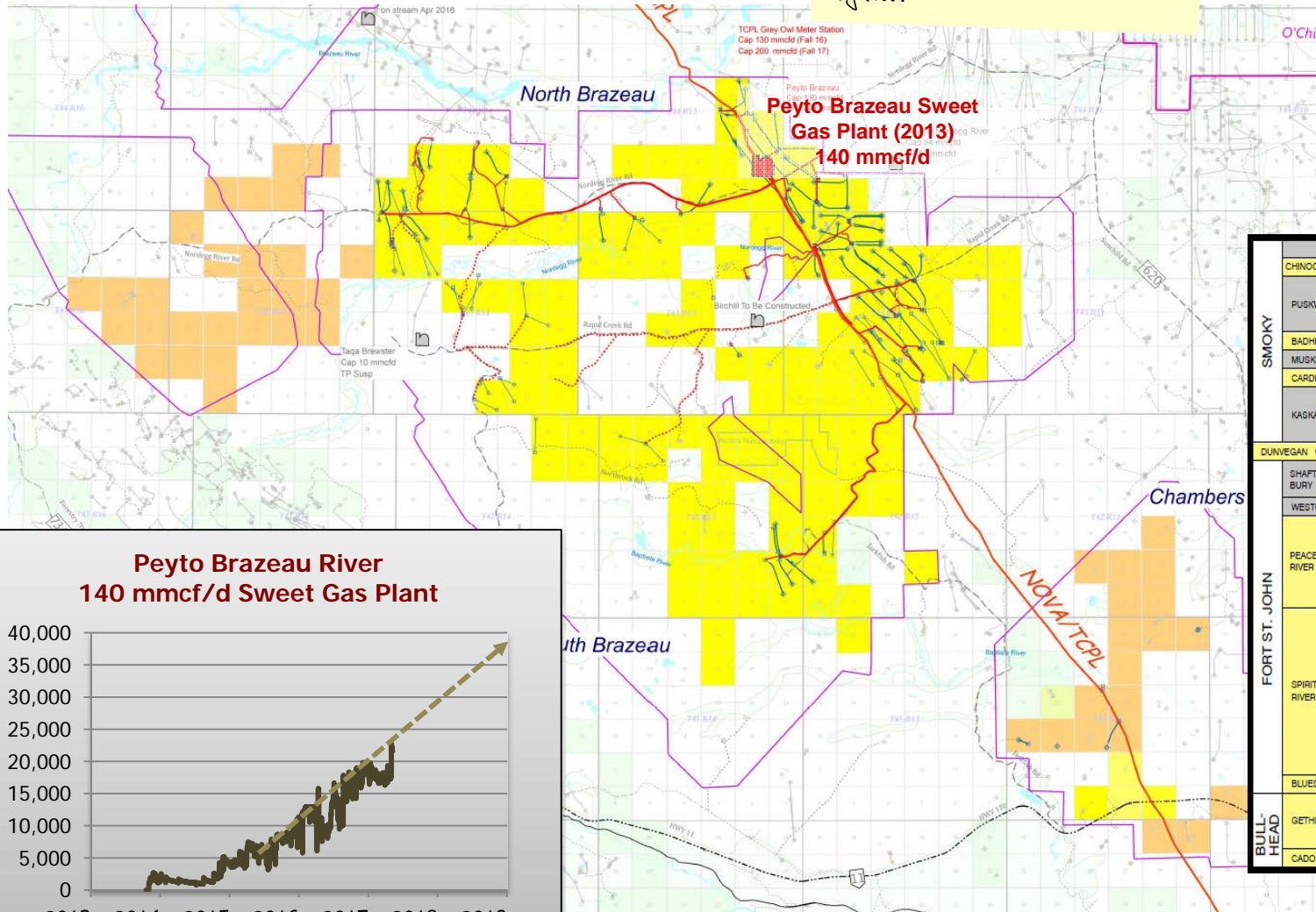
The Greater Brazeau River Area?

"The new Brazeau area had some of the best returns last year. We've added lands, shot a big 3D seismic program that shows more inventory and we're expanding our plant again."

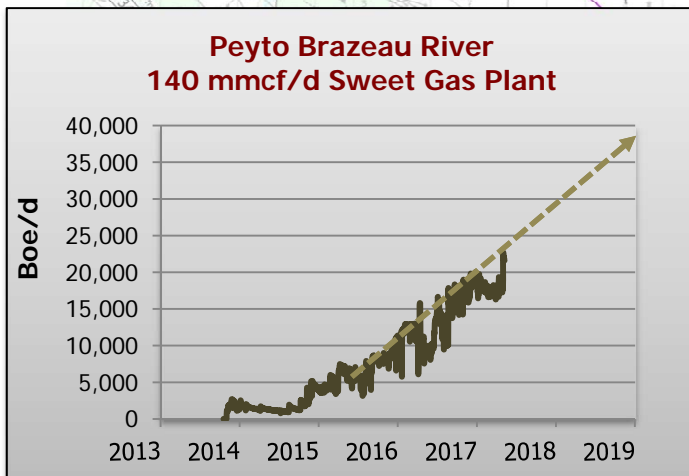
YTO



ation & Development Corp.



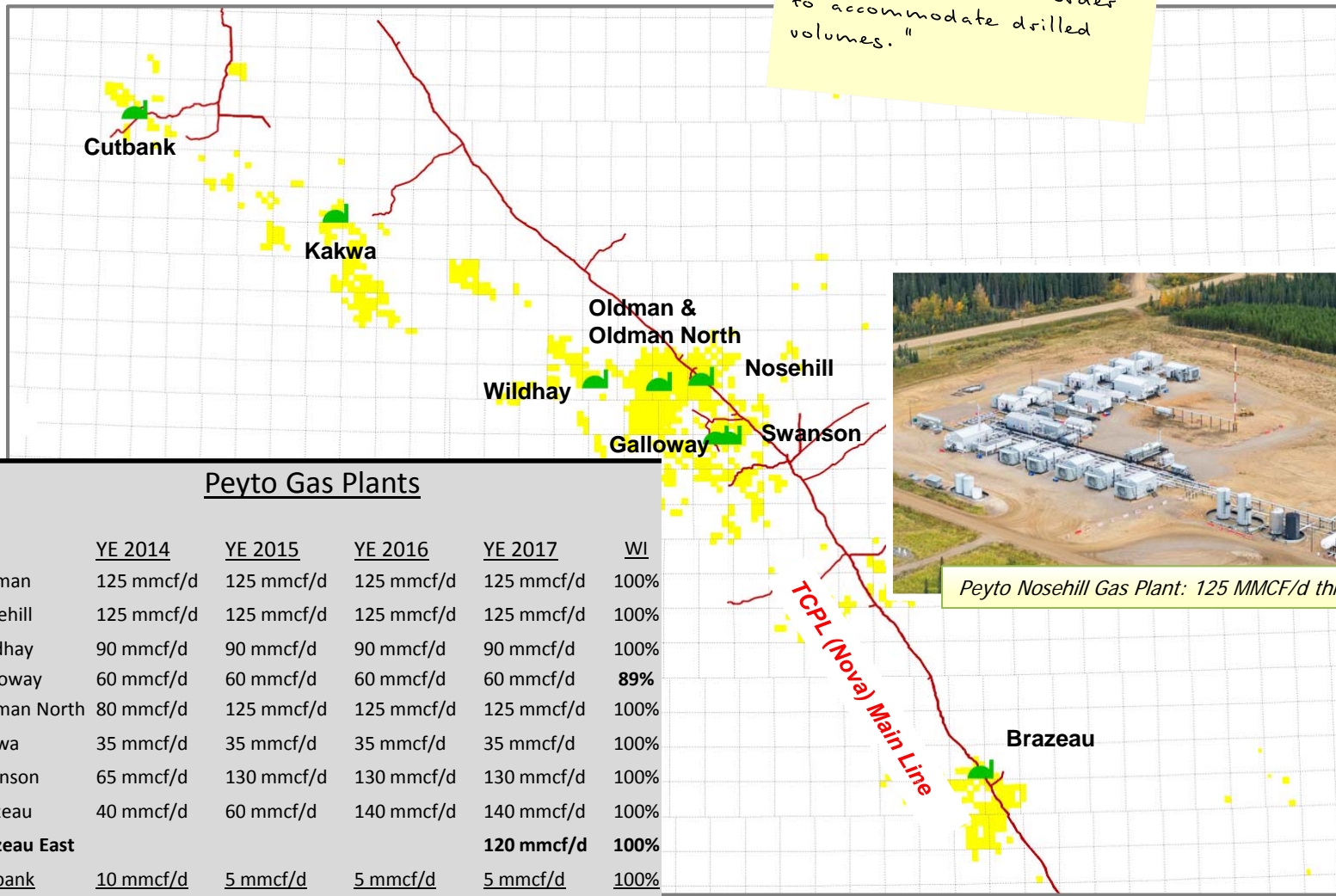
SMOKY	CHINOOK	<input checked="" type="checkbox"/>
	PUSKASKAU	<input type="checkbox"/>
	BADHEART	<input checked="" type="checkbox"/>
	MUSKIKI	<input type="checkbox"/>
DUNVEGAN	CARDIUM	<input checked="" type="checkbox"/>
	KASKAPAU	<input type="checkbox"/>
	DOE CK	<input checked="" type="checkbox"/>
	POUCE COUPE	<input type="checkbox"/>
FORT ST. JOHN	BELLE FOURCHE	<input type="checkbox"/>
	FISH SCALE	<input type="checkbox"/>
	WESTGATE	<input type="checkbox"/>
	PADDY	<input checked="" type="checkbox"/>
BULL HEAD	PEACE RIVER	<input type="checkbox"/>
	CADOTTE	<input checked="" type="checkbox"/>
	HARMON	<input checked="" type="checkbox"/>
	NOTHERM	<input checked="" type="checkbox"/>
BULL HEAD	SPRIT RIVER	<input type="checkbox"/>
	FALHER	<input checked="" type="checkbox"/>
	WILRICH	<input checked="" type="checkbox"/>
	BLUESKY	<input type="checkbox"/>
BULL HEAD	GETHING	<input type="checkbox"/>
	CADOMIN	<input type="checkbox"/>



Peyto's Assets

Facility Ownership And Control

"2017 budget includes a new 120 mmcf/d gas plant at Brazeau East to be built in two phases throughout 2017 in order to accommodate drilled volumes."



Peyto Nosehill Gas Plant: 125 MMCF/d throughput

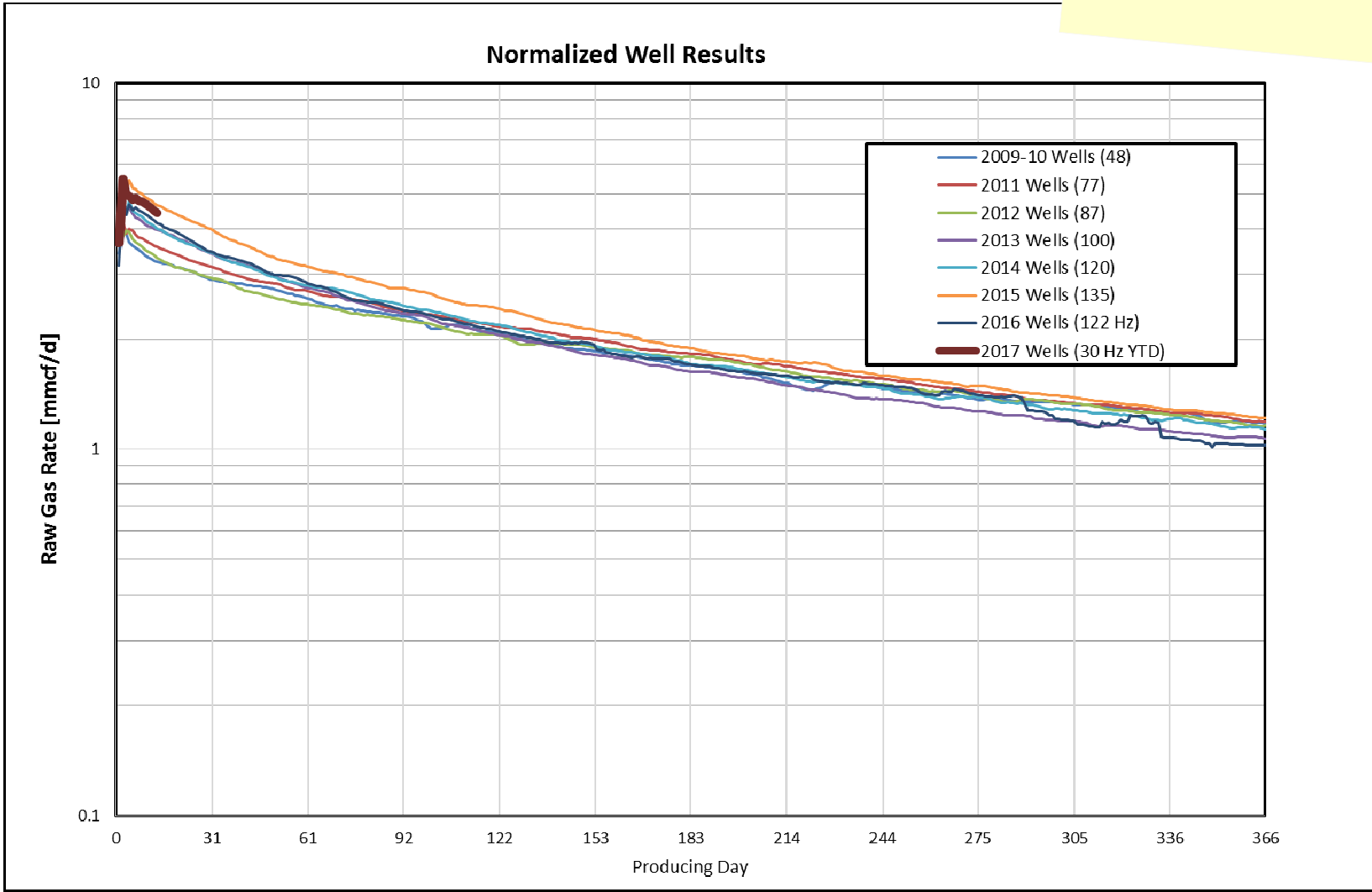
Peyto Gas Plants

	<u>YE 2014</u>	<u>YE 2015</u>	<u>YE 2016</u>	<u>YE 2017</u>	<u>WI</u>
1 Oldman	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
2 Nosehill	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
3 Wildhay	90 mmcf/d	90 mmcf/d	90 mmcf/d	90 mmcf/d	100%
4 Galloway	60 mmcf/d	60 mmcf/d	60 mmcf/d	60 mmcf/d	89%
5 Oldman North	80 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
6 Kakwa	35 mmcf/d	35 mmcf/d	35 mmcf/d	35 mmcf/d	100%
7 Swanson	65 mmcf/d	130 mmcf/d	130 mmcf/d	130 mmcf/d	100%
8 Brazeau	40 mmcf/d	60 mmcf/d	140 mmcf/d	140 mmcf/d	100%
9 Brazeau East				120 mmcf/d	100%
10 Cutbank	10 mmcf/d	5 mmcf/d	5 mmcf/d	5 mmcf/d	100%
Total	630 mmcf/d	755 mmcf/d	835 mmcf/d	955 mmcf/d	99%

Peyto's Assets

Predictable and Repeatable

"We've now drilled over 700 hz wells. The 2016 wells are impacted by TCPL outages so operated day is different from calendar day."

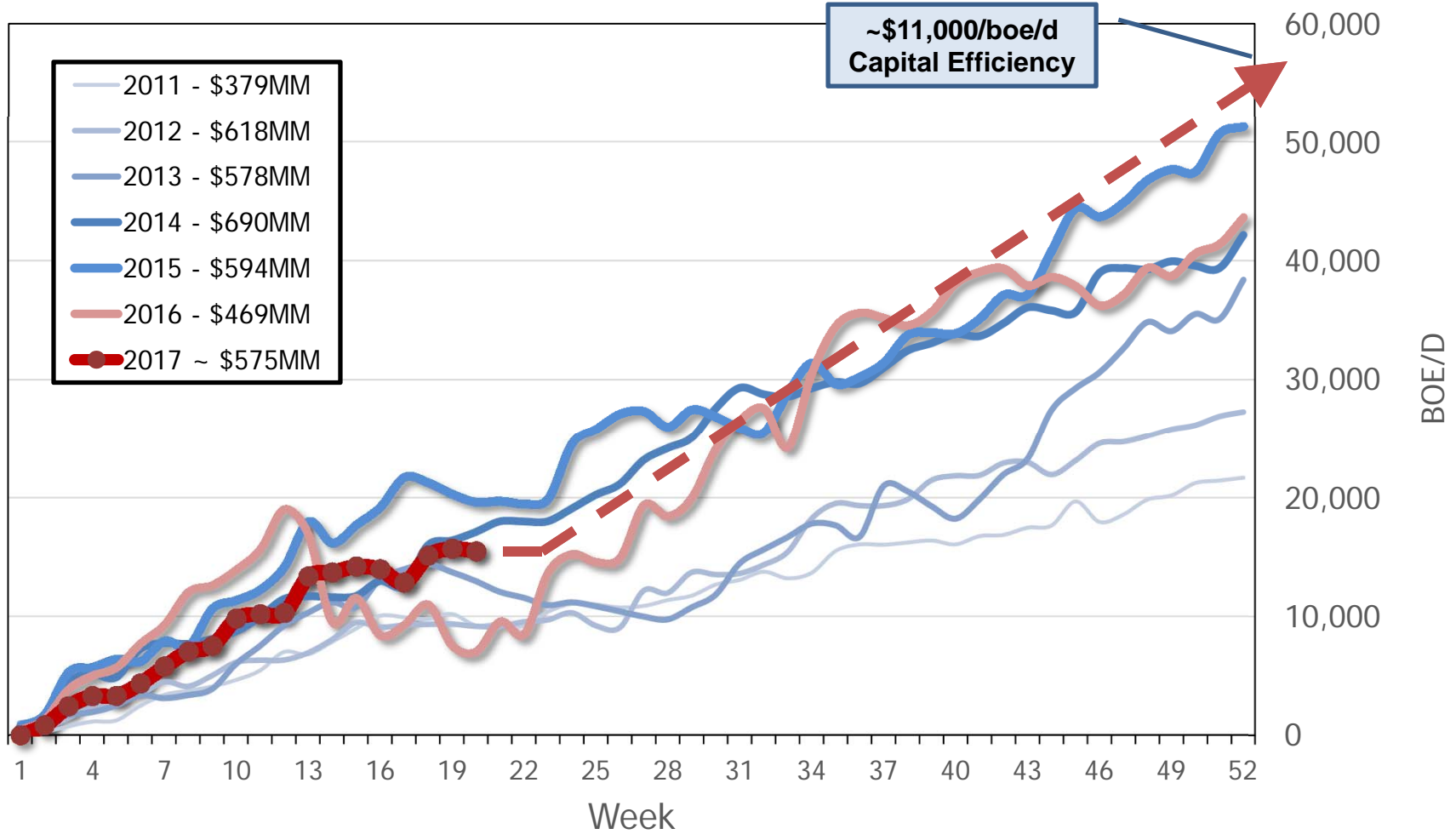


Peyto's Assets

Annual Production Additions

"Peyto is basically building a 50,000 boe/d company every year, through the drill bit."

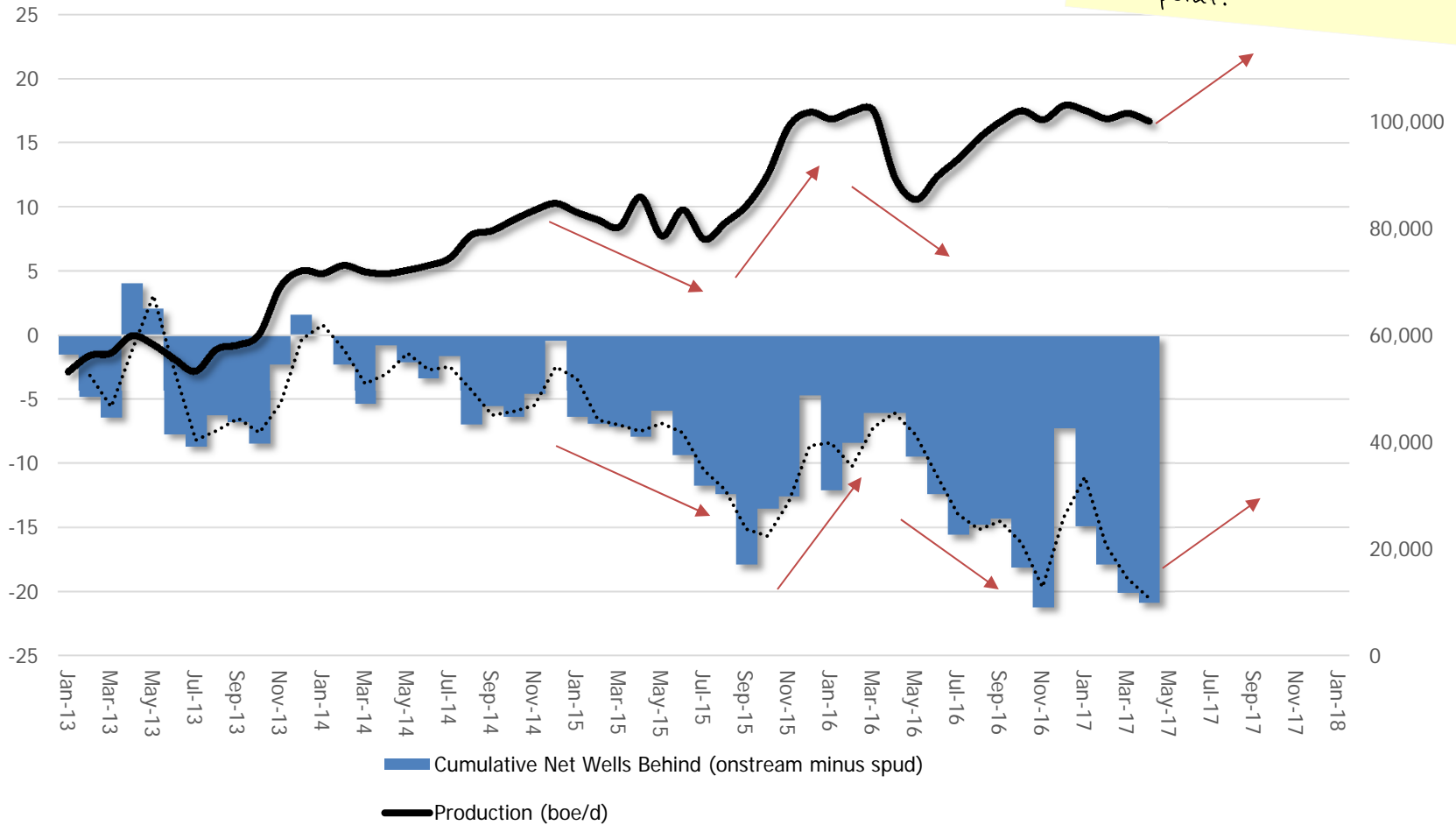
Corp.



Peyto's Assets

Lumpy Production From Pads and New Areas

"Pad drilling and step outs into new areas mean wells are waiting to come on longer than they used to. It translates into "lumpier" production adds but makes sense from a cost and return standpoint."



Peyto's Incredible Returns

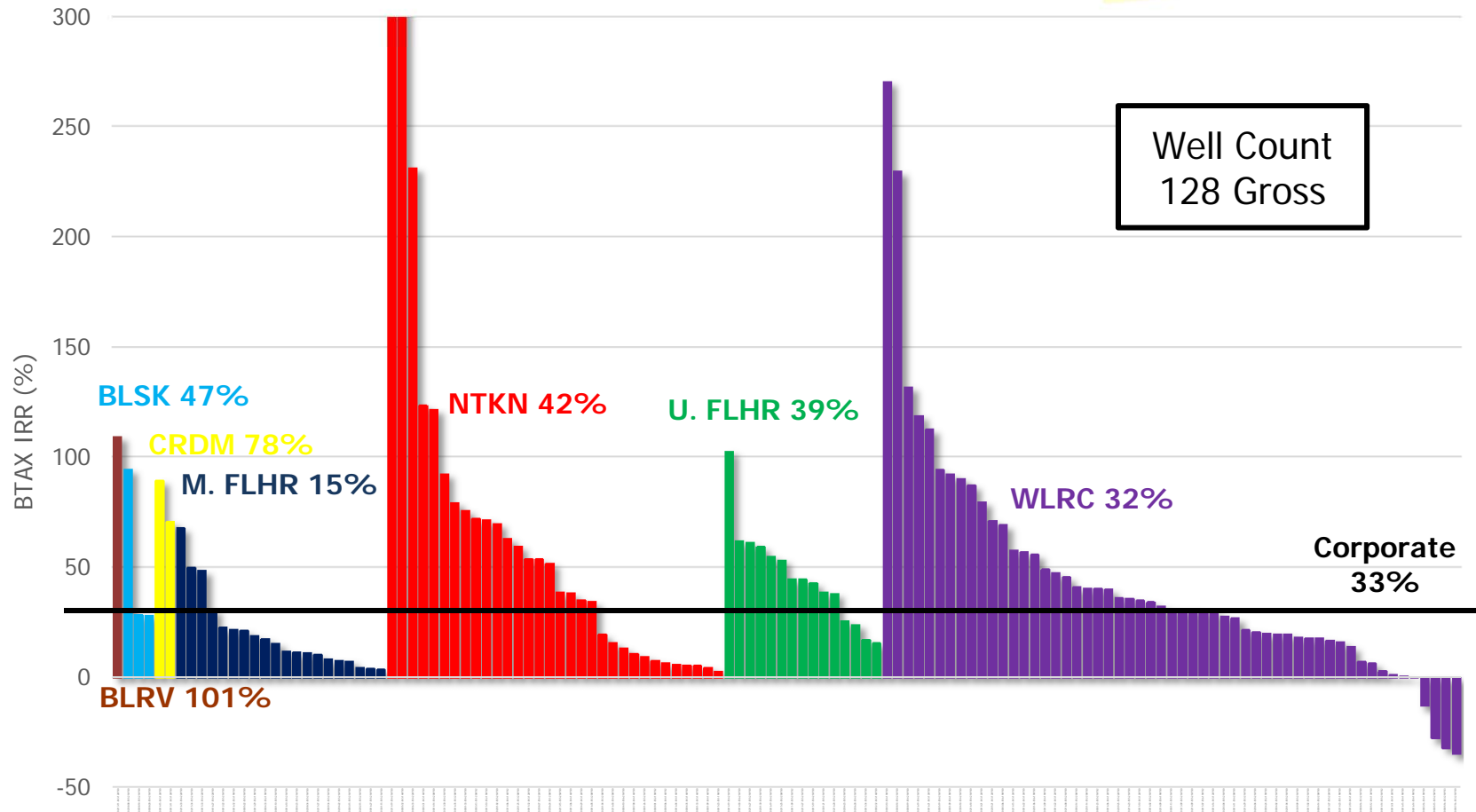


6/8/2017

Peyto's Returns

2016 Full Cycle Real Returns

"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 \$575k per well for Facilities, Land and Seismic
 Peyto's internal Full Cycle actual IRR on 128 Wells by Species using actual costs and prices realized in 2016 and Insite Dec 31/16 price forecast

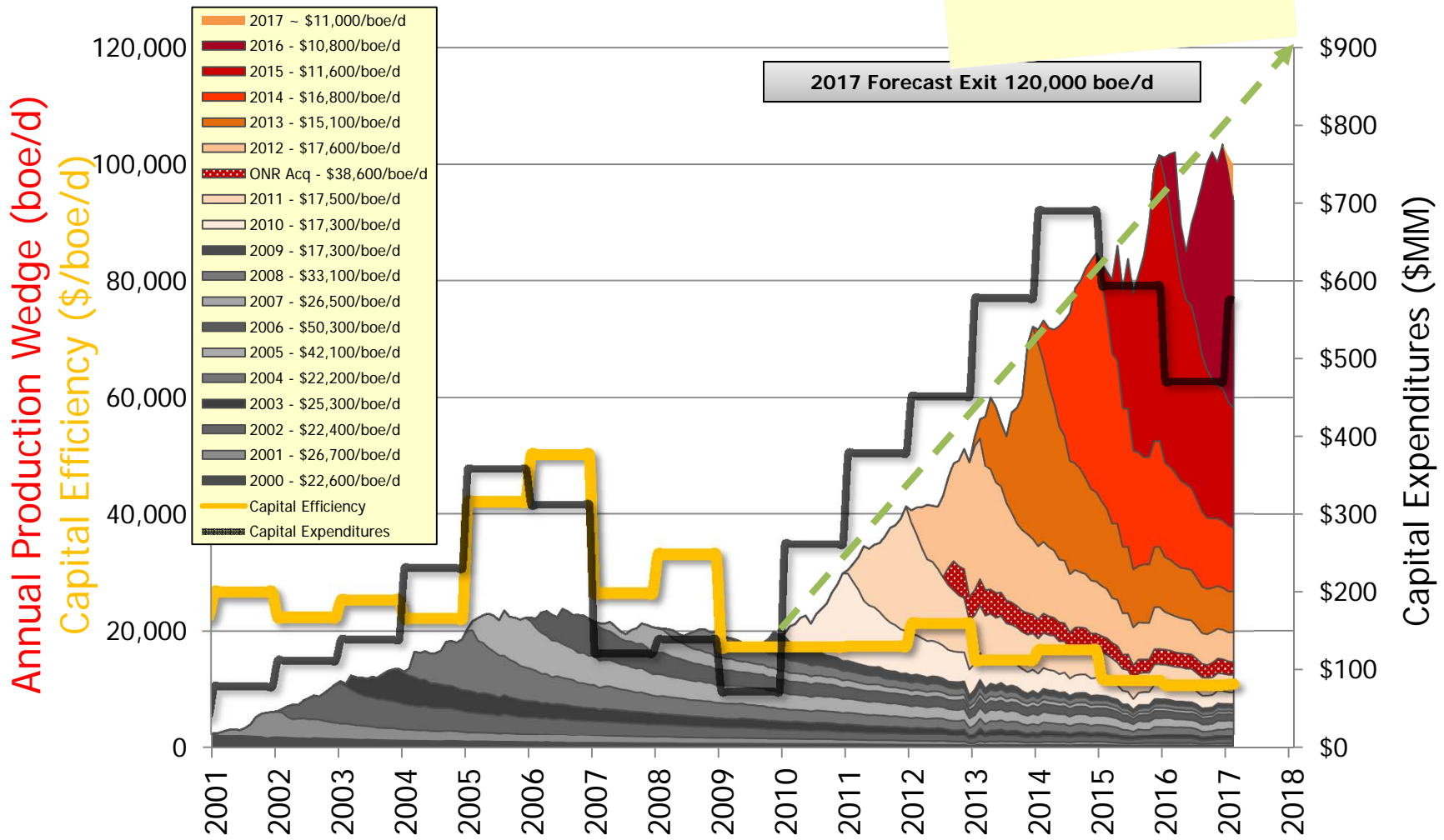
Peyto's Returns

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."



Development Corp.



- 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

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, after deducting corporate costs."

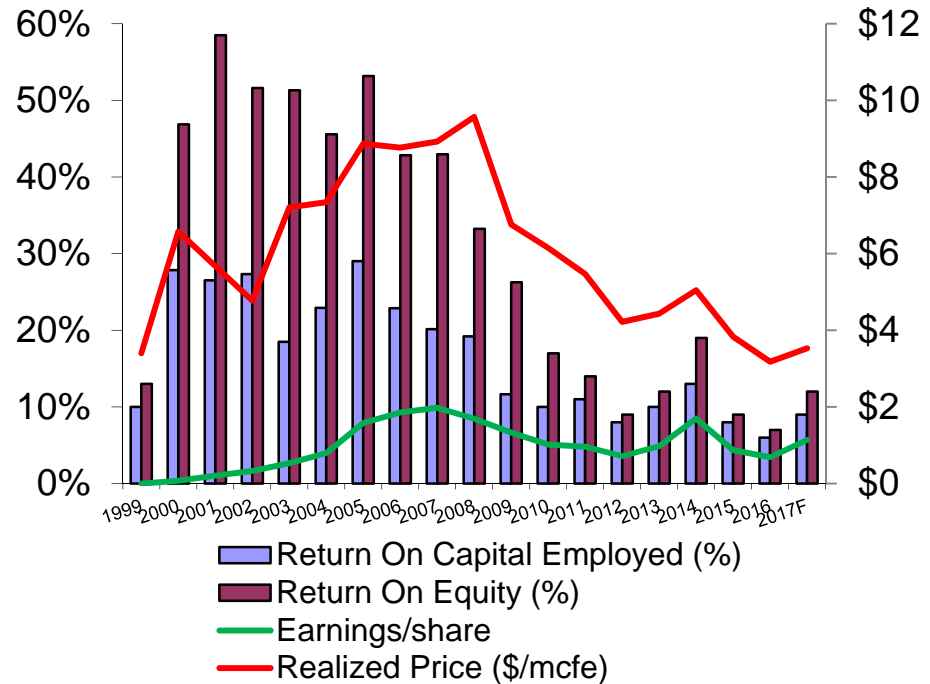


31%

18 yr Avg ROE to 2016

17%

18 yr Avg ROCE to 2016



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 (18 yrs 1999-2016)

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



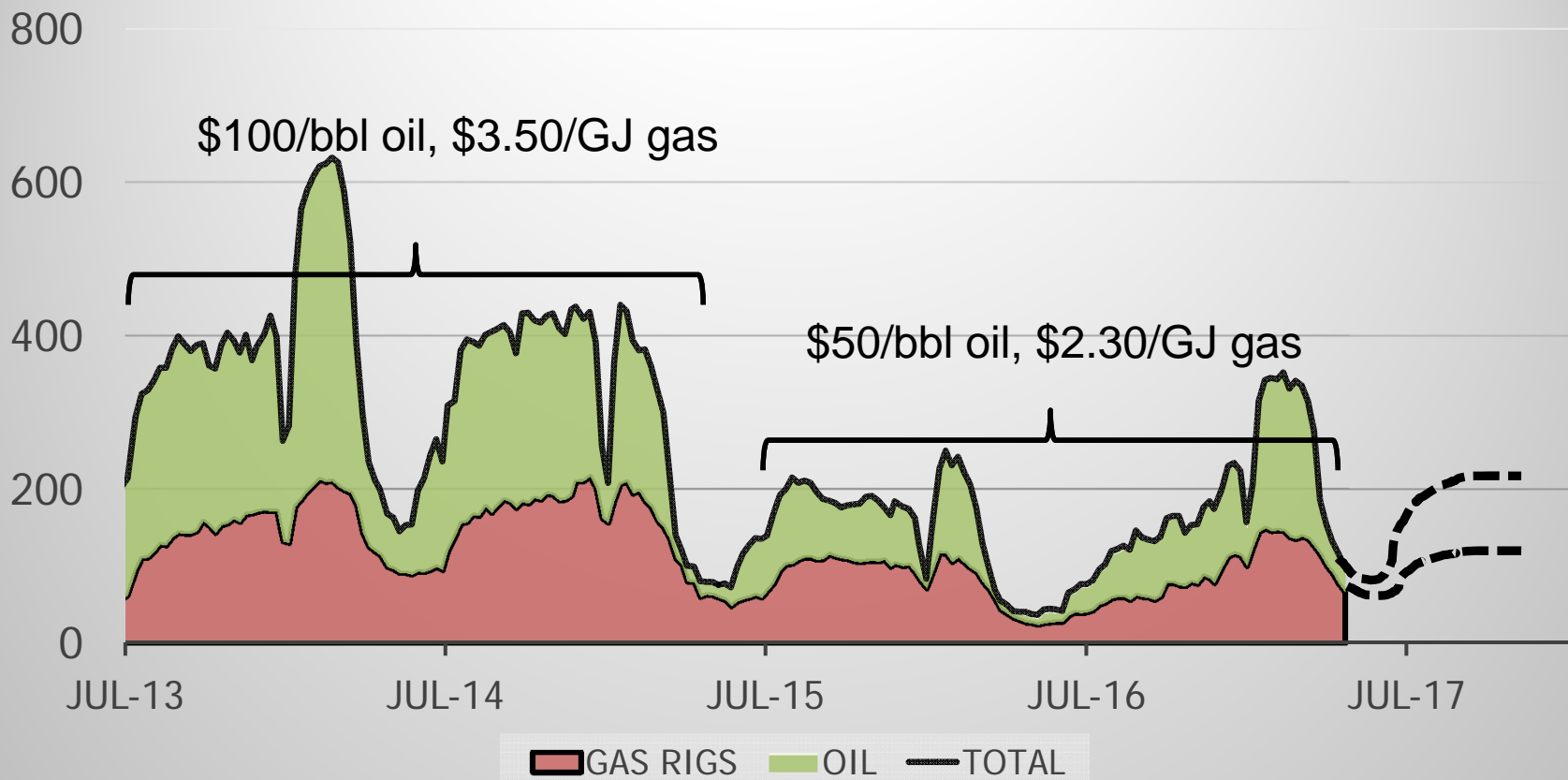
Peyto's Future

Industry Cost Inflation

"Peyto will not blindly pursue an aggressive capital program if costs are going up. We expect the rig count will come down to match commodity price levels"



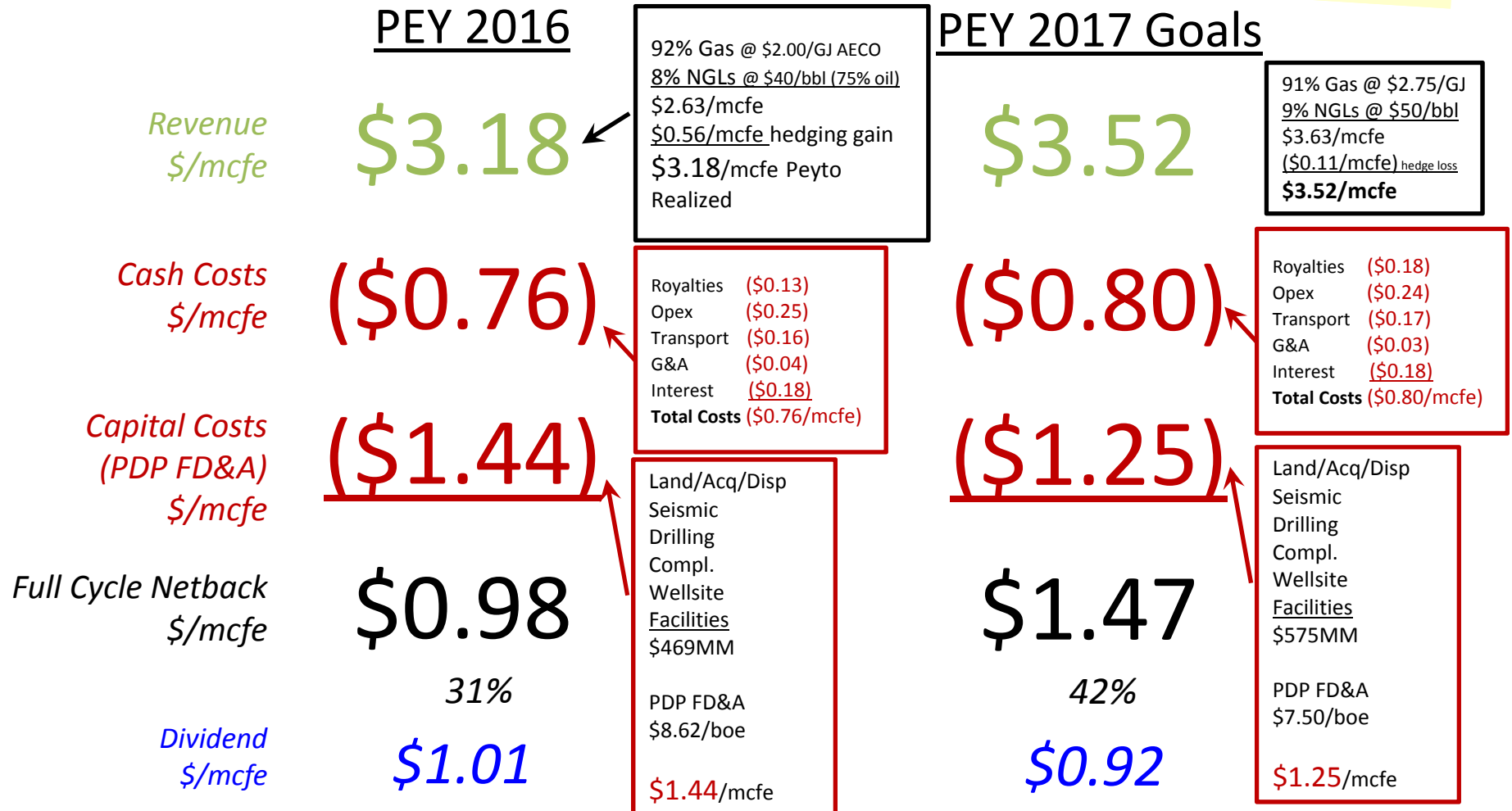
Active Canadian Drilling Rigs



Peyto's Future

"Build it for less than we sell it"

"For 2017 our goal is to continue to build it and produce it for less than we sell it by grinding on the F&D costs."



BOE factor - 6 mcfe = 1 bbl of oil equivalent

Peyto's Future

2017 Outlook

"2017 looks to be another busy year of all organic activity with hopefully even better returns than 2016."

PEYTO



Exploration & Development Corp.

\$550M-
\$600M

2017 Capital Program

- ✓ **Drill ~145-160Hz Wells**
(Liquids Rich Natural Gas) vs 129 in 2016
- ✓ **Expand & Extract**
Increase Processing Capacity & NGL Yield
~120 mmcf/d With Brazeau East GP
- ✓ **Increase**
Undeveloped Land Base
- ✓ **Shoot**
Seismic
- ✓ **Acquire**
Additional Opportunities and Partner Interests

Peyto's Future

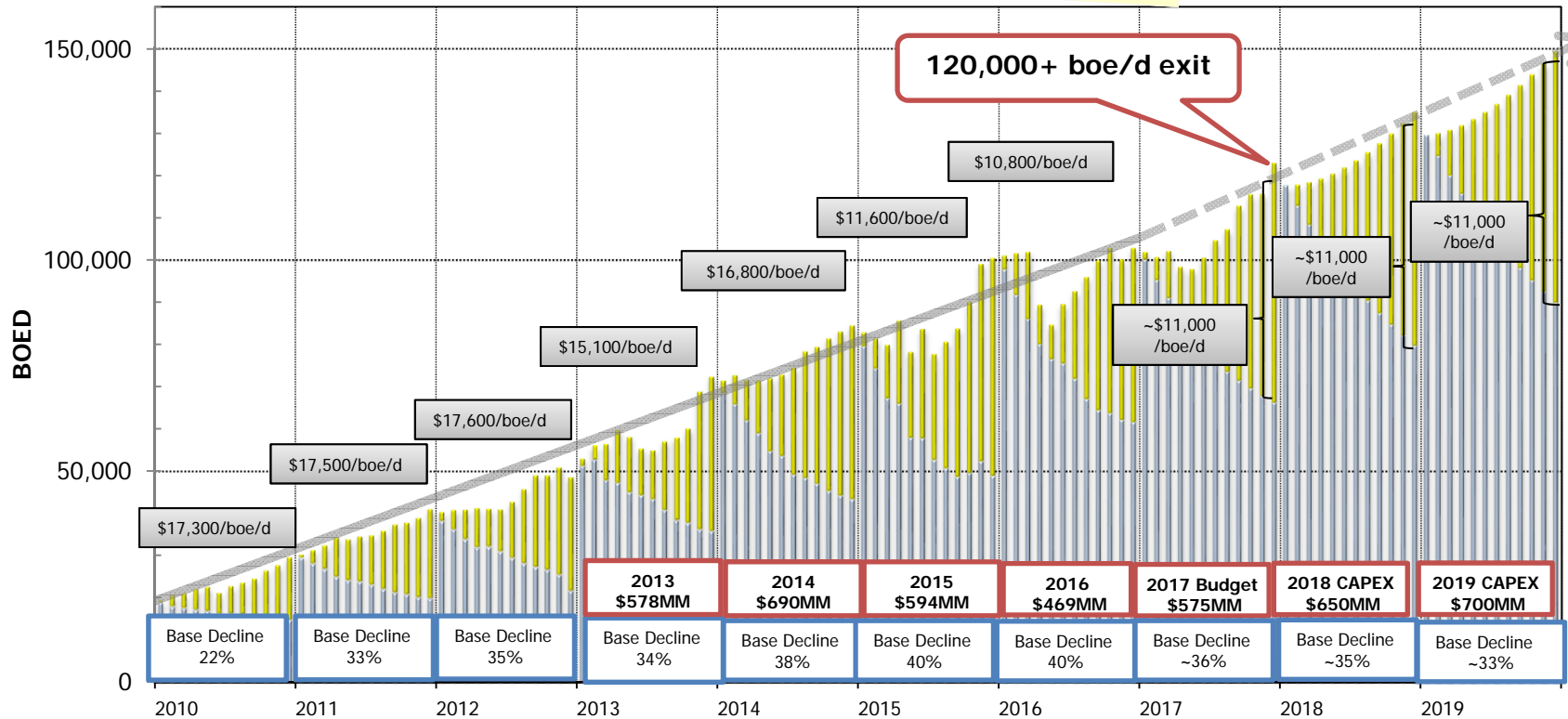
Where To From Here?

"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 - making money."

PEYTO



Exploration & Development Corp.



\$18/boe netback using \$3.00/GJ AECO, \$50/bbl CND blended liquid price

Year	CAPEX (\$MM)	Annual Prod.	Netback	FFO (\$MM)	Earnings (\$MM)	DIV (\$MM)	YE Net Debt (\$B)	YE Debt to FFO	# locations
2014	\$ 690	76,372	\$ 23.78	\$ 663	\$ 262	\$ 175	\$ 1.0	1.5	123
2015	\$ 594	85,700	\$ 18.08	\$ 565	\$ 138	\$ 208	\$ 1.1	2.0	140
2016	\$ 469	96,975	\$ 14.52	\$ 514	\$ 113	\$ 215	\$ 1.1	2.2	131
2017	\$ 575	108,000	\$ 16.00	\$ 631	\$ 210	\$ 217	\$ 1.3	2.0	150
2018	\$ 650	121,000	\$ 18.00	\$ 795	\$ 262	\$ 217	\$ 1.4	1.7	162
2019	\$ 700	136,000	\$ 18.00	\$ 894	\$ 295	\$ 217	\$ 1.4	1.5	175
	\$ 3,678			\$ 4,061	\$ 1,280	\$ 1,249			618

* 2017 and beyond provided for illustration only. Budgets and forecasts beyond 2017 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.

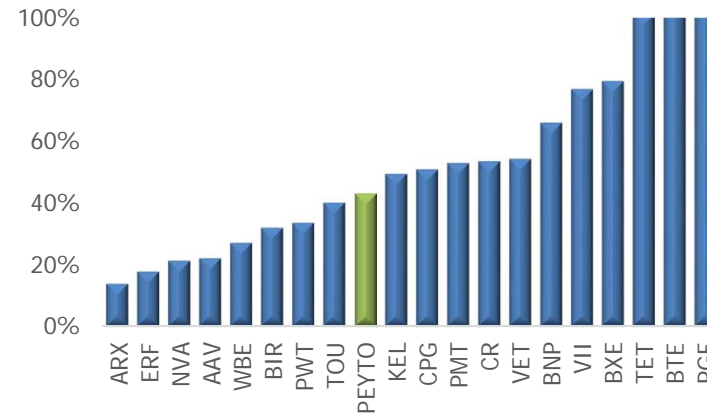
Peyto's Future

Careful Use Of Debt For Leveraged Returns

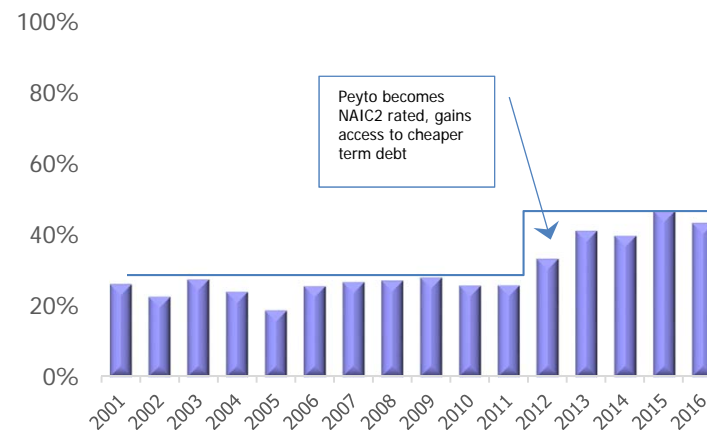
"Peyto has always been conservative with leverage, only recently using a bit more because long term debt is cheap." Corp.

43%
Debt/PDP NPV₁₀

2016 Net Debt/PDP NPV₁₀



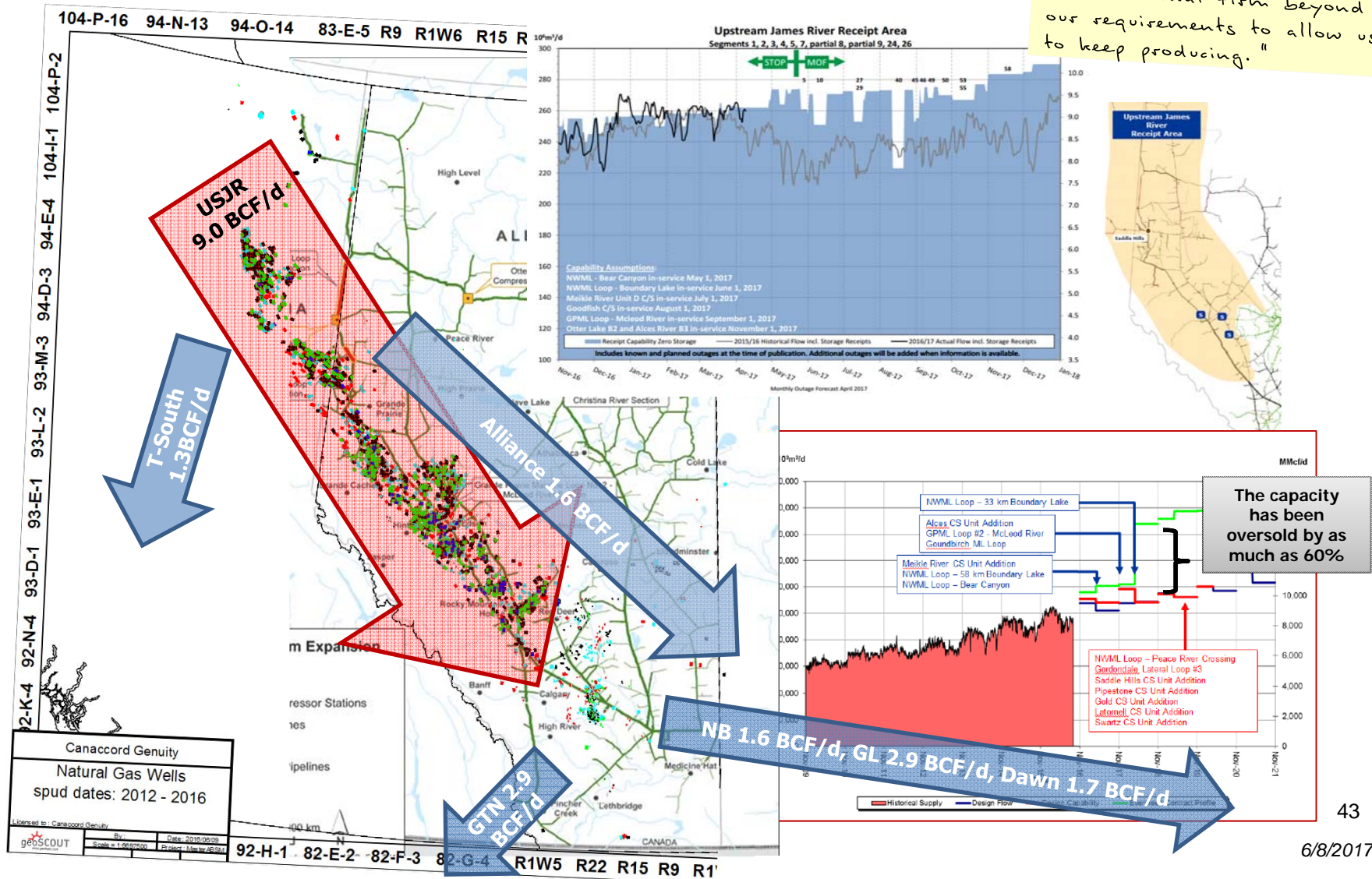
Peyto Net Debt/PDP NPV₁₀



Peyto's Future

Working Around The Takeaway Constraints

"The major pipelines out of the active part of the WCSB are full and not expanding fast enough. The resulting competition for space will mean continued cutbacks to firm service. Peyto has taken on additional firm beyond our requirements to allow us to keep producing."



Appendix



- ☀ Quarterly Track Record
- ☀ Tax Pools
- ☀ Hedging Strategy
- ☀ Gas Marketing
- ☀ FAQ

Quarterly Track Record



	2017	2016					2015					2014			
	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2
Operations															
Production															
Oil & NGLs (bbl/d)	9,586	7,457	8,938	7,247	6,621	7,008	6,643	6,943	5,352	6,843	7,456	7,632	8,077	7,502	7,568
Natural gas (mcf/d)	549,037	537,111	556,975	534,710	489,337	567,230	474,182	540,512	455,137	455,443	444,794	412,441	451,044	420,538	388,407
Barrels of oil equivalent (boe/d)	101,092	96,975	101,767	96,365	88,177	101,546	85,673	97,028	81,208	82,750	81,588	76,372	83,251	77,592	72,302
Year over Year % Growth	0%	13%	5%	19%	7%	24%	12%	17%	5%	14%	13%	29%	24%	38%	24%
Average Product Prices															
Oil & NGLs (\$/bbl)	48.14	40.30	45.09	39.76	41.46	33.60	40.40	39.88	41.69	43.54	37.03	70.68	55.47	71.01	77.30
Natural gas (\$/mcf)	2.96	2.89	2.98	2.88	2.60	3.06	3.58	3.34	3.57	3.50	3.97	4.30	4.22	4.18	4.37
Operating expenses (\$/mcf)	0.46	0.41	0.42	0.41	0.43	0.39	0.45	0.41	0.44	0.46	0.47	0.48	0.44	0.46	0.49
Field Netback (\$/mcf)	2.79	2.64	2.78	2.63	2.39	2.72	3.24	3.04	3.21	3.22	3.52	4.19	4.02	4.12	4.32
Financial (\$000)															
Revenue (net of royalties)	177,214	650,058	179,862	161,813	136,017	172,366	690,817	184,943	163,727	166,327	175,820	780,773	205,125	196,062	189,830
Funds from Operations ¹	139,305	514,593	144,593	127,915	102,178	139,907	565,473	151,123	134,513	135,195	144,643	662,787	173,437	166,988	161,577
Net earnings (loss)	40,255	111,729	37,870	22,814	9,102	41,943	137,561	43,406	37,347	12,295	44,513	261,778	68,597	68,893	62,159
Capital expenditures	153,874	469,375	129,407	113,571	50,634	175,763	593,780	162,442	176,618	116,643	138,077	690,389	179,697	180,024	151,290
Net Debt ²	1,203,988	1,132,302	1,132,302	1,060,355	1,018,796	1,181,963	1,104,602	1,104,602	1,021,105	934,262	1,064,491	1,009,508	1,009,508	937,611	880,386
Common shares outstanding (000)	164,874	164,777	164,777	164,630	164,630	159,240	159,107	159,107	158,958	158,985	153,921	153,860	153,860	153,691	153,691
Weighted average shares	164,801	162,574	164,630	164,630	161,846	159,143	157,492	158,958	158,958	158,118	153,853	153,231	153,231	153,691	153,691
Per share data (\$/share)															
Funds from operations	0.85	3.17	0.88	0.78	0.63	0.88	3.59	0.95	0.85	0.86	0.94	4.33	1.13	1.09	1.05
Earnings (loss)	0.24	0.69	0.23	0.14	0.06	0.26	0.87	0.27	0.23	0.08	0.29	1.71	0.45	0.45	0.40
Dividends (Distributions)	0.33	1.32	0.33	0.33	0.33	0.33	1.32	0.33	0.33	0.33	0.33	1.14	0.33	0.30	0.28

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.

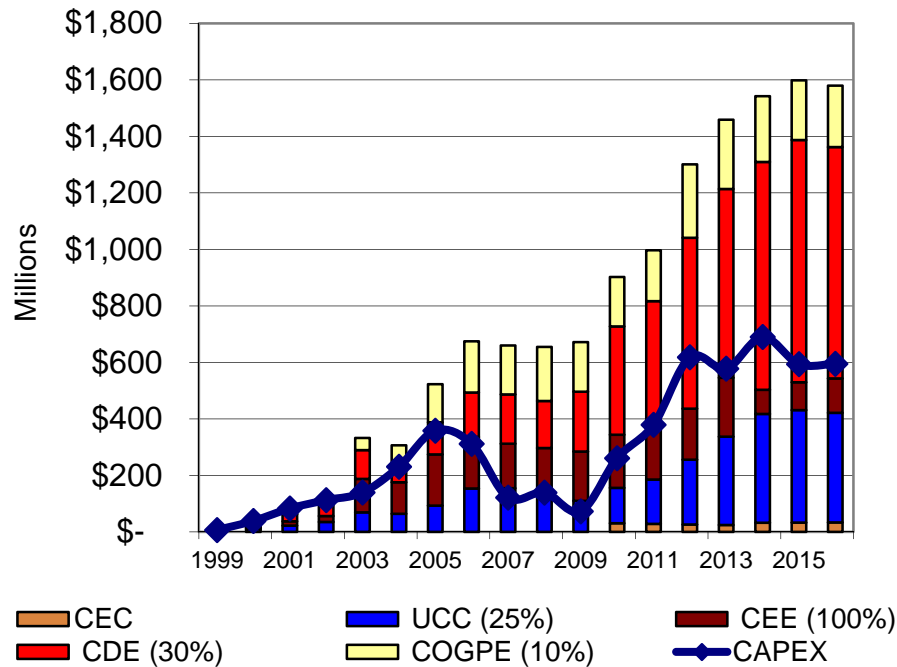
Organic Business Model

Peyto's Tax Pools

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



Development Corp.



\$1.6B

Federal Tax Pools
Q4/16

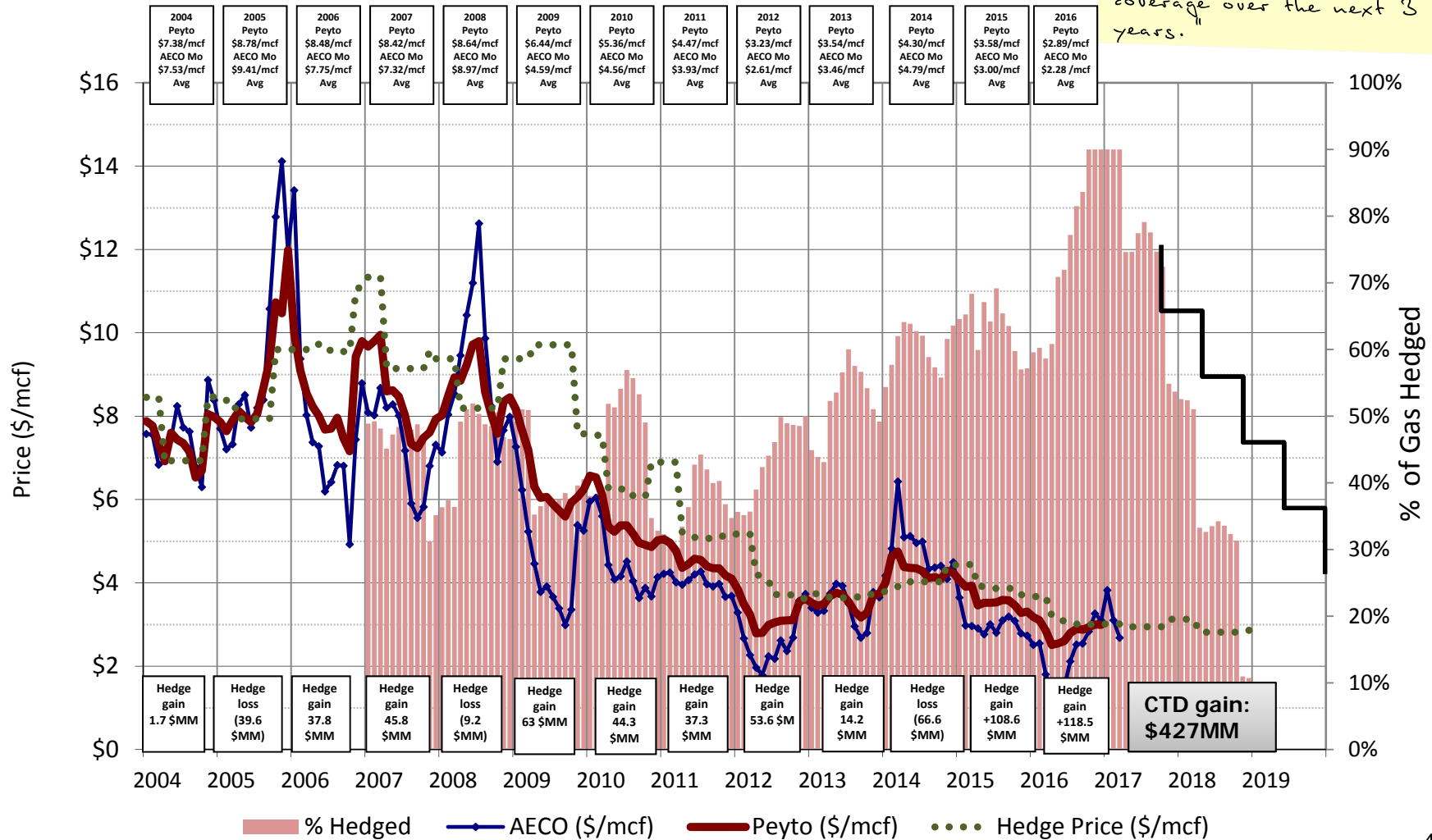
\$5.2B

Peyto CTD. CapEx
Q4/16

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 target a progressive stepping-down schedule of coverage over the next 3 years."



Gas Marketing

Future Sales (1 of 3)

"Diversifying to other markets requires fixed transportation commitments with no guarantee that you'll offset it with a higher price. Basic AECO swaps keep transport costs low and fix the price, eliminating risk and cost."



TO
n & Development Corp.

	Pricing (\$/GJ)	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
21-Jul-15	5000																
28-Jul-15	5000																
30-Jul-15	5000																
5-Aug-15	5000																
5-Aug-15	5000																
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31-Mar-16	5000																
4-Apr-16	5000																
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7-Apr-16	5000																
7-Apr-16	5000																
12-Apr-16	5000																
14-Apr-16	5000																
14-Apr-16	5000																
18-Apr-16	5000																

Hedges by year (averaged)				
Year	Vol. GJ/d	Price/GJ	Vol. mcf/d	Price/mcf
2016	460,656	2.77	400,915	3.18
2017	518,849	2.60	451,562	2.99
2018	276,110	2.56	240,302	2.94
2019	32,192	2.49	28,017	2.86
2020	10,000	2.47	8,703	2.84

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

