



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

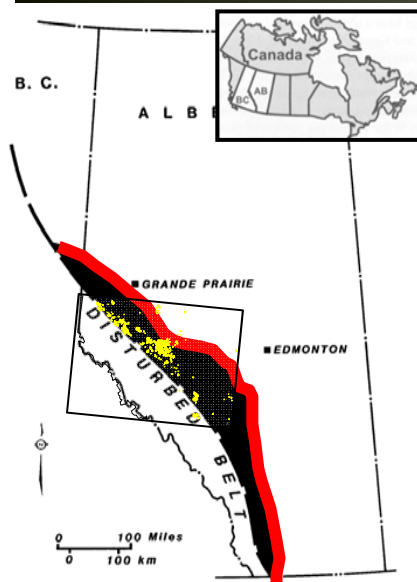
Original gas in place includes both discovered and undiscovered resources, and there is no certainty that any portion of the undiscovered resources will be discovered and, if discovered, that any volumes will be economically viable or technically feasible to recover or produce. Original gas in place 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.

PEY.TO

Who We Are



- ☀ 5th Largest Natural Gas Producer in Canada
- ☀ Pure Play Alberta Deep Basin – 110-115,000 boe/d Gas & NGLs
- ☀ Returns Focused Strategy – Avg ROCE 17%, ROE 31% over last 18 yrs among highest in industry
- ☀ Long Reserve Life Asset - 7 yrs PDP, 18 yrs 2P, sweet gas, no mobile water
- ☀ Lowest Cost Producer - \$0.76/mcfe (\$4.58/boe) 2017Q3 total cash costs
- ☀ Own and Control - Operate 99% of production, Own/operate gas plants

Monthly Dividend:	\$0.06/share (CTD 12/17 \$18.29/share)
Shares O/S:	164.9 million (3% insider ownership)
Q3 2017 Net Debt*:	\$520 million (senior unsecured notes, 3.7-4.9% <u>CND</u>) \$770 million (\$1.3B unsecured bank facility) \$1.29B (\$1.82B total capacity)
Enterprise Value:	\$3.4 billion (\$13/share)
Full Time Employees:	54

*subsequent to Q3 on Jan 2, 2018 Peyto issued \$CND100MM of senior unsecured notes which increased total capacity to \$1.92B and reduced revolving debt to \$670MM.
Cash costs are royalties, operating costs, transportation, G&A and interest
BOE factor - 6 mcfe = 1 bbl of oil equivalent

PEY.TO

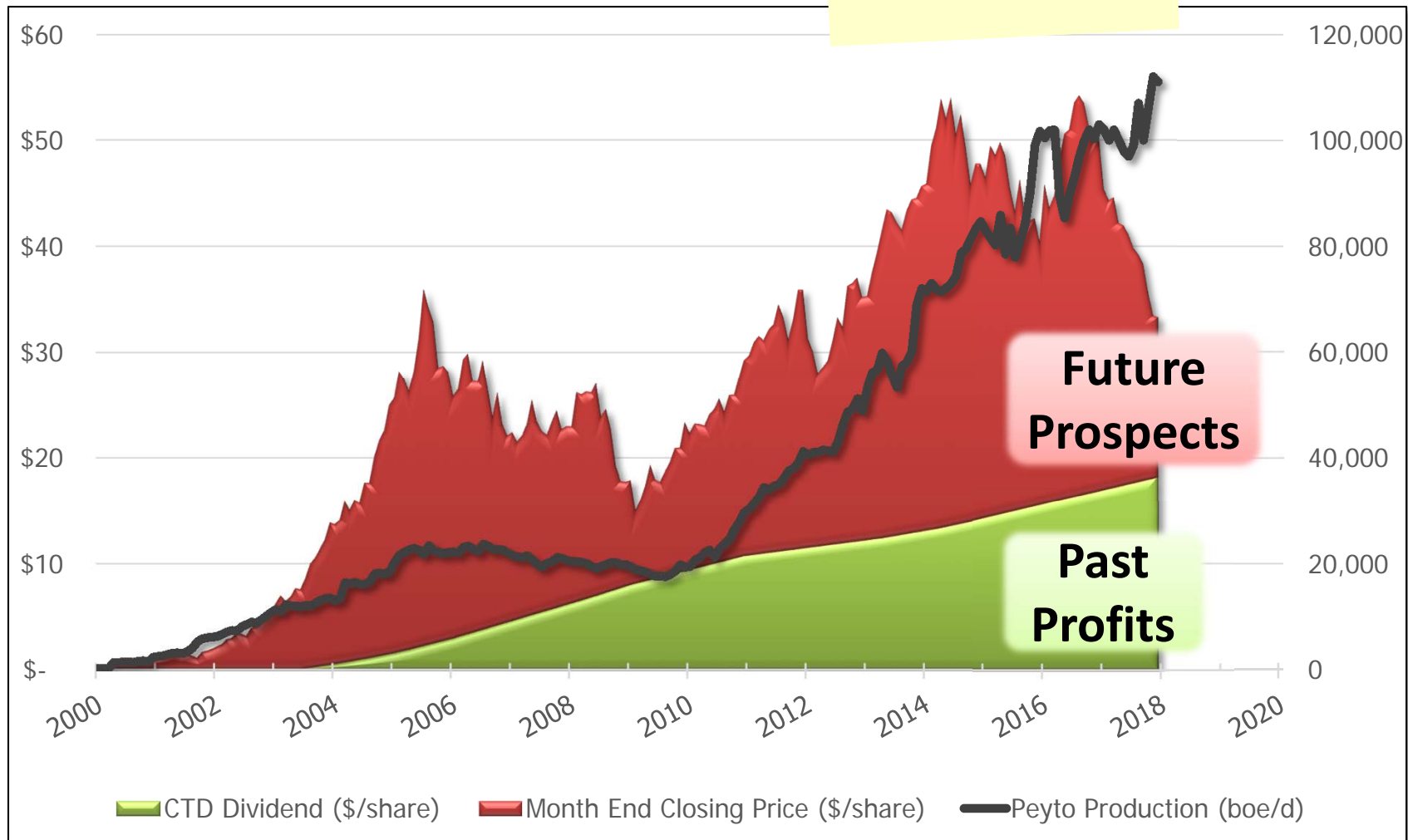
Total Shareholder Return

"Over time, the Peyto model is designed to deliver a superior total return with growth in value, income and assets."

YTO



tion & Development Corp.



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

The Peyto Strategy

What We Believe

"We believe in the future of natural gas and in partnering with shareholders to make a profit, not by trying to make your money, our money."

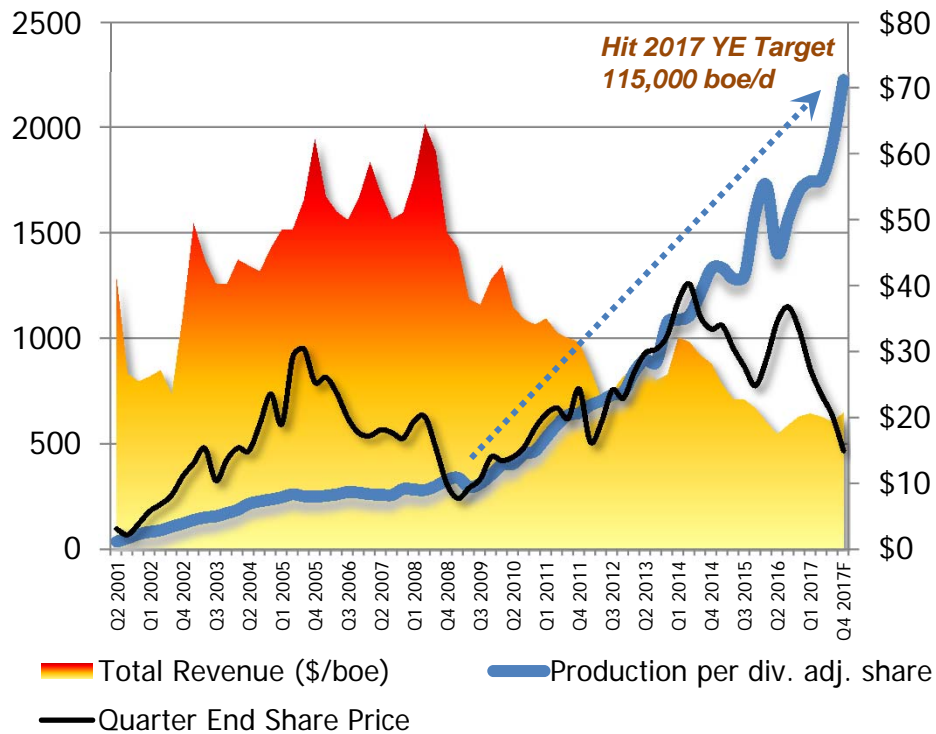
We believe that:

- ✱ *“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

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."



25%

Growth rate in Prod/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
Dividend adjusted assumes dividends used to buy back shares at quarter end share price.
BOE factor - 6 mcf = 1 bbl of oil equivalent

The Peyto Strategy

Invest For Profit Not Growth

"Peyto has generated total earnings of \$2.3B for the last 19 years, on cumulative capital investments of \$5.6B."



\$2.3B

Peyto Earnings
CTD Q3/17

\$5.6B

Peyto Capital
CTD Q3/17



The Peyto Strategy

More Profit Per Dollar Of Capital

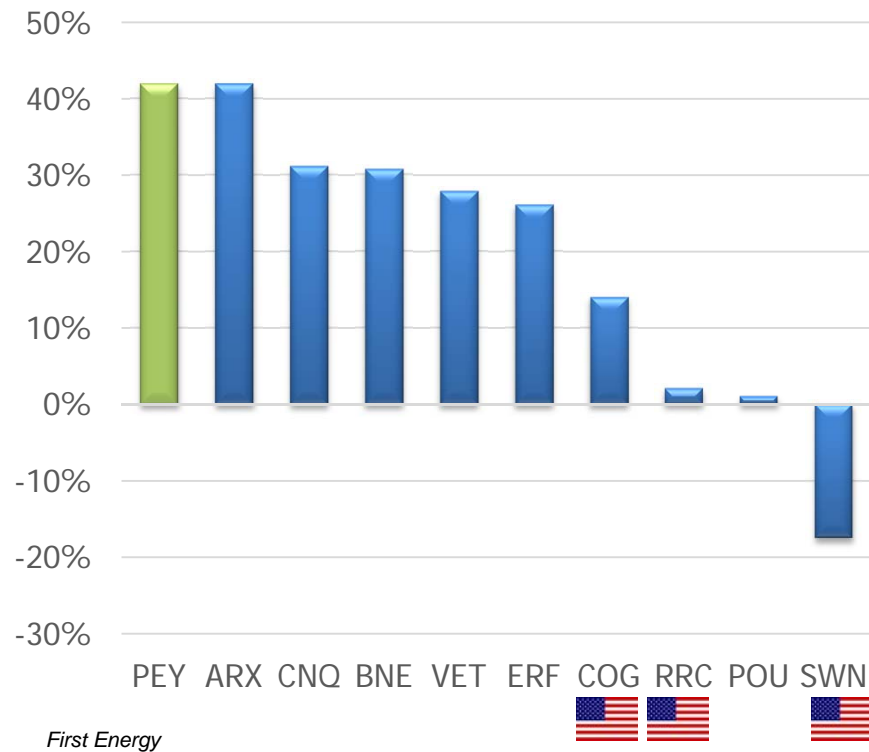
"Peyto has delivered the most profit per dollar of capital invested over the last 15 years."



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."

PEYTO



Exploration & Development Corp.

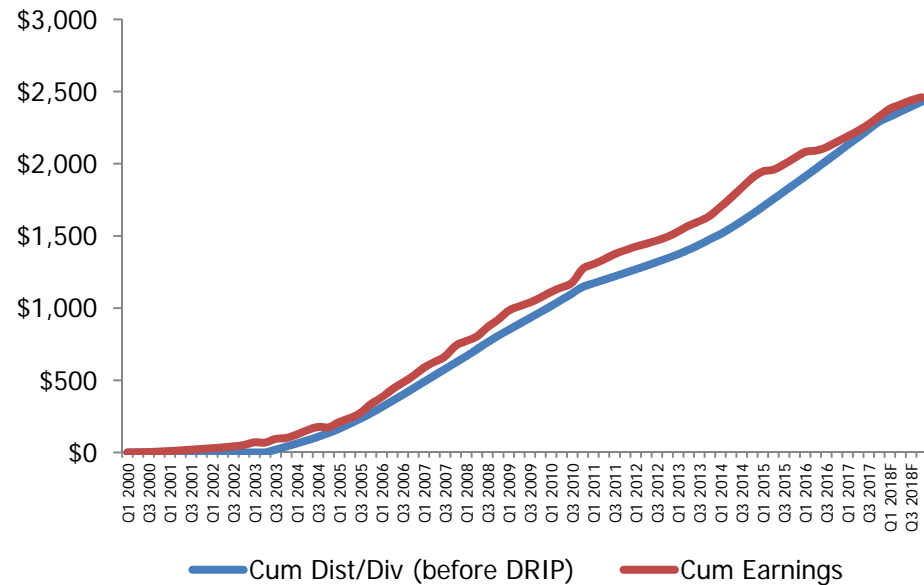
\$2.3B

Peyto Ctd. Earnings
Q3/17

\$2.2B

Peyto Ctd. Dist/Div.
Q3/17

Peyto Dividend Sustainability



Peyto's Profitable Business



Peyto's Profitable Business

"Build it for less than we sell it"

"Peyto has some of the lowest supply costs in North America which is why it consistently delivers some of the highest profit margins."

	<u>PEY 2014</u>	<u>PEY 2015</u>	<u>PEY 2016</u>	<u>PEY 2017F</u>	
PDP FD&A \$/mcfe	(\$2.25)	(\$1.64)	(\$1.44)	(~\$1.45)	<div style="border: 1px solid red; padding: 5px;"> <u>2017</u> Land/Acq/Disp Seismic Drilling Compl. Wellsite Facilities ~\$525MM ΔPDP (TBD Feb/18) 2016 FD&A \$1.44/mcfe </div>
Cash Costs \$/mcfe	(\$1.08)	(\$0.81)	(\$0.76)	(~\$0.82)	
Supply Cost	(\$3.26)	(\$2.45)	(\$2.20)	(~\$2.27)	<div style="border: 1px solid red; padding: 5px;"> Royalties (\$0.15) Opex (\$0.26) Transport (\$0.17) G&A (\$0.04) Interest (\$0.20) Total Costs ~(\$0.82) </div>
Sales Price \$/mcfe	<u>\$5.04</u>	<u>\$3.83</u>	<u>\$3.18</u>	~ <u>\$3.38</u>	
Profit \$/mcfe	\$1.71	\$1.38	\$0.98	\$1.11	<div style="border: 1px solid black; padding: 5px;"> \$2.30/GJ AECO daily/monthly X 145% (heat content+LPG) \$3.12/mcfe \$0.26/mcfe hedging \$3.38/mcfe Realized </div>
Dividend \$/mcfe	34% \$1.05	36% \$1.11	31% \$1.01	33% \$0.97	

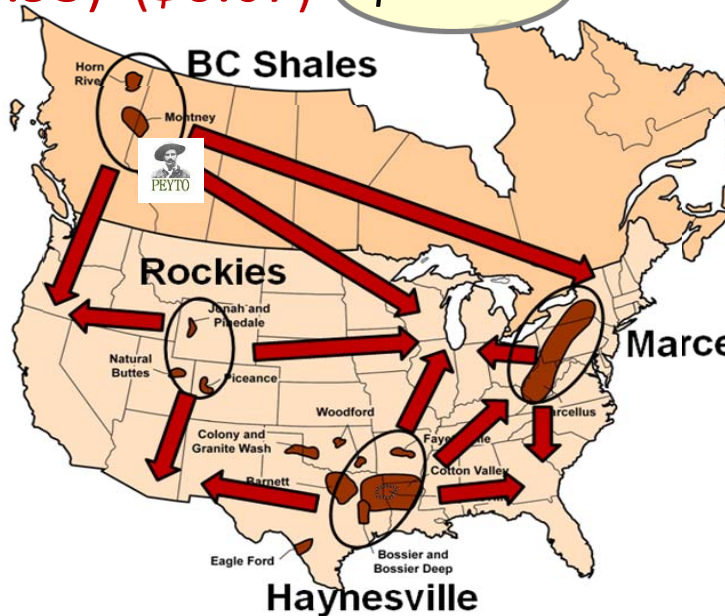
Peyto's Profitable Business

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

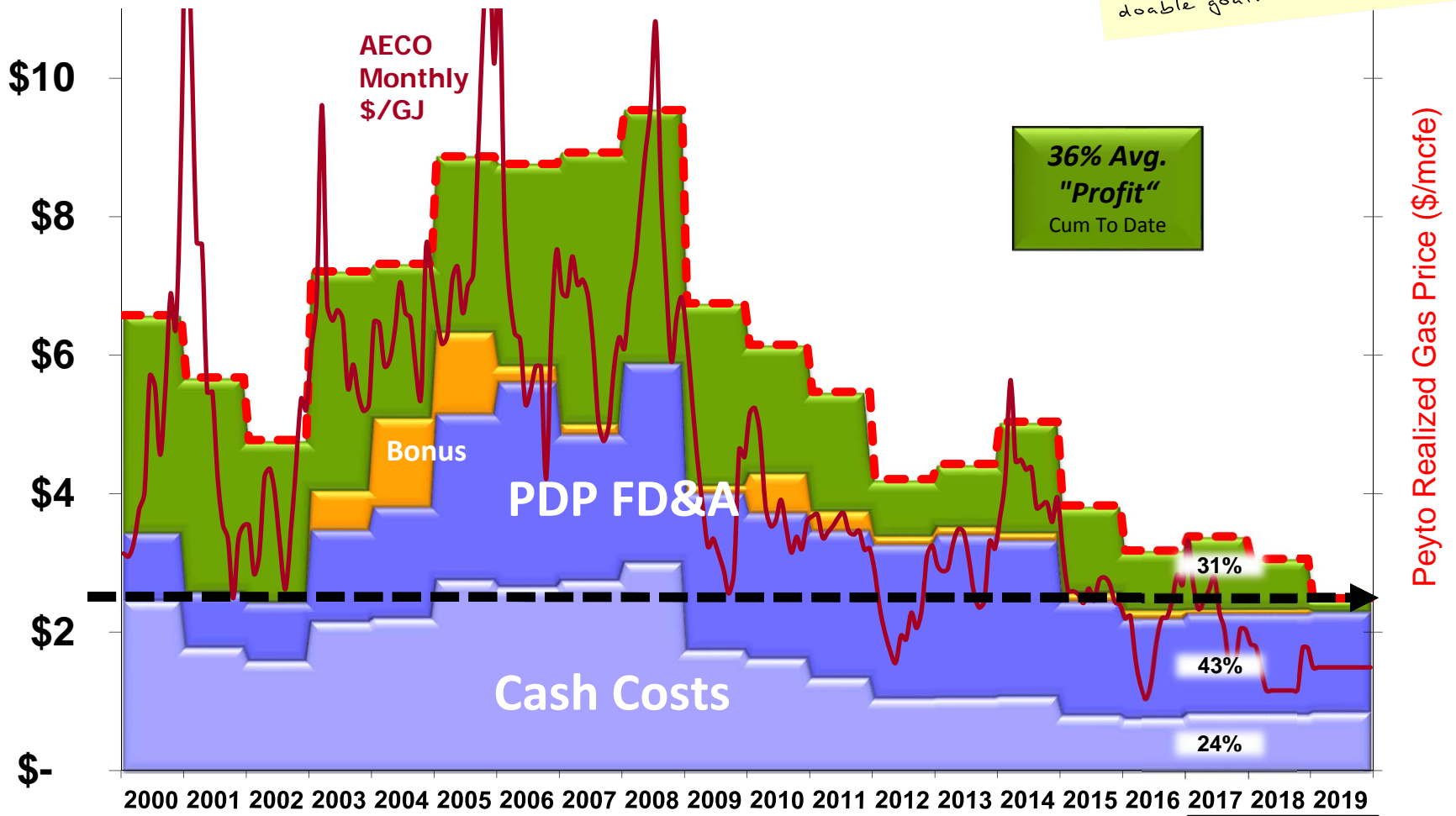
*Data from Peter's & Co.

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 Profitable Business

The Price Bar Is Now Very Low, We Must Be Lower

"At \$1.50/GJ AECO Peyto generates around \$2.50/mcfe unhedged revenue (at current liquid yield) so we need to reduce costs by 20% by 2019 to preserve our 30% profit margin. A very doable goal."



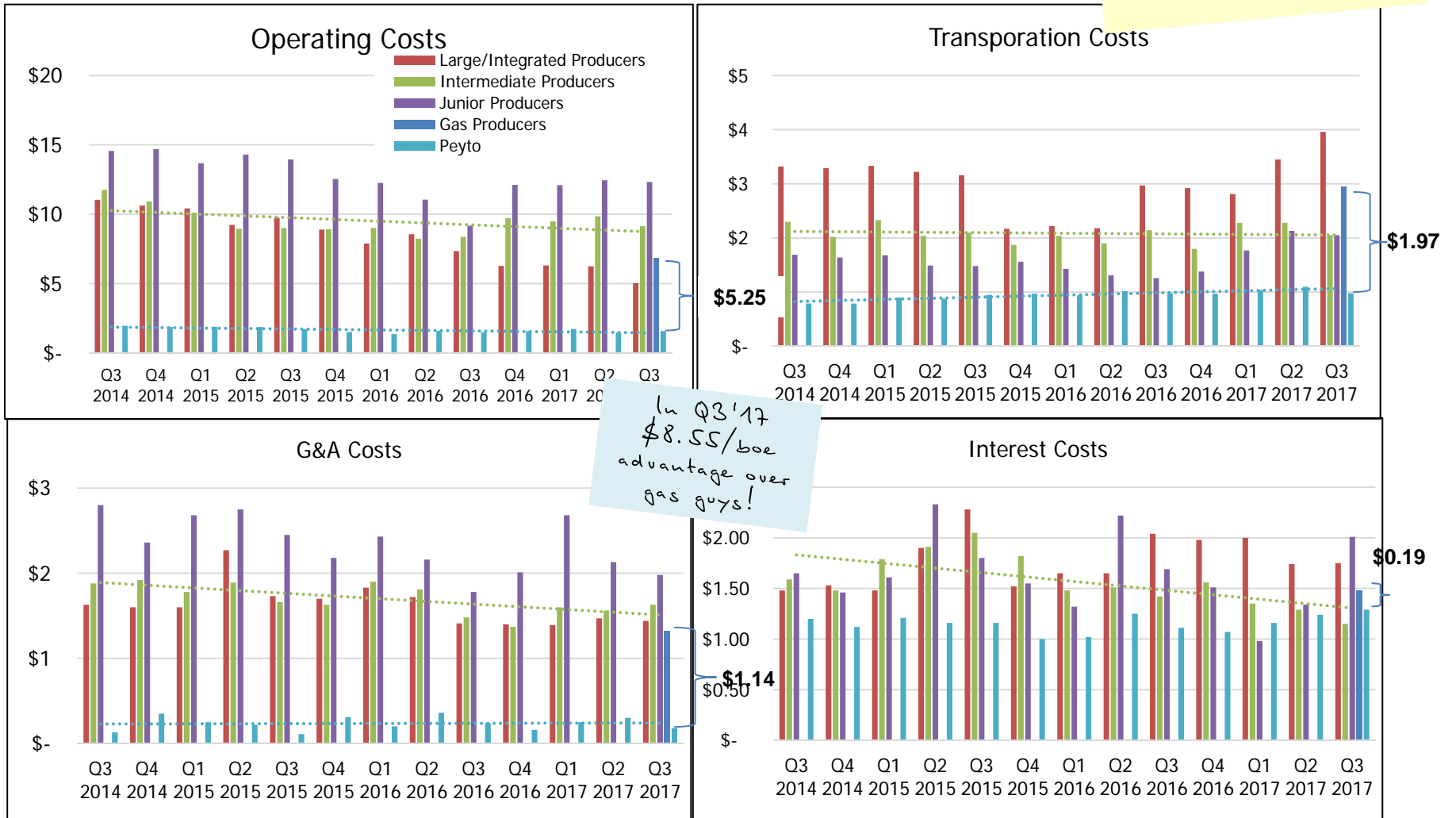
Total Cash Costs per mcfe includes – Royalties, Op Costs, Transport, G&A, and Interest
 PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Forecast

Peyto's Profitable Business

Results in a Low Cost Advantage

"We have a huge head start over the rest of the industry, including other Canadian gas producers, from a cash cost perspective."



BOE factor - 6 mcf = 1 bbl of oil equivalent

Data from Peter's & Co.

Gas producers include: AAV,PNE,CKE,CQE,TOU,SRX,BIR,BXE,CR,BNP,ARX,BNP,POU,DEE,KEL,ECA,VII

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."

PEYTO



Corporation & Development Corp.

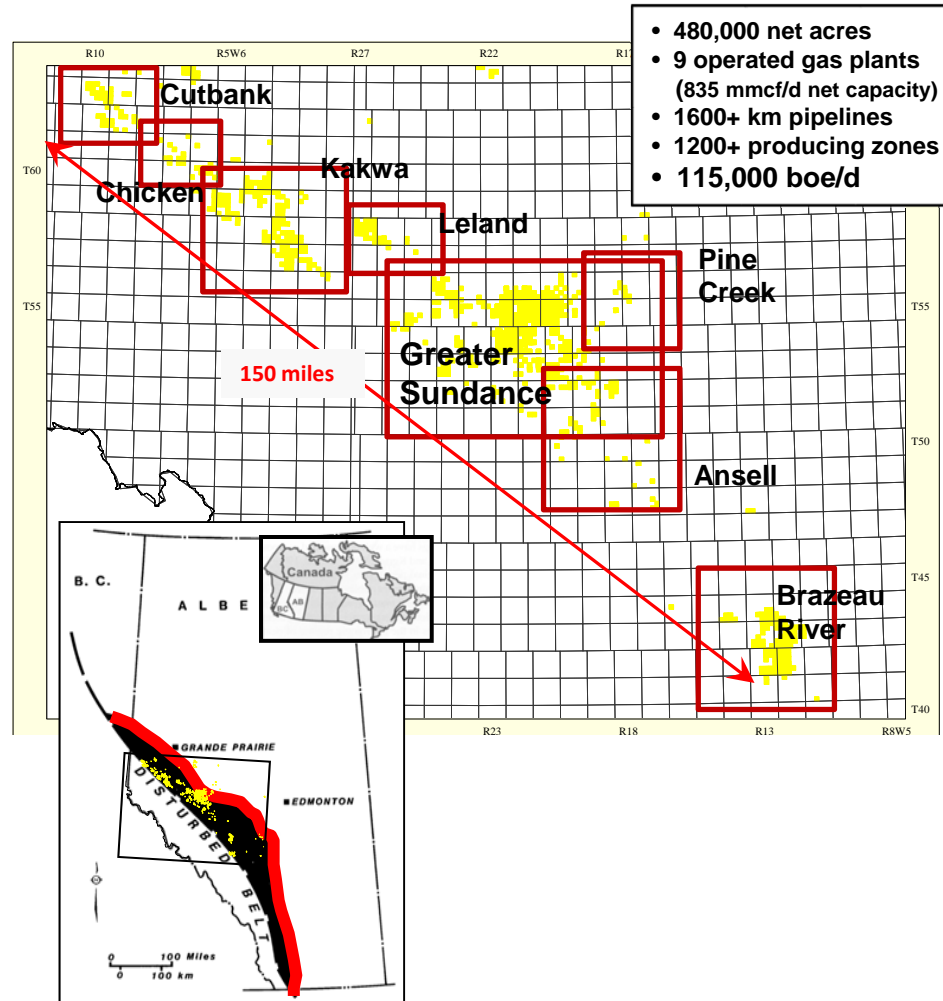
99%

Of Production:
Processed by Peyto
Operated by Peyto

99%

Working Interest in 9
Processing Facilities

- 480,000 net acres
- 9 operated gas plants (835 mmcf/d net capacity)
- 1600+ km pipelines
- 1200+ producing zones
- 115,000 boe/d

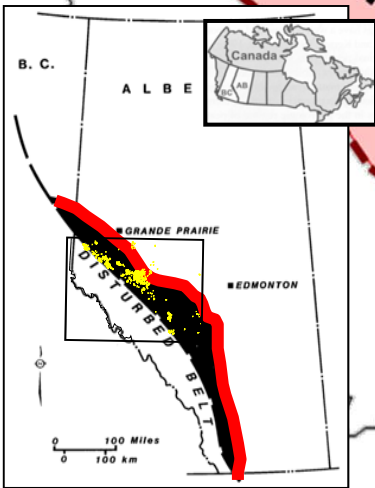
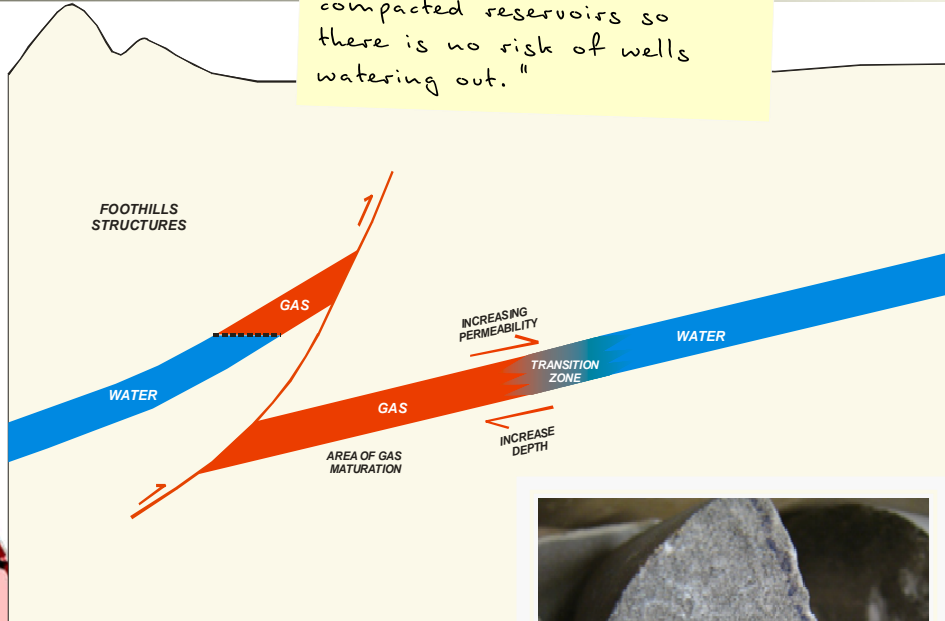
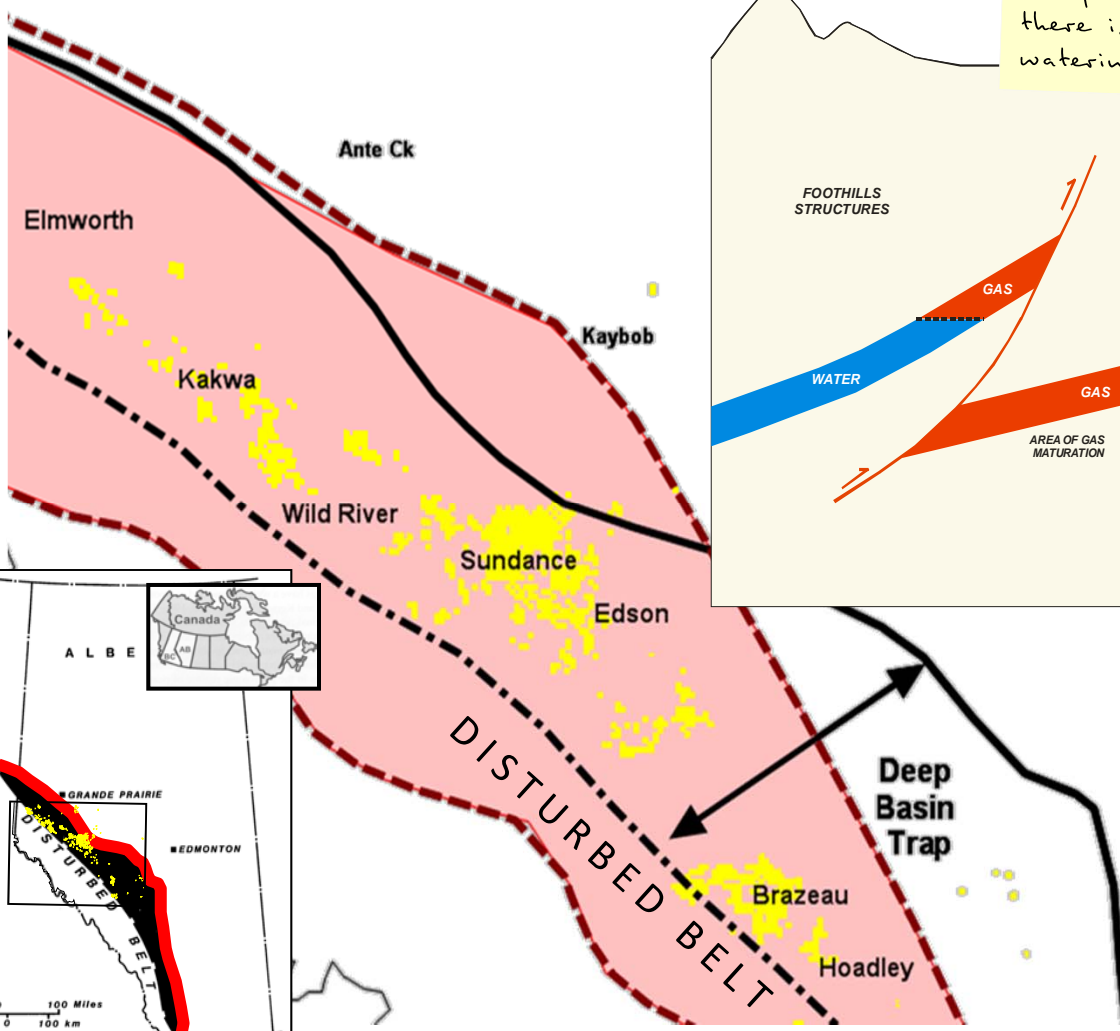


Peyto's Assets

Deep Basin Permeability Segregation



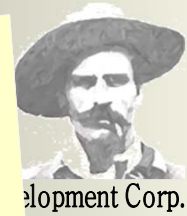
"The Deep Basin is a permeability trap, because the fluids in the updip position can't travel through these fine grained, tightly compacted reservoirs so there is no risk of wells watering out."



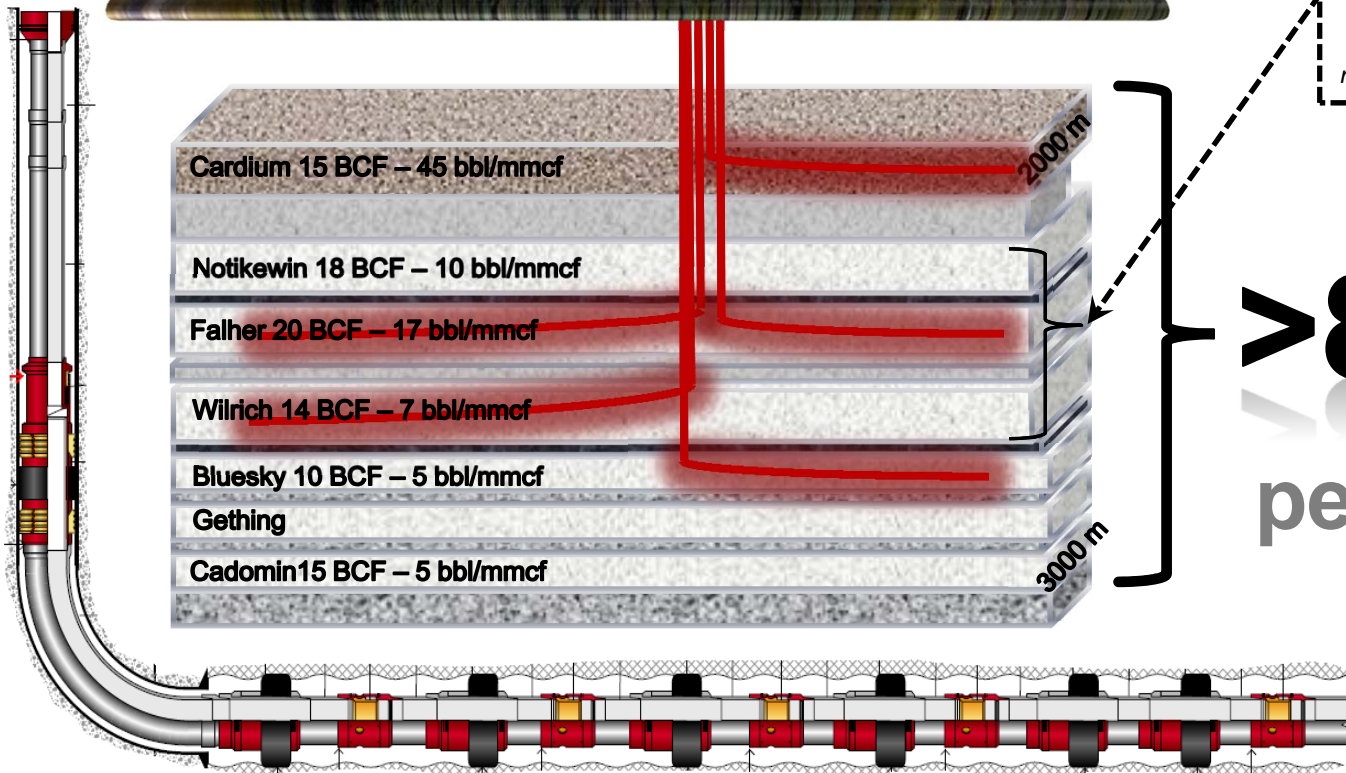
Peyto's Assets

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."



Development Corp.



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

"We've purchased 88 sections of new land in 2017. With less than 10% of our lands developed, the undeveloped acreage could potentially accommodate over 10,000 more locations."



703

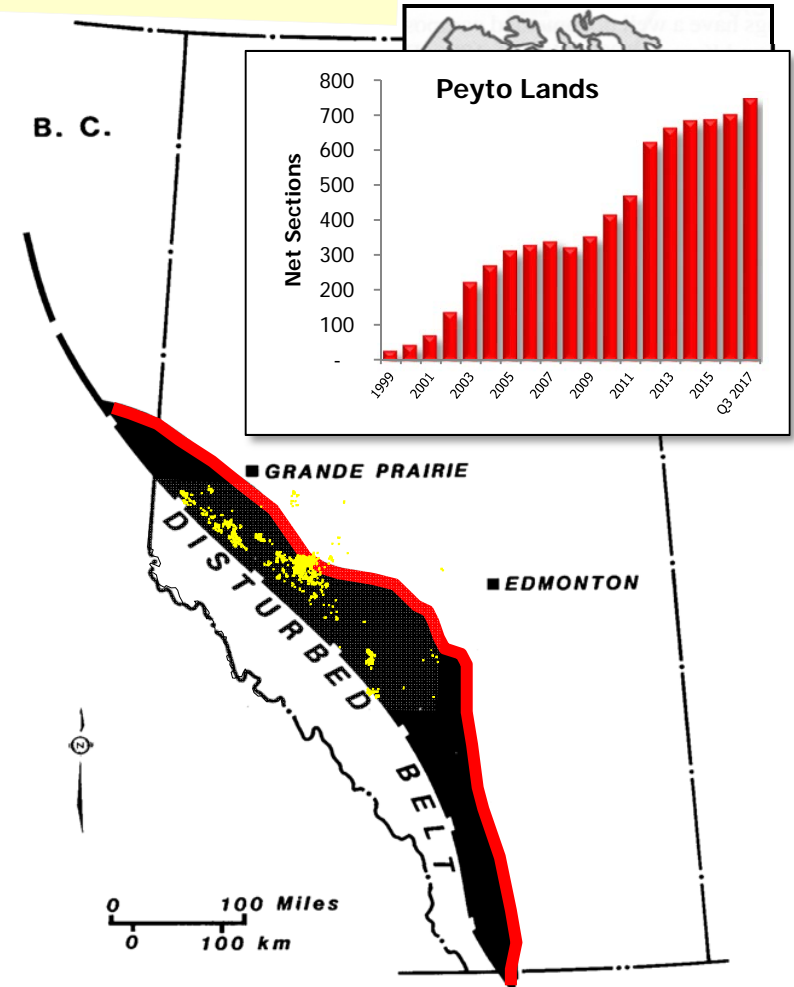
Net Peyto Sections

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 TCFe EUR)*



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

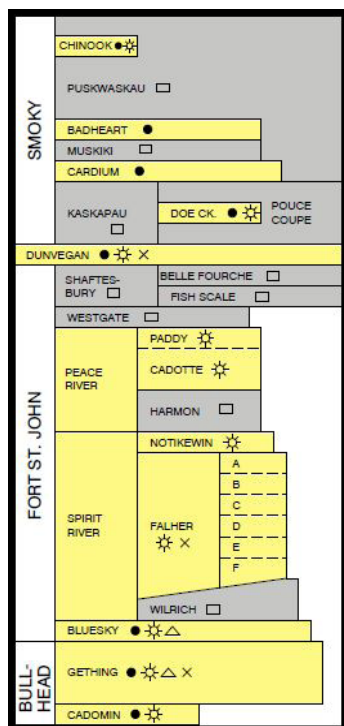
Large Hz MSF Inventory

"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	2	16	54
		2	50	160
		723	947	1175

1175
>2100 locations

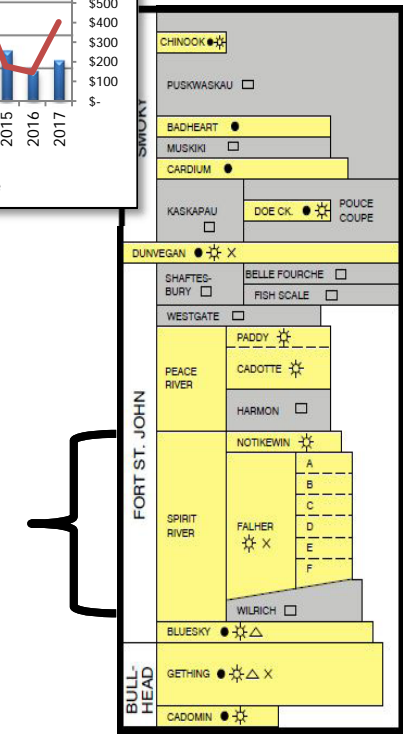
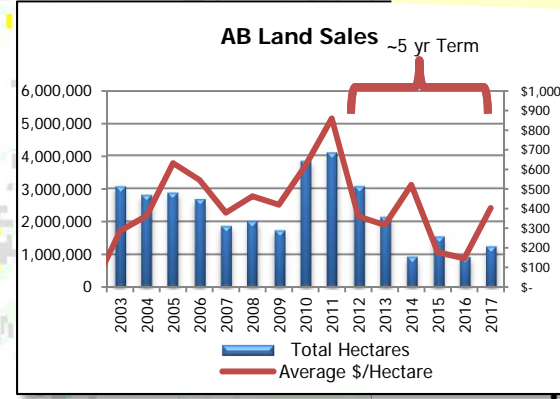
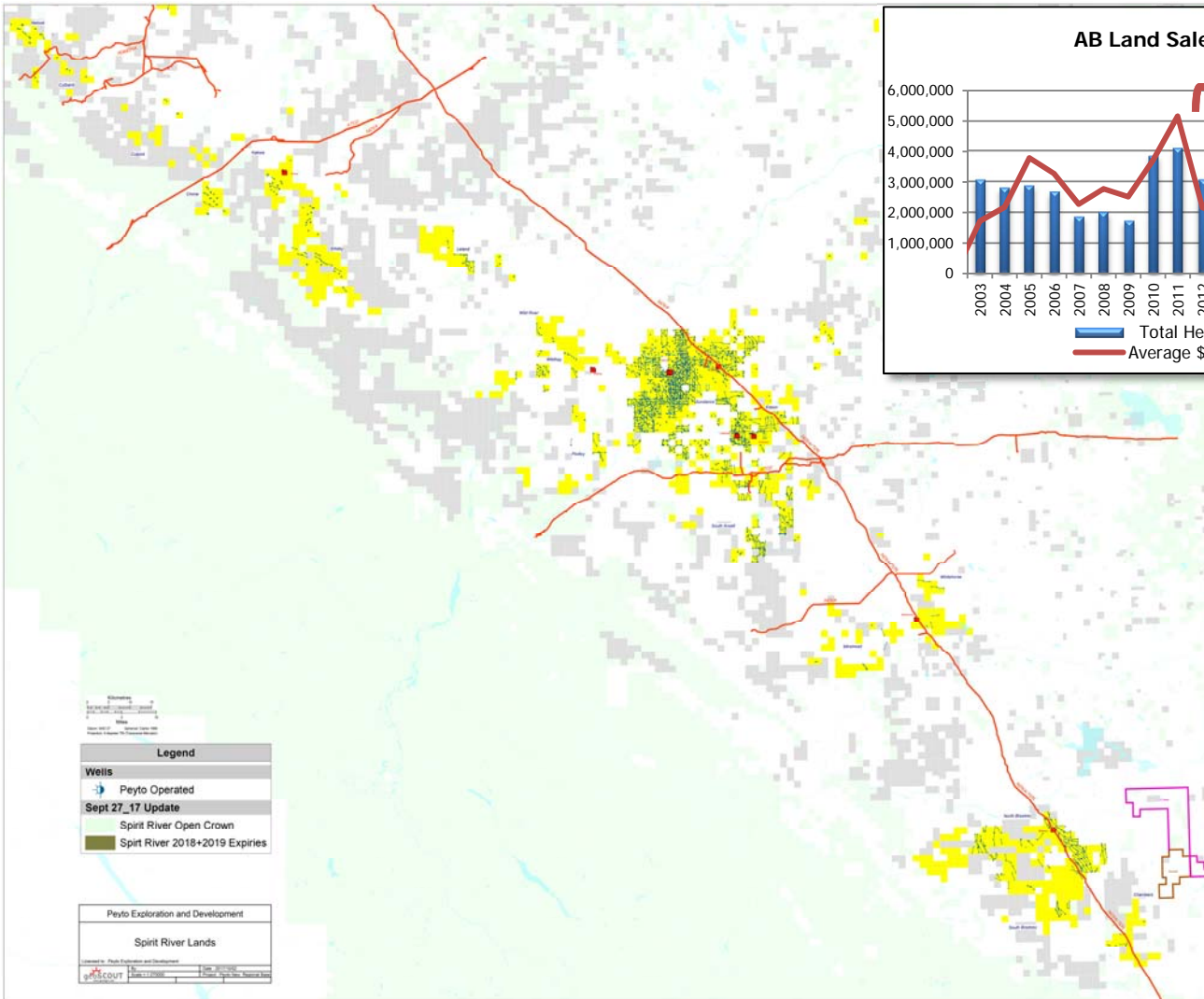
1. Drilling to Dec 31, 2016

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

Peyto's Assets

Spirit River Group Potential Land Expiries

"2010-12 were big land sale years in Alberta. Now, 6 yrs later those lands are potentially coming up for expiry. That translates into opportunity for Peyto."



Peyto's Assets

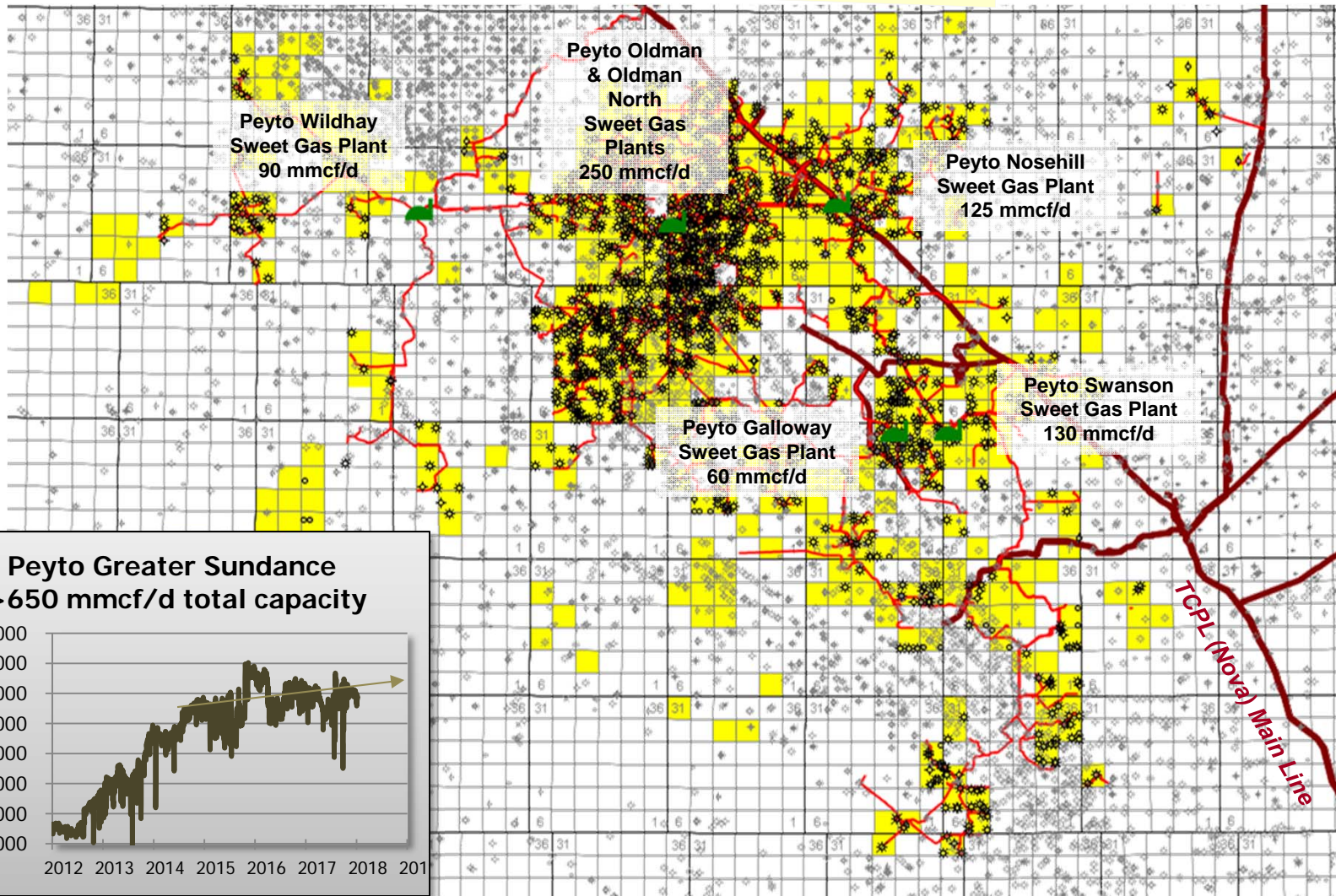
Greater Sundance Area

"The Greater Sundance Area continues to grow, much like a city with new subdivisions and infrastructure, with renewed interest in the Cardium."

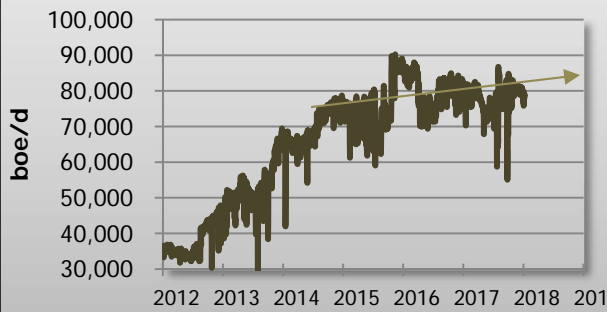
PEYTO



Exploration & Development Corp.



Peyto Greater Sundance
>650 mmcf/d total capacity



Peyto's Assets

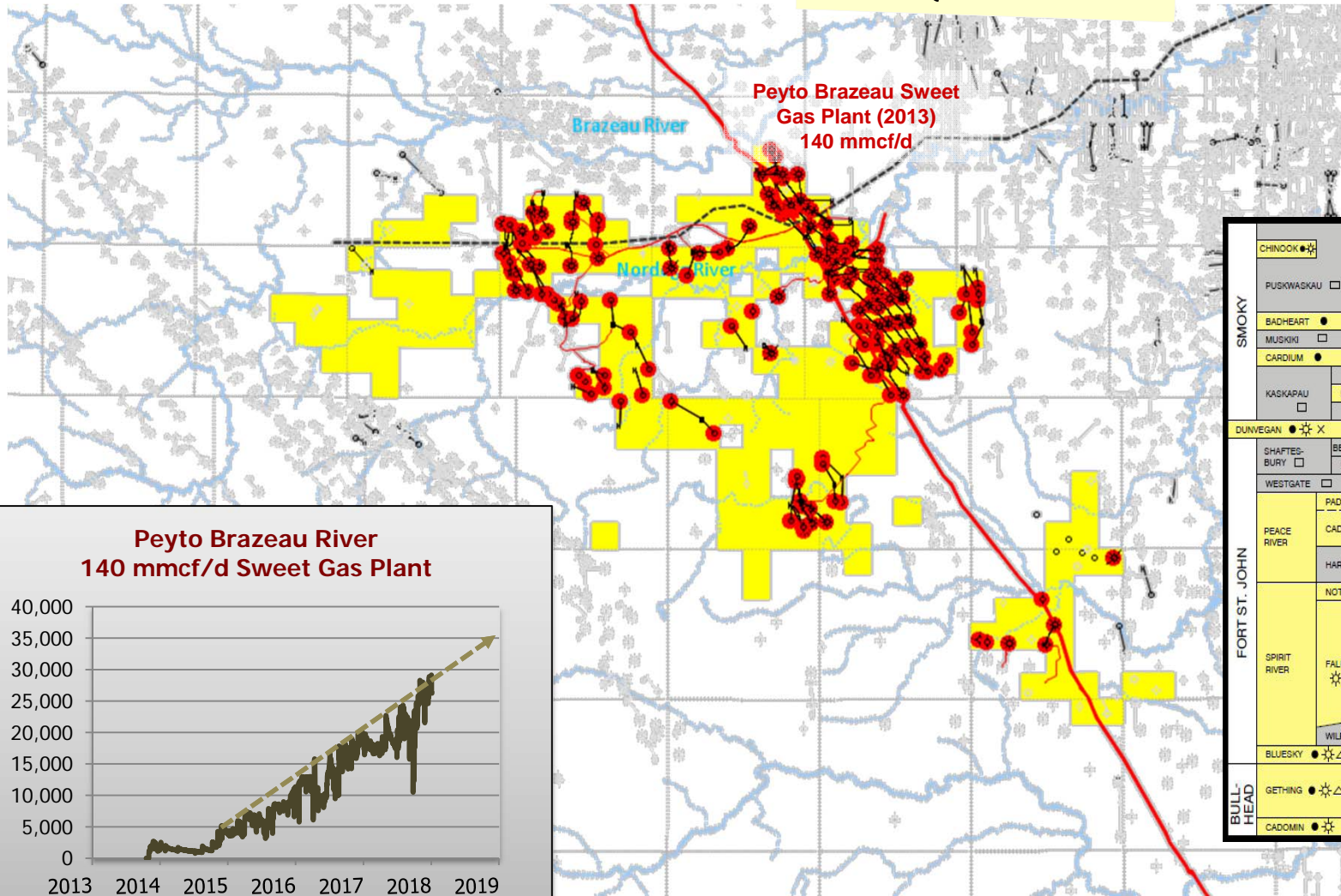
The Greater Brazeau River Area?

"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 ready to continue expanding."

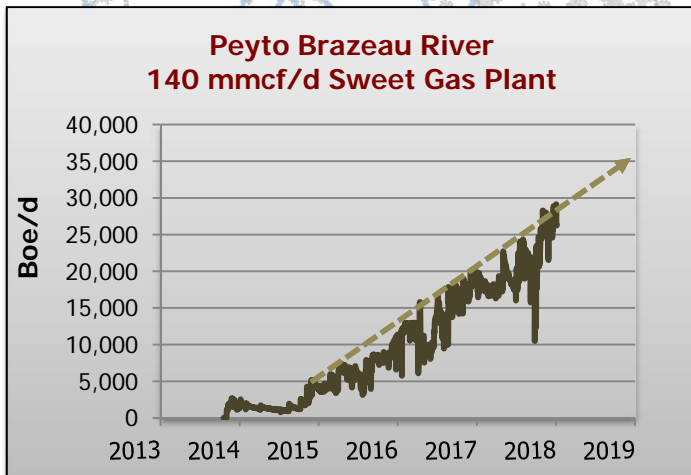
PEYTO



Energy & Development Corp.



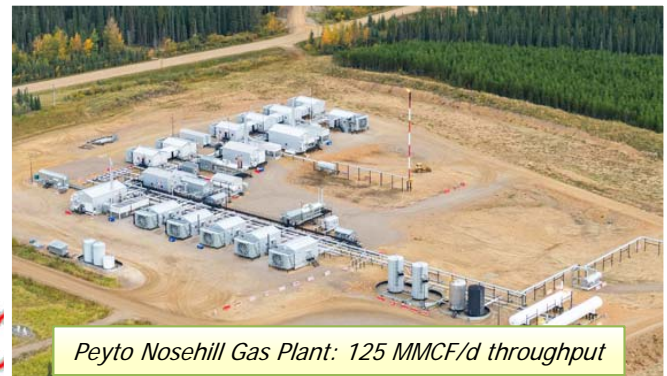
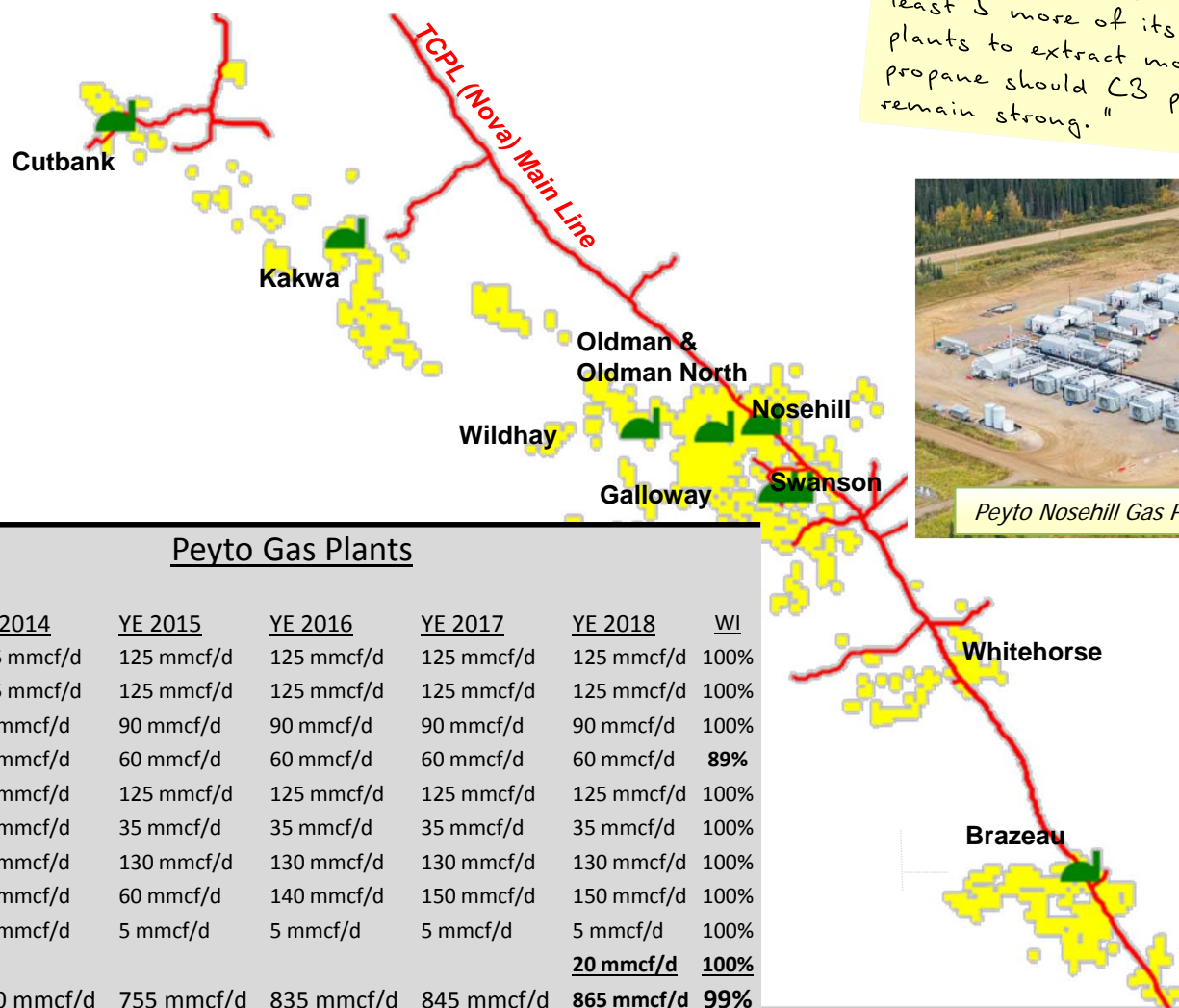
SMOKY	CHINOOK	<input checked="" type="checkbox"/>
	PUSKWASKAU	<input type="checkbox"/>
	BADHEART	<input checked="" type="checkbox"/>
	MUSKIKI	<input type="checkbox"/>
	CARDIUM	<input checked="" type="checkbox"/>
DUNVEGAN	KASKAPAU	<input type="checkbox"/>
	DOE CREEK	<input checked="" type="checkbox"/>
FORT ST. JOHN	POUCE COUPE	<input type="checkbox"/>
	SHAFTESBURY	<input type="checkbox"/>
	BELLE FOURCHE	<input type="checkbox"/>
	FISH SCALE	<input type="checkbox"/>
	WESTGATE	<input type="checkbox"/>
	PADDY	<input checked="" type="checkbox"/>
	PEACE RIVER	<input type="checkbox"/>
	CADOTTE	<input checked="" type="checkbox"/>
	HARMONY	<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

"2018 budget includes a new 20 mmcf/d gas plant at Whitehorse. Peyto has the option to install deep cut facilities in at least 5 more of its gas plants to extract more propane should C3 prices remain strong."



Peyto Gas Plants

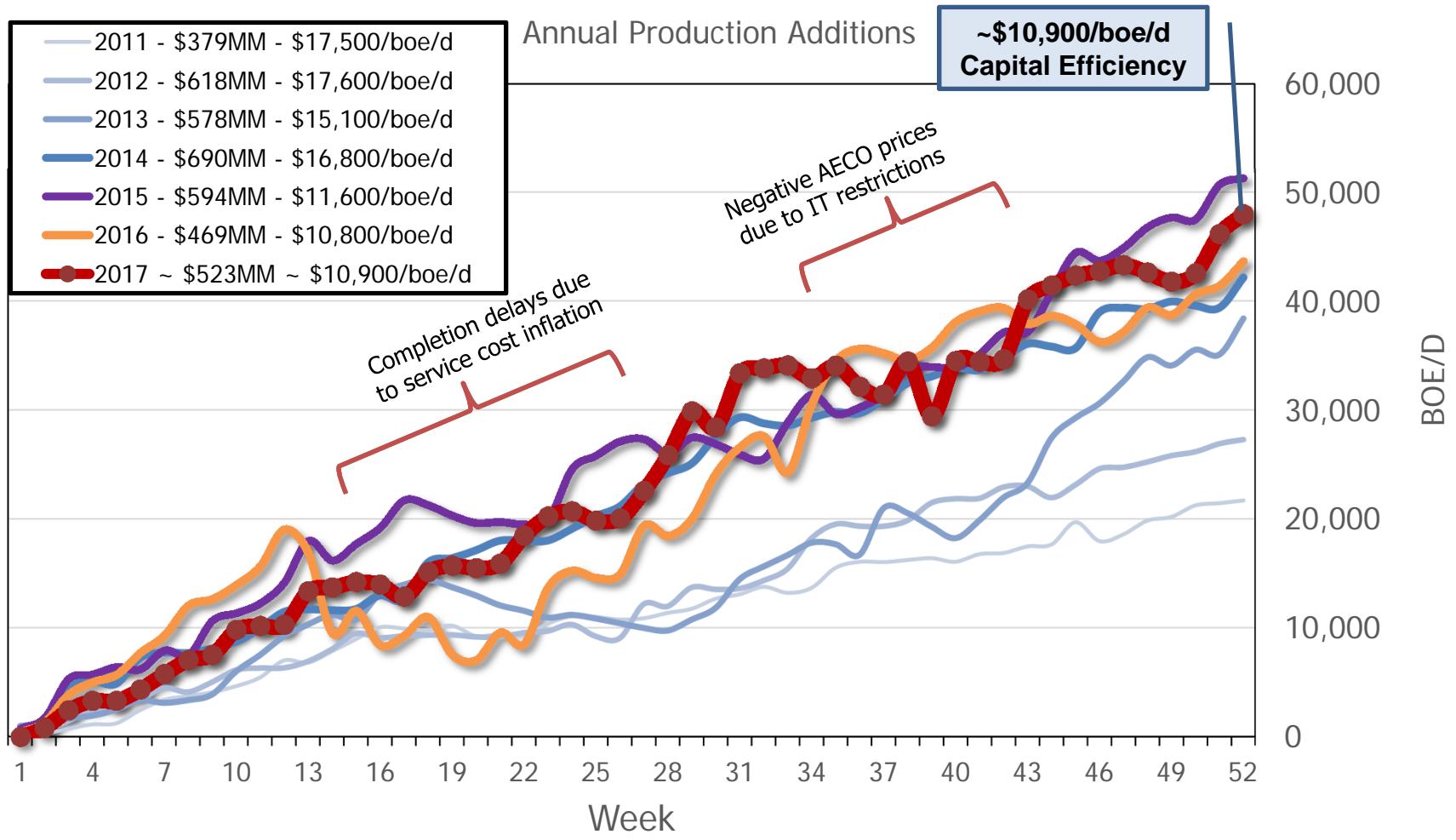
	<u>YE 2014</u>	<u>YE 2015</u>	<u>YE 2016</u>	<u>YE 2017</u>	<u>YE 2018</u>	<u>WI</u>
1 Oldman	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
2 Nosehill	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	125 mmcf/d	100%
3 Wildhay	90 mmcf/d	90 mmcf/d	90 mmcf/d	90 mmcf/d	90 mmcf/d	100%
4 Galloway	60 mmcf/d	60 mmcf/d	60 mmcf/d	60 mmcf/d	60 mmcf/d	89%
5 Oldman North	80 mmcf/d	125 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	35 mmcf/d	100%
7 Swanson	65 mmcf/d	130 mmcf/d	130 mmcf/d	130 mmcf/d	130 mmcf/d	100%
8 Brazeau West	40 mmcf/d	60 mmcf/d	140 mmcf/d	150 mmcf/d	150 mmcf/d	100%
9 Cutbank	10 mmcf/d	5 mmcf/d	5 mmcf/d	5 mmcf/d	5 mmcf/d	100%
10 Whitehorse					20 mmcf/d	100%
Total	630 mmcf/d	755 mmcf/d	835 mmcf/d	845 mmcf/d	865 mmcf/d	99%

Peyto's Future

Annual Production Additions

"Peyto has basically built a 50,000 boe/d company, through the drill bit, in 2017."

Corp.



Peyto's Incredible Returns

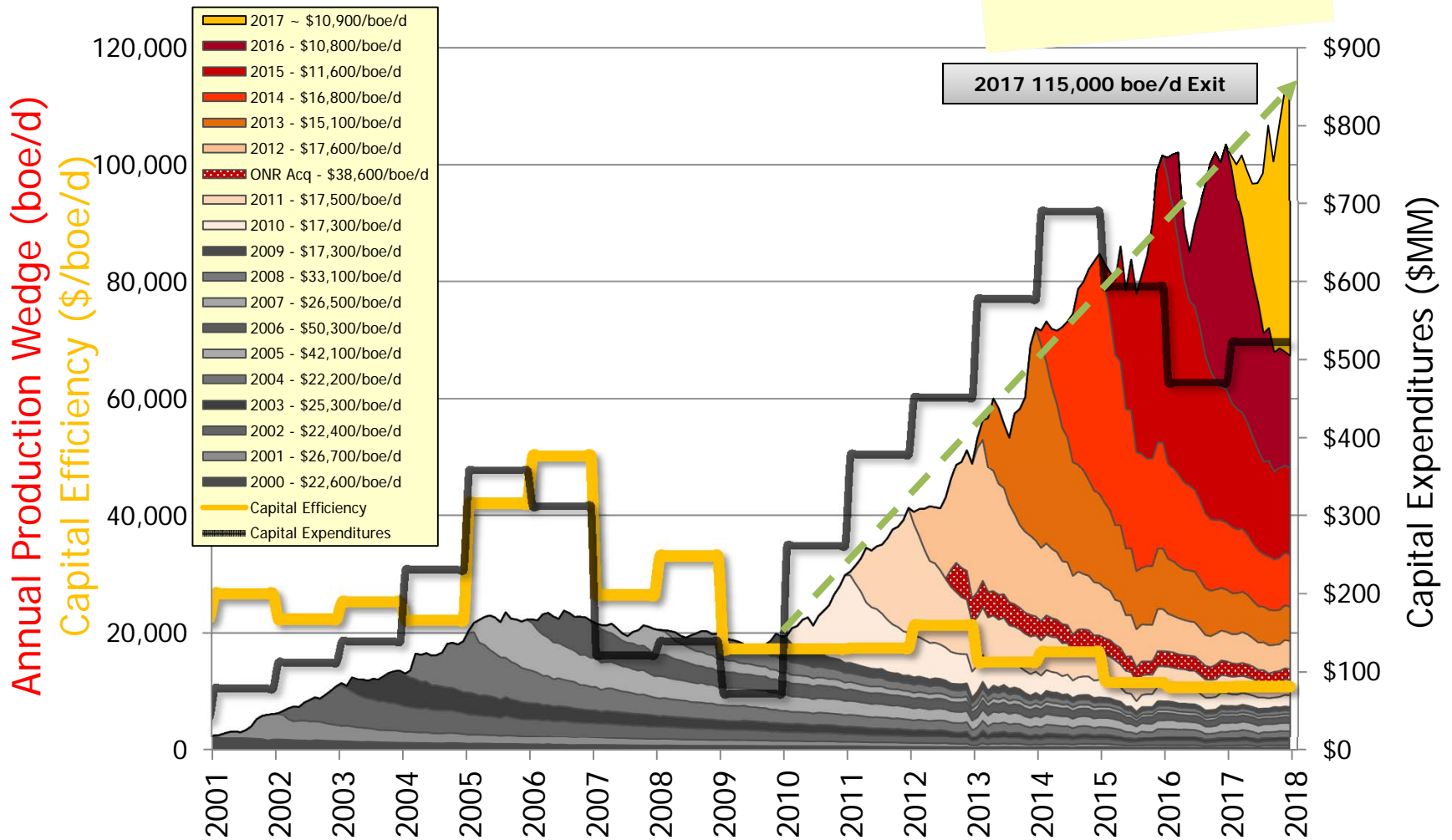


A.J. SIMMONS
PHOTOGRAPHY
ajsimmonsphoto.com

Peyto's Returns

Focus On Returns Drives Capital Discipline

"Rapidly growing capital programs and 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

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."



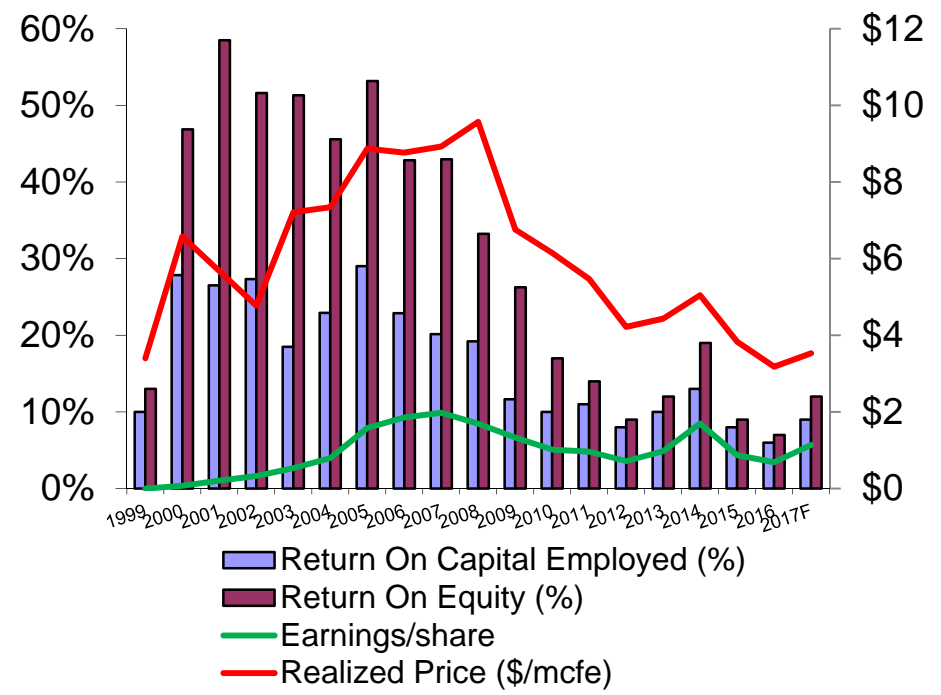
Development Corp.

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 Returns

Template Economics At Strip

"Even at the current AECO strip of \$1.32/GJ the economics are all positive but all improve significantly just by waiting a year. The Cardium with it's liquids is the best."

Species	IP MMcf	Avg. NGLs bbl/MM	EUR BCFE	D&C \$MM	IRR @ Jan 4 Strip	IRR @ Dec 7 Strip	IRR @ \$2.00 Flat	IRR @ \$2.50 Flat
Sundance Wilrich	5.3	10	2.6	2.8	4%	4%	6%	15%
Nosehill Wilrich	5.5	10	3.3	3.0	8%	9%	11%	20%
Ansell/Edson Wilrich	5.6	20	2.7	2.7	9%	10%	13%	23%
Sundance Notikewin	5.5	12	3.4	2.6	14%	17%	22%	37%
Ansell/Edson Notikewin	5.0	13	2.8	2.9	10%	13%	16%	29%
Sundance Falher	5.2	15	3.0	2.7	8%	10%	12%	22%
Sundance Cardium (new frac design)	2.3	45	3.0	2.6	23%	23%	29%	38%
South Brazeau Wilrich	5.6	6	3.0	3.1	4%	7%	9%	21%
Brazeau Notikewin (east and west combined)	7	19	3.9	3.2	12%	14%	17%	30%
Whitehorse Wilrich	6	22	3.8	2.8	19%	22%	26%	40%

\$500k is added to each well as a provision for 2018 Land, Seismic, Major Facilities and Pipelines.

Gas price fell, oil price rose. Same return.

Jan 4 Strip (\$60 WTI)
 2018 - \$1.32/GJ
 2019 - \$1.53/GJ
 2020 - \$1.68/GJ
 2021 - \$1.93/GJ
 2022 - \$2.11/GJ

Dec 7 Strip (\$56 WTI)
 2018 - \$1.52/GJ
 2019 - \$1.75/GJ
 2020 - \$1.98/GJ
 2021 - \$2.19/GJ
 2022 - \$2.31/GJ

Peyto's Future



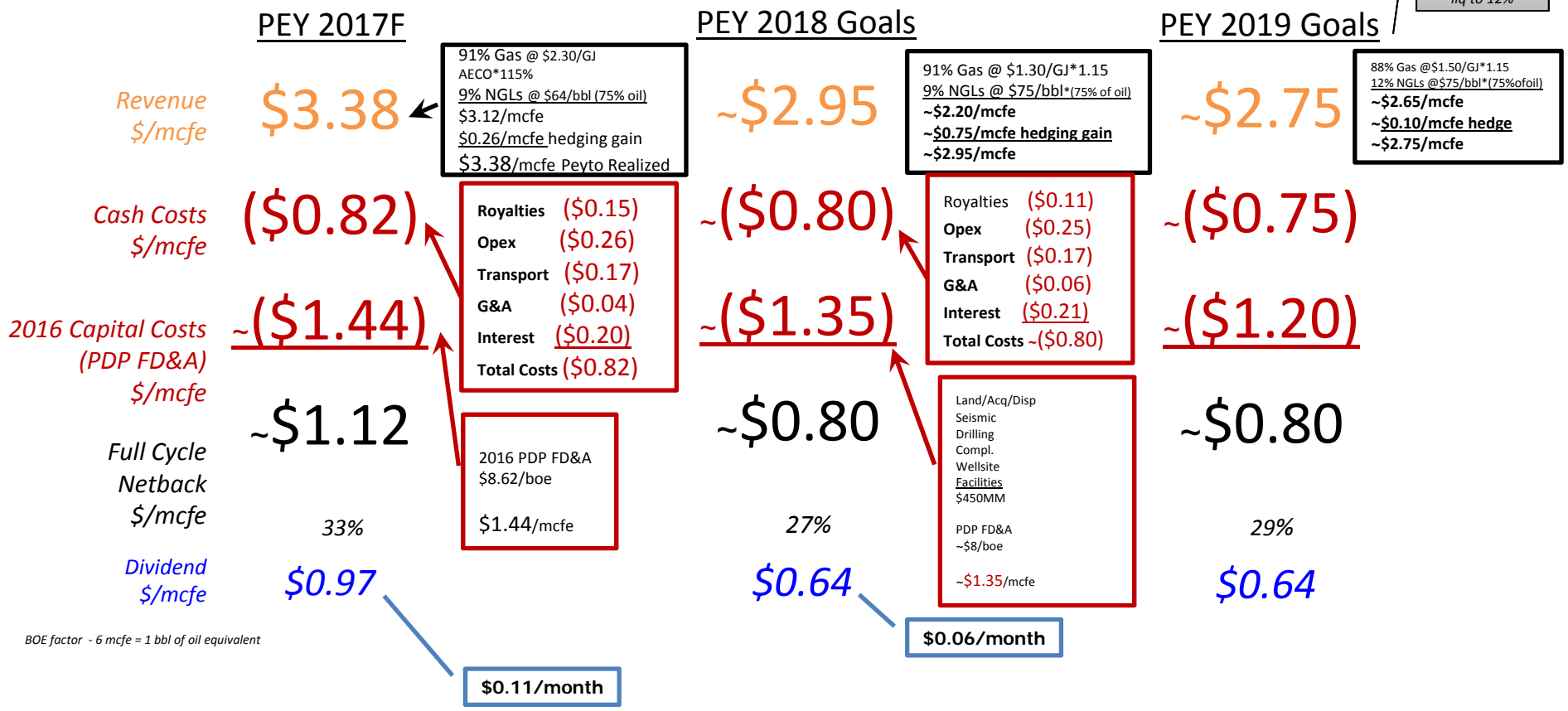
Peyto's Future

Take Action Now To Drive Costs Down

"We HAVE to drive down our costs further to protect against a prolonged low gas price. There are no guarantees it will ever go higher. Hope is not a strategy but cost control is."



40 bbl/mmcft new adds in 2018 increases liq to 12%



BOE factor - 6 mcfe = 1 bbl of oil equivalent

Peyto's Future

2018 Outlook

"2018 will be a flexible year depending on the natural gas price outlook and seasonal dynamics regarding summer prices."

PEYTO



Exploration & Development Corp.

\$200M-
\$250M

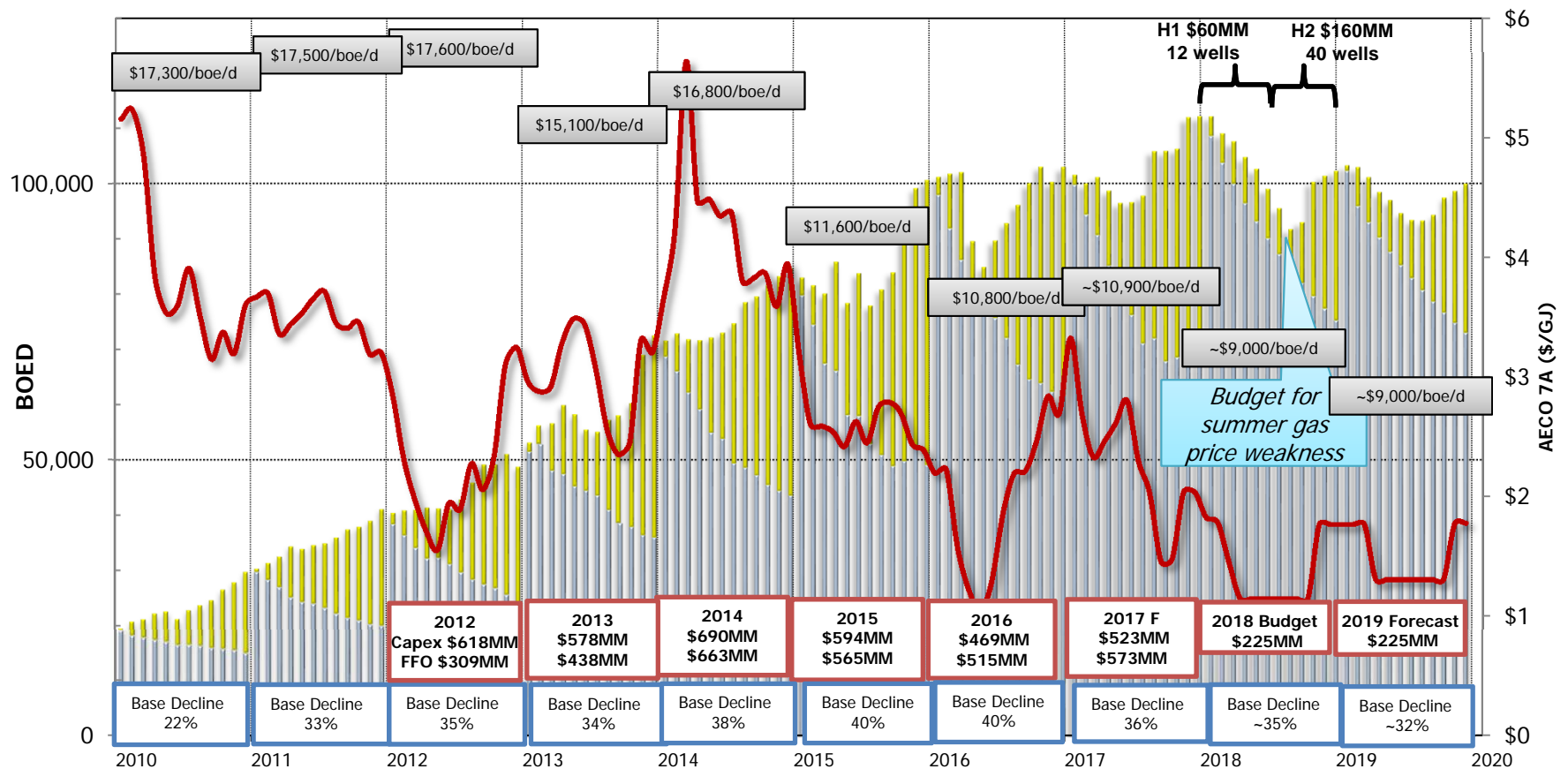
2018 Capital Program

- ✓ **Drill ~50-60Hz Wells**
(Liquids Rich Natural Gas) vs 143 in 2017
- ✓ **Expand & Extract**
Increase Processing Capacity & NGL Yield
- ✓ **Increase**
Undeveloped Land Base
- ✓ **Shoot**
Seismic
- ✓ **Acquire**
Additional Opportunities and Partner Interests

Peyto's Future

Drive Down Supply Cost Before Returning to Growth

"With such a depressed AECO strip for summer of 2018, no point in exposing any unhedged volumes. Reserves are worth more to wait and produce later at a higher price and better cost."



* 2018 and beyond provided for illustration only. Budgets and forecasts beyond 2018 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.

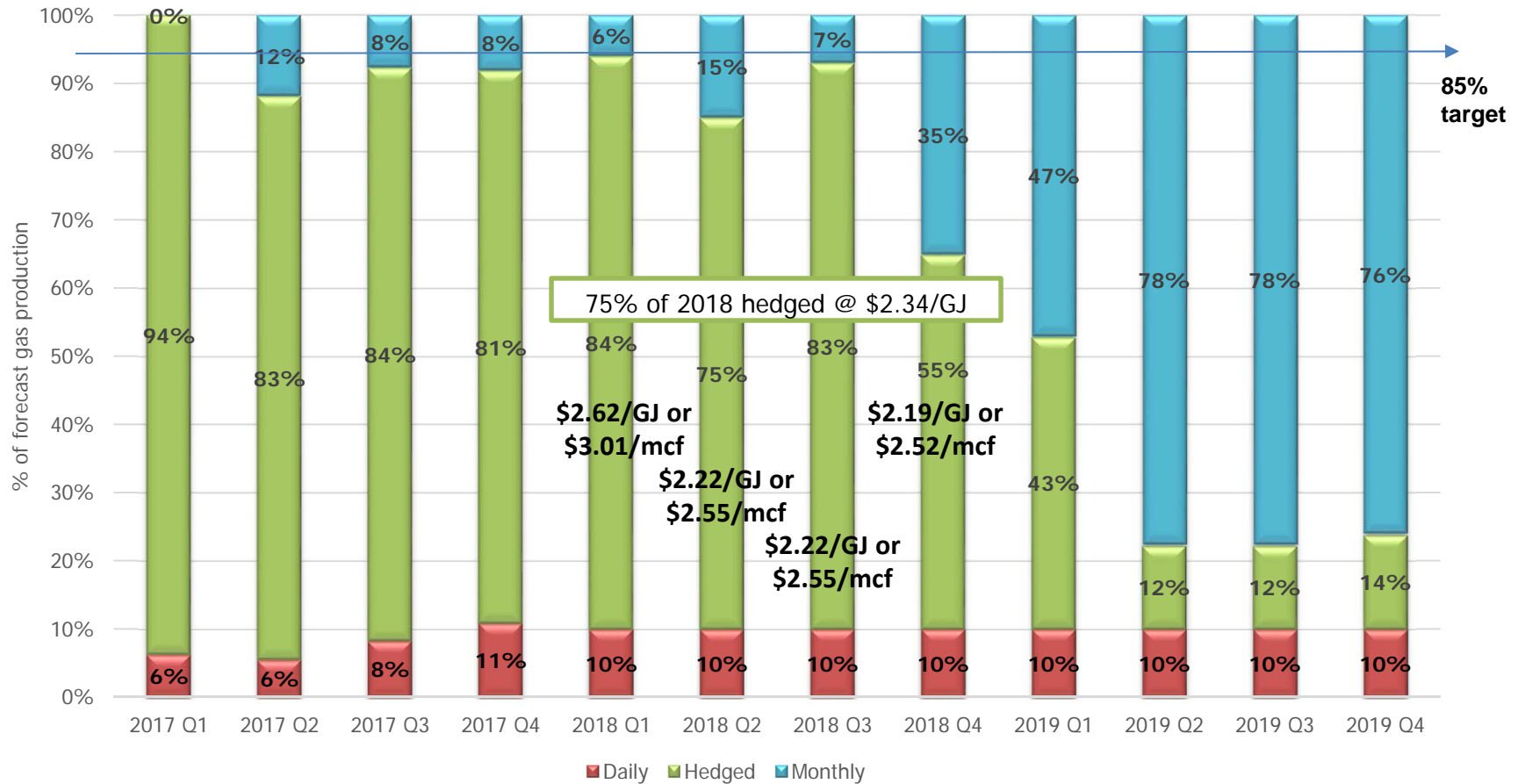
Peyto's Future

Limited Exposure to AECO Daily (5A)

"Between hedges and liquid revenue, almost 90% of Peyto's revenue in 2018 is detached from AECO spot prices."



Peyto AECO Gas Marketing Portfolio



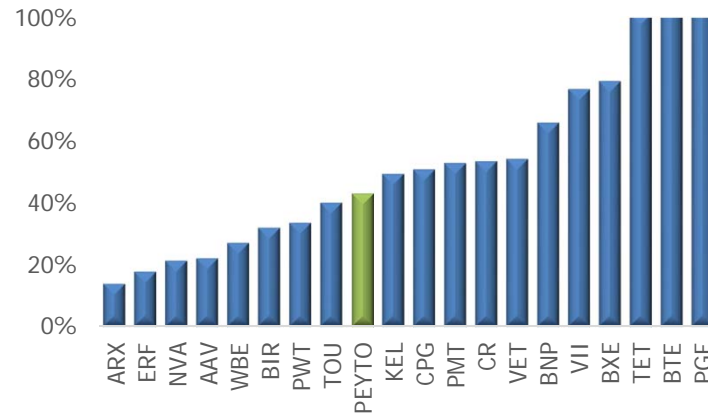
Peyto's Future

Careful Use Of Debt For Leveraged Returns

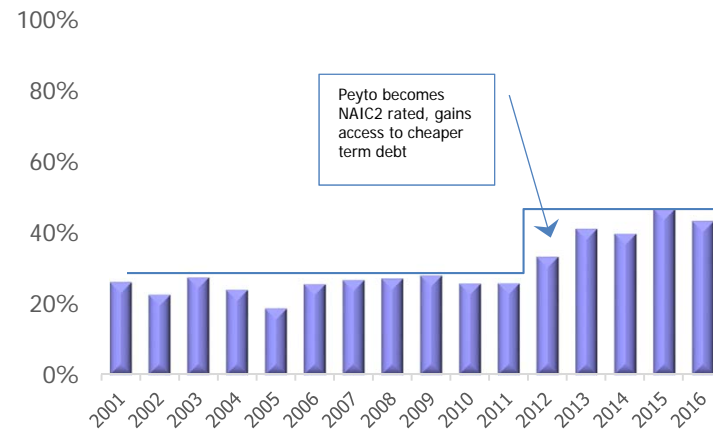
"Peyto has always been conservative with leverage, only recently using a bit more because long term debt is cheap." Corp.

43%
Debt/PDP NPV₁₀

2016 Net Debt/PDP NPV₁₀



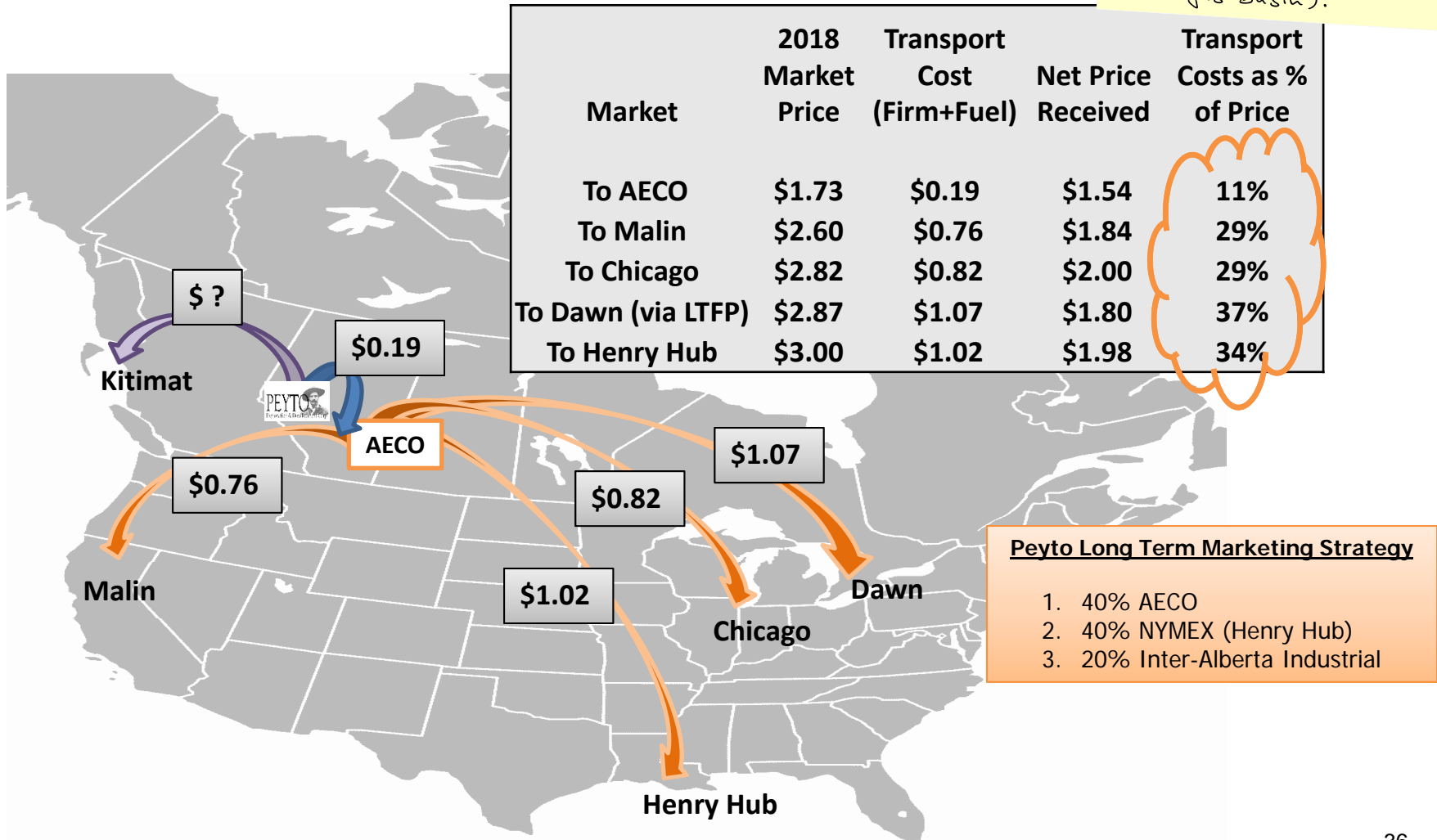
Peyto Net Debt/PDP NPV₁₀



Peyto's Future

Canada Has Role To Play But Transport Costs Key

"The cost of transport to various markets in the US is disproportionate to the value of the commodity. WCSB needs more export markets and pipelines (but really, so does every other gas basin)."



All prices in \$US/MMBTU as at Oct 27, 2017
 Source: TD, TCPL, BMO

Appendix



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

Quarterly Track Record



	2017			2016					2015				
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Operations													
Production													
Oil & NGLs (bbl/d)	8,958	8,319	9,586	7,457	8,938	7,247	6,621	7,008	6,643	6,943	5,352	6,843	7,456
Natural gas (mcf/d)	557,958	535,274	549,037	537,111	556,975	534,710	489,337	567,230	474,182	540,512	455,137	455,443	444,794
Barrels of oil equivalent (boe/d)	101,951	97,531	101,092	96,975	101,767	96,365	88,177	101,546	85,673	97,028	81,208	82,750	81,588
Year over Year % Growth	6%	11%	0%	13%	5%	19%	7%	24%	12%	17%	5%	14%	13%
Average Product Prices													
Oil & NGLs (\$/bbl)	45.92	48.33	48.14	40.30	45.09	39.76	41.46	33.60	40.40	39.88	41.69	43.54	37.03
Natural gas (\$/mcf)	2.81	2.92	2.96	2.89	2.98	2.88	2.60	3.06	3.58	3.34	3.57	3.50	3.97
Operating expenses (\$/mcf)	0.43	0.42	0.46	0.41	0.42	0.41	0.43	0.39	0.45	0.41	0.44	0.46	0.47
Field Netback (\$/mcf)	2.72	2.77	2.79	2.64	2.78	2.63	2.39	2.72	3.24	3.04	3.21	3.22	3.52
Financial (\$000)													
Revenue (net of royalties)	177,061	169,911	177,214	650,058	179,862	161,813	136,017	172,366	690,817	184,943	163,727	166,327	175,820
Funds from Operations ¹	139,257	133,487	139,305	514,593	144,593	127,915	102,178	139,907	565,473	151,123	134,513	135,195	144,643
Net earnings (loss)	44,818	39,957	40,255	111,729	37,870	22,814	9,102	41,943	137,561	43,406	37,347	12,295	44,513
Capital expenditures	135,187	97,738	153,874	469,375	129,407	113,571	50,634	175,763	593,780	162,442	176,618	116,643	138,077
Net Debt ²	1,286,268	1,218,879	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
Common shares outstanding (000)	164,849	164,874	164,874	164,777	164,777	164,630	164,630	159,240	159,107	159,107	158,958	158,985	153,921
Weighted average shares	164,874	164,874	164,801	162,574	164,630	164,630	161,846	159,143	157,492	158,958	158,958	158,118	153,853
Per share data (\$/share)													
Funds from operations	0.85	0.81	0.85	3.17	0.88	0.78	0.63	0.88	3.59	0.95	0.85	0.86	0.94
Earnings (loss)	0.27	0.24	0.24	0.69	0.23	0.14	0.06	0.26	0.87	0.27	0.23	0.08	0.29
Dividends (Distributions)	0.33	0.33	0.33	1.32	0.33	0.33	0.33	0.33	1.32	0.33	0.33	0.33	0.33

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.

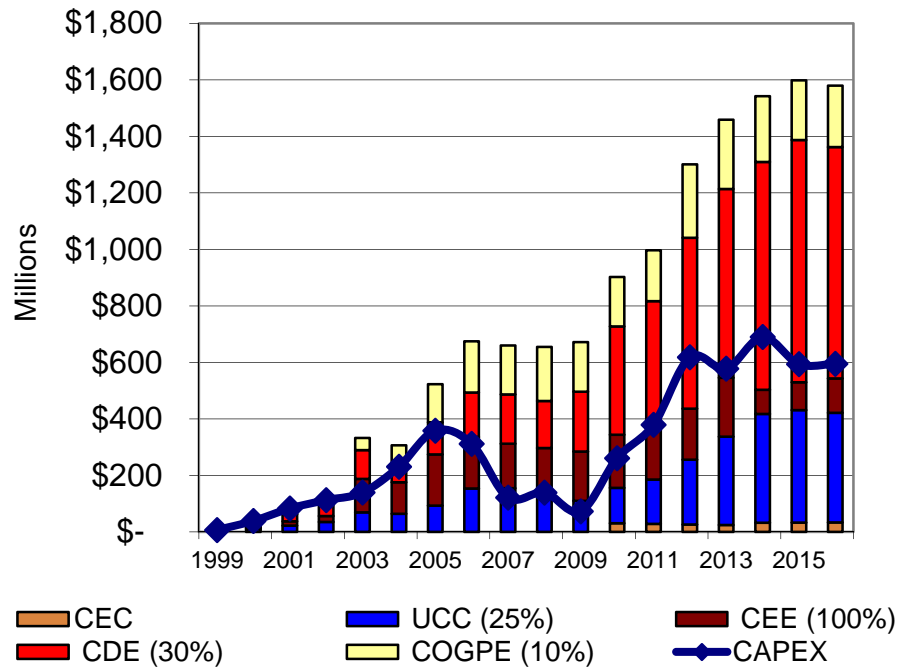
Organic Business Model

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

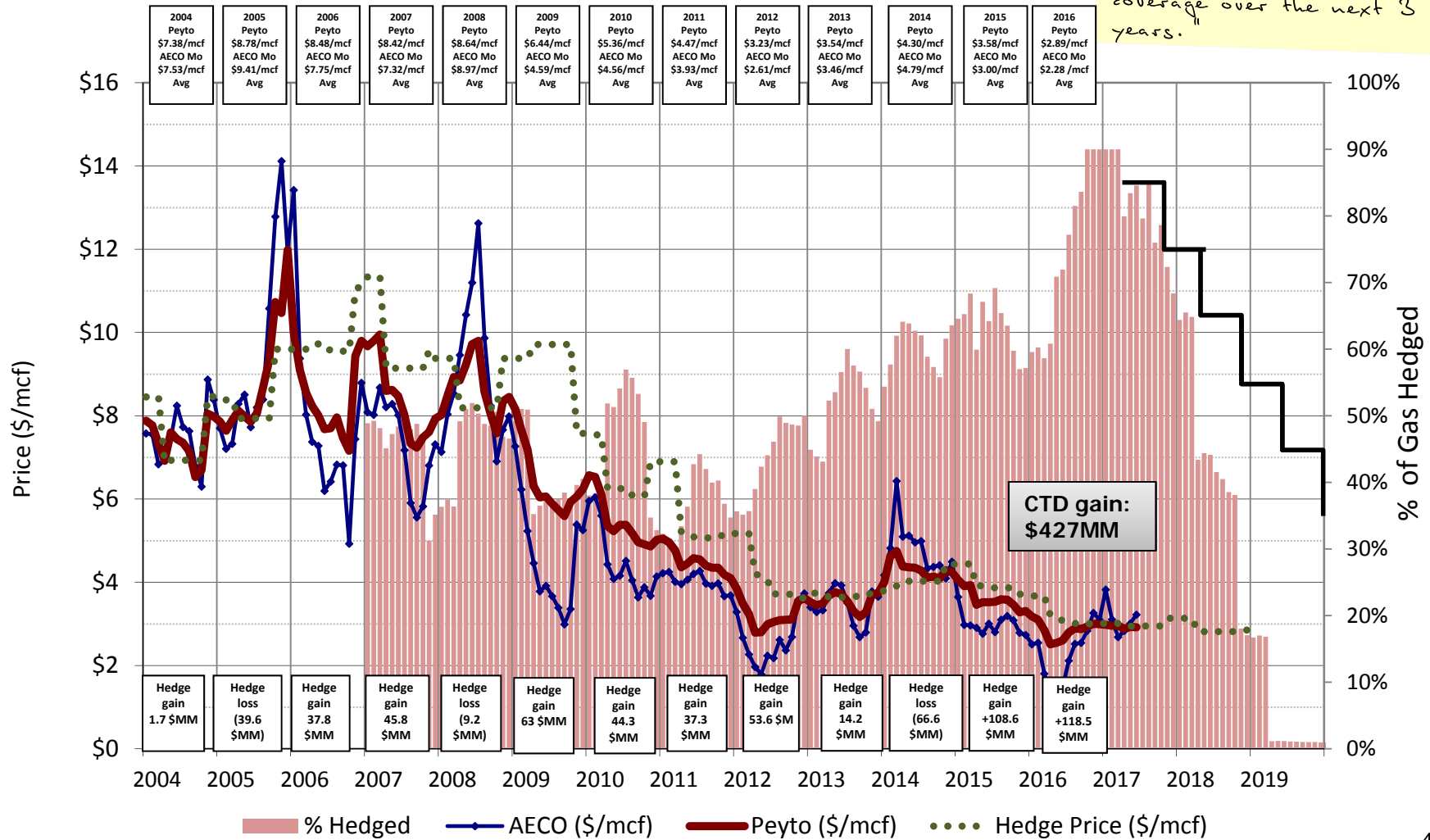
\$5.2B

Peyto CTD. CapEx
Q4/16

Gas Marketing

Successful Hedging Strategy Smooths Volatility

"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."



CTD gain: \$427MM