



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

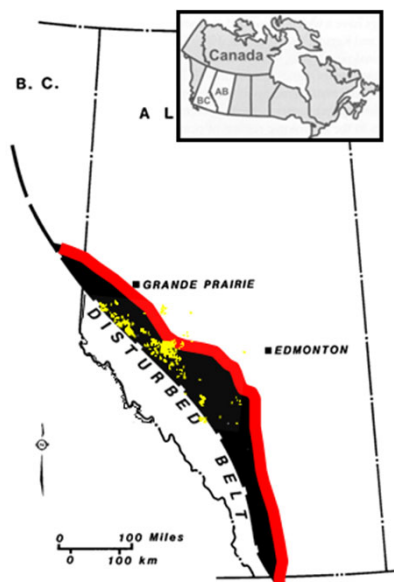
Original gas in place includes both discovered and undiscovered resources, and there is no certainty that any portion of the undiscovered resources will be discovered and, if discovered, that any volumes will be economically viable or technically feasible to recover or produce. Original gas in place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

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Who We Are



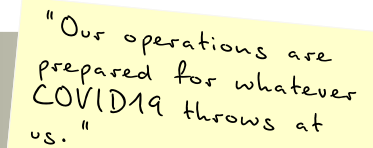
- ☀ Pure Play Alberta Deep Basin - *~405 mmcf/d Gas, 11,000 bbl/d NGLs*
- ☀ Returns Focused Strategy - *Avg ROCE 15%, ROE 28% over last 21 yrs, among highest in the industry*
- ☀ Long Reserve Life Asset - *YE 2019: 9 yrs PDP, 29 yrs 2P, sweet gas, no mobile water risk*
- ☀ Lowest Cost Producer - *\$.95/mcfe (\$5.69/boe) 2019 total cash costs**
- ☀ Own and Control – *Operate 99% of production, Own/operate 9 gas plants with 850 mmcf/d processing capacity*

Quarterly Dividend:	\$0.01/share (CTD YE19 \$19.25/share)
Shares O/S:	164.9 million (3% insider ownership)
Q2/20 Net Debt:	\$415 million (senior secured notes, 3.7-4.9% <u>CND</u>)
	<u>\$758 million</u> (\$0.95B secured bank facility)
	\$1.173B (\$1.365B total capacity)
Enterprise Value:	\$1.7 billion (\$3.00/share)
Full Time Employees:	51

*Cash costs are royalties, operating costs, transportation, G&A and interest
 BOE factor - 6 mcf = 1 bbl of oil equivalent

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COVID19 Preparedness



"Our operations are prepared for whatever COVID19 throws at us."

Corp.

1. Office Preparations

- All staff set up with remote desktop working capabilities (multiple communication tools: email, text, phone, conference, Webex, etc)
- Small, tight knit office staff with 51 full time employees, 12 consultants
- Flat organizational structure, self motivated, senior staff
- Tested protocols during 2013 Calgary floods

2. Field Preparations

- Already prepared for supply chain disruption with stockpiled materials (methanol, lube oil, glycol, air filters, spark plugs, etc.)
- Part of Energy Mutual Aid Co-Operative (EMAC) for last 10 yrs. O&G operators, local & prov. govt agencies, mutual aid during emergency situations, multiple ERPs in place, field "community" works together
- Full remote control and monitoring capability with SCADA, IT and Automation systems
- Operator Working Alone Policy well established and in place for many years

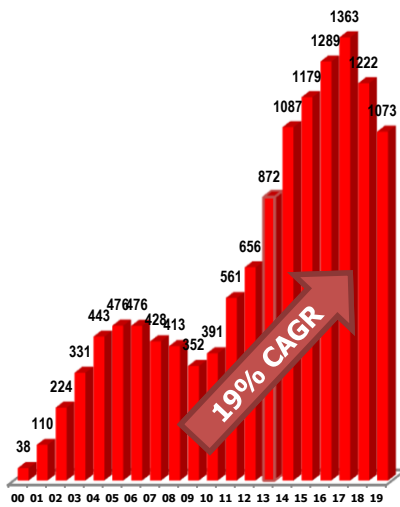
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20 Year Growth Per Share

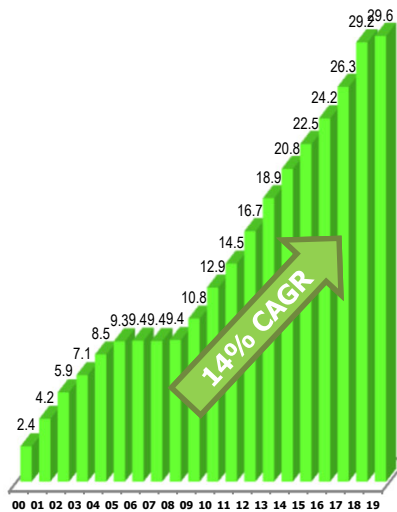
"Over time, the Peyto model is designed to deliver a superior total return with growth in value, income and assets."



Production/share (MMcfe/d/mm sh)



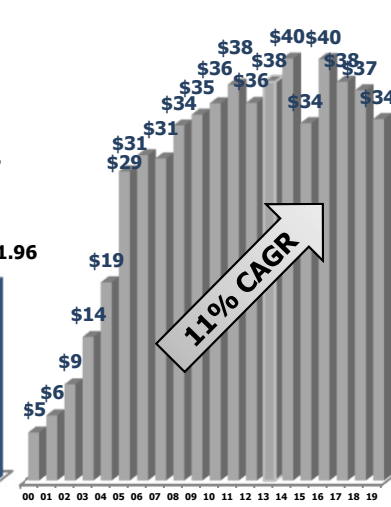
Reserves/share (2P Bcfe/mm sh)



FFO/share (\$/sh)



2P (NPV₅-debt)/share (\$/sh)



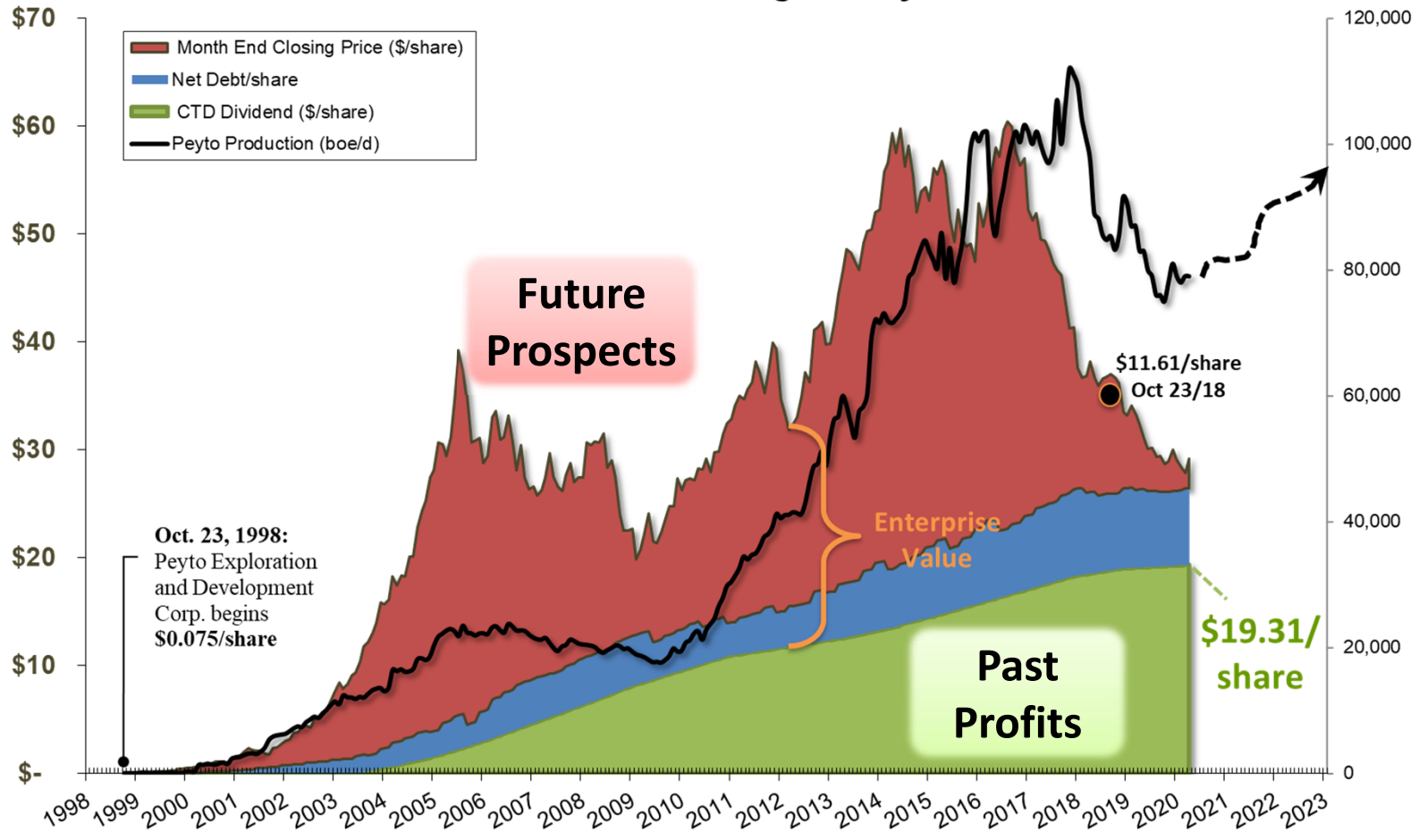
Historical Per Unit (share) and Units (shares) Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
BOE factor - 6 mcf = 1 bbl of oil equivalent

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Total Shareholder Return Model

"Our track record of success is defined by our past profits. Our plan is to continue this trend, despite how the market currently values our future prospects."

Peyto Exploration and Development Corp. 21 Year Trading History



BOE factor - 6 mcf = 1 bbl of oil equivalent

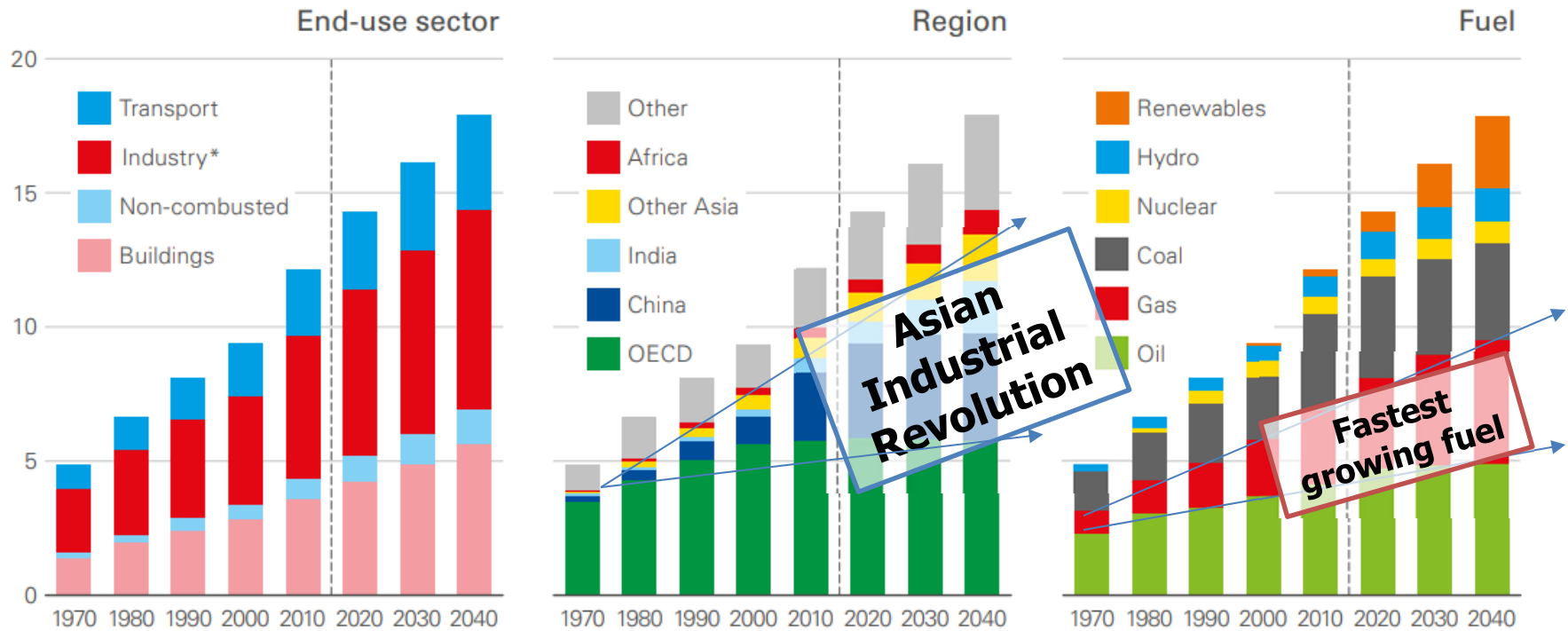
The Big Picture

They Want More Energy – We Won't Change That

"Nothing Canada does can change the demand for energy. We can, however, be part of the solution when it comes to responsible supply."

Primary energy demand

Billion toe



*Industry excludes non-combusted use of fuels

The Big Picture

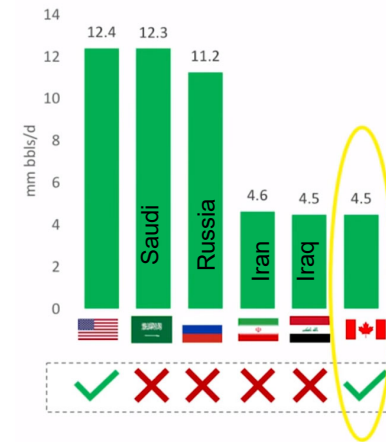
The World Needs More Canadian Energy

"Canada is the logical supplier of choice for the world's energy needs. But we will have to fight for market share and the right to provide that energy to the world."

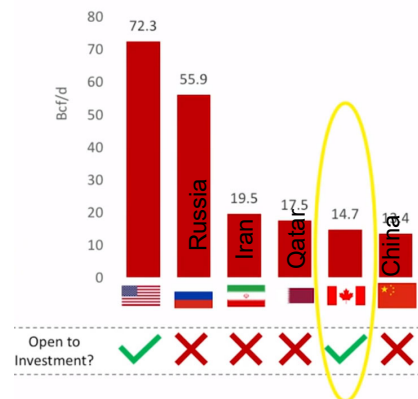
- ✓ Environmental Regulations
- ✓ Worker Safety
- ✓ Human Rights
- ✓ Ethical Standards
- ✓ Gender Equality
- ✓ Indigenous Consultation

✓ **CANADA**

Top Global Oil & NGL Producers - 2016



Top Global Gas Producers - 2016

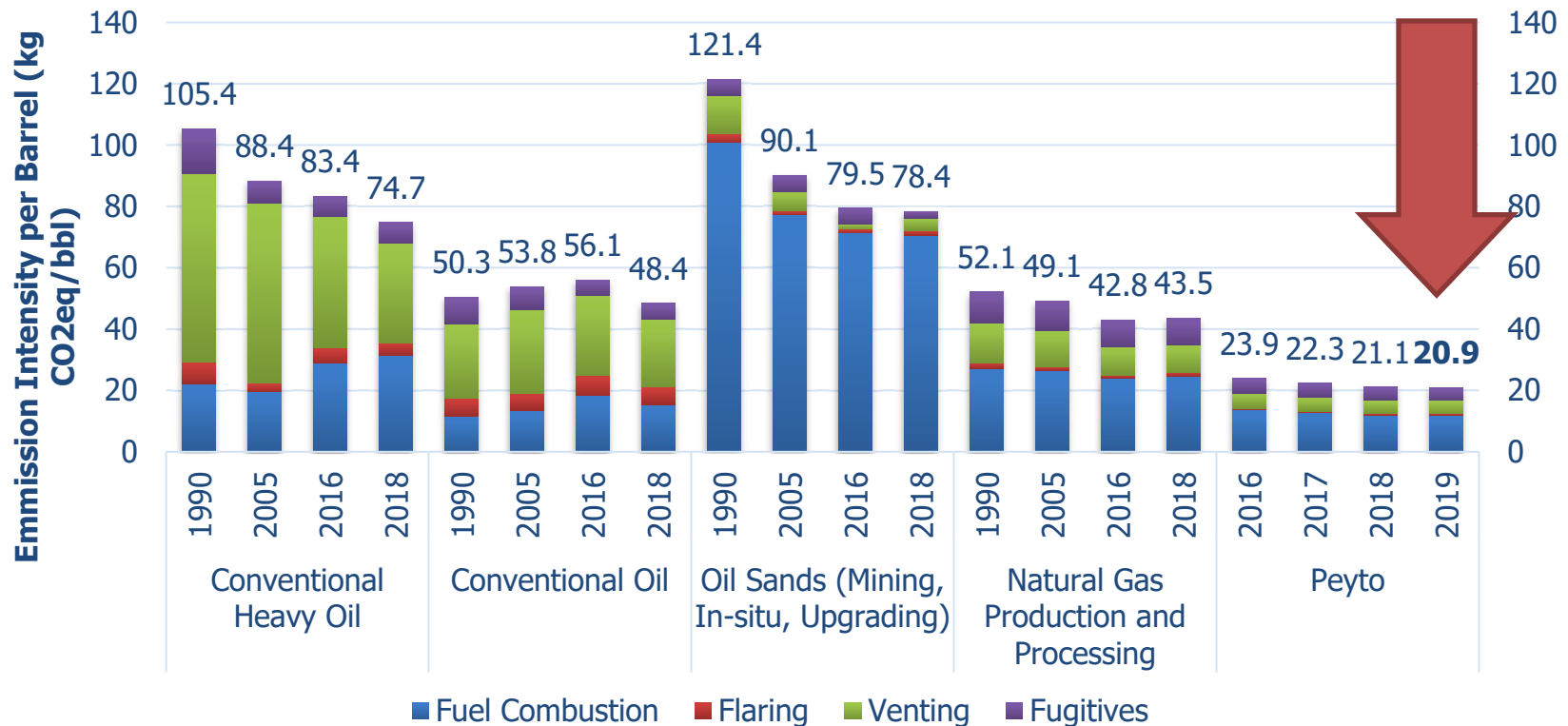


The Big Picture

Continuously Improving – Peyto Leading the Way

"Peyto provides energy for the world for far less environmental impact than even the rest of the Canadian Energy Industry."

Emission Intensity by Source Type for Canadian Oil and Gas (1990, 2005, 2016)



Notes:

Intensities are based on total subsector emissions and relevant production amounts. They represent overall averages, not facility intensities.

*Calculated on a barrel of oil equivalent (boe) basis by converting production volumes to energy basis and then dividing by energy content of light crude oil.

1 barrel (bbl) = 0.159 m3

Production data from Statistics Canada 1991-2017 and AER (2017)

*Original chart can be found at: <https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/emissions-inventories-reporting/nir-executive-summary/National%20Inventory%20Report%20Executive%20Summary%202018.pdf>

The Big Picture

Continuously Improving Environmental Performance

"We are continuously improving our environmental performance, lowering emissions every year!"

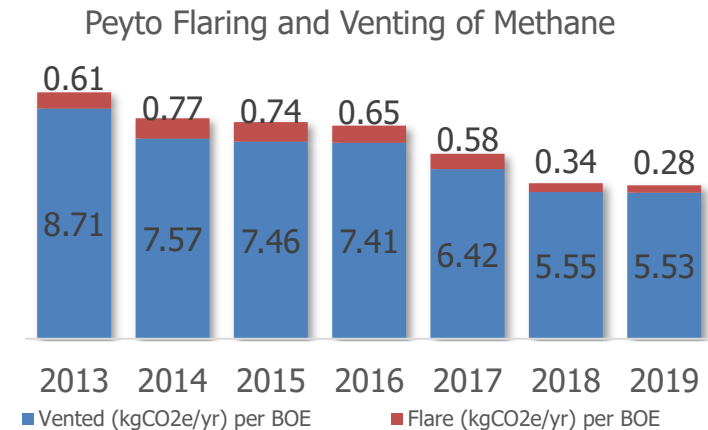
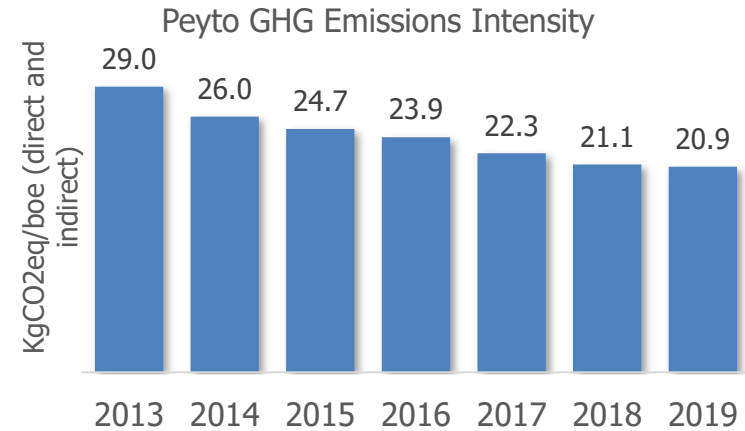
Corp.

-28%

in GHG Emissions Intensity*

-38%

In Flared/Vented Methane*



*Peyto strives to maintain an accurate GHG emissions inventory from its operations. As such, we go above and beyond currently mandated quantification requirements of vented methane emissions. This proactive approach will facilitate us in mitigating variations in our GHG inventory when the AER implements updated D60 and D17 regulations. For comparative purposes, Peyto's total emissions and emissions intensity will be greater than other industry participants who are currently only reporting mandated quantification requirements. Historical emissions may change in future publications as new data becomes available and our greenhouse gas inventory is refined.

The Big Picture

So What Does All This Mean?

"We must fight to
be a part of the
solution!"

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Exploration & Development Corp.



- ✓ ***Canada has energy abundance.***
- ✓ ***Canada has a moral obligation to provide the rest of the world with our clean, responsibly developed energy to improve lives and preserve the environment.***
- ✓ ***Peyto can continue to be an industry leader by providing this energy more efficiently.***

The Peyto Strategy



Peyto's Strategy

What We Continue To 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."

PEYTO



Exploration & Development Corp.

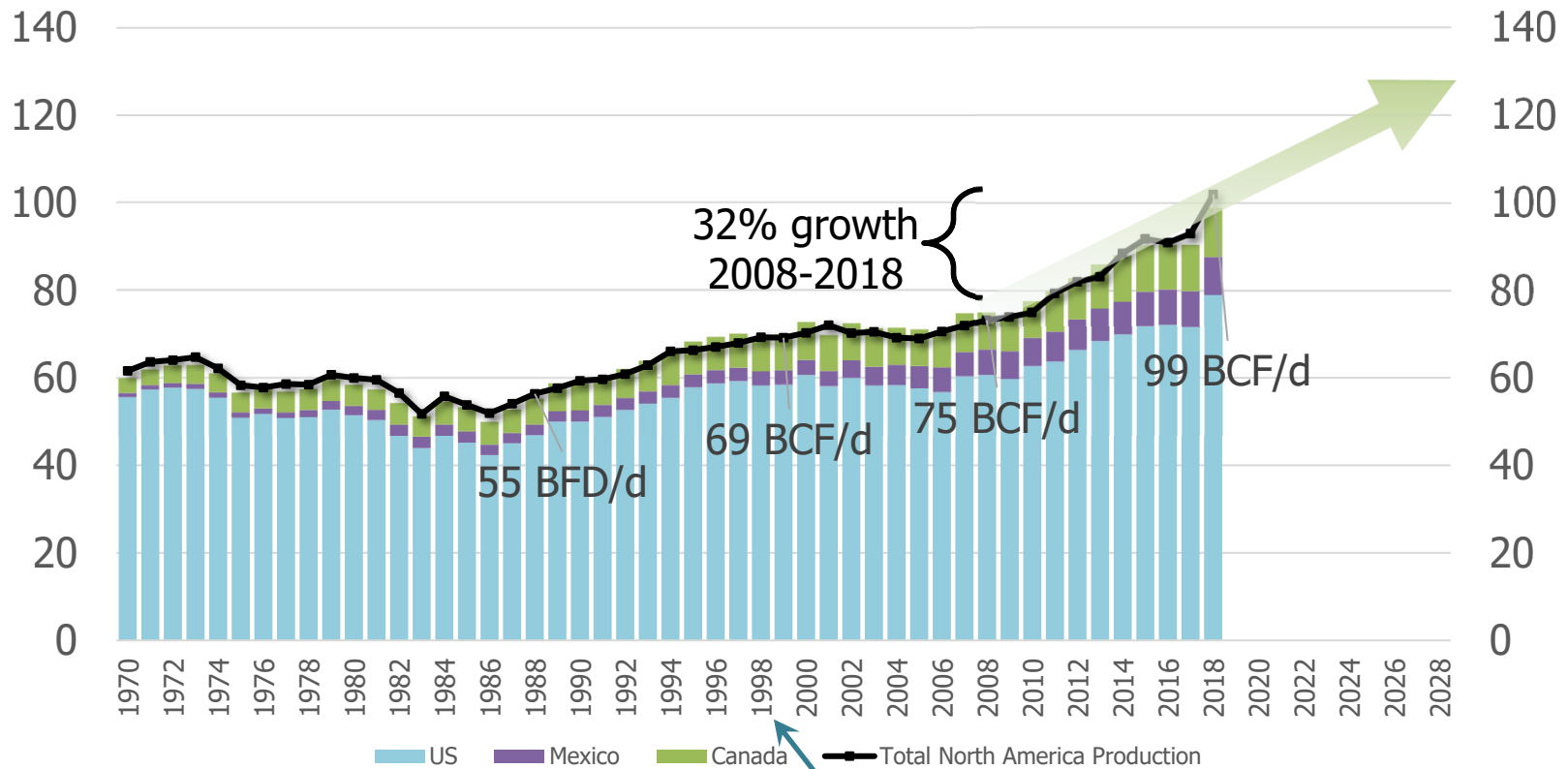
- * ***“Nature’s gas is the fuel for the future.”***
- * ***“Our gas and NGLs have some of the lowest emissions of any hydrocarbons produced in Canada.”***
- * ***“Our business focus is to maximize the return on invested capital – your capital.”***
- * ***“By maintaining low cash costs over the entire production life it ensures returns are maximized regardless of commodity price volatility.”***

Peyto's Strategy

Growing North American Gas Market

"It is likely, over the next decade, North American natural gas consumption will be up another 30 BCF/d. That's another Marcellus or two Canadas!"

North America Gas Consumption (BCF/d)
 (BP Statistical Review of World Energy 2019)

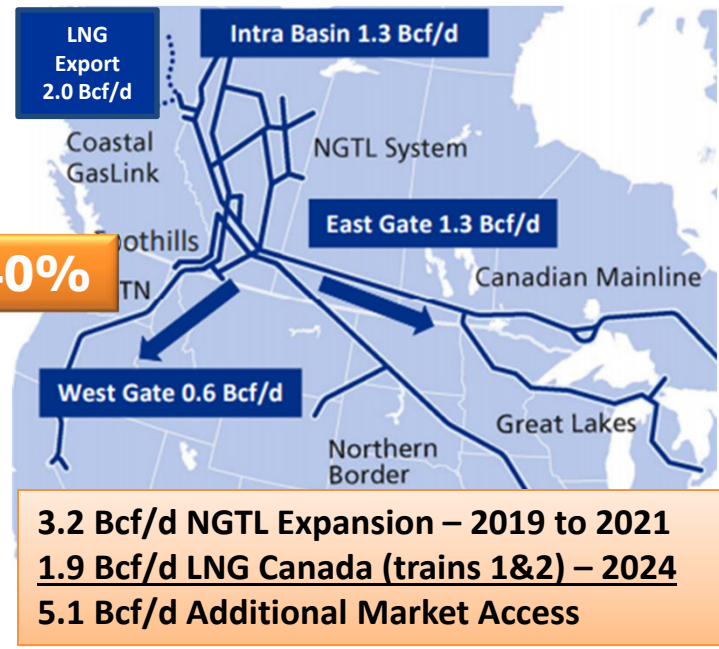
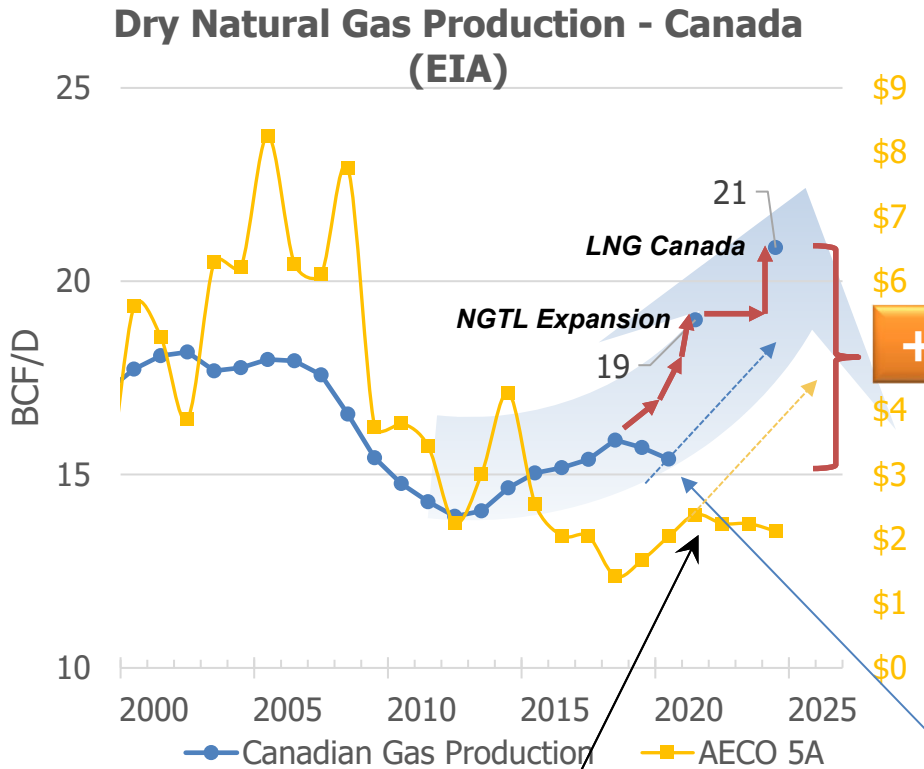


Peyto started

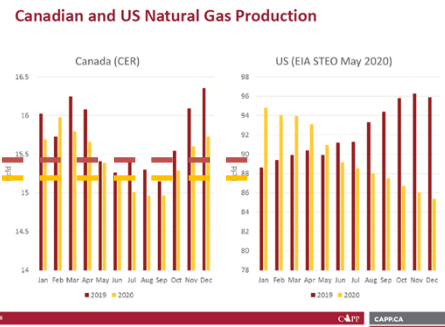
Peyto's Strategy

Canadian Gas Egress Is Expanding

"Canada's has already begun to play its part in supplying that growing consumption with infrastructure expansion but no volumes yet."



Are forecast gas prices of \$2/GJ enough to encourage the 4-6 BCF/d of growth we'll need, especially with \$35 oil?



The Peyto Strategy

Fund Growth From Cashflow

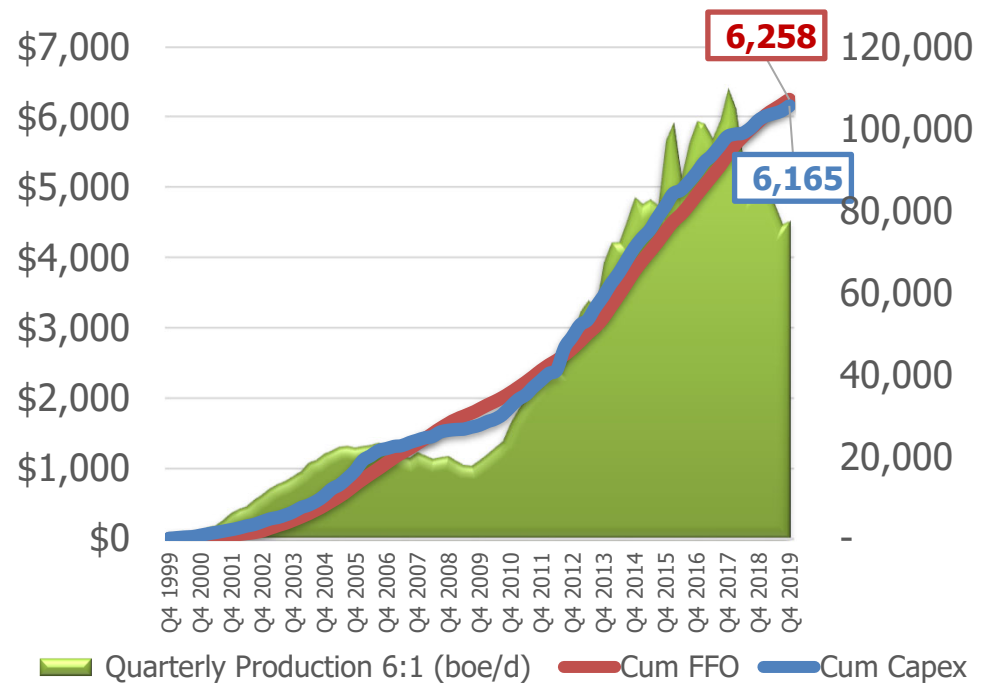
"Over the last 20 yrs, Peyto has invested \$6.2 billion in capital to fund organic resource development that has produced \$6.3 billion in funds from operations." Corp.

\$6.3B

Peyto FFO
CTD Q4/19

\$6.2B

Peyto Capital
CTD Q4/19



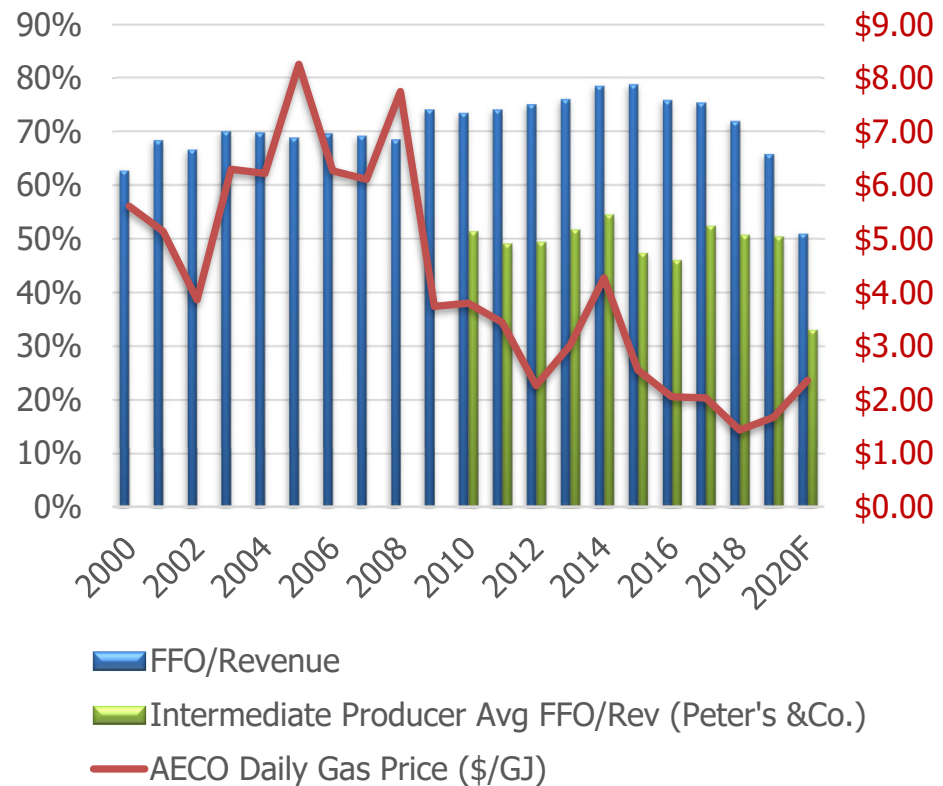
The Peyto Strategy

High Operating Margins

"Over the last 10 yrs Peyto has delivered an average operating margin of 74% compared to our peers at 50%."



72%
Peyto Operating Margin
20 Year Avg.



The Peyto Strategy

Invest For Profit Not Growth

"Peyto's track record of generating \$0.40 of earnings for every dollar of capital invested is one of the highest in the industry."

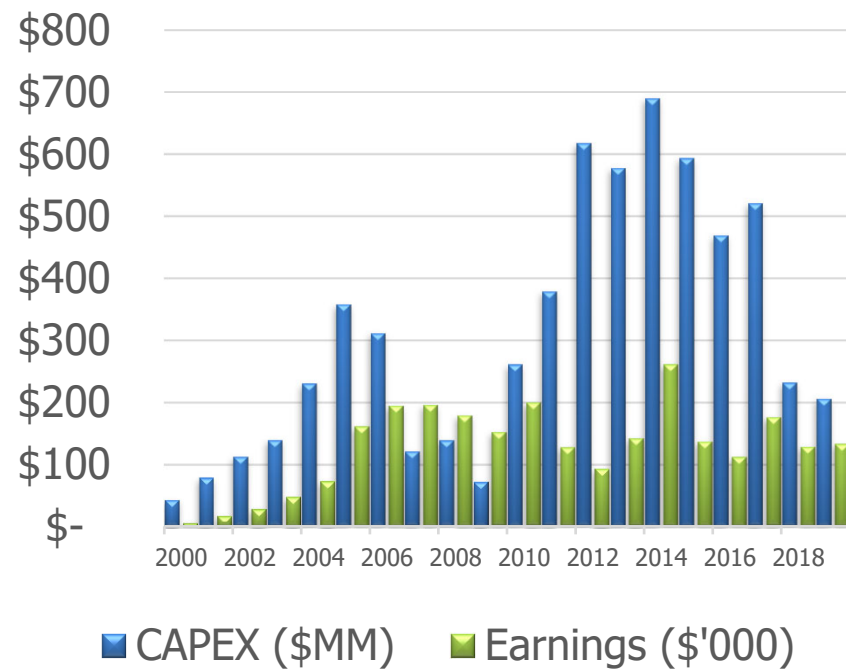


\$6.2B

Peyto Capital
CTD Q4/19

\$2.6B

Peyto Earnings
CTD Q4/19



The Peyto Strategy

Dividend Sustainability

"The best way to ensure sustainable dividends is to generate earnings. By definition dividends come from profits and that's where Peyto's come from."

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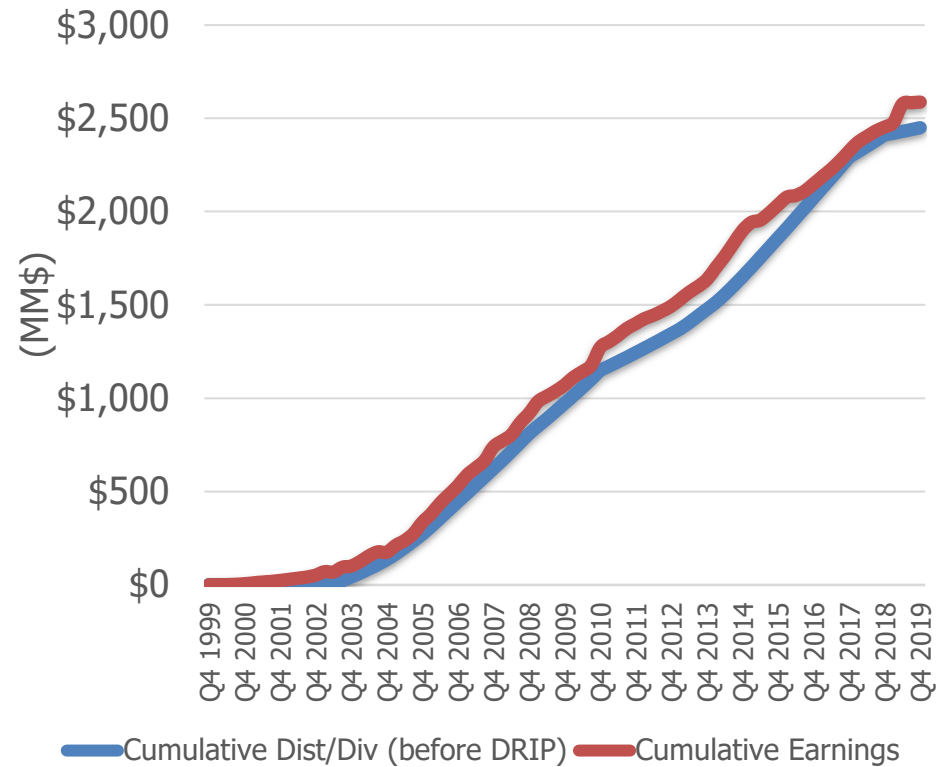
Exploration & Development Corp.

\$2.6B

Peyto Ctd. Earnings
Q4/19

\$2.5B

Peyto Ctd. Dist/Div.
Q4/19



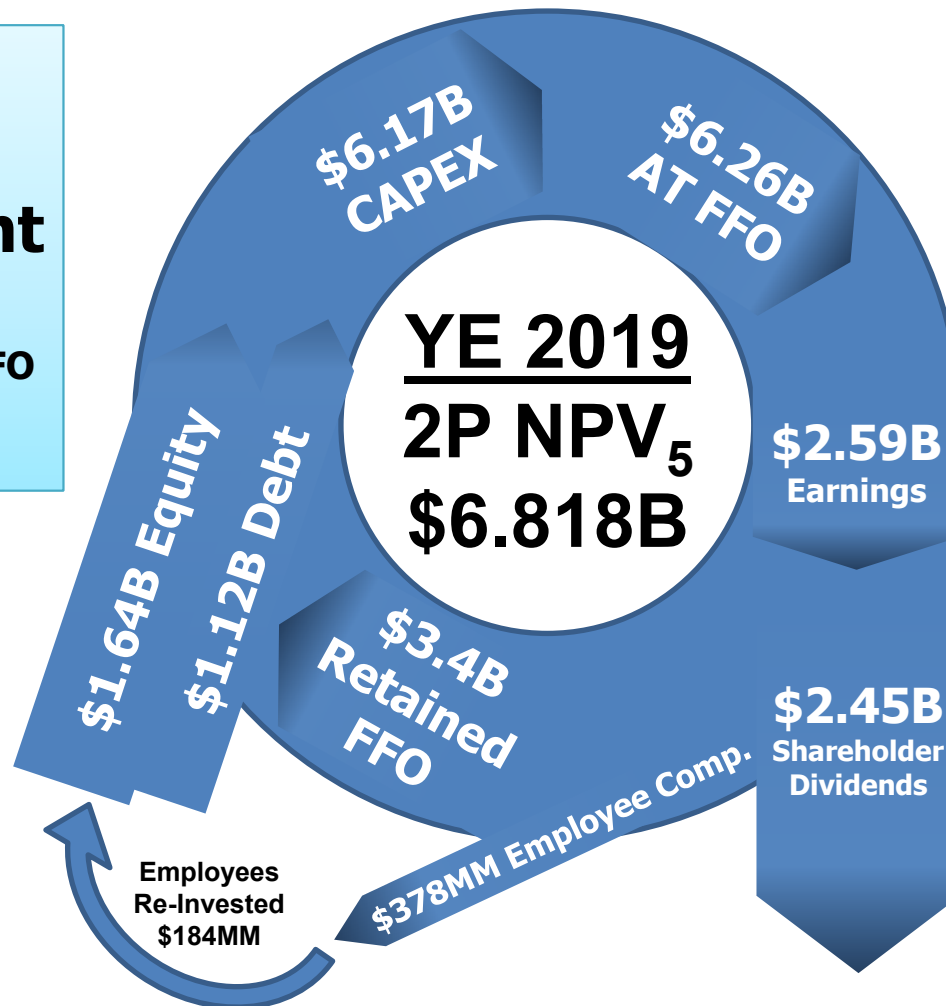
The Peyto Strategy

21 Year Cycle of Value Creation

"The Peyto strategy is to take capital sources and turn them into assets and profits for shareholders."

**\$6.2B
Capital
Investment**

55% retained FFO
27% equity
18% debt



\$8.5B Value

\$2.45B in div/dist
\$0.38B to employees
\$6.82B remaining
asset value
(\$1.12B) debt

Peyto's Profitable Business

PEYTO

Exploration & Development Corp.



Peyto's Profitable Business

"Build it for less than we sell it"

"2019 supply cost was up as Peyto targeted more liquids-rich Cardium production. Sales price for this new production was 70% higher than the 2019 average production."

	<u>PEY 2014</u>	<u>PEY 2015</u>	<u>PEY 2016</u>	<u>PEY 2017</u>	<u>PEY 2018</u>	<u>PEY 2019</u>
PDP FD&A \$/mcfe	(\$2.25)	(\$1.64)	(\$1.44)	(\$1.36)	(\$1.18)	(\$1.55)
Cash Costs \$/mcfe	(\$1.08)	(\$0.81)	(\$0.76)	(\$0.83)	(\$0.92)	(\$0.95)
Supply Cost	(\$3.26)	(\$2.45)	(\$2.20)	(\$2.19)	(\$2.10)	(\$2.50)
Sales Price \$/mcfe	\$5.04	\$3.83	\$3.18	\$3.38	\$3.27	\$2.78
Profit \$/mcfe	\$1.71	\$1.38	\$0.98	\$1.19	\$1.17	\$0.28
Profit Margin	34%	36%	31%	35%	36%	10%
Dividend \$/mcfe	\$1.05	\$1.11	\$1.01	\$0.97	\$0.59	\$0.22

2019
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$206MM
ΔPDP (22 mmboes)

2019 FD&A
\$1.55/mcfe

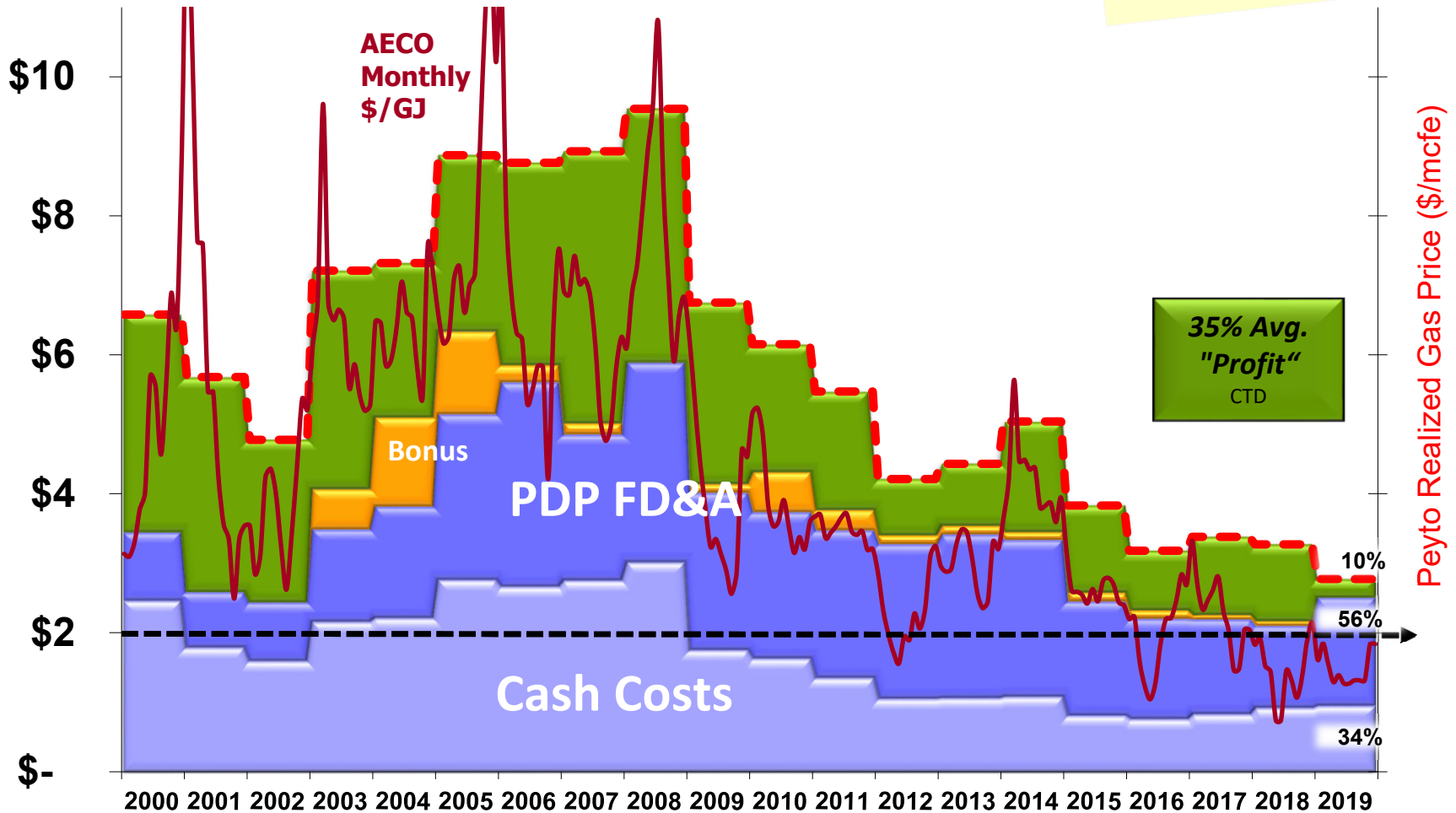
Royalties (\$0.08)
Opex (\$0.34)
Transport (\$0.19)
G&A (\$0.04)
Interest (\$0.30)
Total Costs (\$0.95)

86% Gas @\$1.67/GJ*1.15 HC
14% NGLs@\$45/bbl=(60%of \$75oil)
\$2.62/mcfe
\$0.16/mcfe hedge gain
\$2.78/mcfe

Peyto's Profitable Business

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

"We need to continue to reduce costs, particularly FD&A costs so that total costs are less than \$2. That way we can preserve our historical 35% average profit margin."

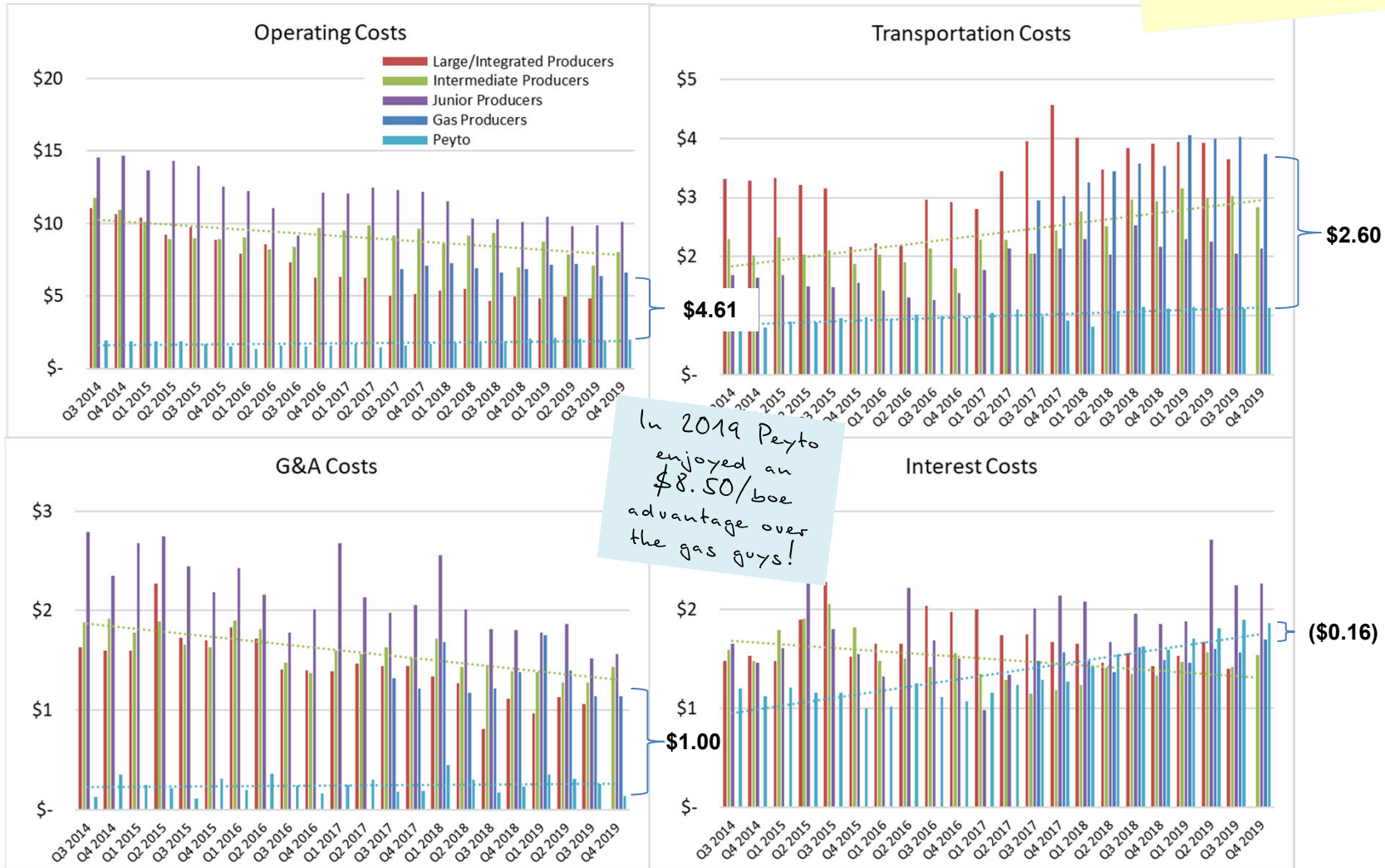


Total Cash Costs per mcf includes – Royalties, Op Costs, Transport, G&A, and Interest
 PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Peyto's Profitable Business

Peyto's "Moat" is 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,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



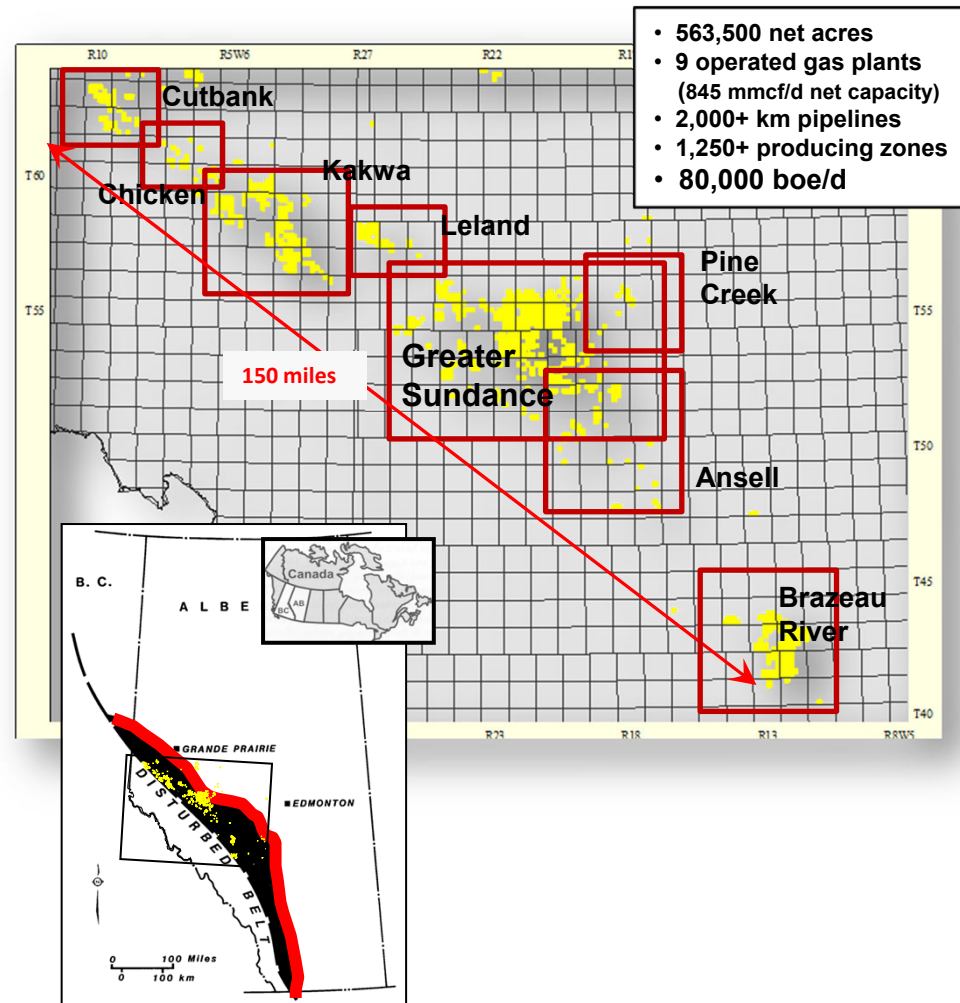
Corporation & Development Corp.

99%

Of Production:
Processed by Peyto
Operated by Peyto

99%

Working Interest in 9
Processing Facilities

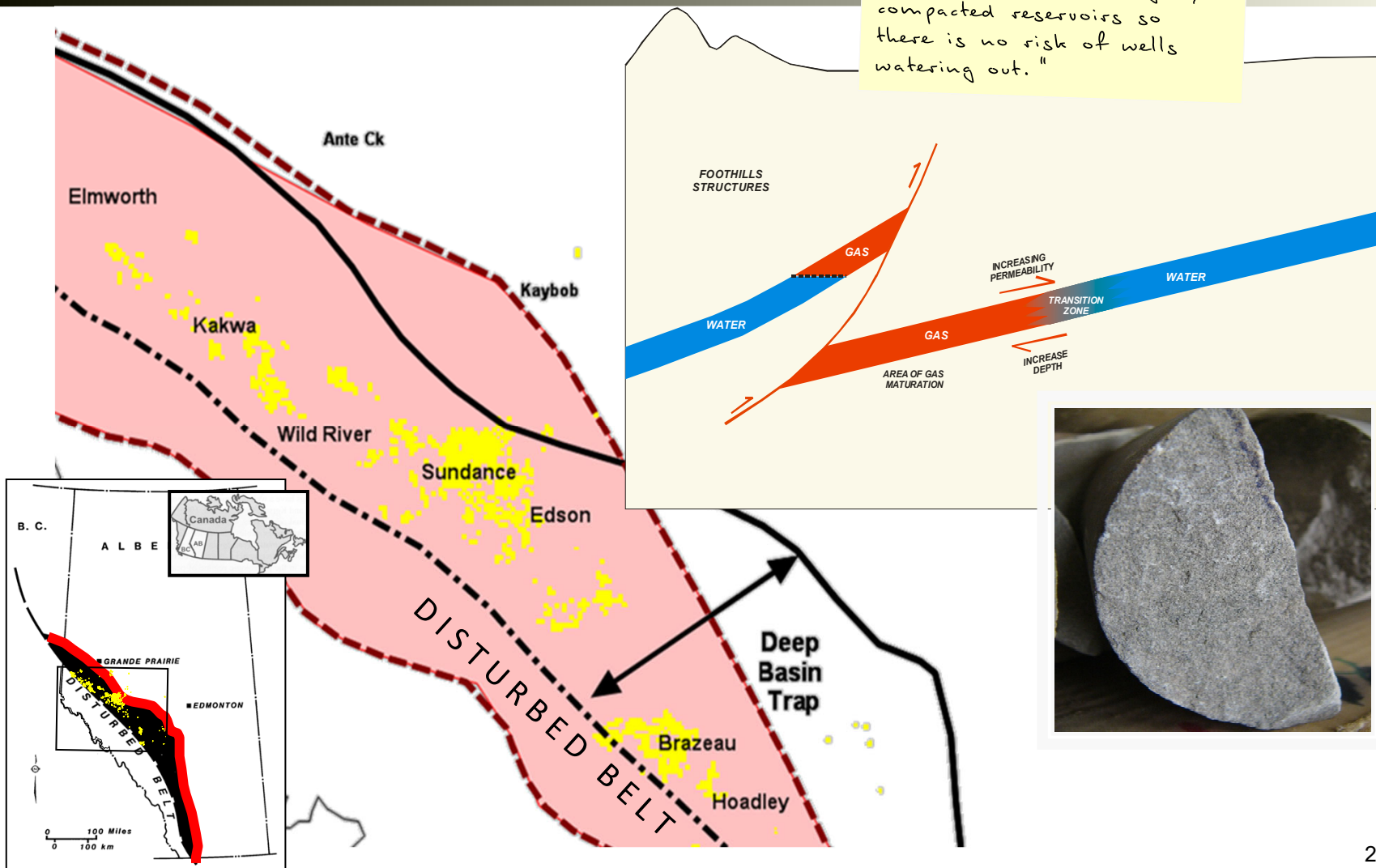


Peyto's Assets

Deep Basin Permeability Segregation



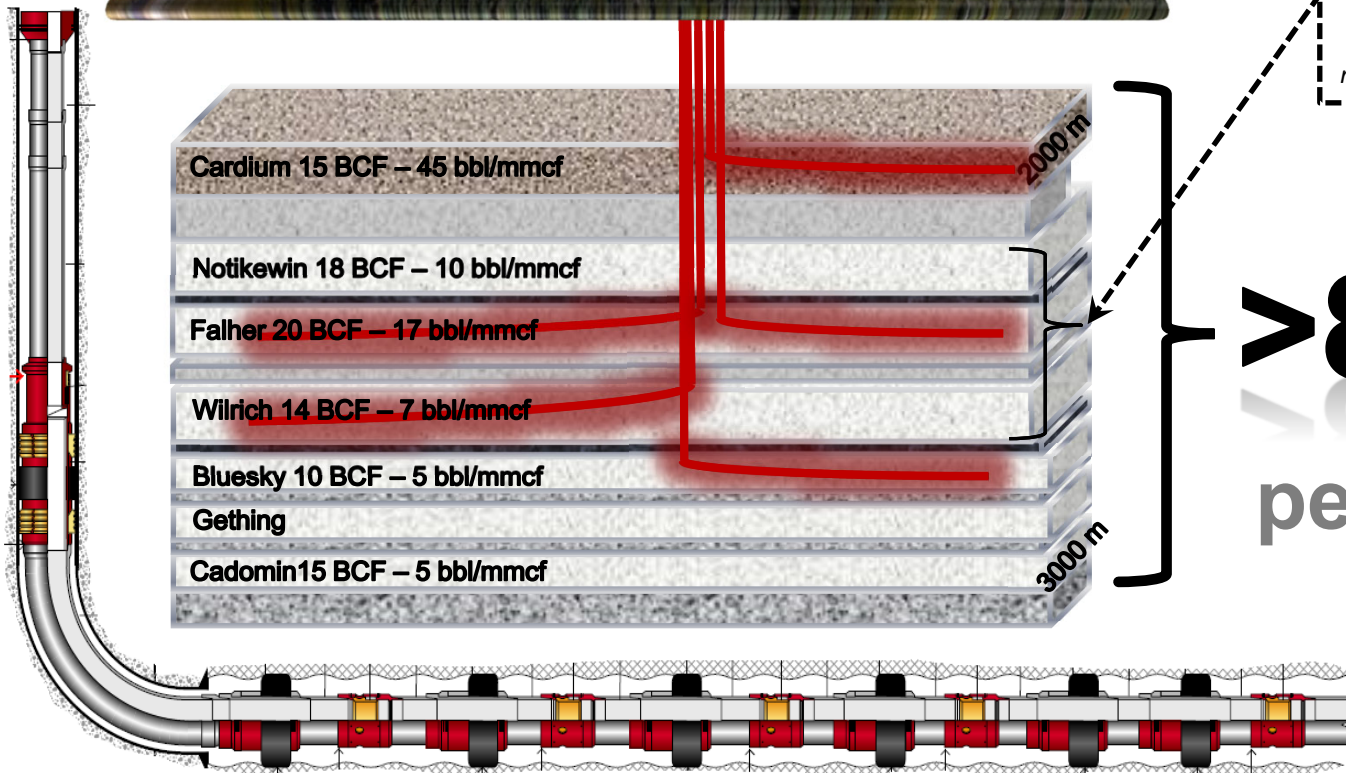
"The Deep Basin is a permeability trap, because the fluids in the updip position can't travel through these fine grained, tightly compacted reservoirs so there is no risk of wells watering out."



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."



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

Large Hz MSF Inventory

"Peyto has developed 3.8 TCFe using vertical and now horizontal wells. But there is a lot more to do. Over 30+ years worth of drilling inventory at current pace."

	<u>Done¹</u>		<u>To Do</u>	
	<u>Total Vertical Wells</u>	<u>Total Hz Wells</u>	<u>Total Hz(Vt) Locations Booked²</u>	<u>Total Hz Locations Unbooked³</u>
SMOKY				
CHINOOK ●✱				
PUSKWASKAU □				
BADHEART ●	2		(2)	
MUSKIKI □	440	163	430(12)	419
CARDIUM ●				
KASKAPAU □				
DOE CK ●✱				
POLICE COUPE				
DUNVEGAN ●✱ X	5	1	2	4
SHAPTES-BURY □				
BELLE FOURCHE □				
FISH SCALE □				
WESTGATE	1		2(2)	23
PADDY ✱				
CADOTTE ✱				
HARMON □				
PEACE RIVER	90	178	183(2)	75
NOTIKEWIN ✱	7	74	40	17
A		113	169	218
B				
C				
D				
E				
F				
SPIRIT RIVER	15	388	2	39
FALHER ✱ X			363	154
WILRICH □				
BLUESKY ●✱△	4	40	55	38
BULL-HEAD	12	2	18	205
GETHING ●✱△ X				
CADOMIN ●✱	87	2		
Montney		1	0	120
	663	962	1,264(16)	1,312
			1,280	1,312

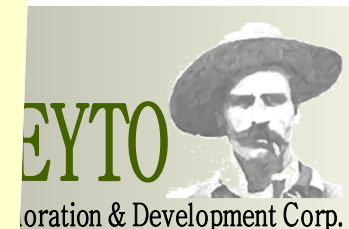
>2,500 locations

1. Drilling to Dec 31, 2019
 2. As recognized in the IPC independent reserve report dated Dec. 31, 2019
 3. Unbooked internal location inventory based on Company net sand and 3D seismic mapping

Peyto's Assets

Deep Basin Lands Go A Long Way

"We purchased 130 sections of new land in 2019 at \$44/acre. With less than 11% of our lands developed, the undeveloped acreage could potentially accommodate well over 10,000 more locations."



881

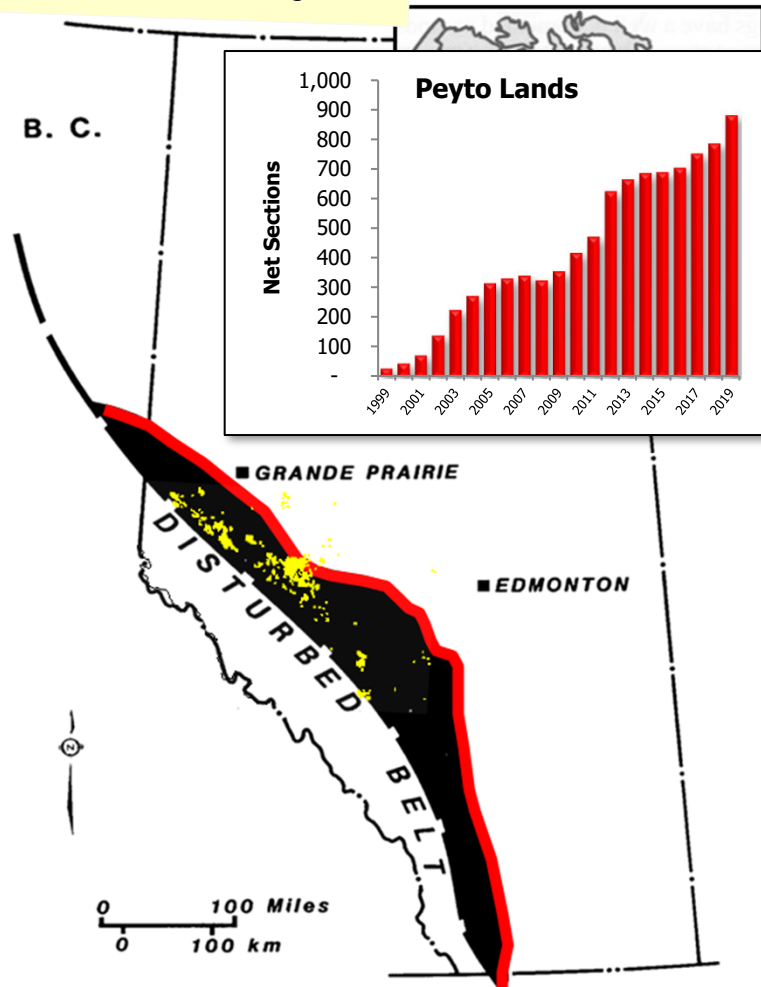
Net Peyto Sections

3,247

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

348

Net Sections – Developed Area of All Reserves Found and Developed Since Peyto Began (3.8 TCF_e EUR)*

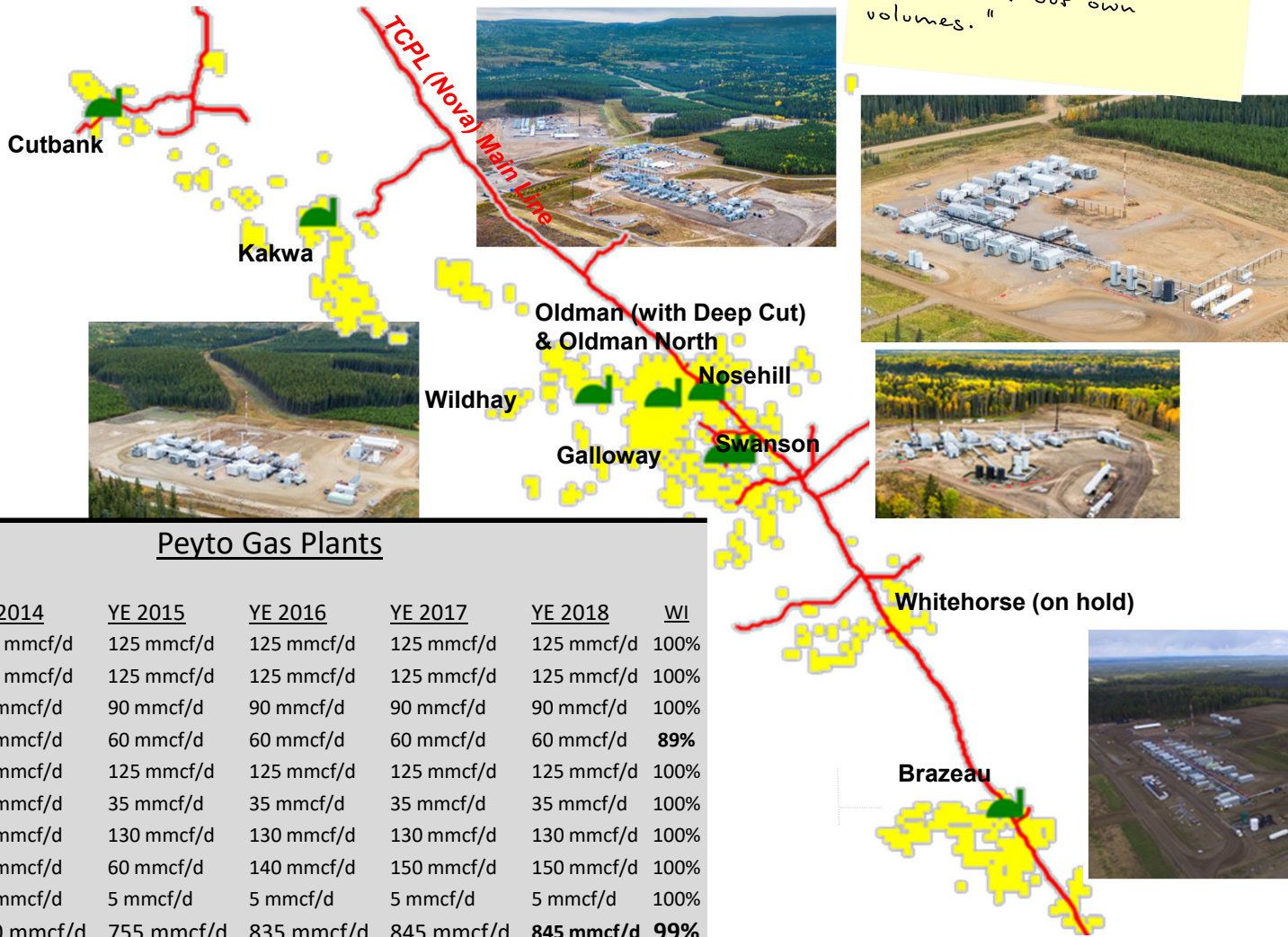
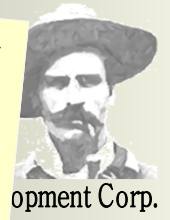


TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable
*Based on InSite Petroleum Consultants Dec 31, 2019 Reserve Report.
Lands at Dec 31, 2019

Peyto's Assets

Facility Ownership And Control

"Peyto has excess capacity in its 845 mmcf/d of operated plant capacity that can be used to generate third party processing income until we need it for our own volumes."



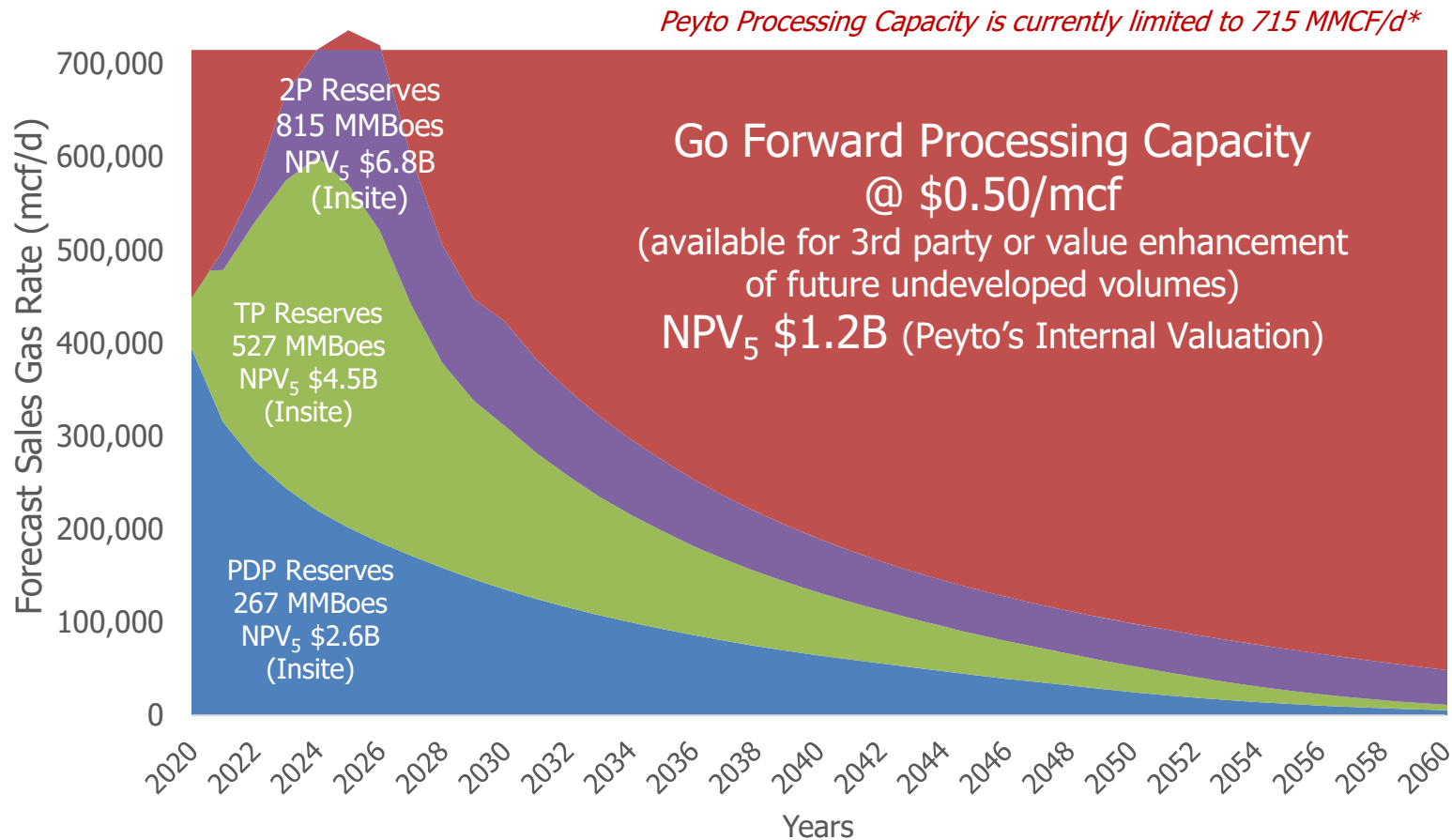
Peyto Gas Plants

	<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%
Total	630 mmcf/d	755 mmcf/d	835 mmcf/d	845 mmcf/d	845 mmcf/d	99%

Peyto's Assets

Valuable Midstream Processing Capacity

"Peyto continues to look for ways to enhance the value of its infrastructure assets through initiatives like 3rd party processing."



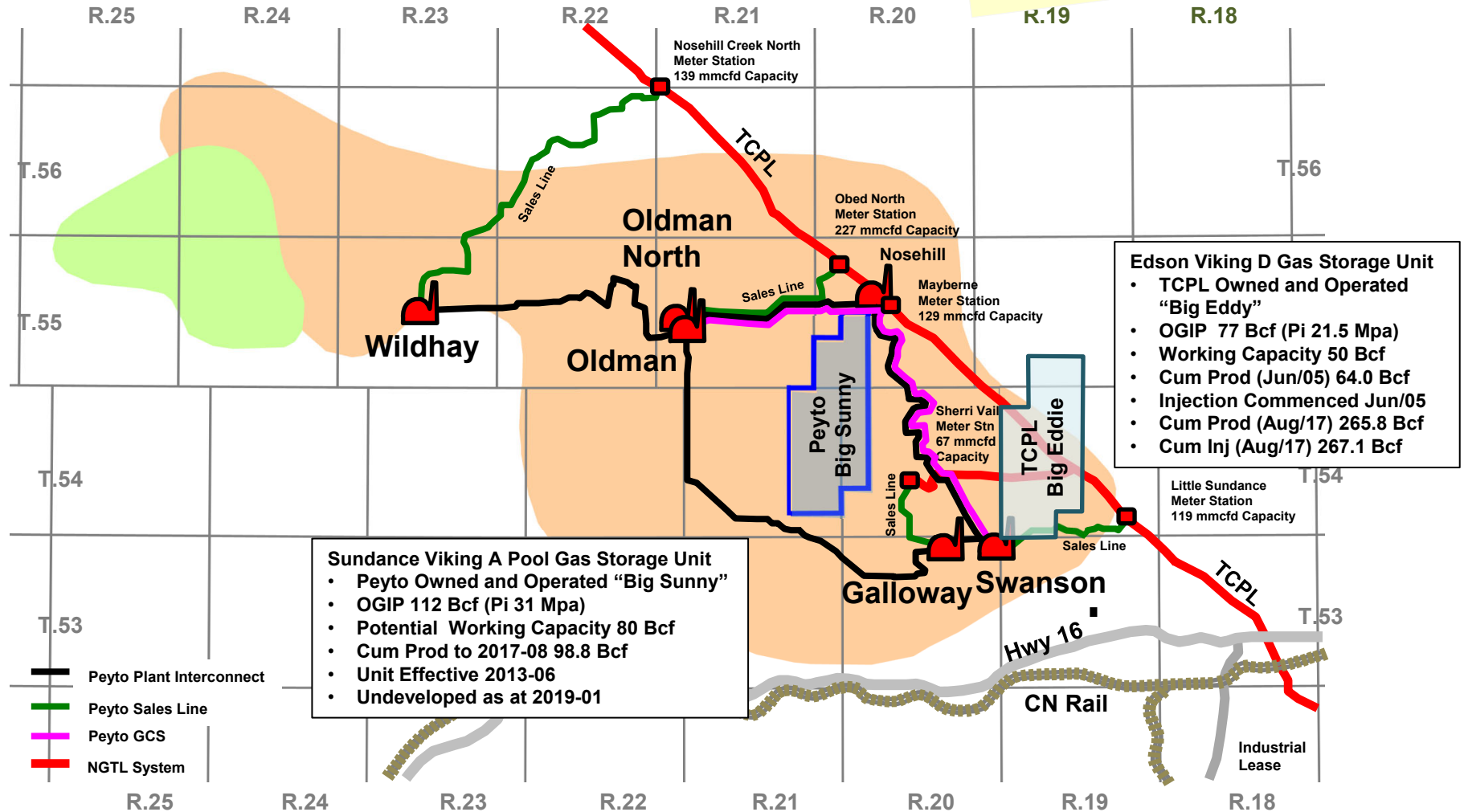
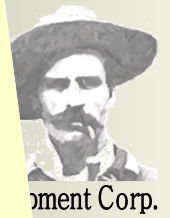
Based on Insite's December 31, 2019 Reserve Report

* Galloway plant current shut in. OMN and Brazeau plants have 20 mmcf/d compression out of service, Wildhay capacity reduced by 30 mmcf/d due to liquids handling, reduced suction pressure at remaining plants

Peyto's Assets

"Big Sunny" Natural Gas Storage Scheme

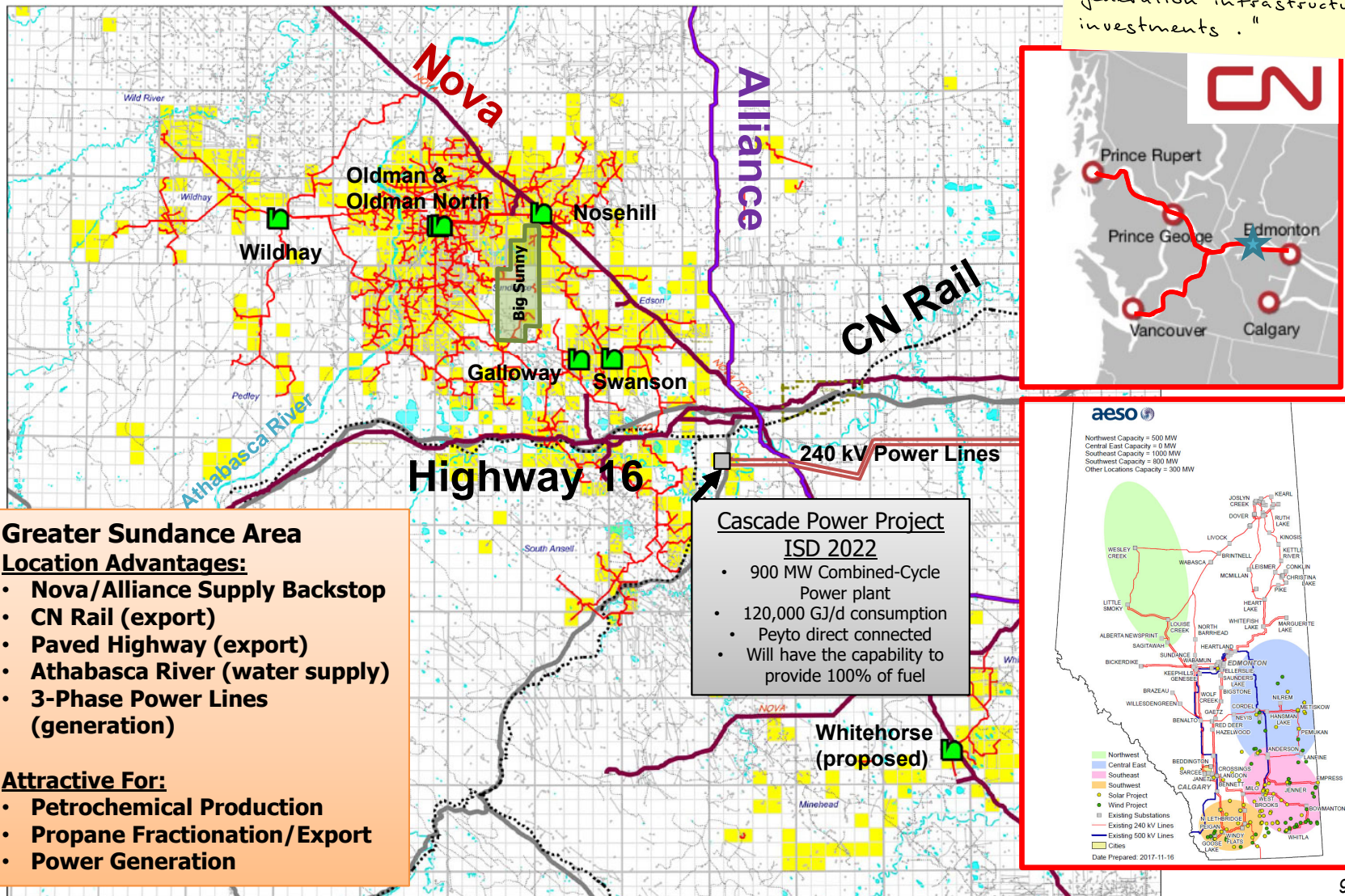
"Peyto's Big Sunny storage scheme would be perfect for injecting low priced summer gas and withdrawing into a higher priced winter market."



Peyto's Assets

Unique Infrastructure Location

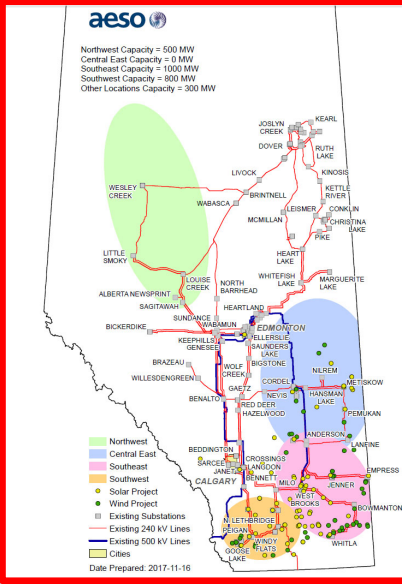
"Peyto's Greater Sundance Area plant/gathering/resource sits on Nova, on a divided highway, on rail, and on the 3 phase power grid making it perfectly situated for Petchem and power generation infrastructure investments."



- Greater Sundance Area Location Advantages:**
- Nova/Alliance Supply Backstop
 - CN Rail (export)
 - Paved Highway (export)
 - Athabasca River (water supply)
 - 3-Phase Power Lines (generation)
- Attractive For:**
- Petrochemical Production
 - Propane Fractionation/Export
 - Power Generation

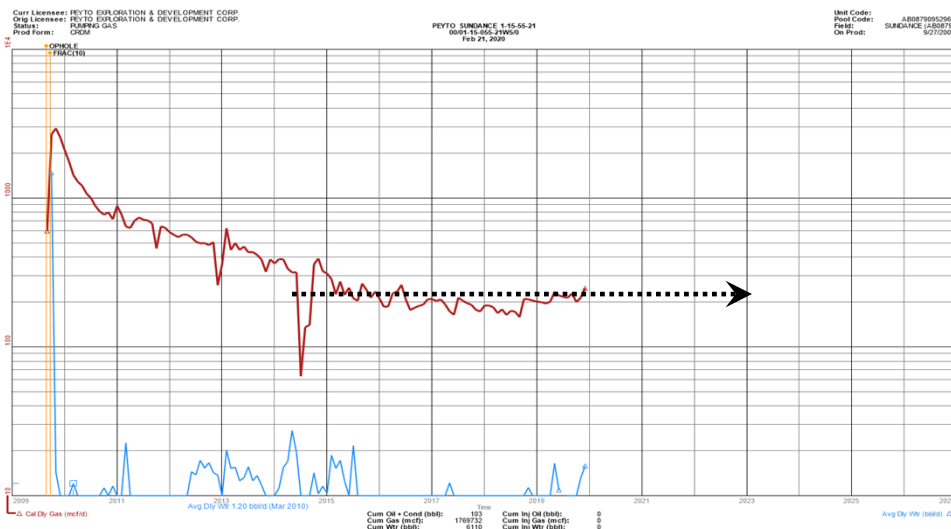
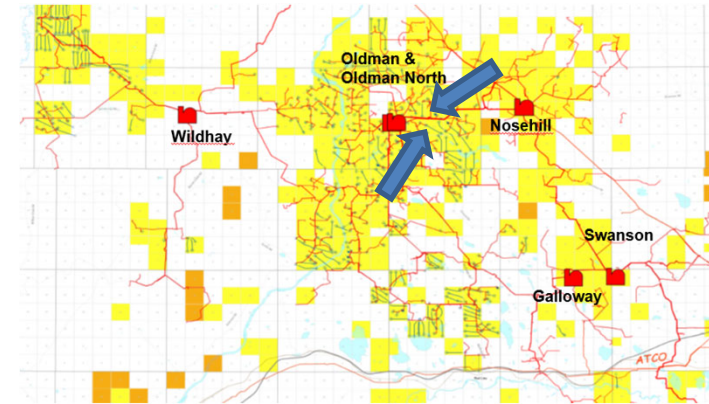
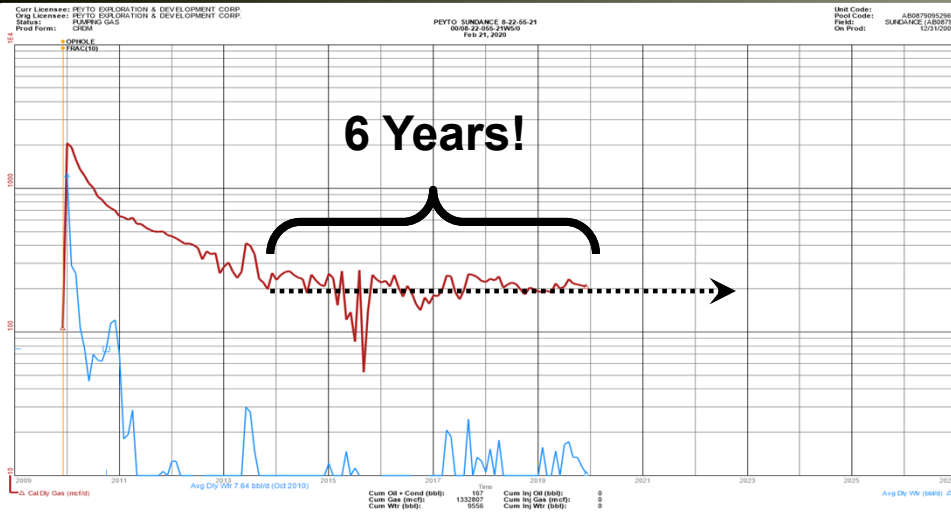
Cascade Power Project
ISD 2022

- 900 MW Combined-Cycle Power plant
- 120,000 GJ/d consumption
- Peyto direct connected
- Will have the capability to provide 100% of fuel



Peyto's Assets

First 2 Cardium Hz's Have Reached Terminal Decline



There is nothing sexy about a 200 mcf/d gas well, except when it doesn't decline. Then it becomes an incredible annuity assuming you can keep the costs down (which Peyto can!).

Peyto's Assets

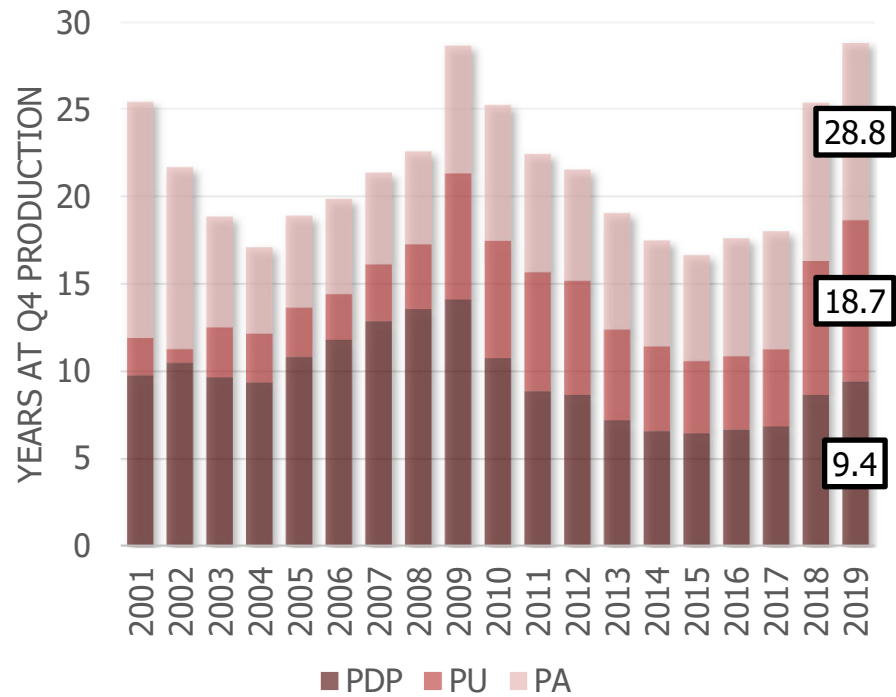
Long Reserve Life Asset

"Peyto has one of the longest producing reserve life assets in the industry."

Corp.

9.4
Years PDP

RESERVE LIFE INDEX

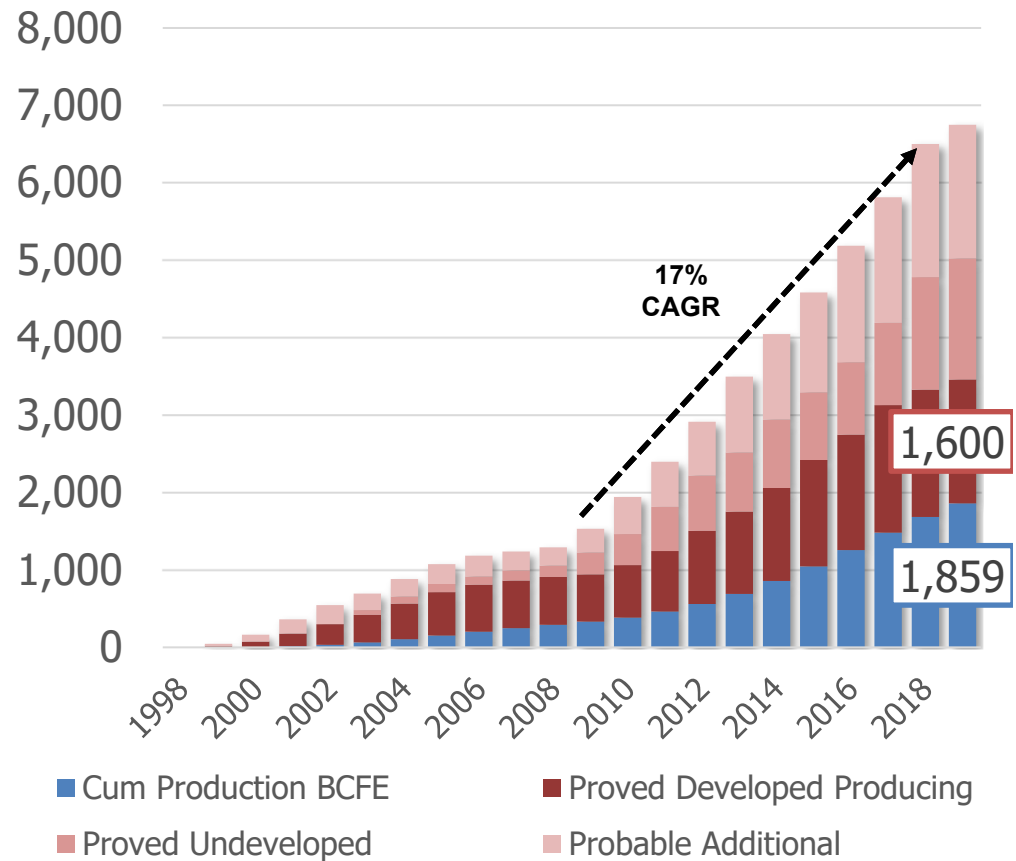


Peyto's Assets

Organic Reserves Growth



6.75
TCFe of
Discovered Reserves



Peyto's Assets

What Shareholders Currently Own

"Peyto has significant tangible assets, in addition to our reserve assets, which makes up all that shareholders own."

Tangible Infrastructure (Replacement Value as at Dec 31, 2019)

80 Compressors (\$3.25MM each)	\$259 MM
17 Inlets (\$1.8MM each)	\$31 MM
20 Refrigeration plants (\$5.4MM each)	\$108 MM
12 Power Generation Sets (\$1.6M each)	\$19 MM
23 LPG Bullets (\$0.8MM each)	\$19 MM
14 Condensate Stabilizers (\$0.8MM each)	\$11 MM
18 Tanks, flares, MCC, Sales, VRU, etc (\$6.8MM per)	\$96 MM
1,405 Wellsite Separator Packages (net to Peyto)	\$351 MM
2,105 km of gathering pipelines (4"-10" pipe)	\$495 MM

\$1,389 MM

\$8.42/share

Reserves (as at Dec 31, 2019)*

	<u>Volume</u>	<u>NPV₅/share</u>	<u>NPV₁₀/share</u>
Proven Developed Reserves – Currently generating cashflow (PDP+PDNP+PA)	330 mmboes	\$20.07	\$13.65
Proven Undeveloped Reserves – Yet to be drilled (PU+PA)	310 mmboes	\$14.50	\$8.18
Probable Additional Reserves (PA)	<u>174 mmboes</u>	<u>\$6.81</u>	<u>\$3.19</u>
Total P+P Reserves	815 mmboes	\$41.38/share	\$25.02/share

Total Debt (as at Dec 31, 2019)

Revolving Net Debt	(\$732 MM)	
Term Debt	(\$415 MM)	
Total Net Debt	(\$1,147 MM)	\$6.96/share

*Includes all liabilities, see Peyto's reserves release for disclosure <http://www.peyto.com/Files/News/2020/2019ReservesPressRelease.pdf>
 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 Incredible Returns



9/1/2020

Peyto's Returns

Template Economics At Strip

"Even at the current strip, most of Peyto's play types are generating solid half cycle returns. And we have plenty of room in our gas plants for these wells."

Type Entity	Gross IP3 (boe/d)	Gross EUR (mboe)	% Liquids	Gross DCET (M\$)	IRR (%)
2020 Brazeau Cardium	790	600	21%	\$3,560	50%
2020 Brazeau Notikewin	900	940	15%	\$5,010	43%
2020 Sundance Notikewin	795	695	7%	\$3,360	41%
2020 Sundance Bluesky	800	700	5%	\$3,710	35%
2020 Nosehill Wilrich	825	725	6%	\$4,475	23%
2020 Sundance Cardium	385	462	23%	\$2,980	19%
2020 Wild River Cardium	415	426	30%	\$2,810	17%
2020 Brazeau Wilrich	520	525	6%	\$3,560	12%

Majority of 2019 Prgm



May 1, 2020 Strip (\$USD WTI, \$CND AECO)

2020	\$30/bbl	\$2.13/GJ
2021	\$32/bbl	\$2.51/GJ
2022	\$36/bbl	\$2.33/GJ
2023	\$38/bbl	\$2.22/GJ

Avg 2019 DCET \$3.2MM/well

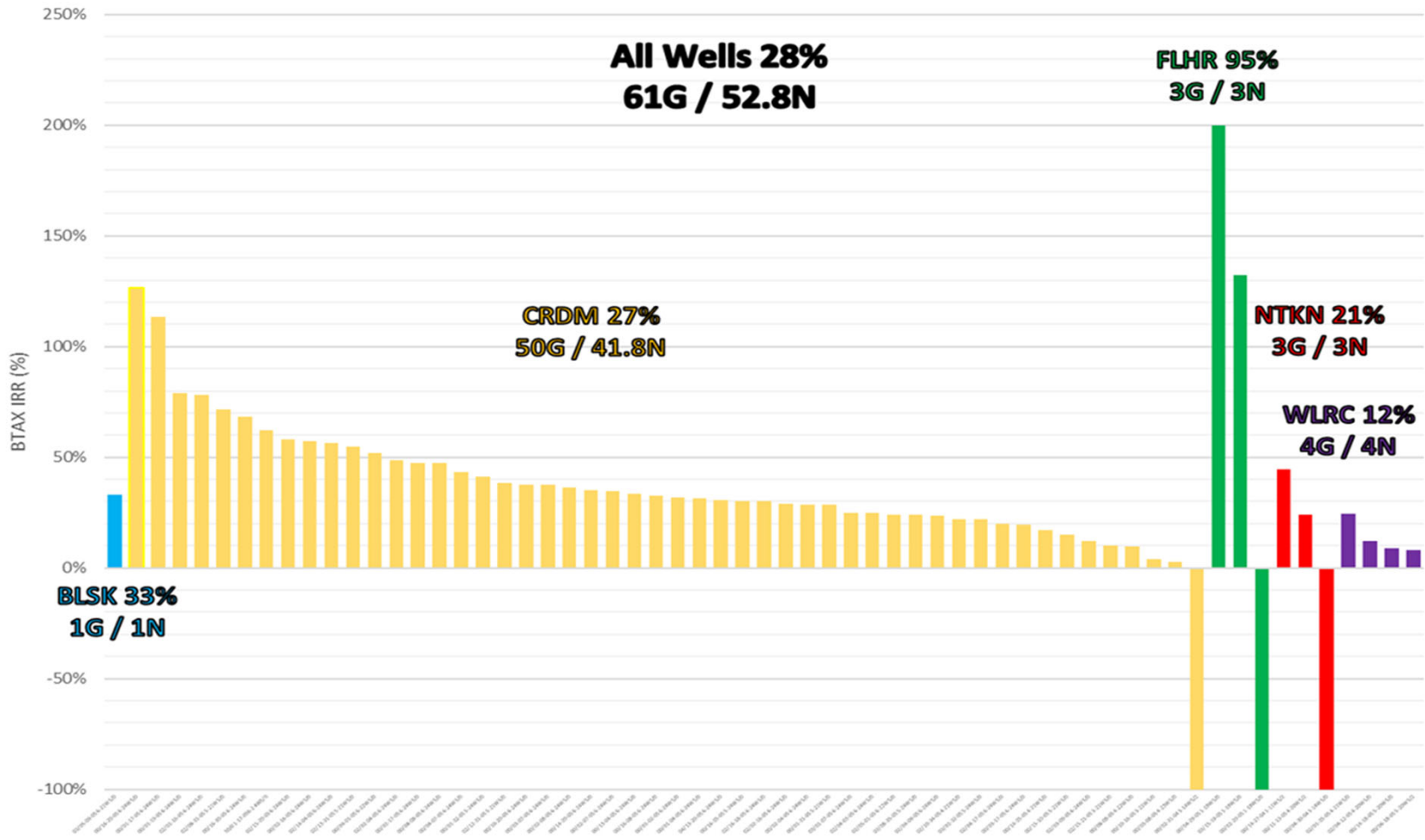
Peyto's Returns

2019 Post-Mortem Returns Analysis

"2019 was dominated by Cardium drilling as oil prices and Cardium liquids drove superior economic results. 2020 will have more Spirit River in the mix."



2019 Wells Sorted by Species
Price Deck: 2019 Actuals + Insite 2019-12-31



Full cycle IRR is determined using actual capital spent on each well, including a \$825k provision for land, seismic, and facilities in order to total to the \$206MM 2019 total capital expenditures. Economics are run using actual 2019 prices realized plus the Insite Petroleum Consultants commodity forecast as at Dec 31/19.

Peyto's Returns

High Returns On Your Capital And Equity

"Investors rarely get to participate in the wells themselves, making type well economics somewhat meaningless. ROE and ROCE are the returns investors get, after deducting corporate costs."

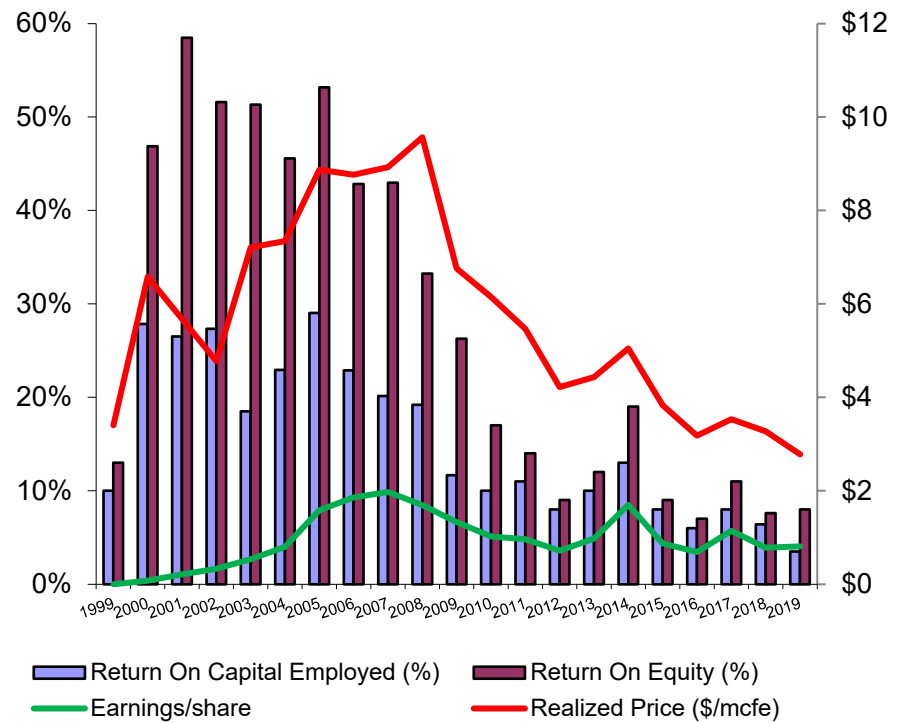


28%

21 yr Avg ROE to 2019

15%

21 yr Avg ROCE to 2019



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 (20 yrs 1999-2018)

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

2020 Outlook

"2020 will continue to be a flexible year depending on the natural gas price outlook and seasonal dynamics regarding summer prices."



\$200M-
\$250M

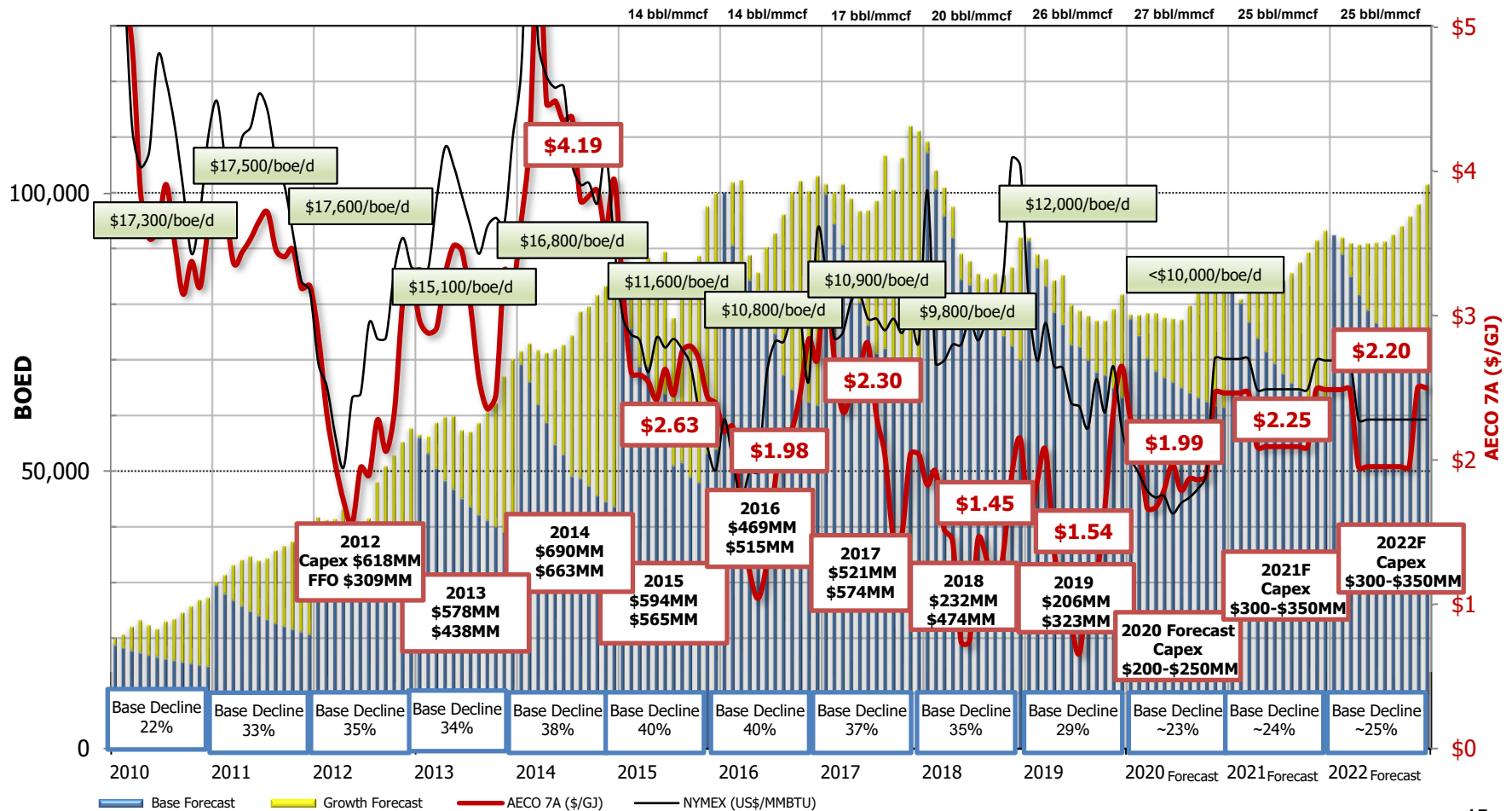
2020 Capital Program

- ✓ **Drill ~65Hz Wells**
(Liquids Rich Natural Gas) vs 50 in 2019
- ✓ **Market 3rd Party Capacity**
Offer Excess Capacity to Other Operators
- ✓ **Increase Opportunities**
Undeveloped Land Base
- ✓ **Diversify Markets**
Evaluate New Pipe Options
- ✓ **Improve Balance Sheet**
Fund capital program entirely from free cashflow

Peyto's Future

Gas Price Stability Before Returning to Growth

"The outlook for production and capital is very fluid, contingent on the futures curve for AECO/NYMEX gas prices which are changing rapidly. Peyto is nimble and can respond quickly with ramped up drilling or production shut-ins/deferrals."



* 2020 and beyond provided for illustration only. Budgets and forecasts 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

Lower Costs and Increase Liquids to Preserve Profit

"We must 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."

PEX

	PEY 2017	PEY 2018	PEY 2019	PEY Goals
Revenue \$/mcf	\$3.38	\$3.27	\$2.78	\$2.75
Cash Costs \$/mcf	(\$0.83)	(\$0.92)	(\$0.95)	(\$0.95)
Capital Costs (PDP FD&A) \$/mcf	(\$1.36)	(\$1.18)	(\$1.55)	(\$1.00)
Total Supply Cost \$/mcf	\$2.19	\$2.10	\$2.50	\$1.95
Full Cycle Netback \$/mcf	\$1.19 35%	\$1.17 36%	\$0.28 10%	\$0.80 29%
Dividend \$/mcf	\$0.97	\$0.59	\$0.22	
		\$0.11/month	\$0.06/month	\$0.02/month

86% Gas @\$1.54/GJ*1.15
14% NGLs@\$45/bbl=(60%of \$75oil)
~\$2.61/mcfe
~\$0.16/mcfe hedge
~\$2.77/mcfe

84% Gas @\$2.00/GJ*1.15
16% NGLs@\$30/bbl=(60%of \$50
CND WTI)
~\$2.75/mcfe

Royalties (\$0.08)
Opex (\$0.34)
Transport (\$0.19)
G&A (\$0.04)
Interest (\$0.30)
Total Costs (\$0.95)

- Opex down (AER fees, Muni taxes, road use)
- Interest up (covenant relief)

- Capex down (pad drlg, service rates)
- Reserves up (SR and Braz Cardium, incr frac intensity)

2019 PDP FD&A
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$206MM

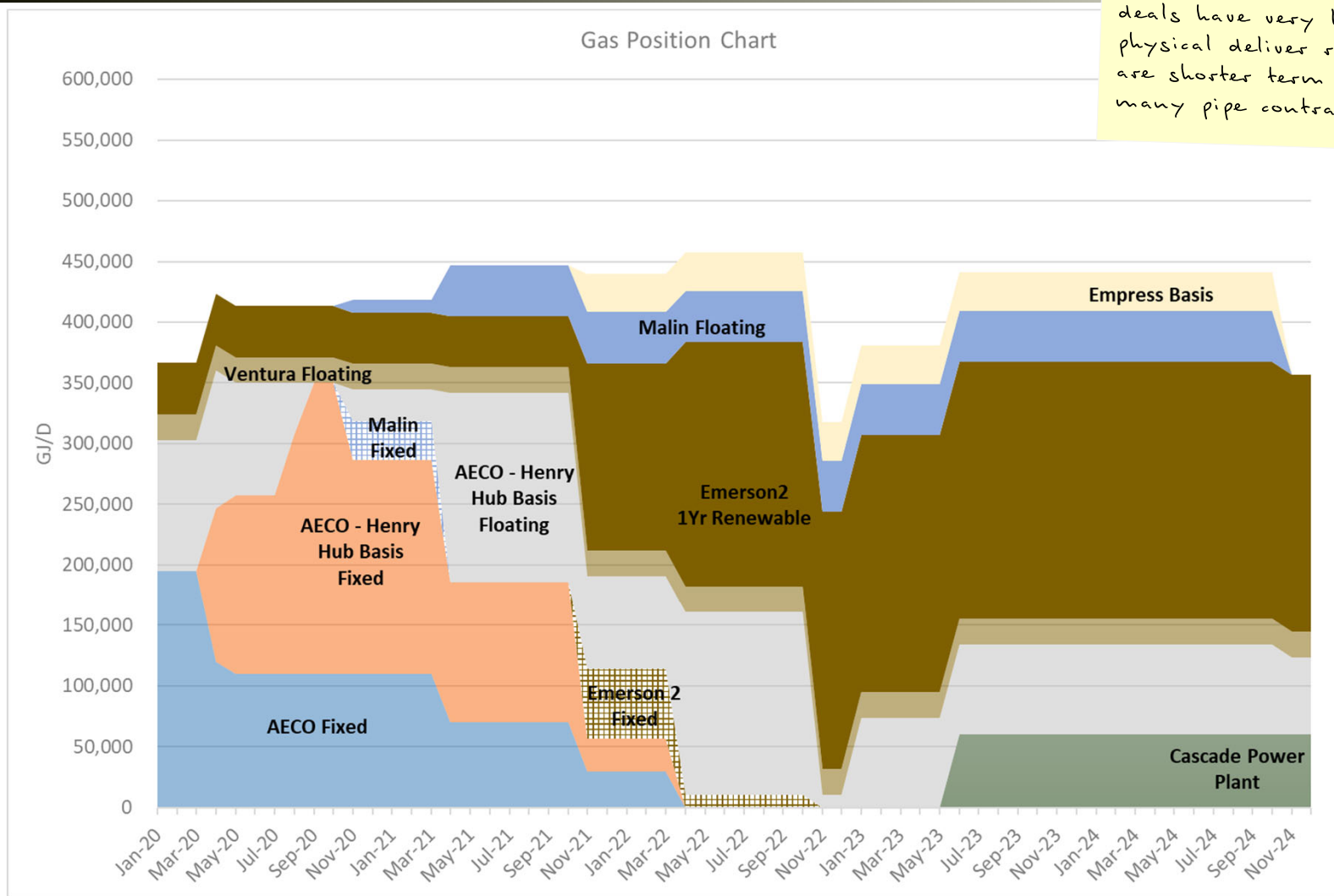
PDP FD&A
\$9.29/boe or
\$1.55/mcfe

Peyto can generate a 30% profit from \$2 AECO gas and \$30 USWTI oil, all because of low supply cost

Gas Marketing

Future Market Diversification and Gas Price Protection

"Peyto has used financial basis deals between AECO and other hubs to gain market diversification and allow us to hedge at various markets. Basis deals have very little physical deliver risk and are shorter term than many pipe contracts."



*Average Heating Value of approximately 1.15 GJ/mcf for Peyto's gas

Gas Marketing

Fixed Price Swaps For Gas and Liquids

"Peyto uses a dollar cost averaging approach to smooth out the volatility in future prices by forward selling small blocks of production every week. Fixed price swaps give price certainty."

Peyto Marketing Summary

1.15 Heating Value GJ/mcf
1.330 cad/usd

		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL		TOTAL					
		Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
AECO 7A Fixed Price Swaps (CAD\$/GJ)																							
Volume GJ/d	186,667	186,667	185,000	95,000	95,000	101,667	119,167	105,000	55,000	55,000	38,333	63,333	30,000	-	-	-	-	7,500	-	-	-	-	-
Price CAD\$/GJ	\$1.77	\$1.77	\$1.85	\$1.66	\$1.66	\$2.14	\$1.84	\$2.47	\$1.81	\$1.81	\$2.25	\$2.15	\$2.65	-	-	-	-	\$2.65	-	-	-	-	-
Volume mcf/d	162,419	162,419	160,969	82,660	82,660	88,460	103,687	91,361	47,856	47,856	33,354	55,106	26,103	-	-	-	-	6,526	-	-	-	-	-
Price CAD\$/mcf	\$2.03	\$2.03	\$2.13	\$1.91	\$1.91	\$2.47	\$2.11	\$2.83	\$2.08	\$2.08	\$2.58	\$2.47	\$3.05	-	-	-	-	\$3.05	-	-	-	-	-
AECO 5A Fixed Price Swaps (CAD\$/GJ)																							
Volume GJ/d	16,667	16,667	10,000	18,333	15,000	8,333	12,917	5,000	15,000	15,000	5,000	10,000	-	-	-	-	-	-	-	-	-	-	-
Price CAD\$/GJ	\$1.53	\$1.53	\$1.92	\$1.69	\$1.68	\$2.03	\$1.78	\$2.55	\$1.85	\$1.85	\$1.85	\$1.93	-	-	-	-	-	-	-	-	-	-	-
Volume mcf/d	14,502	14,502	8,701	15,952	13,052	7,251	11,239	4,351	13,052	13,052	4,351	8,701	-	-	-	-	-	-	-	-	-	-	-
Price CAD\$/mcf	\$1.75	\$1.75	\$2.20	\$1.94	\$1.93	\$2.33	\$2.05	\$2.93	\$2.12	\$2.12	\$2.12	\$2.22	-	-	-	-	-	-	-	-	-	-	-
AECO PHYS Basis (US\$/MMBtu)																							
Volume MMBtu/d	68,333	68,333	102,500	94,167	42,500	16,667	63,958	25,000	147,500	147,500	97,500	104,375	72,500	142,500	142,500	54,167	102,917	70,000	70,000	70,000	70,000	70,000	70,000
Price US\$/MMBtu	(\$1.34)	(\$1.34)	(\$1.34)	(\$1.44)	(\$1.44)	(\$1.44)	(\$1.40)	(\$1.44)	(\$1.43)	(\$1.43)	(\$1.42)	(\$1.42)	(\$1.41)	(\$1.41)	(\$1.41)	(\$1.39)	(\$1.40)	(\$1.12)	(\$1.12)	(\$1.12)	(\$1.12)	(\$1.12)	(\$1.12)
AECO PHYS Fixed Price (US\$/MMBtu)																							
Volume MMBtu/d	53,333	53,333	-	133,333	185,000	187,500	126,458	167,500	110,000	110,000	53,333	110,208	25,000	-	-	-	-	6,250	-	-	-	-	-
Price US\$/MMBtu	\$1.36	\$1.36	-	\$1.19	\$1.02	\$1.21	\$1.14	\$1.39	\$1.08	\$1.08	\$1.06	\$1.20	\$1.00	-	-	-	-	\$1.00	-	-	-	-	-
Price CAD\$/GJ	\$1.71	\$1.71	-	\$1.50	\$1.29	\$1.53	\$1.45	\$1.75	\$1.37	\$1.37	\$1.33	\$1.47	\$1.26	-	-	-	-	\$1.26	-	-	-	-	-
Price CAD\$/mcf	\$1.97	\$1.97	-	\$1.72	\$1.48	\$1.76	\$1.66	\$2.01	\$1.57	\$1.57	\$1.53	\$1.69	\$1.45	-	-	-	-	\$1.45	-	-	-	-	-
VENTURA																							
Index Volume MMBtu/d	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Fixed Ventura Vol MMBtu/d																							
Fixed Ventura Price US\$/MMBtu																							
Fixed AECO Netback US\$/MMBtu																							
Fixed AECO Netback CAD\$/GJ																							
EMERSON																							
Index Volume MMBtu/d	31,534	31,534	39,867	39,867	39,867	39,867	39,867	39,867	39,867	39,867	110,620	57,555	145,996	190,996	190,996	197,663	181,413	200,996	200,996	200,996	200,996	200,996	200,996
Fixed Emerson Vol MMBtu/d											36,667	9,167	55,000	10,000	10,000	3,333	19,583	-	-	-	-	-	-
Fixed Emerson Price US\$/MMBtu											\$2.66	\$2.66	\$2.66	\$2.04	\$2.04	\$2.04	\$2.19						
Fixed AECO Netback US\$/MMBtu											\$2.07	\$2.07	\$2.12	\$1.50	\$1.51	\$1.51	\$1.66						
Fixed AECO Netback CAD\$/GJ											\$2.61	\$2.61	\$2.67	\$1.90	\$1.90	\$1.90	\$2.09						
MALIN																							
Index Volume MMBtu/d						10,000	2,500	10,000	40,000	40,000	40,000	32,500	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Fixed Malin Vol MMBtu/d						30,000	30,000	30,000				7,500											
Fixed Malin Price US\$/MMBtu						\$3.00	\$3.00	\$3.00				\$3.00											
Fixed AECO Netback US\$/MMBtu						\$2.40	\$2.40	\$2.40				2,404											
Fixed AECO Netback CAD\$/GJ						\$3.03	\$3.03	\$3.03				\$3.03											
WTI SWAPS (USD)																							
Volume bbls/d	300	300	1,750	1,417	2,500	600	1,567	100				25											
Price US\$	\$60.15	\$60.15	\$59.37	\$46.81	\$34.78	\$40.87	\$45.46	\$43.00				\$43.00											
Price CAD\$/GJ (Equiv)	\$80.00	\$80.00	\$78.96	\$62.26	\$46.26	\$54.35	\$60.46	\$57.19				\$57.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

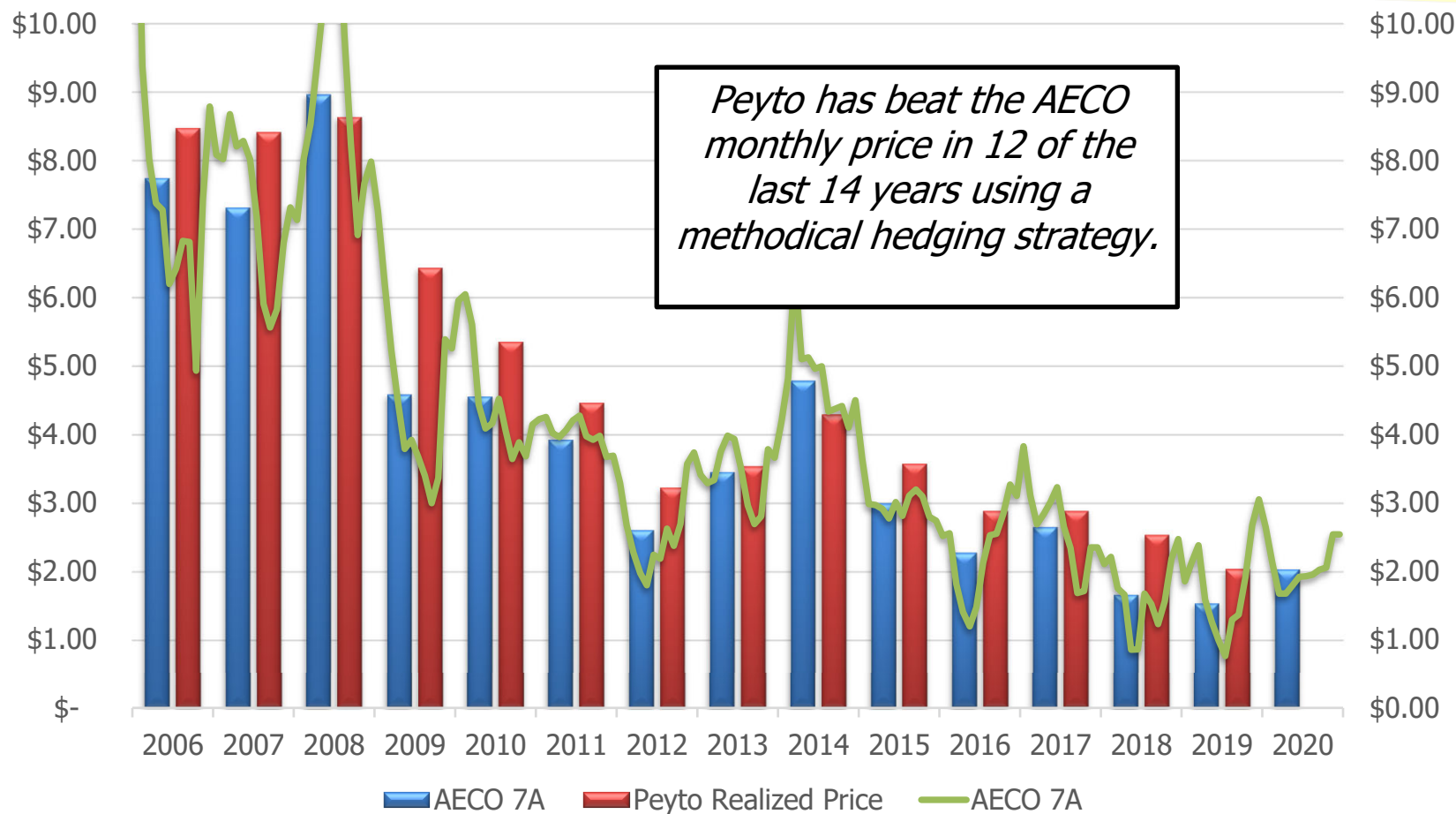
•Assumes an Average Heating Value of 1.15 GJ/mcf for Peyto's gas

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.

Gas Price (\$/mcf)



Gas Marketing

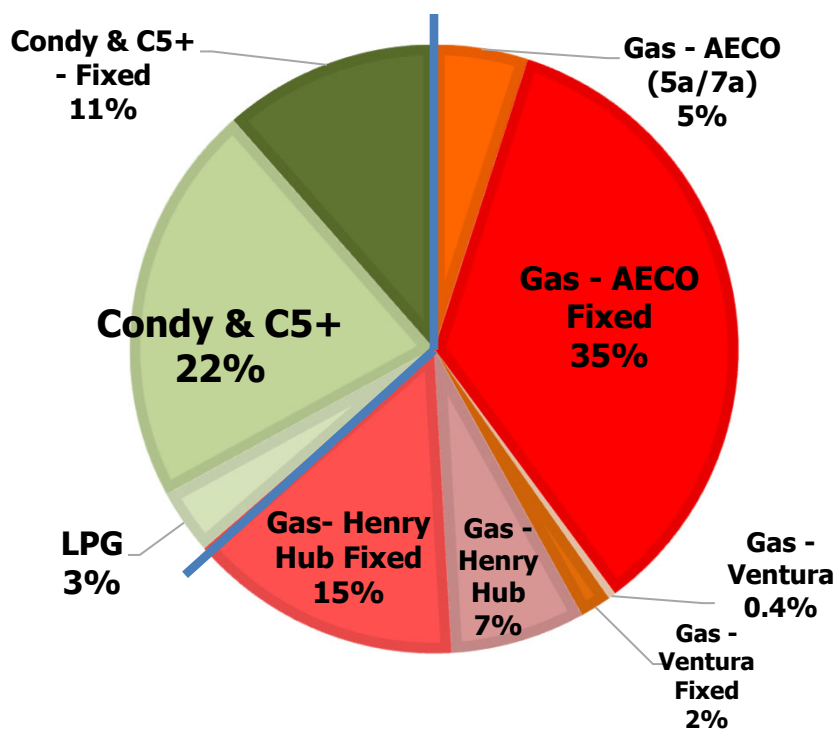
Balanced Revenue Stream

"As we transition to more Cardium production our revenue stream becomes more balanced between gas and liquids."



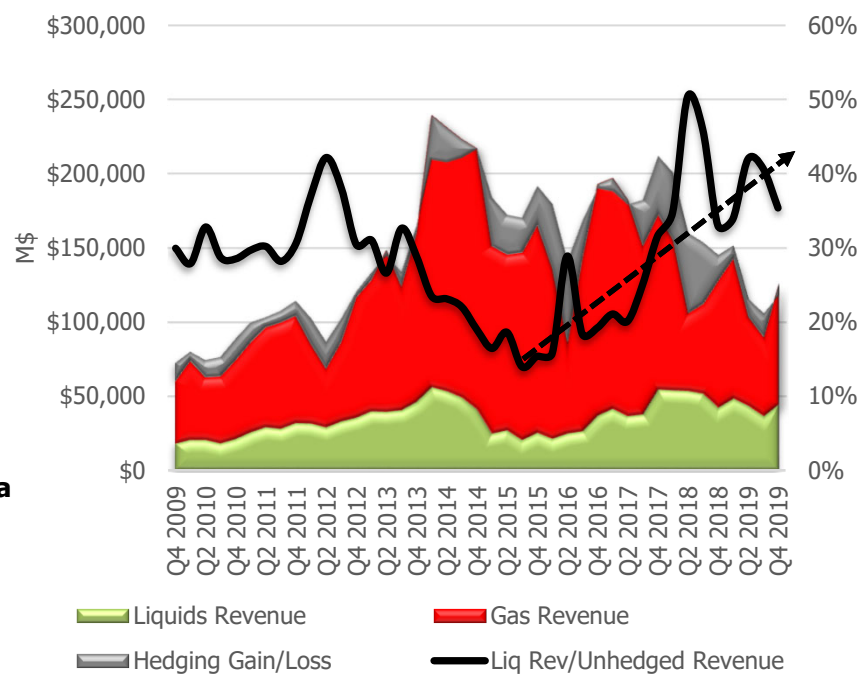
nt Corp.

2019 ACTUALS



36%
Liquids
Revenue

Peyto Quarterly Revenue Breakdown



Gas Marketing

LNG Consortium and Export Potential

"Peyto is part of a 10 company consortium looking at potential LNG export options. We are not big enough to go it alone but combined we are."



Appendix



- ☀ Quarterly Track Record
- ☀ Tax Pools
- ☀ Leverage
- ☀ Reserves Growth

Quarterly Track Record



	2020	2019					2018					2017			
	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2
Operations															
<u>Production</u>															
Oil & NGLs (bbl/d)	11,585	10,922	11,221	10,650	11,110	10,703	9,692	10,273	9,209	9,243	10,043	9,337	10,479	8,958	8,319
Natural gas (mcf/d)	401,572	419,281	397,419	396,343	422,320	462,003	493,921	458,792	456,197	493,821	568,496	559,663	595,885	557,958	535,274
Barrels of oil equivalent (boe/d)	78,514	80,802	77,458	76,707	81,497	87,704	92,012	86,738	85,242	91,547	104,792	102,614	109,793	101,951	97,531
Year over Year % Growth	-10%	-12%	-11%	-10%	-11%	-16%	-10%	-21%	-16%	-6%	4%	6%	8%	6%	11%
<u>Average Product Prices</u>															
Oil & NGLs (\$/bbl)	36.73	44.61	43.85	39.65	44.70	50.37	56.98	44.83	61.04	63.64	59.67	50.02	56.52	45.92	48.33
Natural gas (\$/mcf)	1.63	2.04	1.96	1.84	1.83	2.48	2.54	2.43	2.43	2.37	2.86	2.89	2.87	2.81	2.92
Op+Tran expenses (\$/mcf)	0.58	0.52	0.52	0.50	0.53	0.54	0.48	0.52	0.50	0.48	0.42	0.43	0.44	0.43	0.42
Field Netback (\$/mcf)	1.62	2.17	2.11	1.97	2.06	2.52	2.66	2.39	2.63	2.62	2.95	2.80	2.91	2.72	2.77
Financial (\$000)															
Revenue (net of royalties)	92,787	484,302	119,522	104,504	115,289	144,987	632,284	139,309	147,190	154,932	190,853	726,852	202,567	177,061	169,911
Funds from Operations ¹	54,513	323,129	75,974	68,106	75,971	103,078	473,741	99,635	109,549	115,571	148,986	573,721	161,672	139,257	133,487
Net earnings (loss)	(67,684)	133,494	3,492	6,275	98,757	24,970	129,110	21,458	29,506	30,397	47,749	176,577	51,547	44,818	39,957
Capital expenditures	68,587	206,430	73,350	36,574	34,112	62,394	232,363	112,215	69,716	14,978	35,454	521,210	134,411	135,187	97,738
Net Debt ²	1,166,795	1,146,659	1,146,659	1,133,869	1,156,564	1,188,808	1,224,422	1,224,422	1,167,672	1,178,294	1,243,291	1,327,440	1,327,440	1,286,268	1,218,879
Common shares outstanding (000)	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,849	164,874
Weighted average shares outstanding	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,856	164,874	164,874	164,874
Per share data (\$/share)															
Funds from operations	0.33	1.96	0.46	0.41	0.46	0.63	2.87	0.60	0.66	0.70	0.90	3.48	0.98	0.85	0.81
Earnings (loss)	(0.41)	0.81	0.02	0.04	0.60	0.15	0.78	0.13	0.18	0.18	0.29	1.07	0.31	0.27	0.24
Dividends (Distributions)	0.06	0.24	0.06	0.06	0.06	0.06	0.72	0.18	0.18	0.18	0.18	1.32	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.

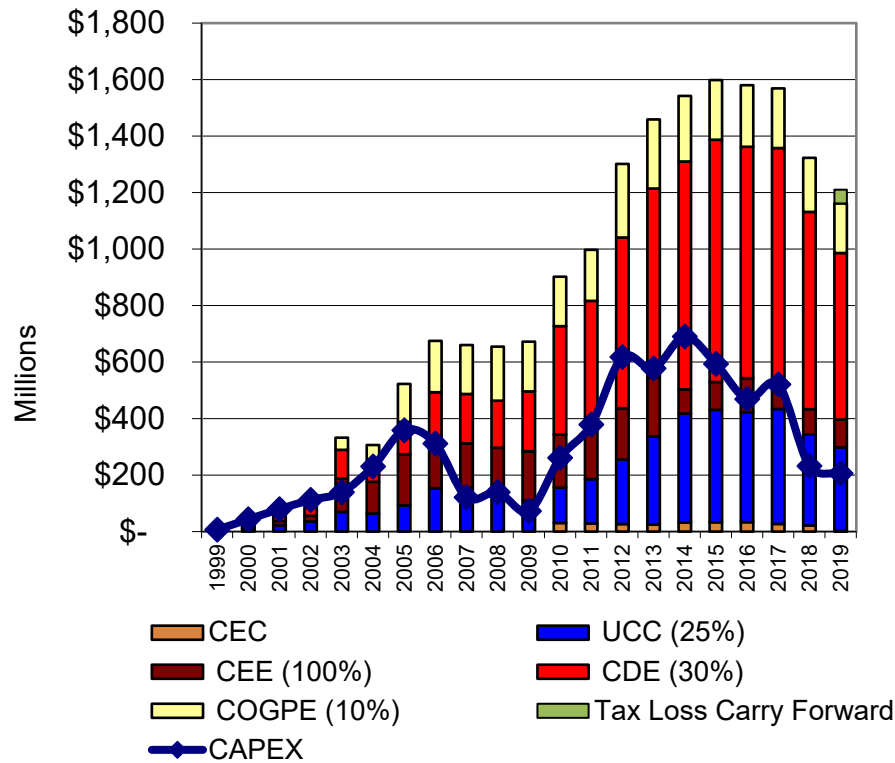
Organic Business Model

Peyto's Tax Pools

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



Development Corp.



\$1.2B

Federal Tax Pools
Q4/19

\$6.2B

Peyto CTD. CapEx
Q4/19

Peyto's Debt

Blend of fixed term and revolving debt

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

