



Advisory

Regarding Forward-Looking Statements



This presentation presents certain non-GAAP measures to assist readers in understanding the Company's performance. These measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management uses these non-GAAP measures to analyze and evaluate operating performance. Non-GAAP financial measures presented and discussed in this presentation are "Funds flow from operations" and "Net Debt". For further information on such Non-GAAP measures, including a description of how Peyto calculates such measures, their most applicable directly comparable GAAP measure and a reconciliation of each Non-GAAP measure to its most directly comparable GAAP measure, please see Peyto's management's discussion and analysis available on www.sedar.com in respect of its year ended December 31, 2020, and three and nine months ended Sept 30, 2021.

This presentation also 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.

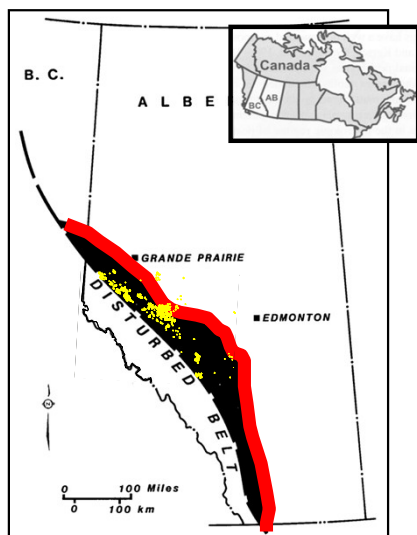
New To Peyto?

Who We Are

PEYTO



Exploration & Development Corp.



- ☀️ 5th Largest Canadian Gas Producer > 600 MMcfe/d
- ☀️ 11th Largest Canadian Gas Processor 875 MMcf/d capacity
- ☀️ Pure Play Alberta Deep Basin *Multizone stacked resource, 5 TCFe 2P reserves*
- ☀️ Long Reserve Life Asset *9yr PDP, 27yr 2P, sweet gas, no mobile water risk*
- ☀️ Returns Focused Strategy *Avg ROCE 15%, ROE 26% over last 22yrs*
- ☀️ Lowest Cost Producer *\$1.01/mcfe (\$6.09/boe) 2020 total cash costs**
- ☀️ Own and Control *Operate 99% of production, Own/operate 10 gas plants*

Monthly Dividend:	\$0.05/share (November 2021 onwards)
Shares O/S:	166 million (3% insider ownership)
Q3/21 Net Debt:	\$415 million (senior secured notes, 3.7-4.9% CND) \$717 million (\$0.95B secured bank facility) \$1.13B (\$1.365B total capacity)
Enterprise Value:	\$3.0 billion (\$11.00/share)
Full Time Employees:	55

*Cash costs are royalties, operating costs, transportation, G&A and interest
Reserve Life based on Q4 2020 production rate of 83,461 boe/d
BOE factor – 6 mcf = 1 bbl of oil equivalent

www.Peyto.com

PEY.TO

20 Year Growth Per Share

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

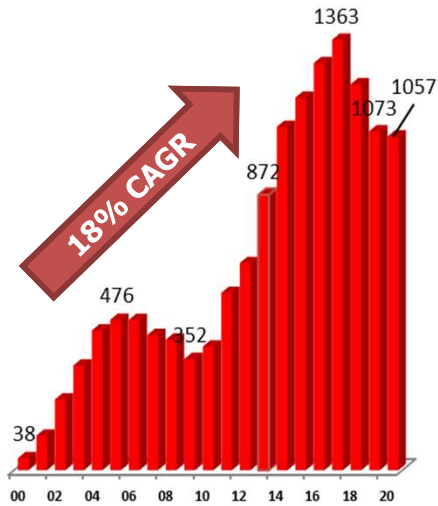
PEYTO



Exploration & Development Corp.

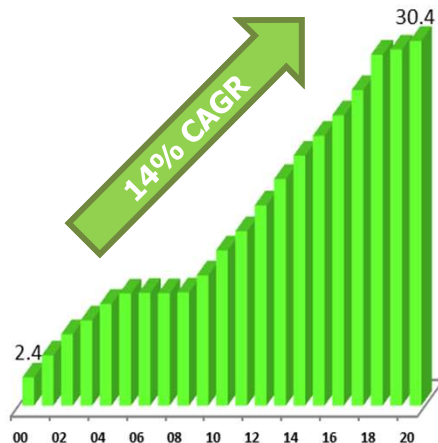
Production/share

(MMcfe/d/mm sh)



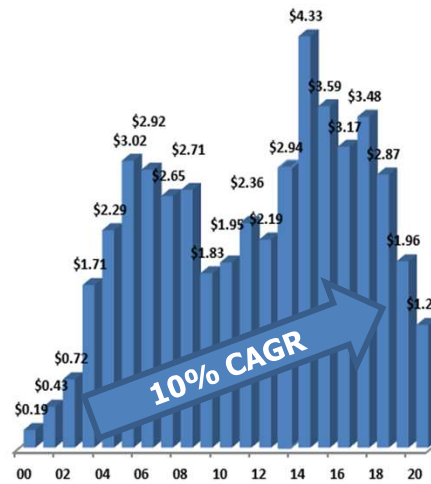
Reserves/share

(2P Bcfe/mm sh)



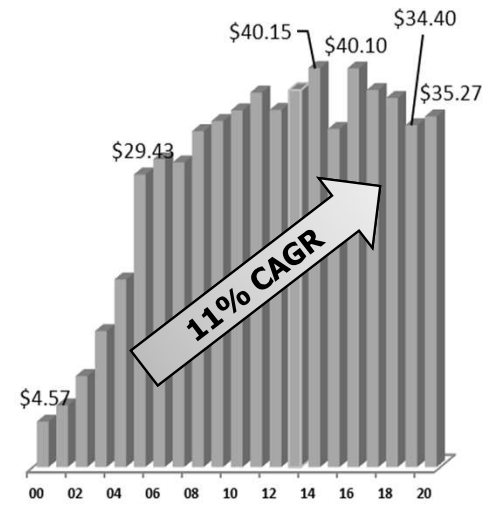
FFO/share

(\$/sh)



2P NPV₅/debt adj. share

(\$/sh)



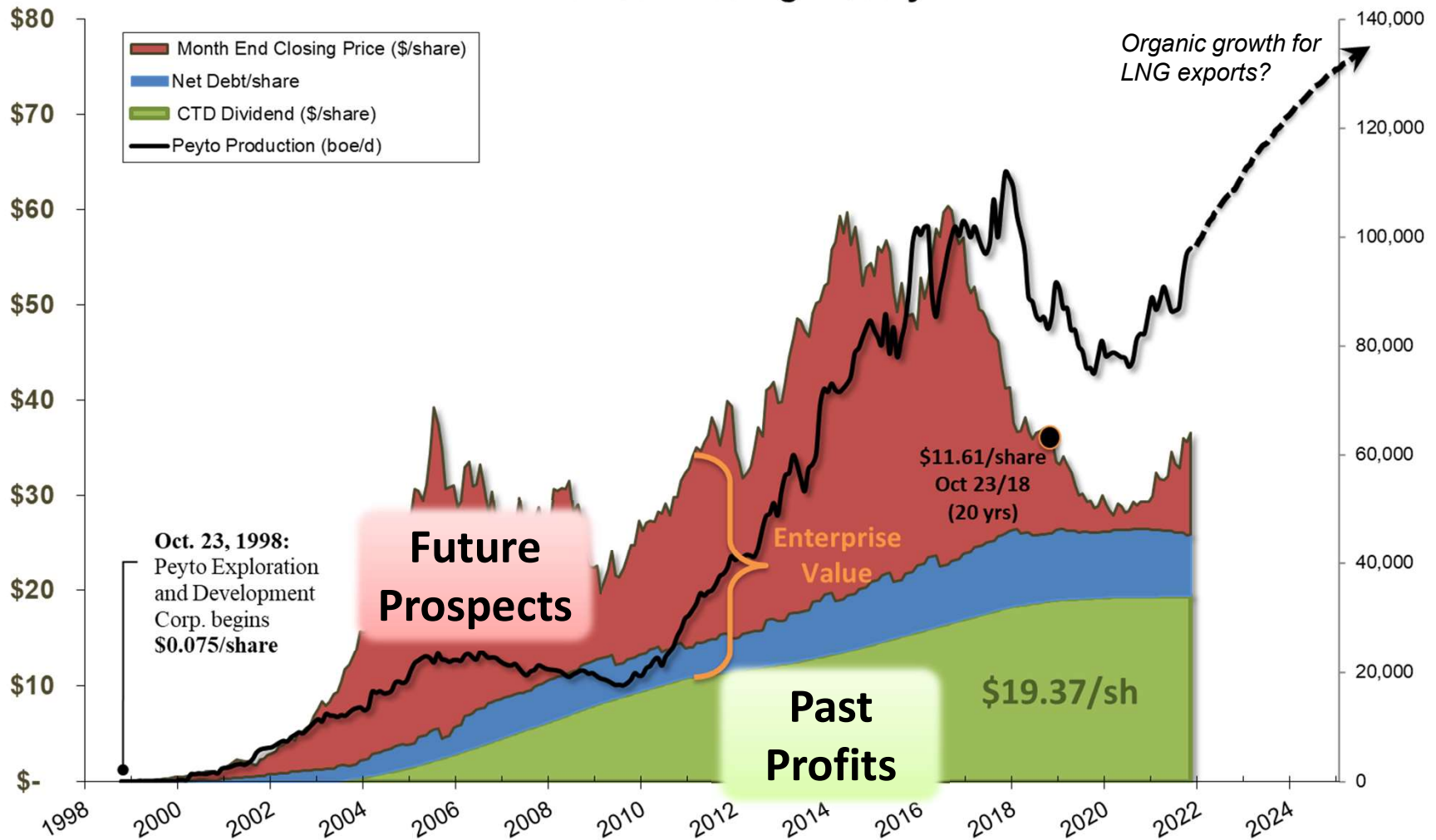
Historical Per Share (or unit) and Shares (units) Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split
BOE factor - 6 mcf = 1 bbl of oil equivalent

PEY.TO

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. 23 Year Trading History



PEY.TO

We Heat Your Homes

"Alberta households use approximately 120 GJ of natural gas per year. As the 5th largest Canadian gas producer, Peyto provided enough natural gas to keep millions of homes warm last year."

The 230-year-old publication—which claims to make predictions with 80% accuracy—just released its annual forecast for winter 2021-2022. It's going to be so cold across the country, they have actually taken to calling it the "season of shivers."



Photo credit: Courtesy of Old Farmer's Almanac



Natural Gas

- ✓ Safe
- ✓ Reliable
- ✓ Affordable

PEY.TO

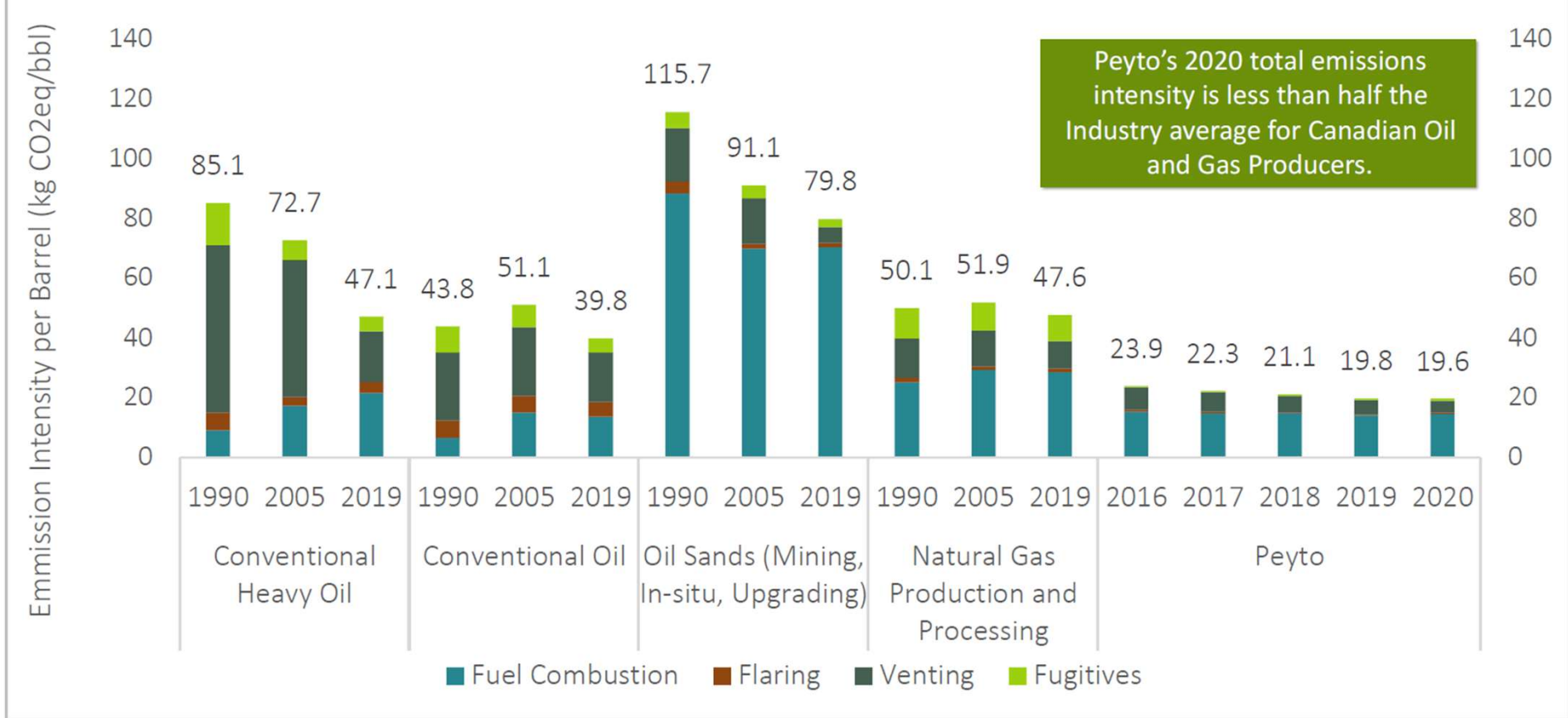
Environmental Leader

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



Corp.

Emission Intensity by Source Type for Canadian Oil and Gas (1990, 2005, 2019)



Peyto's 2020 total emissions intensity is less than half the Industry average for Canadian Oil and Gas Producers.

Source: NIR Greenhouse Gas Sources and Sinks in Canada, 2021 Edition, Part 1, Figure 2-25 (<https://unfccc.int/documents/271493NIR>).

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.
 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>

PEY.TO

Continuously Improving Emissions

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

Corp.

DG1

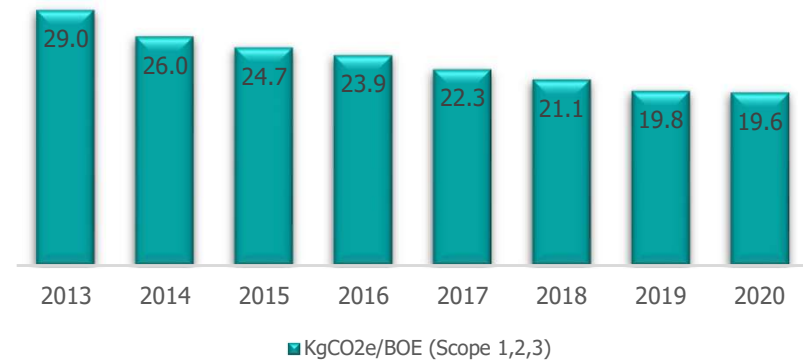
-32%

in GHG Emissions Intensity*

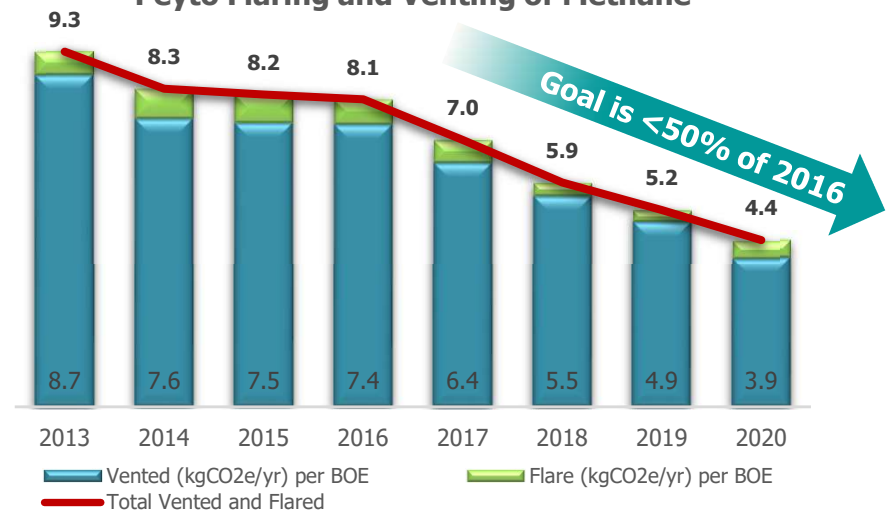
-53%

In Flared/Vented Methane*

Peyto GHG Emissions Intensity



Peyto Flaring and Venting of 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.

Slide 8

DG1

Darren Gee, 5/21/2021

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Less Impact on Land and Water

"We have made tremendous gains since 2016 on our Methane emissions, minimizing our land use and recycling our water!"

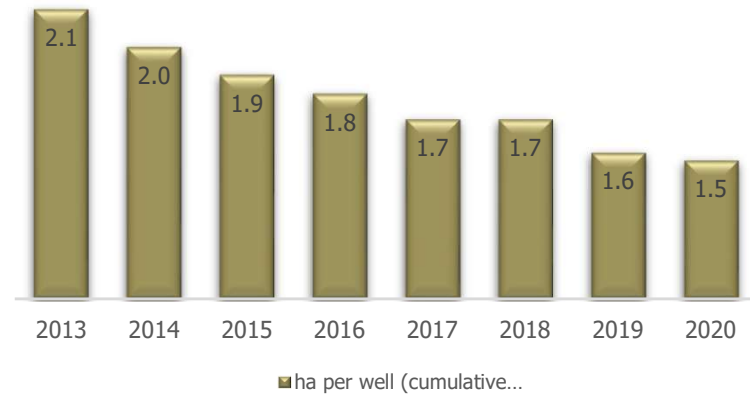


Corp.

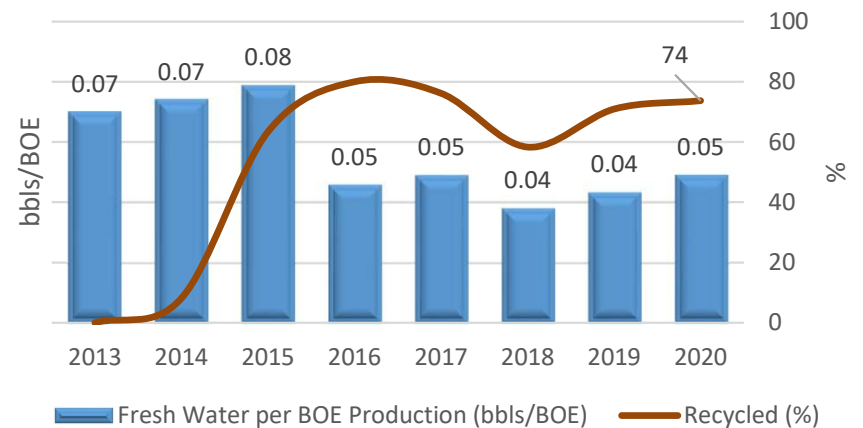
-28%
in Surface Land Use

74%
of Water Recycled

Peyto Land Use Reduction



Freshwater Use and Flowback Recycling



*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 Peyto Strategy

PEYTO

Exploration & Development Corp.



The 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.

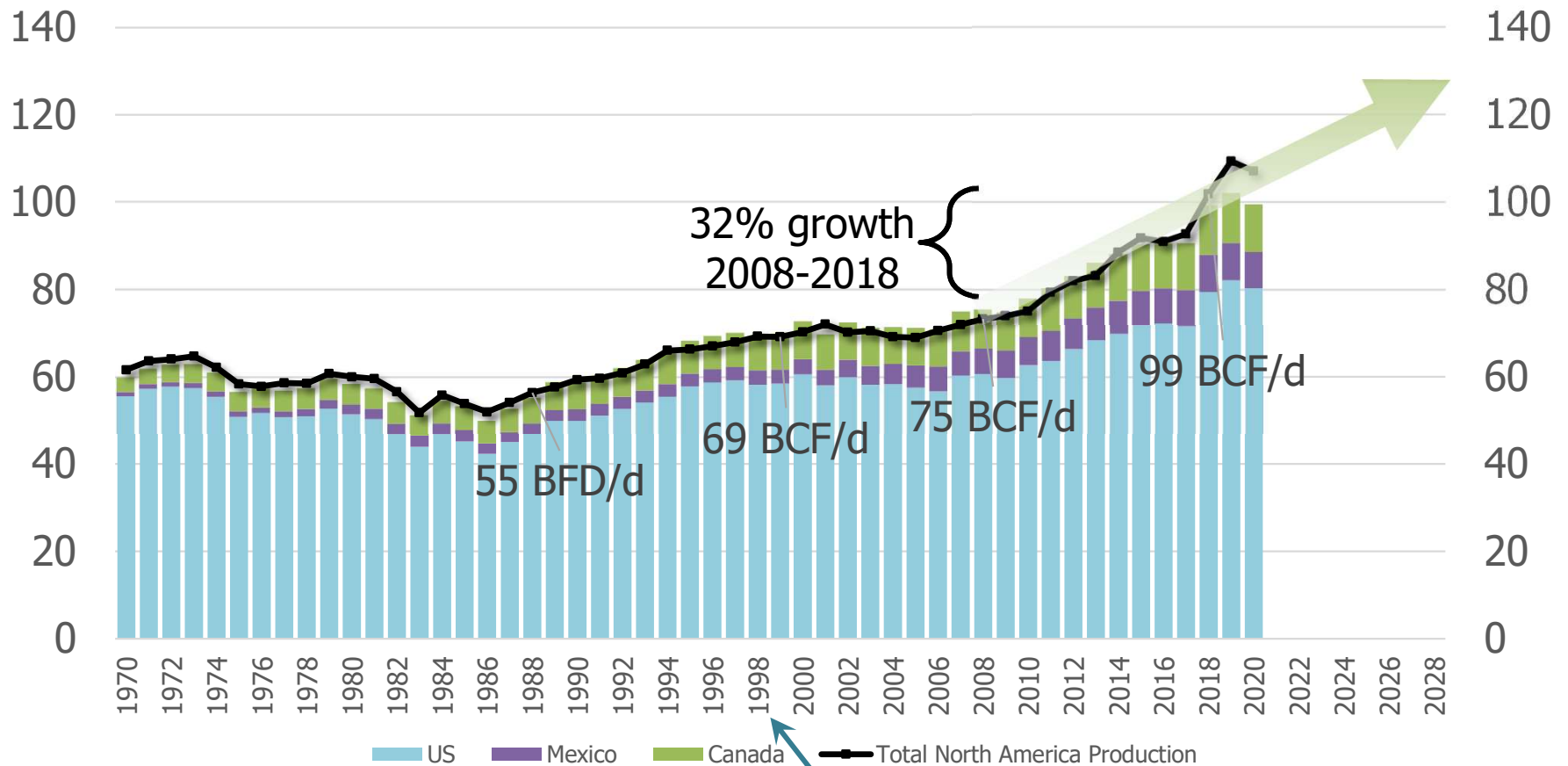
- * *“Nature’s gas is the fuel for the future.”*
- * *“Our gas and NGLs have some of the lowest emissions of any hydrocarbons produced in Canada.”*
- * *“Our business focus is to maximize the return on invested capital – your capital.”*
- * *“By maintaining low cash costs over the entire production life,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

The 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)



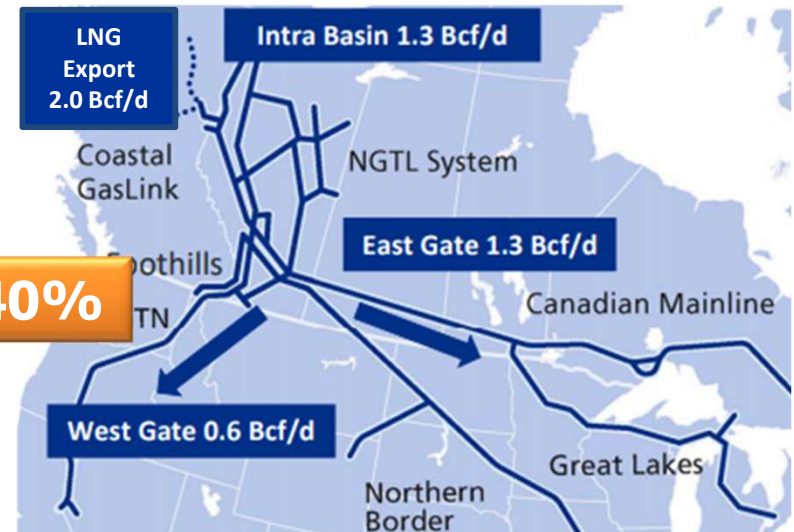
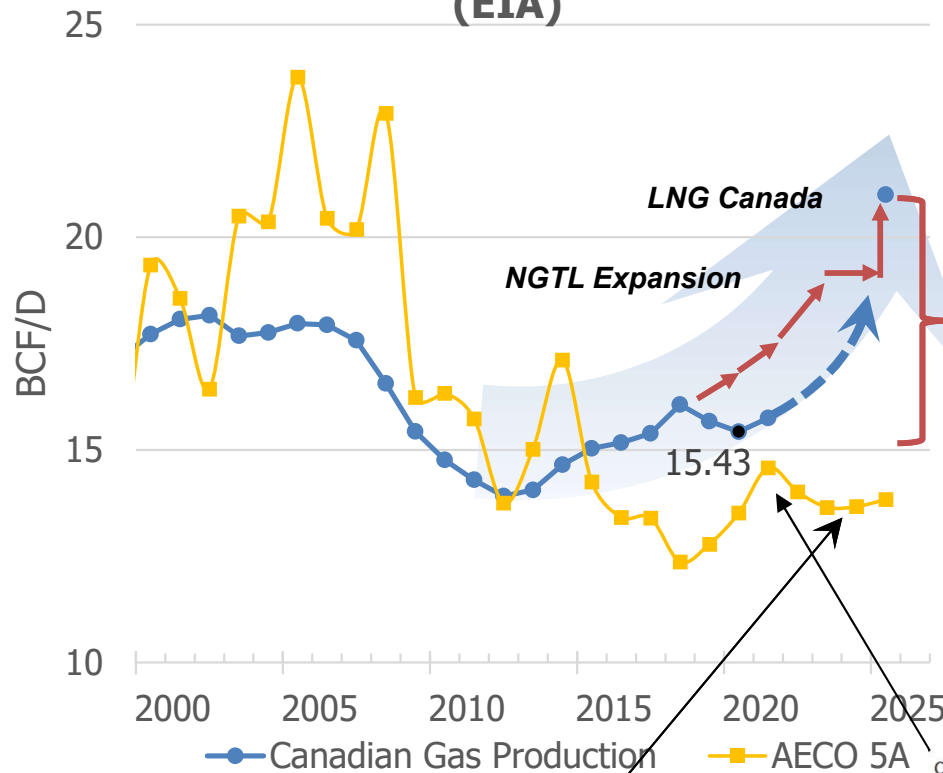
Peyto started

The Peyto's Strategy

Canadian Gas Egress Is Expanding

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

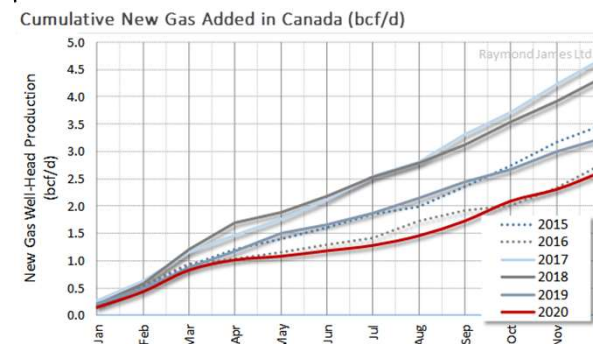
Dry Natural Gas Production - Canada (EIA)



+40%

3.2 Bcf/d NGTL Expansion – 2019 to 2022
1.9 Bcf/d LNG Canada (trains 1&2) – 2024
5.1 Bcf/d Additional Market Access

Are forecast gas prices of \$2.50/GJ enough to encourage the 4-6 BCF/d of growth we'll need to fill this egress?



The Peyto Strategy

Fund Growth From Cashflow

"Over the last 22 yrs, Peyto has invested \$6.4 billion in capital to fund organic resource development that has produced \$6.5 billion in funds from operations."

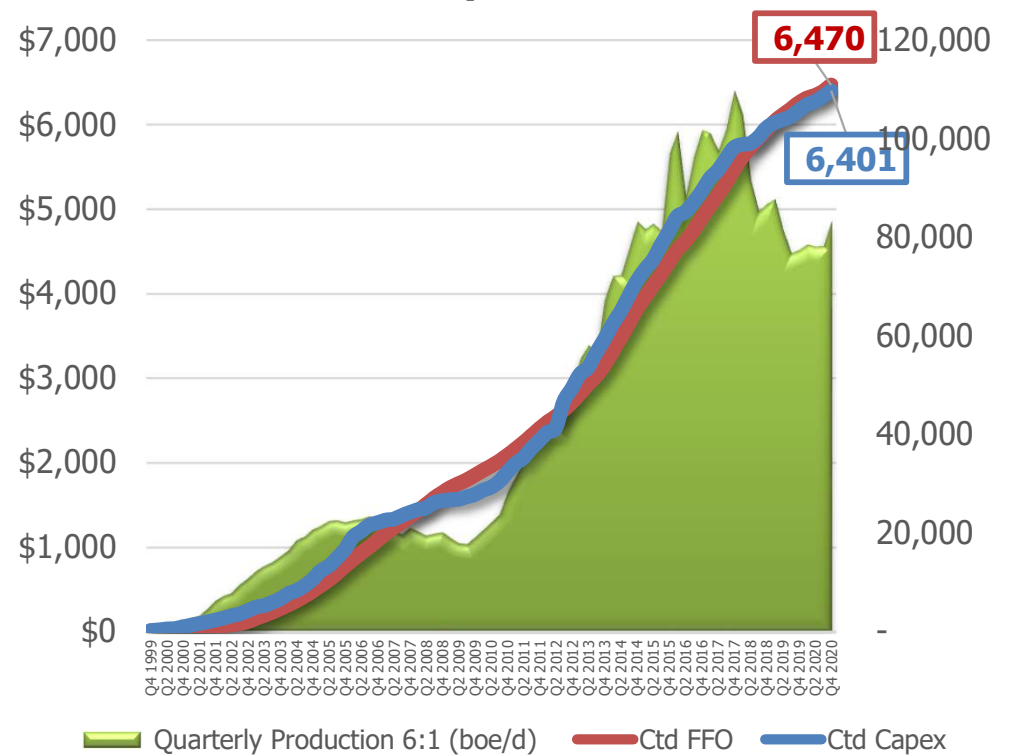
\$6.5B

Peyto FFO
CTD Q4/20

\$6.4B

Peyto Capital
CTD Q4/20

Peyto FCF



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."

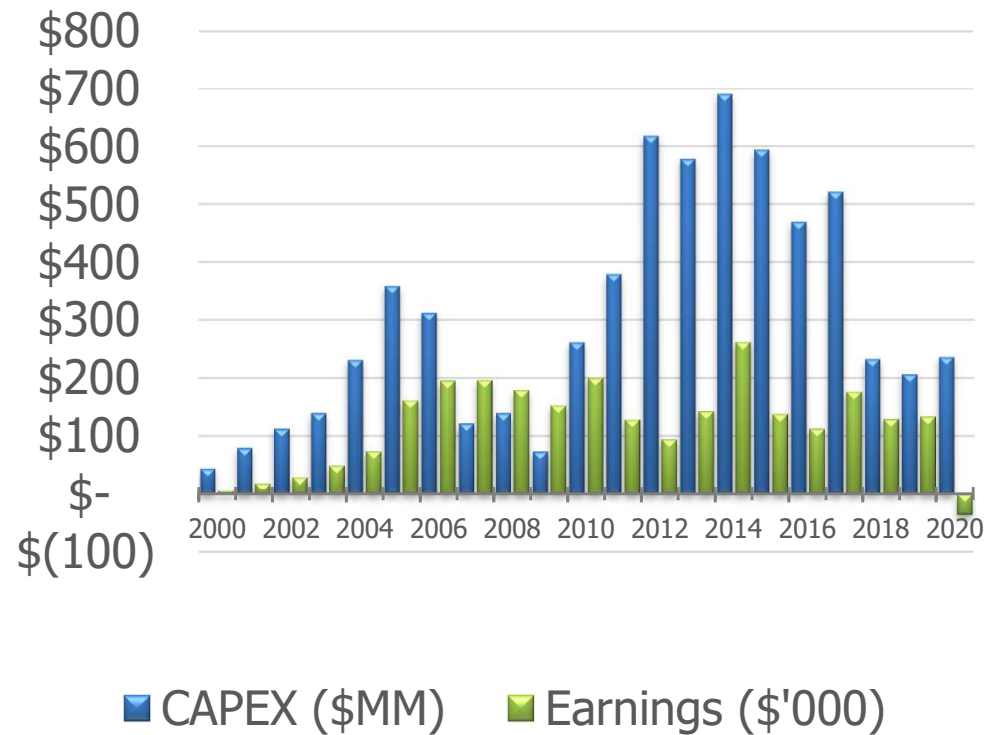


\$6.4B

Peyto Capital
CTD Q4/20

\$2.6B

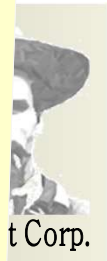
Peyto Earnings
CTD Q4/20



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."

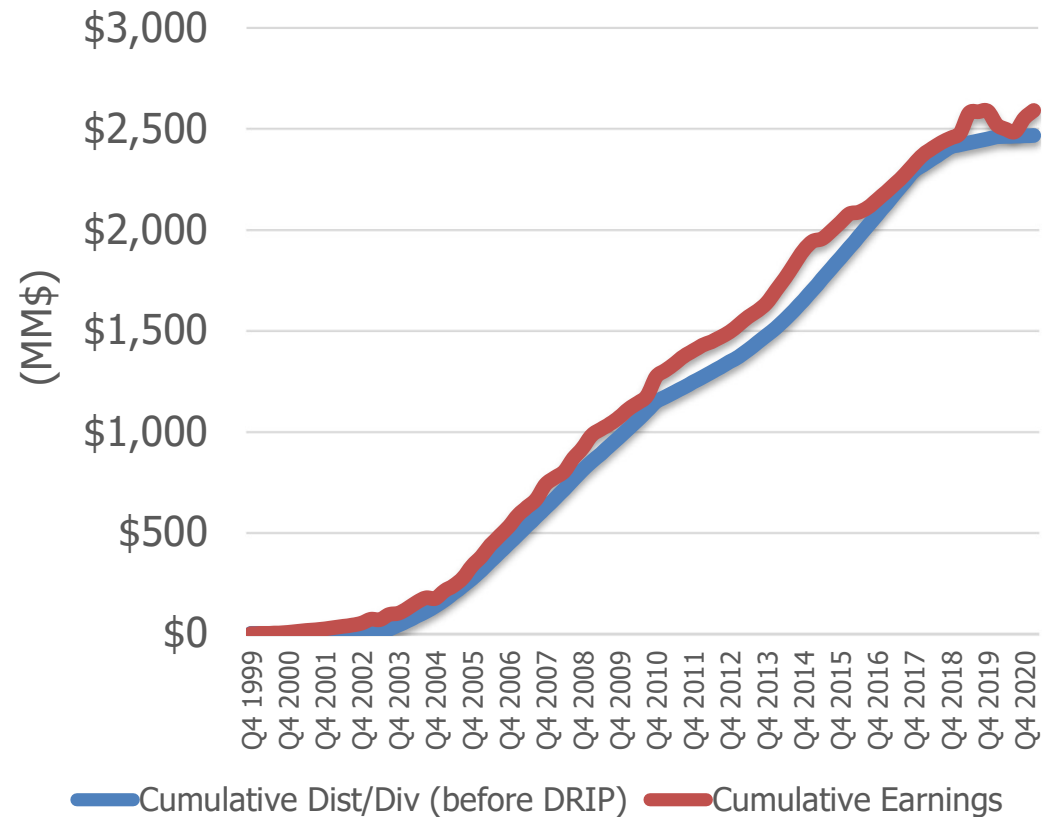


\$2.6B

Peyto Ctd. Earnings
Q4/20

\$2.5B

Peyto Ctd. Dist/Div.
Q4/20



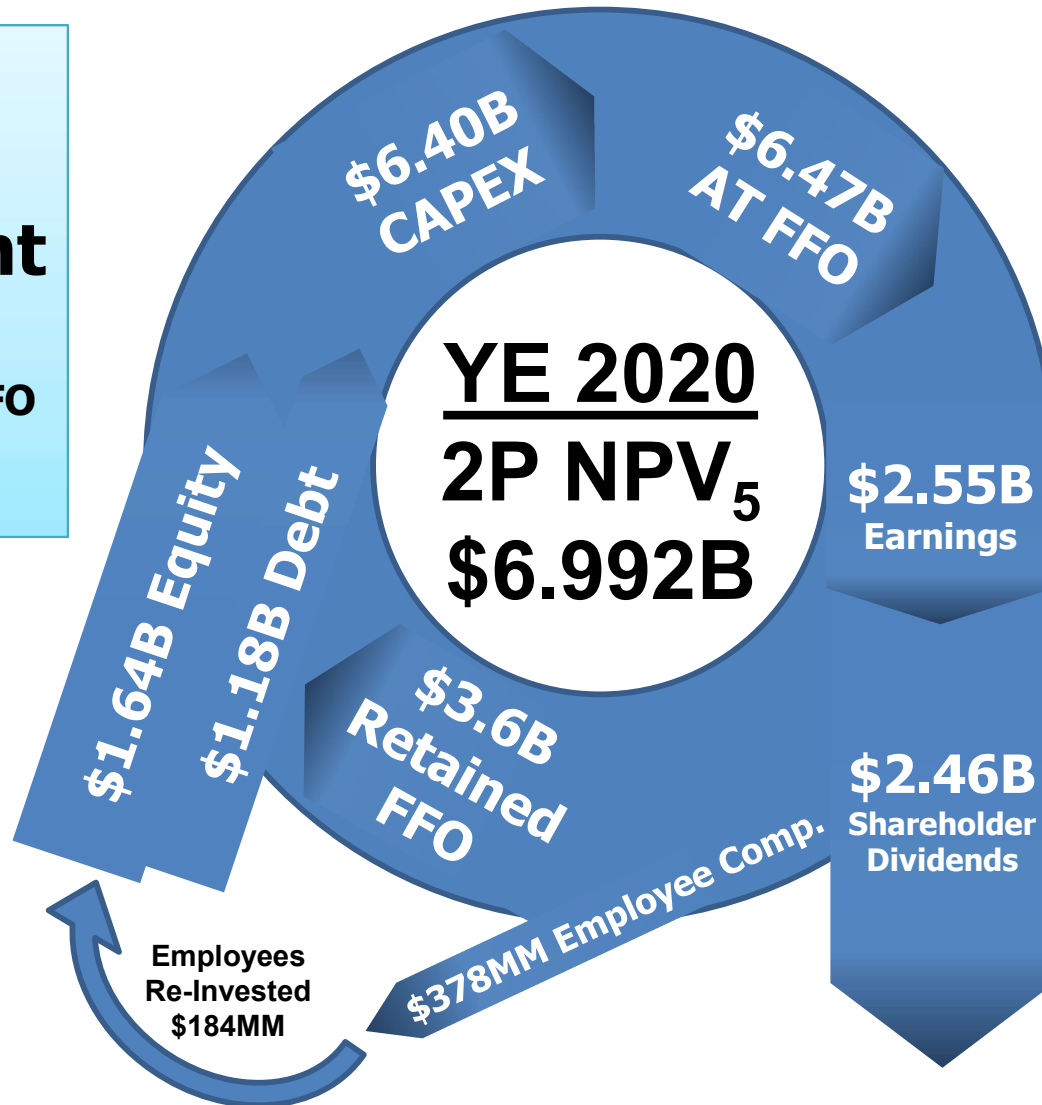
The Peyto Strategy

22 Year Cycle of Value Creation

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

**\$6.40B
Capital
Investment**

55% retained FFO
26% equity
18% debt



\$8.65B Value

\$2.46B in div/dist
\$0.38B to employees
\$6.99B remaining
asset value
(\$1.18B) debt

Peyto's Profitable Business

PEYTO

Exploration & Development Corp.



Peyto's Profitable Business

"Build it for less than we sell it"

"2020 was Peyto's toughest year with some of the lowest realized gas prices, however we rose to the challenge with industry leading supply costs."

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
PDP FD&A \$/mcfe	(\$2.25)	(\$1.64)	(\$1.44)	(\$1.36)	(\$1.18)	(\$1.55)	(\$1.06)
Cash Costs \$/mcfe	(\$1.08)	(\$0.81)	(\$0.76)	(\$0.83)	(\$0.92)	(\$0.95)	(\$1.01)
Supply Cost	(\$3.26)	(\$2.45)	(\$2.20)	(\$2.19)	(\$2.10)	(\$2.50)	(\$2.07)
Sales Price \$/mcfe	<u>\$5.04</u>	<u>\$3.83</u>	<u>\$3.18</u>	<u>\$3.38</u>	<u>\$3.27</u>	<u>\$2.78</u>	<u>\$2.23</u>
Full Cycle Netback \$/mcfe	\$1.71	\$1.38	\$0.98	\$1.19	\$1.17	\$0.28	\$0.16
Margin	34%	36%	31%	35%	36%	10%	7%
Dividend \$/mcfe	\$1.05	\$1.11	\$1.01	\$0.97	\$0.59	\$0.22	\$0.08

2020
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$235.7MM
ΔPDP (37 mmoes)

2020 FD&A = \$1.06/mcfe

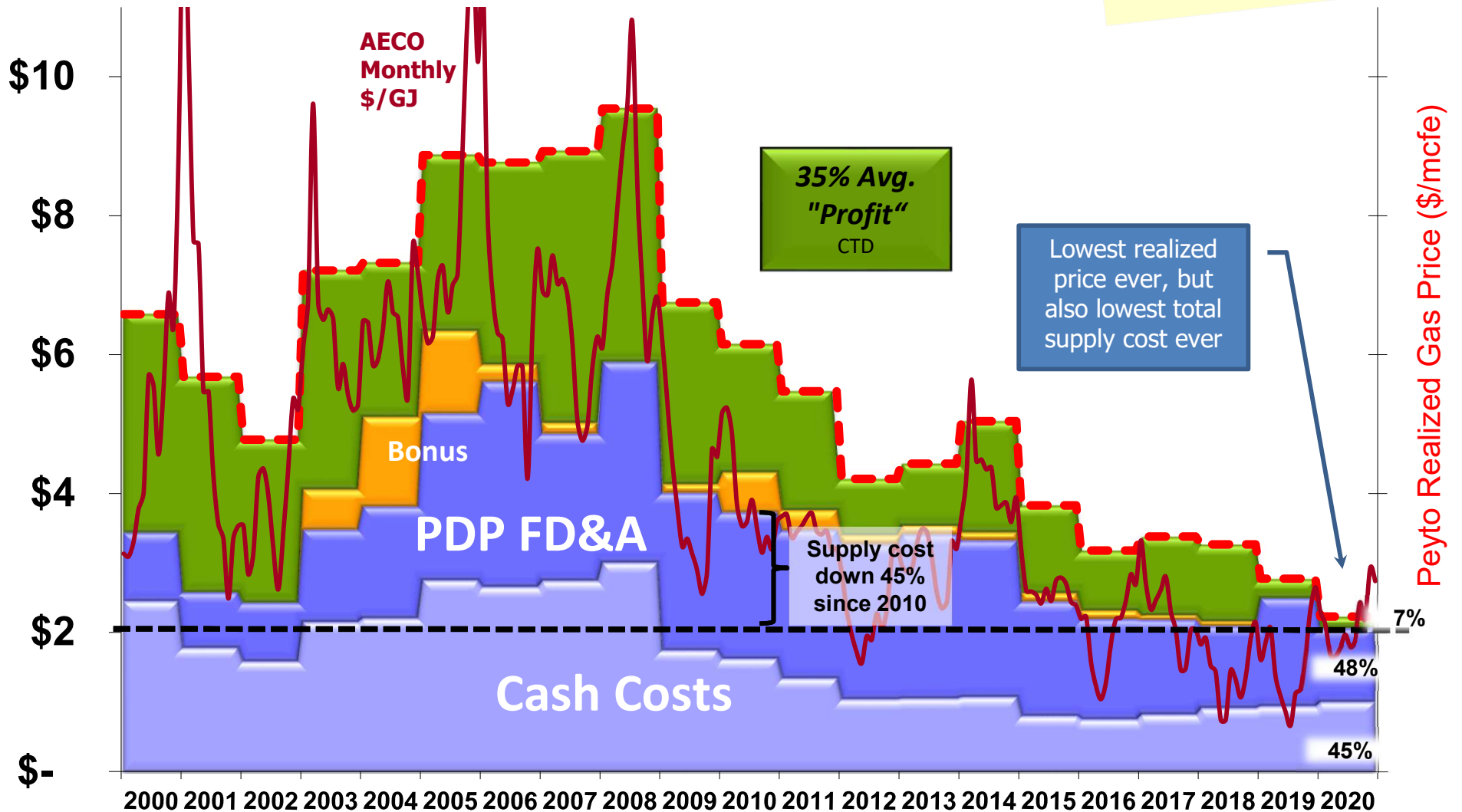
Royalties (\$0.13)
Opex (\$0.34)
Transport (\$0.17)
G&A (\$0.04)
Interest (\$0.33)
Total Costs (\$1.01)

86% Gas @\$1.51/GJ*1.15 HC
14% NGLs@\$31/bbl=(60%of \$52oil)
\$2.23/mcfe
\$0.00/mcfe hedge gain/loss
\$2.23/mcfe

Peyto's Profitable Business

Lowering The Bar

"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 at low gas prices."



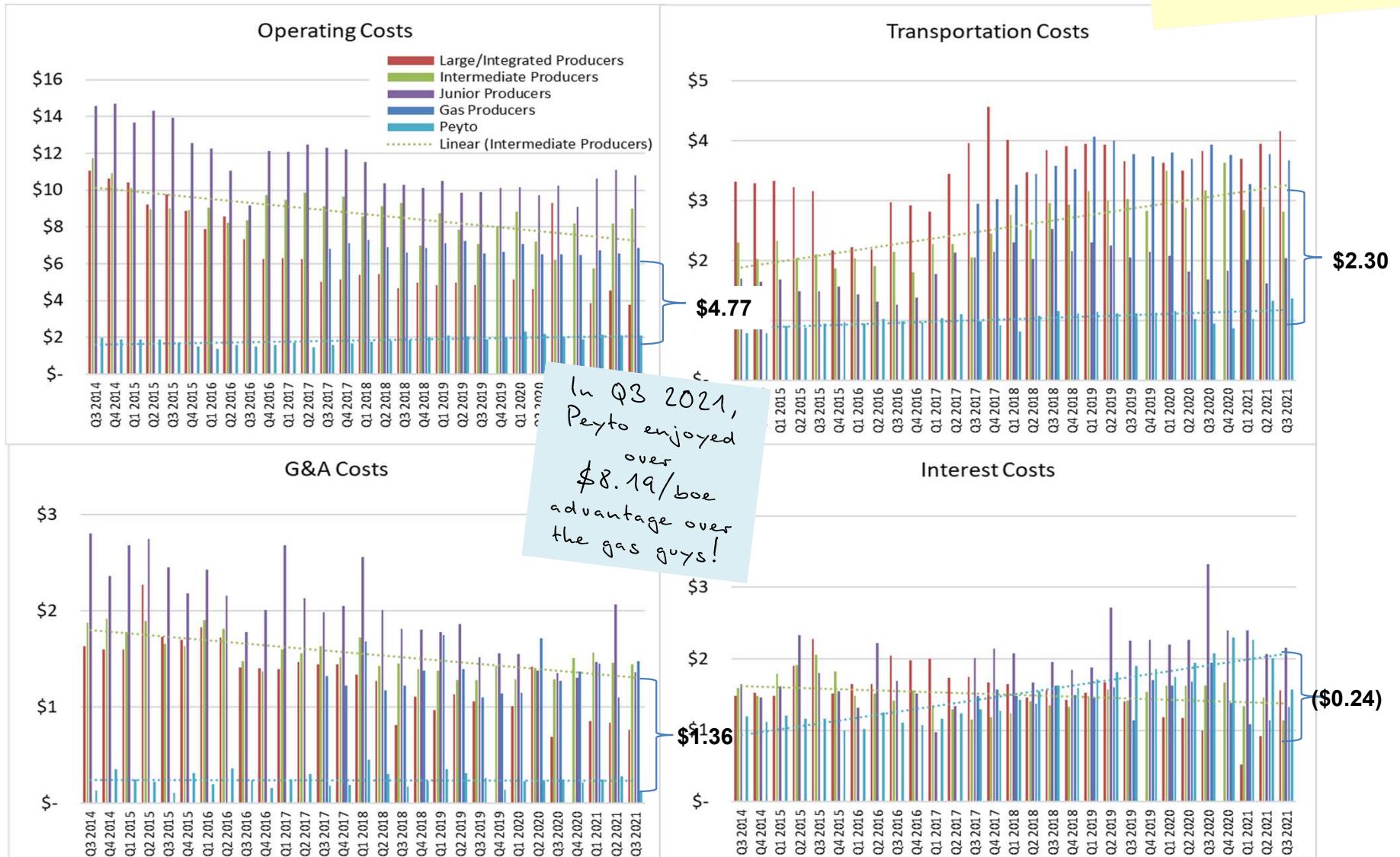
Total Cash Costs per mcfe includes – Royalties, Op Costs, Transport, G&A, and Interest
 PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Peyto's Profitable Business

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."

PEX



BOE factor - 6 mcf = 1 bbl of oil equivalent

Data from Peter's & Co.

Gas producers include: AAV, ARX, BIR, CR, KEL, NVA, PIPE, PMT, PNE, POU, SDE, SRX, TOU

Peyto's Profitable Business

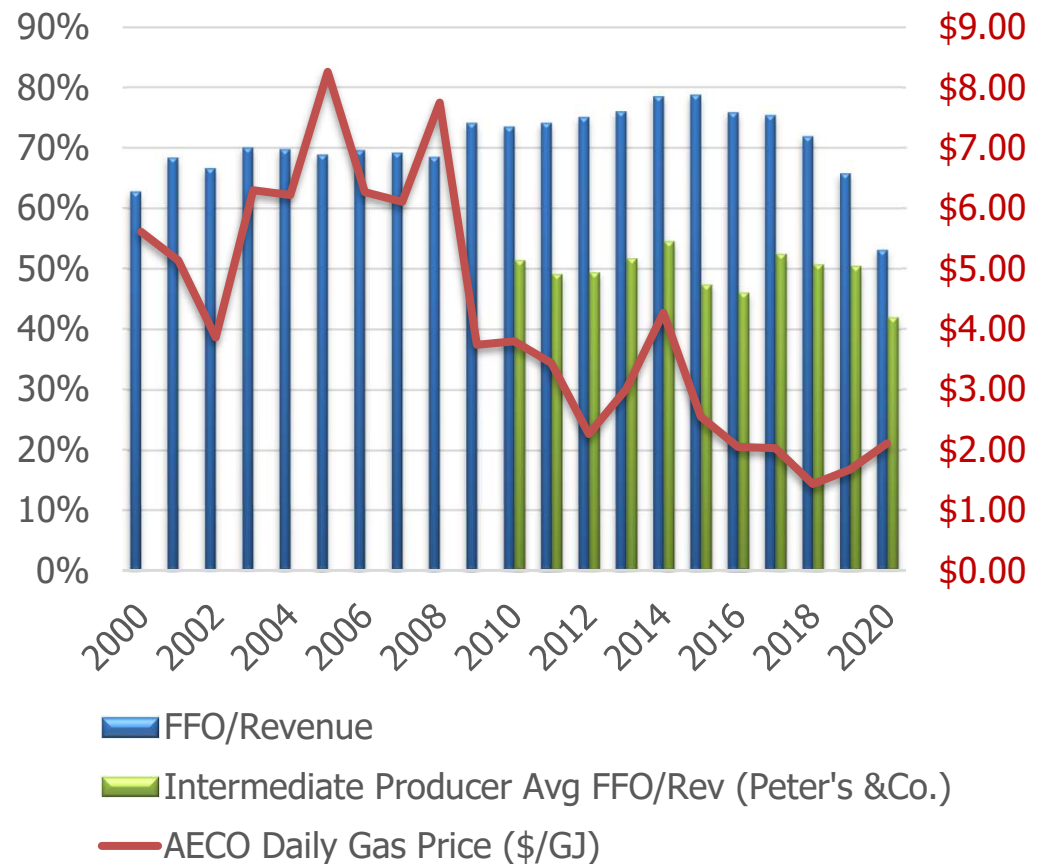
High Operating Margins

"While 2020 was a very difficult year on operating margins, Peyto maintained a sizeable advantage over the industry."



71%

Peyto Operating Margin
Last 20 Year Avg.



Peyto's Unique Assets

PEYTO

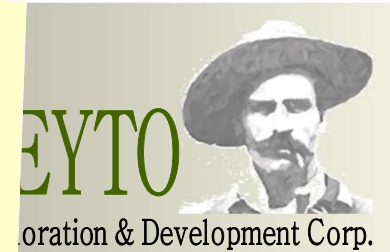
Exploration & Development Corp.



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."



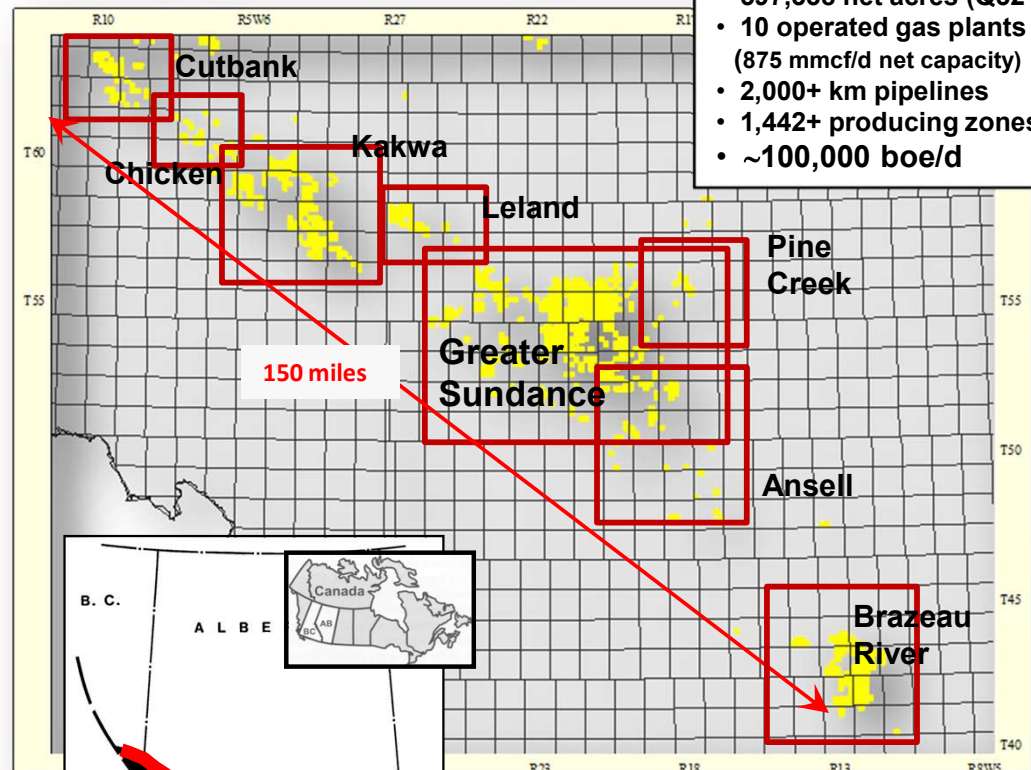
99%

Of Production:
Processed by Peyto
Operated by Peyto

99%

Working Interest in 10
Processing Facilities

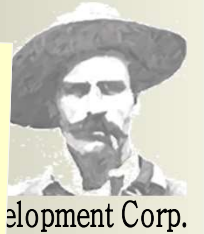
- 597,338 net acres (Q321)
- 10 operated gas plants (875 mmcf/d net capacity)
- 2,000+ km pipelines
- 1,442+ producing zones
- ~100,000 boe/d



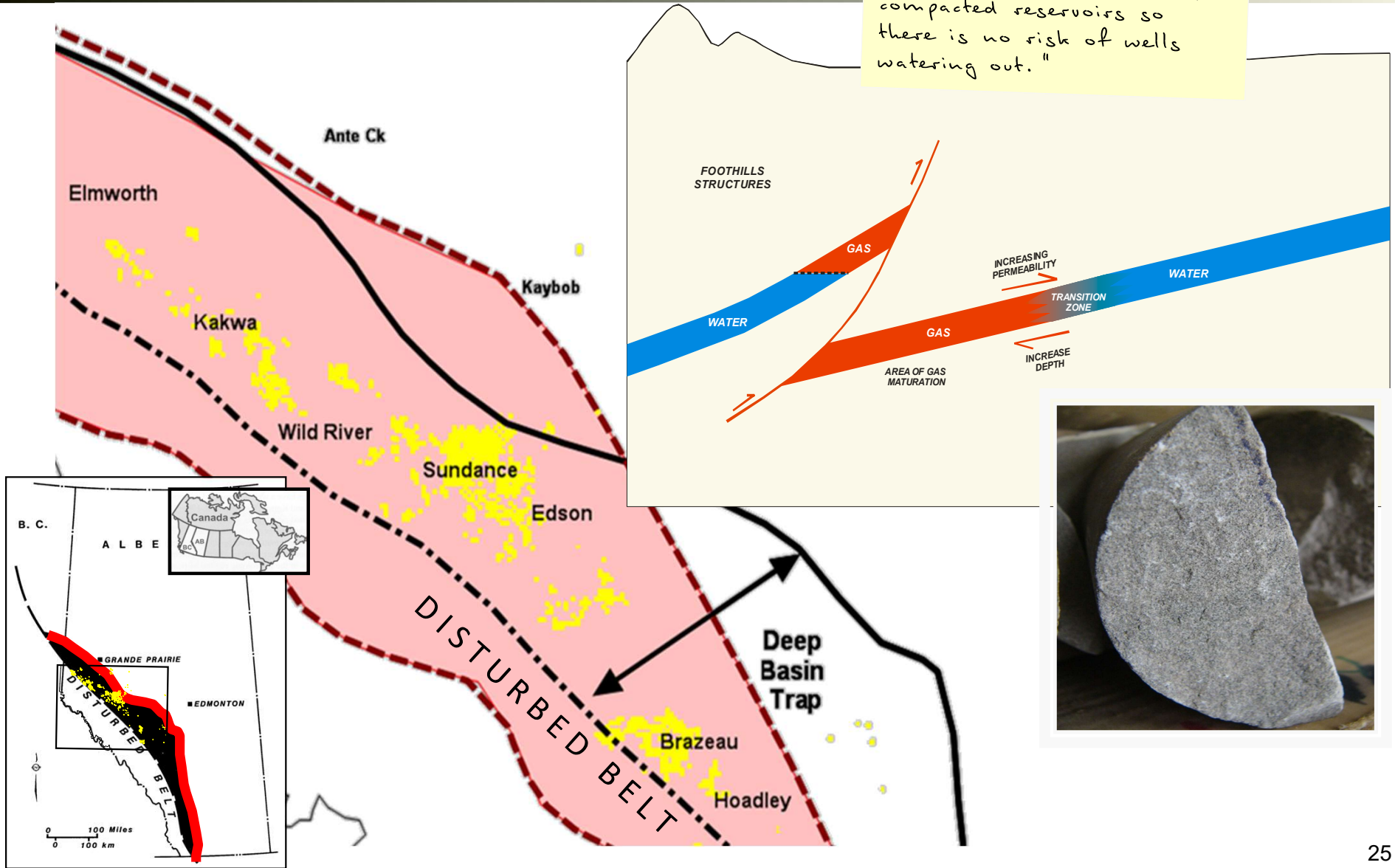
Peyto's Assets

Deep Basin Permeability Segregation

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



Development Corp.



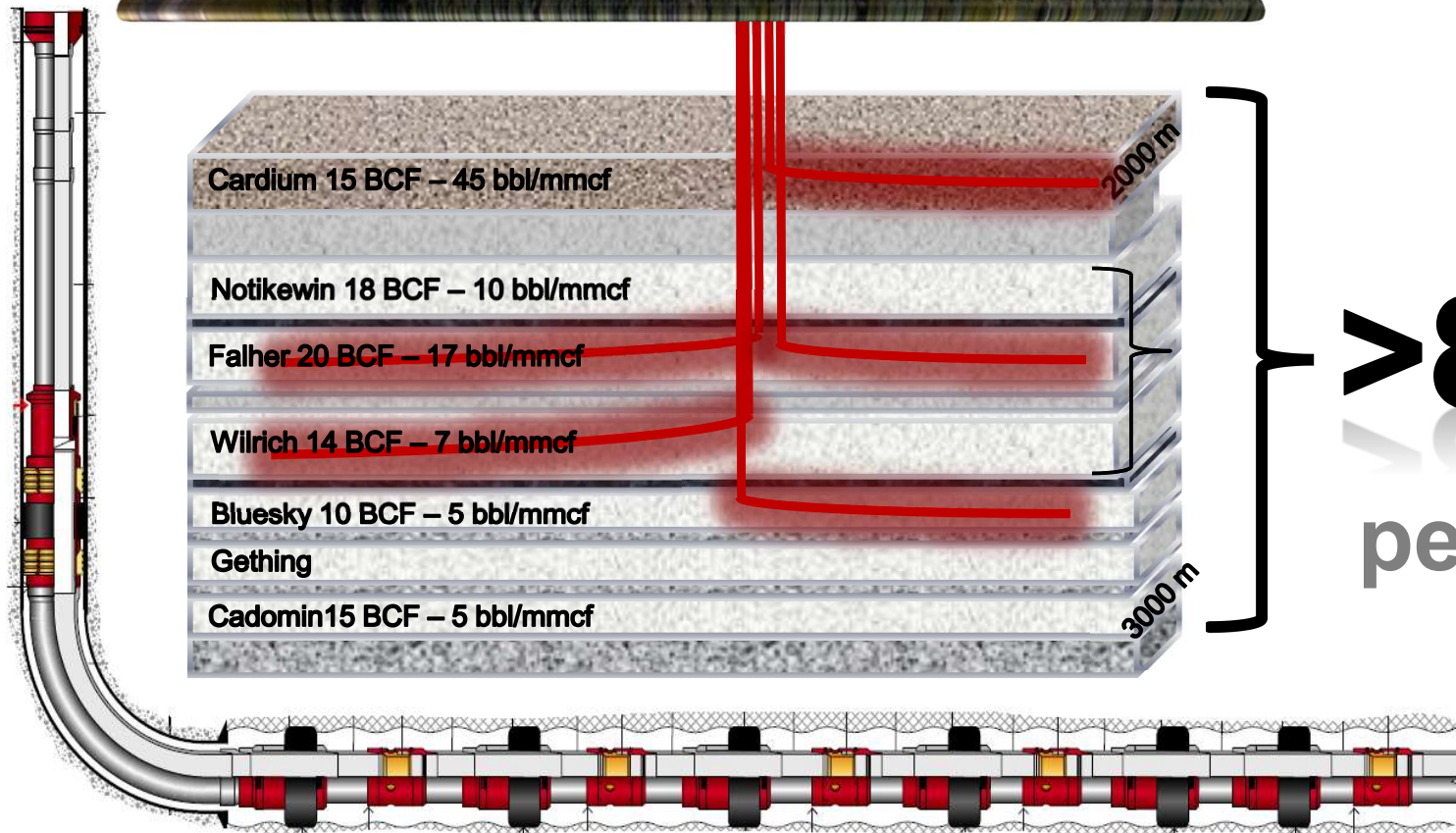
Peyto's Assets

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 for a small surface footprint."



Corp.



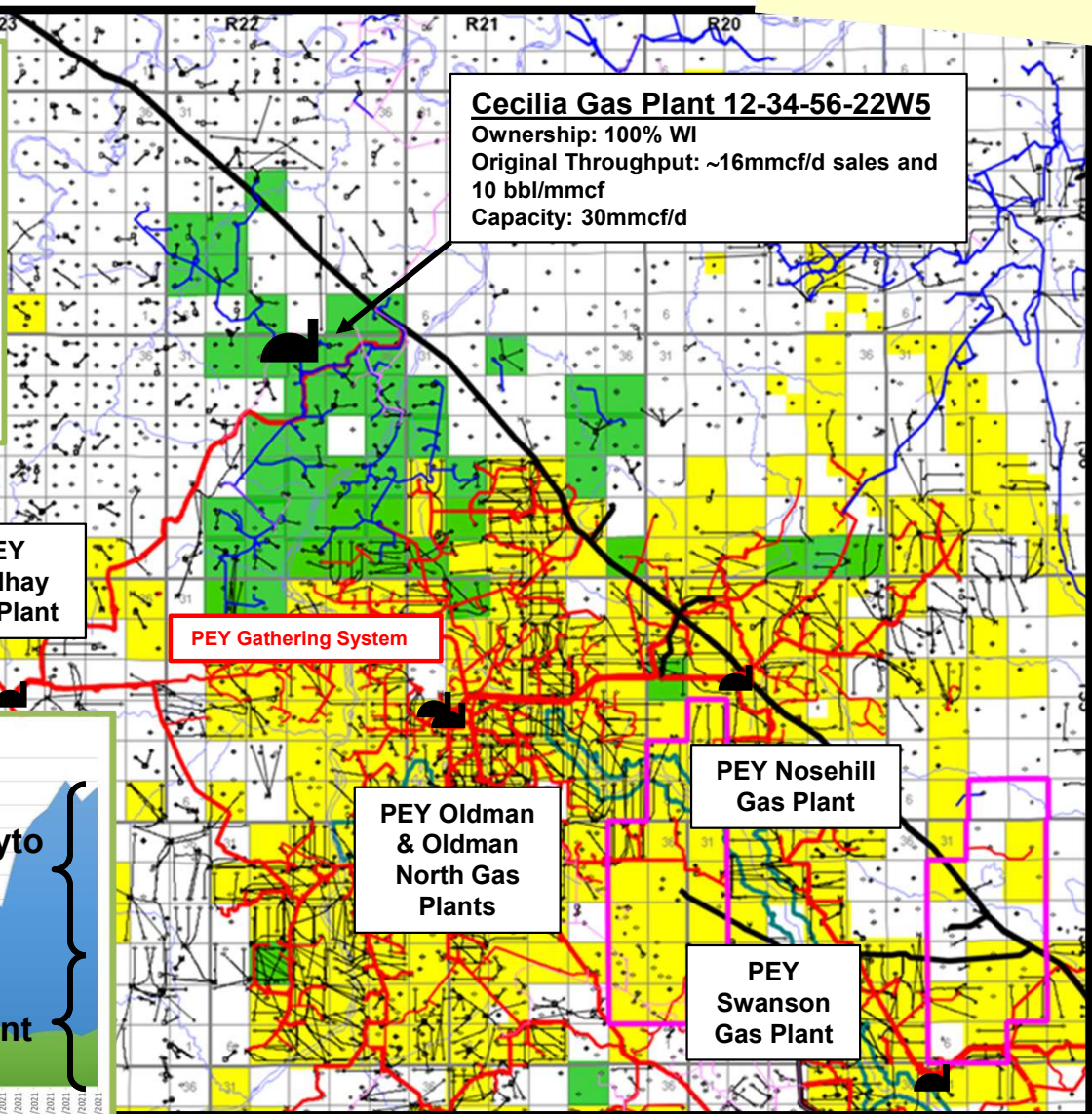
*NGL recoveries can increase by 15+ bbl/mmcft with deeper cutting processing facilities
Reserves are 2P recoverable in a section at 85% RF

Peyto's Assets

Cecilia Acquisitions \$35MM – Effective Jan 1/21

"Although acquisitions are rare at Peyto they are generally defined by the synergies with our existing core areas."

- October Rates:
 - Base: 2,900 boe/d
 - New: 10,100 boe/d (12 new wells online, 3 reactivations)
 - Total: 13,000 boe/d (6,000 through Cecilia, 7,000 through other Peyto plants)
- Cecilia Gas Plant Capacity
 - 30 MMcf/d gas
 - 500 bbl/d NGLs



Cecilia Gas Plant 12-34-56-22W5
 Ownership: 100% WI
 Original Throughput: ~16mmcf/d sales and 10 bbl/mmcft
 Capacity: 30mmcf/d

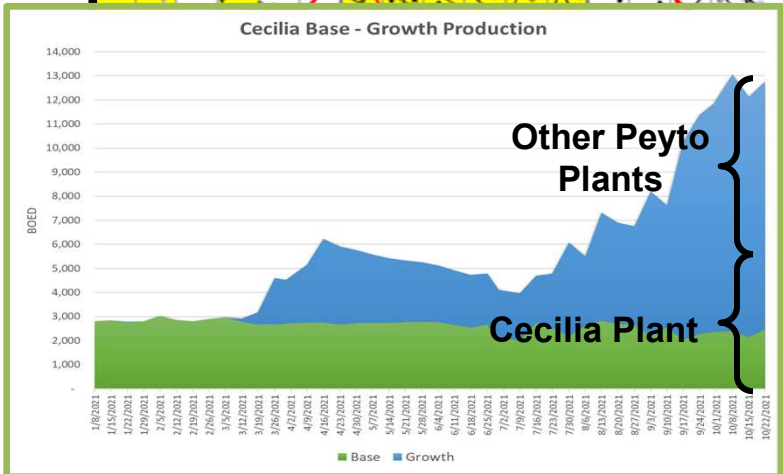
PEY Wildhay Gas Plant

PEY Gathering System

PEY Oldman & Oldman North Gas Plants

PEY Nosehill Gas Plant

PEY Swanson Gas Plant



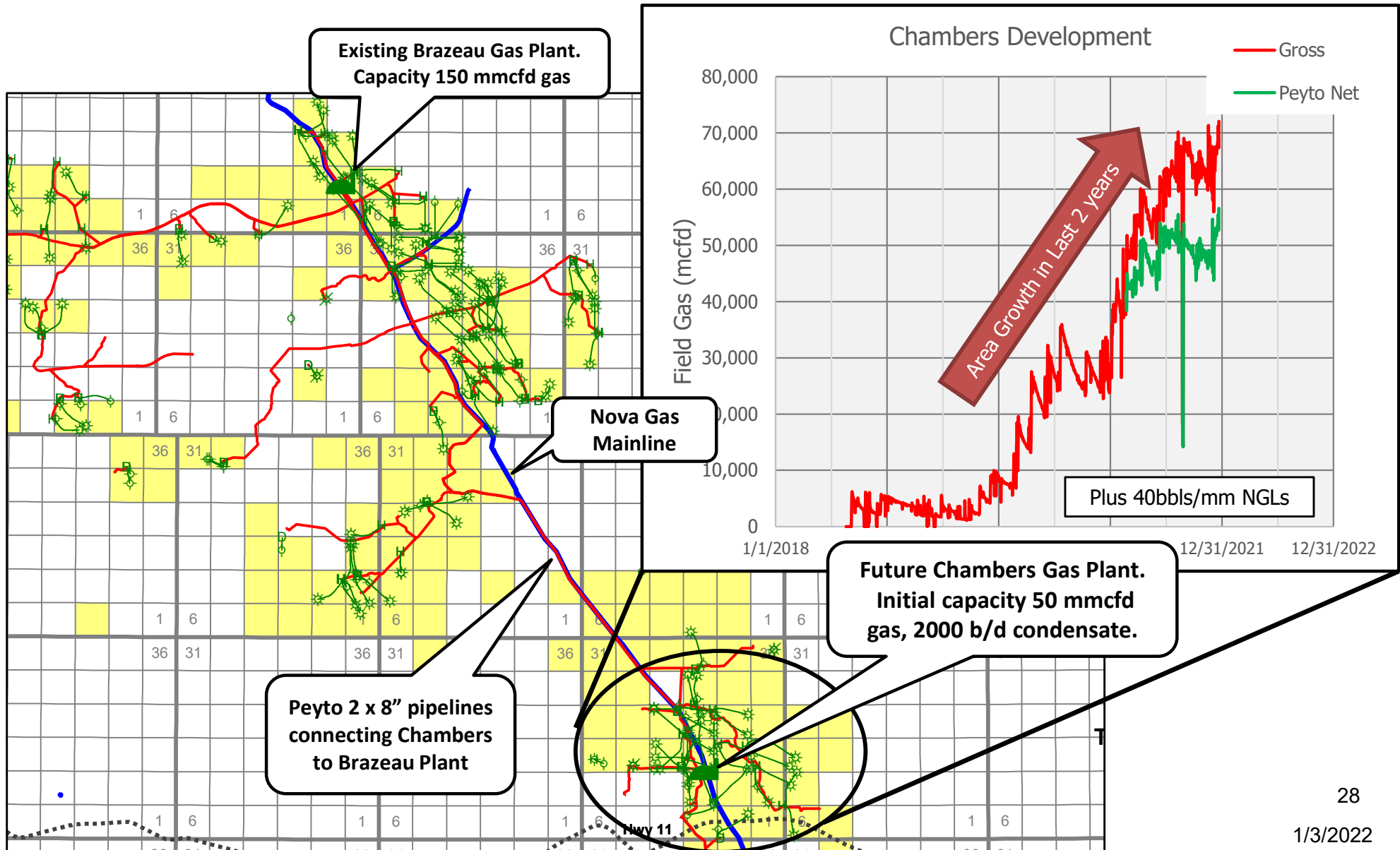
Peyto's Assets

New Chambers Area and 50 MMcf/d Gas Plant

PEYTO



Exploration & Development Corp.



Peyto's Assets

#1 Horizontal Deep Basin Driller

"Peyto has been the most active driller in the Alberta Deep Basin over the last decade."



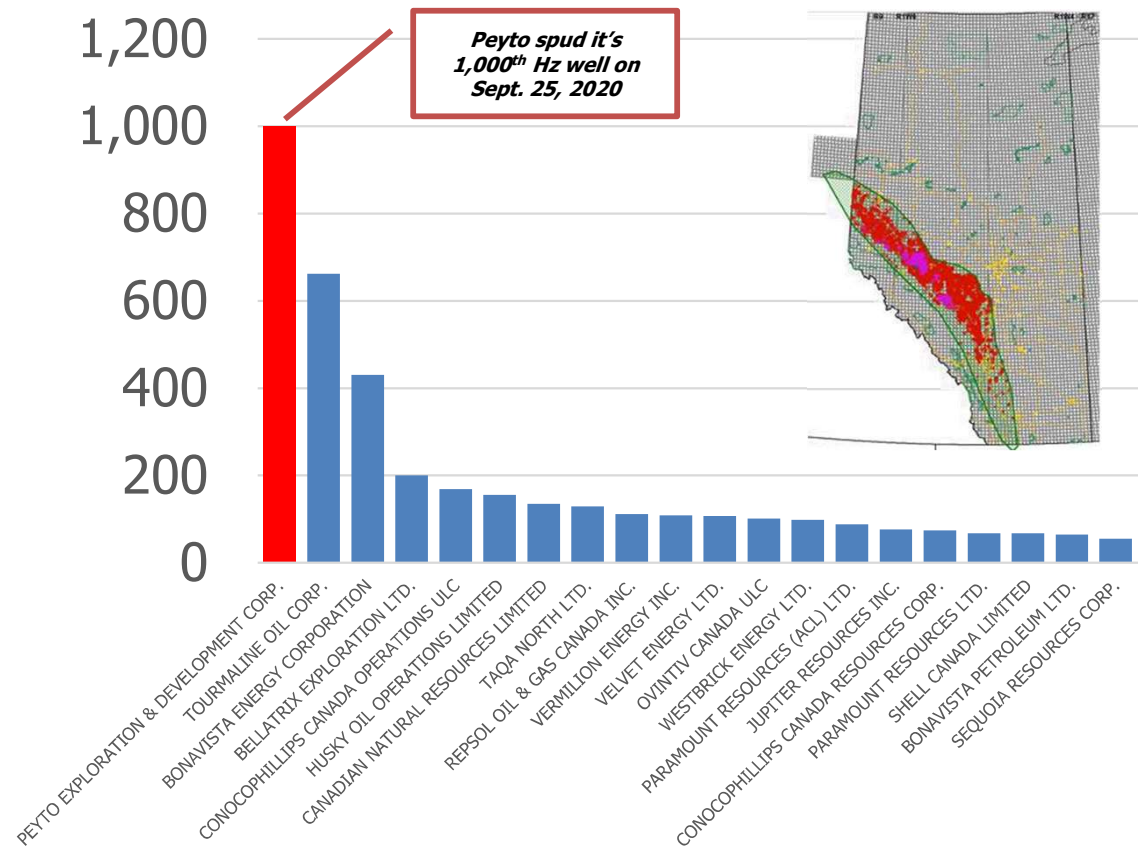
& Development Corp.

1,000

Peyto Deep Basin Horizontal Wells

(2009-Sept 2020)

Alberta Deep Basin Hz Spuds



Peyto's Assets

Large Hz MSF Inventory

"Peyto has developed 4.0 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."

	Done ¹		To Do	
	Total Vertical Wells	Total Hz Wells	Total Hz(Vt) Locations Booked ²	Total Hz Locations Unbooked ³
SMOKY				
CHINOOK				
PUSKAWASKAU				
BADHEART	2		(2)	
MUSKIKI	440	200	459(9)	424
CARDIUM				
KASKAPAU				
DOECK				
POUCE COUPE				
DUNVEGAN	5	1	1	4
SHAFTESBURY				
BELLE FOURCHE				
FISH SCALE				
WESTGATE	1		2	23
PADDY				
CADOTTE				
HARMON				
PEACE RIVER	90	197	186	73
NOTIKEWIN	7	75	38	21
FALHER		117	150	103
A				
B				
C				
D				
E				
F				
SPIRIT RIVER	15	409	2	39
WILRICH			309	135
BLUESKY	4	44	54	34
BULL-HEAD				
GETHING	12	2		
CADOMIN	87	2	18	205
Montney		1	0	120
	663	1048	1,219(11)	1,181
			1,230	1,181
				>2,400 locations

1. Drilling to Dec 31, 2020

2. As recognized in the IPC independent reserve report dated Dec. 31, 2020

3. Unbooked internal location inventory based on Company net sand and 3D seismic mapping

4. Extended reach horizontal wells are counted as one location even though they may replace two previously counted locations

Peyto's Assets

Deep Basin Lands Go A Long Way

"Land sales for much of 2020 were suspended by the Alberta Government due to COVID. Instead, we focused on offsetting any expiries with farm ins and asset deals."

PEYTO



Exploration & Development Corp.

885

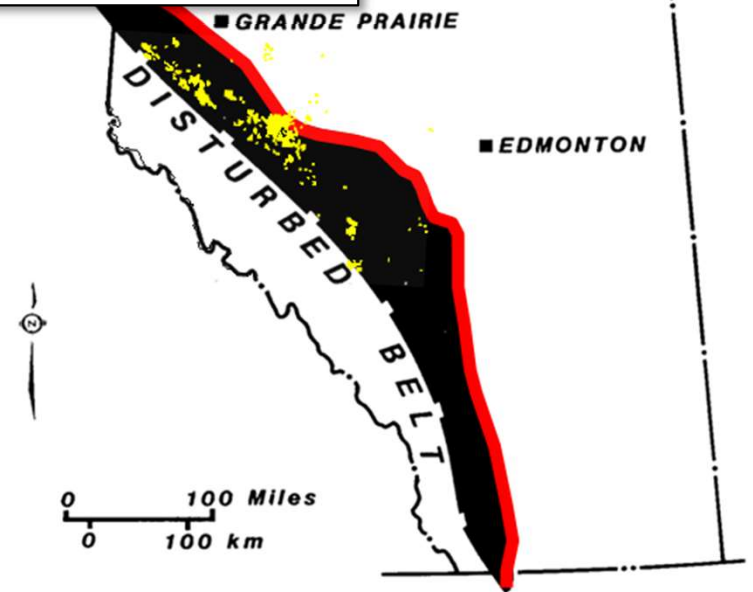
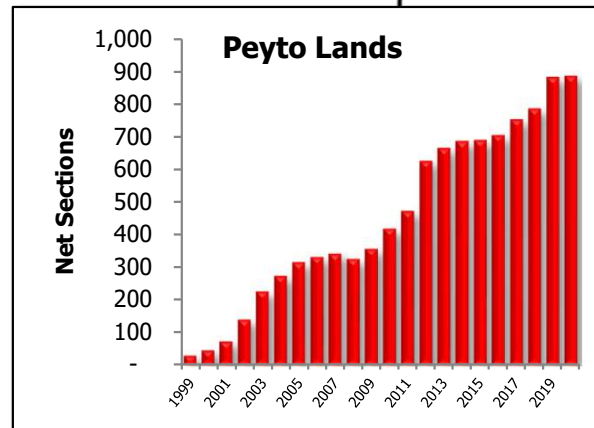
Net Peyto Sections

3,232

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

354

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

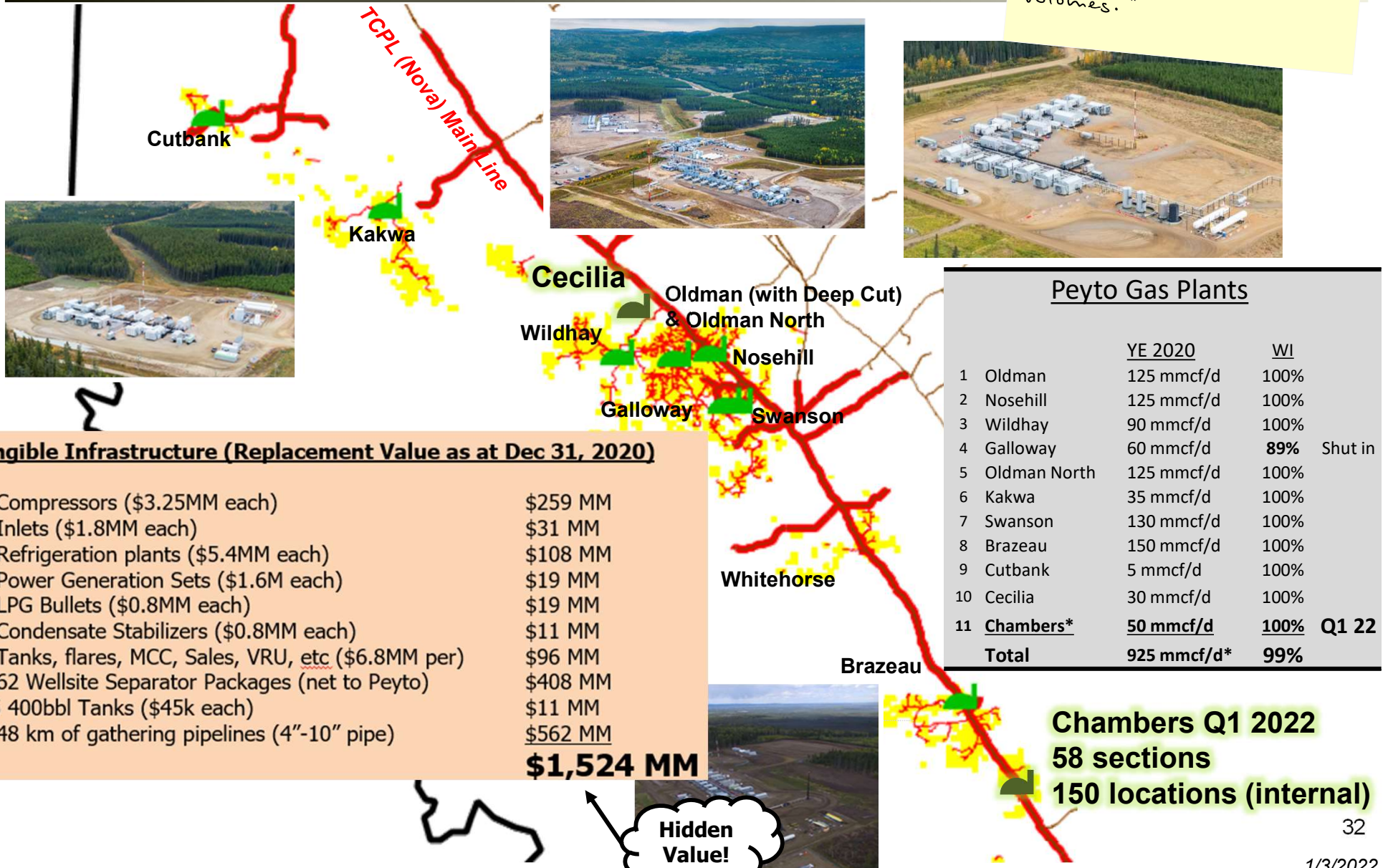


TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable
*Based on InSite Petroleum Consultants Dec 31, 2020 Reserve Report.
Lands at Dec 31, 2020

Peyto's Assets

Increased Facility Ownership And Control

"Peyto has excess capacity in its 875 mmcf/d of operated plant capacity that can be used to generate third party processing income until we need it for our own volumes."



Tangible Infrastructure (Replacement Value as at Dec 31, 2020)

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
1,462 Wellsite Separator Packages (net to Peyto)	\$408 MM
245 400bbl Tanks (\$45k each)	\$11 MM
2,248 km of gathering pipelines (4"-10" pipe)	\$562 MM
Total	\$1,524 MM

Hidden Value!

Peyto Gas Plants

	YE 2020	W1	
1 Oldman	125 mmcf/d	100%	
2 Nosehill	125 mmcf/d	100%	
3 Wildhay	90 mmcf/d	100%	
4 Galloway	60 mmcf/d	89%	Shut in
5 Oldman North	125 mmcf/d	100%	
6 Kakwa	35 mmcf/d	100%	
7 Swanson	130 mmcf/d	100%	
8 Brazeau	150 mmcf/d	100%	
9 Cutbank	5 mmcf/d	100%	
10 Cecilia	30 mmcf/d	100%	
11 <u>Chambers*</u>	<u>50 mmcf/d</u>	<u>100%</u>	<u>Q1 22</u>
Total	925 mmcf/d*	99%	

Chambers Q1 2022
58 sections
150 locations (internal)

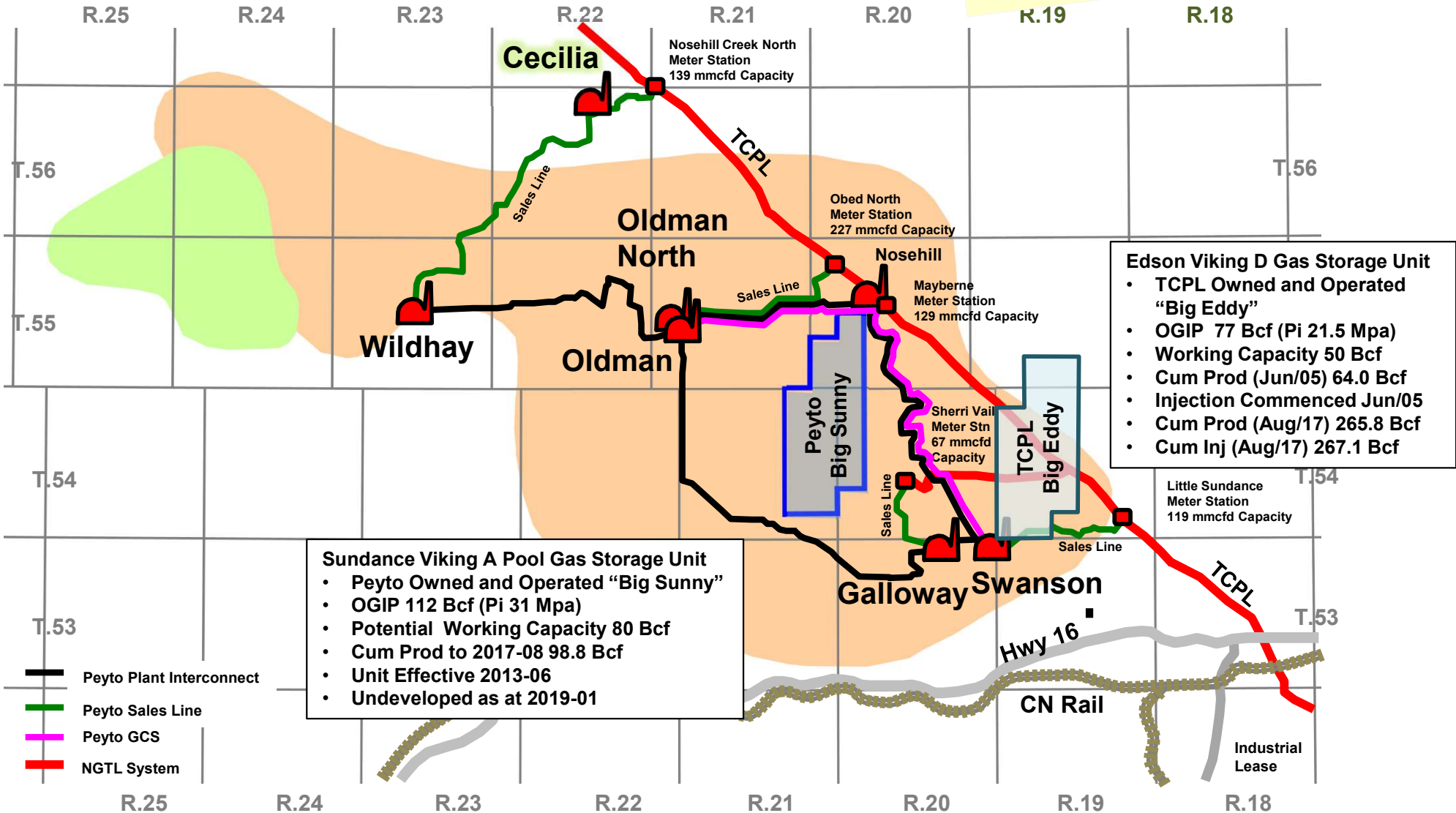
Peyto's Assets

"Big Sunny" Natural Gas Storage Scheme

"Peyto's Big Sunny storage scheme would be perfect seasonal gas storage or for CO₂ sequestration."



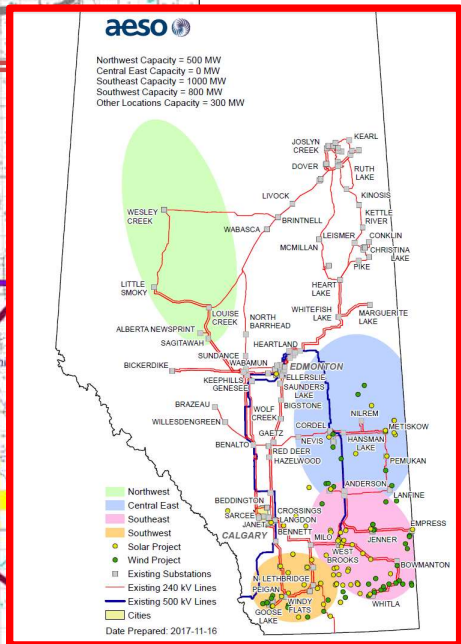
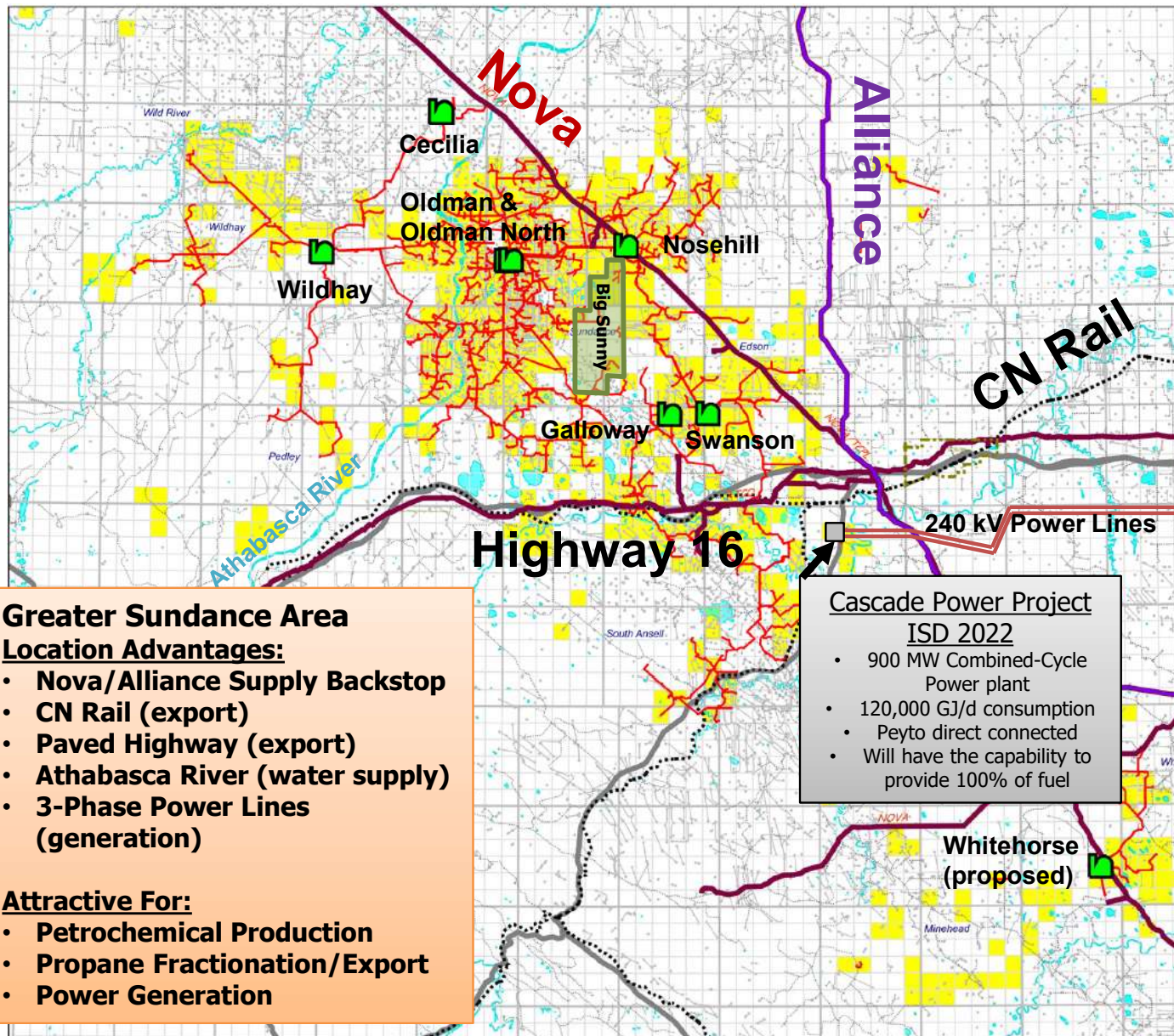
ment Corp.



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

Successful Reserves Conversion, Again

"Peyto was again successful in turning predicted undeveloped reserves into actual producing reserves for less cost per unit than forecast."

Reserve Year	Total Drills	Booked Locations Converted	Booked/ Total	Forecast Outcome		Forecast Cost per Unit	Actual Outcome		Actual Cost per Unit	Actual/ Forecast Cost per Unit
	gross wells	gross wells		BCFe	Capex* \$MM	\$/Mcf	BCFe	Capex* \$MM	\$/Mcf	
2010	48	30	63%	84	\$123	\$1.46	102	\$138	\$1.35	-8%
2011	70	51	73%	152	\$214	\$1.41	151	\$209	\$1.38	-2%
2012	86	60	70%	189	\$295	\$1.56	196	\$278	\$1.42	-9%
2013	99	69	70%	206	\$332	\$1.61	218	\$310	\$1.42	-12%
2014	123	90	73%	278	\$417	\$1.50	288	\$419	\$1.45	-3%
2015	140	103	74%	307	\$456	\$1.49	348	\$385	\$1.11	-26%
2016	128	82	64%	254	\$297	\$1.17	254	\$246	\$0.97	-17%
2017	142	97	68%	298	\$295	\$0.99	321	\$305	\$0.95	4%
2018	70	37	53%	104	\$115	\$1.10	120	\$118	\$0.98	-11%
2019	61	39	64%	129	\$111	\$0.86	123	\$109	\$0.88	+2%
2020	64	52	81%	172	\$158	\$0.92	165	\$135	\$0.82	-11%
Total	1,031	710	69%	2,173	\$2,813	\$1.29	2,286	\$2,652	\$1.16	-10%

Lowest cost in 18 years!

Hidden Value!

Over the past 11 years, Peyto has converted 710 drilling locations into producing wells, spending 6% less capital than predicted and developing 5% more reserves than predicted.

Future Booked

2021-2026	1,230	3,000	\$3,308	\$1.10					
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Peyto's Assets

Long Producing Reserve Life Maintained

"Peyto's producing reserve life is 50% greater than our peers."

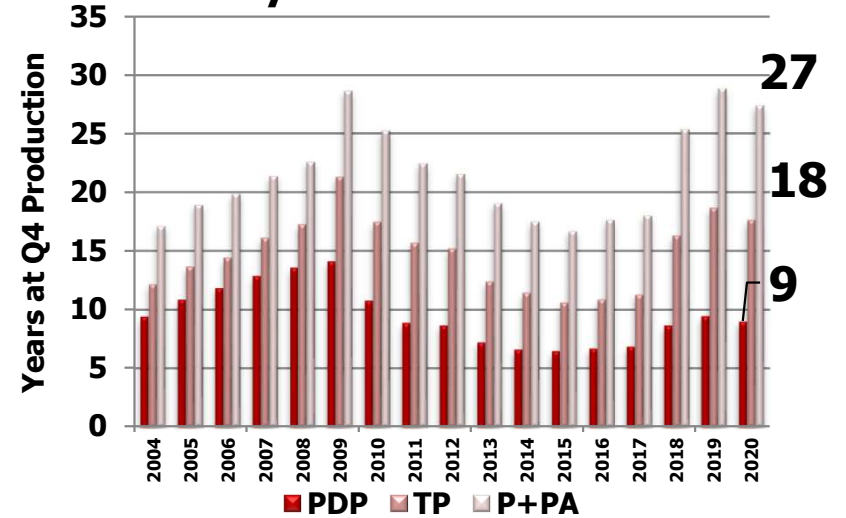
9.0

Peyto PDP RLI

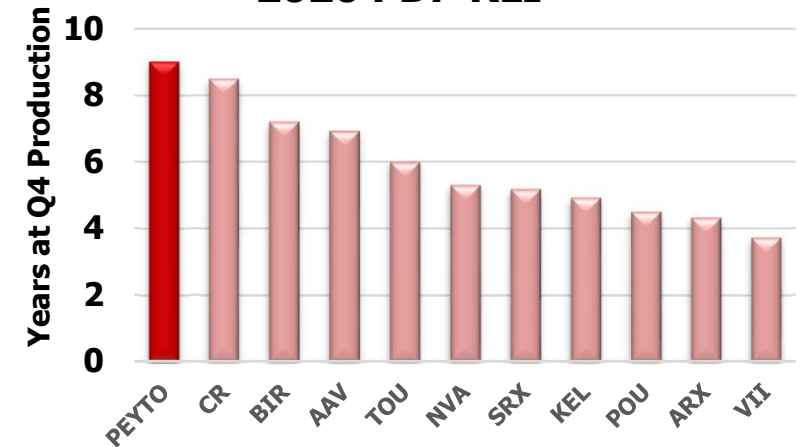
6.0

Peer Avg PDP RLI

Peyto Reserve Life Index



2020 PDP RLI



PDP RLI is calculated by dividing PDP reserves by annualized Q4 rate
Company data sourced from 2020 AIFs

Peyto's Assets

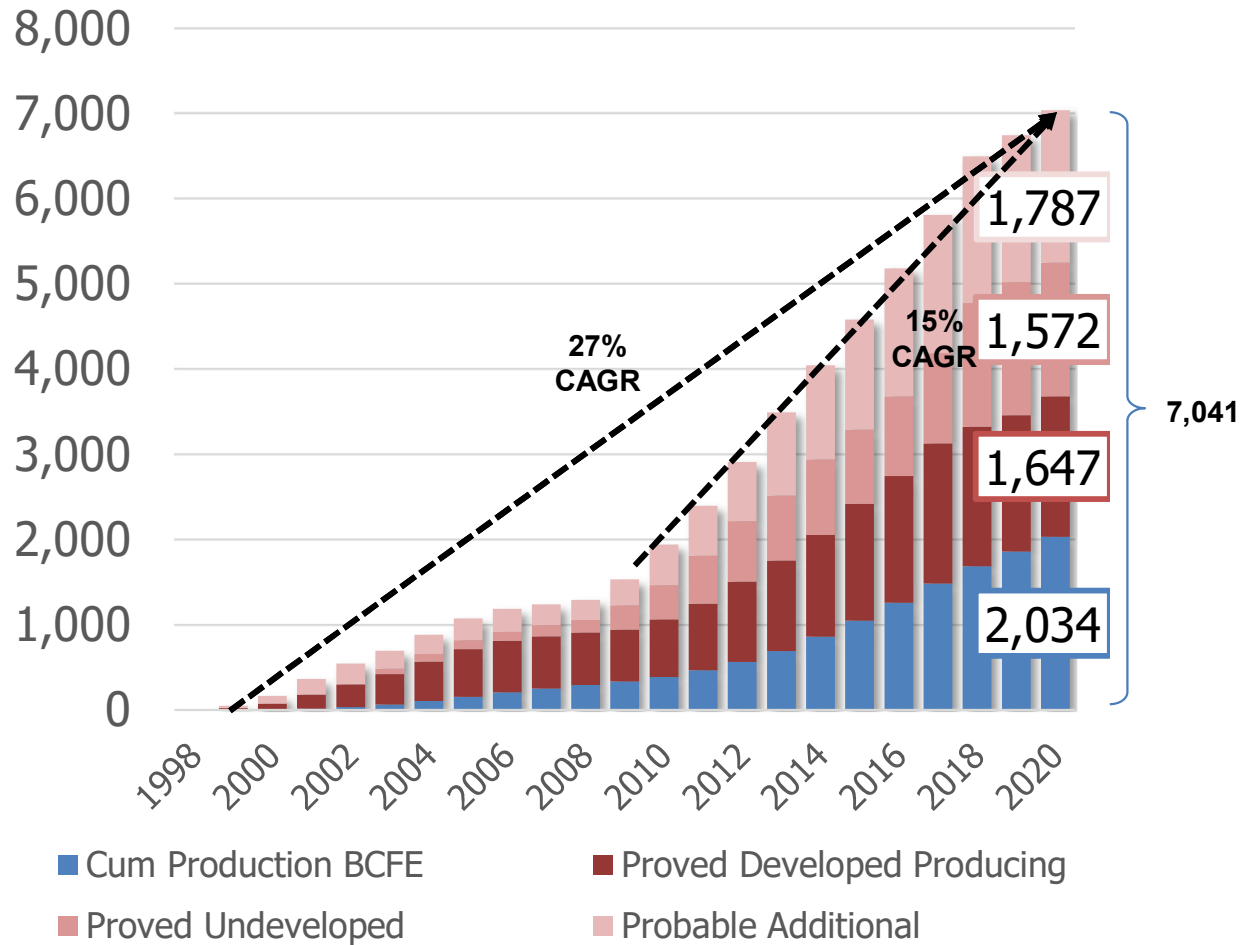
Alberta's Gas Developer

"Over the past 22 years, Peyto has discovered 7 TCFe of natural gas resources, but only developed 11% of its lands."



Development Corp.

7.0
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. This doesn't include our recent acquisitions."

Tangible Infrastructure (Replacement Value as at Dec 31, 2020)

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	
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18 Tanks, flares, MCC, Sales, VRU, etc (\$6.8MM per)	\$96 MM	
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245 400bbl Tanks (\$45k each)	\$11 MM	
2,248 km of gathering pipelines (4"-10" pipe)	\$562 MM	
	\$1,524 MM	\$9.24/share

Reserves (as at Dec 31, 2020)*

	<u>Volume</u>	<u>NPV₅/share</u>	<u>NPV₁₀/share</u>
Proven Developed Reserves – Currently generating cashflow (PDP+PDNP+PA)	337 mmboes	\$19.53	\$13.35
Proven Undeveloped Reserves – Yet to be drilled (PU+PA)	312 mmboes	\$16.32	\$9.63
Probable Additional Reserves (PA)	186 mmboes	\$6.54	\$3.44
Total P+P Reserves	834 mmboes	\$42.39/share	\$26.41/share

Total Debt (as at Dec 31, 2020)

Revolving Net Debt (unaudited Q4 2020)	(\$761 MM)	
Term Debt	(\$415 MM)	
Total Net Debt	(\$1,176 MM)	\$7.13/share

*Includes all liabilities, see Peyto's 2021 reserves release for disclosure

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

PEYTO

Exploration & Development Corp.



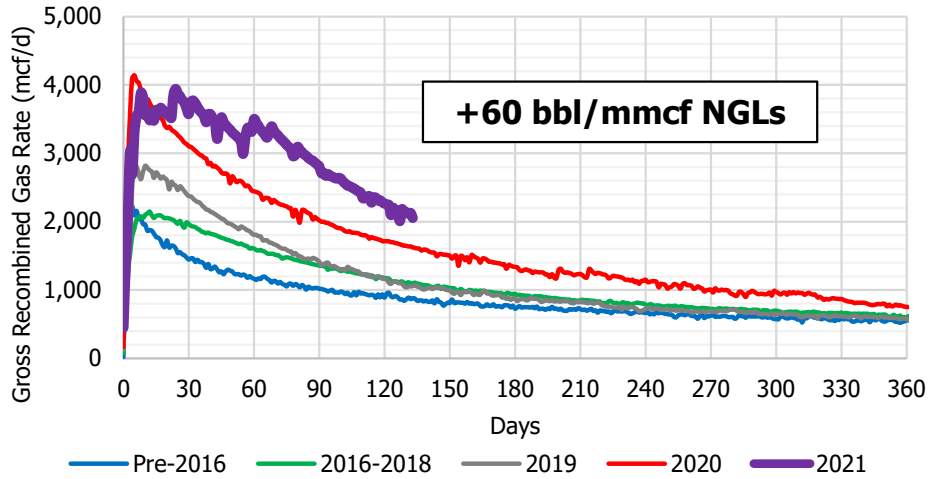
A.J. SIMMONS
PHOTOGRAPHY
ajsimmonsphoto.com

Peyto's Returns

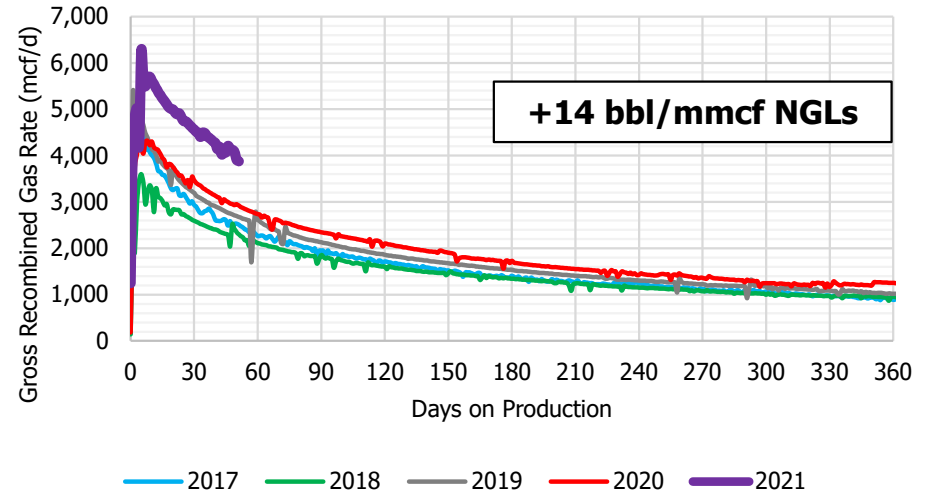
Production Performance by Vintage

"The 2021 wells include some of the best Cardium and Wilrich wells yet. Costs look good too."

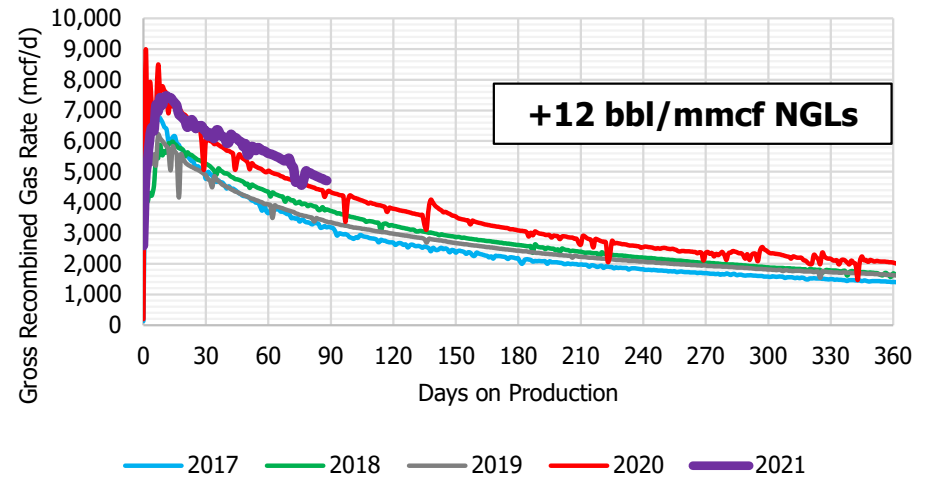
Year Over Year Performance - All Cardium



Year Over Year Performance - All Wilrich



Year Over Year Performance - All Notikewin



Drill & Complete Costs (MM)	2021 YTD	2020	2018-19
Cardium	\$2.27 (20 wells)	\$2.25 (30 wells)	\$2.56 (97 wells)
Notikewin	\$2.79 (20 wells)	\$2.93 (12 wells)	\$3.04 (8 wells)
Wilrich (incl ERH)	\$3.39 (19 wells)	\$2.8 (11 wells)	\$2.7 (16 wells)

Peyto's Returns

Updated Template Economics At Strip

"At the latest strip prices, Peyto's type well economics are fantastic! Many of the wells would payout inside of one year meaning they require no additional leverage."

Type Curve Economics	Brazeau / Chambers			Greater Sundance				
	Cardium	Notikewin	Wilrich ERH	Notikewin Tier 1	Notikewin Tier 2	Wilrich ERH	Falher ERH	Cardium
Gas [MMcf]	2,973	4,378	4,956	4,808	3,262	3,843	3,839	2,285
NGLs [Mbbbl]	132	123	76	47	41	39	60	112
EUR_{BOE} [Mboe]	628	852	902	846	584	679	699	493
IP12 [Mcfe/d]	2,430	3,096	3,066	3,471	3,126	2,070	2,232	1,632
DCET _{1/2-Cycle} [M\$]	3,030	4,300	4,250	3,080	4,050	3,620	4,020	2,670
IRR [%]	225%	194%	135%	429%	127%	72%	70%	177%
Payout [years]	0.6	0.7	0.9	0.5	0.9	1.3	1.3	0.8
NPV10 [M\$]	6,506	7,599	4,159	7,506	4,677	4,203	4,333	4,938

Price Deck:	Oct 14, 2021 Strip
Project Start:	Oct 1, 2021
Onstream Date:	Dec 15, 2021

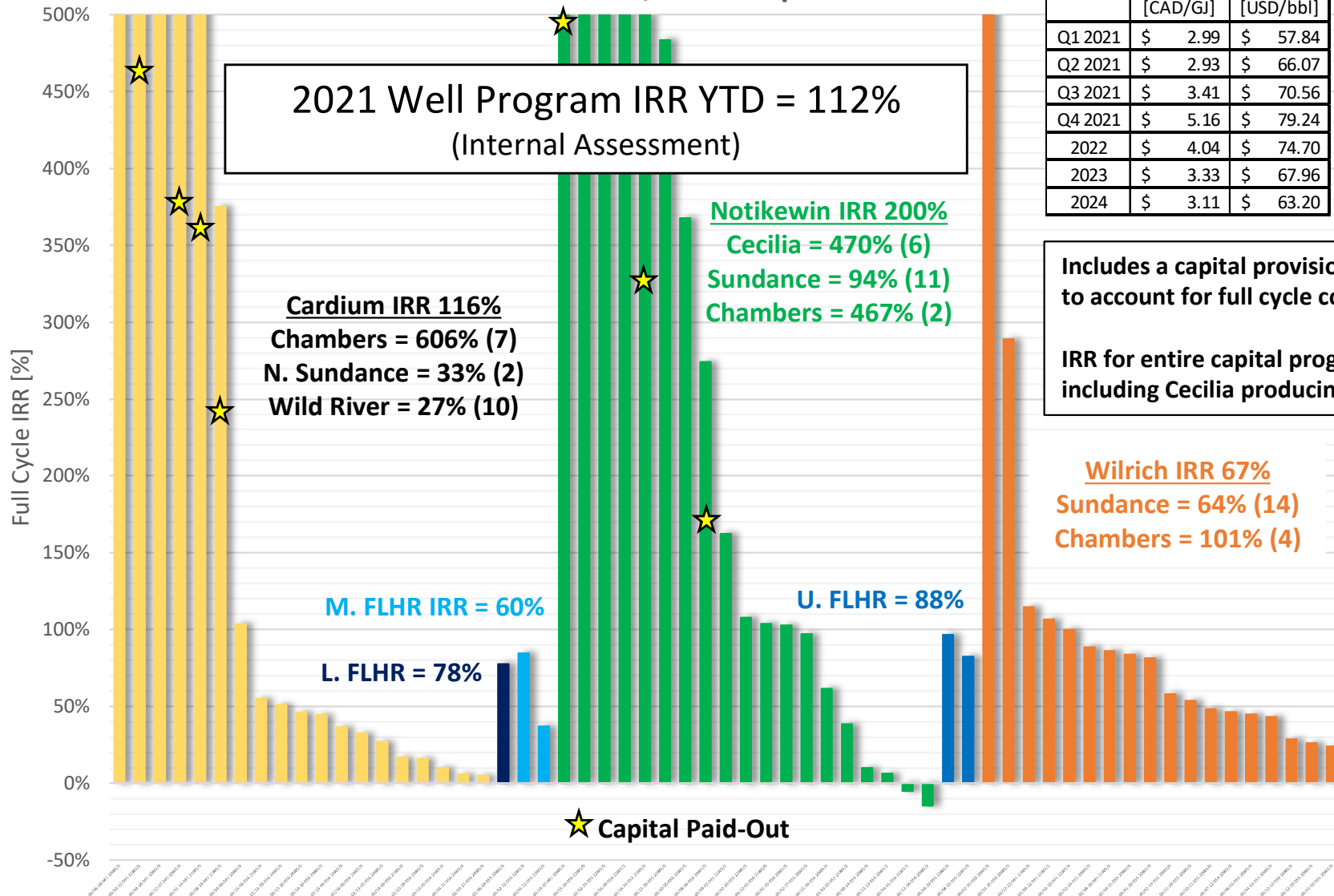
Peyto Returns

Best Year Ever

Strongest returns in years with many of the wells having already paid out their initial capital investment.



2021 Wells Onstream Year to Date Sorted by Species
Price Deck: 2021 Actuals + Oct 14, 2021 Strip Price



	AECO [CAD/GJ]	WTI [USD/bbl]
Q1 2021	\$ 2.99	\$ 57.84
Q2 2021	\$ 2.93	\$ 66.07
Q3 2021	\$ 3.41	\$ 70.56
Q4 2021	\$ 5.16	\$ 79.24
2022	\$ 4.04	\$ 74.70
2023	\$ 3.33	\$ 67.96
2024	\$ 3.11	\$ 63.20

Includes a capital provision of \$800k/well to account for full cycle costs.

IRR for entire capital program in 2021 including Cecilia producing assets is 96%

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."

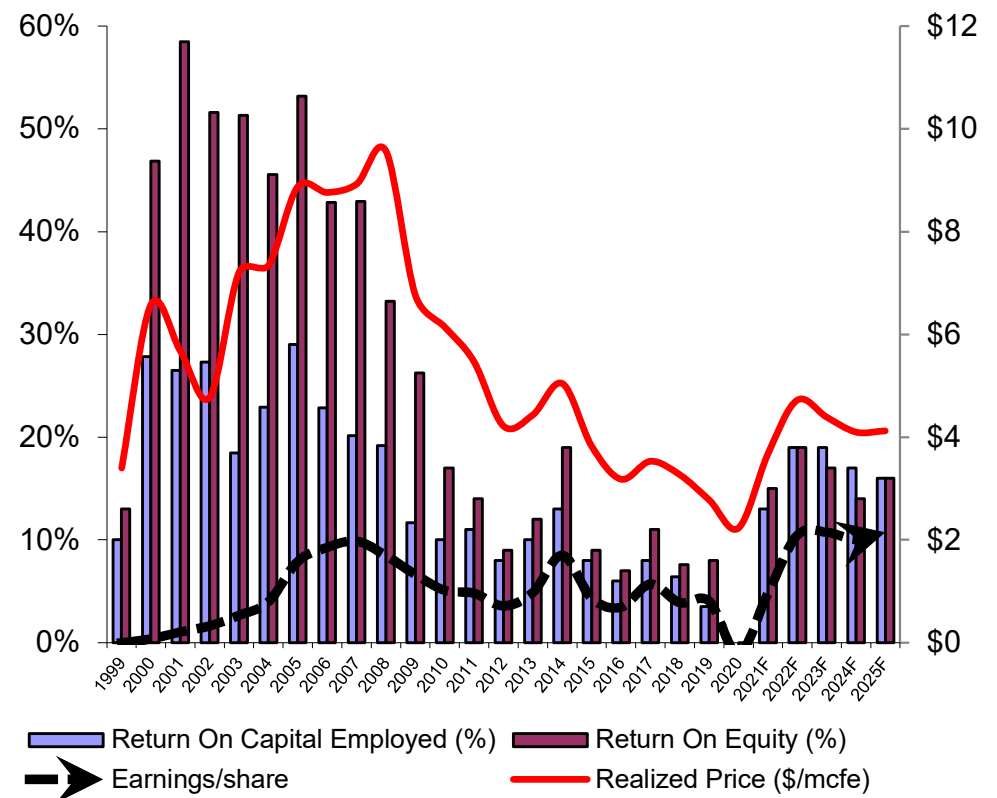


26%

22 yr Avg ROE to 2020

15%

22 yr Avg ROCE to 2020



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 (22 yrs 1999-2020)

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



Exploration & Development Corp.



Peyto's Future

2022 Outlook

"2022 plans are for a repeat of 2021. Peyto will look to offset inflation with continually stronger well results."



\$350M-
\$400M

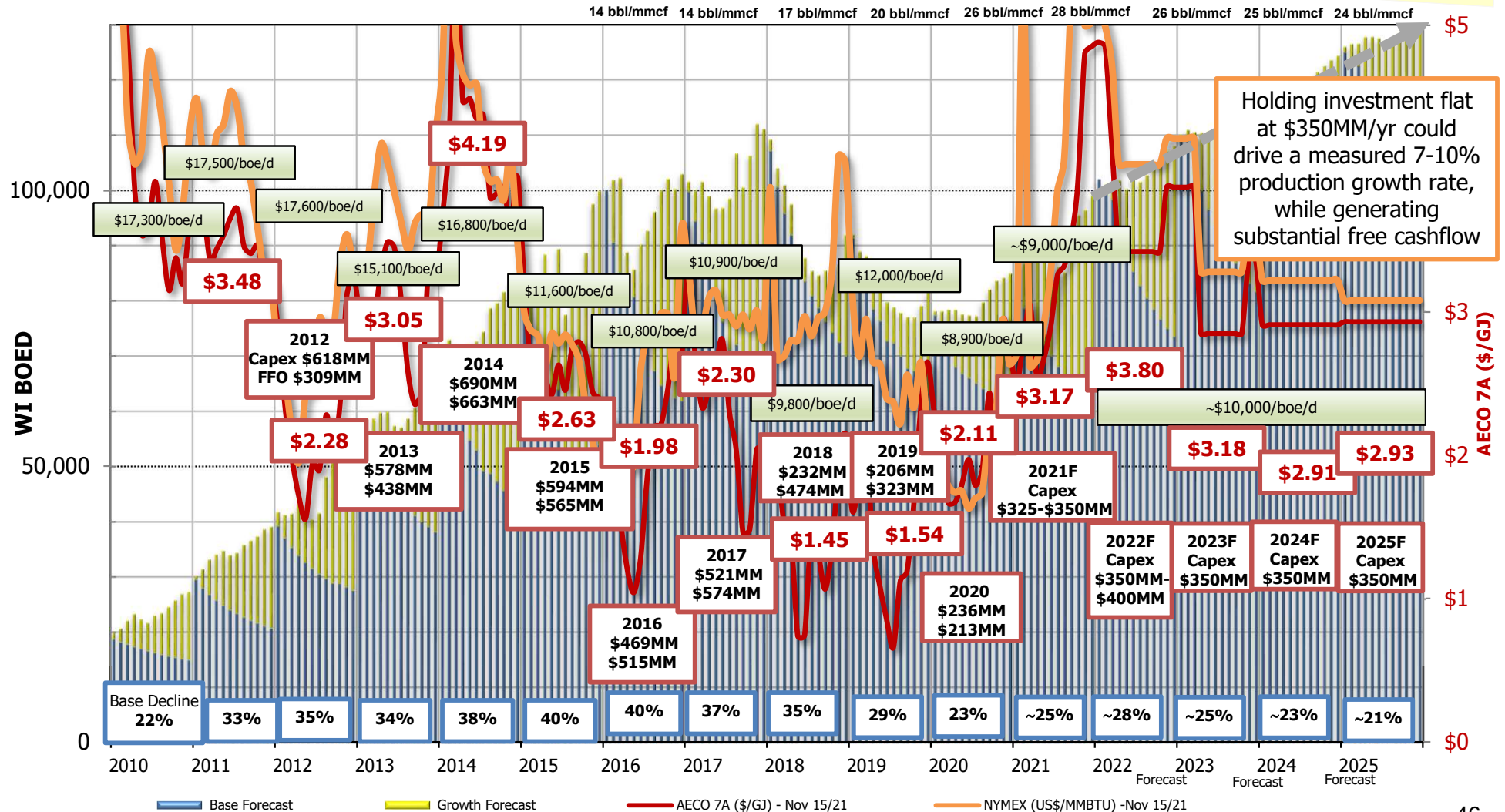
2022 Capital Program

- ✓ **Drill ~90Hz Wells**
(Liquids Rich Natural Gas) vs 91 in 2021
- ✓ **Expand Infrastructure**
New Chambers Gas Plant
- ✓ **Increase Opportunities**
Expand Undeveloped Land Base
- ✓ **Diversify Markets**
Continue to Evaluate New Pipe/Basis Options
- ✓ **Improve Balance Sheet**
Fund capital program/dividend from free cashflow, materially reduce revolving debt

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."



Holding investment flat at \$350MM/yr could drive a measured 7-10% production growth rate, while generating substantial free cashflow

* 2021 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 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."

	PEY 2018	PEY 2019	PEY 2020	PEY Goals
Revenue \$/mcf	\$3.27	\$2.78	\$2.23	~\$3.60
Cash Costs \$/mcf	(\$0.92)	(\$0.95)	(\$1.01)	~(\$1.20)
Capital Costs (PDP FD&A) \$/mcf	(\$1.18)	(\$1.55)	(\$1.06)	~(\$1.00)
Total Supply Cost \$/mcf	\$2.10	\$2.50	\$2.07	~\$2.20
Full Cycle Netback \$/mcf	\$1.17 36%	\$0.28 10%	\$0.16 7%	~\$1.40 39%
Dividend \$/mcf	\$0.59	\$0.22	\$0.08	
		\$1.32/yr	\$0.72/yr	\$0.09/yr

86% Gas @\$2.11/GJ*1.15
14% NGLs@\$31/bbl=(60%of \$52oil)
\$2.81/mcfe
-\$0.58/mcfe diversifitcation
\$2.23/mcfe

87% Gas @\$2.50/GJ*1.15
13% NGLs@\$50/bbl=(60%of \$80 CND WTI)
~\$3.60/mcfe (before market diversifitcation & hedging)

Royalties (\$0.13)
Opex (\$0.34)
Transport (\$0.17)
G&A (\$0.04)
Interest (\$0.33)
Total Costs (\$1.01)

- Volumes up, per unit costs down
- Transport cost up to ensure higher price
- Royalties up on higher prices

2020 PDP FD&A
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$236MM

PDP FD&A
\$6.36/boe or
\$1.06/mcfe

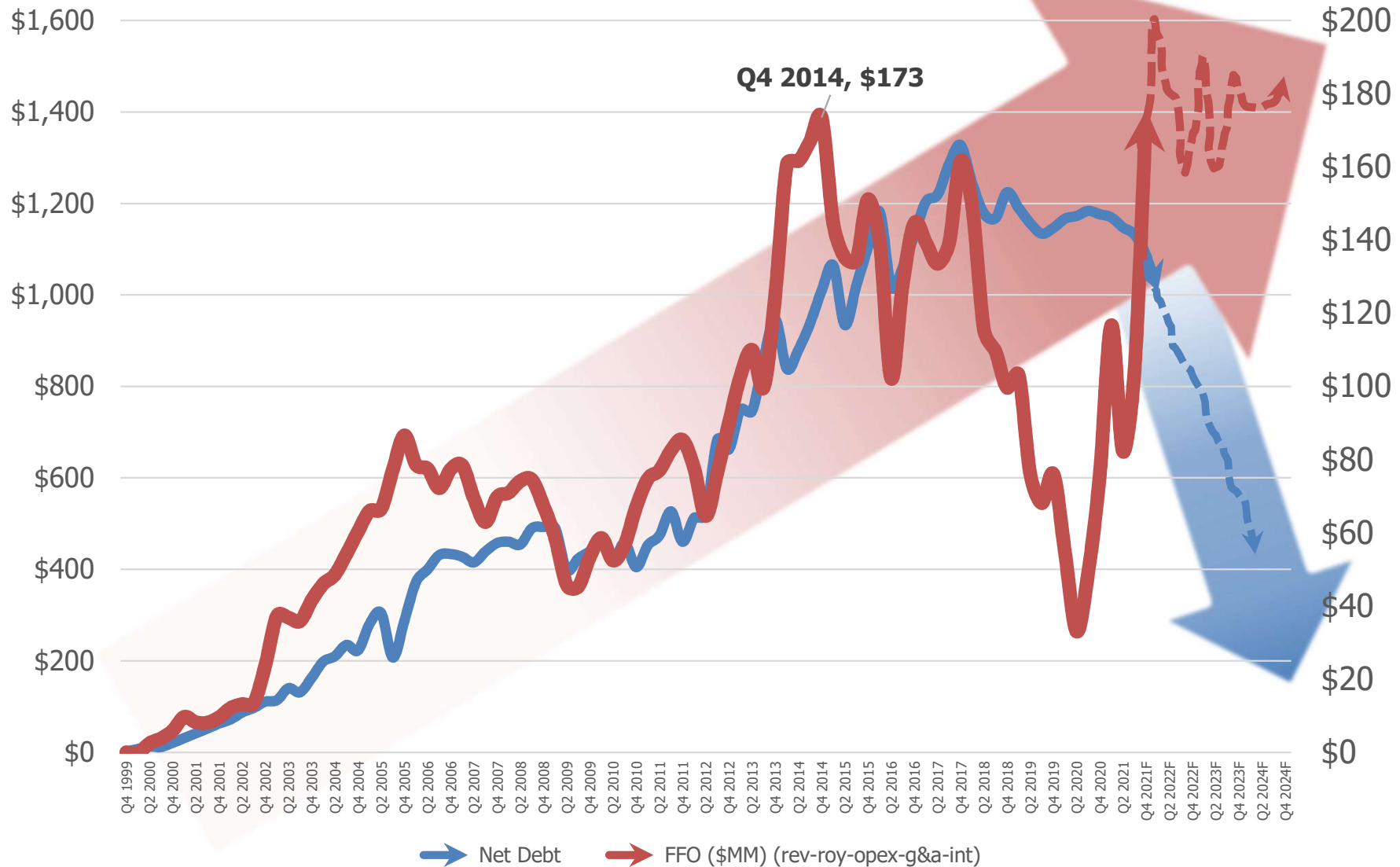
- Capex down (incr drill speed)
- Reserves up (long lateral, incr frac intensity)

Peyto can eventually generate about 40% profit from \$2.50 AECO gas and \$65 USWTI oil, all because of low supply cost

Peyto's Future

Balance Sheet Priority

"We spent the last few years getting our cashflow back up, now it's time to get our debt down. Q4 will hopefully be record cashflow and for us."



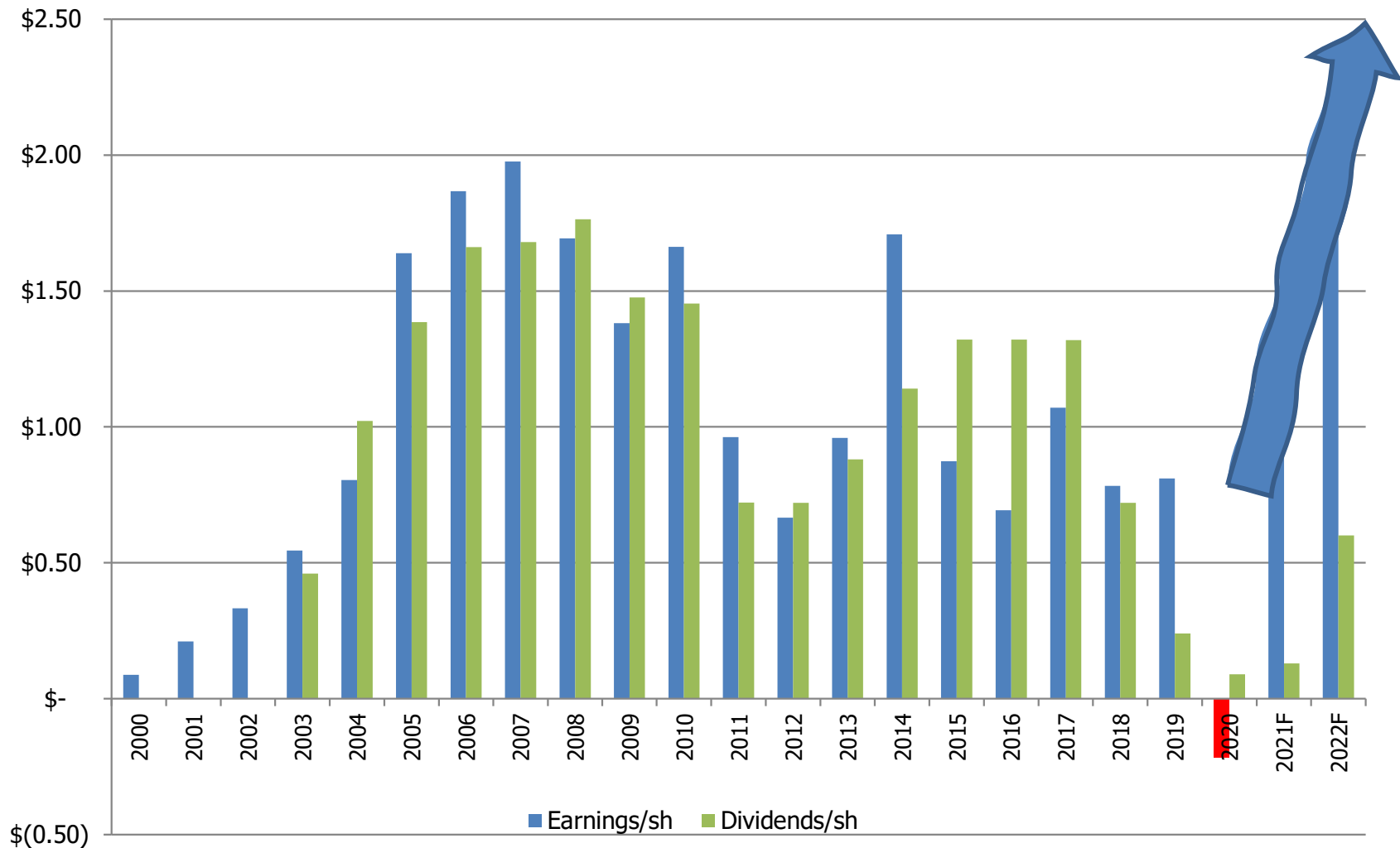
* 2021 and beyond provided for illustration only using Oct 29, 2021 strip prices and \$350MM flat capital investment as illustrated in slide 45. Budgets and forecasts are subject to change due to a variety of factors including but not limited to prior year's results. FFO – Funds from Operations, see definition in Financial Reports. Future illustration derived from historical well performance and cost assumptions.

Peyto's Future

Back to Strong Earnings and Dividends

"Peyto has an incredible track record of earnings and dividends. 2020 was our only blemish. 2022 will hopefully be a record year us."

Peyto Earnings per share

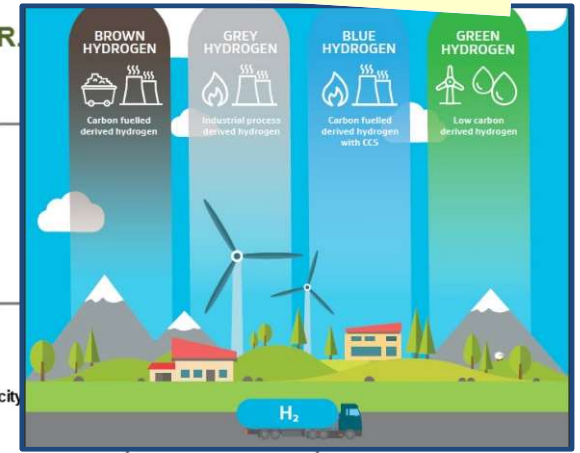
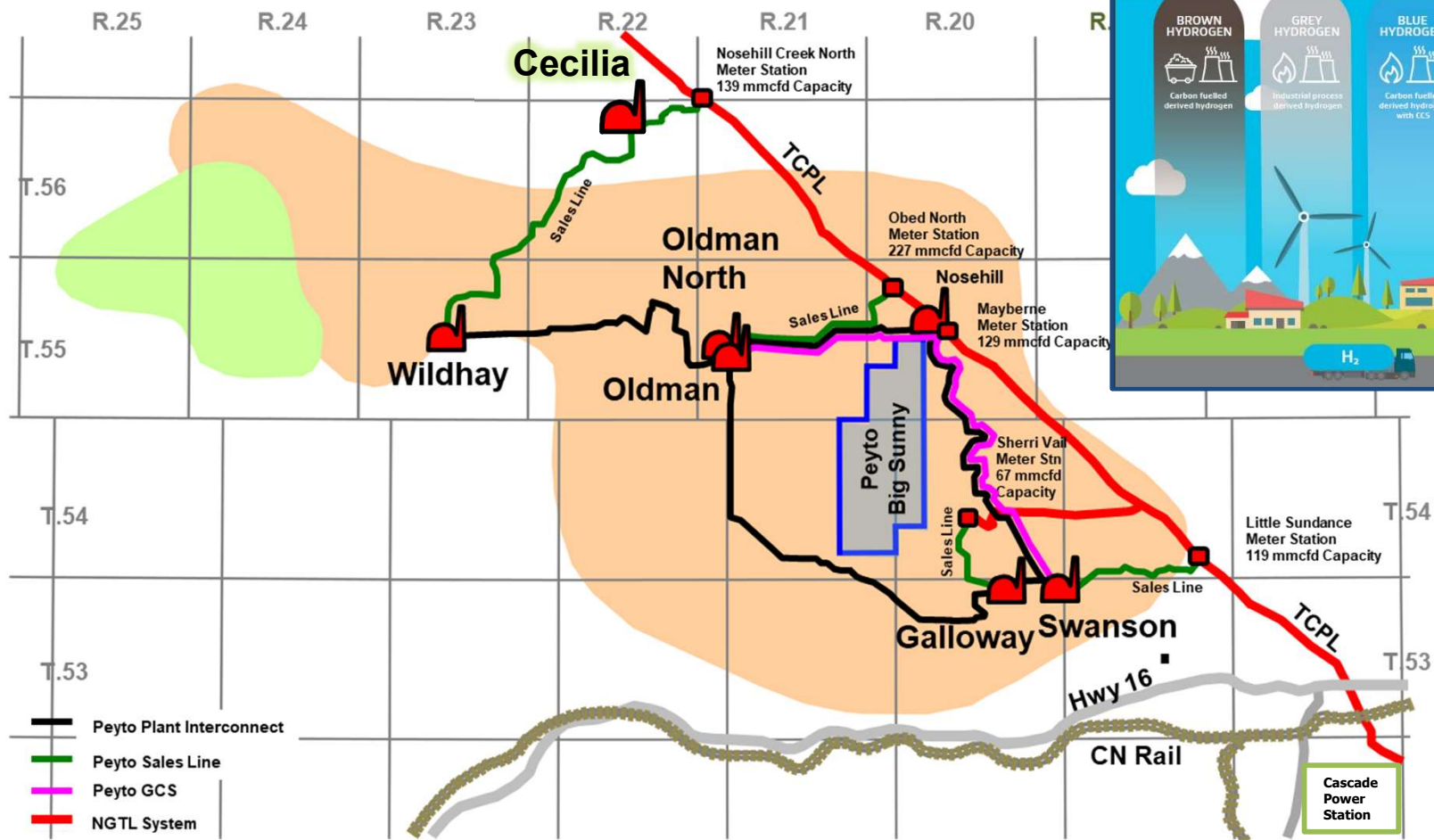


* 2021 and beyond provided for illustration only using Oct 29, 2021 strip prices, \$350MM flat capital investment as illustrated in slide 45 and current dividend level. Budgets and forecasts are subject to change due to a variety of factors including but not limited to prior year's results. FFO – Funds from Operations, see definition in Financial Reports. Future illustration derived from historical well performance and cost assumptions.

Peyto's Future

Blue Hydrogen? We Have All the Right Ingredients

"If Hydrogen is the fuel of the future, then Peyto is perfectly positioned to develop it."



$$\begin{aligned}
 &>4 \text{ TCF of 2P natural gas reserves} \\
 &+ \text{Interconnected gas pipeline and facility infrastructure} \\
 &+ \text{Big Sunny underground storage cavern for CO}_2 \\
 &+ \text{Rail, Hwy, and ultimately pipeline for hydrogen transport} \\
 &= \text{H}_2
 \end{aligned}$$

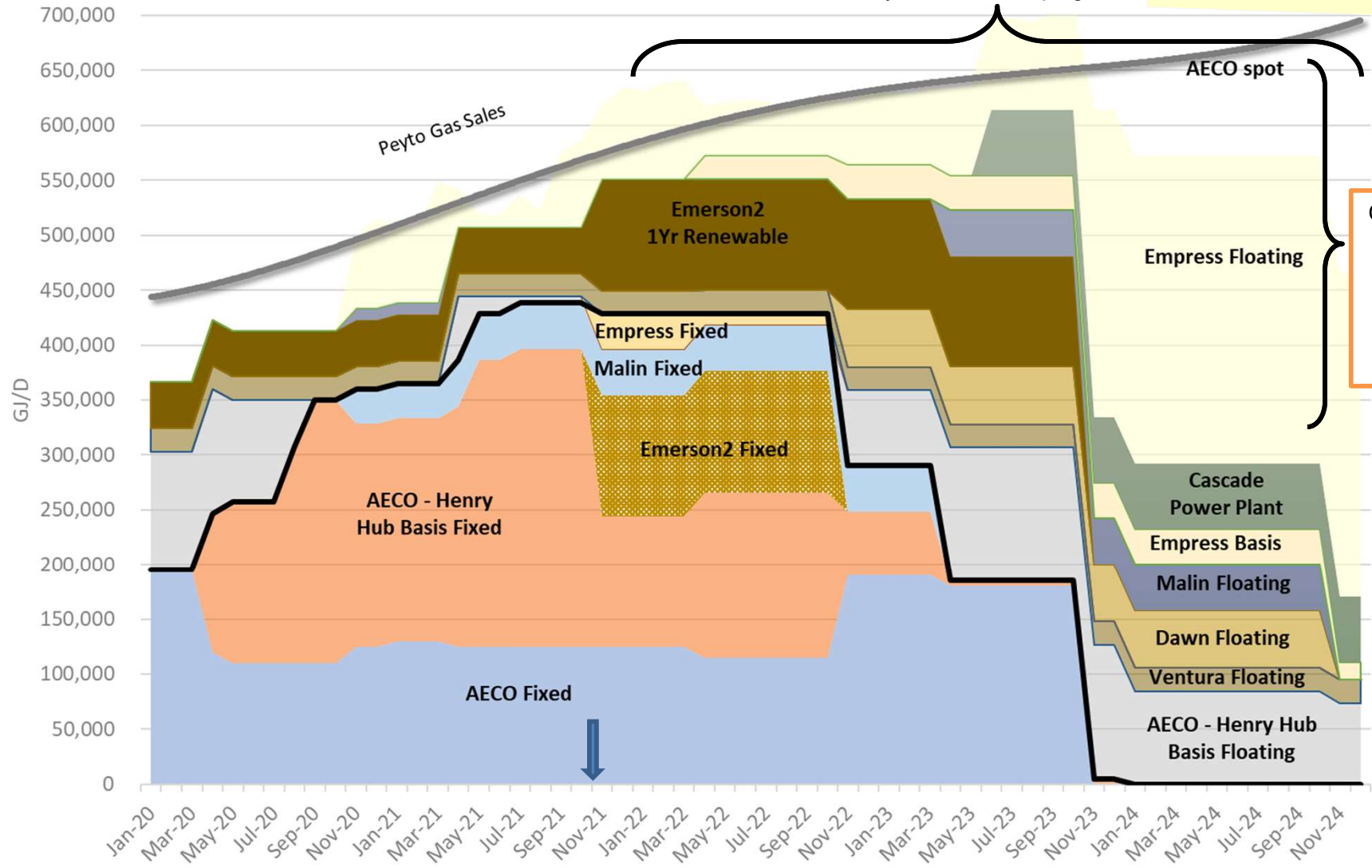
Gas Marketing

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."

Gas Position Chart

3-5 yr diversification program



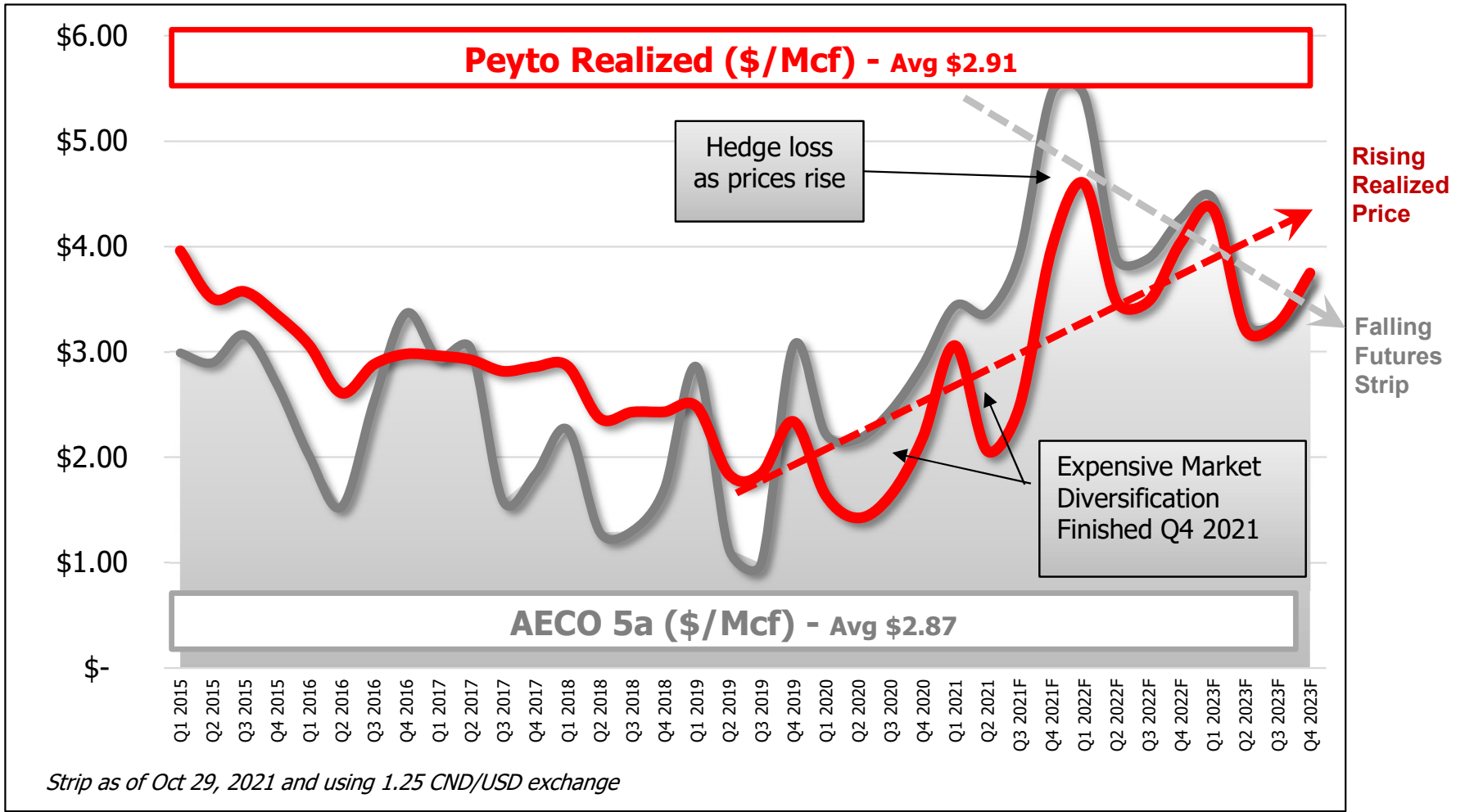
Our plan is to fill this up with Midwest US /Eastern CND exposure and direct connect industrial

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

Gas Marketing

Rising Realized Gas Prices

"The collapse in AECO prices in late 2017 forced us to diversify away from that market at a high cost. Those expensive basis deals fall away at the end of 2021, and we'll start to realize superior prices once again."

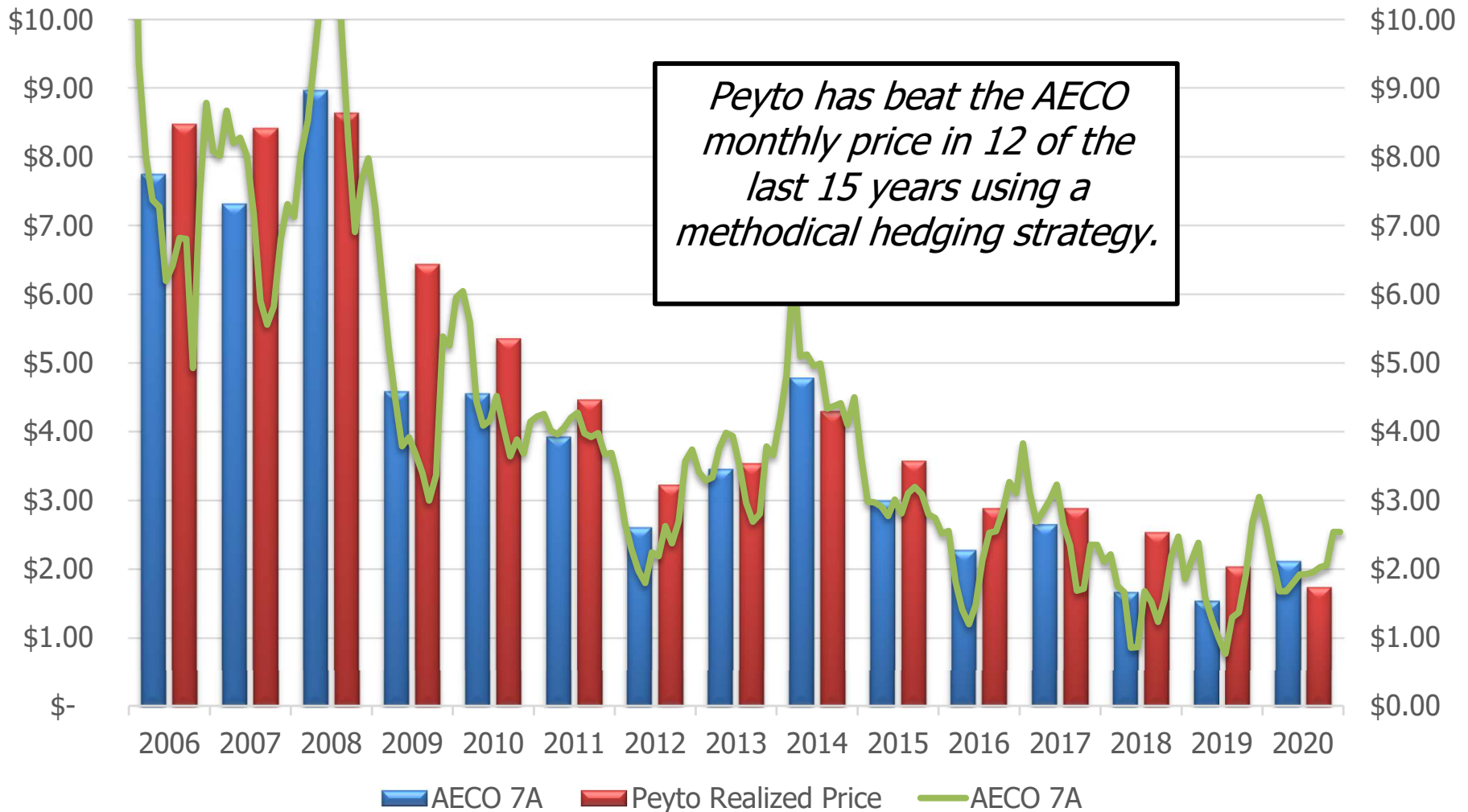


Gas Marketing

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

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."



ment Corp.



Appendix



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

Quarterly Track Record



	2021			Total	2020					Total	2019				
	Q3	Q2	Q1		Q4	Q3	Q2	Q1	Q4		Q3	Q2	Q1		
Operations															
<u>Production</u>															
Oil & NGLs (bbl/d)	11,164	12,289	12,138	11,308	11,256	11,263	11,126	11,585	10,922	11,221	10,650	11,110	10,703		
Natural gas (mcf/d)	473,008	458,696	455,593	409,619	433,226	401,680	401,825	401,572	419,281	397,419	396,343	422,320	462,003		
Barrels of oil equivalent (boe/d)	89,999	88,738	88,070	79,578	83,461	78,210	78,097	78,514	80,802	77,458	76,707	81,497	87,704		
Year over Year % Growth	15%	14%	12%	-2%	8%	2%	-4%	-10%	-12%	-11%	-10%	-11%	-16%		
<u>Average Product Prices</u>															
Oil & NGLs (\$/bbl)	55.47	48.77	45.63	31.25	35.82	31.08	21.07	36.73	44.61	43.85	39.65	44.70	50.37		
Natural gas (\$/mcf)	2.48	2.06	3.06	1.74	2.19	1.64	1.44	1.63	2.04	1.96	1.84	1.83	2.48		
Op+Tran expenses (\$/mcf)	0.58	0.57	0.53	0.51	0.46	0.48	0.53	0.58	0.52	0.52	0.50	0.53	0.54		
Field Netback (\$/mcf)	2.39	1.73	2.88	1.59	2.07	1.53	1.14	1.62	2.17	2.11	1.97	2.06	2.52		
Financial (\$000)															
Revenue (net of royalties)	146,792	127,727	161,258	388,981	124,524	86,716	71,178	92,787	484,302	119,522	104,504	115,289	144,987		
Funds from Operations ¹	104,608	82,191	116,709	212,710	76,013	49,173	33,012	54,513	323,129	75,974	68,106	75,971	103,078		
Net earnings (loss)	29,271	12,760	38,500	(35,555)	65,951	(11,285)	(22,538)	(67,684)	133,494	3,492	6,275	98,757	24,970		
Capital expenditures	90,170	57,086	108,851	235,704	68,250	61,568	37,299	68,587	206,430	73,350	36,574	34,112	62,394		
Net Debt ²	1,131,600	1,147,563	1,169,414	1,176,340	1,176,340	1,183,754	1,172,590	1,166,795	1,146,659	1,146,659	1,133,869	1,156,564	1,188,808		
Common shares outstanding (000)	167,056	165,782	165,069	164,938	164,938	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874		
Weighted average shares outstanding	166,441	165,344	165,069	164,895	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874	164,874		
Per share data (\$/share)															
Funds from operations	0.63	0.50	0.71	1.29	0.46	0.30	0.20	0.33	1.96	0.46	0.41	0.46	0.63		
Earnings (loss)	0.18	0.08	0.23	(0.22)	0.40	(0.07)	(0.14)	(0.41)	0.81	0.02	0.04	0.60	0.15		
Dividends (Distributions)	0.01	0.01	0.01	0.09	0.01	0.01	0.01	0.06	0.24	0.06	0.06	0.06	0.06		

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.

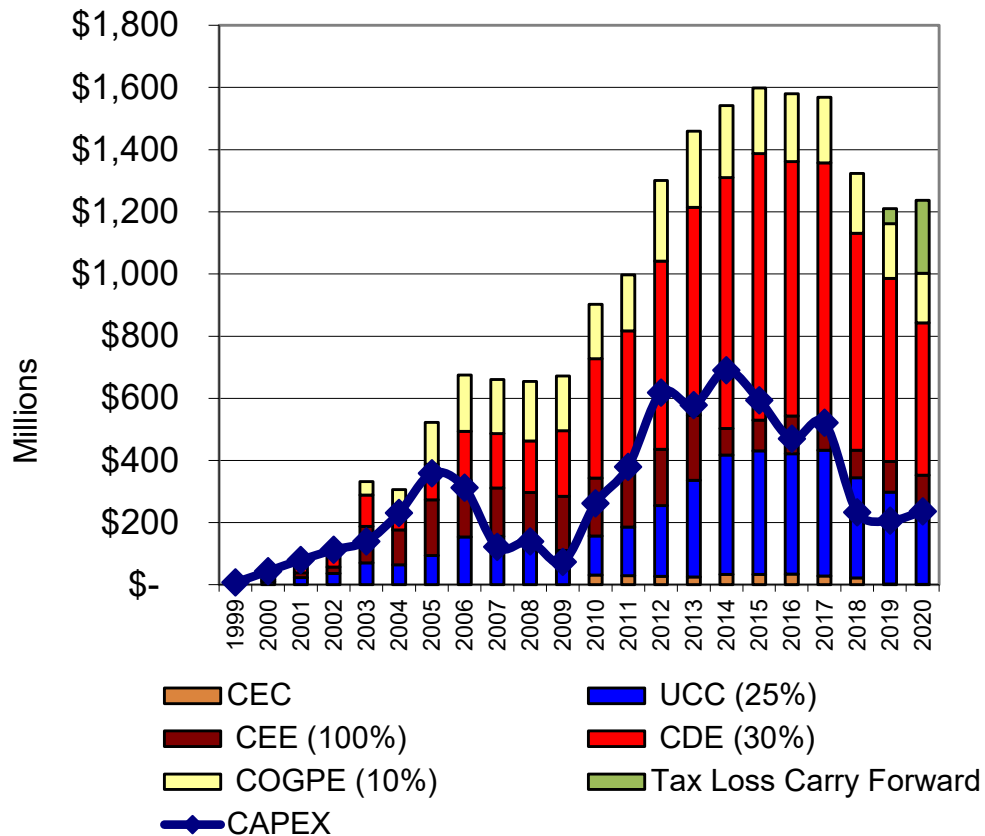
Organic Business Model

Peyto's Tax Pools

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



Peyto Development Corp.



\$1.2B

Federal Tax Pools
Q4/20

\$6.4B

Peyto CTD. CapEx
Q4/20

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.

