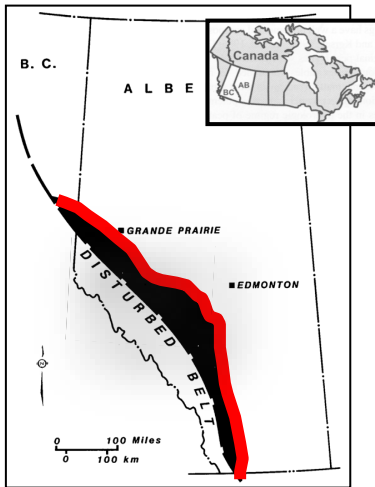




New To Peyto?

Who We Are



- ☀ 5th Largest Canadian Gas Producer ~ 635 MMcfe/d
- ☀ 10th Largest Canadian Gas Processor 970 MMcf/d capacity
- ☀ Pure Play Alberta Deep Basin *Multizone stacked resource, 5.4 TCFe 2P reserves*
- ☀ Long Reserve Life Asset *9yr PDP, 25yr 2P, sweet gas, no mobile water risk*
- ☀ Returns Focused Strategy *Avg ROCE 14%, ROE 26% over last 23yrs*
- ☀ Lowest Cost Producer *\$1.25/mcfe (\$7.49/boe) 2021 total cash costs**
- ☀ Own and Control *Operate 99% of production, Own/operate 12 gas plants*

Monthly Dividend:	\$0.05/share (November 2021 onwards)
Shares O/S:	169 million (3% insider ownership)
Q1/22 Net Debt:	\$415 million (senior secured notes, 3.7-4.9% CND)
	\$649 million (\$0.95B secured bank facility)
	\$1.064B (\$1.365B total capacity)
Enterprise Value:	\$3.6 billion (\$15.00/share)
Full Time Employees:	56
	www.Peyto.com

*Cash costs are royalties, operating costs, transportation, G&A and interest
Reserve Life based on Q4 2021 production rate of 98,400 boe/d
BOE factor – 6 mcf = 1 bbl of oil equivalent

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

PEY.TO

21 Year Growth Per Share

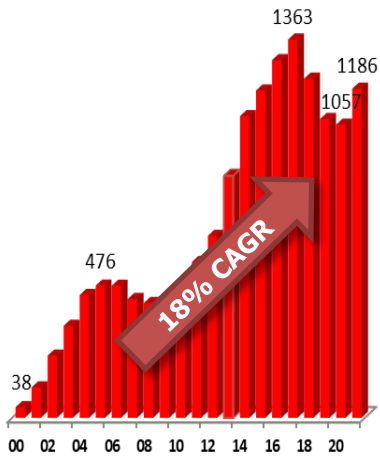
"Over time, the Peyto model is designed to deliver a superior total return with per share growth in value, income and assets."

PEYTO

Exploration & Development Corp.

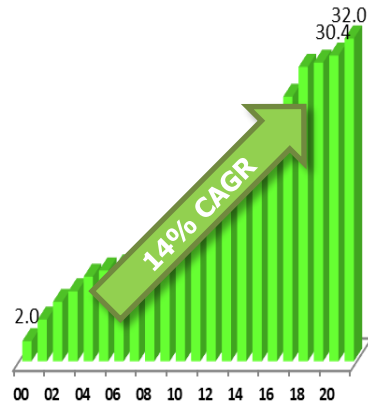


Production/share
(MMcfe/y/mm sh)



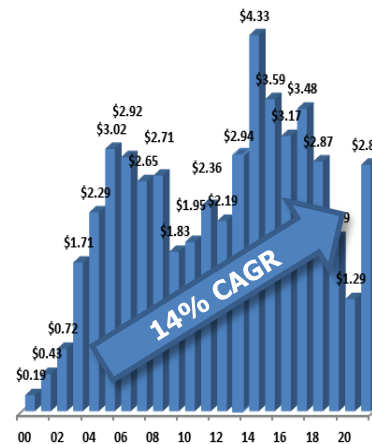
YoY +12%

Reserves/share
(2P Bcfe/mm sh)



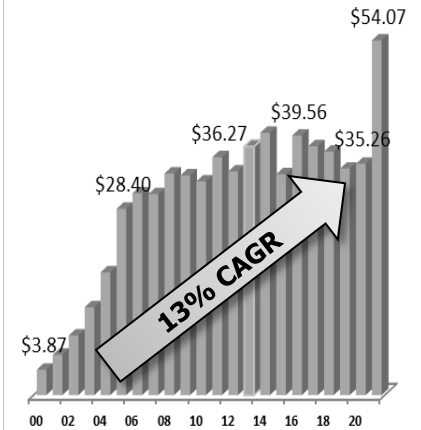
+5%

FFO/share
(\$/sh)



+119%

2P NPV₅/debt adj. share
(\$/sh)



+53%

Historical Per Share (or unit) and Shares (units) Outstanding numbers (end of period) have been adjusted to reflect the May 27, 2005 2:1 stock split

(1) FFO is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

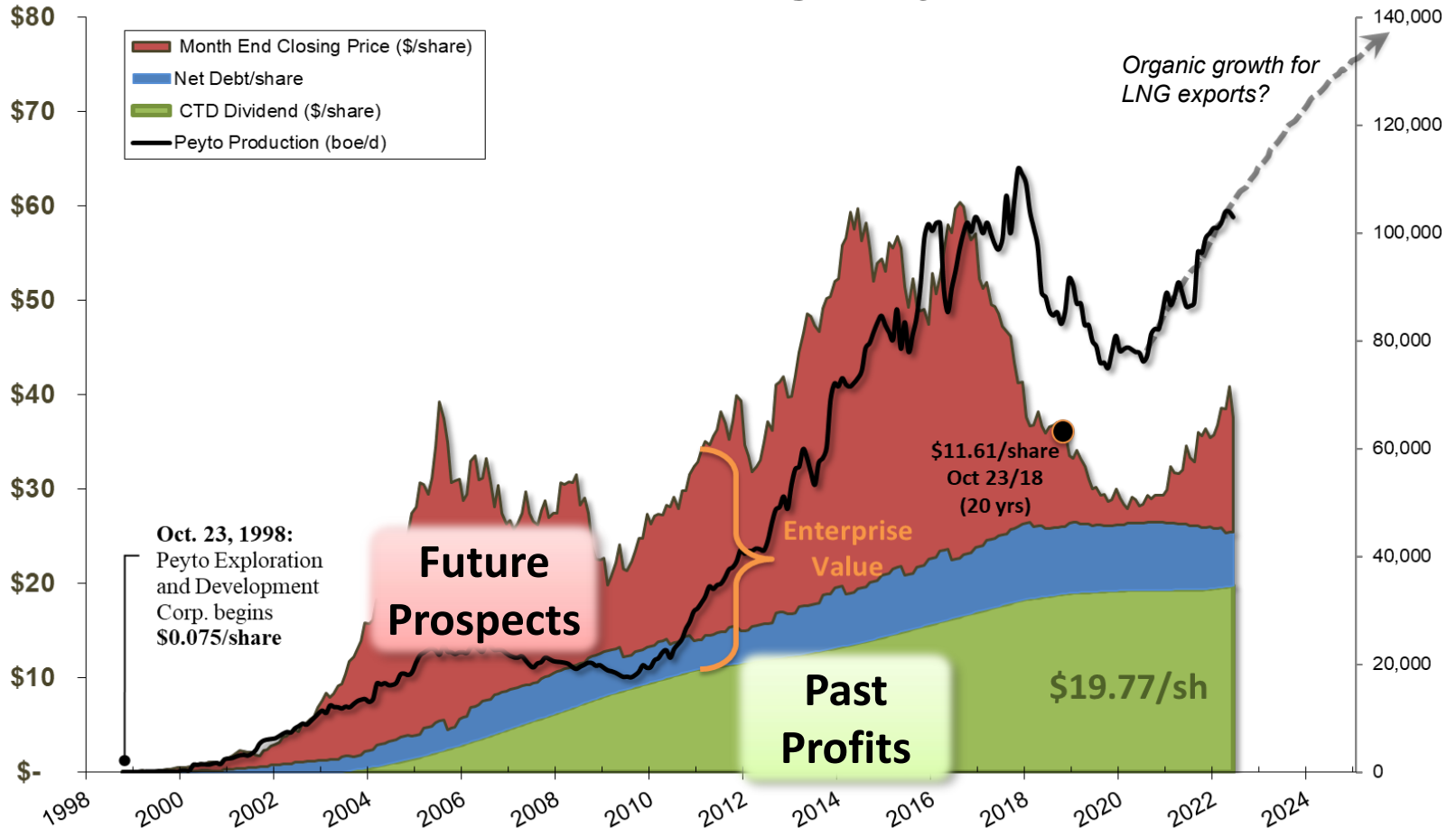
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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



(1) Net debt/share is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information. Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

PEY.TO

Invest Shareholder Capital For Profit Not Growth

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

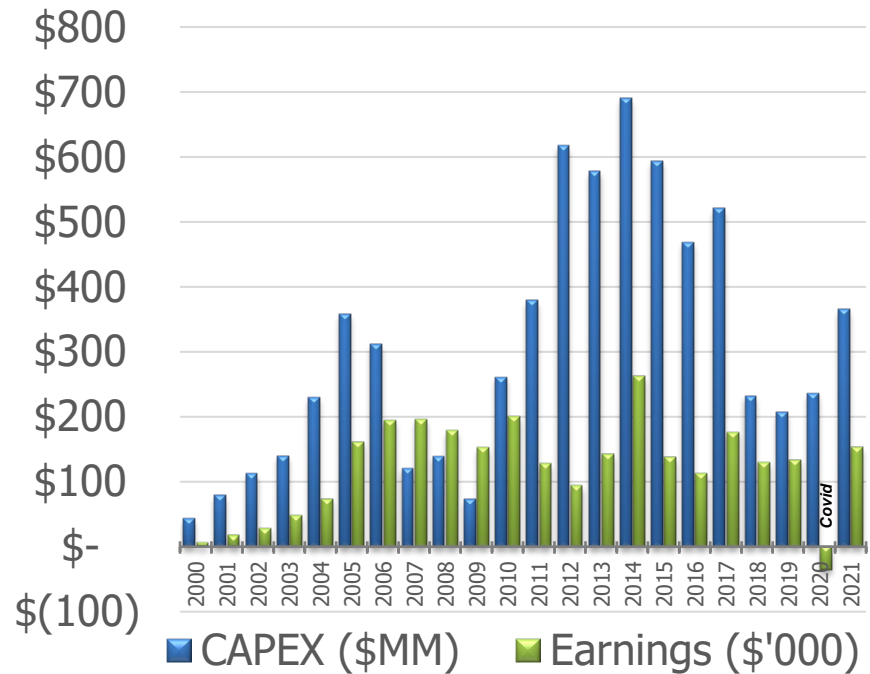
Corp.

\$6.9B

Peyto Capital
CTD Q1/22

\$2.8B

Peyto Earnings
CTD Q1/22



PEY.TO

Return Profits to Shareholders with Dividends

"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."

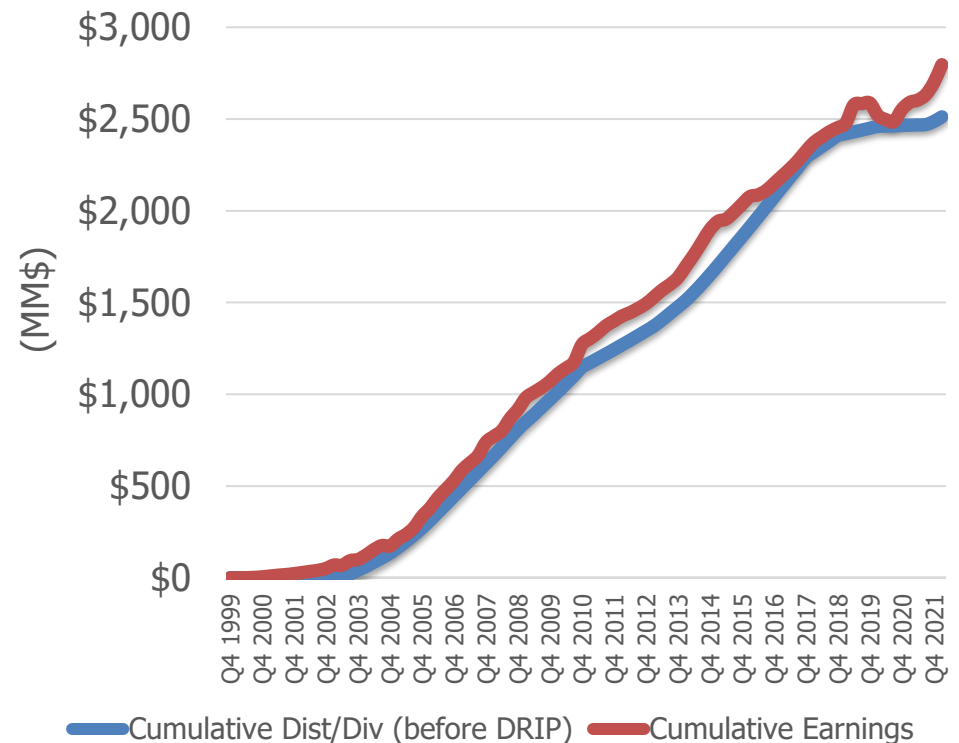
t Corp.

\$2.8B

Peyto Ctd. Earnings
Q1/22

\$2.5B

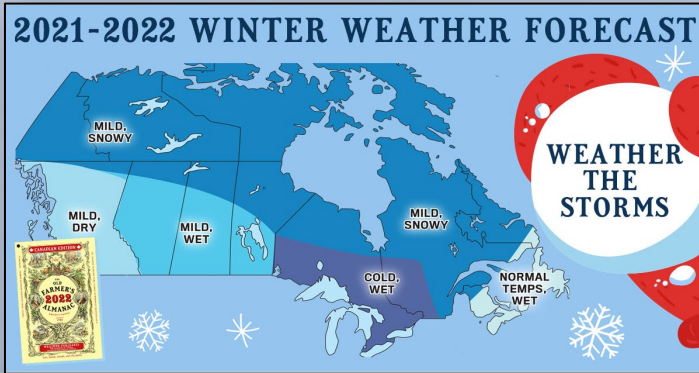
Peyto Ctd. Dist/Div.
Q1/22



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."



Natural Gas

- ✓ Safe
- ✓ Reliable
- ✓ Affordable

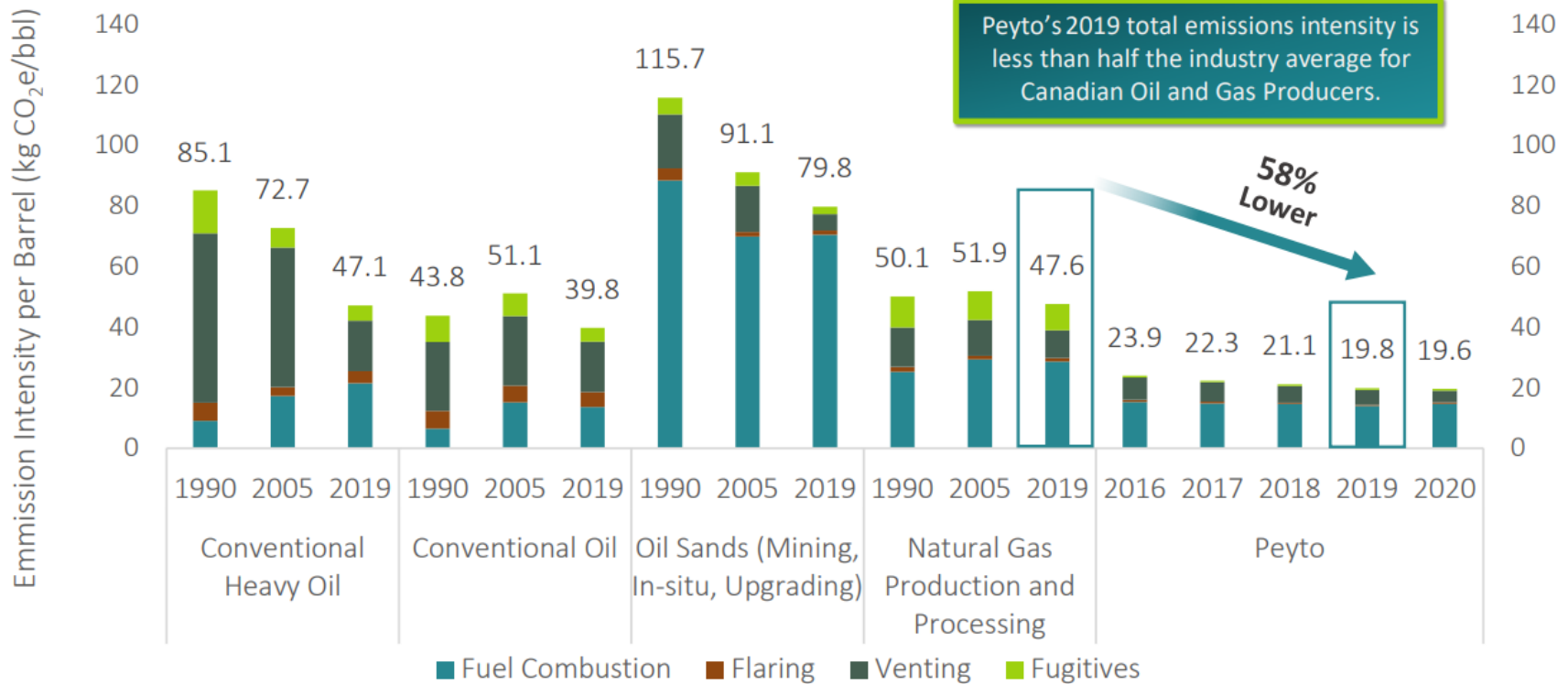
PEY.TO

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)



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>

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

PEY.TO

Continuously Improving Emissions

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

Corp.

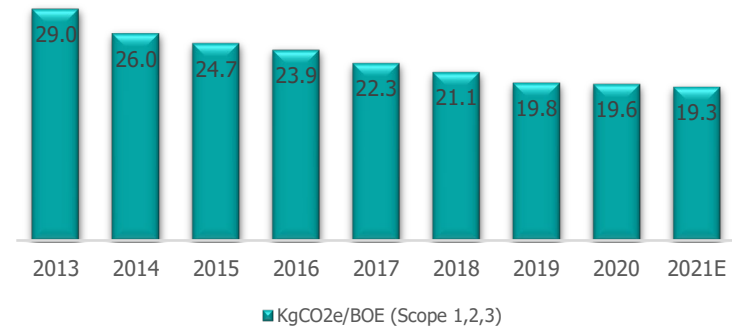
-33%

in GHG Emissions Intensity*

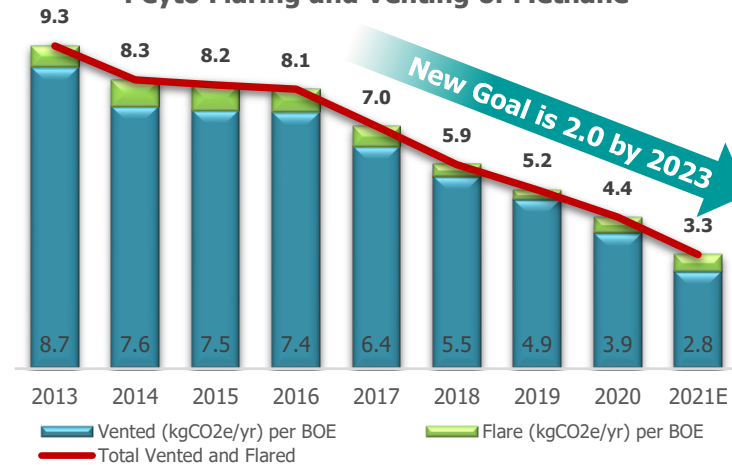
-65%

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.

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

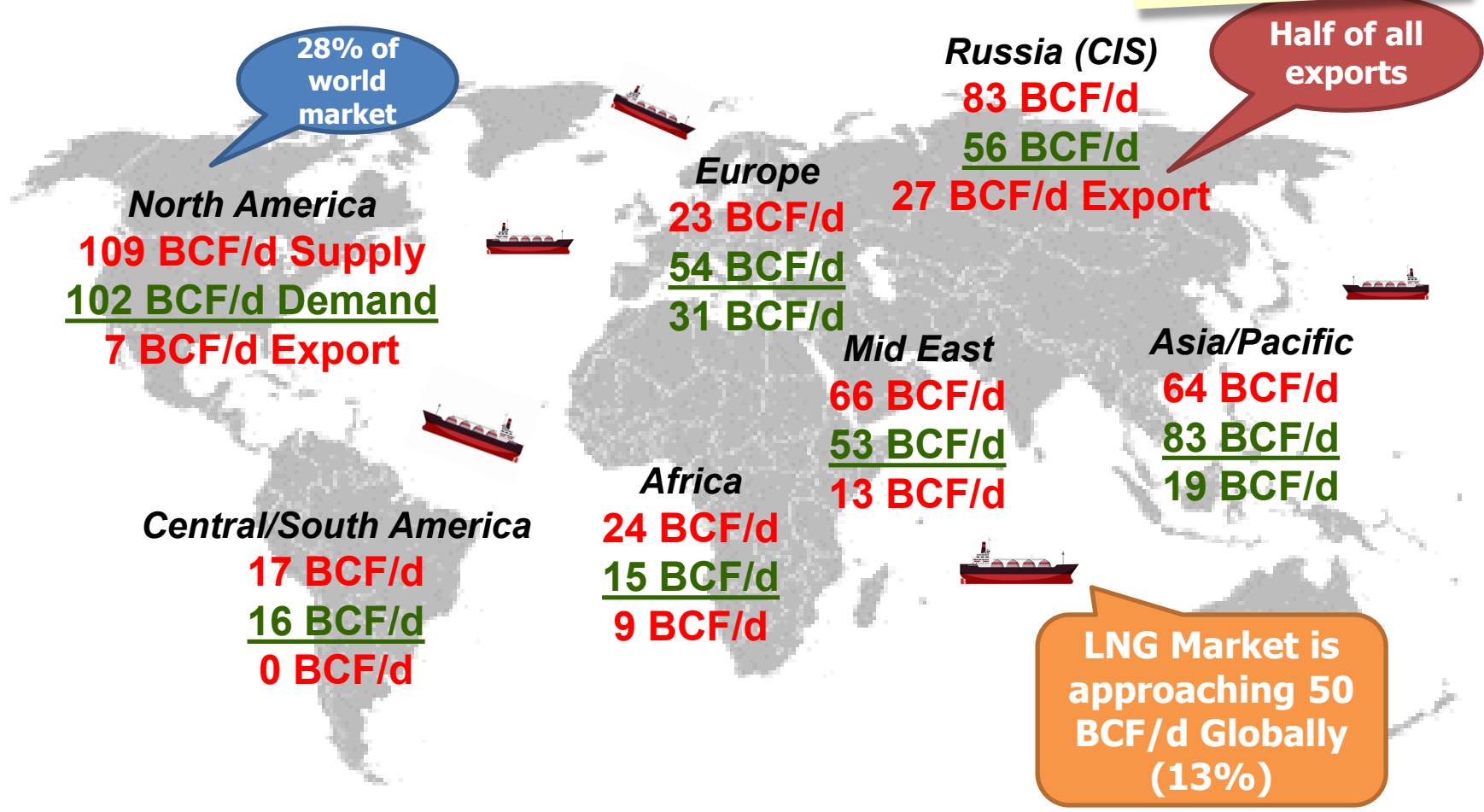
The Peyto Strategy



Global Natural Gas Markets

385 BCF/d Global Marketplace in 2019* (pre-Covid)

"Natural gas is fast becoming a global commodity and North America is a third the world market. Without Russia we have a supply problem."



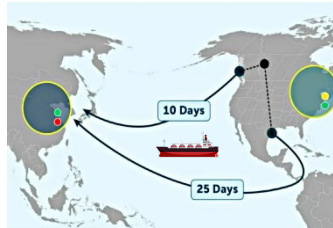
*BP Statistical Review of World Energy July 2021 – Using 2019 Gas Production and Consumption data more representative pre/post Covid

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

North American Natural Gas

Domestic and Export Markets

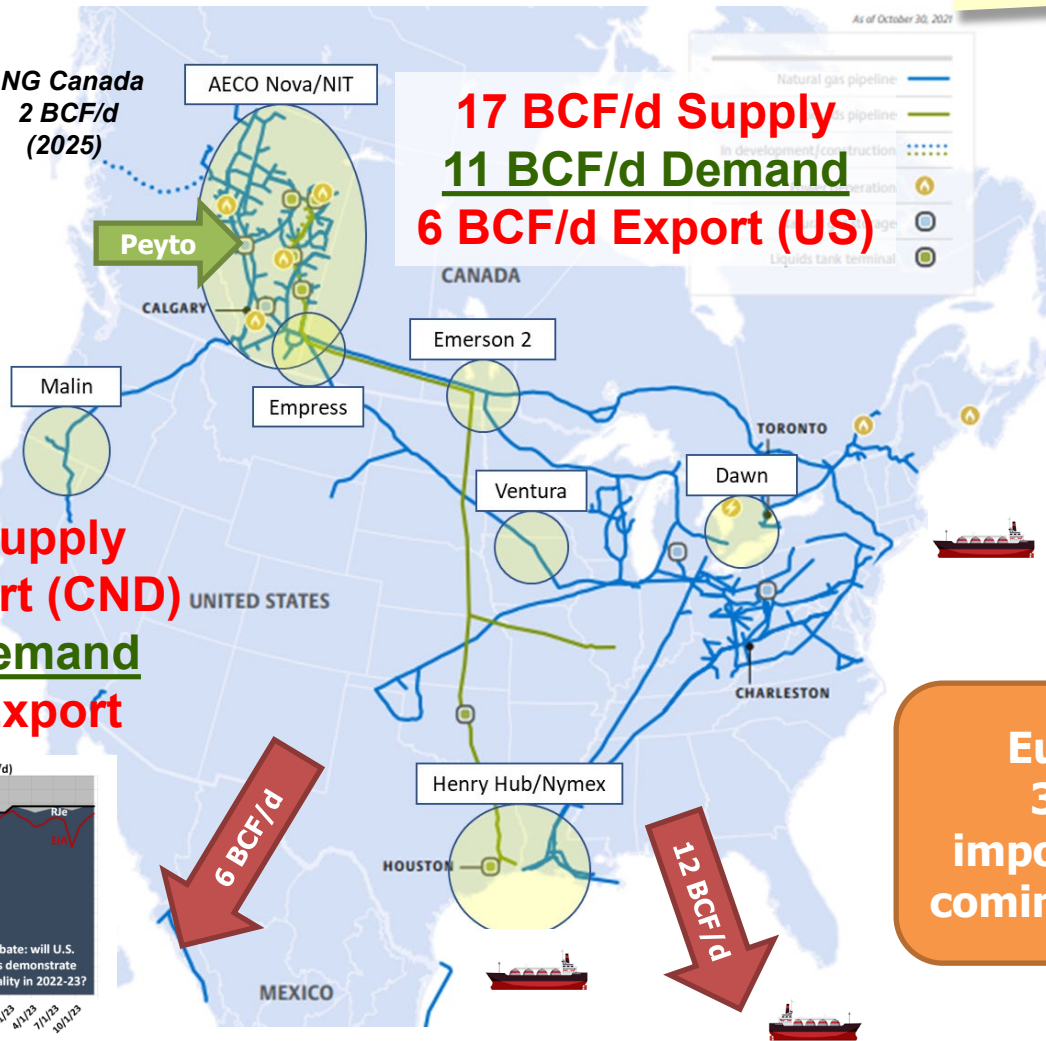
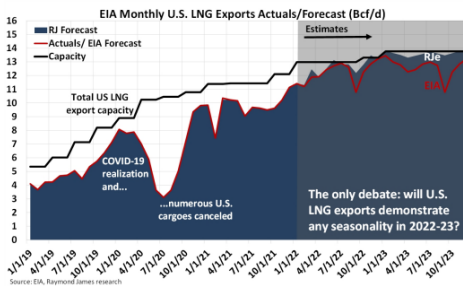
"The North American market is linked to the world by the US gulf LNG exports. Canada currently exports by way of the US."



LNG Canada
2 BCF/d (2025)

17 BCF/d Supply
11 BCF/d Demand
6 BCF/d Export (US)

95 BCF/d Supply
6 BCF/d Import (CND)
83 BCF/d Demand
18 BCF/d Export



Europe needs 31 BCF/d of imports (27 BCF/d coming from Russia)

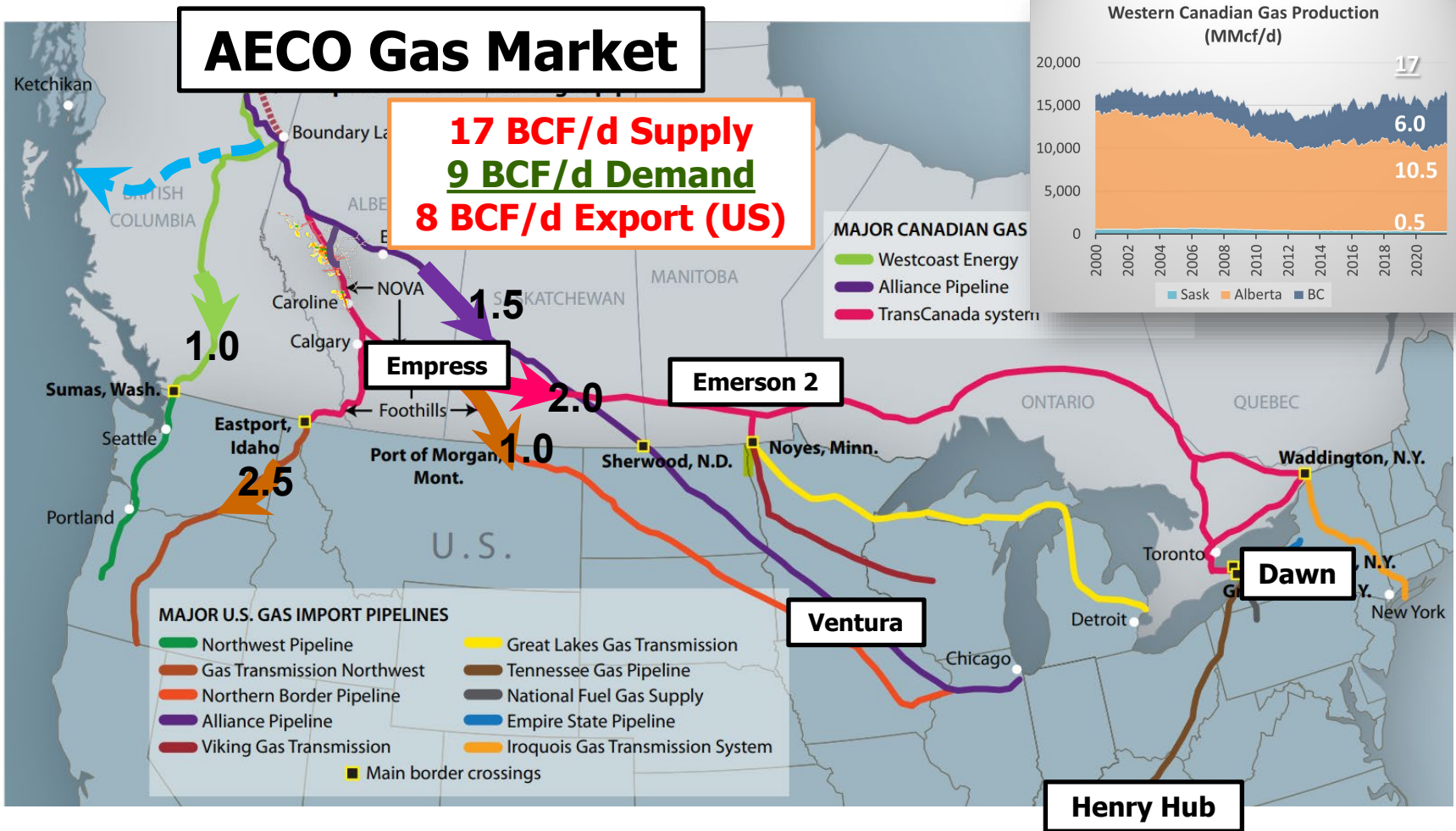
6 BCF/d

12 BCF/d

WCSB Natural Gas Market

Current Export Pathways

"The Western Canadian or AECO gas market is about to be transformed from "end of the pipe" to "center of demand".



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

The Peyto Strategy

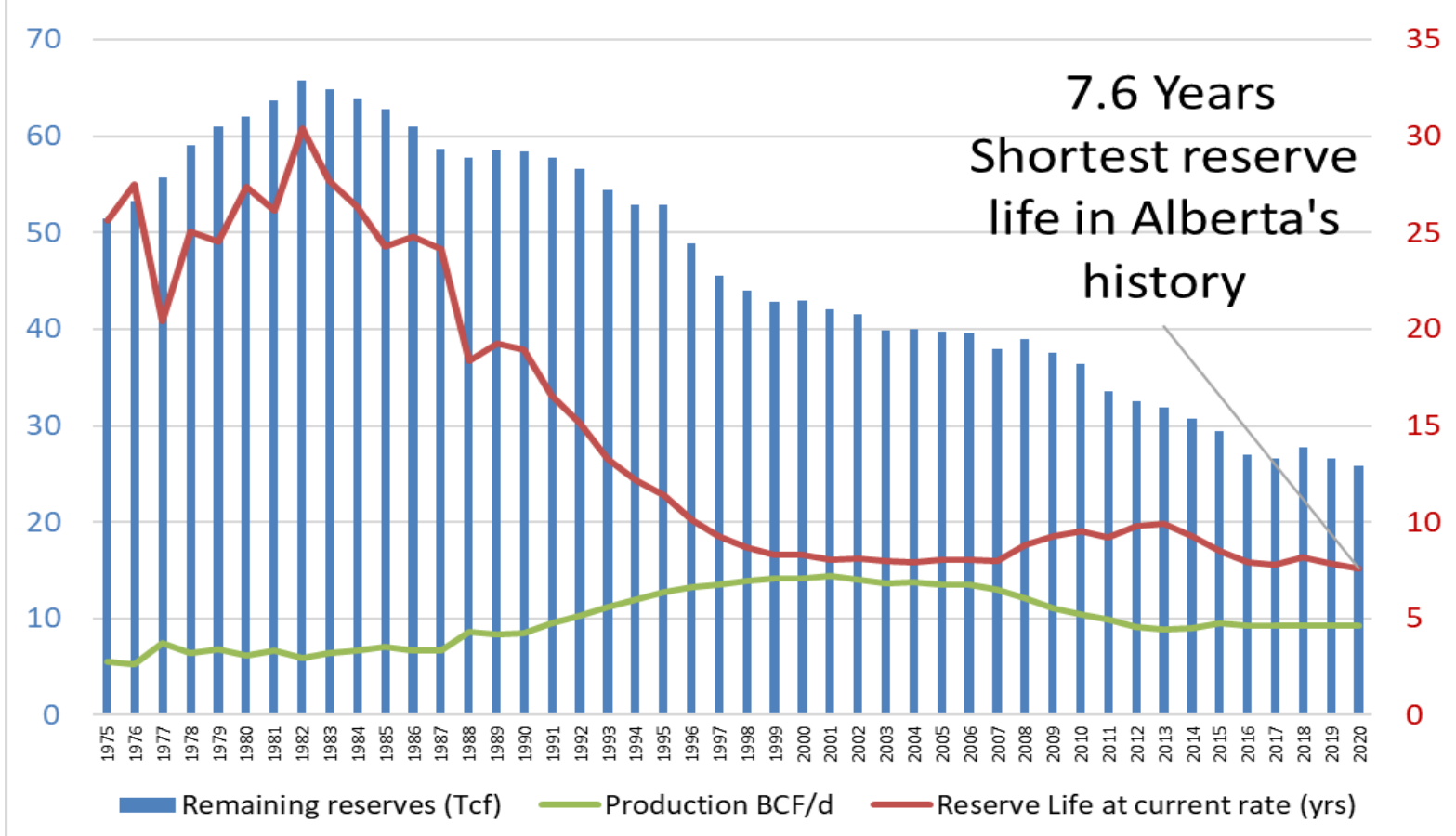
Bolster Alberta's Shrinking Gas Reserves

"Alberta's natural gas reserves have been shrinking for 40 years. Peyto is focused on extending Alberta's natural gas reserves to contribute to a cleaner energy future."



Corp.

Alberta Natural Gas Reserves
Alberta Energy Outlook ST98: 2021



<https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st98/statistics-and-data>

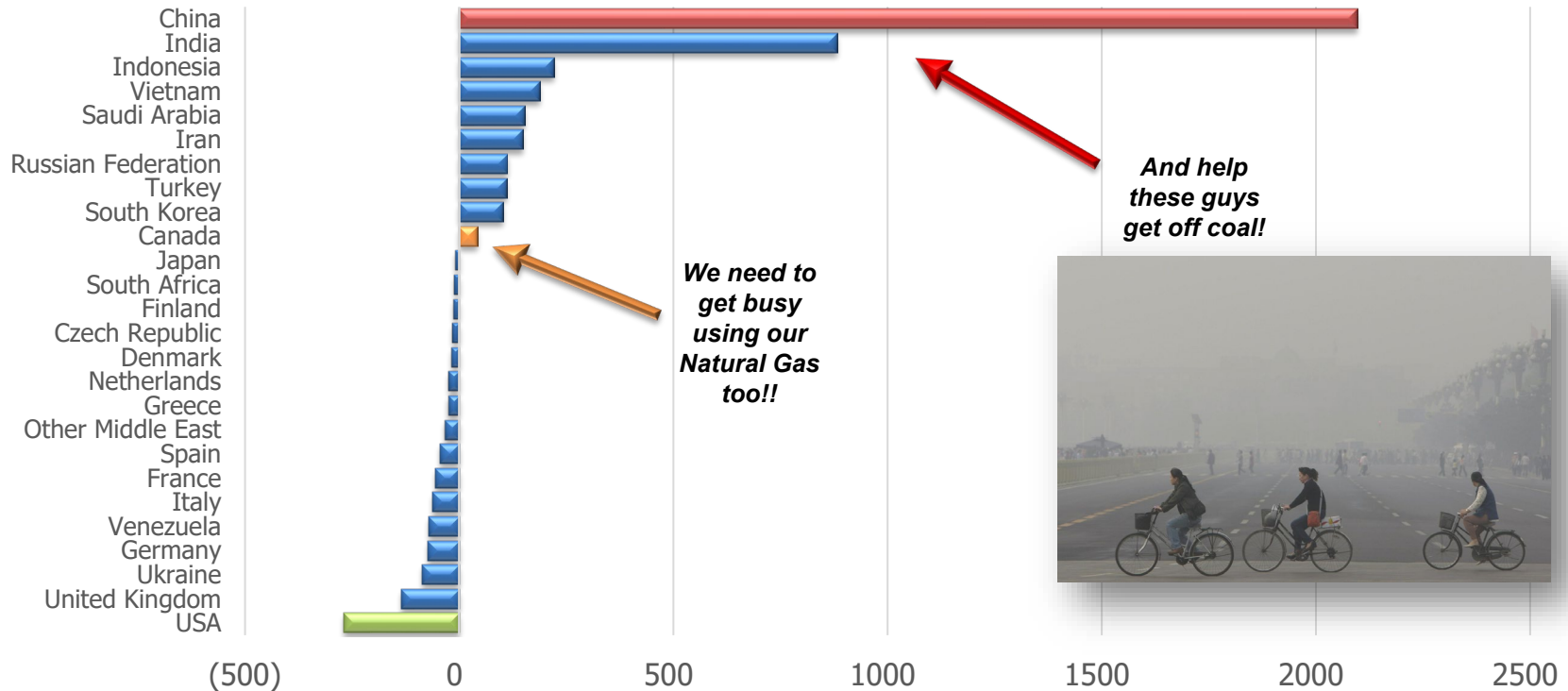
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Natural Gas Is The Solution

USA Has Made the Biggest Reduction

"The US has reduced CO2 emissions the most by switching from coal to natural gas."

Absolute Change in CO2 Emissions from 2009-2019 (million tonnes of CO2)



bp Statistical Review of World Energy July 2021

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Profitable Business



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>	<u>2021</u>
PDP FD&A \$/mcfe	(\$2.25)	(\$1.64)	(\$1.44)	(\$1.36)	(\$1.18)	(\$1.55)	(\$1.06)	(\$0.97)
Cash Costs \$/mcfe	(\$1.08)	(\$0.81)	(\$0.76)	(\$0.83)	(\$0.92)	(\$0.95)	(\$1.01)	(\$1.25)
Supply Cost	(\$3.26)	(\$2.45)	(\$2.20)	(\$2.19)	(\$2.10)	(\$2.50)	(\$2.07)	(\$2.22)
Sales Price \$/mcfe	\$5.04	\$3.83	\$3.18	\$3.38	\$3.27	\$2.78	\$2.23	\$3.61
Full Cycle Netback ⁽¹⁾ \$/mcfe	\$1.71	\$1.38	\$0.98	\$1.19	\$1.17	\$0.28	\$0.16	\$1.39
Margin	34%	36%	31%	35%	36%	10%	7%	39%
Dividend \$/mcfe	\$1.05	\$1.11	\$1.01	\$0.97	\$0.59	\$0.22	\$0.08	\$0.11

2021
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$365MM
ΔPDP (62.5
mmboes)

2021 FD&A =
\$0.97/mcfe

Royalties (\$0.37)
Opex (\$0.34)
Transport (\$0.21)
G&A (\$0.03)
Interest (\$0.30)
Total Costs (\$1.25)

87.3% Gas @\$3.43/GJ*1.15 HC
12.7% NGLs@\$53/bbl=(62%of \$85oil)
\$4.52/mcfe
\$0.91/mcfe hedge loss
\$3.61/mcfe

BOE factor - 6 mcfe = 1 bbl of oil equivalent

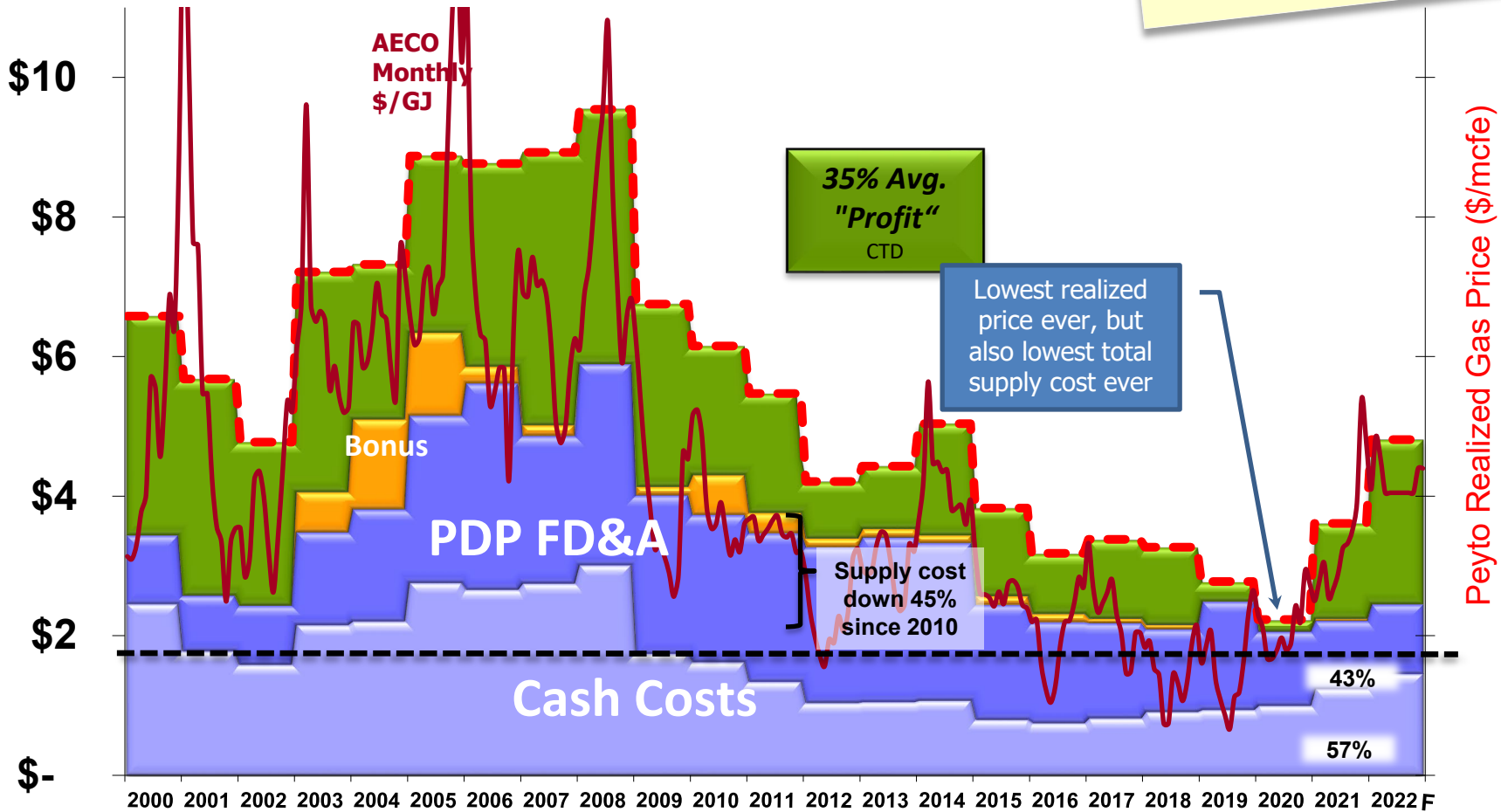
(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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."



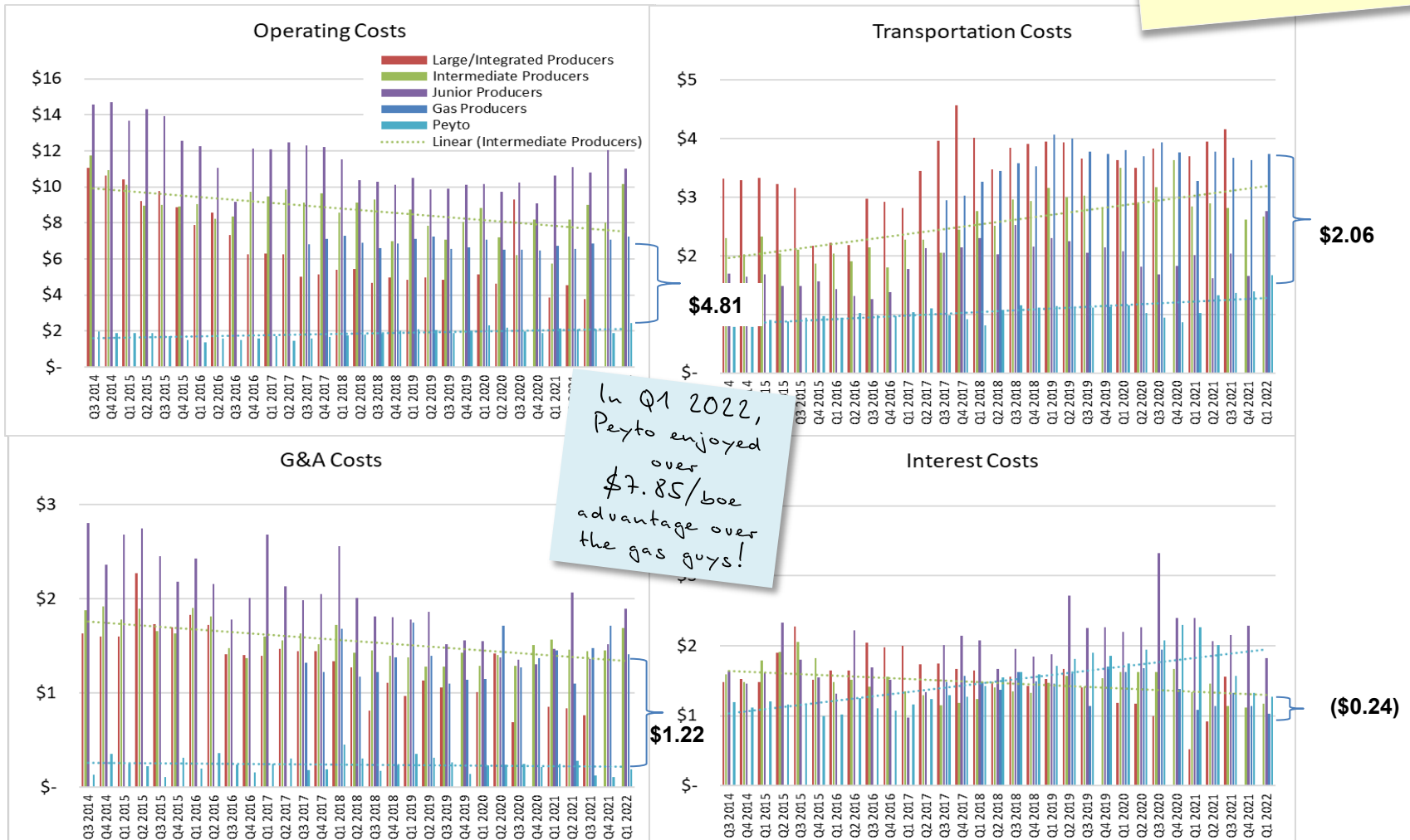
Total Cash Costs per mcf includes – Royalties, Op Costs, Transport, G&A, and Interest
 PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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, ARX, BIR, CR, KEL, NVA, PIPE, PMT, PNE, POU, SDE, TOU

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Profitable Business

High Operating Margins

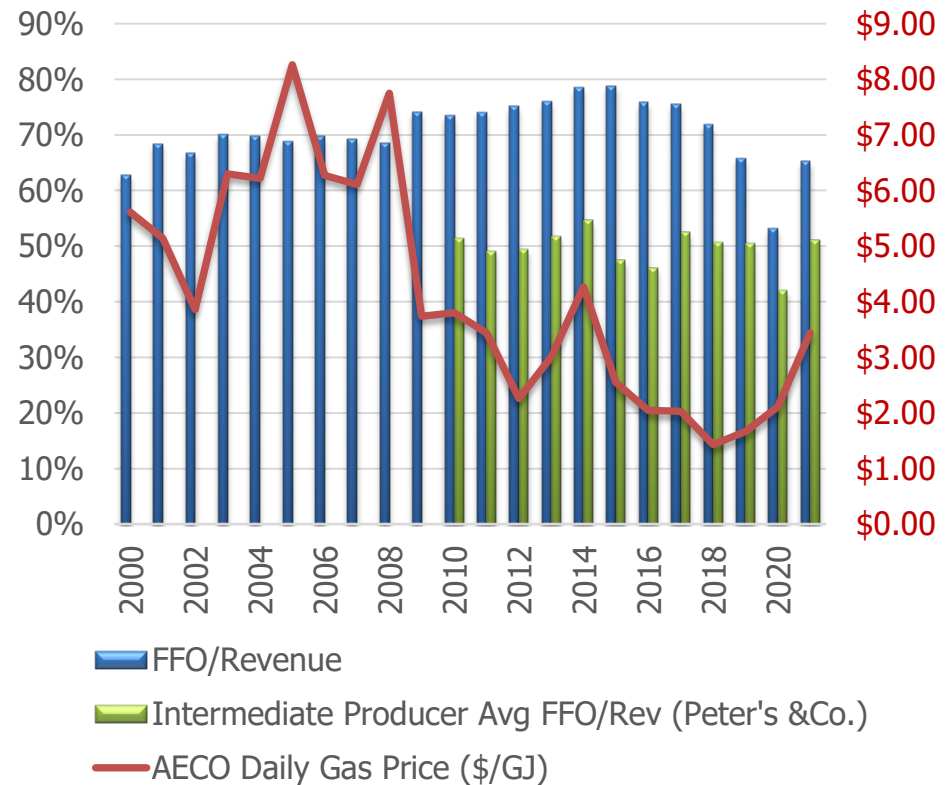
"While 2021 was still a recovery year on operating margins, Peyto maintained a sizeable advantage over the industry."



t Corp.

71%

Peyto Operating Margin
Last 21 Year Avg.



Peter's & Co. Intermediate Producer Average includes: ARX,BTE,BIR,CPG,ERF,GTE,KEL,MEG,NVA,POU,PEY,TOU,VET,WCP

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Unique Assets

PEYTO

Exploration & Development Corp.



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

Geographically Focused Core Areas

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

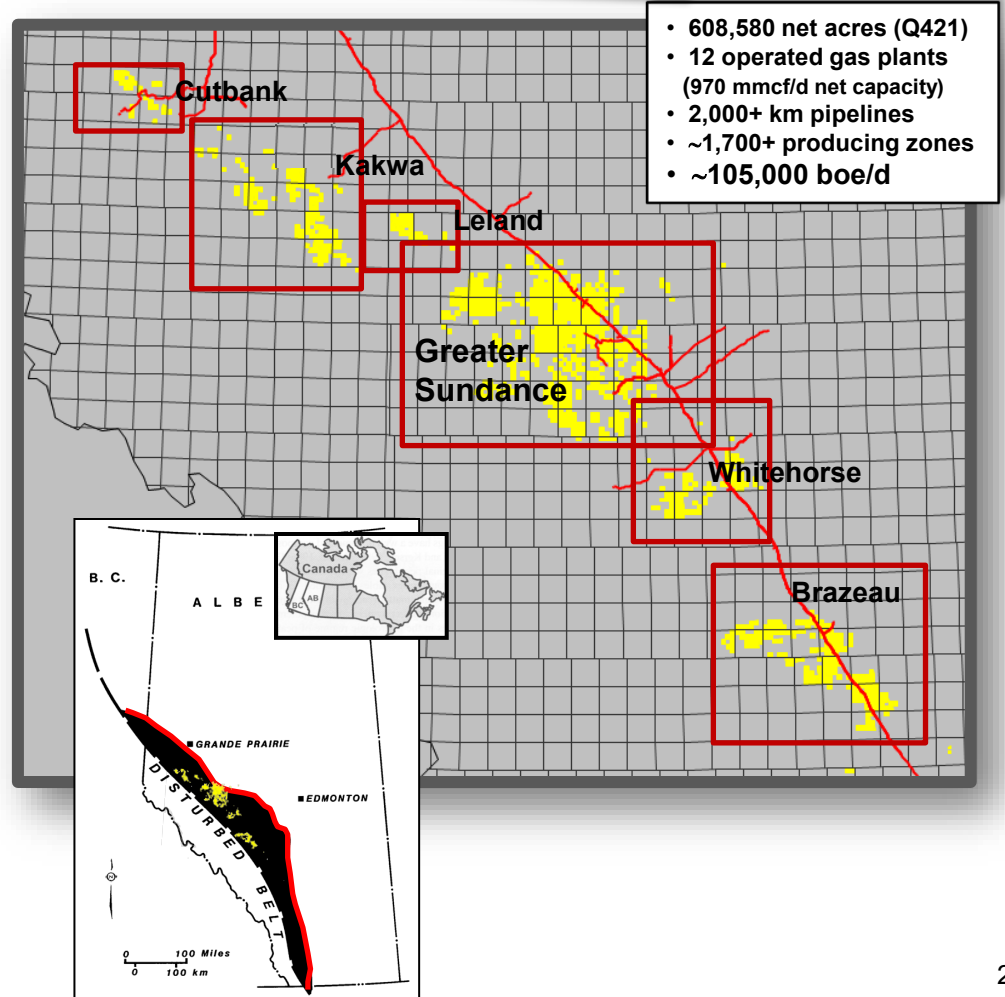


99%

Of Production:
Processed by Peyto
Operated by Peyto

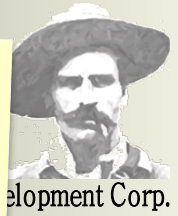
99%

Working Interest in 11
Processing Facilities

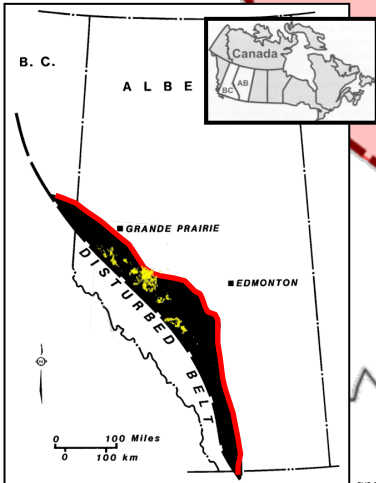
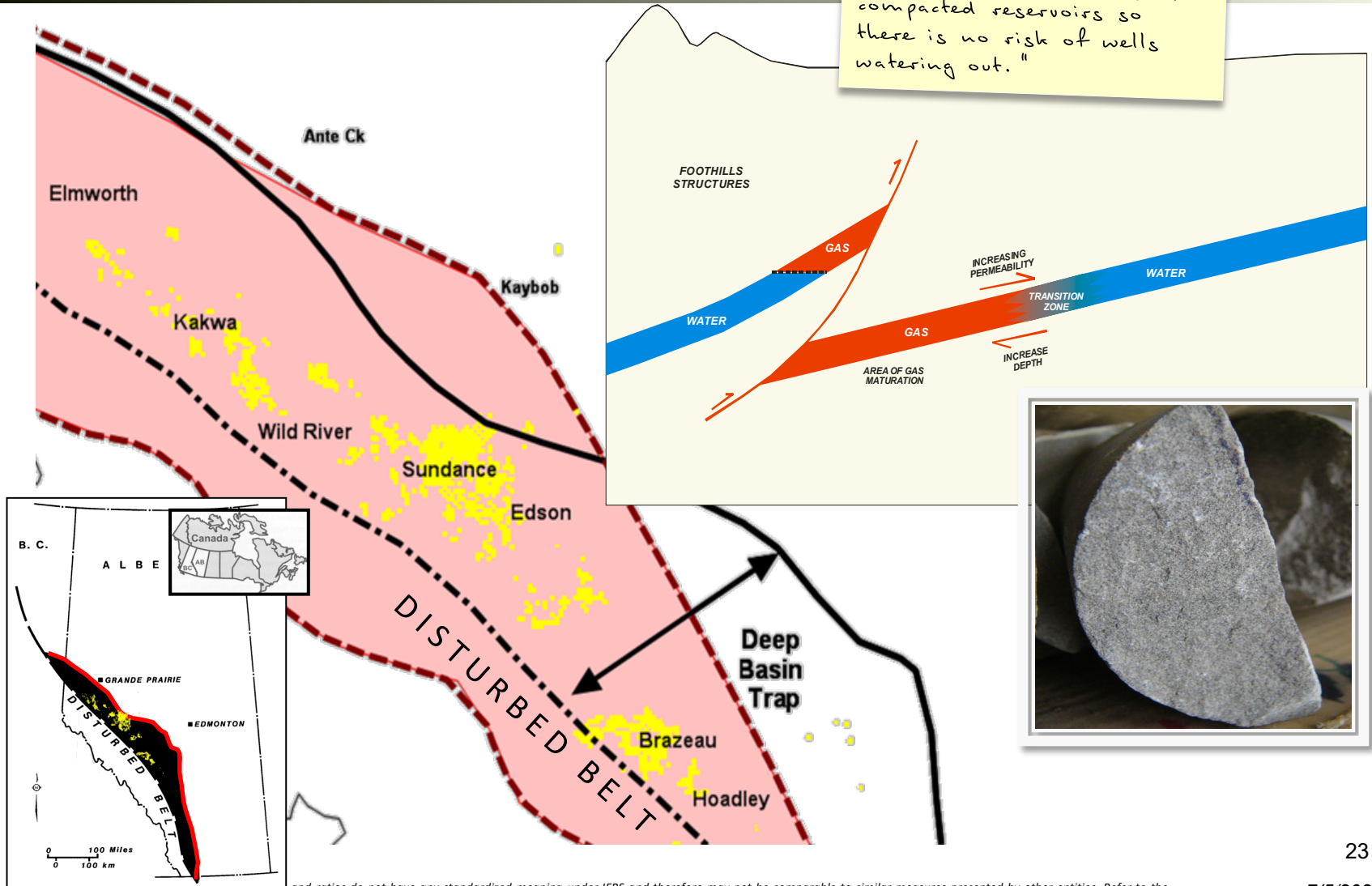


Peyto's Assets

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."



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

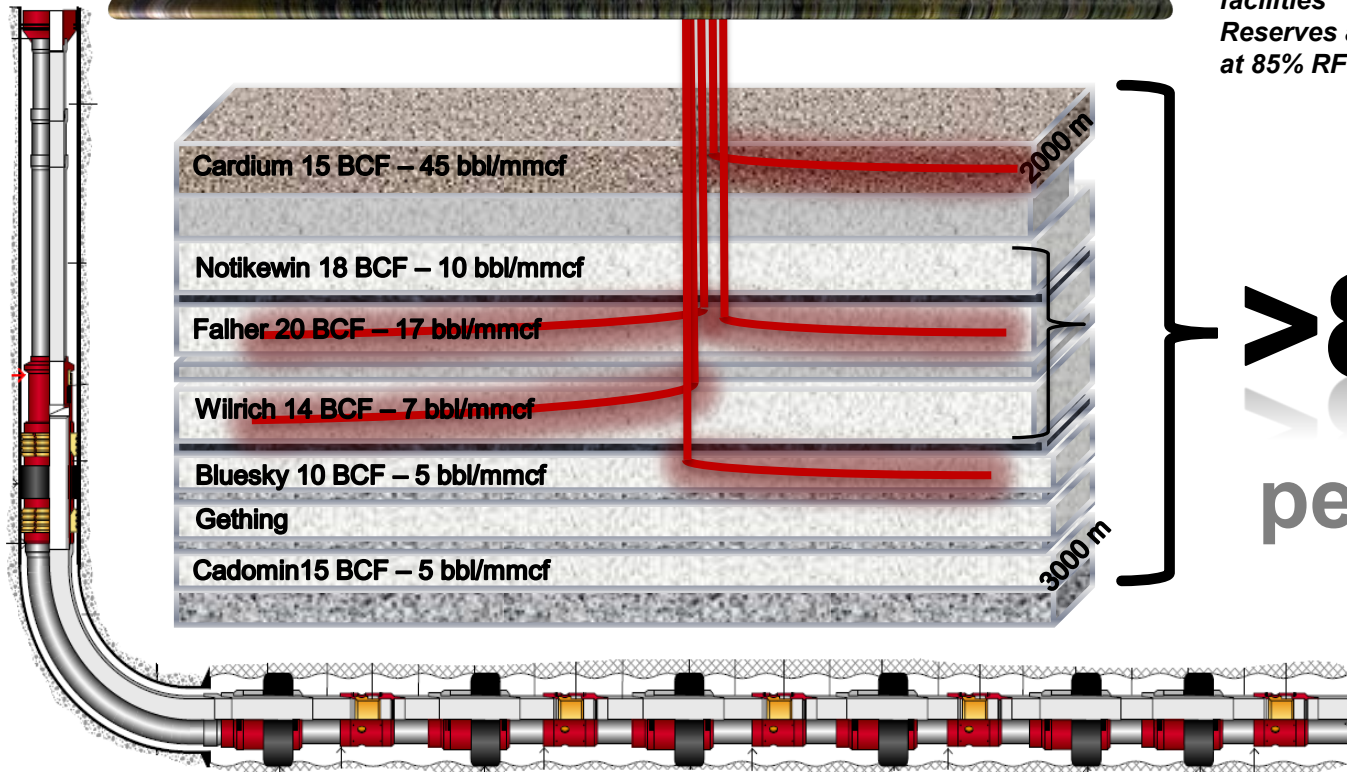
Multi Zone Stacked Sandstone Reservoirs

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



Up to
> 80 BCF
per section*

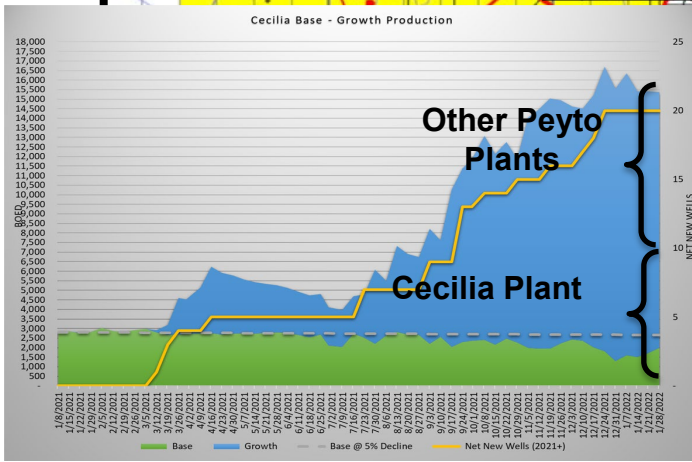
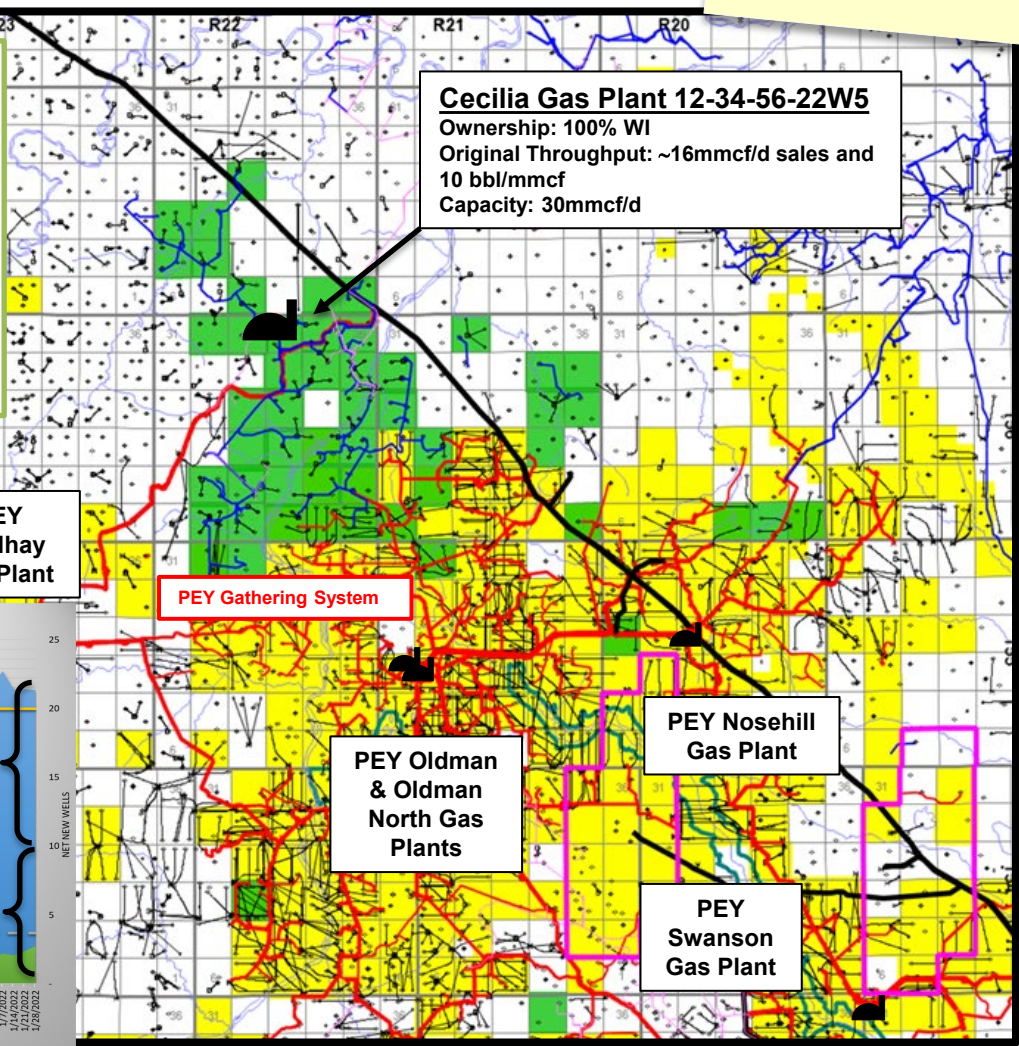
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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."

- YE21 Rates:
 - Base: 2,750 boe/d
 - New: 12,650 boe/d (20 new wells online, 3 reactivations)
 - Total: 15,400 boe/d (7,100 through Cecilia, 8,300 through other Peyto plants)
- Cecilia Gas Plant Capacity
 - 30 MMcf/d gas
 - 500 bbl/d NGLs



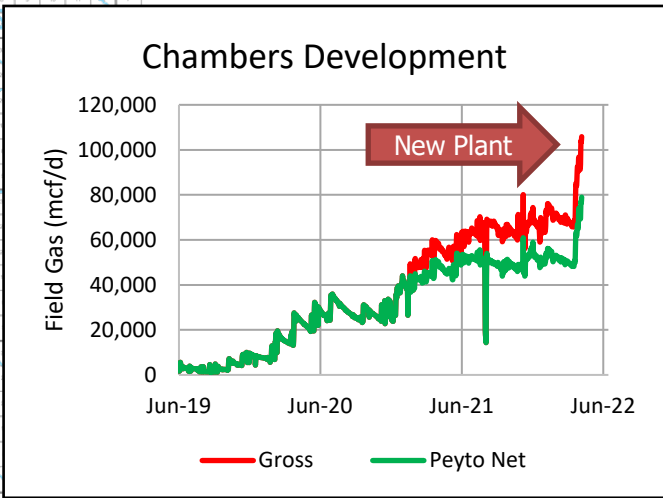
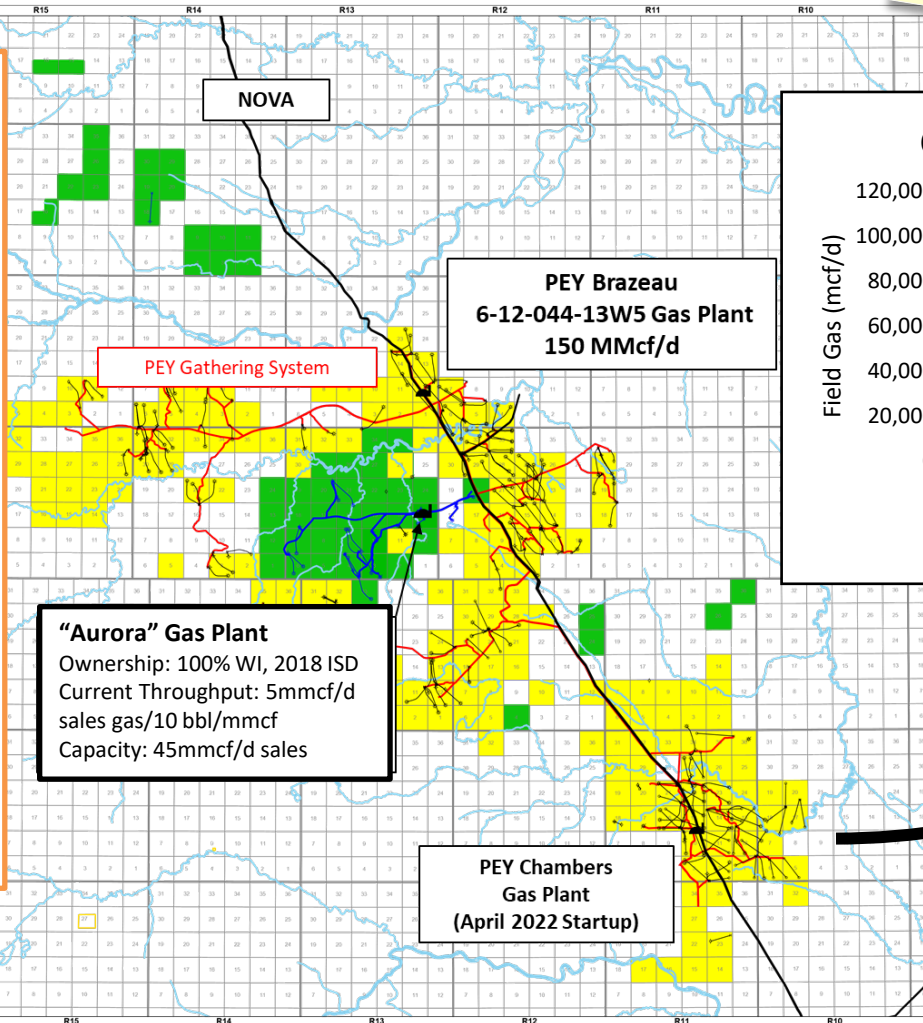
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

Brazeau PrivateCo Addition and Area Growth

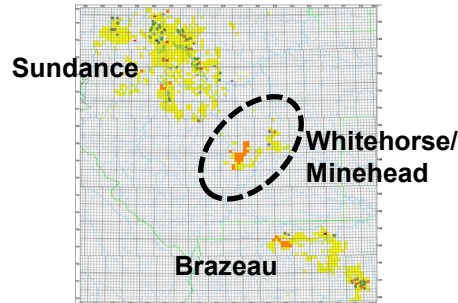
"Peyto added another bolt on property at the start of 2022 and built a new plant located in Chambers with a tie-in directly to NGL." PD.

- PrivateCo Acquisition
- \$22 million, effective Jan 1, 2022
- 81.8 Gross (73.0 Net) sections of land (expands to 352 net sections of rights, sparsely developed)
- YE21 production 850 boe/d (12 – 14 bbls/MMcf) from 20G/20N producing wells
- Significant operating synergies - Peyto industry leading operating costs will reduce opex by over \$1.00/mcf
- Upside locations on sparsely developed lands
- Minimal liabilities



Peyto's Assets

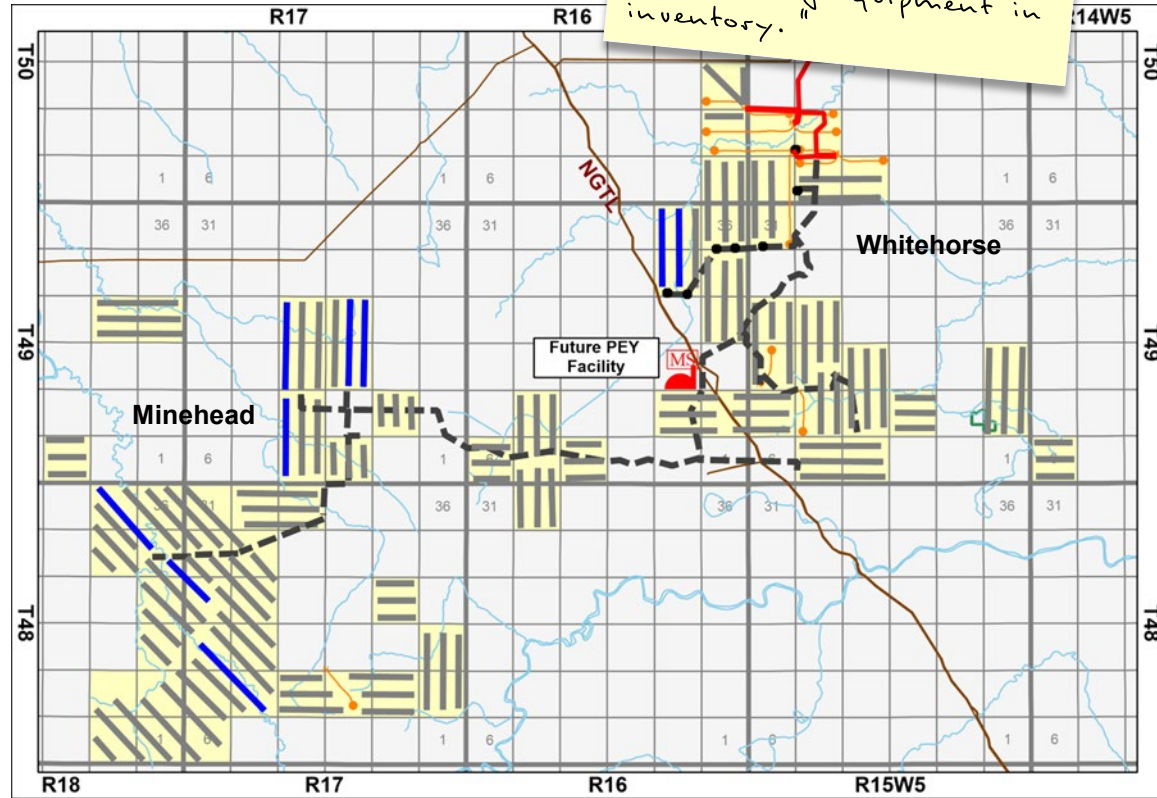
Whitehorse/Minehead ERHs



Timeline:

- 2017-2018: Drilled ten, 1-mile horizontals
- 2021/2022: Successfully tested three extended reach horizontals to improve the economics of the play, bought additional crown land
- Fall Winter 2022/23: Additional delineation wells planned
- 2023: Construct new Whitehorse plant using re-purposed equipment for 50mmcf/d capacity
- Over 120 future locations identified in the Wilrich alone with significant upside in other Spirit River targets as we drill through (free look)

"Peyto will apply the latest ERH well design to the development of the Whitehorse area with plans to construct a new 50 mmcf/d plant in 2023 using equipment in inventory."



Economics on Strip:

- Gas: 4.0 bcf sales
- NGLs: 88 MBBL (22 bbls/mm)
- EUR: 763 MBOE, IP12: 2,164 mcf/d
- DCET: \$3.9MM
- IRR: 194%, Payout: 0.7 years (April 28, 2022 price forecast)

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

Large Hz MSF Inventory

"Peyto has developed 4.5 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>Done</u> ¹		<u>To Do</u>	
		<u>Total Vertical Wells</u>	<u>Total Hz Wells</u>	<u>Total Hz(Vt) Locations Booked</u> ²	<u>Total Hz Locations Unbooked</u> ³
		2		(2)	
		440	200	474(10)	480
		5	1	5	16
		1		2	31
		90	197	200	90
		7	75	58	32
			117	148	121
		15	409	2	40
		4	44	301	176
		12	2	54	41
		<u>87</u>	2	<u>18</u>	205
		663		0	<u>120</u>
				<u>1,262(12)</u>	<u>1,352</u>
				1,274	1,352

Montney

>2,600 locations

1. Drilling to Dec 31, 2021
 2. As recognized in the GLJ reserve report dated Dec. 31, 2021
 3. Unbooked internal location inventory based on Company net sand and 3D seismic mapping. See "Drilling Locations" in the Advisories Section
 4. Extended reach horizontal wells are counted as one location even though they may replace two previously counted locations

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

Deep Basin Lands Go A Long Way

"Peyto added more drillable sections in Cecilia, Brazeau and Minehead in 2021 through, corporate acquisitions, landsales and farmings."

PEYTO

Exploration & Development Corp.



951

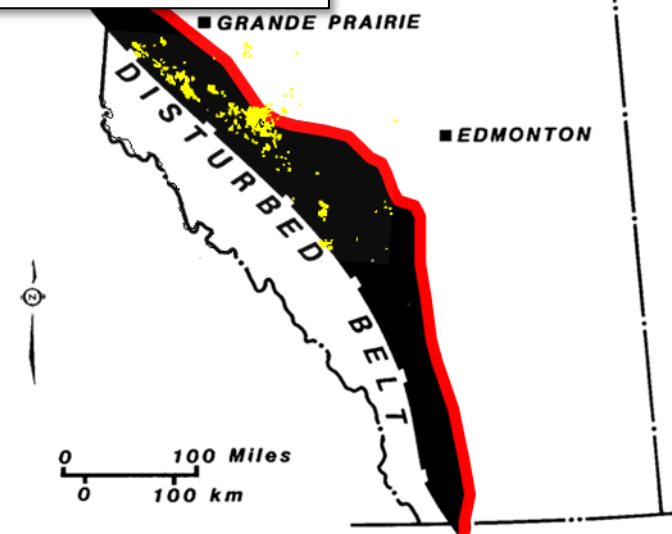
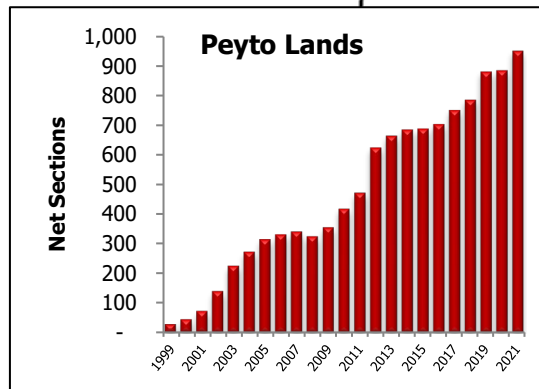
Net Peyto Sections

3,610

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

380

Net Sections – Developed Area of All Reserves Found and Developed Since Peyto Began (4.5 TCF_e EUR)*



TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable

*Based on GLJ Ltd Dec 31, 2021 Reserve Report.

Lands at Dec 31, 2021

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

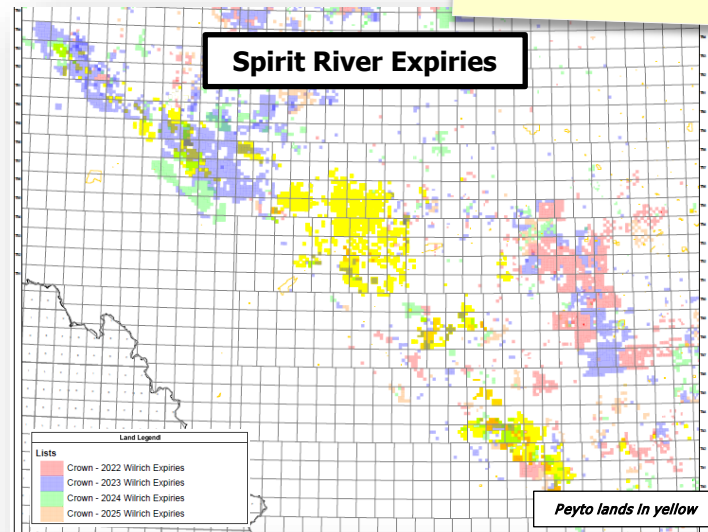
Peyto's Assets

Deep Basin Lands Continue to Turn Over

"There is a lot of land expiring over the next few years which could provide Peyto with potential new organic drilling inventory."

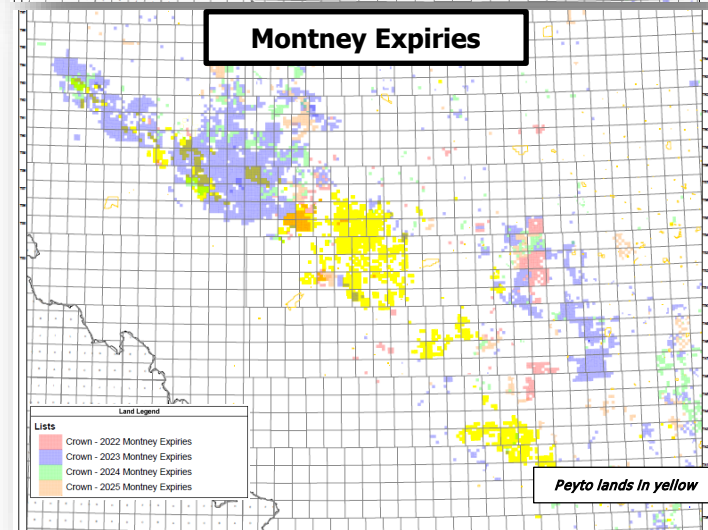
2,287

Sections - Possible Spirit River land expiries (drilling validation dependent) from 2022 - 2025



2,478

Sections - Possible Montney land expiries (drilling validation dependent) from 2022 - 2025

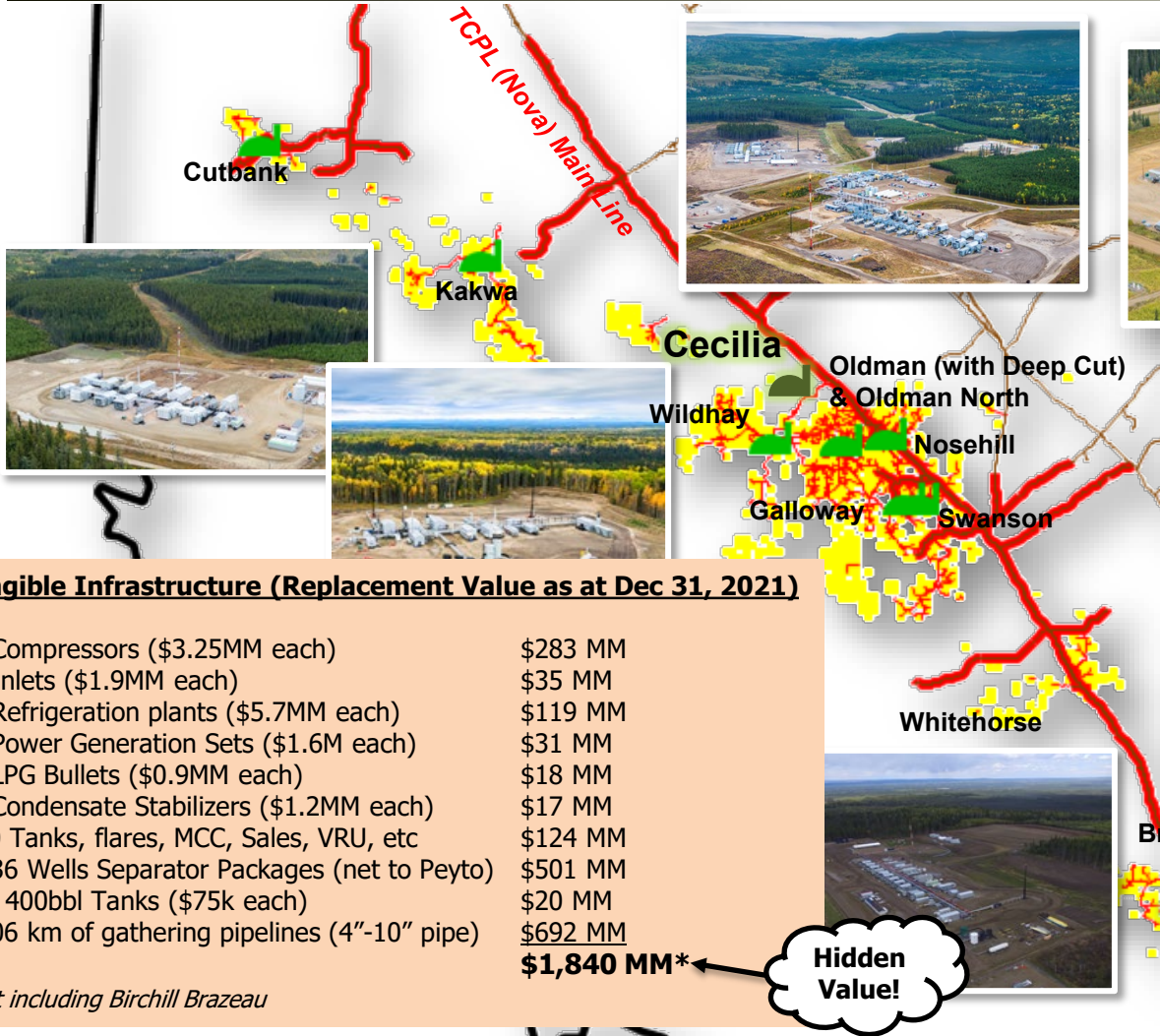


Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

Increased Facility Ownership And Control

"Peyto has excess capacity in its 970 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

	YE 2020	WI	
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 Brazeau River	45 mmcf/d	100%	
12 Chambers	50 mmcf/d	100%	Q1 22
Total	970 mmcf/d	99%	

Tangible Infrastructure (Replacement Value as at Dec 31, 2021)

81 Compressors (\$3.25MM each)	\$283 MM
18 Inlets (\$1.9MM each)	\$35 MM
21 Refrigeration plants (\$5.7MM each)	\$119 MM
12 Power Generation Sets (\$1.6M each)	\$31 MM
20 LPG Bullets (\$0.9MM each)	\$18 MM
14 Condensate Stabilizers (\$1.2MM each)	\$17 MM
>70 Tanks, flares, MCC, Sales, VRU, etc	\$124 MM
1,636 Wells Separator Packages (net to Peyto)	\$501 MM
260 400bbl Tanks (\$75k each)	\$20 MM
2,306 km of gathering pipelines (4"-10" pipe)	\$692 MM
	\$1,840 MM*

Hidden Value!

Brazeau River
45 MMcf/d

Chambers Q1 2022
50 MMcf/d, 58 sections
150 locations (internal)

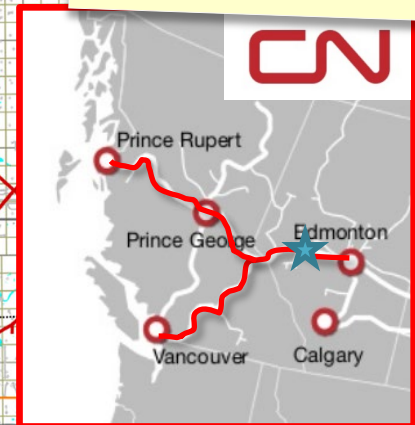
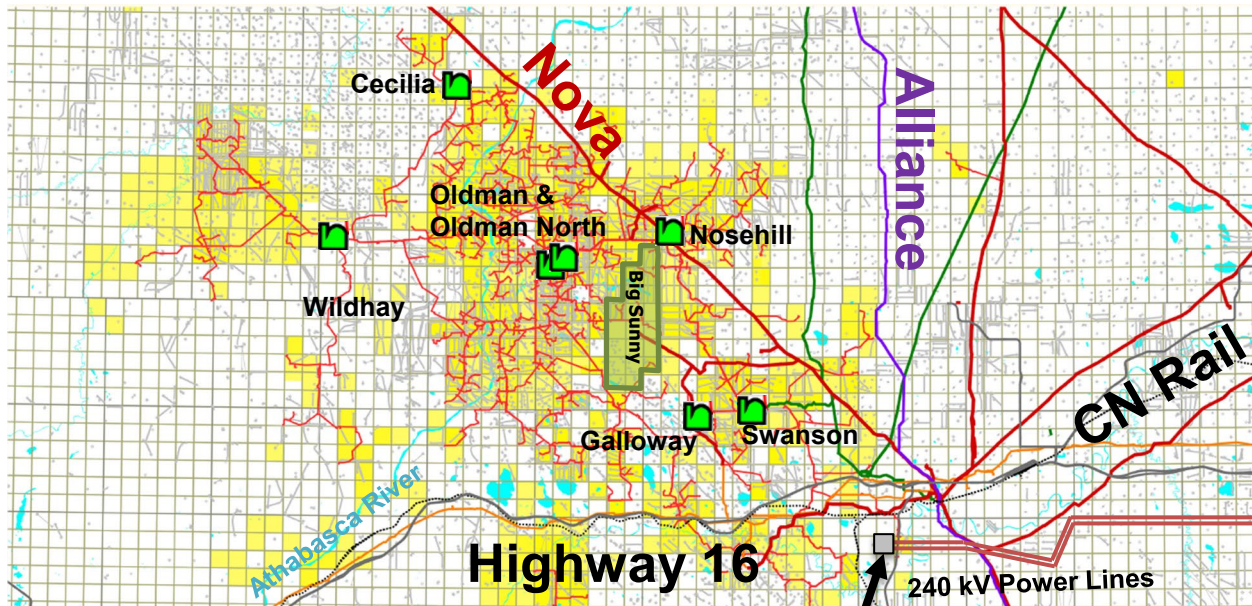
*not including Birchill Brazeau

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Assets

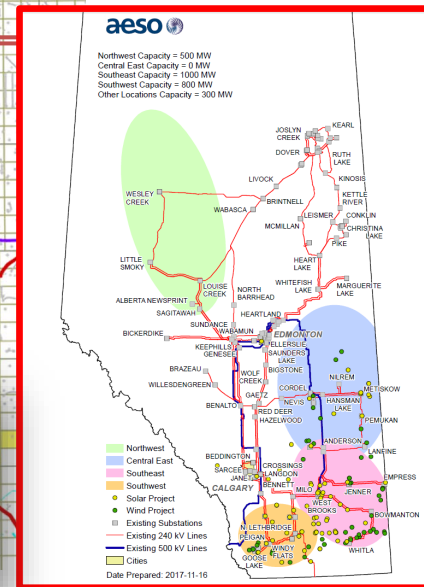
Unique Infrastructure Location

"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 mid-2023
- 900 MW Combined-Cycle Power plant
 - 120,000 GJ/d consumption
 - Peyto direct connected
 - Will have the capability to provide 100% of fuel



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

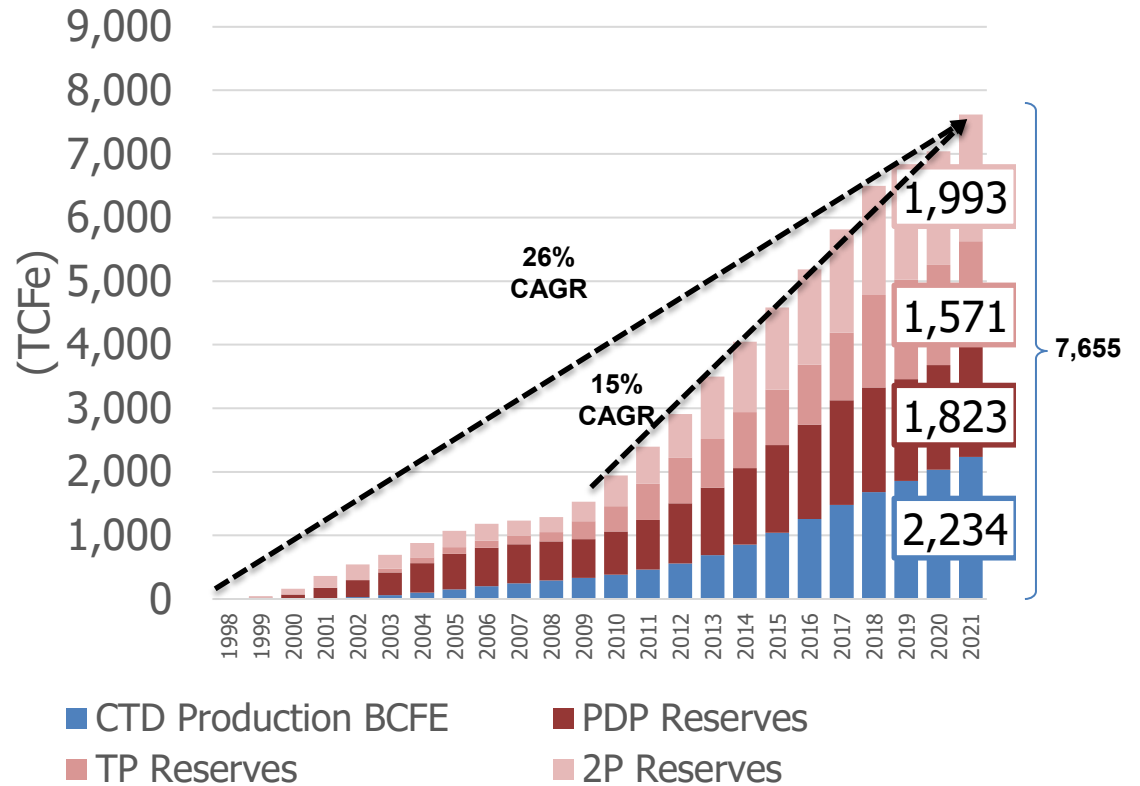
Peyto's Assets

Alberta's Gas Developer

"Over the past 23 years, Peyto has discovered 7.7 TCFe of natural gas resources, but only developed 10.5% of its lands."



7.7
TCFe of
Discovered Reserves



<http://www.peyto.com/Files/News/2022/2021ReservesPressRelease.pdf>

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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, 2021)

81 Compressors (\$3.25MM each)	\$283 MM	
18 Inlets (\$1.9MM each)	\$35 MM	
21 Refrigeration plants (\$5.7MM each)	\$119 MM	
12 Power Generation Sets (\$1.6M each)	\$31 MM	
20 LPG Bullets (\$0.9MM each)	\$18 MM	
14 Condensate Stabilizers (\$1.2MM each)	\$17 MM	
>70 Tanks, flares, MCC, Sales, VRU, etc	\$124 MM	
1,636 Wellsite Separator Packages (net to Peyto)	\$501 MM	
260 400bbl Tanks (\$75k each)	\$20 MM	
2,306 km of gathering pipelines (4"-10" pipe)	\$692 MM	
	\$1,840 MM	\$10.94/share

Reserves (as at Dec 31, 2021)*

	<u>Volume</u>	<u>NPV₅/share</u>	<u>NPV₁₀/share</u>
Proven Developed Reserves – Currently generating cashflow (PDP+PDNP+PA)	385 mmboes	\$29.52	\$20.80
Proven Undeveloped Reserves – Yet to be drilled (PU+PA)	317 mmboes	\$21.95	\$13.4
Probable Additional Reserves (PA)	<u>201 mmboes</u>	<u>\$9.14</u>	<u>\$4.62</u>
Total P+P Reserves	903 mmboes	\$60.61/share	\$38.84/share

Total Debt (as at Dec 31, 2021)

Revolving Net Debt ⁽¹⁾ (Q4 2021)	(\$684 MM)	
Term Debt	(\$415 MM)	
Total Net Debt ⁽¹⁾	(\$1,099 MM)	\$6.54/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

(1) This is a non-GAAP financial measure and is not a leading indicator. Non-GAAP and Other Financial Measures are defined within the "Appendices" section of this presentation for further information.
 section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Incredible Returns

PEYTO

Exploration & Development Corp.



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

7/5/2022

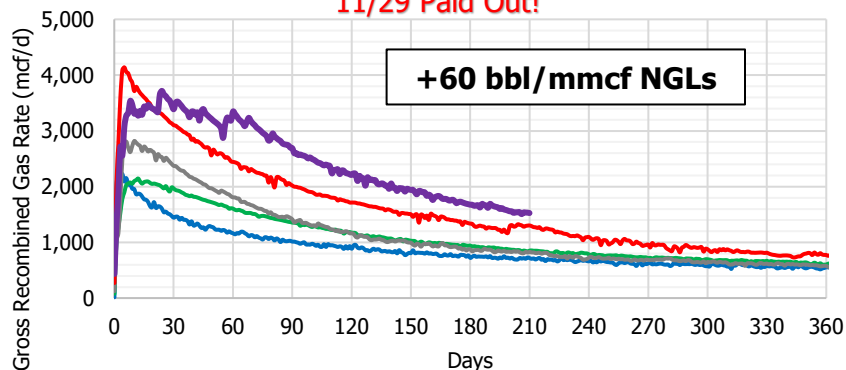
Peyto's Returns

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

11/29 Paid Out!

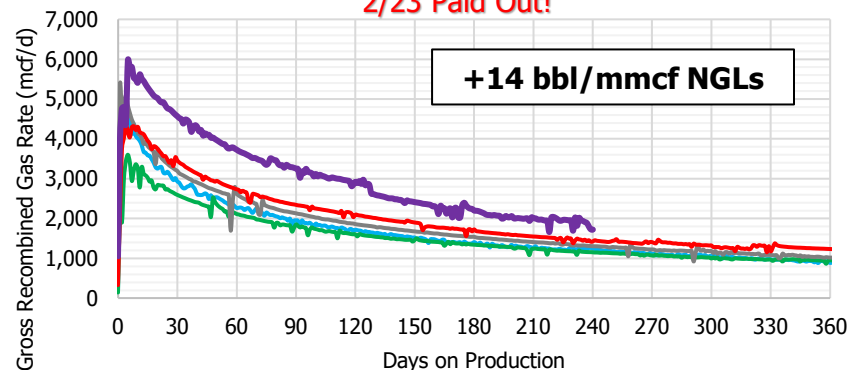


— Pre-2016 — 2016-2018 — 2019 — 2020 — 2021

Drill & Complete Costs (MM)	2021	2020	2018-19
Cardium	\$2.3 (29 wells)	\$2.25 (30 wells)	\$2.56 (97 wells)
Notikewin	\$2.9 (36 wells)	\$2.93 (12 wells)	\$3.04 (8 wells)
Wilrich (incl ERH)	\$3.3 (23 wells)	\$2.8 (11 wells)	\$2.7 (16 wells)

Year Over Year Performance - All Wilrich

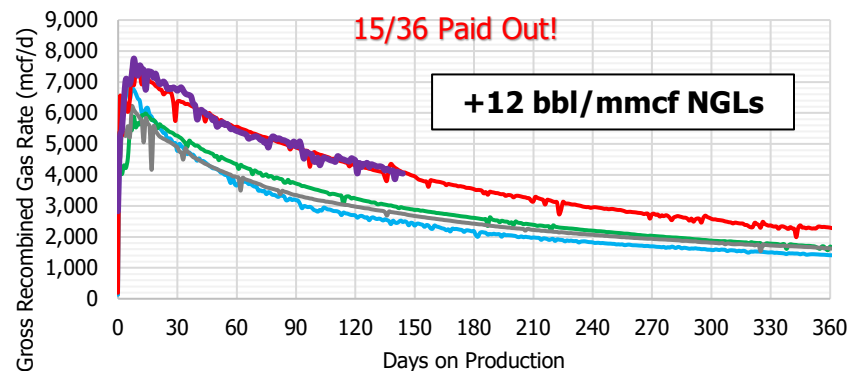
2/23 Paid Out!



— 2017 — 2018 — 2019 — 2020 — 2021

Year Over Year Performance - All Notikewin

15/36 Paid Out!



— 2017 — 2018 — 2019 — 2020 — 2021

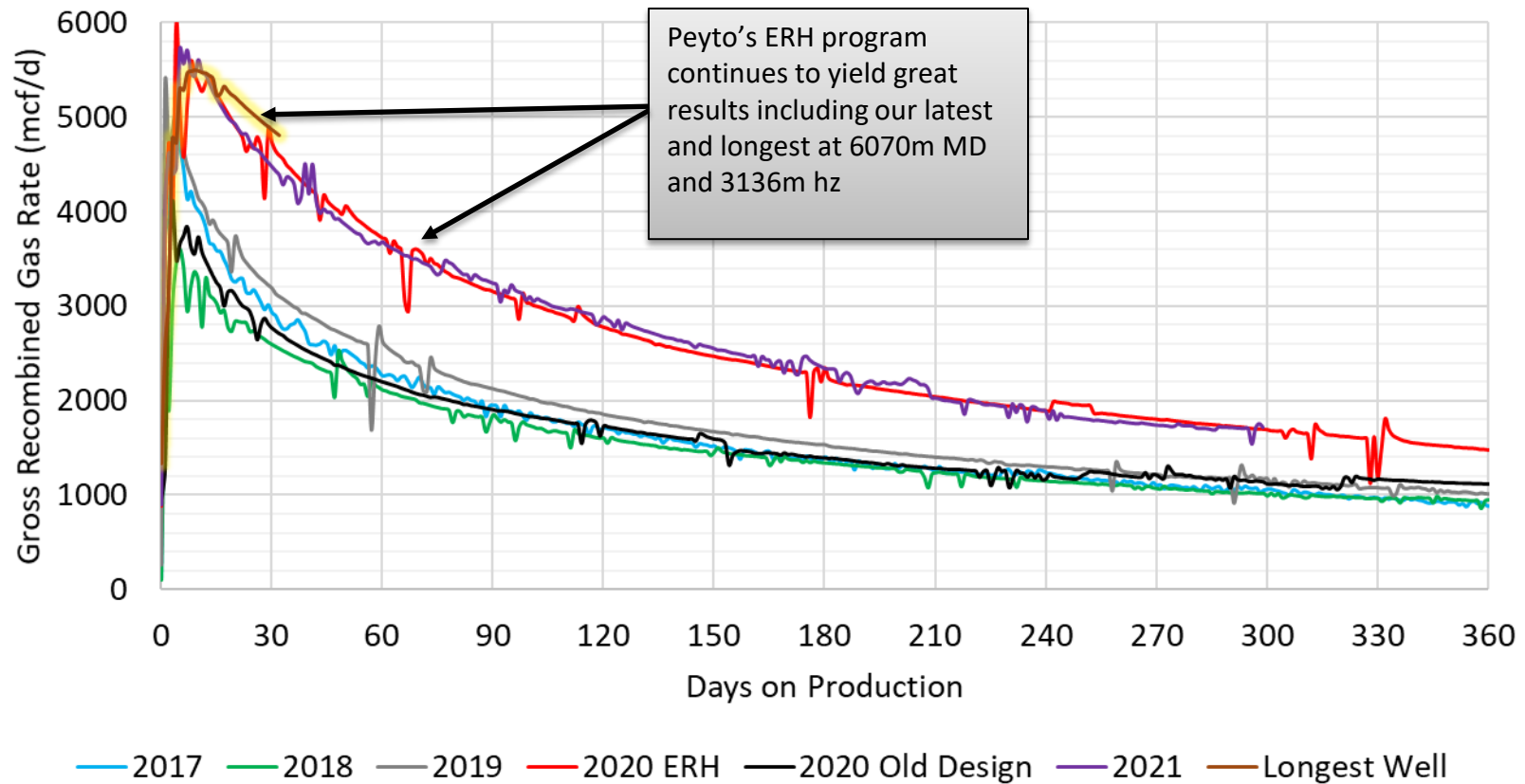
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Returns

Extended Reach Horizontals

"Peyto's longer lateral drilling design has opened up more rock and provided improved performance for the Wilrich, improving results in areas of slightly poorer pay quality"

Year Over Year Performance - All Wilrich

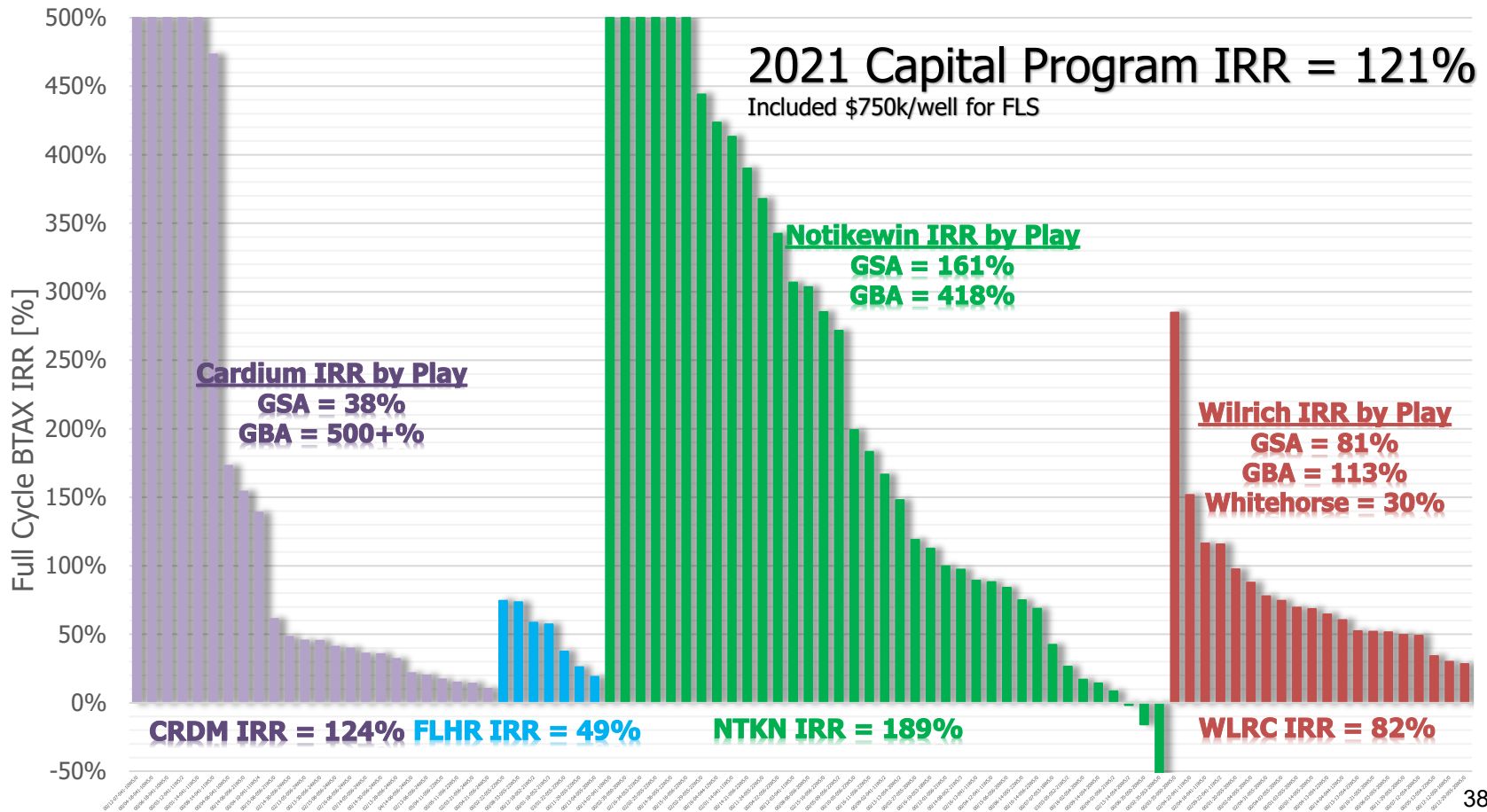


Peyto Returns

2021 Best Year Ever

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

2021 Wells Sorted by Species Price Deck: 2021 Actuals + Feb 8, 2022 Strip



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Returns

Updated Template Economics At Recent Strip

"At the latest strip prices, Peyto's type well economics are fantastic even after accounting for inflation. Many of the wells would payout inside of one year meaning new wells help reduce debt."

April 28 Strip	AECO \$/GJ	WTI \$/bbl
2022	6.54	96.41
2023	4.71	84.95
2024	3.64	76.68
2025	3.57	71.01
2026	3.82	67.16

Type Curve Economics	Brazeau / Chambers			Greater Sundance			
	Cardium	Notikewin	Wilrich ERH	Notikewin	Wilrich ERH	Falher ERH	Cardium
Gas [MMcf]	3,040	4,380	4,950	3,840	3,840	3,840	2,290
NGLs [Mbbbl]	160	120	80	40	40	60	110
EUR _{BOE} [Mboe]	670	850	910	680	680	700	490
IP12 [Mcfe/d]	3,600	3,200	3,100	2,700	2,100	2,300	1,200
D,C,E/T [M\$]	3,230	4,520	4,470	3,180	3,810	4,220	2,810
IRR [%]	500%	463%	385%	254%	183%	184%	341%
Payout [years]	0.3	0.5	0.5	0.8	0.7	0.7	0.6

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."

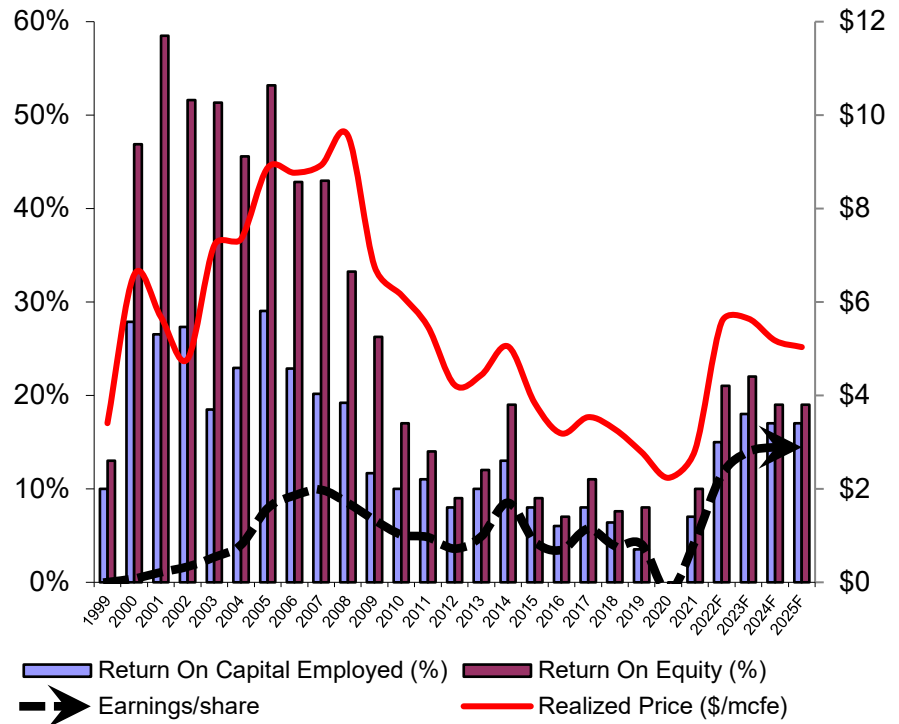


26%

23 yr Avg ROE to 2021

14%

23 yr Avg ROCE to 2021



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 (23 yrs 1999-2021)

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

ROE and ROCE are non-GAAP financial ratios. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

Peyto's Future



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

7/5/2022

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

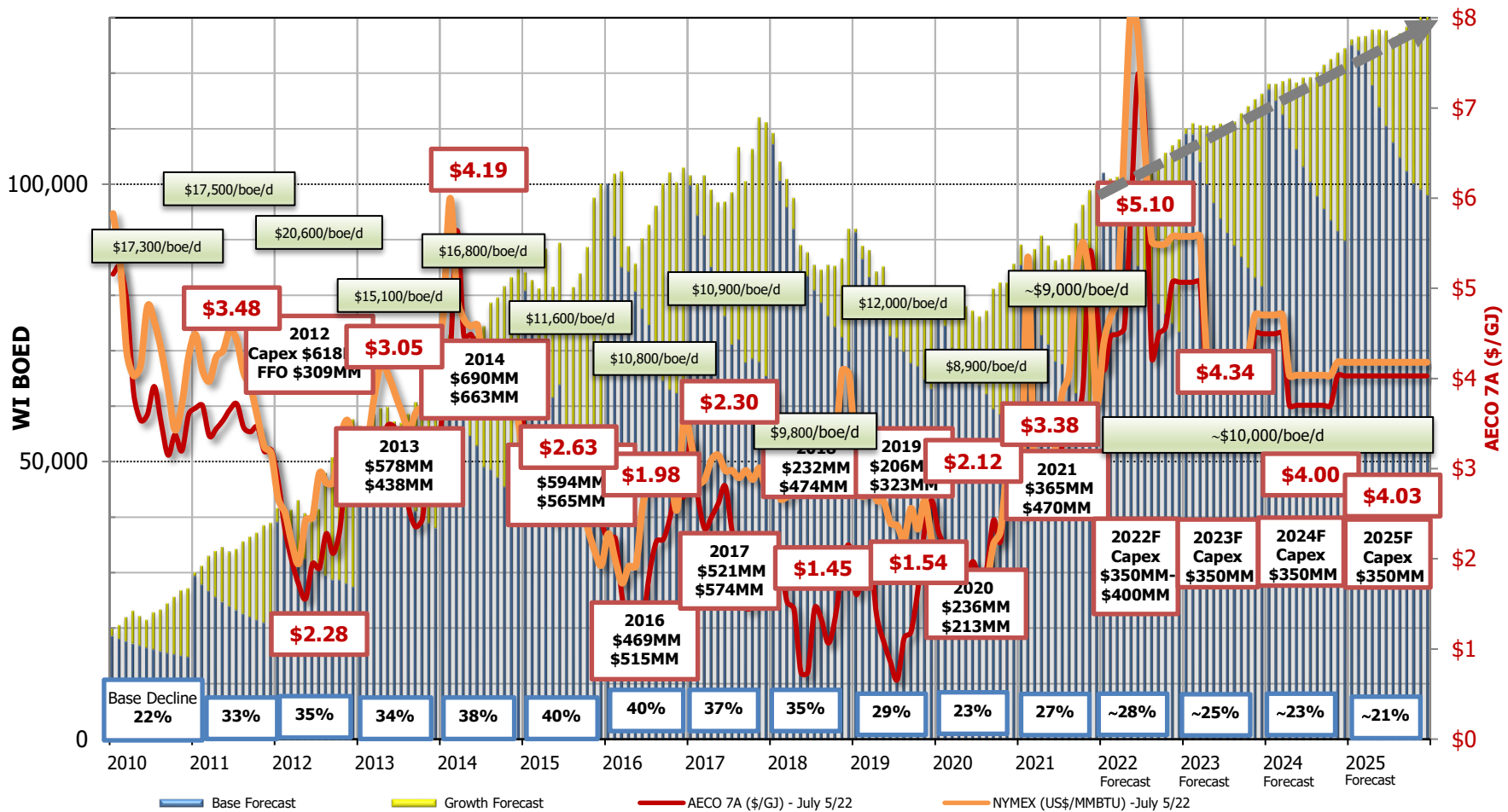
2022 Capital Program

- ✓ **Drill ~90Hz Wells**
(Liquids Rich Natural Gas) vs 91 in 2021
- ✓ **Expand Infrastructure**
New Chambers Gas Plant (prepaid equipment)
- ✓ **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

Steady Production Growth With Less Than CF

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



* 2022 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.

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Future

Lower Costs to Preserve Profit

"Unlike in 2014 when total supply costs were over \$3/mcfe, today that supply cost is much less allowing for higher prices to deliver much more profit."

	PEY 2014	PEY 2019	PEY 2021	PEY Goals
Revenue \$/mcfe	\$5.04	\$2.23	\$3.61	~\$5.45
Cash Costs \$/mcfe	(\$1.08)	(\$1.01)	(\$1.25)	~(\$1.35)
Capital Costs (PDP FD&A) \$/mcfe	(\$2.25)	(\$1.06)	(\$0.97)	~(\$1.00)
Total Supply Cost \$/mcfe	\$3.26	\$2.07	\$2.22	~\$2.35
Full Cycle Netback ⁽¹⁾ \$/mcfe	\$1.71 34%	\$0.16 7%	\$1.39 39%	~\$3.10 57%
Dividend \$/mcfe	\$1.05	\$0.08	\$0.11	
		\$1.14/sh/yr	\$0.09/sh/yr	\$0.22/sh/yr

87% Gas @\$3.43/GJ*1.15 HC
13% NGLs@\$53/bbl
\$4.52/mcfe
\$0.91/mcfe hedge loss
\$3.61/mcfe

88% Gas @\$4.00/GJ*1.15
12% NGLs@\$70/bbl=(70%of
\$100 CND WTI)
~\$5.45/mcfe (before market
diversification & hedging)

Royalties (\$0.37)
Opex (\$0.34)
Transport (\$0.21)
G&A (\$0.03)
Interest (\$0.30)
Total Costs (\$1.25)

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

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

2021 PDP FD&A
Land/Acq/Disp
Seismic
Drilling
Compl.
Wellsite
Facilities
\$365MM

PDP FD&A
\$5.84/boe or
\$0.97/mcfe

BOE factor - 6 mcfe = 1 bbl of oil equivalent

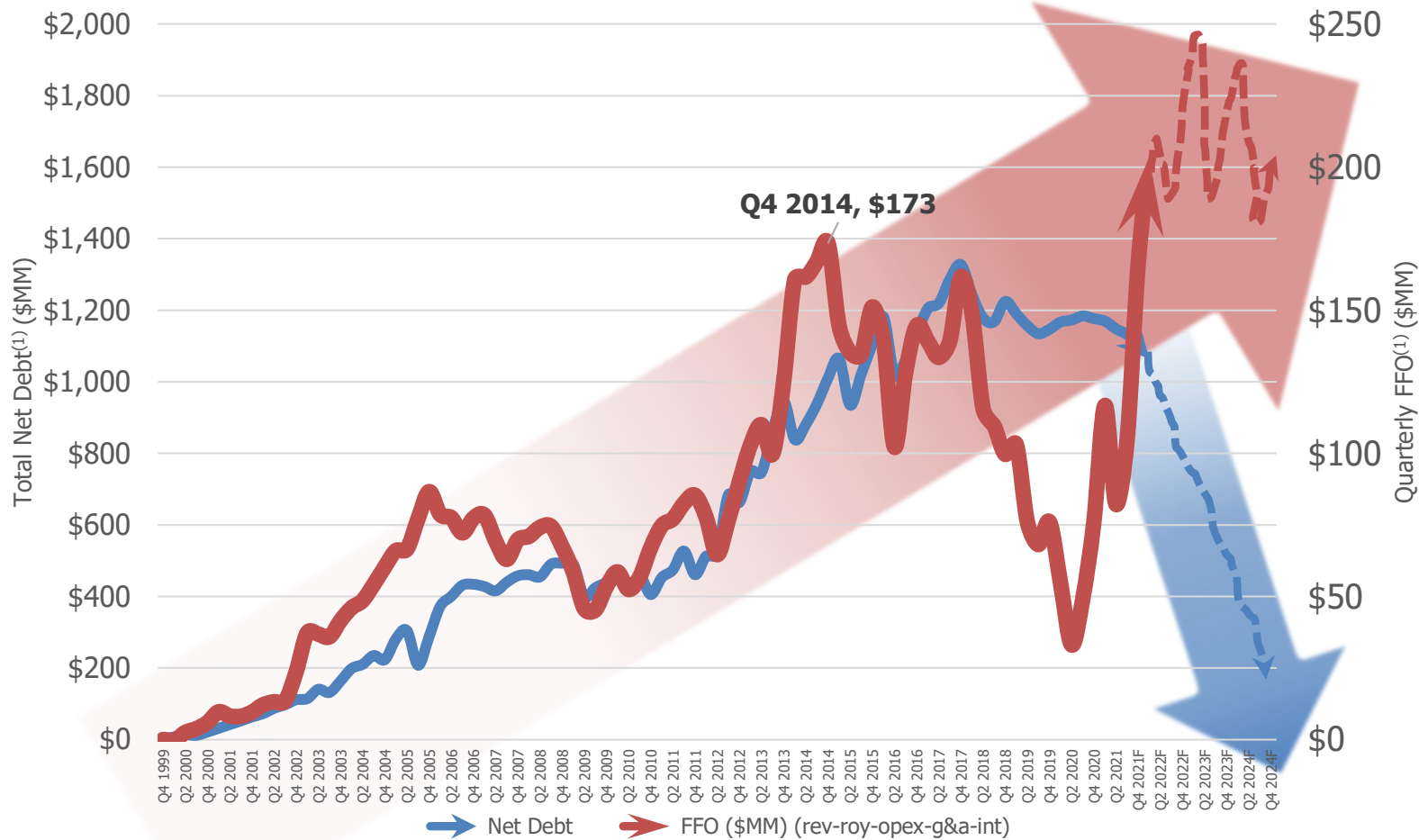
(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto can generate over 50% profit (unhedged) from \$4 AECO gas and \$80 USWTI oil, all because of low total 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."
Corp.



(1) 2022 and beyond provided for illustration only using July 5, 2022 strip prices and \$400MM flat capital investment as illustrated in slide 43. 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 and net debt are Non-GAAP financial measures, refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information. Future illustration derived from historical well performance and cost assumptions.

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Appendix

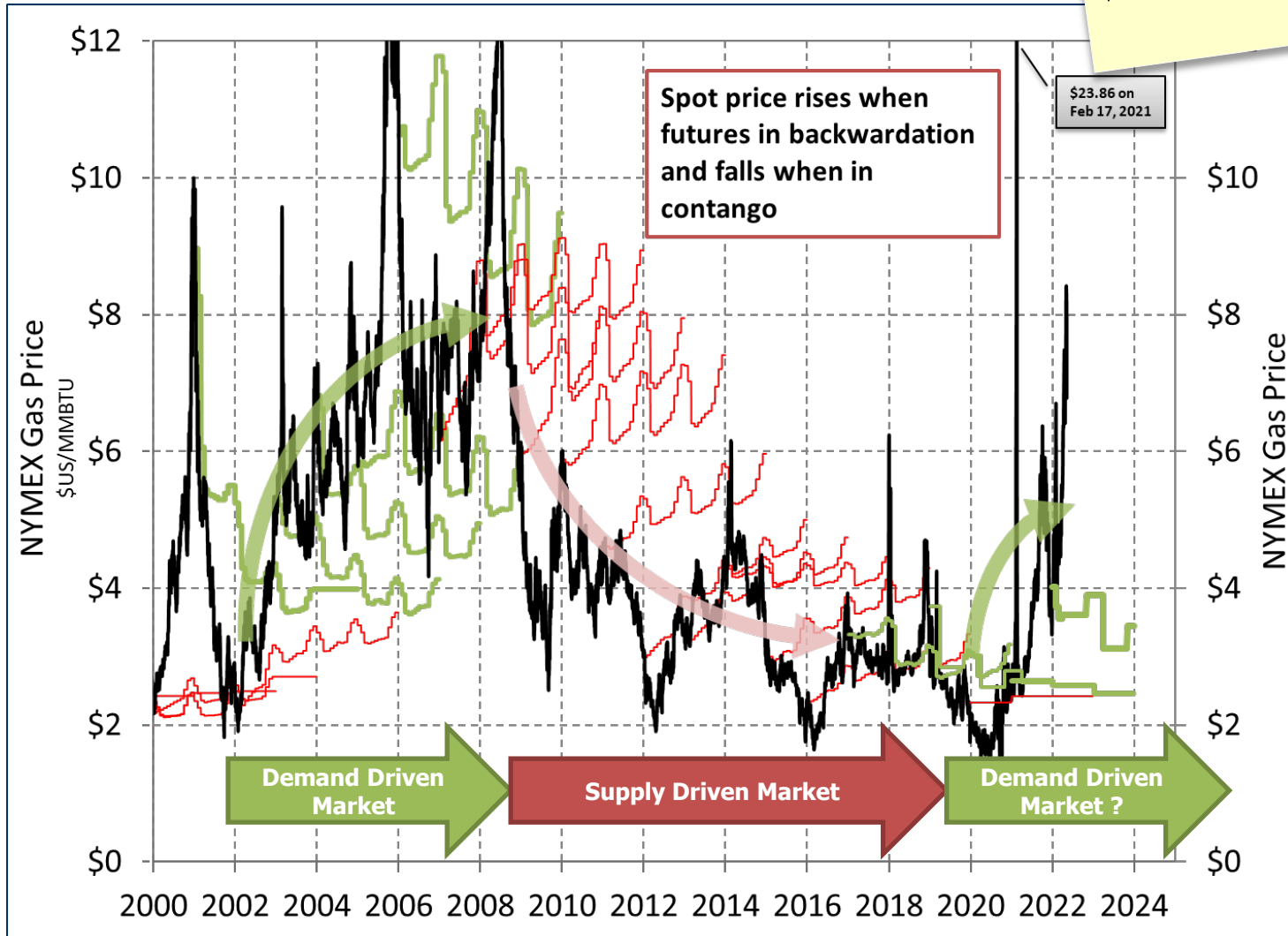


- ☀ Gas Marketing
- ☀ Quarterly Track Record
- ☀ Tax Pools
- ☀ Leverage

Gas Marketing

Rising Gas Prices?

"Is North America now back to a demand driven market where the future curve is in backwardation and spot prices rise?"



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

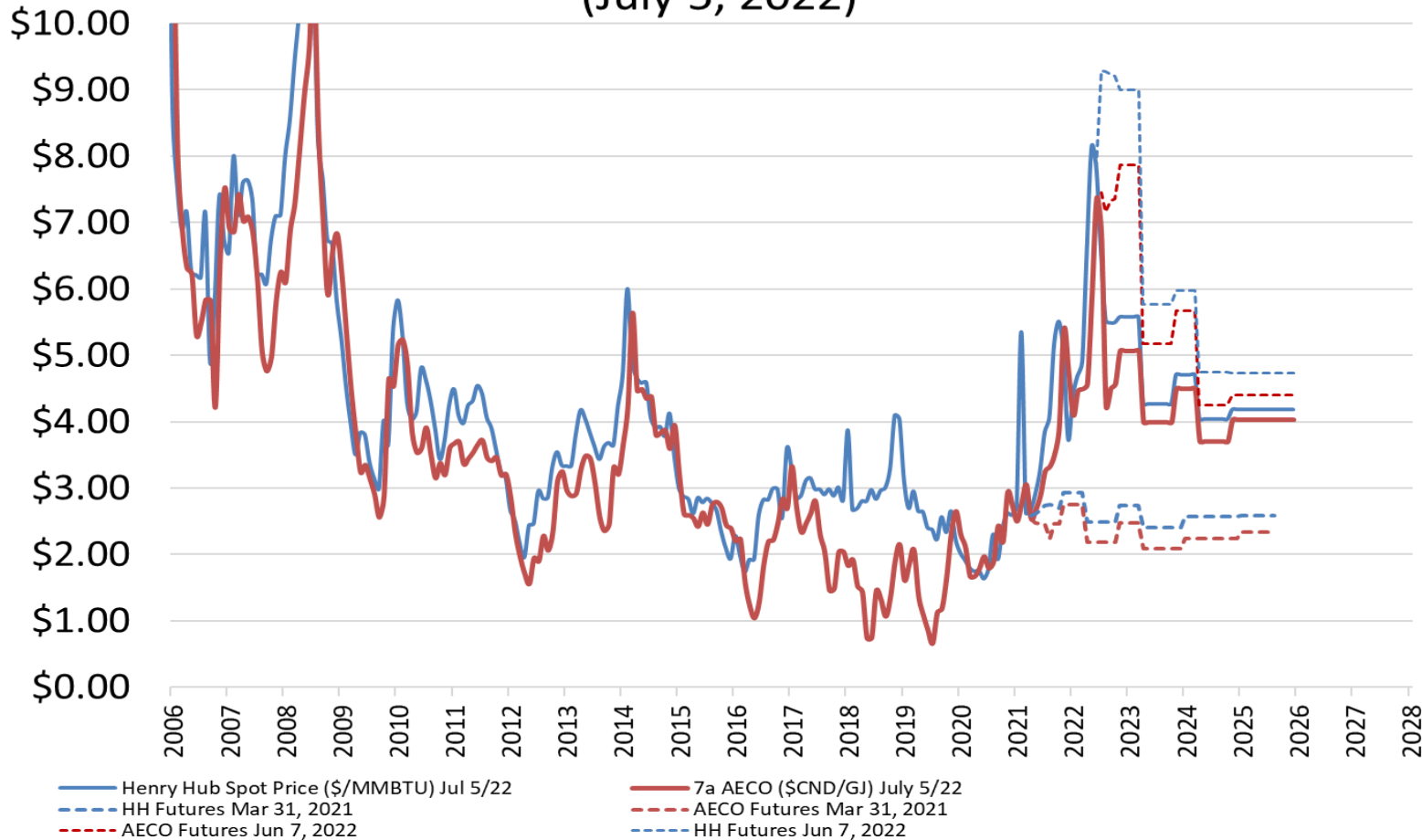
Gas Marketing

The Future of Gas Prices

"What will the future natural gas price be? No one really knows, which is why we focus on costs, because that is something we can control."

Corp.

Relative North American Gas Prices
(July 5, 2022)



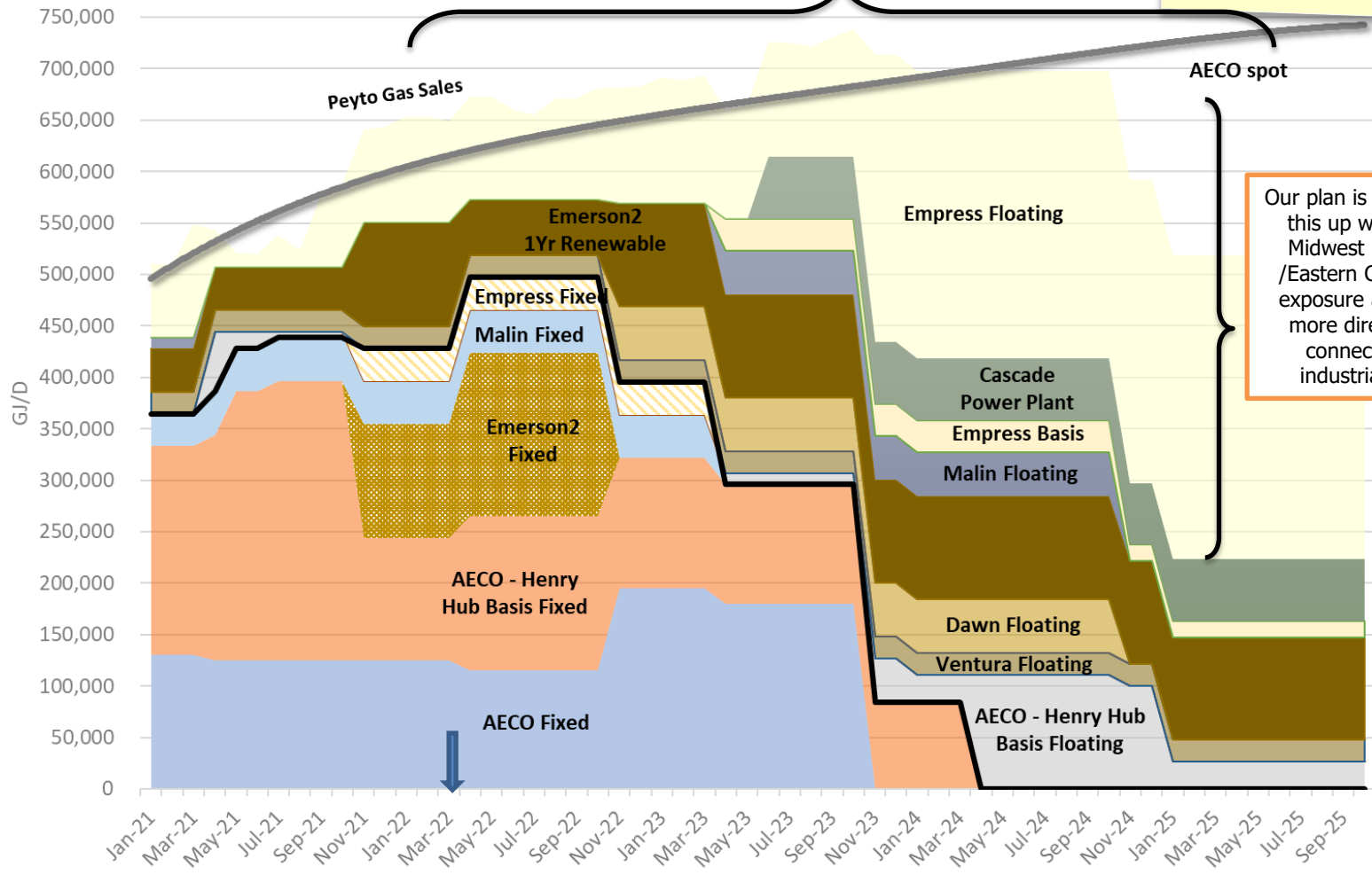
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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 more direct connect industrial

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

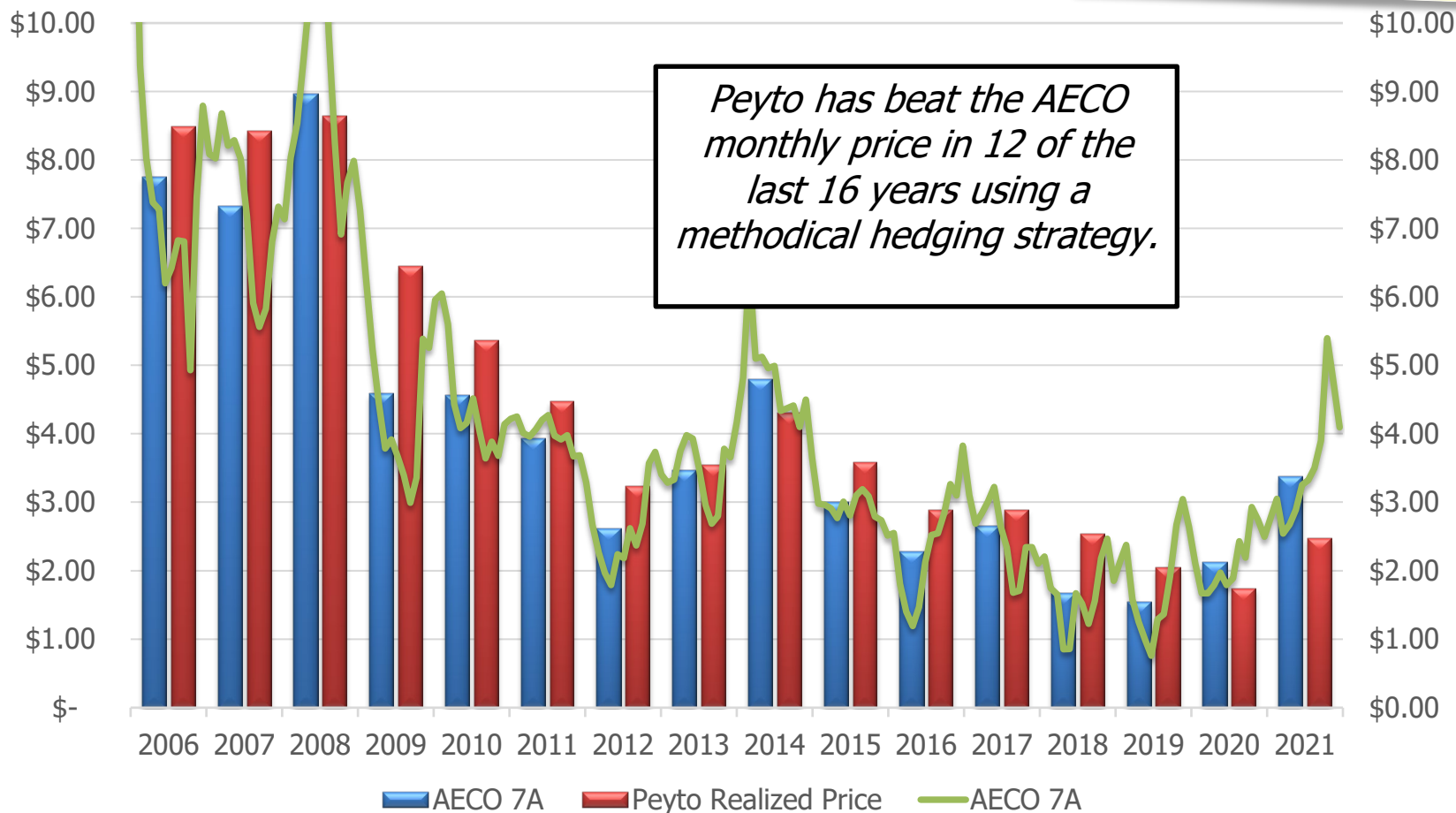
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

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)



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Gas Marketing

Rockies LNG Partnership – West Coast LNG Option

"As a participant in Rockies LNG, Peyto looks to gain exposure to west coast BC LNG exports. We have long reserve life natural gas assets that align with long term contracts."

Rockies LNG Partners



Rockies LNG is a partnership of Canadian natural gas producers working together to advance West Coast LNG opportunities.

Together we produce approximately 3 billion cubic feet per day of natural gas, representing 20% of Canada's natural gas production.

We hold 26 TCF of proven and probable (2P) natural gas reserves in the Western Canadian Sedimentary Basin, which provides decades of future growth to serve local and international markets via LNG exports.

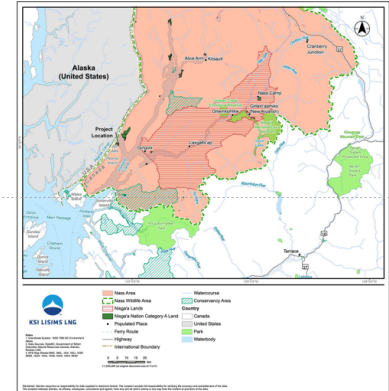


LNG Project

Rockies is collaborating with the Nisga'a Nation and Western LNG to develop an LNG export opportunity on the west coast of British Columbia.

Ksi Lisims LNG represents a unique partnership between the Nisga'a Nation, a modern treaty Nation in British Columbia, Western LNG, an experienced LNG developer, and Rockies LNG, a partnership of Canadian natural gas producers.

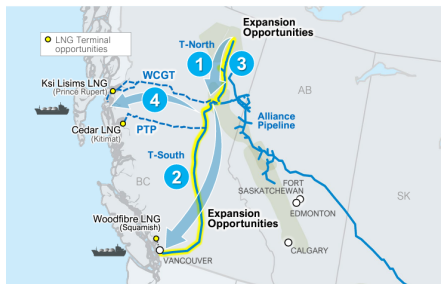
Ksi Lisims LNG offers an extraordinary economic and social opportunity for Canadians and will help in the global fight against climate change. The project will provide an opportunity for Rockies' producers to access growing markets for natural gas, bringing reliable, safe, clean energy to customers in Asia.



KSI LISIMS LNG



LNG Exports: B.C. Pipeline Expansion



- 1) T-North Expansion (~\$1.0B) New**
 - Serves production and demand growth
 - ~400 MMcf/d expansion (2026)
 - Open season underway
- 2) T-South Expansion (~\$2.5B+)**
 - Serves Pacific Northwest demand
 - ~300 MMcf/d expansion (2027)
 - Targeting open season in Q3
- 3) Potential T-North Expansion New**
 - Serves production and demand growth
 - ~300 MMcf/d expansion (potentially paired with T-South Expansion)
- 4) Long term LNG Development Optionality**
 - PTP¹ and WCGT² pipeline routes
 - PTP¹ fully permitted right of way

B.C. Pipeline System expansions essential to W. Canadian LNG exports



Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Quarterly Track Record



	2022	2021					2020					2019
	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Operations												
<u>Production</u>												
Oil & NGLs (bbl/d)	12,273	11,653	11,038	11,164	12,289	12,138	11,308	11,256	11,263	11,126	11,585	10,922
Natural gas (mcf/d)	535,660	476,387	517,606	473,008	458,696	455,593	409,619	433,226	401,680	401,825	401,572	419,281
Barrels of oil equivalent (boe/d)	101,550	91,051	97,306	89,999	88,738	88,070	79,578	83,461	78,210	78,097	78,514	80,802
Year over Year % Growth	15%	14%	17%	15%	14%	12%	-2%	8%	2%	-4%	-10%	-12%
<u>Average Product Prices</u>												
Oil & NGLs (\$/bbl)	81.66	53.39	64.71	55.47	48.77	45.63	31.25	35.82	31.08	21.07	36.73	44.61
Natural gas (\$/mcf)	4.08	2.82	3.58	2.48	2.06	3.06	1.74	2.19	1.64	1.44	1.63	2.04
Op+Tran expenses (\$/mcf ^e)	0.69	0.55	0.55	0.58	0.57	0.53	0.51	0.46	0.48	0.53	0.58	0.52
Field Netback (\$/mcf ^e)	3.96	2.69	3.34	2.39	1.73	2.88	1.59	2.07	1.53	1.14	1.62	2.17
Financial (\$000)												
Revenue (net of royalties)	253,991	643,831	208,056	146,792	127,727	161,258	388,981	124,524	86,716	71,178	92,787	484,302
Funds from Operations ¹	203,492	469,672	166,165	104,608	82,191	116,709	212,710	76,013	49,173	33,012	54,513	323,129
Net earnings (loss)	97,816	1,522,448	71,718	29,271	12,760	38,500	(35,555)	65,951	(11,285)	(22,538)	(67,684)	133,494
Capital expenditures	165,551	365,058	108,951	90,170	57,086	108,851	235,704	68,250	61,568	37,299	68,587	206,430
Net Debt ²	1,064,086	1,098,748	1,098,748	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
Common shares outstanding (000)	169,251	168,151	168,151	167,056	165,782	165,069	164,938	164,938	164,874	164,874	164,874	164,874
Weighted average shares outstanding	168,701	166,108	167,546	166,441	165,344	165,069	164,895	164,874	164,874	164,874	164,874	164,874
Per share data (\$/share)												
Funds from operations	1.20	2.83	0.99	0.63	0.50	0.71	1.29	0.46	0.30	0.20	0.33	1.96
Earnings (loss)	0.58	0.92	0.43	0.18	0.08	0.23	(0.22)	0.40	(0.07)	(0.14)	(0.41)	0.81
Dividends (Distributions)	0.15	0.13	0.10	0.01	0.01	0.01	0.09	0.01	0.01	0.01	0.06	0.24

1, 2 Funds from operations, funds from operations per share and net debt are non-GAAP financial measures or ratios. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information

BOE factor - 6 mcf = 1 bbl of oil equivalent

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

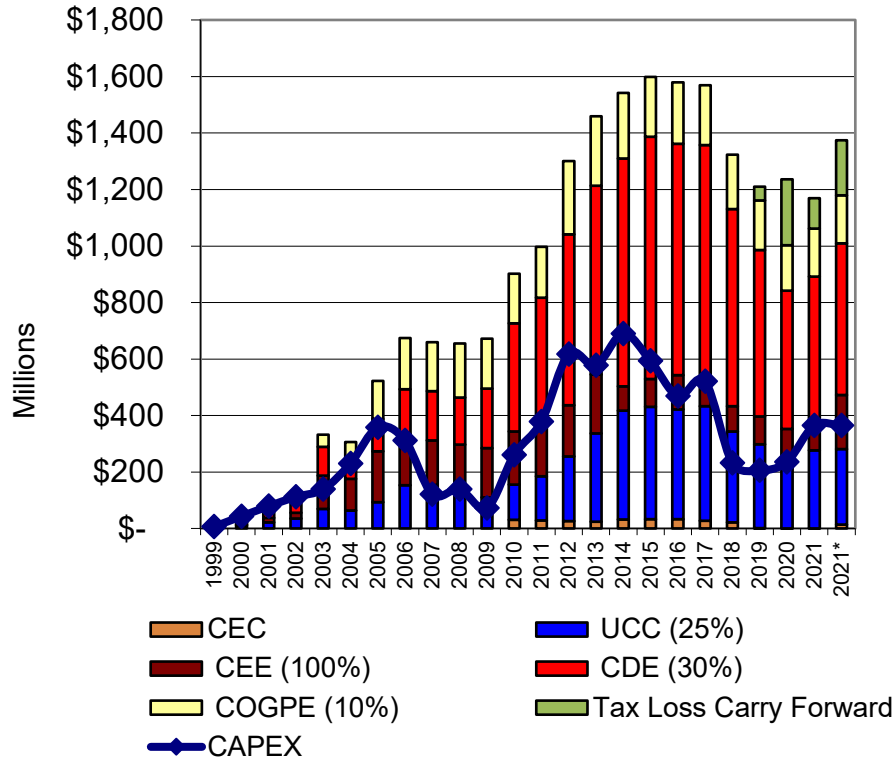
Organic Business Model

Peyto's Tax Pools

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



Development Corp.



2021* includes the Corporate acquisition Peyto closed effective Jan 1, 2022

\$1.4B

Federal Tax Pools
Q4/21

\$6.8B

Peyto CTD. CapEx
Q4/21

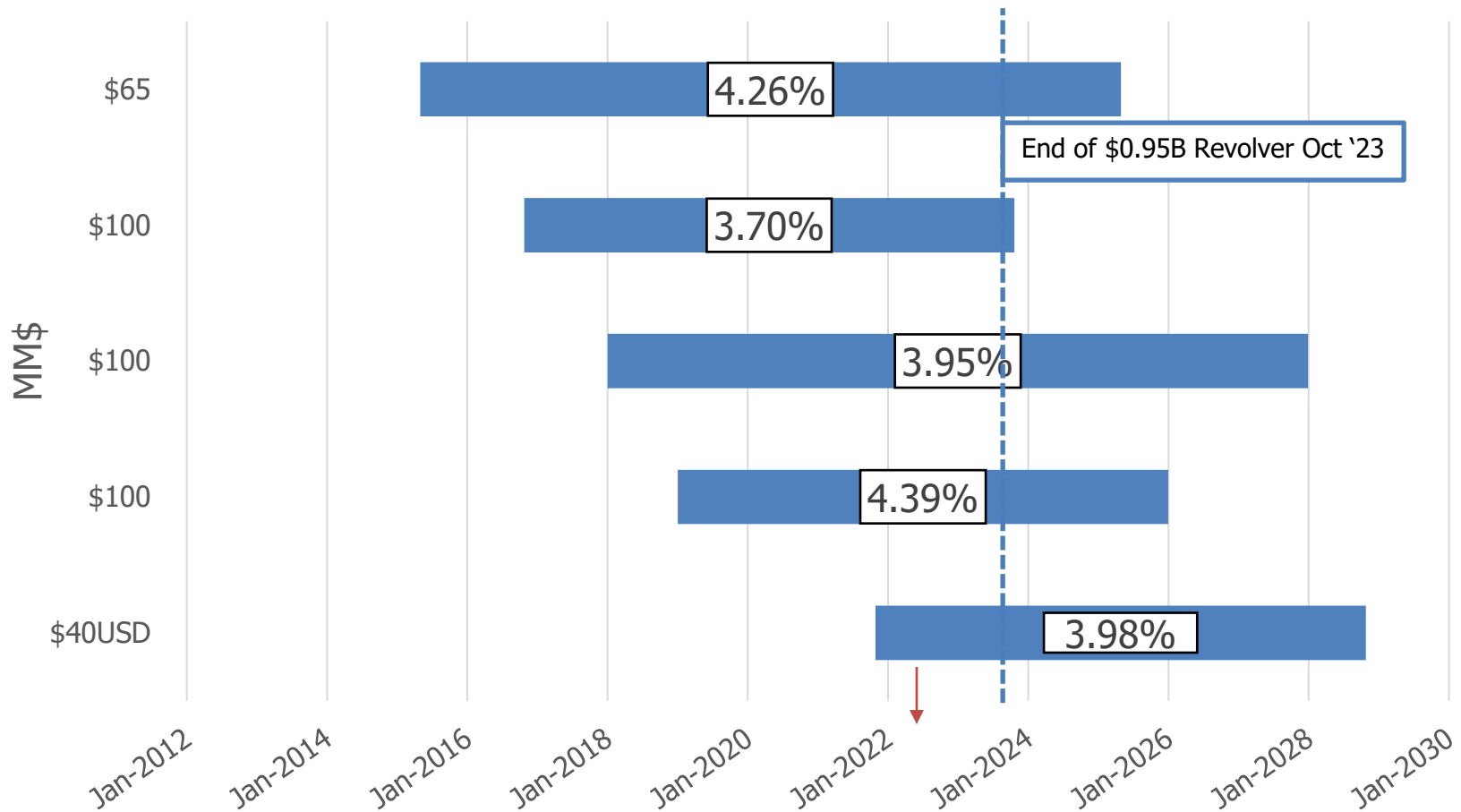
Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Peyto's Debt

Blend of fixed term and revolving debt

"Peyto will be paying down revolving debt in 2022 but will look to continue to term out debt at attractive rates."

Corp.



Debt in CND\$ unless otherwise indicated

Non-GAAP measures and ratios do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" and "Non-GAAP and Other Financial Ratios" contained within the fourth quarter 2021 MD&A for an explanation of composition.

Advisories



Forward-Looking Statements

This presentation contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this presentation contains forward looking statements and information concerning Peyto Exploration & Development Corp. ("Peyto" or the "Company") production; reserves; undeveloped land holdings; reserve life index; product mix; business strategy; future development and growth prospects, profile targets and rates; prospects; asset base; decline rates; tax pools; drilling locations and inventory; 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; 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.

Financial Outlook

This presentation contains information that may be considered a financial outlook under applicable securities laws about the Company's potential financial position, including, but not limited to, Peyto's anticipated net capital expenditures, production growth rate, capital efficiency, base decline, and IRR and NPV in respect of type curve economics, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Company and the resulting financial results will vary from the amounts set forth in this presentation and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies. Accordingly, these estimates are not to be relied upon. Because this information is subjective and subject to numerous risks, it should not be relied on as indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such financial outlook. The financial outlook contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing further information about the Company's potential future business operations. Readers are cautioned that the financial outlook contained in this presentation is not conclusive and is subject to change.

Non-GAAP and Other Financial Measures

Throughout this presentation Peyto employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance. Additional information on these terms are included in the Company's most recently filed Management's Discussion and Analysis and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Peyto's website (www.peyto.com).

Advisories



Funds from Operations

"Funds from operations" ("FFO") is a non-GAAP measure which represents cash flows from operating activities before changes in non-cash operating working capital and provision for future performance-based compensation. Management considers funds from operations and per share calculations of funds from operations to be key measures as they demonstrate the Company's ability to generate the cash necessary to pay dividends, repay debt and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds from operations provides a useful measure of Peyto's ability to generate cash that is not subject to short-term movements in operating working capital. The most directly comparable GAAP measure is cash flows from operating activities.

Net Debt

"Net debt" is a non-GAAP measure that is the sum of long-term debt and working capital excluding the current financial derivative instruments and current provision for future performance-based compensation. It is used by management to analyze the financial position and leverage of the Company. Net debt is reconciled to long-term debt which is the most directly comparable GAAP measure.

Non-GAAP Financial Ratios

Funds from Operations per Share

Peyto presents funds from operations per share by dividing funds from operations by the Company's diluted or basic weighted average common shares outstanding. "Funds from operations" is a non-GAAP financial measure. Management believes that funds from operations per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

Netback

"Netback" is a non-GAAP financial ratio that represents the profit margin associated with the production and sale of petroleum and natural gas on a per unit basis. Peyto computes "field netback per mcf" as commodity sales from production less royalties, operating, and transportation expense divided by production and "cash netback" as "field netback" less interest and general and administration expense divided by production. Netbacks are per unit of production measures used to assess Peyto's performance and efficiency. The primary factors that produce Peyto's strong netbacks and high margins are a low-cost structure and the high heat content of its natural gas that results in higher commodity prices.

Return on Equity

Peyto calculates ROE, expressed as a percentage, as Earnings divided by the Equity. Peyto uses ROE as a measure of long-term financial performance, to measure how effectively Management utilizes the capital it has been provided by shareholders and to demonstrate to shareholders the returns generated over the long term.

Return on Average Capital Employed

Peyto calculates ROCE, expressed as a percentage, as Earnings before Interest and Tax divided by Total Assets less Current Liabilities per the Financial Statements. Peyto uses ROCE as a measure of long-term financial performance, to measure how effectively Management utilizes the capital (debt and equity) it has been provided and to demonstrate to shareholders the returns generated over the long term.

Oil and Gas Advisories

Thousands of Cubic Feet Equivalent

Certain crude oil and natural gas liquids ("NGLs") volumes have been converted to thousands of cubic feet equivalent ("mcf"), millions of cubic feet equivalent ("mmcf") or billions of cubic feet equivalent ("bcfe") on the basis of one barrel ("bbl") of crude oil or NGLs to six thousand cubic feet ("mcf") of natural gas. Also, certain natural gas volumes have been converted to barrels of oil equivalent ("boe"), thousands of boe ("mboe") or millions of boe ("mmboe") using the same equivalency measure. Such equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Finding, Development and Acquisition Costs

This presentation contains disclosure regarding finding, development and acquisition costs ("FD&A"). The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

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.

The estimated net present values disclosed in this presentation do not represent fair market value. Unless otherwise expressly stated, the information in this presentation pertaining to future drilling locations or drilling inventories is based solely on internal estimates made by management and such locations have not been reflected in any independent reserve or resource evaluations and have not been recognized as reserves or resources as defined in NI 51-101. See information on drilling locations below.

Advisories



Oil and Gas Metrics

This presentation contains a number of oil and gas and finance metrics, including "FD&A cost", "cash costs", "supply cost", "full cycle netback", "reserve life", "payout", "IP12 rates", "internal rate of return (IRR)", "corporate decline rate" and "NPV" which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate Peyto's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas and finance metrics for its own performance measurements and to provide securityholders with measures to compare Peyto's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation, should not be relied upon for investment or other purposes.

Drilling Locations

This presentation discloses drilling inventory in two categories: (i) proved and probable ("booked") locations; and (ii) unbooked locations. Booked locations are derived from GLJ Ltd. reserves evaluation effective December 31, 2021 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 2,600 total drilling locations identified herein, 1,274 are booked locations and 1,326 to 1,352 are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Type Curves

Peyto has presented certain type curves and well economics for its Deep Basin areas. The type curves presented are based on Peyto's historical production. Such type curves and well economics are useful in understanding management's assumptions of well performance in making investment decisions in relation to development drilling in the Montney area and for determining the success of the performance of development wells; however, such type curves and well economics are not necessarily determinative of the production rates and performance of existing and future wells and such type curves do not reflect the type curves used by our independent qualified reserves evaluator in estimating our reserves volumes. The type curves differ as a result of varying horizontal well length, stage count and stage spacing. The type curves represent the average type curves expected. In this presentation, estimated ultimate recovery ("EUR") represents the estimated ultimate recovery associated with the type curves presented; however, there is no certainty that Peyto will ultimately recover such volumes from the wells it drills.