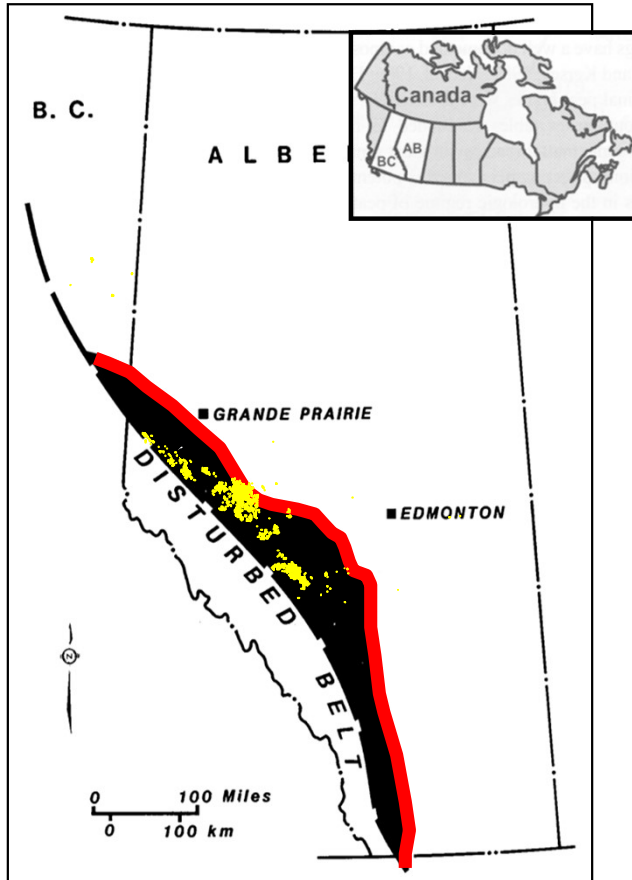




New To Peyto?

Who We Are



- ✓ 5th Largest Canadian Natural Gas Producer ~618 MMcfe/d (12% liquids)
- ✓ Pure Play Alberta Deep Basin *Multizone stacked resource, 5.6 TCFe 2P reserves (2022 YE)*
- ✓ Long Reserve Life Asset *9yr PDP*, 24yr 2P, sweet gas, no mobile water risk (2022 YE)*
- ✓ Returns Focused Strategy *Avg ROCE⁽¹⁾ 14%, ROE⁽¹⁾ 26% over last 23yrs*
- ✓ Lowest Cost Producer *\$1.62/mcfe (\$0.88/mcfe excluding royalties) 2022 total cash costs**
- ✓ Own and Control *Operate 98% of production, Own/operate 12 gas plants with processing capacity of 970 mmcf/d*

Monthly Dividend:	\$0.11/share in Jan 2023
Shares O/S:	173.5 million (3% insider ownership)
Q4/22E Net Debt ⁽¹⁾ :	~\$885 million (\$419MM senior secured notes @ ~4%) \$800 million secured bank facility (\$1.22 B total capacity)
Enterprise Value:	\$3.0 billion (@\$12.00/share)
Full Time Employees:	58

*Cash costs are royalties, operating costs, transportation, G&A and interest. Reserve Life based on Q4 2022 production rate of 104,950 boe/d. BOE factor – 6 mcf = 1 bbl of oil equivalent

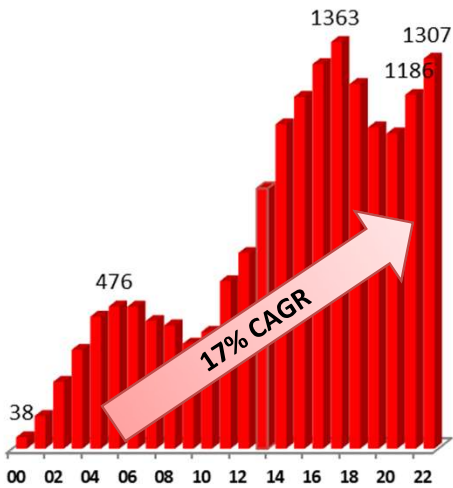
(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

PEY.TO

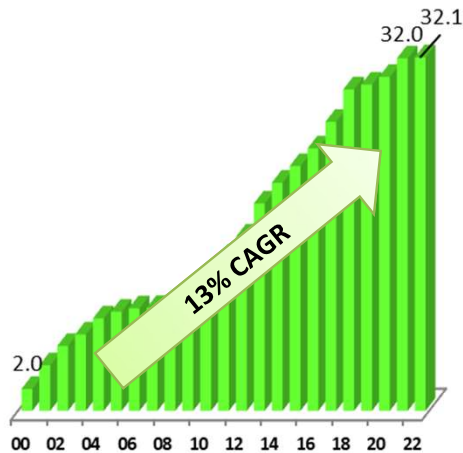
22 Year Growth Per Share

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

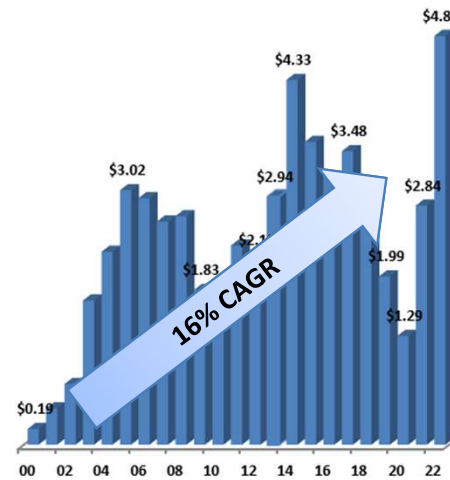
Production/share
(MMcfe/y/mm sh)



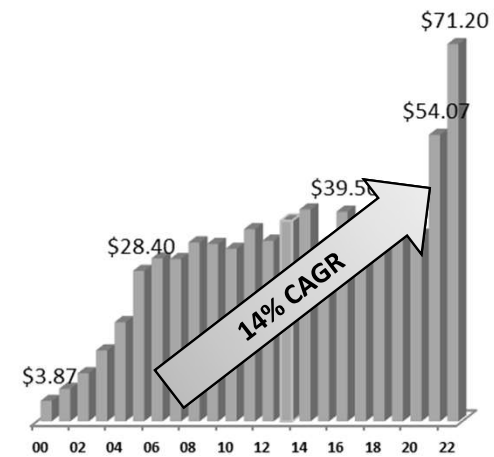
Reserves/share
(2P Bcfe/mm sh)



FFO/share
(\$/sh)



2P NPV₅/debt adj. share
(\$/sh)



YoY +10%

+0.3%

+70%

+32%

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

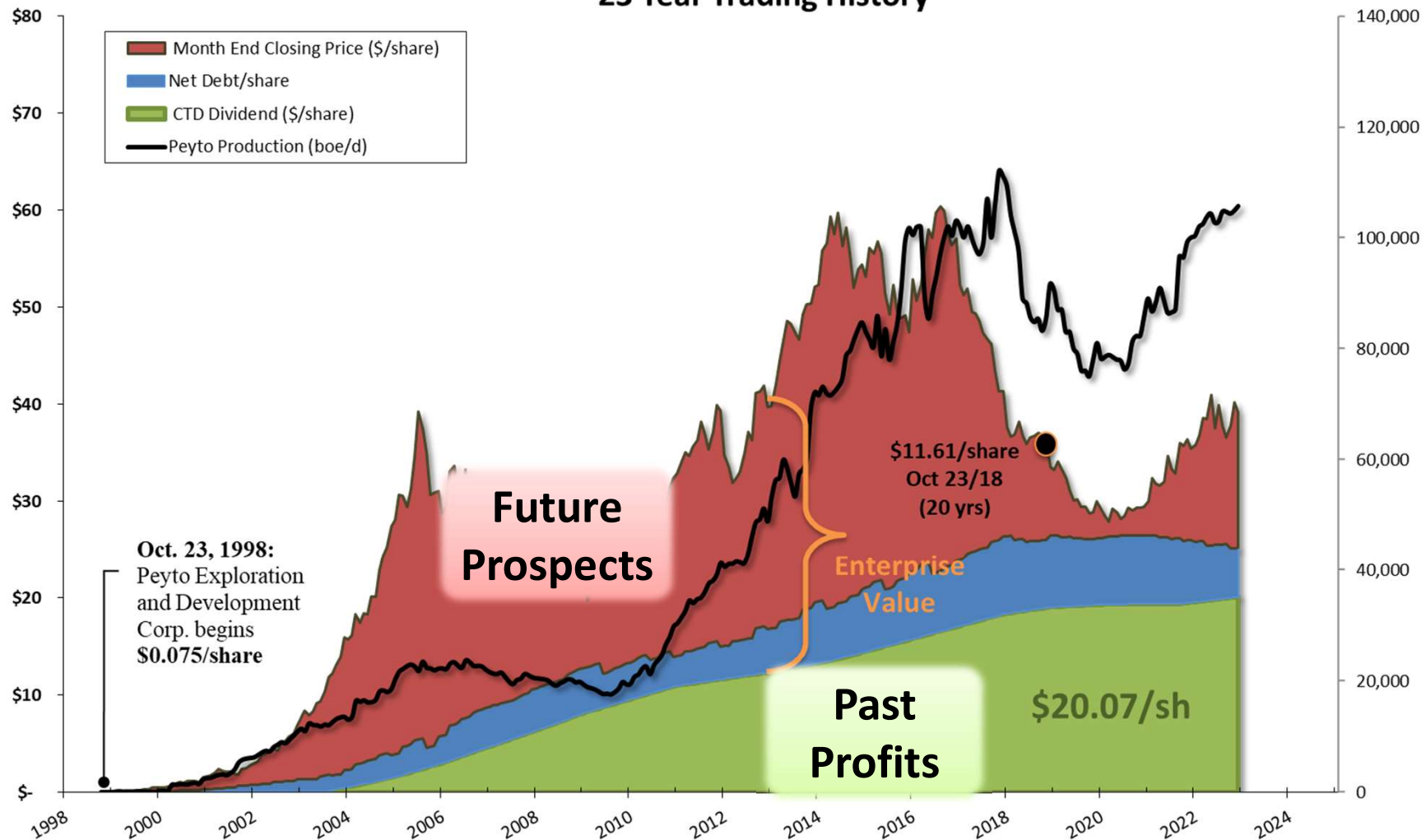
- (1) FFO is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.
- (2) The estimated net present values do not represent fair market value.

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.

PEY.TO

Return Profits to Shareholders with Dividends

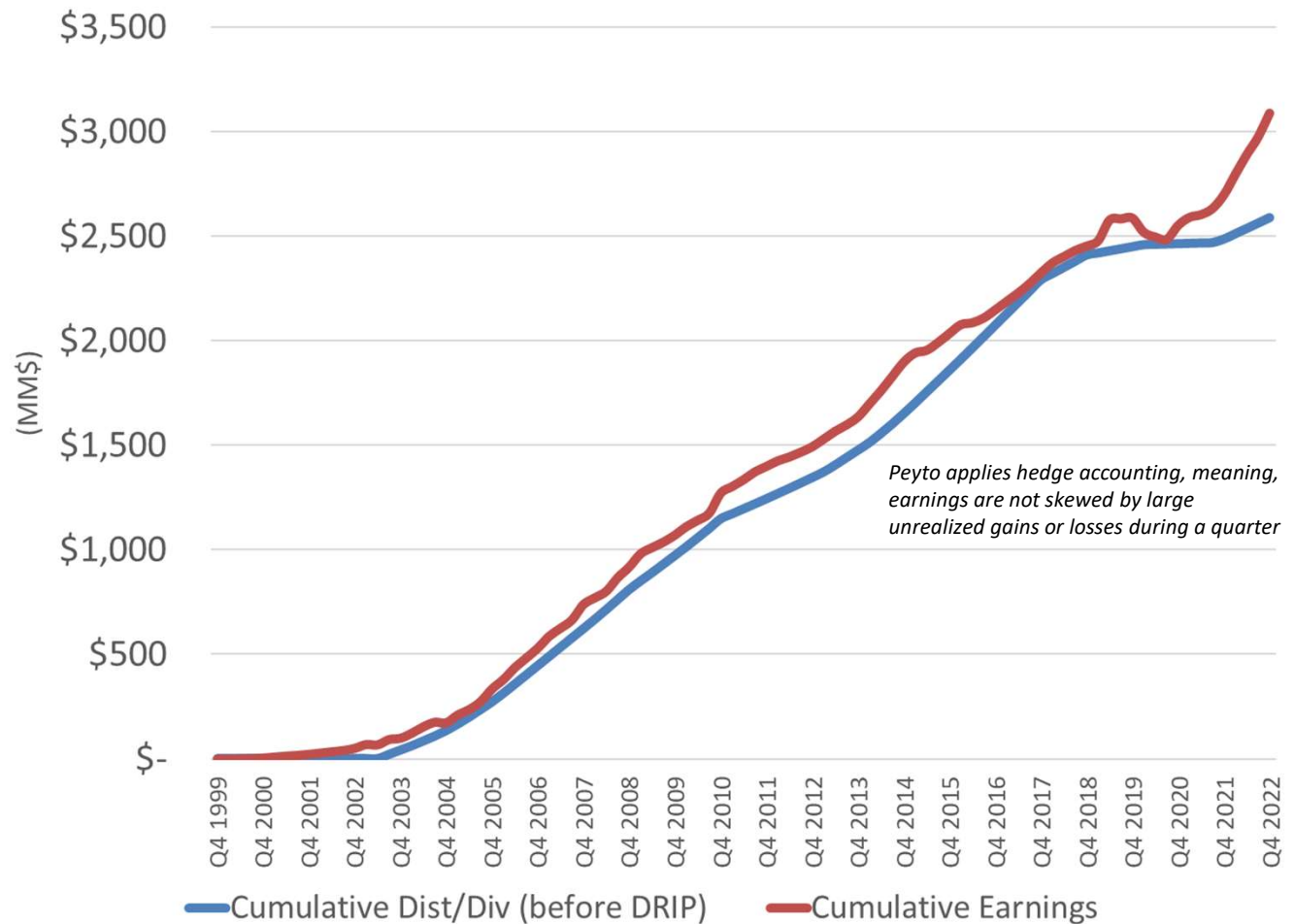
"The best way to ensure sustainable dividends is to generate earnings. By definition, dividends come from profits and that's where Peyto's come from."

\$3.1B

Peyto Ctd. Earnings
Q4/22

\$2.6B

Peyto Ctd. Dist/Div.
Q4/22

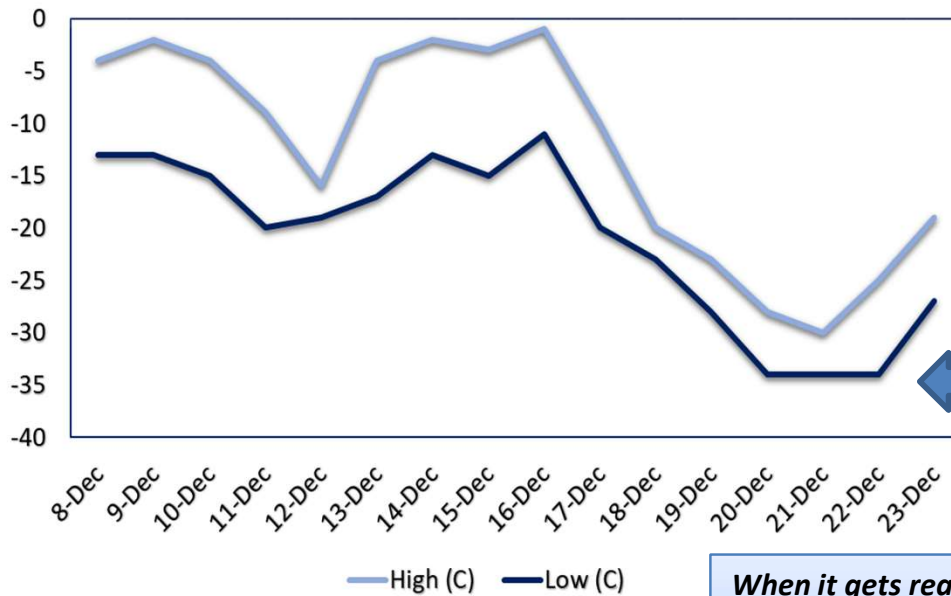


PEY.TO

Natural Gas: Supplying Energy for Life

"Alberta and Canadian households can rely on natural gas to heat and power their homes. It provides a secure life-saving source of energy when we need it most"

Edmonton, AB
Min and Max Temperatures



Source: <https://www.theweathernetwork.com/ca/monthly/alberta/edmonton>

When it gets really cold, natural gas heats our homes but also plays a greater role in supplying electricity!

- Natural Gas
- ✓ Safe
 - ✓ Reliable
 - ✓ Affordable



WHERE ALBERTA GETS ITS POWER

Power generation in Alberta has been dominated by natural gas during this week's cold snap.



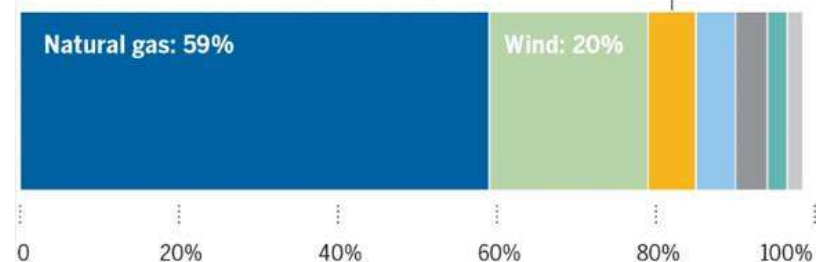
Total net generation in Alberta:

(At 1:24 p.m. on Wednesday, Dec. 21)



Maximum capacity:

(Maximum quantity the generating asset is capable of providing under optimal operating conditions.)



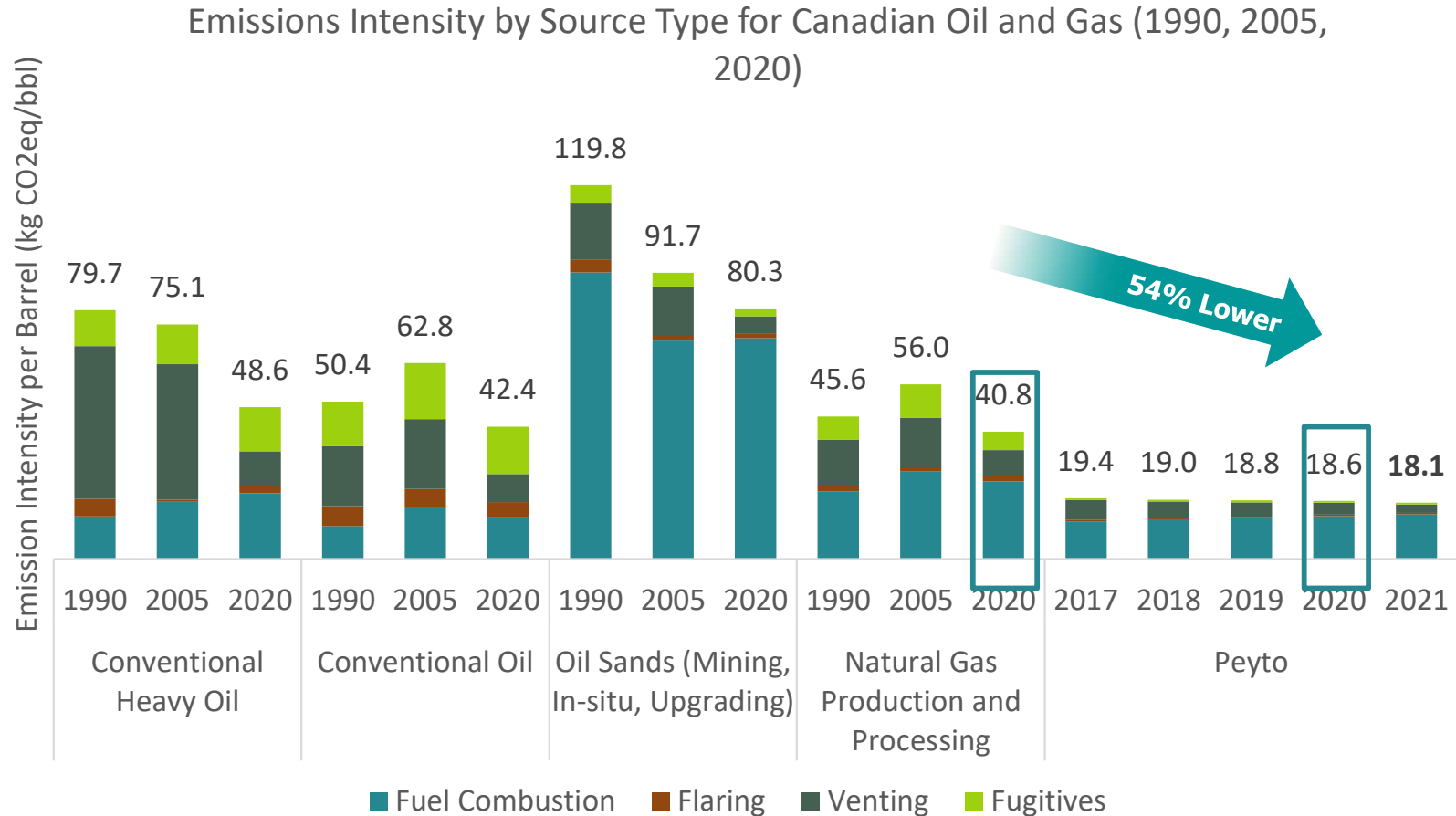
SOURCE: ALBERTA ELECTRIC SYSTEM OPERATOR

DARREN FRANCEY / POSTMEDIA

PEY.TO

Emissions Leader

"Peyto provides energy for the world for far less emissions intensity than the average of the Canadian Gas Industry."



NIR Greenhouse Gas Sources and Sinks in Canada, 2022 Edition, Part 1, Figure 2-27, Pg 66

(<https://unfccc.int/documents/461919>).

PEY.TO

Continuously Improving Emissions

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

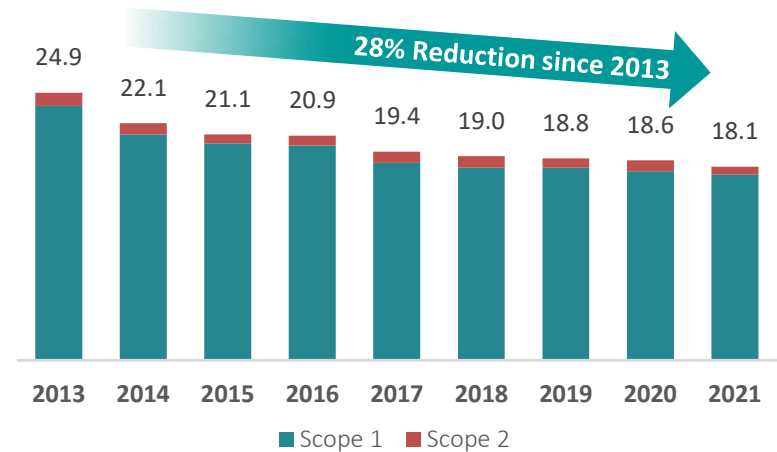
-28%

in GHG Emissions Intensity*

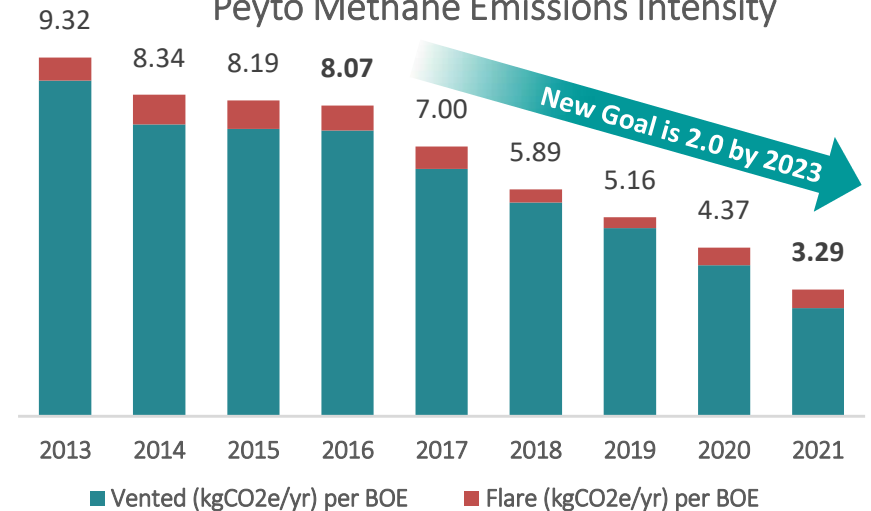
-59%

In Flared/Vented Methane*

Peyto GHG Emissions Intensity*



Peyto Methane Emissions Intensity



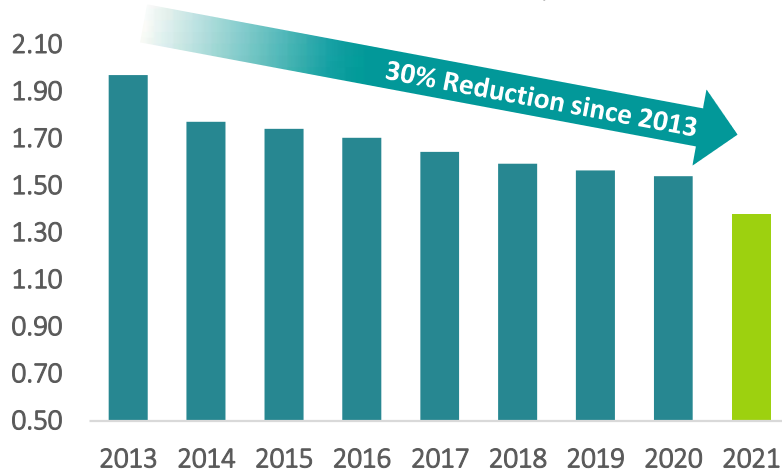
*Peyto believes Emissions Intensity is the best way to measure a company's performance when investors have choices of who produces the natural gas, we all need. Peyto includes all Scope 1 and 2 emissions generated at its facilities and calculates intensity by dividing through total production including third party volumes. Since Peyto operates almost entirely all its production, we believe this is an accurate representation of Peyto's total Emissions Intensity. Caution should be used when comparing other producer's intensities as many companies fail to count emissions through third party facilities (like midstream operators) yet use their total corporate production in the calculation. Refer to page 21 in Peyto's 2021 ESG Report for more details.

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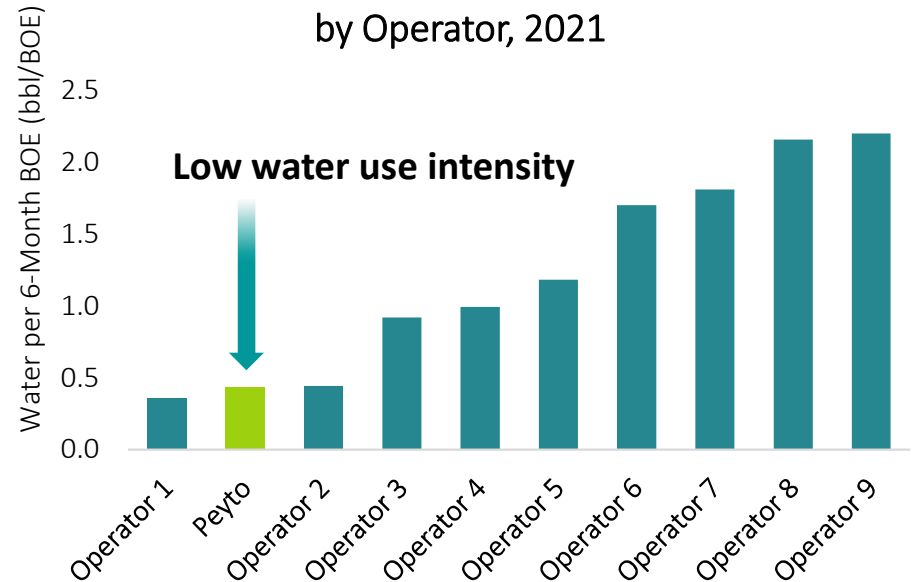
Responsible Land and Water Use

"Peyto has always strived to limit water and land use to minimize its environmental footprint as part of a long-term, low cost, sustainable business"

Land Use Reduction
Cumulative Hectares/Well



Water Injected per BOE¹
by Operator, 2021



Peyto's high quality Deep Basin Cretaceous reservoirs require less water for fracturing and smaller leases for fracturing operations than Montney or Duvernay plays.

¹Water pumped during fracturing operations in 2021 divided by total production (converted at 6mcf:1 boe) from only wells with a minimum of 6 months (4400 hours) history. All operators in the Deep Basin area of Alberta have been included but only the lowest 10 water intensity producers are shown for comparison: ARC Resources, Canadian Natural Resources, Nuvista Energy, Ovintiv, Paramount Resources, Spartan Delta, Tourmaline Oil, and Whitecap Resources.
Source: IHS Markit (Alberta 2021 data)

Peyto's Profitable Business

PEYTO

Exploration & Development Corp.

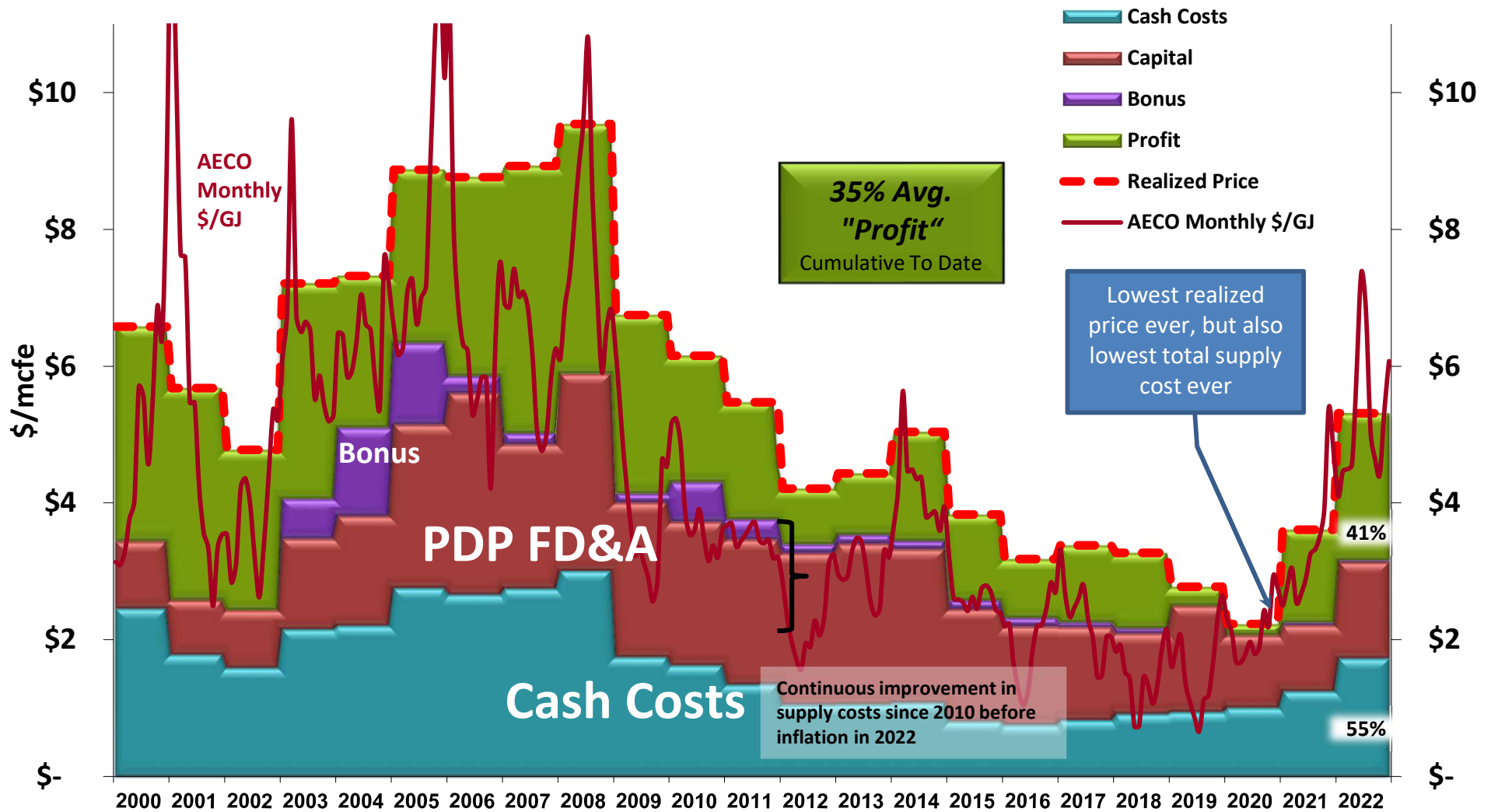


Peyto's Profitable Business

Lowering The Bar

"Our goal is to keep our controllable supply costs low which should assure continued profits into the future"

Corp.

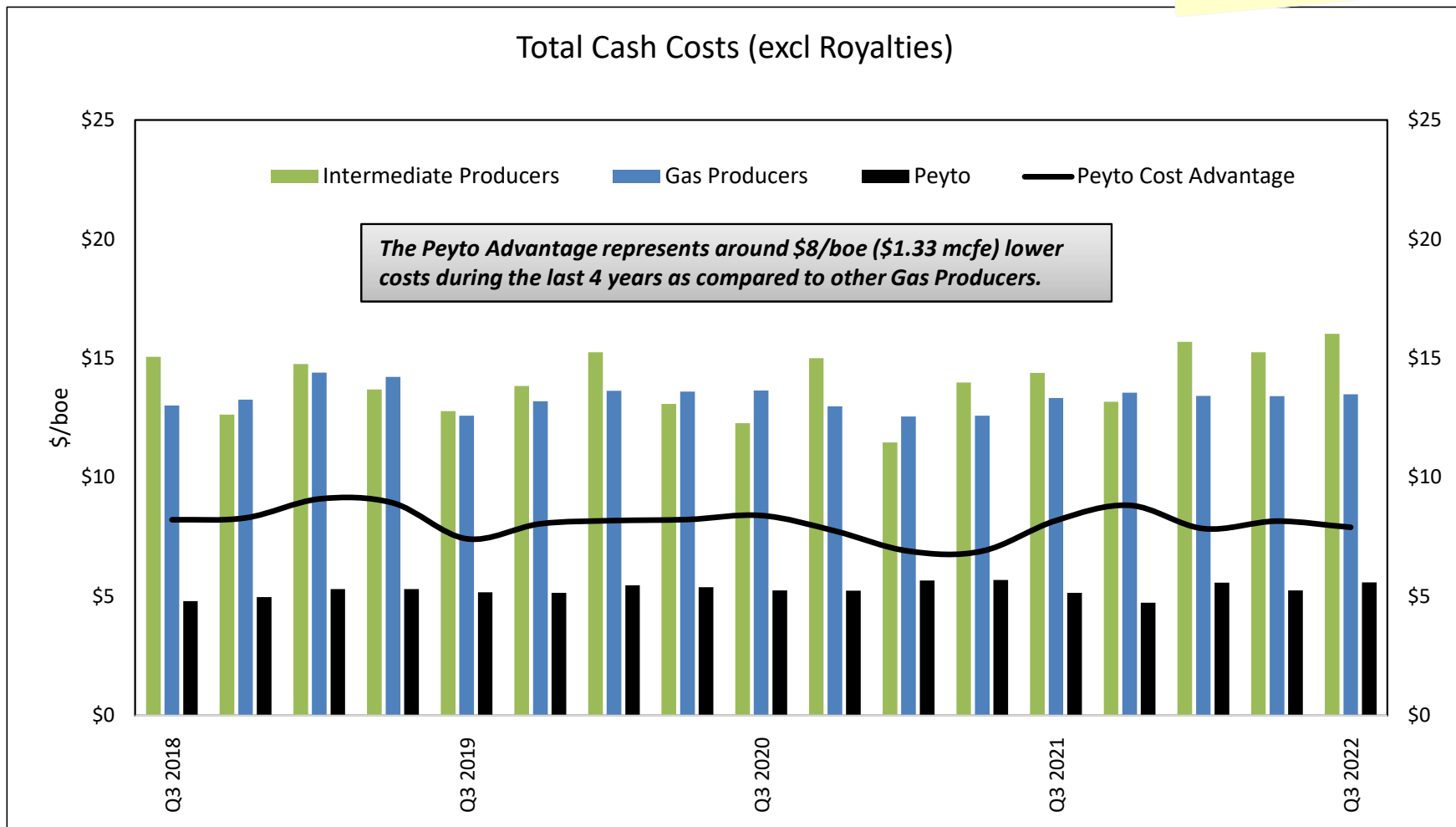


Total Cash Costs per mcfe includes – Royalties, Op Costs, Transport, G&A, and Interest. Profit is Realized Price minus (Cash costs, Bonus, and PDP FD&A costs)
 PDP FD&A – Proved Developed Producing Finding Development & Acquisition Costs

Peyto's Profitable Business

Peyto's "Moat" is a Low-Cost Advantage

"Peyto's strategy to own and control production helps to keep our cash costs down which gives us a considerable advantage over our peers."



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

Peyto's Profitable Business

"Build it for less than we sell it"

"Historically, Peyto has been successful by focusing on keeping controllable supply costs low to preserve margin."

\$/mcf	2014	2015	2016	2017	2018	2019	2020	2021	2022
PDP FD&A	\$2.25	\$1.64	\$1.44	\$1.36	\$1.18	\$1.55	\$1.06	\$0.97	\$1.41
Cash Costs	\$1.08	\$0.81	\$0.76	\$0.83	\$0.92	\$0.95	\$1.01	\$1.25	\$1.62
Supply Cost	\$3.33	\$2.45	\$2.20	\$2.19	\$2.10	\$2.50	\$2.07	\$2.22	\$3.03
Sales Price	\$5.04	\$3.83	\$3.19	\$3.39	\$3.27	\$2.80	\$2.29	\$3.60	\$5.36
Full Cycle Netback ¹	\$1.71	\$1.38	\$0.99	\$1.20	\$1.17	\$0.30	\$0.22	\$1.38	\$2.33
Margin	34%	36%	31%	35%	36%	11%	10%	38%	43%
Dividend	\$1.05	\$1.11	\$1.01	\$0.97	\$0.59	\$0.22	\$0.08	\$0.11	\$0.45

\$371MM DCET (82 net wells)
\$100MM Facilities and Pipelines
\$55MM Land & Acquisitions
2022 FD&A = \$1.41/mcfe

Royalties \$0.74
Opex \$0.39
Transport \$0.26
G&A \$0.02
Interest \$0.21
Total Costs \$1.62

\$6.86/mcfe revenue
\$1.50/mcfe hedge loss
\$5.36/mcfe realized

(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. BOE factor - 6 mcfe = 1 bbl of oil equivalent

Peyto's Profitable Business

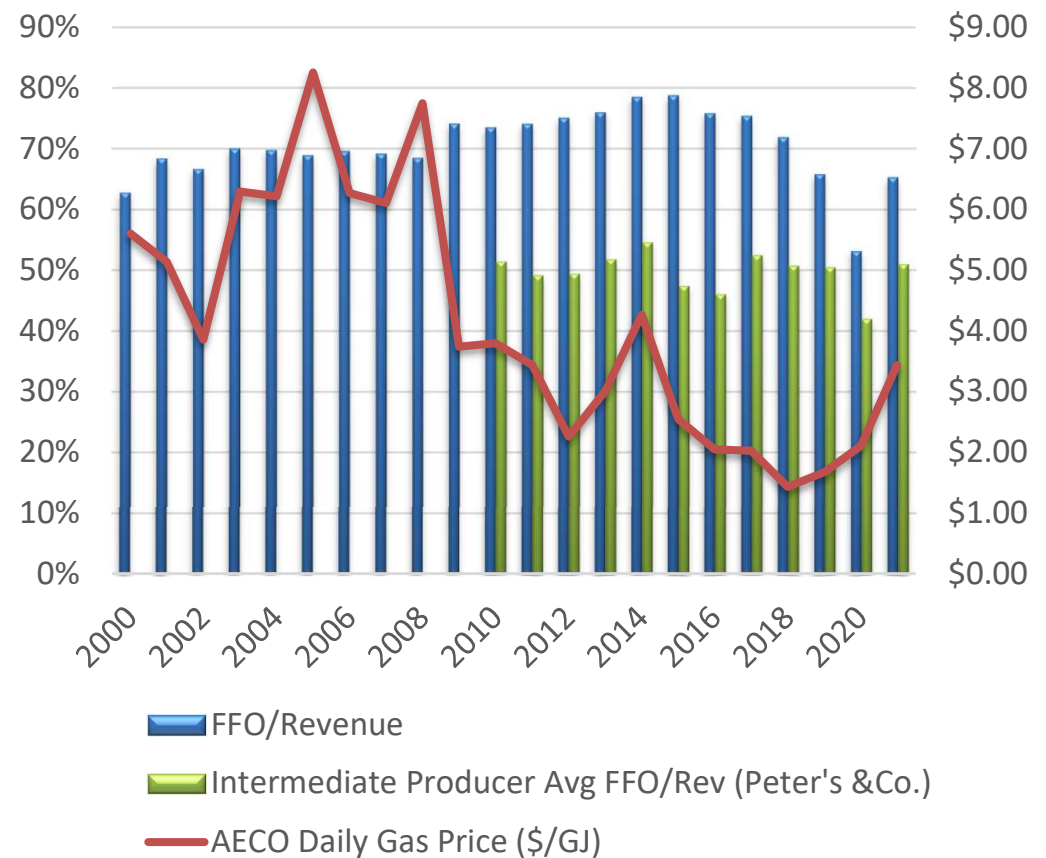
High Operating Margins

"Peyto has maintained a sizeable advantage over the industry."

corp.

71%

Peyto Operating Margin
Last 21 Years Avg.



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

Peyto's Unique Assets

PEYTO

Exploration & Development Corp.



Peyto Chambers Gas Plant

Peyto's Assets

Geographically Focused Core Areas

"Peyto operates 98% of its production and processes it through its twelve 100% owned and operated gas plants. Concentration and control are how you achieve low costs."



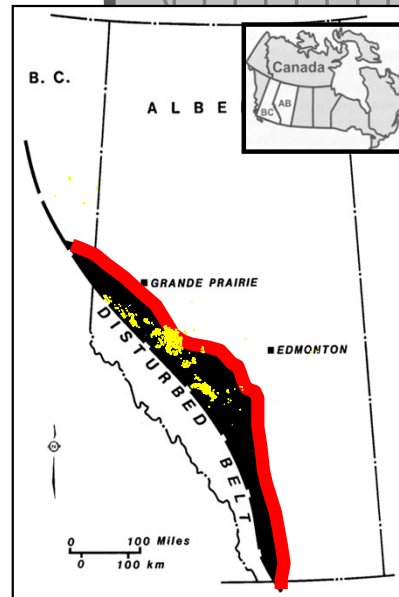
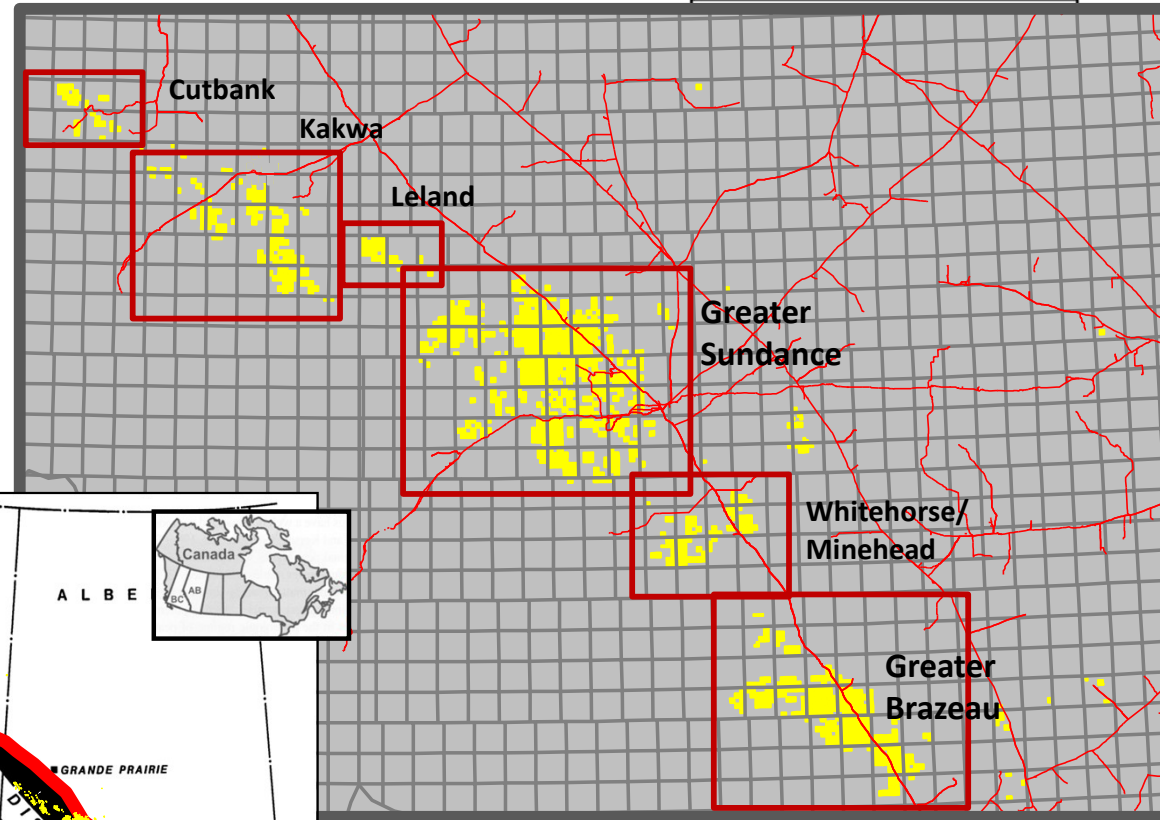
Corp.

98%

Of Production:
Operated by Peyto

100%

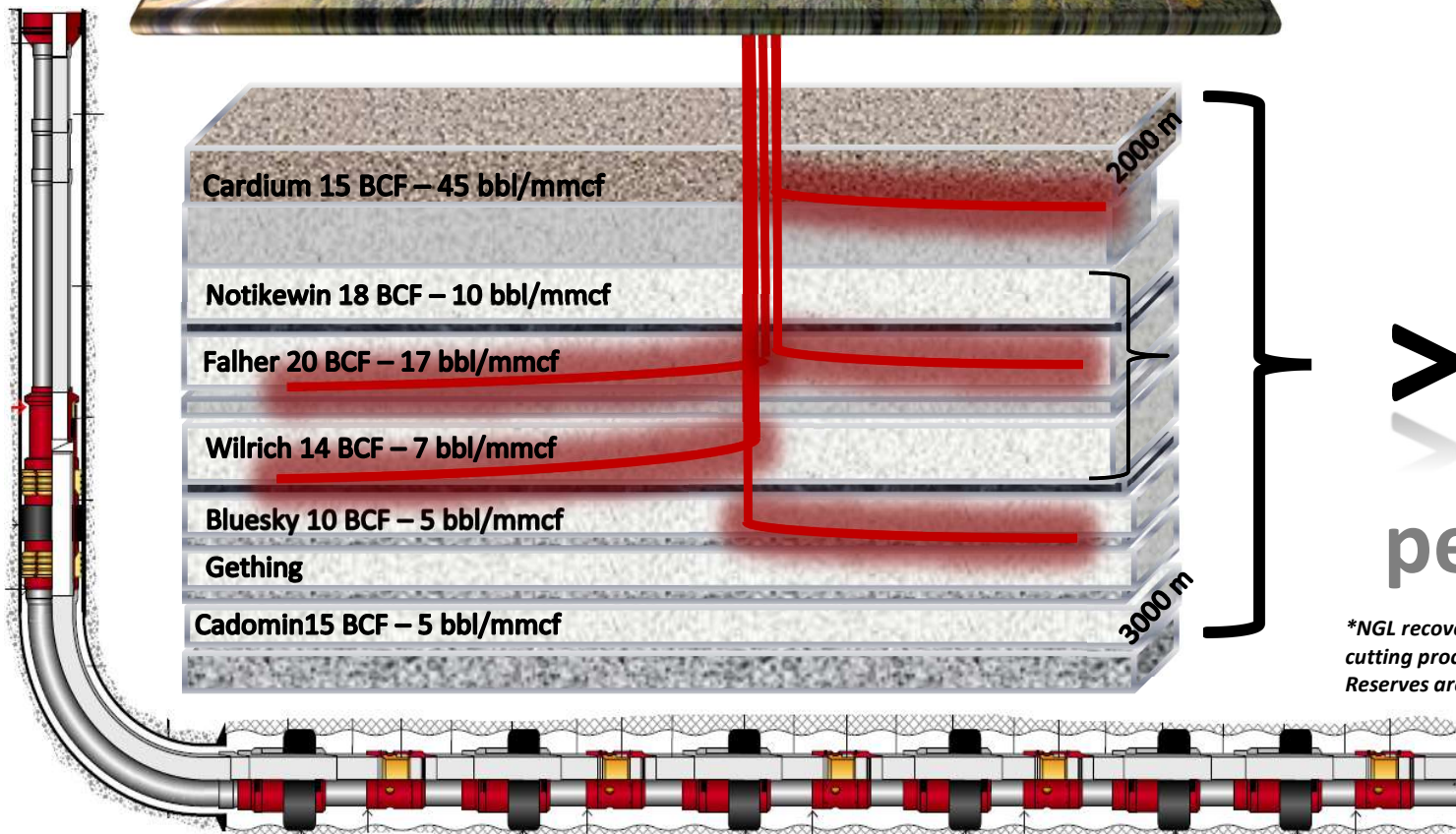
Working Interest in 12
Processing Facilities



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."



Up to
>80 BCF
per section*

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

Peyto's Assets

Deep Basin Lands Go A Long Way

"Peyto continues to expand its Deep Basin footprint with additional drilling inventory. To date we've only developed 10% of our land base."

1,042

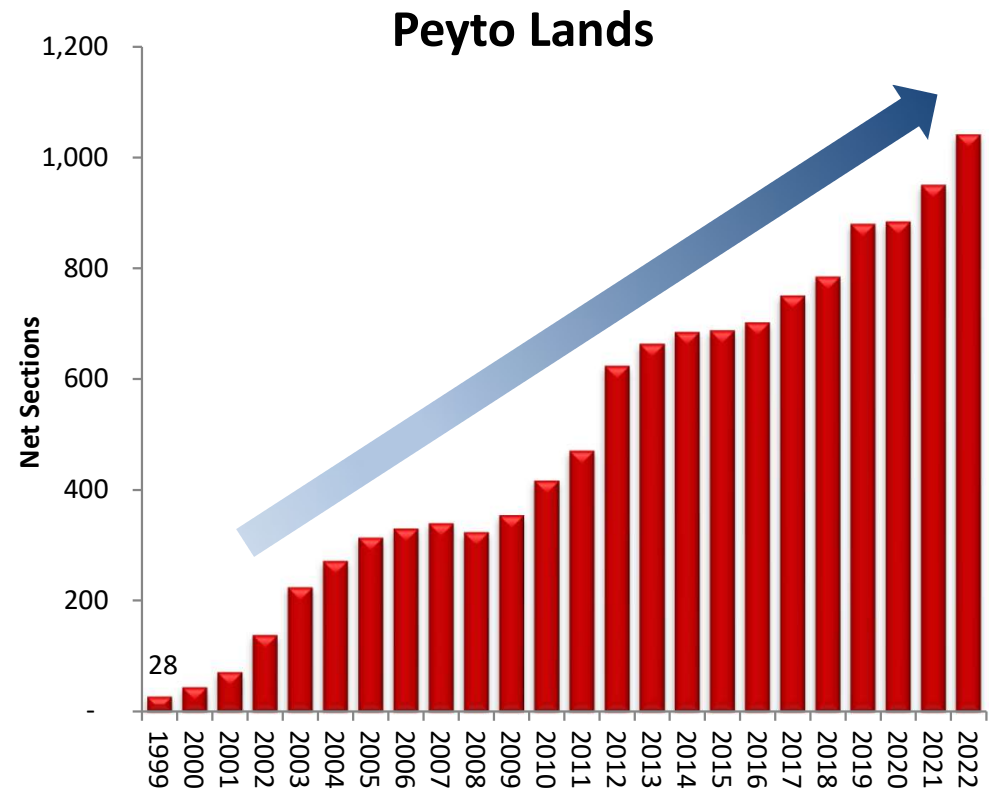
Net Peyto Sections

4,062

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

416

Net Sections – Developed Area of All Reserves Found and Developed Since Peyto Began (4.9 TCFe EUR)*

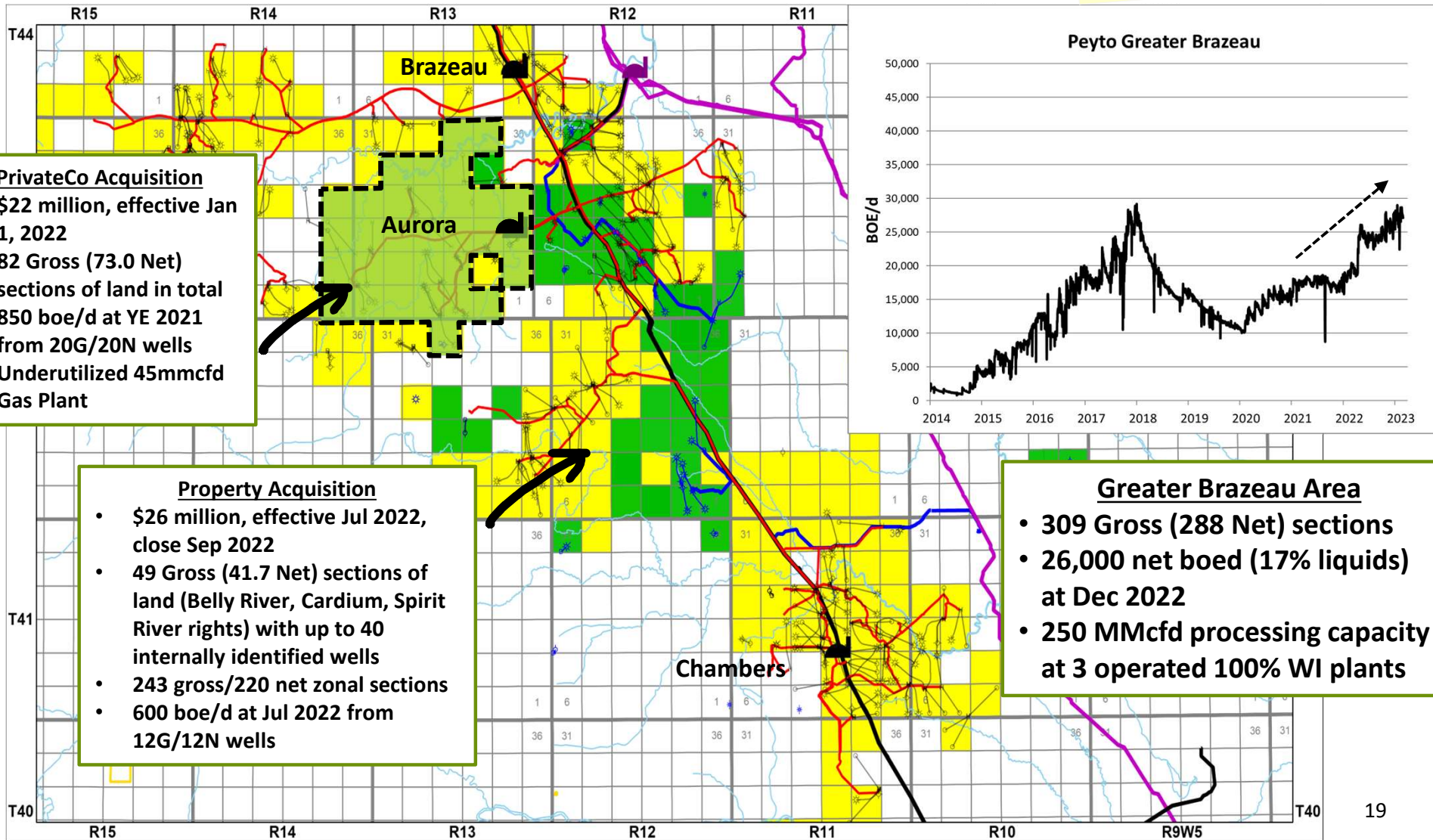


TCFe of PD EUR – Trillion Cubic Feet equivalent of Proven Developed Estimated Ultimate Recoverable
*Based on GLJ Ltd Dec 31, 2022 Reserve Report.
Lands at Dec 31, 2022

Peyto's Assets

Brazeau PrivateCo and Area Growth

"Peyto continued to bolt on properties in 2022 adding 2 complimentary assets and expanded the Brazeau area infrastructure."



PrivateCo Acquisition

- \$22 million, effective Jan 1, 2022
- 82 Gross (73.0 Net) sections of land in total
- 850 boe/d at YE 2021 from 20G/20N wells
- Underutilized 45mmcf/d Gas Plant

Property Acquisition

- \$26 million, effective Jul 2022, close Sep 2022
- 49 Gross (41.7 Net) sections of land (Belly River, Cardium, Spirit River rights) with up to 40 internally identified wells
- 243 gross/220 net zonal sections
- 600 boe/d at Jul 2022 from 12G/12N wells

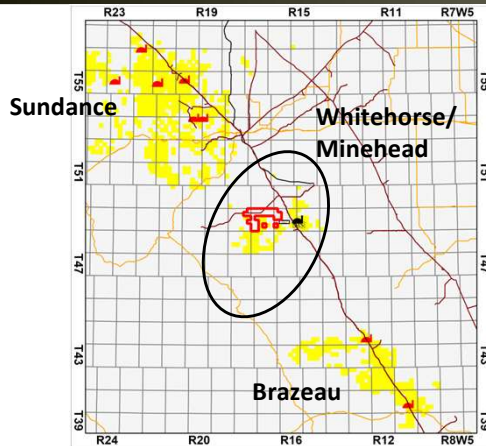
Greater Brazeau Area

- 309 Gross (288 Net) sections
- 26,000 net boed (17% liquids) at Dec 2022
- 250 MMcf/d processing capacity at 3 operated 100% WI plants

Peyto's Assets

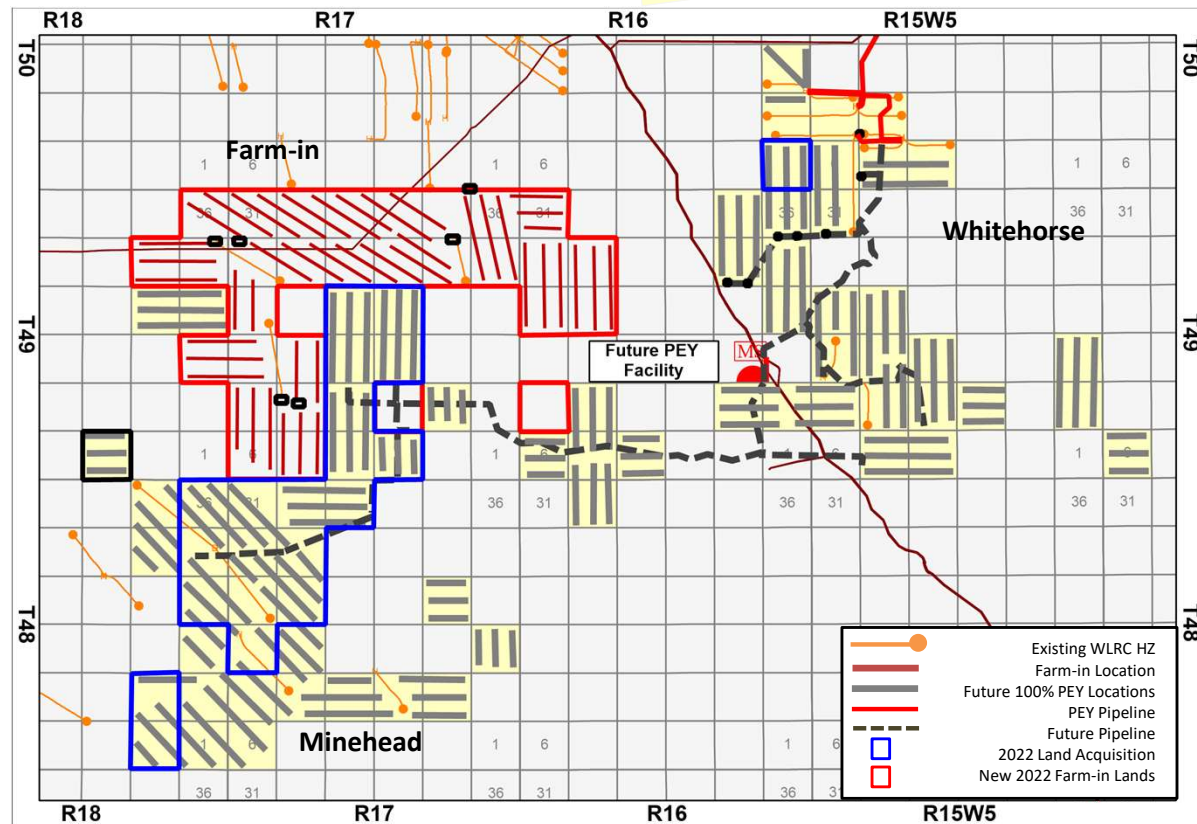
Whitehorse/Minehead ERHs

"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 (when prices are right) using equipment in inventory"



History and Future Plans :

- 2017/18: Acquired farm-in position and crown land and drilled ten, 1-mile horizontals
- 2021/22: Successfully tested three extended reach horizontals to improve the economics of the play. Acquired 22 sections at land sale to bring total ERH WLRC location count to 110 gross with additional upside in other stacked targets expected – similar to development in other PEY core areas with the deeper Wilrich anchoring the development
- 2022: Entered into a farm-in agreement adding 30 sections and 50 ERH Wilrich locations
- Fall Winter 2022/23: Additional delineation wells planned, commence drilling farm-in locations
- 2023: Defer full-scale development pending prices but drill Farm-in Lands to earn.



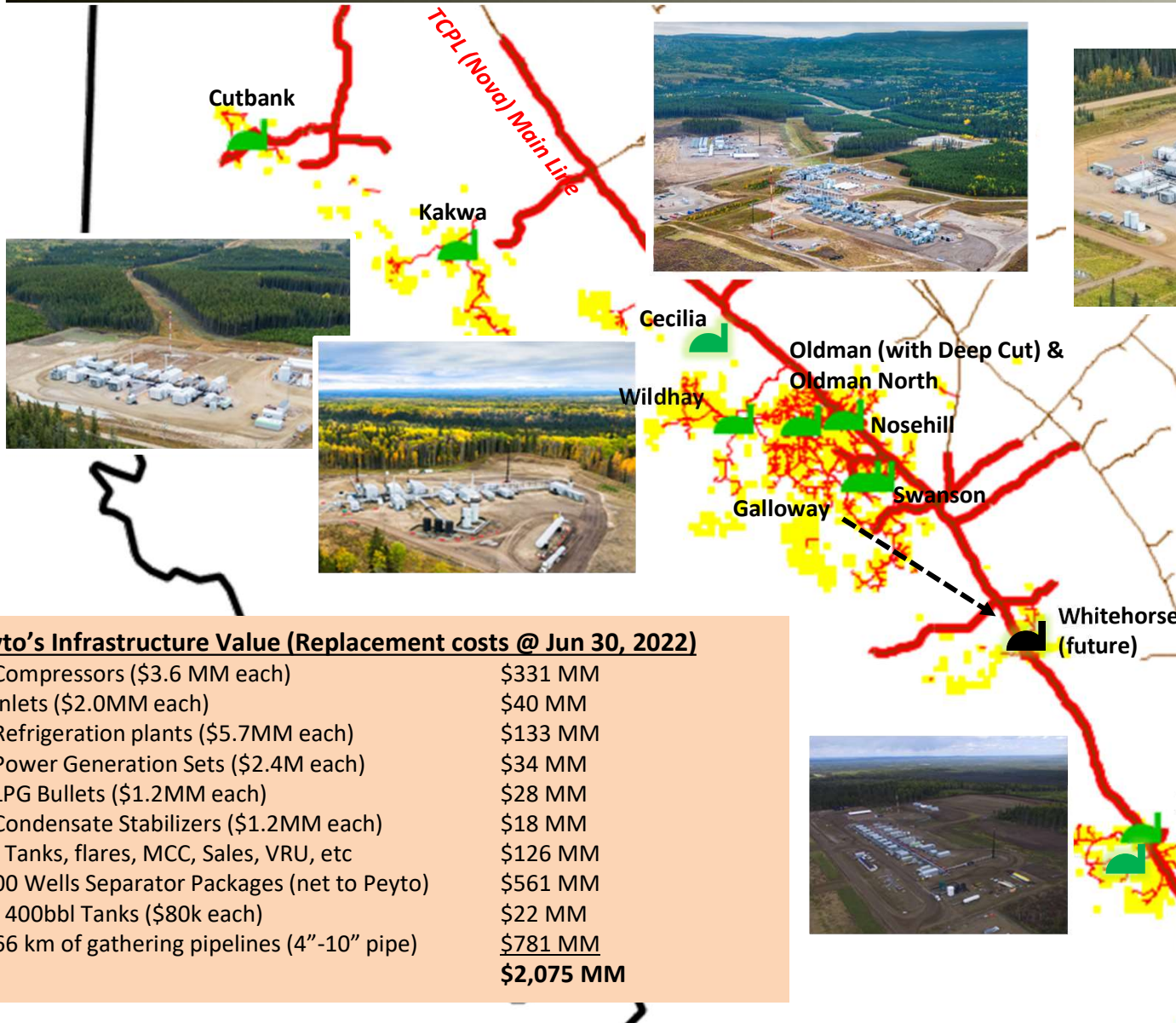
Economics on Strip (Feb 1 2023):

Gas: 4.0 bcf sales
 NGLs: 88 MBBL (22 bbls/mm)
 EUR: 763 MBOE, IP12: 2,200 mcf/d
 DCET: \$5.3MM
 IRR: 32%, Payout: 2.9 years

Peyto's Assets

Increased Facility Ownership And Control

"Peyto has close to 1 Bcf/d of plant processing capacity with excess available for 3rd parties or future growth. Our modular design allows for plants to be relocated closer to development."



Peyto Gas Plants		
	YE 2022	
1 Oldman	125 mmcf/d	
2 Nosehill	125 mmcf/d	
3 Wildhay	75 mmcf/d	
4 Galloway	60 mmcf/d	Shut in
5 Oldman North	105 mmcf/d	
6 Swanson	130 mmcf/d	
7 Cecilia	75 mmcf/d	
8 Kakwa	35 mmcf/d	
9 Cutbank	5 mmcf/d	
10 Brazeau	120 mmcf/d	
11 Aurora	50 mmcf/d	2022
12 Chambers	65 mmcf/d	2022
Total	970 mmcf/d	100%

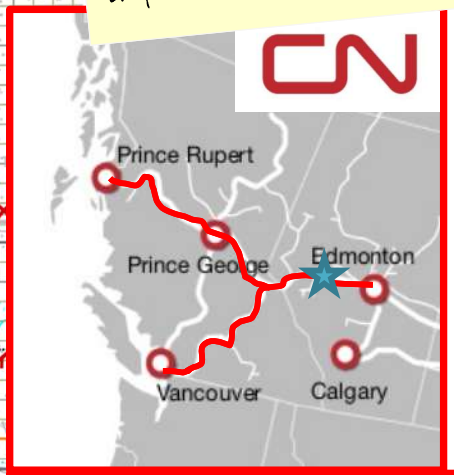
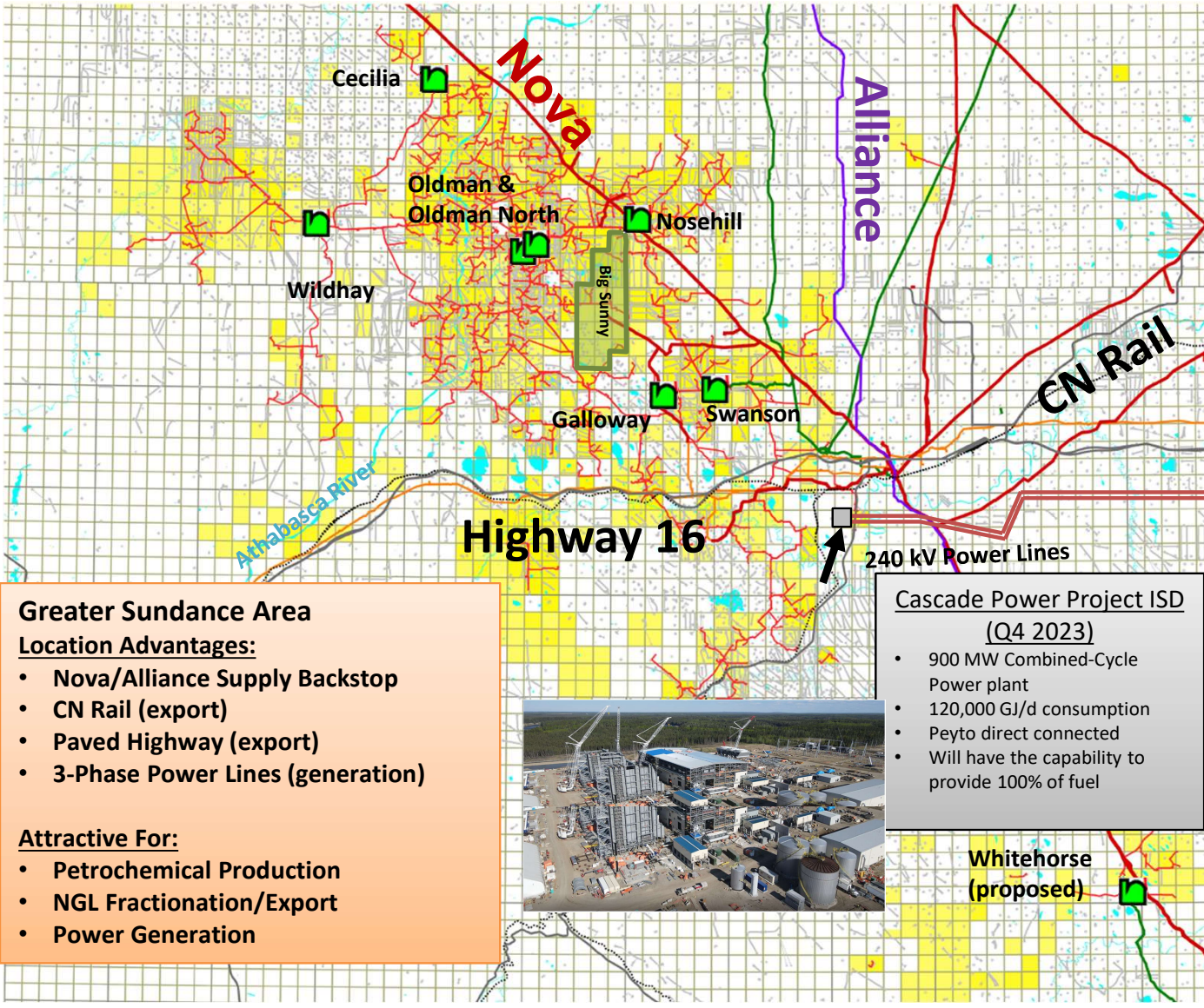
Peyto's Infrastructure Value (Replacement costs @ Jun 30, 2022)

92 Compressors (\$3.6 MM each)	\$331 MM
20 Inlets (\$2.0MM each)	\$40 MM
23 Refrigeration plants (\$5.7MM each)	\$133 MM
14 Power Generation Sets (\$2.4M each)	\$34 MM
23 LPG Bullets (\$1.2MM each)	\$28 MM
15 Condensate Stabilizers (\$1.2MM each)	\$18 MM
>70 Tanks, flares, MCC, Sales, VRU, etc	\$126 MM
1,700 Wells Separator Packages (net to Peyto)	\$561 MM
280 400bbl Tanks (\$80k each)	\$22 MM
2,366 km of gathering pipelines (4"-10" pipe)	\$781 MM
	\$2,075 MM

Peyto's Assets

Unique Infrastructure Location

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

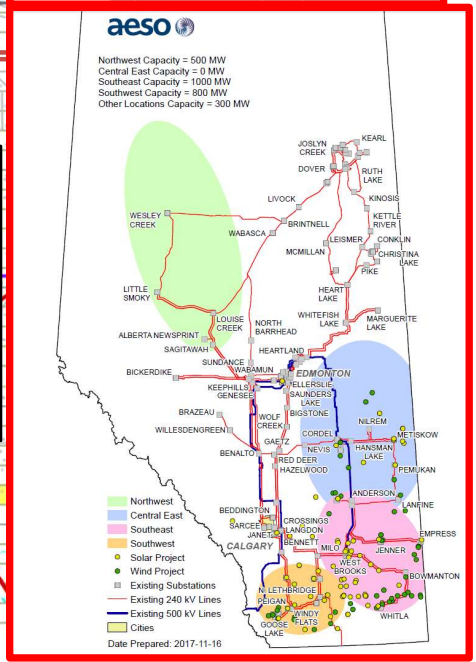


- Greater Sundance Area Location Advantages:**
- Nova/Alliance Supply Backstop
 - CN Rail (export)
 - Paved Highway (export)
 - 3-Phase Power Lines (generation)
- Attractive For:**
- Petrochemical Production
 - NGL Fractionation/Export
 - Power Generation



Cascade Power Project ISD (Q4 2023)

- 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

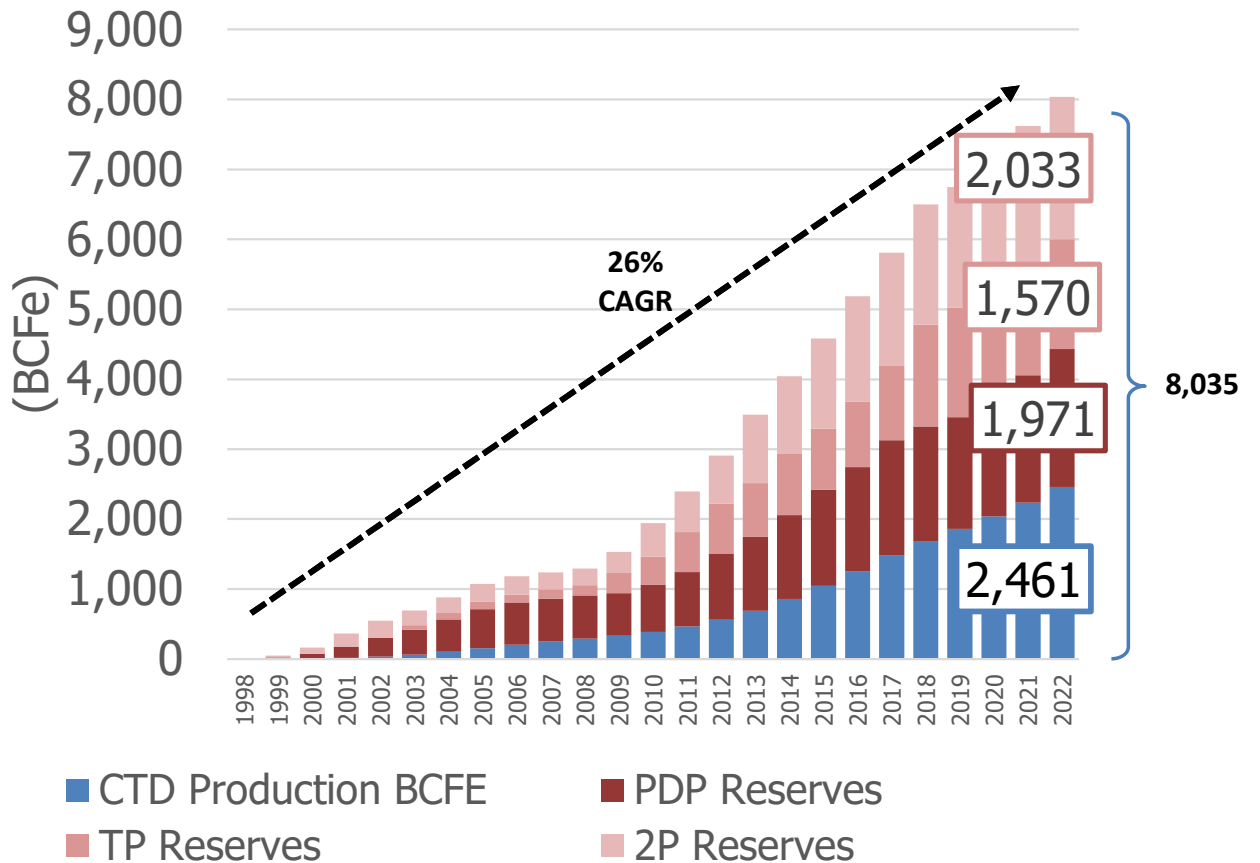
Alberta's Gas Developer

"Over the past 24 years, Peyto has discovered 8.0 TCFe of natural gas reserves, but only developed 10.2% of its lands."



8.0

TCFe of
Discovered Reserves



Peyto's Assets

Large Hz MSF Inventory

"Peyto has developed 4.9 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	2	222	(2)	419
CHINOOK				
PUSKAWASKAU				
BADHEART				
MUSKIKI	440		463(10)	
CARDIUM				
KASKAPAU				
DOECK				
POUCE COUPE				
DUNVEGAN	5	5	6	9
SHAFTESBURY				
BELLE FOURCHE				
FISH SCALE				
WESTGATE	1		2	31
PADDY				
CADOTTE				
HARMON				
PEACE RIVER	90	229	214	87
NOTIKEWIN	7	78	59	32
FALHER		124	157	147
A				
B				
C				
D				
E				
F				
WILRICH	15	436	308	167
BLUESKY	4	44	54	62
GETHING	12	2		
CADOMIN	87	2	18	205
MONTNEY	663	1	1,283 (12)	120
		1143	1,295	1,319

>2,600 locations

1. Drilling to Dec 31, 2022
 2. As recognized in the GLJ reserve report dated Dec. 31, 2022
 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

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."

Peyto's Infrastructure Value (Replacement costs @ Jun 30, 2022)

92 Compressors (\$3.6 MM each)	\$331 MM	
20 Inlets (\$2.0MM each)	\$40 MM	
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280 400bbl Tanks (\$80M each)	\$22 MM	
2,366 km of gathering pipelines (4"-10" pipe)	<u>\$781 MM</u>	
	\$2,075 MM	\$11.96/share

Reserves (as at Dec 31, 2022)*

	Volume	NPV ₅ /share ²	NPV ₁₀ /share ²
Proved + Probable Developed Reserves – Currently generating cashflow	405 mmoes	\$37.55	\$26.51
Proved + Probable Undeveloped Reserves – Yet to be drilled	524 mmoes	\$38.75	\$22.68
Total P+P Reserves	929 mmoes	\$76.30/share	\$49.19/share

Net Debt (as at Dec 31, 2022)

Revolving Bank Debt	(\$440 MM)	
Term Debt (Current and long term)	(\$419 MM)	
Adjusted working capital deficit ⁽¹⁾	<u>(\$ 27 MM)</u>	
Net Debt⁽¹⁾	(\$885 MM)	\$5.10/share

*Includes all liabilities, see Peyto's 2022 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 or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

(2) The estimated net present values do not represent fair market value

Peyto's Incredible Returns

PEYTO

Exploration & Development Corp.

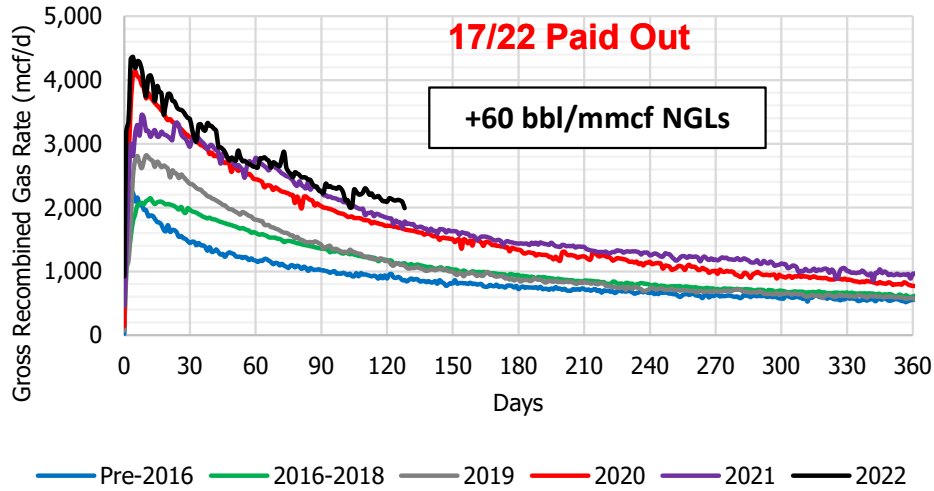


Peyto's Returns

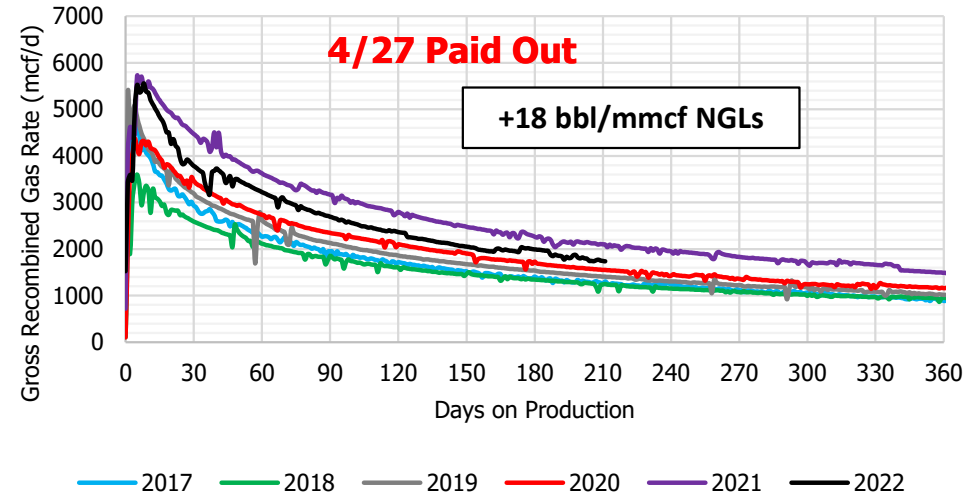
Production Performance by Vintage

2022 drilling program was strong with ~40% of wells spud already paying out. Despite cost inflation, returns and results of our primary plays are good!

Year Over Year Performance - All Cardium

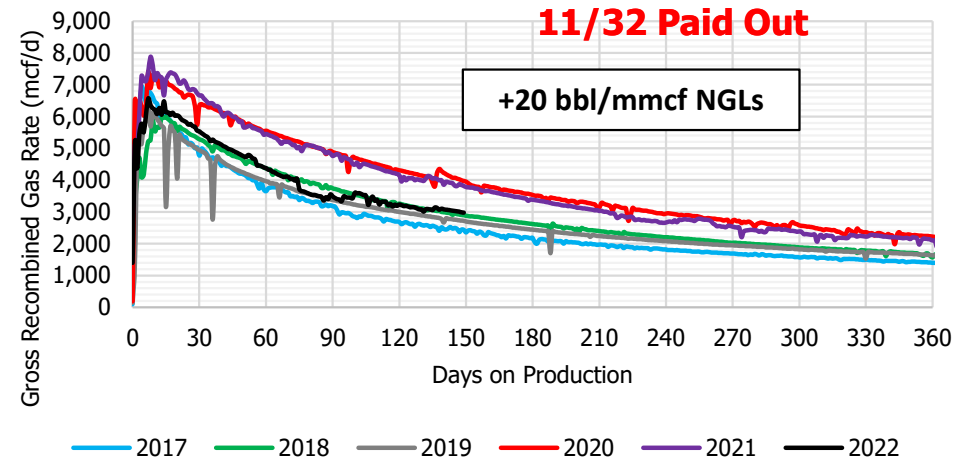


Year Over Year Performance - All Notikewin



Drill & Complete Costs (MM)	2022	2021	2020	2018-19
Cardium	\$3.1 (22 wells)	\$2.6 (30 wells)	\$2.3 (30 wells)	\$2.6 (97 wells)
Notikewin	\$3.8 (32 wells)	\$2.9 (36 wells)	\$2.9 (12 wells)	\$3.0 (8 wells)
Wilrich	\$4.6 (27 wells)	\$3.4 (23 wells)	\$2.8 (11 wells)	\$2.7 (16 wells)

Year Over Year Performance - All Notikewin

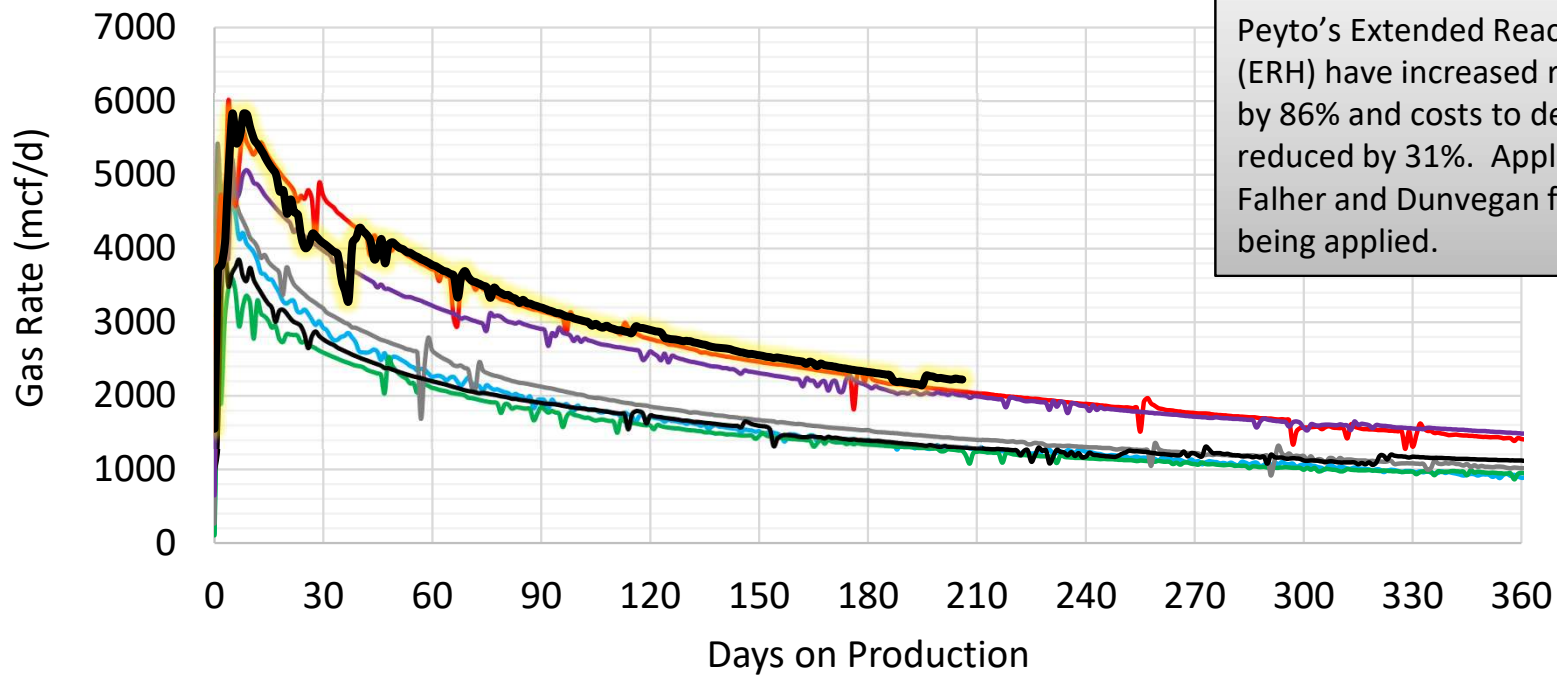


Peyto's Returns

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



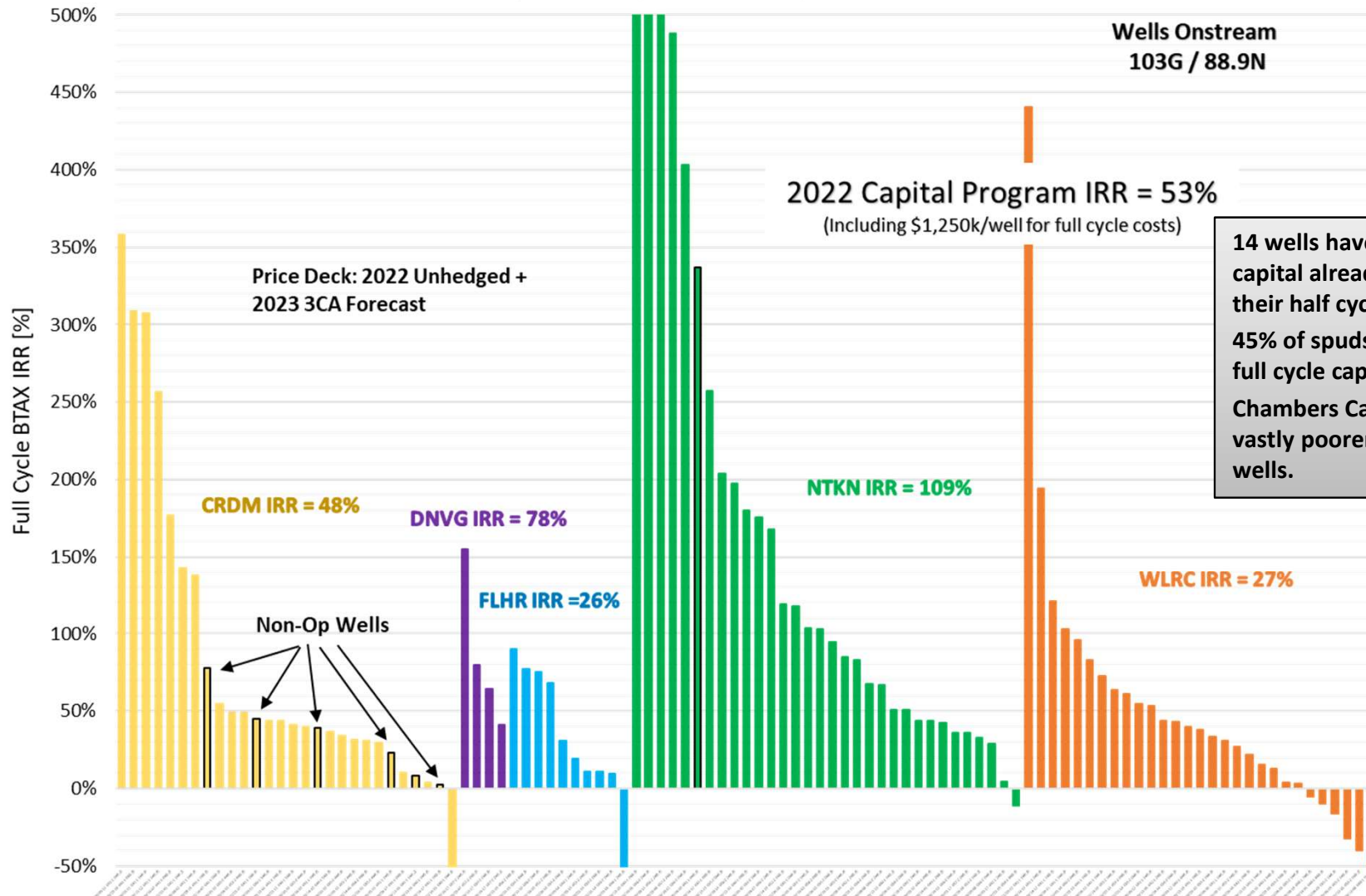
Peyto's Extended Reach Horizontals (ERH) have increased reserves per well by 86% and costs to develop have been reduced by 31%. Application to the Falher and Dunvegan formations is also being applied.

- 2017
- 2018
- 2019
- 2020 Old Design
- 2020 ERH (6)
- 2021 ERH (16)
- 2022 ERH (18)

Peyto Returns

Strong returns with many of the wells having already paid out their initial capital investment.

2022 Capital Program Individual Well Returns (sorted by Formation)



14 wells have paid out full cycle capital already with 33 paying out their half cycle costs.
 45% of spuds projected to payout full cycle capital in less than 1-year.
 Chambers Cardium Non-Op results vastly poorer than Peyto drilled wells.

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 in a little over a year."

Type Curve Economics	Brazeau / Chambers			Greater Sundance					Whitehorse
	Cardium	Notikewin	Wilrich ERH	Notikewin	Falher ERH	Cardium	Dunvegan	Wilrich ERH	Wilrich ERH
Gas [MMcf]	2,556	3,488	4,133	4,810	4,291	1,280	4,707	3,782	4,046
NGLs [Mbbbl]	110	97	155	63	87	86	72	39	88
EUR _{BOE} [Mboe]	540	680	840	860	800	300	860	670	760
IP12 [Mcf/d]	2,700	3,200	3,000	3,400	3,100	1,500	3,000	2,600	2,200
DCET _{1/2-Cycle} [M\$]	3,980	4,790	5,100	4,470	4,730	3,320	4,740	5,050	5,360
IRR [%]	121%	80%	87%	88%	71%	76%	69%	35%	32%
Payout [years]	0.9	1.3	1.3	1.3	1.6	1.1	1.5	2.5	2.9
NPV10 [M\$]	5,900	5,300	7,900	6,900	6,200	3,000	6,500	3,700	4,100

Feb 1, 2023 Strip	AECO \$/GJ	WTI \$US/bbl
2023	\$ 2.73	\$ 75.77
2024	\$ 3.13	\$ 71.59
2025	\$ 3.59	\$ 67.80
2026	\$ 3.79	\$ 64.60
2027	\$ 3.90	

"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."

Peyto's Returns

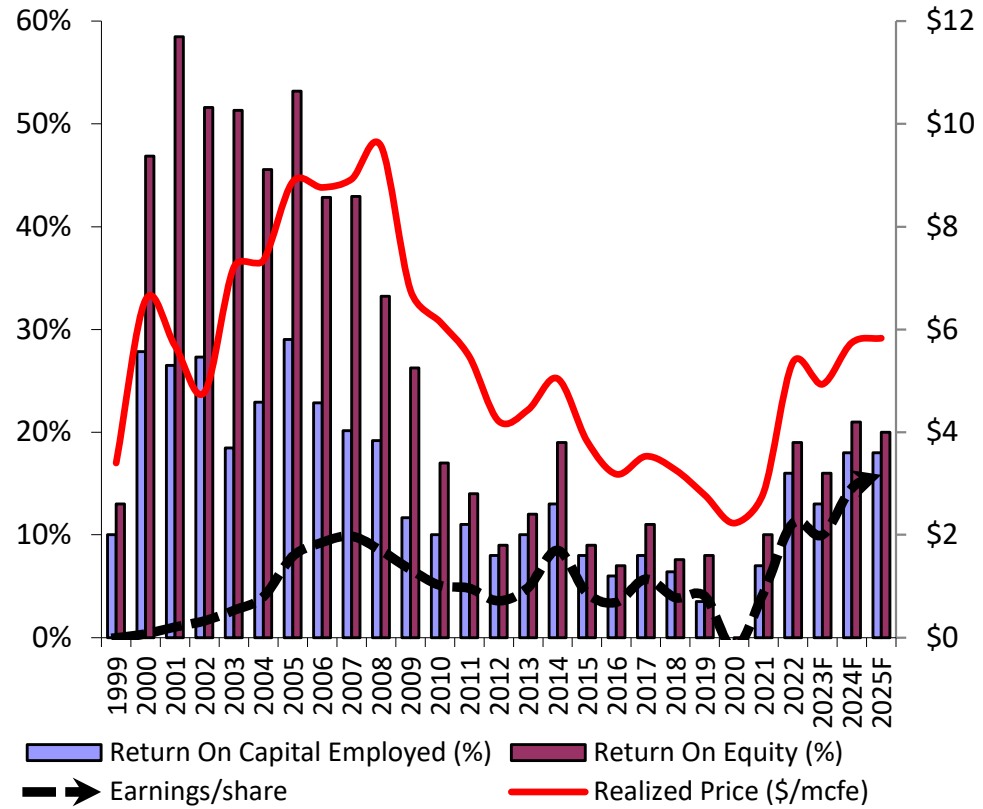
High Returns On Your Capital And Equity

25%

24 yr Avg ROE to 2022

14%

24 yr Avg ROCE to 2022



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 (24 yrs 1999-2022)
 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.

* 2023 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.

Peyto's Future



Ensign Rig #401 has been drilling for Peyto for over 12 years.

Peyto's Future

2023 Focus

"2023 plans look to continue our returns to shareholders. The program will be nimble pending future prices"

Corp.

\$425M-
\$475M

2023 Capital Program

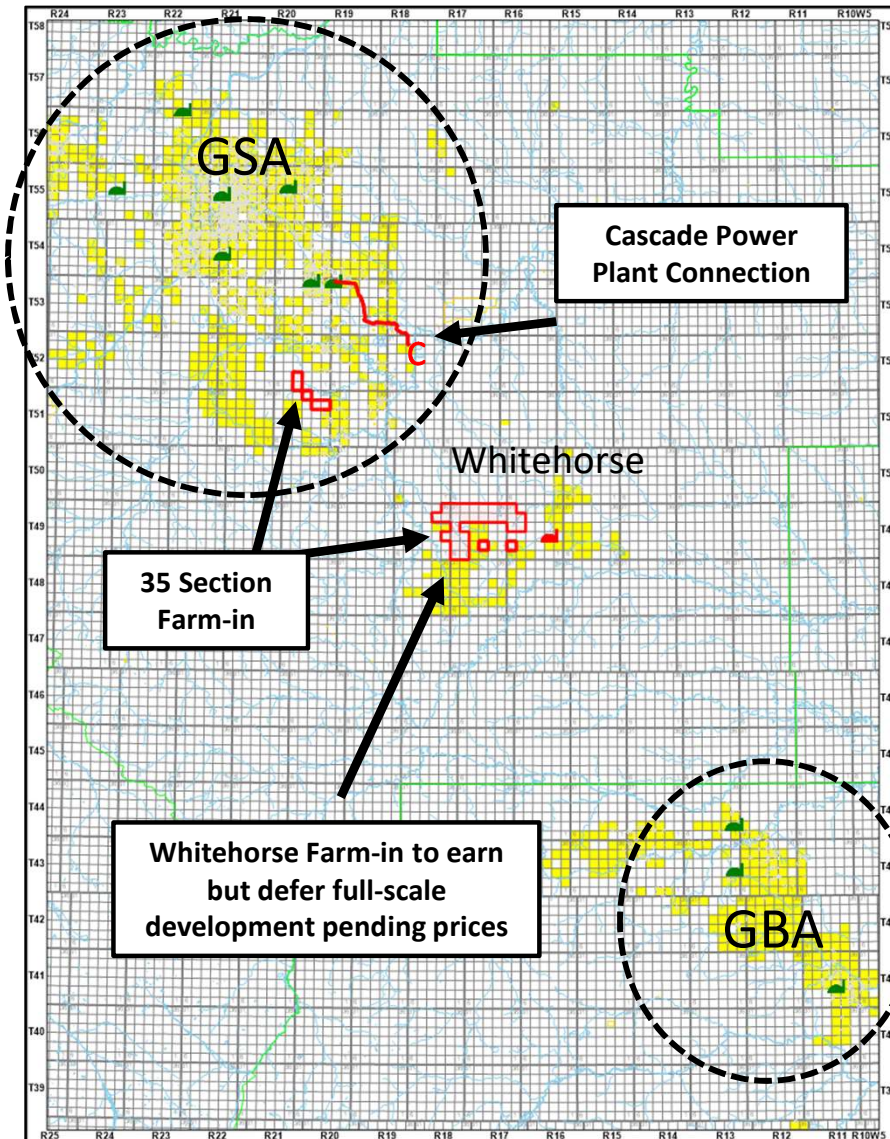
- ✓ **Drill ~85 Net Hz Wells**
 - 4 to 5 rigs (flexible, back-end loaded)
- ✓ **Expand Infrastructure**
 - Construct Gas Pipeline for Cascade Power Supply
 - Optimize Existing Core Areas
- ✓ **Increase Opportunities**
 - Farm-in Minehead Area, Other Tuck-ins?
- ✓ **Diversify Markets and Protect CF**
 - Continue to diversify to external markets and hedge
- ✓ **Shareholder Returns**
 - Increase Dividend to \$0.11/sh/mon and fund capital program with free cashflow while reducing revolving debt

Peyto's Future

2023 Capital Plans

"2023 plans will remain flexible, as always, deploying capital and rigs to the places that generate the best overall returns"

orp.



2023 Capital Program

- Spend \$425MM - \$475MM
- Drill 75-80 net locations (4 rigs in winter, 5 rigs in back half pending gas prices)
- Focused across 2 main areas (Sundance and Brazeau)
- Drill initial earning wells on 35 Section Farm-In in both Ansell and Minehead
- Major Facilities
 - Cascade Power Supply Pipeline Connection from Swanson Plant
 - Debottleneck existing infrastructure
- Expect to add between 35 to 40,000 boe/d (to offset 29% decline based on capital efficiency of \$12,000/boe/d)

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 2021	PEY 2022	PEY 2023 Targets
Revenue \$/mcfe	\$5.04	\$3.60	\$5.36	\$4.44
Cash Costs \$/mcfe	(\$1.08)	(\$1.25)	(\$1.62)	(\$1.40)
Capital Costs (PDP FD&A) \$/mcfe	(\$2.25)	(\$0.97)	(\$1.41)	(\$1.25)
Total Supply Cost \$/mcfe	\$3.33	\$2.22	\$3.03	\$2.65
Full Cycle Netback ⁽¹⁾ \$/mcfe	\$1.71	\$1.38	\$2.33	\$1.79
Dividend \$/mcfe	\$1.05	\$0.11	\$0.45	\$1.32
	\$1.14/sh/yr	\$0.22/sh/yr	\$0.60/sh/yr	\$1.32/sh/yr

\$6.86/mcfe
\$1.50/mcfe hedge loss
\$5.36/mcfe

Royalties (\$0.74)
Opex (\$0.39)
Transport (\$0.26)
G&A (\$0.02)
Interest (\$0.21)
Total Costs (\$1.62)

2021 PDP FD&A
\$58 Land, Seismic, Acquisitions
\$371MM Drilling, Completions, Tie-ins
\$100 MM Major Facilities and Pipelines
\$529MM Total
Added 62.4 mmoes
PDP FD&A \$8.48/boe or \$1.41/mcfe

88% Gas @\$3.00/GJ*1.15
12% NGLs@\$70/bbl= (70% of \$100 CND WTI)
\$4.44 (before diversification premium)

Transport cost up to ensure higher price.
Royalties back down to historical levels.

Inflation drives capex costs up but spend less on facilities.
Reserves up (long lateral, increase frac intensity).

Peyto can generate 40% profit (unhedged) from \$3/GJ AECO gas and \$US75 WTI

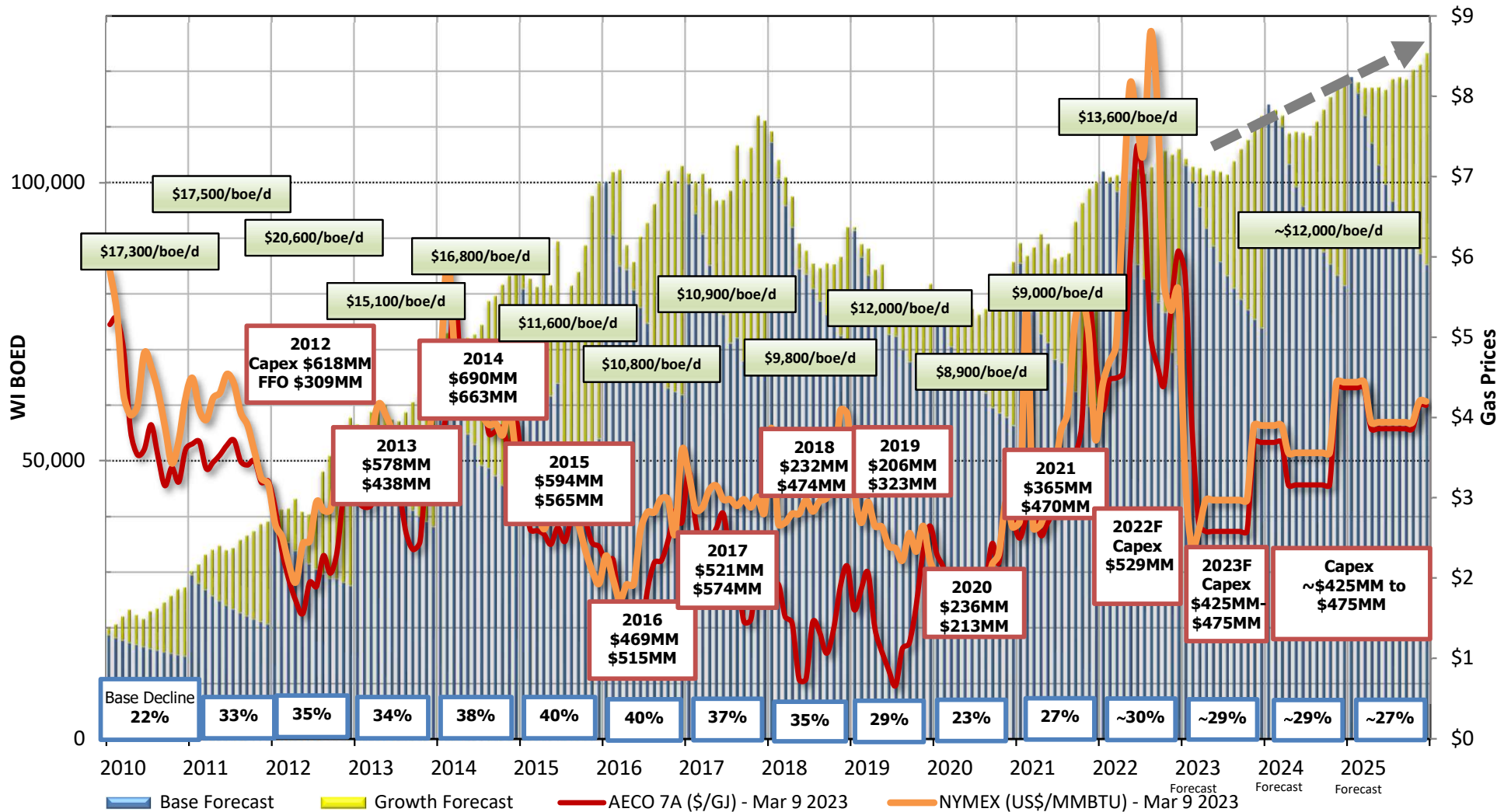
BOE factor - 6 mcfe = 1 bbl of oil equivalent

(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.

Peyto's Future

Steady Production Growth with Less Than CF

"Modest Growth, depending on gas prices and capital input costs, generates free cash flow to pay dividends and reduce debt"

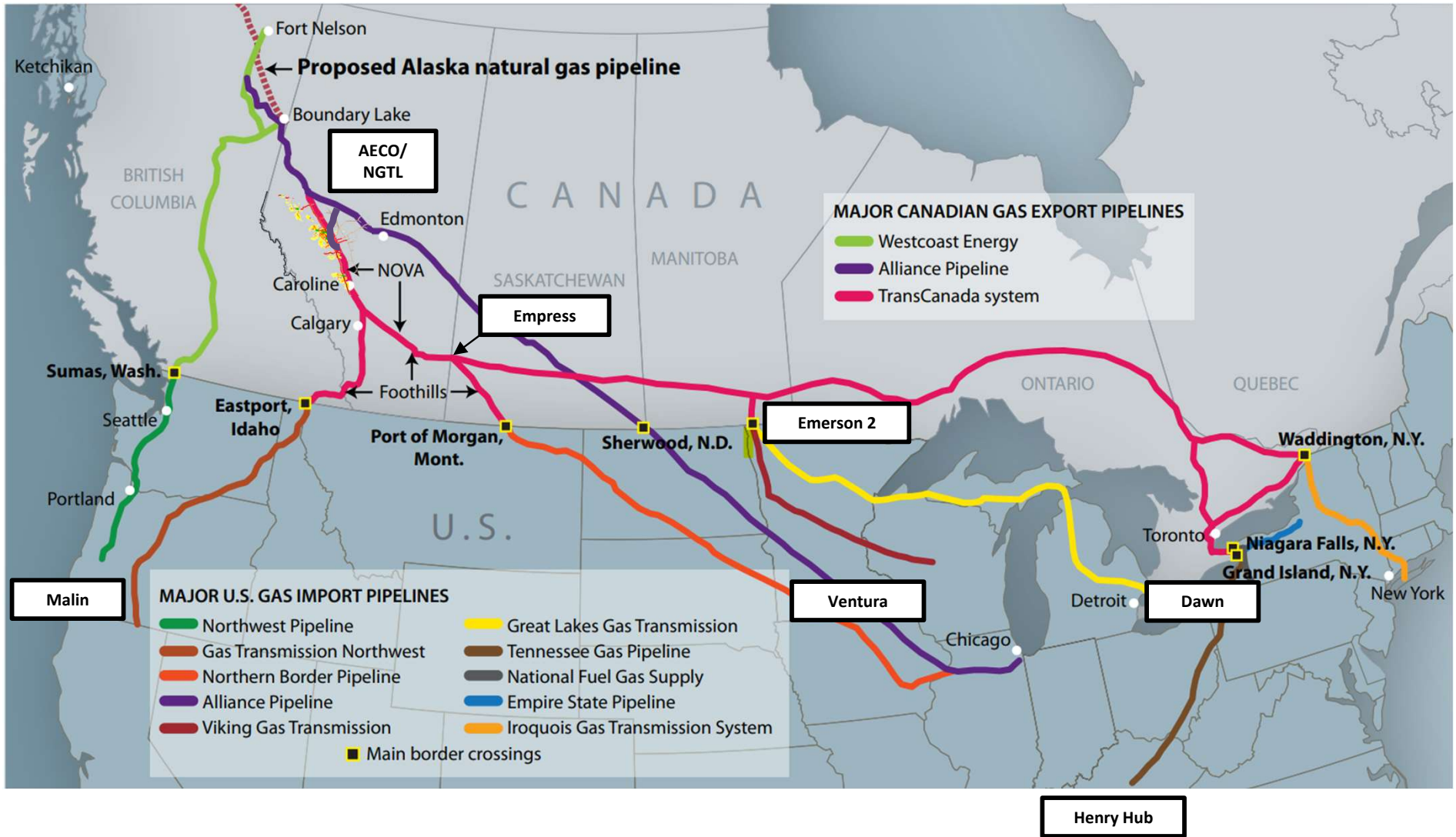


*2023 and beyond provided for illustration only. Budgets and forecasts are subject to change due to a variety of factors including but not limited to prior year's results. Future illustration derived from historical well performance and cost assumptions.

Gas Marketing

Peyto's Gas Markets


"Peyto has diversified gas exposure to a number of hubs through physical and financial basis deals."
 Development Corp.

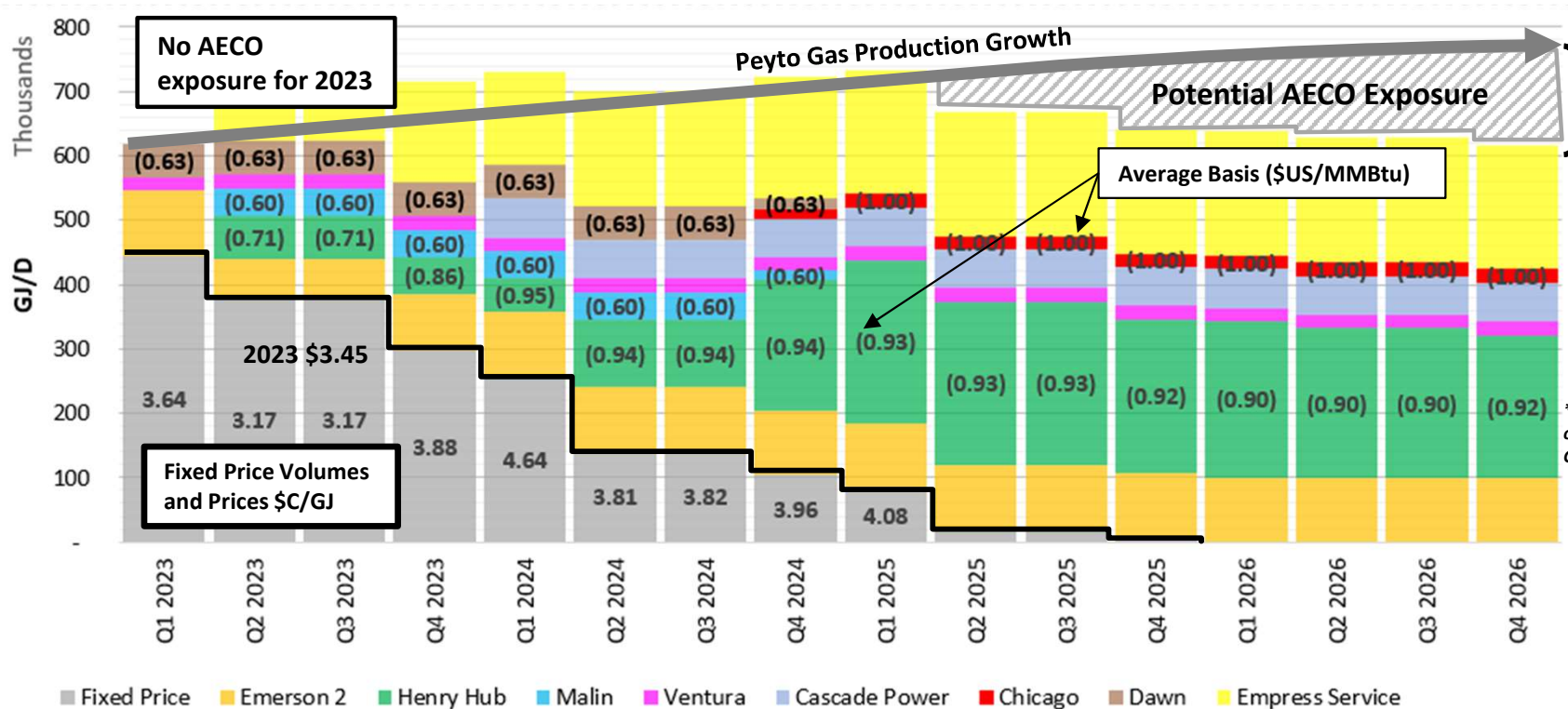


Gas Marketing

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."

Indicative Prices @
 US\$3.50/MMBtu
 Henry Hub,  \$3.68 \$3.29 \$3.26 \$3.86 \$4.68 \$3.89 \$3.88 \$3.91 \$3.86 \$3.69 \$3.69 \$3.73 \$3.71 \$3.68 \$3.68 \$3.66 \$C/GJ
 CAD\$3.00/GJ AECO,
 \$120/MWh,
 1.35 FX



Peyto plans to fill this with more financial basis deals, direct connect industrial, or fixed price AECO

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

- Average fixed price volumes include all fixed price financial and physical contracts, fuel deduction of ~2% and all market diversification costs. USD contracts are converted at 1.35 CAD/USD
- Emerson 2 volumes are priced on the Emerson 2 index less fuel of ~4%. Peyto incurs a diversification cost of ~\$0.40/GJ to get to Emerson 2 from Empress.
- Henry Hub, Malin, Dawn and Chicago volumes are sold using physical basis deals from AECO and Empress and are priced on the respective indexes less the hub basis shown above and fuel of ~2%
- Ventura volumes are priced on the Ventura index less transportation, marketing and fuel for total deductions of ~\$US1.10/MMBtu
- Cascade Power pricing is a floating price that fluctuates with Alberta pool power prices
- Empress service allows Peyto to diversify from the AECO market for future basis deals and physical contracts. Peyto incurs transportation costs of ~\$0.19/GJ to get to Empress

Appendix



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

Gas Marketing

Fixed & Floating Price Gas Contracts

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

Fixed Price Contracts

AECO 7A Fixed Price Swaps (CAD\$/GJ)

Volume GJ/d
Price CAD\$/GJ

Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	2025	2026
205,000	187,500	187,500	114,167	173,542	77,500	30,000	30,000	60,000	49,375	30,417	-
\$3.34	\$3.31	\$3.31	\$4.12	\$3.45	\$5.09	\$3.85	\$3.85	\$4.13	\$4.42	\$3.92	

AECO 5A Fixed Price Swaps (CAD\$/GJ)

Volume GJ/d
Price CAD\$/GJ

40,000	60,000	60,000	20,000	45,000	-	-	-	-	-		
\$5.60	\$2.42	\$2.42	\$2.42	\$3.13							

AECO PHYS Fixed Price (US\$/MMBtu)

Volume MMBtu/d
Price US\$/MMBtu
Price CAD\$/GJ

120,000	120,000	120,000	120,000	120,000	120,000	105,000	105,000	35,000	91,250		
\$2.78	\$2.76	\$2.76	\$3.15	\$2.86	\$3.74	\$2.92	\$2.92	\$2.92	\$3.19		
\$3.56	\$3.53	\$3.53	\$4.03	\$3.67	\$4.78	\$3.74	\$3.74	\$3.74	\$4.05		

EMPRESS PHYS Fixed Price (US\$/MMBtu)

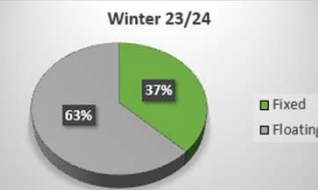
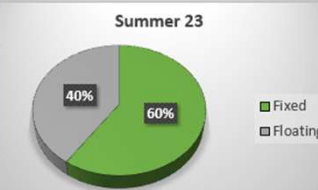
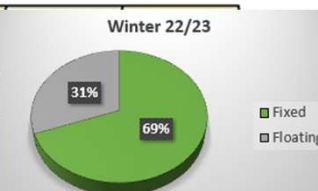
Volume MMBtu/d
Price US\$/MMBtu
Price CAD\$/GJ

30,000	5,000	5,000	35,000	18,750	50,000	-	-	-	12,500		
\$4.00	\$2.23	\$2.23	\$3.09	\$3.34	\$3.14				\$3.14		
\$5.11	\$2.85	\$2.85	\$3.96	\$3.93	\$4.01				\$4.01		

MALIN Fixed Price (US\$/MMBtu)

Fixed Malin Vol MMBtu/d
Fixed Malin Price US\$/MMBtu
Fixed AECO Netback US\$/MMBtu
Fixed AECO Netback CAD\$/GJ

40,000	-	-	-	10,000	-	-	-	-	-		
\$2.97	\$0.00	\$0.00	\$0.00	\$2.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
\$2.37				\$2.37							
\$3.03				\$3.03							



Floating Price Contracts (MMBtu/d)

1.15 Heating value GJ/mcf; 1.350 CAD/USD

AECO & EMPRESS PHYS Basis

VENTURA
EMERSON 2
MALIN
DAWN
CHICAGO
Cascade Power*

Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	2025	2026
-	65,000	65,000	55,000	46,250	50,000	100,000	100,000	193,333	110,833	236,667	220,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
94,782	54,782	54,782	81,448	71,448	94,782	94,782	94,782	94,782	94,782	94,782	94,782
-	40,000	40,000	40,000	30,000	40,000	40,000	40,000	13,333	33,333	-	-
50,000	50,000	50,000	50,000	-	50,000	50,000	50,000	16,667	-	-	-
								13,333	20,000	20,000	20,000
					56,868	56,868	56,868	56,868	56,868	56,868	56,868

*Peyto forecasts gas deliveries to Cascade to commence in late Q4 2023, but actual commencement may differ from anticipated date. Prices do not include a deducts for Fuel (~2%).

NGL Marketing

Fixed Price Contracts



	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	2025	2026
WTI SWAPS												
Volume CAD bbls/d	3,600	3,100	2,100	1,300	2,525	200	-	-	-	50		
Price CAD\$	\$112.64	\$110.00	\$106.33	\$103.13	\$108.02	\$101.60	\$0.00			\$101.60		
WTI COLLARS												
Volume CAD bbls/d			500	500	252	500				124		
Put CAD\$			\$95.00	\$90.00	\$92.50	\$90.00				\$90.00		
Call CAD\$			\$115.25	\$116.25	\$115.75	\$110.20				\$110.20		
TOTAL bbls/d	3,600	3,100	2,600	1,800	2,777	700	-	-	-	174		

Gas Marketing

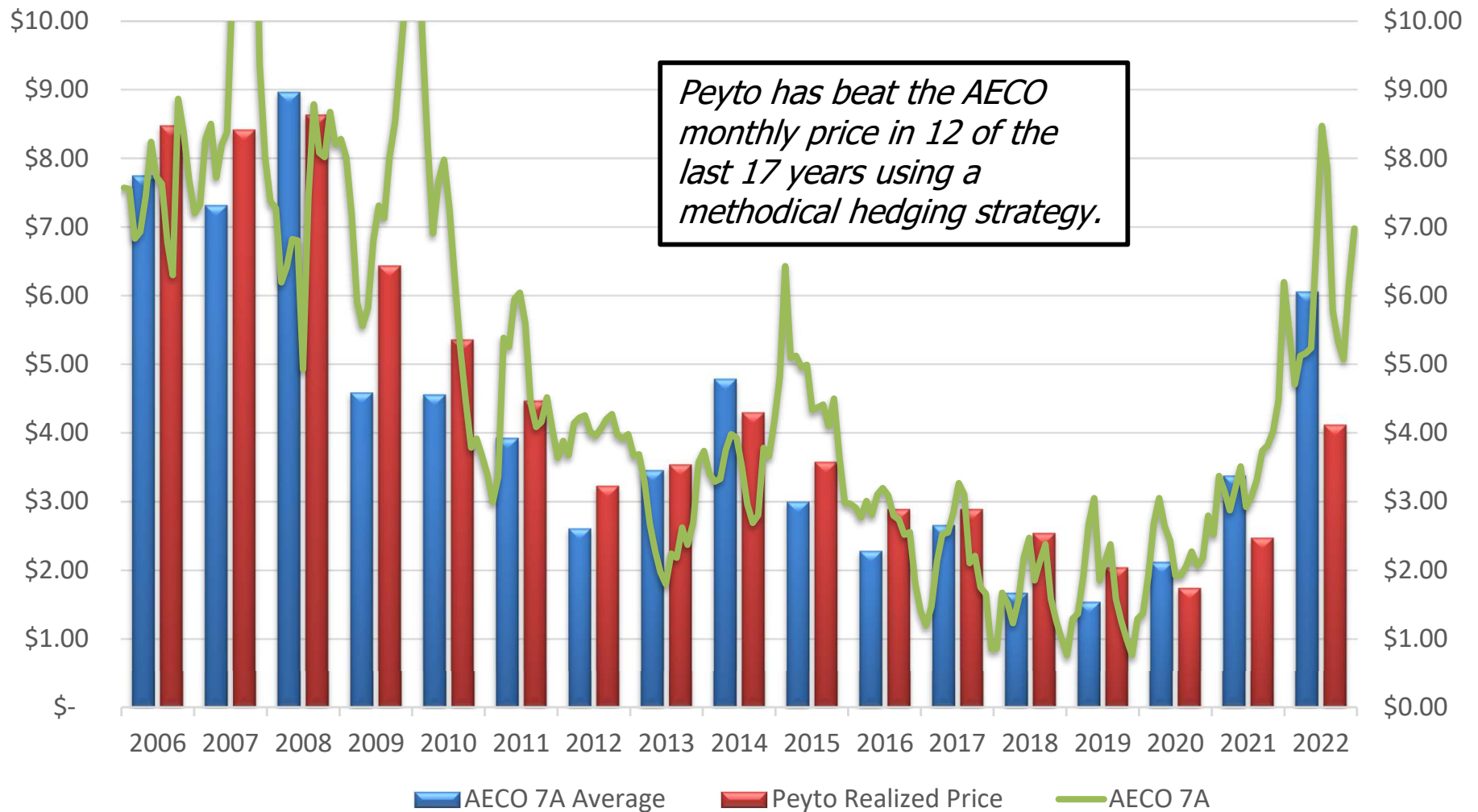
Successful Hedging Strategy Smoothes Volatility

PEYTO



Exploration & Development Corp.

Gas Price (\$/mcf)



Gas Marketing

Rockies LNG Partnership – West Coast LNG Option

“As a member of Rockies LNG, Peyto looks to advance another west coast BC LNG project. We have long reserve life natural gas assets that align with long term contracts”

Our 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.

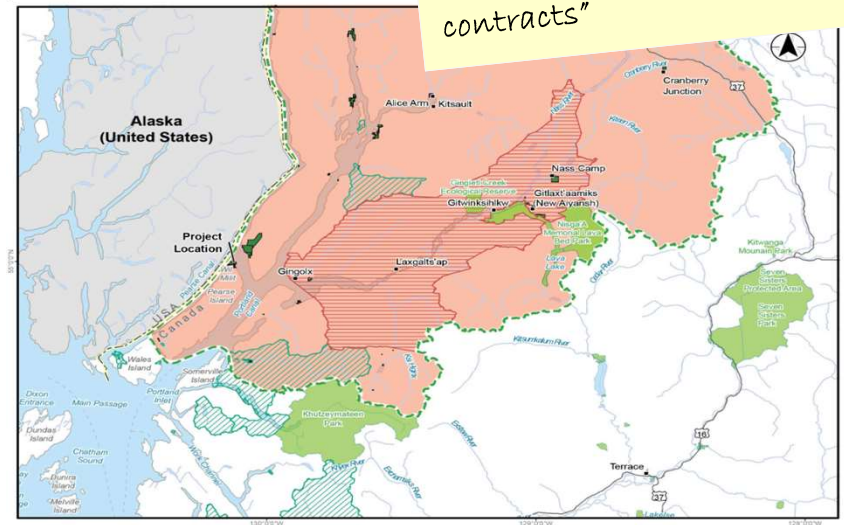
Our natural gas is primarily sourced from the Montney and Duvernay formations, along with some other conventional and unconventional resources in central Alberta.

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.

<https://www.rockieslng.com>



Paramount
resources



Disclaimer: KSI Lisims LNG assumes no responsibility for data supplied in electronic format. The recipient accepts full responsibility for verifying the accuracy and completeness of the data. The recipient releases KSI Lisims LNG, its officers, employees, consultants and agents, from any and all claims arising in any way from the content or provision of this data.



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.

Quarterly Track Record



	2022					2021					2020
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Operations											
<u>Production</u>											
NGLs (bbl/d)	12,949	12,840	13,263	13,411	12,273	11,653	11,038	11,164	12,289	12,138	11,308
Natural gas (mcf/d)	543,590	552,627	544,843	541,030	535,660	476,387	517,606	473,008	458,696	455,593	409,619
Barrels of oil equivalent (boe/d)	103,548	104,944	104,070	103,583	101,550	91,051	97,306	89,999	88,738	88,070	79,578
Year over Year % Growth	14%	8%	16%	17%	15%	14%	17%	15%	14%	12%	-2%
<u>Average Product Prices</u>											
NGLs (\$/bbl)	80.39	75.95	78.07	87.80	81.66	53.39	64.71	55.47	48.77	45.63	31.25
Natural gas (\$/mcf)	4.12	4.62	3.68	4.08	4.08	2.82	3.58	2.48	2.06	3.06	1.74
Op+Tran expenses (\$/mcf)	0.65	0.63	0.64	0.66	0.69	0.55	0.55	0.58	0.57	0.53	0.51
Field Netback ¹ (\$/mcf)	3.96	4.39	3.65	3.87	3.96	2.69	3.34	2.39	1.73	2.88	1.59
Financial (\$000)											
Revenue (net of royalties)	1,030,620	282,999	279,661	253,992	253,991	643,831	208,056	146,792	127,727	161,258	388,981
Funds from Operations ¹	827,596	220,815	197,388	205,901	203,492	469,672	166,165	104,608	82,191	116,709	212,710
Net earnings (loss)	390,663	113,441	84,861	94,545	97,816	1,522,448	71,718	29,271	12,760	38,500	(35,555)
Capital expenditures	529,080	115,040	140,400	108,089	165,551	365,058	108,951	90,170	57,086	108,851	235,704
Net Debt ¹	885,137	885,137	970,489	991,374	1,064,086	1,098,748	1,098,748	1,131,600	1,147,563	1,169,414	1,176,340
Common shares outstanding (000)	173,470	173,470	172,034	170,388	169,251	168,151	168,151	167,056	165,782	165,069	164,938
Weighted average shares	170,739	172,892	171,231	169,897	168,701	166,108	167,546	166,441	165,344	165,069	164,895
Per share data (\$/share)											
Funds from operations	4.85	1.28	1.15	1.21	1.20	2.83	0.99	0.63	0.50	0.71	1.29
Earnings (loss)	2.29	0.66	0.50	0.56	0.58	0.92	0.43	0.18	0.08	0.23	(0.22)
Dividends (Distributions)	0.60	0.15	0.15	0.15	0.15	0.13	0.10	0.01	0.01	0.01	0.09

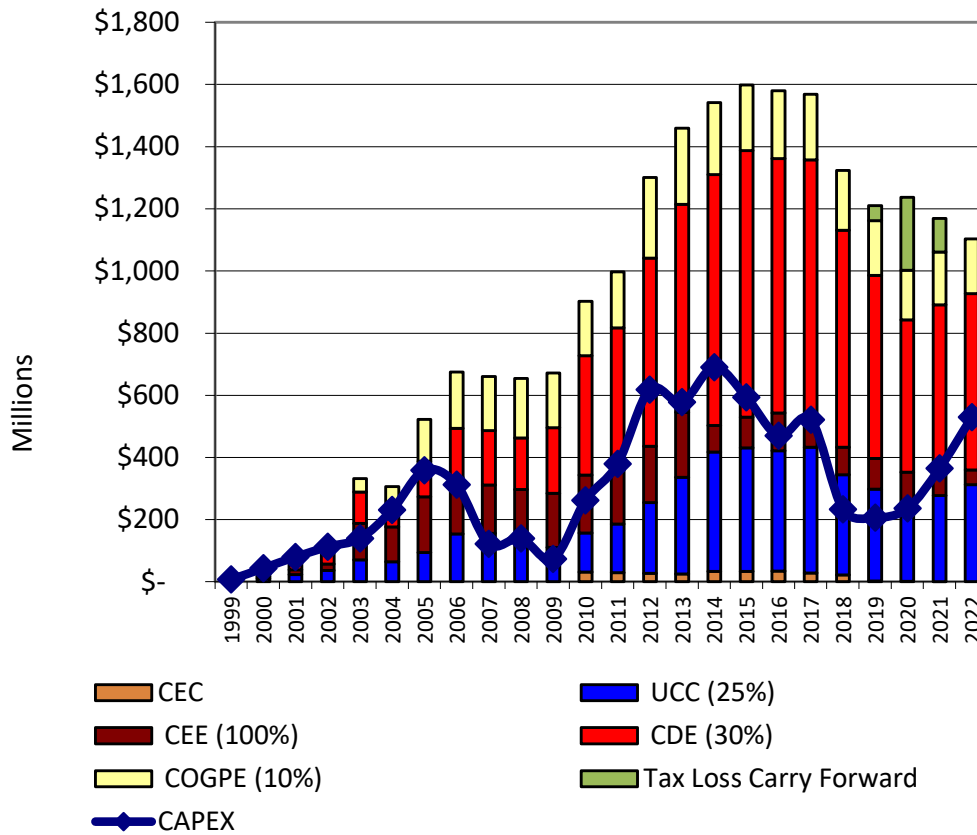
¹Funds from operations, funds from operations per share and net debt are non-GAAP financial measures or ratios. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information

BOE factor - 6 mcf = 1 bbl of oil equivalent

Organic Business Model

Peyto's Tax Pools

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



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

\$1.1B

Federal Tax Pools
Q4/22

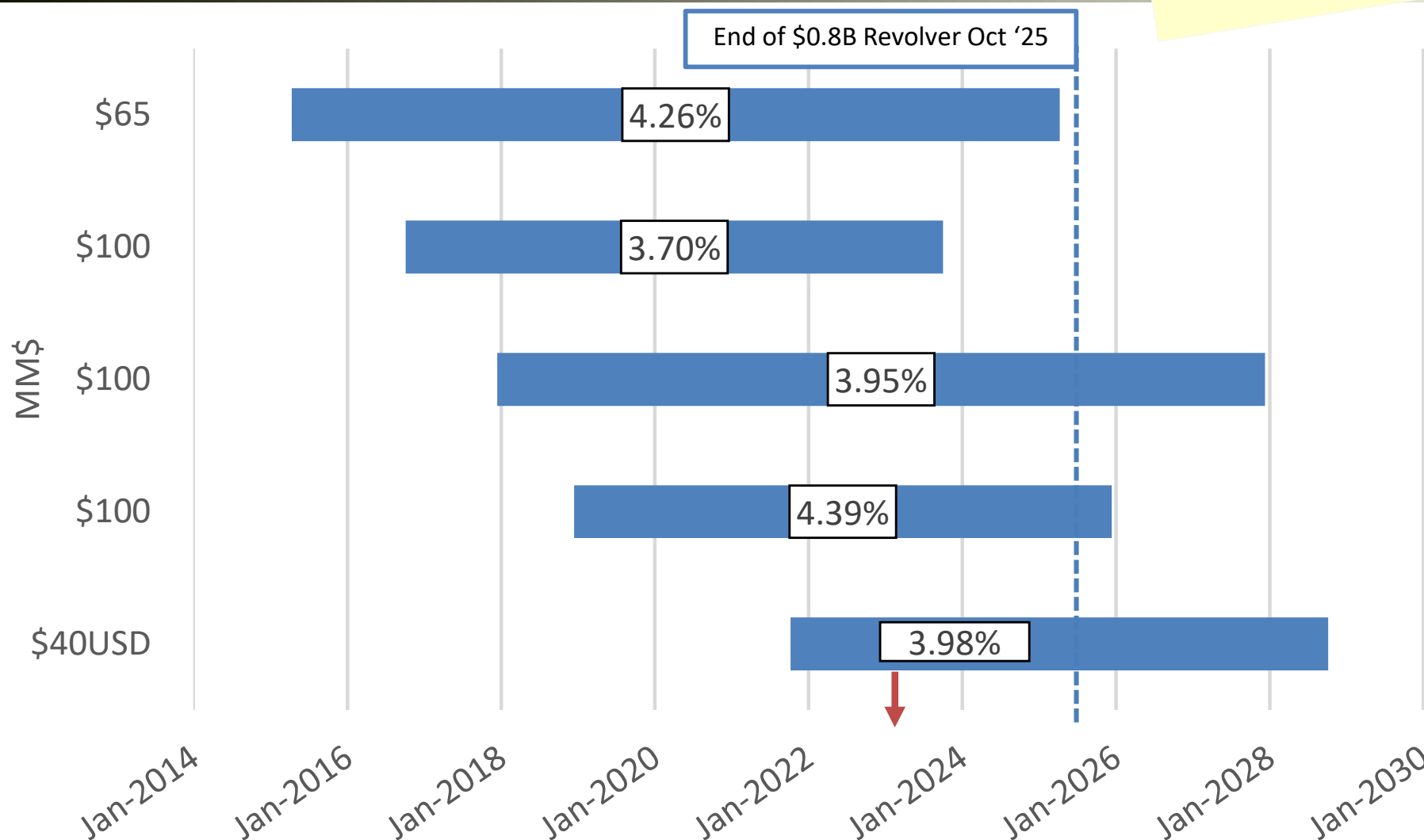
\$7.3B

Peyto CTD. CapEx
Q4/22

Peyto's Debt

Blend of fixed term and revolving debt

"Peyto will continue to pay down revolving debt in 2023 but will look to continue to term out debt at attractive rates."



Debt in CND\$ unless otherwise indicated

Advisories

PEYTO

Exploration & Development Corp.



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

PEYTO

Exploration & Development Corp.



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.

Advisories



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.

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.