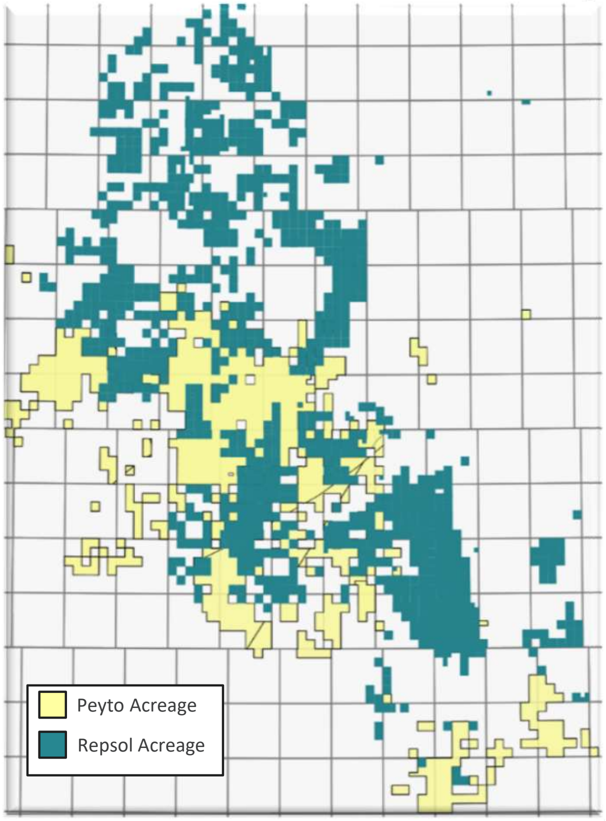
A preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. A copy of the preliminary short form prospectus, and any amendment, is required to be delivered with this document. The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, the final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

www.peyto.com

Peyto - Repsol Acquisition

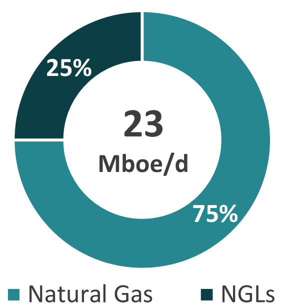
September 2023

ACQUISITION | HIGHLIGHTS

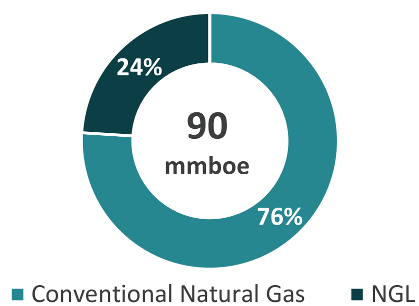


- ✓ Consideration of US$468 million (before closing adjustments)
- ✓ 455,000 net acres of land (average 65% WI) in the Edson area with indefinite continuation (no expiries)
- ✓ 23,000 boe/d[(1)(2)] (75% Natural Gas, 25% NGLs) at a 12% annual base decline rate
- ✓ 90 MMboe of PDP reserves and 306 MMboe of 2P reserves [(1)(3)]
- ✓ 5 operated gas processing plants, 571 MMcfd of gross capacity (71% WI) and only 35% utilized with 2,200 km of pipeline infrastructure (including Central Foothills Gas Gathering System)
- ✓ Over 800 gross low risk[(4)], horizontal locations (internally identified) in multiple Deep Basin Cretaceous horizons
- ✓ Potential growth from 23,000 to 100,000 boe/d on acquired lands

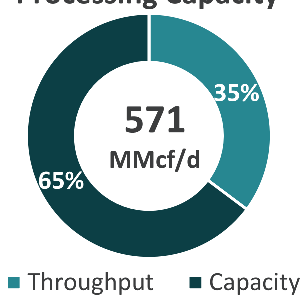
Current Production[(1)(2)]



PDP Reserves[(3)]



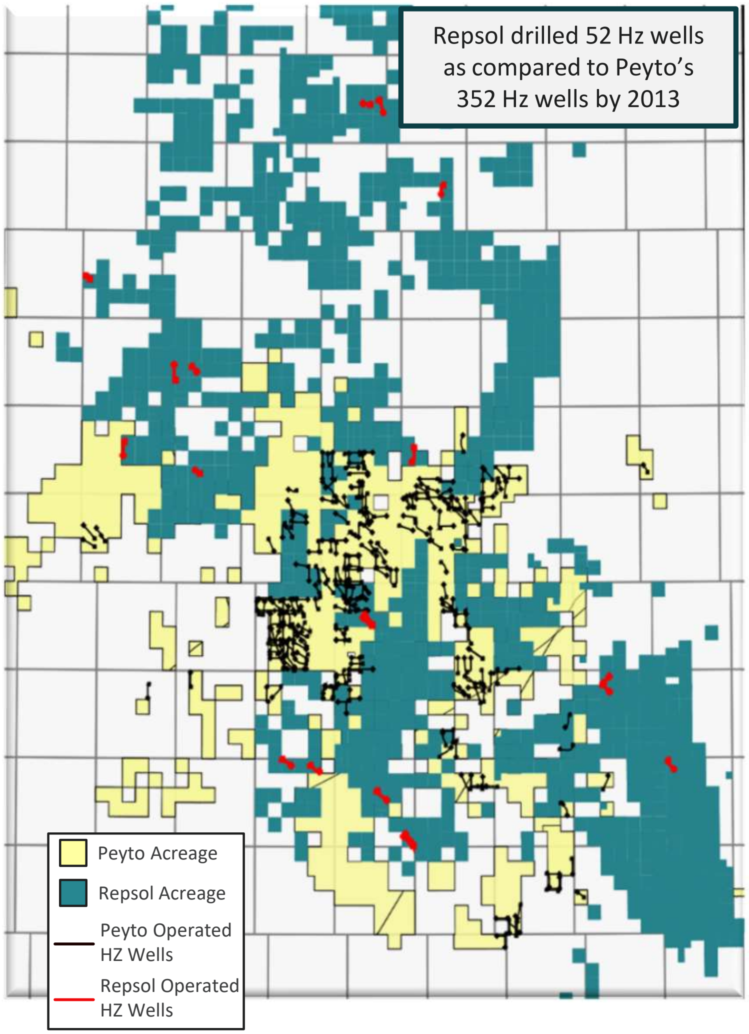
Processing Capacity



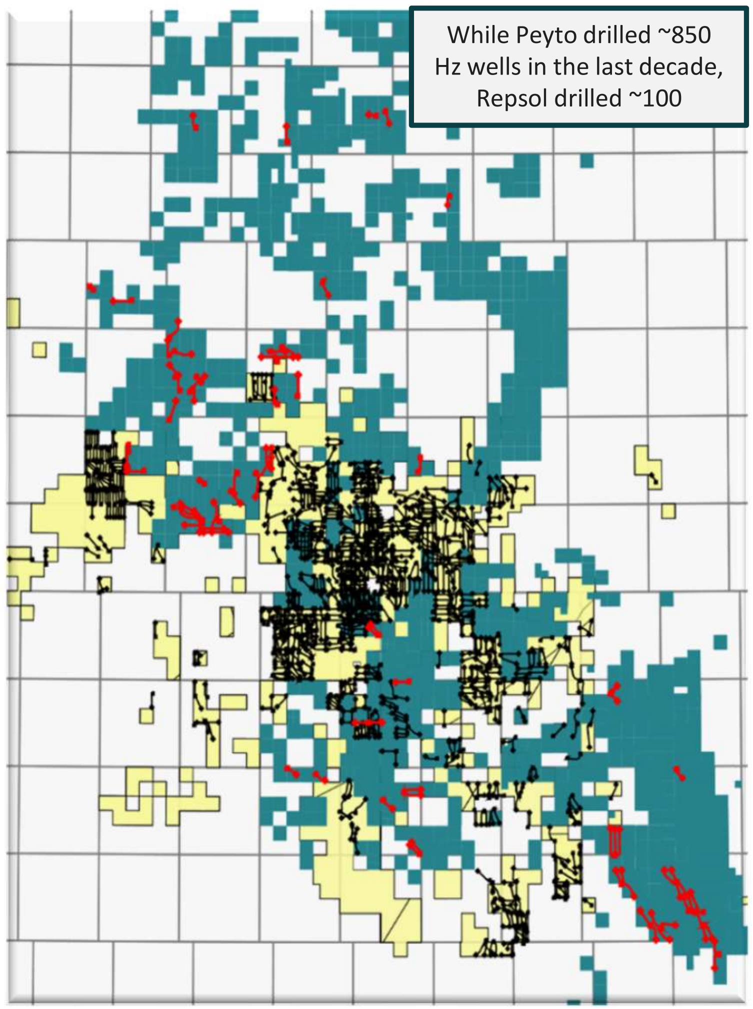
(1) *Production and Reserves converted at 6mcf:1boe for month of June, 2023*
(2) *Repsol Canada Energy Partnership ("Repsol") July 2023 production. Natural gas liquids contain approximately 35% Ethane, 26% Propane, 13% Butane, and 26% Pentanes plus, condensates, and oil*
(3) *As evaluated by GLJ Ltd. pursuant to report effective June 1, 2023 (the "GLJ Acquisition Report") using the average of the price forecasts by McDaniel & Associates Consultants Ltd, GLJ Ltd. and Sproule Petroleum Consultants as at April 1, 2023*
(4) *See "Advisory – Drilling Locations"*

ACQUISITION |DEEP DRILLING INVENTORY

PEYTO AND REPSOL - 2013



PEYTO AND REPSOL – PRESENT DAY



- **Drilling density on acquired lands represents where Peyto was 10 years ago**
- **Only five horizontal wells drilled on acquired lands in last five years**
- **Under-developed horizontal drilling on acquired land base provides material upside inventory**
- **Over 800 gross locations(1) to drill**

Formation	Internal(1)	GLJ(2)
Cardium	124	16
Dunvegan	112	67
Notikewin	160	47
Falher	181	89
Wilrich	187	56
Bluesky	60	22
Total	**>800**	**297**

(1) *Internally identified inventory reflective of horizontal lengths varying between 1 - 2-mile laterals depending on formation. See "Advisory – Drilling Locations"*
(2) *Per the GLJ Acquisition Report*

ACQUISITION| RESERVES

ATTRACTIVE VALUATION

PEYTO
Exploration & Development Corp.

The purchase price represents the value of the developed producing reserves, while the upside drilling locations, the unutilized facilities, and synergies are basically for free!

	Company Reserves[1]			Before Tax ($million)[2] [5]			After Tax ($million) [5]		
	Gas (bcf)	Liquids (MMbbls)	Total (MMboe)	NPV 5	NPV 8	NPV 10	NPV 5	NPV 8	NPV 10
PDP	409	22	90	$654	$566	$516	$498	$433	$396
2PDP[4]	536	29	118	$999	$813	$722	$766	$624	$554
Total Proved	972	33	195	$2,056	$1,708	$1,522	$1,560	$1,291	$1,146
Total Proved Plus Probable	1,544	49	307	$3,598	$2,842	$2,469	$2,747	$2,159	$1,869

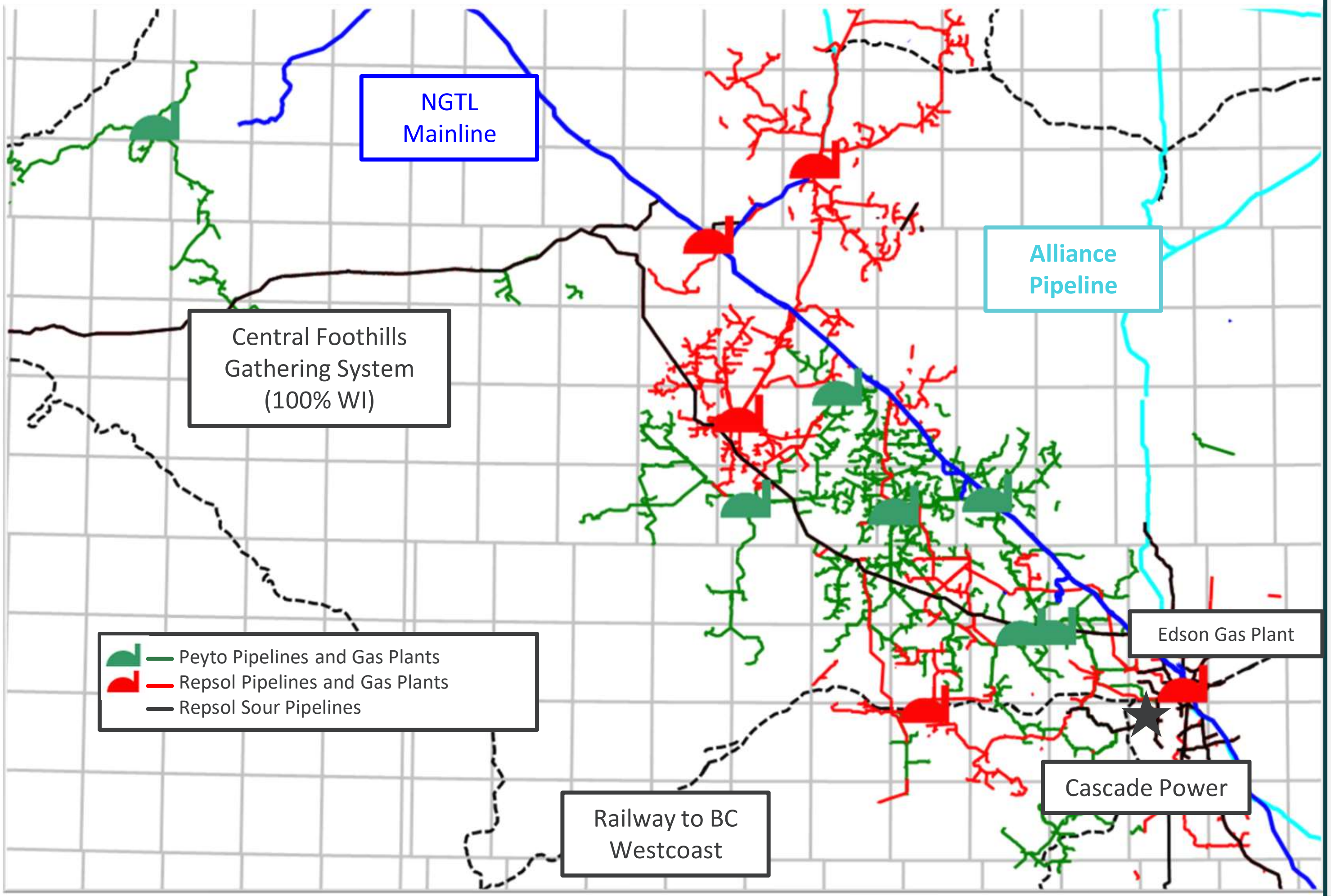
$636 MM purchase price[3] price implies PDP BT NPV_5

$636 MM purchase price[3] implies 2PDP AT NPV_8

(1) *Per the GLJ Acquisition Report*
(2) *Based on average of the price forecasts by McDaniel & Associates Consultants Ltd, GLJ Ltd. and Sproule Petroleum Consultants as at April 1, 2023*
(3) *US$468MM x 1.36 = $636MM*
(4) *2PDP represents the proved plus probable developed producing reserves*
(5) *Reserves values are inclusive of all estimated future abandonment and retirement obligations including inactive wells. These are estimated at $115 million discounted at 10% in the PDP category.*

PRO FORMA | FACILITY AND PIPELINES

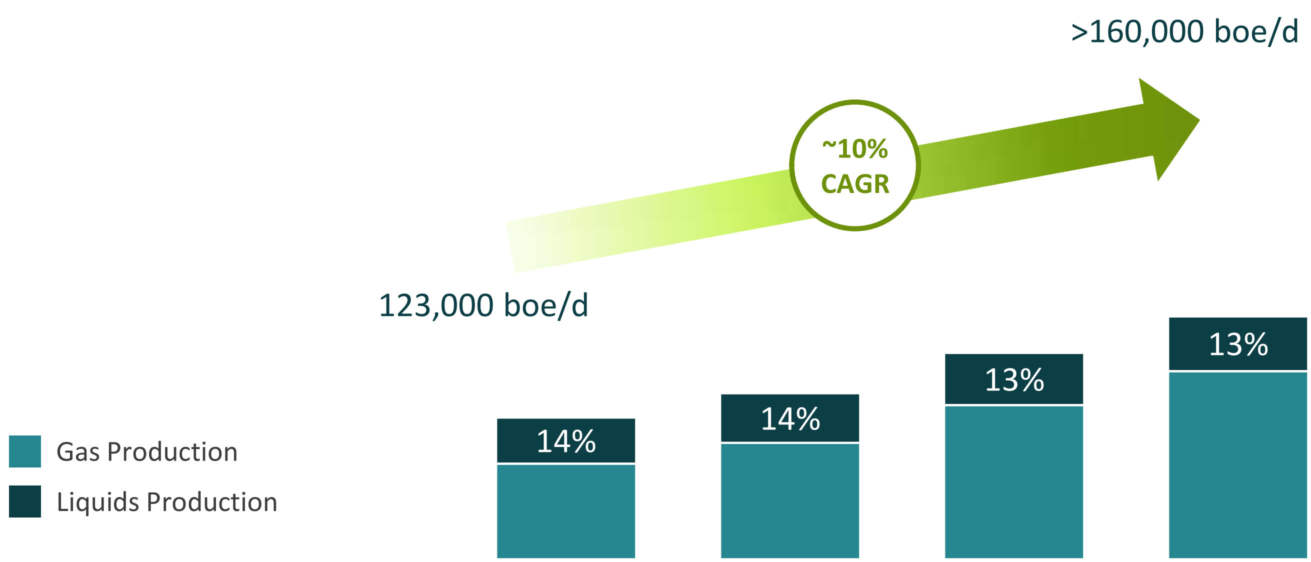
OVERLAPPING PIPELINES AND PROXIMAL PLANTS



- ✓ **17 Operated Gas Plants with 1.5 Bcf/d Gross Capacity (52% utilized)**
- ✓ **Vast interconnected gas gathering system allows for future flexibility and optimization capabilities**
- ✓ **Key access roads and leases allow for future development**
- ✓ **Strategic large diameter, Central Foothills Gas Gathering network extending from northwest to southeast that further expands Peyto's catchment area for commercial opportunities**
- ✓ **The Edson Gas Plant is strategically located on a major highway, railway, NGTL and Alliance transmission lines, and proximal to the Cascade power plant to take advantage of commercial opportunities**

PRO FORMA | 3 YEAR PLAN

GROWTH AND OPTIMIZATION



	Oct 2023	2024	2025	2026
Capital Expenditures	$450-500MM/year (2)			
Capital Efficiency	$10,000 – 11,000/boed (2)			
Production Growth (boe/d)	From 123,000 to over 160,000 by year end 2026			

(1) Based on August 22rd, 2023 strip price forecast

(2) Each of Capital Expenditures and Capital Efficiency are forward looking non-GAAP measures which do not have a standardized meaning under IFRS and may not be comparable to similar measures disclosed by other issuers. Capital efficiency is a non-GAAP ratio and does not have a standardized meaning under IFRS and may not be comparable to similar ratios disclosed by other issuers. Capital expenditures, a non-GAAP financial measure, is used as a component of the non-GAAP ratio. See "Non-GAAP and Other Financial Measures". There are no significant differences between the non-GAAP financial measures that are forward-looking information as set forth herein and the equivalent applicable historical non-GAAP financial measures.

(3) Debt to EBITDA ratio is a specified financial measure that is calculated in accordance with the financial covenants in the Company's credit agreement.. See "Non-GAAP and Other Financial Measures".

Business Plan Highlights (2024 – 2026)

✓ **Digest and Optimize**
- Integrate Repsol assets
- Quick wins on optimization/synergies

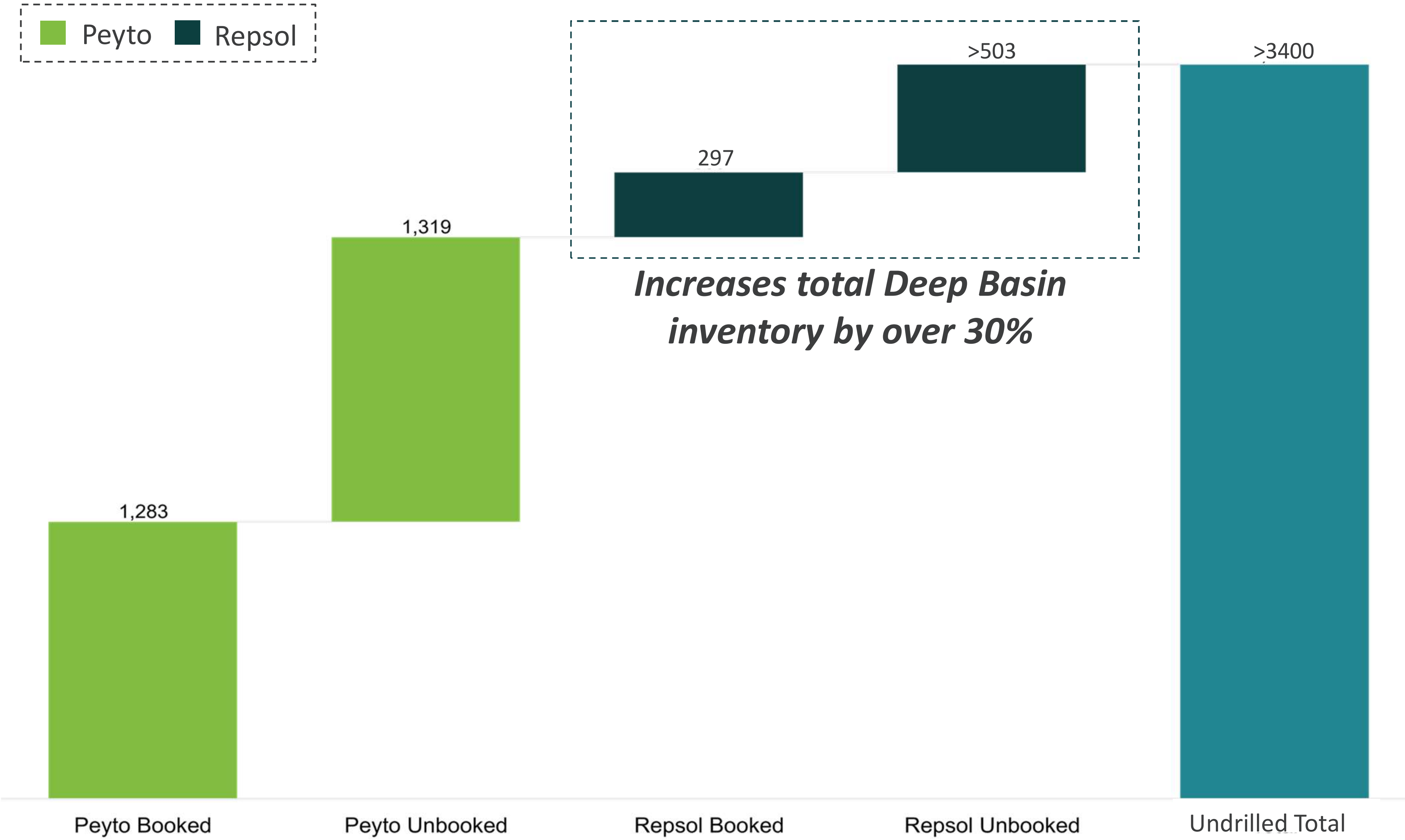
✓ **Growth**
- Production growth to over 160,000 boe/d
- Free Funds Growth for dividends and debt repayment
- Pro Forma ~ 13% natural gas liquids including Ethane

✓ **De-Risk and Debt Reduction**
- Continued hedging program to protect revenues
- Diversification to seasonal premium hubs and Cascade power plant
- Focus of sustaining dividend and debt reduction with leverage targeted below 1.0x Debt/EBITDA by year end 2025(1,3)

✓ **Enhanced Future Returns**
- 2026 and beyond allows for further debt reduction and increased dividends

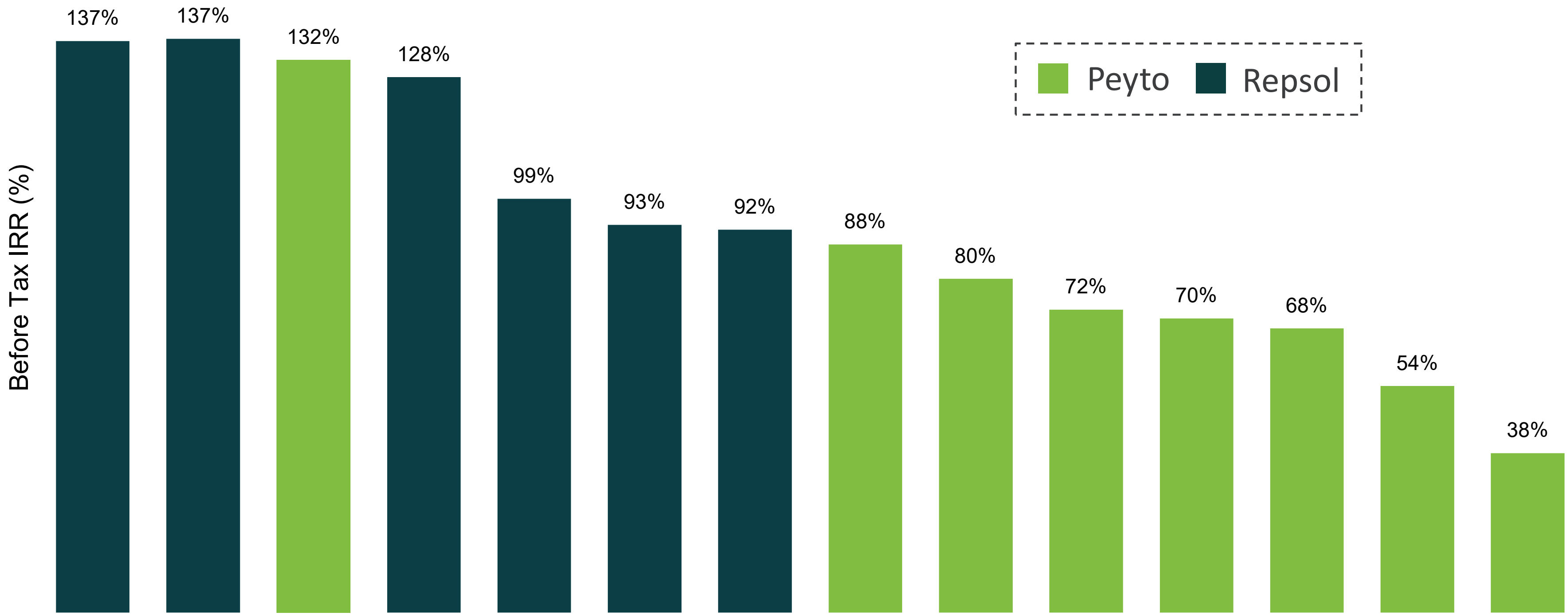
✓ **ARO**
- Intend to proactively spend $10MM on abandonment and reclamation projects

PRO FORMA | UNDRILLED INVENTORY(1)



(1) See "Advisory – Drilling Locations"

PRO FORMA | ACCRETIVE LOCATIONS



Parameters		Notikewin*	Dunvegan*	GBA Cardium	Falher*	Bluesky*	Wilrich*	Cardium*	GBA Notikewin	GSA Notikewin	GSA Dunvegan	GSA Falher	GBA Wilrich	GSA Cardium	GSA Wilrich
Gas	(MMcf)	5,364	4,620	2,559	5,388	5,338	5,478	3,253	3,584	4,697	4,702	4,155	3,831	1,280	3,778
NGLs	(Mbbl)	107	80	110	98	106	100	179	101	67	71	82	132	86	39
EUR	(Mboe)	1,000	850	540	1,000	1,000	1,010	720	700	850	860	770	770	300	670
IP12	(Mcfe/d)	3,900	3,900	2,700	3,900	3,700	3,800	2,300	2,900	3,400	3,000	2,900	2,700	1,500	2,600
$DCET_{1/2\ cycle}$	($m)	$4,770	$4,880	$3,950	$4,960	$5,330	$5,230	$4,310	$4,470	$4,810	$4,820	$4,700	$5,180	$3,520	$5,130
BTAX IRR	(%)	137%	137%	132%	128%	99%	93%	92%	88%	80%	72%	70%	68%	54%	38%
Payout	(Years)	1.0	1.0	0.9	1.1	1.2	1.3	1.3	1.2	1.4	1.5	1.5	1.5	1.5	2.3
NPV @ 10%	($m)	$10,600	$9,500	$6,400	$10,600	$10,000	$9,500	$8,400	$6,100	$7,200	$7,300	$6,700	$6,900	$2,600	$4,600

Note: Economic parameters based on August 22nd, 2023 strip price forecast.
See 'Advisory – Oil and Gas Metrics'

ACQUISITION FINANCING |

Purchase Price	Cash consideration of US$468MM (before closing adjustments)
Revolving Credit Facility	Commitment to upsize revolving credit facility from $800MM to $1B
Term Loan	Commitment to a Two-Year term loan facility for $300MM
Equity Financing	Bought deal equity financing of $125MM

Financing Highlights

- ✓ Combination of debt and equity provides for shareholder accretion while maintaining balance sheet strength
- ✓ Current dividend sustainable, under a maintenance capital program, down to US$2.00/MMbtu NYMEX in conjunction with Peyto's disciplined hedging program
- ✓ Potential for increasing shareholder dividends while reducing debt from free cash flow growth[1]

(1) Based on August 22nd, 2023 strip price forecast. See also "Forward Looking Statements"

ADVISORIES

This presentation relates to a public offering of subscription receipts (the "Subscription Receipts") of Peyto Exploration & Development Corp. (the "Company" or "Peyto"). The information provided in this presentation is not intended to provide financial, tax, legal or accounting advice. Each offeree, prior to investing in the Subscription Receipts, should perform and rely on its own investigation and analysis of the Company and the terms of the offering of the Subscription Receipts, including the merits and risks involved.

THE SUBSCRIPTION RECEIPTS AND UNDERLYING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS. THE SUBSCRIPTION RECEIPTS AND UNDERLYING SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, BY ANY STATE SECURITIES REGULATORY AUTHORITY OR BY ANY CANADIAN PROVINCIAL SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY SUCH STATE REGULATORY AUTHORITY, OR ANY CANADIAN PROVINCIAL SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.ACY

Forward Looking Statements

This presentation contains forward-looking information (forward-looking statements). Words such as "guidance", "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Company or any affiliate of the Company, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among other things, the effect of the proposed Acquisition, Peyto's strategy, business objectives, expected growth, results of operations, performance, reserves, financial projections, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: the pro-forma effects of the Acquisition on Peyto's, production, reserves, drilling locations, gas processing capacity, corporate decline rates, corporate efficiencies and synergies, cost savings, economic factors, business plans and intentions after completing the Acquisition, including dividend payments, indebtedness, anticipated adjusted funds flow, capital expenditures free cash flow and net debt, hedges, abandonment and reclamation plans, future production rates, future total debt to EBITDA levels, capital efficiencies, cash costs, industry comparisons, capital allocation priorities, other business plans and intentions, timing for closing of the offering of Subscription Receipts, the terms of the Subscription Receipts, expected adjustments to the purchase price of the Acquisition, use of debt and equity proceeds to support the purchase price for the Acquisition. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Such statements reflect Peyto's current expectations, estimates, and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include: closing of the Acquisition on the terms presenting contemplated, dividend levels; debt levels, current forward curves, well type curves, effective tax rates, the U.S./Canadian dollar exchange rate, financing initiatives, the performance of the Peyto's business and acquired business, impacts of the hedging program, commodity prices, weather, access to capital, timing and receipt of regulatory approvals, timing of in-service dates of new projects and acquisition and divestiture activities, operational expenses, and returns on investments. Peyto's forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: risks related to the closing of the Acquisition, risks that current assumptions and estimates may be inaccurate, health and safety risks; operating risks; service interruptions; transportation of petroleum products; market risk; inflation; general economic conditions; changes in commodity prices, unknown liabilities or deficiencies in the acquired business; ability of Peyto to use its current tax pools and attributes in the future and that the use of such tax pools and attributes will not be successfully challenged by any taxing authority; cyber security, information, and control systems; climate-related risks; environmental regulation risks; regulatory risks; litigation; changes in law; Indigenous and treaty rights; dependence on certain partners; political uncertainty and civil unrest; decommissioning, abandonment and reclamation costs; reputation risk; weather data; capital market and liquidity risks; interest rates; internal credit risk; foreign exchange risk; debt financing, refinancing, and debt service risk; counterparty and supplier risk; technical systems and processes incidents; growth strategy risk; construction and development; underinsured and uninsured losses; impact of competition in Peyto's businesses; counterparty credit risk; composition risk; collateral; market value of common shares and other securities; variability of dividends; potential sales of additional shares; labor relations; key personnel; risk management costs and limitations; commitments associated with regulatory approvals for the Acquisition; transition cost risks; failure of service providers; risks related to pandemics, epidemics or disease outbreaks, including COVID-19; and the other factors discussed under the heading "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2022 and set out in Peyto's other continuous disclosure documents. Many factors could cause Peyto's or any particular business segment's actual results, performance or achievements to vary from those described in this presentation, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this presentation as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted and such forward-looking statements included in this presentation, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty, or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and Peyto's future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this presentation. Peyto does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this presentation are expressly qualified by these cautionary statements. Financial outlook information contained in this presentation about prospective financial performance, financial position, or cash flows is based on assumptions about future events, including the closing the Acquisition, economic conditions and proposed courses of action, based on Peyto management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this presentation should not be used for purposes other than for which it is disclosed herein.

Development Plan

The Company has presented herein a three-year illustrative development plan that provides for developing both the acquired assets and Peyto's current assets. The development plan is based on a number of assumptions including, without limitation: the required reinvestment rates to maintain production; expected results from wells drilled in the areas; expected recovery factors enhanced oil recovery options; average production per year resulting from such development plan; expected cash flow and free cash flow; capital expenditures per year; expectations as to commodity prices, royalty rates, production costs, general and administrative expenses and certain other assumptions. See "Type Curves" below. Such plan is not based on a budget or capital expenditures plan approved by the Board of Directors of the Company and is not intended to present a forecast of future performance or a financial outlook. In addition, such three-year plan does not represent management's expectations of the Company's future performance but rather is intended to present readers insight into management's view of the opportunities associated with the Acquisition as used by management for planning and strategy purposes based on the commodity pricing and other assumptions used for such strategy. In addition, the plan does not represent an estimate of reserves or the future net present value of reserves. There is no certainty that the Company will proceed with all of the drilling of wells or capital expenditures contemplated by the plan and even if the Company does proceed with such plans there is no certainty that the reserves recovered will match the expectations used for such plan. All future drilling and capital expenditures 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. The assumptions used for the plan presented herein are subject to a number of risks including the risks set out under the forward-looking advisory set out above.

Drilling Locations

*This presentation discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. In respect of the Acquisition, proved locations and probable locations are derived from the GLJ Acquisition Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. In respect of Peyto, proved locations and probable locations are derived from the independent engineering evaluation of Peyto's oil, NGLs and natural gas interests prepared by GLJ dated February 17, 2023 and effective December 31, 2022 (the "**Peyto Reserves Report**"). Unbooked locations are internal estimates based on 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. Of the 800 gross drilling locations identified herein in respect of Repsol, 215 gross are proved locations, 82 gross are probable locations and 503 gross are unbooked locations. Of the 2,614 gross drilling locations identified herein in respect of Peyto, 805 gross are proved locations, 490 gross are probable locations and 1,319 gross are unbooked locations. Unbooked locations have been identified by management as an estimation of Peyto's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Peyto will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which Peyto 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, some of the other unbooked drilling locations are further 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 or production*

Reserves and BOEs

The reserves disclosures contained in this presentation with respect to Peyto and the assets associated with the potential Repsol acquisition are derived from the Peyto Reserves Report and the GLJ Acquisition Report, respectively. The foregoing reports were prepared using assumptions and methodology guidelines outlined in the COGE Handbook and in accordance with NI 51-101. The reserves have been categorized in accordance with the reserves definitions as set out in the COGE Handbook, which are set out below. Reserves are estimated remaining quantities of petroleum anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be sub-classified based on development and production status. Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations. Probable Reserves are those additional quantities of petroleum that are less certain to be recovered than Proved Reserves, but which, together with Proved Reserves, are as likely as not to be recovered. It should not be assumed that the future net revenues (NPV 0, 5 and 10) included in this presentation represent the fair market value of the reserves. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil ("BOE"). Peyto uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

Oil and Gas Metrics

Peyto has used a number of oil and gas metrics herein which do not have standardized meanings and therefore may be calculated differently from the metrics presented by other oil and gas companies. Such metrics include "DCET", "EUR", "payout", "Before tax IRR" and "NPV @ 10%". DCET includes all capital spent to drill, complete, equip and tie-in a well (also referred to as a future drilling location). EUR represents the estimated ultimate recovery of resources associated with the type curve presented. Payout means the anticipated years of production from a well required to fully pay for the DCET of such well. Before tax IRR means the rate of return of a well (before giving effect to any taxes) or the discount rate required to arrive at a net present value equal to zero. The Company uses IRR as a measure of return on capital investment. NPV @ 10% means net present value, before tax discounted at 10%.

IP12 represents the total production from a well over its initial 12 month period.

These oil and gas metrics do not have any standardized meanings or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. As such, they should not be used to make comparisons. Peyto management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Peyto's performance over time; however, such measures are not reliable indicators of Peyto's future performance, which may not compare to Peyto's performance in previous periods, and therefore should not be unduly relied upon.

Peyto has presented type curves and well economics for Peyto and acquired assets which are based on the historical production for such assets, in addition to production history from analogous developments located in close proximity to the assets. Such type curves and well economics are useful in understanding Peyto management's assumptions of well performance in making investment decisions in relation to development drilling in the Deep Basin area and for forecasting future production; 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 curve does not necessarily reflect the type curves used by GLJ in estimating the reserves volumes in relation to the subject assets. There is no certainty that Peyto will be able to achieve the optimized type curves presented, well economics and estimated ultimate recoverable volumes described. In this presentation, estimated ultimate recovery represents the estimated ultimate recovery associated with the type curve presented; however, there is no certainty that Peyto will ultimately recover such volumes from the wells it drills.

Non-GAAP and Other Financial Measures

This presentation contains references to certain non-GAAP financial measures and ratios and industry measures that are used by the Company as supplemental indicators of the financial performance of the Company. Such measures and ratios include capital expenditures, capital efficiencies and debt to EBITDA. Such measures and ratios are not recognized under IFRS and do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures used by other companies. The Company believes presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. Readers are encouraged to evaluate each adjustment and the reasons the Company considers it appropriate for supplemental analysis. 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.

Peyto uses the term total capital expenditures as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures, and such spending is compared to the Company's annual budgeted capital expenditures.

Capital efficiency is the cost to add new production in the year and is calculated as capital expenditures (a non-GAAP measure described above) divided by total production added at year end.

Total Debt to EBITDA is a leverage ratio that is used in the Company's credit facility as a financial covenant. See "Liquidity and Capital Resources" in the Interim MD&A incorporated by reference herein.

Capital expenditures and various other supplementary financial measures are defined in the Company's management and discussion and analysis for the period ended June 30, 2023 and reconciled to their most directly comparable financial measures under IFRS for the three months ended June 30, 2023. All such reconciliations in respect of the Corporation are in the "Non-GAAP and Other Financial Measure" section of the Interim MD&A, which is available on Peyto's SEDAR+ profile at www.sedarplus.com and such reconciliation is incorporated by reference herein.

In respect of any non-GAAP measure or ratio that is forward looking, including capital efficiency and capital expenditures, there are no significant differences between the non-GAAP financial measures that are forward-looking information as set forth below and the equivalent applicable historical non-GAAP financial measure noted herein. Such measure may also constitute future-oriented financial information or financial outlook, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth herein and above under "Forward-Looking Statements". Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, such future-oriented financial information or financial outlook, or if any of them do so, what benefits Peyto will derive therefrom. Peyto has included this future-oriented financial information or financial outlook in order to provide readers with a more complete perspective on Peyto's business following the Acquisition and such information may not be appropriate for other purposes. This future-oriented financial information or financial outlook is prepared as of the date of this presentation.

Material assumptions relating to capital expenditures include internal cost estimates and planned activity levels. Material assumptions relating to capital efficiencies include Peyto's internal capital expenditure estimates and aggregated well production estimates at year end, from new wells brought on production in the year. Material assumptions relating to expected debt to EBITDA at the end of 2025 include August 22, 2023 strip prices: 2024 NYMEX - US$3.52/MMBtu; 2025 NYMEX - US$4.00/MMBtu; 2024 AECO - $3.07/GJ; 2025 AECO - US$3.68/GJ; 2024 WTI - US$76.30; 2025 WTI - US$72.36; and CAD/USD FX rate - 1.353.