FOR IMMEDIATE RELEASE OCTOBER 17, 2011

TSX SYMBOL: PEY

PEYTO EXPLORATION & DEVELOPMENT CORP. CONFIRMS DIVIDENDS FOR FOURTH QUARTER 2011

CALGARY, ALBERTA- Peyto Exploration & Development Corp. ("Peyto") declares the following dividends, payable to shareholders of its common shares at the close of business on the record dates indicated.

Dividend Amount per Common Share	Record Date	Ex-Dividend Date	Payment Date
$0.06	October 31, 2011	October 27, 2011	November 15, 2011
$0.06	November 30, 2011	November 28, 2011	December 15, 2011 (*)
$0.06	December 31, 2011	December 28, 2011	January 13, 2012 (*)

(*) Dividends are at the discretion of the Board of Directors and subject to change.

Dividends paid by Peyto to Canadian residents are eligible dividends for Canadian income tax purposes.

We encourage you to actively visit Peyto's website located at www.peyto.com where you will find monthly reports that follow the progress of Peyto's capital program. For further information please contact:

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Certain information set forth in this document, including management's assessment of Peyto's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Peyto will derive therefrom. The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.