



PEYTO ENERGY TRUST

Peters & Co. North American Oil & Gas Conference

September 2008

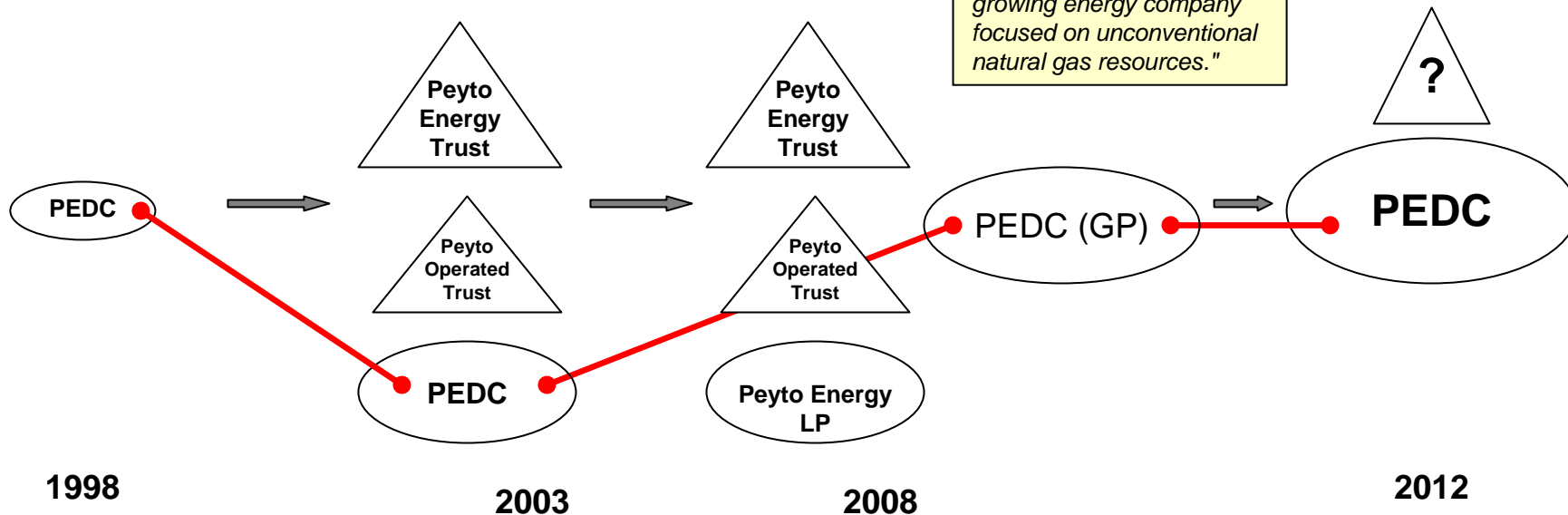
www.Peyto.com

2011

What is Peyto going to be?



"Peyto will be what it has always been, a profitable, growing energy company focused on unconventional natural gas resources."

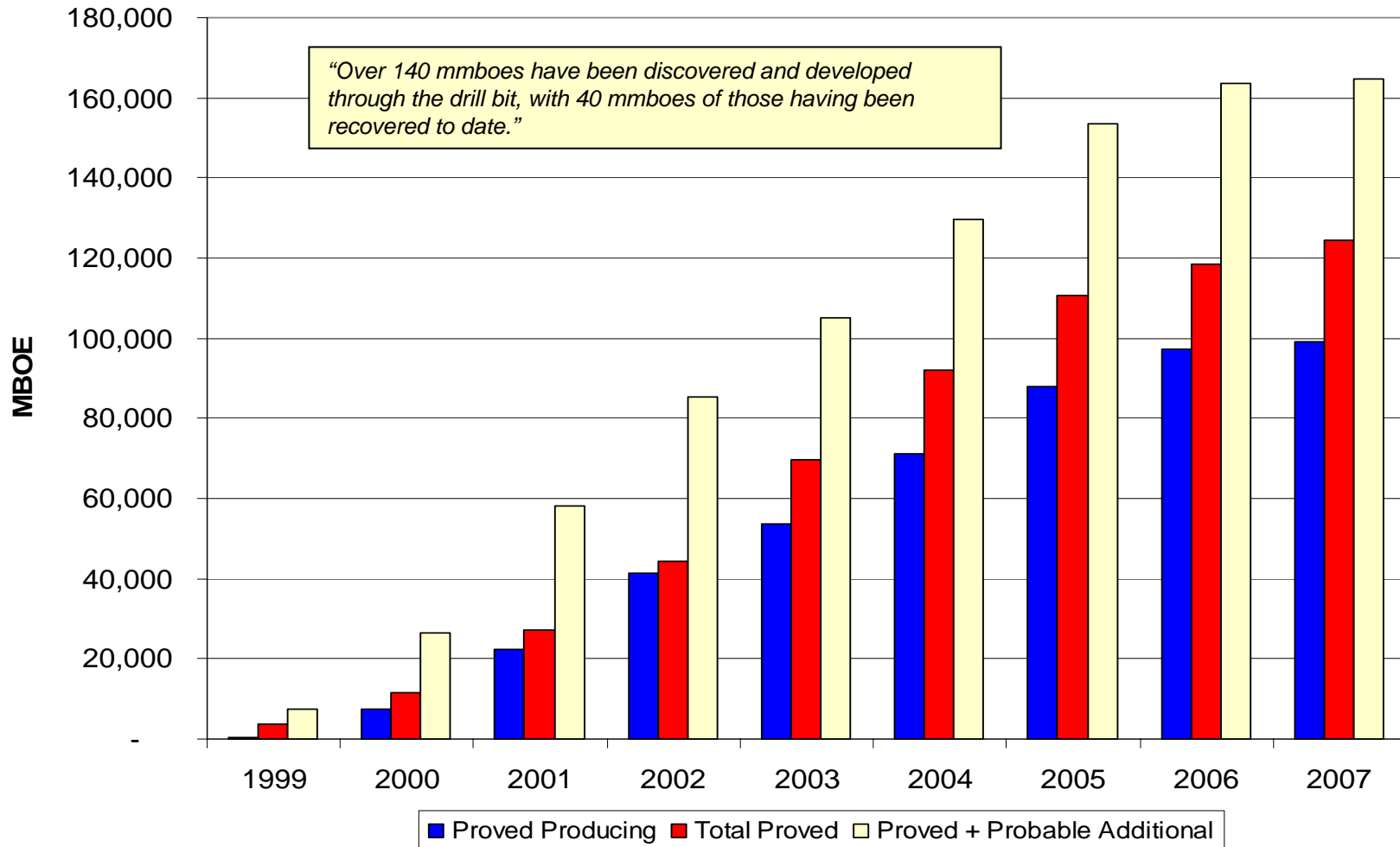


Peyto Exploration and Development Corp. (PEDC)

- **An Exploration Company**
 - Explore for and develop new natural gas reserves
- **A Production Company**
 - Efficiently operate and produce the reserves we find

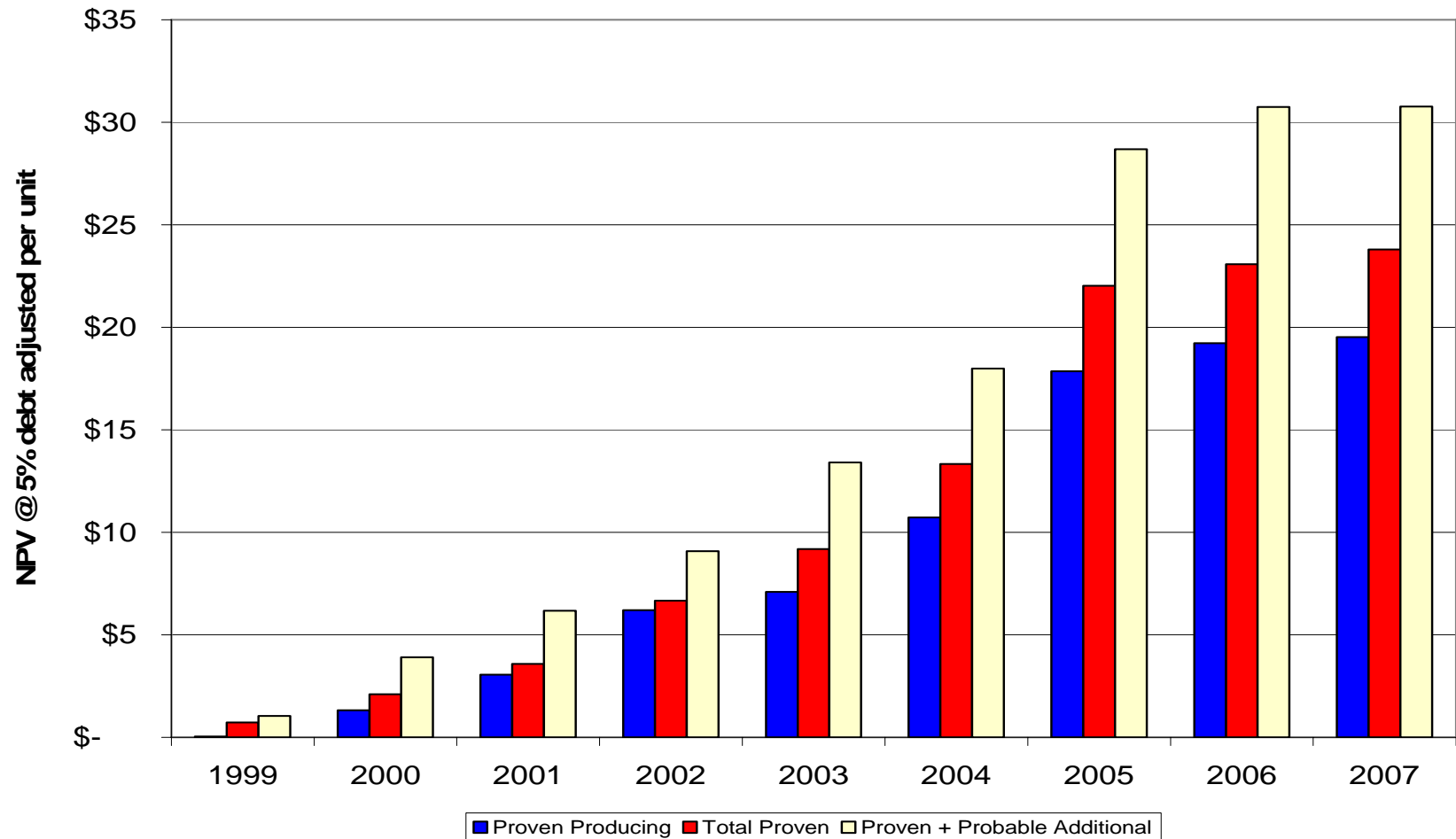
A Growing Company

Reserves Growth



A Growing Company

Net Asset Value Growth

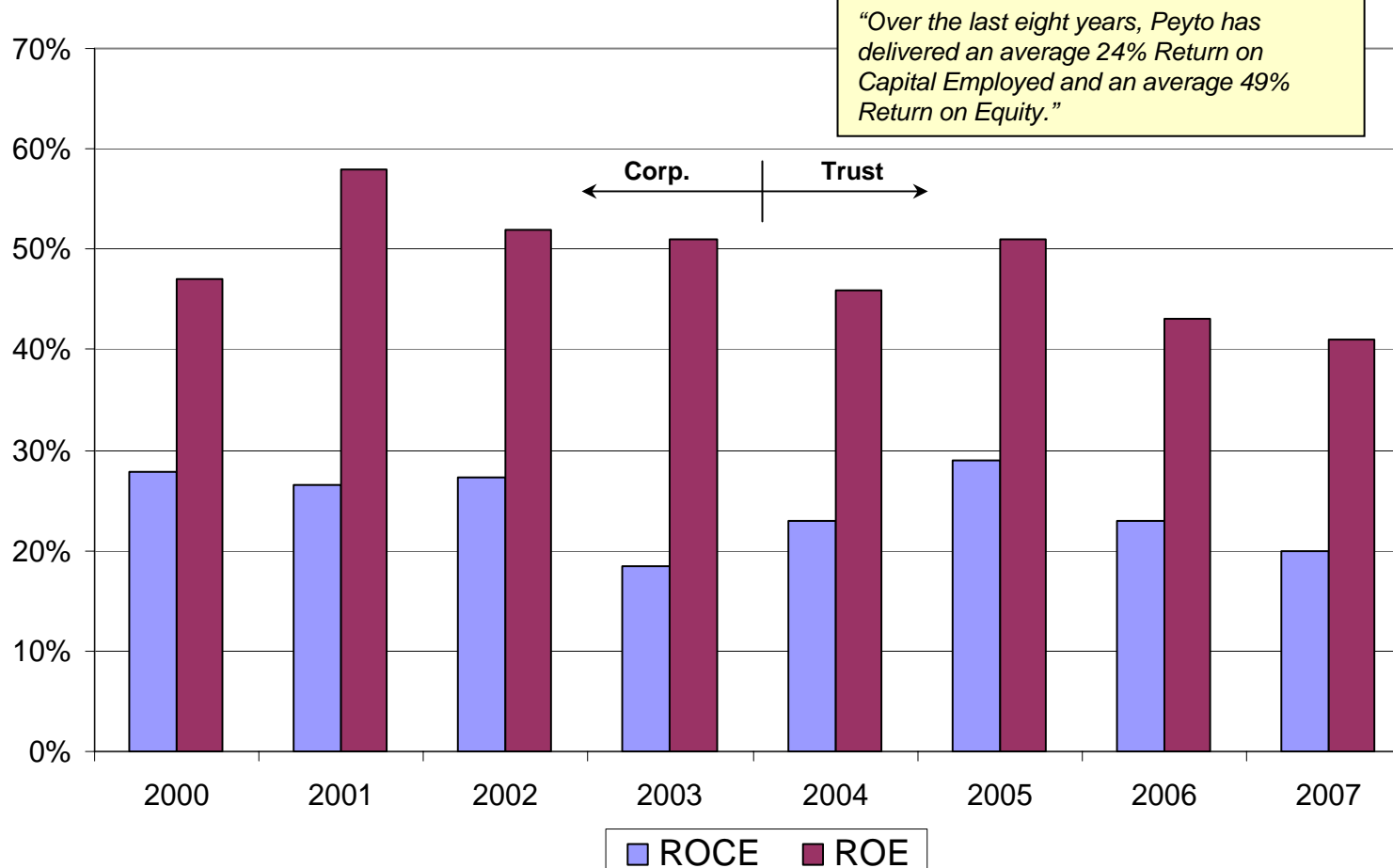


Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

A Profitable Company

Strong Returns on Capital and Equity

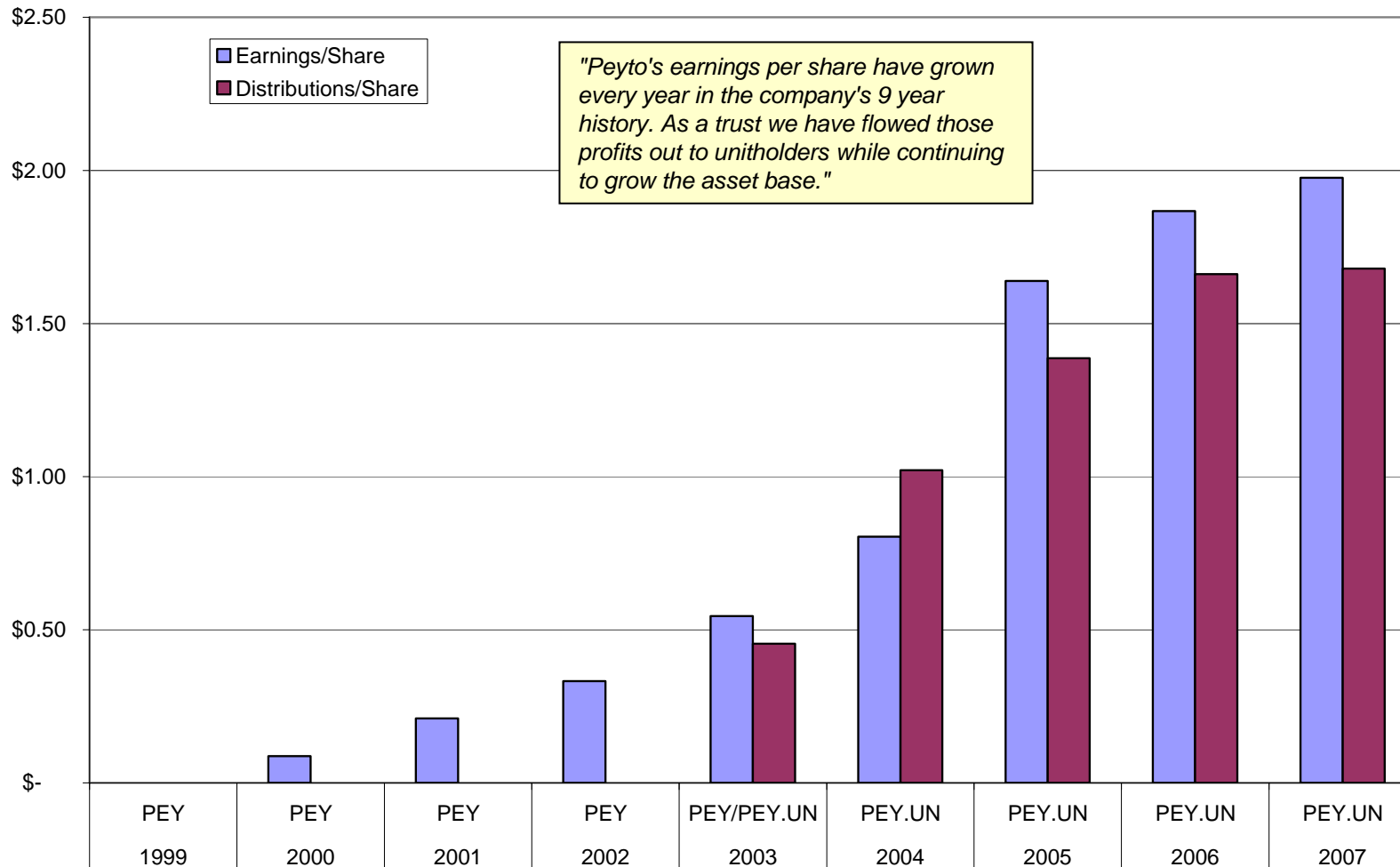


Return on Equity (ROE) is earnings for the period divided by average unitholders equity

Return on Capital Employed (ROCE) is earnings before interest and tax for the period divided by total assets less current liabilities

A Profitable Company

Profits and Distributions History



Peyto Exploration

Strategy, We Build it Ourselves

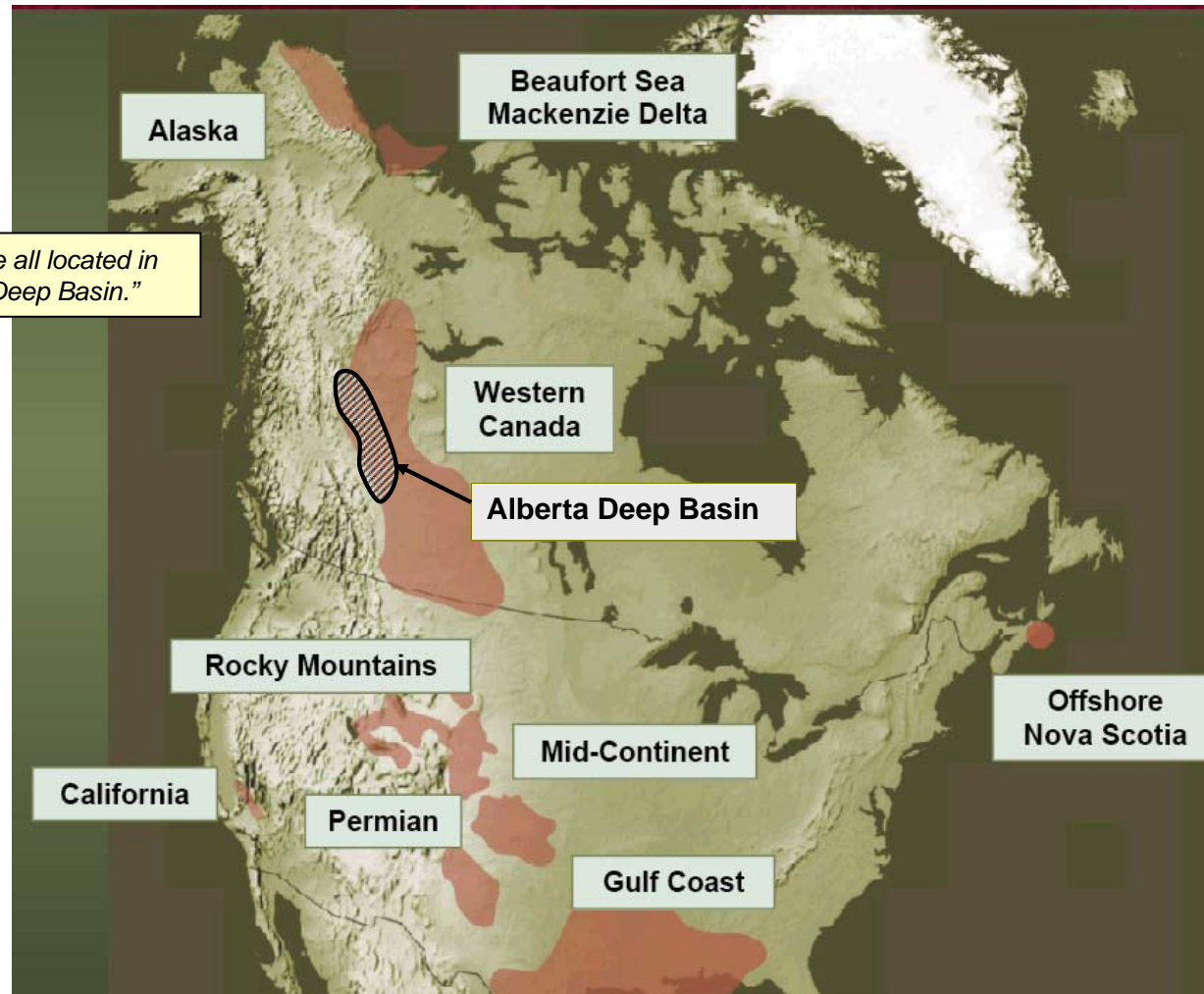


Exploring for Tight Gas

North American Tight Gas Deep Basins



"Peyto's Assets are all located in Canada's Alberta Deep Basin."



Map Courtesy of GTI

Deep Basin Tight Gas

General Area of Operations Map

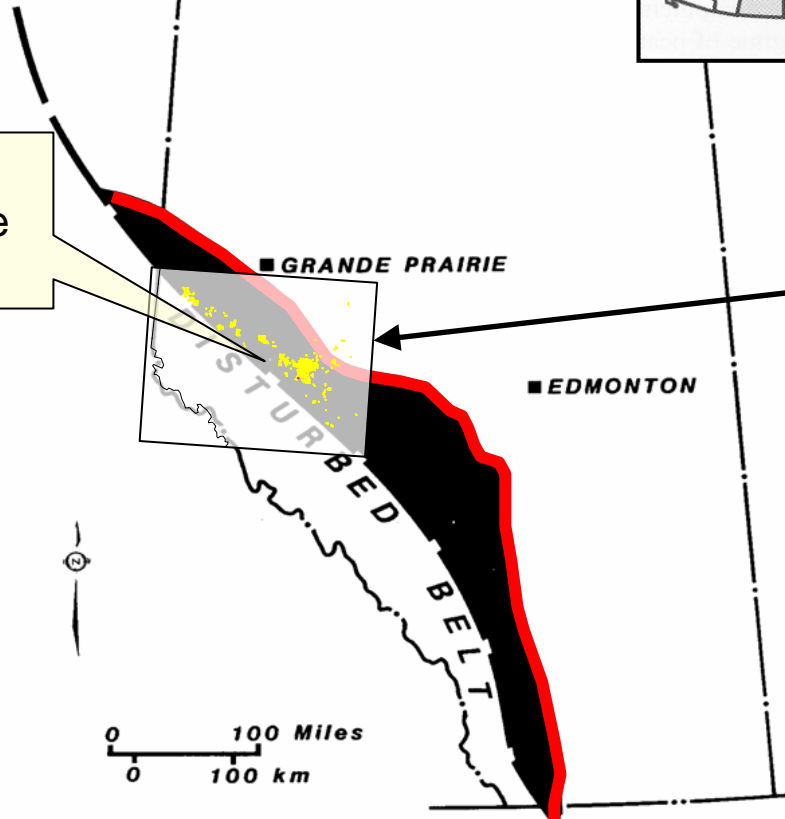


"Over the past nine years, Peyto has focused its efforts on a design, drill and build strategy exclusively in the Deep Basin. The Deep Basin is considered Alberta's premier exploration area for high quality long life gas reserves."

A L B E R T A

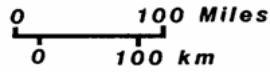


Peyto's Sundance Area



Alberta's Central Deep Basin Activity (November 2007)

Rank	Company	Wells, On Production (Since Jan 1, 1999)
1	CanHunter/Burlington/ConocoPhillips	1045
2	RioAlto/CNRL/Anadarko	934
3	Peyto	600
4	Petromet/Talisman	516
5	Anderson/Devon	426



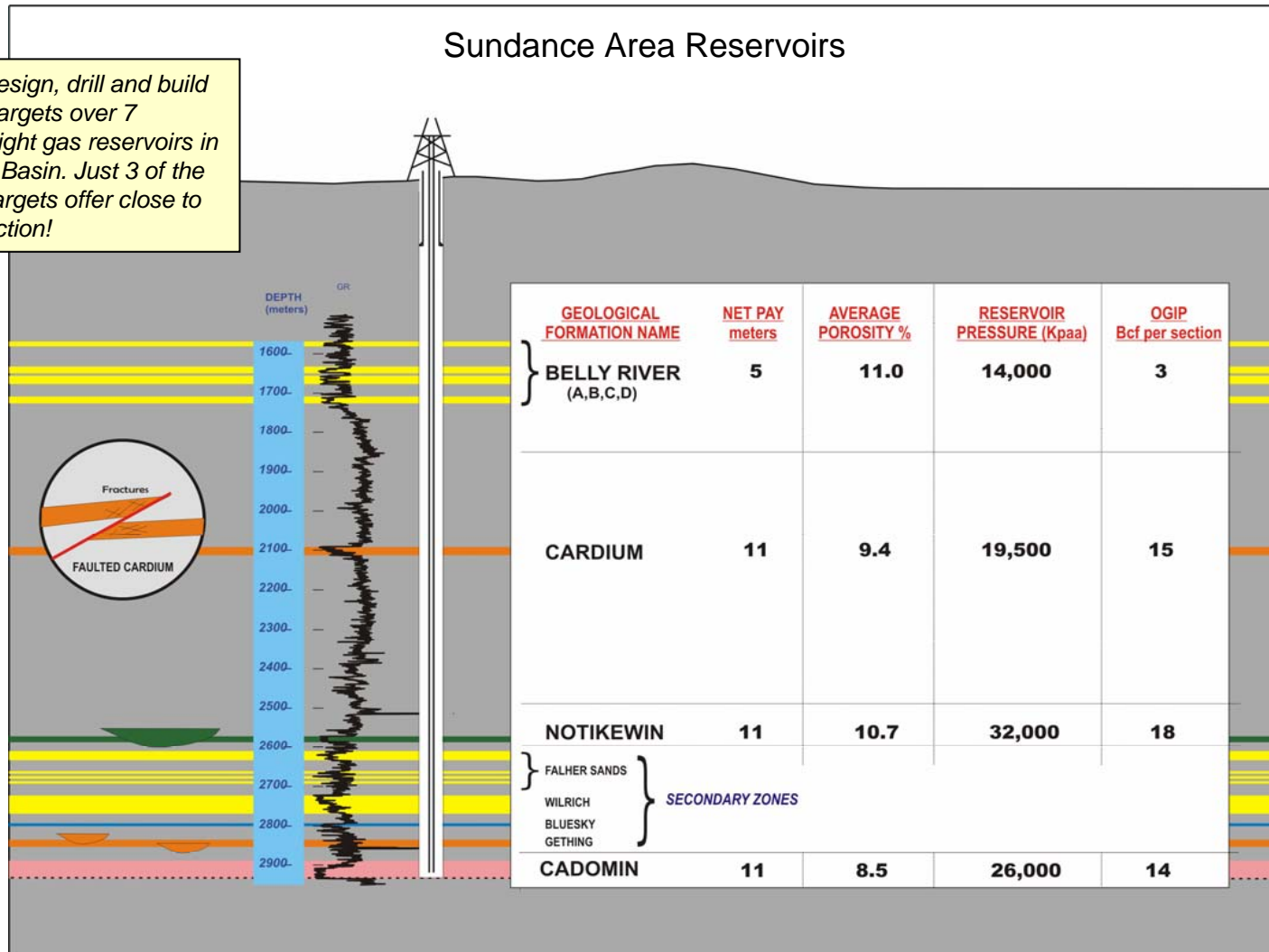
Deep Basin Tight Gas

Multiple Vertical Targets



Peyto's design, drill and build strategy targets over 7 different tight gas reservoirs in the Deep Basin. Just 3 of the primary targets offer close to 50 bcf/section!

Sundance Area Reservoirs

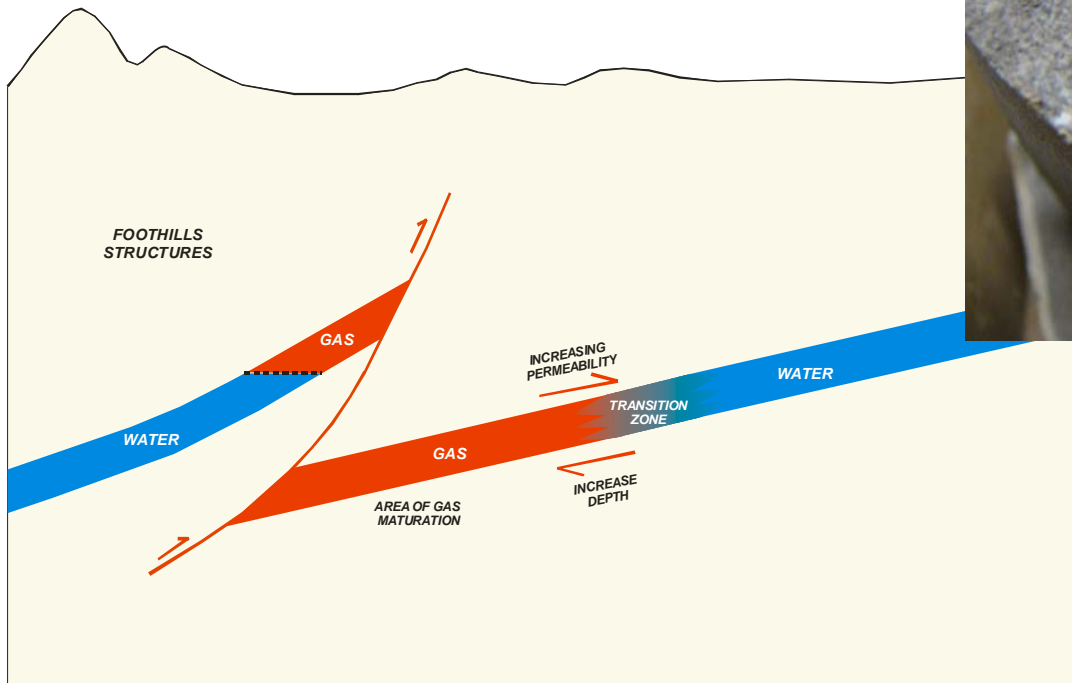


Cardium Resource Play

Permeability Segregation

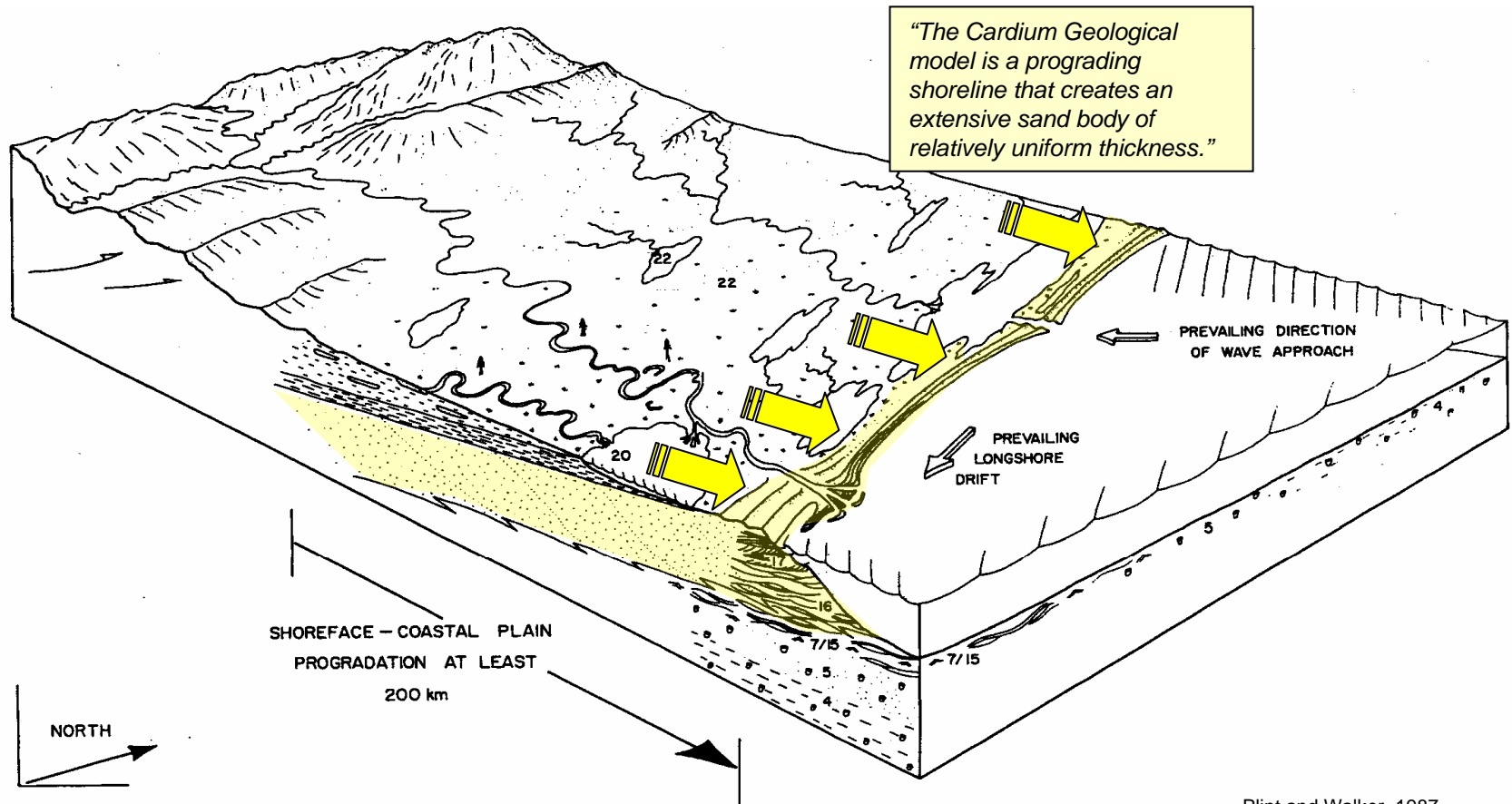


"The Cardium is a very fine grained, low permeability sand that will not allow water to flow through the pore spaces. This creates a "hydrodynamic" trap with water up-dip of gas."



Cardium Resource Play

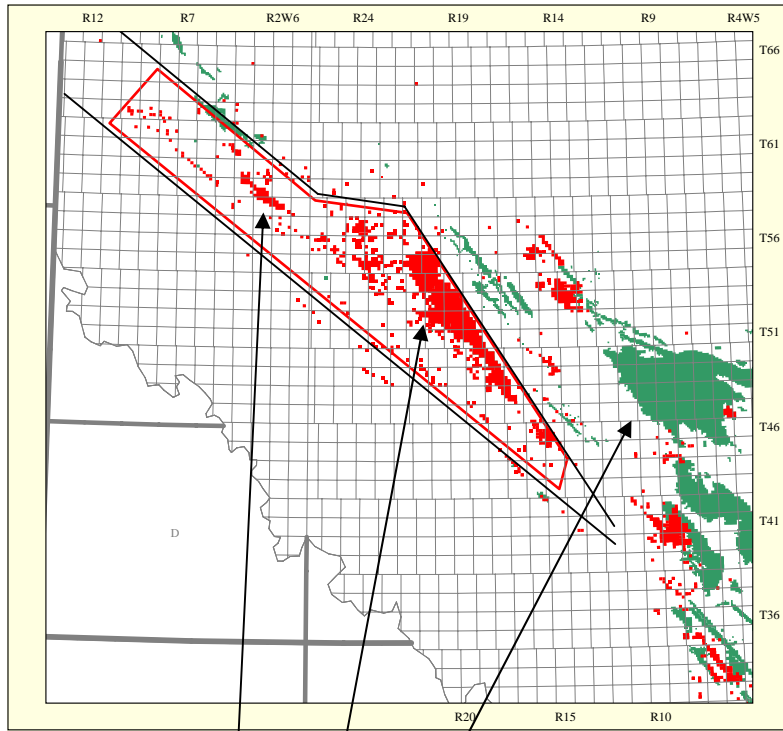
Cardium Depositional Model



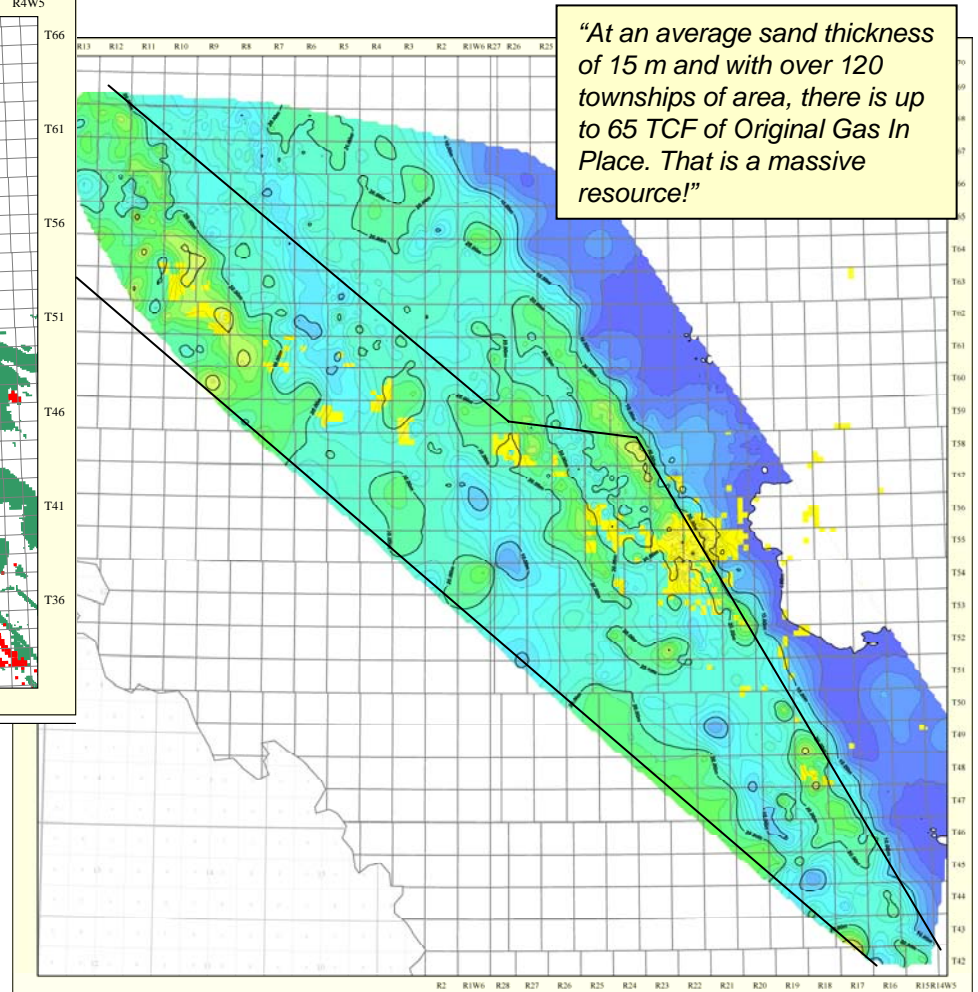
Plint and Walker, 1987

Cardium Resource Play

Cardium Thickness and Pool Map

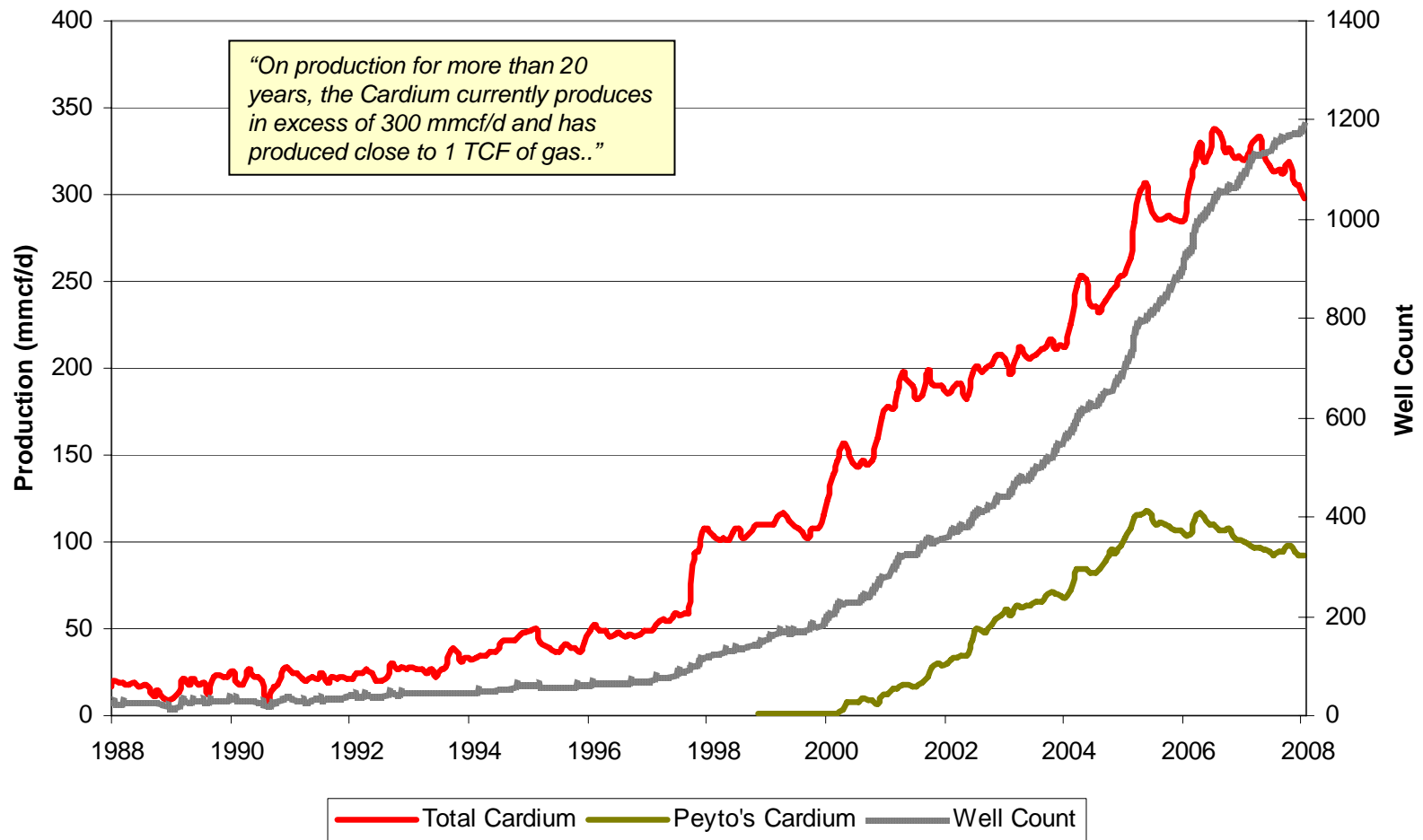


- Pembina
- Sundance
- Kakwa



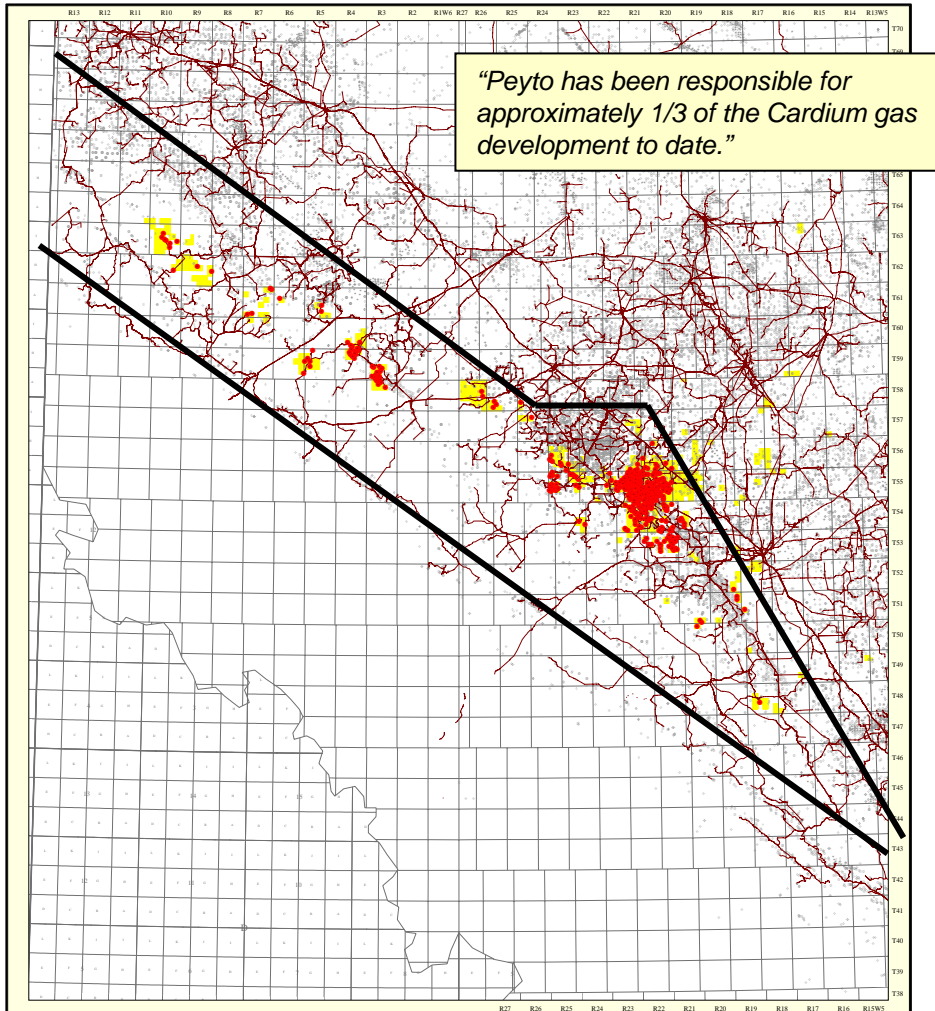
Cardium Resource Play

Deep Basin Cardium Production



Cardium Resource Play

Peyto's Cardium Producers



Over 400 Cardium Producers

875 BCF Original Gas In Place

• **750 BCF Recoverable Gas**

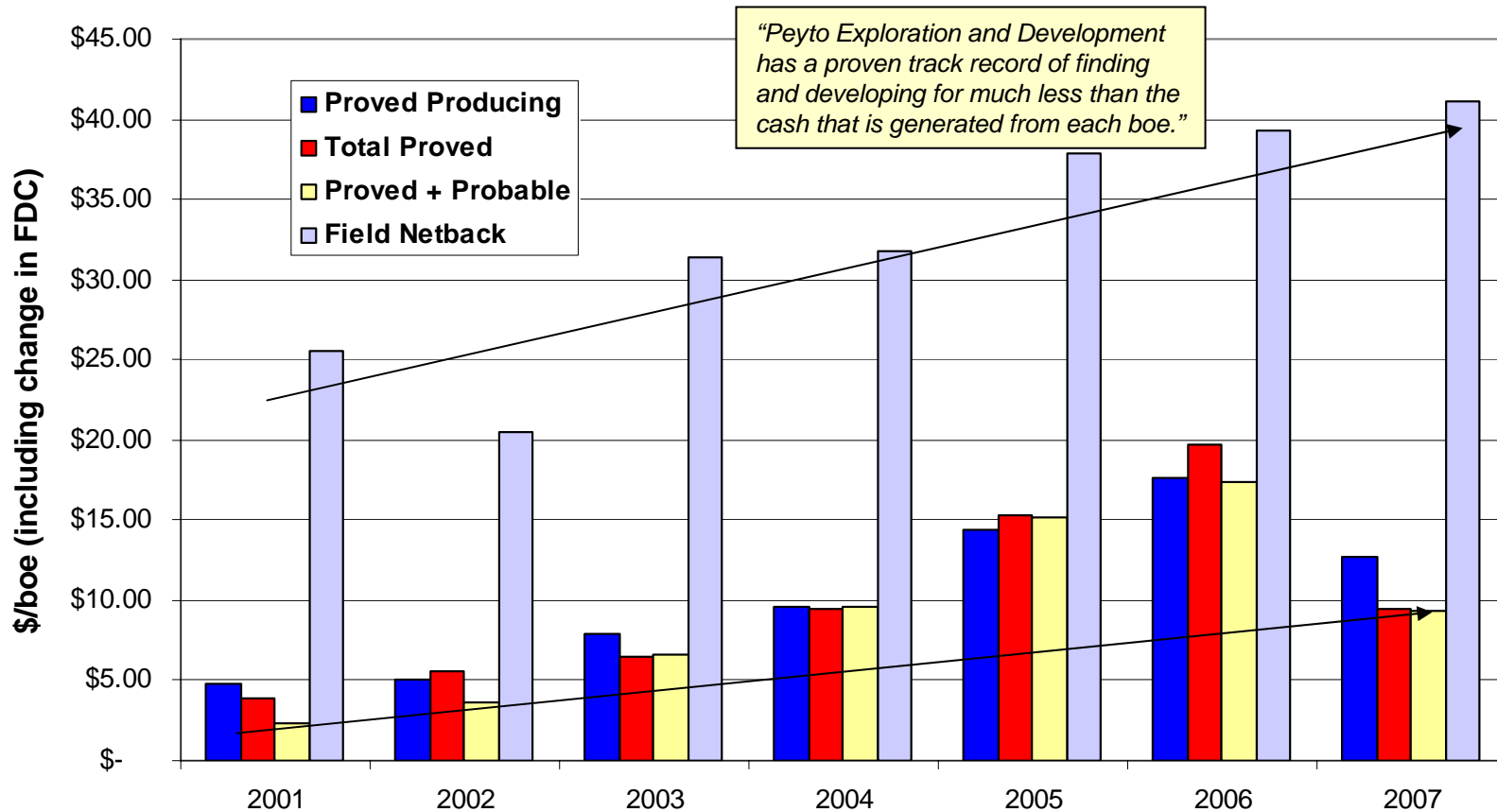
• **200 BCF Produced to Date**

• **500 BCF Remaining Sales**

• **370 BCF WI Remaining (74% ave)**

Peyto Exploration and Development

Historical F&DA Costs



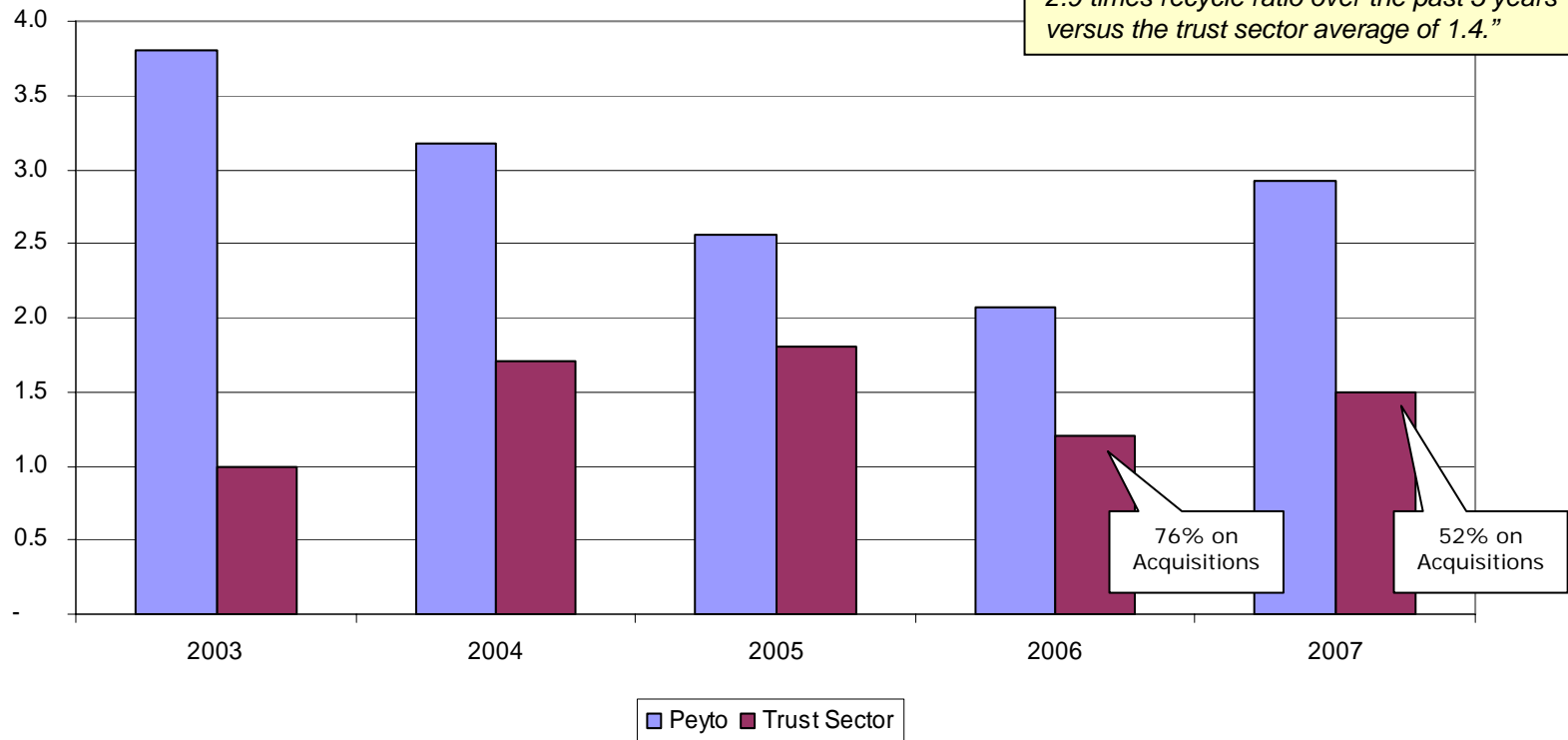
Peyto Exploration and Development

Build versus Acquire

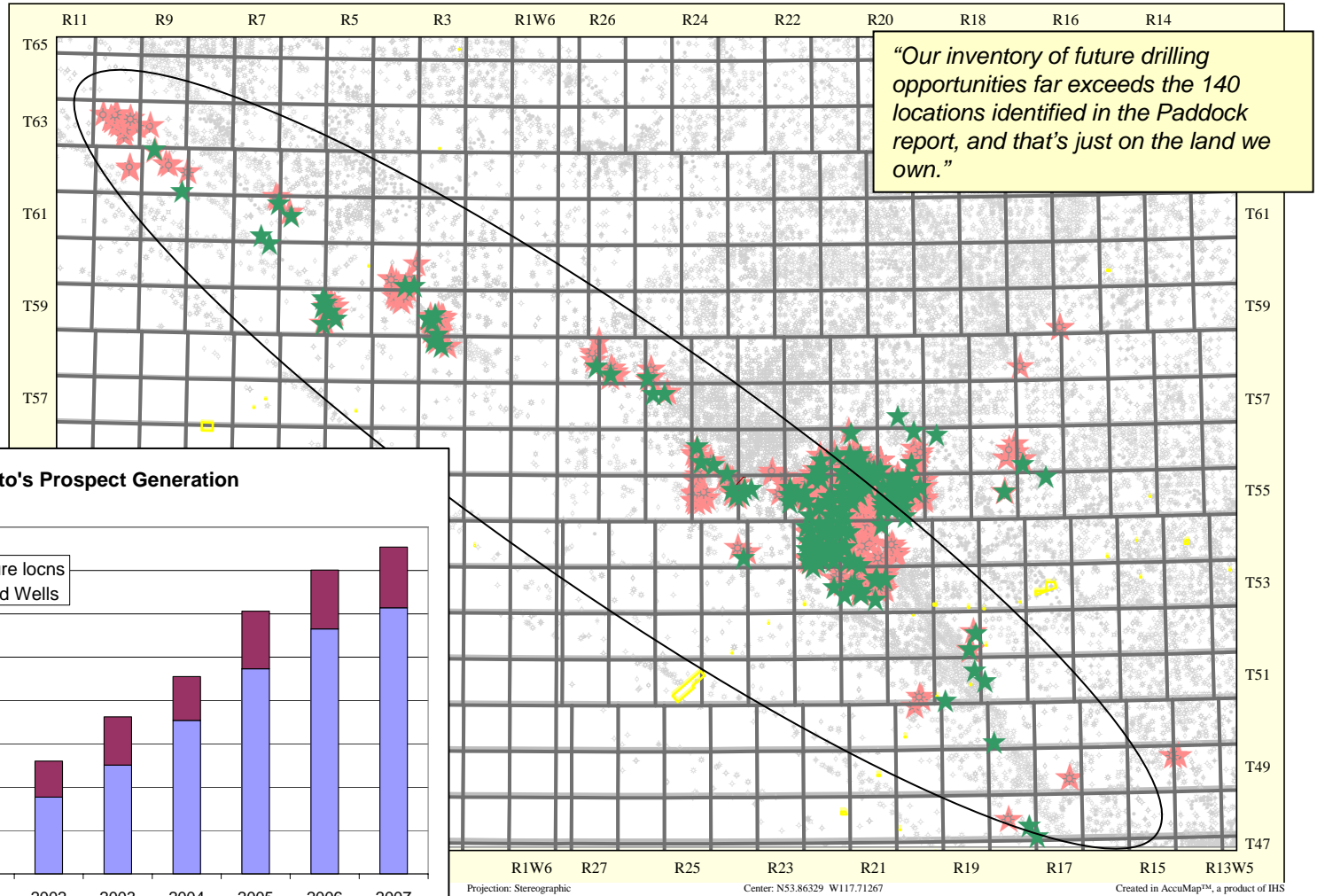


Recycle Ratio

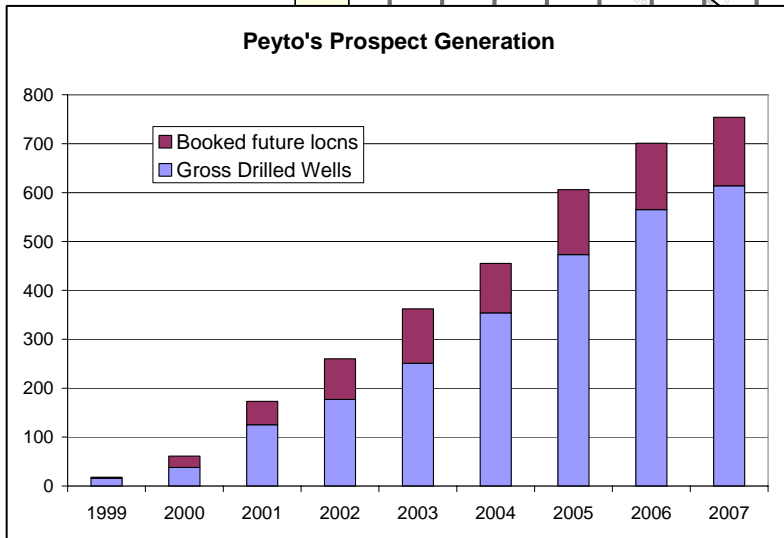
"We all know "build it rather than buy it" generates better returns. Peyto averaged a 2.9 times recycle ratio over the past 5 years versus the trust sector average of 1.4."



Future Ideas

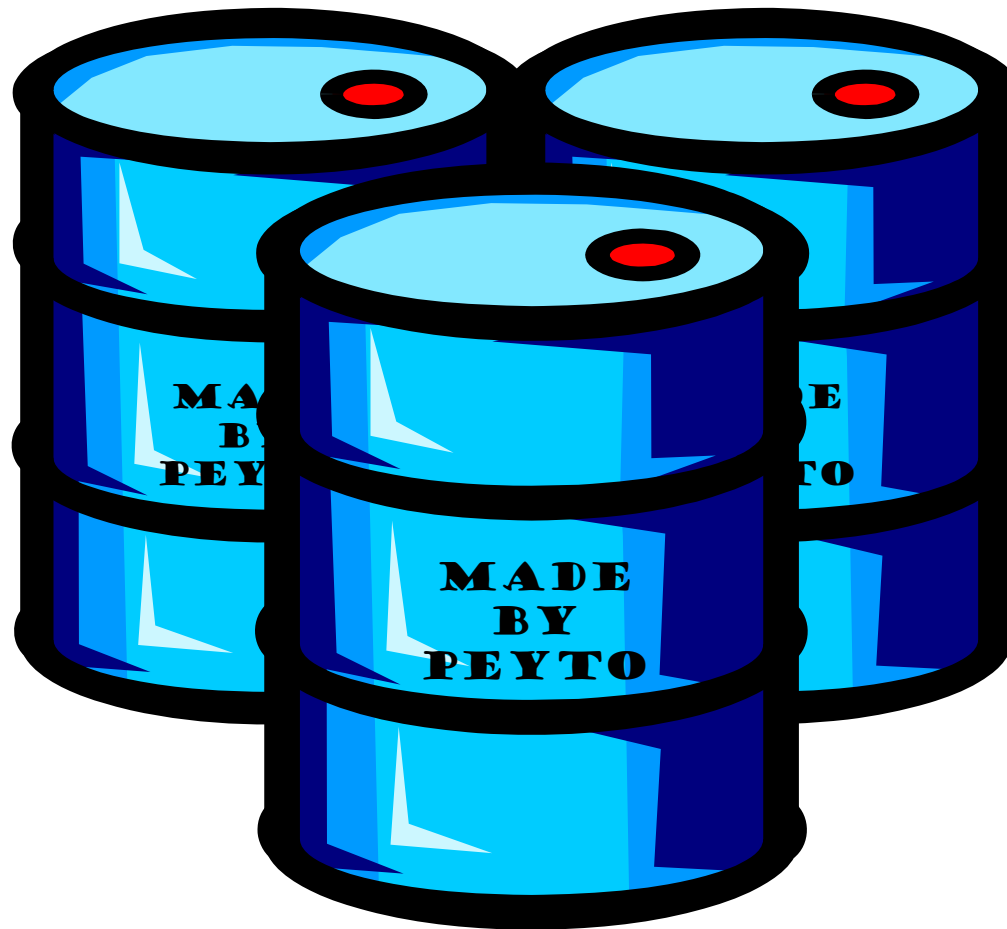


Peyto's Prospect Generation



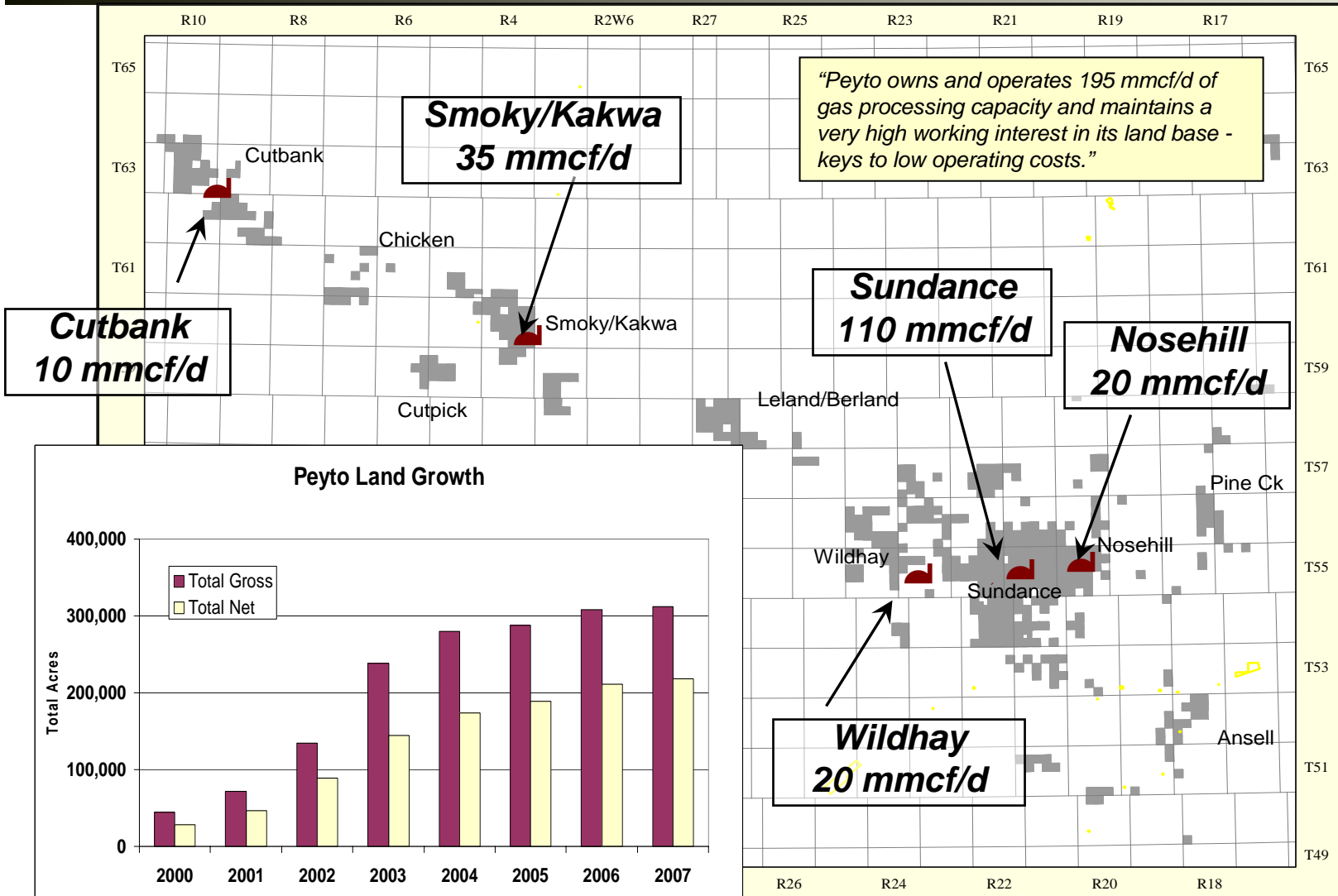
Production Company

Operated Assets

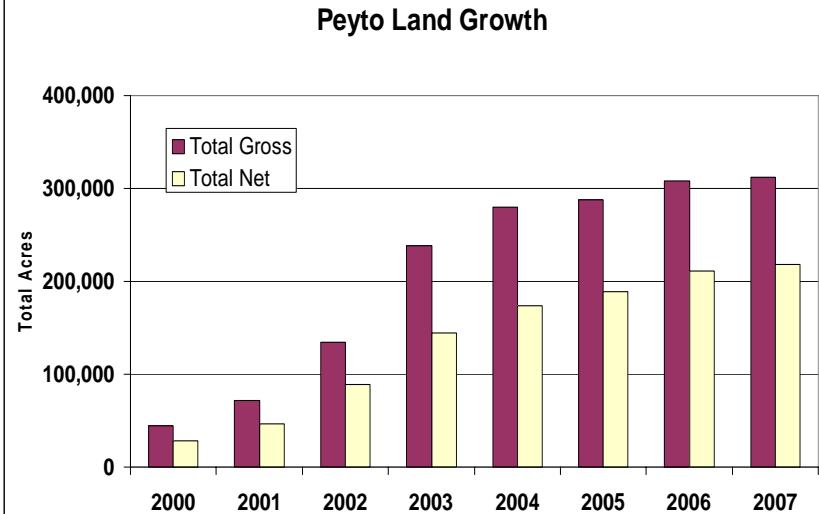


Peyto Operations Map

Gas Plants & Land



"Peyto owns and operates 195 mmcf/d of gas processing capacity and maintains a very high working interest in its land base - keys to low operating costs."



The Team



- Darren Gee President, CEO, Director
- Scott Robinson Executive VP and COO
- Nicole Kehler Administrative Assistant
- Enrico Espiritu Engineering Manager
- Neil Korchinski Engineering
- Dave Rogers Engineering
- Joe Foose Operations, Completions Manager
- Sean Kinoshita Operations, Production Manager
- Todd Burdick Operations
- Audrey Peters Operations
- Craig Merrit Operations
- Bryan Lang Operations, Drilling Manager
- Lee Curran Operations
- Susan Hupman Operations
- Jamie Kuntz Operations
- Doug Schmidt Operations, JV/Marketing Manager
- Dave Drover Exploration
- John Troyer Exploration
- David Thomas Exploration
- Glenn Booth Land, Vice President
- Elaine Moses Land, Manager
- Maureen Roberts Land
- Sonia Kelly Land
- Cathy Warren Land
- Tara Antosh Land
- Kathy Turgeon VP of Finance, CFO
- Melanie Gallant Finance
- Lydia Hamaliuk Finance
- Liz Duerholt Finance
- Lauren Thiele Finance
- Michal Faminoff Finance
- Robert Younker Finance
- Aparna Sivakumar Finance
- Jim Grant Investor Awareness

"It takes a talented team to build your own assets. The quality of the assets we have built and the returns we have been able to achieve on our capital are proof that our team knows how to execute. We have a relatively small team for the value of our asset base and the amount of capital we invest each year."

Low Operating Costs

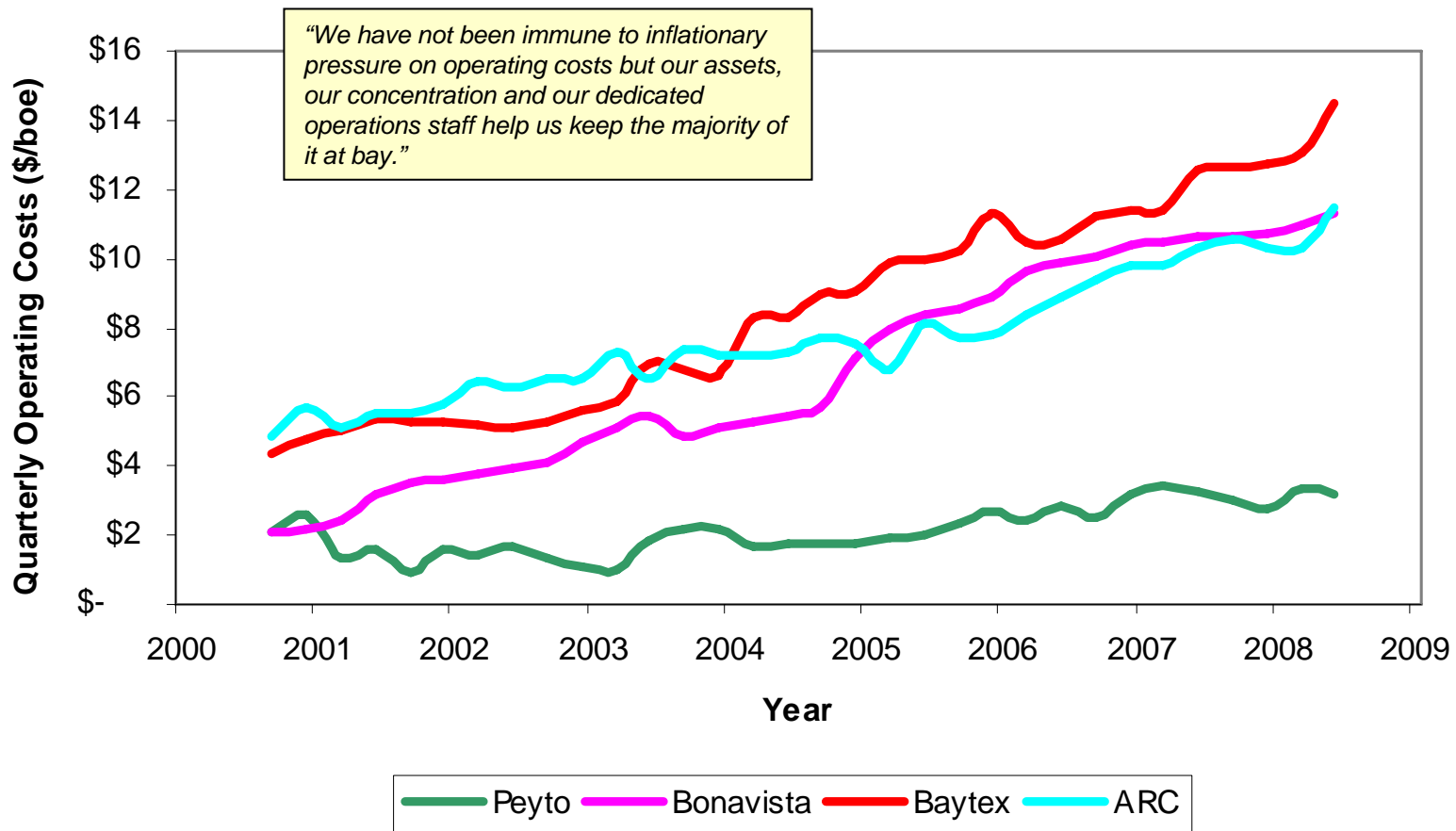


Year	Field Expenses (\$/boe)	Transportation (\$/boe)	Processing Income (\$/boe)	Operating Costs (\$/boe)
2002	\$ 1.45	\$ 0.58	\$ (0.66)	\$ 1.37
2003	\$ 1.99	\$ 0.56	\$ (0.69)	\$ 1.86
2004	\$ 1.78	\$ 0.70	\$ (0.73)	\$ 1.75
2005	\$ 2.17	\$ 0.68	\$ (0.62)	\$ 2.23
2006	\$ 3.08	\$ 0.58	\$ (0.92)	\$ 2.74
2007	\$ 3.77	\$ 0.57	\$ (1.20)	\$ 3.14

“One of the reasons our assets are so valuable is our industry leading operating costs. Our operating costs are so low for a number of reasons. First, we produce from reservoirs that do not have the added cost of water or sour gas disposal. Second, our wells have relatively high productivity. Third, we build our own infrastructure to gather, process and deliver our gas. Finally, we have a tremendous operations team.”

Operating Costs

Eight Year Trend

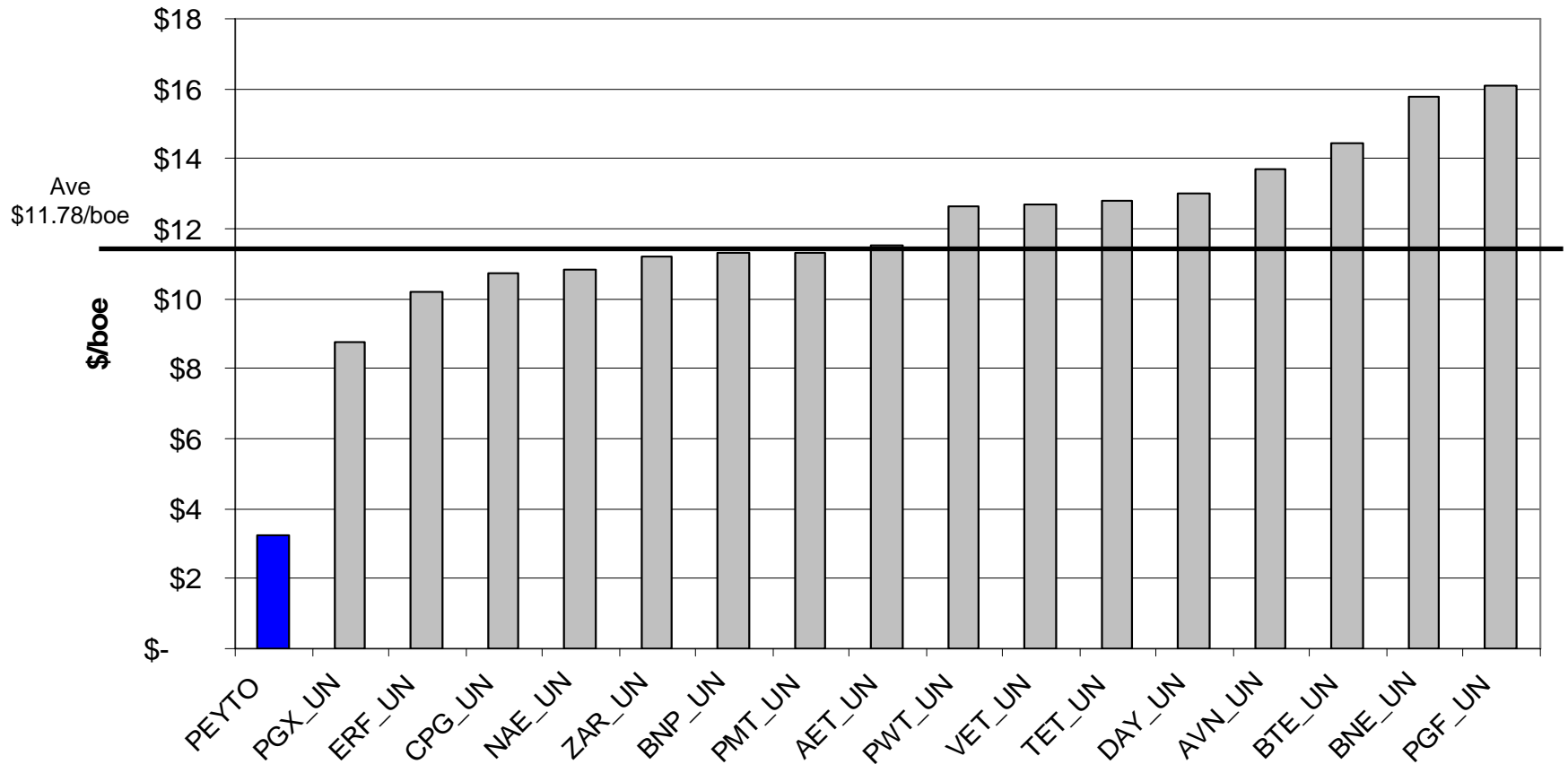


Operating Costs

Industry Comparison



Q2 2008 Operating Costs



Operating Costs include Transportation costs. Peyto has always included transportation costs as part of its operating costs.

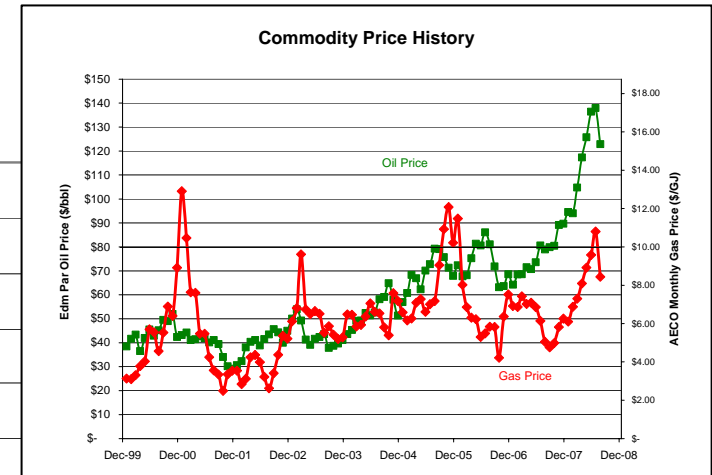
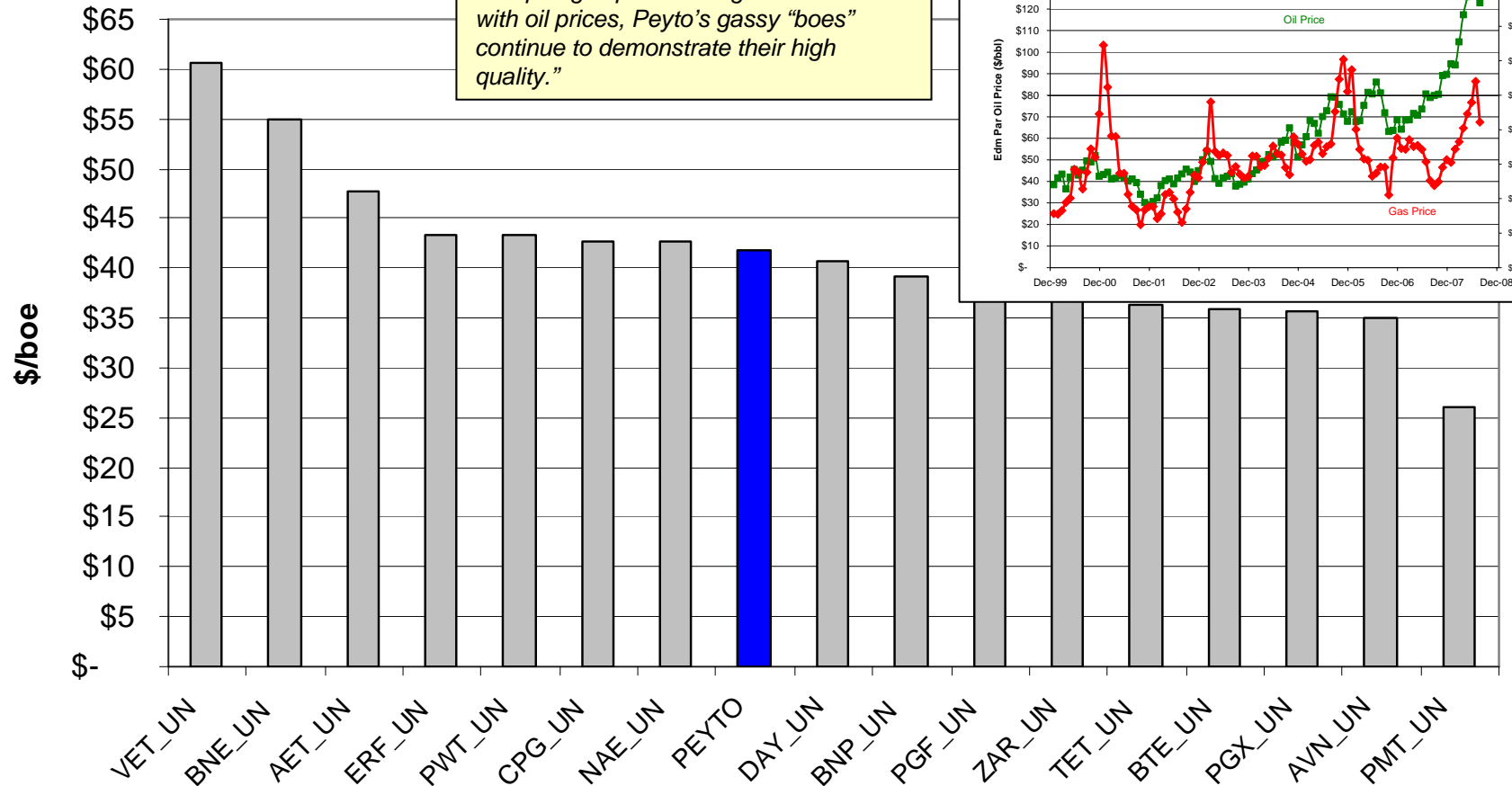
Netback

Industry Comparison



Q2 2008 Netback

"Despite gas prices being disconnected with oil prices, Peyto's gassy 'boes' continue to demonstrate their high quality."



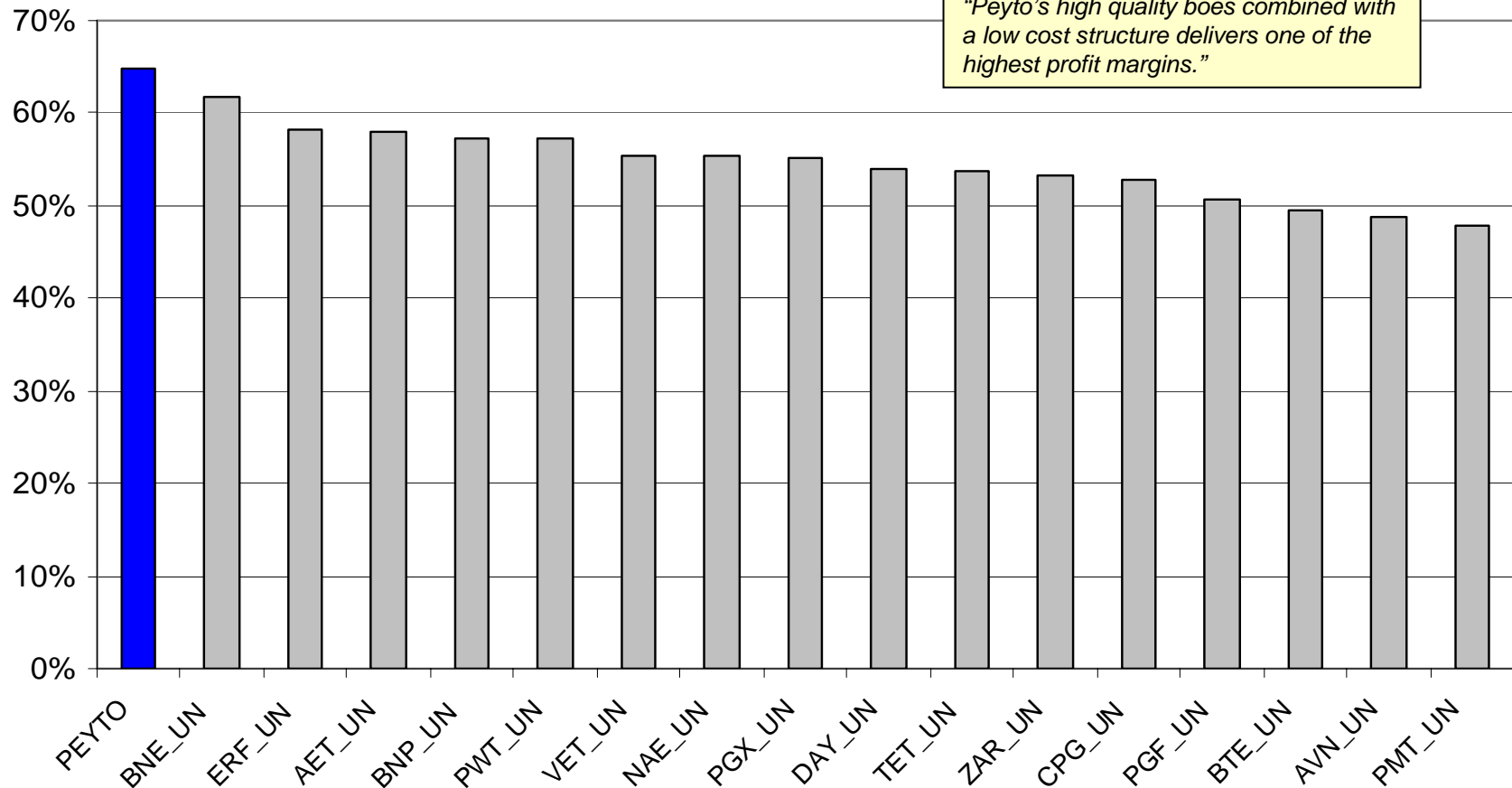
Profit Margin

Industry Comparison



Q2 2008 Profit Margin

"Peyto's high quality boes combined with a low cost structure delivers one of the highest profit margins."



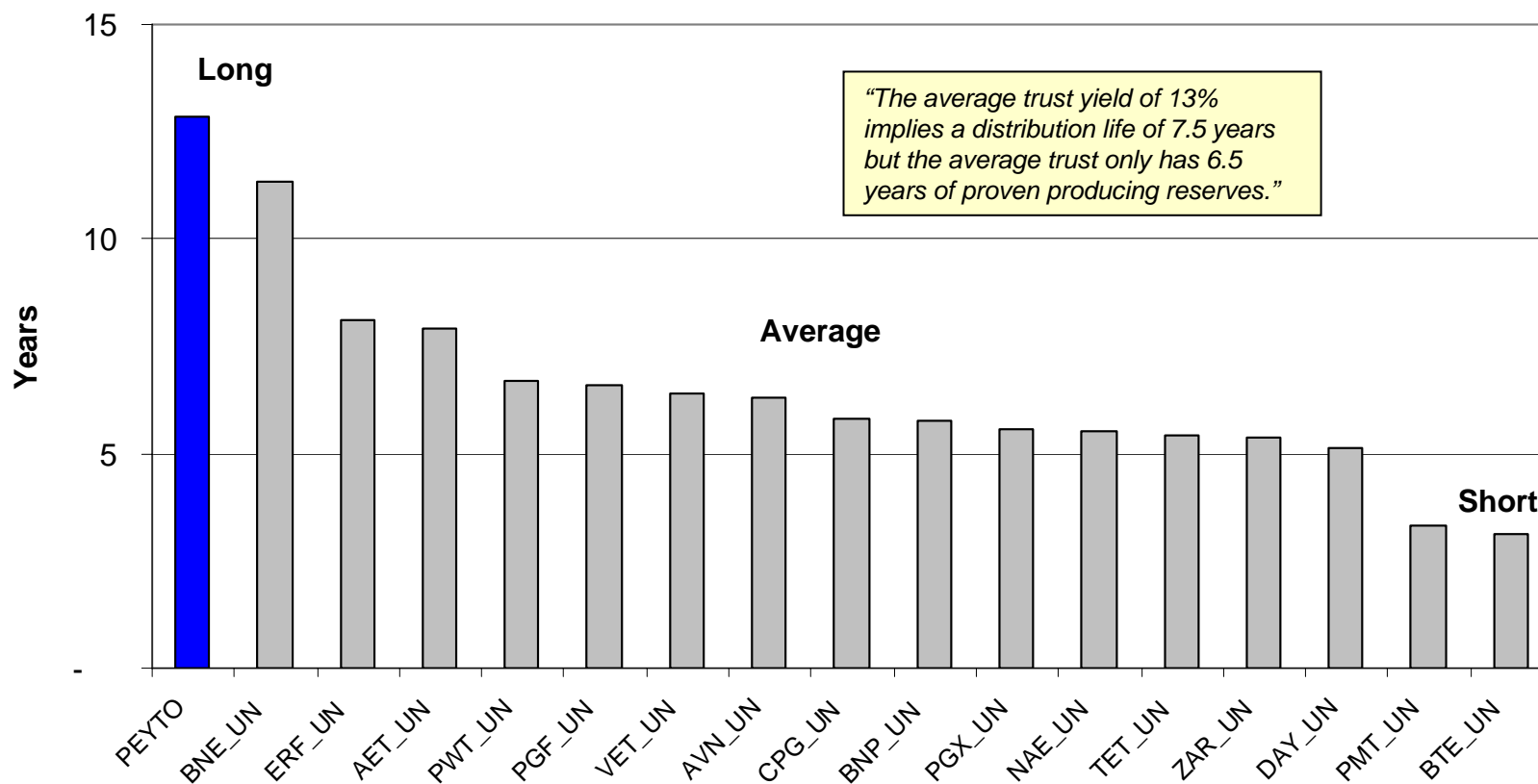
Cashflow Netback divided by revenue.

Reserve Life

Industry Comparison, Proven Producing Reserve Life



2007 Year End Proven Producing Reserve Life



Producing Life

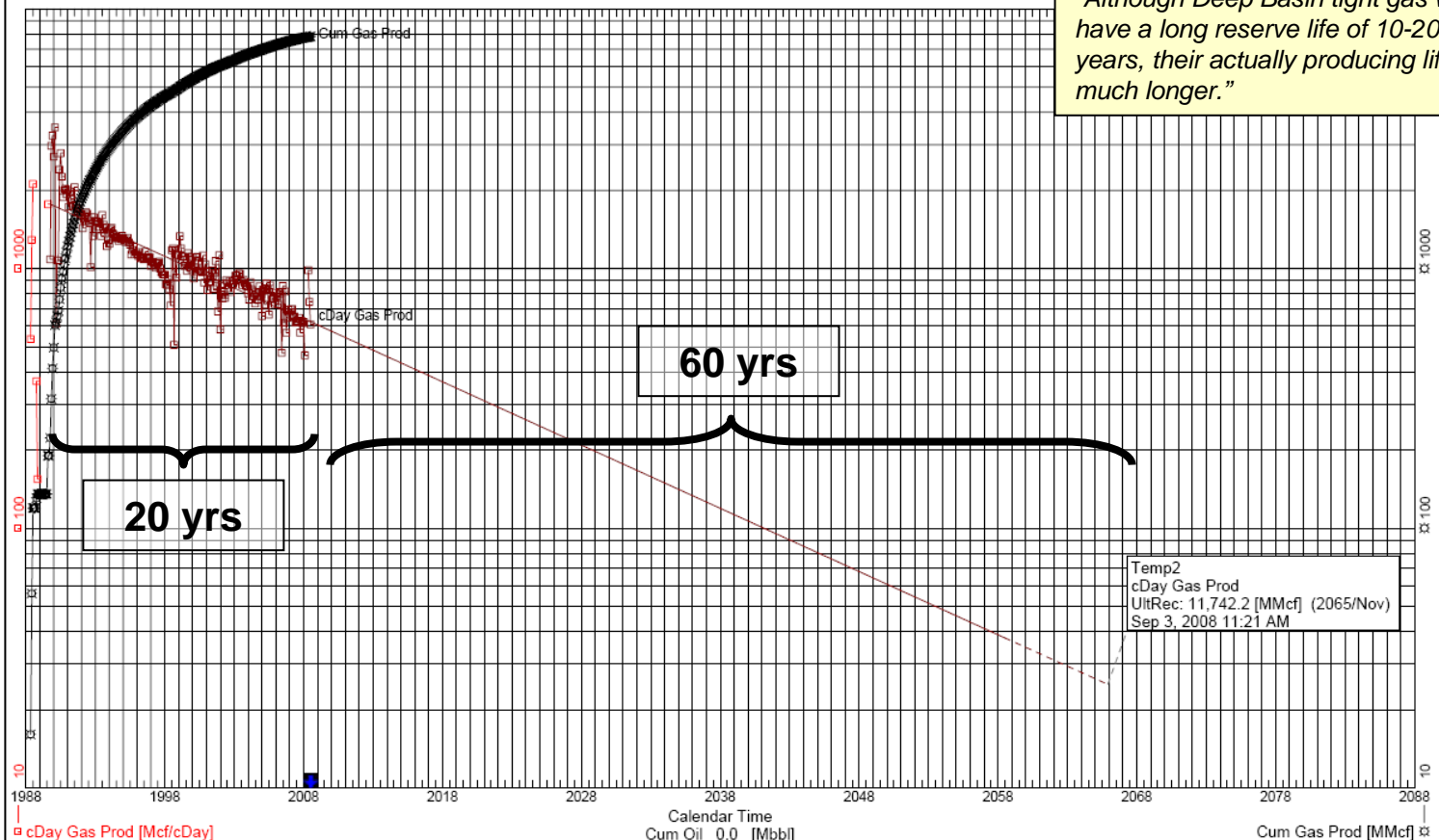
Cardium Example



Group: <untitled>
 Well: **00/16-29-054-21W5/0**
 Name: ESSO SUNDANCE 16-29-54-21
 Primary: GAS Status: GAS PROD
 First On: 1988/Apr Last Data: 2008/Jun

Field: 879 SUNDANCE
 Pool: 176260 BLRV,CRDM,VKNG,MNVL & JRSC MU#1
 Unit: N/A
 Oper: 4803 TALISMAN ENERGY INC.
 Source Date: n/a

“Although Deep Basin tight gas wells have a long reserve life of 10-20 years, their actually producing life is much longer.”



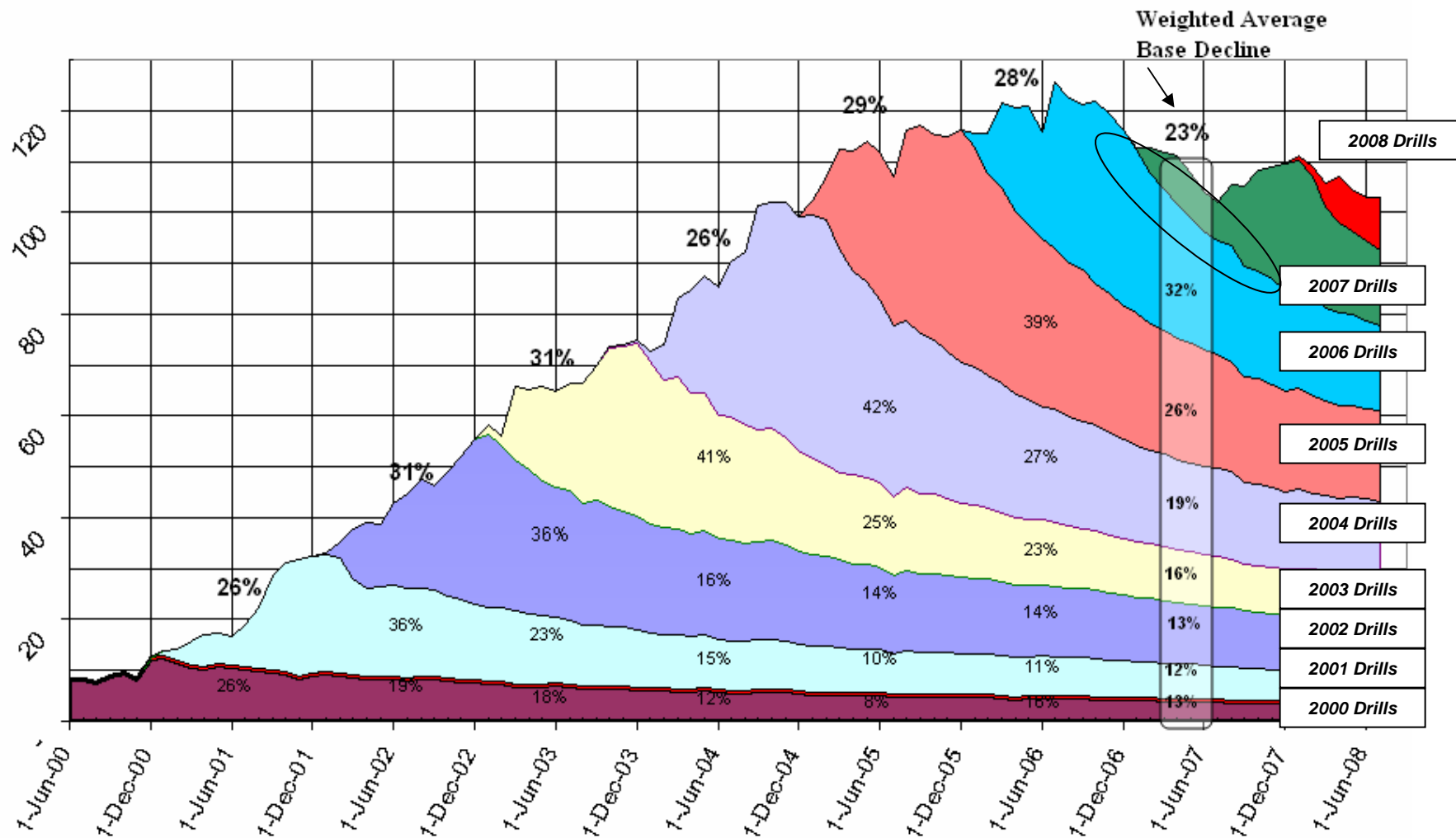
Qi 621.2 [Mcf/cDay]
 Rem Rec 3,897.3 [MMcf]

Qf 25.0 [Mcf/cDay]
 Ult Rec 11,742.2 [MMcf]

Serv 100.0%
 Exp 5.456%/Yr

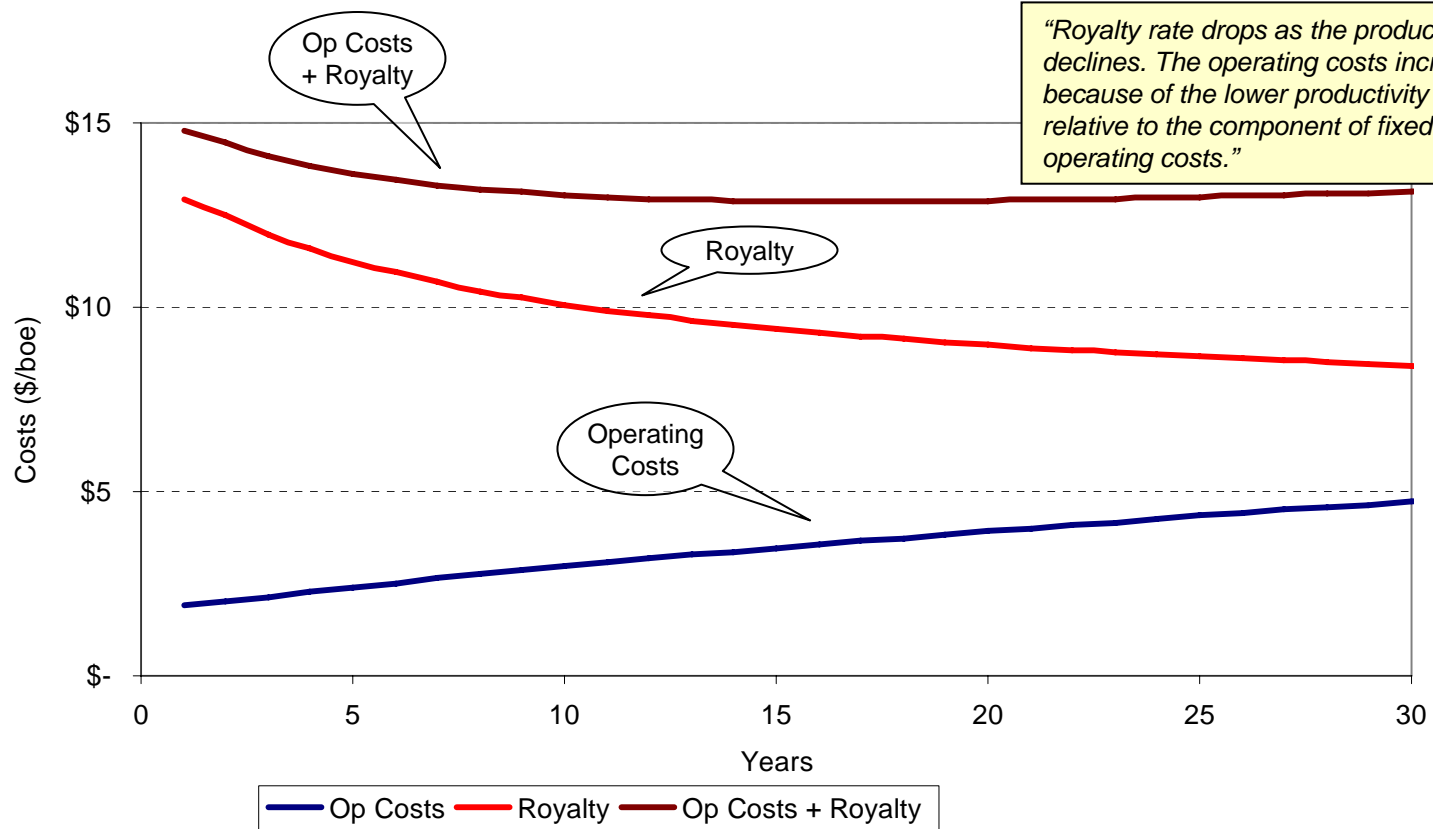
Achievement of Growth

Building Our Own Production



Tight Gas

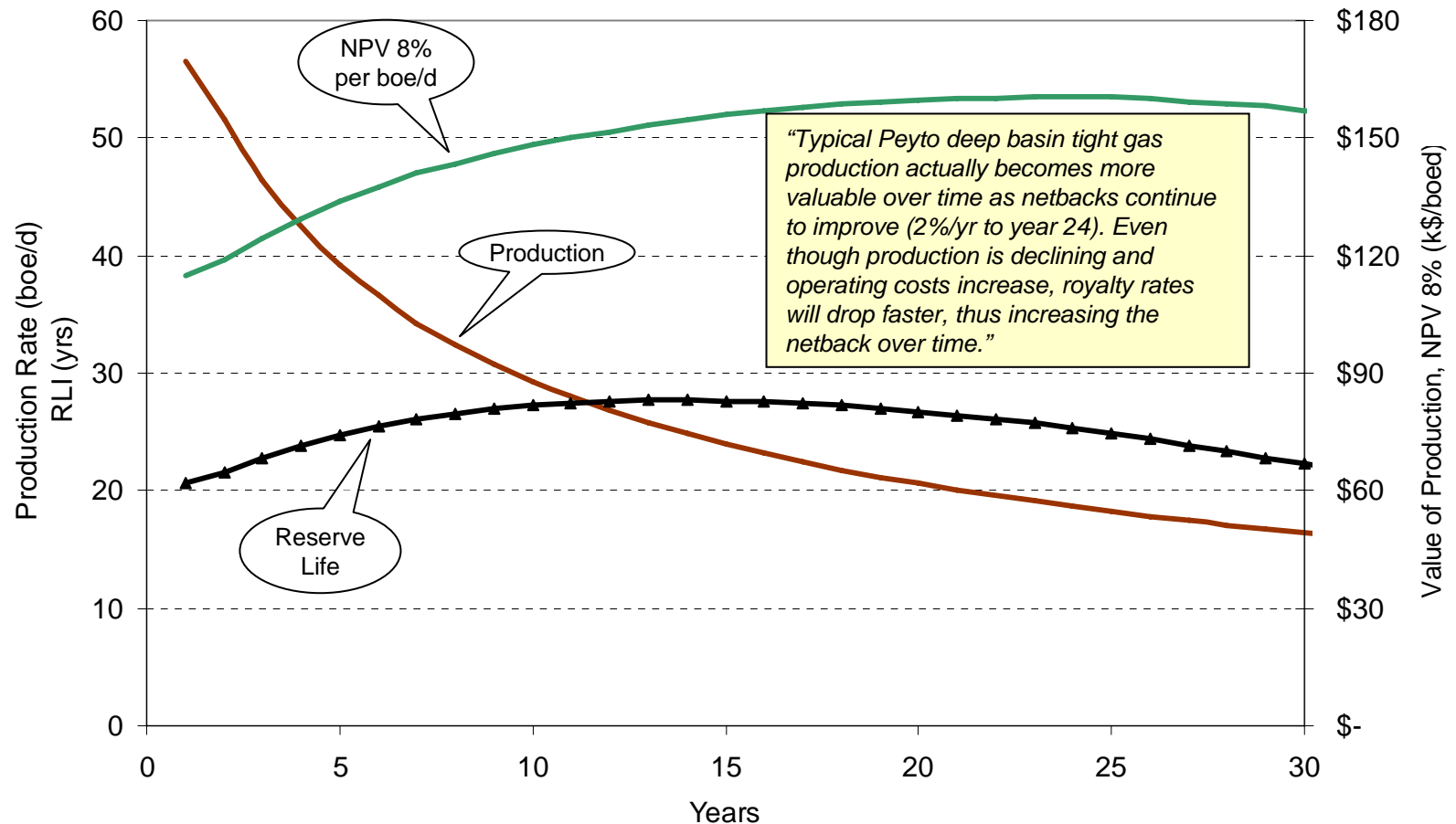
Understanding the Value (1)



"Royalty rate drops as the productivity declines. The operating costs increase because of the lower productivity relative to the component of fixed operating costs."

Tight Gas

Understanding the Value (2)

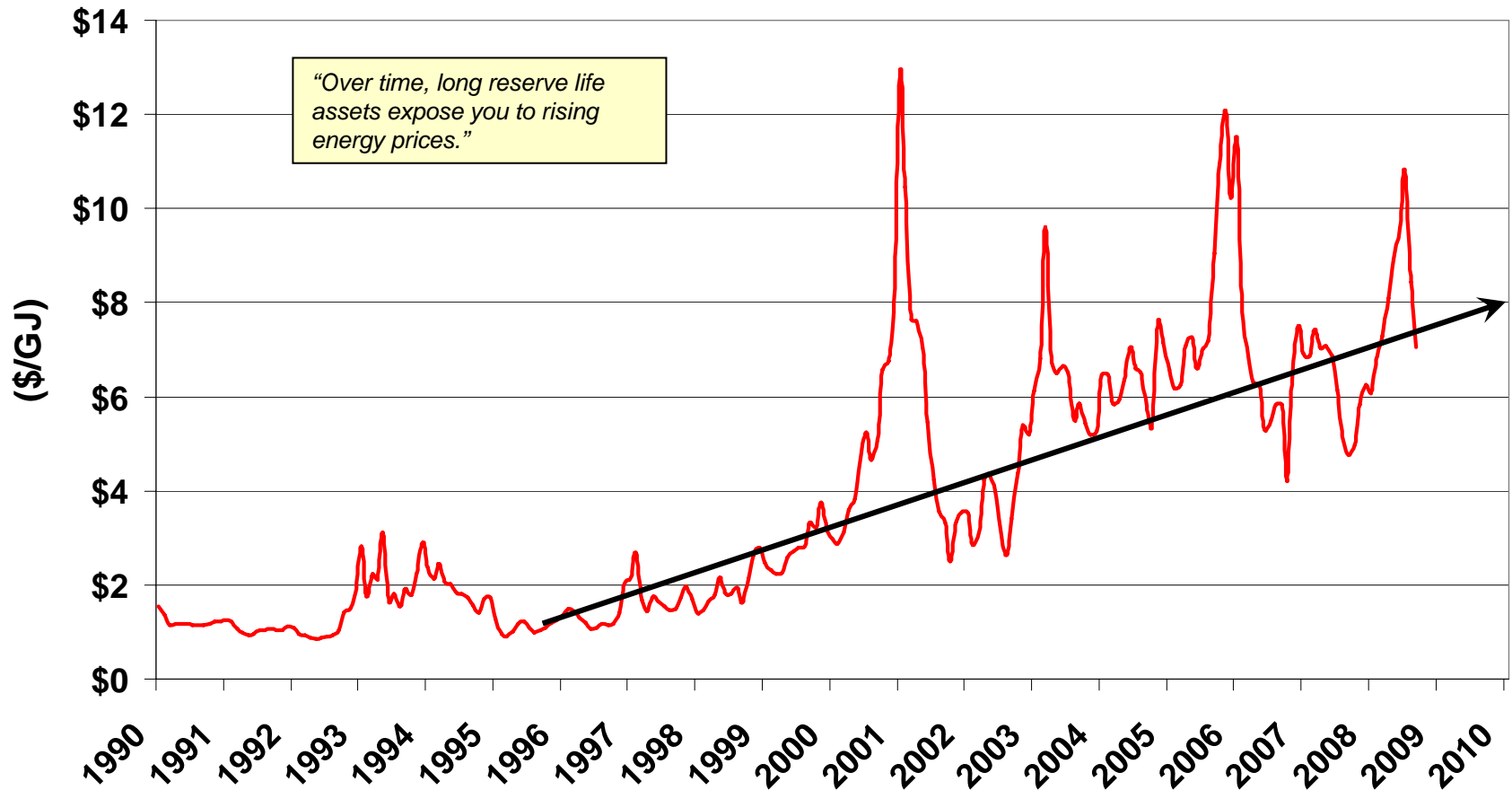


Using flat pricing, AB royalties, based on Sundance 15-14-55-21W5 Cardium

BOE factor - 6 mcf = 1 bbl of oil equivalent

Natural Gas Prices

Historical AECO Gas Price

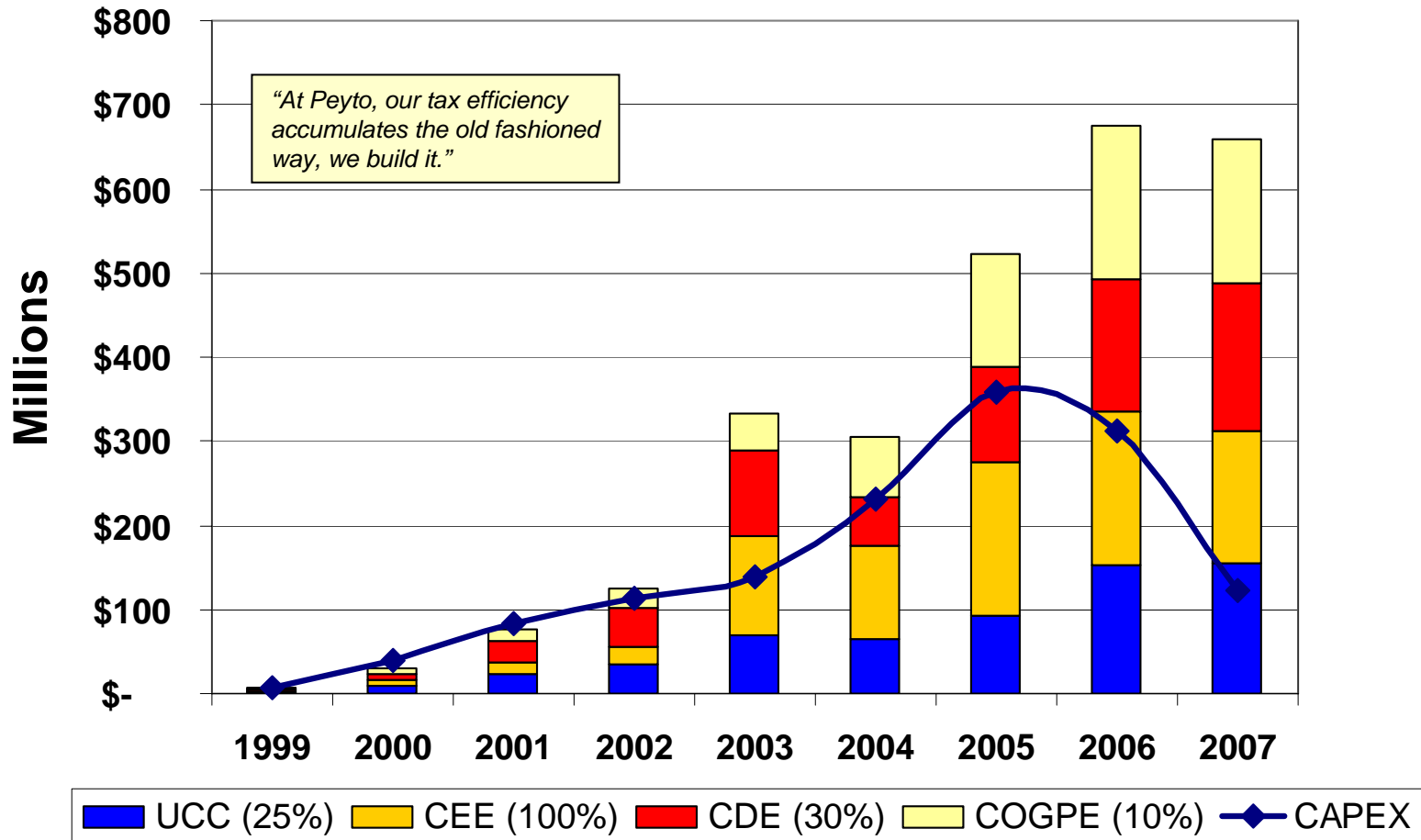


Keys to Sustainability

Accumulating Tax Pools



Peyto Year End Tax Pools





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Disclaimer

Forward Looking Statements



Statements in this presentation contain forward-looking information including expectations of future production, reserves, components of distributable cash, cash flow and earnings, completion dates of construction and development projects, drilling and exploration plans, timing and amounts of capital expenditures and future debt levels. Readers are cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Peyto. These risks include, but are not limited to; the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks include, but are not limited to; operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. These and other risks are described in Peyto's 2005 annual information form and other documents Peyto files with the Canadian security regulatory authorities. The reader is cautioned not to place undue reliance on any forward-looking information. Peyto undertakes no obligation to update or revise any forward-looking statements except as required by applicable securities laws.

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.

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion factor is an industry accepted norm and is not based on either energy content or current prices.

Investors are further cautioned that the preparation of financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") requires management to make certain judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. Cash flow, funds from operations and operating netbacks are not recognized measures under GAAP. Management believes that in addition to net income, cash flow, funds from operations and operating netbacks are useful supplemental measures as they demonstrate Peyto's ability to generate the cash necessary to pay cash distributions, repay debt or fund future growth through capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of Peyto's performance. Peyto's method of calculating these measures may differ from other companies or trusts and, accordingly, they may not be comparable to measures used by other companies or trusts. 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.