



PEYTO ENERGY TRUST

CIBC Energy Conference April 20, 2009

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www.Peyto.com

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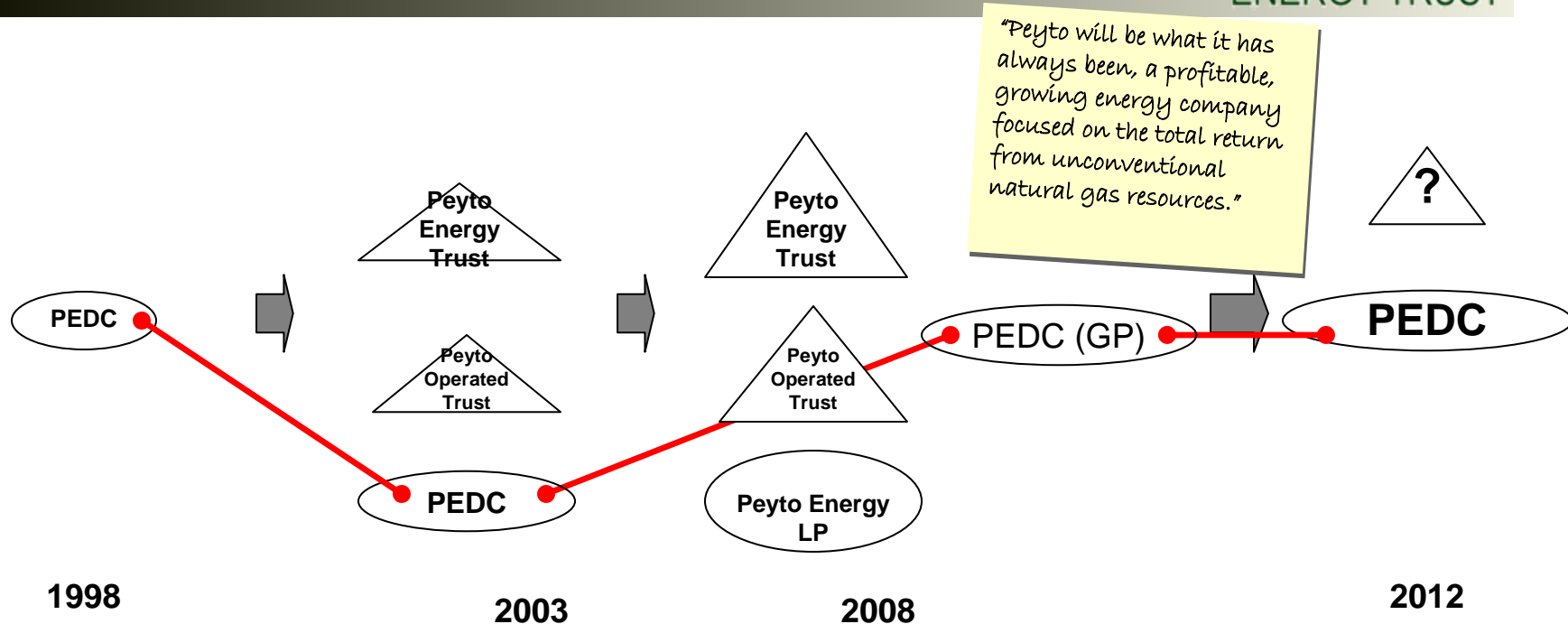
Peyto's History

Design, Drill and Build Strategy



The Peyto Strategy

The Soul of our Machine - PEDC

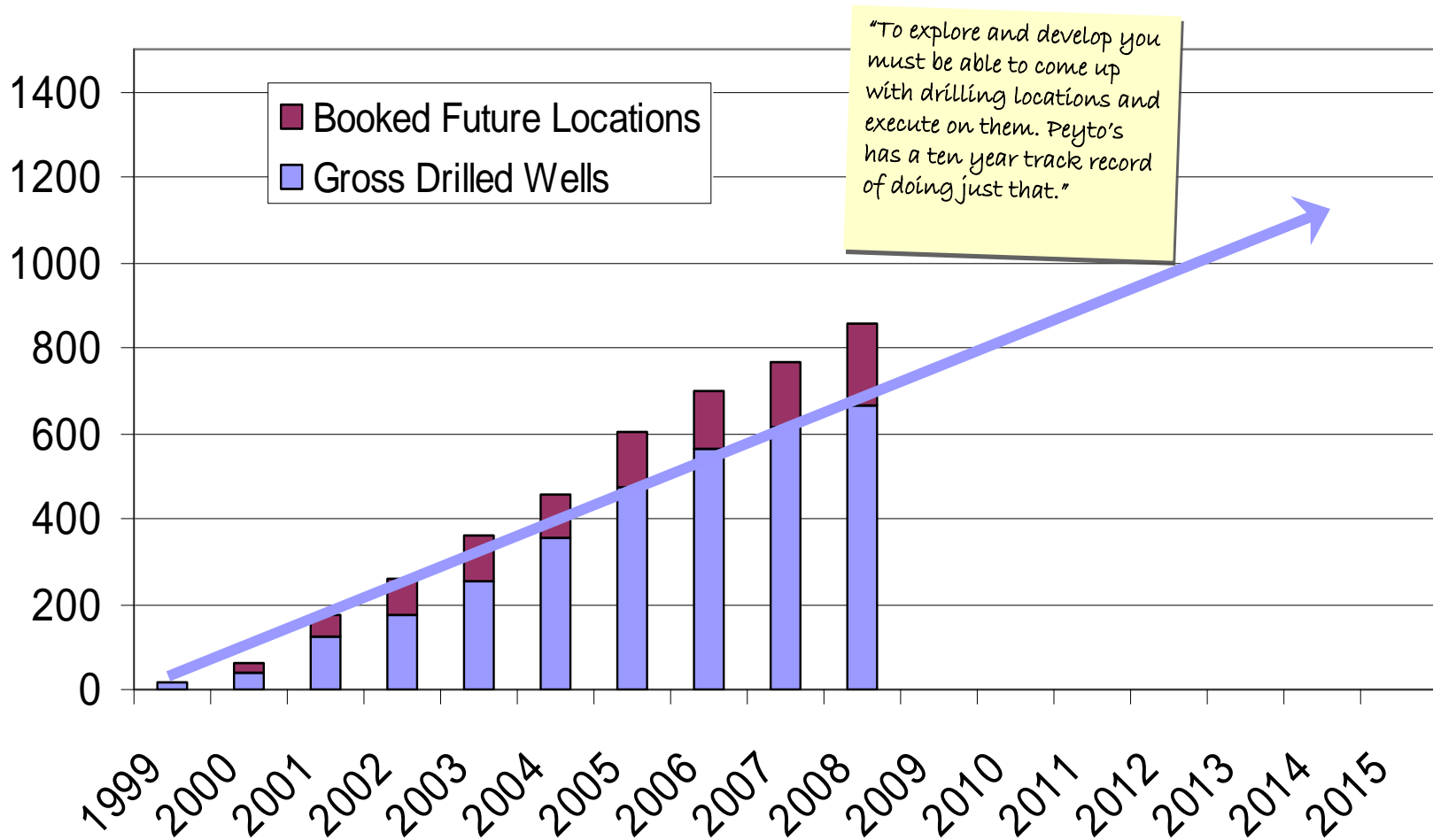


Peyto Exploration and Development Corp. (PEDC)

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

The Peyto Strategy

Prospect Generation



The Peyto Strategy

Assemble a Talented Team



- Darren Gee President, CEO, Director
- Scott Robinson Executive VP and COO
- Nicole Kehler Administrative Assistant
- Enrico Espiritu Engineering Manager
- Neil Korchinski Engineering
- Joe Foose Operations, Completions Manager
- Sean Kinoshita Operations, Production Manager
- Todd Burdick Operations
- Audrey Peters Operations
- Bryan Lang Operations, Drilling Manager
- Lee Curran Operations
- Susan Hupman Operations
- Jamie Kuntz Operations
- Doug Schmidt Operations, JV/Marketing Manager
- 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
- Kevin Klimuk Assistant Controller
- 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 are lean by any standard."

The Peyto Strategy

Combine Assets, Business and Profit Sharing



- **High Quality Assets**
 - Approximately 100% natural gas and natural gas liquids
 - Long reserve life
 - Low operating costs
 - High operatorship
- **Profitable Business**
 - Peyto's business is to design, drill and build its own assets
 - Low finding and development costs
 - High return on capital
- **Distributions/Dividends (Income)**
 - Peyto's profits are returned to unitholders as distributions

"Many would argue that short life reserves are worth more because they come out faster.

As a reservoir engineer, I've always associated short life reserves with higher permeability, limited reservoirs that deliver the most unpredictable and costly production."

Highest Quality Assets

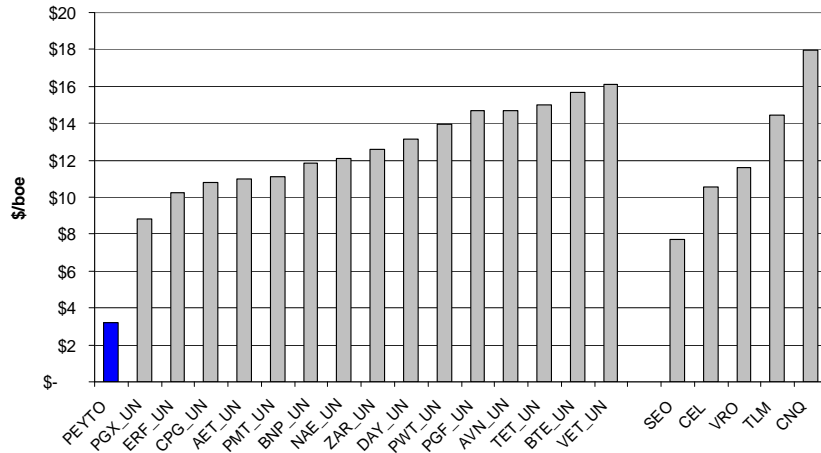
Operating Costs, Netback, Profit Margin, Reserve Life

DEVTO

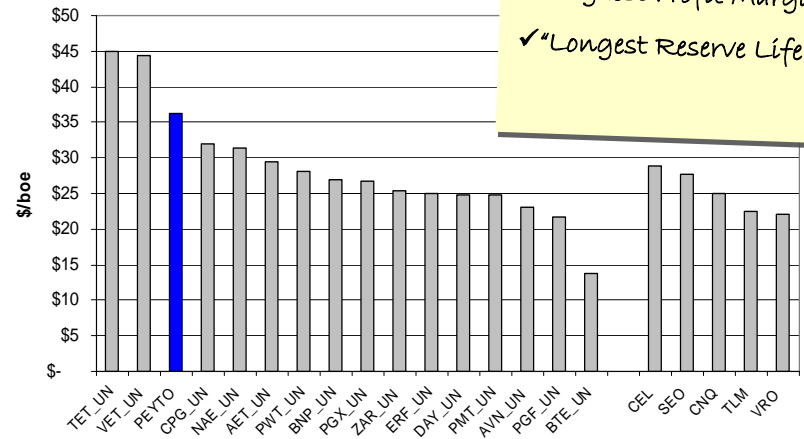


- ✓ "Lowest Op Costs!"
- ✓ "High Netback!"
- ✓ "Highest Profit Margin!"
- ✓ "Longest Reserve Life!"

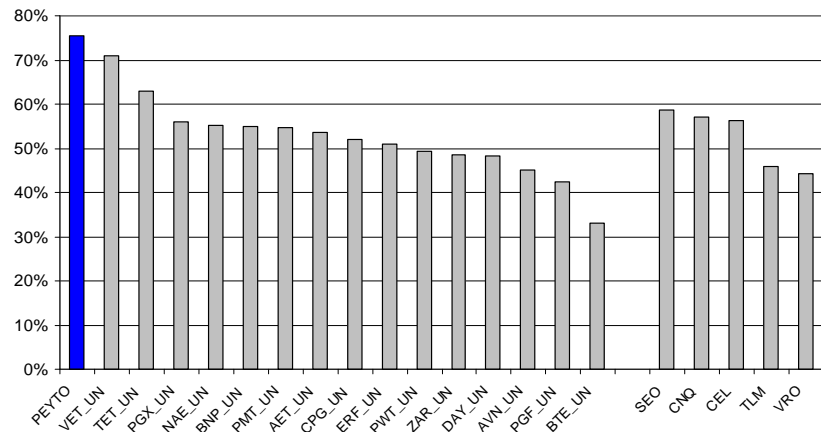
Q4 2008 Operating Costs



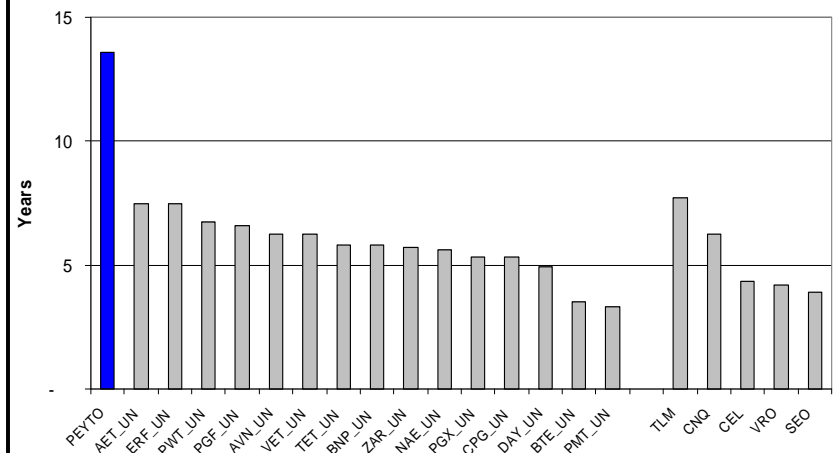
Q4 2008 Netback



Q4 2008 Profit Margin



2008 Year End Proven Producing Reserve Life



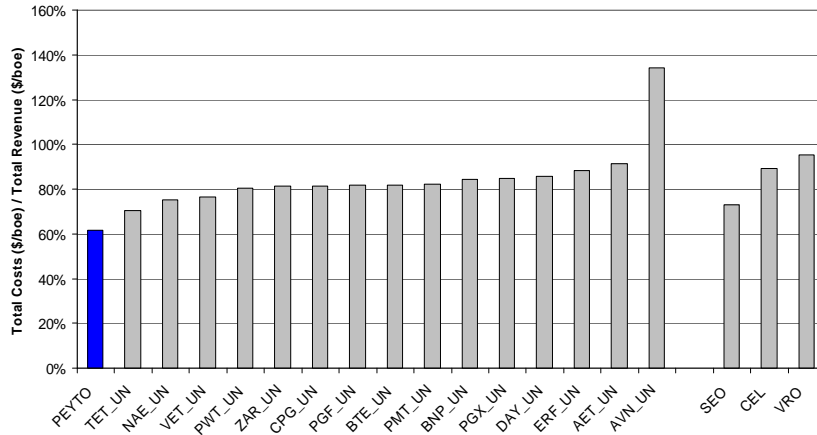
Most Profitable Business

Total Costs, Recycle Ratio, DD&A Recycle, Leverage

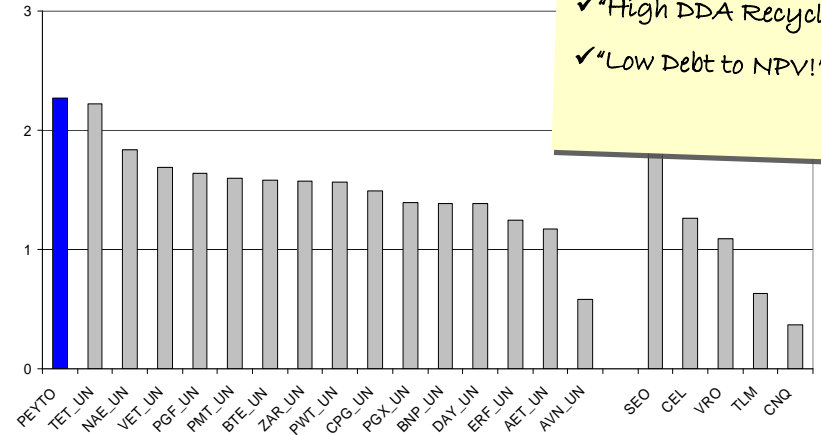


- ✓ "Lowest Total Costs!"
- ✓ "Highest Recycle Ratio!"
- ✓ "High DDA Recycle!"
- ✓ "Low Debt to NPV!"

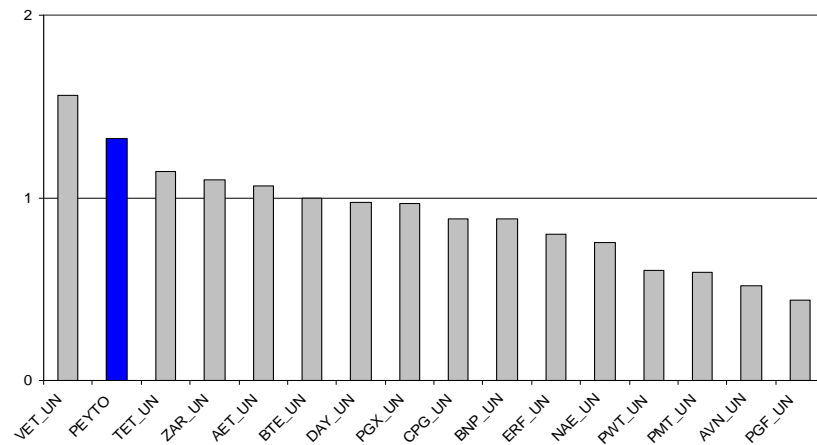
2008 Low Cost Producer



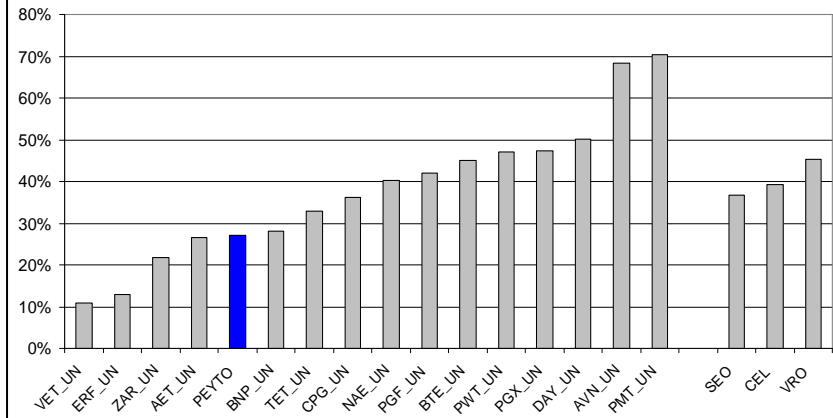
2008 Recycle Ratio, Proven Production



2008 DD&A Recycle Ratio

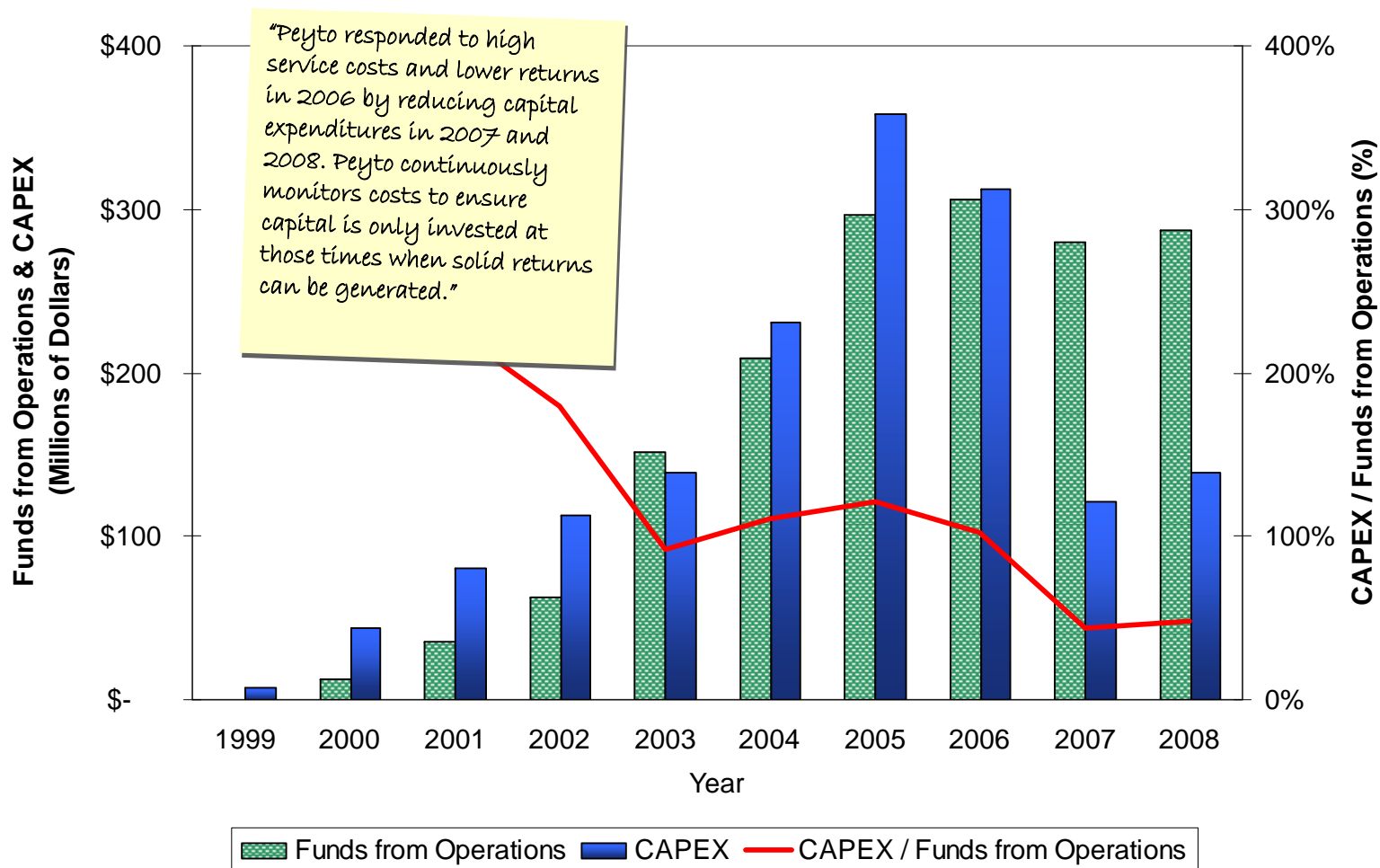


2008 Debt to PP NPV10



The Peyto Strategy

Timed Capital Investments



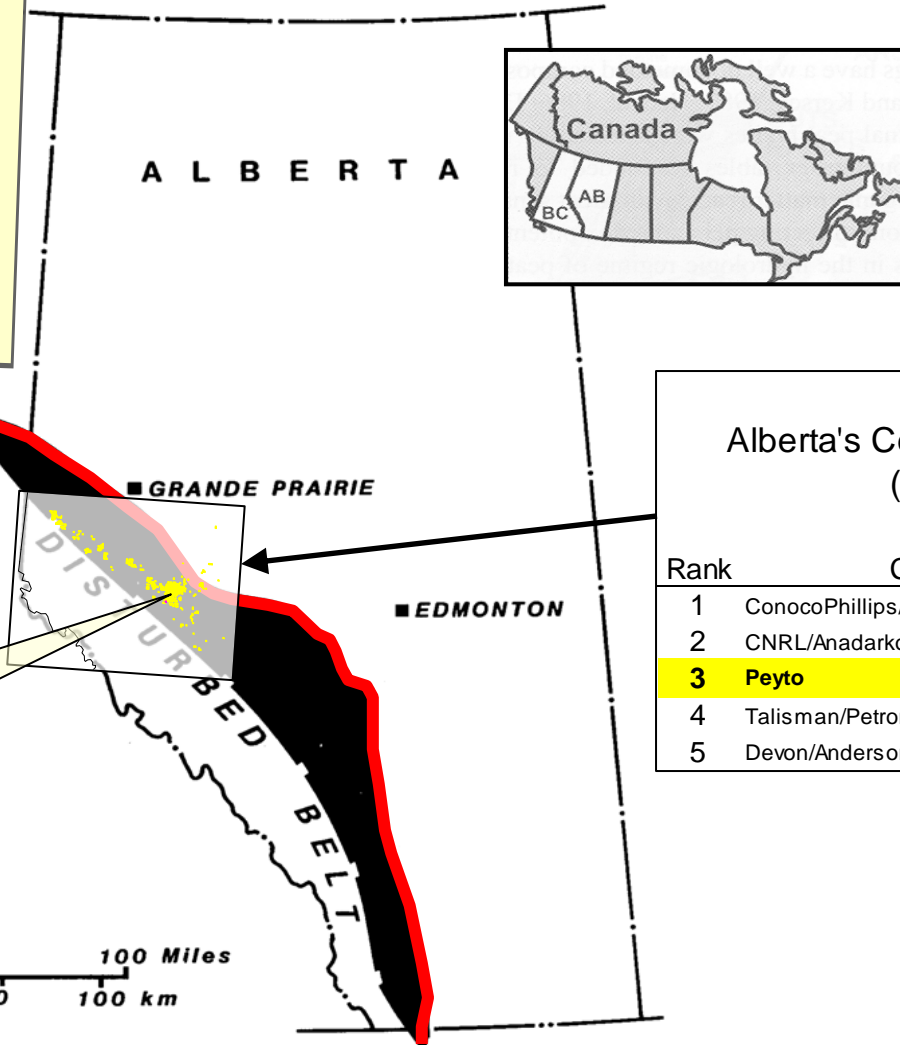
Management uses funds from operations to analyze operating performance. In order to facilitate comparative analysis funds from operations is defined throughout this report as earnings before performance based compensation, non-cash and non-recurring expenses. As presented, funds from operations does not have any standardized meaning prescribed by Canadian GAAP.

Peyto's Focus

General Area of Operations Map



"Over the past ten 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."



Peyto's Sundance Area

Alberta's Central Deep Basin Activity (October 2008)

Rank	Company	Wells, On Production (Since Jan 1, 1999)
1	ConocoPhillips/Burlington/CanHunter	1202
2	CNRL/Anadarko/RioAlto	1059
3	Peyto	677
4	Talisman/Petromet	586
5	Devon/Anderson	478

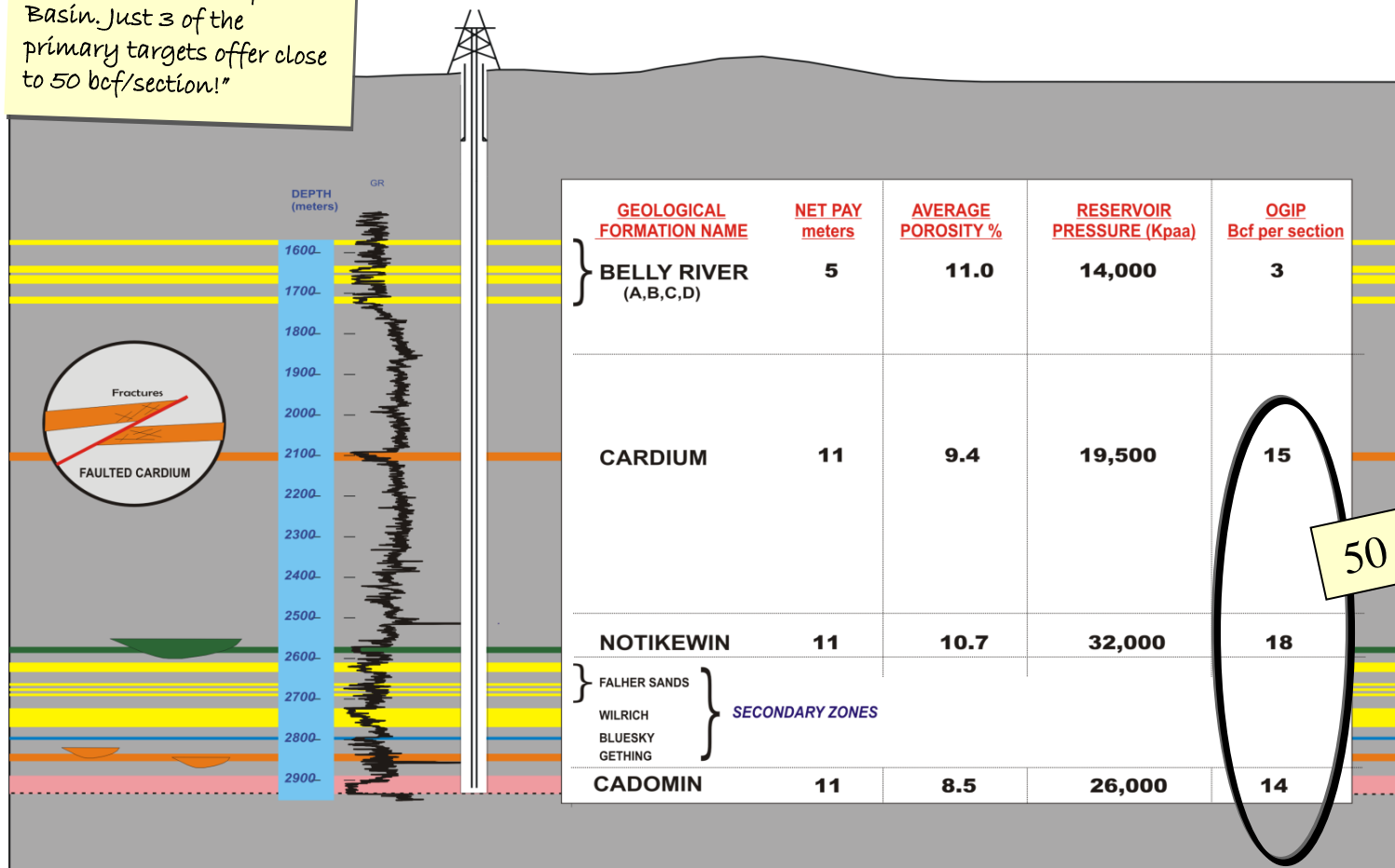
Peyto's Focus

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!"

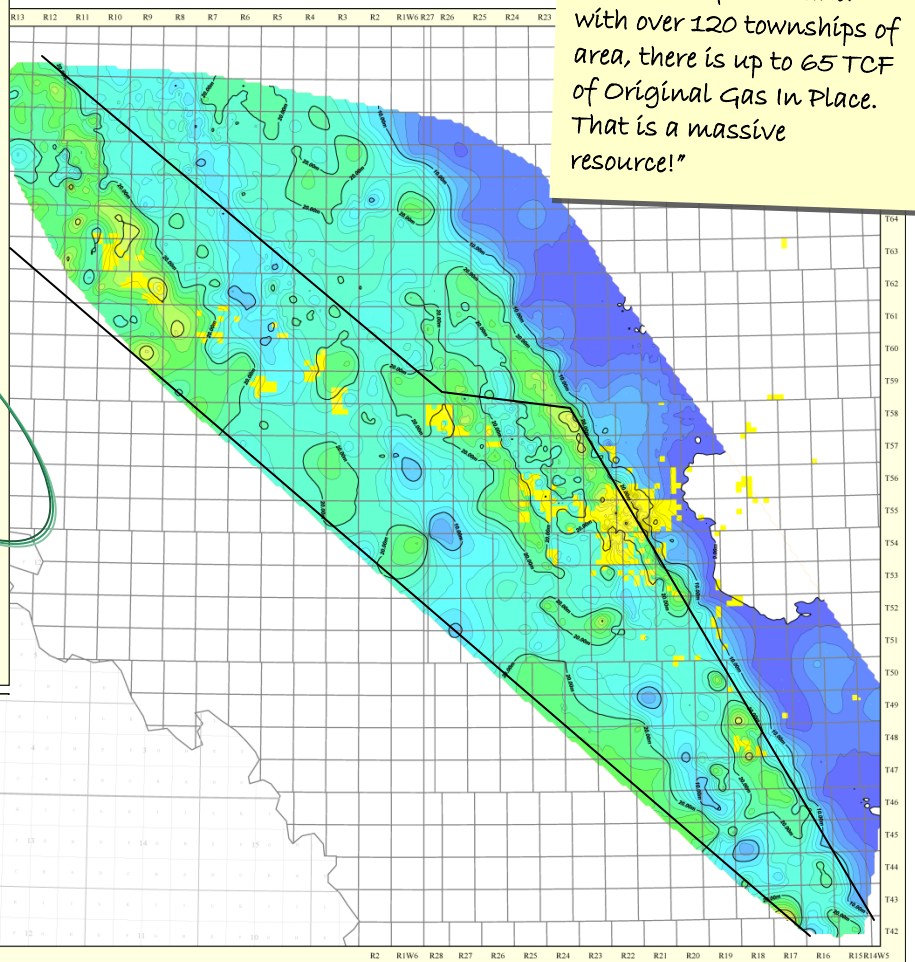
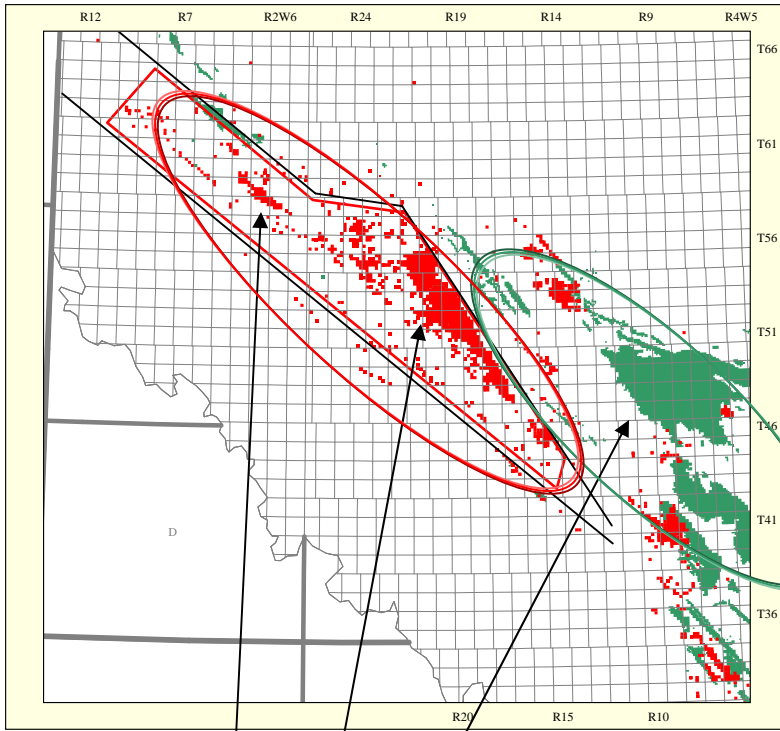
Sundance Area Reservoirs



50 BCF/Section!

Peyto's Focus

Cardium Resource Play



"At an average sand thickness of 15 m and with over 120 townships of area, there is up to 65 TCF of Original Gas In Place. That is a massive resource!"

- Pembina
- Sundance
- Kakwa

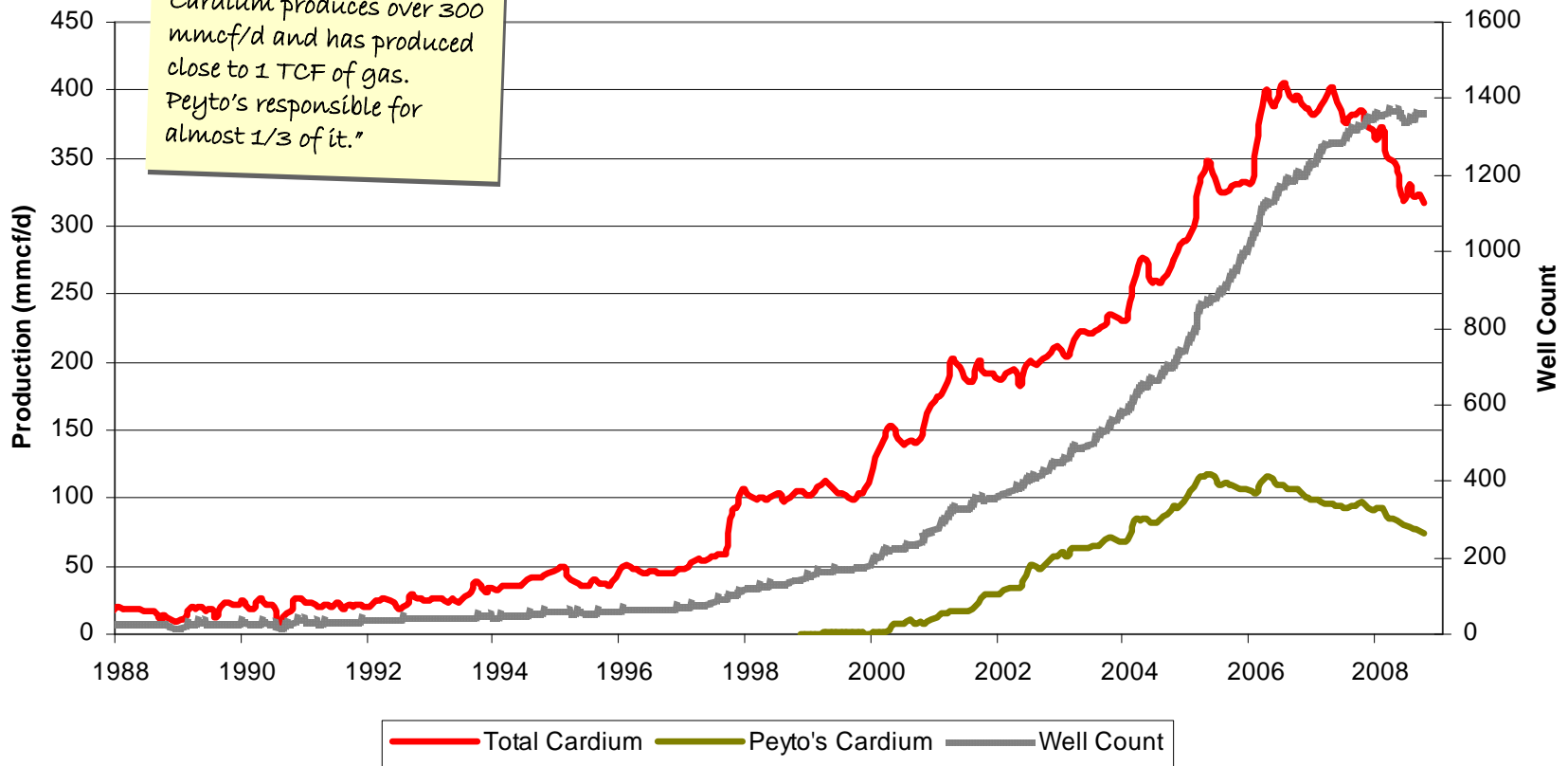
Peyto's Focus

Cardium Resource Play



"On production for more than 20 years, the Cardium produces over 300 mmcf/d and has produced close to 1 TCF of gas. Peyto's responsible for almost 1/3 of it."

Deep Basin Cardium Production

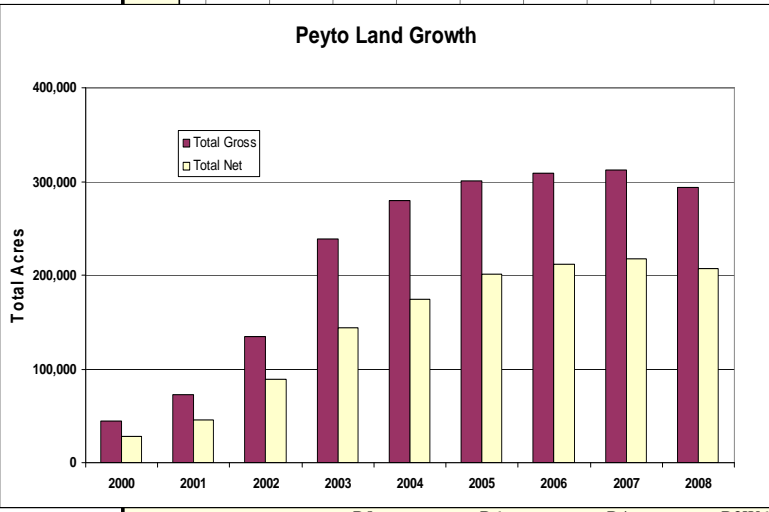
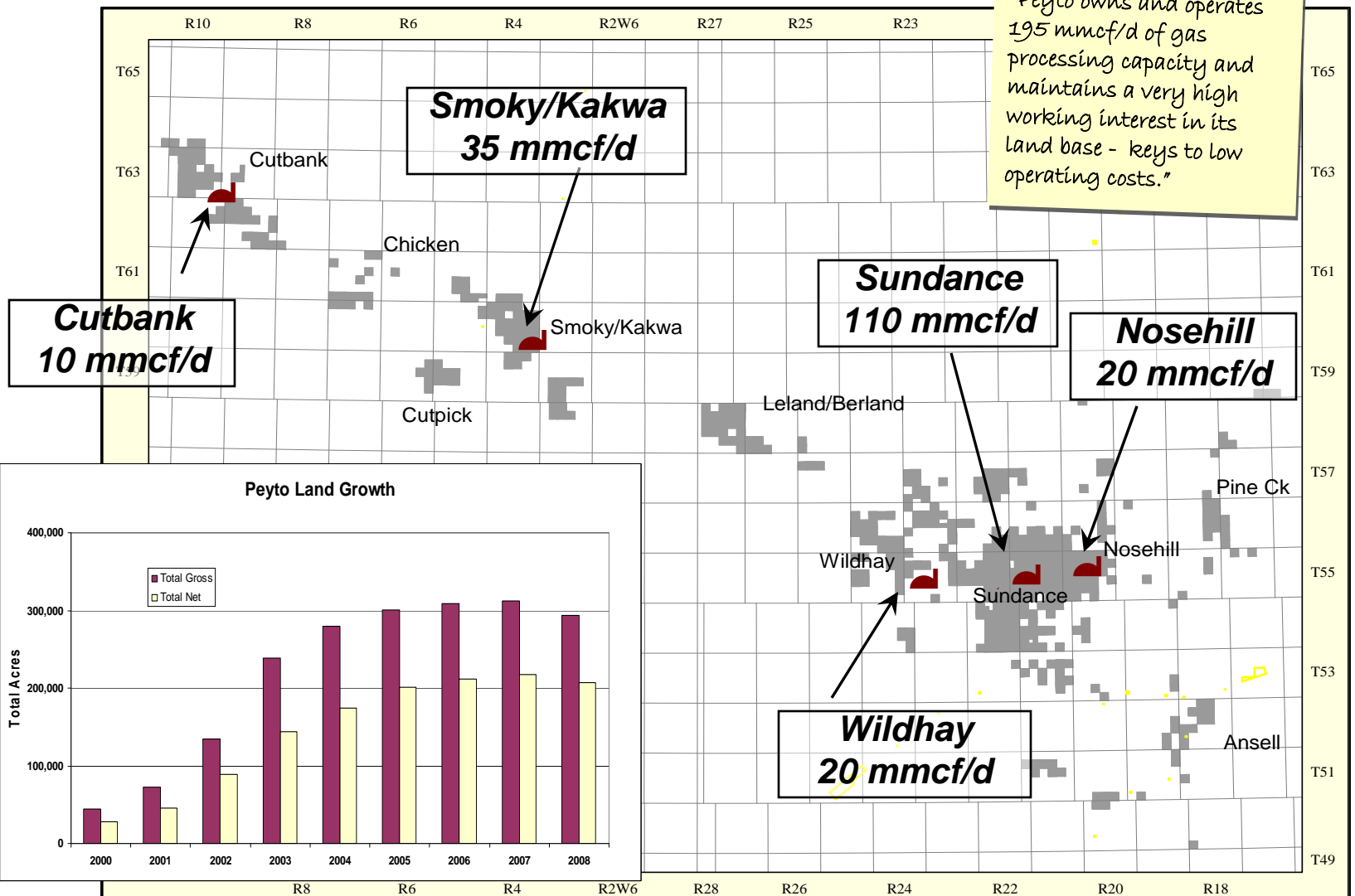


Peyto's Focus

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."



Peyto's Success

The Highest Quality Production and Reserves



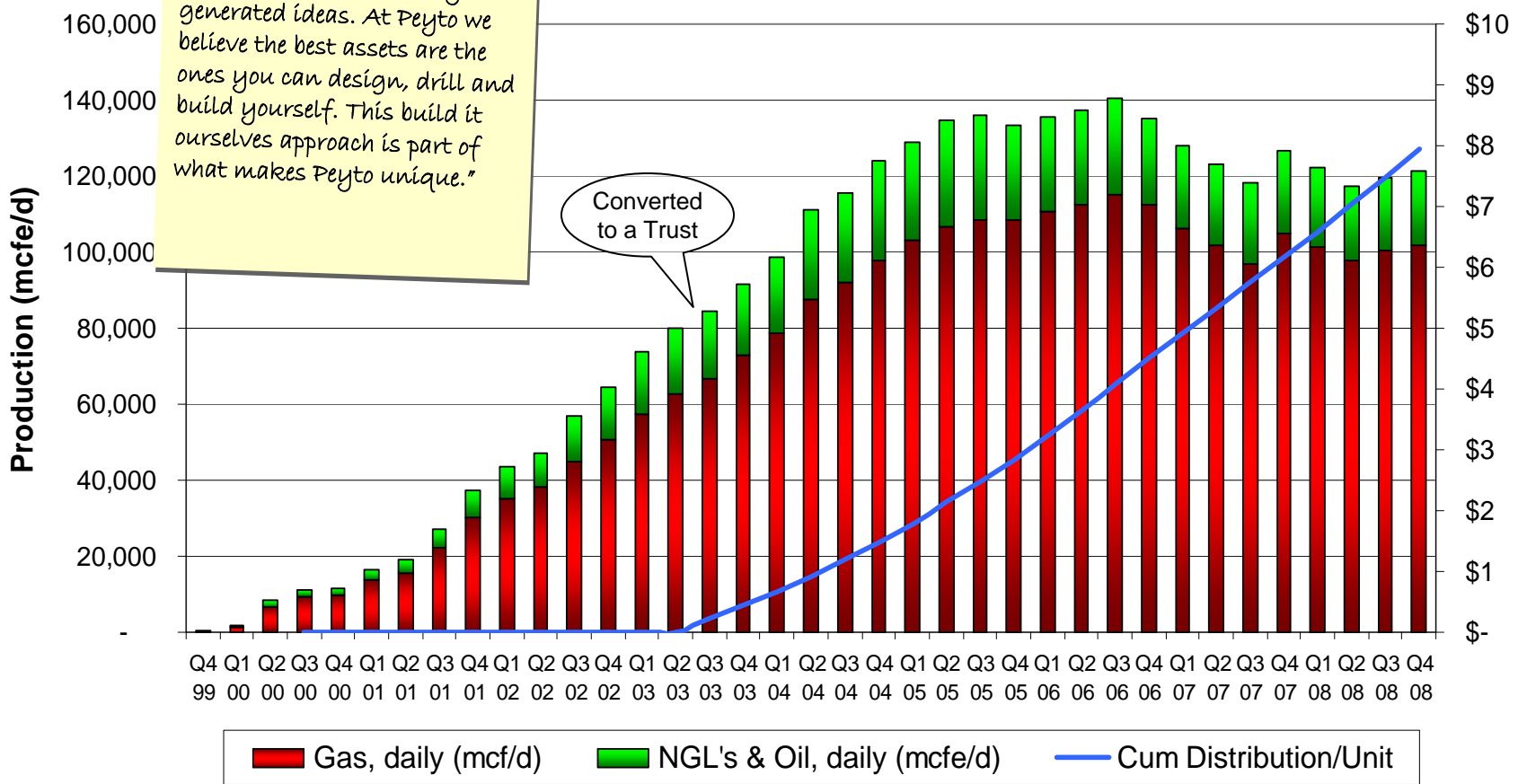
Peyto's Production

Organic Production Growth



"All of our production growth has come from internally generated ideas. At Peyto we believe the best assets are the ones you can design, drill and build yourself. This build it ourselves approach is part of what makes Peyto unique."

Converted to a Trust



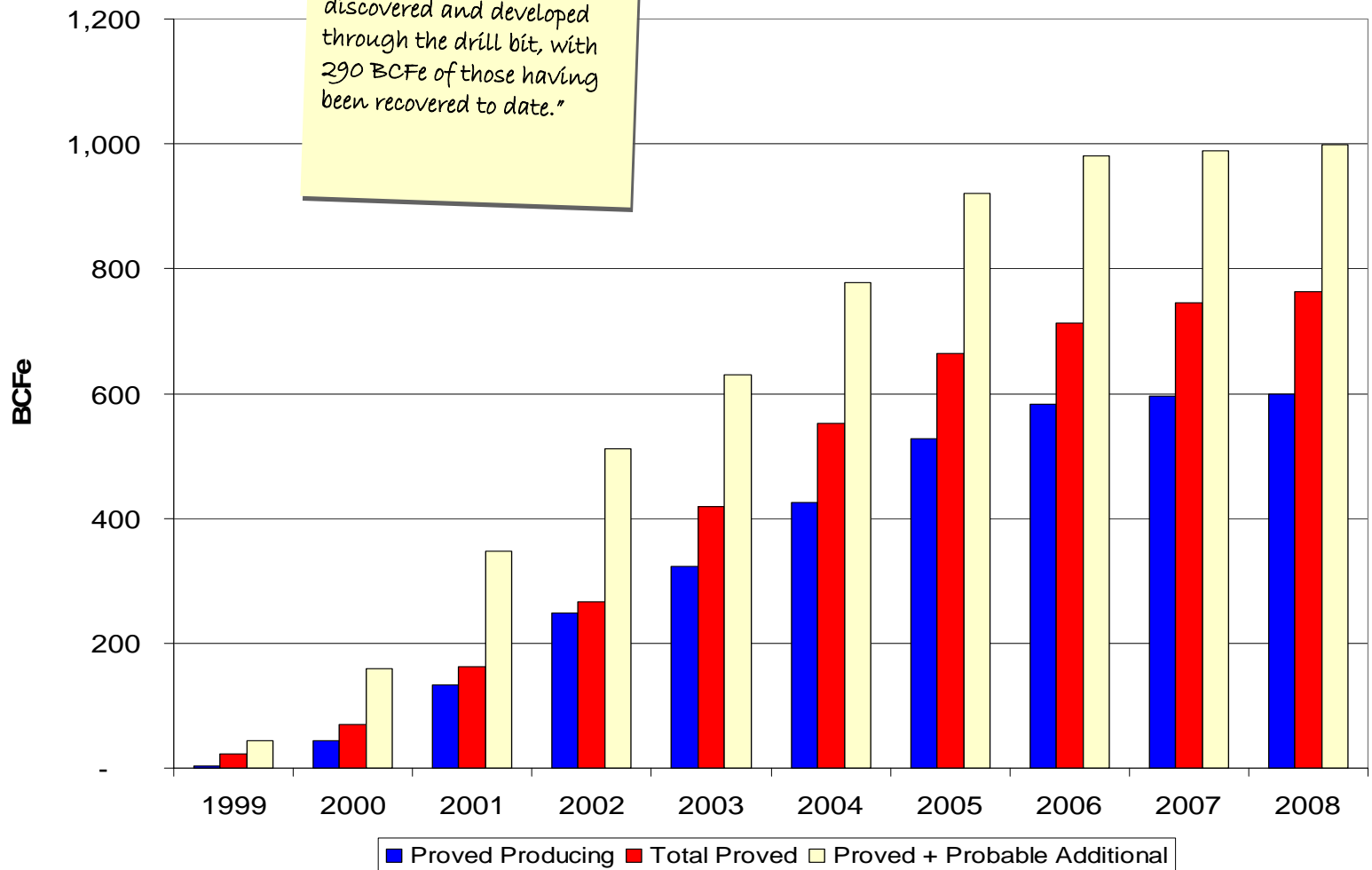
BOE factor - 6 mcf = 1 bbl of oil equivalent

Peyto's Reserves

Reserves Growth



"Over 900 BCFe have been discovered and developed through the drill bit, with 290 BCFe of those having been recovered to date."



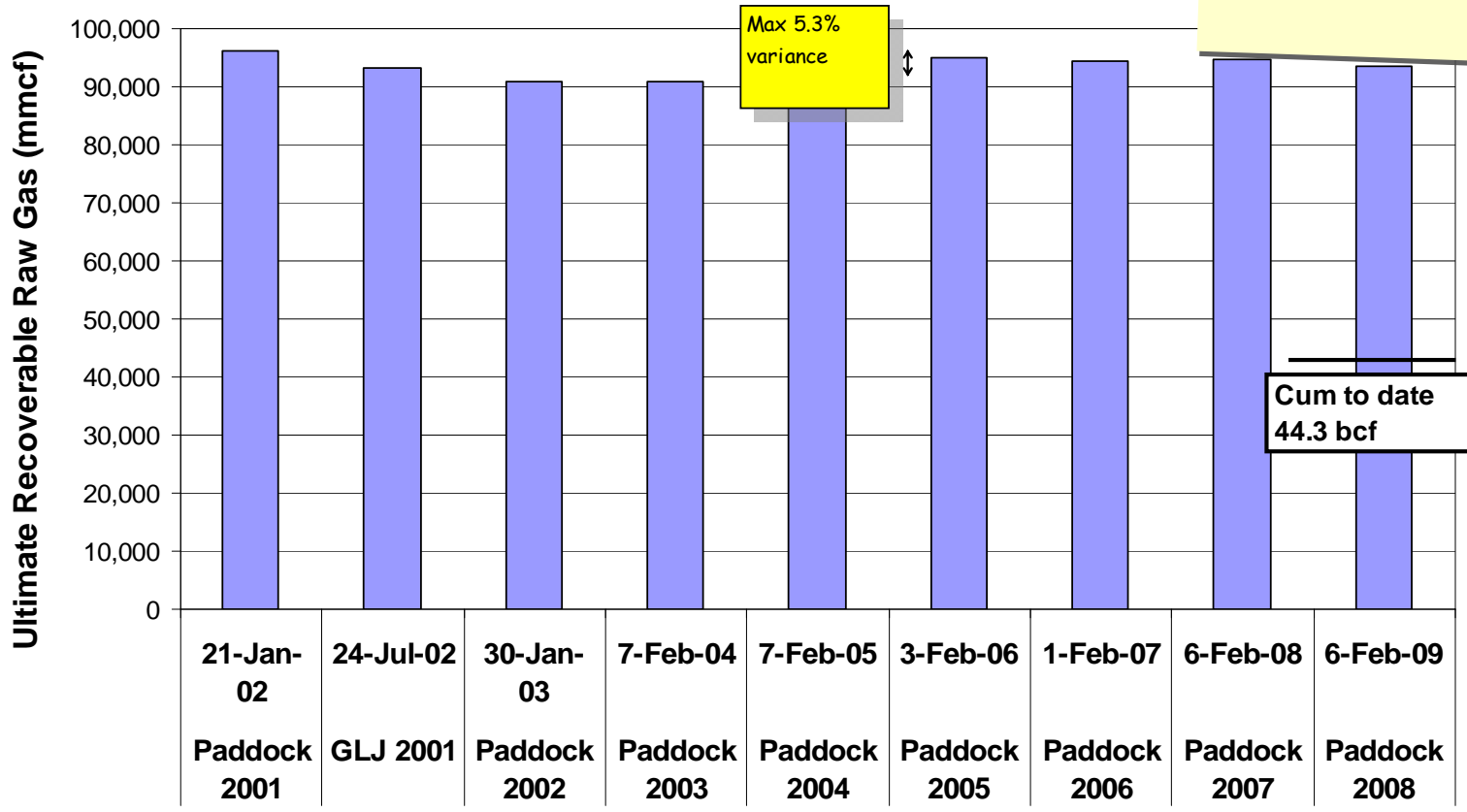
Peyto's Reserves

Predictability



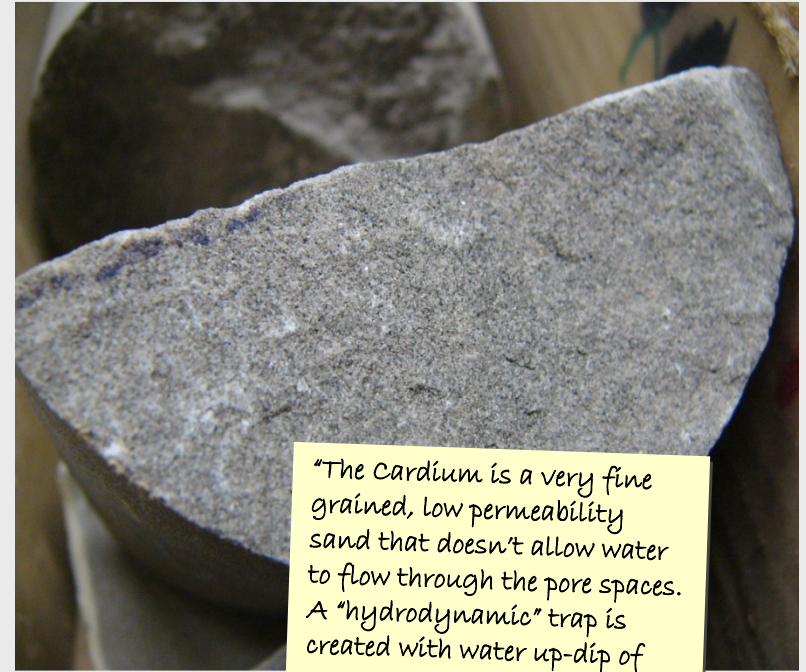
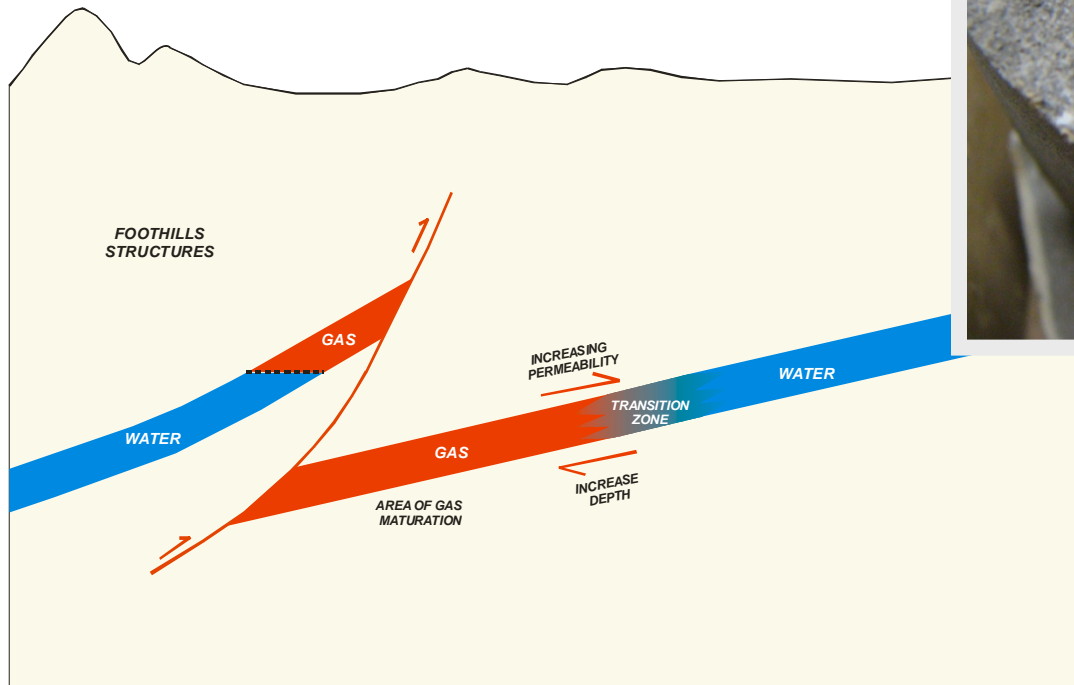
"Deep Basin Tight Gas resource plays, that don't produce water and have vast areal extent, deliver predictable production profiles requiring very little revision over time. It is this predictability that gives us such high confidence in their value."

Peyto Sundance Cardium G Pool 2001 Original 37 Producers



Peyto's Reserves

Cardium Formation - Permeability Segregation

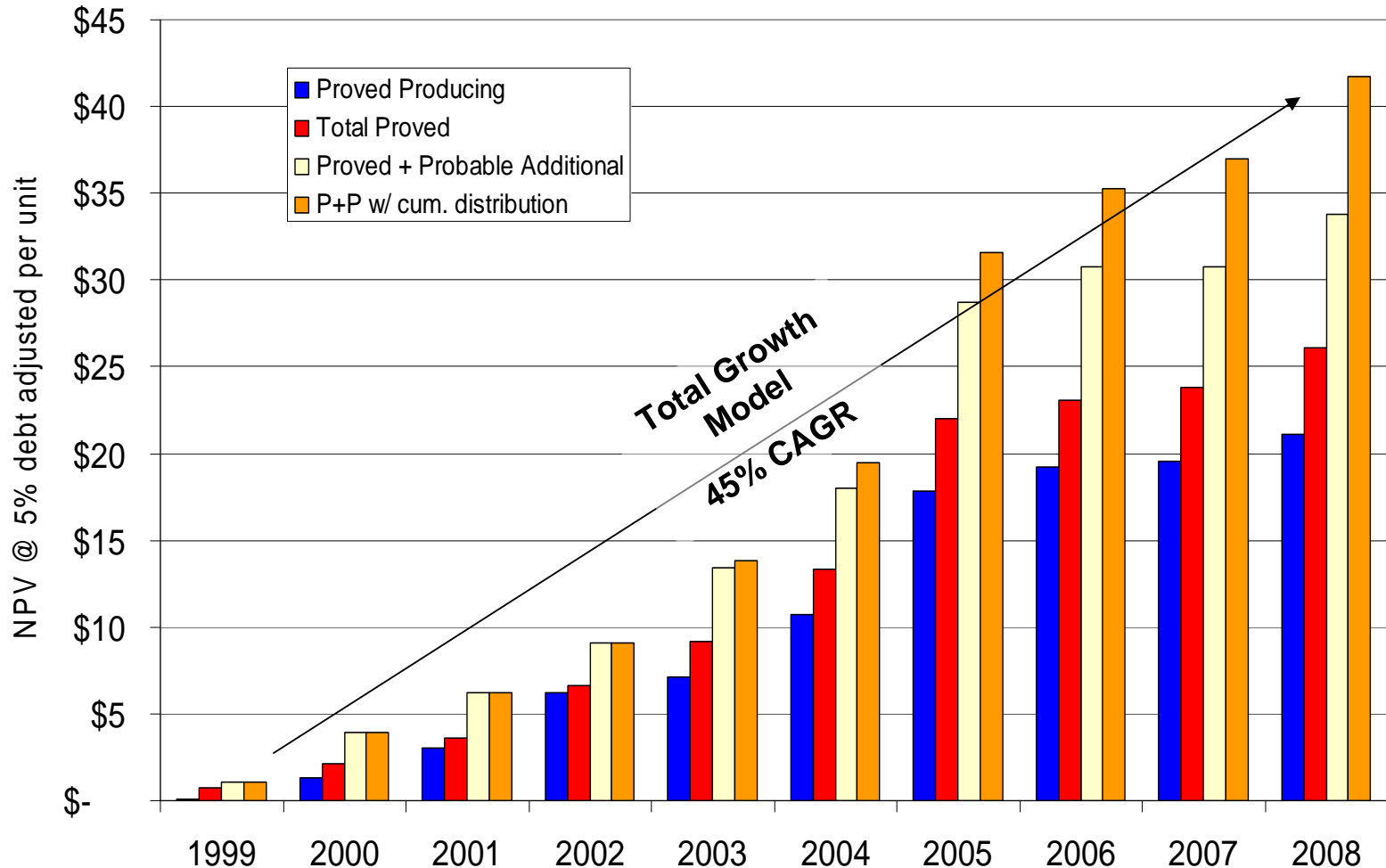


"The Cardium is a very fine grained, low permeability sand that doesn't allow water to flow through the pore spaces. A "hydrodynamic" trap is created with water up-dip of gas."

"It means that wells can't water out!"

Peyto's Reserves

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

Peyto's Reserves

Net Present Value



Variable Price Economics

Category	NPV (millions of CDN dollars)			
	0%	5%	8%	10%
Proven Producing	\$5,273	\$2,736	\$2,103	\$1,825
Proven Non-Producing	\$ 141	\$ 63	\$ 44	\$ 36
Proven Undeveloped	\$1,073	\$ 468	\$ 312	\$ 244
Total Proven	\$6,488	\$3,267	\$2,459	\$2,105
Probable Additional	\$2,074	\$ 810	\$ 535	\$ 424
Proven + Probable	\$8,562	\$4,077	\$2,995	\$2,529

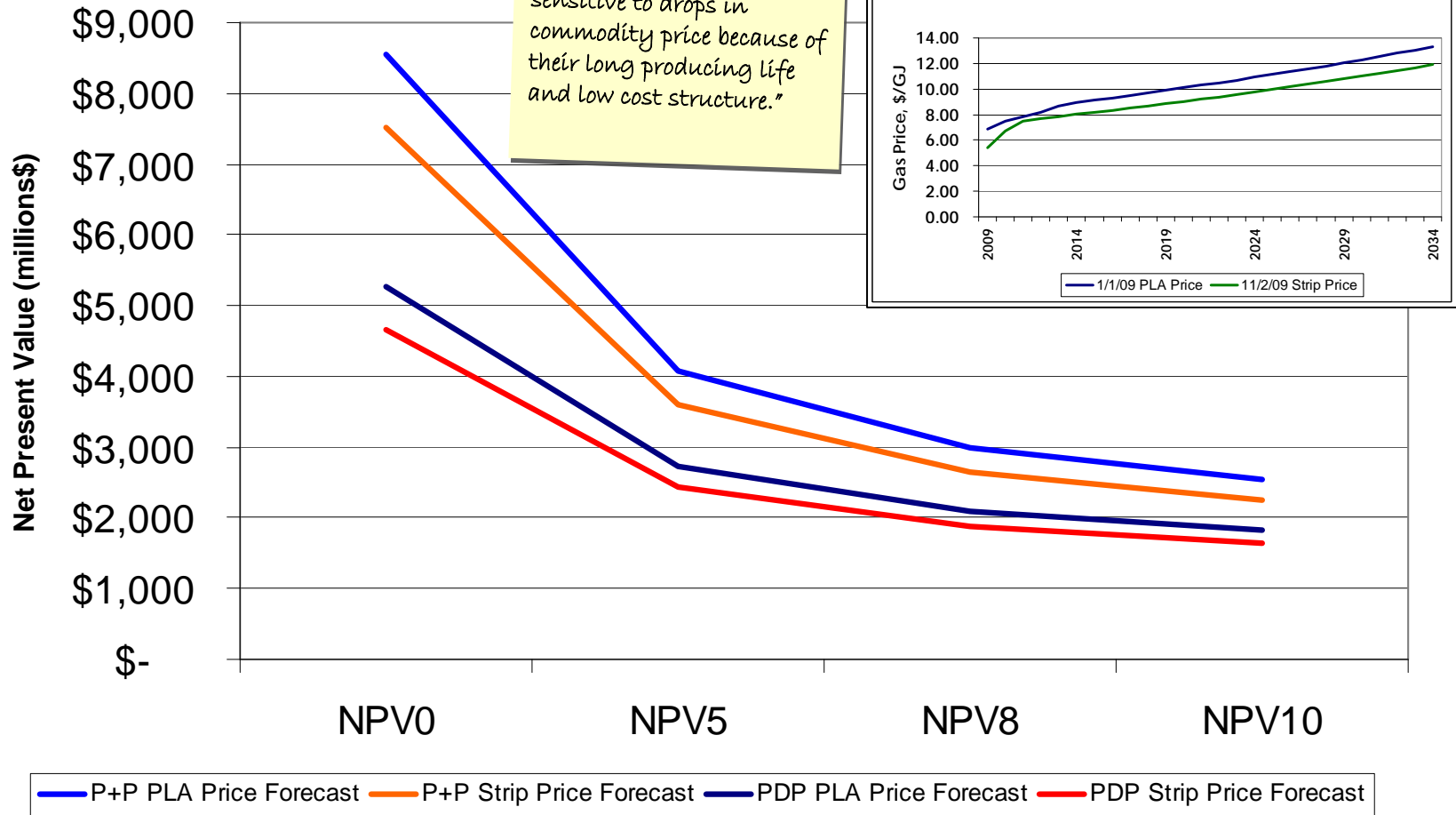
Paddock Lindstrom & Associates February 2009 Reserve Report (effective: December 31, 2008)

Peyto's Reserves

Net Present Value Sensitivity



"The Net Present value of Peyto's reserves are less sensitive to drops in commodity price because of their long producing life and low cost structure."



Peyto's Profits

How profitability is achieved



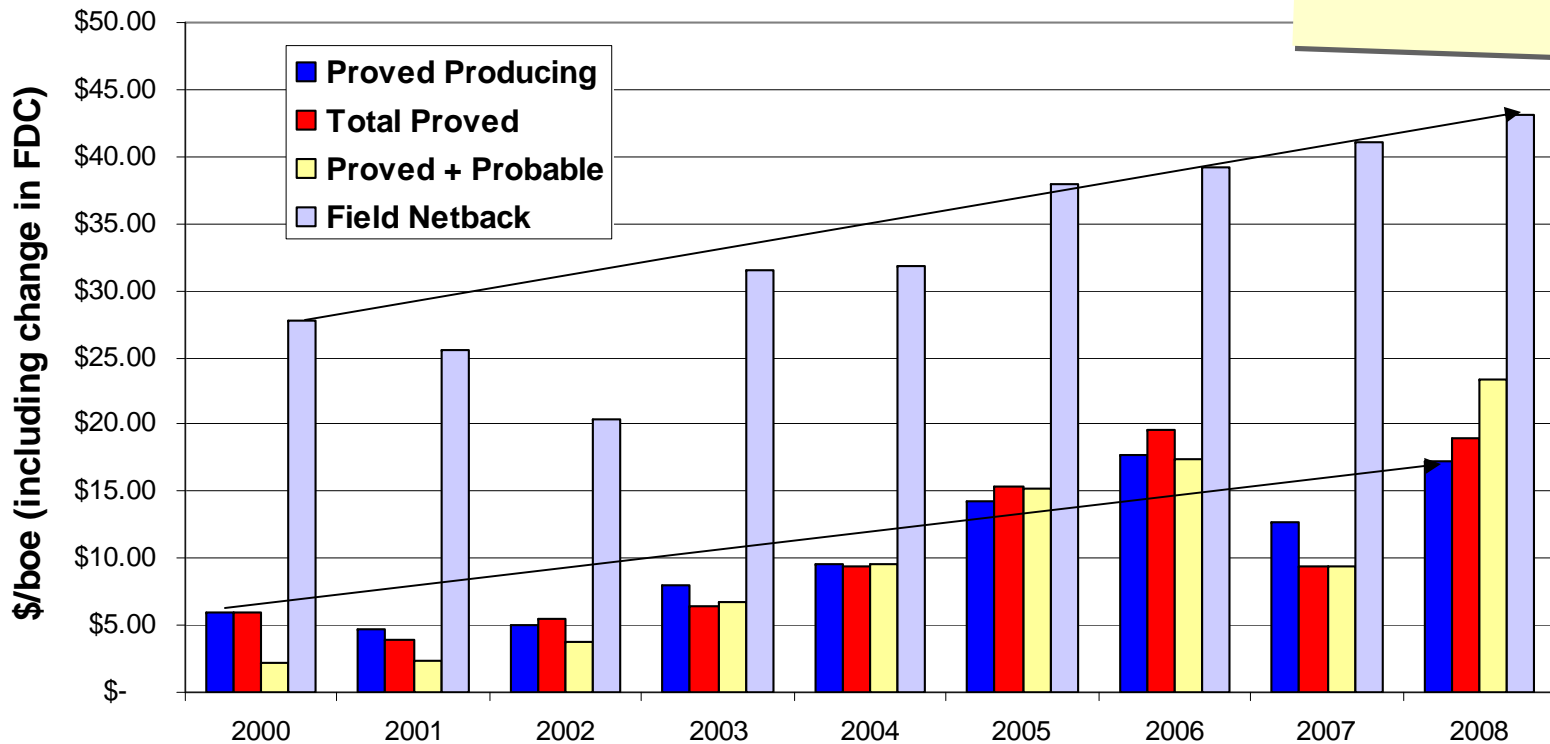
Peyto's Profits

Build It For Less



"On average Peyto has built producing barrels for 1/3 of what we sell them for. That is where the real profit lies."

Peyto FD&A Costs

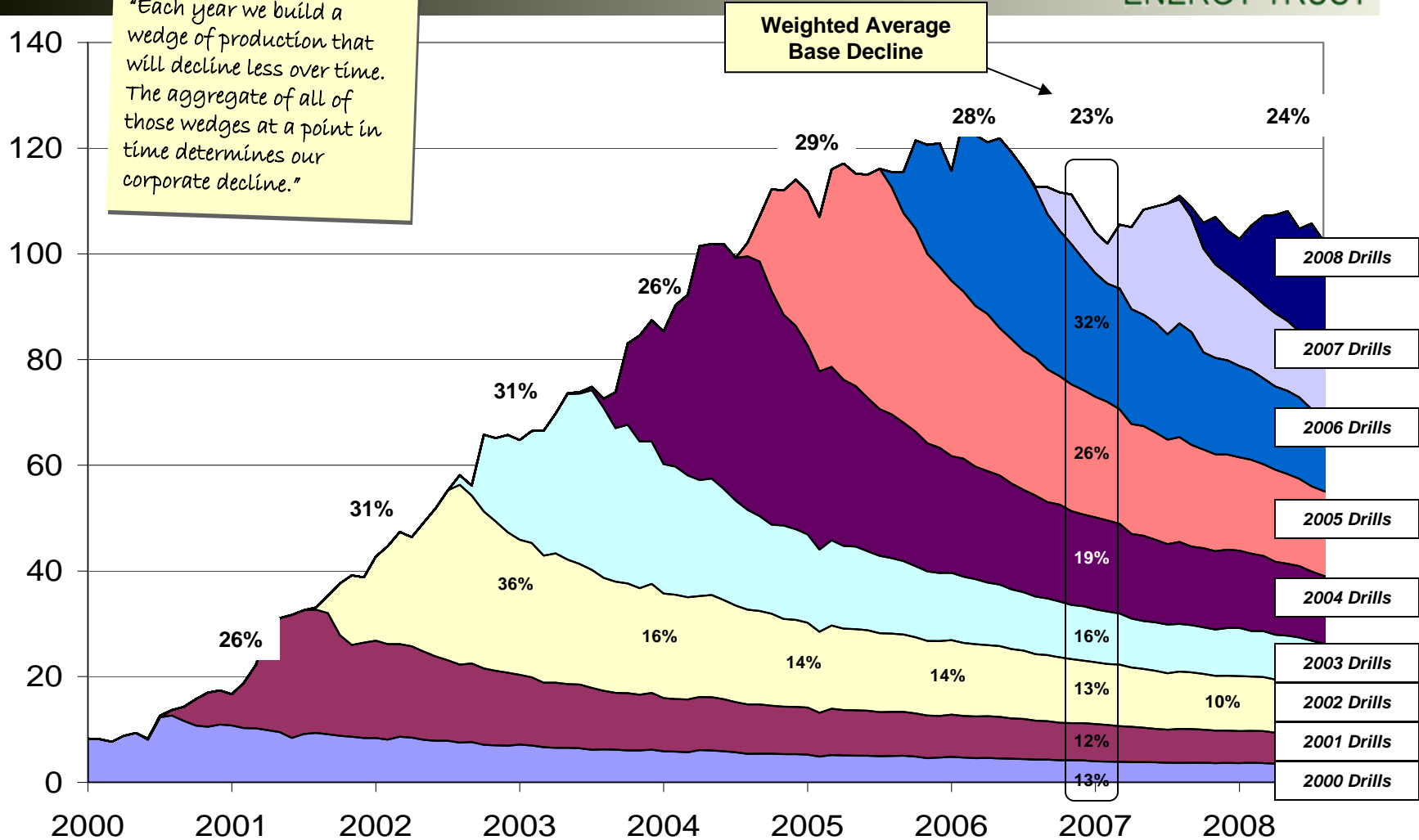


Peyto's Profits

Building Our Own Production



"Each year we build a wedge of production that will decline less over time. The aggregate of all of those wedges at a point in time determines our corporate decline."



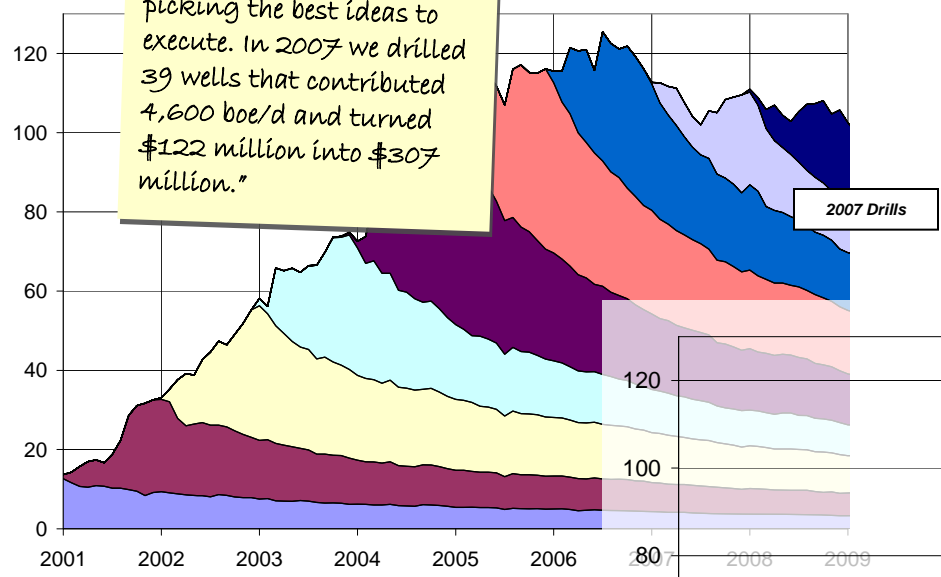
Note: liquids are converted to molar equivalent gas volume for this analysis (1 bbl approximately equal to 1.13 mcfe)

Peyto's Profits

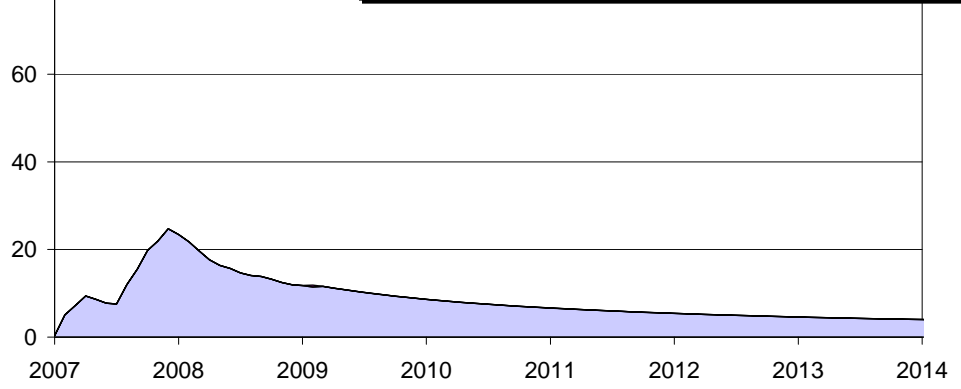
2007 Activity



"Every year we focus on picking the best ideas to execute. In 2007 we drilled 39 wells that contributed 4,600 boe/d and turned \$122 million into \$307 million."



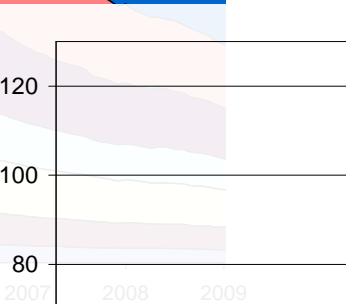
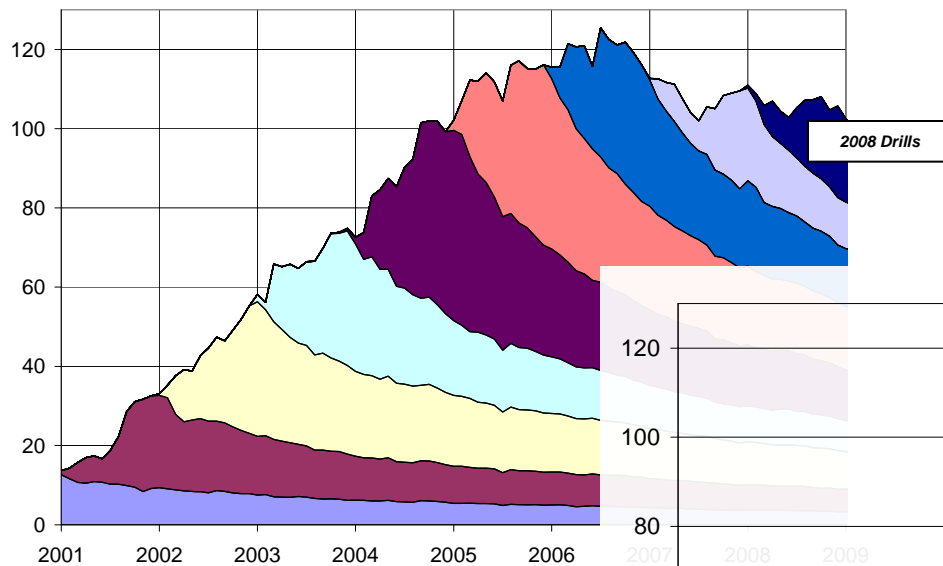
2007 Capex \$122 Million
39 net wells
4,600 boe/d new production
PLA Dec 31, 2007 Pricing
NPV ₍₅₎ \$307 million
IRR 35%



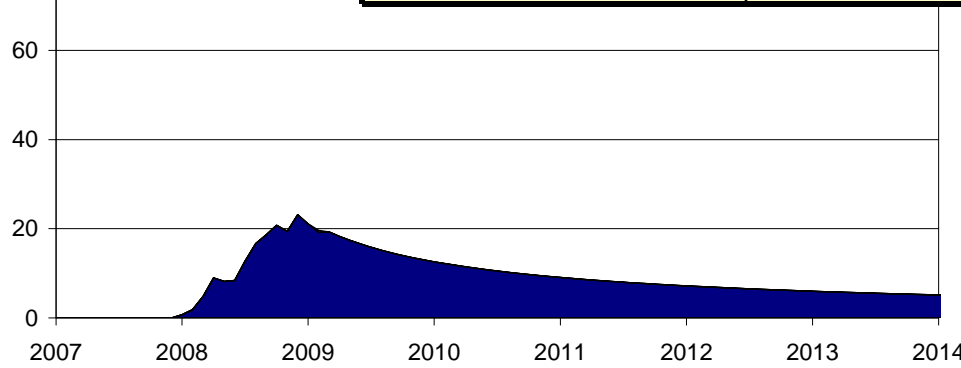
Note: liquids are converted to molar equivalent gas volume for this analysis (1 bbl approximately equal to 1.13 mcfe)

Peyto's Profits

2008 Activity



2008 Capex \$139 Million	
41 net wells	
4,200 boe/d new production	
PLA Dec 31, 2008 Pricing	Strip Pricing Feb 27, 2009
NPV ₍₅₎ \$302.5 million	NPV ₍₅₎ \$222 million
IRR 27%	IRR 20%



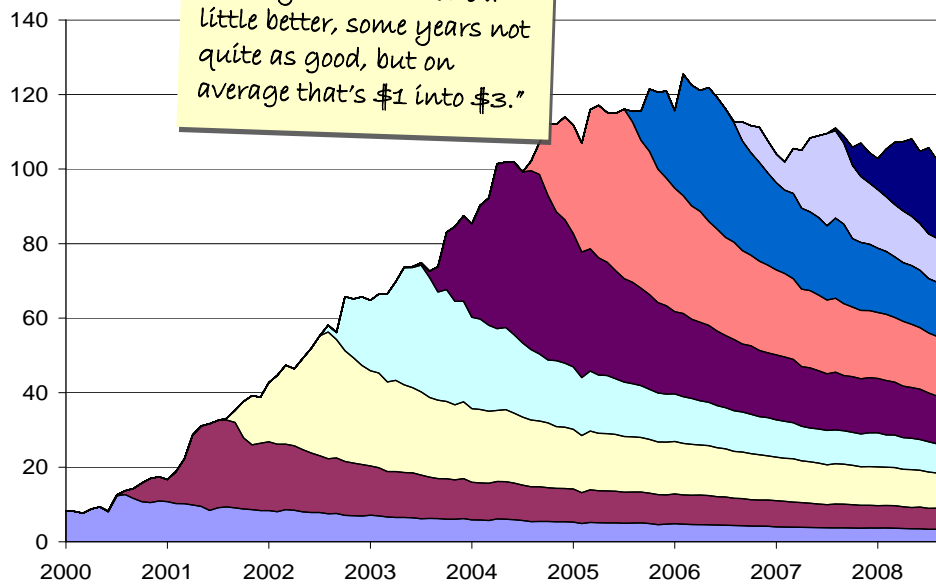
Note: liquids are converted to molar equivalent gas volume for this analysis (1 bbl approximately equal to 1.13 mcfe)

Peyto's Profits

\$1 into \$3



"Over our ten year history, we've used \$1.5 billion and turned it into \$4.6 billion. Some years we've done a little better, some years not quite as good, but on average that's \$1 into \$3."



10 yr Capex \$1.54B
500 net wells
20,000 boe/d production
\$1.71B cum. operating income
PLA Dec 31, 2008 Pricing
NPV ₍₅₎ \$2.86B PP Remaining
\$1.5B : \$4.6B ~ \$1:\$3

Note: liquids are converted to molar equivalent gas volume for this analysis (1 bbl approximately equal to 1.13 mcf)

Profits

Low Operating Costs



"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!"

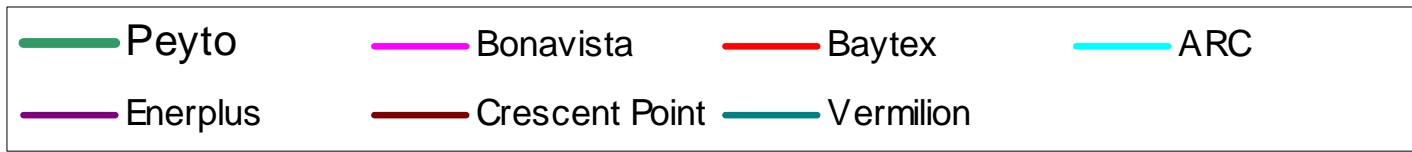
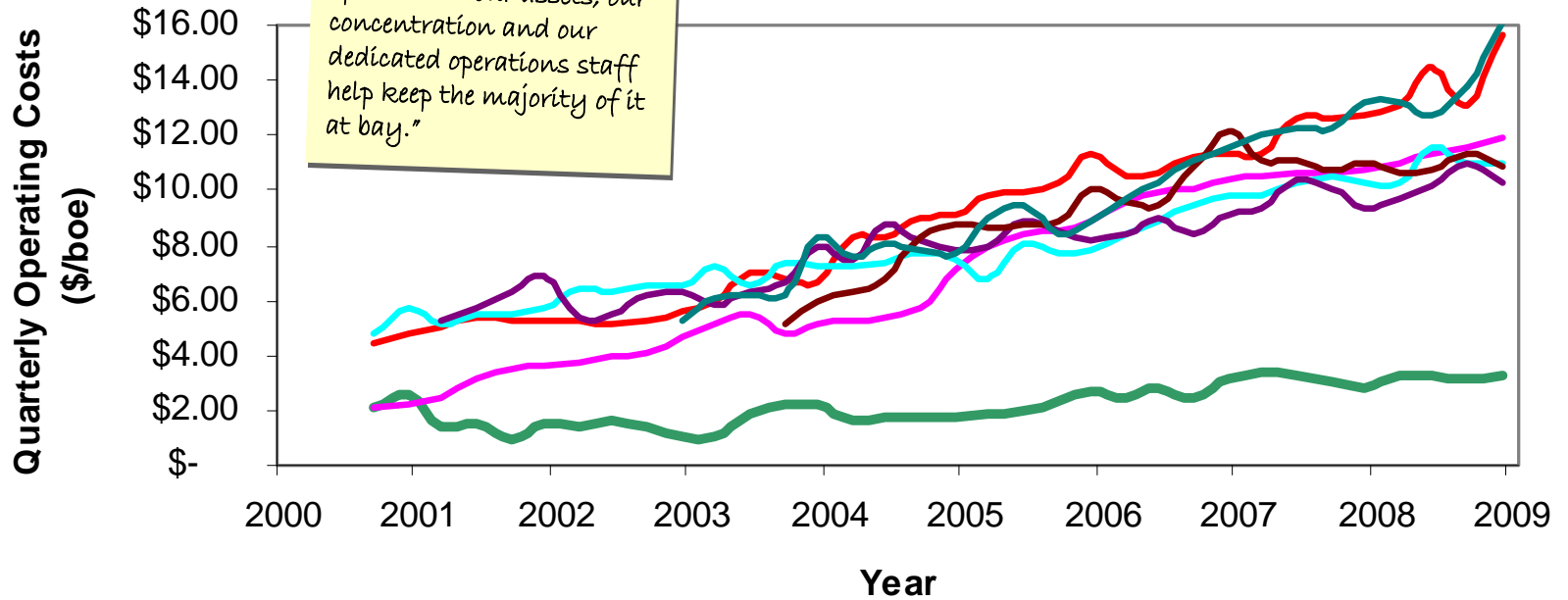
Year	Field Expenses (\$/boe)	Transportation (\$/boe)	Processing Income (\$/boe)	Operating Costs (\$/boe)
2002	\$ 1.45	\$ 0.58	\$ (0.66)	\$ 1.37
2003	\$ 1.99	\$ 0.56	\$ (0.69)	\$ 1.86
2004	\$ 1.78	\$ 0.70	\$ (0.73)	\$ 1.75
2005	\$ 2.17	\$ 0.68	\$ (0.62)	\$ 2.23
2006	\$ 3.08	\$ 0.58	\$ (0.92)	\$ 2.74
2007	\$ 3.77	\$ 0.57	\$ (1.20)	\$ 3.14
2008	\$ 4.15	\$ 0.63	\$ (1.55)	\$ 3.23

Profits

Operating Cost Trend



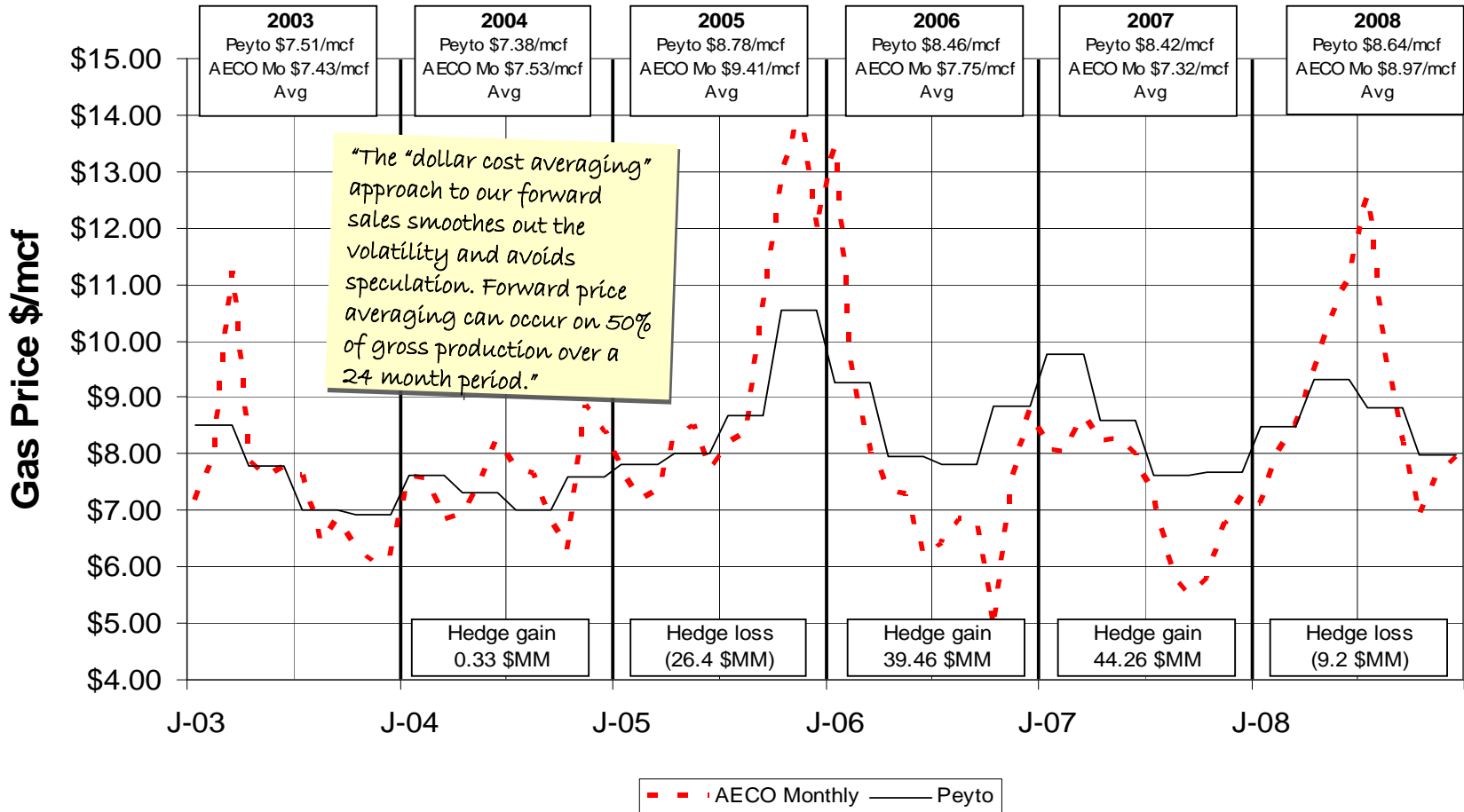
"We've not been immune to inflationary pressure on op costs but our assets, our concentration and our dedicated operations staff help keep the majority of it at bay."



BOE factor - 6 mcf = 1 bbl of oil equivalent
 Note operating costs include transportation

Profits

Peyto Marketing Strategy



Gas Marketing

Future Sales



Year	Season	Month	Energy (GJ/d)	Volume (E3m3/d)	Volume (MMscfd)	Price (\$/GJ)	Price (\$/mcf)	Look Forward	
								Average Volume (MMscfd)	Average Price (\$/mcf)
2008	Winter	Nov	55,000	1,324	47	\$ 8.02	\$ 9.38	23	\$ 9.32
		Dec	55,000	1,324	47	\$ 8.02	\$ 9.38	22	\$ 9.32
Jan		55,000	1,324	47	\$ 8.02	\$ 9.38	22	\$ 9.31	
Feb		55,000	1,324	47	\$ 8.02	\$ 9.38	21	\$ 9.30	
Mar		55,000	1,324	47	\$ 8.02	\$ 9.38	19	\$ 9.30	
2009	Summer	Apr	40,000	963	34	\$ 8.31	\$ 9.72	18	\$ 9.29
		May	40,000	963	34	\$ 8.31	\$ 9.72	18	\$ 9.25
		Jun	40,000	963	34	\$ 8.31	\$ 9.72	17	\$ 9.21
		Jul	40,000	963	34	\$ 8.31	\$ 9.72	16	\$ 9.16
		Aug	40,000	963	34	\$ 8.31	\$ 9.72	15	\$ 9.09
		Sep	40,000	963	34	\$ 8.31	\$ 9.72	14	\$ 9.01
		Oct	40,000	963	34	\$ 8.31	\$ 9.72	13	\$ 8.91
	er	Nov	25,000	602	21	\$ 7.50	\$ 8.78	12	\$ 8.77
		Dec	25,000	602	21	\$ 7.50	\$ 8.78	11	\$ 8.77
		Jan	25,000	602	21	\$ 7.50	\$ 8.78	11	\$ 8.77
2010	Summer	Feb	25,000	602	21	\$ 7.50	\$ 8.78	10	\$ 8.77
		Mar	25,000	602	21	\$ 7.50	\$ 8.78	9	\$ 8.76
		Apr	5,000	120	4	\$ 6.20	\$ 7.25	8	\$ 8.76
		May	5,000	120	4	\$ 6.20	\$ 7.25	8	\$ 8.83
		Jun	5,000	120	4	\$ 6.20	\$ 7.25	9	\$ 8.91
		Jul	5,000	120	4	\$ 6.20	\$ 7.25	9	\$ 9.00
	er	Aug	5,000	120	4	\$ 6.20	\$ 7.25	10	\$ 9.10
		Sep	5,000	120	4	\$ 6.20	\$ 7.25	10	\$ 9.21
		Oct	5,000	120	4	\$ 6.20	\$ 7.25	11	\$ 9.33
		Nov	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47
2011	Winter	Dec	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47
		Jan	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47
		Feb	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47
		Mar	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47
		Mar	15,000	361	13	\$ 8.09	\$ 9.47	13	\$ 9.47

"Low risk reserves and production can be forward sold with confidence since you know they will still be there when the time comes."

•Assuming an Average Heating Value of 1.17 GJ/mcf for Peyto's gas

Peyto's Returns

Profits to Unitholders

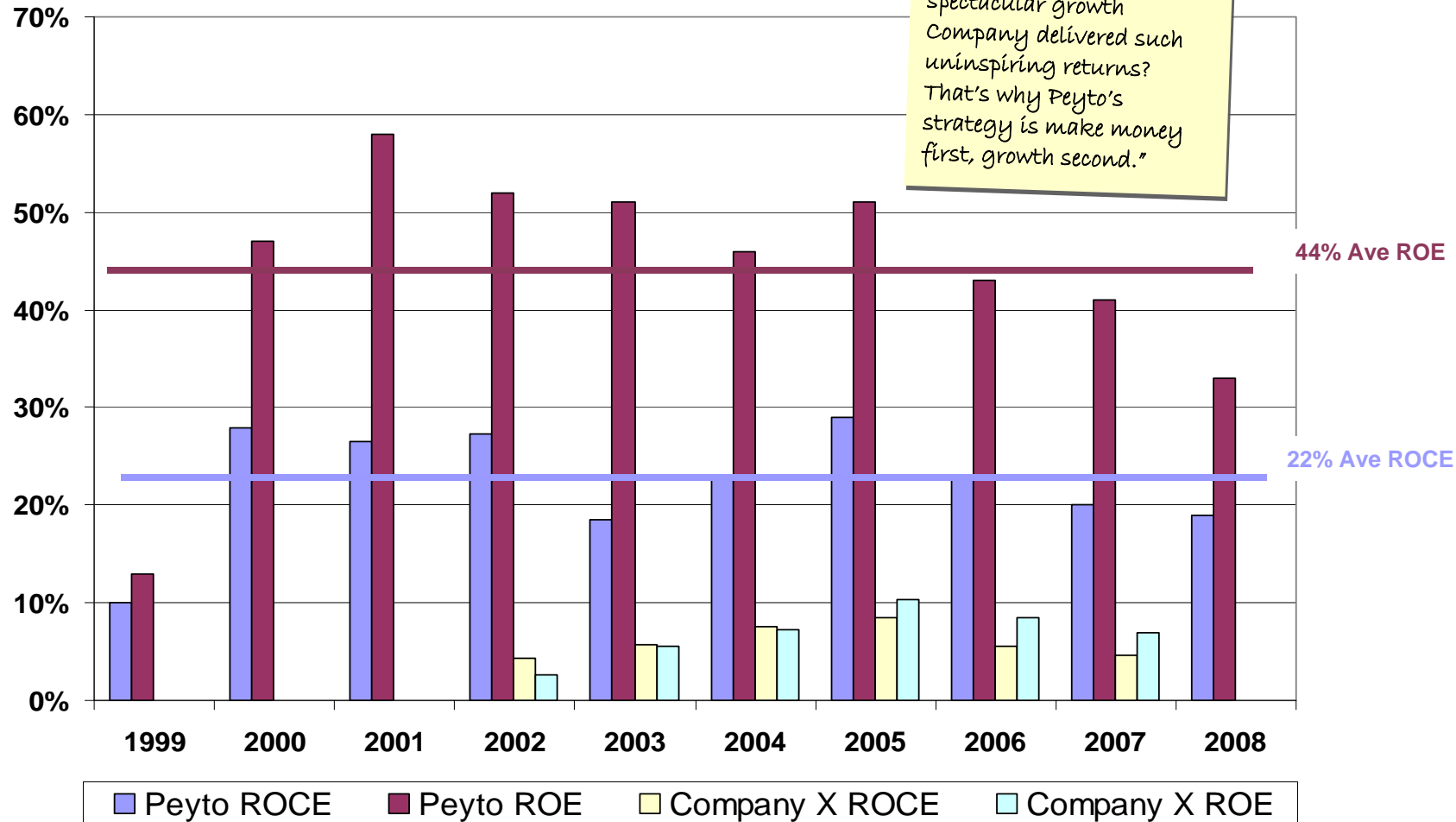


Strong Returns

Return on Capital, Return on Equity



"Can you guess which spectacular growth Company delivered such uninspiring returns? That's why Peyto's strategy is make money first, growth second."

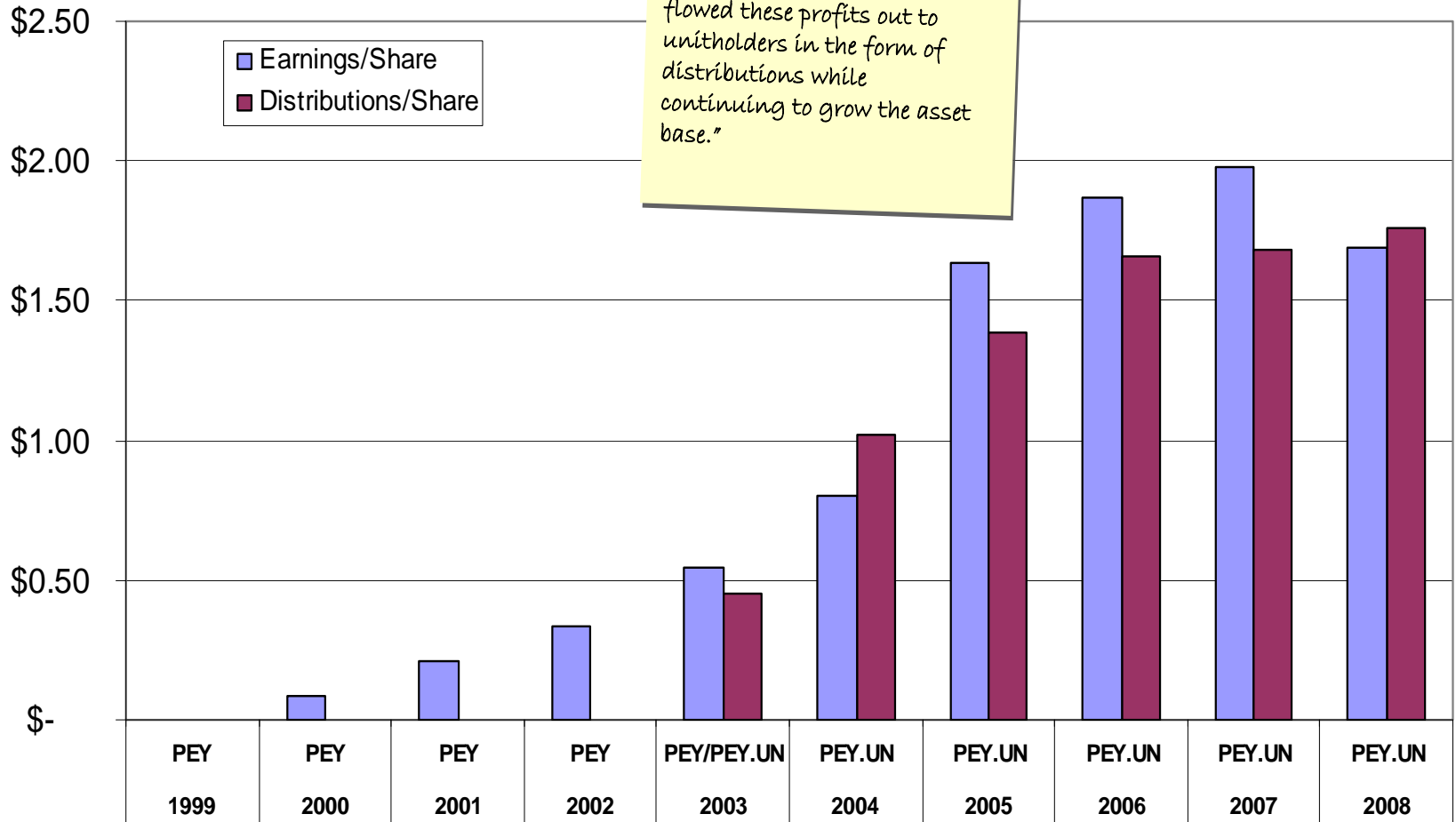


Returns to Unitholders

Profits and Distributions



"Peyto's earnings/share have grown significantly in the 10 year history. As a trust we've flowed these profits out to unitholders in the form of distributions while continuing to grow the asset base."



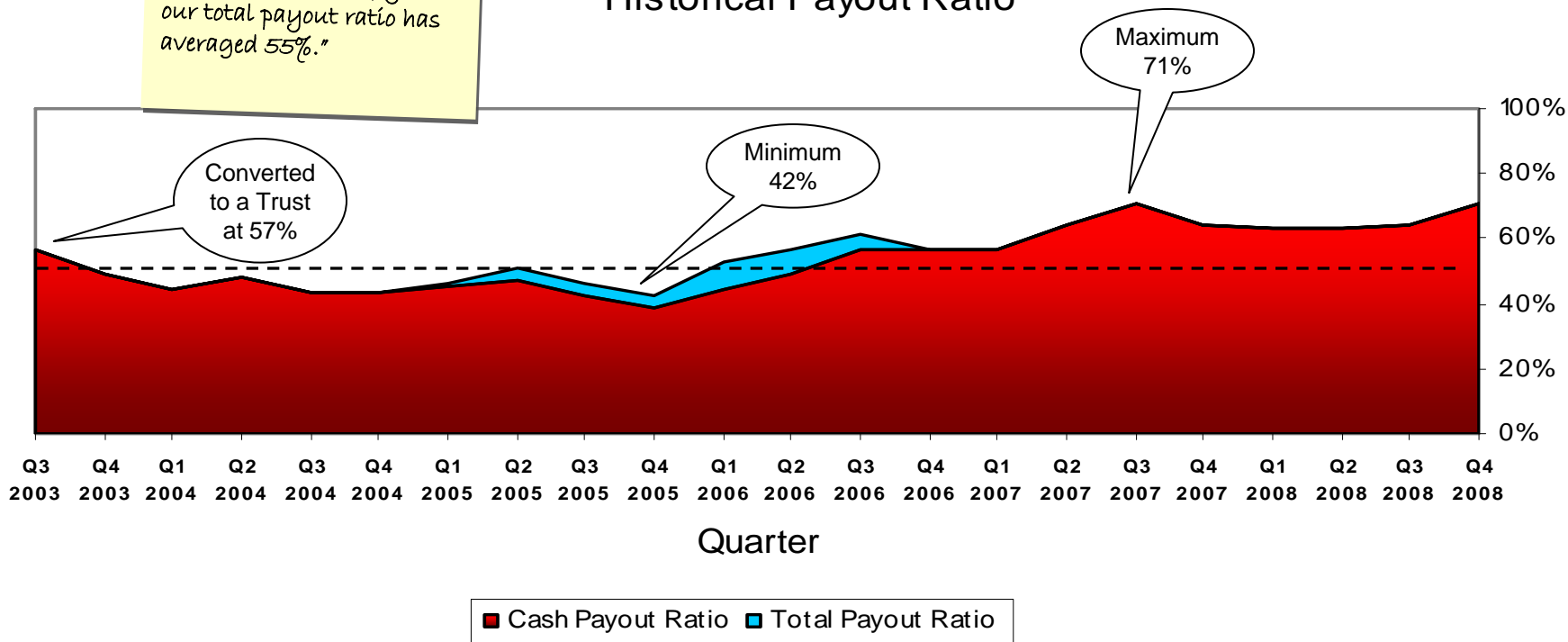
Sustainable Returns

Balanced Distribution



"Our plan was to payout roughly 50% of the funds from operations. Over the past five and a half years our total payout ratio has averaged 55%."

Historical Payout Ratio



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

Sustainable Returns

Positive Reserve Replacement Cycle

PEYTO

"Our reserve replacement cycle was negative for 2008 which means we need to improve our efficiency to sustain this level of payout."

Peyto 2008 Reserve Replacement Cycle

Funds From Operations (\$/mcf)	\$ 6.53
Distribution at 65% (\$/mcf)	<u>\$ (4.25)</u>
Cash Available After Distribution (\$/mcf)	\$ 2.28
Cost to replace Proved Producing Reserves (2008 FDA \$/mcf)	<u>\$ (2.88)</u>
Cash Available to Increase Proved Producing Reserves (\$/mcf)	<u>\$ (0.60)</u>

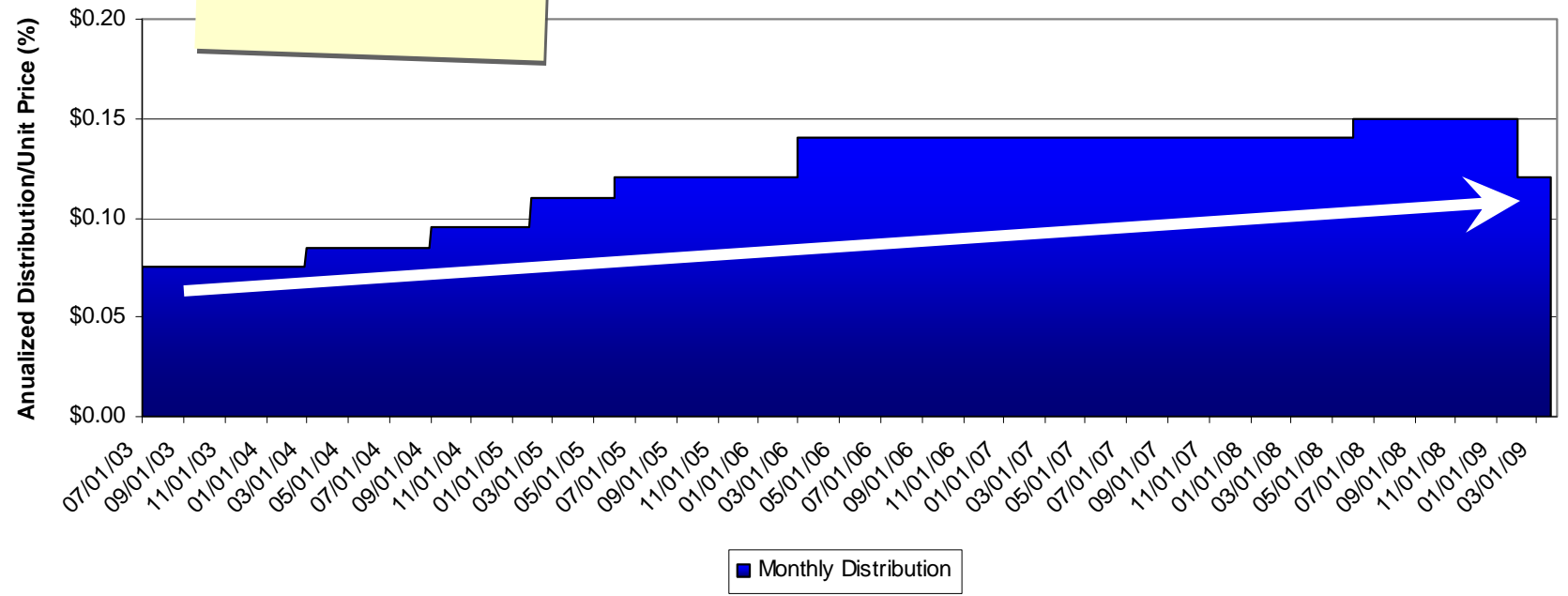
Peyto's Returns

Distribution Growth



"Our model was designed to grow our reserves per unit, thus, allowing us to grow our distributions per unit over time."

Monthly Distribution



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

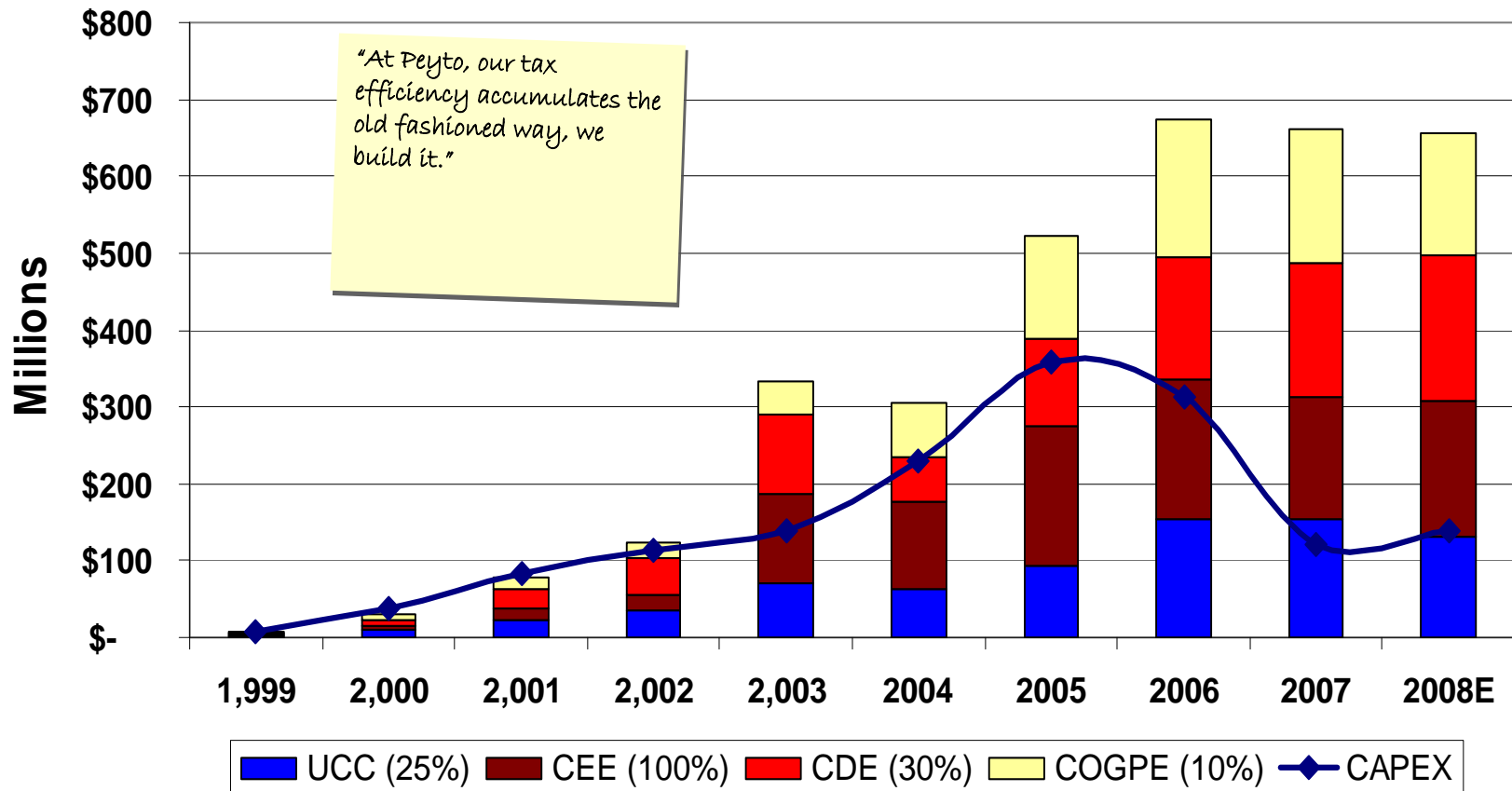
BOE factor - 6 mcf = 1 bbl of oil equivalent

Peyto's Returns

Accumulating Tax Pools



Peyto Year End Tax Pools



Why own Peyto?

"Our base assets are forecast to provide over \$2 billion in funding over the next 10 years. Do you want to be a part of turning the next \$1.5 billion into \$4.5?"



- Ten year history of coming up with drilling ideas and executing on them
- Based on past success, future ideas will be successful in adding reserves and production as well
- Lowest cost operator ensures they will generate a profit
- Profits can be efficiently returned to unitholders

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.