PEYTO ENERGY TRUST

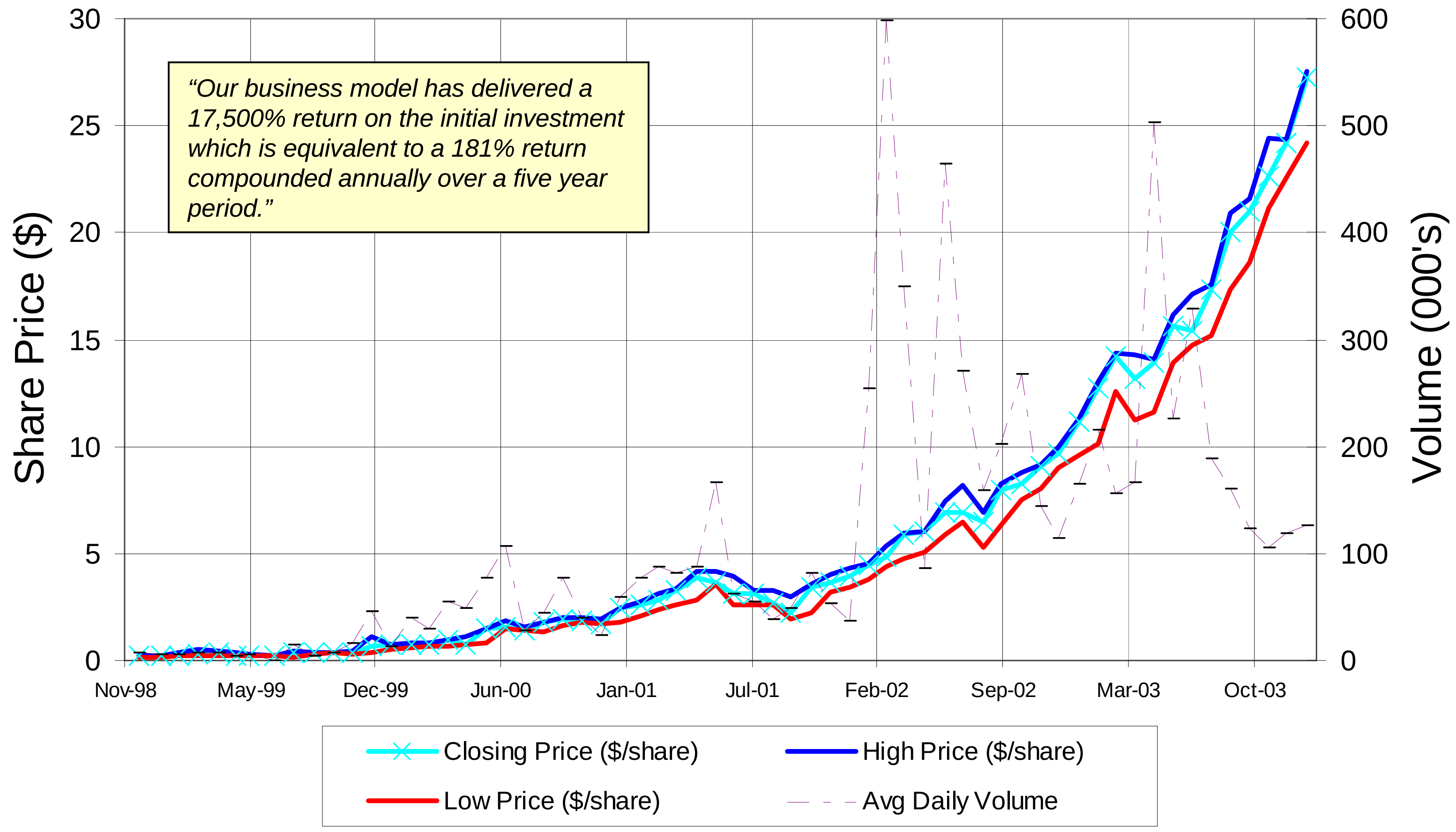
February 3, 2004

Profile

PEYTO ENERGY TRUST

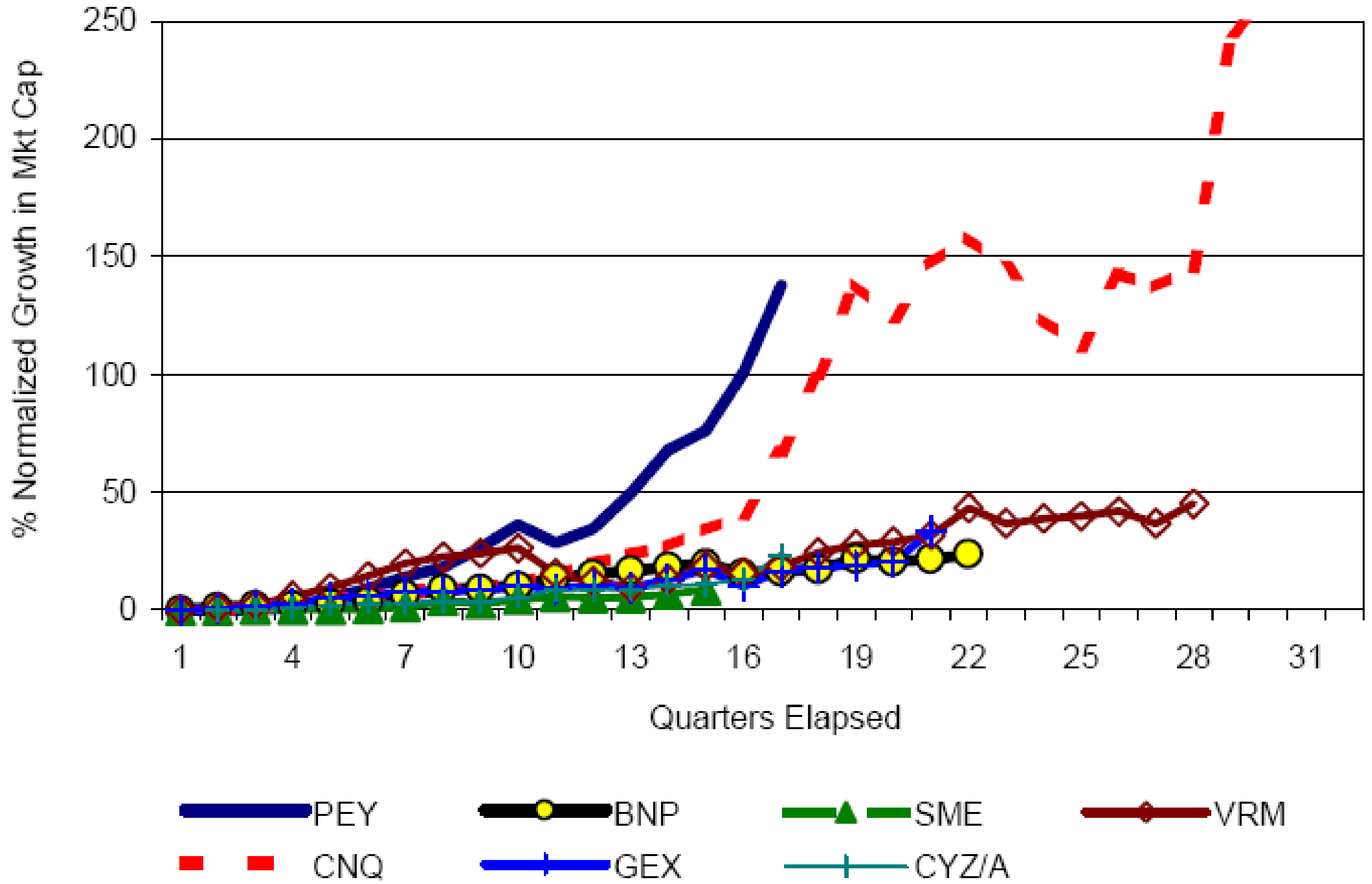
- Established - *November 1998*
- Market - *PEY.UN, Toronto Stock Exchange*
- Expertise - *Exploration & Development of Long-life Gas Reserves*
- Core Area of Operations - *Sundance, Alberta (Twp 55, Rge 21W5)*
- Units Outstanding - *Basic & Diluted 45,725,372*

Share Price Performance



Growth in Market Cap Performance (1)

PEYTO ENERGY TRUST



Growth in Market Cap Performance (2)

PEYTO ENERGY TRUST

On an absolute basis during the timeframe reviewed, these companies created significant shareholder value: Canadian Natural, $5.8 billion; Bonavista, $1.1 billion; Cypress, $0.6 billion; Genesis, $0.7 billion; Storm, $0.3 billion; Vermilion, $0.6 billion. During its first four years PEYTO has created $0.6 billion in shareholder value. But equally important, as shown below, it is the rate of value creation that jumps out. Both Canadian Natural and PEYTO created shareholder value, early in their lives, at a pace that left these other outstanding companies in the dust.

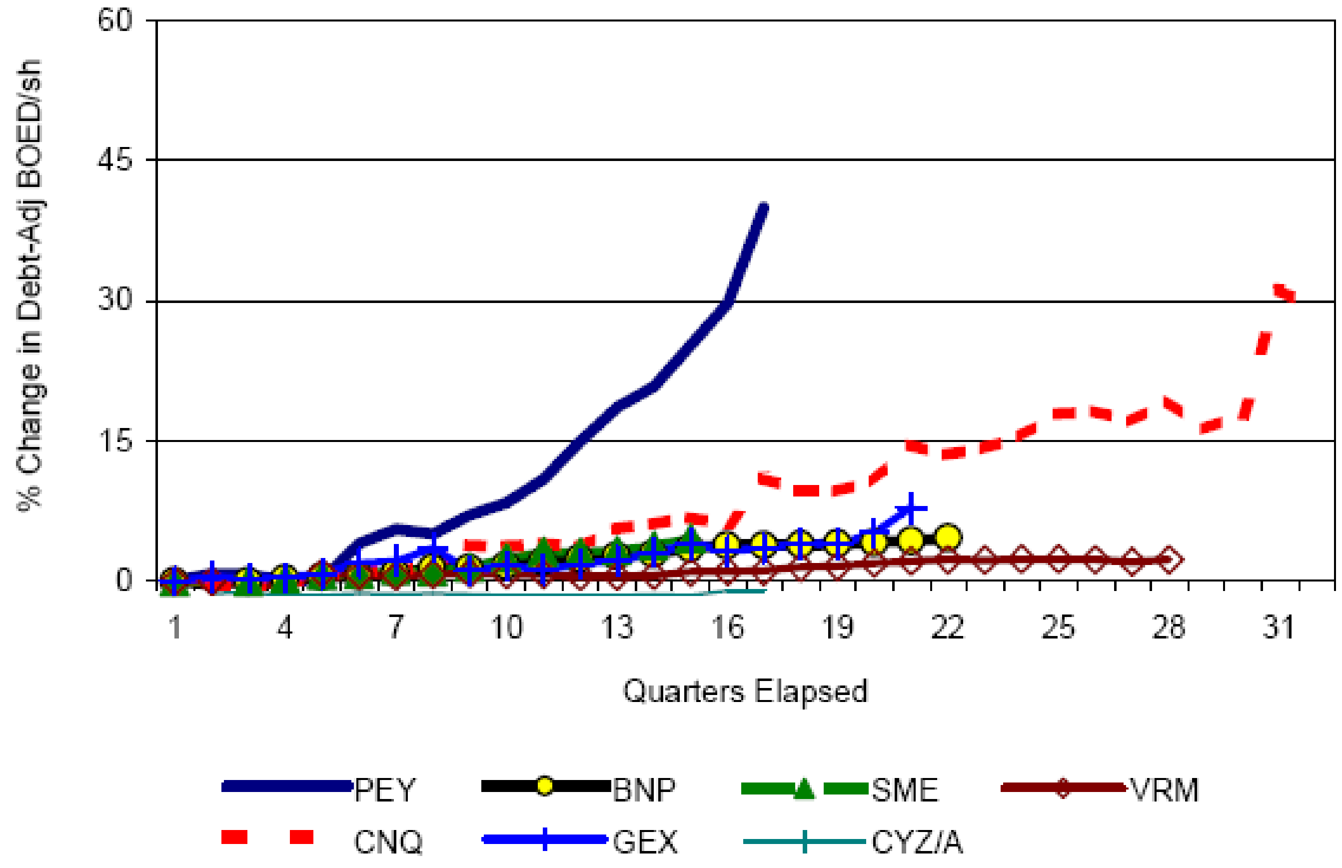
What Does This Mean? Investors who think that PEYTO's value creation was either lucky or is over, should rethink that thesis. While the past is not necessarily an indicator of the future, PEYTO has earned the benefit of the doubt.

Roger Serin, P.Eng.

Oil & Gas Producers
March 12, 2003

TD Newcrest
The Equity Division of TD Securities

Growth in Production Performance (1)



Growth in Production Performance (2)

We have looked at production growth per share, and to adjust for changes in capitalization have adjusted for debt. Again, we have normalized the data to time zero. While production growth is not always a measure of value creation, this analysis tends to track the market capitalization analysis. Two companies lead the pack: PEYTO and, to a lesser extent, Canadian Natural.

Roger Serin, P.Eng.

Oil & Gas Producers

March 12, 2003

Newcrest
The Equity Division of TD Securities

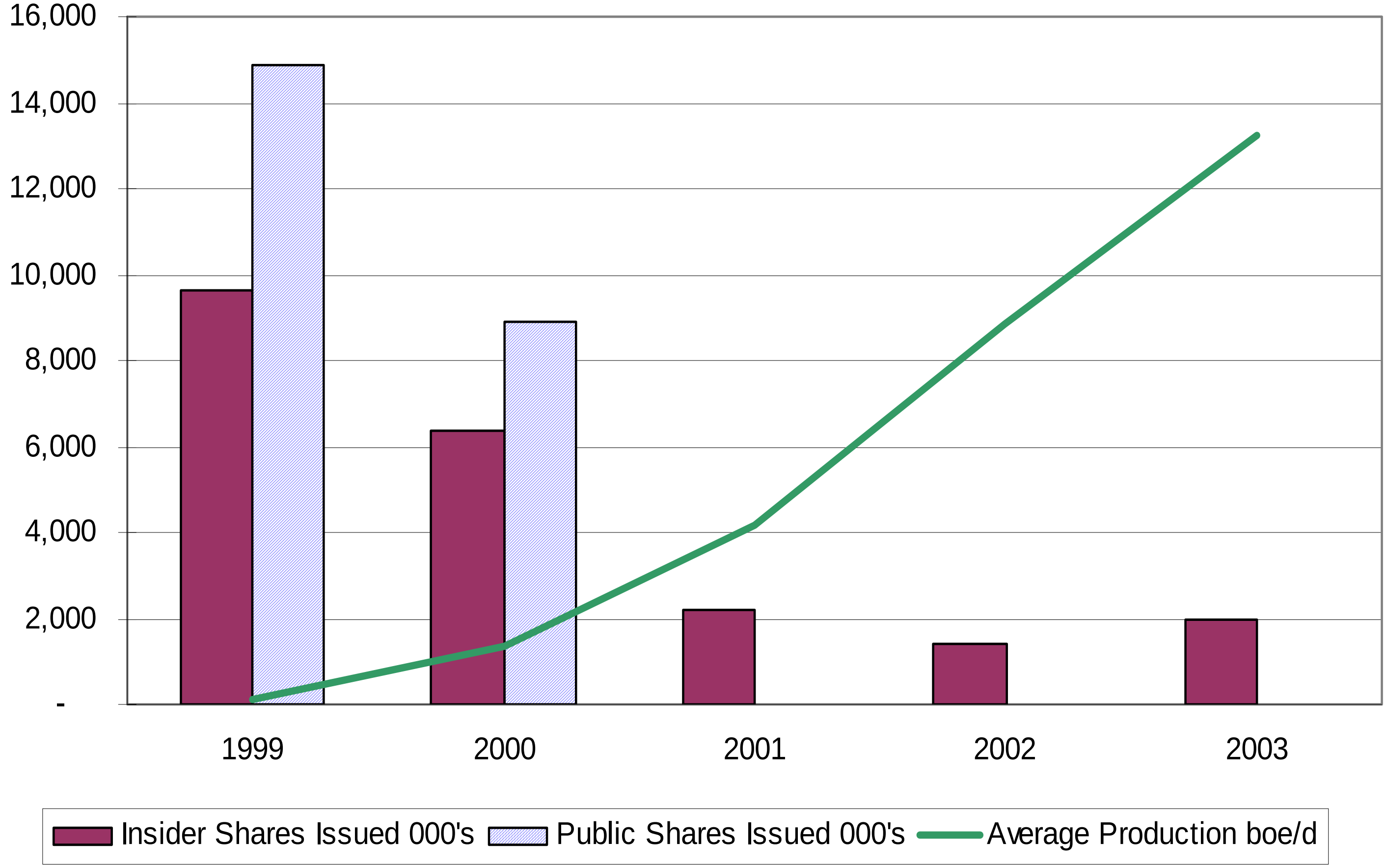
Strategic Intent

- ✓ Find, develop & produce natural gas in Alberta's Central Deep Basin.
- ✓ Focus on projects that are predictable and repeatable with long term value & immediate cash-flow.
- ✓ Control destiny by having a high working interest in the production & infrastructure.
- ✓ Create and maintain a low total cost structure.

Keys to Success

- Partners
  - Choose your capital partners wisely, they should not be driving the bus
- Alignment
  - Make sure that your team's objectives match the shareholders objectives
- Foundation
  - Target assets that are forgiving and will allow you to over deliver
- Capital Allocation
  - Too much inventory can be the kiss of death, timing of is very important
- Focus
  - If you need to diversify you have chosen the wrong foundation
- Substance over Form
  - Don't get caught up in the promotional game; The best and most lasting promotion tool is good results
- Business Process
  - Make sure you hire only people who are required to meet your objectives
- Estimates
  - The only reason to pre-deliver is to get pre-paid, not a good idea

Share Placements



Corporate Governance

- "We will be candid in our reporting, emphasizing the pluses and minuses important in appraising business value. Our guideline is to tell you the business facts that we would want to know if our positions were reversed."
- "Our policies and communications will be designed to encourage informed, rational behavior by shareholders, that in turn, will tend to produce a stock price that is also rational. "
- "Our requisites for board membership will be business savvy, interest in the job, integrity, and owner-orientation."
- "We will issue common stock only when we receive as much in business value as we give. We will not issue common stock on a basis inconsistent with the value of the entire enterprise."
- "In line with owner-orientation, our directors have a major portion of their net worth invested in the company. We eat our own cooking."

"Insiders currently own 22% of the Trust. Management and unitholders are true partners in the risks and rewards that the future holds for our Trust. You can find an up to date insider trading summary for your review on our website."

Taken in part from "The Essays of Warren Buffett: Lessons for Corporate America"

A Unique Energy Trust Model

Unique Assets + Winning Track Record = Growth

Unique Assets

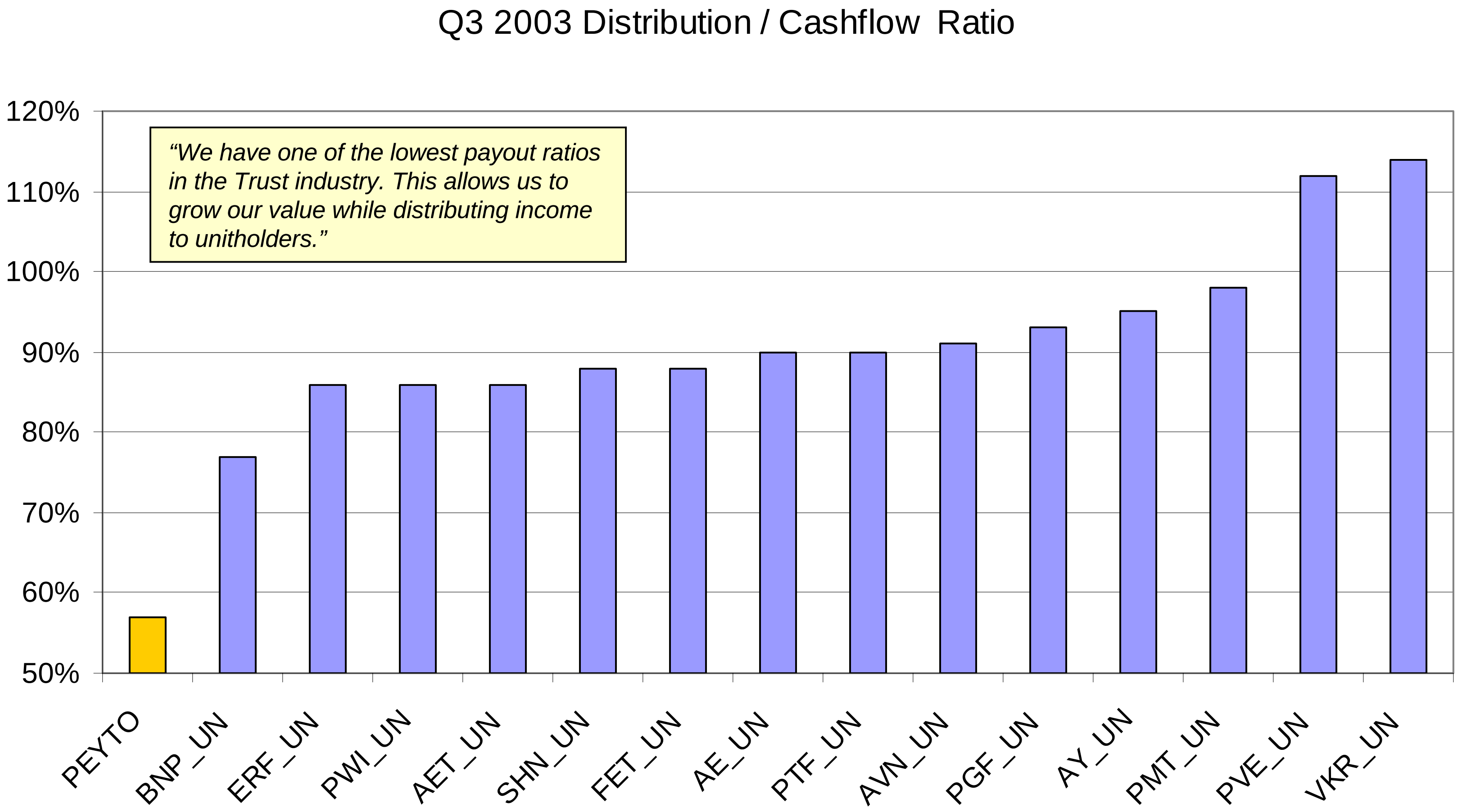
a rare combination of both low cost and long life gas and ngl's reserves

Winning Track Record

a business model that has consistently delivered industry leading results over the company's history from internally generated projects

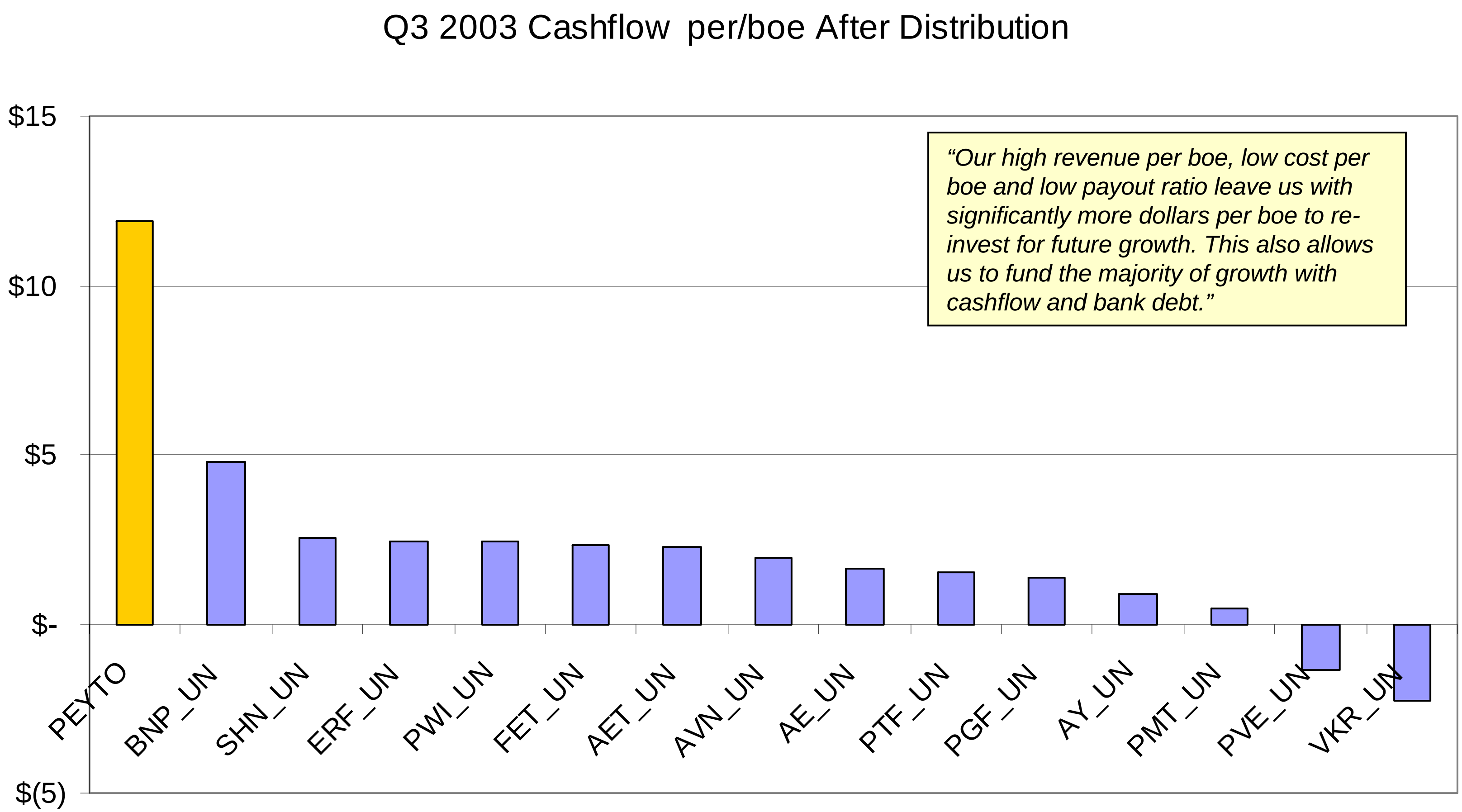
Industry Comparison

Distribution / Cashflow Payout Ratio

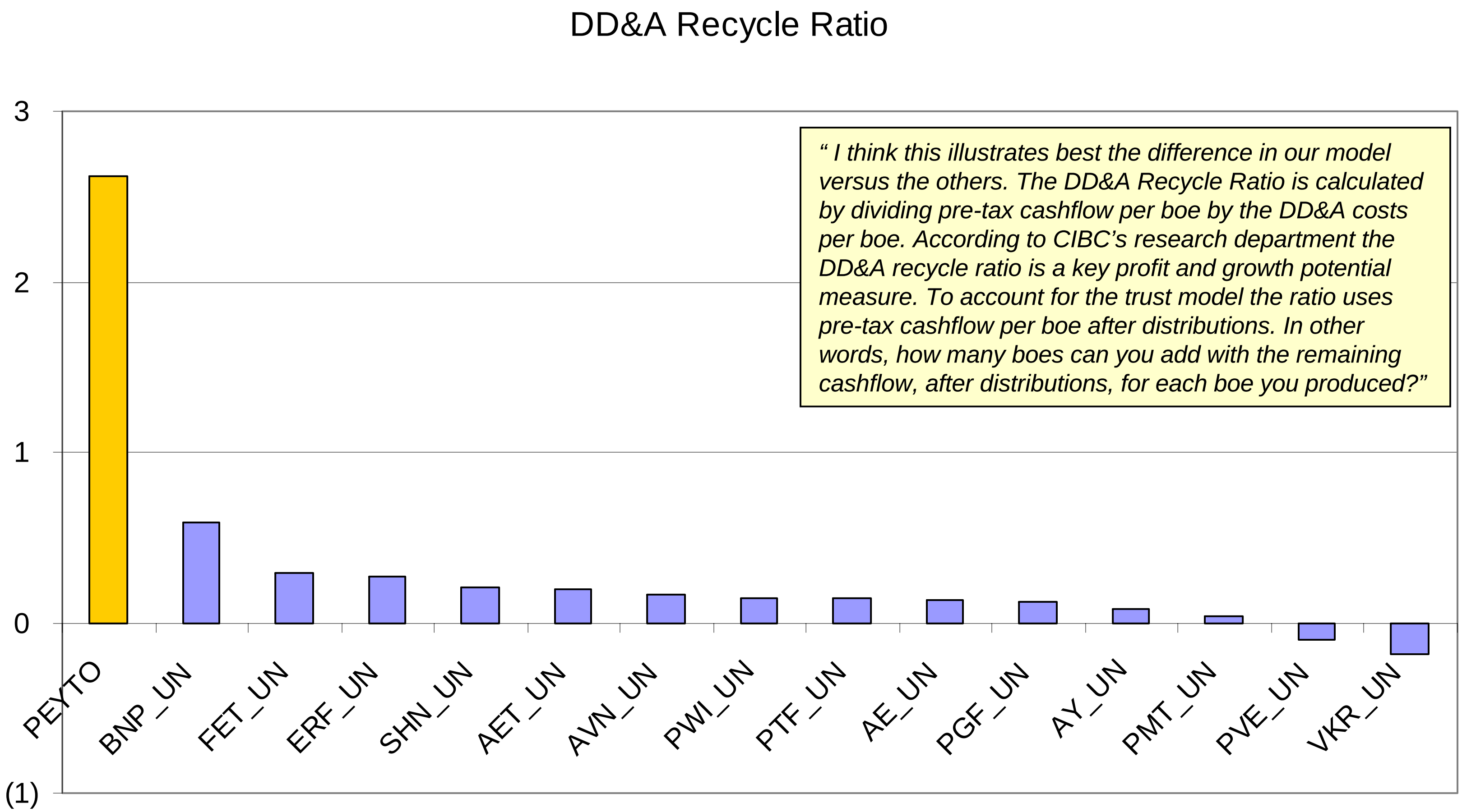


Industry Comparison

Remaining Cashflow per boe After Distributions



Industry Comparison
Energy Trust DD&A Recycle Ratio



Energy Trust DD&A Recycle Ratio – pre-tax cashflow after distributions divided by the DD&A costs

DD&A – Depletion, Depreciation & Amortization is calculated quarterly as follows: Total Quarterly Production divided by Total Proven Reserves multiplied by Property, Plant & Equipment (from Balance Sheet)

Track Record

Quarterly Performance

PEYTO ENERGY TRUST

PEYTO's Sundance Gas Plant Commences Production

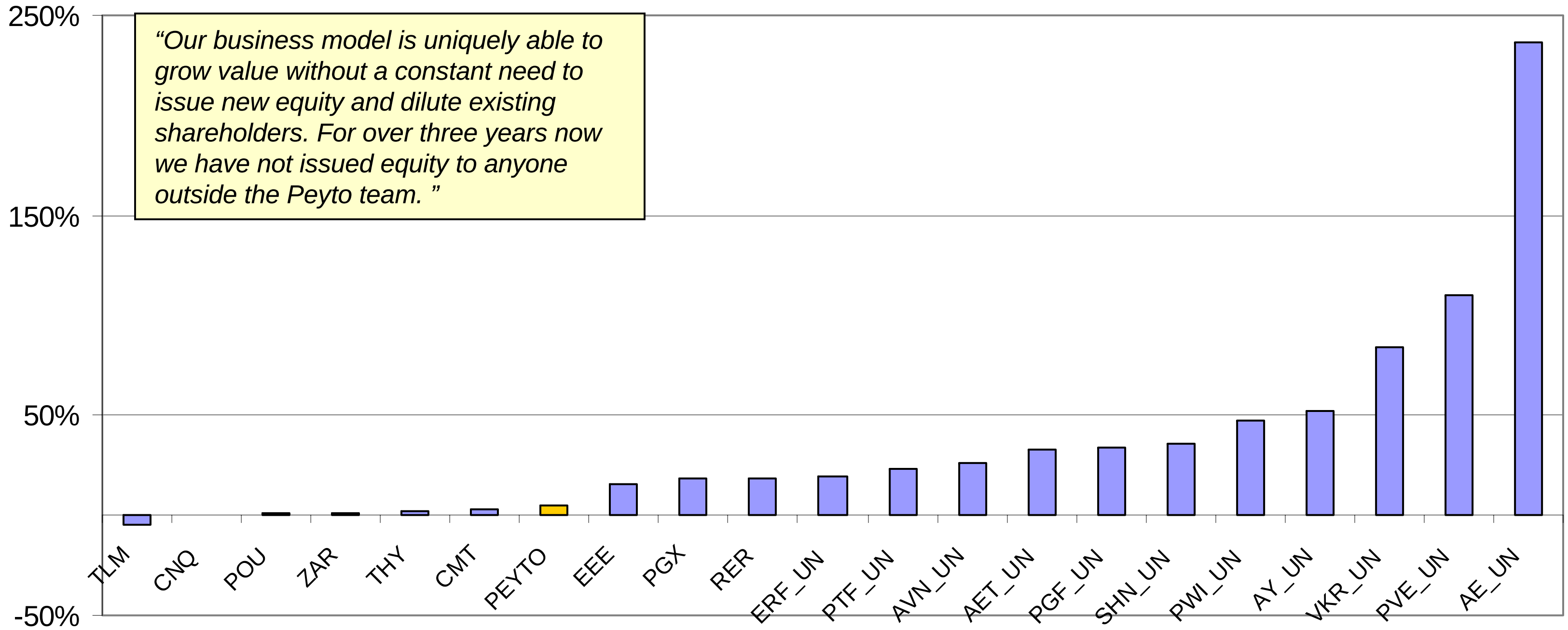
	2003			2002					2001					2000			
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2
Operations																	
Production																	
Oil & NGLs (bbl/d)	2,948	2,870	2,689	1,823	2,349	2,009	1,512	1,409	785	1,222	815	621	472	248	348	313	236
Natural gas (mcf/d)	66,827	62,577	57,452	42,254	50,556	45,018	38,194	35,049	20,501	30,175	22,431	15,502	13,694	6,822	9,590	9,425	6,852
Barrels of oil equivalent (boe/d)	14,086	13,300	12,264	8,865	10,775	9,512	7,878	7,251	4,202	6,251	4,554	3,205	2,754	1,385	1,946	1,884	1,378
Year over Year % Growth	48%	69%	69%	111%	72%	109%	146%	163%	203%	221%	142%	133%	801%	1024%	1659%	1058%	884%
Average Product Prices																	
Oil & NGLs ($/bbl)	33.86	33.94	44.23	32.06	36.52	33.67	29.95	24.42	30.52	23.84	30.48	36.82	39.89	39.92	43.92	38.83	36.46
Natural gas ($/mcf)	7.02	7.80	8.50	4.63	5.90	3.49	4.43	4.46	5.81	4.32	4.32	7.02	10.30	6.56	9.16	5.55	4.87
Average operating expenses	2.20	1.88	1.01	1.37	1.12	1.36	1.67	1.44	1.36	1.57	0.93	1.55	1.38	2.53	2.56	2.10	2.61
Field Netback ($/boe)	29.24	31.53	35.09	20.45	25.15	16.42	19.72	19.53	25.50	19.72	20.21	30.41	41.00	27.81	38.03	23.79	21.62
Financial ($000)																	
Revenue (net of royalties)	40,743	40,441	39,850	70,608	26,043	15,554	15,333	13,678	41,181	12,242	9,113	9,320	10,506	15,340	7,267	4,488	3,039
Funds from operations [1]	35,882	36,791	37,309	62,503	23,746	13,474	13,185	12,098	35,502	9,546	8,115	8,160	9,681	12,458	5,947	3,805	2,479
Net earnings (loss)	25,398	(1,642)	18,495	28,554	10,310	5,957	6,362	5,925	17,523	4,969	3,486	4,450	4,618	5,906	2,947	1,715	1,183
Capital expenditures	36,280	18,895	40,486	112,551	37,627	24,105	28,270	22,549	79,955	22,029	18,472	18,641	20,813	43,586	19,821	5,383	10,068
Net Debt	131,254	140,303	114,028	110,985	110,985	97,116	86,953	71,976	63,530	63,530	51,867	41,506	31,087	20,825	20,825	11,608	10,027
Common shares outstanding (000)	45,395	43,452	43,452	43,418	43,418	43,321	43,143	42,976	41,999	41,999	41,816	41,813	41,646	39,799	39,799	37,699	33,199
Weighted average shares	45,395	43,452	43,446	42,978	42,978	42,856	42,642	42,184	41,585	41,908	41,816	41,338	40,906	33,706	39,188	35,009	32,173
Per share data																	
Funds from operations	0.79	0.85	0.86	1.45	0.55	0.31	0.31	0.29	0.85	0.23	0.19	0.20	0.24	0.37	0.15	0.11	0.08
Earnings (loss)	0.56	(0.04)	0.43	0.66	0.24	0.14	0.15	0.14	0.42	0.12	0.08	0.11	0.11	0.18	0.08	0.05	0.04

1. Funds from Operations in Q2 2003 does not include the one time reorganization costs of $44.1 million, however, Net earnings does include this cost.

BOE factor - 6 mcf = 1 bbl of oil equivalent

Industry Comparison
Change In Shares/Units Outstanding

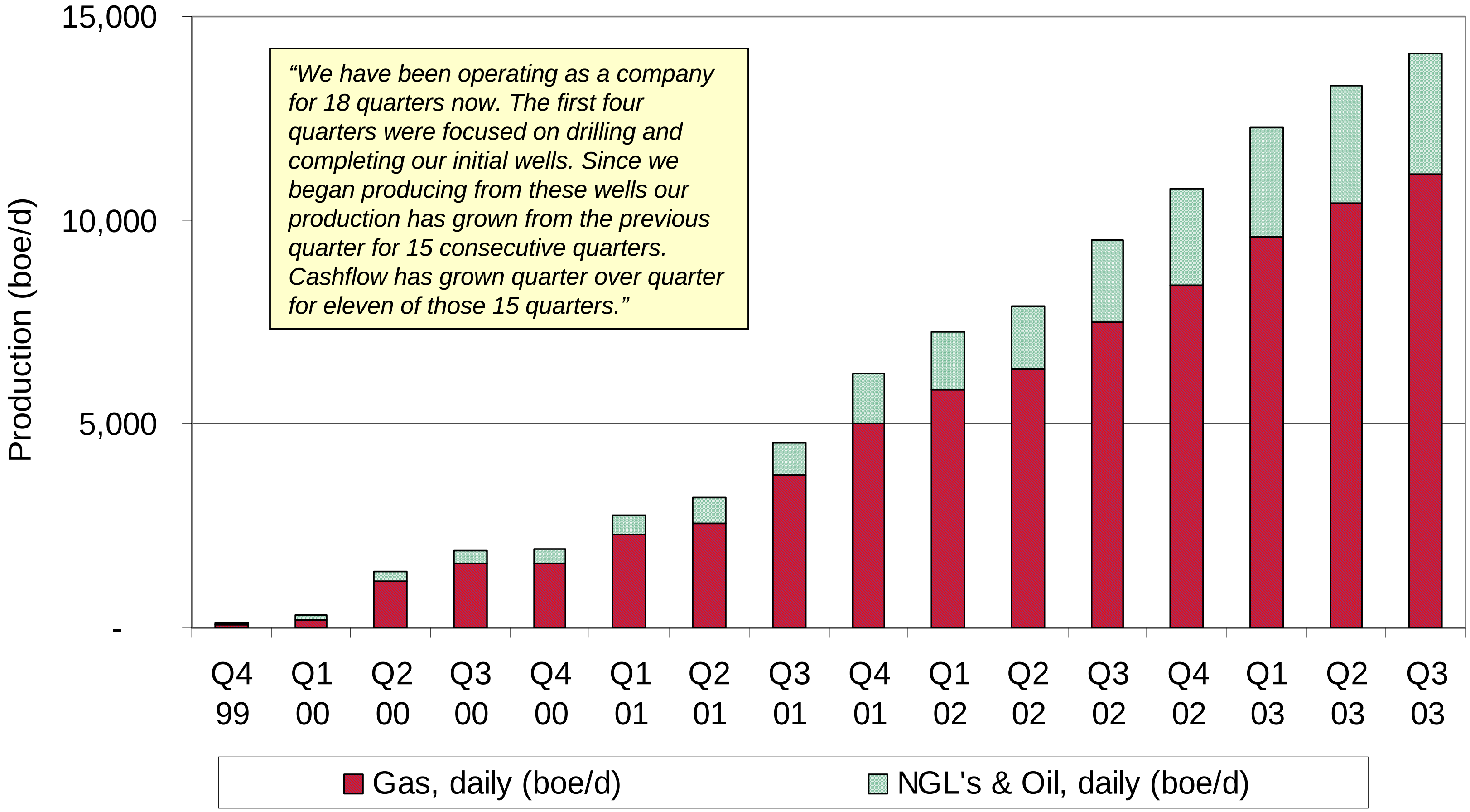
Change in Shares/Units Outstanding
Q3 2003 vs Q3 2002



Total shares/units outstanding includes Exchangeable shares/units and Convertible Debentures

Track Record

Production Growth

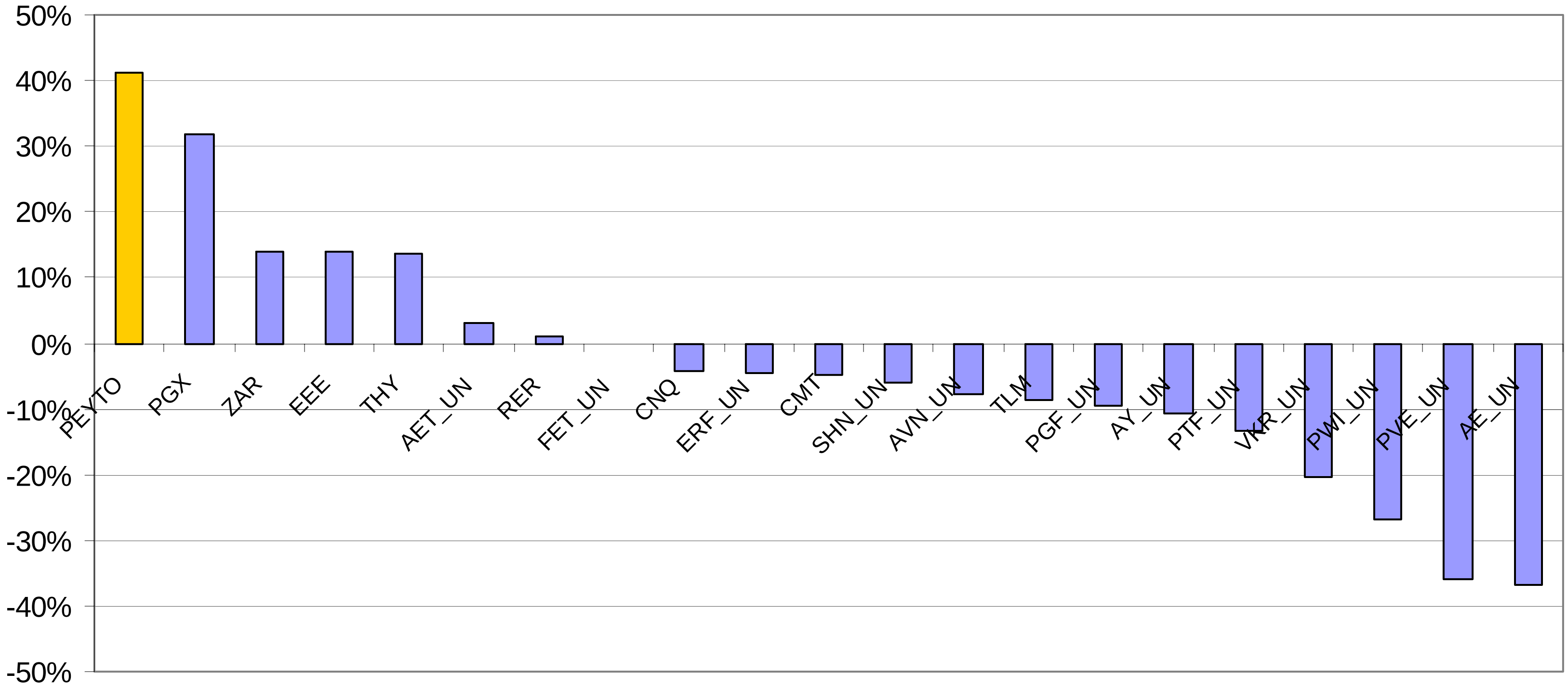


BOE factor - 6 mcf = 1 bbl of oil equivalent

Industry Comparison

Production Growth per share/unit

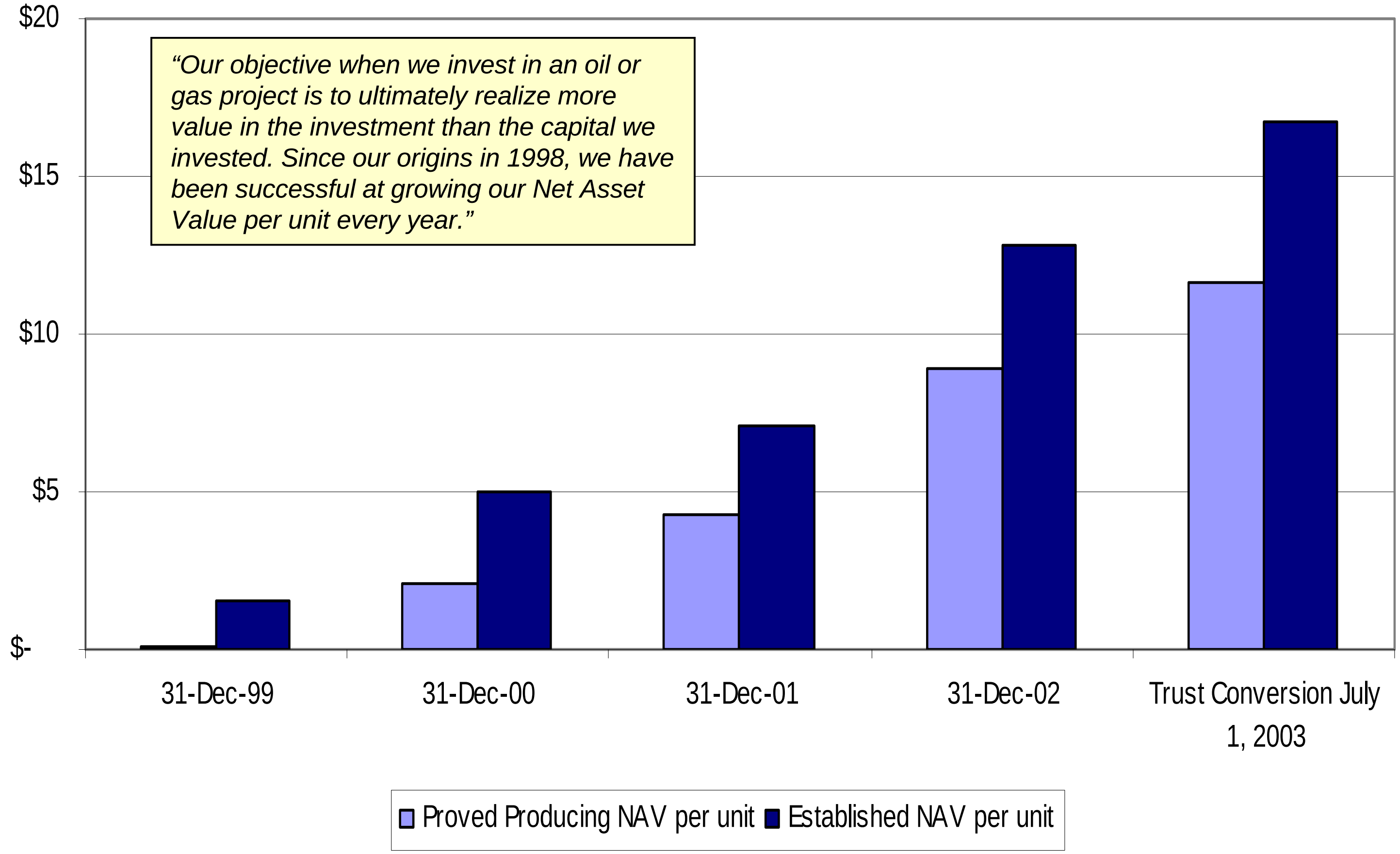
Year over Year Production Growth per share/unit Q3 2003 vs 2002



Total shares/units outstanding includes Exchangeable shares/units and Convertible Debentures

Track Record

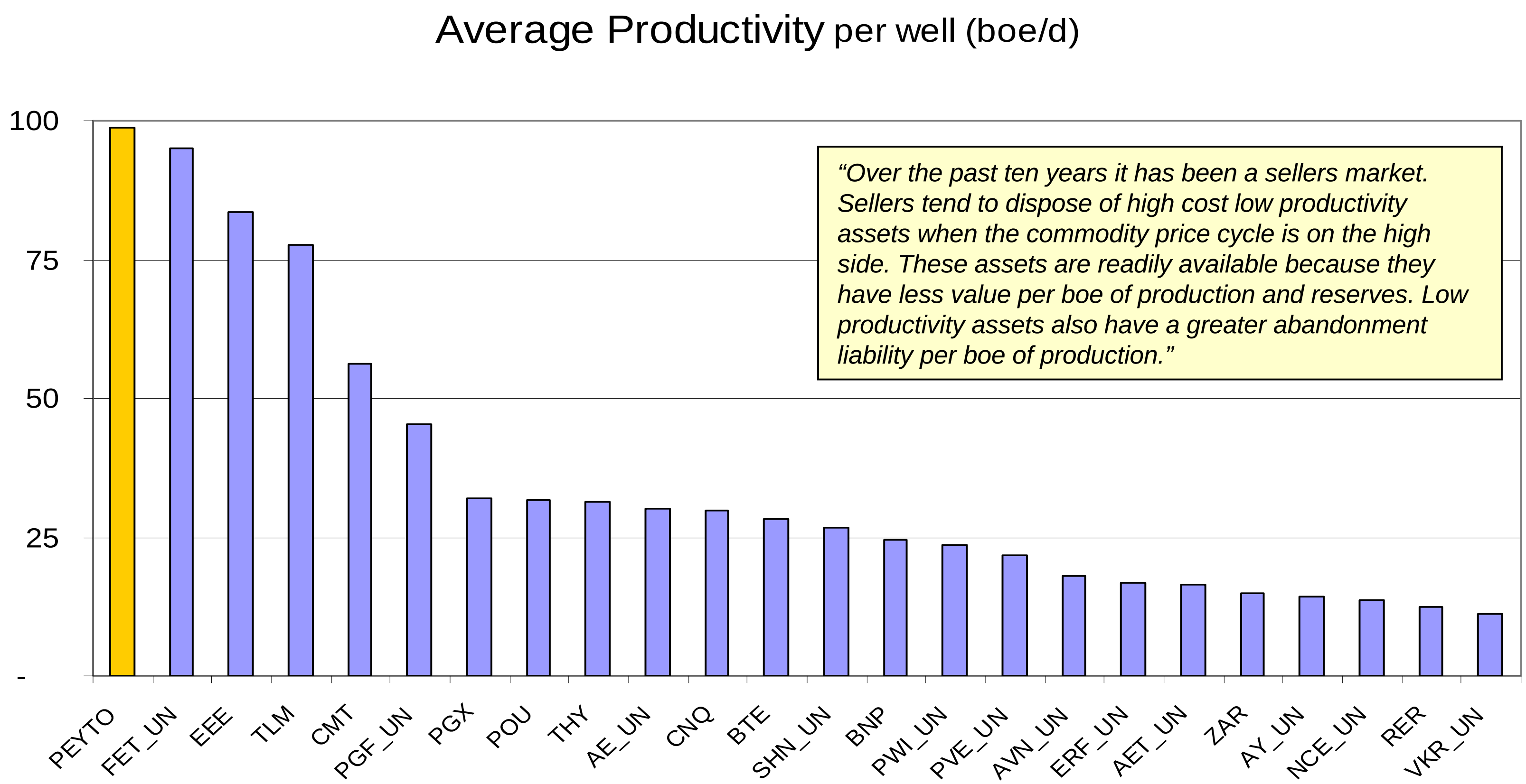
Growth in Net Asset Value (NAV) per Unit



NAV - Net Present Values @ 10% minus Net Debt all divided by the number of units outstanding.

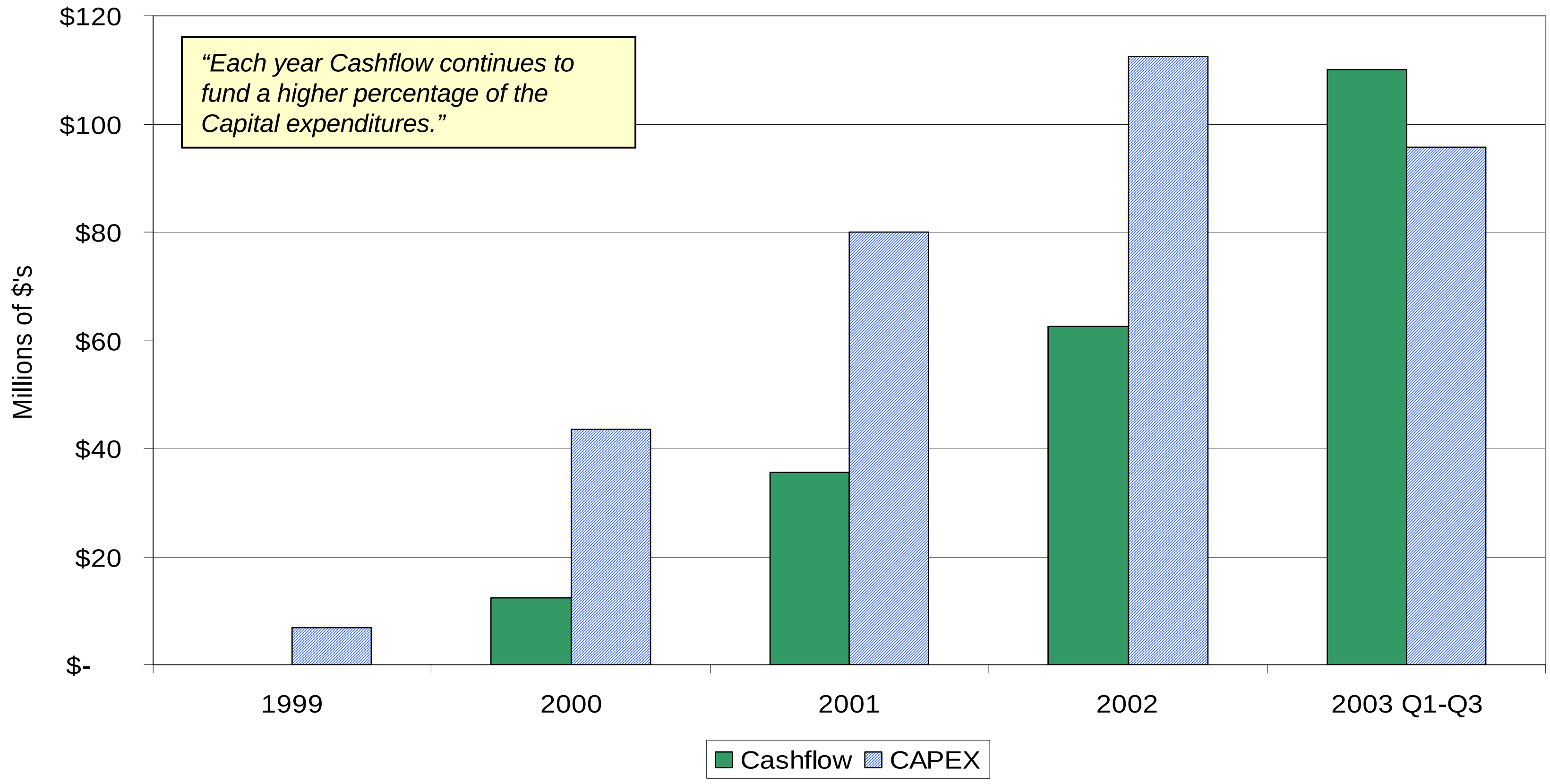
Industry Comparison

Average Well Productivity



Average well productivity - calculated by dividing the net average production for Q1 2003 by the total net producing oil and gas wells at December 31, 2002 reported in the companies Annual Information Form

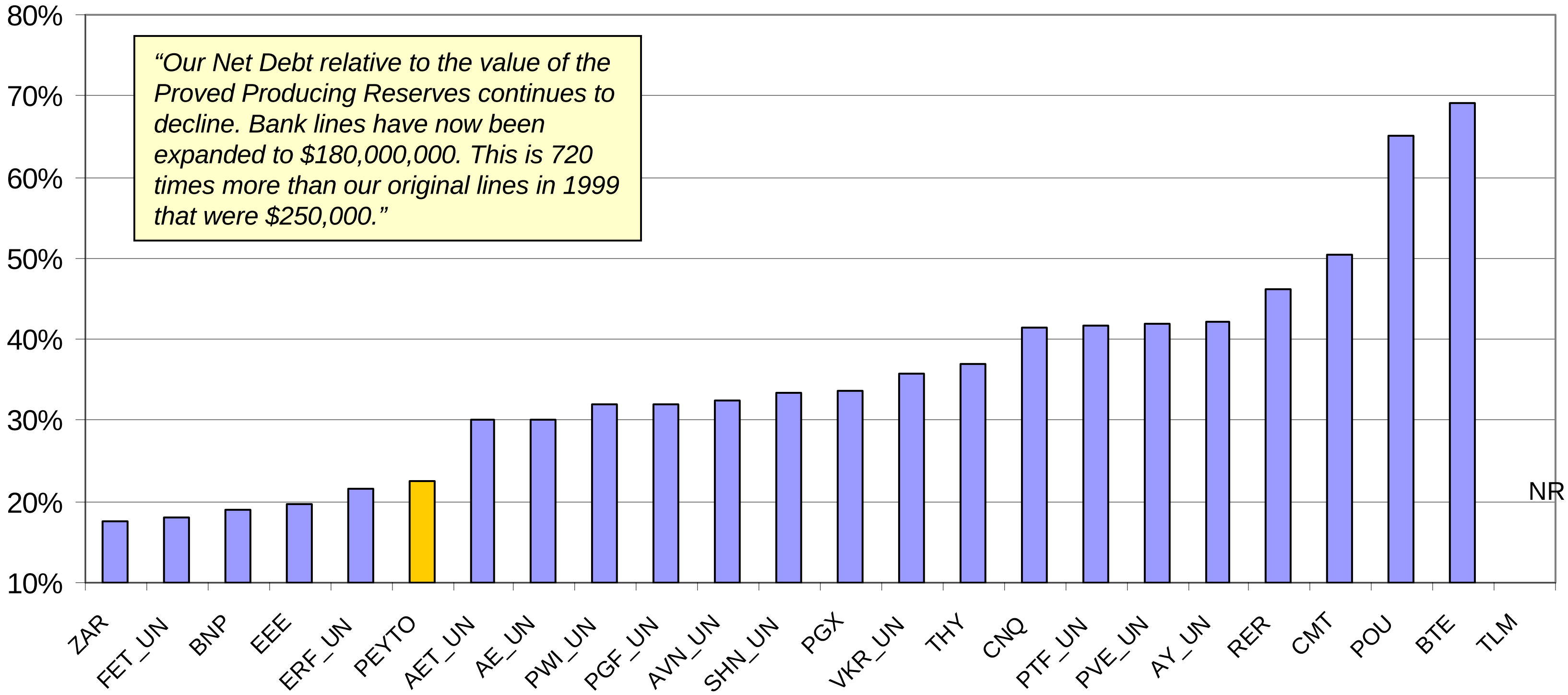
Cashflow vs. Capital Expenditures



Industry Comparison

Leverage vs Proven Producing Net Present Value

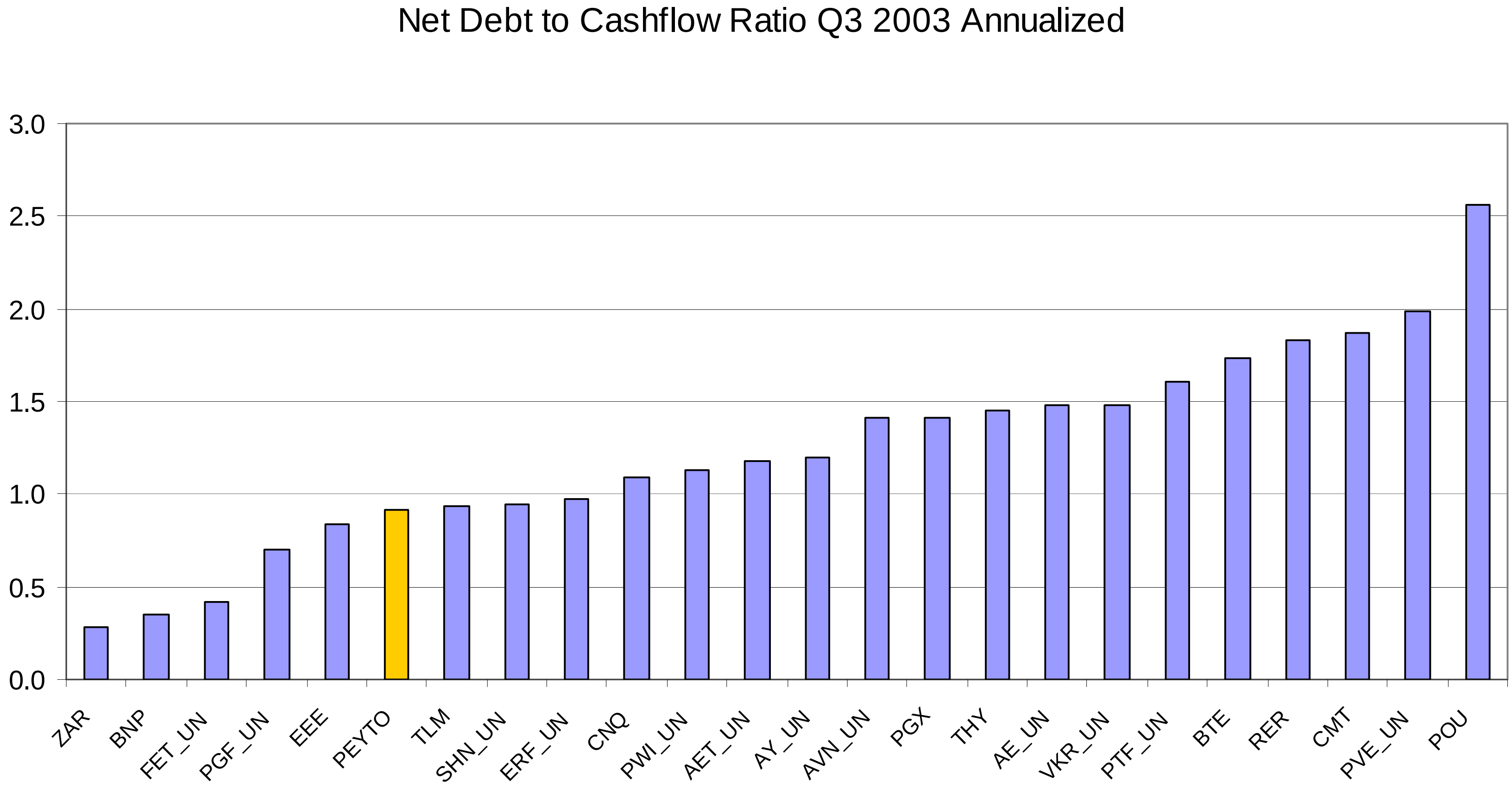
Year End 2002 Leverage - Net Debt as % of Proved Producing NPV @ 10%



NR – Company does not breakout in their AIF their proven producing reserves

Industry Comparison

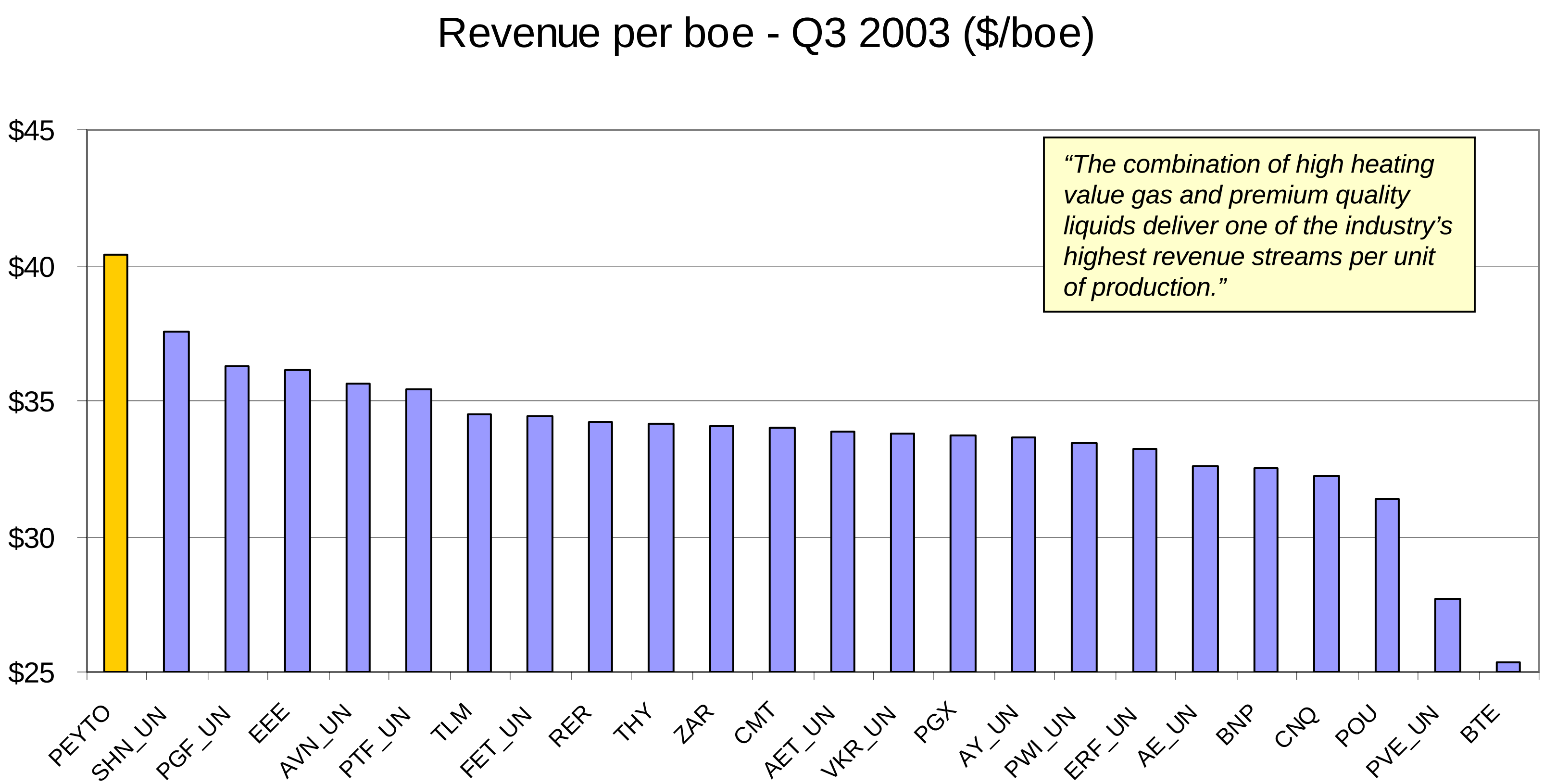
Leverage vs Cashflow



NR – Company does not breakout in their AIF their proven producing reserves

Industry Comparison

Revenue per boe



Operating Costs
2002 & 2003

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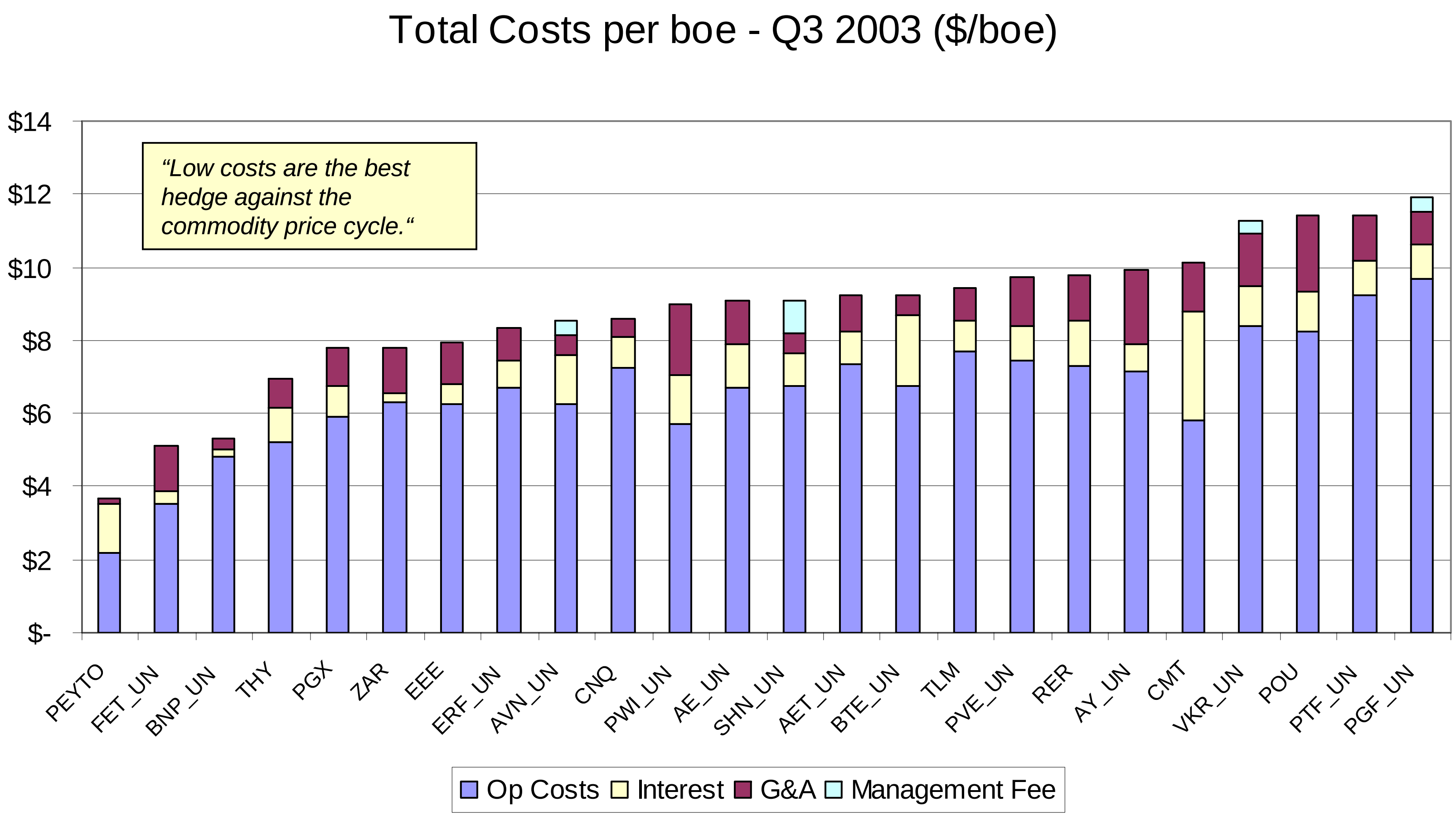
"Consistently the lowest operating costs in the Canadian energy sector."

	2002 $/boe		2003 Q1-Q3 $/boe	
Field Expenses		$1.45		$1.90
TCPL Transportation	$	0.58	$	0.56
Processing Income	$	(0.66)	$	(0.74)
Operating Expense	**$**	**1.37**		**$1.72**

Industry Comparison

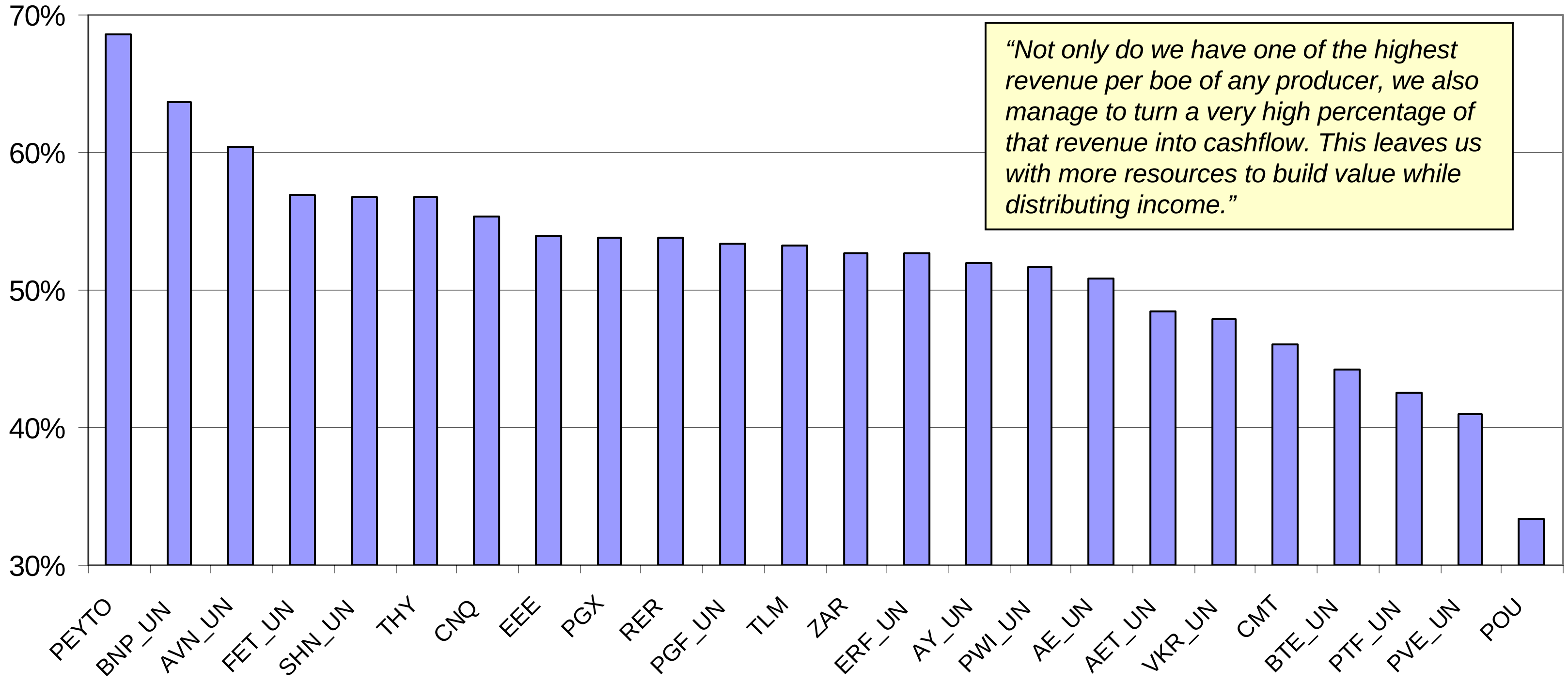
Costs - Operating, Interest, G&A, Management Fees



Trust reorganization or management buyout costs are not included in the total costs shown above.

Industry Comparison
Efficiency of Cashflow Generation

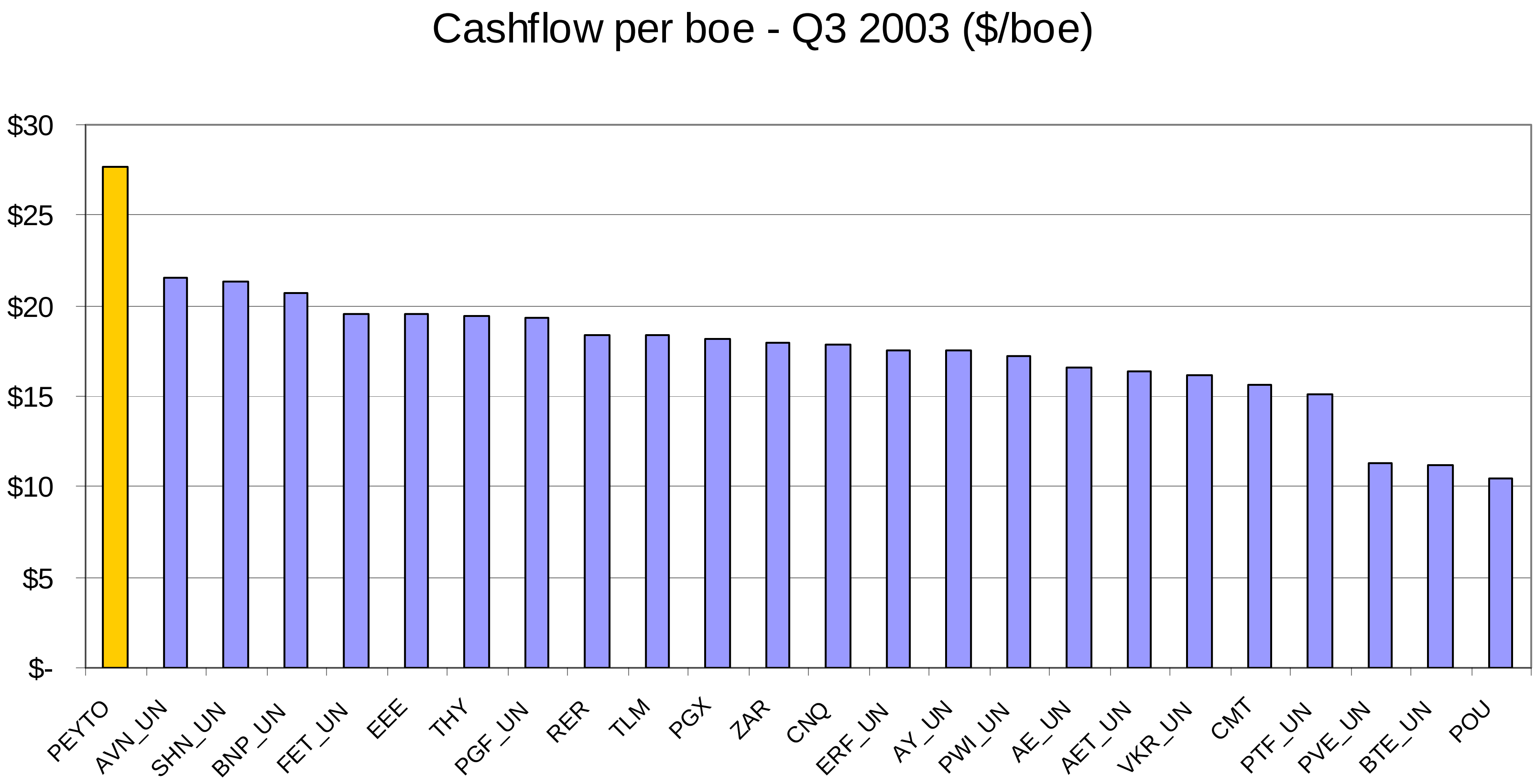
Cashflow as % of Revenue - Q3 2003



"Not only do we have one of the highest revenue per boe of any producer, we also manage to turn a very high percentage of that revenue into cashflow. This leaves us with more resources to build value while distributing income."

Cashflow does not include trust reorganization or management buyout costs

Industry Comparison
Cashflow per boe

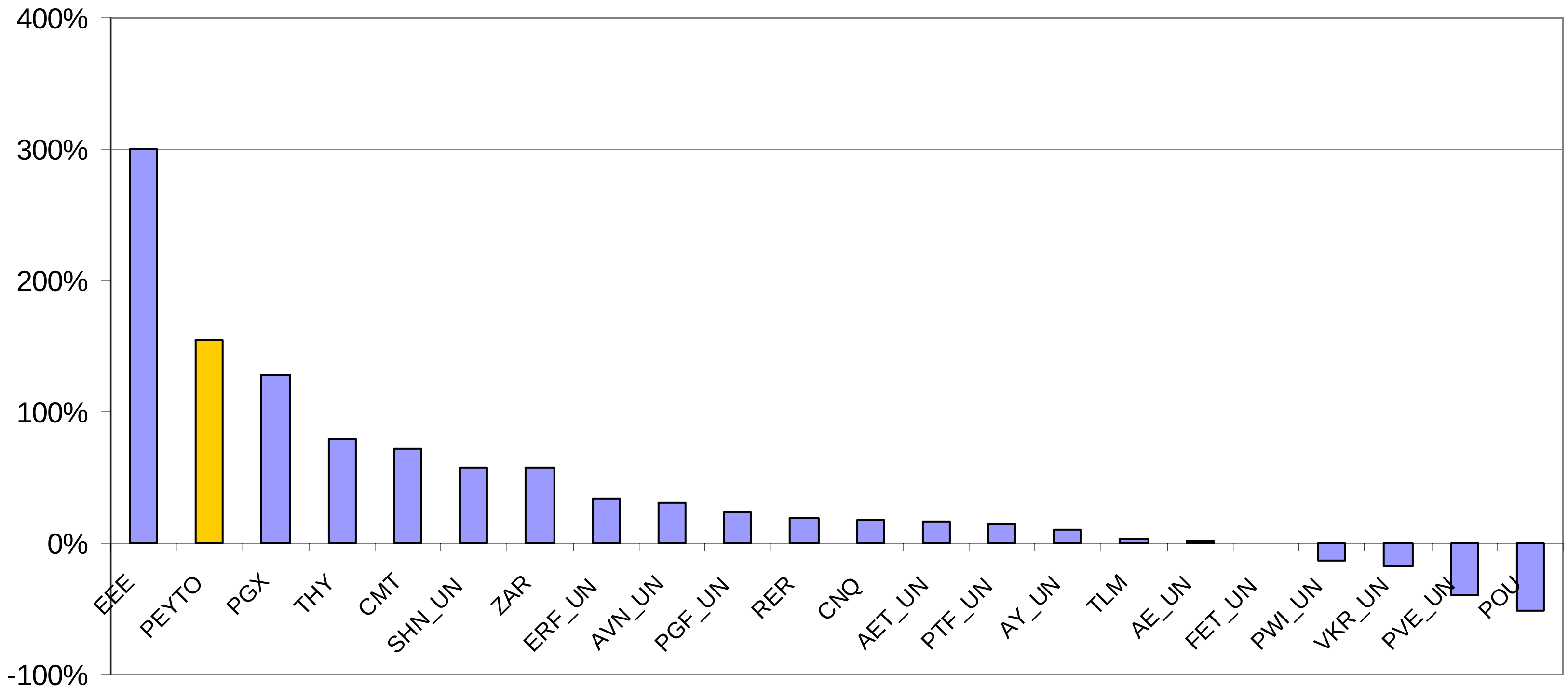


Cashflow does not include trust reorganization or management buyout costs

Industry Comparison

Cashflow Growth per share/unit

Year over Year Cash flow Growth per share/unit Q3 2003 vs 2002

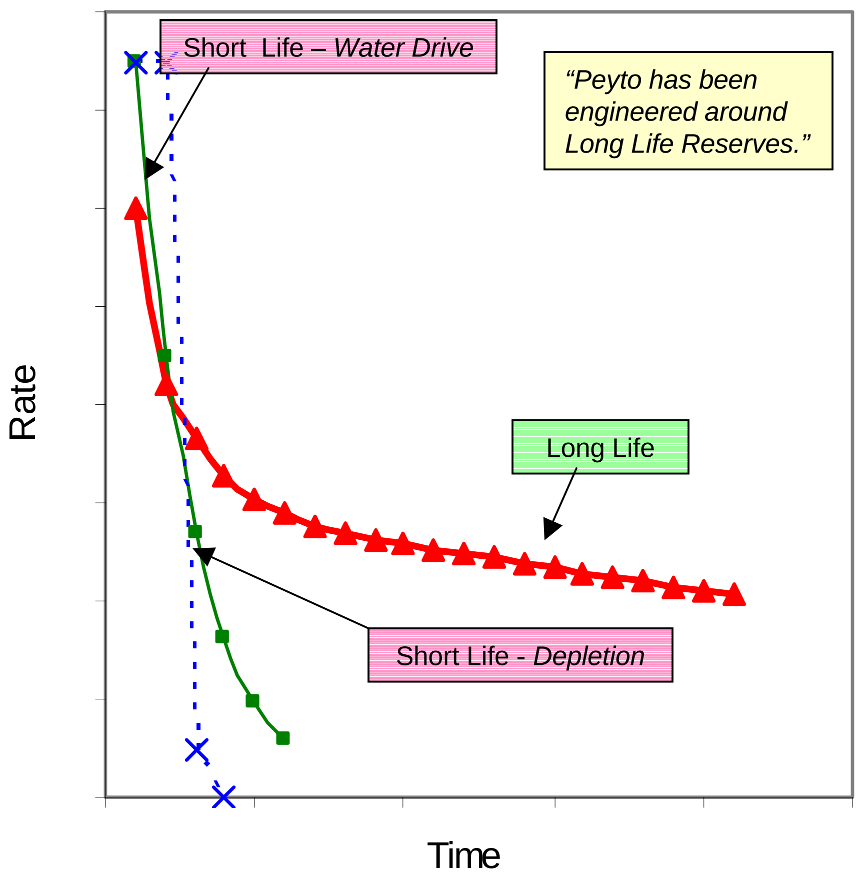


Cashflow does not include trust reorganization or management buyout costs

Total shares/units outstanding includes Exchangeable shares/units and Convertible Debentures

Reserves

Long Life vs. Short Life



Long Life Production

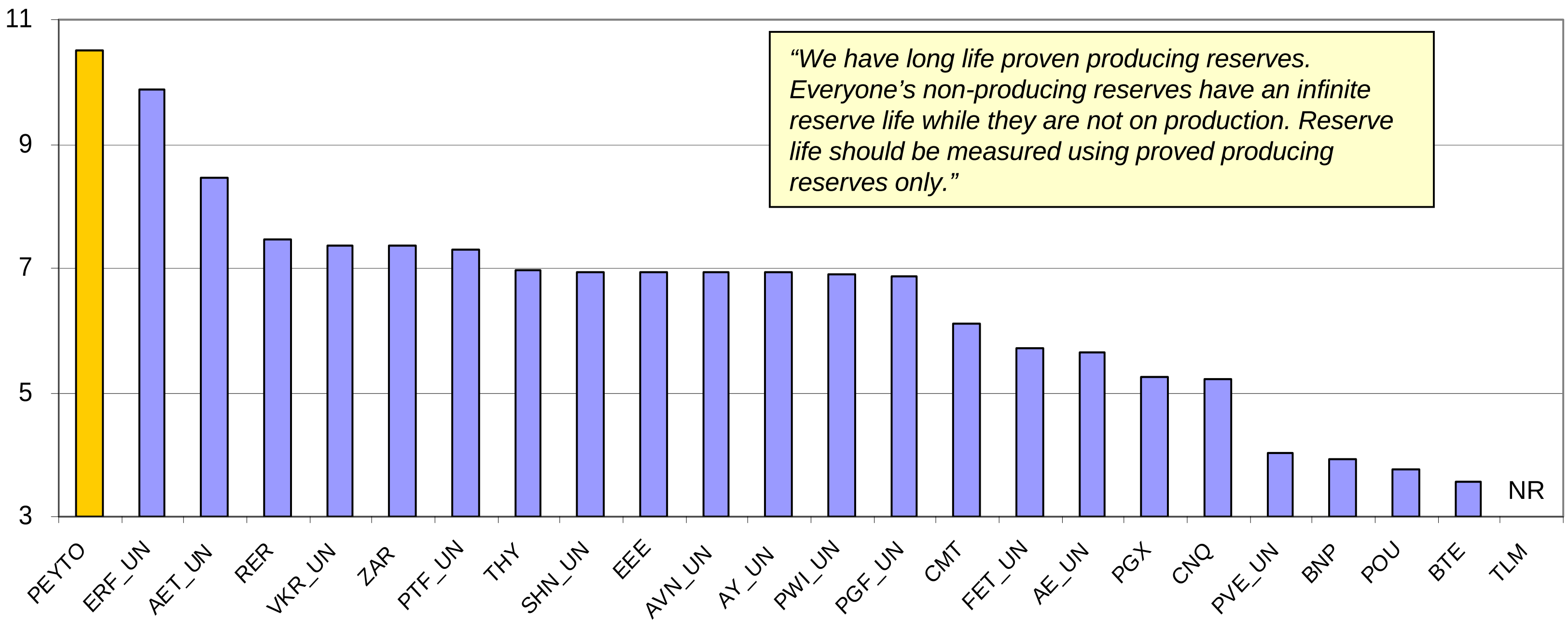
- Typically deeper reservoirs, with large definable areas and no associated water.
- Production profile is predictable and flattens over time.
- Long Life reserves tend to be under estimated early in the production life.

Short Life Production

- Typically shallow reservoirs, with small drainage areas and associated water.
- Production profile is defined by a steep decline that is hard to predict.
- Smaller companies target these reserves for quick growth due to low capital costs and high initial deliverability.
- These assets also tend to be the most over valued by the market allowing companies to issue equity at a premium to asset value.
- Responsible for the treadmill effect that prohibits most junior companies from graduating to the next level.

Industry Comparison
Reserve Life

2002 Year End Proved Producing Reserve Life (years)



Reserve Life Index is calculated using the Proven Producing Reserves that were assigned at December 31, 2002 and the production that was reported for Q4 2002.

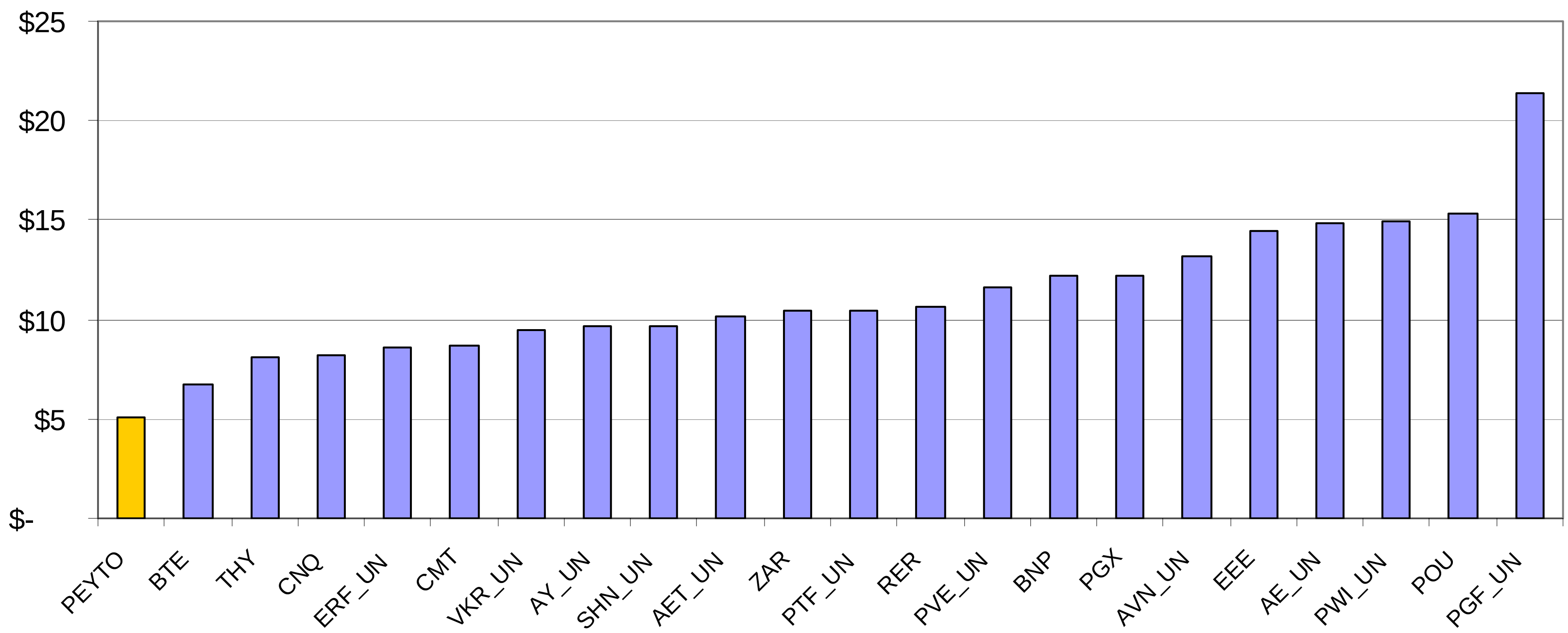
NR – Company does not breakout in their AIF their proven producing reserves

Industry Comparison

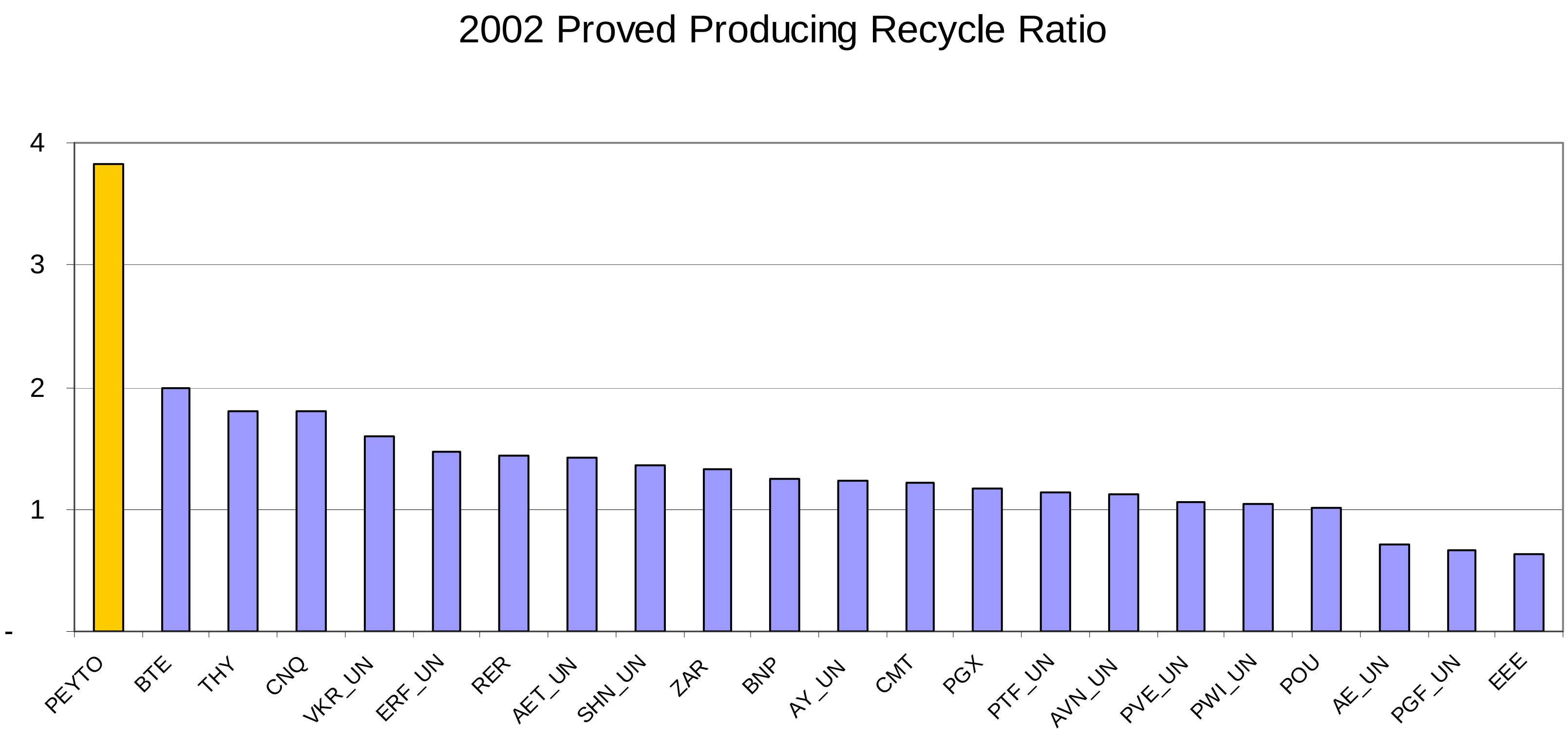
Finding, Development & Acquisition Costs

2002 Finding Development & Acquisition Costs ($ per boe)

Proved Producing Category



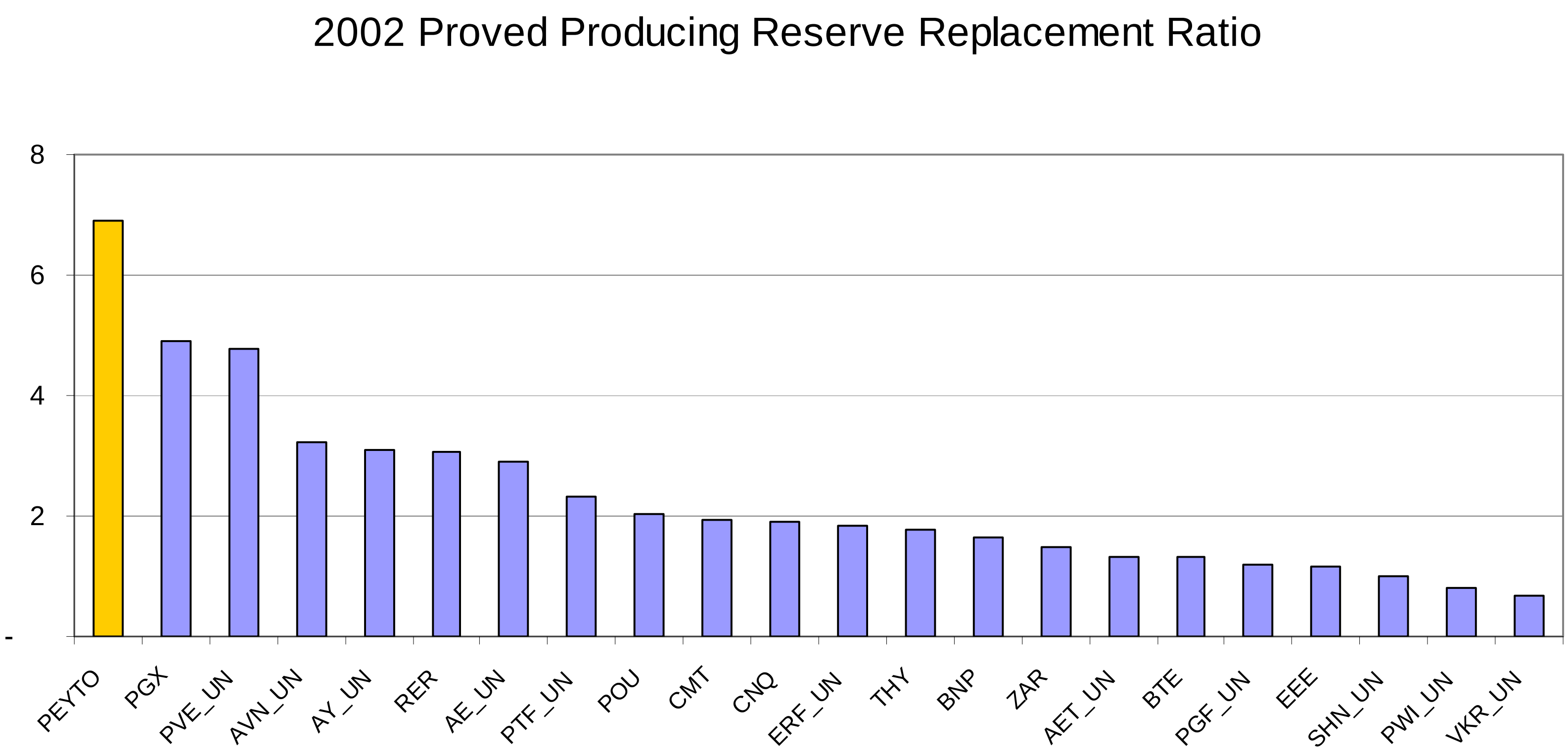
Industry Comparison
Recycle Ratio



Recycle Ratio – Cashflow per boe divided by the FD&A costs per boe

Industry Comparison

Reserve Replacement Ratio



Reserve Replacement Ratio – Reserves Added divided by total production for the year

General Area of Operations Map

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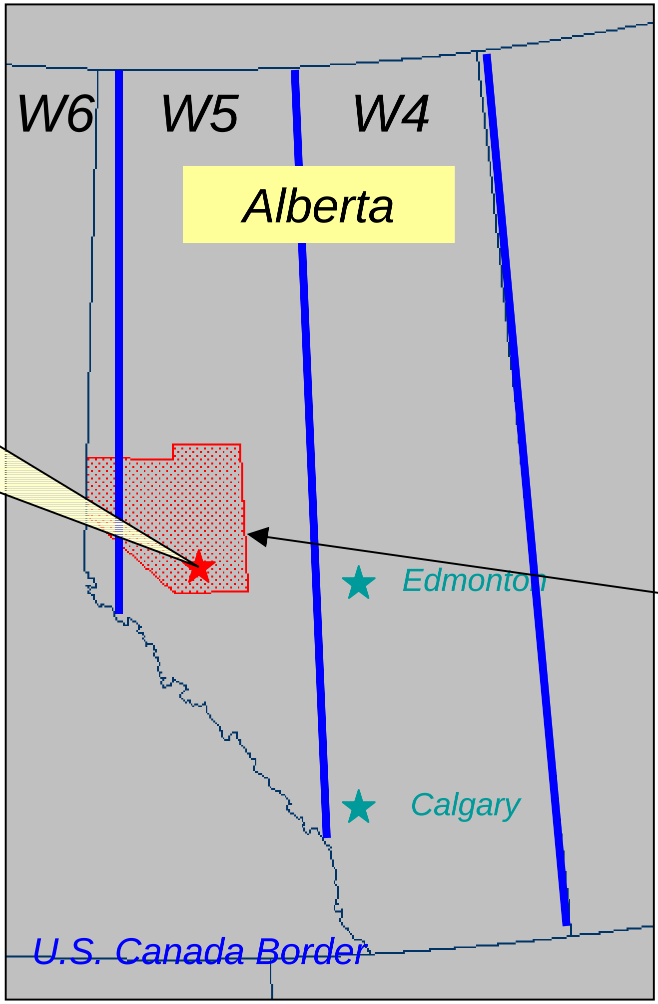


PEYTO'S
Sundance Area
T 55 R 21W5

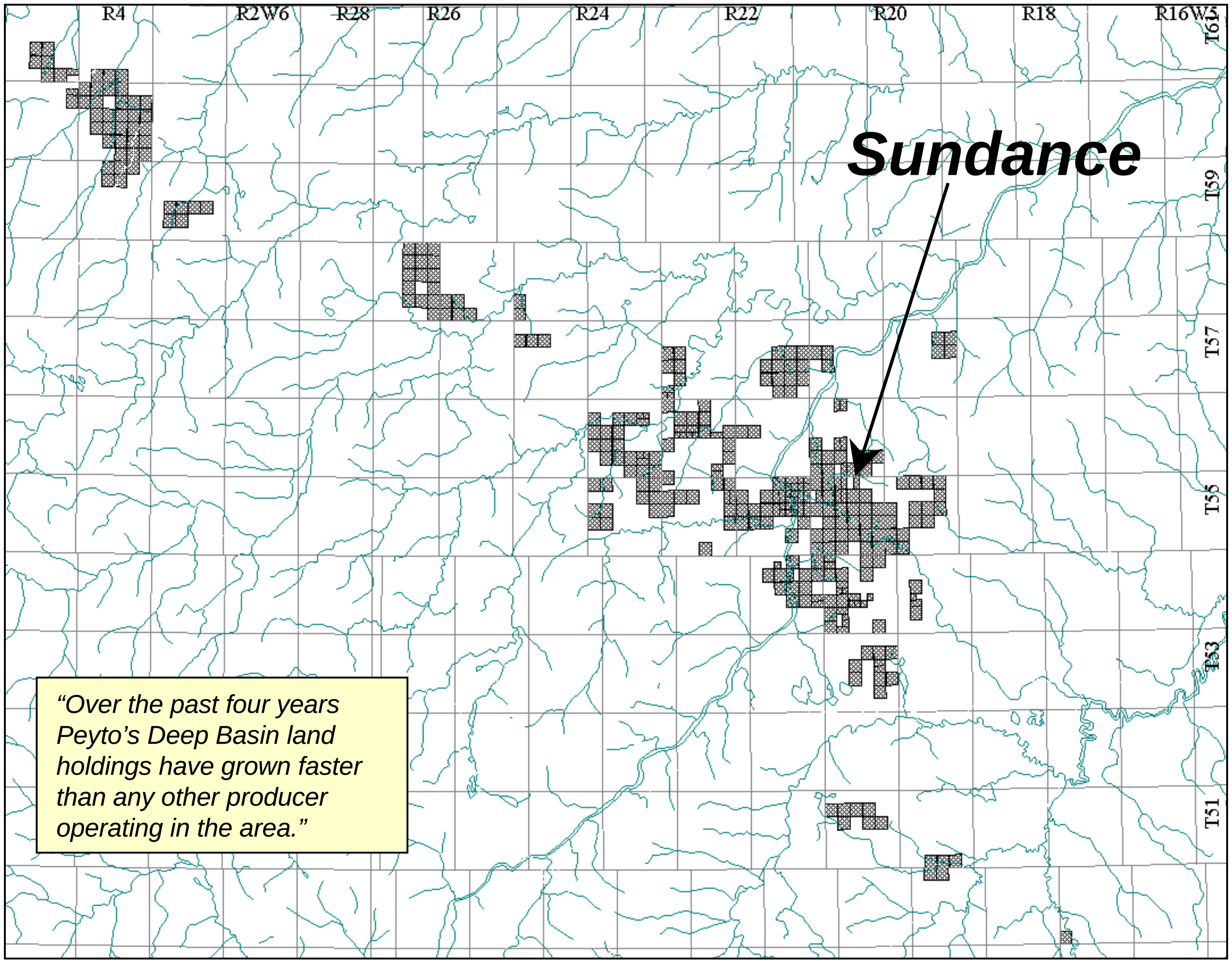
From the start, Peyto has focused it's efforts exclusively in the Deep Basin. We are the only company in the five most active list that has not acquired our way into the Deep Basin. The table below ranks the top five companies with respect to new producing wells in the past 12 months. The Deep Basin is considered Alberta's premier exploration area for high quality long life gas reserves."

Alberta's Deep Basin Activity
(August 2003)

Rank	Company	New Wells Brought On Production in Last Year
1	Burlington	166
2	**Peyto**	**69**
3	Talisman	51
4	Devon	42
5	CNRL	29

Central Deep Basin

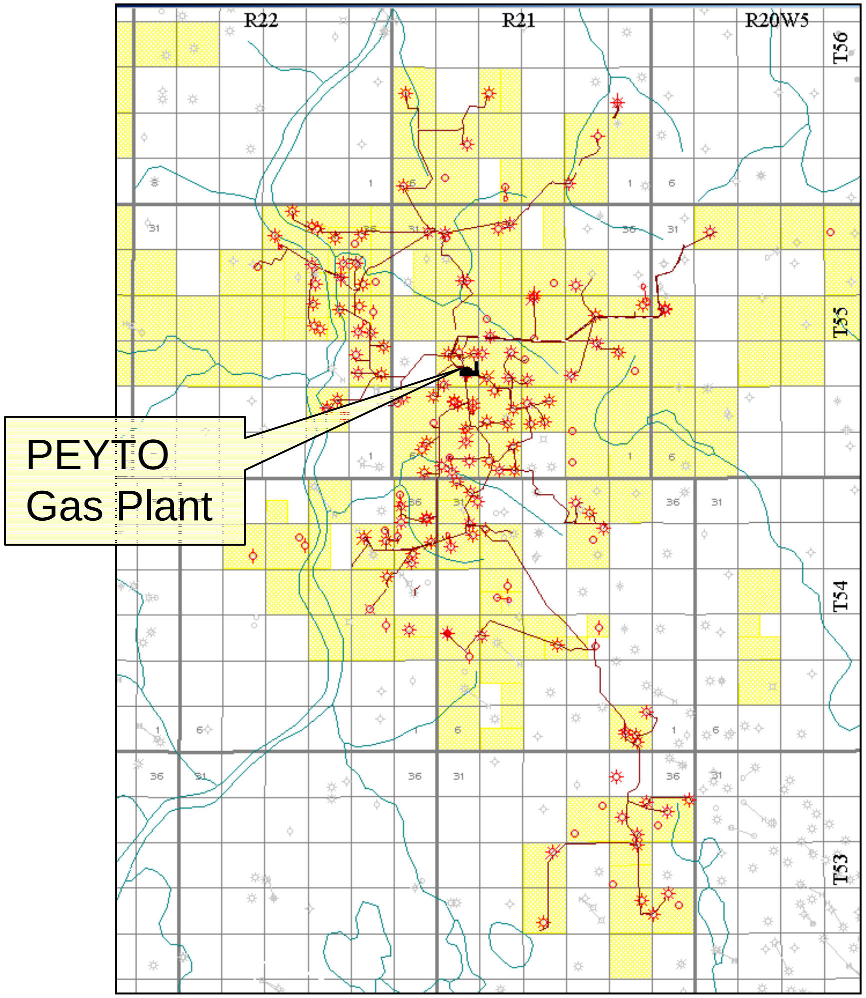
Land Map



"Over the past four years Peyto's Deep Basin land holdings have grown faster than any other producer operating in the area."

- Over 128,000 net acres (198 sections)
- Average Interest 70%
- 98% Operated

Gas Plant & Gathering System



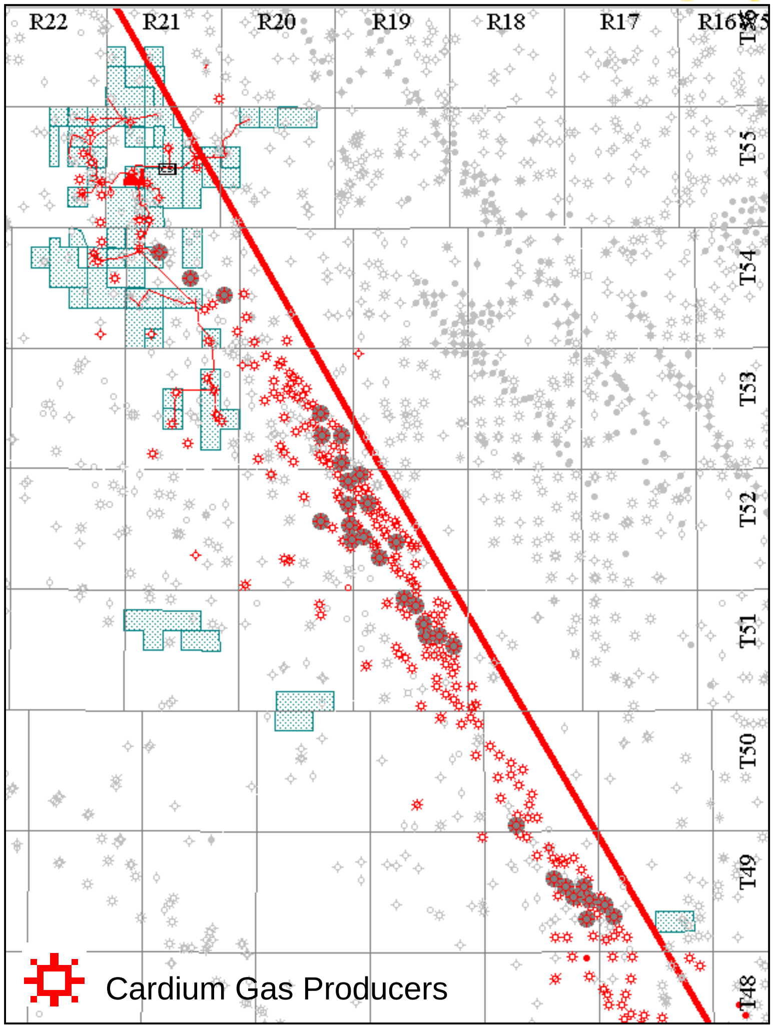
PEYTO 11-17-55-21W5 Gas Plant

- 97 mmcf/d Compression, 100 mmcf/d Refrigeration
- Constructed & Installed April 2000
  - *expanded four times over two years*
- 100% PEYTO Owned & Operated
- Direct, Firm Access to NOVA
- Joint Venture & Third Party Processing Revenue

PEYTO Gas Gathering System

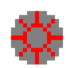
- Over 100 kilometers of Gathering System

Cardium Gas
Greater Edson Area Trend



Cardium Gas

- ✓Low Risk Development Play
- ✓Liquid Rich, High Heating Value Gas
- ✓Predictable Production Profile
- ✓Long Life Reserves



Cardium Gas Producers On production before 1991 [1]

- 32 wells on production before 1991
- 32 wells still producing today
- No Cardium Wells on the trend have depleted
- Year 1 Avg. Rate 177 boe/d (6:1)
- Current Avg. Rate 96 boe/d (after 16 years of production)
- Cumulative Gas & NGL's Produced to Date **710,000 boe's** per well (70% Gas, 30% NGL's).
- Decline 3%/year per well
- Ultimate Recoverable Gas & NGL's **1,355,000 boe's** per well (70% Gas, 30% NGL's)
- Ultimate Reserve Life Index 28 years per well (based on Year 1 Average rate)

"The Old Analog Cardium Producers have already produced the equivalent of 11 times their first year's production. All of these producers are still producing. The analog's have an ultimate reserve life greater then 20 years."

"Old" Analog Cardium Producers

on Production before 1991

PEYTO ENERGY TRUST

Minehead, Ansel, Galloway, Sundance Cardium Gas Trend

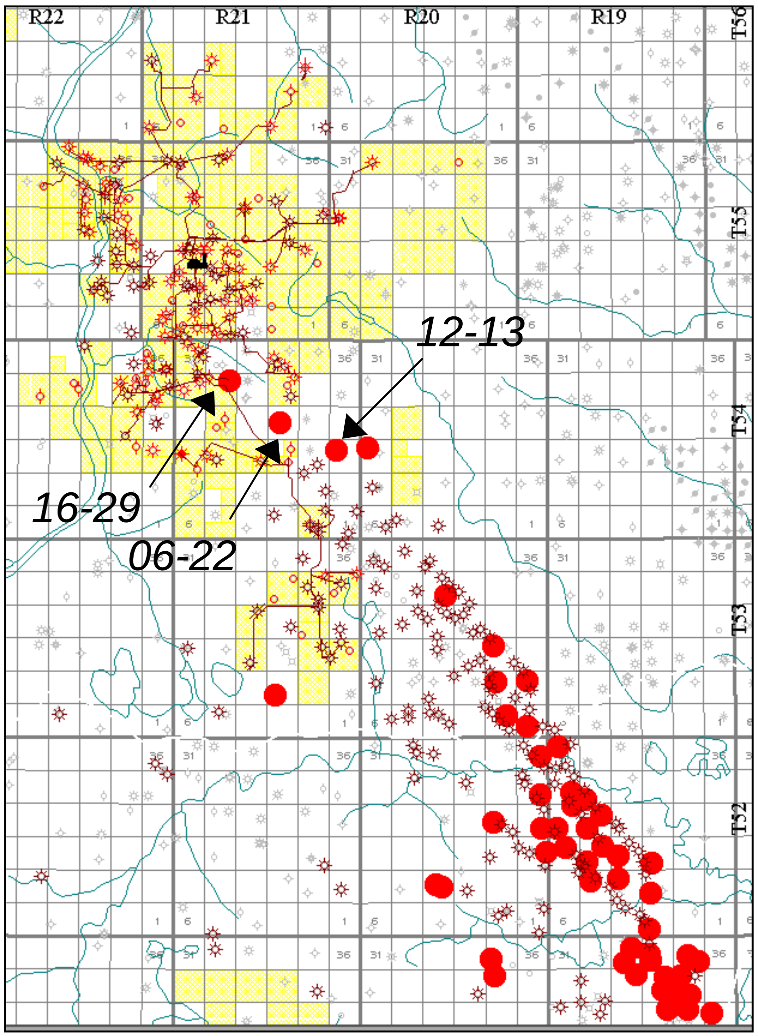
"Old" Analog Cardium Producers (on Production before Oct-1991)

Well ID	Prd Form	On Production	Last Production	Cumulative Gas Produced To Date (mmcf)	First Year Avg Gas Rate (mcf/d)	Actual Reserve Index (yrs)	Current Rate (mcf/d)	Time On Productio n (yrs)	Exponential Decline Rate (%/year)	Remaining Rec. Raw Gas (mmcf)	Ultimate Rec. Raw Gas (mmcf)	Ultimate Reserve Life Index (yrs)
00/15-14-049-18W5/0	Cardium	1-Nov-86	31-Aug-03	8,587	2936	8	640	17	-9%	2,583	11,170	10
00/14-14-053-20W5/0	Cardium	1-Jan-83	31-Aug-03	9,770	2637	10	420	21	-9%	1,725	11,495	12
00/16-29-054-21W5/0	Cardium	1-Apr-88	31-Aug-03	6,591	2358	8	910	15	-6%	5,381	11,972	14
00/11-13-049-18W5/0	Cardium	1-Oct-86	31-Aug-03	5,522	1720	9	330	17	-10%	1,235	6,757	11
00/11-12-049-18W5/0	Cardium	1-May-89	31-Aug-03	4,691	1689	8	720	14	-6%	4,421	9,112	15
02/07-27-051-19W5/0	Cardium	1-Mar-89	31-Aug-03	5,356	1362	11	870	15	-3%	6,351	11,707	24
00/04-24-051-19W5/0	Cardium	1-Mar-90	31-Aug-03	3,622	1358	7	590	14	-6%	3,490	7,111	14
00/16-07-049-17W5/0	Cardium	1-Jun-87	31-Aug-03	4,212	1009	11	420	16	-5%	2,844	7,056	19
00/11-11-053-20W5/0	Cardium	1-Jan-83	31-Aug-03	5,461	1000	15	550	21	-3%	4,015	9,476	26
00/07-05-050-18W5/0	Cardium	1-Dec-87	31-Aug-03	2,757	899	8	190	16	-10%	703	3,460	11
00/06-24-049-18W5/0	Cardium	1-Jan-88	31-Aug-03	3,430	797	12	320	16	-6%	2,006	5,436	19
00/11-31-052-19W5/2	Cardium	1-Feb-85	31-Aug-03	4,963	795	17	440	19	-3%	3,212	8,175	28
00/11-12-053-20W5/2	Cardium	1-Feb-89	31-Aug-03	3,681	784	13	390	15	-5%	2,847	6,528	23
00/10-22-049-18W5/0	Cardium	1-Apr-87	31-Aug-03	3,974	745	15	540	16	-2%	3,942	7,916	29
00/16-22-051-19W5/0	Cardium	1-Sep-90	31-Aug-03	1,771	721	7	810	13	1%	5,913	7,684	29
00/05-16-052-19W5/2	Cardium	1-Dec-85	31-Aug-03	3,179	699	12	490	18	-2%	3,577	6,756	26
00/06-23-049-18W5/0	Cardium	1-Mar-87	31-Aug-03	4,671	685	19	340	17	-4%	2,482	7,153	29
00/07-30-052-19W5/0	Cardium	1-Jan-83	31-Aug-03	2,296	623	10	300	21	-4%	2,190	4,486	20
00/03-34-051-19W5/0	Cardium	1-Sep-90	31-Aug-03	1,395	553	7	400	13	-2%	2,920	4,315	21
00/06-22-054-21W5/2	Cardium	1-Feb-89	31-Aug-03	2,378	545	12	290	15	-4%	2,117	4,495	23
02/10-33-051-19W5/0	Cardium	1-Mar-89	31-Aug-03	1,741	528	9	630	15	1%	4,599	6,340	33
00/11-08-052-19W5/0	Cardium	1-Dec-85	31-Aug-03	1,985	514	11	640	18	1%	4,672	6,657	35
00/06-01-053-20W5/3	Cardium	1-Sep-89	31-Aug-03	2,244	420	15	380	14	-1%	2,774	5,018	33
00/06-18-049-17W5/0	Cardium	1-Nov-86	31-Aug-03	4,997	419	33	370	17	-1%	2,701	7,698	50
00/07-36-052-20W5/0	Cardium	1-Oct-86	31-Aug-03	1,528	330	13	230	17	-2%	1,679	3,207	27
00/08-24-052-20W5/0	Cardium	1-Dec-82	31-Aug-03	1,109	276	11	590	21	4%	4,307	5,416	54
00/10-18-052-19W5/2	Cardium	1-Dec-85	31-Aug-03	1,623	269	17	500	18	3%	3,650	5,273	54
00/14-23-051-19W5/0	Cardium	1-Sep-90	31-Aug-03	617	253	7	250	13	0%	1,825	2,442	26
00/07-25-052-20W5/0	Cardium	1-May-83	31-Aug-03	884	222	11	460	20	4%	3,358	4,242	52
00/09-13-052-20W5/2	Cardium	1-Jun-87	31-Aug-03	1,407	209	18	400	16	4%	2,920	4,327	57
00/06-23-052-20W5/3	Cardium	1-Feb-86	31-Aug-03	359	103	10	60	18	-3%	438	797	21
00/12-13-054-21W5/2	Cardium	1-Feb-89	31-Aug-03	556	72	21	80	15	1%	584	1,140	43
Total				107,355	27,530		14,550			97,461	204,815	
Average				3,355	860	12	455	16	-3%	3,046	6,400	28

"Its been a couple of years since I updated this table. The numbers are just getting better with time. The average decline from first year rate to current rate is now only 3% per year. The average well in the group has already produced 40% more than Peyto currently books for its ultimate recovery. Since I looked two years ago the production from these old wells has actually increased by 15%."

Cardium Gas

Offset Well Performance



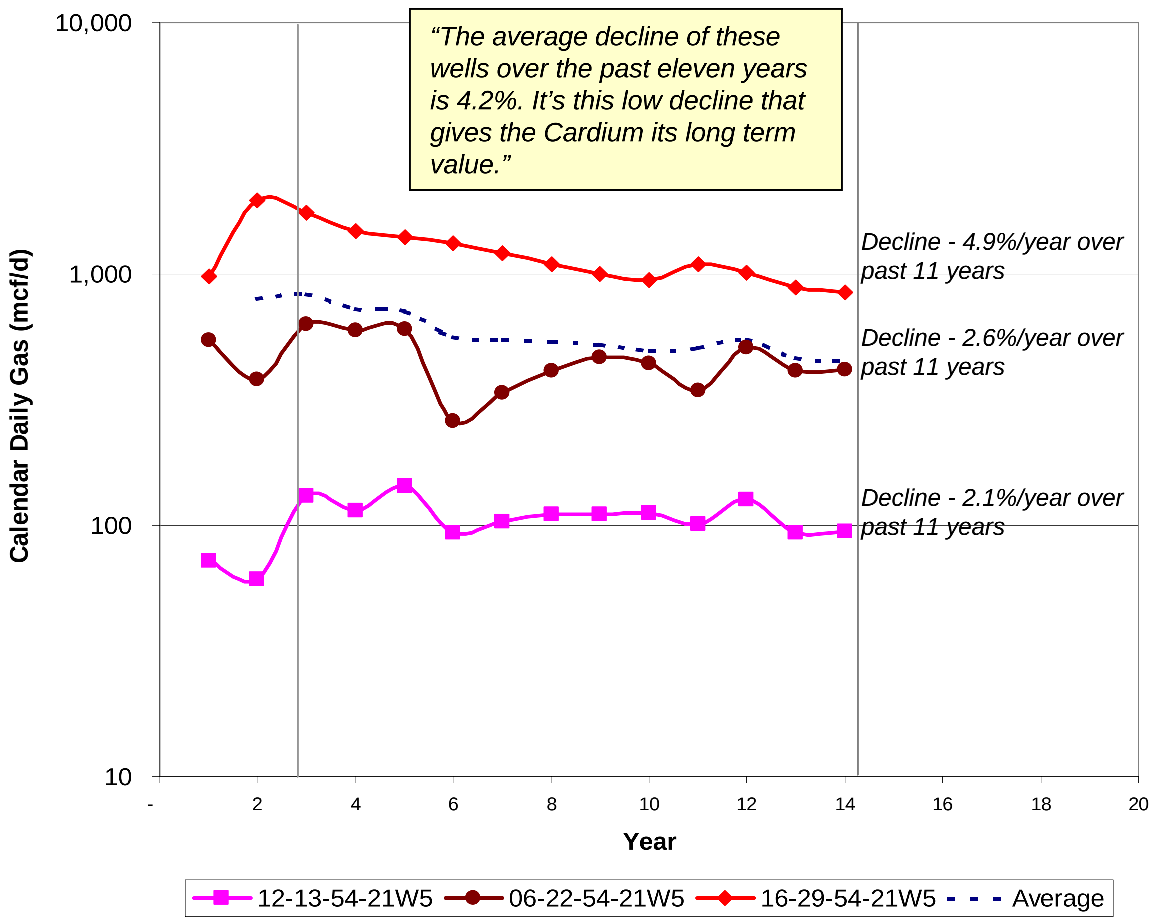
"The Cardium Producers on before January 1, 1998, were all that existed before Peyto started developing the north end of the trend or Sundance."

Cardium Producers on Before January 1, 1998

Cardium Producers on After January 1, 1998

Cardium Gas

Offset Well Performance



The Last Three Producers on the Trend Before Peyto's Sundance

<u>16-29-54-21W5 Cardium</u>

On Production - April 1988

Cumulative Production - 1,302,000 boes

<u>06-22-54-21W5 Cardium</u>

On Production - Feb 1989

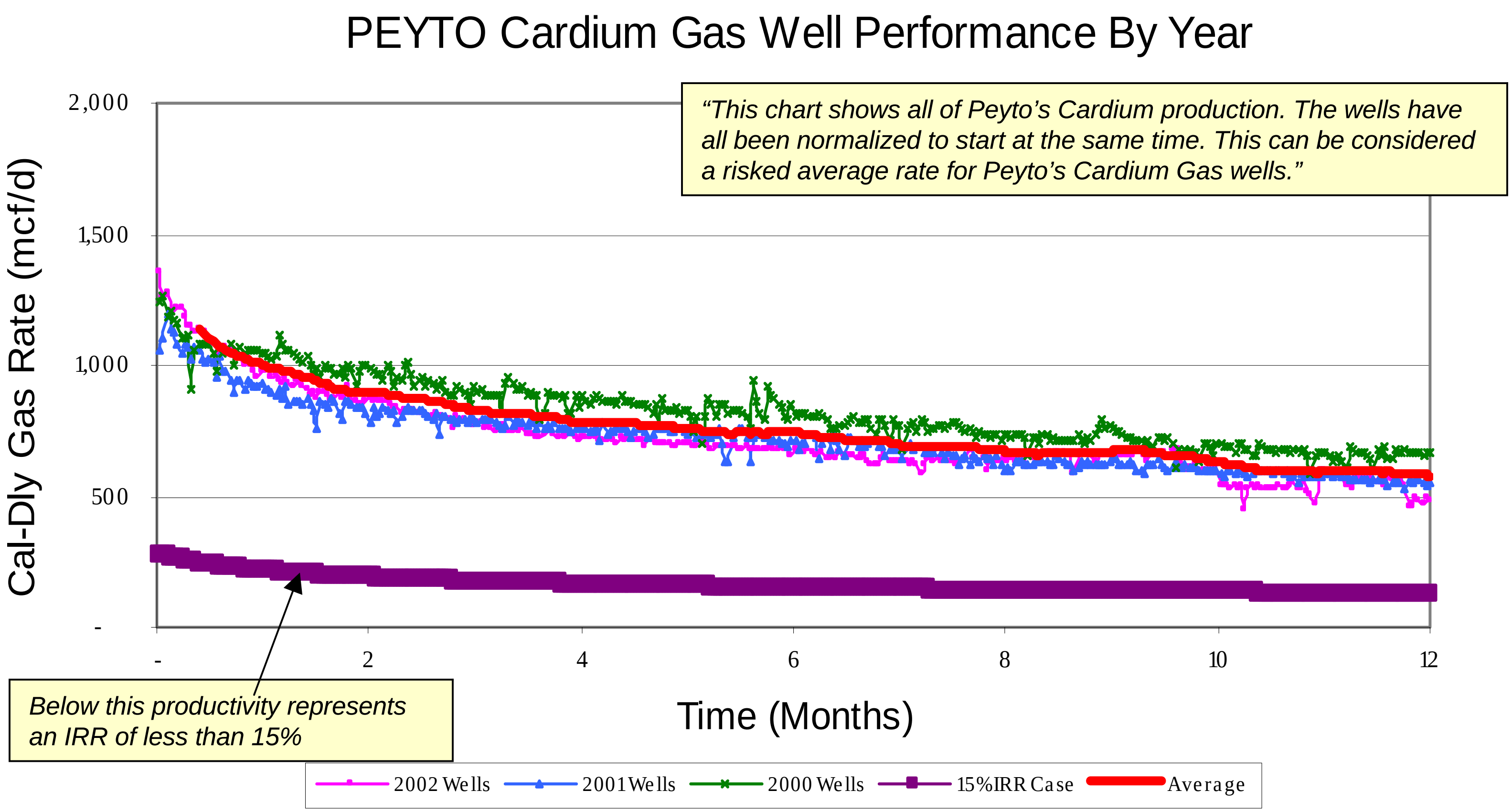
Cumulative Production - 466,000 boes

<u>12-13-54-21W5 Cardium</u>

On Production - Feb 1989

Cumulative Production - 109,000 boes

Cardium Gas
Well Performance



Outlook
2004

- Capital Expenditures ($110 - $160 million)
  - Drill & Re-Enter New Gas Locations (50 - 80 wells)
  - Expand Gas Gathering & Processing Capacity
  - Expand Undeveloped Land Base
  - Expand 3-D & 2-D Seismic Database
  - Acquire Partner Working Interests

A Trust Worthy Gas Company

- Long Life Predictable Natural Gas Reserves
- Premium Quality Natural Gas & Liquids
- Low Total Cost Structure
- High Netbacks
- Predictable & Repeatable Gas Business Model

Notes

Table of Contents

Compensation

- Base G&A estimated to be a low $0.25/boe
- Market Based Bonus Plan
  - rewards employees based on unit price performance
  - replaces old stock option plan
- Reserve Based Bonus Plan
  - rewards employees for accretive growth in proved producing reserve value per unit
- No Management Fees

BOE factor - 6 mcf = 1 bbl of oil equivalent

Bonus Plan
Reserve Based Component

- Rules
  - At the time of payout, a share of the bonus plan is allocated, based on performance, to employees and key consultants.
  - Each year an independent engineering firm calculates the incremental value of the trust's proven producing reserves using a constant price forecast and an 8% discount factor.
  - The incremental value of the proven producing reserves is adjusted for distributions, debt and equity in order to isolate the net incremental value added on a per unit basis.
  - The total value of the reserve based bonus plan is 3% of the net incremental value added for the period and is paid out in cash at the end of January.
- Formula
  - **Reserve Bonus Pool = (Incremental Value - Change in Debt + Total Distributions) x (Equity Factor) x (3%)**
- Definitions
  - Incremental Value - *change in net present value of the proven producing reserves discounted at 8%*
  - Change in Debt - *net debt at end of period before bonuses, minus net debt at the beginning of the period*
  - Total Distributions - *the aggregate of the distributions during the period*
  - Equity Factor - *percentage increase of value added on a per unit basis divided by the percentage increase added overall, thus if there is no gain on a per unit basis the factor would be zero*

Bonus Plan
Market Based Component

- Rules
  - At time of grant, a share of the bonus plan is allocated to employees and key consultants.
  - Rights vest equally over a three year period.
  - The size of the plan is not to exceed 7% of total units outstanding.
  - In December of each year all vested rights are automatically cancelled and, if applicable, paid out in cash.
  - Non-employee directors do not participate in the plan.
- Formula
  - **Market Bonus Pool = (Payout Price - Grant Price + Total Distributions) x (Rights) x (Tax Factor)**
- Definitions
  - Payout Price - *five day weighted average price ending December 31st*
  - Grant Price - *market price at time of grant*
  - Total Distributions - *the aggregate of the distributions subsequent to the date of grant*
  - Rights - *number of rights that have vested for the period*
  - Tax Factor – *the factor of 1.33, that adjusts for the difference between the tax rate on stock options (approximately 20%) and on the market based bonus (approximately 40%)*

Bonus Plan

Market Based Component

Vesting Date	Grant Date	Grant Price		Number of Rights
31-Dec-03	1-Jul-03	$	15.37	1,001,000
31-Dec-04	1-Jul-03	$	15.37	869,000
31-Dec-04	5-Dec-03	$	25.30	100,000
31-Dec-05	1-Jul-03	$	15.37	869,000
31-Dec-05	5-Dec-03	$	25.30	100,000
31-Dec-06	5-Dec-03	$	25.30	100,000
Total Rights O/S				3,039,000
Total Units O/S				45,395,122
Total Rights as a Percentage of Units O/S				6.7%

Distribution History

Distribution Month	Distribution per Unit	Number of Units O/S	Total Distribution
Jul-03	$ 0.15	45,395,122	$ 6,809,268
Aug-03	$ 0.15	45,395,122	$ 6,809,268
Sep-03	$ 0.15	45,395,122	$ 6,809,268
Oct-03	$ 0.15	45,395,122	$ 6,809,268
Nov-03	$ 0.15	45,395,122	$ 6,809,268
Dec-03	$ 0.15	45,395,122	$ 6,809,268
Accumulated Distributions			$ 40,855,610

Major Share Placements

PEYTO ENERGY TRUST

Placement	Year	Type	Shares (000's)	Issue Price ($/share)
Initial	1998	Private/Public	13,100	$ 0.16
1999 Rights Offering	1999	Public	6,550	$ 0.32
Paramount Assets	1999	Private	4,360	$ 0.55
1999 Flow Through	1999	Private	500	$ 0.85
Largo	2000	Public	6,600	$ 1.21
Eclipse	2000	Private	1,650	$ 1.30
Convertible. Deb.	2000	Private	4,500	$0.60
2000 Flow Through	2000	Private	2,100	$2.20
2001 Flow Through *(Employee Bonus Plan)*	2001	Private	183	$4.50
2002 Flow Through *(Employee Bonus Plan)*	2002	Private	94	$11.70
2003 Trust Conversion *(Option Buyout)*	2003	Private	1,940	$15.37
2003 Private Placement *(Employees only)*	2003	Private	330	$27.30

Reasons for the Trust Reorganization

- ✓ Creates a more tax efficient capital structure.
- ✓ Maintains our unique entrepreneurial environment.
- ✓ Allows for the continued growth of our capital investments without compromising the quality.
- ✓ Gives all shareholders the ability to allocate the distributed capital in a manner that is most efficient for their situation.

Financing (2003)

- **2003**
- $180,000,000 Revolving Line of Credit from Bank
  - Increased to $180,000,000 Revolving Line of Credit with the Bank of Montreal, CIBC, National Bank of Canada and the Union Bank of California
- $29,813,189 Private Placement Share Issue (1,939,700 shares $15.37/share)
  - Private placement of Trust Units as part of the Peyto Exploration & Development Corp.'s option buyout. Employees and directors were the only participants. Shares were priced based on the the five day weighted average price from June 24 – June 30, 2003. As a result of the conversion into a Trust, all options were vested and purchased by the company. The option-holder had the right to purchase trust units for the same price that was used to value the option buyout. The option buyout is a one time cash expense in Q2 2003. Because the buyout of the options was paid out in cash, the company will receive a tax expense and was also able to minimize the amount of shares that were ultimately issued.
- $9,013,095 Private Placement Share Issue (330,150 shares $27.30/share)
  - Private placement of Trust Units to employees and consultants. Shares were priced based on the last ten day weighted average price for 2003. The total proceeds from the private placement represents approximately 85% of the after tax cash pay out from the market based bonus plan to employees and consultants. Participation in the private placement was voluntary and was not connected with the market based bonus plan.

Financing (2001-2002)

PEYTO ENERGY TRUST

- **2001**
- <u>$50,000,000 Revolving Line of Credit from Bank</u>
  - Moved from $25,000,000 Revolving Line of Credit with the National Bank of Canada to a $50,000,000 Revolving Line of Credit with the Royal Bank of Canada.
- <u>$60,000,000 Revolving Line of Credit from Bank</u>
  - Increased from $50,000,000 Revolving Line of Credit with Royal Bank of Canada.
- <u>$823,500 Flow Through Share Issue (183,000 shares $4.50/share)</u>
  - Employee bonus plan flow-through share issue. Employee's are given choice of bonus in flow-through shares or cash. Employee's decided to take 90% of bonus in flow-through shares. Shares were priced at a 25% premium to the 10 day weighted average.
- **2002**
- <u>$100,000,000 Revolving Line of Credit from Bank</u>
  - Moved from $80,000,000 Revolving Line of Credit with the Royal Bank of Canada to a $100,000,000 Revolving Line of Credit with the Bank of Montreal.
- <u>$1,098,630 Flow Through Share Issue (93,900 shares $11.70/share)</u>
  - Employee bonus plan flow-through share issue. Employee's are given choice of bonus in flow-through shares or cash. Employee's decided to take 99% of bonus in flow-through shares. Shares were priced at a 25% premium to the 10 day weighted average.

Financing (2000)

- **2000**
- $2,700,000 Convertible Debenture issued to Paramount Resources Ltd.
  - Bears interest at 3% per annum; Convertible at $0.60/share over five year term. Redeemable after July 1, 2000 if trading price above $0.84/share. Issued January 2000
- $7,958,000 Takeover of Largo Resources Inc.
  - Joint venture Partner in Sundance area
  - Issued 6,603,500 shares to Largo Shareholders, February 2000
- $3,250,000 Sundance Area Property Acquisition from Eclipse Resources Ltd.
  - Joint Venture Partner in Sundance area
  - PEYTO Issued 1,650,000 shares ($1.30/share) & paid $1,123,435 in cash, April 2000
- $15,000,000 Revolving Line of Credit from Bank
- $2,700,000 Convertible Debenture Converted to 4,500,000 PEYTO Shares
  - Effective August 26, 2000 Paramount Resources Ltd. issued 4,500,000 common shares of PEYTO
- $4,630,000 Flow-through Issue
  - Issued 2,000,000 shares at $2.20/share, October 2000
  - Issued 100,000 shares at $2.30/share, December 2000. Issued only to employees participating in Corporate bonus plan.
- $25,000,000 Revolving Line of Credit from Bank

Financing (1999)

- **1999**
- $267,000 Private Placement
  - Issued 1,485,000 shares at $0.18/share, January 1999
- $2,073,037 Shareholder Rights Offering
  - Issued 6,554,335 shares, November 1999
- $2,500,000 P&NG Purchase from Paramount Resources Ltd.
  - Originally Farmed in on two suspended Paramount wells and completed the Cardium formation
  - After two successful completions, agreed to purchase the residual interest in two non-producing wells that PEYTO had re-entered & 1,720 acres of undeveloped land with 4,363,637 shares at $0.55/share & $75,000 cash, December 1999
- $425,000 Flow-through Issue
  - Issued 500,000 shares at $0.85/share, December 1999

Financing (1997-98)

- **1997 (before Peyto Management)**
- $250,000 Private Placement to JCP Founders
  - Issued 2,500,000 shares at $0.10/share March 1997
- $250,000 JCP IPO
  - Issued 1,250,000 shares at $0.20/share December 1997
- **1998**

October 23, 1998 Peyto Management Brought In

- $254,000 Private Placement
  - Acquired Producing Property in Saskatchewan with 1,694,000 shares at $0.15/share & $254,000 in cash, October 1998.
  - Producing property qualified as the JCP's Major Property Acquisition, thus removing the JCP restrictions on the corporation.
  - Ownership, management & control transferred from Desco group to PEYTO group. Desco Resources Ltd. JCP becomes PEYTO Exploration & Development Corp.
- $415,000 Private Placement
  - Issued 2,767,000 shares at $0.15/share, November 1998
- $653,000 Private Placement
  - Issued 3,267,000 flow-through shares at $0.20/share, December 1998

Employees

Don T. Gray, *President & CEO, Director*
Founder of PEYTO, Professional Engineer up to December 31, 2002, 15 years of oil & gas reservoir, evaluation & exploitation engineering experience, B.Sc. Petroleum Engineering, Texas A&M University

Roberto Bosdachin, *Vice President, Exploration (P.Geol)*
Professional Geologist, 15 years of successful oil & gas exploration experience, M.Sc., McGill University /B.Sc. Carleton University

Darren Gee, *Vice President, Exploitation (P.Eng.)*
Professional Engineer, 14 years of oil & gas reservoir, evaluation, production & exploitation engineering experience, B.Sc. Mechanical Engineering, University of Alberta

Scott Robinson, *Vice President, Operations (P.Eng.)*
Professional Engineer, VP of Engineering at Private Canadian Oil & Gas company, prior there to VP of Operations at Pinnacle Resources Ltd.

Sandra Brick, *Vice President, Finance*
22 years of oil & gas accounting experience, former Controller of intermediate oil & gas company.

Elaine Moses, *Manager, Land (P.Land)*
21 years of diversified land work in admin, contracts, acquisition, divestment and negotiations.

Rick Braund, *Landman, Chairman (P.Land)*
Founder of PEYTO, Private Oil & Gas businessman, over 25 years of oil & gas land experience

Directors

Don T. Gray, *CEO & President,since 1998*

Rick Braund, *Chairman of the Board, Landman, since 1998*

Brian Craig, *CEO of Solium Capital Inc., since 1998*

Steve Chetner, *Corporate Secretary, Securities Lawyer with Burnet Duckworth & Palmer, since 2000*

John L. Boyd, *Private Investor, since 2002*

Mick MacBean, *Chartered Accountant, CEO Diamond Energy Services Inc., since 2003*

C. Ian Mottershead, *Private Investor, since 2003*

"We have four independent Board members, one Board member who is a consulting Landman to Peyto and one Board member that is part of the management team."