PEYTO
ENERGY TRUST

2006 AGM

May 16, 2006

Oil & Gas Trust

Assets + Business - Distributions

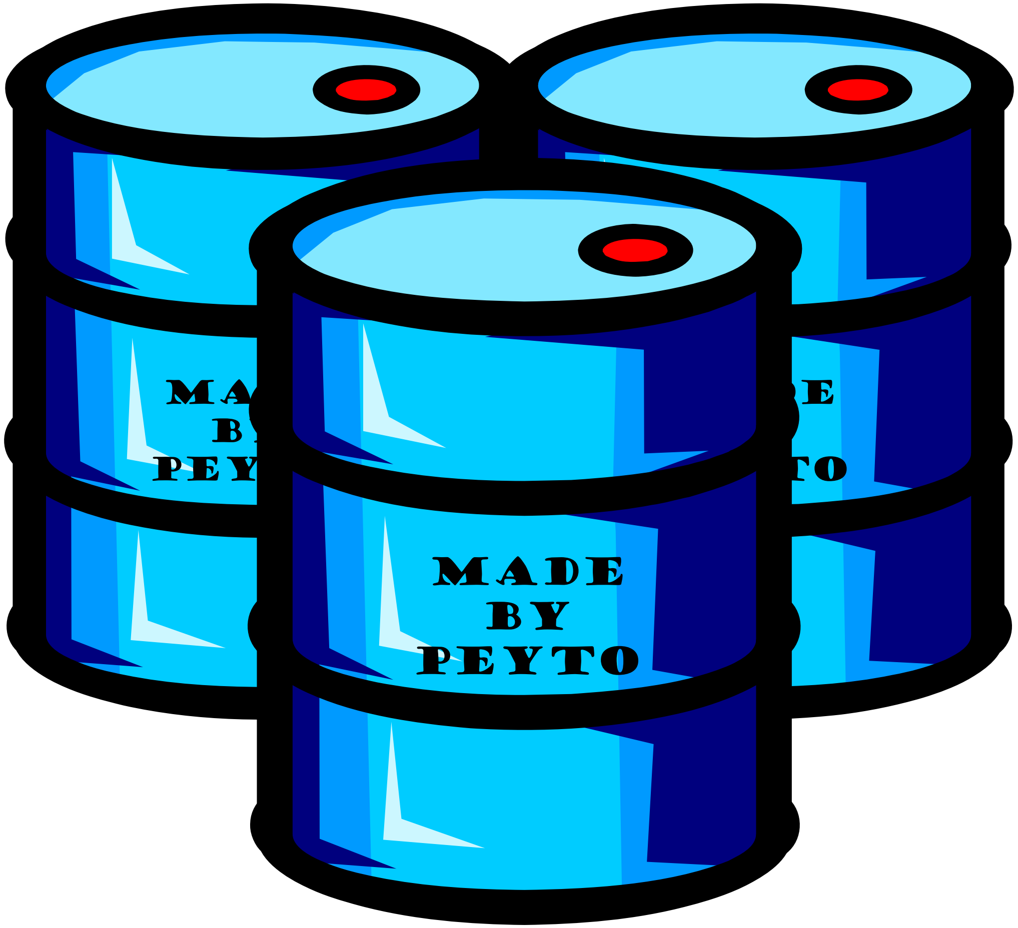
- Assets
  - Oil and gas reserves
- Business
  - Investing capital to find and develop more oil and gas reserves
- Distributions
  - Cashflow from operations that are taken out of the Trust and given to the unitholders

Peyto Energy Trust

Assets + Business - Distributions

- Assets
  - Approximately 100% natural gas and natural gas liquids
  - Long reserve life
  - Low operating costs
  - High Operatorship
- Business
  - Peyto's business is to design, drill and build its own assets
  - Low finding and development costs
  - High return on capital
- Distributions
  - Peyto's distribution is designed to be sustainable

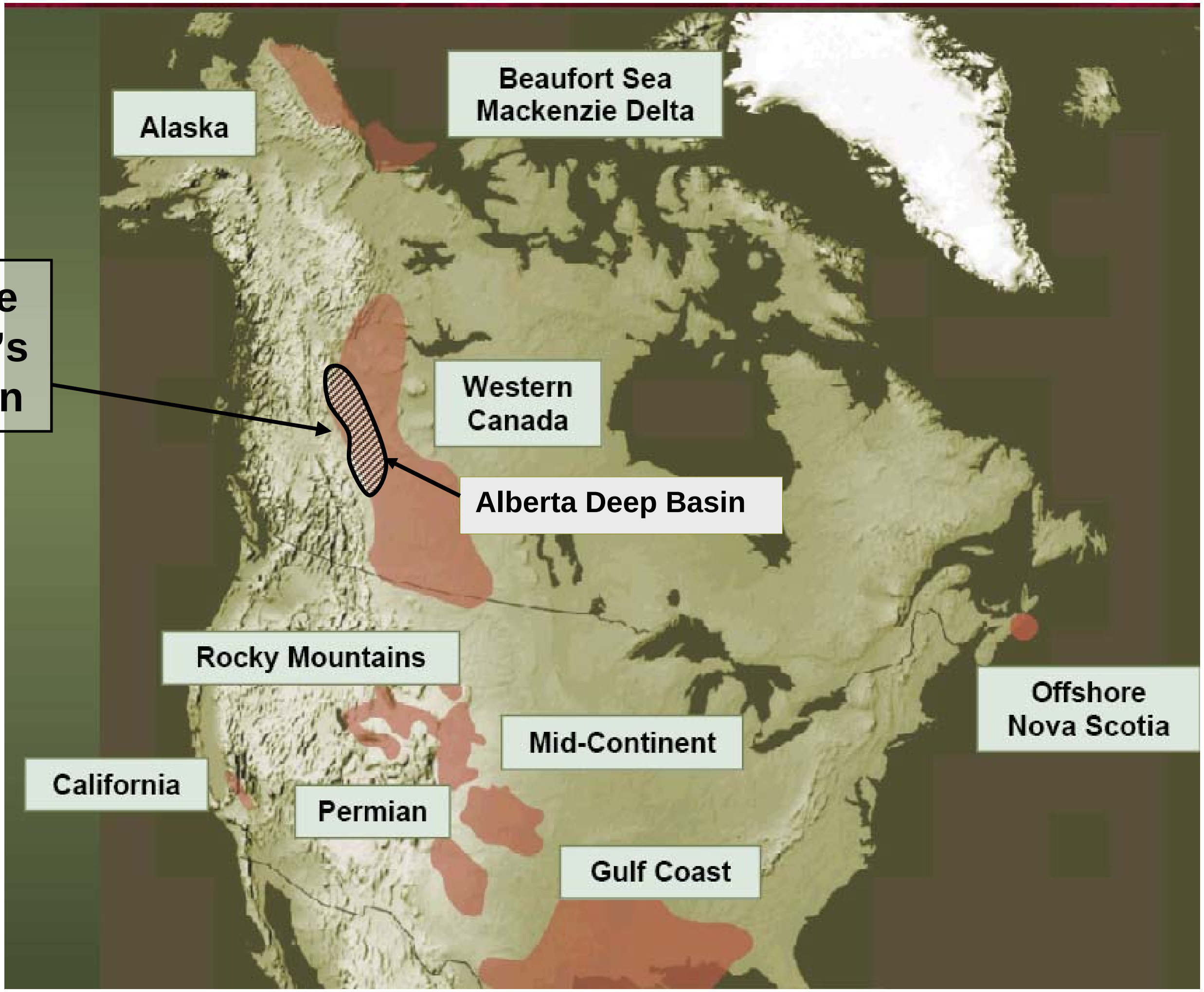
Assets



Peyto is a Tight Gas Company

North American Tight Gas Deep Basins

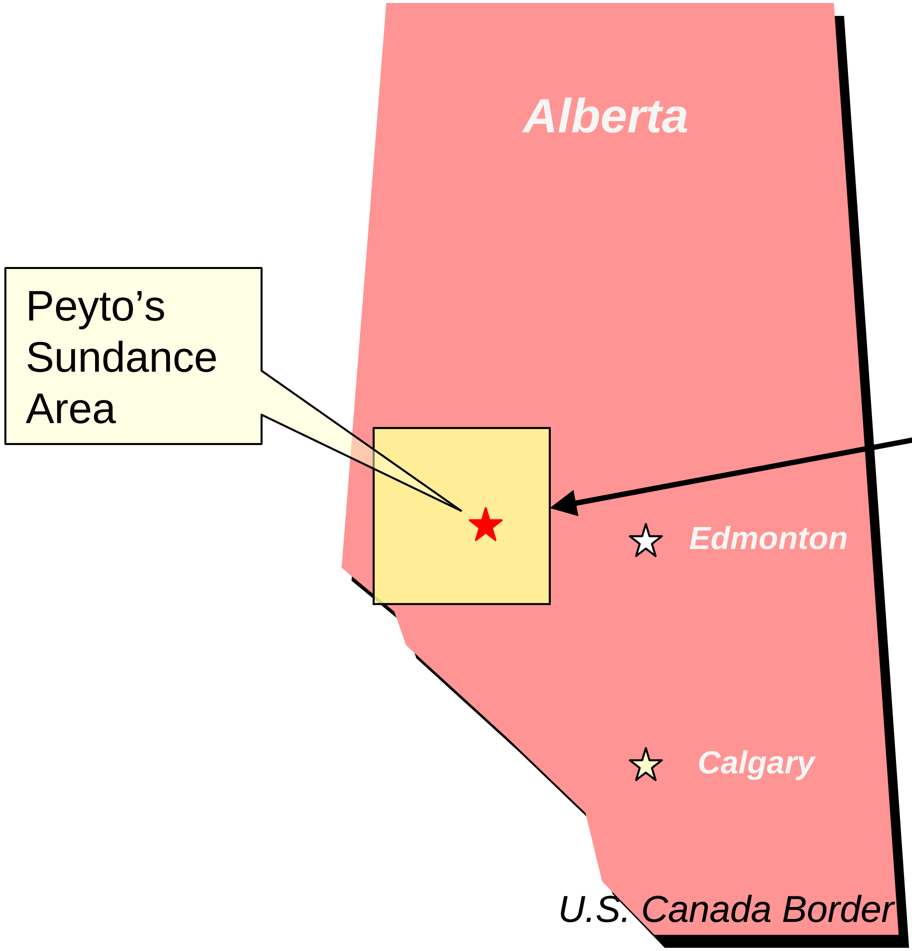
Peyto's Assets are located in Canada's Alberta Deep Basin



Map Courtesy of GTI

General Area of Operations Map

Over the past eight years, Peyto has focused it's efforts 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.

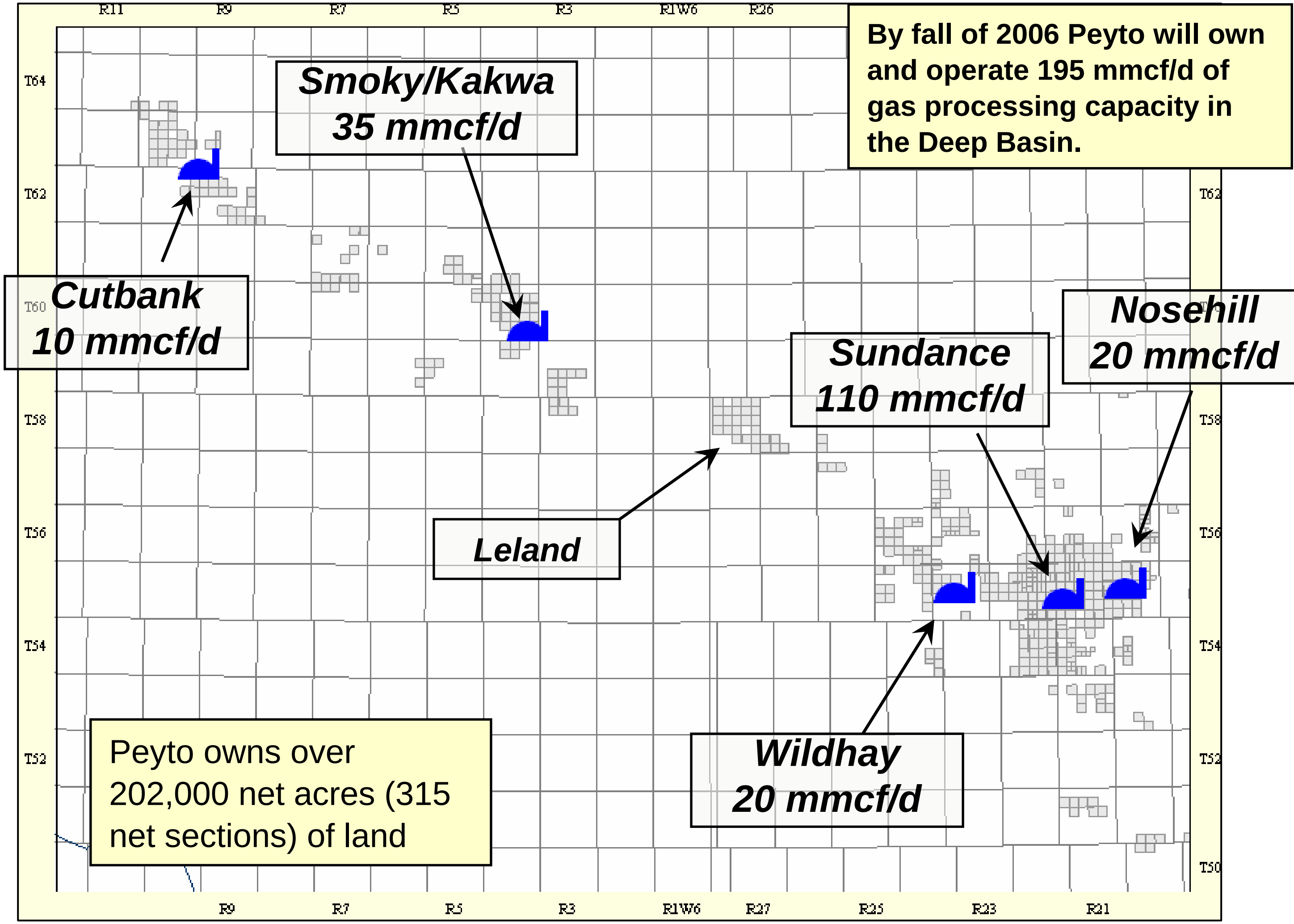


Alberta's Central Deep Basin Activity (January 2006)

Rank	Company	Wells, On Production (last 12 months)
1	Burlington	175
2	**Peyto**	**138**
3	CNRL	126
4	Devon	107
5	Talisman	99

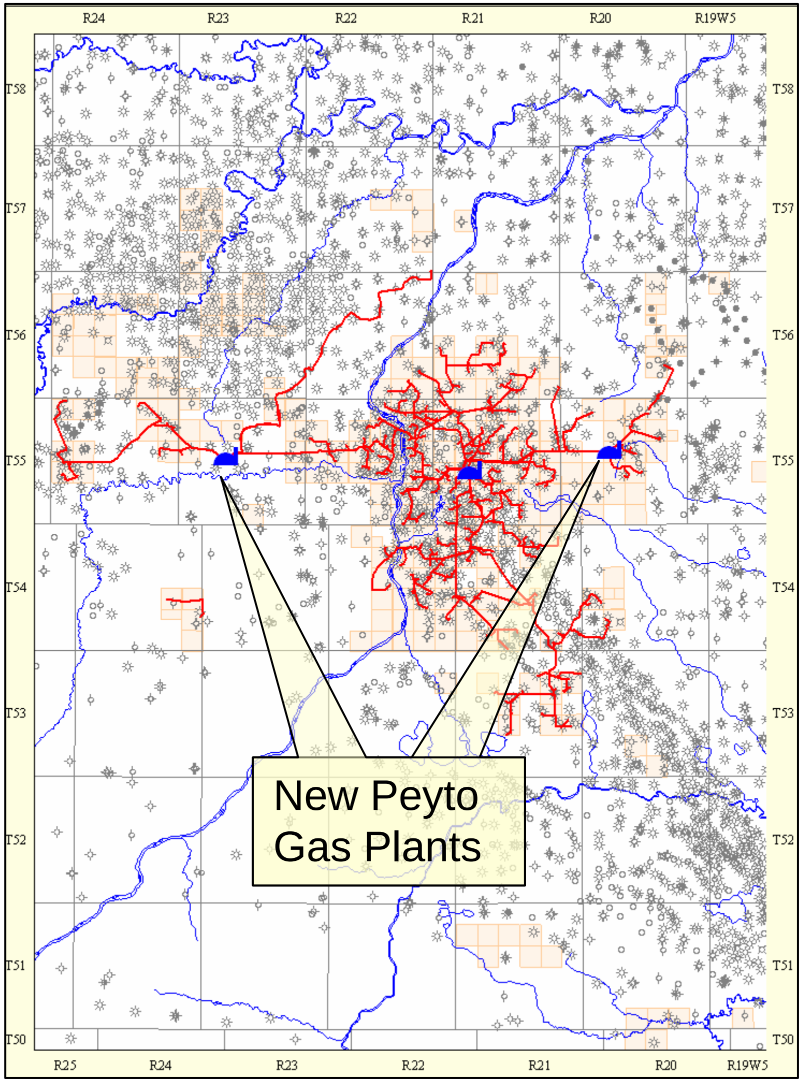
Peyto Operations Map

Gas Plants & Land



Gas Plant & Gathering System

Greater Sundance



Greater Sundance Area Gas Plants

- **Oldman - 110 mmcf/d Compression, 110 mmcf/d Refrigeration, constructed & installed April 2000**
  - ***expanded four times over two years***
- **Wildhay (*New*) - 20 mmcf/d Compression, 20 mmcf/d Refrigeration, constructed & installed March 2006**
- **Nosehill (*New*) – 20 mmcf/d Compression, 20 mmcf/d Refrigeration, scheduled for commission August 2006**
- **All Plants 100% PEYTO Owned & Operated**
- **Direct, Firm Access to TCPL**
- **Joint Venture & Third Party Processing Revenue**

Peyto Gas Gathering System

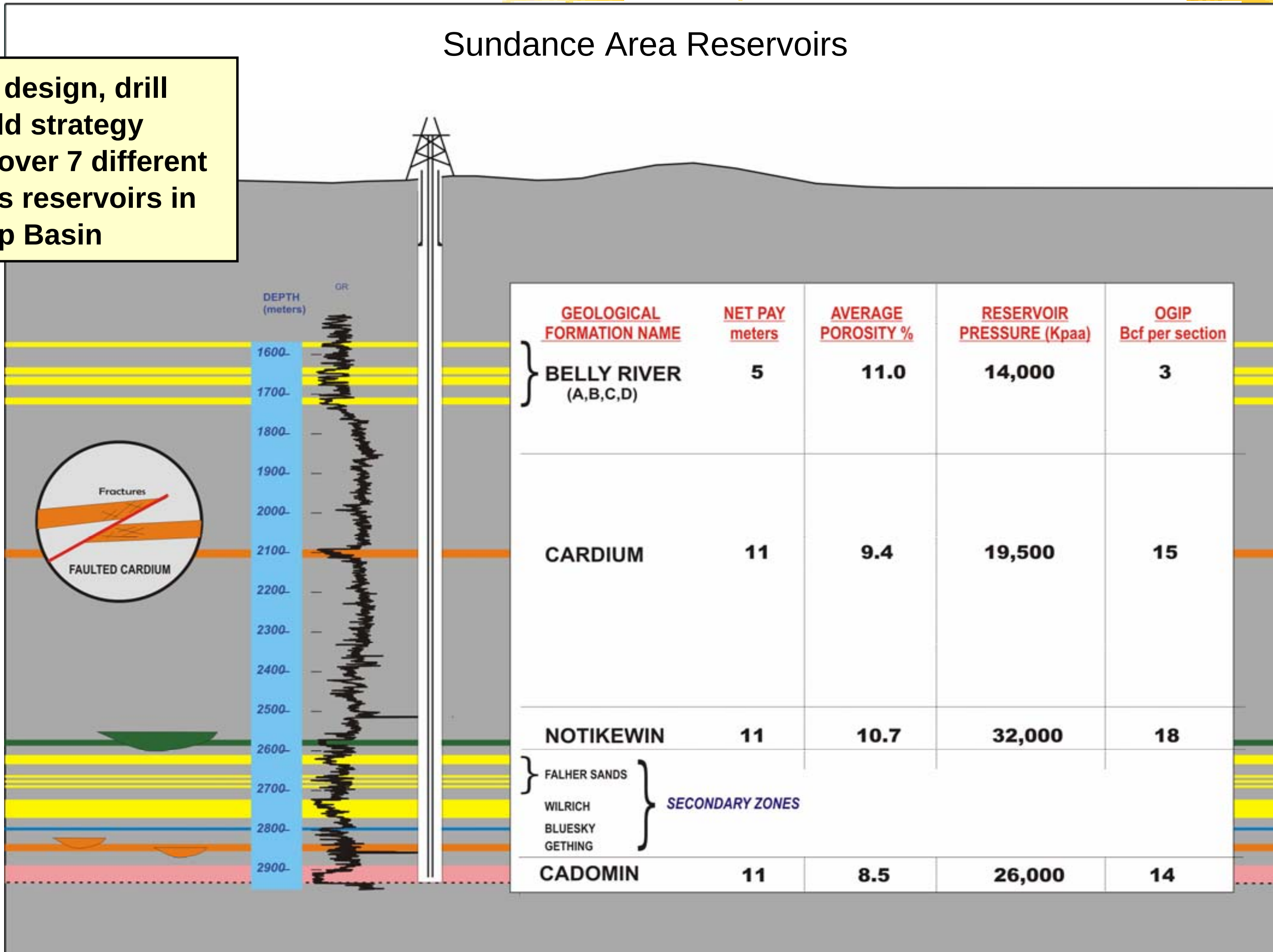
- **Over 250 kilometers of Gathering System**

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

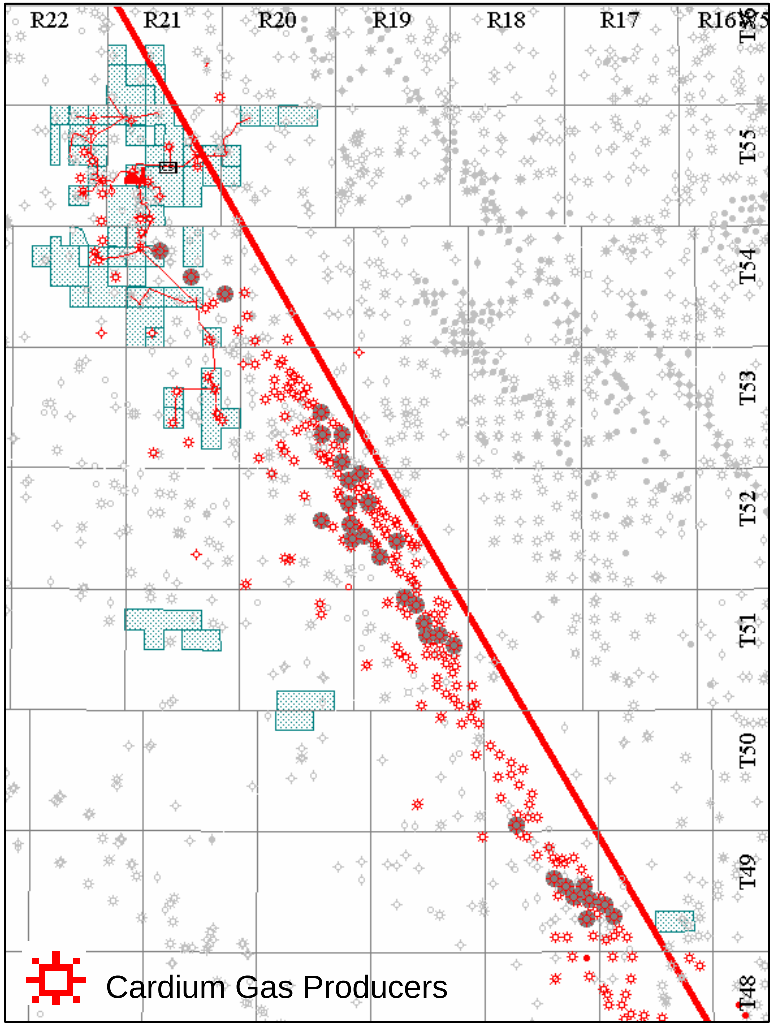
Sundance Area Reservoirs



GEOLOGICAL FORMATION NAME	NET PAY meters	AVERAGE POROSITY %	RESERVOIR PRESSURE (Kpaa)	OGIP Bcf per section
BELLY RIVER (A,B,C,D)	5	11.0	14,000	3
CARDIUM	11	9.4	19,500	15
NOTIKEWIN	11	10.7	32,000	18
FALHER SANDS, WILRICH, BLUESKY, GETHING — *SECONDARY ZONES*				
CADOMIN	11	8.5	26,000	14

Cardium Resource Play

Greater Edson Area Trend



Cardium Resource Play

- ✓Low Risk Development Drilling
- ✓High Heating Value, Liquid Rich 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 59 boe/d (after 18 years of production)
- Cumulative Gas & NGL's Produced to Date **738,000 boe's** per well (70% Gas, 30% NGL's).
- Decline 6%/year per well
- Ultimate Recoverable Gas & NGL's **1,092,000 boe's** per well (70% Gas, 30% NGL's)
- Ultimate Reserve Life Index 21 years per well (based on Year 1 Average rate)

"The Old Analog Cardium Producers have already produced the equivalent of 13 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."

BOE factor - 6 mcf = 1 bbl of oil equivalent

Cardium Resource Play

Analogue Producers, on production before 1991

PEYTO ENERGY TRUST

Well ID	Prd Form	On Prod Date	Last Prod Date	Gas Produced To Date (mmcf)	First Year Avg Gas Rate (mcf/d)	Reserve Life Index based on first Year Rate and Cum Gas Produced TD (yrs)	2005 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)	RLI Based on Current Rate and Remainin g Reserves
00/15-14-049-18W5/0	Cardium	1-Nov-86	30-Jun-05	8,899	2,936	8	612	19	-8%	2,660	11,559	11	12
00/14-14-053-20W5/0	Cardium	1-Jan-83	30-Jun-05	9,935	2,637	10	178	23	-12%	543	10,477	11	8
00/16-29-054-21W5/0	Cardium	1-Apr-88	30-Jun-05	7,105	2,358	8	683	17	-7%	3,472	10,577	12	14
00/11-13-049-18W5/0	Cardium	1-Oct-86	30-Jun-05	5,731	1,720	9	274	19	-10%	1,021	6,752	11	10
00/11-12-049-18W5/0	Cardium	1-May-89	30-Jun-05	5,077	1,689	8	504	16	-7%	2,461	7,537	12	13
02/07-27-051-19W5/0	Cardium	1-Mar-89	30-Jun-05	5,634	1,362	11	413	16	-7%	2,065	7,699	15	14
00/04-24-051-19W5/0	Cardium	1-Mar-90	30-Jun-05	3,945	1,358	8	452	15	-7%	2,301	6,246	13	14
00/16-07-049-17W5/0	Cardium	1-Jun-87	30-Jun-05	4,438	1,009	12	289	18	-7%	1,526	5,965	16	14
00/11-11-053-20W5/0	Cardium	1-Jan-83	30-Jun-05	5,778	1,000	16	420	23	-4%	3,066	8,844	24	20
00/07-05-050-18W5/0	Cardium	1-Dec-87	30-Jun-05	2,871	899	9	180	18	-9%	719	3,589	11	11
00/06-24-049-18W5/0	Cardium	1-Jan-88	30-Jun-05	3,601	797	12	217	18	-7%	1,066	4,667	16	13
00/11-31-052-19W5/2	Cardium	1-Feb-85	30-Jun-05	5,227	795	18	386	20	-4%	2,818	8,045	28	20
00/11-12-053-20W5/2	Cardium	1-Feb-89	30-Jun-05	3,810	784	13	154	16	-10%	567	4,377	15	10
00/10-22-049-18W5/0	Cardium	1-Apr-87	30-Jun-05	4,320	745	16	464	18	-3%	3,387	7,707	28	20
00/16-22-051-19W5/0	Cardium	1-Sep-90	30-Jun-05	1,896	721	7	178	15	-9%	689	2,585	10	11
00/05-16-052-19W5/2	Cardium	1-Dec-85	30-Jun-05	3,474	699	14	416	20	-3%	3,037	6,511	26	20
00/06-23-049-18W5/0	Cardium	1-Mar-87	30-Jun-05	4,888	685	20	394	18	-3%	2,876	7,764	31	20
00/07-30-052-19W5/0	Cardium	1-Jan-83	30-Jun-05	2,359	623	10	71	23	-10%	269	2,628	12	10
00/03-34-051-19W5/0	Cardium	1-Sep-90	30-Jun-05	1,508	553	7	157	15	-8%	675	2,183	11	12
00/06-22-054-21W5/2	Cardium	1-Feb-89	30-Jun-05	2,554	545	13	261	16	-4%	1,905	4,459	22	20
02/10-33-051-19W5/0	Cardium	1-Mar-89	30-Jun-05	1,921	528	10	266	16	-4%	1,942	3,863	20	20
00/11-08-052-19W5/0	Cardium	1-Dec-85	30-Jun-05	2,108	514	11	171	20	-6%	1,111	3,219	17	18
00/06-01-053-20W5/3	Cardium	1-Sep-89	30-Jun-05	2,483	420	16	343	16	-1%	2,504	4,987	33	20
00/06-18-049-17W5/0	Cardium	1-Nov-86	30-Jun-05	5,189	419	34	243	19	-3%	1,774	6,963	46	20
00/07-36-052-20W5/0	Cardium	1-Oct-86	30-Jun-05	1,611	330	13	113	19	-6%	722	2,333	19	18
00/08-24-052-20W5/0	Cardium	1-Dec-82	30-Jun-05	1,200	276	12	129	23	-3%	942	2,142	21	20
00/10-18-052-19W5/2	Cardium	1-Dec-85	30-Jun-05	1,773	269	18	213	20	-1%	1,555	3,328	34	20
00/14-23-051-19W5/0	Cardium	1-Sep-90	30-Jun-05	681	253	7	85	15	-7%	422	1,103	12	14
00/07-25-052-20W5/0	Cardium	1-May-83	30-Jun-05	942	222	12	85	22	-4%	621	1,563	19	20
00/09-13-052-20W5/2	Cardium	1-Jun-87	30-Jun-05	1,638	209	21	331	18	3%	2,416	4,054	53	20
00/06-23-052-20W5/3	Cardium	1-Feb-86	30-Jun-05	833	103	22	104	19	0%	759	1,592	42	20
00/12-13-054-21W5/2	Cardium	1-Feb-89	30-Jun-05	600	72	23	60	16	-1%	438	1,038	39	20
Total				114,028	27,530		8,846			52,328	166,356		
Average				3,563	860	13	276	18	-5%	1,635	5,199	22	16

BOE factor - 6 mcf = 1 bbl of oil equivalent

Low Operating Costs

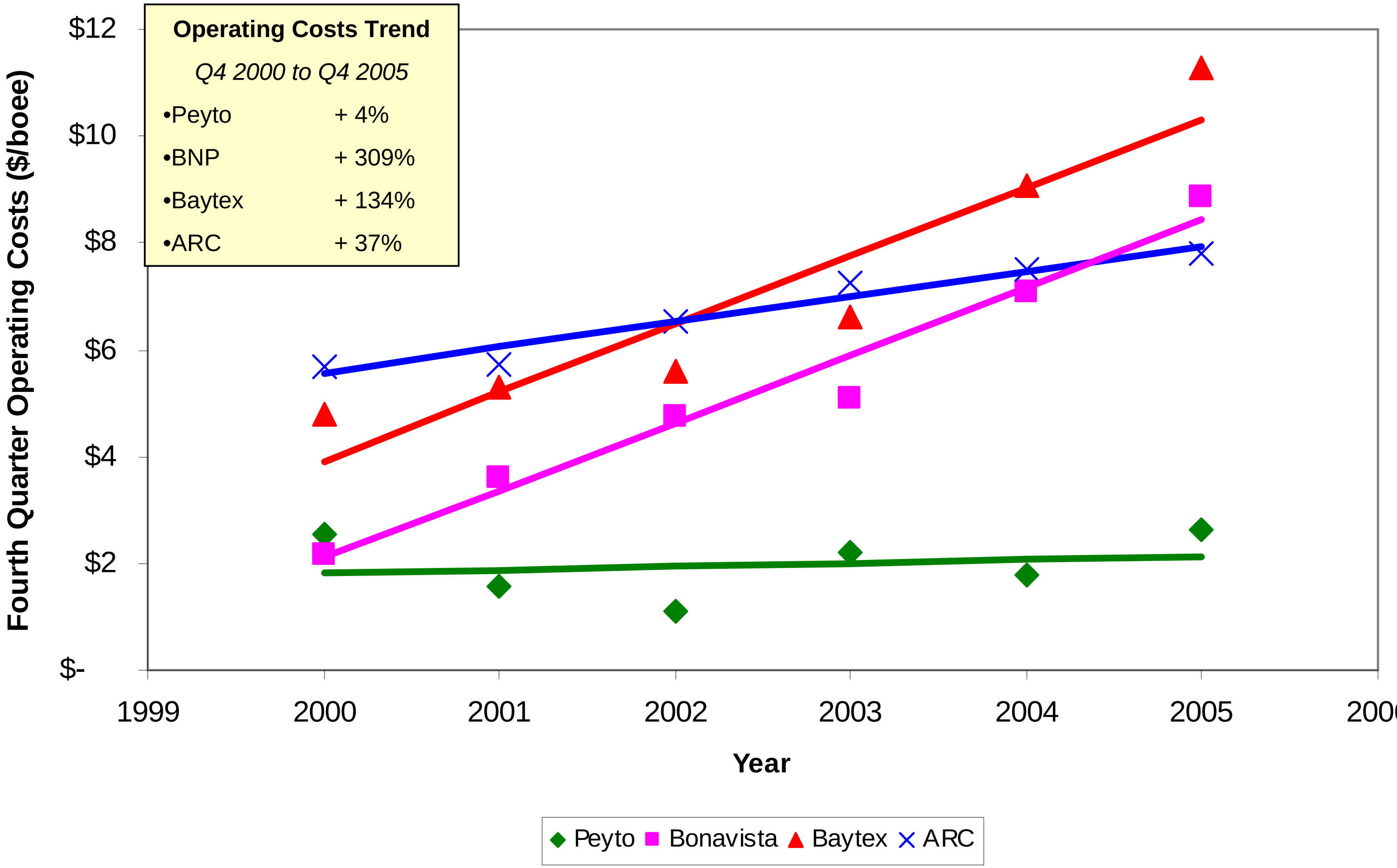
Year	Field Expenses ($/boe)	Transportation ($boe)	Processing Income ($/boe)	Operating Costs ($/boe)
2002	$ 1.45	$ 0.58	$ (0.66)	$ 1.37
2003	$ 1.99	$ 0.56	$ (0.69)	$ 1.86
2004	$ 1.78	$ 0.70	$ (0.73)	$ 1.75
2005	$ 2.17	$ 0.68	$ (0.62)	$ 2.23

"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."

BOE factor - 6 mcf = 1 bbl of oil equivalent

Operating Costs

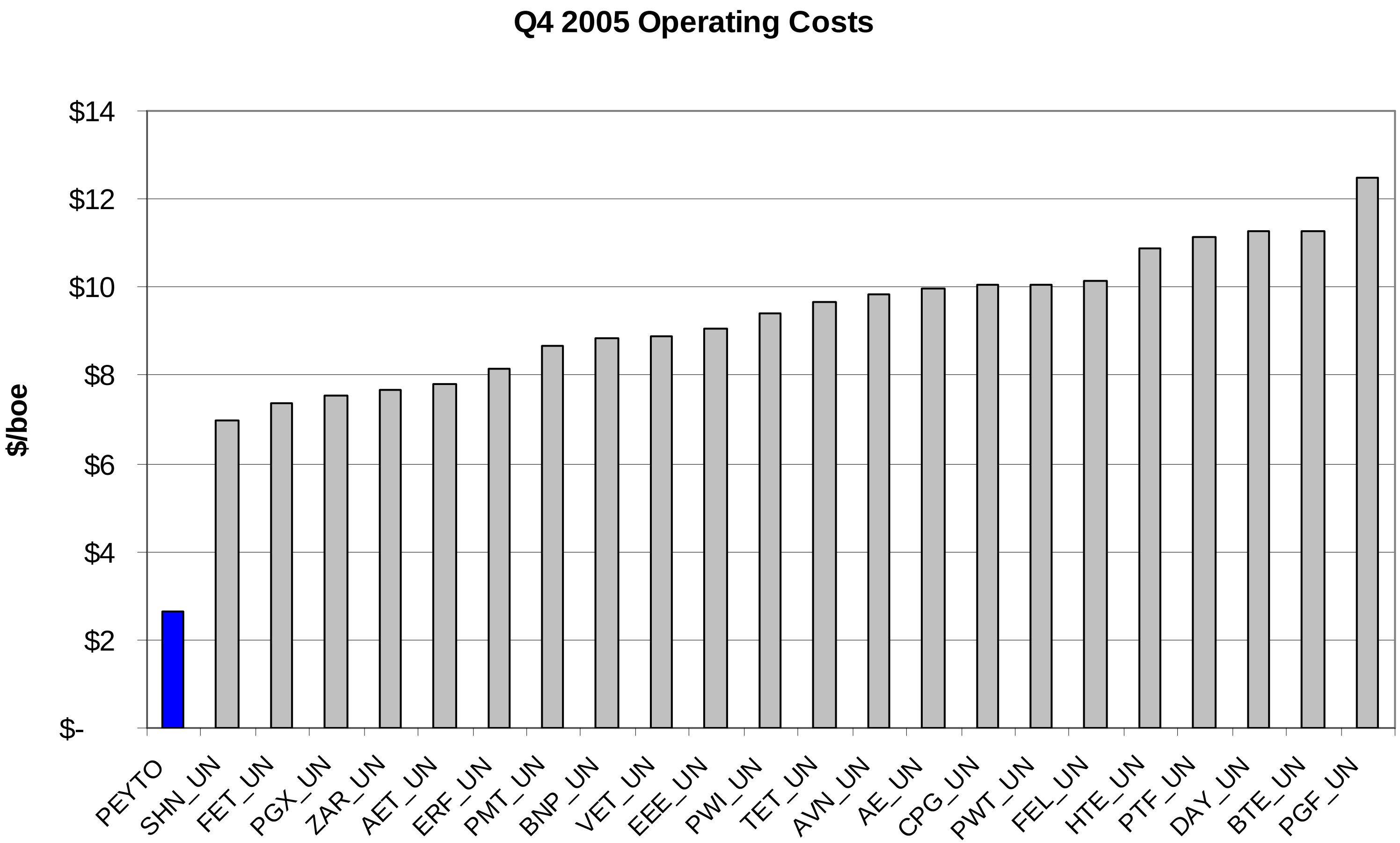
Five Year Trend



BOE factor - 6 mcf = 1 bbl of oil equivalent

Operating Costs

Industry Comparison

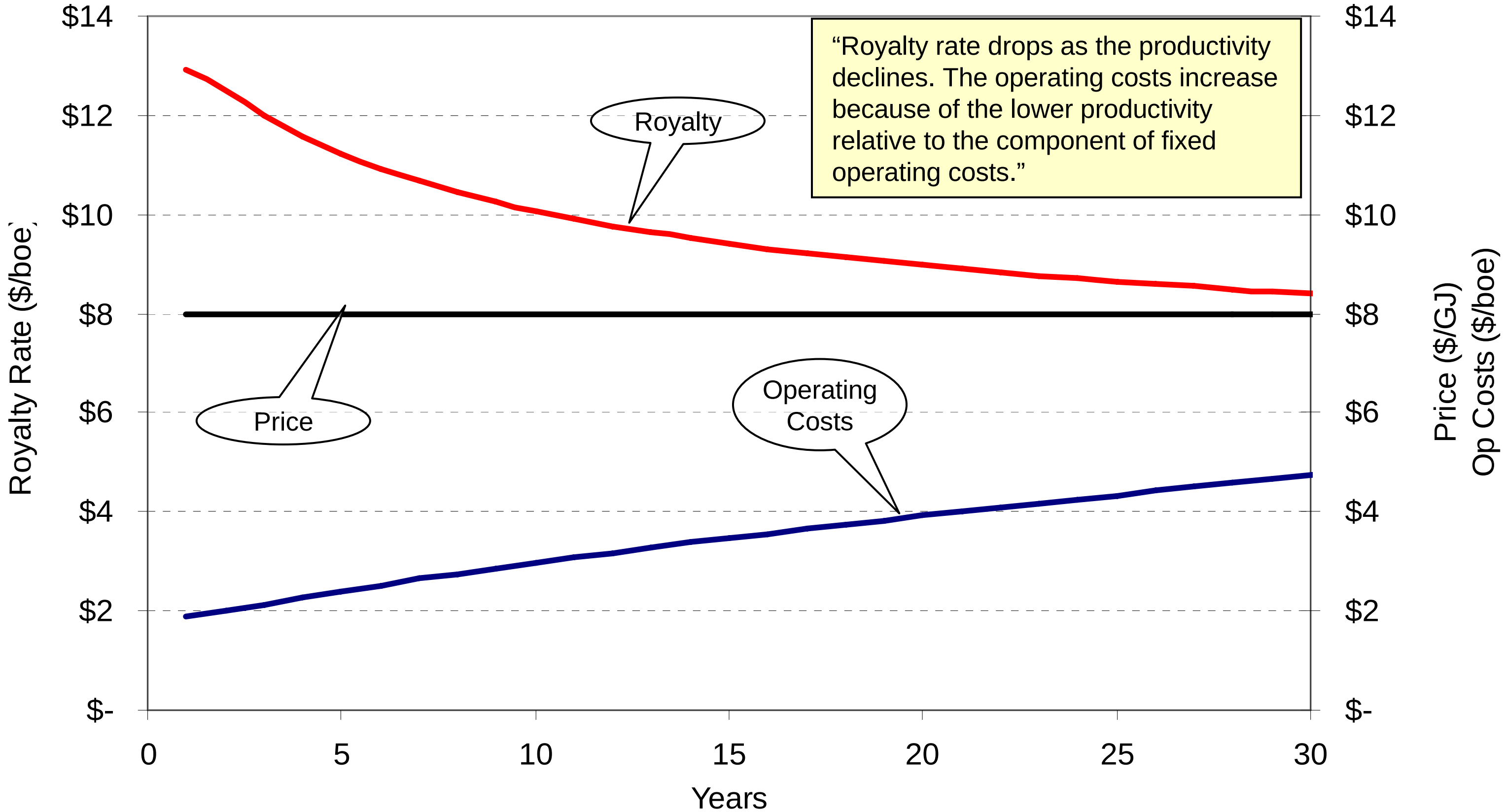


Operating Costs include Transportation costs. Peyto has always included transportation costs as part of its operating costs.

Tight Gas

Understanding the Value (1)

PEYTO ENERGY TRUST

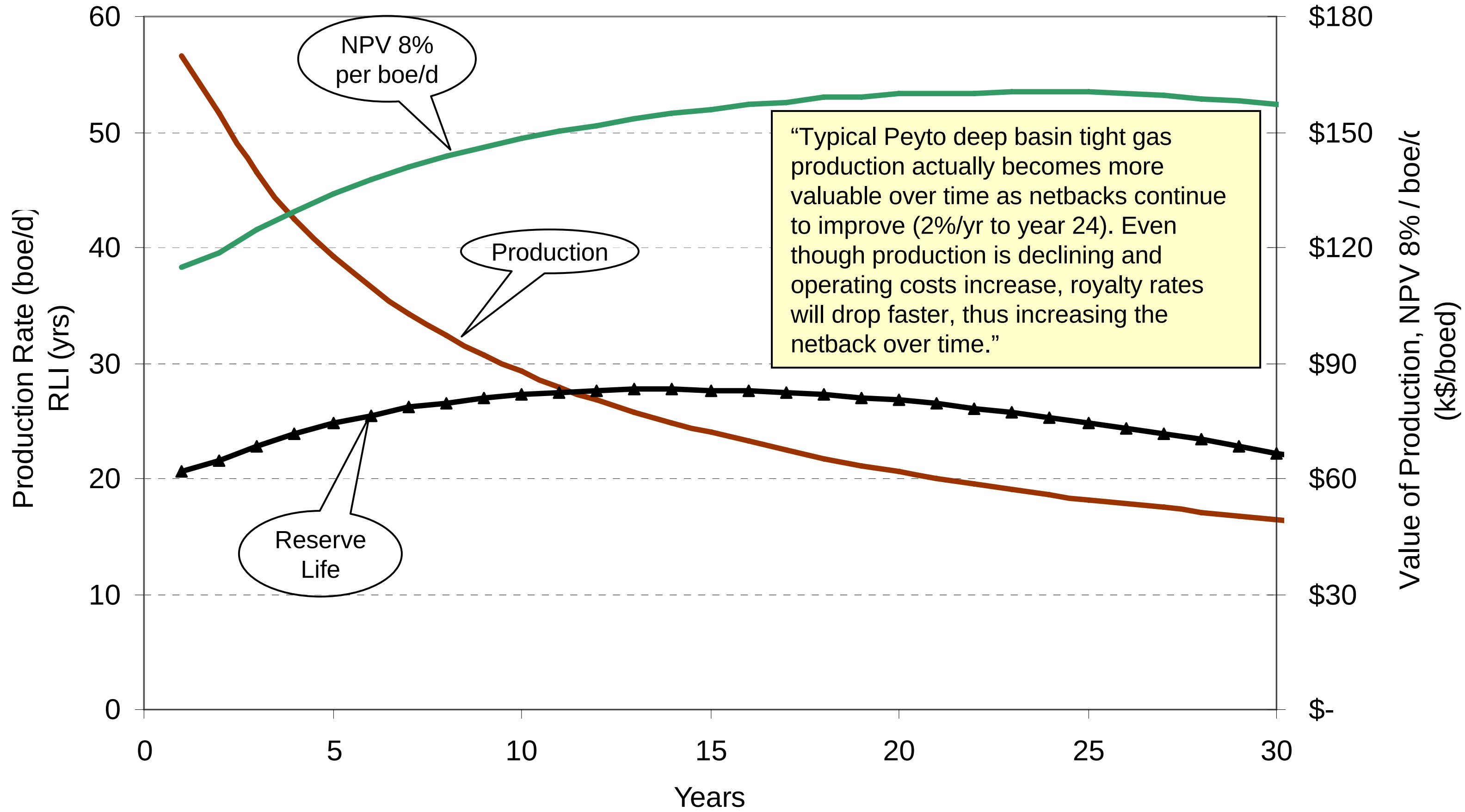


Using flat pricing, AB royalties, based on Sundance 15-14-55-21W5 Cardium

BOE factor - 6 mcf = 1 bbl of oil equivalent

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

Reserves, Volume Summary

PEYTO ENERGY TRUST

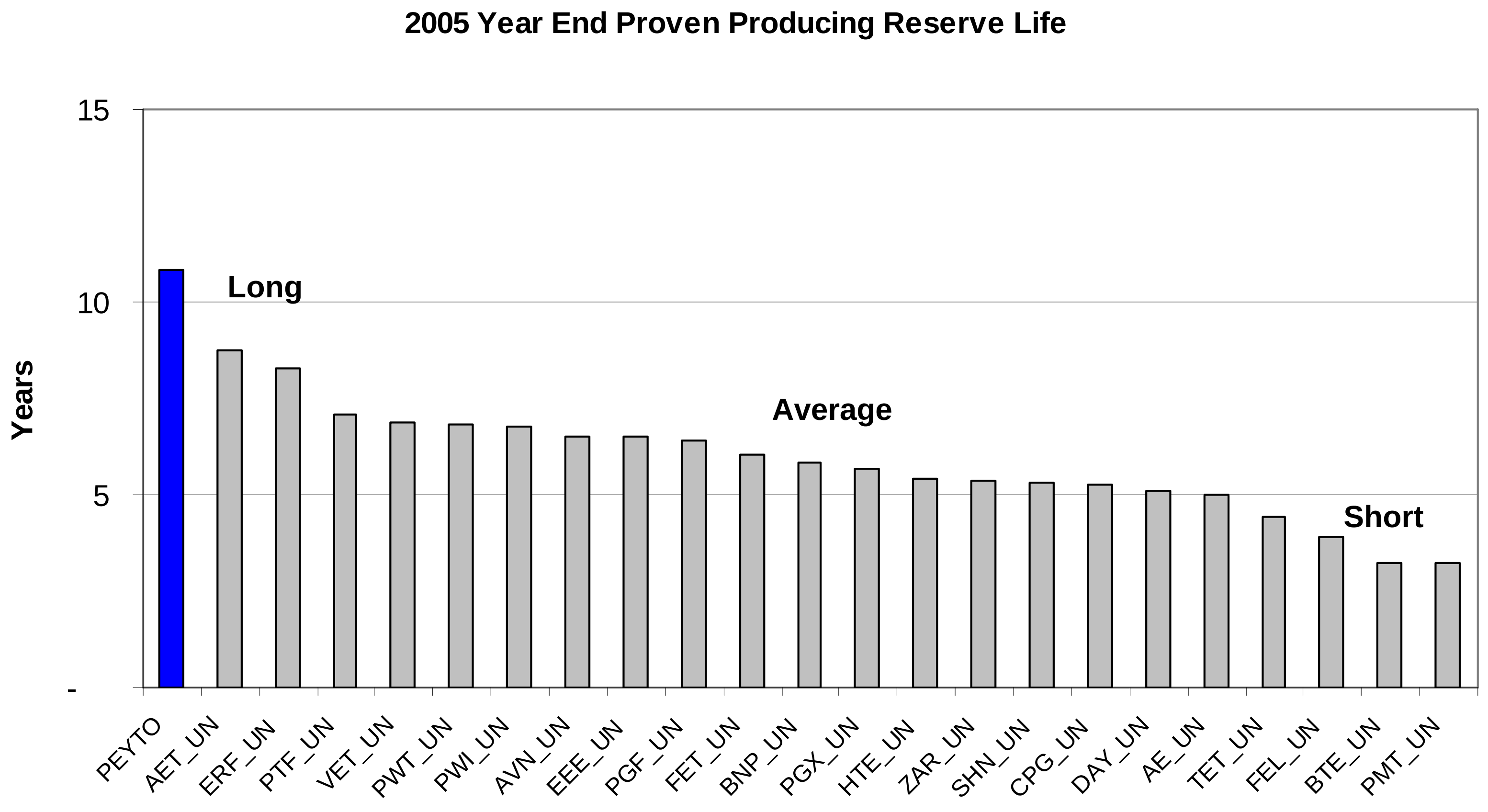
Category	Sales Gas (BCF)	Natural Gas Liquids & Oil (Mstb)	BOE's(Mstb)
Proven Producing	428	16,569	87,881
Proven Non-Producing	28	773	5,460
Proven Undeveloped	90	2,409	17,461
Total Proven	546	19,751	110,802
Probable Additional	215	6,786	42,645
Proved + Probable	761	26,537	153,447

Paddock Lindstrom & Associates February 2006 Reserve Report (effective: December 31, 2005)

BOE factor - 6 mcf = 1 bbl of oil equivalent

Reserve Life

Industry Comparison, Proven Producing Reserve Life



Reserves, Net Present Value

Variable Price Economics

Category	NPV (millions of CDN dollars) 0%	5%	8%	10%
Proven Developed	3,762	2,232	1,816	1,627
Proven Undeveloped	610	307	222	182
Total Proven	4,372	2,539	2,038	1,809
Probable Additional	1,634	680	465	375
Proven + Probable	6,006	3,219	2,503	2,184

Paddock Lindstrom & Associates February 2006 Reserve Report (effective: December 31, 2005)

Assets

Industry Comparison, Results

PEYTO ENERGY TRUST

Results

Company Name	Q4 2005 Revenue Before Hedging ($/boe)	Q4 2005 Netback ($/boe)	Q4 2005 Operating Costs ($/boe)	Q4 2005 Basic Cash Costs ($/boe)	Year End 2005 Reserve Life (yrs) Proven Producing	Year End 2005 Reserve Life (yrs) Total Proven	Year End 2005 Reserve Life (yrs) Proven + Probable	2005 Average Well Productivity (boe/d)	Average Weighted Ranking
Peyto 2005	**$ 73**	**$ 42**	**$ 2.65**	**$ 3.61**	**10.8**	**13.6**	**18.9**	**76**	**1**
Peyto 2004	$ 46	$ 32	$ 1.80	$ 2.83	9.4	12.2	17.2	93	3
ARC	$ 67	$ 38	$ 7.81	$ 10.31	8.8	10.6	13.3	13	5
Enerplus	$ 65	$ 37	$ 8.14	$ 9.47	8.3	10.1	14.5	16	5
Progress	$ 68	$ 39	$ 7.55	$ 9.31	5.7	6.9	8.8	56	5
Shinningbank	$ 67	$ 44	$ 6.98	$ 9.89	5.3	6.2	9.6	26	6
Focus	$ 60	$ 37	$ 7.36	$ 10.39	6.1	8.9	11.5	35	6
Vermillion	$ 63	$ 36	$ 8.87	$ 11.19	6.9	8.1	11.4	42	6
Primewest	$ 64	$ 36	$ 9.39	$ 12.74	6.7	8.0	10.5	30	6
Esprit	$ 64	$ 34	$ 9.05	$ 12.76	6.5	7.7	10.3	22	6
Petrofund	$ 66	$ 35	$ 11.15	$ 13.52	7.1	8.7	11.4	11	6
Penn West	$ 61	$ 37	$ 10.07	$ 11.58	6.8	8.1	10.0	14	6
Bonavista	$ 60	$ 35	$ 8.85	$ 10.43	5.9	7.1	8.8	18	7
Zargon	$ 63	$ 33	$ 7.67	$ 10.46	5.4	6.1	8.5	14	7
Fairborne	$ 68	$ 40	$ 10.15	$ 14.05	3.9	6.3	9.0	30	7
Advantage	$ 62	$ 34	$ 9.84	$ 15.45	6.5	7.7	12.0	13	7
Trilogy	$ 72	$ 37	$ 9.65	$ 15.33	4.4	5.1	7.4	40	7
Pengrowth	$ 62	$ 35	$ 12.49	$ 15.63	6.4	7.8	9.8	30	7
Daylight	$ 63	$ 36	$ 11.26	$ 16.06	5.1	6.2	8.8	22	7
Acclaim	$ 64	$ 29	$ 9.96	$ 12.73	5.0	6.2	8.1	11	7
Crescent Point	$ 60	$ 26	$ 10.04	$ 13.49	5.2	6.5	9.5	14	8
Paramount	$ 55	$ 33	$ 8.65	$ 11.55	3.2	3.5	5.0	31	8
Harvest	$ 52	$ 27	$ 10.87	$ 14.83	5.4	6.2	8.4	15	8
Baytex	$ 47	$ 19	$ 11.28	$ 15.39	3.2	7.3	10.1	23	9

Ordinary Cash Costs – Calculated by adding together operating, base G&A and Interest, costs.

Reserve Life – Calculated by dividing the total for each reserve category by the annualized Q4 2005 production.

Assets

Industry Comparison, Weighted Ranking

PEYTO ENERGY TRUST

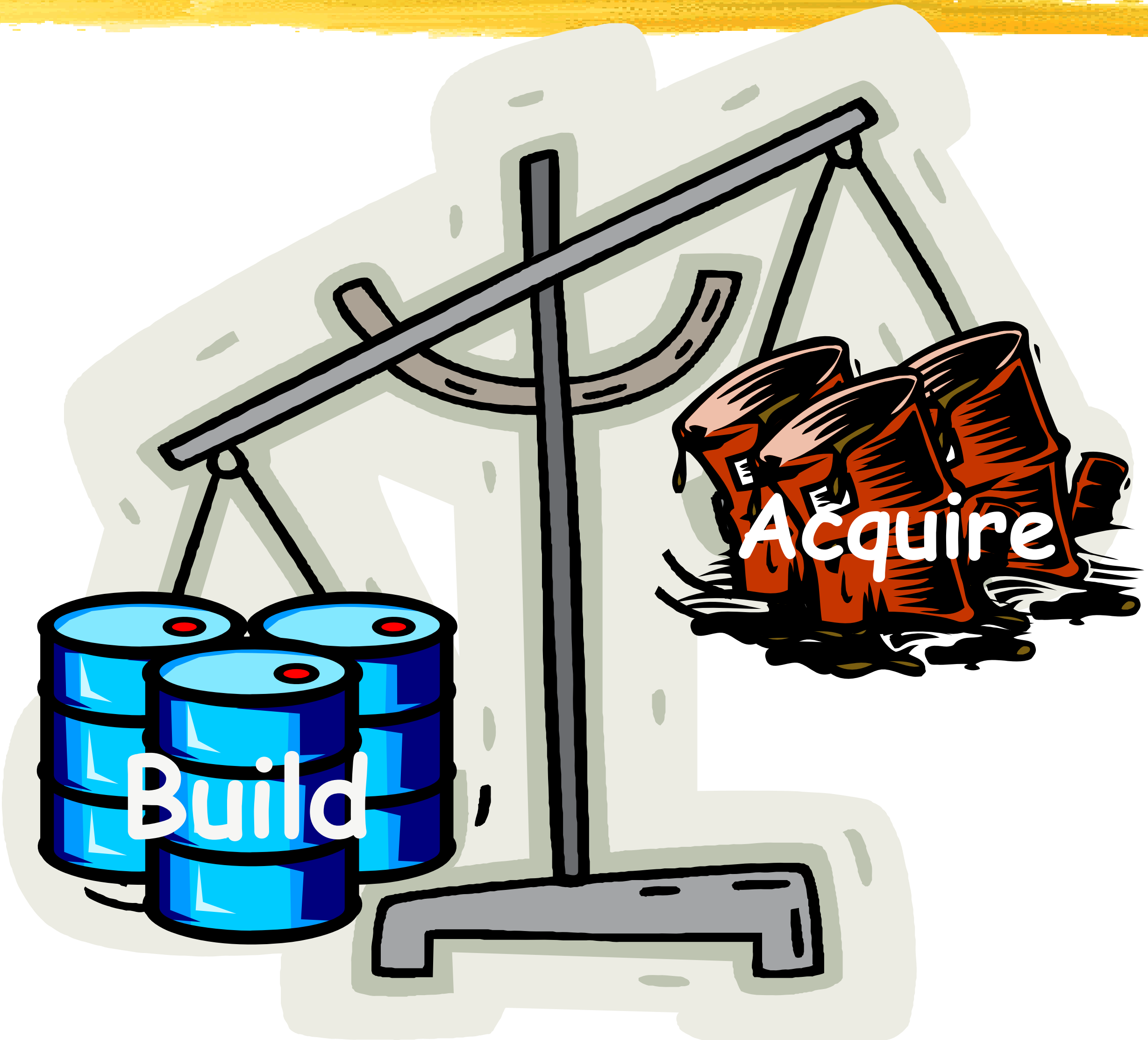
Results

Company Name	Q4 2005 Revenue Before Hedging ($/boe)	Q4 2005 Netback ($/boe)	Q4 2005 Operating Costs ($/boe)	Q4 2005 Basic Cash Costs ($/boe)	Year End 2005 Reserve Life (yrs) Proven Producing	Year End 2005 Reserve Life (yrs) Total Proven	Year End 2005 Reserve Life (yrs) Proven + Probable	2005 Average Well Productivity (boe/d)	Average Weighted Ranking
Peyto 2005	**1**	**2**	**2**	**2**	**1**	**1**	**1**	**3**	**1**
Peyto 2004	10	5	1	1	3	2	2	1	3
ARC	3	3	6	6	3	4	5	10	5
Enerplus	4	3	6	6	4	4	4	9	5
Progress	3	3	6	5	7	7	8	5	5
Shinningbank	3	1	5	6	7	8	7	8	6
Focus	5	4	6	6	7	5	6	7	6
Vermillion	4	4	7	7	6	6	6	7	6
Primewest	4	4	7	8	6	6	6	8	6
Esprit	4	4	7	8	6	6	7	9	6
Petrofund	3	4	9	8	5	5	6	10	6
Penn West	5	4	8	7	6	6	7	10	6
Bonavista	5	4	7	6	7	7	8	9	7
Zargon	4	5	6	6	7	8	8	10	7
Fairborne	3	2	8	9	9	8	7	8	7
Advantage	5	4	8	10	6	6	5	10	7
Trilogy	1	4	8	10	9	9	8	7	7
Pengrowth	5	4	10	10	6	6	7	8	7
Daylight	4	4	9	10	8	8	8	9	7
Acclaim	4	6	8	8	8	8	8	10	7
Crescent Point	5	7	8	8	8	7	7	10	8
Paramount	7	5	7	7	10	10	10	8	8
Harvest	8	7	9	9	7	8	8	10	8
Baytex	10	10	9	10	10	7	7	9	9

Weighted Ranking - The best and worst in each category are given rankings of 1 and 10, respectively.
The rankings in between are determined by their relative position to the best and worst in the category.

Business

Strategy, We Build it Ourselves



The Team

PEYTO ENERGY TRUST

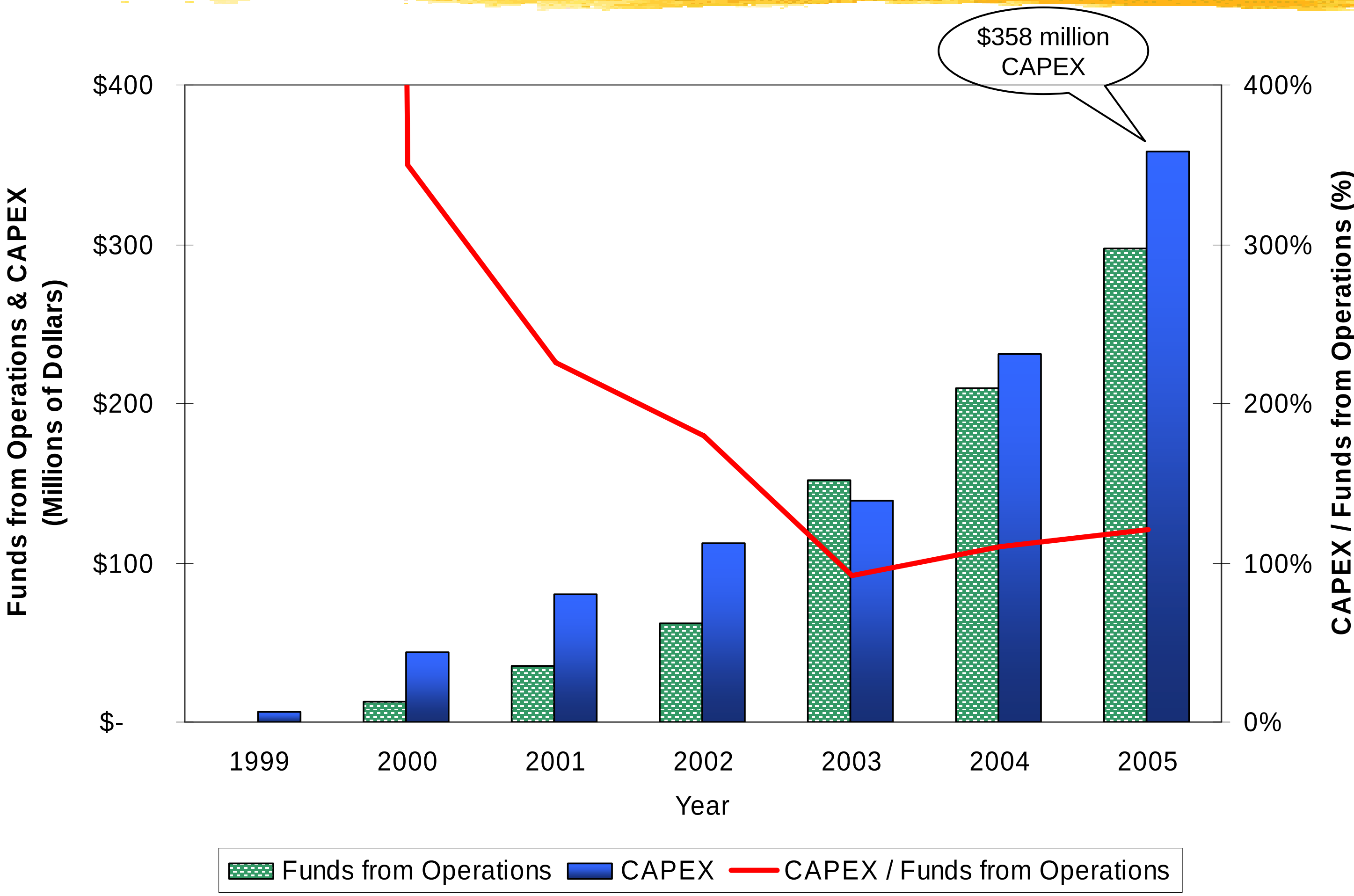
Don Gray	President & CEO, Director
Jennifer Sharp	Administrative Assistant
Darren Gee	Engineering, Vice President
Enrico Espiritu	Engineering
Neil Korchinski	Engineering
Scott Robinson	Operations, Vice President
Joe Foose	Operations, Completions Manager
Sean Kinoshita	Operations, Production Manager
Todd Burdick	Operations
Audrey Peters	Operations
Brian Lang	Operations, Drilling Manager
Lee Curran	Operations
Susan Hupman	Operations
Ken Veres	Exploration, Vice President
Rob Sheppard	Exploration
Dave Drover	Exploration
Kelly McDonald	Exploration
John Troyer	Exploration
David Thomas	Exploration
Glen Booth	Land, Vice President
Elaine Moses	Land, Manager
Rick Braund	Land, Director
Bryan Kelm	Land
Tanya Eyres	Land
Maureen Roberts	Land

Kathy Turgeon	Finance, Vice President
Cheree Stephenson	Finance
Lydia Hamaliuk	Finance
Catherine MacPhee	Finance
Michal Faminoff	Finance
Robert Younker	Finance
Aparna Sivakumar	Finance
Sherry Sinclair	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."

Capital Expenditures

Track Record



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.

2005 Business

Capital Expenditures & Well Activity

PEYTO ENERGY TRUST

- **Capital Expenditures**
  - Total $358 MM
  - Drill & Complete $274 MM
  - Tie ins & Facilities $60 MM
  - Land $12 MM
  - Seismic $12

- **Well Activity**
  - Wells Drilled, 120 gross, 99 net
  - Wells Completed, 126 gross, 104 net
  - Wells Brought on Production, 115 gross, 95 net

2005 Business

Performance Ratios

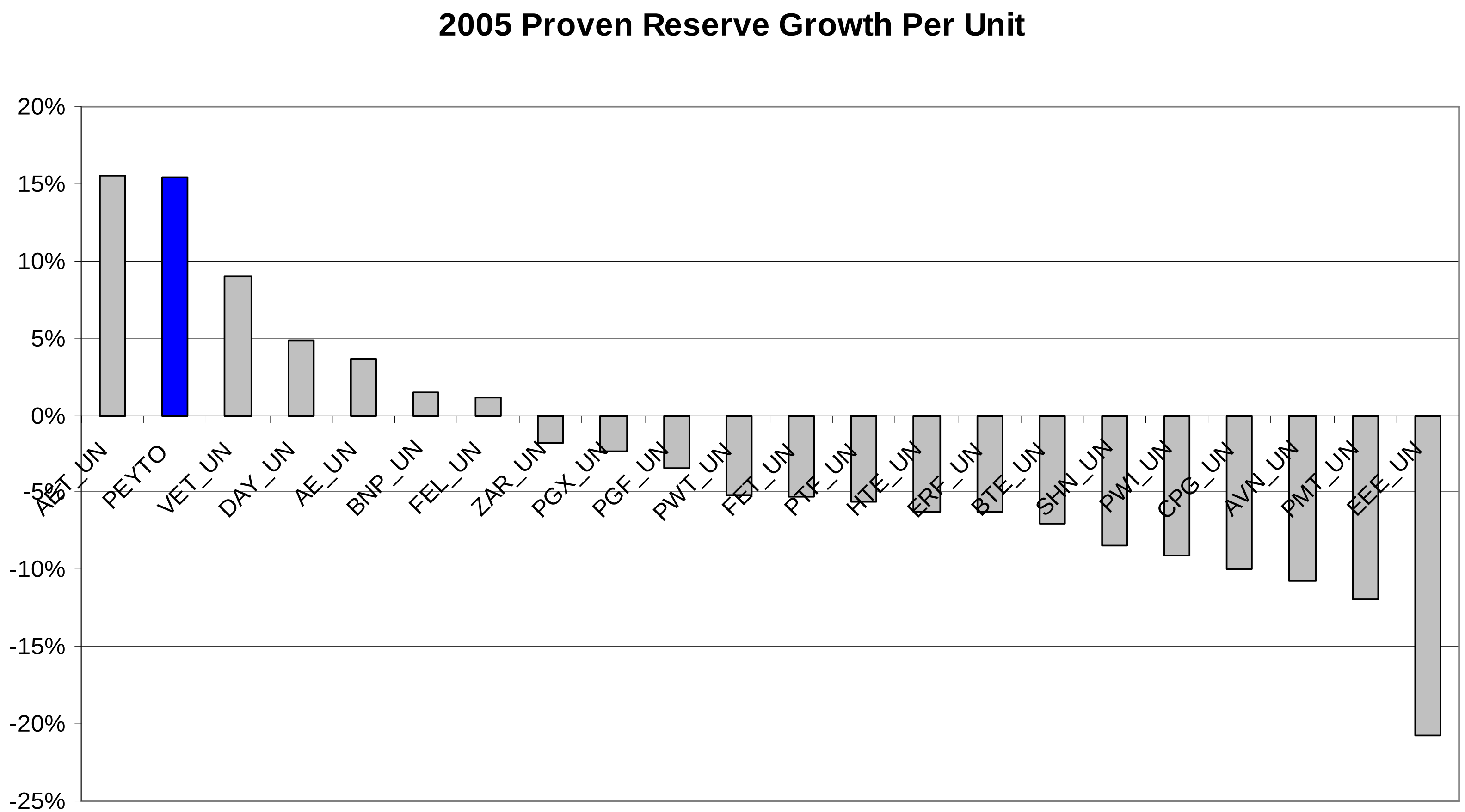
Performance Ratios	Proved Developed	Total Proved	Proved + Probable
FD&A, $/boe before change in future development capital	$ 14.45	$ 13.33	$ 11.18
FD&A, $/boe including change in future development capital	$ 13.88	$ 15.32	$ 15.17
Reserve Replacement Ratio	3.1	3.3	4.0
Recycle Ratio before change in future development capital	3.0	3.2	3.8
Recycle Ratio including change in future development capital	3.1	2.8	2.8
NPV Recycle Ratio	2.6	2.8	3.2

Paddock Lindstrom & Associates February 2006 Reserve Report (effective: December 31, 2005)

BOE factor - 6 mcf = 1 bbl of oil equivalent

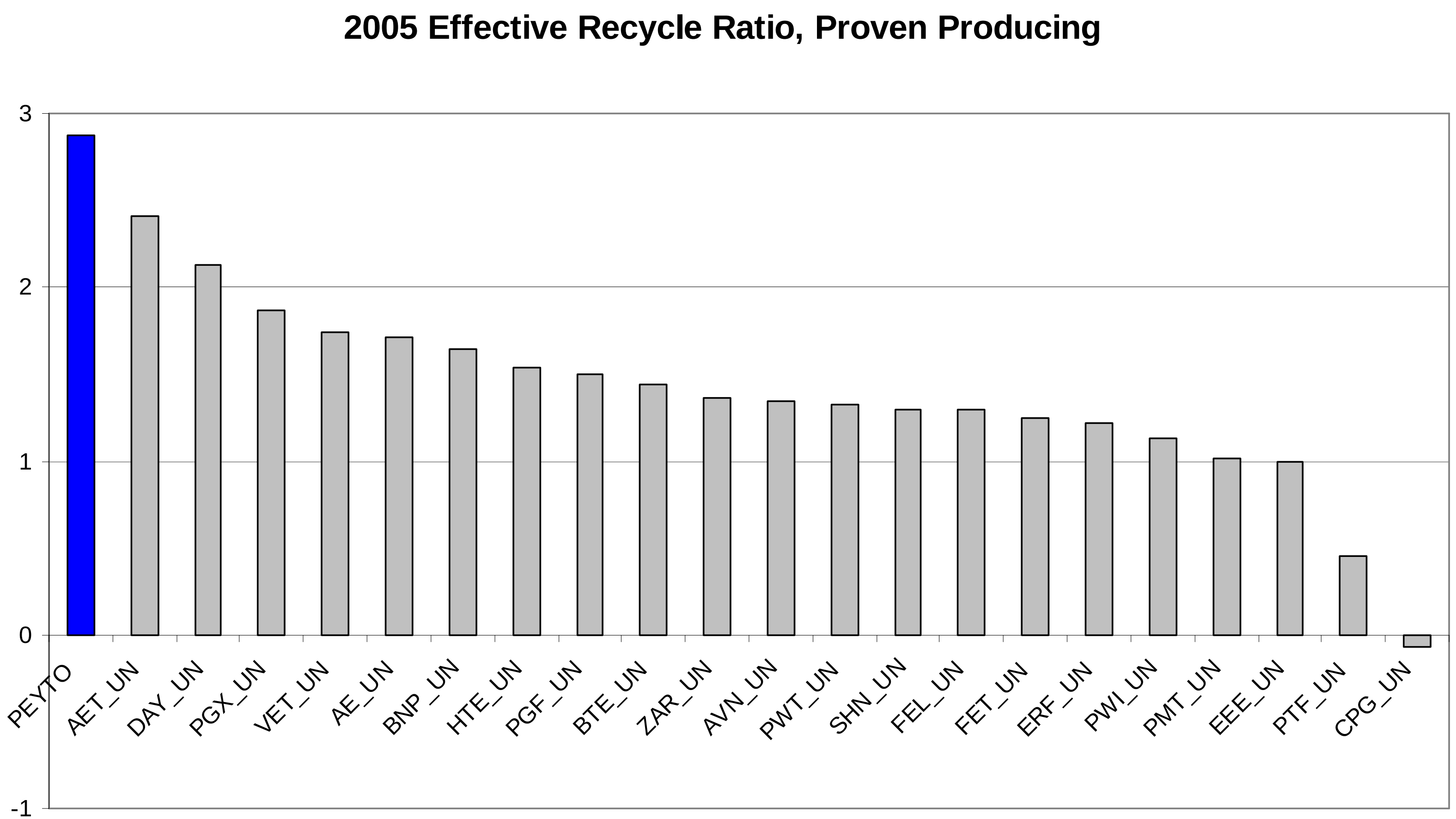
Proven Reserve Growth Per Unit

Industry Comparison



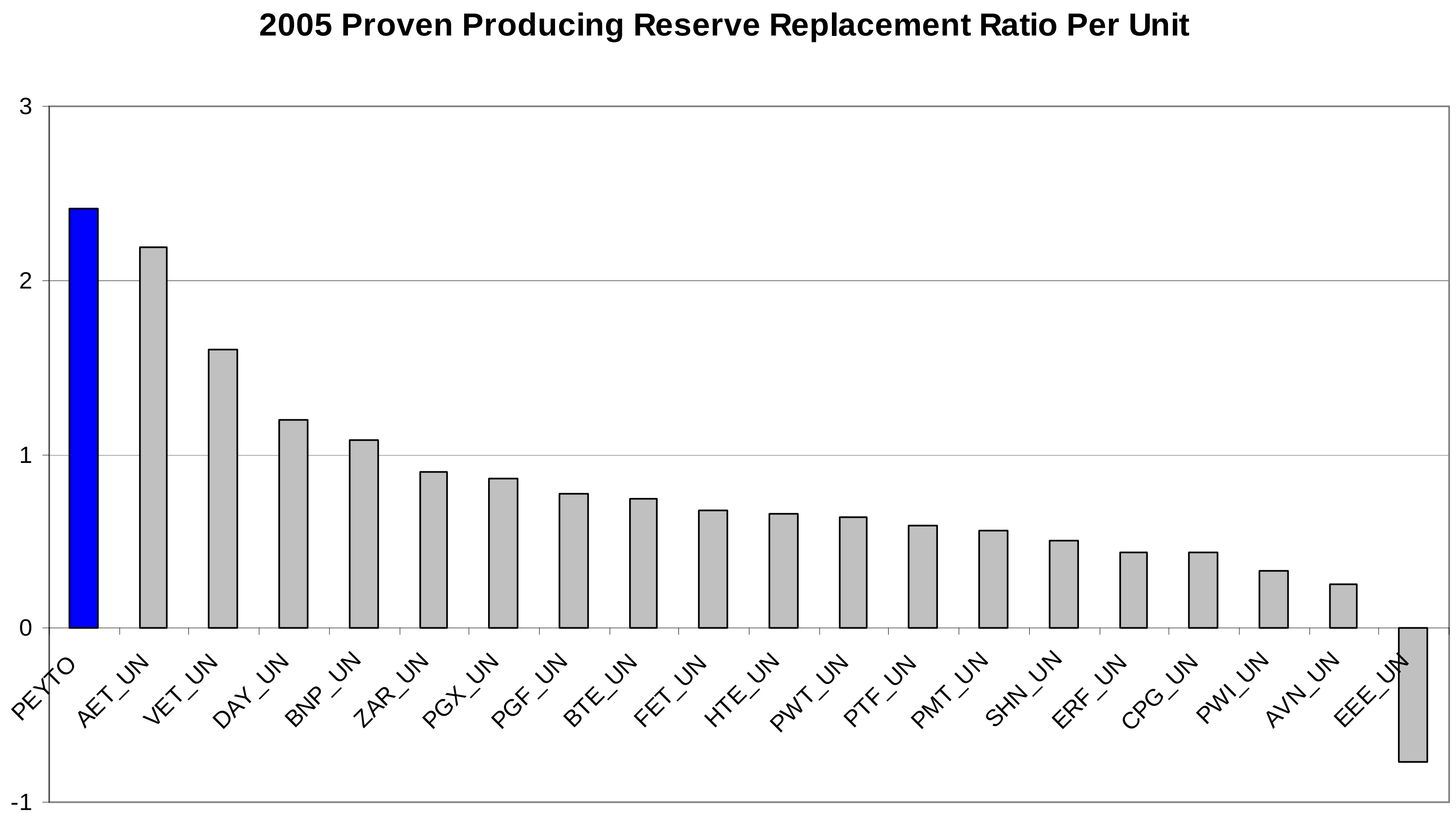
Effective Recycle Ratio

Industry Comparison, Effective Recycle Ratio



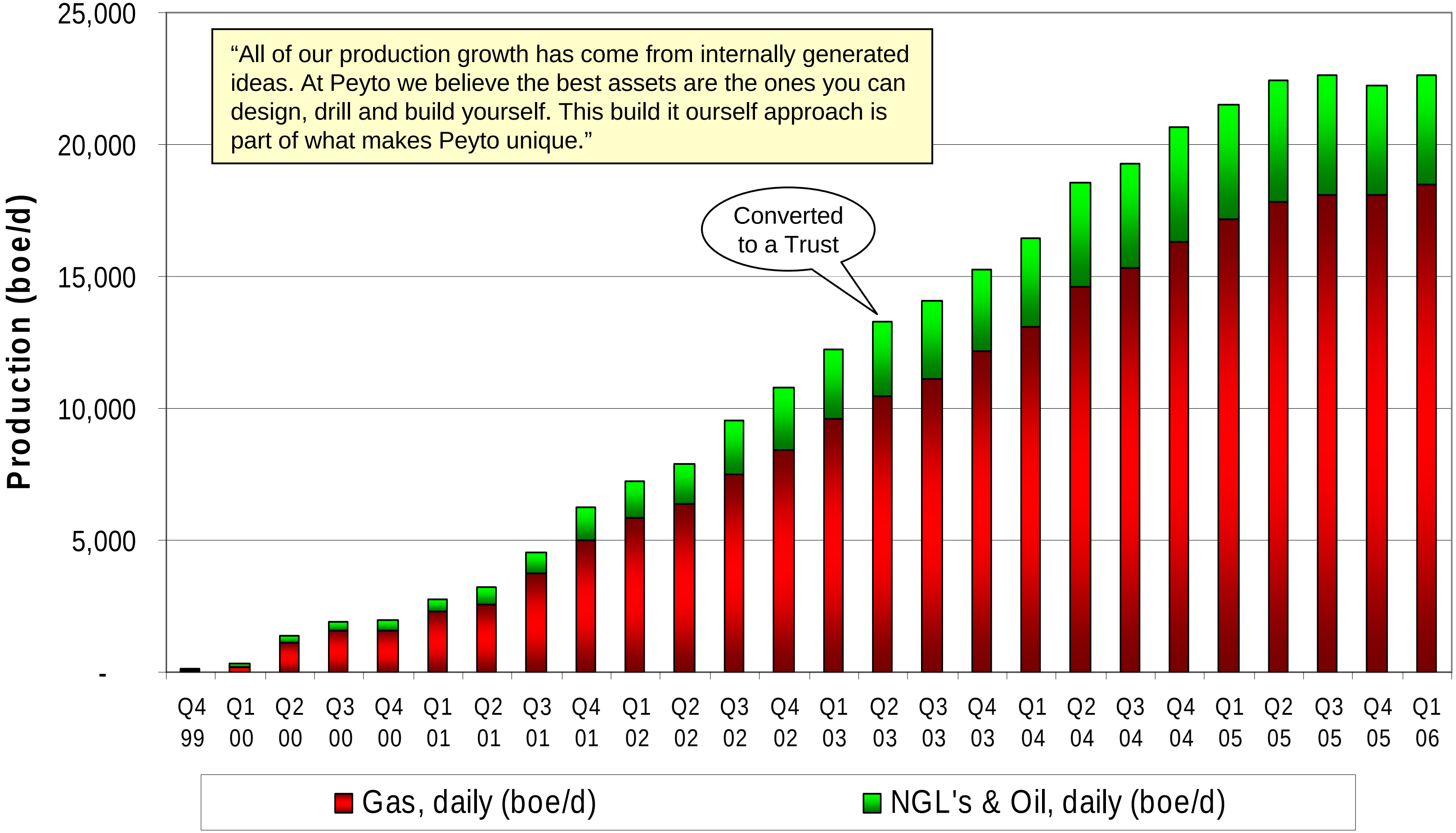
Reserve Replacement Ratio

Industry Comparison



Achievement of Growth

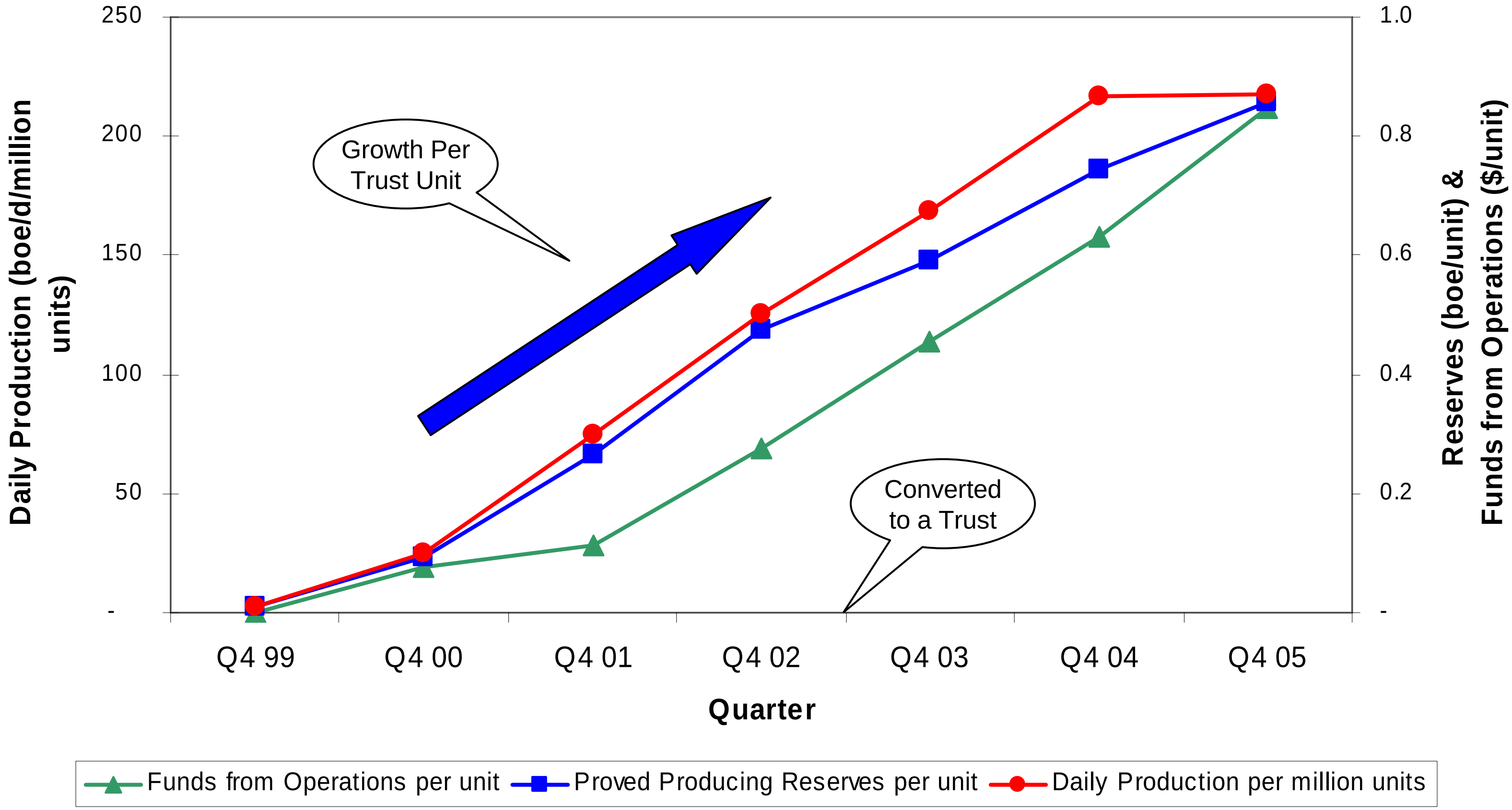
Absolute Production Growth



BOE factor - 6 mcf = 1 bbl of oil equivalent

Achievement of Growth

Per Unit Production, Reserves and Income Growth

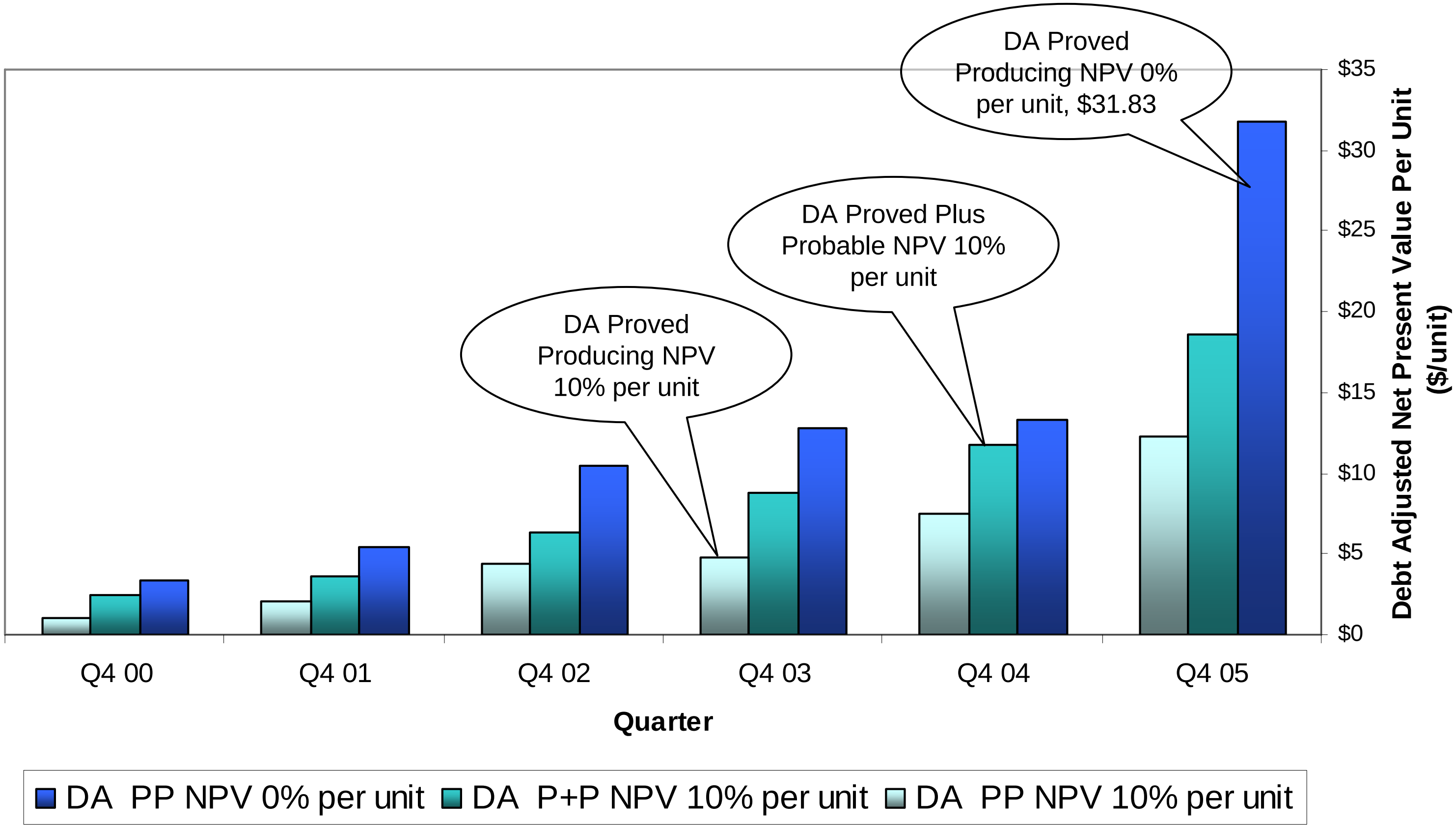


Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

Achievement of Value Growth

Debt Adjusted Reserve NPV Growth per unit



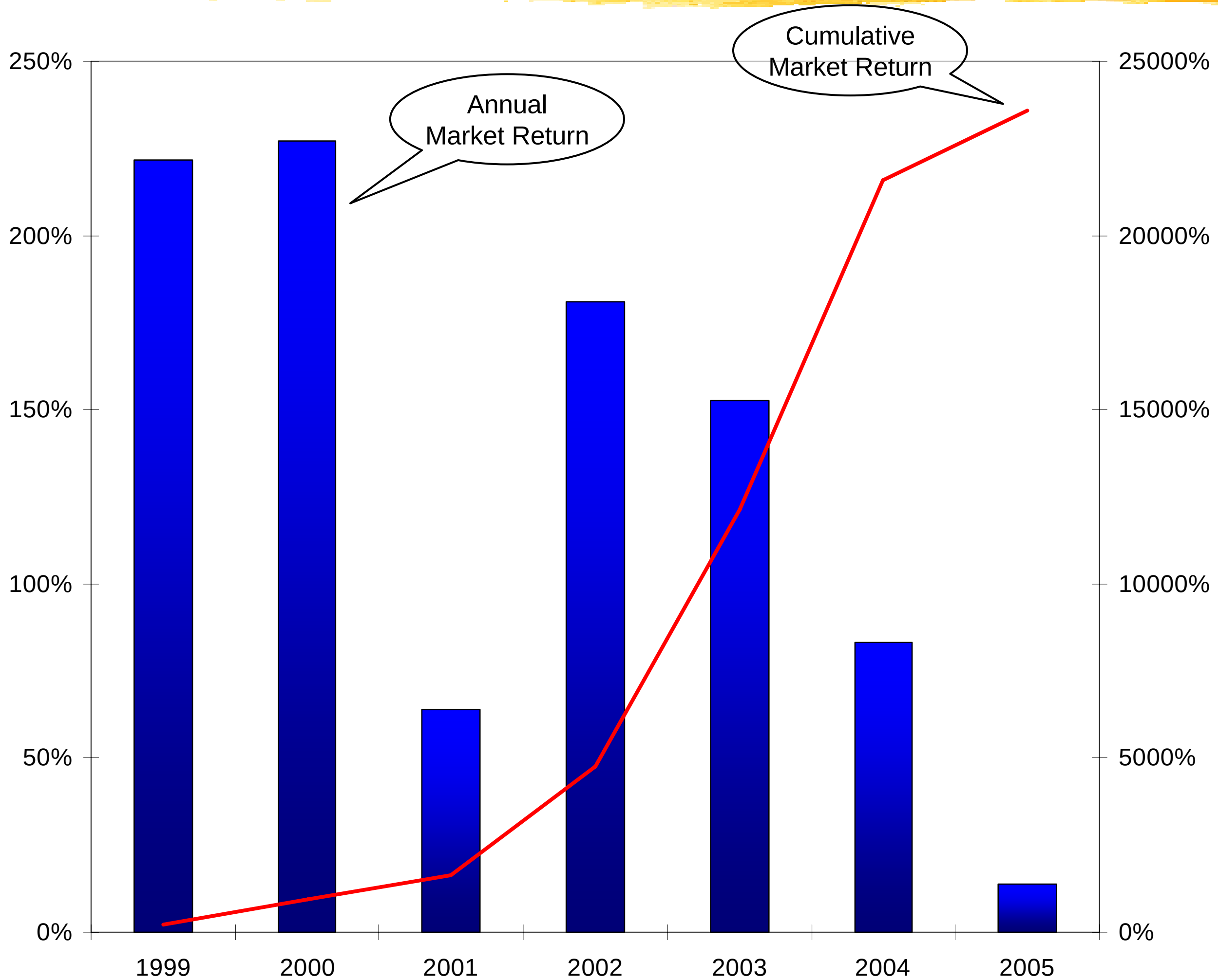
DA – Debt Adjusted, NPV – Net Present Value, PP – Proved Producing, P+P – Proved Plus Probable

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

Market Return

Annual Return and Total Return



"Peyto's business strategy has lead to significant profitable growth and an outstanding total return for its unitholders. When we started in October 1998 we had no track record, making the investment quite speculative. We have now established clearly that Peyto is an investment in a business with a winning strategy and a proven record of success."

Business Performance

Industry Comparison, Results

PEYTO ENERGY TRUST

Results							
	2005 Effective Recycle Ratio			2005 Reserve Growth Per Unit			
Company Name	Proven Producing	Proven	Proven + Probable	Proven Producing	Proven	Proven + Probable	Average Weighted Ranking
Peyto 2004	3.4	4.2	4.5	26%	26%	18%	1
Peyto 2005	2.9	3.1	3.7	15%	12%	11%	3
ARC	2.4	2.4	2.7	16%	10%	10%	4
Vermillion	1.7	2.2	2.8	9%	13%	15%	4
Daylight	2.1	2.6	3.4	5%	6%	5%	4
Baytex	1.4	2.6	2.9	-7%	8%	5%	5
Progress	1.9	2.1	2.2	-2%	-1%	0%	6
Acclaim	1.7	1.6	1.7	4%	0%	2%	6
Bonavista	1.6	1.6	1.7	1%	1%	1%	6
Enerplus	1.2	1.9	2.2	-6%	-1%	-2%	6
Harvest	1.5	1.8	2.1	-6%	-4%	-4%	7
Zargon	1.4	1.4	1.6	-2%	-1%	1%	7
Fairborne	1.3	1.4	1.1	1%	1%	-5%	7
Pengrowth	1.5	1.4	1.5	-3%	-4%	-4%	7
Focus	1.3	1.4	1.2	-5%	-2%	-4%	7
Penn West	1.3	1.1	1.4	-5%	-7%	-3%	7
Shinningbank	1.3	1.2	2.1	-8%	-11%	-7%	7
Primewest	1.1	1.3	1.5	-9%	-7%	-3%	7
Advantage	1.3	1.3	1.7	-11%	-10%	-7%	7
Petrofund	0.5	0.7	1.3	-6%	-5%	-2%	8
Paramount	1.0	1.0	1.6	-12%	-14%	-4%	8
Crescent Point	(0.1)	0.3	1.8	-10%	-8%	0%	8
Esprit	1.0	1.0	2.1	-21%	-25%	-22%	9
Trilogy	NA	NA	NA	NA	NA	NA	NA

NA – Not Available, formed part way through 2005

"**Effective Recycle Ratio** – With Performance we are trying to compare the business side of oil and gas. The effect that the capital invested has on the overall enterprise. The effective recycle ratio takes the conventional recycle ratio and scales it by the amount of capital invested during the year and the amount of cashflow generated during the year. For example, if a $10 billion company invests only $1 dollar, but has a very good recycle ratio, lets say 4.0, the effective recycle ratio would be 1.0. A recycle ratio of 1.0 means the capital invested had no positive or negative effect on the value that year. On the other hand if a $1 billion company invested $2 billion with a recycle ratio of 2.0 the effective recycle ratio could be in the 20's."

Effective Recycle Ratio = Recycle ratio x CAPEX / Cashflow

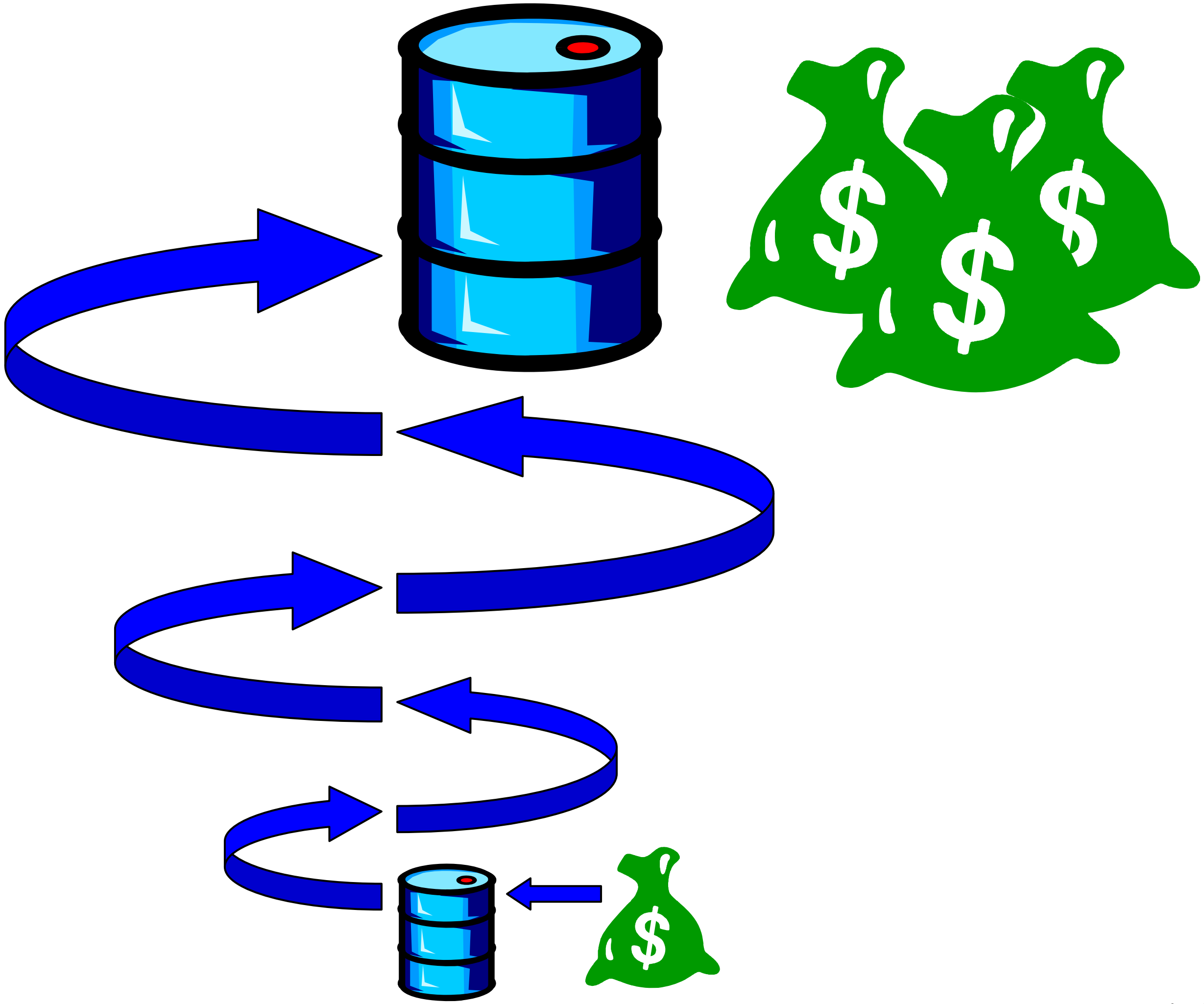
Business Performance

Industry Comparison, Weighted Ranking

Weighted Ranking							
	2005 Effective Recycle Ratio			2005 Reserve Growth Per Unit			
Company Name	Proven Producing	Proven	Proven + Probable	Proven Producing	Proven	Proven + Probable	Average Weighted Ranking
Peyto 2004	1	1	1	1	1	1	1
Peyto 2005	2	3	3	3	3	3	3
ARC	4	5	6	3	4	3	4
Vermillion	5	6	5	4	3	2	4
Daylight	4	5	4	5	5	4	4
Baytex	6	5	5	7	4	4	5
Progress	5	6	7	6	6	5	6
Acclaim	5	7	8	5	6	5	6
Bonavista	6	7	8	6	5	5	6
Enerplus	7	6	7	7	6	5	6
Harvest	6	7	7	7	6	6	7
Zargon	6	7	9	6	6	5	7
Fairborne	6	7	10	6	5	6	7
Pengrowth	6	7	9	7	6	6	7
Focus	7	7	10	7	6	6	7
Penn West	6	8	9	7	7	6	7
Shinningbank	6	8	7	8	8	7	7
Primewest	7	8	9	8	7	6	7
Advantage	6	8	9	8	7	7	7
Petrofund	9	9	10	7	7	5	8
Paramount	7	9	9	8	8	6	8
Crescent Point	10	10	8	8	7	5	8
Esprit	7	8	7	10	10	10	9
Trilogy	NA	NA	NA	NA	NA	NA	NA

NA – Not Available, formed part way through 2005

Sustainability



Sustainability

- Sustainability in an energy trust is the condition achieved when the company's business allows it to distribute regular cash disbursements and simultaneously reinvest to grow and perpetuate on a per unit basis.

- Most energy trusts were not designed to be sustainable. Most were founded as "harvest" or blow down entities created to maximize unit holder value through a more tax efficient capital structure and committed to a more marginal capital investment philosophy.

- Peyto Energy Trust was born out of a highly successful predecessor E&P company with a disciplined, focused exploration and development strategy. The strategy allowed Peyto to reorganize itself as the first sustainable trust in the sector.

Keys to Sustainability

- Suitable Assets
- Strong Business
- Balanced Distribution Model

Keys to Sustainability

A Suitable Asset, Deep Basin Tight Gas

PEYTO ENERGY TRUST

- Geographically Extensive Tight Gas
- Low Geological Risk
- Multiple Vertical Targets
- Long Reserve Life
- High Revenue, Low Operating Cost, High Netback

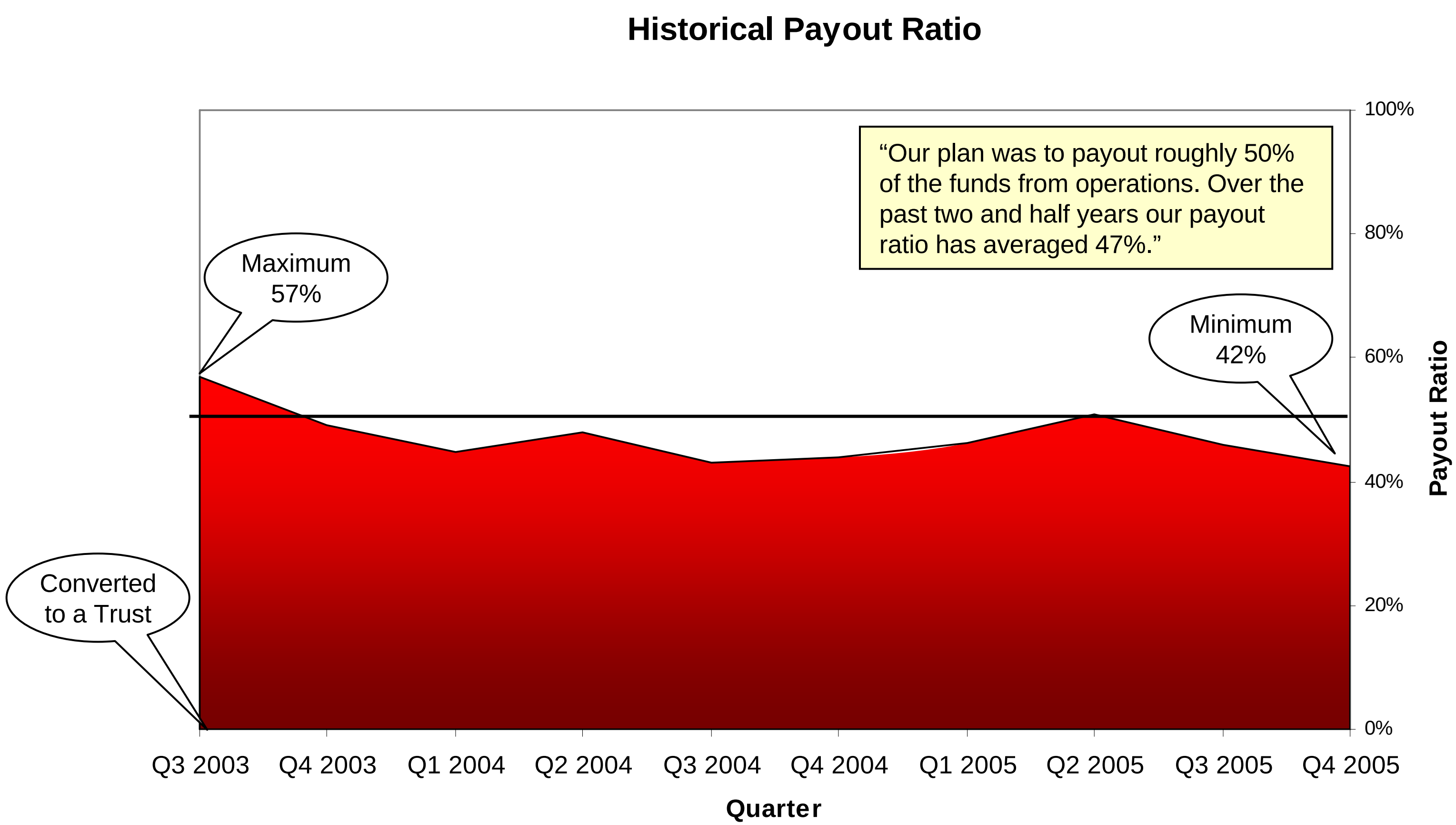
Keys to Sustainability

Strong Business

- Unique Design, Drill and Build Approach
- Long Track Record of High Return on Capital
- Consistent Industry Leading FD&A Costs
- Consistent Industry Leading Recycle Ratio
- Consistent Growth in Future Resource Opportunities

Keys to Sustainability

Balanced Distribution

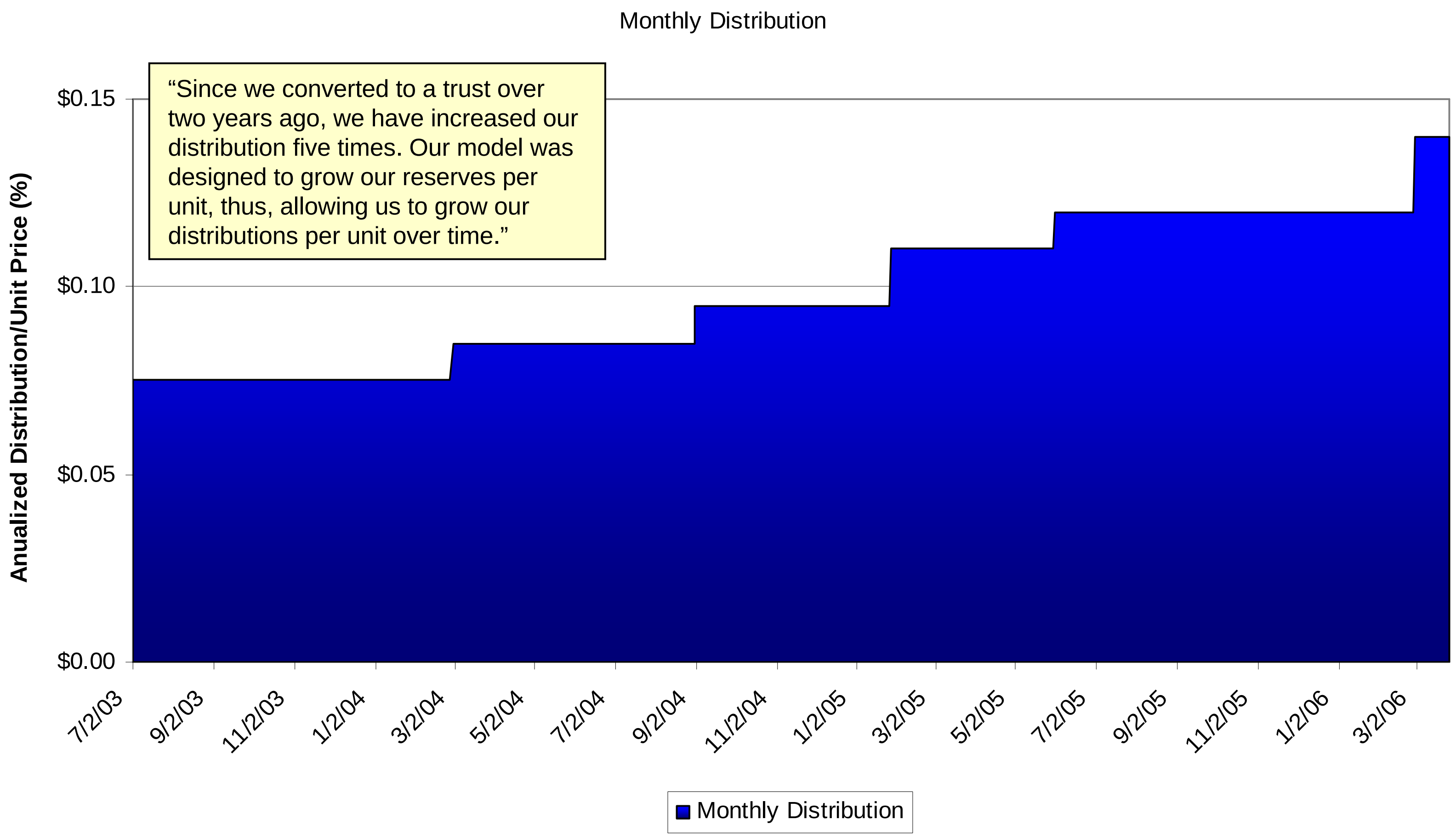


Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

Keys to Sustainability

Distribution 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

Keys to Sustainability

Positive Reserve Replacement Cycle

Peyto Q4 2005 Example

Funds From Operations ($/boe)	$ 42.32
Distribution at 46% ($/boe)	$ (17.97)
Cash Available After Distribution ($/boe)	$ 24.35
2005 Proved Developed FDA ($/boe)	$ (14.34)
Cash Available After Distribution & Cost to Replace Proved Developed Reserves ($/boe)	$ 10.01

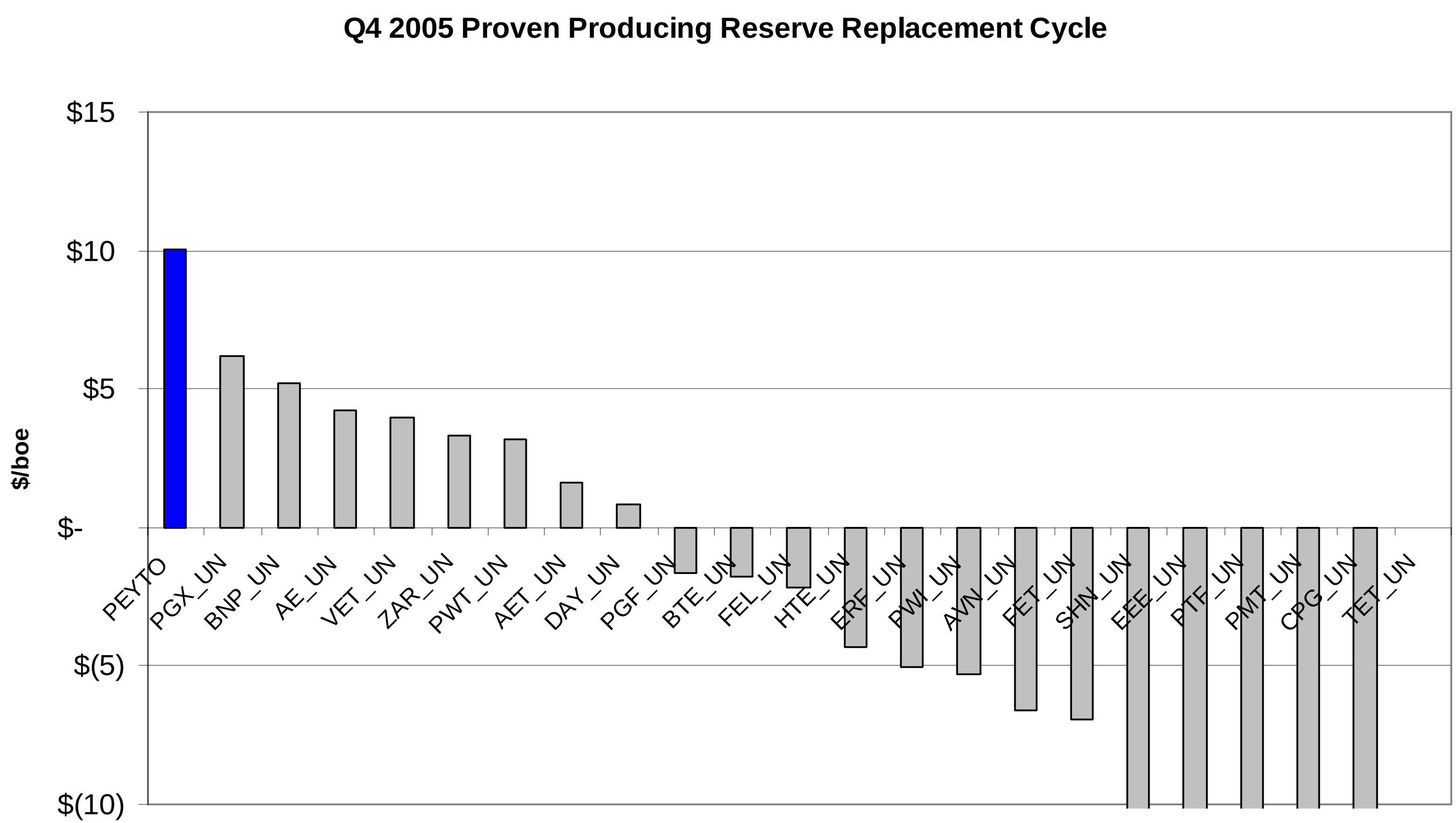
Reserve Replacement Cycle – Funds from operations minus distributions and the cost to find, develop and acquire proven producing reserves

BOE factor - 6 mcf = 1 bbl of oil equivalent

Keys to Sustainability

Industry Comparison, Reserve Replacement Cycle

PEYTO ENERGY TRUST



Reserve Replacement Cycle – Funds from operations minus distributions and the cost to find, develop and acquire proven producing reserves

BOE factor - 6 mcf = 1 bbl of oil equivalent

Sustainability

Industry Comparison, Results

Results

Company Name	Q4 2005 Distribution Payout Ratio	Q4 2005 Operating Costs ($/boe)	2005 Proven Producing Reserve Growth Per Unit	Payout Adjusted Reserve Life (yrs) Proven Producing	Payout Adjusted Reserve Life (yrs) Proven	Payout Adjusted Reserve Life (yrs) Proven + Probable	Q4 2005 Reserve Replacement Cycle	Average Weighted Ranking
Peyto 2005	42%	2.65	15%	25	32	45	$ 10.01	2
Peyto 2004	44%	1.80	26%	21	28	29	$ 8.21	2
Vermillion	40%	8.87	9%	17	20	29	$ 3.94	4
ARC	56%	7.81	16%	16	19	24	$ 1.62	5
Zargon	37%	7.67	-2%	15	16	23	$ 3.29	5
Penn West	43%	10.07	-5%	16	19	23	$ 3.22	5
Enerplus	51%	8.14	-6%	16	20	28	$ (5.01)	5
Bonavista	48%	8.85	1%	12	15	18	$ 5.24	6
Progress	54%	7.55	-2%	11	13	16	$ 6.19	6
Acclaim	50%	9.96	4%	10	12	16	$ 4.26	6
Petrofund	45%	11.15	-6%	16	19	25	$ (19.65)	6
Fairborne	47%	10.15	1%	8	13	19	$ (2.16)	6
Daylight	50%	11.26	5%	10	12	17	$ 0.84	6
Primewest	55%	9.39	-9%	12	14	19	$ (5.32)	6
Focus	62%	7.36	-5%	10	14	18	$ (6.93)	7
Baytex	52%	11.28	-7%	6	14	19	$ (1.75)	7
Esprit	53%	9.05	-21%	12	14	19	$ (12.74)	7
Pengrowth	61%	12.49	-3%	11	13	16	$ (1.64)	7
Harvest	57%	10.87	-6%	9	11	15	$ (4.31)	7
Shinningbank	65%	6.98	-8%	8	9	15	$ (12.22)	7
Advantage	71%	9.84	-11%	9	11	17	$ (6.62)	8
Crescent Point	72%	10.04	-10%	7	9	13	$ (29.27)	9
Paramount	75%	8.65	-12%	4	5	7	$ (20.78)	9
Trilogy	78%	9.65	NA	6	7	10	NA	NA

Payout Adjusted Reserve Life = Reserve Life / Payout Ratio

NA – Not Available, formed part way through 2005

Sustainability

Industry Comparison, Weighted Ranking

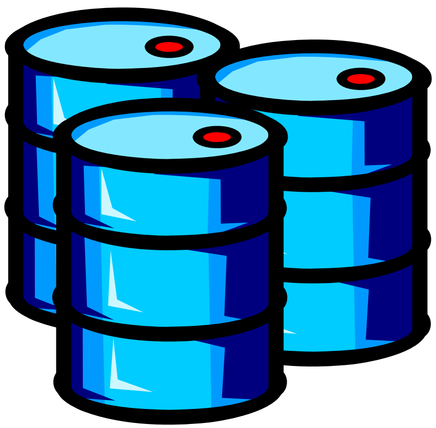
Weighted Ranking

Company Name	Q4 2005 Distribution Payout Ratio	Q4 2005 Operating Costs ($/boe)	2005 Proven Producing Reserve Growth Per Unit	Payout Adjusted Reserve Life (yrs) Proven Producing	Payout Adjusted Reserve Life (yrs) Proven	Payout Adjusted Reserve Life (yrs) Proven + Probable	Q4 2005 Reserve Replacement Cycle	Average Weighted Ranking
Peyto 2005	2	2	3	1	1	1	1	2
Peyto 2004	3	1	1	3	2	5	1	2
Vermillion	2	7	4	4	5	5	2	4
ARC	5	6	3	5	5	6	3	5
Zargon	1	6	6	6	6	6	3	5
Penn West	2	8	7	5	5	6	3	5
Enerplus	4	6	7	5	5	5	4	5
Bonavista	3	7	6	7	7	7	2	6
Progress	5	6	6	7	7	8	2	6
Acclaim	4	8	5	8	8	8	2	6
Petrofund	3	9	7	5	5	6	8	6
Fairborne	3	8	6	8	7	7	4	6
Daylight	4	9	5	8	7	7	3	6
Primewest	5	7	8	7	7	7	5	6
Focus	7	6	7	8	7	7	5	7
Baytex	4	9	7	9	7	7	4	7
Esprit	5	7	10	7	7	7	6	7
Pengrowth	6	10	7	7	7	8	4	7
Harvest	5	9	7	8	8	8	4	7
Shinningbank	7	5	8	8	8	8	6	7
Advantage	9	8	8	8	8	8	5	8
Crescent Point	9	8	8	9	9	8	10	9
Paramount	9	7	8	10	10	10	8	9
Trilogy	10	8	NA	9	9	9	NA	NA

Payout Adjusted Reserve Life = Reserve Life / Payout Ratio

NA – Not Available, formed part way through 2005

Valuation



+

=

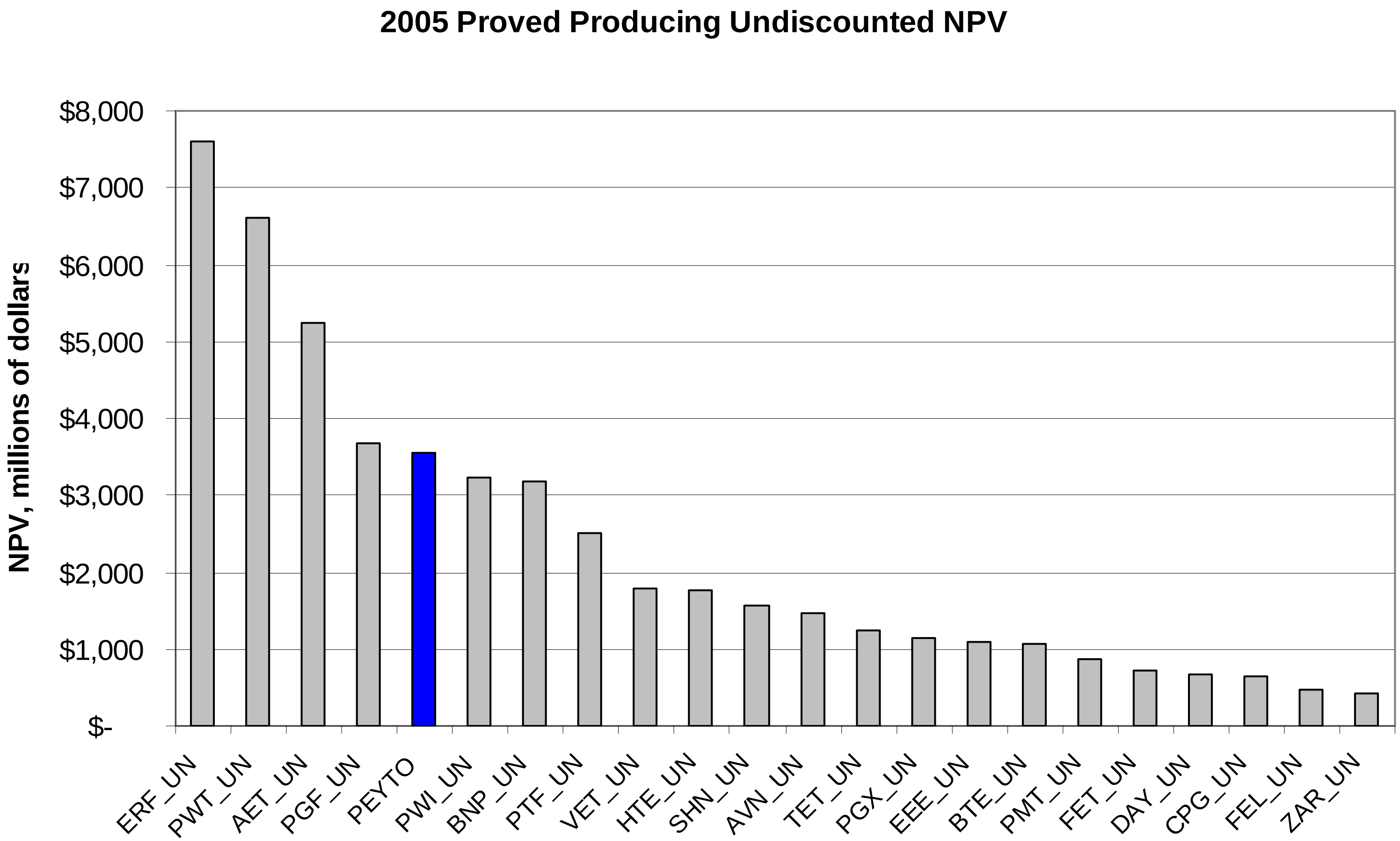
Assets

Business

Valuation

Valuation

Industry Comparison, Proved Producing Undiscounted NPV



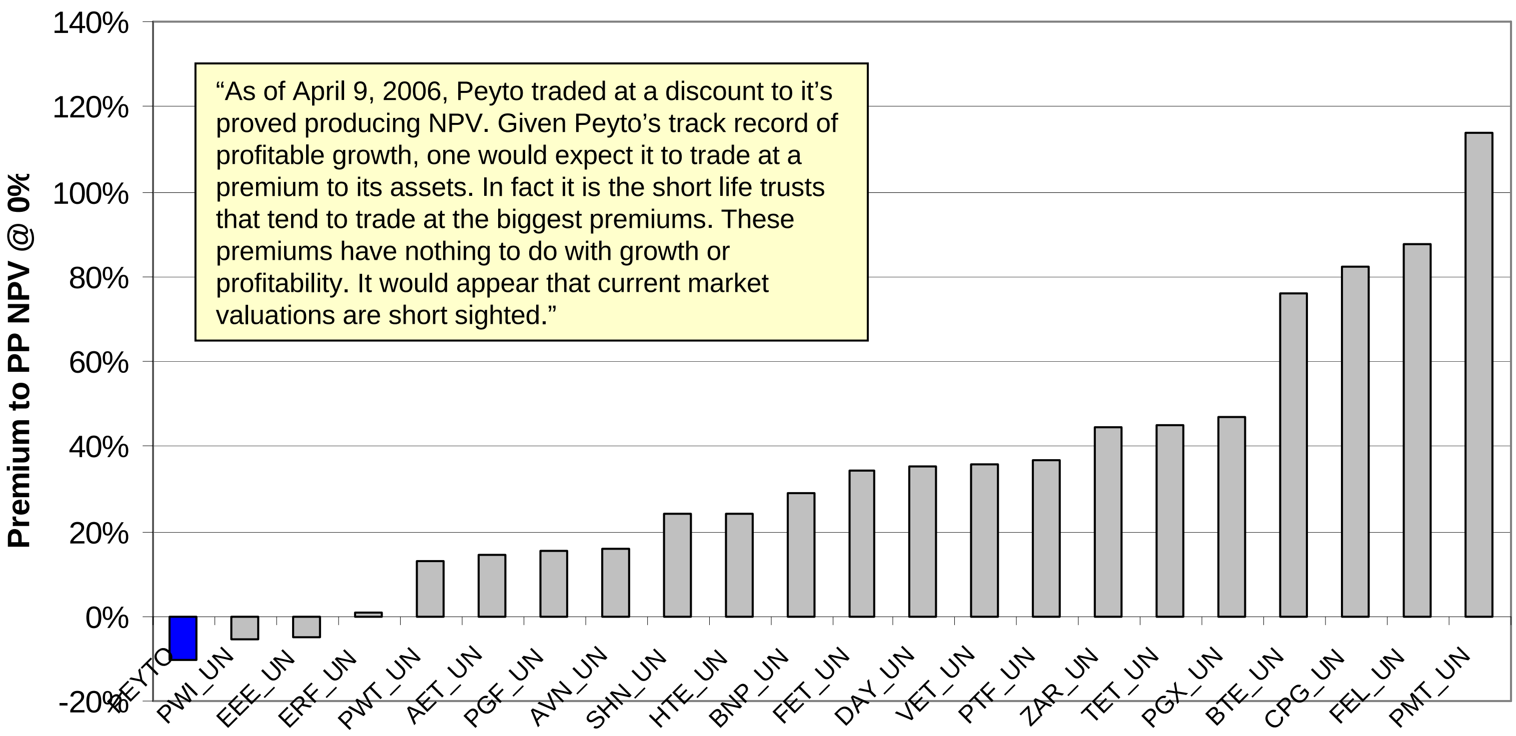
Proved Producing NPV Undiscounted – Net present value of the future net revenue estimated at year end by independent engineering firms using forecast prices

Valuation

Industry Comparison, Market Value vs. Engineering Value

PEYTO ENERGY TRUST

Market Valuation Premium to Proved Producing Undiscounted NPV

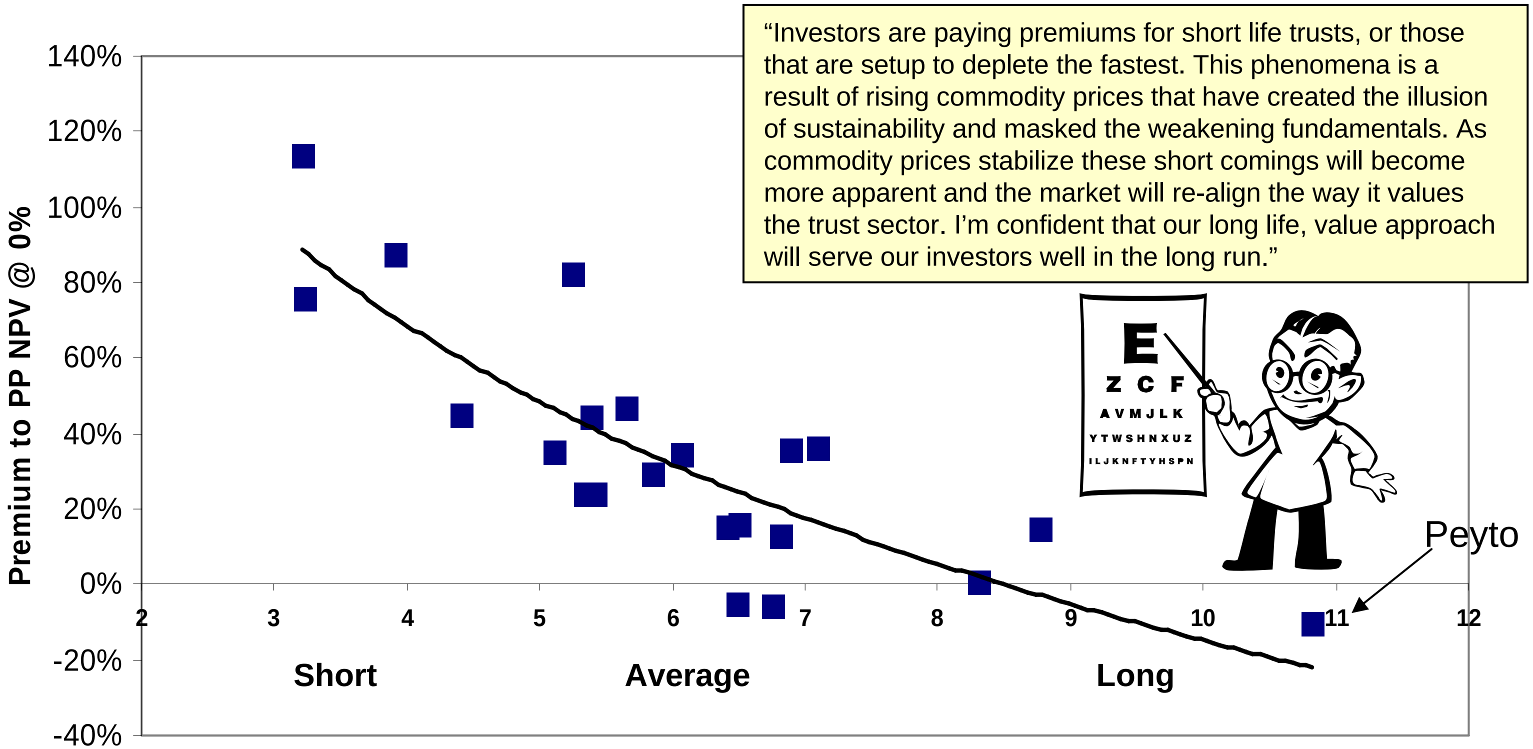


Premium to Proved Producing NPV Undiscounted – Premium the April 9, 2006 Enterprise value represented relative to the year end Proved Producing NPV Undiscounted

Valuation

A "Short" Sighted Market

Reserve Life versus Premium to Proved Producing NPV @ 0%



Proved Producing Reserve Life (Years)

Premium to Proved Producing NPV Undiscounted – Premium the April 9, 2006 Enterprise value represented relative to the year end Proved Producing NPV Undiscounted

2006 Outlook

- Capital Expenditures ($360 - $460 million)
  - Drill & Re-Enter New Gas Locations
  - Expand Gas Gathering & Processing Capacity
  - Expand Undeveloped Land Base
  - Expand 3-D & 2-D Seismic Database
  - Acquire Partner Working Interests

Peyto Energy Trust

Assets + Business - Distributions

- Assets
  - Approximately 100% natural gas and natural gas liquids
  - Long reserve life
  - Low operating costs
  - High Operatorship
- Business
  - Peyto's business is to design, drill and build its own assets
  - Low finding and development costs
  - High return on capital
- Distributions
  - Peyto's distribution is designed to be sustainable