



PEYTO ENERGY TRUST

December 19, 2005

Profile

- Established - *November 1998*
- Market - *PEY.UN, Toronto Stock Exchange*
- Expertise - *Exploration & Development of Long-life Gas Reserves*
- Core Area of Operations – *Sundance & Smoky/Kakwa, located in Alberta's Central Deep Basin*
- Units Outstanding - *Basic & Diluted 102 million*
 - **NO CONVERTIBLE DEBENTURES OR EXCHANGEABLE SHARES**
- Monthly Distribution - *\$0.12/unit/month; since July 2003, the distribution has been increased four times from the initial \$0.075/unit/month*

Business Strategy (1)

Maximize our return on every dollar invested

- ✓ Avoid unnecessary risk
- ✓ Invest in predictable and repeatable projects
- ✓ Invest in projects which have a long economic life
- ✓ Target a high degree of ownership and control
- ✓ Create and maintain a low cost structure

Business Strategy (2)

Maximize our return on every dollar invested

- ✓ Avoid unnecessary risk
- ✓ Invest in production
- ✓ Invest in economic life
- ✓ Targeted control
- ✓ Create a low cost structure

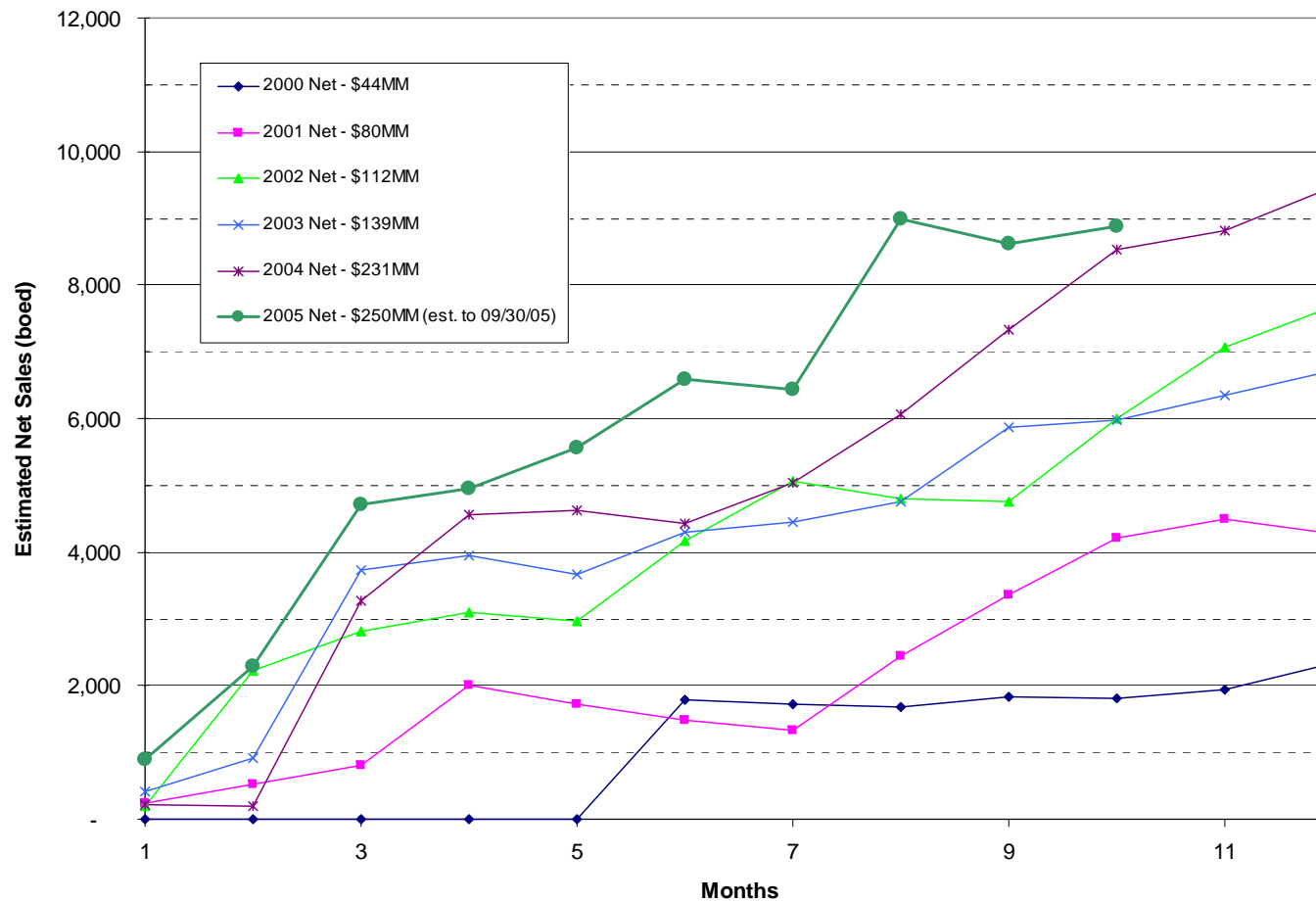
**FIND & DEVELOP
OUR OWN
RESERVES &
PRODUCTION**

Finding & Developing Our Own Production

A Solid Five Year History (1)



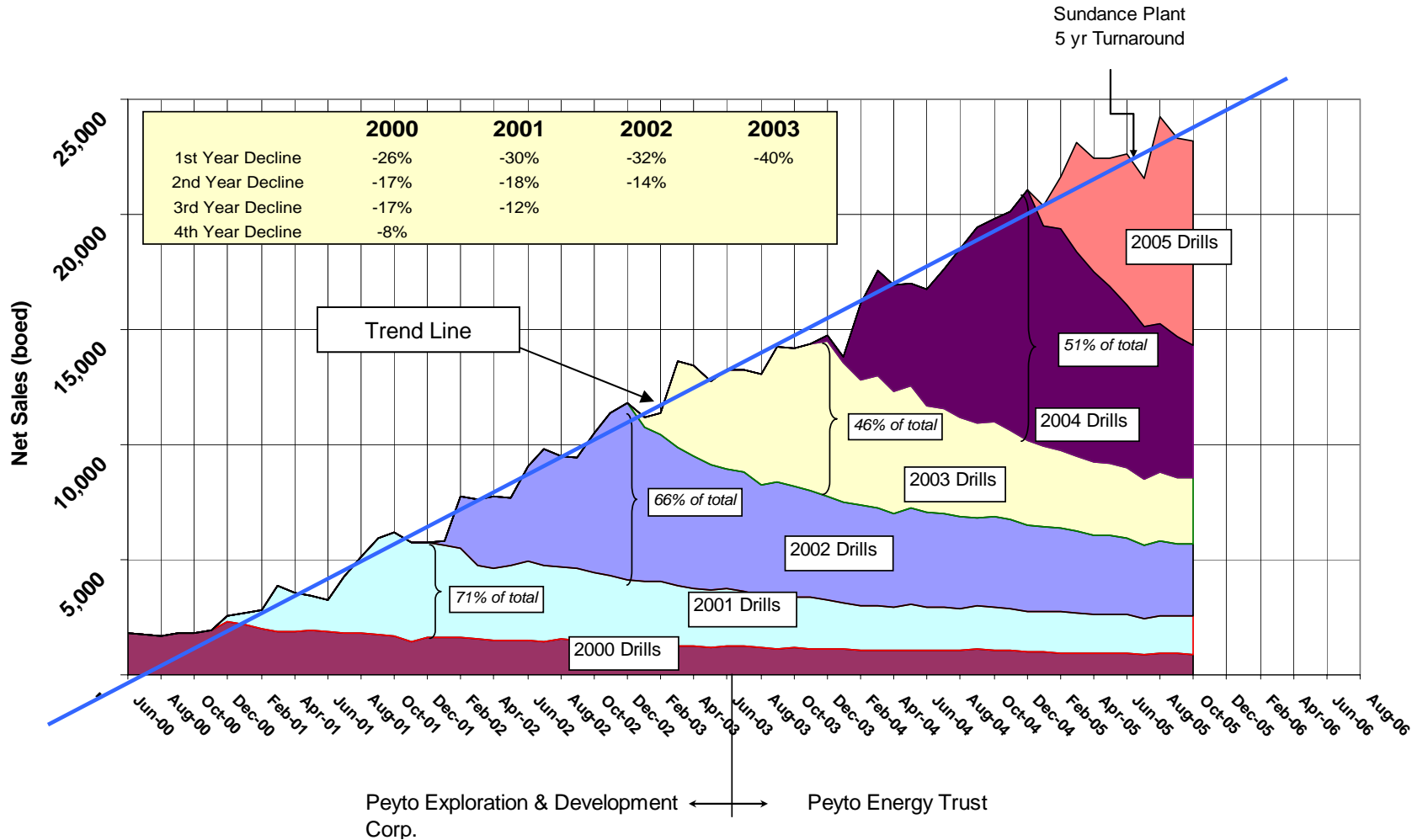
Yearly Production Profiles



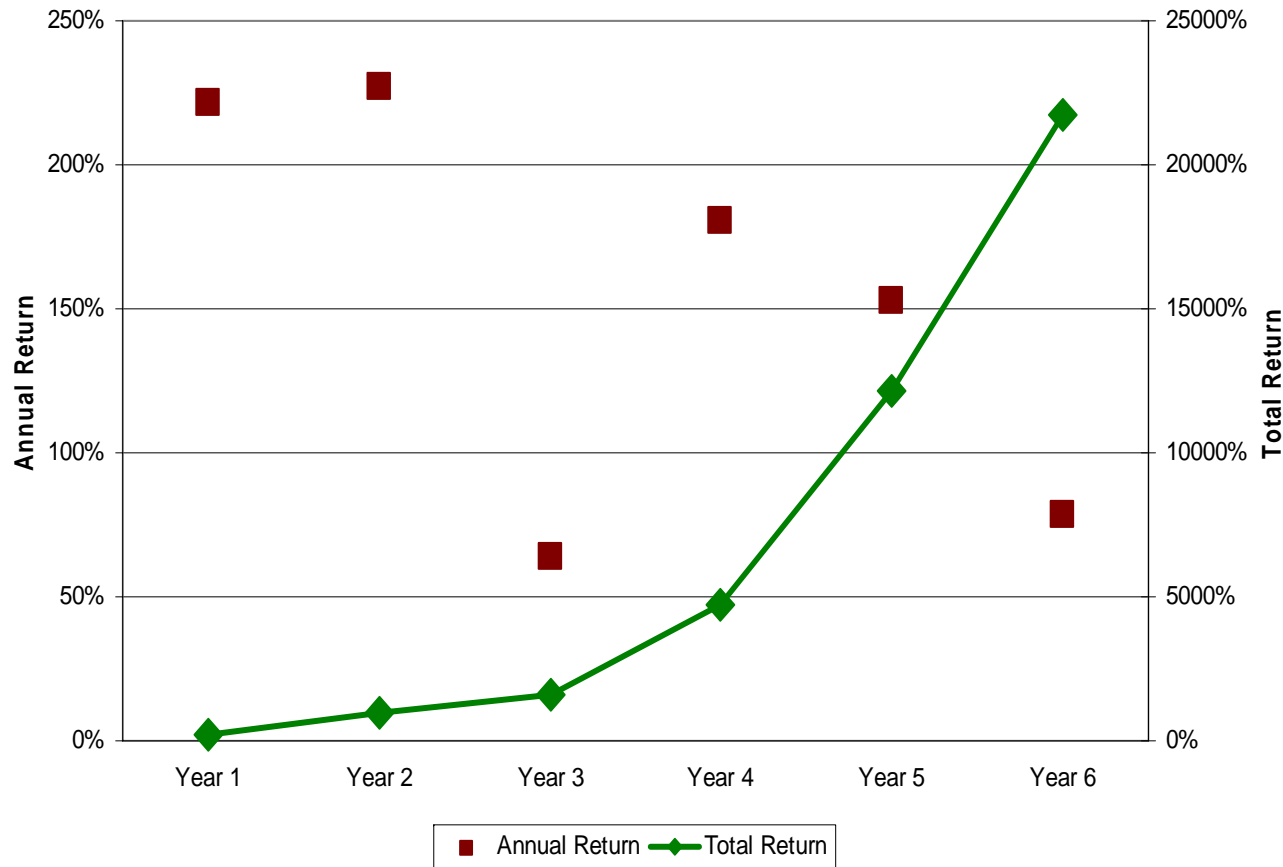
"Since we founded Peyto in 1998, we have been a consistent leader in the Canadian energy sector in profitability, growth and return on investment. Our track record of finding and developing high quality reserves is proof that our business strategy works."

Finding & Developing Our Own Production

A Solid Five Year History (2)



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 an investment in Peyto is an investment in a business with a winning strategy and a proven record of success.”

Characteristics of the Trust

- **Low Payout Ratio**
 - A range between 30-70% of funds from operations. In normal commodity price environments the target is 50%.
 - Distributions will be primarily interest & royalty income (55% Taxable in 2004)
- **Long Reserve Life**
 - 17.2 years proven plus probable, 10.2 years proven developed (December 31, 2004 Reserves)
- **Low Cost Structure**
 - operating costs of \$1.75 per boe (2004 average including transportation)
- **Low Finding & Development Costs**
 - 2004 Proven developed reserves \$9.77 per boe including future development costs
- **High Proven Recycle Ratio**
 - 3.4 for 2004 including future development costs
- **Growth Through the Drill Bit**
- **Low G&A with No Management Fees**

The Team



- Don Gray President & CEO, Director
- Jennifer Sharp Administrative Assistant
- Darren Gee Engineering, Vice President
- Neil Korchinski Engineering
- Scott Robinson Operations, Vice President
- Joe Foose Operations, Completions Manager
- Sean Kinoshita Operations
- Todd Burdick Operations
- Audrey Peters Operations
- Ken Veres Exploration, Vice President
- Rob Sheppard Exploration
- Dave Drover Exploration
- Kelly McDonald Exploration
- John Troyer Exploration
- Glen Booth Land, Vice President
- Elaine Moses Land, Manager
- Rick Braund Land, Senior Negotiator, Director
- Tanya Eyres Land
- Maureen Baldwin Land
- Sandra Brick Finance, Vice President
- Kathy Turgeon Finance, Controller
- Cheree Stephenson Finance
- Lydia Hamaliuk Finance
- Catherine MacPhee Finance
- Michal Faminoff Finance
- Robert Younker Finance
- Jim Grant Investor Awareness

“Our unique strategy allows us to have a much smaller team than the traditional E&P or Trust Co. The smaller team helps ensure that we do not lose our entrepreneurial spirit.”

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. From the beginning, we looked at our shareholders as partners not opportunities. Our opportunities lie in the ground.”

A Unique Energy Trust Model

Foundation + Performance + Sustainability = Growth

The Best Foundation

It all starts with the foundation. Our foundation has the lowest operating costs, and the longest reserve life. It also delivers the highest netbacks. We operate over 95% of our current production, more so than any other trust. We also own and operate the midstream facilities that process over 95% of our production. We produce exclusively from reservoirs located in the Deep Basin, Alberta's premier gas exploration area.

The Best Performance

Since we founded Peyto in 1998, we have been a consistent leader in the Canadian energy sector in profitability, growth and return on investment. Our track record of finding and developing high quality reserves is proof that our business strategy works.

The Most Sustainable Model

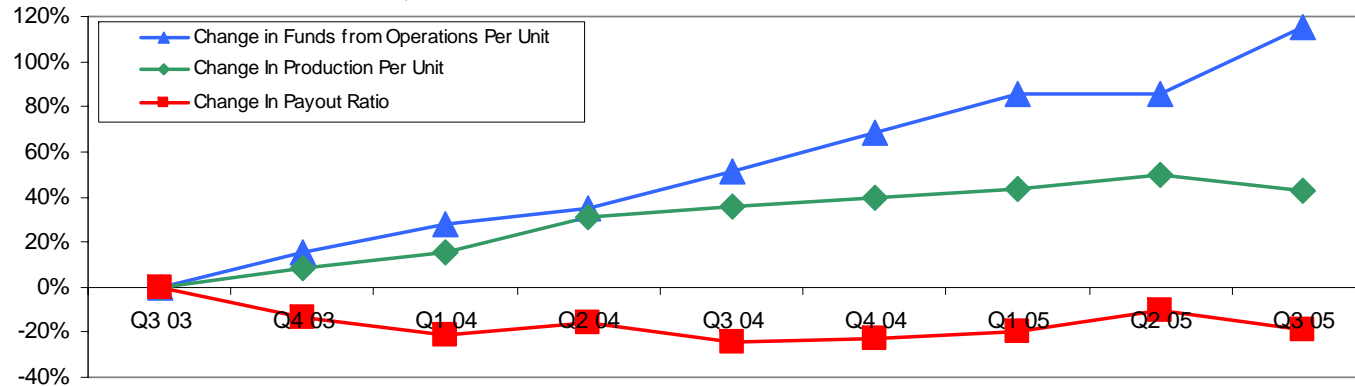
Low payout ratio, long reserve life, low operating costs, high netbacks and the ability to replace production and reserves efficiently, all combine to make our model one of the most sustainable in the trust sector today.

Growth

Our foundation, our track record of performance and our overall business strategy all contribute to sustainability and combine to allow us to deliver growth on a per unit basis.

Quarterly Distribution History

| Quarter | Distribution Rate (\$/unit/month) | Production (boe/d) | Production Per Unit (boe/d/million units) | Payout Ratio | Percent Change Since Trust Conversion | | | | |
|---------|-----------------------------------|--------------------|---|--------------|---------------------------------------|--------------------------------|---------------------|--------------|----|
| | | | | | Distribution Rate \$/unit | Funds from Operations per unit | Production per unit | Payout Ratio | |
| Q3 03 | \$ 0.08 | 14,086 | 155 | 57% | 0% | 0% | 0% | 0% | 0% |
| Q4 03 | \$ 0.08 | 15,273 | 168 | 49% | 0% | 15% | 8% | -13% | |
| Q1 04 | \$ 0.08 | 16,415 | 180 | 45% | 0% | 28% | 16% | -21% | |
| Q2 04 | \$ 0.09 | 18,544 | 203 | 48% | 13% | 35% | 31% | -16% | |
| Q3 04 | \$ 0.09 | 19,264 | 211 | 43% | 13% | 51% | 36% | -24% | |
| Q4 04 | \$ 0.10 | 20,688 | 217 | 44% | 19% | 68% | 40% | -23% | |
| Q1 05 | \$ 0.11 | 21,511 | 223 | 46% | 38% | 86% | 43% | -19% | |
| Q2 05 | \$ 0.12 | 22,464 | 232 | 51% | 50% | 85% | 50% | -11% | |
| Q3 05 | \$ 0.12 | 22,646 | 222 | 46% | 50% | 115% | 43% | -19% | |



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 bonus, non-cash and non-recurring expenses. As presented, funds from operations does not have any standardized meaning prescribed by Canadian GAAP.

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

Distribution vs. Unit Price



Industry Comparison

Foundation, Results



| Results | | | | | | | | | |
|----------------|----------------------------------|------------------|--------------------------|---------------------------|----------------------------------|--------------|-------------------|-----------------------------------|--------------------------|
| Company Name | Q3 2005 | | | | Year End 2004 Reserve Life (yrs) | | | Average Well Productivity (boe/d) | Average Weighted Ranking |
| | Revenue, before hedging (\$/boe) | Netback (\$/boe) | Operating Costs (\$/boe) | Basic Cash Costs (\$/boe) | Proven Producing | Total Proven | Proven + Probable | | |
| Peyto | \$ 61 | \$ 37 | \$ 2.36 | \$ 3.65 | 9.4 | 12.2 | 17.2 | 93 | 1 |
| ARC | \$ 62 | \$ 33 | \$ 7.74 | \$ 9.86 | 7.5 | 9.5 | 11.9 | 15 | 5 |
| Focus | \$ 58 | \$ 32 | \$ 6.53 | \$ 9.31 | 6.2 | 8.8 | 11.6 | 42 | 5 |
| Vermillion | \$ 61 | \$ 32 | \$ 8.36 | \$ 10.30 | 6.8 | 7.7 | 10.6 | 40 | 5 |
| Enerplus | \$ 55 | \$ 29 | \$ 8.54 | \$ 11.73 | 8.2 | 9.4 | 13.6 | 16 | 6 |
| Penn West | \$ 58 | \$ 36 | \$ 9.70 | \$ 10.98 | 6.6 | 8.1 | 9.6 | 18 | 6 |
| Progress | \$ 59 | \$ 33 | \$ 7.64 | \$ 10.28 | 5.3 | 6.3 | 8.0 | 52 | 6 |
| Shinningbank | \$ 58 | \$ 35 | \$ 7.90 | \$ 10.31 | 5.2 | 6.2 | 9.2 | 33 | 6 |
| Petrofund | \$ 62 | \$ 32 | \$ 10.98 | \$ 12.99 | 7.0 | 8.5 | 10.8 | 12 | 6 |
| Pengrowth | \$ 60 | \$ 29 | \$ 10.95 | \$ 14.04 | 6.8 | 8.4 | 10.4 | 30 | 6 |
| Advantage | \$ 56 | \$ 30 | \$ 7.72 | \$ 11.89 | 6.2 | 7.3 | 10.9 | 14 | 6 |
| Primewest | \$ 55 | \$ 29 | \$ 9.02 | \$ 12.19 | 6.5 | 7.5 | 9.6 | 25 | 7 |
| Crescent Point | \$ 63 | \$ 29 | \$ 8.83 | \$ 11.51 | 5.1 | 6.2 | 8.3 | 15 | 7 |
| Bonavista | \$ 54 | \$ 30 | \$ 8.51 | \$ 10.31 | 5.9 | 7.3 | 9.0 | 17 | 7 |
| Zargon | \$ 57 | \$ 30 | \$ 8.52 | \$ 10.79 | 5.5 | 6.2 | 8.4 | 15 | 7 |
| Viking | \$ 56 | \$ 30 | \$ 11.69 | \$ 15.41 | 6.6 | 7.4 | 9.5 | 10 | 7 |
| Harvest | \$ 60 | \$ 30 | \$ 9.39 | \$ 15.68 | 5.0 | 5.6 | 7.6 | 20 | 7 |
| Acclaim | \$ 59 | \$ 25 | \$ 9.59 | \$ 12.79 | 4.4 | 5.6 | 7.2 | 30 | 7 |
| Paramount | \$ 50 | \$ 31 | \$ 8.09 | \$ 11.51 | 3.5 | 3.9 | 5.0 | 37 | 8 |
| Baytex | \$ 49 | \$ 21 | \$ 10.26 | \$ 14.11 | 3.4 | 6.7 | 9.5 | 21 | 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 2004 production. BNP's RLI was calculated using their forecast proven production for 2005 to account for the material acquisition which closed on Dec 31 2004.

Industry Comparison

Foundation, Weighted Ranking



| Weighted Ranking | | | | | | | | | |
|------------------|----------------------------------|------------------|--------------------------|------------------------------|----------------------------------|--------------|-------------------|-----------------------------------|--------------------------|
| Company Name | Q3 2005 | | | | Year End 2004 Reserve Life (yrs) | | | Average Well Productivity (boe/d) | Average Weighted Ranking |
| | Revenue, before hedging (\$/boe) | Netback (\$/boe) | Operating Costs (\$/boe) | Ordinary Cash Costs (\$/boe) | Proven Producing | Total Proven | Proven + Probable | | |
| Peyto | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| ARC | 2 | 3 | 6 | 6 | 4 | 4 | 5 | 9 | 5 |
| Focus | 4 | 4 | 5 | 5 | 6 | 5 | 5 | 7 | 5 |
| Vermillion | 2 | 4 | 7 | 6 | 5 | 6 | 6 | 7 | 5 |
| Enerplus | 6 | 6 | 7 | 7 | 3 | 4 | 4 | 9 | 6 |
| Penn West | 4 | 1 | 8 | 6 | 5 | 5 | 7 | 9 | 6 |
| Progress | 3 | 3 | 6 | 6 | 7 | 7 | 8 | 5 | 6 |
| Shinningbank | 4 | 2 | 6 | 6 | 7 | 7 | 7 | 8 | 6 |
| Petrofund | 2 | 4 | 9 | 8 | 5 | 5 | 6 | 10 | 6 |
| Pengrowth | 3 | 5 | 9 | 9 | 5 | 5 | 6 | 8 | 6 |
| Advantage | 6 | 5 | 6 | 7 | 6 | 6 | 6 | 10 | 6 |
| Primewest | 6 | 6 | 7 | 7 | 5 | 6 | 7 | 8 | 7 |
| Crescent Point | 1 | 6 | 7 | 7 | 8 | 7 | 8 | 9 | 7 |
| Bonavista | 7 | 5 | 7 | 6 | 6 | 6 | 7 | 9 | 7 |
| Zargon | 4 | 5 | 7 | 6 | 7 | 8 | 7 | 10 | 7 |
| Viking | 5 | 5 | 10 | 10 | 5 | 6 | 7 | 10 | 7 |
| Harvest | 2 | 5 | 8 | 10 | 8 | 8 | 8 | 9 | 7 |
| Acclaim | 4 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 |
| Paramount | 9 | 5 | 7 | 7 | 10 | 10 | 10 | 7 | 8 |
| Baytex | 10 | 10 | 9 | 9 | 10 | 7 | 7 | 9 | 9 |

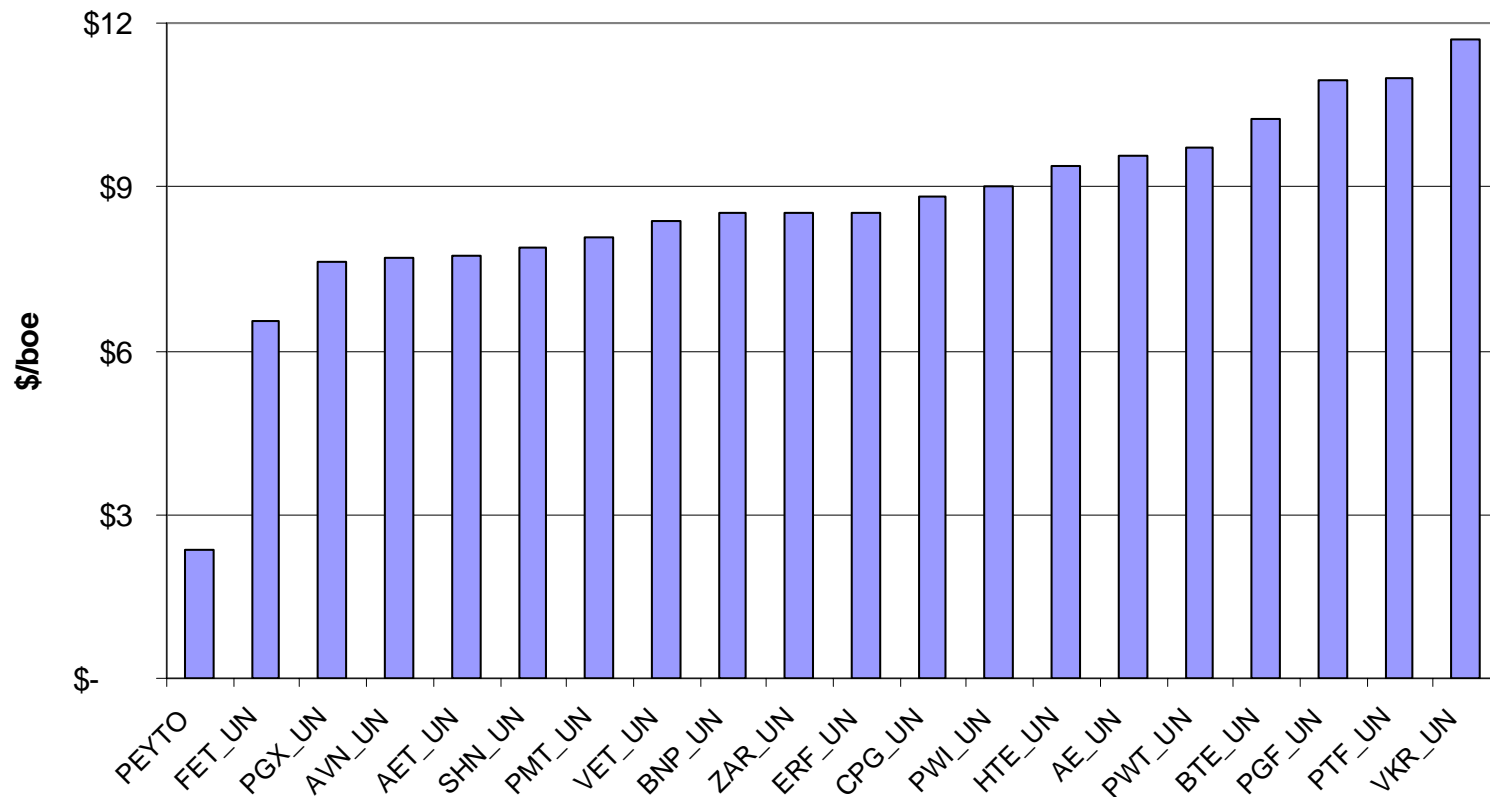
Weighted Ranking - The best and worst in each category are given rankings of 1 and 10, respectively. The rankings in between are determined by their relative position to the best and worst in the category.

Industry Comparison

Foundation, Operating Costs



Q3 2005 Operating Costs



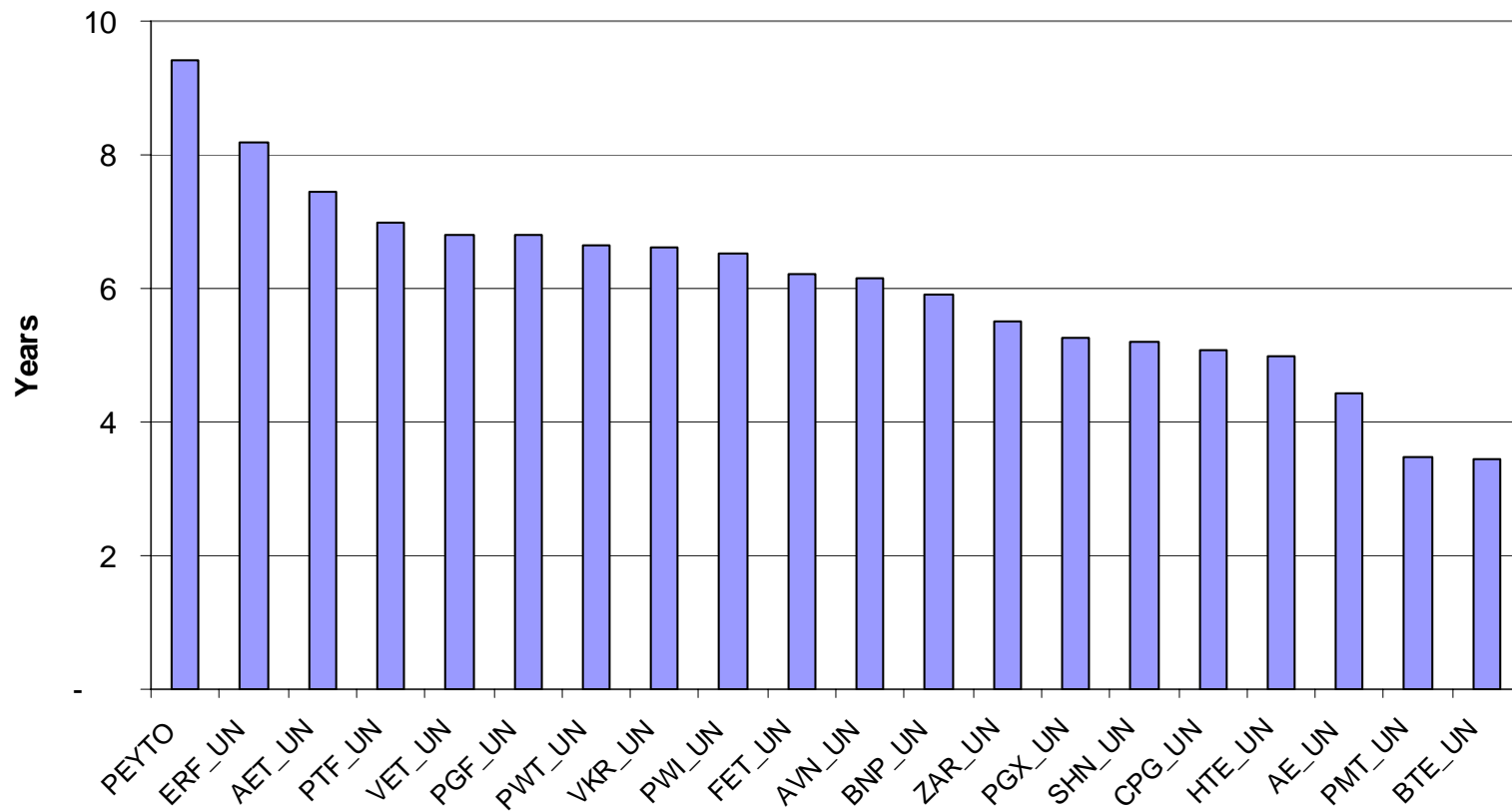
Operating Costs include Transportation costs for all of those who report it. In 2005 it will be mandatory to report transportation costs. Peyto has always included transportation costs as part of its operating costs.

Industry Comparison

Foundation, Proven Producing Reserve Life



2004 Year End Proven Producing Reserve Life

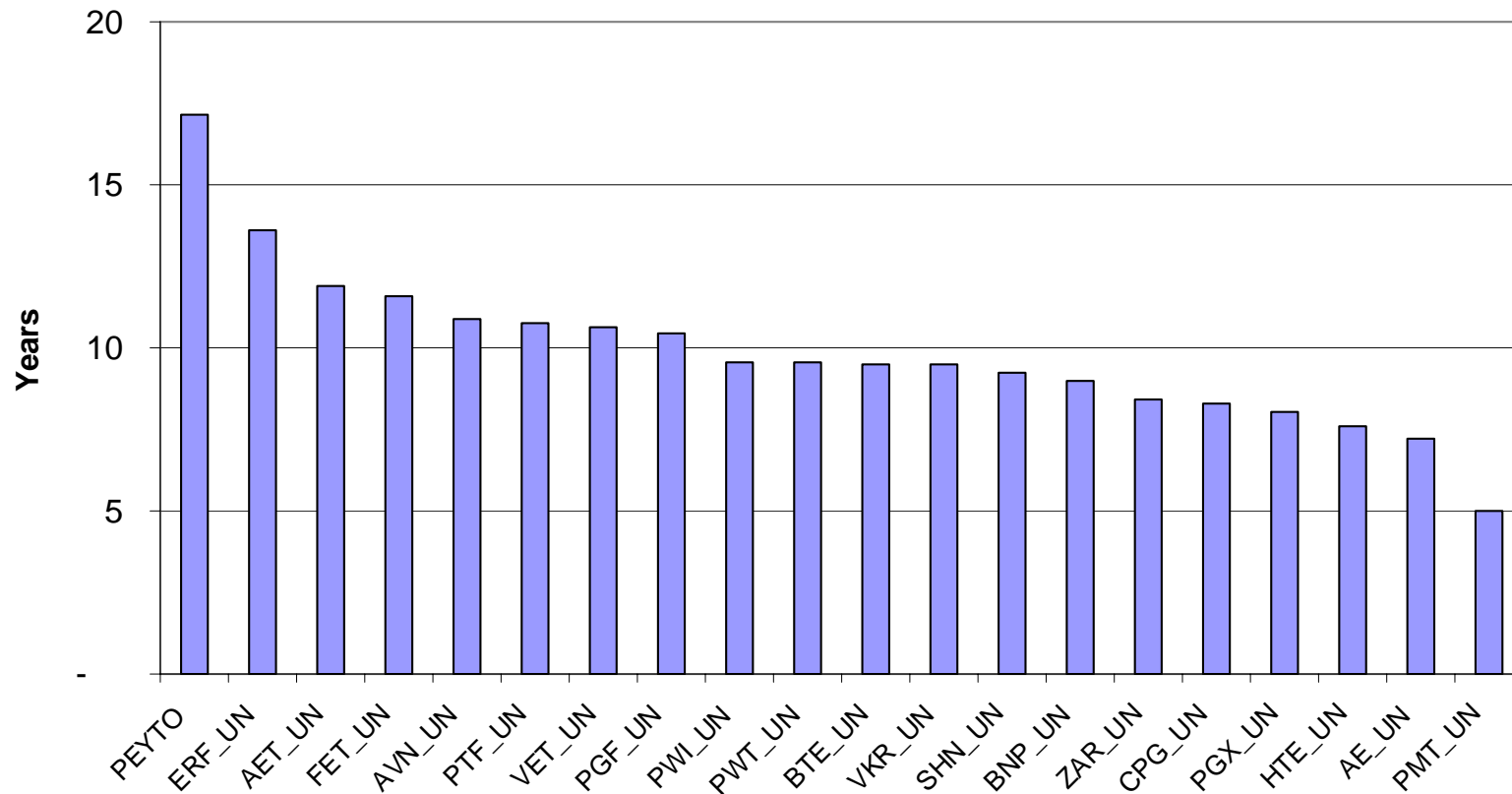


Industry Comparison

Foundation, Proven + Probable Reserve Life



2004 Year End Proven + Probable Reserve Life



Industry Comparison

Performance, Results



| Results | | | | | | | | | | |
|----------------|--------------------|--------|-------------------|------------------------------|--------|-------------------|--|---------|-------------------|--------------------------|
| Company Name | 2004 Recycle Ratio | | | 2004 Reserve Growth Per Unit | | | Cost of New 2004 Reserves (\$/boe) before future development costs | | | Average Weighted Ranking |
| | Proven Producing | Proven | Proven + Probable | Proven Producing | Proven | Proven + Probable | Proven Producing | Proven | Proven + Probable | |
| Peyto | 3.2 | 3.9 | 4.1 | 26% | 26% | 18% | \$ 9.6 | \$ 7.9 | \$ 7.4 | 1 |
| Bonavista | 1.8 | 1.9 | 2.2 | 31% | 24% | 20% | \$ 12.6 | \$ 11.6 | \$ 10.3 | 3 |
| Focus | 1.6 | 2.0 | 2.5 | 18% | 19% | 20% | \$ 15.9 | \$ 12.4 | \$ 10.0 | 4 |
| Vermillion | 2.0 | 1.6 | 2.1 | 11% | 4% | 7% | \$ 10.1 | \$ 12.4 | \$ 9.6 | 4 |
| Enerplus | 1.2 | 1.4 | 2.6 | 0% | 2% | 12% | \$ 16.1 | \$ 14.2 | \$ 7.7 | 5 |
| Harvest | 1.0 | 1.2 | 1.6 | -1% | 5% | 18% | \$ 15.0 | \$ 13.3 | \$ 9.6 | 5 |
| Zargon | 1.2 | 1.3 | 1.6 | -3% | -1% | 1% | \$ 18.1 | \$ 16.6 | \$ 13.3 | 6 |
| ARC | 1.5 | 1.3 | 1.6 | -7% | -7% | -5% | \$ 14.0 | \$ 16.5 | \$ 13.8 | 6 |
| Baytex | 0.6 | 0.8 | 1.0 | -1% | 4% | 6% | \$ 19.2 | \$ 13.8 | \$ 10.8 | 6 |
| Shinningbank | 1.2 | 1.4 | 2.1 | -9% | -5% | 0% | \$ 20.9 | \$ 17.0 | \$ 11.6 | 6 |
| Pengrowth | 1.3 | 1.3 | 1.6 | -2% | -5% | -4% | \$ 16.7 | \$ 15.9 | \$ 13.6 | 6 |
| Petrofund | 1.0 | 1.2 | 1.5 | -4% | 0% | 2% | \$ 20.8 | \$ 16.6 | \$ 13.4 | 7 |
| Advantage | 0.9 | 1.0 | 1.6 | 2% | 2% | 12% | \$ 24.0 | \$ 21.4 | \$ 13.4 | 7 |
| Penn West | 1.4 | 1.1 | 1.2 | 5% | 0% | 2% | \$ 16.5 | \$ 21.2 | \$ 18.3 | 7 |
| Crescent Point | 0.9 | 1.1 | 1.4 | -7% | -4% | -2% | \$ 21.6 | \$ 18.0 | \$ 14.2 | 7 |
| Primewest | 1.0 | 1.2 | 1.5 | -15% | -11% | -9% | \$ 20.4 | \$ 17.0 | \$ 13.6 | 7 |
| Acclaim | 0.8 | 1.0 | 1.3 | -15% | -11% | -8% | \$ 24.1 | \$ 18.9 | \$ 15.1 | 8 |
| Paramount | 0.8 | 0.8 | 1.1 | -9% | -5% | 2% | \$ 30.6 | \$ 27.1 | \$ 21.1 | 9 |
| Viking | 0.0 | NRA | NRA | -23% | -24% | -22% | \$ 816.3 | NRA | NRA | 10 |

NRA – Negative reserve revisions exceeded additions, no reserves added

NA – Not Available; these companies did partial conversions in 2004

Industry Comparison

Performance, Weighted Ranking



| Weighted Ranking | | | | | | | | | | |
|------------------|--------------------|--------|-------------------|------------------------------|--------|-------------------|--|--------|-------------------|--------------------------|
| Company Name | 2004 Recycle Ratio | | | 2004 Reserve Growth Per Unit | | | Cost of New 2004 Reserves (\$/boe) before future development costs | | | Average Weighted Ranking |
| | Proven Producing | Proven | Proven + Probable | Proven Producing | Proven | Proven + Probable | Proven Producing | Proven | Proven + Probable | |
| Peyto | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bonavista | 6 | 7 | 7 | 1 | 1 | 1 | 2 | 3 | 3 | 3 |
| Focus | 7 | 6 | 6 | 3 | 2 | 1 | 4 | 3 | 3 | 4 |
| Vermillion | 5 | 8 | 7 | 4 | 5 | 4 | 1 | 3 | 2 | 4 |
| Enerplus | 8 | 8 | 6 | 6 | 5 | 3 | 4 | 4 | 1 | 5 |
| Harvest | 8 | 9 | 8 | 6 | 5 | 1 | 3 | 4 | 2 | 5 |
| Zargon | 8 | 9 | 8 | 7 | 6 | 5 | 5 | 5 | 5 | 6 |
| ARC | 7 | 8 | 8 | 7 | 7 | 6 | 3 | 5 | 5 | 6 |
| Baytex | 10 | 10 | 10 | 6 | 5 | 4 | 5 | 4 | 3 | 6 |
| Shinningbank | 8 | 8 | 7 | 8 | 7 | 5 | 6 | 5 | 4 | 6 |
| Pengrowth | 8 | 8 | 8 | 7 | 6 | 6 | 4 | 5 | 5 | 6 |
| Petrofund | 9 | 9 | 9 | 7 | 6 | 5 | 6 | 5 | 5 | 7 |
| Advantage | 9 | 9 | 8 | 6 | 5 | 3 | 7 | 7 | 5 | 7 |
| Penn West | 7 | 9 | 9 | 5 | 6 | 5 | 4 | 7 | 8 | 7 |
| Crescent Point | 9 | 9 | 9 | 7 | 6 | 6 | 6 | 6 | 5 | 7 |
| Primewest | 8 | 9 | 9 | 9 | 8 | 7 | 6 | 5 | 5 | 7 |
| Acclaim | 9 | 9 | 9 | 9 | 8 | 7 | 7 | 6 | 6 | 8 |
| Paramount | 9 | 10 | 10 | 8 | 7 | 5 | 10 | 10 | 10 | 9 |
| Viking | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |

NRA – Negative reserve revisions exceeded additions, no reserves added

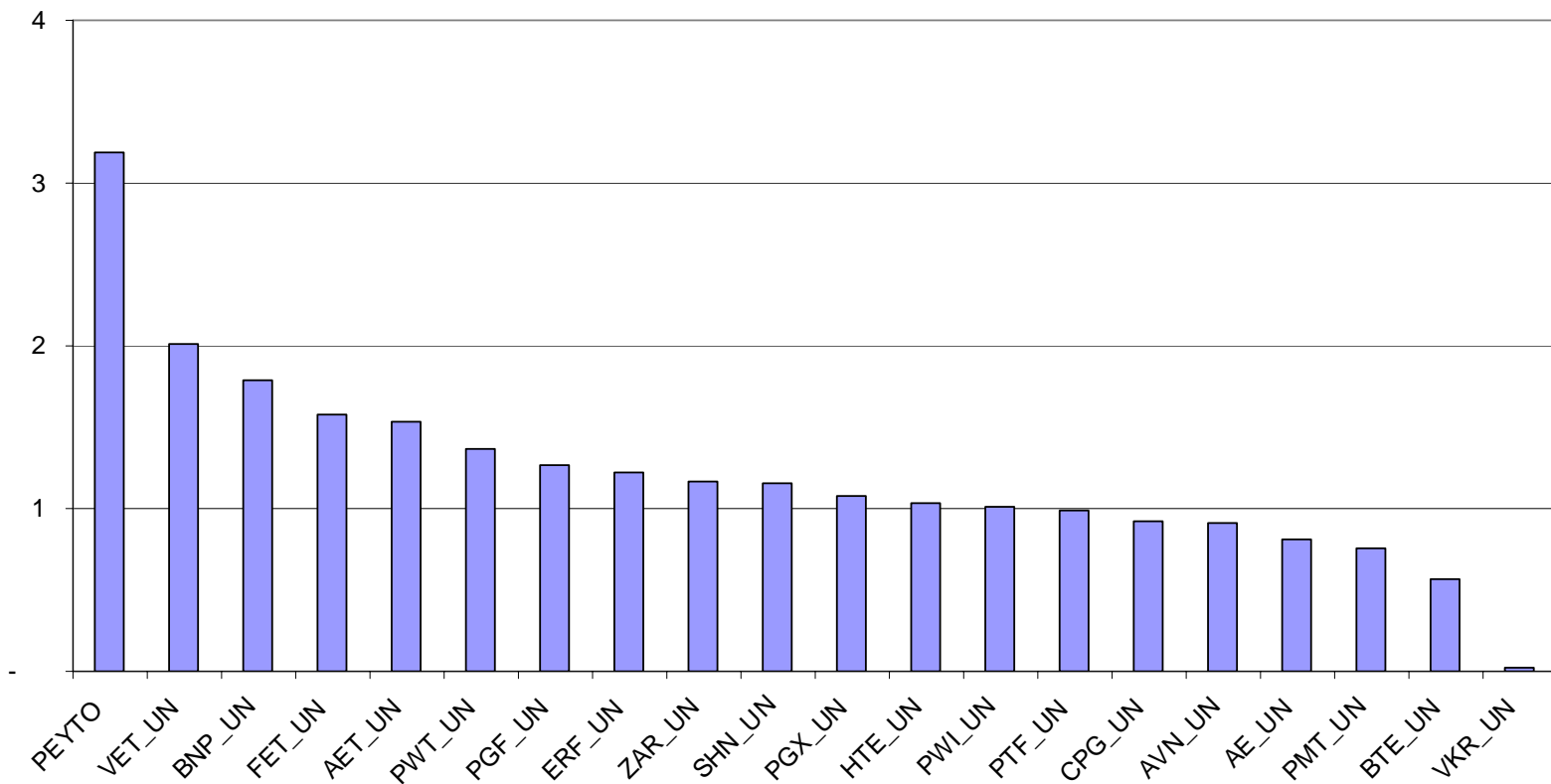
NA – Not Available; these companies did partial conversions in 2004

Industry Comparison

Performance, Proven Producing Recycle Ratio



2004 Proven Producing Recycle Ratio

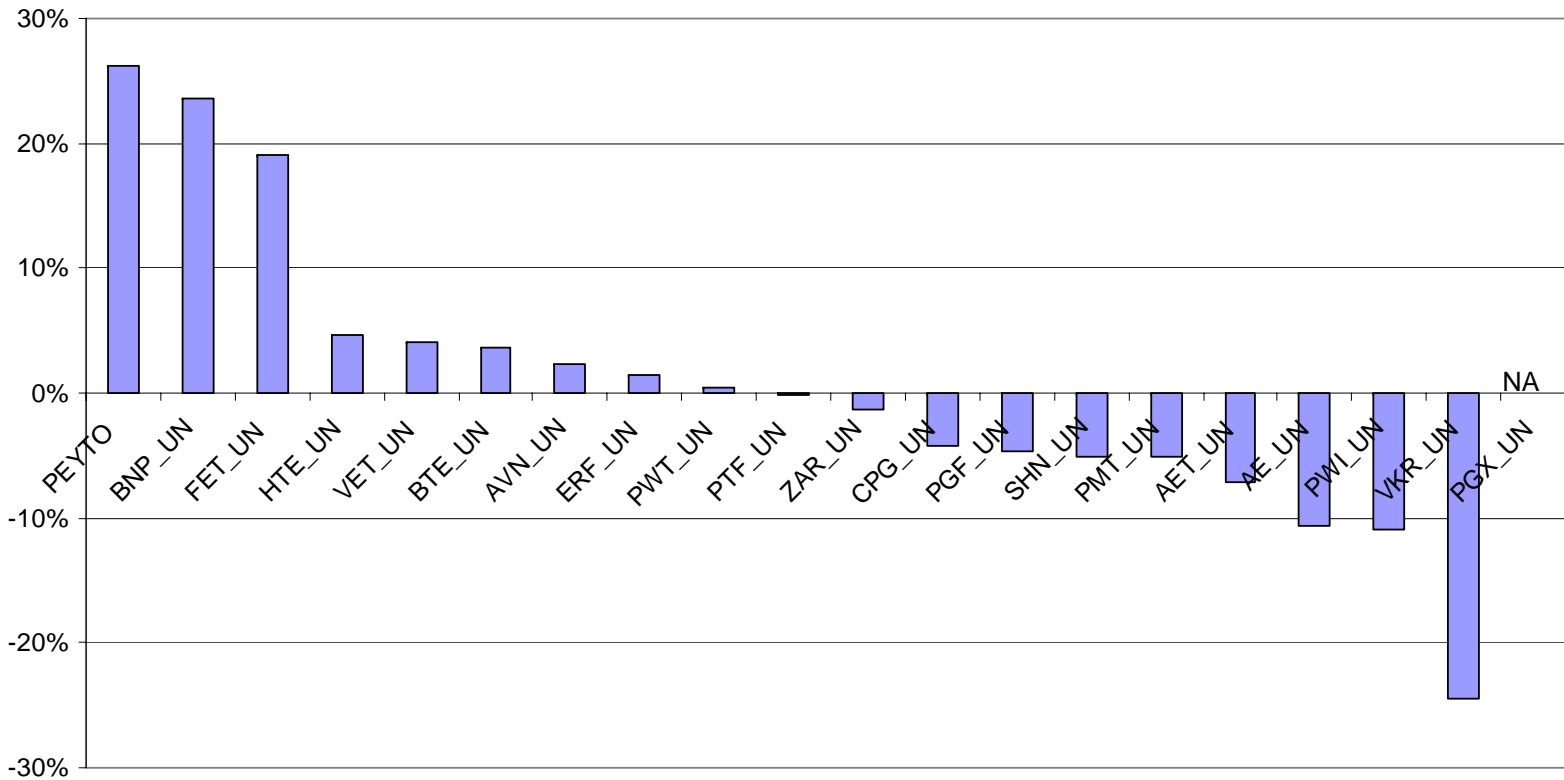


Industry Comparison

Performance, Proven Reserve Growth Per Unit



2004 Proven Reserve Growth Per Unit

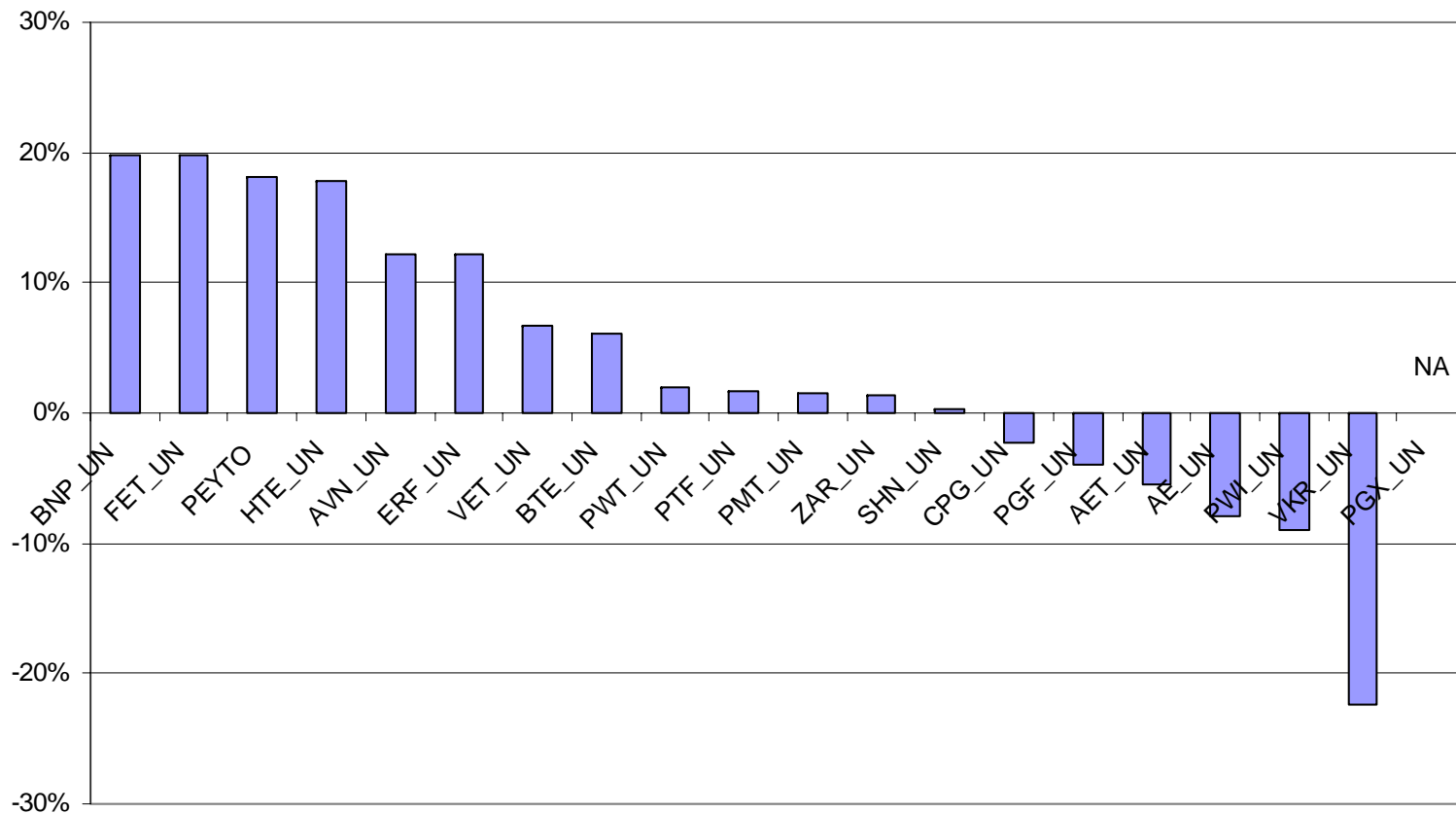


Industry Comparison

Performance, Proven + Probable Reserve Growth Per Unit



2004 Proved + Probable Reserve Growth Per Unit



Industry Comparison

Sustainability, Results



| Results | | | | | | | | |
|----------------|---------------------------|--------------------------|--|------------------------------------|--------|-------------------|-----------------------------------|--------------------------|
| Company Name | Q3 2005 | | 2004 Annual Proven Reserve Growth Per Unit | Payout Adjusted Reserve Life (yrs) | | | Q3 2005 Reserve Replacement Cycle | Average Weighted Ranking |
| | Distribution Payout Ratio | Operating Costs (\$/boe) | | Proven Producing | Proven | Proven + Probable | | |
| Peyto | 46% | 2.36 | 26% | 20 | 26 | 37 | \$ 10.41 | 1 |
| Penn West | 38% | 9.70 | 0% | 17 | 21 | 25 | \$ 6.17 | 4 |
| Vermillion | 45% | 8.36 | 4% | 15 | 17 | 24 | \$ 7.26 | 4 |
| Zargon | 36% | 8.52 | -1% | 15 | 17 | 23 | \$ 0.72 | 5 |
| Petrofund | 45% | 10.98 | 0% | 15 | 19 | 24 | \$ (3.16) | 5 |
| ARC | 55% | 7.74 | -7% | 14 | 17 | 22 | \$ 0.75 | 5 |
| Bonavista | 57% | 8.51 | 24% | 10 | 13 | 16 | \$ 0.30 | 6 |
| Harvest | 45% | 9.39 | 5% | 11 | 12 | 17 | \$ 1.40 | 6 |
| Focus | 65% | 6.53 | 19% | 10 | 14 | 18 | \$ (4.69) | 6 |
| Enerplus | 68% | 8.54 | 2% | 12 | 14 | 20 | \$ (6.87) | 6 |
| Baytex | 51% | 10.26 | 4% | 7 | 13 | 19 | \$ (8.78) | 7 |
| Crescent Point | 58% | 8.83 | -4% | 9 | 11 | 14 | \$ (9.46) | 7 |
| Primewest | 66% | 9.02 | -11% | 10 | 11 | 14 | \$ (10.59) | 7 |
| Pengrowth | 69% | 10.95 | -5% | 10 | 12 | 15 | \$ (7.60) | 7 |
| Shinningbank | 68% | 7.90 | -5% | 8 | 9 | 13 | \$ (9.94) | 7 |
| Acclaim | 57% | 9.59 | -11% | 8 | 10 | 13 | \$ (13.19) | 8 |
| Advantage | 77% | 7.72 | 2% | 8 | 9 | 14 | \$ (17.23) | 8 |
| Viking | 59% | 11.69 | -24% | 11 | 13 | 16 | \$ (803.82) | 8 |
| Paramount | 72% | 8.09 | -5% | 5 | 5 | 7 | \$ (22.19) | 9 |
| Progress | 66% | 7.64 | NA | 8 | 10 | 12 | \$ (9.48) | NA |

Industry Comparison

Sustainability, Weighted Ranking



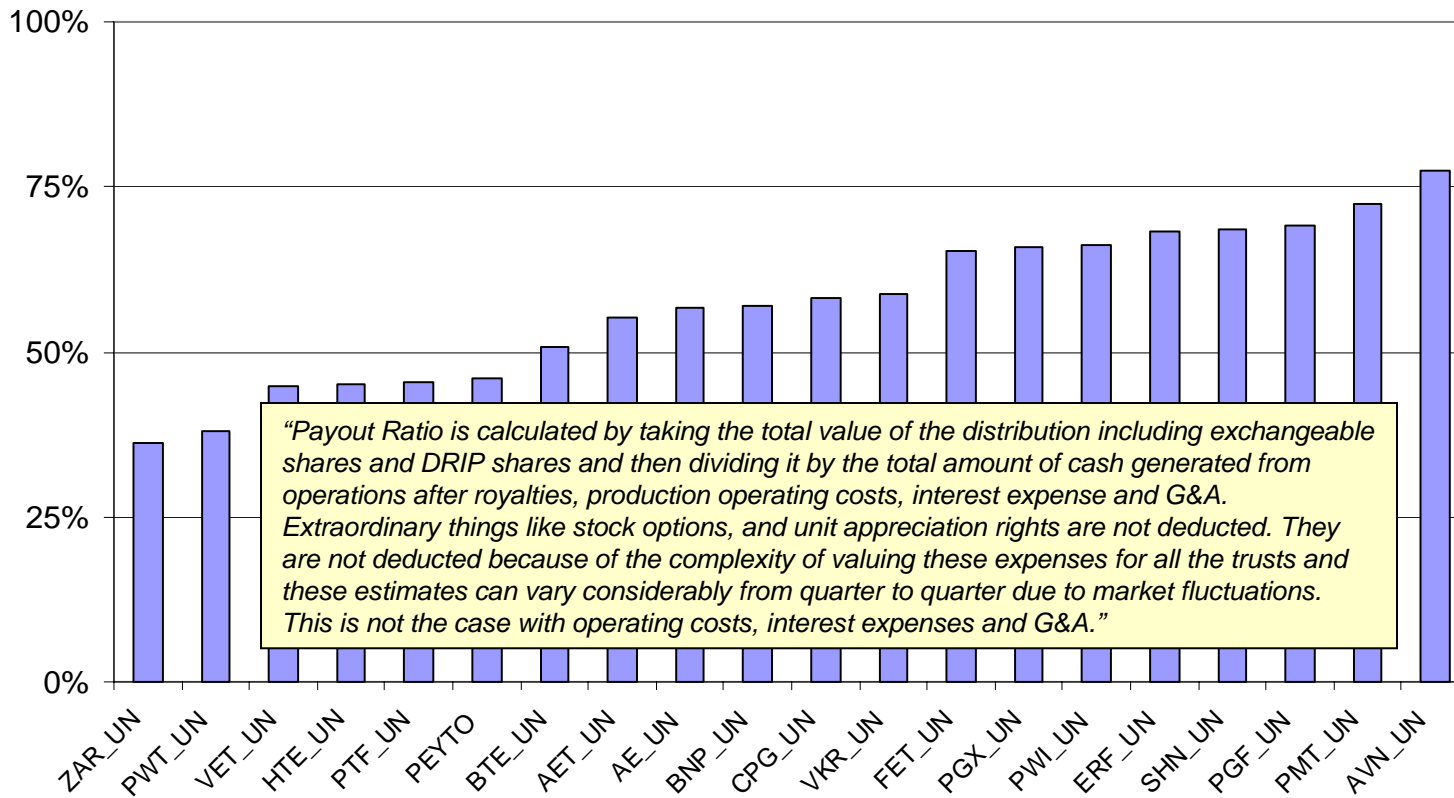
| Weighted Ranking | | | | | | | | |
|------------------|---------------------------|--------------------------|--|------------------------------------|--------|-------------------|-----------------------------------|--------------------------|
| Company Name | Q3 2005 | | 2004 Annual Proven Reserve Growth Per Unit | Payout Adjusted Reserve Life (yrs) | | | Q3 2005 Reserve Replacement Cycle | Average Weighted Ranking |
| | Distribution Payout Ratio | Operating Costs (\$/boe) | | Proven Producing | Proven | Proven + Probable | | |
| Peyto | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Penn West | 1 | 8 | 6 | 3 | 3 | 5 | 2 | 4 |
| Vermillion | 3 | 7 | 5 | 4 | 5 | 5 | 2 | 4 |
| Zargon | 1 | 7 | 6 | 4 | 5 | 5 | 4 | 5 |
| Petrofund | 3 | 9 | 6 | 4 | 4 | 5 | 5 | 5 |
| ARC | 5 | 6 | 7 | 5 | 5 | 6 | 4 | 5 |
| Bonavista | 6 | 7 | 1 | 7 | 7 | 7 | 4 | 6 |
| Harvest | 3 | 8 | 5 | 6 | 7 | 7 | 3 | 6 |
| Focus | 7 | 5 | 2 | 7 | 7 | 7 | 5 | 6 |
| Enerplus | 8 | 7 | 5 | 6 | 6 | 6 | 6 | 6 |
| Baytex | 4 | 9 | 5 | 9 | 7 | 6 | 6 | 7 |
| Crescent Point | 6 | 7 | 6 | 8 | 8 | 8 | 6 | 7 |
| Primewest | 8 | 7 | 8 | 7 | 7 | 8 | 7 | 7 |
| Pengrowth | 8 | 9 | 6 | 7 | 7 | 8 | 6 | 7 |
| Shinningbank | 8 | 6 | 7 | 8 | 8 | 8 | 7 | 7 |
| Acclaim | 5 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Advantage | 10 | 6 | 5 | 8 | 8 | 8 | 9 | 8 |
| Viking | 6 | 10 | 10 | 6 | 7 | 7 | 10 | 8 |
| Paramount | 9 | 7 | 7 | 10 | 10 | 10 | 10 | 9 |
| Progress | 7 | 6 | NA | 8 | 8 | 8 | 6 | NA |

Industry Comparison

Sustainability, Payout Ratio



Q3 2005 Payout Ratio



Industry Comparison

Sustainability, Reserve Replacement Cycle (1)



Peyto Q3 2005 Example

| | |
|---|-------------------|
| Funds From Operations (\$/boe) | \$ 37.04 |
| Distribution at 51% (\$/boe) | <u>\$ (17.04)</u> |
| Cash Available After Distribution (\$/boe) | \$ 20.00 |
| 2004 PDP FDA (\$/boe) | <u>\$ (9.59)</u> |
| Cash Available After Distribution & Cost to Replace PDP Reserves (\$/boe) | <u>\$ 10.41</u> |

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

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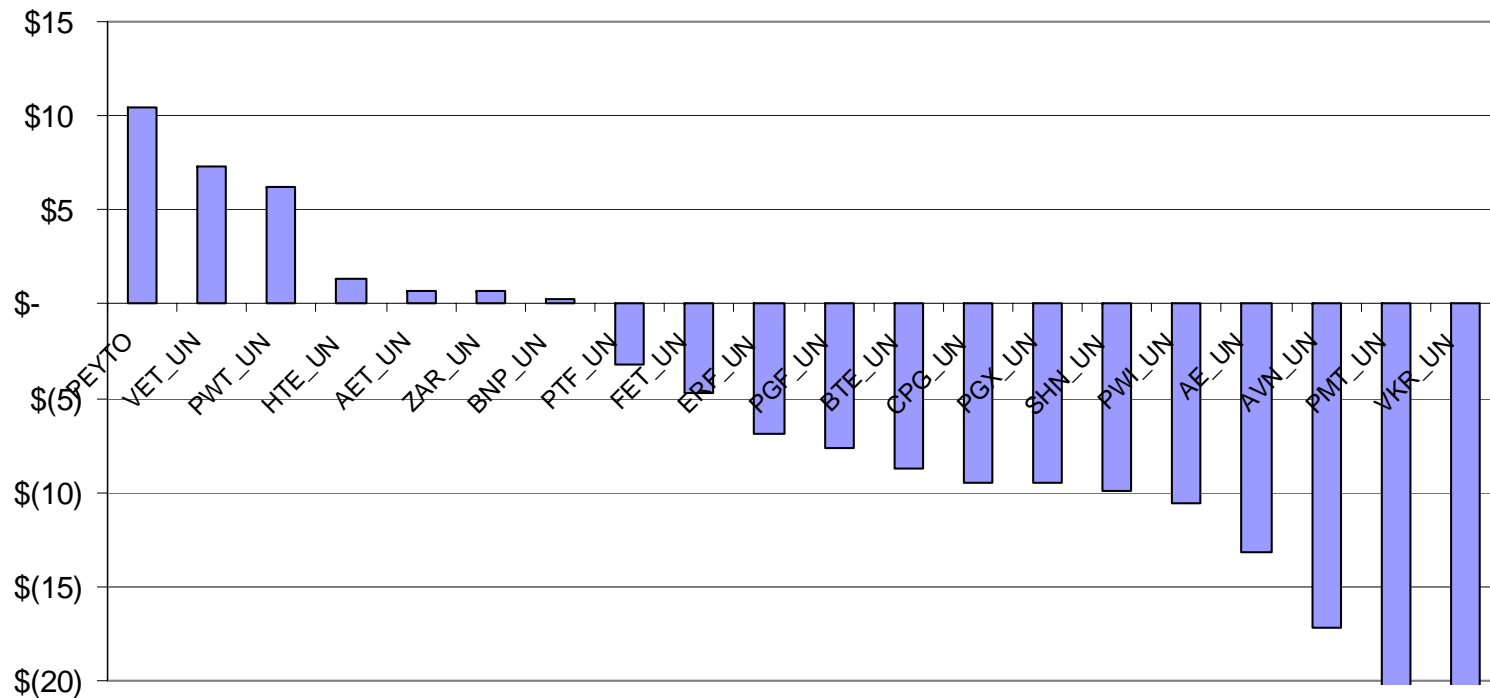
12/19/2005

Industry Comparison

Sustainability, Reserve Replacement Cycle (2)



**Q3 2005 Cash Available for Growth
After Distributions & Cost to Replace Proven Producing Reserves (\$/boe)**



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

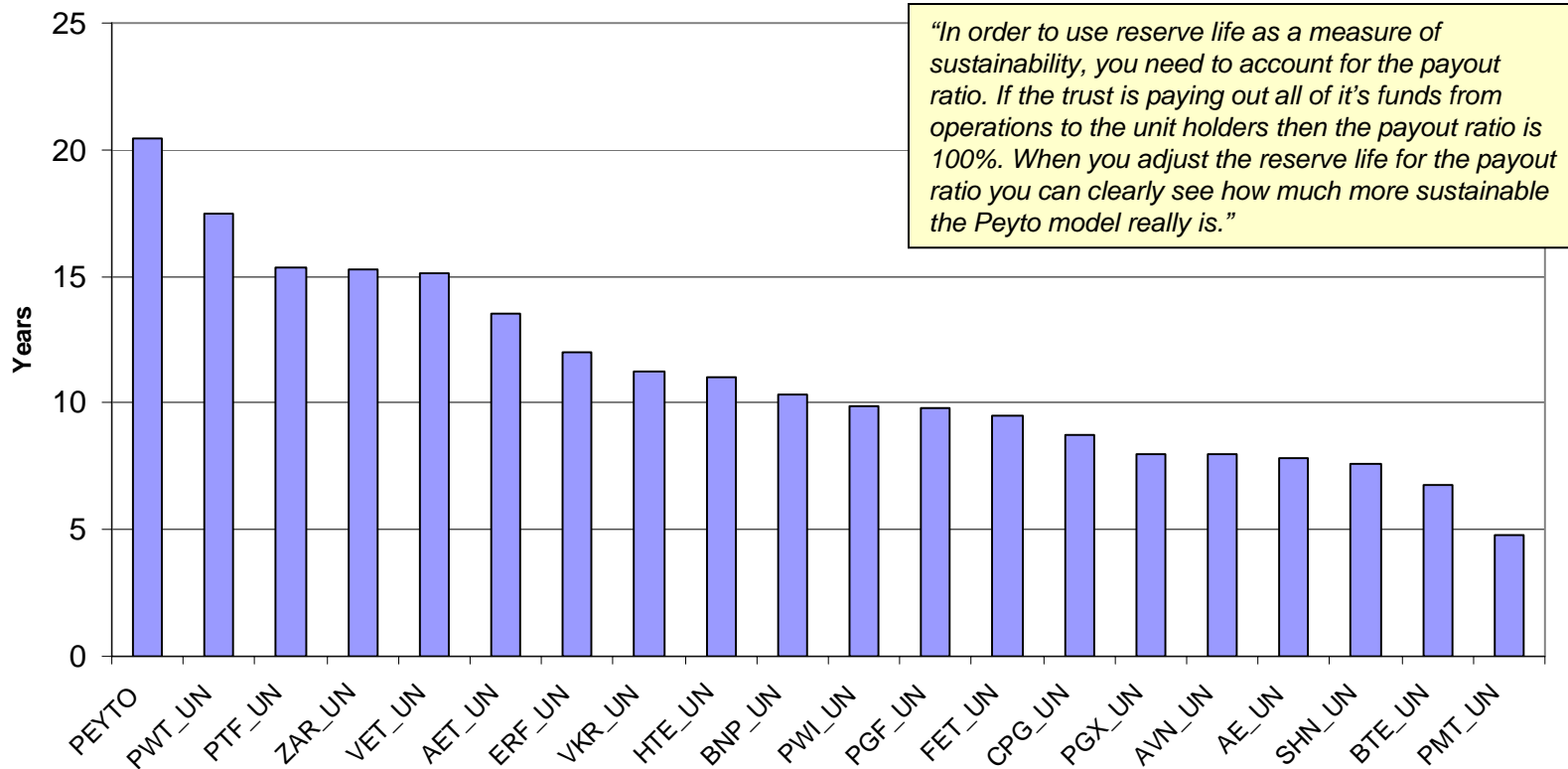
BOE factor - 6 mcf = 1 bbl of oil equivalent

Industry Comparison

Sustainability, Payout Adjusted Proven Producing Reserve Life



Q3 2005 Payout Adjusted Proven Producing Reserve Life



Industry Comparison

Overall Ranking, Foundation, Performance, Sustainability



| Weighted Ranking | | | | |
|------------------|------------|-------------|----------------|-----------------|
| Company Name | Foundation | Performance | Sustainability | Overall Ranking |
| Peyto | 1 | 1 | 1 | 1 |
| Vermillion | 5 | 4 | 2 | 4 |
| Bonavista | 7 | 3 | 4 | 5 |
| Focus | 5 | 4 | 5 | 5 |
| Penn West | 6 | 7 | 2 | 5 |
| ARC | 5 | 6 | 4 | 5 |
| Harvest | 7 | 5 | 3 | 5 |
| Enerplus | 6 | 5 | 6 | 5 |
| Zargon | 7 | 6 | 4 | 6 |
| Petrofund | 6 | 7 | 5 | 6 |
| Pengrowth | 6 | 6 | 6 | 6 |
| Shinningbank | 6 | 6 | 7 | 6 |
| Crescent Point | 7 | 7 | 6 | 7 |
| Primewest | 7 | 7 | 7 | 7 |
| Baytex | 9 | 6 | 6 | 7 |
| Advantage | 6 | 7 | 9 | 7 |
| Acclaim | 7 | 8 | 8 | 8 |
| Paramount | 8 | 9 | 10 | 9 |
| Viking | 7 | 10 | 10 | 9 |
| Progress | 6 | NA | 6 | NA |

NA – Not Available; these companies did partial conversions in 2004

Track Record

Quarterly Performance



| | 2005 | | | 2004 | | | | | 2003 | | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 |
| Operations | | | | | | | | | | | | | | | |
| <u>Production</u> | | | | | | | | | | | | | | | |
| Oil & NGLs (bbl/d) | 4,569 | 4,653 | 4,337 | 3,882 | 4,360 | 3,967 | 3,918 | 3,315 | 2,904 | 3,104 | 2,948 | 2,870 | 2,689 | 1,823 | 2,349 |
| Natural gas (mcf/d) | 108,460 | 106,866 | 103,043 | 88,842 | 97,968 | 91,782 | 87,753 | 78,597 | 65,015 | 73,013 | 66,827 | 62,577 | 57,452 | 42,254 | 50,556 |
| Barrels of oil equivalent (boe/d) | 22,646 | 22,464 | 21,511 | 18,689 | 20,688 | 19,264 | 18,544 | 16,415 | 13,740 | 15,273 | 14,086 | 13,300 | 12,264 | 8,865 | 10,775 |
| Year over Year % Growth | 18% | 21% | 31% | 36% | 35% | 37% | 39% | 34% | 55% | 42% | 48% | 69% | 69% | 111% | 72% |
| <u>Average Product Prices</u> | | | | | | | | | | | | | | | |
| Oil & NGLs (\$/bbl) | 57.22 | 51.03 | 55.52 | 42.66 | 46.82 | 43.13 | 40.06 | 39.59 | 36.62 | 35.22 | 33.86 | 33.94 | 44.23 | 32.06 | 36.52 |
| Natural gas (\$/mcf) | 8.67 | 8.00 | 7.81 | 7.38 | 7.58 | 7.00 | 7.32 | 7.63 | 7.51 | 6.93 | 7.02 | 7.80 | 8.50 | 4.63 | 5.90 |
| Average operating expenses | 2.36 | 1.98 | 1.90 | 1.86 | 1.80 | 1.76 | 1.72 | 1.66 | 1.86 | 2.19 | 2.20 | 1.88 | 1.01 | 1.37 | 1.12 |
| Field Netback (\$/boe) | 38.39 | 33.97 | 35.50 | 31.79 | 32.90 | 31.72 | 30.14 | 33.32 | 31.43 | 30.48 | 29.24 | 31.53 | 35.09 | 20.45 | 25.15 |
| Financial (\$000) | | | | | | | | | | | | | | | |
| Revenue (net of royalties) | 84,912 | 73,473 | 72,397 | 229,412 | 66,024 | 59,337 | 53,853 | 50,198 | 166,935 | 45,901 | 40,743 | 40,441 | 39,850 | 70,608 | 26,043 |
| Funds from Operations ¹ | 77,179 | 66,548 | 66,636 | 209,105 | 60,334 | 54,211 | 48,548 | 46,012 | 151,353 | 41,371 | 35,882 | 36,791 | 37,309 | 62,503 | 23,746 |
| Net earnings (loss) | 37,702 | 25,690 | 37,431 | 73,782 | (2,558) | 21,650 | 30,347 | 24,343 | 48,417 | 6,166 | 25,398 | (1,642) | 18,495 | 28,554 | 10,310 |
| Capital expenditures | 93,001 | 58,730 | 99,074 | 230,774 | 76,953 | 55,565 | 37,067 | 61,187 | 139,424 | 43,763 | 36,280 | 18,895 | 40,486 | 112,551 | 37,627 |
| Net Debt ² | 207,225 | 304,165 | 280,959 | 222,969 | 222,969 | 234,731 | 210,057 | 198,218 | 162,466 | 162,466 | 131,254 | 140,303 | 114,028 | 110,985 | 110,985 |
| Common shares outstanding (000) | 101,993 | 96,849 | 96,790 | 99,450 | 95,450 | 91,450 | 91,450 | 91,450 | 90,790 | 90,790 | 90,790 | 86,904 | 86,904 | 86,836 | 86,836 |
| Weighted average shares | 98,585 | 96,849 | 96,664 | 92,494 | 92,494 | 91,451 | 91,451 | 91,443 | 88,860 | 90,790 | 90,790 | 86,904 | 86,892 | 85,956 | 85,956 |
| Per share data | | | | | | | | | | | | | | | |
| Funds from operations | 0.78 | 0.69 | 0.69 | 2.26 | 0.65 | 0.59 | 0.53 | 0.50 | 1.70 | 0.46 | 0.40 | 0.42 | 0.43 | 0.73 | 0.28 |
| Earnings (loss) | 0.38 | 0.27 | 0.39 | 0.80 | (0.03) | 0.24 | 0.33 | 0.27 | 0.54 | 0.07 | 0.28 | (0.02) | 0.21 | 0.33 | 0.12 |

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 bonus, non-cash and non-recurring expenses. As presented, funds from operations does not have any standardized meaning prescribed by Canadian GAAP.

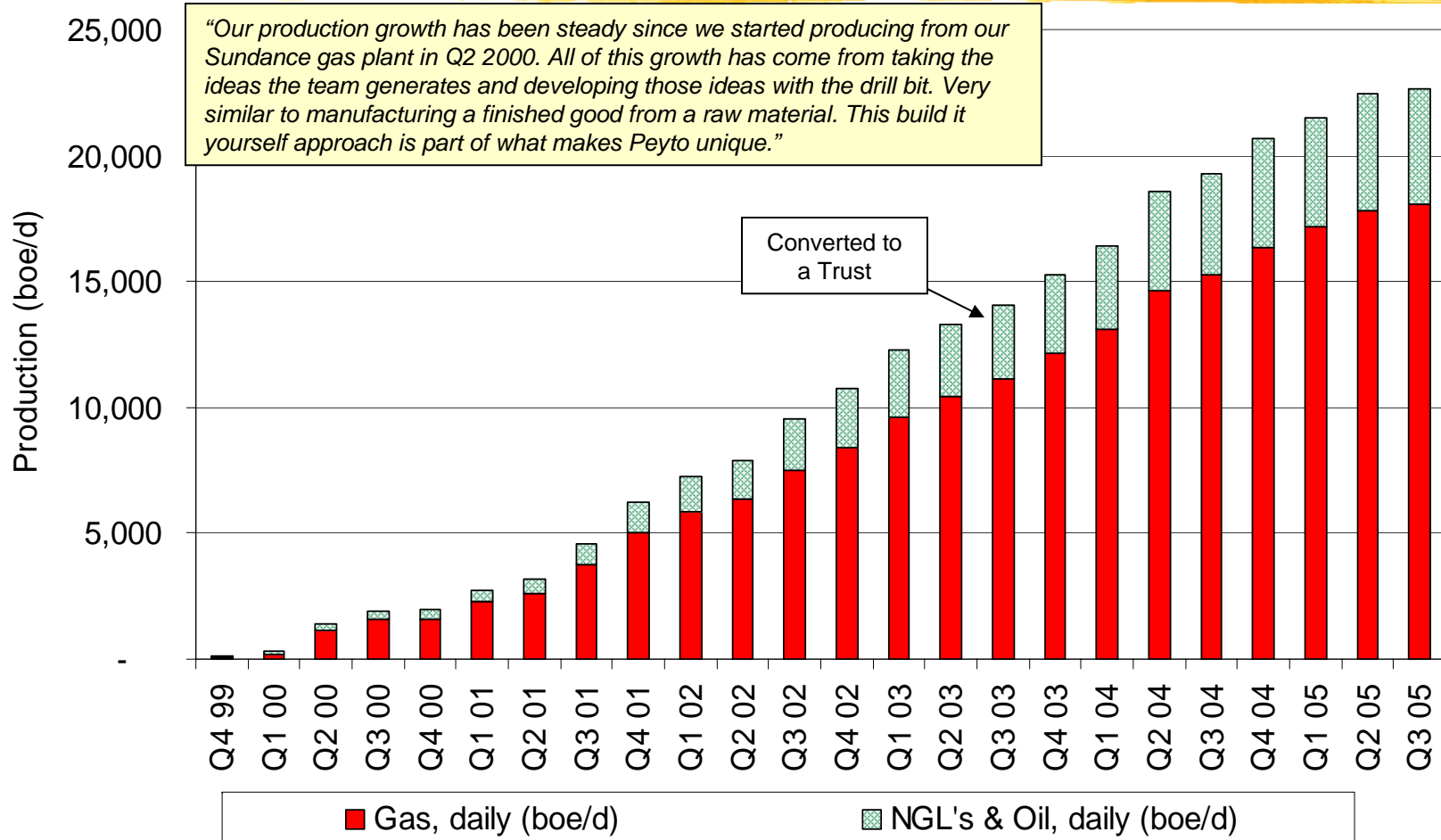
Net debt does not include provision for future bonuses, site restoration, abandonment and income taxes.

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

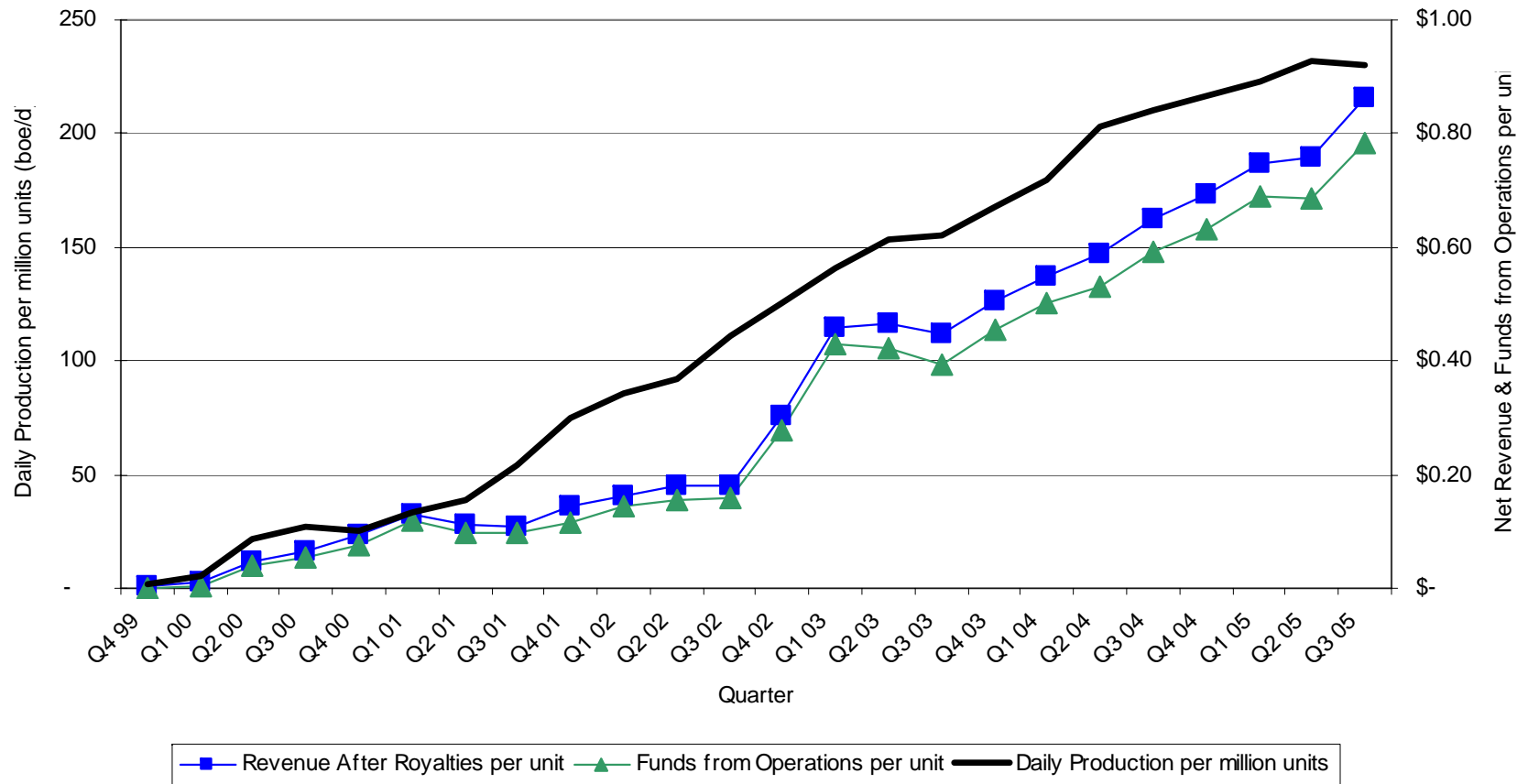
Track Record

Production Growth



Track Record

Per Unit, Production, Revenue & Funds from operations

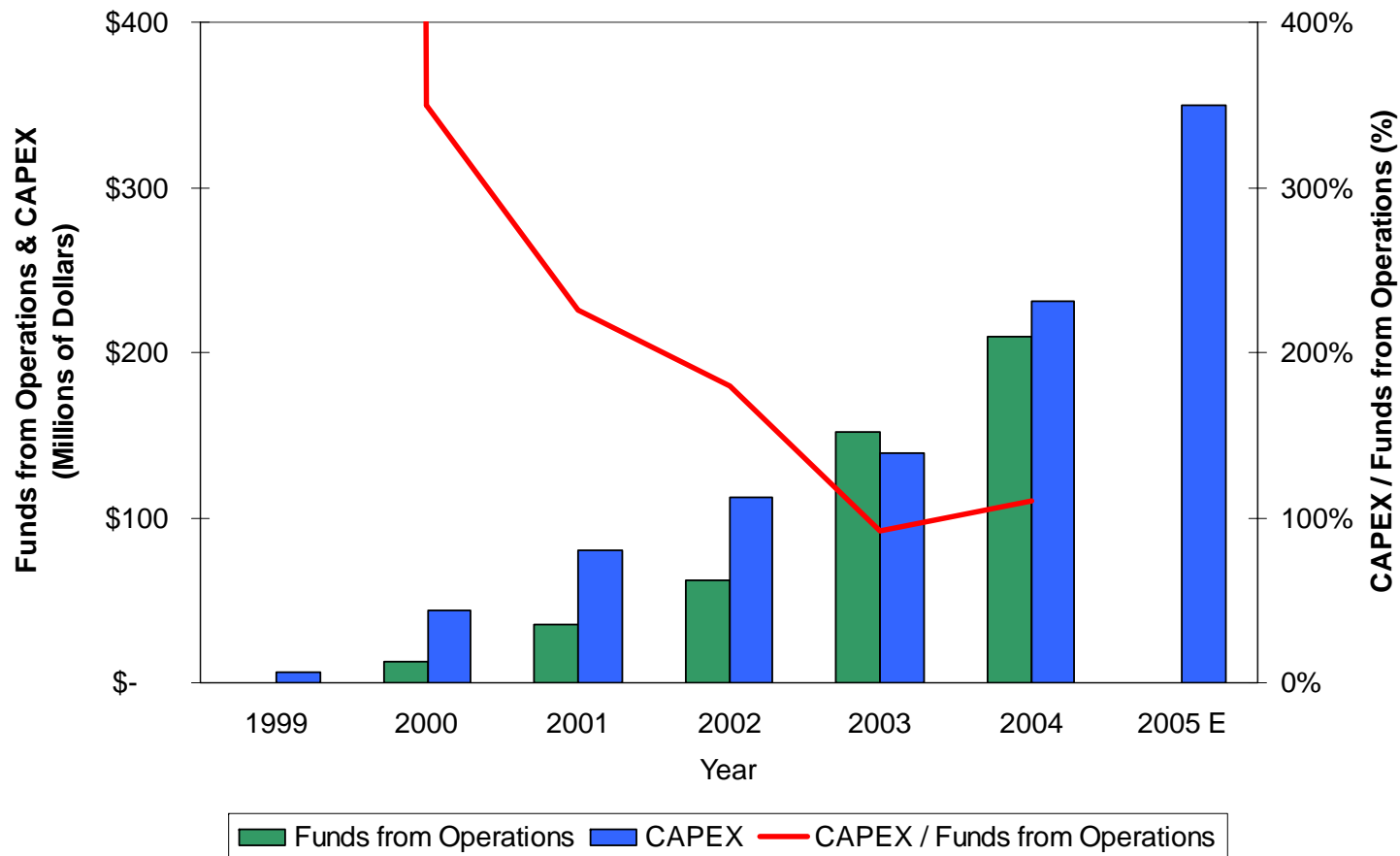


Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

BOE factor - 6 mcf = 1 bbl of oil equivalent

Track Record

Yearly Capital Expenditures vs. Funds from Operations



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 bonus, non-cash and non-recurring expenses. As presented, funds from operations does not have any standardized meaning prescribed by Canadian GAAP.

Revenue

Gas & NGL's



- Gas
 - Price Point AECO Hub
 - Wellhead price per mcf is equal to 1.17 (GJ/mcf) times the AECO price per GJ.
- Natural Gas Liquids
 - Wellhead price for Peyto's NGL's is \$6-\$10 CDN/barrel less than the WTI price in CDN dollars.
 - Corporate Liquid Gas Ratio 45 - 47 bbls/mmcf (sales gas)
 - 65% Condensate, 17% Butane, 17% Propane, 1% Ethane

Operating Costs

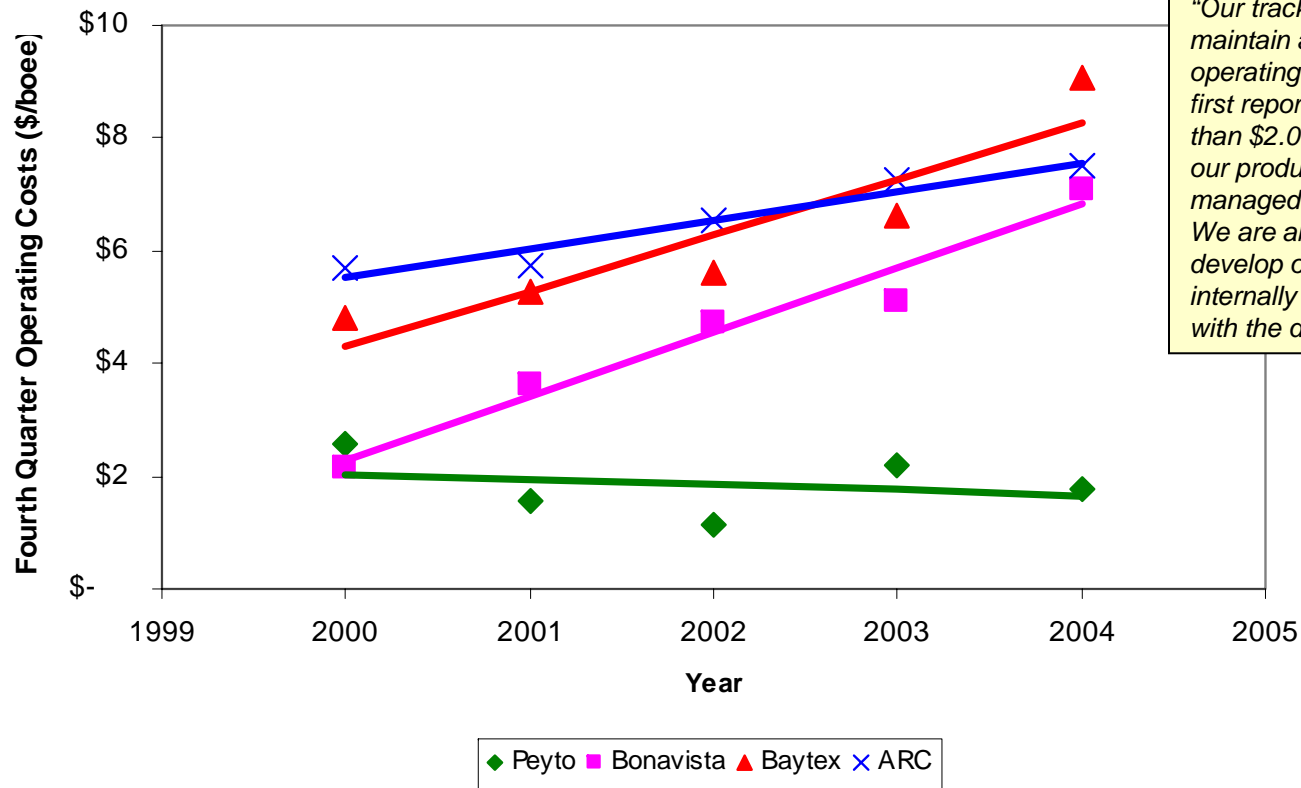


| | 2002 \$/boe | 2003 \$/boe | 2004 \$/boe |
|--------------------------|----------------|----------------|----------------|
| Field Expenses | \$1.45 | \$1.99 | \$1.78 |
| TCPL Transportation | \$ 0.58 | \$0.56 | \$0.70 |
| Processing Income | \$ (0.66) | \$ (0.69) | (\$0.73) |
| Operating Expense | \$ 1.37 | \$1.86 | \$1.75 |

“We are focused on building and maintaining the best oil and gas trust. In order to do so you must control your operating costs. Our operating costs are the lowest in the industry for a number of reasons. First, we produce from reservoirs that do not have the added cost of reservoir water and sour gas disposal. Second, our wells have relatively high productivity. Third, because our targets are long life resource plays we invest upfront in the infrastructure to gather, process and deliver our gas. Finally, we have a tremendous operations team.”

Operating Costs

Track Record



“Our track record shows that we can maintain and continue to build a low operating cost company. Since we first reported operating costs lower than \$2.00/boe, we have increased our production over seven fold and managed to keep our costs in check. We are able to do this because we develop our investment ideas internally and build them ourselves with the drill bit.”

Reserves

December 31, 2004 Volume Summary



| Category | Sales Gas (BCF) | NGL's & Oil (Mstb) | BOE's (Mstb) |
|----------------------|--------------------|-----------------------|-----------------|
| Proven Producing | 335 | 15,166 | 70,996 |
| Proven Non-Producing | 27 | 1,152 | 5,654 |
| Proven Undeveloped | 75 | 2,865 | 15,380 |
| Total Proven | 437 | 19,183 | 92,030 |
| Probable Additional | 181 | 7,326 | 37,477 |
| Proved + Probable | 618 | 26,509 | 129,507 |

Paddock Lindstrom & Associates February 2005 Reserve Report (effective: December 31, 2004)

Reserves

December 31, 2004 NPV Summary



Variable Price Economics

| Category | NPV (millions of CDN dollars) | | | |
|---------------------|-------------------------------|-------|-------|-------|
| | 0% | 5% | 8% | 10% |
| Proven Developed | 2,278 | 1,346 | 1,091 | 974 |
| Proven Undeveloped | 364 | 187 | 137 | 113 |
| Total Proven | 2,642 | 1,533 | 1,228 | 1,087 |
| Probable Additional | 1,035 | 449 | 315 | 259 |
| Proven + Probable | 3,677 | 1,983 | 1,543 | 1,346 |

Paddock Lindstrom & Associates February 2005 Reserve Report (effective: December 31, 2004)

Reserves

Performance Ratios



| Performance Ratios | Proved Developed | Total Proved | Proved + Probable |
|---|---------------------|-----------------|----------------------|
| Reserve life index (years) | | | |
| 2004 average production – 18,689 boe/d | 11.2 | 13.5 | 19.0 |
| Q4 2004 average production – 20,668 boe/d | 10.2 | 12.2 | 17.2 |
| Finding, development and acquisition costs before future development capital (\$/boe) | | | |
| 2004 | \$ 9.53 | \$ 7.95 | \$ 7.38 |
| Finding, development and acquisition costs including future development capital (\$/boe) | | | |
| 2004 | \$ 9.77 | \$ 9.46 | \$ 9.55 |
| Reserve replacement ratio | | | |
| 2004 | 3.6 | 4.3 | 4.6 |
| Recycle ratio before future development capital | | | |
| 2004 | 3.3 | 4.0 | 4.3 |
| Recycle ratio including future development capital | | | |
| 2004 | 3.3 | 3.4 | 3.3 |

Paddock Lindstrom & Associates February 2005 Reserve Report (effective: December 31, 2004)

Reserves

National Instrument 51-101 Cautionary Statements



The Canadian Securities Administrators have implemented new standards of disclosure for reporting issuers engaged in upstream oil and gas activities effective December 31, 2003. The new disclosure standards referred to as National Instrument ("NI") 51-101 establish a regime of continuous disclosure for oil and gas companies and include specific reporting requirements.

Peyto's year-end reserve report summarized herein is compliant with NI 51-101. Under NI 51-101's revised reserve definitions and evaluation standards, proved plus probable reserves represent a "best estimate" and hence are compared to prior years' "established" reserves which were comprised of proved plus 50 percent of probable reserves.

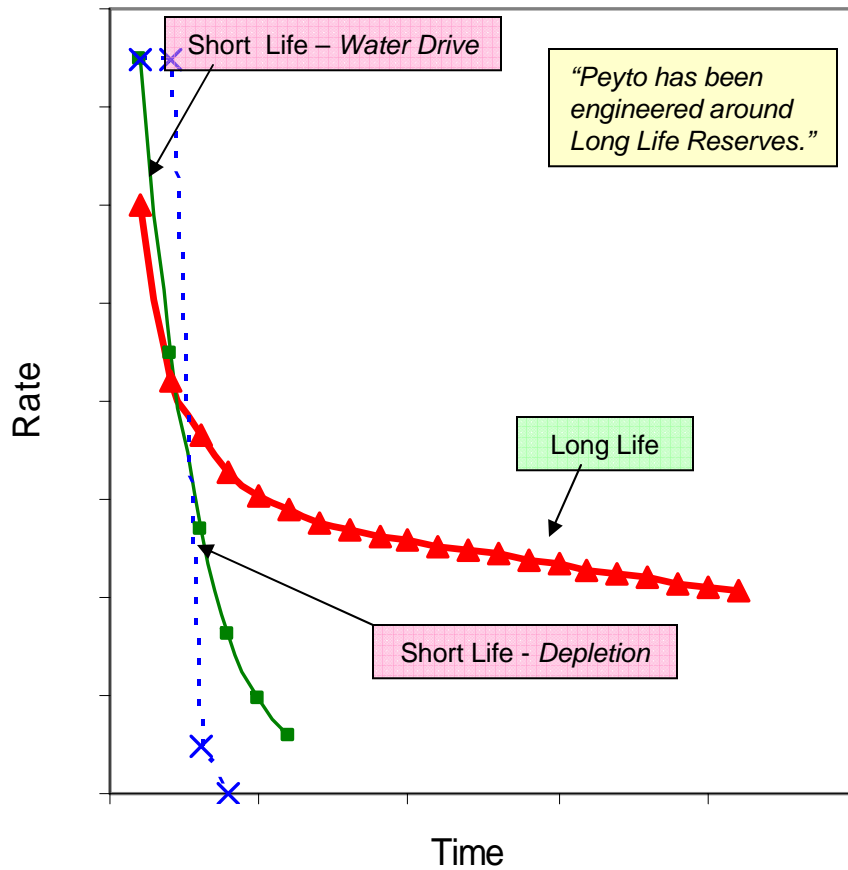
The term "boes" may be misleading particularly if used in isolation, a boe conversion ratio of 6 mcf : 1 barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

It should not be assumed that the discounted net present values represent the fair market value of the reserves. The estimate of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Reserves

Long Life vs. Short Life



Long Life Production

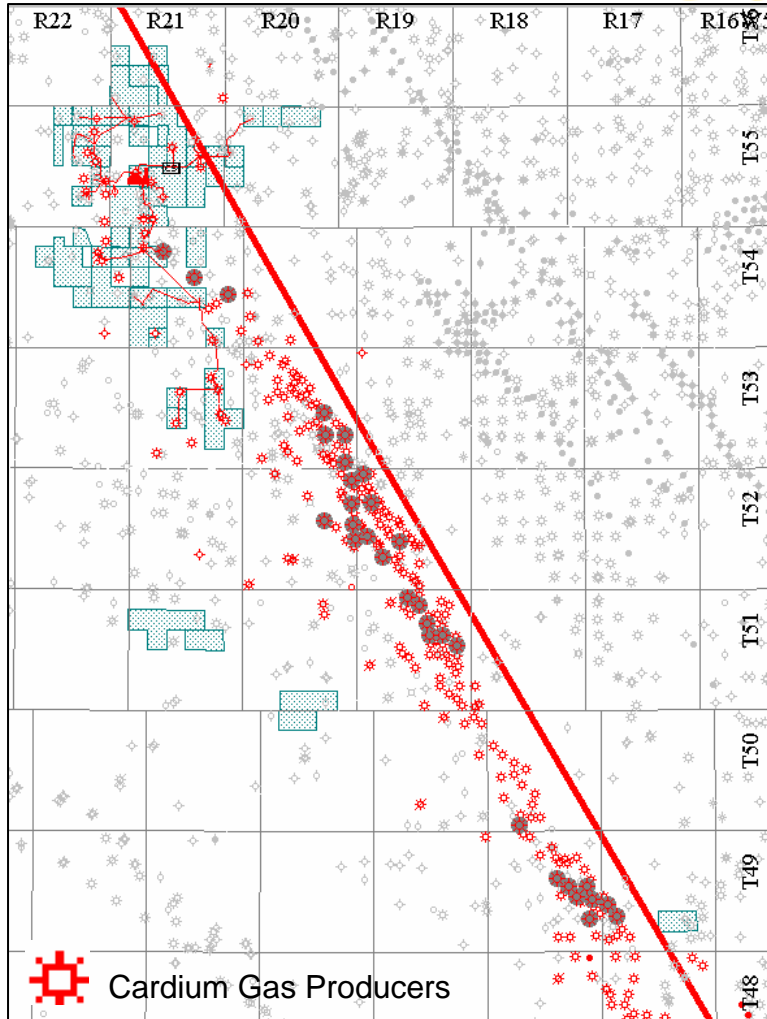
- Typically deeper reservoirs, with large definable areas and no associated water.
- Production profile is predictable and flattens over time.
- Long Life reserves tend to be under estimated early in the production life.

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.

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

- 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."

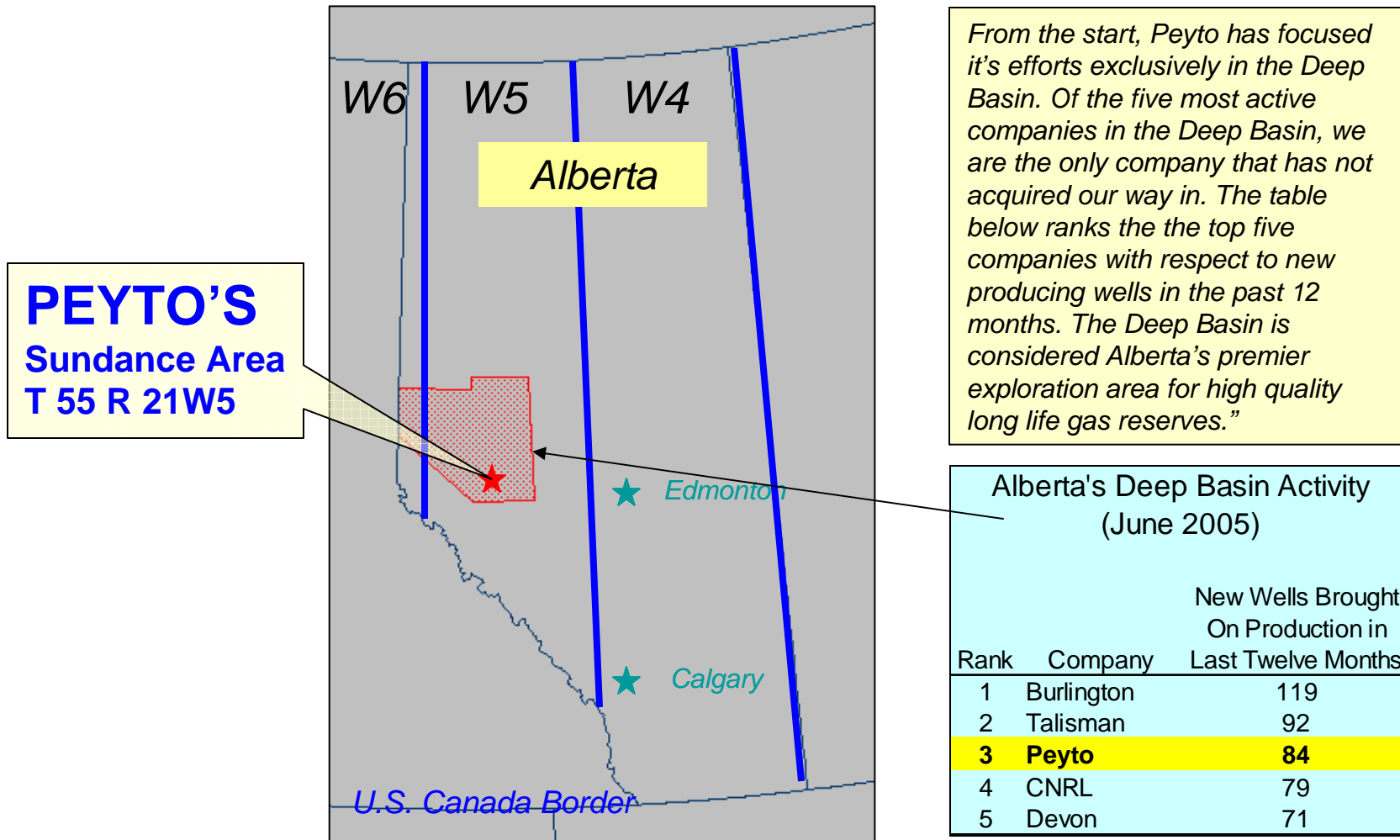
“Old” Analog Cardium Producers on Production before 1991



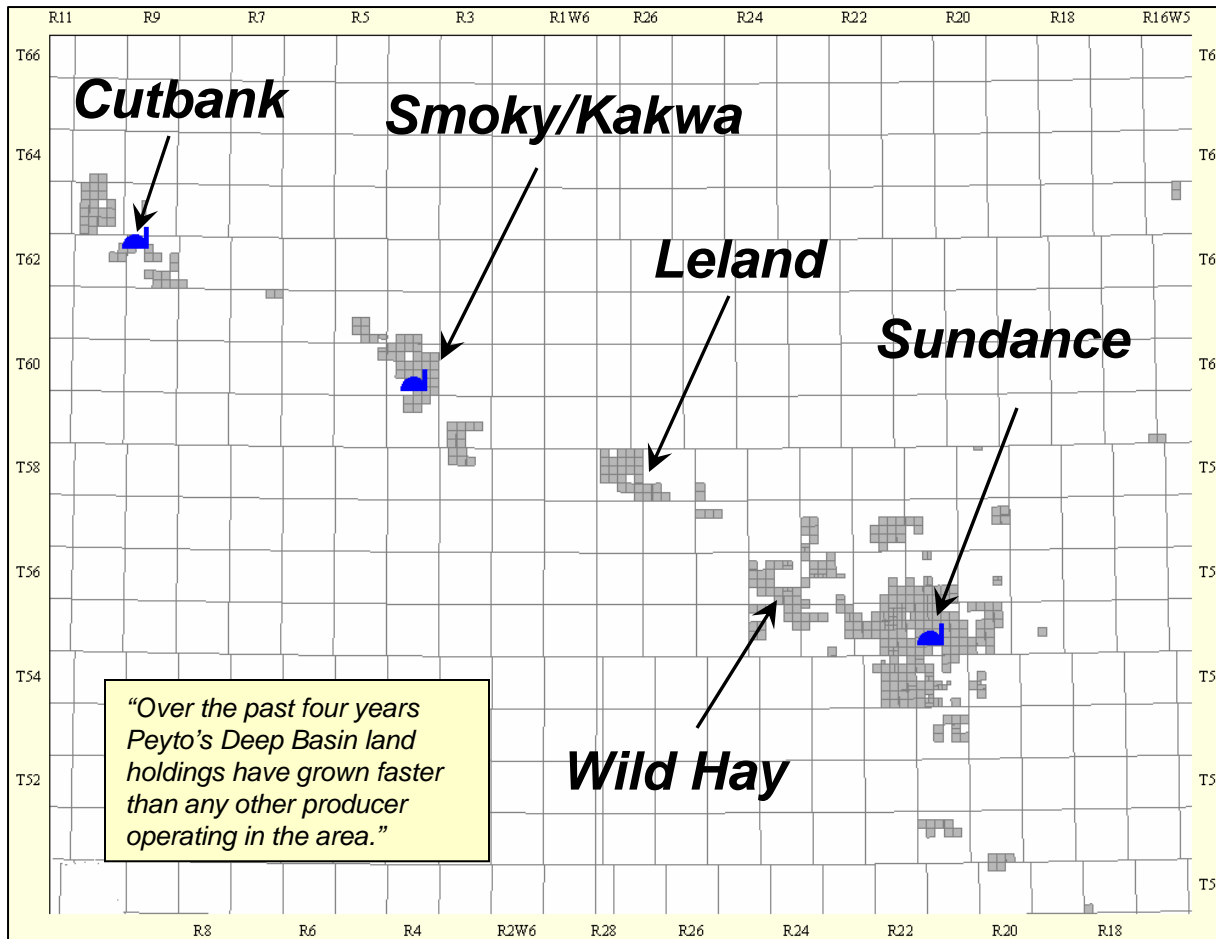
| Well ID | Prd Form | On Prod Date | Last Prod Date | Gas Produced To Date (mmcf) | First Year Avg Gas Rate (mcf/d) | Reserve Life Index based on first Year Rate and Cum Gas Produced TD (yrs) | 2005 Current Rate (mcf/d) | Time On Production (yrs) | Exponential Decline Rate (%/year) | Remaining Rec. Raw Gas (mmcf) | Ultimate Rec. Raw Gas (mmcf) | Ultimate Reserve Life Index (yrs) | RLI Based on Current Rate and Remaining 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

General Area of Operations Map



Central Deep Basin Land Map



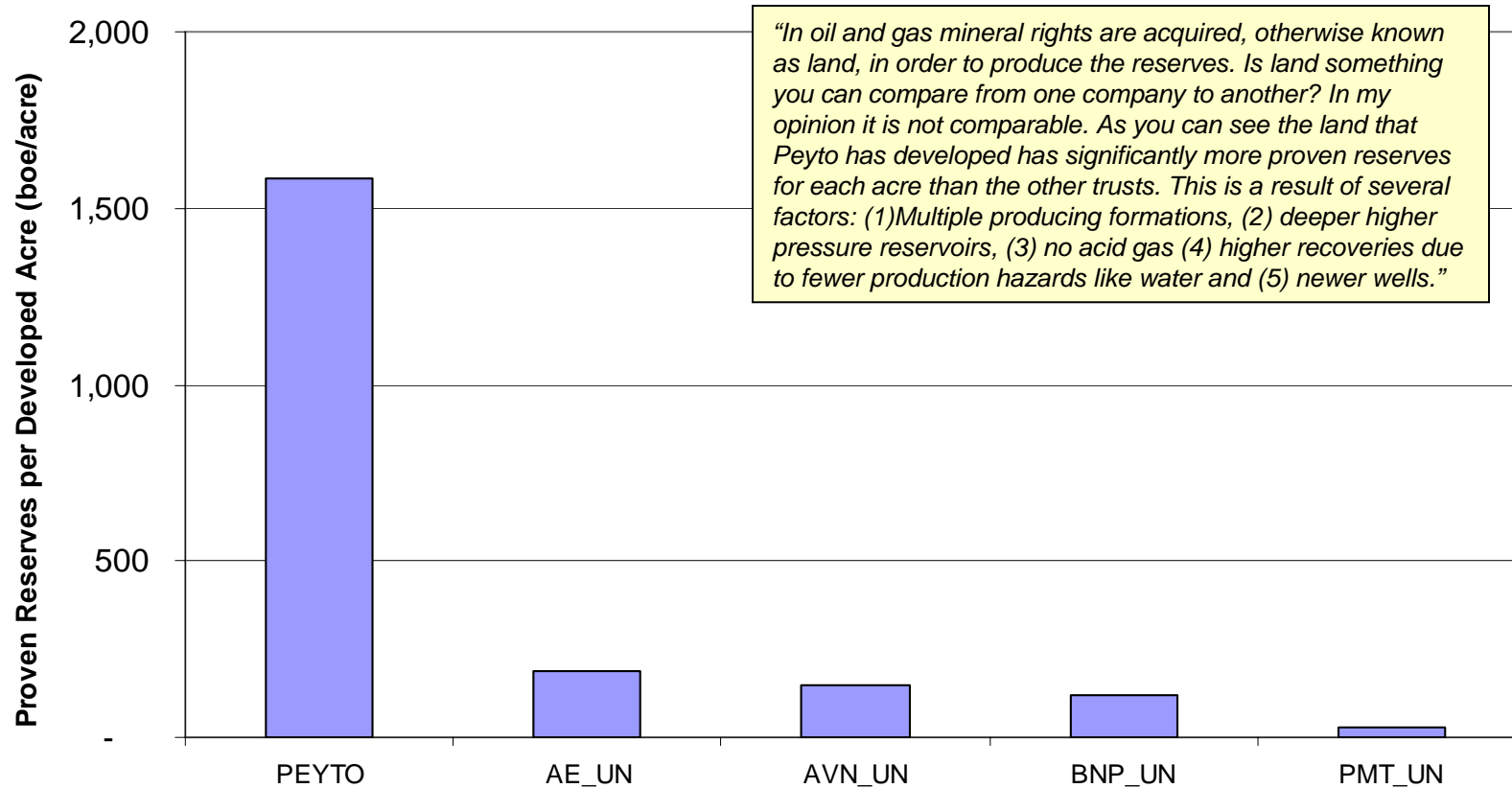
- Over 184,000 net acres (289 net sections)
- 98% of Developed Land is Operated

Industry Comparison

Is every acre of land the same?



2004 Year End Proven Reserves per Developed Acre



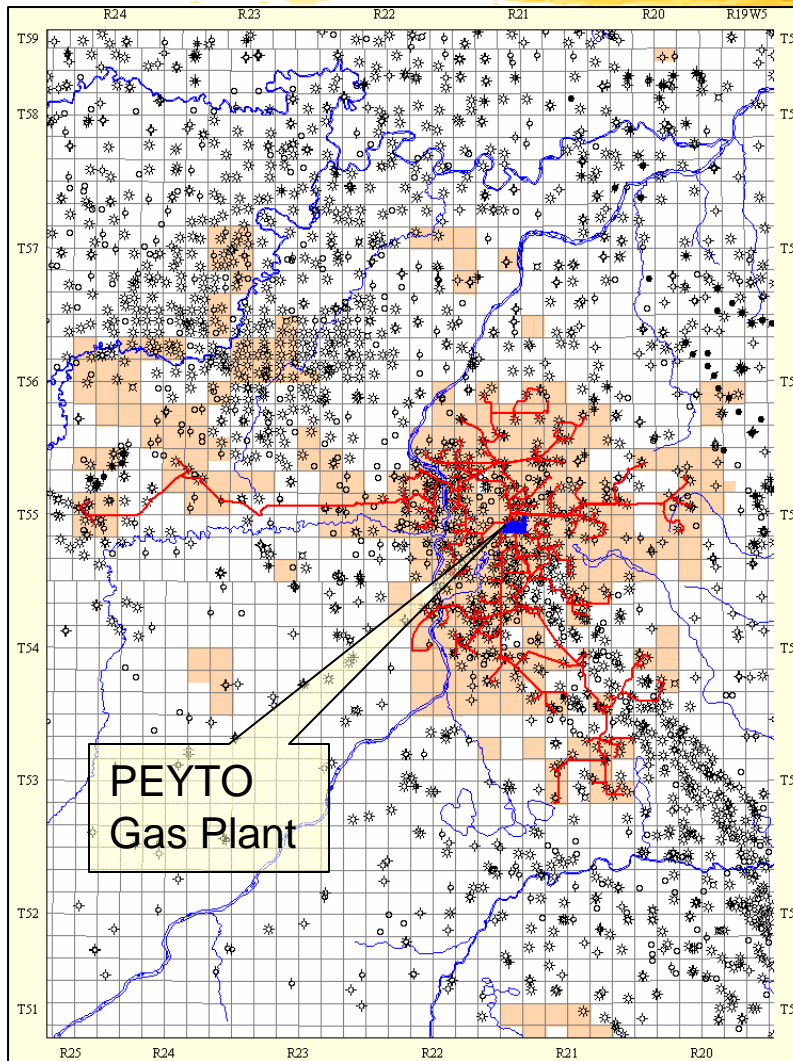
“In oil and gas mineral rights are acquired, otherwise known as land, in order to produce the reserves. Is land something you can compare from one company to another? In my opinion it is not comparable. As you can see the land that Peyto has developed has significantly more proven reserves for each acre than the other trusts. This is a result of several factors: (1) Multiple producing formations, (2) deeper higher pressure reservoirs, (3) no acid gas (4) higher recoveries due to fewer production hazards like water and (5) newer wells.”

This comparison was done with the trust's that reported the number of developed acres in their 2005 Annual Information Form.

BOE factor - 6 mcf = 1 bbl of oil equivalent

Gas Plant & Gathering System

Sundance



Sundance Gas Plant

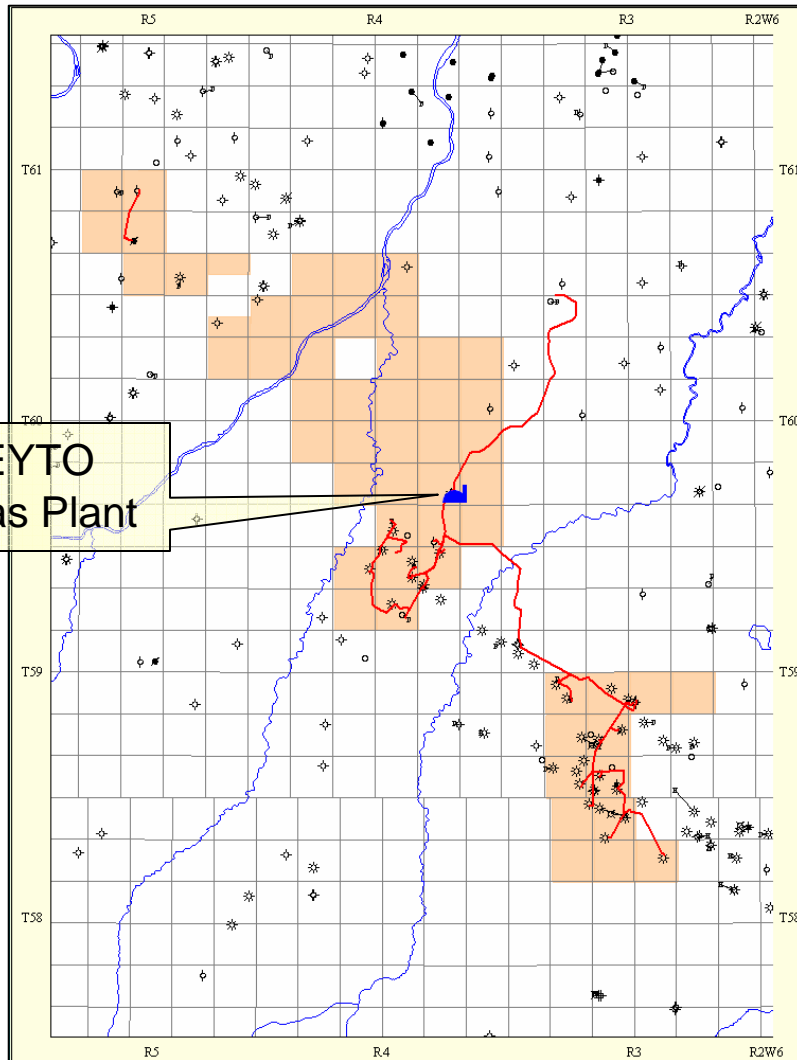
- 110 mmcf/d Compression, 110 mmcf/d Refrigeration
- Constructed & Installed April 2000
 - *expanded four times over two years*
- 100% PEYTO Owned & Operated
- Direct, Firm Access to TCPL
- Joint Venture & Third Party Processing Revenue

PEYTO Gas Gathering System

- Over 160 kilometers of Gathering System

Gas Plant & Gathering System

Smoky/Kakwa



Smoky/Kakwa Gas Plant

- 35 mmcf/d Compression, 40 mmcf/d Refrigeration
- Constructed & Installed February 2004
- 100% PEYTO Owned & Operated
- Direct, Firm Access to TCPL
- Joint Venture & Third Party Processing Revenue

2004 Drilling Activity & Capital Expenditures



- Drilling Activity
 - Gross wells, 110
 - Net wells, 82
 - 99% conversion (spud to tied in)

- Capital Expenditures (2004)
 - Total \$231MM
 - Drill & Complete \$168MM
 - Tie ins & Facilities \$50MM

Outlook

2005



- Capital Expenditures (\$320 - \$360 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

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

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- Corporate Insurance
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- Distribution History
- Major Share Placements
- Reasons for Trust Reorganization
- Financing (2004 - 1997)
- Employees
- Directors

Product Marketing

Philosophy



Peyto's marketing strategy is designed to smooth out short term fluctuations in the price of both natural gas and natural gas liquids through future sales. It is meant to be methodical and consistent and to avoid speculation. This forward price averaging gives stability to both our monthly distributions and capital expenditure program.

The forward price averaging is meant to be on roughly 70% of current production net of royalties or a little more than 50% of the absolute current production. The forward average price is typically made up of fifteen to twenty transactions entered into over a 12 month period. Peyto sells its contracts in either the 7 month summer or the 5 month winter season.

Product Marketing

Gas



| Year | Season | Month | Energy (GJ/d) | Volume (E3m3/d) | Volume (MMscfd) | Price (\$/GJ) | Price (\$/mcf) | Look Forward | |
|------|--------|-------|---------------|-----------------|-----------------|----------------|----------------|-------------------------|------------------------|
| | | | | | | | | Average Volume (MMscfd) | Average Price (\$/mcf) |
| 2005 | Summer | Apr | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 50 | \$ 9.29 |
| | | May | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 49 | \$ 9.36 |
| | | Jun | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 49 | \$ 9.44 |
| | | Jul | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 48 | \$ 9.53 |
| | | Aug | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 47 | \$ 9.63 |
| | | Sep | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 47 | \$ 9.74 |
| | Winter | Oct | 70,000 | 1,686 | 60 | \$ 6.79 | \$ 7.94 | 46 | \$ 9.87 |
| | | Nov | 75,000 | 1,806 | 64 | \$ 8.21 | \$ 9.61 | 45 | \$ 10.02 |
| | | Dec | 75,000 | 1,806 | 64 | \$ 8.21 | \$ 9.61 | 44 | \$ 10.06 |
| | | Jan | 75,000 | 1,806 | 64 | \$ 8.21 | \$ 9.61 | 43 | \$ 10.11 |
| | | Feb | 75,000 | 1,806 | 64 | \$ 8.21 | \$ 9.61 | 41 | \$ 10.16 |
| | | Mar | 75,000 | 1,806 | 64 | \$ 8.21 | \$ 9.61 | 39 | \$ 10.23 |
| 2006 | Summer | Apr | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 37 | \$ 10.32 |
| | | May | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 37 | \$ 10.40 |
| | | Jun | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 36 | \$ 10.49 |
| | | Jul | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 36 | \$ 10.60 |
| | | Aug | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 35 | \$ 10.75 |
| | | Sep | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 34 | \$ 10.95 |
| | Winter | Oct | 50,000 | 1,204 | 43 | \$ 8.23 | \$ 9.63 | 32 | \$ 11.25 |
| | | Nov | 35,000 | 843 | 30 | \$ 10.01 | \$ 11.71 | 30 | \$ 11.71 |
| | | Dec | 35,000 | 843 | 30 | \$ 10.01 | \$ 11.71 | 30 | \$ 11.71 |
| | | Jan | 35,000 | 843 | 30 | \$ 10.01 | \$ 11.71 | 30 | \$ 11.71 |
| 2007 | Winter | Feb | 35,000 | 843 | 30 | \$ 10.01 | \$ 11.71 | 30 | \$ 11.71 |
| | | Mar | 35,000 | 843 | 30 | \$ 10.01 | \$ 11.71 | 30 | \$ 11.71 |
| | | | | | | | | | |
| | | | 57,917 | 1,395 | 50 | \$ 7.94 | \$ 9.29 | | |

Looking forward, from December 2005, we have hedged roughly 50% of our current production after royalties at an average price of \$10.11/mcf

•PEYTO Average Heating Value of 1.17 GJ/mcf

Product Marketing

Liquids



| Oil Hedges | | | | |
|--------------|-------|----------------|---------------|-------------------------|
| Year | Month | Volume (bbl/d) | Volume (m3/d) | Hedge Price (\$CDN/bbl) |
| 2005 | A | 1,400 | 223 | 53.28 |
| | M | 1,400 | 223 | 53.28 |
| | J | 1,400 | 223 | 53.28 |
| | J | 1,300 | 207 | 56.50 |
| | A | 1,300 | 207 | 56.50 |
| | S | 1,300 | 207 | 56.50 |
| | O | 1,350 | 215 | 55.46 |
| | N | 1,350 | 215 | 55.46 |
| | D | 1,350 | 215 | 55.46 |
| 2006 | J | 1,300 | 207 | 58.56 |
| | F | 1,300 | 207 | 58.56 |
| | M | 1,300 | 207 | 58.56 |
| | A | 1,100 | 175 | 71.46 |
| | M | 1,100 | 175 | 71.46 |
| | J | 1,100 | 175 | 71.46 |
| | J | 900 | 143 | 74.52 |
| | A | 900 | 143 | 74.52 |
| | S | 900 | 143 | 74.52 |
| | O | 600 | 95 | 73.17 |
| | N | 600 | 95 | 73.17 |
| D | 600 | 95 | 73.17 | |
| Total | | 1,136 | 181 | 61.46 |

Corporate Insurance

- General Liability (including pollution) \$10 Million
- Property (gas plants, wellsites, office) \$40 Million
- Operator's Extra Expense (well control) \$10 Million
- Directors and Officers \$10 Million

Note: Peyto does not carry any Business Interruption insurance to cover the loss of production and funds from operations that might arise in the event of a facility accident.

Compensation

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

“The principle behind our bonus is to reward performance which benefits the unitholder. We are confident that our bonus is fully aligned to the unitholders. In very simple terms, for every dollar of gain our plan is designed to bonus out ten cents or 10%. The bonus is also meant to be transparent.”

Bonus Criteria

Reserve Based Component



● Rules

- At the time of payout, a share of the bonus 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 the same constant price forecast for the opening and closing valuation and an 8% discount factor. THE EVALUATION IS MEANT TO BE INDEPENDENT OF COMMODITY PRICES.
- 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 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 Criteria

Market Based Component



● Rules

- At time of grant, a share of the bonus is allocated to employees and key consultants.
- Rights vest equally over a three year period.
- The size 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.

● 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 Criteria

Market Based Component (1)



| Vesting Date | Average Grant Price | Number of Rights |
|---|---------------------|------------------|
| 31-Dec-05 | \$ 12.36 | 2,153,667 |
| 31-Dec-06 | \$ 17.16 | 1,345,267 |
| 31-Dec-07 | \$ 24.27 | 1,216,266 |
| Total Unvested Rights O/S | \$ 16.36 | 4,715,200 |
| Total Units O/S | | 101,993,139 |
| Total Rights as a Percentage of Units O/S | | 4.6% |

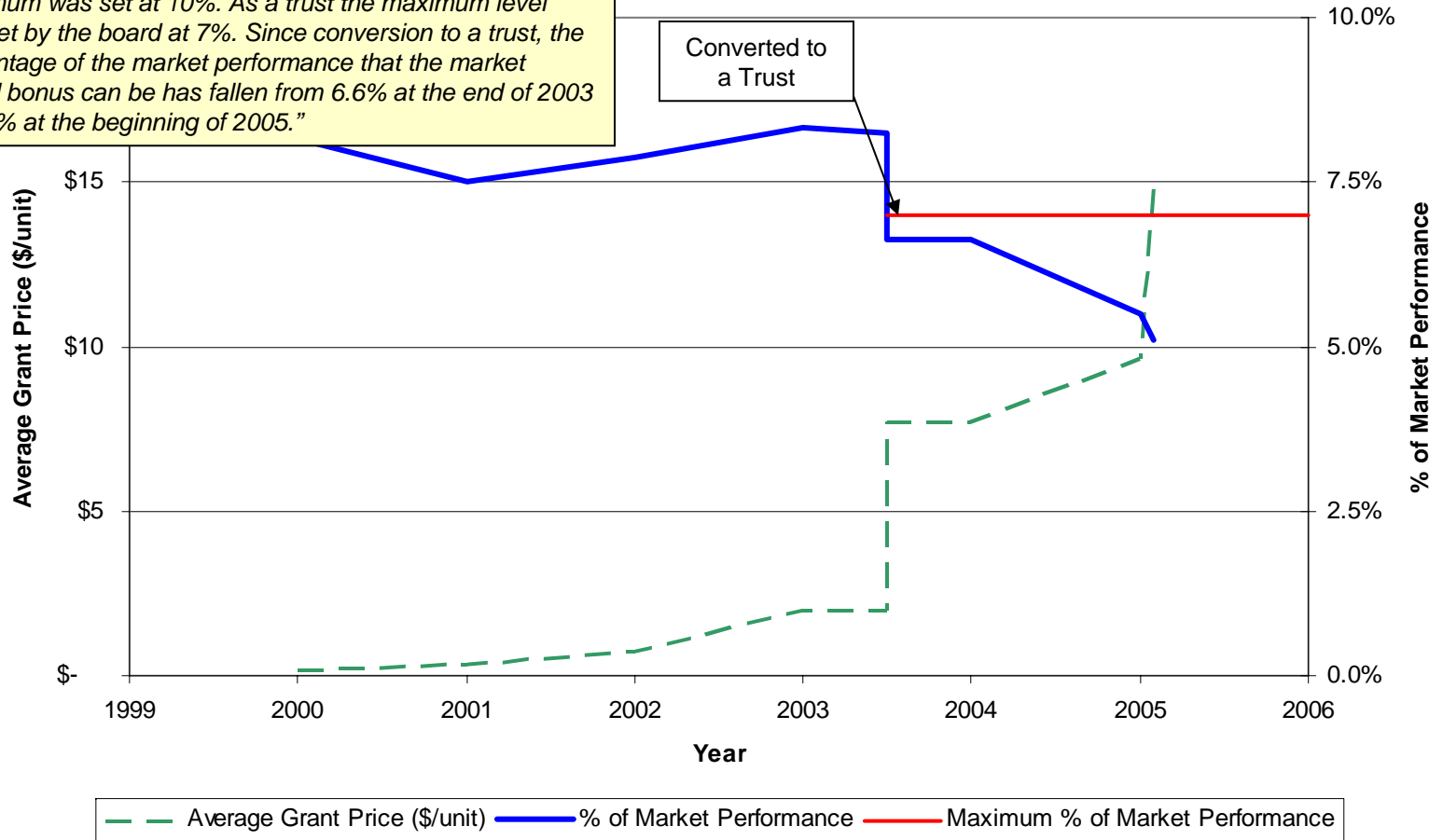
Historical Per Unit and Units Outstanding numbers have been adjusted to reflect the May 27, 2005 2:1 stock split

Bonus Criteria

Market Based Component (2)



“Before we converted to a trust the market based bonus maximum was set at 10%. As a trust the maximum level was set by the board at 7%. Since conversion to a trust, the percentage of the market performance that the market based bonus can be has fallen from 6.6% at the end of 2003 to 5.1% at the beginning of 2005.”



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

Distribution History

| Distribution Month | Distribution per Unit | Number of Units O/S | Total Distribution |
|---------------------------|-----------------------|---------------------|--------------------|
| Jul-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Aug-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Sep-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Oct-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Nov-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Dec-03 | \$ 0.075 | 90,790,244 | \$ 6,809,268 |
| Jan-04 | \$ 0.075 | 91,450,488 | \$ 6,858,787 |
| Feb-04 | \$ 0.075 | 91,450,488 | \$ 6,858,787 |
| Mar-04 | \$ 0.075 | 91,450,488 | \$ 6,858,787 |
| Apr-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| May-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| Jun-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| Jul-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| Aug-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| Sep-04 | \$ 0.085 | 91,450,488 | \$ 7,773,291 |
| Oct-04 | \$ 0.095 | 91,450,488 | \$ 8,687,796 |
| Nov-04 | \$ 0.095 | 91,450,488 | \$ 8,687,796 |
| Dec-04 | \$ 0.095 | 95,450,488 | \$ 9,067,796 |
| Jan-05 | \$ 0.095 | 96,615,544 | \$ 9,178,477 |
| Feb-05 | \$ 0.110 | 96,790,544 | \$ 10,646,960 |
| Mar-05 | \$ 0.110 | 96,790,544 | \$ 10,646,960 |
| Apr-05 | \$ 0.110 | 96,790,544 | \$ 10,646,960 |
| May-05 | \$ 0.120 | 96,847,834 | \$ 11,621,740 |
| Jun-05 | \$ 0.120 | 96,888,404 | \$ 11,626,608 |
| Jul-05 | \$ 0.120 | 96,923,916 | \$ 11,630,870 |
| Accumulated Distributions | | | \$ 210,513,682 |

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

Major Share Placements

| Description | Year | Shares (000's) | Issue Price (\$/share) |
|---|------|-------------------|------------------------------|
| Initial Capitalization, Founders and Public | 1998 | 26,200 | \$ 0.08 |
| Rights Offering | 1999 | 13,100 | \$ 0.16 |
| Private Placement to Outside Party | 1999 | 8,720 | \$ 0.28 |
| Private Placement to Outside Party | 1999 | 1,000 | \$ 0.43 |
| Private Placement to Outside Party | 2000 | 13,200 | \$ 0.30 |
| Private Placement to Outside Party | 2000 | 3,300 | \$ 0.65 |
| Private Placement to Outside Party | 2000 | 9,000 | \$0.30 |
| Private Placement to Outside Party | 2000 | 4,000 | \$1.10 |
| Private Placement, Employees only | 2000 | 200 | \$1.15 |
| Private Placement, Employees only | 2001 | 366 | \$2.25 |
| Private Placement, Employees only | 2002 | 188 | \$5.85 |
| Stock Option Buyout, Employees & Directors only | 2003 | 3,879 | \$7.69 |
| Private Placement, Employees only | 2003 | 660 | \$13.65 |
| Public Offering, (Bought Deal) | 2004 | 4,000 | \$21.33 |
| Private Placement, Employees only | 2004 | 1,165 | \$23.25 |
| Private Placement, Employees only | 2004 | 1,165 | \$23.25 |
| Public Offering, (Bought Deal) | 2005 | 5,000 | \$30.51 |
| | | 95,144 | |

Reasons for the 2003 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 (2005)

- **2005**
- \$4,500,125 Private Placement Share Issue (87,500 shares \$51.43/share)
 - Private placement of Trust Units to employees and consultants. Shares were priced based on the ten day weighted average prior to the reserve report. The total proceeds from the private placement represents approximately 99% of the after tax cash pay out from the market based bonus to employees and consultants. Participation in the private placement was voluntary and was not connected with the market based bonus.
- \$350,000,000 Revolving Line of Credit from Bank
 - 2004 year end review, increased to \$350,000,000 Revolving Line of Credit with the Bank of Montreal, CIBC, Paris BNP, Royal Bank of Canada, and the Union Bank of California
- \$152,750,000 Equity Issue (5,000,000 shares \$30.55/share)
 - September 8, 2005 issued 5,000,000 common shares at \$30.55 for gross proceeds of \$152,750,000. These funds will initially be used to pay down bank debt. Ultimately, the funds will allow us to expand our capital expenditures for the remainder of 2005 and 2006. This capital expansion was driven by our growing inventory of internally generated drilling projects.

Financing (2004)

- **2004**
- \$230,000,000 Revolving Line of Credit from Bank
 - 2003 year end review, increased to \$230,000,000 Revolving Line of Credit with the Bank of Montreal, CIBC, National Bank of Canada and the Union Bank of California
- \$300,000,000 Revolving Line of Credit from Bank
 - 2004 mid year review, increased to \$300,000,000 Revolving Line of Credit with the Bank of Montreal, CIBC, National Bank of Canada, Royal Bank of Canada, and the Union Bank of California
- \$85,300,000 Equity Issue (2,000,000 shares \$42.65/share)
 - December 7, 2004 issued 2,000,000 common shares at \$42.65 for gross proceeds of \$85,300,000. These funds will initially be used to pay down bank debt. Ultimately, the funds will allow us to expand our capital expenditures for 2005 to \$300,000,000. This capital expansion was driven by our growing inventory of internally generated drilling projects.
- \$27,086,250 Private Placement Share Issue (582,500 shares \$46.50/share)
 - Private placement of Trust Units to employees and consultants. Shares were priced based on the last ten day weighted average price for 2004. The total proceeds from the private placement represents approximately 97% of the after tax cash pay out from the market based bonus to employees and consultants. Participation in the private placement was voluntary and was not connected with the market based bonus.

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)

- **2001**
- \$50,000,000 Revolving Line of Credit from Bank
 - 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.
- \$60,000,000 Revolving Line of Credit from Bank
 - Increased from \$50,000,000 Revolving Line of Credit with Royal Bank of Canada.
- \$823,500 Flow Through Share Issue (183,000 shares \$4.50/share)
 - 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**
- \$100,000,000 Revolving Line of Credit from Bank
 - 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.
- \$1,098,630 Flow Through Share Issue (93,900 shares \$11.70/share)
 - 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 Starts at \$0.08/share

- \$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

Officers



Don T. Gray, *President & CEO, Director*

Founder of PEYTO, Professional Engineer up to December 31, 2002, 17 years of oil & gas reservoir, evaluation & exploitation engineering experience, B.Sc. Petroleum Engineering, Texas A&M University

Darren Gee, *Vice President, Exploitation (P.Eng.)*

Professional Engineer, 16 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, 21 years experience in Canada and U.S. in areas of production and reservoir engineering, B.S. (Honors) Chemistry, University of Denver, M.S. Chemical Engineering, Colorado School of Mines

Sandra Brick, *Vice President, Finance*

24 years of oil & gas accounting experience, former Controller of intermediate oil & gas company.

Kenneth E. Veres, *Vice President, Exploration*

Professional Geologist, 24 years of successful oil & gas exploration experience, B.Sc., University of Alberta

Glen Booth, *Vice President, Land (P.Land)*

Professional Landman, 30 years of oil & gas experience, formerly VP of Land at a public oil & gas company, B.B.A., Oklahoma University

Directors



Don T. Gray, Co-founder, CEO & President, since 1998

Rick Braund, Co-founder, Landman, since 1998

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

John L. Boyd, Private Investor, since 2002

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

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

Roberto Bosdachin, Private Investor, Former VP of Exploration of Peyto from 2000 to 2005, since 2005

"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. Our Chairman of the board is an independent director."