



January 31, 2012

Dear Valued Supplier:

Re: Electronic Invoicing Initiative

**Peyto Exploration & Development** would like to provide advance notice and invite you to participate in our strategic electronic invoicing initiative. We are moving away from accepting paper-based billing on **March 1, 2012** and are fully committed to electronic invoicing. This change will allow our valued supplier network to easily track invoice status and payments online via OpenInvoice, provided by Automatic Data Processing (ADP).

To be in line with our business strategy, **we are expecting all invoices to be submitted in electronic format**. To this end, **Peyto Exploration & Development** is currently implementing ADP's OpenInvoice and covering all of the costs associated with a typical configuration, training and support for your e-invoicing supplier account. If your company is not already transacting in OpenInvoice, in the coming months' you will receive an email from ADP, which includes a link to register online. To confirm your participation, please email your legal company name, address, contact name, primary email address, and phone number to [payables@peyto.com](mailto:payables@peyto.com) referencing "**Open Invoice**" in the subject line.

Should you have any questions please feel free to contact Jayn Yee (Peyto) at 403-313-5576 or Kevin Klimuk (Peyto) at 403-261-6902 or Michelle Hinrichs (ADP) at 403-303-8441. Additional information that details e-invoicing benefits is included below for your reference, and you can expect a project update as Peyto Exploration & Development approaches a go-live date.

We look forward to working with you on this win-win electronic invoicing initiative.

Thank you,

Peyto Exploration & Development  
ADP Invoice Implementation team  
Enclosure: (1)



## Supplier (Your) Benefits of OpenInvoice™

A primary business driver for using OpenInvoice™ is the ability to process invoices quicker and more efficiently which results in a timelier approval of supplier invoices.

Some of the benefits to suppliers using OpenInvoice™ include:

- **No lost invoices**
- We will be providing priority approvals for e-invoices over paper invoices
- Expedited invoice processing and timely payment
- Ability to track the status of each e-invoice on-line
- Ability to track payment for each e-invoice on-line
- On-line adjudication process for quick dispute resolution
- Complete history and audit trail of all invoice related changes and payment history
- Accessibility to free support for e-invoice questions and issues
- A wide range of submission methods

### What is the cost?

None, Peyto is responsible for all the costs with the exception of specific circumstances where the integration of the supplier to open invoice is more advanced.

All that is needed to use OpenInvoice™ is a computer with internet access and Internet Explorer versions 7.0 or later - and possibly a scanner or the ability to upload a PDF. There are no charges to the supplier for invoice submissions, the usual set-up, training, and support functions provided by ADP.

### About ADP P2P Solutions

ADP's OpenInvoice allows buyers and suppliers to automate business processes, and enhance the effectiveness and efficiency of invoicing transactions through the Internet. The OpenInvoice network includes more than 50,000 vendors who transact more than \$50 Billion in electronic documents annually.

### How it works

ADP provides a hosted website where a supplier may post B2B transactions, or create invoices through a web browser. Backup/supporting documentation such as tickets, time sheets, or reports are attached by scanning or by directly attaching a word, excel or other electronic document. Peyto electronically approves or disputes invoices online. Approved invoices integrate directly into our financial system for payment. Disputed invoices are resolved in real time between the supplier and Peyto. Everyone has view access to the invoice at any time after it is submitted.

### Setup

Setup in the OpenInvoice™ application requires that we take a small amount of general company information such as company name, address, contact name, taxation numbers and the product/services that the company provides. ADP will setup your account (or you can self register in about 15 minutes), you will be provided a secure username and password to access the application. If required, ADP will schedule a training session with you. Training typically takes place over the phone and takes approximately 45 minutes.