Peyto Exploration & Development Corp.

Condensed Balance Sheet *(unaudited)*

(Amount in $ thousands)

	March 31 2019	December 31 2018
Assets		
Current assets		
Accounts receivable (*Note 9)*	68,108	60,130
Derivative financial instruments *(Note 11)*	18,035	65,769
Prepaid expenses	8,932	9,332
	95,075	135,231
Long-term derivative financial instruments *(Note 11)*	5,220	12,993
Property, plant and equipment, net *(Note 4)*	3,553,744	3,540,628
	3,558,964	3,553,621
	3,654,039	3,688,852
Liabilities		
Current liabilities		
Bank overdraft	246	19,281
Accounts payable and accrued liabilities	72,307	114,711
Dividends payable *(Note 8)*	3,297	9,892
Provision for future performance-based compensation *(Note 10)*	215	-
Current portion of lease obligation *(Note 7)*	1,040	-
Current portion of long-term debt *(Note 5)*	-	100,000
	77,105	243,884
Long-term debt *(Note 5)*	1,190,000	1,050,000
Provision for future performance-based compensation *(Note 10)*	400	-
Decommissioning provision *(Note 6)*	169,084	153,855
Lease obligation *(Note 7)*	8,474	-
Deferred income taxes	554,900	560,651
	1,922,858	1,764,506
Equity		
Share capital *(Note 8)*	1,649,537	1,649,537
Retained earnings (deficit)	(15,726)	(29,860)
Accumulated other comprehensive income *(Note 8)*	20,265	60,785
	1,654,076	1,680,462
	3,654,039	3,688,852

See accompanying notes to the financial statements.

Approved by the Board of Directors

(signed) *"Michael MacBean"*
Director

(signed) *"Darren Gee"*
Director

Peyto Exploration & Development Corp.

Condensed Income Statement *(unaudited)*

(Amount in $ thousands)

	Three months ended March 31	
	2019	**2018**
Revenues		
Natural gas and natural gas liquid sales (*Note 9)*	143,124	155,168
Royalties	(6,673)	(9,543)
Natural gas and natural gas liquid sales, net of royalties	**136,451**	145,625
Risk management contracts		
Realized gain on risk management contracts *(Note 11)*	8,536	45,229
	144,987	190,854
Expenses		
Operating	16,625	16,454
Transportation	8,961	7,686
General and administrative	2,795	4,268
Market and reserves-based bonus *(Note 10)*	2,291	-
Future performance-based compensation *(Note 10)*	616	1,193
Interest	13,527	13,460
Accretion of decommissioning provision (*Note 6)*	734	804
Depletion and depreciation *(Note 4)*	65,232	81,579
	110,781	125,444
Earnings before taxes	**34,206**	65,410
Income tax		
Deferred income tax expense	9,236	17,661
Earnings for the period	**24,970**	47,749
Earnings per share *(Note 8)*		
Basic and diluted	**$0.15**	$0.29

Peyto Exploration & Development Corp.

Condensed Statement of Comprehensive Income *(unaudited)*

(Amount in $ thousands)

	Three months ended March 31	
	2019	**2018**
Earnings for the period	**24,970**	47,749
Other comprehensive income		
Change in unrealized (loss) gain on cash flow hedges	(46,970)	23,422
Deferred income tax recovery	14,986	5,888
Realized (gain) on cash flow hedges	(8,536)	(45,229)
Comprehensive (loss) income	**(15,550)**	31,830

Peyto Exploration & Development Corp.

Condensed Statement of Changes in Equity *(unaudited)*

(Amount in $ thousands)

	Three months ended March 31 2019	Three months ended March 31 2018
Share capital, beginning of period	**1,649,537**	1,649,537
Common shares issued by private placement	-	-
Common shares issuance costs (net of tax)	-	-
Share capital, end of period	**1,649,537**	1,649,537

	2019	2018
Retained earnings (deficit), beginning of period	(29,860)	(40,261)
Impact of change in accounting policy (*Note 3*)	(943)	-
Earnings for the period	24,970	47,749
Dividends *(Note 8)*	(9,893)	(29,677)
Retained earnings (deficit), end of period	**(15,726)**	(22,189)

	2019	2018
Accumulated other comprehensive income, beginning of period	**60,785**	113,702
Other comprehensive (loss)	(40,520)	(15,919)
Accumulated other comprehensive income, end of period	**20,265**	97,783

	2019	2018
Total equity	**1,654,076**	1,725,131

Peyto Exploration & Development Corp.

Condensed Statement of Cash Flows *(unaudited)*

(Amount in $ thousands)

	Three months ended March 31	
	2019	**2018**
Cash provided by (used in) operating activities		
Earnings	24,970	47,749
Items not requiring cash:		
Deferred income tax	9,236	17,661
Depletion and depreciation	65,232	81,579
Accretion of decommissioning provision	734	804
Long term portion of future performance-based compensation	400	115
Change in non-cash working capital related to operating activities	(9,061)	(3,913)
	91,511	143,995
Financing activities		
Bank overdraft	(19,034)	-
Cash dividends paid	(16,488)	(37,921)
Lease interest *(Note 7)*	83	-
Principal repayment of lease *(Note 7)*	(339)	-
Issuance of senior note	100,000	100,000
Repayment of senior note	(100,000)	-
Increase (decrease) in bank debt	40,000	(115,000)
	4,222	(52,921)
Investing activities		
Additions to property, plant and equipment	(62,395)	(35,454)
Change in prepaid capital	6,611	295
Change in non-cash working capital relating to investing activities	(39,949)	(61,567)
	(95,733)	(96,726)
Net (decrease) in cash	-	(5,652)
Cash, beginning of period	**-**	5,652
Cash, end of period	**-**	-

The following amounts are included in cash flows from operating activities:

Cash interest paid	**12,948**	11,044
Cash taxes paid	**-**	-

1. Nature of operations

Peyto Exploration & Development Corp. ("Peyto" or the "Company") is a Calgary based oil and natural gas company. Peyto conducts exploration, development and production activities in Canada. Peyto is incorporated and domiciled in the Province of Alberta, Canada. The address of its registered office is 300, 600 – 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0G5.

These condensed financial statements were approved and authorized for issuance by the Audit Committee of Peyto on May 6, 2019.

2. Basis of presentation

The condensed financial statements have been prepared by management and reported in Canadian dollars in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's financial statements as at and for the years ended December 31, 2018 and 2017.

Significant Accounting Policies

(a) Significant Accounting Judgments Estimates and Assumptions

The timely preparation of the condensed financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenue and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the condensed financial statements.

Except for the impact of adoption of new accounting standards as discussed in Note 3 below, all accounting policies and methods of computation followed in the preparation of these financial statements are the same as those disclosed in Note 2 of Peyto's financial statements as at and for the years ended December 31, 2018 and 2017.

3. Changes in Accounting Policies

IFRS 16 "Leases"

On January 1, 2019, Peyto adopted IFRS 16 "Leases" as issued by IASB. IFRS 16 introduces a single lease accounting model for lessees which requires a right-of-use asset ("ROU Asset") and lease obligation to be recognized on the balance sheet for contracts that are, or contain, a lease. The Company has applied the new standard using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. Therefore, the comparative information in the Company's balance sheet, income statement, statement of comprehensive income, statements of changes in equity and statement of cash flows have not been restated. The following table detailed the impact of the adoption of IFRS 16 on the Company's balance sheet, as at January 1, 2019:

	Impact on Balance Sheet Item	000's
ROU Asset	Increase	8,070
Current portion of lease obligation	Increase	(1,032)
Long -term portion of lease obligation	Increase	(8,738)
Other liabilities	Decrease	757
Retained earnings	Increase	943

The adoption of IFRS 16 included the following elections:

- Peyto elected to retain the classification of contracts previously identified as leases under IAS 17 and IFRIC 4;
- Peyto has elected to apply the practical expedient and not to apply the recognition requirements of IFRS 16, Leases, to short-term leases in arrangements where it is the lessee;
- Peyto has elected to account for lease payments as an expense and not recognize a ROU asset if the underlying asset is of a low dollar value;
- Initial measurements of the ROU assets have excluded initial direct costs where applicable;
- Peyto elected to use hindsight in determining lease term;
- At January 1, 2019, Peyto recognized its ROU asset for the lease of its head office space having measured it as if IFRS 16 had been applied since inception, using the incremental borrowing rate at January 1, 2019. This resulted in the recognition of a ROU asset that is not equal to its corresponding lease obligation on transition.

As a result of this adoption, Peyto has revised the description of its accounting policy for leases as follows:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. Interest expense is recognized on the lease obligations using the effective interest rate method and payments are applied against the lease obligation. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease obligation, Depreciation is recognized on the right-of-use asset over the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses. The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of assets, liabilities, income, and expenses. Actual results could differ significantly from these estimates. Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

• Incremental borrowing rate: The Incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease obligations, and the resulting interest and depletion and depreciation expense, may differ due to changes in the market conditions and lease term.

• Lease term: Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

Refer to Note 7 for additional disclosures required under IFRS 16.

4. Property, plant and equipment, net

Cost	
At December 31, 2018	**5,691,372**
Additions	62,395
ROU asset	8,070
Decommissioning provision additions	14,494
Prepaid capital	(6,611)
At March 31, 2019	**5,769,720**
Accumulated depletion and depreciation	
At December 31, 2018	**(2,150,744)**
Depletion and depreciation	**(65,232)**
At March 31, 2019	**(2,215,976)**
Carrying amount at December 31, 2018	3,540,628
Carrying amount at March 31, 2019	**3,553,744**

During the period ended March 31, 2019, Peyto capitalized $0.6 million (2017 - $0.6 million) of general and administrative expense directly attributable to production and development activities.

5. Current and Long-term debt

	March 31, 2019	December 31, 2018
Bank credit facility	570,000	530,000
Current senior unsecured notes	-	100,000
Long-term senior unsecured notes	620,000	520,000
Balance, end of the period	**1,190,000**	1,150,000

The Company has a syndicated $1.3 billion extendible unsecured revolving credit facility with a stated term date of October 13, 2022. The bank facility is made up of a $40 million working capital sub-tranche and a $1.26 billion production line. The facilities are available on a revolving basis. Borrowings under the facility bear interest at Canadian bank prime or US base rate, or, at Peyto's option, Canadian dollar bankers' acceptances or US dollar LIBOR loan rates, plus applicable margin and stamping fees. The total stamping fees range between 25 basis points and 215 basis points on Canadian bank prime and US base rate borrowings and between 125 basis points and 315 basis points on Canadian dollar bankers' acceptance and US dollar LIBOR borrowings. The undrawn portion of the facility is subject to a standby fee in the range of 25 to 63 basis points.

Peyto is subject to the following financial covenants as defined in the credit facility and note purchase agreements:

- Long-term debt plus bank overdraft and letters of credit not to exceed 3.25 times trailing twelve-month net income before non-cash items, interest and income taxes;
- Long-term debt and subordinated debt plus bank overdraft and letters of credit not to exceed 4.0 times trailing twelve-month net income before non-cash items, interest and income taxes;
- Trailing twelve months net income before non-cash items, interest and income taxes to exceed 3.0 times trailing twelve months interest expense;
- Long-term debt and subordinated debt plus bank overdraft and letters of credit not to exceed 55% of shareholders' equity and long-term debt and subordinated debt plus bank overdraft and letters of credit.

Outstanding senior notes are as follows:

Senior Unsecured Notes	Date Issued	Rate	Maturity Date
$50 million	September 6, 2012	4.88%	September 6, 2022
$120 million	December 4, 2013	4.50%	December 4, 2020
$50 million	July 3, 2014	3.79%	July 3, 2022
$100 million	May 1, 2015	4.26%	May 1, 2025
$100 million	October 24, 2016	3.70%	October 24, 2023
$100 million	January 2, 2018	3.95%	January 2, 2028
$100 million	January 3, 2019	4.39%	January 3, 2026

On January 2, 2018, the Company closed an issuance of CDN $100 million of senior unsecured notes. The notes were issued by way of a private placement, pursuant to a note purchase agreement and a note purchase and private shelf agreement and rank equally with Peyto's obligations under its bank facility and existing note purchase agreements. The notes have a coupon rate of 3.95% and mature on January 2, 2028. Interest will be paid semi-annually in arrears. Proceeds from the notes were used to repay a portion of Peyto's outstanding bank debt.

On January 3, 2019, the Company closed an issuance of CDN $100 million of senior unsecured notes. The notes were issued by way of a private placement, pursuant to a note purchase agreement and rank equally with Peyto's obligations under its bank facility and existing note purchase agreements. The notes have a coupon rate of 4.39% and mature on January 3, 2026. Interest will be paid semi-annually in arrears. Proceeds from the notes were used to repay the senior notes of Peyto which matured on January 3, 2019.

Peyto is in compliance with all financial covenants at March 31, 2019.

Total interest expense for the period ended March 31, 2019 was $13.5 million (2018 - $13.4 million) and the average borrowing rate for the period was 4.5% (2018 – 4.2%).

6. Decommissioning provision

The following table reconciles the change in decommissioning provision:

Balance, December 31, 2018	**153,855**
New or increased provisions	1,460
Accretion of decommissioning provision	734
Change in discount rate and estimates	13,035
Balance, March 31, 2019	**169,084**
Current	-
Non-current	169,084

Peyto has estimated the net present value of its total decommissioning provision to be $169.0 million as at March 31, 2019 ($153.9 million at December 31, 2018) based on a total future undiscounted liability of $304.43 million ($301.8 million at December 31, 2018). At March 31, 2019 management estimates that these payments are expected to be made over the next 50 years with the majority of payments being made in years 2023 to 2069. At March 31, 2019 the Bank of Canada’s long-term bond rate of 1.90 per cent (2.18 per cent at December 31, 2018) and an inflation rate of 2.0 per cent (2.0 per cent at December 31, 2018) were used to calculate the present value of the decommissioning provision.

7. Leases

The ROU asset and lease obligation recognized at January 1, 2019 relates to the Company's head office lease in Calgary.

Right of use Asset

Balance as at January 1, 2019	**8,070**
Depreciation	(252)
Balance at March 31, 2019	**7,818**

The ROU asset is included in Property plant & equipment refer to Note 4.

Lease Obligation

Operating lease commitment at December 31, 2018 as disclosed in the Company's financial statements (1)	11,204
Discounted using the incremental borrowing rate at January 1, 2019	(1,434)
Present value of lease payments at January 1, 2019	**9,770**

Current portion of lease obligation at January 1, 2019	**1,032**
Non -Current portion of lease obligation at January 1, 2019	**8,738**

(1) This amount represents the fixed portion of the office lease. The commitment for the variable lease payment at December 31, 2018 is $7.1 million. The incremental borrowing rate used to determine the lease obligation is 3.5%.

Lease obligation at January 1, 2019	**9,770**
Lease interest expense	83
Principal repayment of lease	(339)
Lease obligation at March 31, 2019	**9,514**

Current portion of lease obligation at March 31, 2019	**1,040**
Non -current portion of lease obligation at March 31, 2019	**8,474**

The variable lease payments not included in the measurement of the office lease obligation is $0.2 million for the three months ended March 31, 2019. The variable lease payments are recognized through general and administration expense.

During the period ended March 31, 2019, $4.2 million was capitalized in relation to short-term leases.

The following future commitments associated with its lease obligation:

	As at March 31, 2019
Less than 1 year	1,015
1-3 years	4,137
4-5 years	2,857
After 5 years (lease term date December 31, 2026)	2,857
Total lease payment	10,866
Amount representing interest	(1,352)
Present value of lease payments	9,514
Current portion of lease obligation	1,040
Non -current portion of lease obligation	8,474

8. Share capital

Authorized: Unlimited number of voting common shares

Issued and Outstanding

Common Shares (no par value)	Number of Common Shares	Amount $
Balance, December 31, 2018	**164,874,175**	**1,649,537**
Common shares issued by private placement	-	-
Common share issuance costs, (net of tax)	-	-
Balance, March 31, 2019	**164,874,175**	**1,649,537**

Earnings per common share has been determined based on the following:

	Three Months ended March 31,	
	2019	2018
Weighted average common shares basic and diluted	**164,874,175**	164,874,175

Dividends
During the period ended March 31, 2019, Peyto declared and paid dividends of $0.06 per common share or $0.02 per common share per month, totaling $9.9 million (2018 - $0.18 or $0.06 per common share per month, $29.7 million).

Comprehensive income
Comprehensive income consists of earnings and other comprehensive income ("OCI"). OCI comprises the change in the fair value of the effective portion of the derivatives used as hedging items in a cash flow hedge. "Accumulated other comprehensive income" is an equity category comprised of the cumulative amounts of OCI.

Accumulated hedging gains and losses
Gains and losses from cash flow hedges are accumulated until settled. These outstanding hedging contracts are recognized in earnings on settlement. Further information on these contracts is set out in Note 11.

9. Revenue and receivables

	Three Months ended March 31,	
	2019	2018
Natural Gas Sales	**94,604**	101,230
Natural Gas Liquid sales	**48,520**	53,938
Natural gas and natural gas liquid sales	**143,124**	155,168

	March 31, 2019	December 31, 2018
Accounts receivable from customers	**59,051**	52,759
Accounts receivable from realized risk management contracts	**458**	1,979
Accounts receivable from joint venture partners and other	**8,599**	5,392
Account Receivable	**68,108**	60,130

A substantial portion of the Company's accounts receivable is with petroleum and natural gas marketing entities. Industry standard dictates that commodity sales are settled on the 25th day of the month following the month of production.

10. Future performance-based compensation

Peyto awards performance-based compensation to employees annually. The performance-based compensation is comprised of reserve and market value-based components.

Reserve based component
The reserves value-based component is 4% of the incremental increase in value, if any, as adjusted to reflect changes in debt, equity, dividends, general and administrative costs and interest, of proved producing reserves calculated using a constant price at December 31 of the current year and a discount rate of 8%.

Market based component
Under the market-based component, rights with a three-year vesting period are allocated to employees. The number of rights outstanding at any time is not to exceed 6% of the total number of common shares outstanding. At December 31 of each year, all vested rights are automatically cancelled and, if applicable, paid out in cash. Compensation is calculated as the number of vested rights multiplied by the total of the market appreciation (over the price at the date of grant) and associated dividends of a common share for that period.

The fair values were calculated using a Black-Scholes valuation model. The principal inputs to the option valuation model were:

	March 31, 2019	March 31, 2018
Share price	$7.23	$10.80- $33.80
Exercise price (net of dividends)	$7.17	$14.40- 22.77
Expected volatility	39.60%	37.09%
Option life	0.75 year	0.75 year
Risk-free interest rate	1.6%	1.8%

11. Financial instruments and Capital management

Financial instrument classification and measurement
Financial instruments of the Company carried on the condensed balance sheet are carried at amortized cost with the exception of cash and financial derivative instruments, specifically fixed price contracts, which are carried at fair value. There are no significant differences between the carrying amount of financial instruments and their estimated fair values as at March 31, 2019.

The Company's areas of financial risk management and risks related to financial instruments remained unchanged from December 31, 2018.

The fair value of the Company's cash and financial derivative instruments are quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and financial derivative instruments have been assessed on the fair value hierarchy described above and classified as Level 1.

Fair values of financial assets and liabilities
The Company's financial instruments include cash, accounts receivable, financial derivative instruments, due from private placement, current liabilities, provision for future performance-based compensation and long-term debt. At March 31, 2019 cash and financial derivative instruments are carried at fair value. Accounts receivable, current liabilities and provision for future performance-based compensation approximate their fair value due to their short-term nature. The carrying value of the long-term debt approximates its fair value due to the floating rate of interest charged under the credit facility.

Commodity price risk management

Peyto uses derivative instruments to reduce its exposure to fluctuations in commodity prices. Peyto considers all of these transactions to be effective economic hedges for accounting purposes.

Following is a summary of all risk management contracts in place as at March 31, 2019:

Natural Gas Period Hedged- Monthly Index	Type	Daily Volume	Price (AECO CAD)
January 1, 2018 to December 31, 2020	Fixed Price	20,000 GJ	$2.00/GJ to $2.04/GJ
April 1, 2018 to March 31, 2020	Fixed Price	10,000 GJ	$1.43/GJ to $1.44/GJ
November 1, 2018 to March 31, 2020	Fixed Price	5,000 GJ	$1.57/GJ
April 1, 2019 to October 31, 2019	Fixed Price	50,000 GJ	$1.29/GJ to $1.45/GJ
April 1, 2019 to March 31, 2020	Fixed Price	80,000 GJ	$1.45/GJ to $2.50/GJ
November 1, 2019 to March 31, 2020	Fixed Price	60,000 GJ	$1.92/GJ to $2.07/GJ
April 1, 2020 to October 31, 2020	Fixed Price	15,000 GJ	$1.30/GJ
April 1, 2020 to March 31, 2021	Fixed Price	10,000 GJ	$1.64/GJ to $1.65/GJ
April 1, 2021 to October 31, 2021	Fixed Price	10,000 GJ	$1.48/GJ to $1.64/GJ

Natural Gas Period Hedged – Daily Index	Type	Daily Volume	Price (AECO CAD)
April 1, 2019 to October 31, 2019	Fixed Price	30,000 GJ	$1.20/GJ to $1.33/GJ
November 1, 2019 to March 31, 2020	Fixed Price	10,000 GJ	$1.845/GJ to $1.99/GJ

Crude Oil Period Hedged	Type	Daily Volume	Price (WTI CAD)
July 1, 2018 to June 30, 2019	Fixed Price	400 bbl	$85.34/bbl to $88.05/bbl
August 1, 2018 to July 31, 2019	Fixed Price	600 bbl	$81.90/bbl to $89.25/bbl
September 1, 2018 to August 31, 2019	Fixed Price	400 bbl	$85.00/bbl to $87.66/bbl
October 1, 2018 to September 30, 2019	Fixed Price	500 bbl	$85.00/bbl to $87.05/bbl
November 1, 2018 to October 31, 2019	Fixed Price	500 bbl	$87.25/bbl to $92.00/bbl
December 1, 2018 to November 30, 2019	Fixed Price	300 bbl	$88.00/bbl to $94.15/bbl

As at March 31, 2019, Peyto had committed to the future sale of 93,360,000, gigajoules (GJ) of natural gas at an average price of $1.67 per GJ or $1.92 per mcf. Had these contracts been closed on March 31, 2019, Peyto would have realized a gain in the amount of $23.2 million. If the AECO gas price on March 31, 2019 were to increase by $0.10/GJ, the unrealized gain would increase by approximately $9.4 million. An opposite change in commodity prices would result in an opposite impact on other comprehensive income.

Physical volume contracts

The Company is a party to certain physical delivery contracts. The Company enters into these contracts with well-established counterparties for the purpose of protecting a portion of its future revenues from the volatility of oil and natural gas prices. A summary of contracts outstanding at March 31, 2019 are as follows:

Natural Gas - Fixed Price	Daily Volume (mmbtu)	Average Price (USD/mmbtu)	Average Price (CAD/mmbtu)*
April 1, 2019 to October 31, 2019	180,000	$1.35	$1.80
November 1, 2019 to March 31, 2020	50,000	$1.81	$2.42

*USD/CAD exchange rate at March 31, 2019 =1.3363

Natural Gas - Henry Hub/AECO Basis	Daily Volume (mmbtu)	Fixed Basis (USD/mmbtu)	Fixed Basis (CAD/mmbtu)
November 1, 2019 to March 31, 2020	117,500	$1.32	$1.76
April 1, 2020 to October 31, 2020	247,500	$1.43	$1.91
November 1, 2020 to March 31, 2021	182,500	$1.32	$1.76
April 1, 2021 to October 31, 2021	247,500	$1.43	$1.91
November 1, 2021 to March 31, 2022	87,500	$1.41	$1.88
April 1, 2022 to October 31, 2022	132,500	$1.41	$1.88

*USD/CAD exchange rate at March 31, 2019=1.3363

Natural Gas - Henry Hub/Empress Basis	Daily Volume (mmbtu)	Average Price (USD/mmbtu)	Average Price (CAD/mmbtu) *
November 1, 2021 to October 31, 2024	27,500	$0.90	$1.20

*USD/CAD exchange rate at March 31, 2019 =1.3363

Natural Gas - Export	Daily Volume (mmbtu)	Market
April 1, 2019 to October 31, 2019	15,000	Emerson
April 1, 2019 to October 31, 2019	25,000	Dawn
November 1, 2019 to October 31, 2021	40,000	Emerson
November 1, 2019 to March 31, 2027	20,000	Ventura
November 1, 2021 to March 31, 2023	110,000	Emerson

Subsequent to March 31, 2019 Peyto entered into the following contracts:

Natural Gas - Henry Hub/AECO Basis	Daily Volume (mmbtu)	Average Price (USD/mmbtu)	Average Price (CAD/mmbtu)*
November 1, 2020 to October 31, 2024	5,000	$1.25	$1.67

*USD/CAD exchange rate at March 31, 2019 =1.3363

12. Related party transactions

Certain directors of Peyto are considered to have significant influence over other reporting entities that Peyto engages in commercial transactions with. Such services are provided in the normal course of business and at market rates. These directors are not involved in the day to day operational decision making of the Company. The dollar value of the transactions between Peyto and each of the related reporting entities is summarized below:

Expense		Accounts Payable	
Three Months ended March 31		As at March 31	
2019	2018	**2019**	2018
231.0	118.0	**150.4**	118.0

13. Commitments

Following is a summary of Peyto's contractual obligations and commitments as at March 31, 2019.

	2019	2020	2021	2022	2023	Thereafter
Interest payments [1]	23,840	26,035	20,635	20,635	16,300	35,140
Transportation commitments	37,930	44,326	36,779	43,212	28,272	250,214
Operating leases	1,680	2,240	2,240	2,315	2,315	6,946
Other	2,040	-	-	-	-	-
Total	65,490	72,601	59,654	66,162	46,887	292,300

(1) Fixed interest payments on senior unsecured notes

Officers

Darren Gee
President and CEO

Kathy Turgeon
Vice President, Finance and CFO

Lee Curran
Vice President, Drilling and Completions

Todd Burdick
Vice President, Production

Tim Louie
Vice President, Land

David Thomas
Vice President, Exploration

Jean-Paul Lachance
Vice President, Engineering and COO

Stephen Chetner
Corporate Secretary

Directors
Don Gray, Chairman
Stephen Chetner
Brian Davis
Michael MacBean, Lead Independent Director
Darren Gee
Gregory Fletcher
Kathy Turgeon

Auditors
Deloitte LLP

Solicitors
Burnet, Duckworth & Palmer LLP

Bankers
Bank of Montreal
Royal Bank of Canada
Canadian Imperial Bank of Commerce
The Toronto-Dominion Bank
The Bank of Nova Scotia
MUFG Bank, Ltd., Canada Branch
National Bank of Canada
Wells Fargo Bank, N.A., Canadian Branch
Canadian Western Bank
ATB Financial

Transfer Agent
Computershare

Head Office
300, 600 – 3 Avenue SW
Calgary, AB
T2P 0G5
Phone: 403.261.6081
Fax: 403.451.4100
Web: www.peyto.com
Stock Listing Symbol: PEY.TO
Toronto Stock Exchange