

# Peyto Exploration & Development Corp.

## Condensed Consolidated Balance Sheets (unaudited)

(Amount in \$ thousands)

As at	September 30 2024	December 31 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	19,361	37,177
Accounts receivable (Note 10)	116,445	161,735
Prepaid expenses	56,731	53,159
Derivative financial instruments (Note 11)	231,266	238,865
	<b>423,803</b>	490,936
Long-term derivative financial instruments (Note 11)	99,468	128,519
Property, plant and equipment, net (Note 3)	5,066,302	4,890,187
	<b>5,165,770</b>	5,018,706
	<b>5,589,573</b>	5,509,642
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	162,120	171,760
Dividends payable (Note 6)	21,627	21,305
Income tax payable	13,647	23,032
Current portion of lease obligation	900	1,310
Decommissioning provision (Note 5)	8,940	4,626
Current portion of long-term debt (Note 4)	122,815	57,870
	<b>330,049</b>	279,903
Long-term debt (Note 4)	1,235,275	1,340,881
Decommissioning provision (Note 5)	385,044	275,287
Lease obligation	7,834	2,764
Deferred income taxes	895,785	895,864
	<b>2,523,938</b>	2,514,796
<b>Equity</b>		
Share capital (Note 6)	1,957,770	1,920,311
Contributed surplus	27,313	25,021
Retained earnings	494,184	485,072
Accumulated other comprehensive income (Note 6)	256,319	284,539
	<b>2,735,586</b>	2,714,943
	<b>5,589,573</b>	5,509,642

Subsequent event (Note 4)

See accompanying notes to the condensed consolidated financial statements.

Approved by the Board of Directors

(signed) "Debra Gerlach"  
Director

(signed) "Jean-Paul Lachance"  
Director

**Peyto Exploration & Development Corp.**  
**Condensed Consolidated Income Statements** *(unaudited)*

(Amount in \$ thousands except earnings per share amount)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>				
Natural gas and natural gas liquid sales <i>(Note 10)</i>	183,782	198,241	618,741	715,392
Royalties	(11,695)	(15,482)	(45,782)	(54,743)
Sales of natural gas and natural gas liquids from third parties	8,729	-	42,984	-
Natural gas and natural gas liquid sales, net of royalties	180,816	182,759	615,943	660,649
Realized gain on derivative financial instruments <i>(Note 11)</i>	76,826	33,697	238,240	14,287
Other Income	1,701	807	6,877	6,745
	<b>259,343</b>	<b>217,263</b>	<b>861,060</b>	<b>681,681</b>
<b>Expenses</b>				
Natural gas and natural gas liquids purchased from third parties	6,925	-	41,016	-
Operating	36,070	23,889	108,292	77,092
Transportation	20,500	15,449	61,215	44,701
General and administrative	2,254	2,135	10,326	6,706
Transaction costs	-	1,196	-	1,196
Performance-based compensation	2,500	-	5,000	-
Stock-based compensation <i>(Note 9)</i>	3,817	3,919	10,337	10,662
Finance expense <i>(Note 7)</i>	27,287	17,051	80,751	43,170
Realized loss (gain) on foreign exchange	34	(541)	(312)	64
Unrealized (gain) loss on foreign exchange	(752)	2,823	1,092	1,607
Depletion and depreciation <i>(Note 3)</i>	92,701	74,173	279,634	225,966
	<b>191,336</b>	<b>140,094</b>	<b>597,351</b>	<b>411,164</b>
<b>Earnings before taxes</b>	<b>68,007</b>	<b>77,169</b>	<b>263,709</b>	<b>270,517</b>
<b>Income tax</b>				
Current tax	14,180	12,944	53,017	43,689
Deferred tax	2,798	6,781	8,351	21,988
<b>Total income taxes</b>	<b>16,978</b>	<b>19,725</b>	<b>61,368</b>	<b>65,677</b>
<b>Earnings for the period</b>	<b>51,029</b>	<b>57,444</b>	<b>202,341</b>	<b>204,840</b>
<b>Earnings per share</b> <i>(Note 6)</i>				
<b>Basic</b>	<b>\$0.26</b>	<b>\$0.33</b>	<b>\$1.04</b>	<b>\$1.17</b>
<b>Diluted</b>	<b>\$0.26</b>	<b>\$0.33</b>	<b>\$1.03</b>	<b>\$1.16</b>

See accompanying notes to the condensed consolidated financial statements.

## Peyto Exploration & Development Corp.

### Condensed Consolidated Statements of Comprehensive Income (loss) (unaudited)

(Amount in \$ thousands)

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
<b>Earnings for the period</b>	<b>51,029</b>	57,444	<b>202,341</b>	204,840
<b>Other comprehensive income (loss)</b>				
Change in unrealized gain (loss) on derivative financial instruments	130,929	(723)	202,205	240,406
Deferred income tax recovery (expense)	(12,404)	7,967	8,430	(51,916)
Realized gain on derivative financial instruments	(76,999)	(33,914)	(238,855)	(14,683)
<b>Comprehensive income</b>	<b>92,555</b>	30,774	<b>174,121</b>	378,647

See accompanying notes to the condensed consolidated financial statements.

**Peyto Exploration & Development Corp.**  
**Condensed Consolidated Statements of Changes in Equity** *(unaudited)*

(Amount in \$ thousands)

	<b>Nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Share capital, beginning of period</b>	<b>1,920,311</b>	1,697,803
Common shares issued under stock option plan	29,412	15,152
Issued on settlement of DSU's	-	250
Contributed surplus on exercise of stock options	8,047	4,187
Share issue costs (net of tax)	-	(421)
<b>Share capital, end of period</b>	<b>1,957,770</b>	1,716,971
<b>Contributed surplus, beginning of period</b>	<b>25,021</b>	16,274
Stock-based compensation expense	10,339	10,662
Recognized under share-based compensation plans	(8,047)	(4,437)
<b>Contributed surplus, end of period</b>	<b>27,313</b>	22,499
<b>Retained earnings, beginning of period</b>	<b>485,072</b>	431,443
Earnings for the period	202,341	204,840
Dividends <i>(Note 7)</i>	(193,229)	(173,334)
Dividend equivalent payment	-	(1,861)
<b>Retained earnings, end of period</b>	<b>494,184</b>	461,088
<b>Accumulated other comprehensive income (loss), beginning of period</b>	<b>284,539</b>	(83,854)
Other comprehensive income (loss)	(28,220)	173,807
<b>Accumulated other comprehensive income, end of period</b>	<b>256,319</b>	89,953
<b>Total equity</b>	<b>2,735,586</b>	2,290,511

See accompanying notes to the condensed consolidated financial statements.

**Peyto Exploration & Development Corp.**  
**Condensed Consolidated Statements of Cash Flows** *(unaudited)*

(Amount in \$ thousands)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Earnings	51,029	57,444	202,341	204,840
Items not requiring cash:				
Deferred income tax	2,798	6,781	8,351	21,988
Depletion and depreciation	92,701	74,173	279,634	225,966
Accretion of decommissioning provision	2,250	1,644	7,047	3,893
Stock-based compensation	3,817	3,919	10,337	10,662
Unrealized loss (gain) on foreign exchange	(752)	2,823	1,092	1,607
Decommissioning expenditures	(2,013)	(1,026)	(6,610)	(1,026)
Change in non-cash working capital related to operating activities	(2,345)	(6,352)	(15,942)	3,691
	<b>147,485</b>	<b>139,406</b>	<b>486,250</b>	<b>471,621</b>
<b>Financing activities</b>				
Common shares issued on exercise of stock options	12,203	5,650	29,412	14,605
Subscription receipts	-	201,307	-	201,307
Cash dividends paid	(64,588)	(57,841)	(192,907)	(162,646)
Lease interest	191	40	255	126
Principal repayment of lease	(384)	(358)	(1,099)	(1,071)
Increase (decrease) in bank debt	21,442	69,000	(41,753)	59,000
	<b>(31,136)</b>	<b>217,798</b>	<b>(206,092)</b>	<b>111,321</b>
<b>Investing activities</b>				
Additions to property, plant, and equipment	(124,308)	(97,630)	(337,586)	(298,365)
Asset dispositions, net of acquisitions	1,051	-	974	-
Deposit for Acquisition	-	(63,303)	-	(63,303)
Subscription receipt funds in escrow	-	(201,307)	-	(201,307)
Change in non-cash working capital relating to investing activities	3,818	11,460	38,638	(16,129)
	<b>(119,439)</b>	<b>(350,780)</b>	<b>(297,974)</b>	<b>(579,104)</b>
<b>Net (decrease) increase in cash</b>	<b>(3,090)</b>	<b>6,424</b>	<b>(17,816)</b>	<b>3,838</b>
<b>Cash, beginning of period</b>	<b>22,451</b>	<b>9,319</b>	<b>37,177</b>	<b>11,905</b>
<b>Cash, end of period</b>	<b>19,361</b>	<b>15,743</b>	<b>19,361</b>	<b>15,743</b>
The following amounts are included in cash flows from operating activities:				
Cash interest paid	16,838	13,396	40,337	34,102
Cash taxes paid	7,803	21,000	65,218	67,556

See accompanying notes to the condensed consolidated financial statements.

# **Peyto Exploration & Development Corp.**

## **Notes to Condensed Consolidated Financial Statements** *(unaudited)*

**As at September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023**

(Amount in \$ thousands, except as otherwise noted)

### **1. Nature of operations**

Peyto Exploration & Development Corp and its subsidiaries (together “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 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta, Canada, T2P 0G5.

These condensed consolidated financial statements were approved and authorized for issuance by the Audit Committee of Peyto on November 12, 2024.

### **2. Basis of presentation**

The condensed consolidated 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 consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company’s consolidated financial statements as at and for the years ended December 31, 2023 and 2022.

#### **Material Accounting Policies**

##### **(a) Material Accounting Judgments Estimates and Assumptions**

The timely preparation of the condensed consolidated 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 consolidated 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 consolidated financial statements.

All accounting policies and methods of computation followed in the preparation of these condensed consolidated financial statements are the same as those disclosed in Note 2 of Peyto’s consolidated financial statements as at and for the years ended December 31, 2023 and 2022.

##### **(b) Changes in accounting policies**

The International Accounting Standards Board (IASB) issued two amendments to IAS 1 Presentation of Financial Statements, effective January 1, 2024, related to the classification of liabilities as current and non-current. The Company does not believe these amendments have any impact on the Company’s financial statements or disclosures

### 3. Property, plant and equipment, net

<b>Cost</b>	
<b>At December 31, 2023</b>	<b>8,406,481</b>
Additions	337,586
Asset dispositions, net of acquisitions	(974)
ROU Asset	5,503
Decommissioning provision additions	113,634
<b>At September 30, 2024</b>	<b>8,862,230</b>
Accumulated depletion and depreciation	
<b>At December 31, 2023</b>	<b>(3,516,294)</b>
Depletion and depreciation	(279,634)
<b>At September 30, 2024</b>	<b>(3,795,928)</b>
Carrying amount at December 31, 2023	
	4,890,187
<b>Carrying amount at September 30, 2024</b>	<b>5,066,302</b>

During the three and nine month periods ended September 30, 2024, Peyto capitalized \$3.1 million and \$5.8 million (2023 - \$2.5 million and \$7.4 million) of general and administrative expenses directly attributable to exploration and development activities.

As at September 30, 2024, the Company identified no indicators of impairment and therefore a test was not performed.

### 4. Current and Long-term debt

	<b>September 30, 2024</b>	December 31, 2023
Revolving Credit Facility	755,000	750,000
Term Loan	130,500	174,000
Long-term senior secured notes	478,996	477,904
<b>Total current and long-term debt</b>	<b>1,364,496</b>	1,401,904
Deferred financing costs	(6,406)	(3,153)
<b>Total current and long-term debt, net of deferred financing costs</b>	<b>1,358,090</b>	1,398,751
Current portion of long-term debt, net of deferred financing costs	<b>122,815</b>	57,870
Long-term debt, net of deferred financing costs	<b>1,235,275</b>	1,340,881

On June 10, 2024, the Company amended and restated its credit facilities (the "Credit Facilities") with a syndicate of banks to extend the maturity dates of its \$1 billion revolving operating facility (the "Revolving Credit Facility") and its amortizing term facility (the "Term Loan"). The maturity dates of the Revolving Credit Facility and the Term Loan have been extended to October 13, 2027, and October 13, 2026, respectively, from October 13, 2025. The Term Loan requires equal quarterly payments in the amount of \$14.5 million with a final payment due on October 13, 2026, in the amount of \$14.5 million. The Revolving Credit Facility includes a \$40 million working capital sub-tranche and a \$960 million production line and is available on a revolving basis. Borrowings under the Credit Facilities bear interest at Canadian bank prime or US base rate, or, at Peyto's option, Canadian dollar CORRA advances or US dollar SOFR loan rates, plus adjustments and applicable margin. There was no change to the financial covenants in the amended agreement.

The Company had \$6.6 million Letters of Credit outstanding at September 30, 2024 (\$6.7 million at December 31, 2023).

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

- 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;
- Long-term debt plus bank overdraft and letters of credit not to exceed 3.5 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.

Outstanding senior notes are as follows:

Senior Secured Notes	Date Issued	Rate	Maturity Date
\$65 million (CAD)	May 1, 2015	4.26%	May 1, 2025
\$100 million (CAD)	January 3, 2019	4.39%	January 3, 2026
\$100 million (CAD)	January 2, 2018	3.95%	January 2, 2028
\$40 million (USD)	October 29, 2021	3.98%	October 29, 2028
\$160 million (CAD)	October 24, 2023	6.46%	October 24, 2030

On October 17, 2024, Peyto issued \$75 million of senior secured notes. The notes have a coupon rate of 5.638% and mature on October 17, 2034. The notes have been 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 and private shelf agreement. Interest will be paid semi-annually in arrears. Proceeds from the notes have been used to repay the \$65 million, 4.26% notes that were due May 1, 2025.

Peyto is in compliance with all financial covenants at September 30, 2024.

Total interest and finance expense for the three and nine months ended September 30, 2024, was \$25.0 million and \$73.7 million (2023 - \$15.4 million and \$39.3 million) and the average borrowing rate for the periods was 7.1% and 7.1% (2023– 5.5% and 5.7%).

## 5. Decommissioning provision

The following table reconciles the change in decommissioning provision:

<b>Balance, December 31, 2023</b>	<b>279,913</b>
New provisions	3,870
Accretion of decommissioning provision	7,047
Change in discount rate and estimates	109,764
Decommissioning expenditures	(6,610)
<b>Balance, September 30, 2024</b>	<b>393,984</b>
Current	<b>8,940</b>
Non-current	<b>385,044</b>

The Company has estimated the net present value of its total decommissioning provision to be \$394 million as at September 30, 2024 (December 31, 2023 – \$280 million) based on a total escalated future undiscounted liability of \$955 million (December 31, 2023 – \$655.2 million). At September 30, 2024 management estimates that these payments are expected to be made over the next 50 years (December 31, 2023 – 50 years) with the majority of payments being made in years 2045 to 2074. The Bank of Canada's long-term bond rate of 3.13 per cent (December 31, 2023 – 3.02 per cent) and an inflation rate of 2.0 per cent (December 31, 2023 – 2.0 per cent) were used to calculate the present value of the decommissioning provision.



## 6. Share capital

**Authorized:** Unlimited number of voting common shares

### Issued and Outstanding

<b>Common Shares (no par value)</b>	<b>Number of Common Shares</b>	<b>Amount \$</b>
<b>Balance, December 31, 2023</b>	<b>193,678,975</b>	<b>1,920,311</b>
Common shares issued under stock option plan	2,929,703	29,412
Contributed surplus on exercised of stock options	-	8,047
<b>Balance, September 30, 2024</b>	<b>196,608,678</b>	<b>1,957,770</b>

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

	Three Months ended September 30		Nine Months ended September 30	
	<b>2024</b>	2023	<b>2024</b>	2023
Weighted average common shares basic	196,077,193	175,573,752	195,183,132	175,085,253
Dilutive impact of share-based compensation	974,571	1,159,194	1,212,333	1,504,141
<b>Weighted average common shares diluted</b>	<b>197,051,764</b>	176,732,946	<b>196,395,465</b>	176,589,394

### Dividends

During the three and nine months ended September 30, 2024, Peyto declared and paid dividends of \$0.11 per common share per month totaling \$64.7 million and \$193.2 million respectively (2023 - \$0.11 per common share per month, totaling \$59.8 million and \$175.2 million respectively, including the dividend equivalent payment).

### 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 financial derivative instruments 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.

## 7. Finance costs

	Three Months ended September 30		Nine Months ended September 30	
	<b>2024</b>	2023	<b>2024</b>	2023
Accretion of decommissioning provision	2,250	1,644	7,047	3,893
Financing expenses	942	3,178	2,526	3,178
Interest	24,095	12,229	71,178	36,099
<b>Finance costs</b>	<b>27,287</b>	17,051	<b>80,751</b>	43,170

## 8. Performance-based compensation

### 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, dividends, general and administrative expenses and interest expense, of proved producing reserves calculated using a realized price at December 31 of the current year and a discount rate of 8%. For the three and nine months ended September 30, 2024, Peyto accrued \$2.5 million and \$5.0 million for performance-based compensation, respectively (2023 - \$nil).

## 9. Stock-based compensation

The Company has a stock option plan allowing for the granting of stock options to officers, employees, and consultants of the Company. This plan limits the number of options and DSU's that may be granted to 10% of the issued and outstanding common shares.

### Stock option plans

The following tables summarize the stock options outstanding at September 30, 2024:

		Weighted average exercise price \$
<b>Balance, December 31, 2023</b>	<b>9,868,323</b>	<b>12.02</b>
Stock options granted	5,013,627	14.28
Exercised	(2,929,703)	10.04
Forfeited	(811,285)	12.44
Expired	(238,172)	13.78
<b>Balance, September 30, 2024</b>	<b>10,902,790</b>	<b>13.52</b>

The Company estimates the fair value of options under the stock option plan using the Black-Scholes pricing model. During the nine month period ended September 30, 2024, the weighted-average fair value per option was \$1.90. The following tables summarize the assumptions used in the Black-Scholes model:

The following tables summarizes the assumptions used in the Black-Scholes model:

	September 30, 2024
Fair value of options granted (weighted average)	\$1.90
Expected volatility	36.68%
Average option life	2 years
Risk-free interest rate	3.75%
Forfeiture rate	6.98%
Dividend Yield	9.49%

Options are granted throughout the year and vest 1/3 on each of the first, second and third anniversaries from the date of grant. At the vesting, recipients have thirty days to exercise options after which any unexercised options are expired.

At September 30, 2024, 51,488 stock options were exercisable.

## Deferred Share Units (“DSU’s”)

The following tables summarize the DSU’s outstanding at September 30, 2024:

<b>Balance, December 31, 2023</b>	<b>248,037</b>
DSU’s granted	70,826
<b>Balance September 30, 2024</b>	<b>318,863</b>

## 10. Revenue and receivables

	Three Months ended September 30		Nine Months ended September 30	
	2024	2023	2024	2023
Natural Gas Sales	96,540	123,191	337,886	490,580
Natural Gas Liquid sales	87,242	75,050	280,855	224,812
<b>Natural gas and natural gas liquid sales</b>	<b>183,782</b>	<b>198,241</b>	<b>618,741</b>	<b>715,392</b>

	September 30, 2024	December 31, 2023
Accounts receivable from customers	73,846	117,201
Accounts receivable from realized risk management contracts	28,912	22,135
Accounts receivable from joint venture partners and other	13,687	22,399
	<b>116,445</b>	<b>161,735</b>

Account receivable from customers are 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. Accounts receivable from realized risk management contracts settle on the 25<sup>th</sup> of each month. Joint venture receivables are typically collected one to three months after production.

## 11. Financial instruments

### Financial instrument classification and measurement

Financial instruments of the Company carried on the condensed consolidated balance sheet are carried at amortized cost with the exception of cash and derivative financial instruments. There are no significant differences between the carrying amount of financial instruments and their estimated fair values as at September 30, 2023 except for derivative financial instruments.

The Company’s areas of financial risk management and risks related to financial instruments remained unchanged from December 31, 2023.

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 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 and Level 2, respectively.

#### **Fair values of financial assets and liabilities**

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, dividend payable, long term debt and derivative financial instruments. At September 30, 2024 and December 31, 2023, cash and derivative financial instruments are carried at fair value. Current assets and current liabilities 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 these transactions to be effective economic hedges for accounting purposes.

Following is a summary of all risk management contracts in place as at September 30, 2024:

#### **Commodity contracts**

<b>Natural Gas</b>				<b>Average Price</b>
<b>Period Hedged- AECO Monthly Index</b>	<b>Type</b>	<b>Daily Volume (GJ)</b>		<b>(AECO CAD/GJ)</b>
Q4 2024	Fixed Price	232,989		\$3.65
Q1 2025	Fixed Price	265,000		\$3.92
Q2 2025	Fixed Price	290,000		\$3.33
Q3 2025	Fixed Price	290,000		\$3.33
Q4 2025	Fixed Price	256,848		\$3.85
Q1 2026	Fixed Price	240,000		\$4.17
Q2 2026	Fixed Price	212,500		\$3.31
Q3 2026	Fixed Price	212,500		\$3.31
Q4 2026	Fixed Price	84,864		\$3.32
Q1 2027	Fixed Price	20,000		\$3.41

<b>Natural Gas</b>					<b>Average Price</b>
<b>Period Hedged- AECO Daily Index</b>	<b>Type</b>	<b>Daily Volume (GJ)</b>		<b>(AECO CAD/GJ)</b>	
Q4 2024	Fixed Price	15,163		\$2.72	
Q2 2025	Fixed Price	25,000		\$3.60	
Q3 2025	Fixed Price	25,000		\$3.60	
Q4 2025	Fixed Price	8,424		\$3.60	

<b>Natural Gas</b>			<b>Average Price</b>
<b>Period Hedged - NYMEX</b>	<b>Type</b>	<b>Daily Volume (MMBtu)</b>	<b>(Nymex USD/MMBtu)</b>
Q4 2024	Fixed Price	208,315	\$3.89
Q1 2025	Fixed Price	210,000	\$4.03
Q2 2025	Fixed Price	195,000	\$3.80
Q3 2025	Fixed Price	195,000	\$3.80
Q4 2025	Fixed Price	122,065	\$3.89
Q1 2026	Fixed Price	85,000	\$4.00
Q2 2026	Fixed Price	75,000	\$3.75
Q3 2026	Fixed Price	75,000	\$3.75
Q4 2026	Fixed Price	25,272	\$3.75

<b>Crude Oil</b>			<b>Average Price</b>
<b>Period Hedged - WTI</b>	<b>Type</b>	<b>Daily Volume (bbl)</b>	<b>(WTI CAD/bbl)</b>
Q4 2024	Fixed Price	4,000	\$101.72
Q1 2025	Fixed Price	2,500	\$99.18
Q2 2025	Fixed Price	1,900	\$99.38
Q3 2025	Fixed Price	700	\$100.41
Q4 2025	Fixed Price	600	\$100.45

<b>Crude Oil</b>			<b>Put - Call</b>
<b>Period Hedged - WTI</b>	<b>Type</b>	<b>Daily Volume (bbl)</b>	<b>(WTI CAD/bbl)</b>
Q4 2024	Collar	750	\$90.00–\$103.50
Q1 2025	Collar	1,000	\$85.00–\$102.63
Q2 2025	Collar	500	\$90.00–\$100.25
Q3 2025	Collar	500	\$90.00–\$110.00

<b>Propane</b>			<b>Average Price</b>
<b>Period Hedged - Conway</b>	<b>Type</b>	<b>Daily Volume (bbl)</b>	<b>(USD/bbl)</b>
Q4 2024	Fixed Price	500	\$33.86
Q1 2025	Fixed Price	500	\$33.86

Had these contracts closed on September 30, 2024, Peyto would have realized a gain in the amount of \$328.3 million. If the gas price on September 30, 2024 were to increase by \$0.10/GJ, the unrealized gain would decrease by approximately \$31.4 million. An opposite change in commodity prices would result in an opposite impact on other comprehensive income

## Foreign exchange contracts

Average Rate forward	Amount (USD)	Rate (CAD/USD)
<b>Sold USD Contracts</b>		
Q4 2024	\$62.0 million	1.3421
Q1 2025	\$54.0 million	1.3458
Q2 2025	\$69.0 million	1.3517
Q3 2025	\$63.0 million	1.3523
Q4 2025	\$59.0 million	1.3530
Q1 2026	\$39.0 million	1.3569
Q2 2026	\$22.5 million	1.3528
Q3 2026	\$22.5 million	1.3528
Q4 2026	\$7.5 million	1.3528

Had these contracts settled on September 30, 2024, Peyto would have realized a gain in the amount of \$2.7 million. If the CAD/USD FX rate on September 30, 2024, were to increase by \$0.05, the unrealized gain would decrease by approximately \$19.9 million to an unrealized loss of \$17.2 million. An opposite change in the CAD/USD FX rate would result in an opposite impact on other comprehensive income

## Interest rate contracts

Term	Notional Amount	Peyto pays fixed rate	Peyto receives floating rate
March 17, 2023 to March 17, 2026	\$50 million	3.565%	Adjusted CORRA

Had these contracts closed on September 30, 2024, Peyto would have realized a loss in the amount of \$0.2 million.

Subsequent to September 30, 2024, Peyto entered into the following contracts:

Natural Gas Period Hedged – AECO Monthly Index	Type	Daily Volume (Gj)	Average Price (AECO CAD/GJ)
Q4 2026	Fixed Price	6,630	\$3.50
Q1 2027	Fixed Price	10,000	\$3.50

Crude Oil Period Hedged – WTI	Type	Daily Volume (bbl)	Average Price (WTI CAD/bbl)
Q4 2024	Fixed Price	350	\$94.05
Q1 2025	Fixed Price	1,400	\$96.39
Q2 2025	Fixed Price	1,100	\$96.84
Q3 2025	Fixed Price	1,300	\$94.68
Q4 2025	Fixed Price	400	\$93.75
Q1 2026	Fixed Price	800	\$92.59

Crude Oil Period Hedged – WTI	Type	Daily Volume (bbl)	Average Price (WTI CAD/bbl)
Q4 2025	Collar	500	\$90.00–\$100.50
Q1 2026	Collar	500	\$85.00–\$100.00

### Foreign exchange contracts

Average Rate forward (Sold USD Contracts)	Amount (USD)	Rate (CAD/USD)
Q2 2026	\$9.0 million	1.3570
Q3 2026	\$9.0 million	1.3570
Q4 2026	\$3.0 million	1.3570

## 12. Related party transactions

Certain directors of Peyto are considered to have significant influence over other reporting entities that Peyto engages in 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 transactions between Peyto and the related reporting entities is summarized below:

Expenditures <sup>(1)</sup>				Accounts Payable	
Three Months ended September 30		Nine Months ended September 30		As at September 30	
2024	2023	2024	2023	2024	2023
<b>1,620.4</b>	149.6	<b>1,908.3</b>	276.8	<b>8.4</b>	8.8

<sup>(1)</sup> Relates to capital and operating expenditures

## 13. Commitments

In addition to those recorded on the Company's balance sheet, the following is a summary of Peyto's contractual obligations and commitments as at September 30, 2024:

	Q4 2024	2025	2026	2027	2028	Thereafter
Interest payments <sup>(1)</sup>	7,631	21,139	19,755	15,365	13,390	20,672
Transportation commitments	19,748	83,653	99,490	72,817	45,670	480,099
Operating leases	617	2,432	2,426	2,434	2,435	7,984
Other	-	6,141	-	-	-	-
Total	27,996	113,365	121,671	90,616	61,495	508,755

<sup>(2)</sup> Fixed interest payments on senior secured notes

**Officers**

Jean-Paul Lachance  
President and Chief Executive Officer

Riley Frame  
Chief Operating Officer

Tavis Carlson  
Vice President, Finance and Chief Financial Officer

Lee Curran  
Vice President, Drilling and Completions

Todd Burdick  
Vice President, Production

Derick Czember  
Vice President of Land and Business Development

Stephen Chetner  
Corporate Secretary

**Directors**

Don Gray, Chairman  
Brian Davis  
Michael MacBean, Lead Independent Director  
Darren Gee  
John Rossall  
Debra Gerlach  
Jean-Paul Lachance  
Jocelyn McMinn  
Nicki Stevens

**Auditors**

Deloitte LLP

**Solicitors**

Burnet, Duckworth & Palmer LLP

**Bankers**

Bank of Montreal  
Canadian Imperial Bank of Commerce  
National Bank of Canada  
ATB Financial  
The Toronto-Dominion Bank  
China Construction Bank (Canada)  
Canadian Western Bank  
Bank of China (Canada)  
Business Development Bank of Canada

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