

NEWS RELEASE

CALGARY, ALBERTA

MAY 1, 2015

**PEYTO EXPLORATION & DEVELOPMENT CORP.
ANNOUNCES ISSUANCE OF SENIOR NOTES**

CALGARY, ALBERTA (May 1, 2015) — Peyto Exploration & Development Corp. ("Peyto") is pleased to announce that it has closed the issuance of an aggregate of CDN\$100,000,000 of senior unsecured notes with The Manufactures Life Insurance Company, New York Life Insurance Company, New York Life Insurance and Annuity Corporation, United of Omaha Insurance Company, and Mutual of Omaha Insurance Company. The notes have a coupon rate of 4.26% and mature in May 2025. The notes were issued by way of a private placement pursuant to a note purchase agreement and will rank equally with Peyto's obligations under its bank facility and existing note purchase agreements. Interest will be paid semi-annually in arrears. Proceeds from the notes has been used to repay a portion of Peyto's outstanding bank debt.

The issuance of the senior notes expands Peyto's aggregate borrowing capacity to \$1.42 billion.

The senior notes have not been and will not be registered under the *U.S. Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer or sale of the senior notes in any state, or jurisdiction in which such offer, solicitation or sale would be unlawful.

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