

**PEYTO EXPLORATION & DEVELOPMENT CORP.
ANNOUNCES CLOSING OF PRIVATE PLACEMENT OF
SENIOR NOTES**

CALGARY, ALBERTA, January 3, 2019 – Peyto Exploration & Development Corp. (TSX: PEY) ("Peyto") is pleased to confirm that it has closed an issuance of CDN\$100 million of senior unsecured notes. The notes have a coupon rate of 4.39% and mature on January 3, 2026. 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. Interest will be paid semi-annually in arrears. Proceeds from the notes will be used to repay a portion of Peyto's outstanding bank debt and for general corporate purposes. The issuance of the senior notes maintains Peyto's aggregate borrowing capacity at \$1.92 billion.

The senior notes have not been and will not be registered under the United States *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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