

## NEWS RELEASE

JANUARY 25, 2019

SYMBOL: PEY – TSX

### PEYTO ANNOUNCES TSX APPROVAL FOR RENEWED NORMAL COURSE ISSUER BID

CALGARY, ALBERTA – Peyto Exploration & Development Corp. ("**Peyto**" or the "**Company**") is pleased to announce that the Toronto Stock Exchange ("**TSX**") has accepted the Company's notice of intention to commence a normal course issuer bid (the "**NCIB**").

Pursuant to the NCIB, Peyto may purchase up to 12,400,000 of the outstanding common shares of the Company ("**Common Shares**"), which represents approximately 10% of the "public float" (as such term is defined by the policies of the TSX). As at January 21, 2019, Peyto had 164,874,175 Common Shares issued and outstanding and the public float was 124,079,236 Common Shares. Pursuant to the rules of the TSX, the total number of Common Shares that Peyto is permitted to purchase is subject to a daily purchase limit of 226,780 Common Shares, which represents 25% of the average daily trading volume of 907,120 Common Shares on the TSX for the six-month period ended December 31, 2018; provided, however, that Peyto may make one block purchase per calendar week which exceeds the daily purchase restriction. The actual number of Common Shares purchased pursuant to the NCIB and the timing of such purchases will be determined by Peyto and is dependent on future market conditions.

The NCIB will commence on January 30, 2019 and will terminate on January 29, 2020 or such earlier time as the NCIB is completed or terminated at the option of Peyto. Purchases under the NCIB will be effected through the facilities of the TSX and/or Canadian alternative trading systems at the prevailing market price at the time of such transaction. All Common Shares purchased under the NCIB will be cancelled.

The Company's previous NCIB expired on January 21, 2019 (the "**Previous NCIB**"). Under the Previous NCIB, Peyto obtained the approval of the TSX to purchase up to 12,158,897 Common Shares, which represented 10% of the "public float" at the time of approval. The Company did not purchase any Common Shares under the Previous NCIB.

Peyto believes that renewing the NCIB is a prudent step in this volatile energy market environment, when at times, the prevailing market price does not reflect the underlying value of its Common Shares. The timely repurchase of Common Shares for cancellation represents confidence in the long term prospects and sustainability of the Company's business model. The Company's conservative balance sheet affords Peyto the ability to buy back shares when the market demand falls away. This reduction in share count adds per share value to shareholders and adds another tool to management's disciplined capital allocation strategy.

Darren Gee  
President and CEO  
Phone: (403) 237-8911  
Fax: (403) 451-4100

*Certain information set forth in this news release contains certain statements that may constitute forward-looking information within the meaning of applicable securities laws. This information includes, but is not limited to Peyto's intentions with respect to the NCIB and purchases thereunder and the effects of repurchases under the NCIB. Although Peyto believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Peyto can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in Peyto's annual information form which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).*