NEWS RELEASE

NOVEMBER 9, 2026 **SYMBOL: PEY – TSX**

PEYTO REPORTS THIRD QUARTER 2026 RESULTS AND PRELIMINARY 2027 CAPITAL PROGRAM

CALGARY, ALBERTA – Peyto Exploration & Development Corp. ("Peyto" or the "Company") is pleased to report its operating and financial results for the third quarter of 2026 and a preliminary capital budget for 2027.

Q3 2026 Highlights:

- Peyto delivered third quarter production volumes of 142,952 boe/d (745.6 MMcf/d of natural gas, 18,678 bbls/d of NGLs), a 10% increase year over year (7% on a per share basis), driven by the Company's successful capital program.
- Total NGL production increased 20% year over year, due to Peyto's increased Cardium drilling and higher NGL recoveries on volumes directed to a third-party, deep-cut gas plant.
- Cash costs[1,2] totaled $1.29/Mcfe, including $0.27/Mcfe of royalties. Excluding royalties, cash costs were $1.02/Mcfe (operating $0.49, transportation $0.29, G&A $0.06, interest $0.18), down 10% from Q3 2025, and Peyto's lowest since Q1 2023.
- Generated funds from operations[3] ("FFO") of $220.9 million ($1.06/diluted share, up 8%), and $92.8 million of free funds flow[4] in the quarter. Strong FFO was driven by the Company's industry-leading low cash costs and realized natural gas price after hedging and diversification activities of $3.50/Mcf, 108% higher than the AECO 7A monthly benchmark.
- A 71% operating margin[5] and a 30% profit margin[6] were generated in the quarter, resulting in an 18% return on capital employed[7] ("ROCE") and an 18% return on equity[8] ("ROE"), on a trailing 12-month basis.
- Adjusted earnings[8] (earnings excluding the after-tax effect of unrealized gains or losses on financial instruments and foreign exchange) for the quarter rose 15% to $105.4 million, or $0.50/diluted share, compared to $91.7 million, or $0.45/diluted share in Q3 2025.
- The Company returned $74.3 million of dividends to shareholders in the quarter and reduced net debt[9] by $23.8 million from June 30, 2026. Year to date, Peyto has returned $213.7 million of dividends and reduced net debt by $185.5 million.
- As previously announced on November 3, 2026, Peyto's Board of Directors increased the monthly dividend to $0.13/share, starting with the November dividend (record date November 30, 2026; payable December 15, 2026). This is the Company's second dividend raise in 2026, increasing the monthly dividend 18% over the 2025 distribution of $0.11/share.
- Peyto recorded $40.6 million in realized hedging gains in the quarter and has a hedge position protecting approximately 462 MMcf/d of natural gas production for the fourth quarter of 2026 and 417 MMcf/d for 2027, at $4.20/Mcf and $3.32/Mcf, respectively. The Company's natural gas and NGL hedges combine to secure revenue of approximately $690 million for 2027, thus far.
- The Company was awarded over 80,000 GJ/d of new transportation service on the TC Energy Mainline to Ontario through the latest Existing Capacity and New Capacity Open Seasons, with service set to commence in November 2028.
- Capital expenditures totaled $124.0 million in the quarter. Peyto drilled 22 wells (22.0 net), completed 19 wells (19.0 net), and brought 20 wells (20.0 net) on production. Additionally, the Company acquired 10 gross (10.0 net) sections of land in the Company's core areas through crown land sales totaling $0.9 million or $129/acre in the third quarter. Year to date, total capital invested in land for new drilling inventory is $6.4 million, acquiring 78 gross (62.7 net) sections.

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[1] *This press release contains certain non-GAAP and other financial measures to analyze financial performance, financial position, and cash flow including, but not limited to "operating margin", "profit margin", "return on capital", "return on equity", "netback", "funds from operations", "adjusted earnings", "free funds flow", "cash costs", and "net debt". These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS® Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as earnings, cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance. See "Non-GAAP and Other Financial Measures" included at the end of this press release and in Peyto's most recently filed MD&A for an explanation of these financial measures and reconciliation to the most directly comparable financial measure under IFRS.*

[2] *Cash costs is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release.*

[3] *Funds from operations is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.*

[4] *Free funds flow is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.*

[5] *Operating Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.*

[6] *Profit Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.*

[7] *Return on capital employed and return on equity are non-GAAP financial ratios. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.*

[8] *Adjusted earnings is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.*

[9] *Net debt is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.*

	Three Months Ended Sep 30		%	Nine Months Ended Sep 30		%
	2026	2025	Change	**2026**	2025	Change
Operations						
Production						
Natural gas (Mcf/d)	**745,644**	684,903	*9%*	**760,342**	697,234	*9%*
NGLs (bbl/d)	**18,678**	15,611	*20%*	**18,521**	15,579	*19%*
Thousand cubic feet equivalent (Mcfe/d @ 1:6)	**857,714**	778,571	*10%*	**871,470**	790,707	*10%*
Barrels of oil equivalent (boe/d @ 6:1)	**142,952**	129,762	*10%*	**145,245**	131,784	*10%*
Production per million common shares (boe/d)	**693**	645	*7%*	**707**	659	*7%*
Product prices						
Realized natural gas price – after hedging ($/Mcf)	**3.50**	3.57	*-2%*	**3.87**	3.76	*3%*
Realized NGL price – after hedging ($/bbl)	**60.77**	58.33	*4%*	**62.87**	59.89	*5%*
Net sales price ($/Mcfe)	**4.37**	4.31	*1%*	**4.72**	4.49	*5%*
Royalties ($/Mcfe)	**0.27**	0.08	*238%*	**0.25**	0.15	*67%*
Operating ($/Mcfe)	**0.49**	0.51	*-4%*	**0.50**	0.53	*-6%*
Transportation ($/Mcfe)	**0.29**	0.30	*-3%*	**0.29**	0.30	*-3%*
Field netback[(1)] ($/Mcfe)	**3.40**	3.45	*-1%*	**3.76**	3.56	*6%*
General & administrative expenses ($/Mcfe)	**0.06**	0.06	*0%*	**0.06**	0.06	*0%*
Interest expense ($/Mcfe)	**0.18**	0.26	*-31%*	**0.19**	0.27	*-30%*
Financial ($000, except per share)						
Natural gas and NGL sales including realized hedging gains (losses)	**344,685**	308,832	*12%*	**1,122,055**	970,099	*16%*
Funds from operations[(1)]	**220,877**	198,901	*11%*	**741,530**	615,517	*20%*
Funds from operations per share - basic[(1)]	**1.07**	0.99	*8%*	**3.61**	3.08	*17%*
Funds from operations per share - diluted[(1)]	**1.06**	0.98	*8%*	**3.55**	3.05	*16%*
Total dividends	**74,254**	66,387	*12%*	**213,661**	198,020	*8%*
Total dividends per share	**0.36**	0.33	*9%*	**1.04**	0.99	*5%*
Earnings	**155,652**	90,736	*72%*	**433,000**	292,685	*48%*
Earnings per share – basic	**0.75**	0.45	*67%*	**2.11**	1.46	*45%*
Earnings per share – diluted	**0.74**	0.45	*64%*	**2.07**	1.45	*43%*
Adjusted earnings[(1)]	**105,367**	91,720	*15%*	**382,682**	291,028	*31%*
Adjusted earnings per share – basic[(1)]	**0.51**	0.46	*11%*	**1.86**	1.45	*28%*
Adjusted earnings per share – diluted[(1)]	**0.50**	0.45	*11%*	**1.83**	1.44	*27%*
Total capital expenditures[(1)]	**123,999**	126,302	*-2%*	**359,375**	333,078	*8%*
Decommissioning expenditures	**4,039**	3,450	*17%*	**9,062**	9,266	*-2%*
Total payout ratio[(1)]	**92%**	99%	*-7%*	**78%**	88%	*-11%*
Weighted average common shares outstanding - basic	**206,258,439**	201,160,946	*3%*	**205,422,358**	200,023,611	*3%*
Weighted average common shares outstanding - diluted	**209,034,680**	203,366,724	*3%*	**208,739,449**	202,125,719	*3%*
Net debt[(1)]				**992,119**	1,222,449	*-19%*
Shareholders' equity				**3,102,225**	2,767,560	*12%*
Total assets				**5,515,488**	5,430,376	*2%*

(1) This is a Non-GAAP financial measure or ratio. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A

Third Quarter 2026 in Review

Peyto increased capital activity during the third quarter after a wet spring and early summer period. Third quarter total production averaged 142,952 boe/d, up 10% year over year, while NGL volumes grew 20%, largely driven by Peyto's strong results from its 2026 Cardium drilling program and increased liquid recovery. Despite the AECO 7A monthly gas index averaging only $1.46/GJ, Peyto's diversification and mechanistic hedging strategy achieved a realized natural gas price of $3.50/Mcf ($3.04/GJ), more than double the AECO price. The Company continued to add to its diversification portfolio with 80,000 GJ/d of new transportation service on the Canadian Mainline to North Bay Junction and Parkway, set to commence in November 2028. Cash costs excluding royalties were $1.02/Mcfe, down 10% from Q3 2025 and in line with management's target set at the beginning of the year. FFO totaled $220.9 million, up 11% (8% per diluted share) from Q3 2025 and supported $124.0 million of capital expenditures, $74.3 million of shareholder dividends and a $23.8 million reduction in net debt in the quarter.

Capital Expenditures

Peyto spud 22 gross (22.0 net) horizontal wells in the third quarter, including 5 Cardium, 6 Notikewin, 7 Falher, and 4 Wilrich, in the core Sundance and Brazeau areas as the Company ramped up drilling activity coming out of break-up. Completions activity also increased coming out of Q2 as Peyto completed 19 gross (19.0 net) wells and brought 20 gross (20.0 net) wells on production in the quarter, resulting in total well-related capital expenditures of $99.6 million. As part of the completion program, Peyto completed and brought onstream 3 Sundance Cardium wells. Using elements of the latest Brazeau Cardium wellbore design, Peyto drilled and completed these Sundance Cardium wells at an 11% lower cost per meter than the previous design, and production continues to outperform prior vintages. The Company expects to make further improvements to the Sundance Cardium drilling and completion costs and associated productivity as this well species features prominently in the proposed 2027 capital program. As part of the Q3 2026 drilling program, Peyto added 4 Brazeau Cardium wells, following up on earlier successful wells that exhibited strong initial total liquid yields of approximately 100 bbl/MMcf. Additionally, Peyto invested $23.5 million in facilities, pipeline optimization projects, compressor upgrades, and a turnaround at the Swanson gas plant. Drilling costs per meter decreased 7% and completion costs per meter decreased by 5% as compared to Q2 2026. Historical drilling and completion costs are summarized in the following table.

	2019	2020	2021	2022	2023	2024	2025	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	**2026 Q3[1]**
Gross Hz Spuds	61	64	95	95	72	75	82	19	19	20	24	23	10	**22**
Measured Depth (m)	3,848	4,247	4,453	4,611	4,891	5,092	4,963	4,976	5,021	4,921	4,834	5,206	4,747	**4,867**
Drilling ($MM/well)	$1.62	$1.68	$1.89	$2.56	$2.85	$2.90	$2.93	$3.01	$2.94	$2.97	$2.84	$2.83	$3.00	**$2.87**
$ per meter	$420	$396	$424	$555	$582	$569	$591	$605	$585	$603	$587	$543	$633	**$589**
Completion ($MM/well)	$1.01	$0.94	$1.00	$1.35	$1.54	$1.70	$1.67	$1.56	$1.71	$1.63	$1.70	$1.70	$1.90	**$1.62**
Hz Length (m)	1,484	1,682	1,612	1,661	1,969	2,184	2,123	1,961	2,311	2,185	2,036	2,011	2,222	**1,991**
$ per Hz Length (m)	$679	$560	$620	$813	$781	$776	$787	$793	$740	$747	$837	$843	$853	**$814**
$ '000 per Stage	$38	$36	$37	$47	$52	$52	$51	$56	$47	$47	$55	$57	$52	**$45**

(1) Based on field estimates and may be subject to minor adjustments going forward.

Peyto successfully acquired 10 gross (10 net) sections in the Company's core areas through crown land sales totaling $0.9 million or $129/acre in the third quarter. This brings the total capital invested on land acquisitions and new inventory in the first three quarters of 2026 to $6.4 million to acquire 78 gross (62.7 net) sections at an average cost of $157/acre. This represents the largest annual addition of new lands since the Repsol acquisition in Oct 2023.

Peyto also spent $4.0 million towards abandonment and reclamation activities during the quarter as part of the planned $13 million budget for 2026.

Marketing

Commodity Prices

In the third quarter, Peyto realized a natural gas price after hedging of $3.50/Mcf, or $3.04/GJ, 108% higher than the average AECO 7A monthly benchmark of $1.46/GJ, driven by strong realized prices at the Company's non-AECO hubs, including Dawn,

Parkway, Ventura, Chicago and Henry Hub, as well as realized hedging gains. Peyto's diversification activities contributed $1.00/Mcf (net of diversification costs) in the quarter, while the Company's natural gas hedging activity resulted in a realized gain of $0.82/Mcf ($56.2 million). The value of Peyto's natural gas market diversification and hedging activities over the past eight quarters, relative to the AECO 7A benchmark, is illustrated in the following table.

($/Mcf)	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
AECO 7A[1]	1.59	2.21	2.25	1.08	2.55	2.71	1.64	1.68
Diversification value[2]	0.68	1.13	0.53	1.11	0.70	1.61	0.93	1.00
Realized hedging gain	1.16	0.83	0.75	1.38	0.76	0.37	0.85	0.82
Realized natural gas price after hedging	3.43	4.17	3.53	3.57	4.01	4.69	3.42	3.50
% premium to AECO 7A	116%	89%	57%	229%	57%	73%	108%	108%

1. AECO 7A monthly benchmark has been converted to $/Mcf at Peyto's average heat content of 1.15 GJ/Mcf.
2. Diversification value represents the difference between Peyto's realized natural gas price (after diversification cost but before realized hedging gain/loss) and the AECO 7A monthly benchmark price.

Realized condensate and pentanes plus prices averaged $110.04/bbl for the quarter, up 32% year over year driven by higher WTI oil prices. Other NGL volumes were sold at an average price of $28.34/bbl, or 24% of Canadian dollar WTI, up from $27.04/bbl in the third quarter of 2025. Peyto's combined realized NGL price was $69.88/bbl before hedging, and $60.77/bbl including a realized hedging loss of $9.11/bbl ($15.7 million) in the third quarter of 2026.

During the quarter, Peyto was awarded over 80,000 GJ/d of new transportation service on the TC Energy Mainline to North Bay Junction and Parkway through the latest Existing Capacity and New Capacity Open Seasons, set to commence in November 2028. This will double Peyto's natural gas sales volumes to Ontario markets and reduce exposure to the local AECO market.

Hedging

The Company has been actively hedging future production with financial and physical fixed price contracts to protect a portion of its future revenue from commodity price and foreign exchange volatility. The following table summarizes Peyto's hedge position for the fourth quarter of 2026, calendar 2027 and calendar 2028. Peyto's natural gas and liquid hedging program has secured revenue of approximately $690 million for calendar 2027.

	Q4 2026	2027	2028
Natural Gas			
Volume (MMcf/d)	462	417	178
Average Fixed Price ($/Mcf)	4.20	3.32	2.91
WTI Swaps			
Volume (bbls/d)	6,900	3,390	782
Average Fixed Price ($/bbl)	98.37	96.90	99.04
WTI Collars			
Volume (bbls/d)	700	623	249
Put–Call ($/bbl)	79.29–98.54	79.95–98.64	85.00–101.00
WTI Call Options			
Volume (bbls/d)	-	1,500	-
Call ($/bbl)	-	100.00	-
Propane			
Volume (bbls/d)	1,000	247	-
Average Fixed Price (US$/bbl)	34.23	34.23	-
USD FX Contracts			
Amount sold (USD 000s)	39,101	120,714	13,445
Rate (CAD/USD)	1.358	1.360	1.368

The Company's fixed price contracts combined with its diversification to the Cascade power plant and other premium demand markets in North America allow for revenue security and support Peyto's capital expenditure program, continued shareholder dividends and management of the balance sheet. Details of the Company's ongoing marketing and diversification efforts are available on Peyto's website at https://www.peyto.com/Marketing.aspx.

Netbacks

The Company's realized natural gas and NGL sales yielded a combined revenue stream of $3.86/Mcfe before hedging gains of $0.51/Mcfe, resulting in a quarterly net sales price of $4.37/Mcfe, 1% higher than the $4.31/Mcfe realized in Q3 2025. Cash costs totaled $1.29/Mcfe in the quarter, 7% higher than $1.21/Mcfe in Q3 2025 due to increased royalties. Controllable cash costs (excluding royalties), decreased 10% to $1.02/Mcfe from Q3 2025 and are Peyto's lowest since Q1 2023. Operating costs totaled $0.49/Mcfe, down from $0.51/Mcfe in Q3 2025 while interest costs totaled $0.18/Mcfe, down from $0.26/Mcfe in Q3 2025. The Company's cash netback (net sales price including other income, net marketing revenue, realized gain on foreign

exchange, less total cash costs) was $3.16/Mcfe, resulting in a solid 71% operating margin. Historical cash costs and operating margins are shown below:

	2023				2024				2025				2026		
($/Mcfe)	Q1	Q2	Q3	Q4[(2)]	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
Revenue [(1)]	5.10	4.07	4.32	4.83	4.92	3.97	3.99	4.34	4.95	4.34	4.35	4.70	5.50	4.48	**4.45**
Royalties	0.53	0.18	0.29	0.30	0.24	0.26	0.18	0.21	0.25	0.14	0.08	0.18	0.21	0.28	**0.27**
Op Costs	0.50	0.47	0.44	0.55	0.55	0.52	0.54	0.50	0.53	0.54	0.51	0.49	0.52	0.50	**0.49**
Transportation	0.24	0.29	0.29	0.26	0.30	0.30	0.31	0.27	0.29	0.31	0.30	0.30	0.29	0.30	**0.29**
G&A	0.03	0.05	0.04	0.06	0.06	0.06	0.03	0.05	0.06	0.06	0.06	0.05	0.06	0.05	**0.06**
Interest	0.22	0.22	0.28	0.40	0.36	0.36	0.38	0.33	0.29	0.26	0.26	0.21	0.20	0.19	**0.18**
Cash costs pre-royalties	0.99	1.03	1.05	1.27	1.27	1.24	1.26	1.15	1.17	1.17	1.13	1.05	1.07	1.04	**1.02**
Total Cash Costs[10]	1.52	1.21	1.34	1.57	1.51	1.50	1.44	1.36	1.42	1.31	1.21	1.23	1.28	1.32	**1.29**
Cash Netback[11]	3.58	2.86	2.98	3.26	3.41	2.47	2.55	2.98	3.53	3.03	3.14	3.47	4.22	3.16	**3.16**
Operating Margin	71%	70%	69%	67%	69%	62%	64%	69%	71%	70%	72%	74%	77%	71%	**71%**

(1) Revenue includes other income, net marketing revenue and realized gains (losses) on foreign exchange.
(2) First quarter of Repsol assets included in Peyto's results

Depletion, depreciation, and amortization charges of $1.28/Mcfe, along with provisions for current tax, deferred tax, performance-based compensation and stock-based compensation resulted in adjusted earnings of $1.34/Mcfe, for a 30% profit margin. Dividends to shareholders totaled $0.94/Mcfe.

Activity Update

Peyto's drilling activity remains steady, with four rigs running across its core Sundance and Brazeau areas. Since quarter-end, the Company has drilled 5 gross (4.8 net) wells, completed 7 gross (7.0 net) wells and brought 3 gross (3.0 net) wells on production, with a further 7 gross (7.0 net) wells scheduled to come on stream in the first half of November.

In Brazeau, Peyto's Cardium development continues to deliver superior returns. Three wells recently brought onstream are meeting or exceeding expectations and represent another successful test of the Company's revised Cardium completion methodology, which targeted improved operational certainty and cost reductions. Peyto estimates the approach has lowered completion costs by approximately 12% per meter and believes there is room for further cost improvement.

Construction is also underway on a large-scale pipeline looping project north of the Nosehill gas plant. The project is expected to improve productivity in an area where Peyto has spent the last couple of years successfully developing high-deliverability Notikewin wells, and where the Company expects to remain active through 2027 and beyond.

2027 Preliminary Budget and Plans

Peyto's preliminary capital budget for 2027, set at $475–$525 million, includes a low-risk development program targeting multiple formations across all core areas. A large share of the budget will be invested in Cardium development, building on successful 2026 drilling results, with the specific aim of targeting higher liquids content to capture stronger pricing. To support this, the Company expects to add a fifth drilling rig before year-end 2026 to begin a Cardium-focused program, which is anticipated to account for more than one-third of the locations drilled in 2027. The total capital program is expected to include 70 to 80 horizontal wells, with well-related costs making up approximately 80% of the budget.

Peyto's 2027 facility and pipeline capital budget includes several projects designed to connect more gas into both the Edson and Bigstone gas plants. Capital plans also cover minor turnarounds at two gas plants, along with multiple pipeline optimization and debottlenecking initiatives and plant optimization projects. These projects will increase reliability and lower long-term operating costs, leveraging Peyto's operated 1.4 Bcf/d of net gas processing capacity. Additionally, the Company plans to spend approximately $10 million on closure related activities to reduce abandonment retirement obligations.

[10] Total Cash costs is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.
[11] Cash netback is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release and in the Q3 2026 MD&A.

While specific details of the budget will be finalized in early 2027, the capital program is estimated to add approximately 45,000 to 50,000 boe/d of new production by the end of the year and more than offset annual forecasted decline of between 26–28%. The program is expected to grow liquids, specifically condensate and pentanes, by a larger portion than natural gas with the focus on liquids-rich formations. Peyto anticipates the corporate liquid fraction to approach 15% of total production by the end of the year. The capital program remains flexible, as always, to allow Peyto to react to changes in commodity prices, service costs and the global economic environment.

Dividend Increase

Peyto has a long history of developing natural gas assts with a prudent risk management strategy. The elements of the business that achieve the Company's profitable growth include a mechanistic hedging program, market diversification, industry-leading cost structure, and high reserve life index. These combine to provide secure funding for planned capital programs, dividends, and the management of the balance sheet.

In keeping with Peyto's strategy of returning excess free funds flow to shareholders, the strength of the Company's financial position, and the consistent results from planned capital programs, the Board of Directors of Peyto approved a monthly dividend of $0.13/share starting in November (payable December 15, 2026) as previously announced on November 3, 2026. This is the Company's second dividend raise in 2026, increasing the monthly dividend 18% over the 2025 distribution of $0.11/share.

Outlook

The world’s demand for energy continues to grow and natural gas remains the fastest growing fossil fuel providing an affordable, reliable, and abundant source. Western Canada has a plentitude of world-class natural gas resource that can be developed to help satisfy the global needs. Canada appears ready to embrace this potential and Canadians need to hold governments accountable so we can truly become an energy superpower. The proposed Productivity Mega Deduction, if enacted, is one example of positive tax change that should result in increased capital investment in Canada. Peyto’s low-cost development program is protected through market diversification, a mechanistic hedging program, and an industry-leading cost structure and stands ready to help meet the growing demand.

Conference Call and Webcast

A conference call will be held with senior management of Peyto to answer questions with respect to the Company’s Q3 2026 results on Tuesday, November 10, 2026, at 9:00 a.m. Alberta Time (ABT), or 10:00 a.m. Eastern Standard Time (EST).

Access to the webcast can be found at: https://edge.media-server.com/mmc/p/w6hv2h3v. To participate in the call, please register for the event at: Participant Call Link. Participants will be issued a dial in number and PIN to join the conference call and ask questions. Alternatively, questions can be submitted prior to the call at info@peyto.com. The conference call will be available on the Peyto Exploration & Development website at www.peyto.com.

Management’s Discussion and Analysis

A copy of the third quarter report to shareholders, including the MD&A, unaudited consolidated financial statements and related notes, is available at https://www.peyto.com/Files/Financials/2026/Q32026FS.pdf and at https://www.peyto.com/Files/Financials/2026/Q32026MDA.pdf and will be filed at SEDAR+, www.sedarplus.com at a later date.

Jean-Paul Lachance
President & Chief Executive Officer
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November 9, 2026

Cautionary Statements

Forward-Looking Statements

This news release contains certain forward-looking statements or information ("forward-looking statements") as defined by applicable securities laws that involve substantial known and unknown risks and uncertainties, many of which are beyond Peyto's control. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate", or other similar words or statements that certain events "may" or "will" occur are intended to identify forward-looking statements. The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions, and assumptions at the time the statements were made, including assumptions relating to: macro-economic conditions, including public health concerns and other geopolitical risks, the condition of the global economy and, specifically, the condition of the crude oil and natural gas industry, and the ongoing significant volatility in world markets; other industry conditions; changes in laws and regulations including, without limitation, the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; increased competition; the availability of qualified operating or management personnel; fluctuations in other commodity prices, foreign exchange or interest rates; stock market volatility and fluctuations in market valuations of companies with respect to announced transactions and the final valuations thereof; results of exploration and testing activities; and the ability to obtain required approvals and extensions from regulatory authorities. Management of the Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Peyto will derive from them. As such, undue reliance should not be placed on forward-looking statements. Forward-looking statements contained herein include, but are not limited to, statements regarding: management's assessment of Peyto's future plans and operations, including the 2027 capital expenditure program; production estimates; activity levels; future Cardium drilling plans; the sustainability of the Company's dividend; the effectiveness of the Company's hedging program at securing revenue; and the Company's overall strategy and focus.

The forward-looking statements contained herein are subject to numerous known and unknown risks and uncertainties that may cause Peyto's actual financial results, performance or achievement in future periods to differ materially from those expressed in, or implied by, these forward-looking statements, including but not limited to, risks associated with: continued changes and volatility in general global economic conditions including, without limitations, the economic conditions in North America and public health concerns; continued fluctuations and volatility in commodity prices, foreign exchange or interest rates; continued stock market volatility; imprecision of reserves estimates; competition from other industry participants; failure to secure required equipment; increased competition; the lack of availability of qualified operating or management personnel; environmental risks; changes in laws and regulations including, without limitation, the adoption of new environmental and tax laws, tariffs, and regulations and changes in how they are interpreted and enforced; the results of exploration and development drilling and related activities; and the ability to access sufficient capital from internal and external sources. In addition, to the extent that any forward-looking statements presented herein constitutes future-oriented financial information or financial outlook, as defined by applicable securities legislation, such information has been approved by management of Peyto and has been presented to provide management's expectations used for budgeting and planning purposes and for providing clarity with respect to Peyto's strategic direction based on the assumptions presented herein and readers are cautioned that this information may not be appropriate for any other purpose. Readers are encouraged to review the material risks discussed in Peyto's latest annual information form under the heading "Risk Factors" and in Peyto's annual management's discussion and analysis under the heading "Risk Factors".

The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Peyto will derive there from. The forward-looking statements, including any future-oriented financial information or financial outlook, contained in this news release speak only as of the date hereof and Peyto does not assume any obligation to publicly update or revise them to reflect new information, future events or circumstances or otherwise, except as may be required pursuant to applicable securities laws.

Information Regarding Disclosure on Oil and Gas Reserves

Some values set forth in the tables above may not add due to rounding. It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Barrels of Oil Equivalent

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (BOE). Peyto uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

Thousand Cubic Feet Equivalent (Mcfe)

Natural gas volumes recorded in thousand cubic feet (mcf) are converted to barrels of oil equivalent (boe) using the ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). Natural gas liquids and oil volumes in barrel of oil (bbl) are converted to thousand cubic feet equivalent (Mcfe) using a ratio of one (1) barrel of oil to six (6) thousand cubic feet. This could be misleading, particularly if used in isolation as it is based on an energy equivalency conversion method primarily applied at the burner tip and does not represent a value equivalency at the wellhead.

Non-GAAP and Other Financial Measures

Throughout this press release, Peyto employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance.

Non-GAAP Financial Measures

Funds from Operations

"Funds from operations" is a non-GAAP measure which represents cash flows from operating activities before changes in non-cash operating working capital, decommissioning expenditure, provision for performance-based compensation and transaction costs. Management considers funds from operations and per share calculations of funds from operations to be key measures as they demonstrate the Company's ability to generate the cash necessary to pay dividends, repay debt and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds from operations provides a useful measure of Peyto's ability to generate cash that is not subject to short-term movements in operating working capital. The most directly comparable GAAP measure is cash flows from operating activities.

	Three Months Ended September 30		Nine Months Ended September 30	
($000)	**2026**	2025	**2026**	2025
Cash flows from operating activities	**214,113**	225,138	**710,852**	618,811
Change in non-cash working capital	**(275)**	(32,187)	**12,616**	(20,060)
Decommissioning expenditures	**4,039**	3,450	**9,062**	9,266
Performance-based compensation	**3,000**	2,500	**9,000**	7,500
Funds from operations	**220,877**	198,901	**741,530**	615,517

Free Funds Flow

Peyto uses "free funds flow" as an indicator of the efficiency and liquidity of Peyto's business, measuring its funds after capital investment available to manage debt levels, pay dividends, and return capital to shareholders through activities such as share repurchases. Peyto calculates free funds flow as cash flows from operating activities before changes in non-cash operating working capital, provision for performance-based compensation, and transaction costs, less total capital expenditures, allowing Management to monitor its free funds flow to inform its capital allocation decisions. The most directly comparable GAAP measure to free funds flow is cash from operating activities. The following table details the calculation of free funds flow and the reconciliation from cash flow from operating activities to free funds flow.

	Three Months Ended September 30		Nine Months Ended September 30	
($000)	**2026**	2025	**2026**	2025
Cash flows from operating activities	**214,113**	225,138	**710,852**	618,811
Change in non-cash working capital	**(275)**	(32,187)	**12,616**	(20,060)
Performance-based compensation	**3,000**	2,500	**9,000**	7,500
Total capital expenditures	**(123,999)**	(126,302)	**(359,375)**	(333,078)
Free funds flow	**92,839**	69,149	**373,093**	273,173

Adjusted Earnings

Peyto uses "adjusted earnings" for its own performance measure and to provide investors with a measurement of the Company's earnings prior to the non-cash, after-tax effects of unrealized gains and losses on derivative financial instruments and unrealized gains and losses on foreign exchange. The most directly comparable GAAP measure for adjusted earnings is earnings. The following table details the calculation of earnings to adjusted earnings.

	Three Months Ended September 30		Nine Months Ended September 30	
($000)	**2026**	2025	**2026**	2025
Earnings	**155,652**	90,736	**433,000**	292,685
Unrealized (gain) loss on foreign exchange	**(88)**	1,112	**1,928**	(1,872)
Unrealized gain (loss) on instruments	**(65,204)**	-	**(67,564)**	-
Income taxes (recovery) on adjustments	**15,007**	(128)	**15,318**	215
Adjusted earnings	**105,367**	91,720	**382,682**	291,028

Total Capital Expenditures

Peyto uses the term "total capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable GAAP measure for total capital expenditures is cash flow used in investing activities. The following table details the calculation of cash flow used in investing activities to total capital expenditures.

	Three Months Ended September 30		Nine Months Ended September 30	
($000)	**2026**	2025	**2026**	2025
Cash flows used in investing activities	**96,412**	104,766	**358,101**	316,753
Change in prepaid capital	**(908)**	4,065	**(4,496)**	4,470
Change in non-cash working capital relating to investing activities	**28,495**	17,471	**5,770**	11,855
Total capital expenditures	**123,999**	126,302	**359,375**	333,078

Net Debt

"Net debt" is a non-GAAP financial measure that is the sum of long-term debt and working capital excluding the current financial derivative instruments, current portion of lease obligations and current portion of decommissioning provision. It is used by management to analyze the financial position and leverage of the Company. Net debt is reconciled to long-term debt which is the most directly comparable GAAP measure.

($000)	**September 30, 2026**	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Long-term debt	**997,742**	1,057,861	1,085,719	1,074,273	1,083,061
Current assets	**(319,692)**	(370,712)	(359,804)	(360,297)	(345,655)
Current liabilities	**249,866**	227,942	262,057	365,910	377,977
Financial derivative instruments - current	**77,260**	114,852	114,216	111,682	117,193
Current portion of lease obligation	**(1,057)**	(1,023)	(1,007)	(991)	(977)
Decommissioning provision - current	**(12,000)**	(13,000)	(12,818)	(13,000)	(9,150)
Net debt	**992,119**	1,015,920	1,088,363	1,177,577	1,222,449

Net marketing revenue

Peyto uses the term "net marketing revenue" to evaluate the profitability of products purchased from third parties that are resold. Net marketing revenue is calculated as marketing revenue less marketing purchases.

	Three Months Ended September 30		Nine Months Ended September 30	
($000)	**2026**	2025	**2026**	2025
Marketing revenue	**6,857**	4,892	**18,424**	18,619
Marketing purchases	**(5,858)**	(4,296)	**(16,227)**	(16,354)
Net marketing revenue	**999**	596	**2,197**	2,265

Non-GAAP Financial Ratios

Funds from Operations per Share

Peyto presents funds from operations per share by dividing funds from operations by the Company's diluted or basic weighted average common shares outstanding. "Funds from operations" is a non-GAAP financial measure. Management believes that funds from operations per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

Netback per MCFE and BOE

"Netback" is a non-GAAP measure that represents the profit margin associated with the production and sale of petroleum and natural gas. Peyto computes "field netback per Mcfe" as commodity sales from production, plus net marketing revenue, if any, plus other income, less royalties, operating, and transportation expenses, divided by production. "Cash netback" is calculated as "field netback" less interest, less general and administration expense and plus or minus realized gain on foreign exchange, divided by production. "After-tax cash netback" is calculated as "cash netback" less current tax, divided by production. Netbacks are per-unit-of-production measures used to assess Peyto's performance and efficiency.

	Three Months Ended September 30		Nine Months Ended September 30	
($/Mcfe)	**2026**	2025	**2026**	2025
Gross sale price	**3.86**	3.07	**4.31**	3.60
Realized hedging gain	**0.51**	1.24	**0.41**	0.89
Net sale price	**4.37**	4.31	**4.72**	4.49
Net marketing revenue	**0.01**	0.01	**-**	0.01
Other income	**0.07**	0.02	**0.08**	0.04
Royalties	**(0.27)**	(0.08)	**(0.25)**	(0.15)
Operating costs	**(0.49)**	(0.51)	**(0.50)**	(0.53)
Transportation	**(0.29)**	(0.30)	**(0.29)**	(0.30)
Field netback	**3.40**	3.45	**3.76**	3.56
G&A	**(0.06)**	(0.06)	**(0.06)**	(0.06)
Interest and financing	**(0.18)**	(0.26)	**(0.19)**	(0.27)
Realized gain (loss) on foreign exchange	**-**	0.01	**-**	-
Cash netback ($/Mcfe)	**3.16**	3.14	**3.51**	3.23
Current tax ($/Mcfe)	**(0.36)**	(0.36)	**(0.40)**	(0.38)
After-tax cash netback ($/Mcfe)	**2.80**	2.78	**3.11**	2.85
After-tax cash netback ($/boe)	**16.79**	16.66	**18.70**	17.11

Net marketing revenue per Mcfe

"Net marketing revenue per Mcfe" is comprised of marketing revenue less marketing purchases, as determined in accordance with IFRS, divided by the Company's total production.

Total Payout Ratio
"Total payout ratio" is a non-GAAP measure which is calculated as the sum of dividends declared plus total capital expenditures plus decommissioning expenditures, divided by funds from operations. This ratio represents the percentage of the capital expenditures and dividends that is funded by cashflow. Management uses this measure, among others, to assess the sustainability of Peyto's dividend and capital program.

	Three Months Ended September 30		Nine Months Ended September 30	
($000, except total payout ratio)	**2026**	2025	**2026**	2025
Total dividends declared	**74,254**	66,387	**213,661**	198,020
Total capital expenditures	**123,999**	126,302	**359,375**	333,078
Decommissioning expenditures	**4,039**	3,450	**9,062**	9,266
Total payout	**202,292**	196,139	**582,098**	540,364
Funds from operations	**220,877**	198,901	**741,530**	615,517
Total payout ratio (%)	**92%**	99%	**78%**	88%

Operating Margin
Operating Margin is a non-GAAP financial ratio defined as funds from operations, before current tax, divided by revenue before royalties but including realized hedging gains/losses, other income and net marketing revenue.

Profit Margin
Profit Margin is a non-GAAP financial ratio defined as adjusted earnings divided by revenue before royalties but including realized hedging gains/losses, other income and net marketing revenue.

Cash Costs
Cash costs is a non-GAAP financial ratio defined as the sum of royalties, operating expenses, transportation expenses, G&A and interest, on a per Mcfe basis. Peyto uses total cash costs to assess operating margin and profit margin.

Return on Equity (ROE)
Peyto calculates ROE, expressed as a percentage, as trailing 12-month earnings divided by period-end shareholders' equity. Peyto uses ROE as a measure of long- term financial performance, to measure how effectively Management utilizes the capital it has been provided by shareholders and to demonstrate to shareholders the returns generated over the long term.

Return on Capital Employed (ROCE)
Peyto calculates ROCE, expressed as a percentage, as adjusted earnings before interest and taxes ("Adjusted EBIT") on a trailing 12-month basis, divided by average capital employed over a trailing 12-month basis. Average capital employed is calculated as the average of shareholders' equity plus average net debt, over the past four quarters. In reporting ROCE for prior periods, capital employed was defined as shareholders' equity plus long-term liabilities at period end. The Company has changed the definition of capital employed to better align liabilities with interest-bearing debt. Peyto uses ROCE as a measure of long-term financial performance to measure how effectively Management utilizes the capital (debt and equity) it has been provided and to demonstrate to shareholders the returns generated over the long term. ROCE and the components of Adjusted EBIT and average capital employed are detailed in the following tables.

Adjusted EBIT

($000)	Q3 2026	Q2 2026	Q1 2026	Q4 2025
Earnings	155,652	106,259	171,089	125,901
Total income taxes	47,717	33,223	52,295	26,781
Unrealized (gain) loss on foreign exchange	(88)	1,084	932	(860)
Unrealized gain on derivative financial instruments	(65,204)	(2,360)	-	-
Finance cost	17,737	17,897	19,076	20,307
Adjusted EBIT	155,814	156,103	243,392	172,129

Adjusted EBIT (sum of trailing four quarters)	727,438

Average capital employed

($000)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025
Shareholders' Equity	3,102,225	3,044,650	2,985,070	2,851,734
Net debt	992,119	1,015,920	1,088,363	1,177,577
Capital Employed	4,094,344	4,060,570	4,073,433	4,029,311

Average capital employed (average of trailing four quarters)	4,064,415
ROCE (Adjusted EBIT/ Average capital employed)	18%