

PEYTO REPORTS FOURTH QUARTER AND 2025 ANNUAL RESULTS

CALGARY, ALBERTA – Peyto Exploration & Development Corp. ("Peyto" or the "Company") is pleased to report operating and financial results for the fourth quarter and 2025 fiscal year.

Full Year and Q4 2025 Highlights:

- Delivered \$245.0 million in funds from operations^{1,2} ("FFO"), or \$1.19/diluted share, and \$102.0 million of free funds flow³ in the quarter. Annual FFO totaled \$860.5 million or \$4.24/diluted share, and annual free funds flow totaled \$375.2 million.
- Peyto generated earnings of \$125.9 million, or \$0.61/diluted share, in the quarter and \$418.6 million, or \$2.06/diluted share, in 2025. The Company returned \$264.9 million (\$1.32/share) of dividends to shareholders and reduced net debt⁴ by \$171.0 million in 2025. Since inception, Peyto has returned \$3.4 billion of dividends and distributions to shareholders or a cumulative \$23.95/share.
- Annual capital expenditures⁵ of \$475.2 million, along with strong well results in the year, resulted in record production of 145 Mboe/d (763 MMcf/d gas, 18,270 bbl/d NGLs) in December, yielding a trailing 12-month capital efficiency⁶ of \$9,900 per boe/d. Peyto delivered a 72% annual operating margin⁷ and a 31% annual profit margin⁸, resulting in a 16% return on capital employed⁹ ("ROCE") and a 15% return on equity⁹ ("ROE"), on a trailing 12-month basis.
- The Company's disciplined hedging and diversification program in 2025 protected revenues from continued low natural gas prices at the AECO hub. The 2025 average price for the AECO 7A monthly index was \$1.76/GJ, yet Peyto realized an average price of approximately \$3.32/GJ (\$3.82/Mcf). The Company continues to have a strong hedge position, protecting approximately 490 MMcf/d and 248 MMcf/d of natural gas production for 2026 and 2027, at \$4.14/Mcf and \$3.53/Mcf, respectively.
- As previously announced, Peyto developed 504 BCFe of Proved Developed Producing ("PDP") reserves and increased reserves by 7%, 6%, and 6% in the PDP, Total Proved ("TP"), and Total Proved plus Probable ("P+P") reserves categories, respectively. PDP Finding, Development and Acquisition¹⁰ ("FD&A") costs of \$0.94/Mcfe were the lowest in the Canadian oil and gas industry this year. The Company generated a 3.8 times recycle ratio¹¹ using average field netback of \$3.61/Mcfe in 2025 (3.1 times on an after-tax cash netback¹² basis), the Company's highest PDP recycle ratio since 2003. *Refer to more details in the [February 19, 2026 press release](#).*
- Fourth quarter production volumes averaged a record 140,794 boe/d (740.1 MMcf/d of natural gas, 17,439 bbls/d of NGLs), a 6% (3% per share) increase year over year. Annual production averaged 134,055 boe/d (708.0 MMcf/d of natural gas, 16,048 bbls/d of NGLs), a 7% (4% per share) increase from 2024.
- Quarterly cash costs¹³ totaled \$1.23/Mcfe, 10% lower than Q4 2024, and included royalties of \$0.18/Mcfe, operating expense of \$0.49/Mcfe, transportation of \$0.30/Mcfe, G&A of \$0.05/Mcfe and interest expense of \$0.21/Mcfe.
- Capital expenditures totaled \$142.1 million in the quarter. Peyto drilled 24 wells (22.5 net), completed 28 wells (26.5 net), and brought 26 wells (24.5 net) on production.
- In the fourth quarter, Peyto amended and extended its credit facilities, which increased the revolving credit facility to \$1.05 billion from \$1.0 billion and extended the maturity to October 2029 from October 2027. Additionally, Peyto repaid and terminated its term loan facility.

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 average capital", "return on equity", "netback", "funds from operations", "free funds flow", "total cash costs", and "net debt". 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 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 Funds from operations is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A.

³ Free funds flow is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A.

⁴ Net debt is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A.

⁵ Total capital expenditures is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A.

⁶ Capital efficiency is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.

⁷ Operating Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.

⁸ Profit Margin is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.

⁹ 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 Q4 2025 MD&A.

¹⁰ FD&A is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.

¹¹ Recycle ratio is a non-GAAP financial ratio. See "non-GAAP and Other Financial Measures" in this news release.

¹² After-tax cash netback is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A.

¹³ Cash costs is a non-GAAP financial measure. See "non-GAAP and Other Financial Measures" in this news release.

	Three Months Ended Dec 31		%	Year Ended Dec 31		%
	2025	2024	Change	2025	2024	Change
Operations						
Production						
Natural gas (Mcf/d)	740,132	708,105	5%	708,046	659,209	7%
NGLs (bbl/d)	17,439	15,409	13%	16,048	15,334	5%
Thousand cubic feet equivalent (Mcf/d @ 1:6)	844,765	800,558	6%	804,332	751,212	7%
Barrels of oil equivalent (boe/d @ 6:1)	140,794	133,426	6%	134,055	125,202	7%
Production per million common shares (boe/d)	694	676	3%	668	640	4%
Product prices						
Realized natural gas price – after hedging and diversification (\$/Mcf)	4.01	3.43	17%	3.82	3.32	15%
Realized NGL price – after hedging (\$/bbl)	53.58	64.78	-17%	58.16	65.77	-12%
Net sales price (\$/Mcf)	4.62	4.28	8%	4.53	4.26	6%
Royalties (\$/Mcf)	0.18	0.21	-14%	0.16	0.22	-27%
Operating (\$/Mcf)	0.49	0.50	-2%	0.52	0.53	-2%
Transportation (\$/Mcf)	0.30	0.27	11%	0.30	0.30	0%
Field netback ⁽¹⁾ (\$/Mcf)	3.74	3.35	12%	3.61	3.26	11%
General & administrative expenses (\$/Mcf)	0.05	0.05	0%	0.06	0.05	20%
Interest expense (\$/Mcf)	0.21	0.33	-36%	0.25	0.36	-31%
Financial (\$000, except per share)						
Natural gas and NGL sales including realized hedging gains (losses) ⁽²⁾	359,076	315,098	14%	1,329,175	1,172,079	13%
Funds from operations ⁽¹⁾	244,968	199,079	23%	860,485	713,136	21%
Funds from operations per share - basic ⁽¹⁾	1.21	1.01	20%	4.29	3.64	18%
Funds from operations per share - diluted ⁽¹⁾	1.19	1.00	19%	4.24	3.62	17%
Total dividends	66,921	65,140	3%	264,941	258,369	3%
Total dividends per share	0.33	0.33	0%	1.32	1.32	0%
Earnings	125,901	78,228	61%	418,586	280,570	49%
Earnings per share – basic	0.62	0.40	55%	2.09	1.43	46%
Earnings per share – diluted	0.61	0.39	56%	2.06	1.42	45%
Total capital expenditures ⁽¹⁾	142,093	117,525	21%	475,171	457,607	4%
Decommissioning expenditures	849	1,836	-54%	10,115	8,446	20%
Total payout ratio ⁽¹⁾	86%	93%	-8%	87%	102%	-15%
Weighted average common shares outstanding - basic	202,789,992	197,388,049	3%	200,720,890	195,737,374	3%
Weighted average common shares outstanding - diluted	205,511,803	198,746,631	3%	203,130,517	197,084,973	3%
Net debt ⁽¹⁾				1,177,577	1,348,574	-13%
Shareholders' equity				2,851,734	2,696,329	6%
Total assets				5,459,392	5,505,890	-1%

(1) This is a Non-GAAP financial measure or ratio. See "non-GAAP and Other Financial Measures" in this news release and in the Q4 2025 MD&A

(2) Excludes marketing revenue

2025 in Review

Peyto completed another successful year of operations in 2025, achieving strong well results and meaningful reserve additions while remaining within the range of capital guidance. Despite a challenging gas price environment where monthly AECO prices averaged \$1.76/GJ for the year, the Company's disciplined hedging strategy and market diversification, coupled with industry leading cash costs, delivered a field netback of \$3.61/Mcfe. The efficiency of the capital program generated PDP FD&A costs of \$0.94/Mcfe and a field-level PDP recycle ratio of 3.8 times, meaning Peyto generated 3.8 times more cash flow, at the field operating level, than the cost required to find and develop new reserves. On an after-tax cash netback basis, inclusive of G&A, interest, and current taxes, the recycle ratio was 3.1 times. Highlights of the drilling program include continued success in high-deliverability Notikewin channels and follow-up wells along a prolific Falher trend that was discovered and defined over the past several years. Additional achievements include successful Viking formation follow-up wells, further derisking future inventory in this play, testing an enhanced drilling and completion design in the Cardium that improved play economics, and a return to the Bluesky where the results were highly profitable. Optimization initiatives also continued across Peyto's operated gas plants and gathering systems to improve well productivity, increase facility utilization, and lower costs. The Company's extensive owned-and-operated infrastructure, capable of processing up to 1.5 Bcf/d and currently 63% utilized, provides flexibility to redirect volumes within core areas, supports future growth, and enables further reductions in unit operating costs. During 2025, Peyto generated FFO of \$860.5 million and earnings of \$418.6 million. The Company returned \$264.9 million in dividends to shareholders while reducing net debt by \$171.0 million from year end 2024. Production grew to a record 145 Mboe/d in December 2025 (763 MMcf/d of gas, 18,270 bbl/d of NGLs), up from 136 Mboe/d (721 MMcf/d gas, 15,708 bbl/d NGLs) in December 2024, representing an exit capital efficiency of \$9,900 per boe/d after accounting for 28% annual production decline. Annual operating and profit margins were 72% and 31%, respectively.

Capital Expenditures

Peyto drilled 82 gross (78.4 net) horizontal wells in 2025 and brought 79 gross (75.4 net) wells on production. The Company invested \$386.4 million, 81% of total capital expenditures, in drilling, completing, and bringing wells on production in 2025. Activity was distributed across the Company's core areas, with 19 gross (16.4 net) wells drilled in the Brazeau area and 63 gross (62.0 net) wells drilled in the Sundance area. The program targeted multiple horizons including the Cardium, Dunvegan, Viking, Notikewin, Falher, Wilrich, and Bluesky formations. The 2025 program included 34 gross wells (41%) that were not recognized in the prior year's reserve report, highlighting the depth and quality of new opportunities Peyto continues to unlock across its core land base. Average well productivity in 2025 was equivalent to the improved 2024 average well results while maintaining the same per-unit well costs. During 2025, the average horizontal length was 3% shorter than in 2024 while drilling and completion costs per meter were up 4% and 1%, respectively.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gross Hz Spuds	123	140	126	135	70	61	64	95	95	72	75	82
Measured Depth (m)	4,251	4,309	4,197	4,229	4,020	3,848	4,247	4,453	4,611	4,891	5,092	4,963
Drilling (\$MM/well)	\$2.66	\$2.16	\$1.82	\$1.90	\$1.71	\$1.62	\$1.68	\$1.89	\$2.56	\$2.85	\$2.90	\$2.93
\$ per meter	\$626	\$501	\$433	\$450	\$425	\$420	\$396	\$424	\$555	\$582	\$569	\$591
Completion (\$MM/well)	\$1.70	\$1.21	\$0.86	\$1.00	\$1.13	\$1.01*	\$0.94	\$1.00	\$1.35	\$1.54	\$1.70	\$1.67
Hz Length (m)	1,460	1,531	1,460	1,241	1,348	1,484	1,682	1,612	1,661	1,969	2,184	2,123
\$ per Hz Length (m)	\$1,166	\$792	\$587	\$803	\$751	\$679	\$560	\$620	\$813	\$781	\$776	\$787
\$ '000 per Stage	\$168	\$115	\$79	\$81	\$51	\$38	\$36	\$37	\$47	\$52	\$52	\$51

*Peyto's Montney well is excluded from drilling and completion cost comparison.

During 2025, Peyto invested a total of \$86.2 million in facility upgrades and pipeline projects to optimize and expand the Company's gathering and processing infrastructure. Specifically, Peyto invested \$23.5 million in a 35 MMcf/d field compressor in the Sundance area to gather low pressure gas and redirect it to the Edson Gas Plant. This compressor station was installed to accommodate future development opportunities in the area and can be expanded to 60 MMcf/d. The Company also constructed a key pipeline in 2025 designed to connect 8 MMcf/d of third-party natural gas into the Brazeau gas plant. This project is supported by a multi-year processing agreement and is intended to utilize spare capacity at the Brazeau facility. The pipeline was also designed to accommodate additional third-party volumes, creating further opportunities to enhance facility throughput and revenue.

Peyto continued to be active in pursuing high quality opportunities at crown land sales as well as through swaps, purchases, and farm-ins. In total, the Company spent \$2.1 million to acquire 15.8 net sections of land across the Company's core areas.

Reserves

Peyto's 2025 capital program delivered growth across all reserves categories. The value of the Company's reserves per share decreased in the Total Proved and Proved plus Probable categories due to the reduction of commodity price forecasts used in the GLJ Ltd. ("GLJ") report. However, the strong 2025 capital program generated a 2% increase in PDP reserves value per share over last year. The following table illustrates the change in reserve volumes and Net Present Value ("NPV") of future cash flows, discounted at 10%, before income tax and using the 3-Consultant average forecast pricing.

	As of December 31		% Change, per share (basic outstanding) ¹
	2025	2024	
Reserves (BCFe)			
Proved Developed Producing	3,053	2,843	4%
Total Proved	5,559	5,255	3%
Total Proved + Probable	8,702	8,202	3%
Net Present Value² (\$millions) Discounted at 10%			
Proved Developed Producing	\$4,970	\$4,879	2%
Total Proved	\$6,870	\$7,051	-3%
Total Proved + Probable	\$9,362	\$9,569	-2%

¹ Basic shares outstanding as at Dec 31, 2025 were 203,343,491 and Dec 31, 2024 were 197,829,480

² 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. See "Information Regarding Disclosure on Oil and Gas Reserves" in the advisory section of this news release. Note: based on the GLJ Ltd Petroleum Consultants ("GLJ") report effective December 31, 2025. The GLJ 3-consultant price forecast is available at www.GLJPC.com.

For more information on Peyto's reserves, refer to the Press Release dated February 19, 2026, announcing the Year End Reserve Report which is available on the website at www.peyto.com. The complete statement of reserves data and required reporting in compliance with NI 51-101 will be included in Peyto's Annual Information Form to be released by March 31, 2026.

Fourth Quarter 2025

Peyto continued its drilling activity throughout the fourth quarter of 2025 with five rigs running across the Company's core areas. Drilling and completions capital of \$110.1 million was invested to drill 24 gross (22.5 net) wells and complete 28 gross (26.5 net) wells. In addition, \$11.9 million was invested to tie-in 26 gross (24.5 net) wells, while \$18.9 million was invested in facility and major pipeline infrastructure including the completion and commissioning of a new field compressor station in the Swanson area, compressor upgrades at several gas plants, and pipeline de-bottlenecking in the Nosehill and Swanson areas of Sundance.

Drilling targets in the fourth quarter included a larger percentage of high-rate Notikewin and Falher targets resulting in increased well performance in the quarter and lifted quarterly production volumes to 140,794 boe/d (740.1 MMcf/d of natural gas and 17,439 bbl/d of NGLs), up 9% from Q3 2025. The production ramp-up was intentionally timed to coincide with stronger winter pricing across the Company's diversified natural gas sales markets.

Peyto's realized price for natural gas for the quarter was \$4.01/Mcf including hedging gains, while its realized liquids price was \$53.58/bbl including hedging gains, which yielded an average net sale price of \$4.62/Mcfe. The net sale price for the quarter was up 8% from \$4.28/Mcfe in Q4 2024, despite realized NGL prices declining 17%. Total cash costs for the quarter of \$1.23/Mcfe decreased 10% from \$1.36/Mcfe for Q4 2024, reflecting lower royalties, operating costs, and interest and financing expenses, partially offset by higher transportation costs. The total Q4 2025 cash costs included royalties of \$0.18/Mcfe, operating costs of \$0.49/Mcfe, transportation costs of \$0.30/Mcfe, interest and financing costs of \$0.21/Mcfe, and G&A costs of \$0.05/Mcfe. The Company's cash netback (before performance-based compensation and current tax expense) was \$3.47/Mcfe, up 16% from Q4 2024, and yielded a 74% operating margin in the quarter.

Peyto generated \$245.0 million of FFO for the quarter, up 23% from \$199.1 million in Q4 2024. On a per-share basis, FFO rose 19% year-over-year to \$1.19 per diluted share in the fourth quarter. The year-over-year increase was primarily driven by higher

production volumes, stronger realized natural gas prices after hedging and diversification, and lower interest and financing costs. The Company's profit margin in the quarter was 34%, up from 24% in Q4 2024, and the highest since Q4 2022.

Marketing

Commodity Prices

In the fourth quarter, Peyto realized a natural gas price after hedging and diversification of \$4.01/Mcf, or \$3.49/GJ, 57% higher than the average AECO 7A monthly benchmark of \$2.22/GJ, driven by realized hedging gains and price exposure to non-AECO hubs, including Dawn, Parkway, Chicago and Henry Hub. Peyto's natural gas hedging activity resulted in a realized gain of \$0.76/Mcf (\$51.8 million) while the Company's diversification activities contributed \$0.70/Mcf (net of diversification costs) in the quarter. The value of Peyto's natural gas market diversification and hedging activities over the past eight quarters, relative to the AECO 7A benchmark, is detailed in the following table.

(\$/Mcf)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
AECO 7A ¹	2.23	1.56	0.89	1.59	2.21	2.25	1.08	2.55
Diversification value ²	0.23	0.09	0.75	0.68	1.13	0.53	1.11	0.70
Realized hedging gain	1.59	1.22	1.31	1.16	0.83	0.75	1.38	0.76
Realized natural gas price after hedging and diversification	4.05	2.87	2.95	3.43	4.17	3.53	3.57	4.01
% premium to AECO 7A	81%	84%	233%	116%	89%	57%	229%	57%

- AECO 7A monthly benchmark has been converted to \$/Mcf at Peyto's average heat content of 1.15 GJ/Mcf.
- 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.

Condensate and pentanes averaged \$74.00/bbl for the quarter, down 19% year over year due to falling benchmark oil prices over the same period. Other NGL volumes were sold at an average price of \$22.85/bbl, or 28% of Canadian dollar WTI. Peyto's combined realized NGL price was \$50.89/bbl before hedging, and \$53.58/bbl including a realized hedging gain of \$2.69/bbl (\$4.3 million) in the fourth quarter.

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 calendar 2026, and calendar 2027. Peyto's natural gas and liquid hedging program has secured over \$880 million and \$355 million of revenue for 2026 and 2027, respectively.

	2026	2027
Natural Gas		
Volume (MMcf/d)	490	248
Average Fixed Price (\$/Mcf)	4.14	3.53
WTI Swaps		
Volume (bbls/d)	4,545	898
Average Fixed Price (\$/bbl)	86.07	81.71
WTI Collars		
Volume (bbls/d)	500	500
Put-Call (\$/bbl)	81.25-94.70	75.00-87.25
Propane		
Volume (bbls/d)	123	-
Average Fixed Price (US\$/bbl)	33.60	-
USD FX Contracts		
Amount sold (USD 000s)	154,290	52,895
Rate (CAD/USD)	1.365	1.360

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

The Peyto Strategy

The Peyto strategy has been one of the most consistent strategies in the Canadian Energy industry over the last two and a half decades and is centered on maximizing the returns on shareholders' capital by investing that capital in the profitable development of long life, low cost, and low risk natural gas resource plays. Peyto's strategy of maximizing returns doesn't just focus on the efficient execution of exploration and production operations in the field but continues in the head office where the management of corporate costs, including the cost of capital, is carefully controlled to ensure true returns are ultimately realized. The alignment of goals between what is good for the Company, its shareholders, its employees and what is good for the environment and all stakeholders is critical to ensure the greatest returns are achieved. Evidence of Peyto's success deploying this strategy through the years is illustrated in the following table.

(\$/Mcf)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	27 Year Wt. Avg.
Sales Price ¹	\$3.83	\$3.18	\$3.39	\$3.27	\$2.78	\$2.23	\$3.61	\$5.36	\$4.59	\$4.32	\$4.58	\$4.43
All cash costs but royalties ²	(\$0.67)	(\$0.63)	(\$0.68)	(\$0.79)	(\$0.87)	(\$0.88)	(\$0.88)	(\$0.88)	(\$1.10)	(\$1.24)	(\$1.13)	(\$0.88)
Capital costs ³	(\$1.64)	(\$1.44)	(\$1.36)	(\$1.18)	(\$1.55)	(\$1.06)	(\$0.97)	(\$1.41)	(\$1.21)	(\$1.00)	(\$0.94)	(\$1.48)
Financial Benefit⁴	\$1.52	\$1.12	\$1.35	\$1.30	\$0.35	\$0.29	\$1.75	\$3.07	\$2.28	\$2.07	\$2.51	\$2.07
	40%	35%	40%	40%	13%	13%	49%	57%	50%	48%	55%	47%
Royalty Owners	\$0.14	\$0.13	\$0.15	\$0.13	\$0.08	\$0.13	\$0.37	\$0.74	\$0.32	\$0.22	\$0.16	\$0.40
Current Taxes	-	-	-	-	-	-	-	\$0.09	\$0.26	\$0.27	\$0.36	\$0.08
Left for Shareholders	\$1.38	\$0.99	\$1.19	\$1.17	\$0.27	\$0.16	\$1.38	\$2.24	\$1.70	\$1.59	\$1.99	\$1.59
Div./Dist. paid	\$1.11	\$1.01	\$0.97	\$0.59	\$0.22	\$0.08	\$0.11	\$0.45	\$1.04	\$0.94	\$0.90	\$1.03

1. Sales price includes per-unit natural gas and NGL revenue, realized hedging gains (losses), realized gain (loss) on foreign exchange, other income and marketing revenue net of marketing purchases.

2. Cash costs not including royalties but including operating, transportation, G&A and interest.

3. Capital costs to develop new producing reserves is the PDP FD&A

4. Financial Benefit above is defined as the Sales Price, less all cash costs but royalties, less the PDP FD&A.

Table may not add due to rounding.

The consistency and repeatability of Peyto's operational execution in the field, combined with strict cost control in all aspects of its business, has resulted in 47% of the average sales price being retained in financial benefit over the past 27 years. This healthy margin of benefit (as shown above) rewards both royalty owners and shareholders. Out of that financial benefit, royalty owners have received approximately 19%, the federal and provincial governments have received 4% in corporate taxes, while shareholders, whose capital has been at risk, have received the balance. This margin of benefit is what has and will continue to help insulate Peyto and its stakeholders from future volatility in commodity prices.

Activity Update

Drilling operations resumed after the holiday break with five rigs active across Peyto's core areas. Since the beginning of 2026, 16 gross (15.9 net) wells have been drilled, 14 gross (14 net) wells have been completed, and 16 gross (16 net) wells have been brought on production. Drilling continues to focus on Notikewin, Falher and Wilrich targets through the first quarter of the year. The Company plans to slow activity through spring break-up to avoid unnecessary costs when road and lease conditions are typically poor. Activity after break-up will vary depending on commodity prices, however, Peyto expects to operate 4 to 5 rigs for the balance of the year.

For the first quarter of 2026, Peyto's floating-price exposure to Chicago, Dawn, Parkway, Ventura, Emerson 2 and Malin totaling 216 MMcf/d, is contracted to daily benchmark indexes, which allowed the Company to capture high daily prices during cold weather-related volatility in premium US Mid-West and Ontario markets.

Outlook

Recent world events are good reminders of the importance of access to secure, affordable, and reliable energy. Fortunately, Canada is endowed with vast quantities of natural resources to meet the needs of changing world markets provided we continue to endorse and construct egress projects. Peyto is well-positioned with quality natural gas resources and a prudent business model that controls costs and mitigates commodity price risks while rewarding shareholders with profits from our operations.

The Company plans to execute a 2026 capital program between \$450 to \$500 million that is specifically designed with flexibility in the back half of the year to adjust to changing commodity prices and the business environment. Peyto will manage production to limit exposure to weaker priced markets, if necessary, while the Company's systematic hedging and market diversification programs help secure revenues for future dividends and continued strengthening of the balance sheet.

Conference Call and Webcast

A conference call will be held with senior management of Peyto to answer questions with respect to the Company's Q4 2025 results on Wednesday, March 11, 2026, at 9:00 a.m. Mountain Time (MT), or 11:00 a.m. Eastern Time (ET).

Access to the webcast can be found at: <https://edge.media-server.com/mmc/p/w43kmbtz>. 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.

Annual General Meeting

Peyto's Annual General Meeting of Shareholders is scheduled for 3:00 p.m. on Thursday, May 21, 2026, at the Eau Claire Tower, +15 level, 600 – 3rd Avenue SW, Calgary, Alberta. Shareholders who do not wish to attend are encouraged to visit the Peyto website at www.peyto.com where there is a wealth of information designed to inform and educate investors and where a copy of the AGM presentation will be posted. A monthly report from the President can also be found on the website which follows the progress of the capital program and the ensuing production growth.

Management's Discussion and Analysis

A copy of the fourth quarter report to shareholders, including the MD&A, audited consolidated financial statements and related notes, is available at <http://www.peyto.com/Files/Financials/2025/Q42025FS.pdf> and at <http://www.peyto.com/Files/Financials/2025/Q42025MDA.pdf> and will be filed at SEDAR+, www.sedarplus.com at a later date.

Jean-Paul Lachance
President & Chief Executive Officer
March 10, 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 2026 capital expenditure program; the volumes and estimated value of Peyto's reserves; the life of Peyto's reserves; production estimates; plans to slow activity through spring break-up; rig activity levels after spring-break-up; the sustainability of the Company's dividend; the timing of Peyto's Annual Information Form; the effectiveness of the Company's hedging program at securing revenue; the timing of Peyto's annual general meeting; 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 (Mcf)

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 (Mcf) 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.

(\$000)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Cash flows from operating activities	238,751	186,236	857,562	672,741
Change in non-cash working capital	(5,115)	757	(25,175)	16,699
Decommissioning expenditures	849	1,836	10,115	8,446
Performance-based compensation	10,483	10,250	17,983	15,250
Funds from operations	244,968	199,079	860,485	713,136

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.

(\$000)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Cash flows from operating activities	238,751	186,236	857,562	672,741
Change in non-cash working capital	(5,115)	757	(25,175)	16,699
Performance-based compensation	10,483	10,250	17,983	15,250
Total capital expenditures	(142,093)	(117,525)	(475,171)	(457,607)
Free funds flow	102,026	79,718	375,199	247,083

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.

(\$000)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Cash flows used in investing activities	135,701	134,269	452,454	432,243
Change in prepaid capital	(1,214)	(2,261)	3,256	1,209
Change in non-cash working capital relating to investing activities	7,606	(14,483)	19,461	24,155
Total capital expenditures	142,093	117,525	475,171	457,607

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)	December 31,	September 30,	June 30,	March 31,	December 31,
	2025	2025	2025	2025	2024
Long-term debt	1,074,273	1,083,061	1,125,056	1,171,497	1,295,238
Current assets	(360,297)	(345,655)	(353,583)	(269,336)	(394,517)
Current liabilities	365,910	377,977	349,667	361,267	269,609
Financial derivative instruments - current	111,682	117,193	130,929	29,913	188,136
Current portion of lease obligation	(991)	(977)	(963)	(950)	(936)
Decommissioning provision - current	(13,000)	(9,150)	(8,123)	(9,500)	(8,956)
Net debt	1,177,577	1,222,449	1,242,983	1,282,891	1,348,574

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.

(\$000)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Marketing revenue	4,499	8,038	23,118	51,023
Marketing purchases	(3,199)	(6,776)	(19,553)	(47,793)
Net marketing revenue	1,300	1,262	3,565	3,230

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.

(\$/Mcfe)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Gross sale price	3.90	3.24	3.68	3.12
Realized hedging gain	0.72	1.04	0.85	1.14
Net sale price	4.62	4.28	4.53	4.26
Net marketing revenue	0.02	0.02	0.01	0.01
Other income	0.07	0.03	0.05	0.04
Royalties	(0.18)	(0.21)	(0.16)	(0.22)
Operating costs	(0.49)	(0.50)	(0.52)	(0.53)
Transportation	(0.30)	(0.27)	(0.30)	(0.30)
Field netback	3.74	3.35	3.61	3.26
G&A	(0.05)	(0.05)	(0.06)	(0.05)
Interest and financing	(0.21)	(0.33)	(0.25)	(0.36)
Realized gain (loss) on foreign exchange	(0.01)	0.01	(0.01)	0.01
Cash netback (\$/Mcfe)	3.47	2.98	3.29	2.86
Current tax (\$/Mcfe)	(0.32)	(0.28)	(0.36)	(0.27)
After-tax cash netback (\$/Mcfe)	3.15	2.70	2.93	2.59
After-tax cash netback (\$/boe)	18.91	16.21	17.59	15.55

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.

(\$000, except total payout ratio)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
Total dividends declared	66,921	65,140	264,941	258,369
Total capital expenditures	142,093	117,525	475,171	457,607
Decommissioning expenditures	849	1,836	10,115	8,446
Total payout	209,863	184,501	750,227	724,422
Funds from operations	244,968	199,079	860,485	713,136
Total payout ratio (%)	86%	93%	87%	102%

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 net 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.

Finding and Development Costs

F&D (finding and development) costs are used as a measure of capital efficiency and are calculated by dividing the capital costs for the period, including the change in undiscounted FDC, by the change in the reserves, incorporating revisions and production, for the same period.

Recycle Ratio

The Recycle Ratio is calculated by dividing the field netback per Mcfe, by the FD&A costs for the period (eg. 2025 Proved Developed Producing \$3.61/bMcfe//\$.94/Mcfe=3.8). The recycle ratio compares the netback from existing reserves to the cost of finding new reserves and may not accurately indicate investment success unless the replacement reserves are of equivalent quality as the produced reserves.

Capital Efficiency

Capital Efficiency refers to how efficiently the Company utilizes its capital investment to generate production. It is calculated by dividing the capital costs for the period, plus acquisition costs, by December production volumes added from the 2025 capital program (eg. 2025 capital efficiency (\$475 million)/(48,000 boe/d) = \$9,900 per boe/d).

Return on Equity (ROE)

Peyto calculates ROE, expressed as a percentage, as Earnings divided by 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)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Earnings	125,901	90,736	87,832	114,117
Total income taxes	26,781	28,365	26,933	35,157
Unrealized (gain) loss on foreign exchange	(860)	1,112	(2,932)	(52)
Finance expense	20,307	21,783	22,372	23,708
Adjusted EBIT	172,129	141,996	134,205	172,930

Adjusted EBIT (sum of trailing four quarters) 621,260

Average capital employed

(\$000)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Shareholders' Equity	2,851,734	2,767,560	2,732,009	2,593,128
Net debt	1,177,577	1,222,449	1,242,983	1,282,891
Capital Employed	4,029,311	3,990,009	3,974,992	3,876,019

Average capital employed (average of trailing four quarters) 3,967,583

ROCE (Adjusted EBIT/ Average capital employed) 16%