

# Peyto Exploration & Development Corp.

## Monthly Report

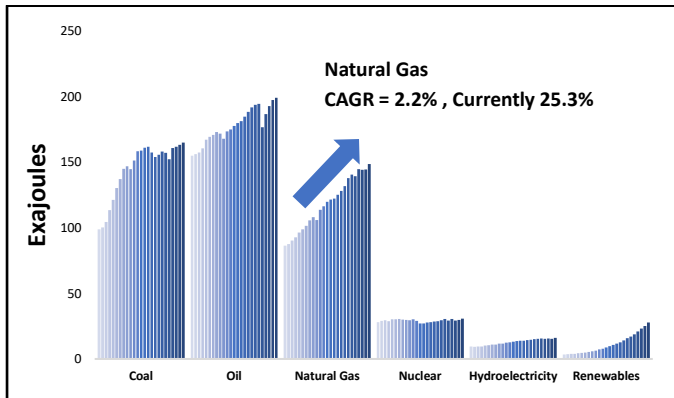
September 2025

By Jean-Paul Lachance, President and Chief Executive Officer

### The World Thirsts for Natural Gas

As Canadian leaders noodle the idea of becoming an energy superpower and try to decide what projects they will support, we take a refreshed look at the historical growth in global energy consumption. Figure 1 shows the global energy consumption by source over the last 25 years. Not surprisingly, fossil fuels (coal, oil, and gas) made up the lion's share of total energy consumption at 87% in 2024. Last year was a record year of consumption for all forms of energy as annual global demand grew by 2%. While renewable sources of energy (mainly wind and solar) have been growing exponentially, the greatest growth last year was natural gas. In 2024, natural gas represented 25% of the world's energy consumption and 34% of the total growth year-over-year, so it is obvious the world is thirsty for natural gas.

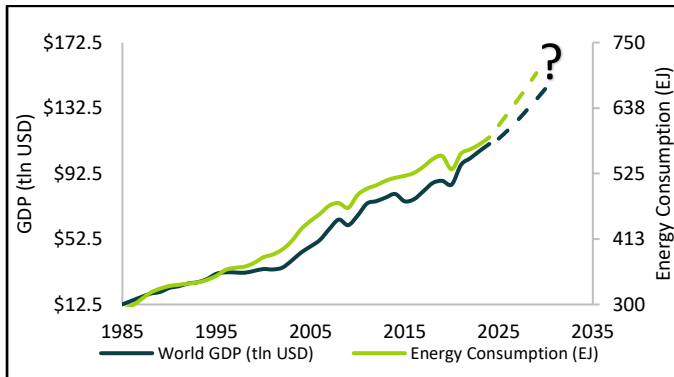
Figure 1 – Global Energy Consumption by Source (2000 – 2024)



Source: Energy Institute Statistical Review of World Energy (2025)

But what drives this ever-increasing energy consumption on our planet? One simple comparison can be made between energy consumption and GDP. Figure 2 shows both world GDP in trillions of USD and energy consumption (Exajoules) back to 1985. Energy consumption appears to be inextricably linked to GDP.

Figure 2 – Global GDP and Energy Consumption (1985 – 2030e)



Source: Energy Institute Statistical Review of World Energy (2025), Statista

While high income countries have lower GDP growth rates ([Canada, US, UK, NZ, AU, Germany, France, Italy, Sweden all below 2%](#)) and seem to be leveling off including their energy consumption, others are in different stages of economic growth and energy consumption. According to the [World Bank](#), 84% (6.6 billion) of the world's population live in low/middle income countries and over [2.6 billion](#)

people rely heavily on biomass (plant or animal waste), kerosene or coal for heating and cooking. One tenth of people do not have access to electricity to heat/cool/light their homes ([IEA](#)). Growth in lower income nations will fuel increasing demand for energy going forward so we can bet that as economies and populations grow, so will the need for more energy and natural gas.

Canada has energy in abundance and as the Honorable Tim Hodgson, Canada's Minister of Energy and Natural Resources, has articulated, Canada "[has the cleanest fuel out there](#)" and is well positioned to support economies around the globe. For years, our natural gas was effectively landlocked and exported to a single nation. But that's no longer the case with the completion of the first LNG export facility on the Westcoast and the potential for more to come. Over the next five years, LNG export capacity is expected to double in North America giving Canada the opportunity to tap into global LNG markets creating opportunities here at home and supporting development abroad.

On top of exporting LNG in North America, booming AI/IoT/data centres are putting pressure on electrical grids and demanding more 24-hr reliable power generation on the continent. All this should set up a bullish case for natural gas prices in North America in the future, so we think it is a good time to be a natural gas producer!

In the meantime, Peyto remains well protected with a [large part of our gas production fixed](#) in the back half of 2025 and throughout 2026. This fits with our strategy to protect our near-term ability to fund the capital program, pay dividends to shareholders and reduce debt. But to be clear, these short-term fixed volumes represent only **3.3%** of Peyto's total proved plus probable natural gas reserves which means we are very much exposed to a future bullish market.

### Operational Highlights

We caught up some completions in July despite the wet weather, which meant production in August has turned the corner. Operational plans for September include the Oldman and Oldman North turnarounds and the start-up of the Sundance field compressor later in the month. Production may be impacted during the turnarounds but we will try to minimize effects over the month with the re-direction of gas to other plants. We expect facility costs will be higher in the third quarter with the execution of these projects.

#### Capital Investment (\$C millions)<sup>1</sup>

|                             | 2023        | 2024       | Jan 25    | Feb 25    | Mar 25    | Q1 25      | Apr 25    | May 25    | Jun 25    | Q2 25      | Jul 25    |
|-----------------------------|-------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|
| D,C,E&T <sup>2</sup>        | 333         | 377        | 31        | 24        | 31        | 86         | 29        | 26        | 31        | 86         | 33        |
| Facilities                  | 64          | 75         | 2         | 3         | 10        | 15         | 7         | 4         | 7         | 18         | 8         |
| Other <sup>3</sup>          | 16          | 7          |           |           | 1         | 1          | 1         |           |           | 1          |           |
| Acquisitions <sup>4</sup>   | 699         | -1         |           |           |           |            | -1        |           |           | -1         |           |
| <b>Total</b>                | <b>1112</b> | <b>458</b> | <b>33</b> | <b>27</b> | <b>42</b> | <b>102</b> | <b>36</b> | <b>30</b> | <b>38</b> | <b>104</b> | <b>41</b> |
| ARO Activities <sup>5</sup> | 3           | 8          | 1         | 1         | -         | 2          | -         | 2         | 1         | 3          | 2         |

#### Production (Mboe/d)<sup>1</sup>

|              | 2023       | 2024       | Jan 25     | Feb 25     | Mar 25     | Q1 25      | Apr 25     | May 25     | June 25    | Q2 25      | Jul 25     | Aug 25     |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Sundance     | 73         | 95         | 103        | 103        | 102        | 103        | 103        | 102        | 102        | 102        | 103        | 104        |
| Brazeau      | 28         | 25         | 25         | 24         | 25         | 24         | 24         | 24         | 23         | 24         | 22         | 22         |
| Other        | 4          | 5          | 7          | 7          | 6          | 7          | 6          | 6          | 6          | 6          | 5          | 5          |
| <b>Total</b> | <b>105</b> | <b>125</b> | <b>135</b> | <b>134</b> | <b>133</b> | <b>134</b> | <b>133</b> | <b>132</b> | <b>131</b> | <b>132</b> | <b>130</b> | <b>131</b> |
| liquids %    | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        | 12%        |

- This estimate is based on field data, actual numbers will vary from the estimate due to accruals and adjustments.
- Well-related costs including Drilling, Completions, Equip and Tie-in.
- Other costs include Land, Seismic, and Miscellaneous.
- Acquisitions costs include asset and corporate deals.
- Asset Retirement Obligations (ARO) spending is decommissioning expenditures incurred in the period.

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### FORWARD LOOKING STATEMENTS

*Certain information set forth in this monthly report, including management's estimate of monthly capital spending, field estimate of production, production decline rates, forecasted natural gas supply and demand growth, contains forward-looking statements. Reserves disclosures are also forward-looking information, including the volumes and the life of Peyto's reserves, production estimates, project economics including NPV, IRR, netback RLI and recycle ratio. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Peyto's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. 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 that Peyto will derive there from. The forward-looking statements contained in this monthly report are made as of the date of this monthly report. Except as required by applicable securities law, we assume no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing risks and assumptions affecting such forward-looking statements, whether as a result of new information, future events or otherwise.*

*All references are to Canadian dollars unless otherwise indicated. Natural gas liquids and oil volumes are recorded in barrels of oil (bbl) and are converted to a thousand cubic feet equivalent (Mcf) using a ratio of six (6) thousand cubic feet to one (1) barrel of oil (bbl). 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). Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based in an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 Mcf:1 bbl may be misleading as an indication of value.*

### NON-GAAP AND OTHER FINANCIAL MEASURES

*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 long-term debt, net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Peyto's performance.*