

Peyto Exploration & Development Corp.

Monthly Report

March 2026

By Jean-Paul Lachance, President and Chief Executive Officer

Gold Medal in Reserves

Two weeks ago, athletes demonstrated their abilities on the world stage during the Olympics in Italy. At the same time, Peyto released the results and analysis of its independent reserves report effective December 31, 2025, conducted by GLJ Limited, along with some unaudited financial and operating results. Each year, Peyto's reserves press release provides a detailed analysis for shareholders which demonstrates transparency and consistency. We look at the results from many different angles to communicate the value, health, and sustainability of the business. This report marked another successful year of exploration and development resulting in reserves growth in all categories, with total Proved Developed Producing ("PDP") reserves cresting 3 Tcfe for the first time.

Often our focus in the reserves analysis is our PDP metrics because we believe those numbers represent the proven track record of any company. This year, Peyto's low-cost business and high-quality reservoirs delivered PDP Finding, Developing, and Acquisition ("FD&A") costs of \$0.94/Mcfe (\$5.66/boe), the lowest in the last 23 years and one of the best in the Canadian oil and gas industry. Another segment of our analysis that relates to finding costs is our reserves conversion performance. Figure 1 provides the historical context of how Peyto regularly converts reserves at lower unit costs (well-related capex per reserve add) than estimated in the prior reserves report. This continued out-performance is a testament to the relentless focus of the team on capital efficiency and provides confidence in the assignments of the locations in Peyto's reserves bookings. In 2025, Peyto's actual unit cost per Mcfe was \$0.66/Mcfe, 24% lower than the booked cost of \$0.85/Mcfe.

Figure 1: Historical Undeveloped Reserves Conversion Performance

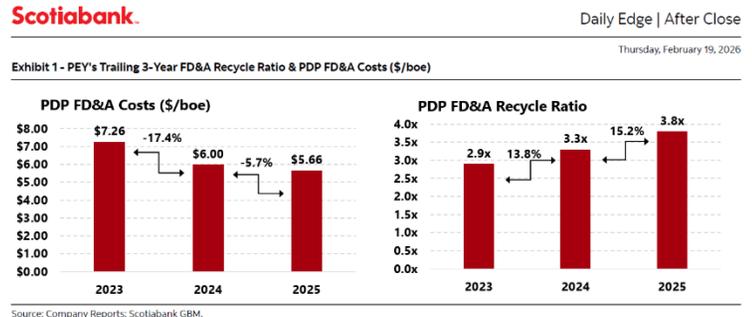
| Reserve Year | Historical Undeveloped Reserves Conversion Performance | | | | | | | | | | |
|--------------|--|-------------|----------------------------|------------|------------------|--------|------------|----------------|--------|------|-------------------------------|
| | Total Drills | | Booked Locations Converted | | Forecast Outcome | | | Actual Outcome | | | Actual/Forecast Cost per Unit |
| | Gross Wells | Gross Wells | BCFe | Capex* SMM | \$/Mcfe | BCFe | Capex* SMM | \$/Mcfe | | | |
| 2016 | 128 | 82 | 64% | 254 | \$297 | \$1.17 | 254 | \$246 | \$0.97 | -17% | |
| 2017 | 142 | 97 | 68% | 298 | \$295 | \$0.99 | 321 | \$305 | \$0.95 | -4% | |
| 2018 | 70 | 37 | 53% | 104 | \$115 | \$1.10 | 120 | \$118 | \$0.98 | -11% | |
| 2019 | 61 | 39 | 64% | 129 | \$111 | \$0.86 | 123 | \$109 | \$0.88 | +2% | |
| 2020 | 64 | 52 | 81% | 172 | \$158 | \$0.92 | 165 | \$135 | \$0.82 | -11% | |
| 2021 | 95 | 61 | 64% | 221 | \$193 | \$0.87 | 227 | \$192 | \$0.84 | -3% | |
| 2022 | 95 | 79 | 83% | 331 | \$268 | \$0.81 | 333 | \$320 | \$0.96 | +19% | |
| 2023 | 72 | 44 | 61% | 171 | \$159 | \$0.93 | 236 | \$196 | \$0.83 | -11% | |
| 2024 | 77 | 58 | 75% | 305 | \$270 | \$0.89 | 441 | \$289 | \$0.66 | -26% | |
| 2025 | 82 | 53 | 65% | 273 | \$232 | \$0.85 | 366 | \$236 | \$0.65 | -24% | |
| 10-Yr Total | 886 | 602 | 68% | 2,258 | \$2,098 | \$0.93 | 2,586 | \$2,146 | \$0.83 | -11% | |

*Capex represents only well-related capital for drilling, completion, equipping and tie-in

But FD&A cost by itself is only one metric of capital efficiency and in isolation, it does not account for the value obtained by the products that were developed. Peyto uses Recycle Ratio to compare how effective we were in the year at spending shareholders' capital. PDP Recycle Ratio is calculated by dividing field netback (unit of production profit at the field level) by PDP FD&A. A Recycle Ratio above 1.0 times is the minimum requirement to replace produced reserves with cash flow. The higher the ratio, the more profitable the business model. Peyto's systematic hedging and market diversification program, combined with low cash costs, delivered an average Field Netback of \$3.61/Mcfe. This translates to the highest Peyto Recycle Ratio in 22 years of 3.8 times, meaning for every dollar spent to find and develop a unit of production, nearly four dollars of

operating margin were generated. Over the last three years, Peyto's Recycle Ratio has improved by 31% and averaged 3.3x, (see Figure 2).

Figure 2: Historical PDP Recycle Ratio and FD&A



Source: Company Reports; Scotiabank GBM.

With 1,636 gross booked future locations in the Reserves Report, Peyto has a long runway for successful development in the Deep Basin. However, the report does not quantify the entirety of Peyto's Deep Basin opportunities. The team is always looking for ways to add drilling inventory through land sales, tuck in acquisitions, design improvements, and geological mapping to convert previously *un-booked* locations to reserves through the drill bit. In 2025, 34 of the 82 gross wells drilled (42%) were new locations not included in the 2024 Reserve Report. Additionally, Figure 1 demonstrates that over the last 10 years, 32% of the gross wells drilled were previously un-booked locations, indicating that Peyto has a greater depth of inventory than is defined in the annual reserves report.

Too bad there are no Olympics for Reserves Reports. In 2025, Peyto continued to outperform and achieved gold-medal worthy results, setting the stage to challenge ourselves again in 2026.

Operational Highlights

Not to be outdone by the cold blast that hit eastern North America in January, winter returned to Alberta in February and the industry experienced some freeze-offs. Peyto's field team did a fantastic job keeping disruptions to a minimum while the basin lost 1-1.5 Bcf/d during that period. We continued to be busy in February with five rigs operating across our core areas and production remains steady.

Capital Investment (\$C millions)¹

| | 2023 | 2024 | Q1 25 | Q2 25 | Q3 25 | Oct 25 | Nov 25 | Dec 25 | Q4 25 | 2025 | Jan 26 |
|-----------------------------|------|------|-------|-------|-------|--------|--------|--------|-------|------|--------|
| D,C,E&T ² | 333 | 377 | 86 | 86 | 92 | 45 | 41 | 36 | 122 | 386 | 35 |
| Facilities | 64 | 75 | 15 | 18 | 34 | 10 | 7 | 2 | 19 | 86 | 8 |
| Other ³ | 16 | 7 | 1 | 1 | 1 | | | 1 | 1 | 4 | |
| Acquisitions ⁴ | 699 | -1 | | | -1 | | | | | -1 | 1 |
| Total | 1112 | 458 | 102 | 104 | 127 | 55 | 48 | 39 | 142 | 475 | 45 |
| ARO Activities ⁵ | 3 | 8 | 2 | 3 | 4 | 1 | | | 1 | 10 | 1 |

Production (Mboe/d)¹

| | 2023 | 2024 | Q1 25 | Q2 25 | Q3 25 | Oct 25 | Nov 25 | Dec 25 | Q4 25 | 2025 | Jan 26 | Feb 26 |
|-----------|------|------|-------|-------|-------|--------|--------|--------|-------|------|--------|--------|
| Sundance | 73 | 95 | 103 | 102 | 103 | 106 | 111 | 114 | 110 | 105 | 116 | 116 |
| Brazeau | 28 | 25 | 24 | 24 | 22 | 22 | 25 | 26 | 24 | 24 | 26 | 25 |
| Other | 4 | 5 | 7 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total | 105 | 125 | 134 | 132 | 130 | 133 | 141 | 145 | 140 | 134 | 147 | 146 |
| 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 contains forward-looking statements including: management's estimate of monthly capital spending; field estimate of production; 2026 estimates for per unit interest costs, 2026 debt to cash flow ratios, and 2026 debt/EBITDA projections. 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.

Field Netback per McFE

"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 expense divided by production.

Finding, Development and Acquisition Costs

"FD&A" (finding, development and acquisition) costs are used as a measure of capital efficiency and are calculated by dividing the capital costs for the period, plus acquisition costs and including the change in undiscounted FDC, by the change in the reserves, incorporating revisions and production, for the same period (eg. 2025 Total Proved (\$475MM + \$0MM + \$100MM) / (926.5Mboe - 875.9Mboe + 48.9Mboe) = \$5.78/boe or \$0.96/Mcfe).

Recycle Ratio

The "Recycle Ratio" is calculated by dividing the field netback per boe, by the FD&A costs for the period (eg. 2025 Proved Developed Producing \$3.61/boe / \$0.94/boe = 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.