

Management

Jean-Paul Lachance – President & CEO
Riley Frame – COO, VP Engineering
Todd Burdick – VP Production
Tavis Carlson – VP & CFO
Lee Curran – VP Drilling & Completions
Derick Czemmer – VP Land & Business Dev.

www. Peyto.com

EPG Commentary by Dan Steffens

Peyto Exploration & Development Corp. (PEY.TO and PEYUF) is a Canadian mid-cap natural gas producer, ranking fifth nationally, and operates conventional gas fields within Alberta's Deep Basin.

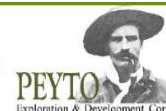
The company was recently included in our High Yield Income Portfolio and currently offers an annual dividend yield of approximately 6.07% as of this report. Based on the 2026 forecast, Peyto is positioned to potentially increase its dividend distribution in the coming year.

Dividends are currently \$0.12Cdn per month (\$1.44/year).

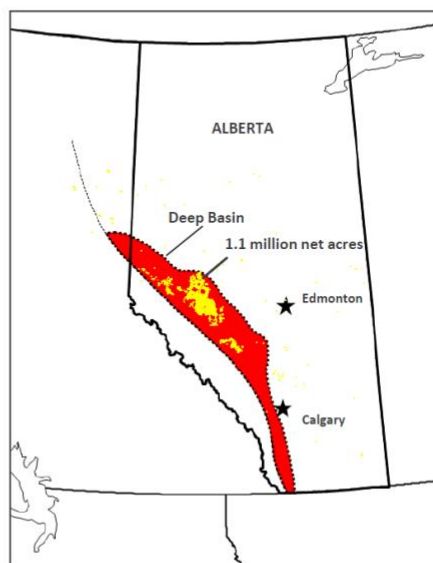
Peyto has communicated a strategic objective to grow production by 8% to 10% annually and possesses more than sufficient proved plus probable (2P) reserves totaling 8.7 trillion cubic feet (TCFE) to meet or surpass this target.

Peyto's Q2 2026 production volumes and adjusted operating cash flow were in line with my forecast thanks to a realized natural gas price of \$3.42Cdn/mcf and their liquids sold for \$64.98/bbl. Peyto reports crude oil, condensate and NGLs on a combined basis. All of their liquids (~13% of production) get prices that are tied to oil prices.

WHO IS PEYTO | CORPORATE OVERVIEW

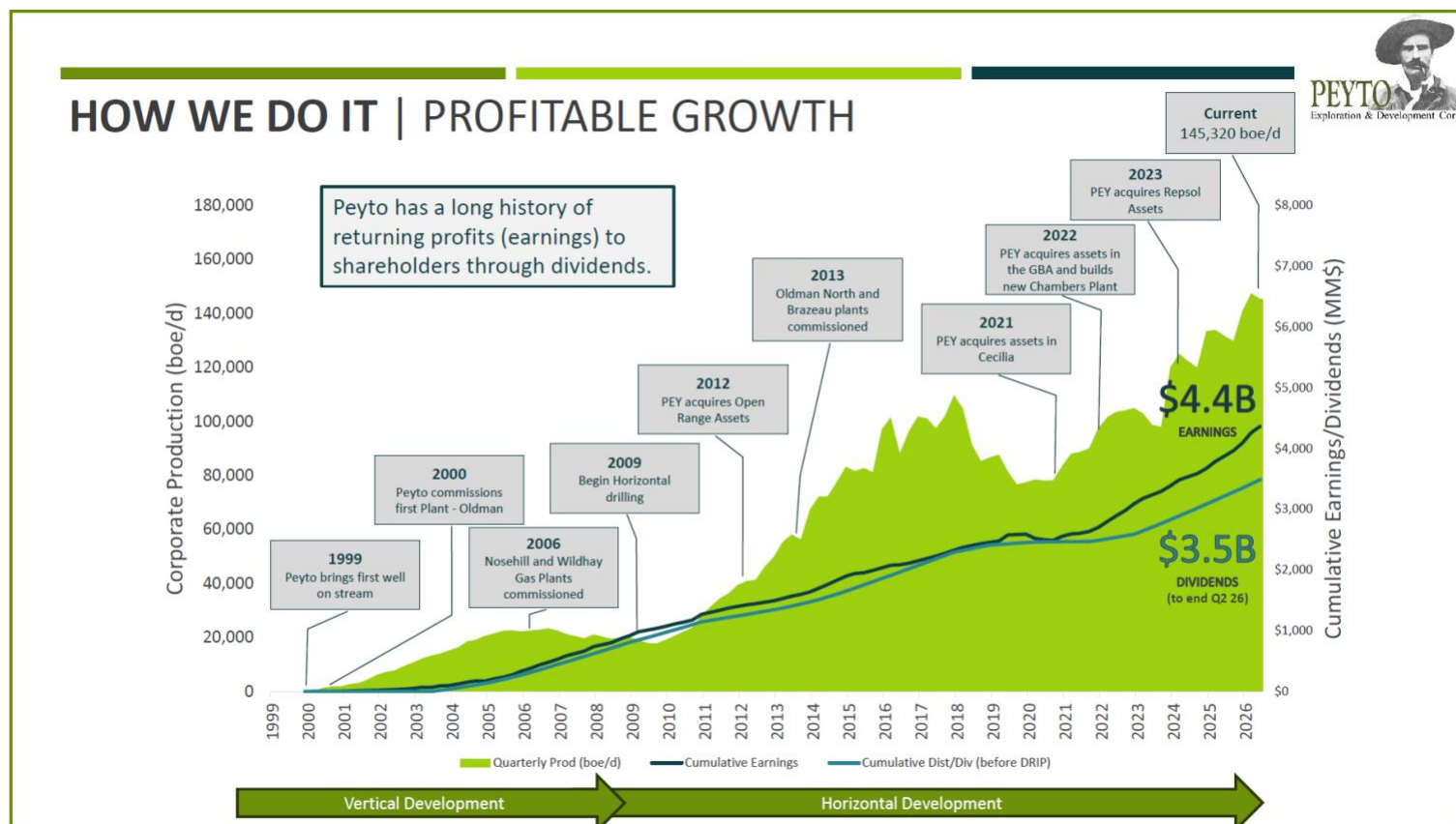


Focused Assets	27-year publicly traded company focused exclusively on the Alberta Deep Basin
One of Canada's Largest Natural Gas Producers	143,000 boe/d (~14% liquids, 98% operated) Aug-26 Long reserve life assets (10yr PDP RLI, 28yr 2P RLI @ 2025YE)
Lowest-Cost Operator	Own and control production with operated processing capacity of 1.5 bcf/d with over 90% ownership and only 60% utilized
Prudent Risk Management	Active hedging to secure revenues and market diversification to sell gas to multiple demand centres across North America
Shareholder Returns	Current dividends \$0.12/share/month Avg ROCE ⁽¹⁾ 17%, ROE ⁽¹⁾ 24% (average over 27 years to the end of Dec 31, 2025)



(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

Peyto Exploration & Development (PEY.TO and PEYUF) share price is up 3.89% YTD. It is close to a pure play on Canadian natural gas. It continues to report the highest realized natural gas prices among the Canadian upstream companies that I follow.



I consider Peyto a safe way to add more exposure to rising natural gas prices in Western Canada. Plus, Peyto sells a high percentage of their natural gas into the U.S. at much higher prices than AECO. In addition to high yield dividends, Peyto has the flexibility to ramp up production if market conditions improve. Phase One of LNG Canada is now exporting approximately 2 Bcf per day to markets in Asia. Phase Two of LNG Canada has been approved. By 2030 Canada should have LNG export capacity over 5 Bcf per day.

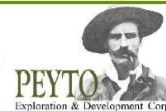
My Fair Value Estimate for PEY.TO is \$26.38Cdn/share

Compares to First Call's price target of \$27.68Cdn

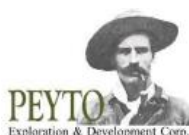
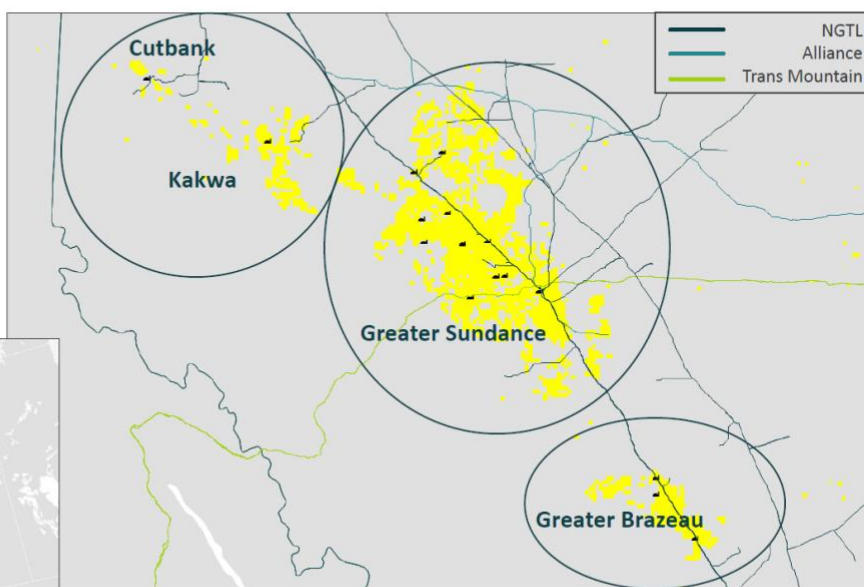
Disclosure: I do not have a position in PEY.TO. I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this report.

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WHO IS PEYTO | FOCUSED CORE AREAS



- ✓ 1.1MM net acres of Alberta Deep Basin Lands
- ✓ Own and operate 17 gas processing facilities with over 1.5 bcf/d of gross processing capacity
- ✓ Proximal to major pipeline egress (NGTL, Alliance)
- ✓ Drilled over 1,475 horizontals to date across 14 discrete horizons totaling 6,400 km of measured depth



PEYTO Exploration & Development, Corp. is focused on the **Alberta Deep Basin**, which is a geologic setting situated on the northeastern front of the Rocky Mountain belt in the deepest part of the Alberta sedimentary basin.

Peyto is a Canadian energy company involved in the development and production of natural gas, oil and natural gas liquids in Alberta's deep basin. At December 31, 2025, the Company's total Proved plus Probable reserves were 8.7 trillion cubic feet equivalent (1.45 billion barrels of oil equivalent) as evaluated by its independent petroleum engineers. Production is weighted approximately 88% to natural gas and 12% to natural gas liquids.

The Peyto model is designed to deliver a superior total return with growth in value, assets, production and income, all on a debt adjusted per share basis. The model is built around three key strategies:

- Use technical expertise to achieve the best return on capital employed through the development of internally generated drilling projects.

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- Build an asset base which is made up of high-quality natural gas reserves.
- Over time, balance dividends paid to shareholders with earnings and cash flow, and balance funding for the capital program with cash flow, equity and available credit lines.

Operating results over the last 27 years indicate that these strategies have been successfully implemented.

Q2 2026 Highlights (\$Cdn):

- Peyto delivered second quarter production volumes of 145,320 boe/d (758.2 MMcf/d of natural gas, 18,959 bbls/d of NGLs), a 10% increase year over year (7% on a per share basis), driven by the Company's successful capital program.
- Funds from operations of \$227.7 million (\$1.09/diluted share, up 15%) was recorded, and \$140.6 million of free funds flow was generated 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 \$3.42/Mcf, 108% higher than the AECO 7A monthly benchmark.
- Adjusted earnings (earnings excluding unrealized gains or losses on financial instruments and foreign exchange) for the quarter totaled \$105.0 million, or \$0.50/diluted share, and rose 19% from \$0.42/diluted share in Q2 2025.
- The Company returned \$71.8 million of dividends to shareholders in the quarter and reduced net debt by \$72.4 million from March 31, 2026.
- Peyto recorded \$36.7 million in realized hedging gains in the quarter and has a hedge position protecting approximately 505 MMcf/d of natural gas production for the second half of 2026 and 404 MMcf/d for 2027, at \$4.02/Mcf and \$3.31/Mcf, respectively. The Company's natural gas and NGL hedges combine to secure revenue of approximately \$485 million for the second half of 2026 and \$590 million for calendar 2027, thus far.
- The Company bolstered its diversification program with the signing of a long-term natural gas supply agreement with Centrica Energy. Under the agreement, Peyto will deliver 50,000 MMBtu/d to Centrica over a 10-year period commencing in 2029. Deliveries will be made at the NIT (AECO) hub and will be priced against the Dutch Title Transfer Facility benchmark, less deductions.
- A 71% operating margin and a 29% profit margin were generated in the quarter, resulting in an 18% return on capital employed and a 16% return on equity, on a trailing 12-month basis.
- Cash costs totaled \$1.32/Mcfe in the quarter, including \$0.28/Mcfe of royalties. Cash costs before royalties totaled \$1.04/Mcfe, 11% lower than Q2 2025 and back to levels prior to the Company's acquisition of the Repsol Assets in Q4 2023. These costs included operating expense of \$0.50/Mcfe, transportation of \$0.30/Mcfe, G&A of \$0.05/Mcfe and interest expense of \$0.19/Mcfe.
- Capital expenditures totaled \$84.9 million in the quarter. Peyto drilled 10 wells (10.0 net), completed 14 wells (14.0 net), and brought 15 wells (15.0 net) on production. Additionally, the Company purchased 26 gross (26 net) sections of undeveloped land through crown land sales and mineral land acquisitions bringing H1 2026 total mineral land acquisitions to 67 gross (53.8 net) sections.

Second Quarter 2026 in Review

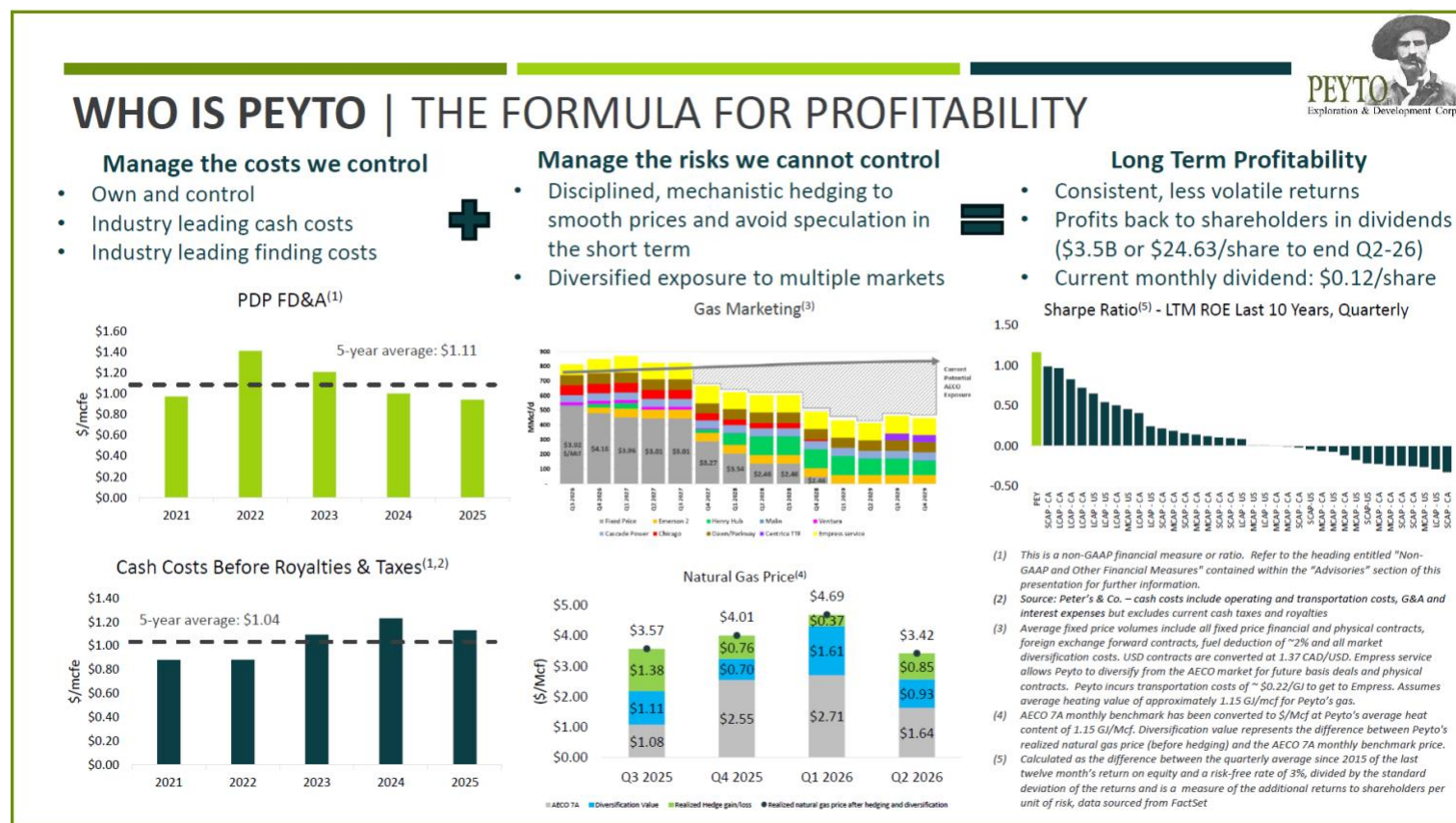
Peyto slowed capital activity in the quarter during a wet spring and early summer period. Second quarter production averaged 145,320 boe/d, up 10% year over year. The AECO 7A monthly gas price averaged only \$1.43/GJ during the quarter, however, Peyto's diversification to downstream markets and mechanistic hedging strategy helped to achieve a realized natural gas price of \$3.42/Mcf (\$2.97/GJ), more than double the AECO price. The Company continued to add to the diversification portfolio with a 50,000 MMBtu/d natural gas supply agreement linked to European TTF pricing starting in 2029. At the start of the quarter, Peyto began delivering approximately 85 MMcf/d of sales gas to a third-party processor which has enhanced NGL recoveries by an incremental 1,500 bbls/d. Strong production and realized pricing during the quarter, combined with Peyto's lowest controllable costs since acquiring the Repsol assets, contributed to FFO of \$227.7 million, up 19% (15% per diluted share) from Q2 2025. The FFO supported \$84.9 million of capital expenditures, \$71.8 million of shareholder dividends and allowed for a \$72.4 million reduction in net debt in the quarter.

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	\$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	(\$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	(\$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 Benefit	\$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

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.



Dividend

The recent geopolitical tensions and energy supply shocks have underscored the importance of secure, reliable and affordable energy. Peyto believes it is in the enviable position of supplying this exact type of energy to the world.

The recent volatility in commodity prices makes capital programs challenging to plan. Fortunately, Peyto's low risk capital plans have been protected through market diversification, a mechanistic hedging program, and an industry-leading cost structure. The Company is on track with its 2026 capital program which will invest between \$450 to \$500

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million to add 43,000 to 48,000 boe/d of new production by yearend. In the meantime, Peyto will manage production to limit exposure to weaker priced markets through the summer, if necessary.

WHO IS PEYTO | HIGHLIGHTS



Highlights		YE 2025	Q2 2025	Q2 2026
Natural Gas	mmcf/d	708	697	758
NGLs	bbl/d	16,048	15,650	18,959
Average Production	mmcfe/d	804	791	872
Average Production	boe/d	134,055	131,754	145,320
Production per million shares	boe/d	668	659	708
Field Netback	\$/mcf	\$3.61	\$3.36	\$3.38
Funds from Operations	\$MM	\$860	\$191	\$228
FFO per basic share	\$/sh	\$4.29	\$0.96	\$1.11
Earnings	\$MM	\$419	\$88	\$106
Dividends	\$MM	\$265	\$66	\$72
Capital Expenditures	\$MM	\$475	\$105	\$85
Weighted average shares outstanding – basic	MM	201	200	205
Period Ended Net Debt	\$MM	\$1,178	\$1,243	\$1,016

Q2 2026 Results:

Grew production by 10%, 7% per share growth

19% growth in FFO, 16% per share growth

Grew earnings by 21%, 18% per share growth

Reduced net debt by \$227MM (-18%)

40% 2025 Total Shareholder Return¹
 \$9,900 boe/d 2025 Capital Efficiency
 \$1.32/share 2025 Dividends Paid
 145,320 BOE/D Q2 Production
 \$3.38/mcf Q2 Field Netback
 \$0.52/share Q2 Earnings

1- Total shareholder return for 2025 calculated comparing share price at Dec-31, 2025 close to Dec-31, 2024 and includes the annual dividend of \$1.32/share

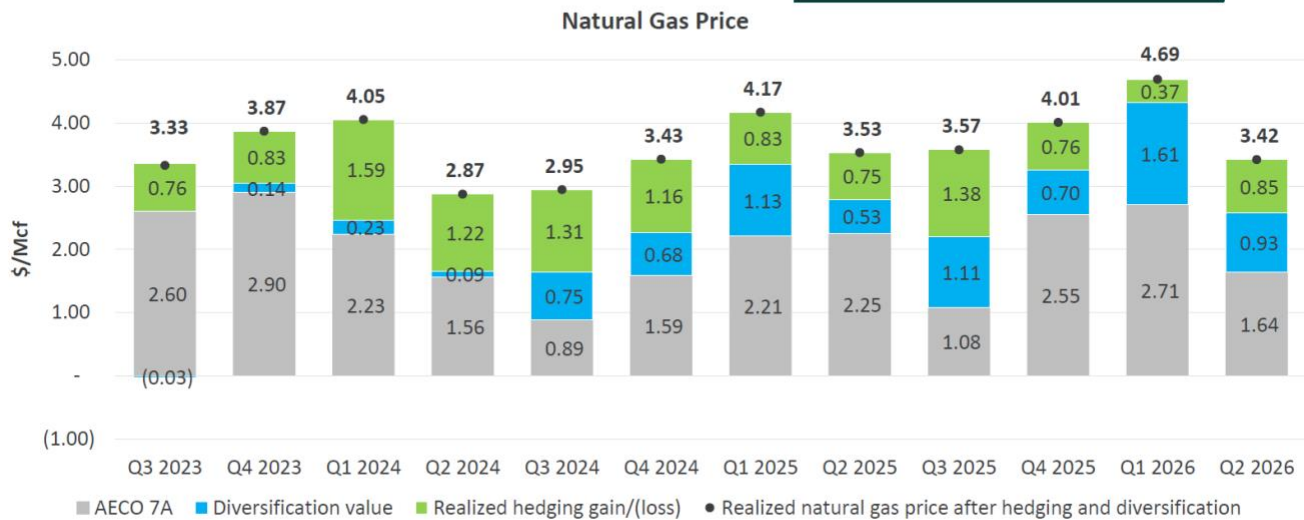
On September 15, 2026, Peyto confirmed that the monthly dividend with respect to September 2026 of \$0.12 per common share is to be paid on October 15, 2026, for shareholders of record on September 30, 2026.

Dividends paid by Peyto to Canadian residents are eligible dividends for Canadian income tax purposes.

GAS MARKETING | REALIZED PRICES

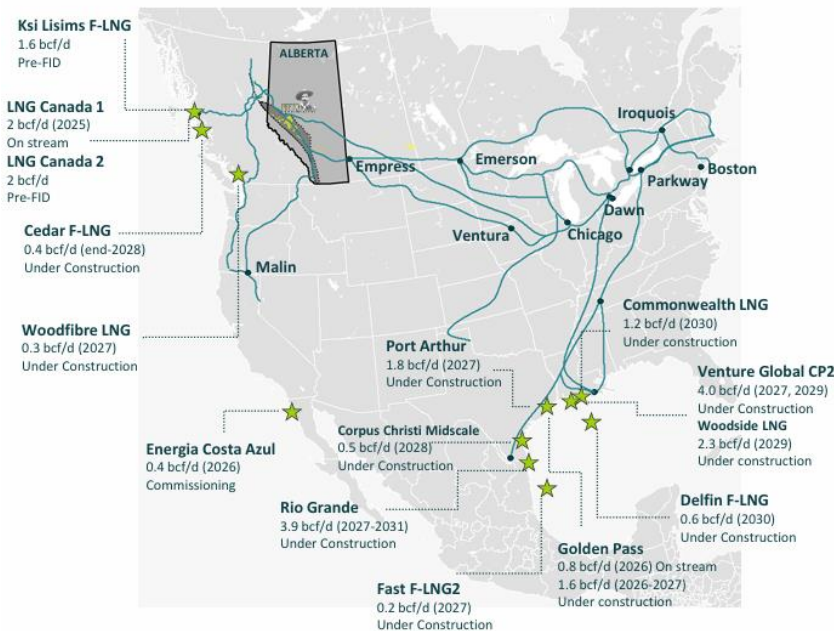


Peyto embarked upon a diversification strategy ~5 years ago. This has complimented our hedging program to yield superior prices over AECO.

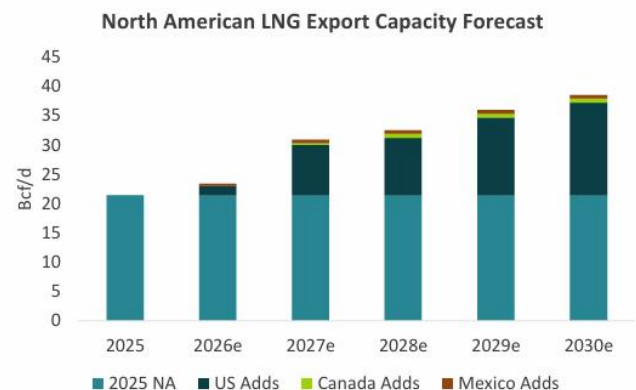


(1) AECO 7A monthly benchmark has been converted to \$/Mcf at Peyto's average heat content of 1.15 GJ/Mcf.

(2) Diversification value represents the difference between Peyto's realized natural gas price (before hedging) and the AECO 7A monthly benchmark price net of costs to get to the market.



LNG export capacity across North America grew by 31% in 2025, the largest increase since 2019, growing demand for natural gas in NA by over 5 bcf/d. Export capacity is forecasted to continue to expand over the next several years, increasing to over 38 Bcf/d by the end of 2030.



Source: U.S. Energy Information Administration, Liquefaction Capacity File, peak nameplate capacity

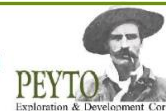
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	Three Months Ended June 30		%	Six Months Ended June 30		%
	2026	2025	Change	2026	2025	Change
Operations						
Production						
Natural gas (Mcf/d)	758,165	696,619	9%	767,813	703,501	9%
NGLs (bbl/d)	18,959	15,650	21%	18,442	15,562	19%
Thousand cubic feet equivalent (Mcf/d @ 1:6)	871,917	790,521	10%	878,462	796,875	10%
Barrels of oil equivalent (boe/d @ 6:1)	145,320	131,754	10%	146,410	132,812	10%
Production per million common shares (boe/d)	708	659	7%	714	666	7%
Product prices						
Realized natural gas price – after hedging (\$/Mcf)	3.42	3.53	-3%	4.06	3.85	5%
Realized NGL price – after hedging (\$/bbl)	64.98	58.43	11%	63.95	60.68	5%
Net sales price (\$/Mcf)	4.38	4.27	3%	4.89	4.59	7%
Royalties (\$/Mcf)	0.28	0.14	100%	0.25	0.19	32%
Operating (\$/Mcf)	0.50	0.54	-7%	0.51	0.54	-6%
Transportation (\$/Mcf)	0.30	0.31	-3%	0.30	0.30	0%
Field netback ⁽¹⁾ (\$/Mcf)	3.38	3.36	1%	3.94	3.62	9%
General & administrative expenses (\$/Mcf)	0.05	0.06	-17%	0.06	0.06	0%
Interest expense (\$/Mcf)	0.19	0.26	-27%	0.19	0.27	-30%
Financial (\$000, except per share)						
Natural gas and NGL sales including realized hedging gains (losses)	347,769	306,999	13%	777,370	661,267	18%
Funds from operations ⁽¹⁾	227,655	191,283	19%	520,653	416,618	25%
Funds from operations per share - basic ⁽¹⁾	1.11	0.96	16%	2.54	2.09	22%
Funds from operations per share - diluted ⁽¹⁾	1.09	0.95	15%	2.50	2.07	21%
Total dividends	71,831	65,957	9%	139,407	131,633	6%
Total dividends per share	0.35	0.33	6%	0.68	0.66	3%
Earnings	106,259	87,832	21%	277,348	201,949	37%
Earnings per share – basic	0.52	0.44	18%	1.35	1.01	34%
Earnings per share – diluted	0.51	0.43	19%	1.33	1.00	33%
Adjusted earnings ⁽¹⁾	104,983	84,900	24%	277,004	198,965	39%
Adjusted earnings per share – basic ⁽¹⁾	0.51	0.42	20%	1.35	1.00	35%
Adjusted earnings per share – diluted ⁽¹⁾	0.50	0.42	19%	1.33	0.99	35%
Total capital expenditures ⁽¹⁾	84,927	104,649	-19%	235,376	206,776	14%
Decommissioning expenditures	2,158	2,944	-27%	5,023	5,816	-14%
Total payout ratio ⁽¹⁾	70%	91%	-23%	73%	83%	-12%
Weighted average common shares outstanding - basic	205,212,848	199,868,585	3%	204,997,389	199,445,518	3%
Weighted average common shares outstanding - diluted	208,565,042	202,226,837	3%	208,473,530	201,339,814	4%
Net debt ⁽¹⁾				1,015,920	1,242,983	-18%
Shareholders' equity				3,044,650	2,732,009	11%
Total assets				5,538,122	5,417,649	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 Q2 2026 MD

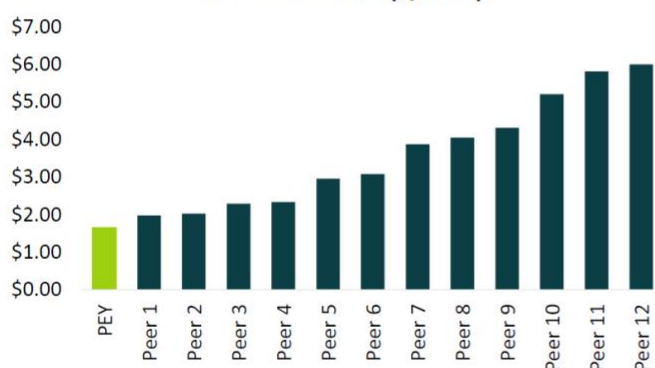
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HOW WE DO IT | LOW COSTS DRIVE MARGINS

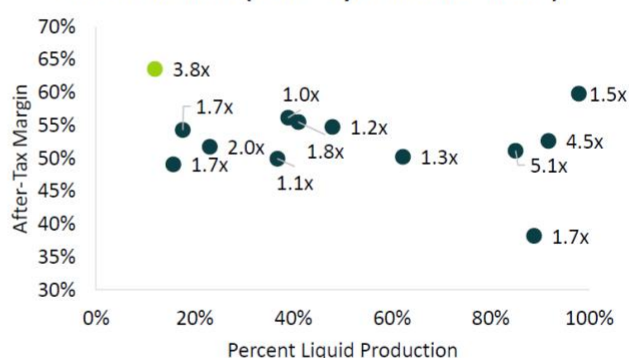


At Peyto we focus on costs since they are “sticky” and drive superior margins. Peyto’s margins were even stronger than liquids-weighted producers in 2025.

2025 Cash Costs¹ (\$/mcf)



2025 YE Results² (PDP Recycle³ Ratio Callouts)



Gas Weighted Peers include: AAV, ARX, BIR, KEL, POU, SDE, TOU

Oil Weighted Peers include: ATH, BTE, HWX, TVE, WCP

1- Cash costs include royalties, operating costs, transportation, G&A, interest and cash taxes

2- Peers include: AAV, ARX, ATH, BIR, BTE, HWX, KEL, POU, SDE, TOU, TVE, WCP

3- PDP Recycle Ratio is calculated by dividing the field netback per boe, by the FD&A costs for the period

PEYTO'S DEBT

Net Debt⁽¹⁾ of \$1.02 billion at June 30, 2026.

Notes and credit facility include:

- \$491.8 million of notes fixed at attractive interest rates of ~5.3%
- \$570.5 million drawn on \$1.05B revolving credit facility as at June 30, 2026
- Debt/EBITDA⁽²⁾ of 1.06 at June 30, 2026

In October 2025, Peyto increased its Revolving Credit Facility to \$1.05 billion and extended the maturity to October 23, 2029. Additionally, the term loan was repaid and terminated.

	Date Issued	Rate	Maturity Date
Senior Secured Notes			
\$100 million (CAD)	January 2, 2018	3.95%	January 2, 2028
\$40 million (USD)	October 29, 2021	3.98%	October 29, 2028
\$160 million (CAD)	October 24, 2023	6.46%	October 24, 2030
\$75 million (CAD)	October 17, 2024	5.64%	October 17, 2034
\$100 million (CAD)	January 5, 2026	5.03%	January 5, 2033
Revolving Credit Facility			
\$1.05 billion limit ⁽³⁾ (CAD)	October 23, 2025	Variable	October 23, 2029

Current and Long-Term Debt at Jun '26 (millions)



(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

(2) Debt to EBITDA ratio is a specified financial measure that is calculated in accordance with the financial covenants in the Company's credit agreement. See "Non-GAAP and Other Financial Measures".

(3) At June 30, 2026, Peyto had \$136.4 million of letters of credit outstanding, reducing available capacity on the Revolving Credit Facility.

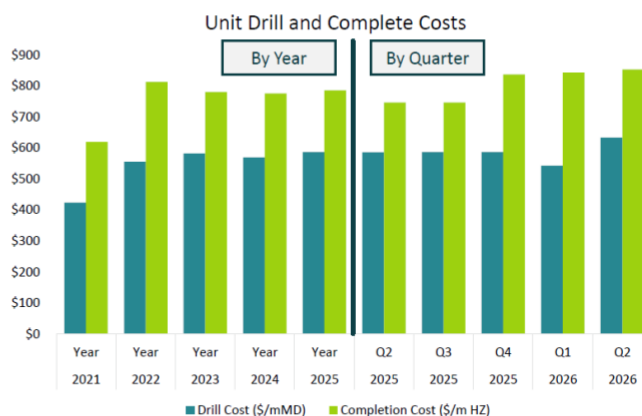
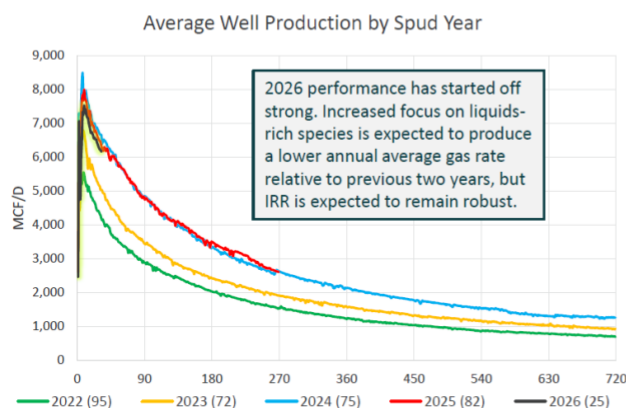
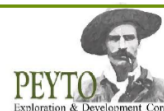
Activity Update

Drilling activity has picked up after spring breakup with a total of 4 rigs active in the Sundance and Brazeau core areas. Since the end of the second quarter, 9 gross (9 net) wells have been spud, 7 gross (7 net) wells have been completed, and 6 gross (6 net) wells have been brought on production. The Company expects to continue operating 4 drilling rigs for the balance of the year but will react to changing commodity prices and the business environment as necessary.

Peyto has continued developing Cardium prospects with an updated drilling and completion design. Drilling longer laterals and increasing completion intensity to improve deliverability while managing costs is key to this strategy. Recent well results in the Brazeau area have produced initial rates between 4 to 6 MMcf/d accompanied by NGL yields of up to 100 bbls/MMcf. At the same time, drilling cost reductions of 37% per horizontal meter have been achieved. This has provided the confidence to acquire additional mineral rights in the area where the Company sees at least 20 future locations to develop. Peyto has spud 5 wells in Brazeau so far in 2026 and plans to apply similar design changes to Cardium locations in the Sundance area for the remainder of the year. The strategy to add more liquid-rich targets to capture higher liquid pricing in 2026 also serves to improve economic returns for the long-term benefit of Cardium inventory across the Company's core areas.

To date in 2026, Peyto has completed turnarounds at four of its 13 operating gas plants and has one more planned on a portion of the Swanson Gas Plant later this August. These scheduled plant disruptions have minimal effect on corporate production due to the interconnectivity of the Company's gas gathering system, a feature of Peyto's "own and control" strategy that is core to the Company's operations that goes beyond low-cost operations. This integrated system allows production volumes to be rerouted during maintenance periods, minimizing the impact on production. Peyto also attempts to coordinate these turnarounds with other downstream maintenance activities (for example on the NGTL pipeline or at fractionation facilities) to minimize overall production downtime. The Company controls 98% of its production which minimizes exposure to potentially lengthy third-party facility turnarounds.

HOW WE DO IT | CONTINUOUS IMPROVEMENT

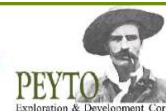


	2021	2022	2023	2024	2025	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2
Depth (mMD)	4,453	4,611	4,891	5,092	4,963	5,021	5,053	4,834	5,206	4,747
Drill (\$/mMD)	\$424	\$555	\$582	\$569	\$591	\$586	\$587	\$587	\$543	\$633
HZ Length (m)	1,612	1,661	1,969	2,184	2,123	2,311	2,185	2,036	2,011	2,222
Completion (\$/m)	\$620	\$813	\$781	\$776	\$787	\$747	\$747	\$837	\$843	\$853

(1) Based on field estimates and subject to small adjustments going forward

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PEYTO'S FUTURE | SUPPLY COST GOALS



\$/mcfe	2021	2022	2023	2024	2025
PDP FD&A ⁽¹⁾	\$0.97	\$1.41	\$1.21	\$1.00	\$0.94
Cash Costs ⁽¹⁾	<u>\$1.25</u>	<u>\$1.62</u>	<u>\$1.42</u>	<u>\$1.46</u>	<u>\$1.29</u>
Total Supply Cost	\$2.22	\$3.03	\$2.63	\$2.46	\$2.23
Sales Price	<u>\$3.60</u>	<u>\$5.36</u>	<u>\$4.59</u>	<u>\$4.31</u>	<u>\$4.59</u>
Full Cycle Netback	\$1.38	\$2.33	\$1.96	\$1.85	\$2.36
Margin ⁽²⁾	38%	43%	43%	43%	51%
Dividend (\$/mcfe)	\$0.11	\$0.45	\$1.04	\$0.94	\$0.90
Dividend (\$/sh/year)	\$0.08	\$0.60	\$1.32	\$1.32	\$1.32

OPEX	\$0.52
Transport	\$0.30
G&A	\$0.06
Interest	\$0.25
Controllable	\$1.13
Royalties	\$0.16
Total Costs	\$1.29

Revenue	\$3.68
Hedge Gain	\$0.85
Other Income	\$0.06
Total Realized	\$4.59

2026 Goals

\$0.95

\$1.27

\$2.22

\$4.55

\$2.33

51%

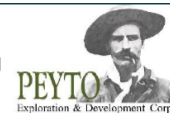
\$1.40

OPEX	\$0.48
Transport	\$0.30
G&A	\$0.06
Interest	\$0.19
Controllable	\$1.03
Royalties ⁽³⁾	\$0.24
Total Costs	\$1.27

Revenue	\$4.25
Hedge Gain	\$0.25
Other Income	\$0.05
Total Realized⁽³⁾	\$4.55

Peyto has a goal to reduce controllable costs by 10% year-over-year with interest down from reducing debt and lower rates and opex continuing to improve since acquisition.

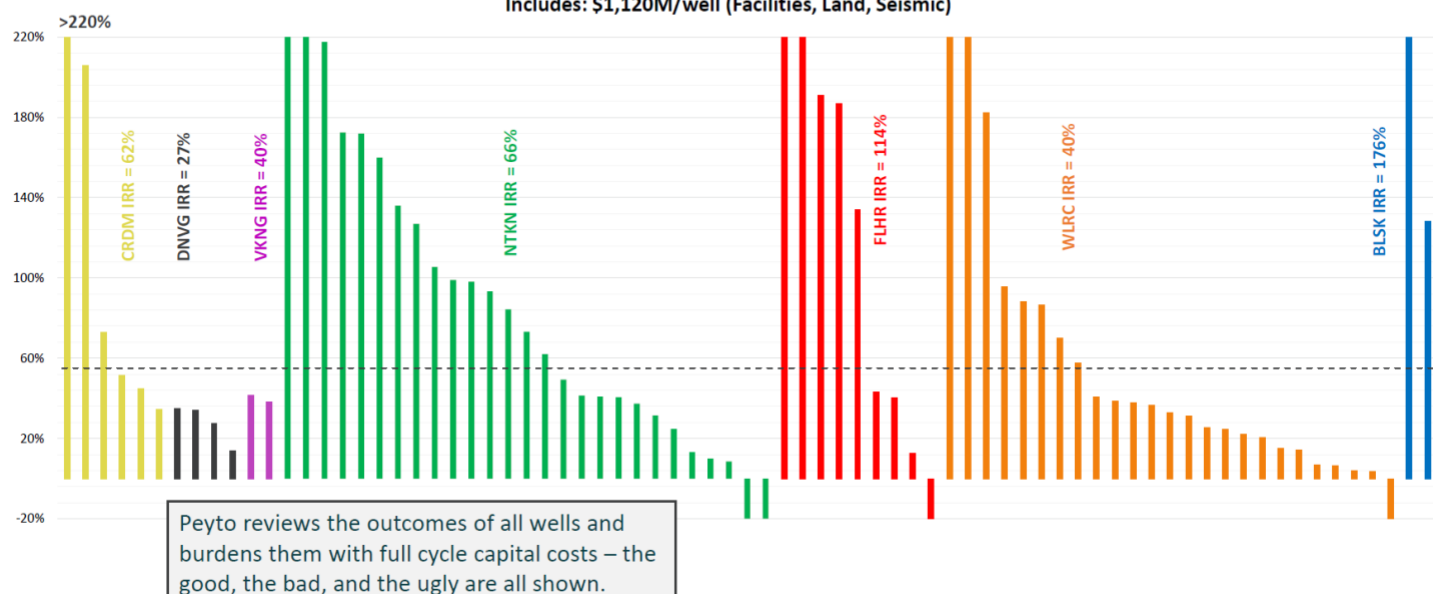
(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information. BOE factor - 6 mcfe = 1 bbl of oil equivalent
(2) Calculated before tax as the ratio of full cycle netback to sales price
(3) Assumes CA\$2.75/GJ at AECO, US\$3.75/MMBtu at Henry Hub and US\$60/bbl WTI. Production assumes 88% Natural Gas and 12% NGLs



PEYTO'S RETURNS | ROBUST RESULTS - 2025 YTD

Wells On Stream to end-Dec:
75 gross / 71.2 net

2025 Drilling Program
Price Deck: \$3.00/GJ Flat, US\$60/bbl
BTAX IRR: 56.3%
Includes: \$1,120M/well (Facilities, Land, Seismic)



Capital Expenditures

Peyto spud 10 gross (10.0 net) horizontal wells in the second quarter, including 3 Cardium, 1 Notikewin, 3 Falher, and 3 Wilrich wells in the core Sundance and Brazeau areas as the Company slowed drilling activity through the traditional wet break-up period. Despite slower drilling, Peyto managed to complete 14 gross (14.0 net) wells and brought 15 gross (15.0 net) wells on production in the quarter, resulting in total well-related capital expenditures of \$67.8 million. As part of the program, Peyto spud the first well on a three-well Cardium pad in Sundance that will test the extended reach design which has proven to be successful in Brazeau, improving capital efficiencies for the play. Additionally, Peyto invested \$13.6 million in facilities, pipeline optimization projects, and turnarounds at the Kakwa, Cecilia and Brazeau gas plants. Drilling costs per meter increased 17% as compared to Q1 2026, as Peyto drilled shorter laterals in Spirit River channels in the quarter and ran into isolated operational problems on two wells that resulted in higher average per well drill costs. Completion costs per meter were up marginally from Q1 2026 due to species mix. Peyto's 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 ⁽¹⁾
Gross Hz Spuds	61	64	95	95	72	75	82	19	19	20	24	23	10
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
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
\$ per meter	\$420	\$396	\$424	\$555	\$582	\$569	\$591	\$605	\$585	\$603	\$587	\$543	\$633
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
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
\$ per Hz Length (m)	\$679	\$560	\$620	\$813	\$781	\$776	\$787	\$793	\$740	\$747	\$837	\$843	\$853
\$ '000 per Stage	\$38	\$36	\$37	\$47	\$52	\$52	\$51	\$56	\$47	\$47	\$55	\$57	\$52

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

To further bolster drilling inventory, Peyto successfully acquired 26 gross (26 net) sections in the Company's core areas through crown land sales and mineral land purchases totaling \$1.9 million. This includes 14 sections in the Brazeau area targeting recent Cardium success and brings the total capital invested on land acquisitions and new inventory in the first half of 2026 to \$5.5 million to acquire 67 gross (53.8 net) sections at average cost of \$158/acre.

Peyto also spent \$2.2 million towards abandonment and reclamation activities during the quarter as part of the planned \$13 million budget for 2026.

Marketing

In the second quarter, Peyto realized a natural gas price after hedging of \$3.42/Mcf, or \$2.97/GJ, 108% higher than the average AECO 7A monthly benchmark of \$1.43/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 \$0.93/Mcf (net of diversification costs) in the quarter, while the Company's natural gas hedging activity resulted in a realized gain of \$0.85/Mcf (\$58.1 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)	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
AECO 7A ¹	0.89	1.59	2.21	2.25	1.08	2.55	2.71	1.64
Diversification value ²	0.75	0.68	1.13	0.53	1.11	0.70	1.61	0.93
Realized hedging gain	1.31	1.16	0.83	0.75	1.38	0.76	0.37	0.85
Realized natural gas price after hedging	2.95	3.43	4.17	3.53	3.57	4.01	4.69	3.42
% premium to AECO 7A	233%	116%	89%	57%	229%	57%	73%	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.

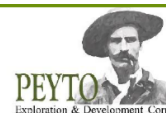
Condensate and pentanes averaged \$125.42/bbl for the quarter, up 54% year over year driven by higher WTI oil prices from escalating geopolitical tension in the Middle East. Other NGL volumes were sold at an average price of \$28.48/bbl, or 22% of Canadian dollar WTI. Peyto's combined realized NGL price was \$77.40/bbl before hedging, and \$64.98/bbl including a realized hedging loss of \$12.42/bbl (\$21.4 million) in the second quarter of 2026.

During the quarter, the Company entered into a long-term natural gas supply agreement with Centrica. Under the agreement, Peyto will deliver 50,000 MMBtu/d to Centrica over a 10-year period commencing in 2029. Deliveries will be made at the NIT (AECO) hub operated by NGTL in Alberta. The natural gas will be priced against the Dutch TTF benchmark, less deductions. With this new agreement, Peyto has over 400 MMcf/d of natural gas exposed to non-AECO markets starting in 2028 and beyond. The diversification portfolio includes physical or financial agreements that are linked to markets at Dawn/Parkway, Chicago/Ventura, Henry Hub, Empress, Emerson 2, Dutch -TTF, and Alberta power prices. Natural gas at these markets can be hedged to secure revenue or left to float on daily or monthly prices.

GAS MARKETING

Fixed Price Gas Contracts

Peyto uses a dollar cost averaging approach to smooth out the volatility in future prices by forward selling smaller blocks of production. Fixed price swaps give price certainty.



	Q3 2026	Q4 2026	2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	2027	2028	2029
AECO 7A Fixed Price Swaps (CAD\$/GJ)										
Volume GJ/d	217,500	257,283	233,075	277,500	285,000	285,000	215,380	265,603	135,383	-
Price CAD\$/GJ	3.29	3.34	3.53	3.36	2.32	2.32	2.65	2.66	2.01	-
AECO 5A Fixed Price Swaps (CAD\$/GJ)										
Volume GJ/d	15,000	5,054	8,795	-	50,000	50,000	16,848	29,315	-	-
Price CAD\$/GJ	2.73	2.73	2.73	-	2.70	2.70	2.70	2.70	-	-
NYMEX (AECO & Empress Basis) Fixed Price (US\$/MMBtu)										
Volume MMBtu/d	295,000	251,902	279,205	230,000	165,000	165,000	92,065	162,644	13,675	-
Price US\$/MMBtu	2.81	3.10	2.98	2.82	2.49	2.49	2.69	2.63	2.99	-
Price CAD\$/GJ	3.70	4.09	3.92	3.71	3.27	3.27	3.55	3.47	3.94	-
EMERSON 2 Fixed Price (US\$/MMBtu)										
Volume MMBtu/d	64,032	21,576	37,542	-	-	-	-	-	-	-
Price US\$/MMBtu	2.57	2.57	2.57	-	-	-	-	-	-	-
Fixed AECO Netback US\$/MMBtu	2.14	2.14	2.14	-	-	-	-	-	-	-
Fixed AECO Netback CAD\$/GJ	2.82	2.82	2.82	-	-	-	-	-	-	-

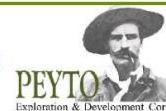
Prices do not include deductions for Fuel (~2%).
USD contracts converted at 1.39 CAD/USD

Please refer to <https://www.peyto.com/Marketing.aspx> for the most recent marketing data and slides.

GAS MARKETING

Floating Price Gas Contracts

Peyto has exposure to natural gas price upside with its diversification to premium markets in the US mid-west, Ontario, California, and its Cascade Power contract.



	Q3 2026	Q4 2026	2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	2027	2028	2029
Henry Hub (AECO/Empress/Emerson 2 Basis) MMBtu/d										
Volume MMBtu/d	-	26,522	6,685	40,000	-	-	26,522	16,548	126,325	121,589
Basis cost US\$/MMBtu	-	(1.05)	(1.05)	(0.90)	-	-	(0.90)	(0.90)	(1.05)	(1.05)
Malin										
Volume MMBtu/d	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Index cost US\$/MMBtu	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)
Chicago										
Volume MMBtu/d	70,000	70,000	70,000	70,000	70,000	70,000	50,109	64,986	33,333	-
Index cost US\$/MMBtu	(1.01)	(1.01)	(1.02)	(1.01)	(1.01)	(1.01)	(1.01)	(1.01)	(1.01)	-
Ventura										
Volume MMBtu/d	20,000	20,000	20,000	20,000	20,000	20,000	6,739	16,658	-	-
Transport, marketing, fuel US\$/MMBtu	(1.13)	(1.13)	(1.13)	(1.13)	(1.13)	(1.13)	(1.13)	(1.13)	-	-
Emerson 2										
Volume GJ/d	-	45,318	28,275	68,348	68,348	68,348	68,348	68,348	68,348	68,348
Transport costs \$/GJ	-	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)	(0.56)
Dawn/Parkway										
Volume GJ/d	81,652	81,652	81,652	81,652	81,652	81,652	81,652	81,652	81,652	81,652
Transport costs \$/GJ	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)	(1.15)
Cascade Power										
Volume GJ/d	60,000	60,000	55,857	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Centrica TTF										
Volume MMBtu/d	-	-	-	-	-	-	-	-	-	50,000

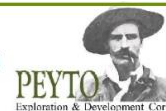
- Henry Hub, Malin, Dawn and Chicago volumes are sold using physical basis deals from AECO and Empress and are priced on the respective indices less the hub basis shown above and fuel of ~2%
- Ventura volumes are priced on the Ventura index less transportation, marketing and fuel for total deductions of ~\$US1.13/MMBtu
- Emerson 2 volumes are priced on the Emerson 2 index less transport and fuel of ~4%.
- Dawn/Parkway volumes are priced on the Union Dawn/Parkway indices, less transport and fuel of ~6%.
- Peyto's realized price under the Cascade gas supply agreement is indexed to Cascade Power's realized power price.
- Natural gas for the Centrica Energy TTF contract is delivered to NIT (AECO) and priced against the Dutch TTF benchmark, less deductions. Contract expected to commence sometime in 2029.

Please refer to <https://www.peyto.com/Marketing.aspx> for the most recent marketing data and slides.

NGL MARKETING

Fixed Price Contracts

Peyto uses swaps and costless collars to secure liquids revenue as well.



	Q3 2026	Q4 2026	2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	2027	2028
WTI SWAPS									
Volume USD bbls/d	-	-	-	-	-	-	-	-	-
Price US\$	-	-	-	-	-	-	-	-	-
Volume CAD bbls/d	6,100	5,900	5,729	3,700	3,300	2,500	2,500	2,995	348
Price CAD\$	93.33	93.42	91.18	93.71	94.71	93.33	93.33	93.83	96.26
TOTAL bbls/d	6,100	5,900	5,729	3,700	3,300	2,500	2,500	2,995	348
WTI COLLARS									
Volume CAD bbls/d	700	700	601	500	500	500	500	500	249
Put CAD\$	79.29	79.29	83.39	75.00	75.00	75.00	75.00	75.00	85.00
Call CAD\$	98.54	98.54	99.39	87.25	87.25	87.25	87.25	87.25	101.00
WTI CALL OPTIONS									
Volume CAD bbls/d	-	-	-	1,500	1,500	1,500	1,500	1,500	-
Call CAD\$	-	-	-	100.00	100.00	100.00	100.00	100.00	-
CONWAY SWAPS									
Volume USD bbls/d	1,000	1,000	877	1,000	-	-	-	247	-
Price US\$	34.23	34.23	34.14	34.23	-	-	-	34.23	-
Price CAD\$	47.58	47.58	47.46	47.58	-	-	-	47.58	-

USD contracts converted at 1.39 CAD/USD

Please refer to <https://www.peyto.com/Marketing.aspx> for the most recent marketing data and slides.

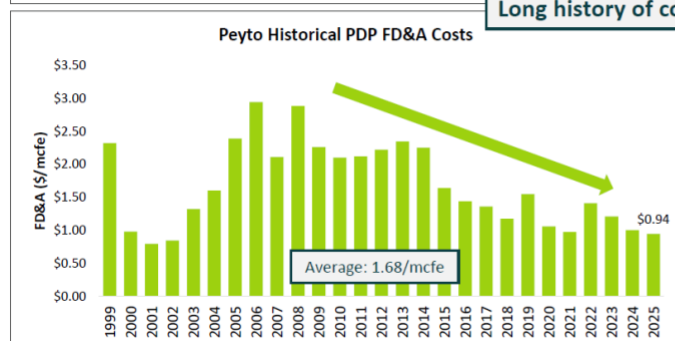
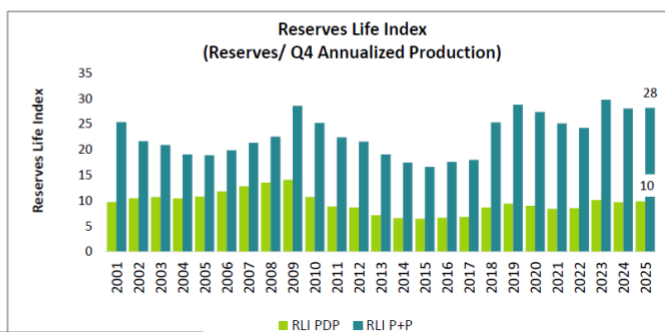
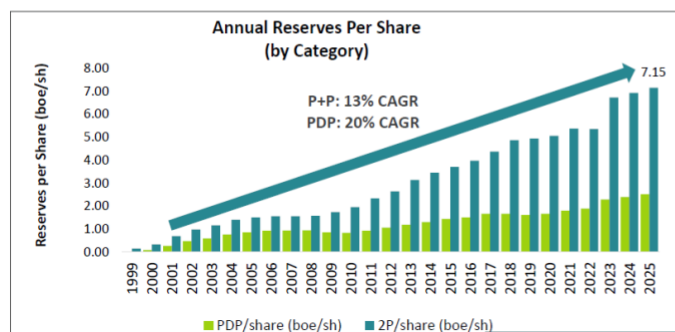
Reserves

- 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. report. However, the strong 2025 capital program generated a 2% increase in PDP reserves value per share over last year.

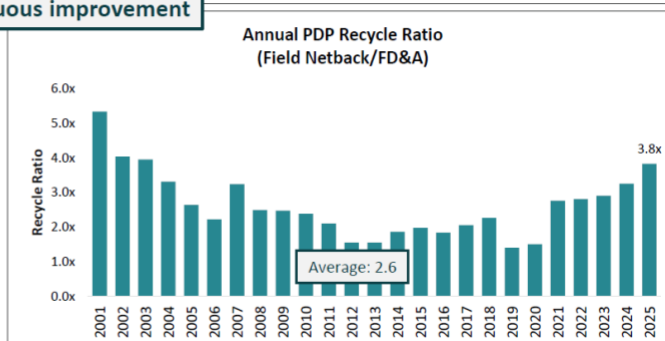
The following table illustrates the change in reserve volumes and Net Present Value of future cash flows, discounted at 10%, before income tax and using the 3-Consultant average forecast pricing:

	As of December 31 2025	2024	% Change, per share (basic outstanding)
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%

PEYTO'S HISTORY | PROFITABLE RESERVES GROWTH



Long history of continuous improvement



(1) This is a non-GAAP financial measure or ratio. Refer to the heading entitled "Non-GAAP and Other Financial Measures" contained within the "Advisories" section of this presentation for further information.

Hedging

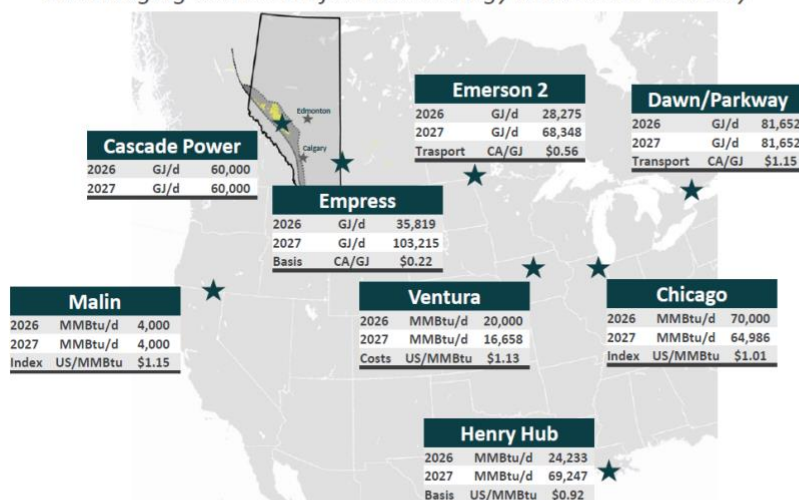
The Company has been actively hedging future production with financial and physical fixed price contracts to protect a portion of its future revenue from commodity price and foreign exchange volatility. The following table summarizes Peyto's hedge position for the second half of 2026, calendar 2027 and calendar 2028. Peyto's natural gas and liquid hedging program has secured revenue of approximately \$485 million for the second half of 2026 and \$590 million for calendar 2027.

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	H2 2026	2027	2028
Natural Gas			
Volume (MMcf/d)	505	404	123
Average Fixed Price (\$/Mcf)	4.02	3.31	2.88
WTI Swaps			
Volume (bbls/d)	5,900	2,795	349
Average Fixed Price (\$/bbl)	93.05	93.24	96.26
WTI Collars			
Volume (bbls/d)	700	500	249
Put-Call (\$/bbl)	79.29–98.54	75.00–87.25	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)	79,136	118,314	8,265
Rate (CAD/USD)	1.361	1.359	1.369

PEYTO'S MARKETING

Gas Hedging and Diversification Strategy Moderates Volatility



2026E Natural Gas Marketing

- For 2026, Peyto has fixed 500 MMcf/d of its gas volumes while the remaining volumes "float" at the hubs shown on the map
- Diversification reduces single market risk. Empress exposure minimizes risk to a potential disconnection in the AECO market that can dislocate, especially in summer.

Gas Price⁽¹⁾ (\$/mcf)

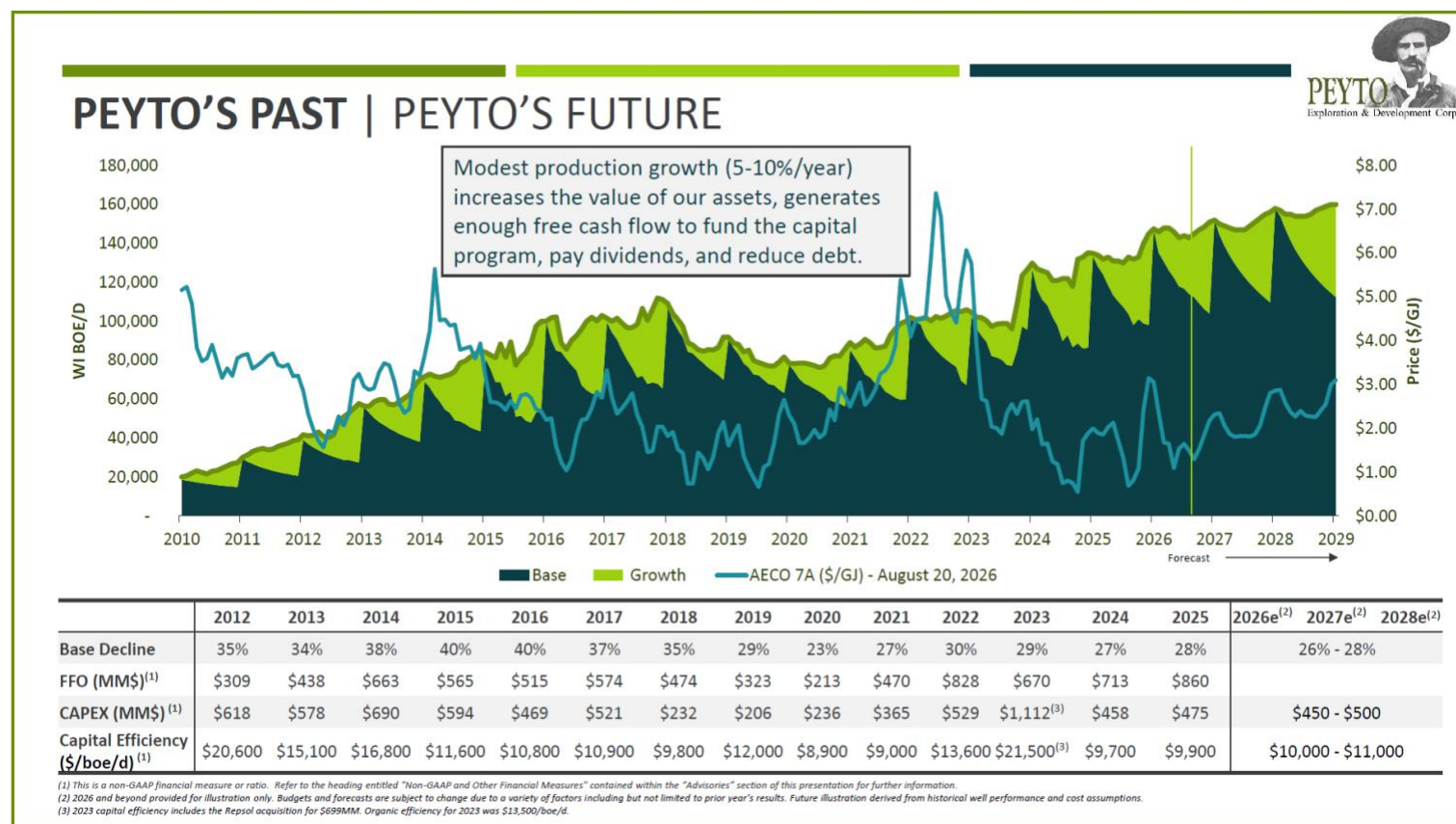


- Peyto has beat the AECO monthly price in 15 of the last 20 years using a methodical hedging and diversification strategy
- Since 2003, through to the end of Q2-2026, we have realized a cumulative gain of **\$816MM** from all our hedging activities
- Hedging and diversification gains are expected through 2026 and 2027 based on current strip pricing⁽¹⁾**

⁽¹⁾ Forecasted prices are based on August 20, 2026, strip price forecast

Outlook

While liquids pricing is affected by ever-changing world events, natural gas demand continues to grow, and the outlook remains positive both within Alberta and globally. The prospect of continued LNG buildout in both Canada and the US to supply global markets and gas-fired power demand in North America, provides exciting tailwinds for the natural gas industry. However, the volatility in near-term commodity prices is a reminder of the importance of controlling costs and managing risks. Fortunately, Peyto's low risk capital plans have been protected through market diversification, a mechanistic hedging program, and an industry-leading cost structure. The Company re-iterates its 2026 capital program to invest between \$450 to \$500 million to add 43,000 to 48,000 boe/d of new production by yearend. In the meantime, Peyto will manage production to limit exposure to weaker priced markets for the remainder of the summer season, if necessary.



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PEYTO'S FUTURE | 2026 FOCUS

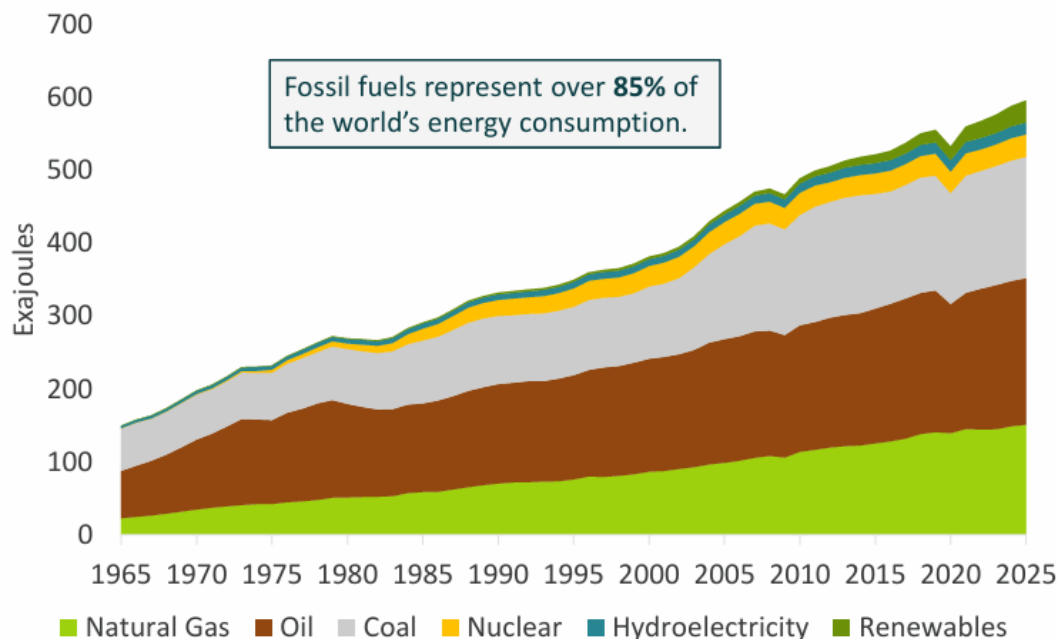


**\$450M-
\$500M**

2026 Capital Program

- ✓ **Drill ~70 – 80 Net Hz Wells**
4-5 rig program contemplated using ~80% of capital budget for well-related costs
Add 43,000 – 48,000 boe/d (~\$10,500/boed) to offset 26%-28% base production decline
- ✓ **Optimize Infrastructure**
Gathering and Plant Debottlenecking Projects including Nosehill pipeline looping
- ✓ **Increase Opportunities**
Explore new drilling horizons and technology, farm-ins, swaps, and acquisitions
- ✓ **Diversify Markets and Protect Revenues**
Continue to diversify to external markets and layer in hedges
- ✓ **Generate Shareholder Returns**
Payout dividend at \$0.12/share/month, a \$0.01/share increase (9%) over the previous dividend of \$0.11/share/month, starting in May-2026

World Energy Consumption by Source (1965-2025)



Source: Energy Institute Statistical Review of World Energy (2026)



Net Income and Cash Flow Forecast Model

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