

**PEYTO EXPLORATION & DEVELOPMENT CORP.**

**WHISTLEBLOWER POLICY I.**

**SCOPE:**

This policy applies to all employees, including part time, temporary and contract employees of Peyto Exploration & Development Corp. ("Peyto" or the "Corporation").

**II. PURPOSE:**

Peyto is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and Peyto's commitment to open communication, this policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

**III. POLICY:**

The whistleblowing policy is intended to cover serious concerns that could have a large impact on Peyto, such as actions that:

- May lead to incorrect financial reporting;
- Are unlawful;
- Are not in line with Peyto policy, including the Code of Conduct and Ethics; or
- Otherwise amount to serious improper conduct.

**IV. SAFEGUARDS**

**Harassment or Victimization**

Harassment or victimization of the complainant will not be tolerated.

**Confidentiality**

Every effort will be made to protect the complainant's identity.

**Anonymous Allegations**

The policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

## **Malicious or False Allegations**

Malicious or false allegations may result in disciplinary action.

### **V. PROCEDURE:**

#### **Process For Raising A Concern**

##### ***Reporting***

The whistleblowing procedure is intended to be used for serious and sensitive issues.

Serious concerns relating to financial reporting, unethical or illegal conduct, should be reported in the following ways:

Directly to:

Stephen Chetner, Legal Counsel  
Telephone: (403) 260-0265  
Facsimile: (403) 260-0337  
Email: [sjc@bdplaw.com](mailto:sjc@bdplaw.com)

Mick MacBean, Director and Chair of the Audit Committee  
Telephone: (403) 225-1144 ext. 235  
Facsimile: (403) 225-3547  
Email: [mmacbean@trivest.ca](mailto:mmacbean@trivest.ca)

Don Gray, Director and Chair of the Board of Directors  
Telephone: 1 (480) 707-3200  
Email: [dgray@peyto.com](mailto:dgray@peyto.com)

By mail to:

Burnet, Duckworth & Palmer LLP 2400,  
525 – 8<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 1G1  
Attention: Stephen Chetner

or

TriWest Capital Partners  
3210, 150 – 6<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3Y7  
Attention: Mick MacBean

Employment-related concerns should continue to be reported through your normal channels.

***Timing***

The earlier a concern is expressed, the easier it is to take action.

***Evidence***

Although the employee is not expected to prove the truth of an allegation, the employee needs to demonstrate to the person contacted that there are sufficient grounds for concern.

**VI. HOW THE COMPLAINT WILL BE HANDLED**

The action taken will depend on the nature of the concern. The Audit Committee of Peyto will receive a report on each complaint and a follow-up report on actions taken.

**Initial Inquiries**

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

**Report to Complainant**

Whether reported to Peyto personnel or to the Audit Committee, the complainant will be given the opportunity to receive follow-up on their concern within 15 working days:

- Acknowledging that the concern was received;
- Indicating how the matter will be dealt with;
- Giving an estimate of the time that it will take for a final response;
- Telling them whether initial inquiries have been made;
- Telling them whether further investigations will follow, and if not, why not.

**Further Information**

The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

**Information**

Subject to legal constraints the complainant will receive information about the outcome of any investigations.