

PEYTO EXPLORATION & DEVELOPMENT CORP.

**ANNUAL MEETING OF SHAREHOLDERS
NOTICE AND ACCESS NOTIFICATION TO SHAREHOLDERS**

You are receiving this notification as Peyto Exploration & Development Corp. ("**Peyto**") has decided to use the notice and access model for delivery of meeting materials to its beneficial holders ("**Beneficial Shareholders**") of common shares ("**Common Shares**") for the annual meeting (the "**Meeting**") of holders of Common Shares which will be held on Thursday, May 10, 2018 at 3:00 p.m. (Calgary time).

NOTICE-AND-ACCESS

Beneficial Shareholders will receive a proxy or voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of the notice of meeting and information circular-proxy statement ("**Information Circular**") and Peyto's financial statements and related management's discussion and analysis for most recently completed financial year end ("**Financial Information**"), Beneficial Shareholders receive this notice with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and also will reduce the cost of printing and mailing materials to shareholders.

Peyto has also elected to use procedures known as "stratification" in relation to Peyto's use of the "notice-and-access" provisions (the "**Notice-and-Access Provisions**") under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of Financial Information, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered holders of Common Shares will receive a paper copy of the notice of the meeting, the Information Circular and a form of proxy, whereas all Beneficial Shareholders will receive this notice containing information prescribed by the Notice-and-Access Provisions and the accompanying voting instruction form. Peyto intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders. Furthermore, a paper copy of the Financial Information in respect of Peyto's most recently completed financial year was previously mailed to those registered shareholders and Beneficial Shareholders who previously requested to receive such information.

MEETING DATE AND LOCATION:

WHEN: Thursday, May 10, 2018 at 3:00 p.m. (Calgary time)

WHERE: +15 Level
600 – 3rd Avenue S.W.
Calgary, Alberta T2G 0G5

SHAREHOLDERS WILL BE ASKED TO CONSIDER AND VOTE ON THE FOLLOWING MATTERS:

Financial Statements: Although no vote is required, shareholders will receive and consider Peyto's consolidated financial statements for the year ended December 31, 2017, together with the report of the auditors thereon.

Fixing Number of Directors: Shareholders will be asked to fix the number of directors to be elected at the Meeting to seven (7) members. Information respecting fixing the number of directors may be found in the "*Matters to be Acted Upon at the Meeting – Election of Directors*" section of the Information Circular.

Election of Directors: Shareholders will be asked to elect seven (7) directors for the ensuing year. Information respecting the election of directors may be found in the "*Matters to be Acted Upon at the Meeting – Election of Directors*" section of the Information Circular.

Appointment of Auditors: Shareholders will be asked to appoint Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, as Peyto's auditors for the ensuing year, and authorize Peyto's directors to fix their remuneration. Information respecting the appointment of Deloitte LLP may be found in the "*Matters to be Acted Upon at the Meeting – Appointment of Auditors*" section of the Information Circular.

Other Business: Shareholders may be asked to consider other items of business that may be properly brought before the Meeting. Information respecting the use of discretionary authority to vote on any such other business may be found in the "*Other Matters*" section of the Information Circular.

SHAREHOLDERS ARE REMINDED TO VIEW THE MEETING MATERIALS PRIOR TO VOTING.

WEBSITES WHERE MEETING MATERIALS ARE POSTED

Material can be viewed online at www.sedar.com or at the following internet address:

<http://www.peyto.com/Files/MIC/2018/2018Circular.pdf>

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Beneficial Shareholders may request that a paper copy of the Information Circular and/or Financial Information be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Information Circular was filed on SEDAR by:

- Visiting the following internet address:
<http://www.peyto.com>
- Calling Peyto at 1-844-847-9706 (toll free in North America) or (403) 261-6081 (outside of North America); or
- Sending an email to info@peyto.com

Requests should be received at least five (5) business days in advance of the proxy deposit date and time set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of such date and the date of the Meeting.

In relation to the Meeting, Registered Shareholders will receive a paper copy of the Information Circular and a form of proxy whereas Beneficial Shareholders will only receive this Notice-and-Access Notification and a voting instruction form. Furthermore, a paper copy of the Financial Information will be mailed to Registered Shareholders but not to Beneficial Shareholders.

Shareholders with questions about Notice and Access may contact Computershare Trust Company of Canada, in its capacity as registrar and transfer agent for Peyto, at 1-800-564-6253 (toll free in Canada and United States) or (514)-982-7555 (international direct dial).

VOTING:

Beneficial Shareholders are asked to return their proxies using one of the following methods at least one (1) business day in advance of the proxy deposit date set out in the accompanying proxy or voting instruction form:

INTERNET: www.proxyvote.com

TELEPHONE: 1-800-474-7493 (ENGLISH) OR 1-800-474-7501 (FRENCH)

FACSIMILE: 905-507-7793

MAIL: DATA PROCESSING CENTRE
PO BOX 2800 STN LCD MALTON
MISSISSAUGA, ON L5T 2T7

Shareholders with questions about notice and access can call toll free at 1-800-564-6253.