

NEWS RELEASE

MAY 13, 2009

SYMBOL: PEY.UN – TSX

PEYTO ENERGY TRUST ANNOUNCES FIRST QUARTER 2009 RESULTS

CALGARY, ALBERTA – Peyto Energy Trust (“Peyto”) is pleased to present the operating and financial results for the first quarter of the 2009 fiscal year. Peyto is an explorer and producer of unconventional tight gas assets in Alberta’s Deep Basin and using its trust structure is able to flow profits from the success of that business to its unitholders in the form of distributions.

Peyto is well known for owning high quality, sweet natural gas assets that exhibit long reserve life, low operating costs and high revenue per mcfe. The following summarizes the Trust’s foundation:

- Long reserve life – Proved Producing 14 years, Total Proved 17 years, Proved plus Probable 23 years
- Low operating costs - \$0.44/mcfe (\$2.66/boe), three months ending March 31, 2009
- High heat content natural gas stream – Realized revenue of \$6.34/mcfe (\$38.04/boe) before hedging, \$7.63/mcfe (\$45.78/boe) after hedging, three months ending March 31, 2009
- Low base general and administrative costs - \$0.22/mcfe (\$1.32/boe), three months ending March 31, 2009
- High field netback – \$6.27/mcfe (\$37.62/boe) or 82% of revenue, three months ending March 31, 2009
- High level of operatorship – operates over 97% of its production
- Cash distributions – cash distributions of \$41.3 million were 70% of funds from operations for the three months ended March 31, 2009
- Since inception, Peyto has raised a total of \$410 million issuing units from treasury, accumulated earnings of \$983 million, and distributed \$851 million to unitholders
- Transparent capital structure - no convertible debentures, no exchangeable shares, no stock options, no warrants

The first quarter of 2009 was highlighted by strong cash netbacks despite weak natural gas prices and reduced activity due to changing royalty incentives as illustrated by the following:

- Natural gas prices before hedges were 22% lower in Q1 2009 with prices averaging \$6.15/mcf versus \$7.93/mcf in Q1 2008. After hedging, gas prices were 10% lower at \$7.68/mcf and \$8.49/mcf respectively
- Cash netbacks for the quarter averaged \$5.70/mcfe (\$34.23/boe) versus \$6.38/mcfe (\$38.33/boe) a year ago which represents 75% of revenue or a 75% pre-tax profit margin
- Capital expenditures – \$13.0 million was invested into finding and developing new natural gas reserves, down from \$22.5 million in the previous quarter, and down from \$33.1 million in Q1 2008
- Production - decreased 6% from 122,048 mcfe/d (20,342 boe/d) in the first quarter of 2008 to 114,128 mcfe/d (19,021 boe/d) in the first quarter of 2009
- Per unit funds from operations – decreased 15% from the previous year to \$0.55/unit
- Hedging – a \$13.3 million gain for the three months ending March 31, 2009 was realized
- A total of \$41.3 million or \$0.39/unit was distributed to unitholders in the first quarter of 2009 out of \$63.6 million in earnings or \$0.60/unit
- Net debt decreased \$2.1 million from Q4 2008 to \$490.6 million in Q1 2009 but was up 7% from \$460.4 million in Q1 2008. This leaves available borrowing capacity of \$59 million on bank lines of \$550 million, secured by over \$2.7 billion in Proved Producing assets (2008 PP NPV₅)

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). Natural gas liquids and oil volumes in barrel of oil (bbl) are converted to thousand cubic feet equivalent (mcfe) using a ratio of one (1) barrel of oil to six (6) thousand cubic feet. This could be misleading if used in isolation as it is based on an energy equivalency conversion method primarily applied at the burner tip and does not represent a value equivalency at the wellhead.

	3 Months Ended Mar. 31		%
	2009	2008	Change
Operations			
Production			
Natural gas (mcf/d)	95,998	101,468	(5)%
Oil & NGLs (bbl/d)	3,022	3,430	(12)%
Thousand cubic feet equivalent (mcf/d @ 1:6)	114,128	122,048	(6)%
Barrels of oil equivalent (boe/d @ 6:1)	19,021	20,342	(6)%
Product prices			
Natural gas (\$/mcf)	7.68	8.49	(10)%
Oil & NGLs (\$/bbl)	44.46	83.45	(47)%
Operating expenses (\$/mcf)	0.44	0.45	(2)%
Transportation (\$/mcf)	0.11	0.11	-
Field netback (\$/mcf)	6.27	7.11	(12)%
General & administrative expenses (\$/mcf)	0.22	0.20	10%
Interest expense (\$/mcf)	0.35	0.53	(34)%
Financial (\$000, except per unit)			
Revenue	78,423	104,428	(25)%
Royalties	8,290	19,264	(57)%
Funds from operations	58,607	70,955	(17)%
Funds from operations per unit	0.55	0.67	(18)%
Total distributions	41,309	44,798	(8)%
Total distributions per unit	0.39	0.42	(7)%
Payout ratio	70	63	11%
Earnings	63,574	32,440	96%
Earnings per diluted unit	0.60	0.31	94%
Capital expenditures	13,036	33,054	(61)%
Weighted average trust units outstanding	105,920,194	105,744,338	-
As at December 31			
Net debt (before future compensation expense and unrealized hedging gains)	490,570	460,397	7%
Unitholders' equity	580,221	477,499	22%
Total assets	1,271,770	1,179,705	7%
<hr/>			
Earnings	63,574	32,440	
Items not requiring cash:			
Provision for performance based compensation	1,150	3,496	
Future income tax expense	(24,694)	15,733	
Depletion, depreciation and accretion	18,577	19,286	
<hr/>			
Funds from operations ⁽¹⁾	58,607	70,955	

(1) Funds from operations - Management uses funds from operations to analyze the operating performance of its energy assets. In order to facilitate comparative analysis, funds from operations is defined throughout this report as earnings before performance based compensation, non-cash and non-recurring expenses. Management believes that funds from operations is an important parameter to measure the value of an asset when combined with reserve life. Funds from operations is not a measure recognized by Canadian generally accepted accounting principles ("GAAP") and does not have a standardized meaning prescribed by GAAP. Therefore, funds from operations, as defined by Peyto, may not be comparable to similar measures presented by other issuers, and investors are cautioned that funds from operations should not be construed as an alternative to net earnings, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. Funds from operations cannot be assured and future distributions may vary.

Quarterly Review

Peyto invested \$13.0 million into drilling and connecting new Deep Basin gas wells in the first quarter of 2009. Drilling and completions accounted for \$10.5 million, while wellsite equipment and pipelines accounted for \$2.3 million. Additional seismic data and land was acquired for \$0.2 million, making up the balance of the capital expenditures. On March 3, 2009 the Alberta government announced a new royalty incentive program that became effective April 1, 2009 and included both new drilling royalty credits and new production royalty relief. This announcement caused Peyto to halt new well spuds and new production startups until the program became effective in order to capture the available incentives. For this reason, activity in January and February 2009 made up over 90% of the capital spending.

In the first quarter, the Trust drilled 6 gross (5.5 net, 91% working interest) gas wells, completed 7 gross (6.5 net) gas zones and brought 3 gross (3 net) zones on production. Production for the quarter averaged 114,128 mcfe/d (19,021 boe/d) down from 122,048 mcfe/d (20,342 boe/d) in Q1 2008.

Transportation and operating costs in the first quarter 2009 were effectively flat from a year earlier at \$0.11/mcfe (\$0.69/boe) and \$0.44/mcfe (\$2.66/boe) respectively. Reduced methanol prices were primarily responsible for maintaining operating costs at this level despite a decline in production. Royalties to the province of Alberta totaled \$8.3 million in the quarter, representing 11% of sales or \$0.81/mcfe (\$4.84/boe). Natural gas prices for the first quarter 2009 averaged \$7.68/mcf, after hedging gains of \$1.53/mcf, while liquids prices averaged \$44.46/boe. The high heat content, premium gas price that Peyto achieved, elevated by hedging gains, combined with its low operating costs, transportation and royalty expense resulted in field netbacks of \$6.27/mcfe (\$37.62/boe) for the quarter or an 82% operating margin.

Peyto underwent its annual bank review in the quarter and after the engineering appraisal reaffirmed the high value of the reserve assets, the Trust's banking syndicate extended the \$550 million revolving credit facility. Net debt for the quarter remained manageable at \$490.6 million.

Activity Update

Peyto tied in 2 gross (1.6 net) wells between April 1, 2009 and spring breakup but was unable to commence any drilling operations in that time. The economic impact of the new "Three Point Royalty Incentive Program" has been reviewed and although it is not expected it will have a significant influence on the future drilling strategies of the Trust, it will provide additional economic return for new wells drilled within the program. It is anticipated that the capital program for the balance of 2009 will be achieved with two drilling rigs commencing operations after breakup. Activity will be spread throughout Peyto's core operational areas and include several exploratory ideas as well as an evaluation of the potential for horizontal multi-stage fracture technology.

So far, production for the second quarter has averaged 111.5 mmcfe/d. Peyto is continuously monitoring individual wells for their ability to generate positive funds flow during this period of low natural gas prices. By operating over 97% of production and having low operating costs, Peyto ensures that its gas wells are making money even when many others are not.

Marketing

The current global economic recession and reduced energy demand has created excess supply in North American natural gas. Fears that surplus international LNG might find its way to North America are exacerbating the situation. This has caused Alberta spot natural gas prices to drop to levels not experienced since 2002. While there is much speculation on when prices will recover, Peyto has, as of March 31 2009, committed to the forward sale of 15,670,000 gigajoules (GJ) of natural gas at an average price of \$7.94/GJ or \$9.29/mcf (representing a 17% premium heat content). Had these contracts been closed on March 31, 2009, the Trust would have realized a gain of \$37.8 million.

The Trust continues to forward sell small portions of production, up to 24 months into the future, to secure prices for upcoming distributions and capital programs. This strategy has worked successfully in the past to smooth out much of the volatility in natural gas prices caused by periods of excess supply or demand.

Outlook

Although the current economic conditions discourage bringing on new production into a depressed natural gas price environment, Peyto continues to build upon its inventory of high quality Deep Basin drilling prospects. A recent personnel addition to the Trust's exploration team will strengthen this process. The profitability of drilling projects will continue to guide investment decisions while a low cost structure and strong hedge position offer significant protection during this period of low gas prices. Ongoing optimization of already low operating costs will ensure Peyto's competitive advantage is maintained.

Unitholders are encouraged to visit the Peyto website at www.peyto.com where there is a wealth of information designed to inform and educate investors.

Conference Call and Webcast

A conference call will be held with the senior management of Peyto to answer questions with respect to the 2009 first quarter financial results on Thursday, May 14th, 2009, at 9:00 a.m. Mountain Daylight Time (MDT), or 11:00 a.m. Eastern Daylight Time (EDT). To participate, please call 1- 416-644-3423 (Toronto area) or 1- 800-732-1073 for all other participants. The conference call will also be available on replay by calling 1-416-640-1917 (Toronto area) or 1-877-289-8525 for all other parties, using passcode 21304757 followed by the pound key (#). The replay will be available at 11:00 a.m. MDT, 1:00 p.m. EDT Thursday, May 13th, 2009 until midnight EDT on Thursday, May 21st, 2009. The conference call can also be accessed through the internet at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2642860>. After this time the conference call will be archived on the Peyto Energy Trust website at www.peyto.com.

Management's Discussion and Analysis

A copy of the first quarter report to Unitholders, including the Management's Discussion and Analysis, and unaudited interim financial statements and related notes is available at <http://www.peyto.com/news/Q12009MDandA.pdf> and will be filed at SEDAR, www.sedar.com, at a later date.

Darren Gee
President and CEO
May 13, 2009

Certain information set forth in this document and Management's Discussion and Analysis, including management's assessment of Peyto's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' 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 Peyto will derive therefrom. Peyto disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Peyto Energy Trust

Consolidated Balance Sheets

(\$000)

(unaudited)

	March 31, 2009	December 31, 2008
Assets		
Current		
Accounts receivable	56,645	65,662
Financial derivative instruments <i>(Note 10)</i>	35,296	27,788
Prepaid expenses and deposits	2,488	3,367
	94,429	96,817
Financial derivative instruments <i>(Note 10)</i>	2,546	2,458
Prepaid capital	2,188	3,069
Property, plant and equipment <i>(Note 4)</i>	1,172,607	1,177,902
	1,271,770	1,280,246
Liabilities and Unitholders' Equity		
Current		
Accounts payable and accrued liabilities	26,992	48,854
Distributions payable	12,710	15,888
Provision for future performance based compensation	1,150	-
	40,852	64,742
Long-term debt <i>(Note 5)</i>	510,000	500,000
Asset retirement obligations	9,726	9,479
Future income taxes	130,971	155,308
	650,697	664,787
Unitholders' equity		
Unitholders' capital <i>(Note 6)</i>	410,233	410,233
Accumulated earnings <i>(Note 7)</i>	132,503	110,238
Accumulated other comprehensive income	37,485	30,246
	580,221	550,717
	1,271,770	1,280,246

See accompanying notes

On behalf of the Board:

(signed) "Michael MacBean"
Director

(signed) "Darren Gee"
Director

Peyto Energy Trust

Consolidated Statements of Earnings

(\$000 except per unit amounts)

(unaudited)

For the three months ended March 31,

	2009	2008
Revenue		
Oil and gas sales	65,163	100,126
Realized gain on hedges	13,260	4,302
Royalties	(8,290)	(19,264)
Petroleum and natural gas sales, net	70,133	85,164
Expenses		
Operating (Note 8)	4,560	4,965
Transportation	1,178	1,160
General and administrative (Note 9)	2,238	2,202
Future performance based compensation provision	1,150	3,496
Interest on long term debt	3,550	5,882
Depletion, depreciation and accretion (Note 4)	18,577	19,286
	31,253	36,991
Earnings before taxes	38,880	48,173
Taxes		
Future income tax (recovery) expense	(24,694)	15,733
Earnings for the period	63,574	32,440
Earnings per unit (Note 6)		
Basic and diluted	0.60	0.31

See accompanying notes

Peyto Energy Trust

Consolidated Statements of Comprehensive Income (Loss)

(\$000 except per unit amounts)

(unaudited)

For the three months ended March 31,

	2009	2008
Earnings for the period	63,574	32,440
Other comprehensive income (loss)		
Change in unrealized gain (loss) on cash flow hedges	20,499	(38,765)
Realized (gain) on cash flow hedges	(13,260)	(4,302)
Comprehensive income (loss)	70,813	(10,627)

See accompanying notes

Peyto Energy Trust

**Consolidated Statements of Accumulated Earnings and Accumulated Other Comprehensive Income
(Loss)
(\$000)**

(unaudited)

For the three months ended March 31,

	2009	2008
Accumulated earnings, beginning of period	110,238	117,572
Earnings for the period	63,574	32,440
Distributions (<i>Note 7</i>)	(41,309)	(44,798)
Accumulated earnings, end of period	132,503	105,214
Accumulated other comprehensive income, beginning of period	30,246	5,119
Other comprehensive income (loss)	7,239	(43,067)
Accumulated other comprehensive income (loss), end of period	37,485	(37,948)

See accompanying notes

Peyto Energy Trust**Consolidated Statements of Cash Flows**
(\$000)

(unaudited)

For the three months ended March 31,

	2009	2008
Cash provided by (used in)		
Operating Activities		
Earnings for the period	63,574	32,440
Items not requiring cash:		
Future income tax (recovery) expense	(24,694)	15,733
Depletion, depreciation and accretion	18,577	19,286
Change in non-cash working capital related to operating activities	(5,355)	(14,976)
	52,102	52,483
Financing Activities		
Issue of trust units, net of costs	-	3,932
Distribution paid	(41,309)	(44,798)
Increase in bank debt	10,000	10,000
Change in non-cash working capital related to financing activities	(3,178)	29
	(34,487)	(30,837)
Investing Activities		
Additions to property, plant and equipment	(13,036)	(33,067)
Change in non-cash working capital related to investing activities	(4,579)	(6,662)
	(17,615)	(39,729)
Net decrease in cash	-	(18,083)
Cash, beginning of period	-	20,547
Cash, end of period	-	2,464

See accompanying notes

Peyto Energy Trust

Notes to Consolidated Financial Statements

(unaudited)
March 31, 2009 and 2008

1. Summary of Significant Accounting Policies

The unaudited interim consolidated financial statements of Peyto Energy Trust (the "Trust" or "Peyto") follow the same accounting policies as the most recent annual audited consolidated financial statements. The interim consolidated financial statement note disclosures do not include all of those required by Canadian generally accepted accounting principles ("GAAP") applicable for annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the 2008 audited consolidated financial statements.

These financial statements include the accounts of Peyto Energy Trust and its wholly owned subsidiaries, Peyto Exploration & Development Corp., Peyto Operating Trust, Peyto Energy Limited Partnership and Peyto Energy Administration Corp.

2. Accounting Pronouncements

Current Year Accounting Changes

Goodwill and Intangible Assets

On January 1, 2009, the Trust retrospectively adopted the Canadian Institute of Chartered Accountants (CICA) Section 3064, Goodwill and Intangible Assets issued by the AcSB. This section clarifies the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Adoption of this standard did not have an impact the Trust's results of operations or financial position.

Business Combinations

On January 1, 2009, the Trust prospectively adopted CICA Section 1582, Business Combinations issued by the AcSB. This section establishes principles and requirements of the acquisition method for business combinations and related disclosures. Adoption of this statement did not have an impact on the Trust's results of operations or financial position.

Consolidated Financial Statements and Non-Controlling Interests

On January 1, 2009, the Trust adopted CICA Sections 1601, Consolidated Financial Statements, and 1602, Non-Controlling Interests issued by the AcSB. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. Adoption of this statement did not have an impact on the Trust's results of operations or financial position.

3. Accounts Receivable

(\$000)	March 31, 2009	December 31, 2008
Accounts receivable – general	49,377	58,394
Accounts receivable – income taxes	7,268	7,268
	56,645	65,662

Canada Revenue Agency ("CRA") has conducted an audit of restructuring costs claimed as a result of the Trust conversion in 2003 that has resulted in the reclassification of \$41.0 million dollars in employment related costs as eligible capital. In October, 2008, the Trust received a notice of reassessment from the CRA and paid an amount of \$7.3 million related to this audit. Based upon consultation with legal counsel, Management's view is that CRA's position has no merit. A notice of objection has been filed and a notice of appeal will be filed shortly.

4. Property, Plant and Equipment

(\$000)	March 31, 2009	December 31, 2008
	\$	\$
Property, plant and equipment	1,564,907	1,551,789
Accumulated depletion and depreciation	(392,300)	(373,887)
	1,172,607	1,177,902

At March 31, 2009, costs of \$40.3 million (December 31, 2008 - \$36.8 million) related to undeveloped land have been excluded from the depletion and depreciation calculation.

5. Long-Term Debt

The Trust has a syndicated \$550 million extendible revolving credit facility with a stated term date of April 30, 2010. The facility is made up of a \$20 million working capital sub-tranche and a \$530 million production line. The facilities are available on a revolving basis for a period of at least 364 days and upon the term out date may be extended for a further 364 day period at the request of the Trust, subject to approval by the lenders. In the event that the revolving period is not extended, the facility is available on a non-revolving basis for a one year term, at the end of which time the facility would be due and payable. Outstanding amounts on this facility bear interest at rates determined by the Trust's debt to cash flow ratio that range from prime to prime plus 0.75% for debt to earnings before interest, taxes, depreciation, depletion and amortization (EBITDA) ratios ranging from less than 1:1 to greater than 2.5:1. A General Security Agreement with a floating charge on land registered in Alberta is held as collateral by the bank. The average borrowing rate for the three months ended March 31, 2009 was 2.8% (2008 - 5.4%).

6. Unitholders' Capital

Authorized: Unlimited number of voting trust units

Issued and Outstanding

Trust Units (no par value) (\$000)	Number of Units	Amount
Balance, December 31, 2008 and March 31, 2009	105,920,194	410,233

Per Unit Amounts

Earnings per unit have been calculated based upon the weighted average number of units outstanding for the three months ended March 31, 2009 of 105,920,194 (2008 - 105,744,338). There are no dilutive instruments outstanding.

7. Accumulated Distributions

The Trust paid total distributions to the unitholders in the aggregate amount of \$41.3 million in the three months ended March 31, 2009 of which all was settled in cash (2008 - total \$44.8 million) in accordance with the following schedule:

Production Period	Record Date	Distribution Date	Per Unit ⁽¹⁾
January 2009	January 31, 2009	February 13, 2009	\$0.15
February 2009	February 28, 2009	March 13, 2009	\$0.12
March 2009	March 31, 2009	April 15, 2009	\$0.12

⁽¹⁾ Distributions per trust unit reflect the sum of the per trust unit amounts declared monthly to unitholders.

Accumulated Earnings and Distributions

(\$000)	March 31, 2009	December 31, 2008
Accumulated earnings, beginning of period	919,435	740,038
Earnings for the period	63,574	179,397
Total accumulated earnings	983,009	919,435
Total accumulated distributions	(850,506)	(809,197)
Accumulated earnings, end of period	132,503	110,238

8. Operating Expenses

The Trust's operating expenses include all costs with respect to day-to-day well and facility operations. Processing and gathering income related to joint venture and third party natural gas reduces operating expenses.

(\$000)	Three Months Ended March 31	
	2009	2008
	\$	\$
Field expenses	7,395	7,550
Processing and gathering income	(2,835)	(2,585)
Operating expenses	4,560	4,965

9. General and Administrative Expenses (G & A)

General and administrative expenses are reduced by operating and capital overhead recoveries on operated properties.

(\$000)	Three Months Ended March 31	
	2009	2008
	\$	\$
General and administrative expenses	2,739	2,694
Overhead recoveries	(501)	(492)
Net General and administrative expenses	2,238	2,202

10. Financial Instruments and Risk Management

Market Risk

Market risk is the risk that changes in market prices will affect the Trust's net earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control its exposures within acceptable limits, while maximizing returns. The Trust's objectives, processes and policies for managing market risks have not changed from the previous year.

Commodity Price Risk Management

The Trust is a party to certain derivative financial instruments, including fixed price contracts. The Trust enters into these contracts with well established counterparties for the purpose of protecting a portion of its future earnings and cash flows from operations from the volatility of commodity prices. The Trust believes the derivative financial instruments are effective as hedges, both at inception and over the term of the instrument, as the term and notional amount do not exceed the Trust's firm commitment or forecasted transaction and the underlying basis of the instrument correlates highly with the Trust's exposure. A summary of contracts outstanding in respect of the hedging activities at March 31, 2009 are as follows:

Natural Gas Period Hedged	Type	Daily Volume	Price (CAD)
April 1, 2009 to October 31, 2009	Fixed price	5,000 GJ	\$7.85/GJ
April 1, 2009 to October 31, 2009	Fixed price	5,000 GJ	\$8.12/GJ
April 1, 2009 to October 31, 2009	Fixed price	5,000 GJ	\$8.95/GJ

April 1, 2009 to October 31, 2009	Fixed price	5,000 GJ	\$9.30/GJ
April 1, 2009 to October 31, 2009	Fixed price	5,000 GJ	\$10.20/GJ
April 1, 2009 to October 31, 2009	Fixed Price	5,000 GJ	\$7.50/GJ
April 1, 2009 to March 31, 2010	Fixed Price	5,000 GJ	\$7.65/GJ
April 1, 2009 to March 31, 2010	Fixed Price	5,000 GJ	\$6.90/GJ
November 1, 2009 to March 31, 2010	Fixed Price	5,000 GJ	\$8.39/GJ
November 1, 2009 to March 31, 2010	Fixed Price	5,000 GJ	\$8.35/GJ
November 1, 2009 to March 31, 2011	Fixed Price	5,000 GJ	\$6.20/GJ
November 1, 2010 to March 31, 2011	Fixed Price	5,000 GJ	\$8.91/GJ
November 1, 2010 to March 31, 2011	Fixed Price	5,000 GJ	\$9.15/GJ

As at March 31, 2009, the Trust had committed to the future sale of 15,670,000 gigajoules (GJ) of natural gas at an average price of \$7.94 per GJ. Had these contracts been closed on March 31, 2009, the Trust would have realized a gain in the amount of \$37.8 million. If the AECO gas price on March 31, 2009 were to increase by \$1/GJ, the unrealized gain on these closed contracts would change by approximately \$15.7 million. An opposite change in commodity prices rates will result in an opposite impact on earnings which would have been reflected in the other comprehensive income of the Trust.

Subsequent to March 31, 2009 the Trust entered into the following contracts:

Natural Gas Period Hedged	Type	Daily Volume	Price (CAD)
November 1, 2009 to March 31, 2011	Fixed price	5,000 GJ	\$5.81/GJ
April 1, 2010 to October 31, 2010	Fixed price	5,000 GJ	\$6.10/GJ

Interest rate risk

The Trust is exposed to interest rate risk in relation to interest expense on its revolving credit facility. Currently, the Trust has not entered into any agreements to manage this risk. If interest rates applicable to floating rate debt were to have increased by 100 bps (1%) it is estimated that the Trust's earnings for the period ended March 31, 2009 would decrease by \$1.3 million. An opposite change in interest rates will result in an opposite impact on earnings.

Fair Values of Financial Assets and Liabilities

The Trust's financial instruments include cash, accounts receivable, financial derivative instruments, current liabilities (excluding future income tax), provision for future performance based compensation and long term debt. At March 31, 2009, the carrying value of cash, accounts receivable, financial derivative instruments, current liabilities and provision for future performance based compensation approximate their fair value. The carrying value of the long term debt approximates its fair value due to the floating rate of interest charged under the credit facility.

Credit Risk

A substantial portion of the Trust's accounts receivable is with petroleum and natural gas marketing entities.

Industry standard dictates that commodity sales are settled on the 25th day of the month following the month of production. The Trust generally extends unsecured credit to these companies, and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions and may accordingly impact the Trust's overall credit risk. Management believes the risk is mitigated by the size, reputation and diversified nature of the companies to which they extend credit. The Trust has not previously experienced any material credit losses on the collection of accounts receivable. Of the Trust's significant individual accounts receivable at March 31, 2009, approximately 33% was due from four companies (December 31, 2008 – 43%, three companies). Of the Trust's revenue for the period ended March 31, 2009, approximately 83% was received from four companies (December 31, 2008 – 90%, four companies). The maximum exposure to credit risk is represented by the carrying amount on the balance sheet. There are no material financial assets that the Trust considers past due and no accounts have been written off.

The Trust may be exposed to certain losses in the event of non-performance by counterparties to commodity price contracts. The Trust mitigates this risk by entering into transactions with counterparties that have investment grade credit ratings, in accordance with policy as established by the Board

of Directors. Counterparties for derivative instrument transactions are limited to financial institutions which are all members of our syndicated credit facility.

The Trust assesses quarterly if there should be any impairment of financial assets. At March 31, 2009, there was no impairment of any of the financial assets of the Trust.

Liquidity Risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements:

- The Trust will not have sufficient funds to settle a transaction on the due date;
- The Trust will be forced to sell financial assets at a value which is less than what they are worth; or
- The Trust may be unable to settle or recover a financial asset at all.

The Trust's operating cash requirements, including amounts projected to complete our existing capital expenditure program, are continuously monitored and adjusted as input variables change. These variables include, but are not limited to, available bank lines, oil and natural gas production from existing wells, results from new wells drilled, commodity prices, cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Trust to conduct equity issues or obtain project debt financing.

The following are the contractual maturities of financial liabilities as at March 31, 2009:

(\$000s)	<1 Year	1-2 Years	2-5 Years	Thereafter
Accounts payable and accrued liabilities	26,992			
Provision for future performance based compensation	1,150			
Distributions payable	12,710			
Long-term debt ⁽¹⁾		510,000		

⁽¹⁾Revolving credit facility renewed annually (see Note 5)

11. Capital Disclosures

The Trust's objectives when managing capital are: (i) to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and (ii) to maintain investor, creditor and market confidence to sustain the future development of the business.

The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of our underlying assets. The Trust considers its capital structure to include unitholders' equity, debt and working capital. To maintain or adjust the capital structure, the Trust may from time to time, issue trust units, raise debt and/or adjust its capital spending to manage its current and projected debt levels. The Trust monitors capital based on the following non-GAAP measures: current and projected debt to earnings before interest, taxes, depreciation, depletion and amortization ("EBITDA") ratios, payout ratios and net debt levels. To facilitate the management of these ratios, the Trust prepares annual budgets, which are updated depending on varying factors such as general market conditions and successful capital deployment. Currently, all ratios are within acceptable parameters. The annual budget is approved by the Board of Directors. The Trust's unitholders' capital is not subject to any external financial covenants.

There were no changes in the Trust's approach to capital management from the previous year.

(\$000s)	March 31, 2009	December 31, 2008
Unitholders' equity	580,221	550,717
Long-term debt	510,000	500,000
Working capital (surplus) deficit ⁽¹⁾	(53,577)	(32,075)
	1,036,644	1,018,642

⁽¹⁾Current liabilities less current assets (includes unrealized hedging asset of \$35.3 million)

12. Supplemental Cash Flow Information

Changes in non-cash working capital balances	Three Months Ended March 31	
(\$000)	2009	2008
Cash interest paid during the year	3,550	5,882

13. Contingencies and Commitments

Following is a summary of the Trust's commitments related to operating leases as at March 31, 2009. The Trust has no other contractual obligations or commitments as at March 31, 2009.

(\$000)	March 31, 2009
2009	903
2010	1,203
2011	903
	3,009

Contingent Liability

From time to time, Peyto is the subject of litigation arising out of its day-to-day operations. Damages claimed pursuant to such litigation, may be material or may be indeterminate and the outcome of such litigation may materially impact Peyto's financial position or results of operations in the period of settlement. While Peyto assesses the merits of each lawsuit and defends itself accordingly, Peyto may be required to incur significant expenses or devote significant resources to defending itself against such litigation. These claims are not currently expected to have a material impact on Peyto's financial position or results of operations.

Peyto Exploration & Development Corp. Information

Officers

Darren Gee
President and Chief Executive Officer

Glenn Booth
Vice-President, Land

Scott Robinson
Executive Vice-President and Chief Operating Officer

Stephen Chetner
Corporate Secretary

Kathy Turgeon
Vice-President, Finance and Chief Financial Officer

Directors

Don Gray, Chairman
Michael MacBean, Lead Independent Director
Rick Braund
Brian Davis
Darren Gee
Gregory Fletcher
Stephen Chetner

Auditors

Deloitte & Touche LLP

Solicitors

Burnet, Duckworth & Palmer LLP

Bankers

Bank of Montreal
Union Bank, Canada Branch
BNP Paribas (Canada)
Royal Bank of Canada
Alberta Treasury Branches
Société Générale (Canada Branch)
HSBC Bank Canada
Canadian Western Bank

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