

PEYTO EXPLORATION & DEVELOPMENT CORP. REPORTS THREAT OF CLASS ACTION LAWSUIT AS A SUCCESSOR TO NEW OPEN RANGE

Calgary, Alberta, September 20, 2013 – Peyto Exploration & Development Corp. ("Peyto") (TSX:PEY) reports that it has received correspondence from a law firm representing two shareholders of Poseidon Concepts Corp. ("Poseidon") advising that such counsel has been instructed to finalize and file an application to seek leave of the Alberta Court of Queen's Bench (the "Court") to pursue a class action lawsuit against Peyto, as a successor to new Open Range Energy Corp. ("New Open Range").

The proposed action contains various claims relating to alleged misrepresentations in disclosure documents of Poseidon (not New Open Range), which claims are also alleged in class action lawsuits filed in February 2013 against Poseidon and certain of its current and former directors and officers, and underwriters involved in a public offering of common shares of Poseidon completed in February 2012.

Pursuant to a plan of arrangement announced on September 6, 2011 and completed on November 1, 2011, Poseidon (formerly named Open Range Energy Corp.) completed a corporate reorganization resulting in two completely separate publicly-traded companies: Poseidon, which continued to carry on the energy service and supply business; and New Open Range, a corporation incorporated on September 14, 2011 for purposes of participating in the arrangement, which carried on Poseidon's former oil and gas exploration and production business. Peyto acquired all of the issued and outstanding common shares of New Open Range approximately one year later, on August 14, 2012. On April 9, 2013, Poseidon obtained creditor protection under the *Companies' Creditor Protection Act*.

Among the allegations in the proposed class action are that New Open Range (a separate and distinct legal entity from Poseidon) knowingly influenced Poseidon, or persons acting on behalf of Poseidon, to release certain disclosure documents which are alleged to include misrepresentations, or influenced the directors or officers of Poseidon to authorize, permit or acquiesce in such release. The proposed class action seeks various declarations and damages including compensatory damages which the plaintiffs estimate at \$651 million and punitive damages which the plaintiffs estimate at \$10 million, which damage amounts appear to be duplicative of damage amounts claimed in the class actions against Poseidon, certain of its current and former directors and officers, and underwriters involved in a public offering of common shares of Poseidon completed in February 2012.

The application seeking leave to pursue the proposed class action against Peyto has not been filed. If the application is filed, Peyto intends to vigorously oppose the application. Peyto believes the claims against it (as successor to the newly formed New Open Range) are unprecedented and are without merit. If, despite Peyto's opposition, the application to pursue the proposed class action is granted, the proposed class action still cannot proceed unless certified by the Court. Such certification will also be strongly opposed, as will all steps the plaintiffs may take to pursue such a claim against Peyto. Peyto will continue to aggressively protect its interests and the interests of its shareholders and will seek all available legal remedies against the plaintiffs, including recovery of all costs incurred by Peyto in defending the threatened action.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

For more information, contact:

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This press release contains forward-looking statements within the meaning of applicable securities laws. The use of any of the words "expect", "intends", "may", "will", "should", "believe" and similar expressions are intended to identify forward-looking statements. In particular, this press release contains forward-looking statements relating to the proposed class action lawsuit against Peyto and Peyto's belief that it is without merit and Peyto's intention to defend itself. Forward-looking statements are based on a number of material factors, expectations and assumptions of Peyto which have been used to develop such statements but which may prove to be incorrect. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Peyto's control. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Peyto's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Peyto will derive therefrom. Additional information regarding some of these risks, expectations and assumptions may be found in Peyto's Annual Information Form and Management's Discussion and Analysis prepared for the year ended December 31, 2012. The forward-looking statements contained in this press release are made as of the date hereof and Peyto undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.