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FOR IMMEDIATE RELEASE NOVEMBER 4, 2013

TSX SYMBOL: PEY

**PEYTO EXPLORATION & DEVELOPMENT CORP. ANNOUNCES
PRICING OF PRIVATE PLACEMENT OF SENIOR NOTES**

CALGARY, ALBERTA- Peyto Exploration & Development Corp. (TSX:PEY) ("Peyto") is pleased to announce that it has priced an issuance of CDN\$120 million of senior unsecured notes. The notes will have a coupon rate of 4.5% and mature in December 2020. The notes will be issued by way of a private placement pursuant to a note purchase agreement and will rank equally with Peyto's obligations under its bank facility and existing note purchase and private shelf agreement. Interest will be paid semi-annually in arrears. Proceeds from the notes will be used to repay a portion of Peyto's outstanding bank debt.

The issuance of the senior notes will expand Peyto's aggregate borrowing capacity to \$1.27 billion. Closing of the private placement is expected to occur in early December 2013.

The senior notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer or sale of the senior notes in any state, or jurisdiction in which such offer, solicitation or sale would be unlawful.

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Certain information set forth in this press release, including the closing of the private placement and the use of proceeds therefrom, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Peyto's control, including the receipt of all third party approvals, 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 that Peyto will derive therefrom. The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.