

FOR IMMEDIATE RELEASE OCTOBER 24, 2016

TSX SYMBOL: PEY

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

CALGARY, ALBERTA - Peyto Exploration & Development Corp. (TSX:PEY) ("Peyto") is pleased to confirm that it has closed an issuance of CDN\$100 million of senior unsecured notes. The notes have a coupon rate of 3.7% and mature on October 24, 2023. The notes were issued by way of a private placement, pursuant to a note purchase and private shelf agreement, and rank equally with Peyto's obligations under its bank facility and existing note purchase and agreements. 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 expands Peyto's aggregate borrowing capacity to \$1.52 billion.

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.

For further information please contact:

Darren Gee
President and Chief Executive Officer
Phone: (403) 237-8911
Fax: (403) 451-4100