

PEYTO EXPLORATION & DEVELOPMENT CORP.

INSTRUMENT OF PROXY

The undersigned shareholder of Peyto Exploration & Development Corp. (the "**Corporation**") hereby appoints Darren Gee, President, Chief Executive Officer and a director of the Corporation, or failing him, Kathy Turgeon, Vice President, Finance and Chief Financial Officer of the Corporation, or instead of either of the foregoing, _____, as proxyholder of the undersigned, with full power of substitution, to attend and act and vote for and on behalf of the undersigned at the annual meeting (the "**Meeting**") of the holders of common shares of the Corporation ("**Common Shares**"), to be held on Tuesday, May 27, 2014 and at any adjournment thereof, and on every ballot that may take place in consequence thereof to the same extent and with the same powers as if the undersigned were personally present at the Meeting with authority to vote at the said proxyholder's discretion, except as otherwise specified below.

Without limiting the general powers hereby conferred, the undersigned hereby directs the said proxyholder to vote the Common Shares represented by this Instrument of Proxy in the following manner:

1. **FOR ☐ or AGAINST ☐** (and, if no specification is made, FOR) fixing the number of directors to be elected at the Meeting at seven (7);
2. **FOR or WITHHOLD FROM VOTING FOR** (and, if no specification is made, FOR) the election of each of the following nominees as directors of the Corporation, as further described in the Information Circular - Proxy Statement of the Corporation dated April 11, 2014 (the "**Information Circular**"):

	FOR	WITHHOLD
Donald Gray	<input type="checkbox"/>	<input type="checkbox"/>
Michael MacBean	<input type="checkbox"/>	<input type="checkbox"/>
Brian Davis	<input type="checkbox"/>	<input type="checkbox"/>
Darren Gee	<input type="checkbox"/>	<input type="checkbox"/>
Gregory Fletcher	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Chetner	<input type="checkbox"/>	<input type="checkbox"/>
Scott Robinson	<input type="checkbox"/>	<input type="checkbox"/>

3. **FOR ☐ or WITHHOLD FROM VOTING FOR ☐** (and, if no specification is made, FOR) the appointment of Deloitte LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and the authorization of the directors to fix their remuneration as such; and
4. at the discretion of the said proxyholder, upon any amendment or variation of the above matters or any other matter that may be properly brought before the Meeting or any adjournment thereof, in such manner as such proxyholder, in such proxyholder's sole judgment, may determine.

This Instrument of Proxy is solicited on behalf of the management of the Corporation. The Common Shares represented by this Instrument of Proxy will be voted and, where the shareholder has specified a choice with respect to the above matters, will be voted as directed above or, if no direction is given, will be voted in favour of the above matters.

Each shareholder has the right to appoint a proxyholder, other than the persons designated above, who need not be a shareholder, to attend and to act for him and on his behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

The undersigned hereby revokes any proxies heretofore given.

Dated this ____ day of _____, 2014.

(signature of shareholder)

(name of shareholder - please print)

NOTES:

1. If the shareholder is a corporation, its corporate seal must be affixed or it must be signed by an officer or attorney thereof duly authorized.
2. This Instrument of Proxy must be dated and the signature hereon should be exactly the same as the name in which the Common Shares are registered. If not dated, this Instrument of Proxy shall be deemed to bear the date on which it was mailed to shareholders by the Corporation.
3. Persons signing as executors, administrators, trustees, etc., should so indicate and give their full title as such.
4. This Instrument of Proxy will not be valid and not be acted upon or voted unless it is completed as outlined herein and delivered to the attention of Proxy Department, Valiant Trust Company:

(a) by mail at: Valiant Trust Company, Suite 310, 606 – 4 Street S.W., Calgary, Alberta T2P 1T1, or

(b) by fax at: (403) 233-2857

and received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, at which the proxy is to be used. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

5. You may also use the internet site at www.valianttrust.com to transmit your voting instructions. You should have this Instrument of Proxy in hand when you access the website. You will be prompted to enter your control number, which is located on this Instrument of Proxy. If you vote by internet, your vote must be received not later than 48 hours prior to the time of the Meeting or any adjournment thereof. This website may be used to appoint a proxyholder to attend and vote on your behalf at the Meeting and to convey your voting instructions. Complete proxy instructions are found in the Information Circular.
6. Please note that if you appoint a proxyholder and submit your voting instructions and subsequently wish to change your appointment or voting instructions, you may resubmit their proxy, prior to the cut off time noted above. When resubmitting a proxy, the latest proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that your latest proxy is submitted within the timeframe noted above.