PEYTO ENERGY TRUST

AMENDED DISTRIBUTION REINVESTMENT AND OPTIONAL UNIT PURCHASE PLAN

PURPOSE

The Amended Distribution Reinvestment and Optional Unit Purchase Plan (the "**Plan**") provides eligible holders ("**Unitholders**") of trust units ("**Units**") of Peyto Energy Trust ("**Peyto**") the advantage of accumulating additional Units by reinvesting their distributions. Participants may also purchase additional Units by investing additional sums ("optional cash payments") within the limits established under the Plan. The Plan supersedes and replaces the distribution reinvestment plan of the Trust dated January 17, 2005, as amended.

Peyto Energy Administration Corp. (the "**Corporation**"), the administrator of Peyto, will determine prior to each distribution payment date the amount of equity, if any, that will be made available under the Plan on that date. No assurances can be made that Units will be made available on a regular basis, or at all.

At the discretion of the Corporation, Units will either be acquired at prevailing market rates or issued from treasury at 95% of the Average Market Price. Notwithstanding the foregoing, the issue of new Units from treasury under the Plan will not be available until applicable regulatory approvals have been obtained.

Participants in the Plan may make optional cash payments, subject to an aggregate monthly limit on Units issued equal to 0.33% of the issued and outstanding Units as at January 1 of the given year and a minimum of $1,000 per remittance to purchase Units from treasury at 95% of Average Market Price.

DEFINITIONS

"**Agent**" means Valiant Trust Company, or such other company as is appointed by Peyto from time to time to act as Agent under the Plan.

"**Average Market Price**" means the arithmetic average of the daily volume weighted average trading prices of the Units on the Toronto Stock Exchange for the trading days in the Trading Period on which at least a board lot of Units is traded, appropriately adjusted for certain capital changes (including Unit subdivisions, Unit consolidations, certain rights offerings and certain distributions).

"**CDS & Co.**" means The Canadian Depositary for Securities which acts as a nominee for many Canadian brokerage firms.

"**Participants**" means registered or beneficial holders of at least one Unit who, on the applicable record date for a cash distribution, are eligible to participate in the Plan and elect to do so by, in the case of registered holders, completing and delivering to the Agent or, in the case of beneficial holders having their broker or other nominee complete and deliver to the Agent or CDS & Co., as applicable, an Authorization Form, as more particularly described in the Plan.

"**Trading Period**" means the period commencing at the start of trading on the first trading day subsequent to the last distribution record date (i.e. the first trading day of a calendar month) and ending at the close of trading on the third last trading day of such month.

ADVANTAGES

An eligible Unitholder may, by enrolling in the Plan, direct that cash distributions on all Units registered in the name of such Unitholder, together with cash distributions on Units held for the account of such Unitholder under the Plan, be applied to the purchase of additional Units, and may elect to have the additional Units held for the account of such Unitholder under the Plan. Prior to receipt of applicable regulatory approvals, Units will be acquired at prevailing market rates. After such approvals have been obtained, Units will, in the discretion of the Corporation, either be acquired at prevailing market rates or issued from treasury at 95% of the Average Market Price.

A Participant may also purchase additional Units under the Plan with optional cash payments, subject to an aggregate monthly limit on Units issued equal to 0.33% of the issued and outstanding Units as at January 1 of the given year and a minimum of $1,000 per remittance. Optional cash payments will be used to purchase additional Units from treasury, on the monthly distribution payment dates. The price of Units purchased from treasury with optional cash payments will be 95% of the Average Market Price.

Additional Units which are purchased pursuant to the Plan will be purchased by the Agent, who acts on behalf of the Participants. Where a Participant directs that additional Units be purchased with the distributions on the Participant's existing Units, the Agent will hold the additional Units under the Plan for the account of the Participant.

Distributions paid on additional Units purchased with reinvested distributions or optional cash payments that are held under the Plan will automatically be reinvested in additional Units in accordance with the Plan and the current election of the Participant.

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Units under the Plan. Full investment of funds is possible because the Plan permits fractions of Units (to four decimal places) as well as whole Units to be credited to Participants' accounts.

The Corporation will determine prior to each distribution payment date the amount of equity, if any, that will be made available for issuance from treasury under the Plan on that date and the Corporation will also determine if additional Units will be purchased on the market. No assurances can be made that Units will be made available for issuance from treasury on a regular basis, or at all or whether Units will be purchased on the market. No assurances can be made that if the determination is made to purchase additional Units on the market that a sufficient number of additional Units will be available for purchase on the market.

Once regulatory approval has been obtained for the issuance from treasury of Units which are purchased under the Plan with reinvested distributions and optional cash payments, Participants are cautioned that Units which are purchased for their account from treasury may not be sold except in accordance with the terms of the decision document issued by the applicable securities regulatory authorities until all restrictions on resale contained therein, including any hold period, have been satisfied.

ADMINISTRATION

Valiant Trust Company has been appointed as Agent under the Plan. If Valiant Trust Company ceases to act as Agent for any reason, another company will be designated by Peyto to act as Agent and Participants will be promptly notified of the change.

The Agent acts for and on behalf of the Participants. On each distribution payment date, Peyto will pay to the Agent all cash distributions made on the Units registered in the name of, or held under the Plan for the account of, Participants who have enrolled in the Plan. Subject to proration described below under the heading "Proration In Certain Events", the Agent will use such funds, together with all optional cash payments received from such Participants that are eligible to be invested on that distribution payment date, to purchase additional Units.

Under the Plan, the Agent will purchase, on each distribution payment date, for each Participant's account that number of Units, including fractions computed to four decimal places, equal to the amount invested under the Plan for such Participant's account divided by 95% of the Average Market Price of a Unit for the applicable Trading Period if issued from treasury or, in the discretion of the Corporation, the Agent will purchase Units at prevailing market prices through the facilities of the Toronto Stock Exchange following the distribution record date. Under the optional cash component of the Plan, the Agent will purchase, on each distribution payment date, for each Participant's account that number of Units equal to the amount of such Participant's optional cash payment divided by 95% of the Average Market Price of a Unit for the applicable Trading Period.

Any reinvestment of distributions will, in the discretion of the Corporation, either be invested in additional Units purchased through the market or, subject to obtaining regulatory approvals, purchased from treasury.

All funds received by the Agent under the Plan, whether cash distributions received from Peyto or optional cash payments received from Participants, will be applied to the purchase of additional Units. **In no event will interest be paid to Participants on any funds held for investment under the Plan.**

PARTICIPATION

Except as noted below, registered holders of at least one Unit may enrol in the Plan at any time. Beneficial owners of Units that are registered in the name of another person (such as a broker, investment dealer, financial institution or other nominee) may not directly enrol in the Plan, but may participate in the Plan through their nominee. Beneficial owners of Units may only participate in the distribution reinvestment component of the Plan if they (i) transfer their Units into their own name and then enrol in the Plan directly, or (ii) arrange for the registered holder to enrol in the Plan on their behalf. A beneficial owner on whose behalf a broker, investment dealer, financial institution or other nominee holder has enrolled in the Plan may make optional cash payments through such nominee holder.

Beneficial owners of Units should contact their broker, investment dealer, financial institution or other nominee who holds their Units to provide instructions on how they would like to participate in the Plan.

An eligible Unitholder becomes a Participant by completing and delivering to the Agent (or by having such Participant's broker or other nominee complete and deliver to the Agent (through CDS & Co., if applicable) on its behalf) a duly completed Authorization Form. The Authorization Form directs Peyto to forward to the Agent all cash distributions on Units registered in the name of the Participant, and directs the Agent to reinvest such distributions, together with cash distributions on Units held by the Agent for the Participant's account under the Plan, in additional Units in accordance with the Plan.

An initial Authorization Form must be received by the Agent no later than 3:00 pm (Calgary time) on the business day immediately preceding a distribution record date in order for the cash distribution to which such record date relates to be reinvested under the Plan. Beneficial owners of Units which are registered through a nominee in the name of CDS & Co., or its nominee, must deliver such Authorization Form to CDS & Co. no later than 3:00 pm (Calgary time) to such distribution record date or prior to such other deadline as may be set by CDS & Co. from time to time. If an initial Authorization Form is received by the Agent after a distribution record date, the distribution to which such record date relates will not be reinvested under the Plan and the Authorization Form will only be effective for purposes of subsequent distributions.

An Authorization Form may be obtained from the Agent at any time upon request to the Agent or from Peyto.

By completing an Optional Cash Payment Form no later than 3:00 pm (Calgary time) on the business day immediately preceding a distribution record date, a Participant in the distribution reinvestment component of the Plan may also, at the time of enrolling in the Plan, direct that the Agent invest an optional cash payment in additional Units in accordance with the Plan.

Once a Unitholder has enrolled in the distribution reinvestment component of the Plan, participation in the manner elected by the Participant continues automatically until the Participant's participation in the Plan is terminated. Beneficial owners of Units which are registered through a nominee in the name of CDS & Co. may need to elect to participate monthly. The time at which a termination of Plan participation becomes effective is described under "Termination of Participation" below. The effect of these provisions is that a Participant cannot terminate participation in the Plan on and from a distribution record date to and including the distribution payment date to which such record date relates.

The Corporation reserves the right to determine, from time to time, a minimum number of Units that a Participant must hold in order to qualify for or continue enrolment in the Plan and reserves the right to refuse participation to, or cancel participation of, any person who, in the opinion of the Corporation, is participating in the Plan primarily with a view to arbitrage trading or who has made an optional cash payment by cheque that was not subsequently honoured by the financial institution on which it was drawn.

UNITHOLDERS OUTSIDE OF CANADA

Unless otherwise announced by Peyto, Unitholders who are residents of the United States may not participate in the Plan. Unitholders who are resident in any other jurisdiction outside of Canada, other than residents of the United States, may participate in the Plan if permitted by the laws of the jurisdiction in which they reside. Distributions to be reinvested under the Plan on behalf of Unitholders who are not residents of Canada will be subject to applicable non-resident withholding tax.

The Corporation and the Agent reserve the right to deny participation in the Plan to, and to not accept Authorization and the Agent Forms from, any person or agent of such person who appears to be or who the Corporation or the Agent has reason to believe is a resident of any jurisdiction the laws of which do not permit participation in the Plan in the manner sought by or on behalf of such person.

OPTIONAL CASH PAYMENTS

Optional cash payments may be made by registered owners of Units enrolled in the Plan. Such a Participant may make an optional cash payment when first enrolling in the Plan by: (i) completing an Optional Cash Payment Form; (ii) enclosing with the form a Canadian dollar certified cheque, bank draft or money order made payable to the Agent; and (iii) delivering both to the Agent together with the Participant's initial Authorization Form. Thereafter, optional cash payments may be made by certified cheque, bank draft, money order or other means acceptable to Peyto delivered to the Agent at any time together with a new Optional Cash Payment Form. An Optional Cash Payment Form will be included with each statement of account sent to Participants (or their nominees, as applicable) by the Agent.

Optional cash payments cannot exceed an aggregate monthly limit on Units issued equal to 0.33% of the issued and outstanding Units as at January 1 of the given year or be less than $1,000 per remittance, and must be received (together with a completed Optional Cash Payment Form) prior to 3:00 pm (Calgary time) on the business day immediately preceding a distribution record date in order to be invested in new Units on the distribution payment date to which such record date relates. Optional cash payments received by the Agent after a distribution record date will not be invested in additional Units on the distribution payment date to which such record date relates and will be invested in new Units on the next following distribution payment date. **Interest will not be paid on optional cash payments pending their investment in new Units.**

Beneficial owners of Units registered in the name of another person (such as a broker, investment dealer, financial institution or other nominee) once enrolled in the Plan may make optional cash payments through their nominee by arranging for such nominee to tender such payments, together with a completed Optional Cash Payment Form, to the Agent. A nominee Unitholder who wishes to make optional cash payments on behalf of one or more beneficial owners must make the declaration set forth in the Optional Cash Payment Form that: (i) it is making the optional cash payment on behalf of one or more beneficial owners of Units that are registered in the nominee's name; (ii) it has applied to participate in the distribution reinvestment component of the Plan on behalf of each such beneficial owner; (iii) at least $1,000 per remittance per month is being paid on behalf of each beneficial owner and (iv) it has complied with the applicable provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Regulations thereunder.

Cheques for optional cash payments cannot be post-dated, and interest will not be paid on optional cash payments pending their investment in additional Units.

Distributions paid on additional Units purchased with optional cash payments will automatically be reinvested in additional Units in accordance with the Plan and the current election of the Participant.

There is no obligation to make an optional cash payment and the amount (subject to the maximum and minimum limits specified herein) may vary from time to time. However, a direction to purchase additional Units with optional cash payments is irrevocable once received by the Agent, and funds will only be returned to a Participant if such funds are not invested in additional Units on a particular distribution payment date for any reason, provided, however, that if indicated on the Optional Cash Payment Form a Participant may authorize the Agent to retain any funds which are not invested in additional Units on a particular distribution payment date to be used to purchase additional Units on the next distribution payment date.

PRO-RATION IN CERTAIN EVENTS

Peyto may not issue in any financial year, pursuant to optional cash payments, more than the maximum number of Units permitted by applicable laws and regulatory policies. Applicable securities laws restrict the number of Units which may be issued each fiscal year pursuant to optional cash payment to not more than 2% of the number or issued and outstanding Units (at the commencement of that year). Once that limit is reached, optional cash payments will not be accepted until the next fiscal year. In addition, the Corporation will determine on or before each distribution record date the amount of equity, if any, that will be made available under the Plan on the distribution payment date to which such record date relates. The Corporation will also determine, after each monthly deadline for optional cash purchases, if the requests for optional cash purchases have exceeded the monthly limit.

If, in respect of any distribution payment date, fulfilling all of the elections under the Plan would result in Peyto exceeding either the limit on new equity set by the Corporation in its discretion or the aggregate monthly or annual limits on new Units issuable pursuant to optional cash payments, then elections for the purchase of new Units on that distribution payment date will be accepted: (i) first, from Participants electing to reinvest their cash distributions in new Units under the distribution reinvestment component of the Plan; and (ii) second, from Participants electing to make optional cash payments. If Peyto is not able to accept all elections in a particular category, then purchases of Units in that category on the applicable distribution payment date will be prorated among all Participants in that category as follows: (i) in the case of Participants electing to reinvest their cash distribution, according to the number of additional Units sought to be purchased; and (ii) in the case of Participants electing the optional cash purchase, according to the number of Units each such Participant has in the distribution reinvestment portion of the Plan.

If the Corporation determines not to issue any equity through the Plan on a particular distribution payment date, then all Participants will receive the cash distribution to which they would otherwise be entitled to on such distribution payment date, subject to the Agent purchasing Units in the market at prevailing market prices in accordance with the Plan.

PRICE OF NEW UNITS

Distributions due to Participants will be paid to the Agent and optional cash payments, if any, will be applied to the purchase of Units.

Subject to the restrictions on the acquisition of additional Units described herein and subject to the receipt of all requisite regulatory approvals, additional Units may be acquired, at the election of the Corporation, either through the facilities of the Toronto Stock Exchange or from treasury. Additional Units can be acquired through the facilities of the Toronto Stock Exchange at any time during the 20 business day period next following the relevant distribution record date. Such additional Units can be acquired at prevailing market rates not exceeding 115% of the volume weighted average trading price of the Units on the Toronto Stock Exchange for the 10 trading days immediately preceding the date that Units are purchased. In the event the Corporation does not purchase additional Units through the facilities of the Toronto Stock Exchange, and at the discretion of the Corporation, additional Units may be issued from treasury, at a price equal to 95% of the Average Market Price or 95% of the Average Market Price in the case of additional Units purchased with optional cash payments.

COSTS

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Units under the Plan. All administrative costs of the Plan, including the fees and expenses of the Agent, will be borne by Peyto.

ACCOUNTS AND REPORTS TO PARTICIPANTS

An account will be maintained by the Agent for each registered Participant. Unaudited statements of account will be mailed to each Participant on a quarterly basis. These statements are a Participant's continuing record of purchases of Units made for such Participant's account under the Plan and should be retained for income tax purposes. The Agent will also send annually to each Participant certain tax forms for tax reporting purposes. Adjusted cost base

calculations for tax reporting purposes will be the responsibility of each Participant as the averaging rules may apply so that such calculations may depend on the cost of other Units held by the Participant.

CERTIFICATES FOR UNITS

Units purchased and held under the Plan will not normally be issued to Participants unless specifically requested in writing.

A Participant may, upon written request to the Agent and without terminating participation in the Plan, have a Unit certificate issued and registered in the Participant's name for any number of whole Units held for the Participant's account under the Plan. Certificates will normally be issued within three weeks of receipt by the Agent of the Participant's written request for a certificate. Any remaining whole Units and any fraction of a Unit will continue to be held for the Participant's account under the Plan.

Certificates representing Units purchased and held under the Plan, whether registered in the name of the Agent or its nominee or whether registered in the name of the Participant may contain a legend indicating restrictions on the resale of the Units represented by such certificates.

Accounts under the Plan are maintained in the names in which Units are registered at the time the Participants entered the Plan, and certificates for whole Units will be similarly registered when issued.

Units held by the Agent for a Participant under the Plan may not be pledged, sold or otherwise disposed of by the Participant while so held.

TERMINATION OF PARTICIPATION

A Participant may voluntarily terminate participation in the Plan by delivering to the Agent or by having such Participant's broker or other nominee deliver to the Agent (through CDS & Co., if applicable, on its behalf) a written notice of termination signed by such Participant (or by such Participant's broker or other nominee, as applicable). If the Agent does not receive the notice of termination at least five (5) business days before a distribution record date, settlement of a Participant's account will not commence until after the next investment has been completed. In such event, the Participant will receive a certificate for the number of whole Units held by the Agent in such Participant's account and a cash payment for any remaining fraction of a Unit so held and for any optional cash payments received from such Participant prior to termination where such optional cash payments have not yet been invested. Any fractional Unit interest will be paid based on the closing market price of a Unit on the Toronto Stock Exchange on the date notice of termination is received by the Agent.

Participation in the Plan will be terminated automatically following receipt by the Agent of a written notice of the death of a Participant. A certificate for the number of whole Units held for the account of a deceased Participant under the Plan will be issued by Peyto in the name of the deceased Participant, the estate of the deceased Participant or the deceased Participant's broker or nominee, as appropriate, and the Agent will send to the legal representative or broker or nominee of the deceased Participant such certificate and a cheque in payment for any remaining fraction of a Unit in the deceased Participant's account and any optional cash payments received prior to termination which have not yet been invested.

If a written termination notice or notice of a Participant's death is not received by the Agent before a distribution record date, then the Participant's account will not be closed, and participation in the Plan will not be terminated, until after the distribution payment date to which such record date relates.

Certificates representing Units which are delivered to Participants whose participation in the Plan is terminated may contain a legend indicating restrictions on the resale of the Units represented by such certificates.

RIGHTS OFFERING

In the event that Peyto makes available to its Unitholders rights to subscribe for additional Units or other securities, rights certificates will be issued by Peyto to each Participant in respect of whole Units held in a Participant's account under the Plan on the record date for such rights issue.

Rights issuable on a fraction of a Unit held for a Participant's account will be sold for such Participant by the Agent and the net proceeds of such sale paid to the Participant.

SUBDIVISIONS

If Units of Peyto are distributed pursuant to a subdivision of Units, such Units received by the Agent for Participants under the Plan will be held by the Agent and credited by the Agent proportionately to the accounts of the Participants in the Plan. A certificate for any Units resulting from such a subdivision of Units that are registered in the name of a Participant, rather than the name of the Agent, will be sent directly to the Participant in the same manner as to Unitholders who are not participating in the Plan.

UNITHOLDER VOTING

Whole Units held for a Participant's account under the Plan on the record date for a vote of Unitholders will be voted in accordance with the instructions of the Participant given on a form to be furnished to the Participant. Units for which instructions are not received will not be voted. No voting rights will attach to any fraction of a Unit held for a Participant's account under the Plan.

RESPONSIBILITIES OF PEYTO AND THE AGENT

Neither Peyto nor the Agent shall be liable for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

(a) arising out of the failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death;

(b) with respect to the prices and times at which Units are purchased for the account of or on behalf of a Participant;

(c) with respect to decisions by the Corporation to raise or not raise equity through the Plan in any given month, or the amount of equity raised, if any;

(d) arising out of a prorating, for any reason, of the amount of equity available under the various components of the Plan in the circumstances described herein; and

(e) arising out of a failure by the Agent to purchase additional Units with an optional cash payment.

Participants should recognize that neither Peyto nor the Agent can assure a profit or protect them against a loss on the Units purchased under the Plan.

AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

Peyto reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of the Participants. Where required, amendments to the Plan will be subject to the prior approval of the Toronto Stock Exchange. All Participants will be sent written notice of any such amendment, suspension or termination. In the event of termination of the Plan by Peyto, the Agent will send to the Participants (or to their brokers or other nominees, as applicable) certificates for whole Units held for Participants' accounts under the Plan (which may contain a legend indicating restrictions on the resale of the Units represented by the certificates) and cheques in payment for any remaining fractions of Units in Participants' accounts and any optional cash payments received prior to termination which have not yet been invested. In the event of suspension of the Plan by Peyto, no investment will be made by the Agent on the distribution payment date immediately following the effective date of such suspension. Any optional cash payments which are not invested as of the effective date of such suspension and any Unit distributions subject to the Plan and paid after the effective date of such suspension will be remitted by the Agent to the Participants.

INTERPRETATION

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Corporation.

NOTICES

All notices or other documents required to be given to Participants under the Plan, including certificates for Units and cheques, shall be mailed to Participants at the addresses shown on the records of the Agent.

Notices to the Agent shall be sent to:

Valiant Trust Company
310, 606 – 4th Street S.W.
Calgary, Alberta
T2P 1T1
Attention: Manager, Income Trusts
Facsimile: (403) 233-2857

Notices to Peyto Energy Trust shall be sent to:

Peyto Energy Administration Corp.
Suite 1500, 250 – 2nd Street S.W.
Calgary, Alberta
T2P 0C1
Attention: Darren Gee, President
Facsimile: (403) 261-8976

EFFECTIVE DATE OF THE PLAN

The effective date of this amended Plan is January 6, 2010. **Implementation of various features of the Plan such as the issue of new Units from treasury and the option of Participants to make optional cash payments is subject to receipt of required regulatory approvals.**