

Management

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EPG Commentary by Dan Steffens

Baytex Energy Corp. (BTE) is the largest company in our Small-Cap Growth Portfolio with a market-cap over \$1.9 billion. I started covering it closely since they announced the acquisition of Ranger Oil (one of my Top Picks in the Sweet 16 heading into 2023). They closed the Ranger acquisition on June 20, 2023.

Baytex reported financial and operational results that were in line with my forecasts during each quarter in 2024. **Total production increased 25.3% year-over-year in 2024**, with proved reserves per share significantly higher year-over-year. First quarter 2025 production of **144,194 Boepd** was slightly above my forecast and, more importantly, their **Adjusted Funds Flow of \$464Cdn million was more than \$60Cdn million above my forecast.**

Production was down quarter-over-quarter 8,701 Boepd in Q1 2025 due to weather related issues previously announced, and the sale of ~2,000 Boepd of heavy oil producing assets. Wisely, Baytex is reducing this year's drilling program to live within cash flow, but keeping it high enough to get production back to ~152,000 Boepd by year-end.

Baytex is a "Shareholder Friendly" Company. Since closing the acquisition of Ranger Oil, Baytex has generated free cash flow each quarter. Based on my forecast, the Company should generate approximately **\$320Cdn million of free cash flow in 2025.** Baytex is committed to shareholder returns and using excess cash for debt repayment.



Disciplined Reinvestment and Capital Allocation

Prioritizing free cash flow⁽¹⁾
High-quality oil-weighted portfolio with more than 10-years of drilling inventory
Track record of new discoveries



Shareholder Returns

Prioritizing balance sheet in the near-term
Annual dividend of \$0.09 per share (declared quarterly)
Repurchased 11% of shares outstanding since June 2023



Financial Position

Significant credit capacity - \$1.15B available – termed to 2028
Long-term notes termed out to 2030 and 2032
Resilient through the commodity price cycles

My Fair Value Estimate for BTE is \$6.75Cdn & \$4.72US/share

Compared to TipRanks' Price Target of \$4.04Cdn/share

Disclosure: I have a long position in Baytex and I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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Analyst price targets

Powered by TipRanks

Avg. price target ⓘ	High ⓘ	Low ⓘ
\$2.95	\$3.65	\$1.83
61.64% upside	100.25% upside	0.13% upside

In the last 3 months, **7 ranked analysts** set 12-month price targets for **BTE**. The average price target among the analysts is **\$2.95**. Analysts compare their price target to the current market price of the stock to determine how much potential upside or downside movement there could be in the stock price.

Individual analysts ⓘ

Analyst/Rank	Analyst firm	Rating	Date	Price target ⓘ \$Cdn
 Dan Payne ★★★★★	National Bank	Buy	05/06/2025	\$5.00
 Gregory Pardy ★★★★★	RBC Capital	Buy	05/06/2025	\$5.00
 Luke Davis ★★★★★	Raymond James	Hold	05/06/2025	\$3.50
 Jeremy Mccrea ★★★★★	BMO Capital	Hold	05/05/2025	\$2.50
 Dennis Fong ★★★★☆	CIBC	Hold	04/10/2025	\$4.25



Company Overview

The Company's vision is to be a top-tier North American oil producer focused on per share value creation. Their key oil resource plays represent some of the highest rate of return projects in North America. Baytex's crude oil and natural gas operations are organized into three main operating areas: Light Oil USA (Eagle Ford), Light Oil Canada (Pembina Duvernay / Viking) and Heavy Oil Canada (Peace River / Peavine / Lloydminster). The Company's current production forecast of 148,000 Boepd for 2025 is a mix of approximately 43% light oil & condensate, 28% heavy oil, 13% NGLs and 16% natural gas.

A DIVERSIFIED NORTH AMERICAN E&P OPERATOR



Market Summary

Ticker Symbol	TSX, NYSE BTE
Average Daily Volume ⁽¹⁾	Canada: 13 million US: 47 million
Shares Outstanding ⁽²⁾	768 million
Market Capitalization / Enterprise Value ⁽³⁾	\$1.7 billion / \$4.1 billion
Annual Dividend per Share Dividend Yield ⁽⁴⁾⁽⁵⁾	\$0.09 4.0%

Operating Statistics

Production (working interest) ⁽⁶⁾	~ 148 Mboe/d
Production Mix ⁽⁶⁾	85% liquids
E&D Expenditures ⁽⁶⁾	~ \$1.2 billion
Reserves – 2P Gross ⁽⁷⁾	660 MMboe
Net Acres	1.6 million

2025 Production by Business Unit

- U.S. Light Oil (Eagle Ford)
- Canada Light Oil (Duvernay / Viking)
- Canada Heavy Oil (Peace River/Peavine/Lloydminster)
- Other



2025 Production by Commodity

- Heavy Oil
- Light Oil
- NGLs
- Natural Gas



The merger with Ranger Oil in June, 2023 was significant, increasing production by approximately 70% and adding high-quality / low-risk running room in the South Texas Eagle Ford oil play.

Ranger Acquisition: A “Transformative” Transaction

On June 20, 2023, Baytex closed the acquisition of Ranger Oil Corp. (the "Merger"), a pure play Eagle Ford operator. With this transaction, Baytex is now a scaled North American oil-weighted exploration and production company with a portfolio across the Western Canadian Sedimentary Basin and the South Texas Eagle Ford. The Company added quality scale in the Eagle Ford and reinforcing a resilient and sustainable business.

Total consideration paid by Baytex, including assumption of net debt, was US\$2.4 billion (C\$3.2 billion). Under the terms of the agreement, Ranger shareholders received 7.49 Baytex shares plus US\$13.31 cash for each share of Ranger common stock.

South Texas has available pipeline access to large LNG export facilities along the Texas Gulf Coast.

First Quarter 2025 Highlights (\$Cdn)

- Reported cash flows from operating activities of \$431 million (\$0.56 per basic share). *< Adjusted Operating Cash Flow, was \$460.4 million (\$0.60 per basic share).*
- Generated net income of \$70 million (\$0.09 per basic share).
- Achieved production of 144,194 boe/d (84% oil and NGL), a 2% increase in production per basic share, compared to Q1/2024.
- **Generated free cash flow of \$53 million (\$0.07 per basic share) and returned \$30 million to shareholders.** *< Based on my forecast, Baytex should generate over \$300 million of free cash flow in 2025.*
- Repurchased 3.7 million common shares for \$13 million, at an average price of \$3.49 per share.
- Paid a quarterly cash dividend of \$17 million (\$0.0225 per share) on April 1, 2025.
- Executed a \$405 million exploration and development program, which at its peak, had 13 rigs running.
- Maintained balance sheet strength with a total debt to Bank EBITDA ratio of 1.0x.

Management Commentary

“Baytex efficiently executed its exploration and development program and delivered first quarter results consistent with our full year plan. In a challenging operating environment marked by macroeconomic uncertainty and volatile commodity prices, we are pleased to have delivered free cash flow and returns to shareholders. As these headwinds persist, we remain focused on disciplined capital allocation and managing factors within our control to ensure financial resilience.”

- Eric T. Greager, President and Chief Executive Officer.

Dividends (annualized yield of ~3.6%)

Baytex Energy Corp. announced that The Board of Directors has declared a quarterly cash dividend of \$0.0225 per share, to be paid on July 2, 2025 to shareholders of record on June 13, 2025.

U.S. shareholders can claim a foreign tax credit for the Canadian income taxes that are withheld on dividends.

SUMMARY OF OPERATING AND FINANCIAL METRICS

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025
Benchmark Prices											
WTI crude oil (US\$/bbl)	\$76.13	\$73.78	\$82.26	\$78.32	\$77.62	\$76.96	\$80.57	\$75.10	\$70.27	\$75.72	\$71.42
NYMEX natural gas (US\$/MMbtu)	\$3.42	\$2.10	\$2.55	\$2.88	\$2.74	\$2.24	\$1.89	\$2.16	\$2.79	\$2.27	\$3.65
Production											
Crude oil (bbl/d)	65,869	68,143	110,967	109,693	88,849	106,596	110,734	112,602	106,888	109,207	102,527
Natural gas liquids (bbl/d)	7,213	8,620	18,004	23,160	14,304	19,299	20,167	19,836	21,208	20,129	19,046
Natural gas (mcf/d)	82,066	77,989	129,780	165,121	114,010	148,353	139,764	132,175	148,792	142,262	135,731
Oil equivalent (boe/d) ⁽¹⁾	86,760	89,761	150,600	160,373	122,154	150,620	154,194	154,468	152,894	153,048	144,194
% Liquids	84%	86%	86%	83%	84%	84%	84%	86%	84%	85%	84%
Netback (\$/boe)											
Total sales, net of blending and other expenses ⁽²⁾	\$63.48	\$66.82	\$80.34	\$68.00	\$70.82	\$67.12	\$75.93	\$71.97	\$66.60	\$70.43	\$71.38
Royalties ⁽³⁾	(11.94)	(13.21)	(17.33)	(15.49)	(15.02)	(15.26)	(17.14)	(15.75)	(14.69)	(15.71)	(16.02)
Operating expense ⁽³⁾	(14.40)	(14.62)	(12.57)	(11.17)	(12.80)	(12.65)	(11.95)	(11.76)	(10.36)	(11.67)	(11.38)
Transportation expense ⁽³⁾	(2.18)	(1.78)	(2.02)	(2.02)	(2.00)	(2.18)	(2.37)	(2.60)	(2.35)	(2.38)	(2.35)
Operating Netback ⁽²⁾	\$34.96	\$37.21	\$48.42	\$39.32	\$41.00	\$37.03	\$44.47	\$41.86	\$39.20	\$40.67	\$41.63
General and administrative ⁽²⁾	(1.50)	(1.87)	(1.48)	(1.51)	(1.57)	(1.64)	(1.50)	(1.26)	(1.45)	(1.46)	(1.97)
Cash interest ⁽³⁾	(2.35)	(3.46)	(4.08)	(3.84)	(3.58)	(3.89)	(3.84)	(3.53)	(3.47)	(3.68)	(3.61)
Realized financial derivative gain (loss) ⁽³⁾	(0.69)	2.00	0.15	0.84	0.81	0.40	(0.16)	0.02	(0.15)	0.03	(0.01)
Other ⁽⁴⁾	(1.45)	(0.39)	(1.03)	(0.77)	(0.90)	(0.98)	(1.00)	0.76	(1.29)	(0.63)	(0.30)
Adjusted funds flow ⁽⁵⁾	\$30.35	\$33.49	\$41.98	\$34.03	\$35.76	\$30.92	\$37.97	\$37.85	\$32.84	\$34.93	\$35.74

Financial Update

During the first quarter of 2025, Baytex delivered operating and financial results consistent with its full-year plan despite periods of extremely cold temperatures across North America, which resulted in modest production disruptions across operations. Baytex increased production per basic share by 2% in Q1/2025, compared to Q1/2024, with production averaging 144,194 boe/d (84% oil and NGL). **As compared to Q1/2024, production during the first quarter was lower, in part, due to weather disruptions (approximately 2,000 boe/d) and the Kerrobert thermal disposition (approximately 2,000 boe/d).** Exploration and development expenditures totaled \$405 million, consistent with the full-year plan, and the Company brought 105 (95.9 net) wells onstream. Adjusted funds flow was \$464 million or \$0.60 per basic share and generated net income of \$70 million (\$0.09 per basic share).

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During the first quarter Baytex generated free cash flow of \$53 million (\$0.07 per basic share) and returned \$30 million to shareholders. < Note that dividend coverage is ~3X.

Baytex repurchased 3.7 million common shares for \$13 million, at an average price of \$3.49 per share, and paid a quarterly cash dividend of \$17 million (\$0.0225 per share). Over the last seven quarters, \$580 million has been returned to shareholders. Baytex repurchased 92.6 million common shares for \$453 million, representing approximately 11% of shares outstanding, at an average price of \$4.89 per share, and paid total dividends of \$127 million (\$0.1575 per share). < If stock buybacks continue, they should have a material impact on per share valuations.

As of March 31, 2025, net debt was \$2.4 billion, a reduction of approximately 10% (\$250 million) over the past twelve months. On a U.S. dollar basis, net debt decreased by approximately 15% (US\$287 million).

BUSINESS UNIT HIGHLIGHTS



	Light Oil – USA (Eagle Ford)	Light Oil – Canada (Viking/Duvernay)	Heavy Oil – Canada (Peace River/Peavine/ Lloydminster)
Production (2025E)	82,000 boe/d	18,000 boe/d	44,000 boe/d
% Liquids	81%	83%	96%
Land (net acres)	178,000	317,000	745,000
2P Reserves (Gross) ⁽¹⁾	401 MMboe	109 MMboe	137 MMboe
Asset Level Free Cash Flow (% of corporate) ⁽²⁾	55%	5%	40%
Drilling Locations (net risked) ⁽³⁾	~ 800	~ 1,200	~ 900
Individual Well Economics ^{(4) (5)}			
IRRs	45% to 90%	55% to 90%	95% to > 250%
Payouts	14 to 26 months	14 to 21 months	8 to 13 months
CROCI ⁽⁶⁾	2.1x to 2.5x	2.0x to 2.7x	2.4x to 4.0x

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Light Oil - United States

In the South Texas Eagle Ford, production averaged 81,814 boe/d (81% oil and NGL) in Q1/2025 and Baytex brought onstream 15.6 net wells, including 12.4 net operated wells.

The development program was largely focused on the black oil to condensate windows of acreage where Baytex typically generates 30-day peak crude oil rates of 700 to 800 bbl/d (900 to 1,100 boe/d) per well with average lateral lengths of 9,000 to 9,500 feet. Baytex expects to bring onstream 50 net wells in 2025 and is targeting a 7% improvement in operated drilling and completion costs per completed lateral foot compared to 2024.

U.S. LIGHT OIL: EAGLE FORD

Strong Operating Capability

Increased Scale in a Premier Basin with Strong Market Access

Eagle Ford

255,000 gross acres, 70% operated

Lowers full-company cash cost structure, improves operating netbacks and margins

Provides exposure to premium light oil U.S. Gulf Coast pricing

Expect to bring 50 net wells to sales (~ 75% operated) in 2025

2025 Operated Activity

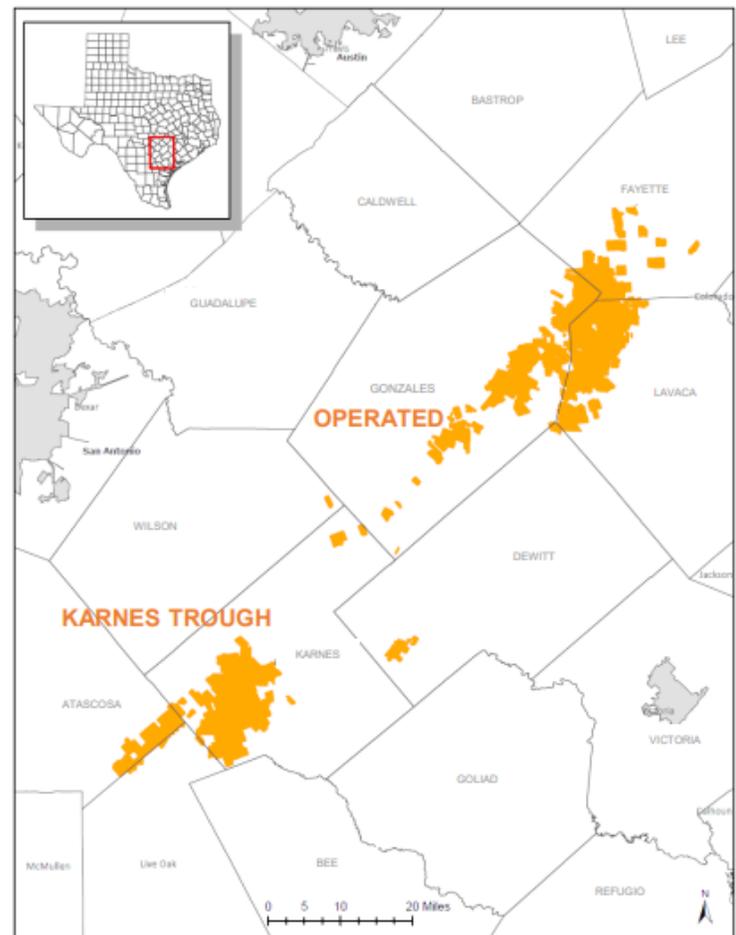
Expect to bring 38 operated wells onstream - **35 Lower Eagle Ford wells and 3 Upper Eagle Ford wells**

Typical 30-day peak crude oil rates in the black and volatile oil windows ~ 700 to 800 bbl/d (900 to 1,100 boe/d) per well

~ US\$10 million well cost based on 9,500 foot completed lateral length

Level loaded pace of development, running a 2 rig and 1 frac crew program for most of the year

Targeting a **7% improvement in drilling and completion costs per lateral foot**, over 2024



Light Oil – Canada

In the Canadian light oil business, production averaged 16,685 boe/d (83% oil and NGL) in Q1/2025. In the Pembina Duvernay, two of three pads have been drilled (six wells), including the longest wells in the play at more than 24,000 feet total measured depth and 13,500 feet of lateral length. Completion operations commenced mid-April and the Company plans to onstream the wells during the second and third quarter. In the Viking, 42 net wells were brought onstream in Q1/2025. In 2025, Baytex expects to bring onstream nine net wells in the Pembina Duvernay and 85 net wells in the Viking.

CANADA LIGHT OIL: PEMBINA DUVERNAY / VIKING

High netback light oil

Pembina Duvernay Shale is a potential growth asset in the Canadian portfolio

Pembina Duvernay

140 net sections

Demonstration-stage light oil resource play

Produced **5,700 boe/d** in Q1/2025 (81% liquids)

Expect to bring **9 net wells** onstream in 2025

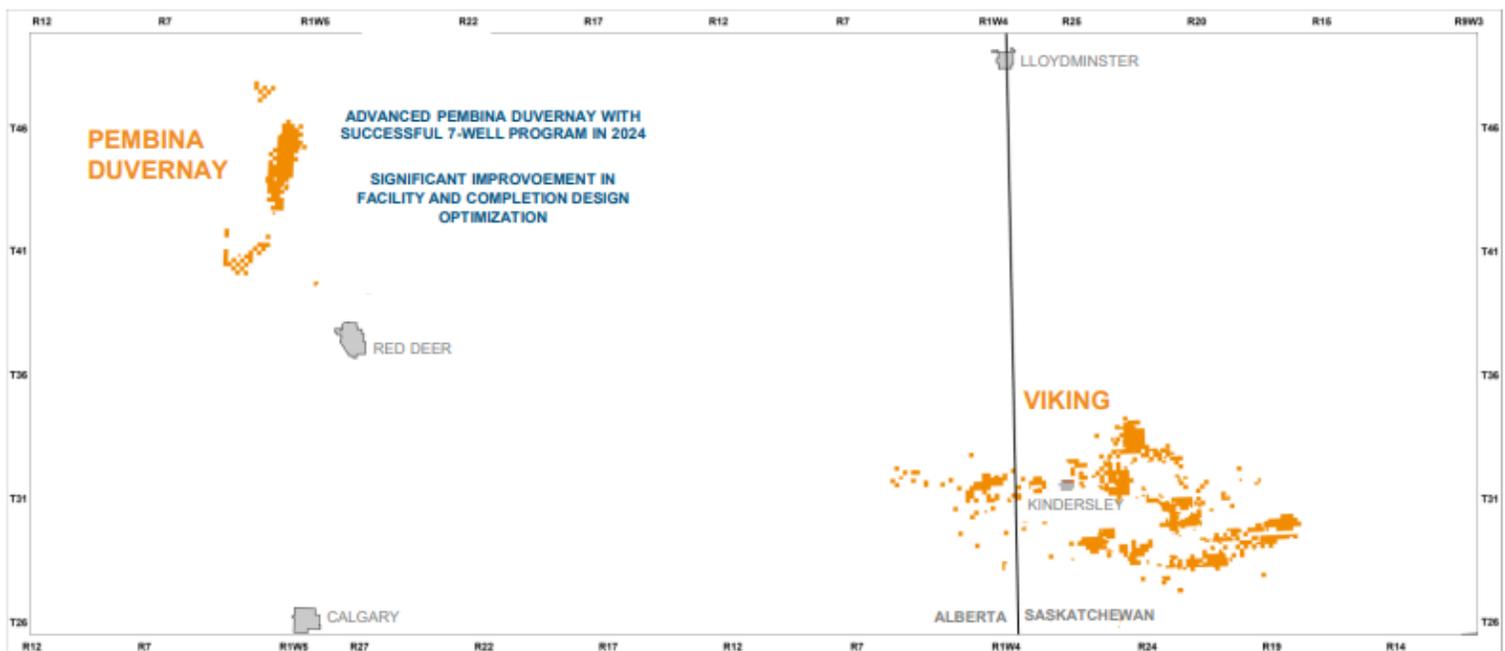
Viking

355 net sections

Stable production and meaningful asset level free cash flow⁽¹⁾

Produced **10,900 boe/d** in Q1/2025 (84% liquids)

Expect to bring **~ 85 net wells** onstream in 2025



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Heavy Oil – Canada

In the heavy oil business unit, production averaged 41,119 boe/d (96% oil and NGL) in Q1/2025. Peavine continued to deliver top well results with production averaging 17,714 boe/d (100% heavy oil) during the first quarter. Baytex brought onstream 12 net Clearwater wells at Peavine, 4 net wells at Peace River and 12 net wells across the broader Mannville group in Lloydminster. In 2025, Baytex expects to bring onstream 112 net heavy oil wells, including 33 net Clearwater wells at Peavine.

CANADA HEAVY OIL: LAND EXTENSIONS

Leveraging heavy oil expertise and recent exploration success

Peace River (Clearwater + Bluesky)

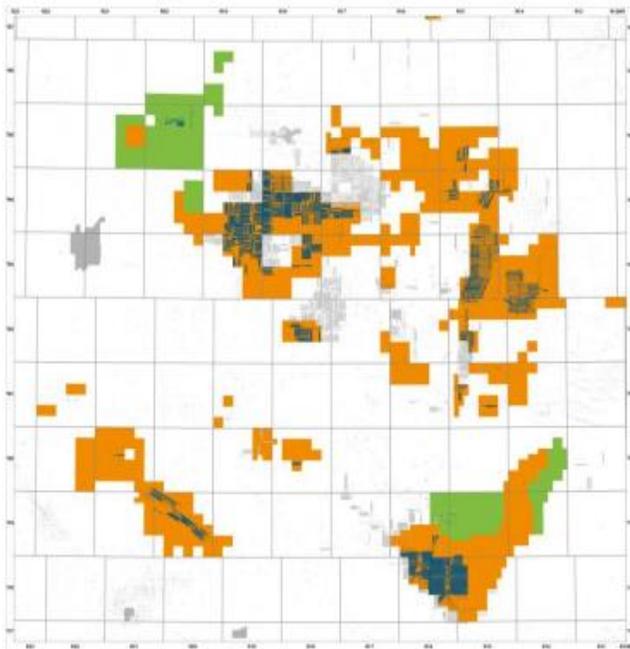
Farm-in agreement on 66 sections near Peace River with prospectivity for the Bluesky formation

Acquired 44.5 net sections on the Peavine Métis Settlement bringing total land position to 134.5 net sections

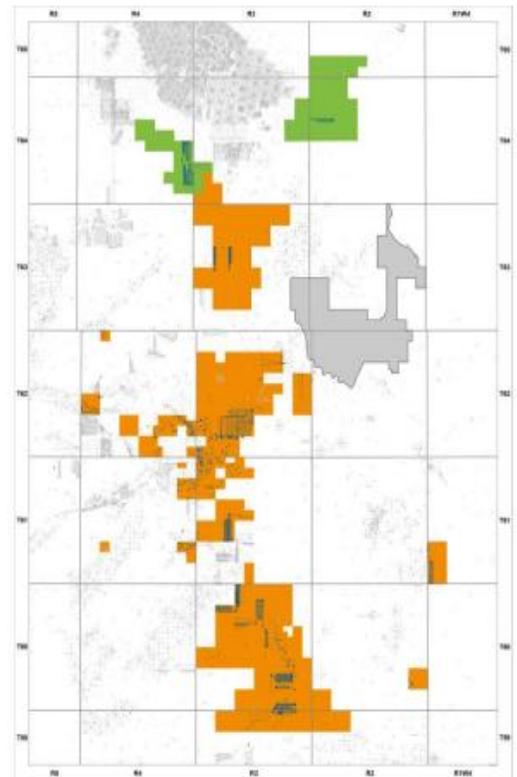
Lloydminster (Mannville)

Farm-in agreement on 17.75 sections near Cold Lake

Increases lands prospective for **Mannville development** in northeast Alberta to ~ 100 sections



Baytex legacy lands Recent land agreements



Return of Capital Framework

On closing of the Merger with Ranger Oil, the Company increased direct shareholder returns to 50% of the free cash flow generated by the combined company, allowing Baytex to increase the value of the share buyback program and introduce a dividend. < Baytex recently announced that for the remainder of 2025 free cash flow will first go to maintain the current dividend (\$0.0225/quarter) with remaining FCF used to pay down debt.

In 2024 the WTI oil price averaged \$75.71US/bbl. My forecasts are based on WTI averaging \$65.00US/bbl for the remainder of 2025 and rebounding to \$75.00US/bbl in 2026.

Rising natural gas and NGL prices are offsetting some of the decline in the WTI oil price and Baytex has over 40% of their 2025 oil production hedges with collars that reduces some of the oil price risk.

FIVE-YEAR OUTLOOK (2024 – 2028)

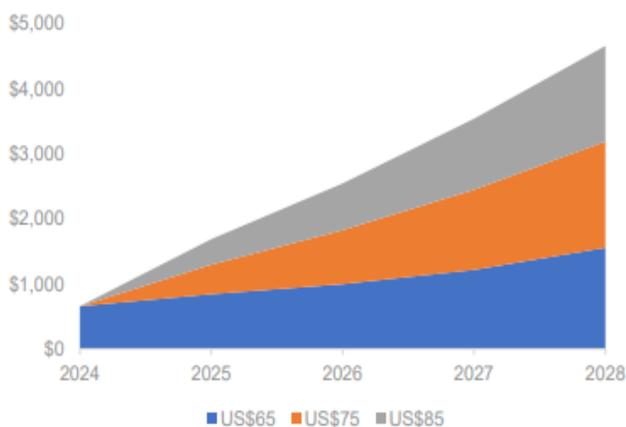
Shareholder Returns⁽¹⁾⁽²⁾



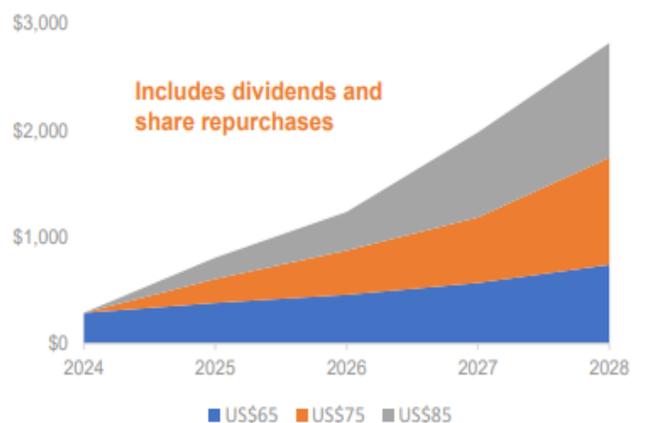
Compelling Returns Profile

Underpinned by disciplined reinvestment and capital allocation

Free Cash Flow⁽³⁾ over Five-Year Outlook (\$ millions)



Return of Capital⁽³⁾ to Shareholders over Five-Year Outlook (\$ millions)



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Balance Sheet and Liquidity Update

Baytex maintains strong financial flexibility, supported by significant credit capacity and a long-term notes maturity schedule that positions the Company well throughout various commodity price cycles. The credit facilities have total capacity of US\$1.1 billion, mature on May 9, 2028, and are less than 20% drawn.

These are not borrowing base facilities and do not require annual or semi-annual reviews. Additionally, the earliest note maturity (US\$800 million) is not until April 30, 2030.

MAINTAINING FINANCIAL STRENGTH

Commitment to a Strong Balance Sheet



Significant credit capacity

Resilient through the commodity price cycles

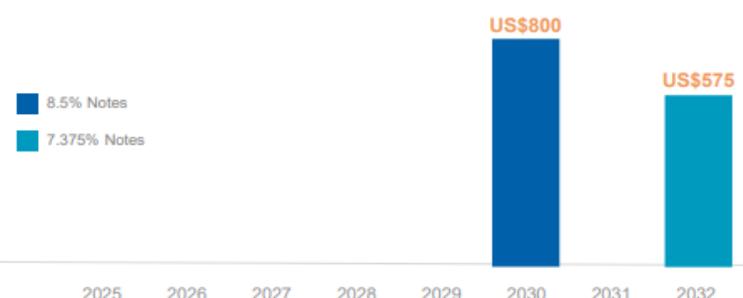
Strong long-term notes maturity schedule

Less than 20% drawn on US\$1.1B of total credit facilities

Total debt⁽²⁾ target of \$1.5 billion (~ 0.7x total debt to EBITDA⁽²⁾ at US\$70 WTI)

Total Debt ⁽¹⁾⁽²⁾	C\$ millions
Credit facilities ⁽³⁾	\$250
Long-term notes	
8.500% notes due April 1, 2030	\$1,150
7.375% notes due April 1, 2032	\$827
Total long-term notes	\$1,977
Total debt	\$2,227

Long-Term Notes Maturity Schedule (US\$ millions)



2024 Year End Reserves

Reserves Summary

Reserves Summary	Light and Medium Oil (Mbbbls)	Tight Oil (Mbbbls)	Heavy Oil (Mbbbls)	Bitumen (Mbbbls)	Total Oil (Mbbbls)	Natural Gas Liquids ⁽³⁾ (Mbbbls)	Conventional Natural Gas ⁽⁴⁾ (MMcf)	Shale Gas (MMcf)	Total ⁽⁵⁾ (Mboe)
Gross⁽¹⁾									
Proved producing	9,131	73,924	34,250	—	117,305	37,317	48,570	146,964	187,211
Proved developed non-producing	352	1,517	2,024	—	3,893	1,489	1,596	4,302	6,364
Proved undeveloped	14,122	92,759	19,082	—	125,963	53,117	24,623	188,509	214,602
Total proved	23,604	168,200	55,357	—	247,161	91,923	74,789	339,775	408,177
Total probable	13,644	84,798	34,190	44,489	177,121	42,813	38,344	152,995	251,824
Proved plus probable	37,248	252,998	89,547	44,489	424,281	134,736	113,133	492,770	660,001
Net⁽²⁾									
Proved producing	8,662	56,721	28,915	—	94,298	28,620	44,240	113,214	149,160
Proved developed non-producing	329	1,121	1,808	—	3,257	1,108	1,494	3,188	5,145
Proved undeveloped	13,362	72,117	16,720	—	102,200	41,121	21,496	147,217	171,440
Total proved	22,353	129,958	47,443	—	199,754	70,849	67,231	263,618	325,745
Total probable	12,670	65,263	28,224	34,897	141,054	33,290	33,877	120,376	200,052
Proved plus probable	35,023	195,221	75,667	34,897	340,808	104,139	101,107	383,994	525,797

PV10 Net Asset Value per share as of December 31, 2023

Per Audited Financial Statements 12-31-2023

(\$Thousands Cdn Dollars)

	1P	2P
Current assets	\$ 440,024	\$ 440,024
PV10 of Proved Reserves	4,957,000	7,800,000
Less Total Liabilities	(3,635,844)	(3,635,844)
	\$1,761,180	\$4,604,180
Common Stock Outstanding	821,681	821,681

PV10 Net Asset Value/Shr \$ 2.14 \$ 5.60 < 2023

PV10 Net Asset Value per share as of December 31, 2024

Per Audited Financial Statements 12-31-2024

(\$Thousands Cdn Dollars)

	1P	2P
Current assets	\$ 449,627	\$ 449,627
PV10 of Proved Reserves	5,046,000	8,043,000
Less Total Liabilities	(3,588,735)	(3,588,735)
	\$1,906,892	\$4,903,892
Common Stock Outstanding	773,590	773,590

PV10 Net Asset Value/Shr \$ 2.46 \$ 6.34 < 2024

2025 Guidance Update May 2, 2025

Global crude oil markets remain under pressure due to broad economic uncertainty driven by concerns related to U.S. tariffs, global trade tensions, and OPEC's recent decision to increase crude oil supply. Since April 1, 2025 the benchmark WTI price has been trading in the US\$57 to US\$72/bbl range, down from a peak of US\$80/bbl in early January. Against this global economic backdrop, Baytex continues to prioritize free cash flow, while taking a disciplined approach to capital allocation and the balance sheet. The 2025 exploration and development budget is set at \$1.2 to \$1.3 billion and supports annual production of 148,000 to 152,000 boe/d. In light of the current commodity price environment, Baytex anticipates full-year capital expenditures and production to trend toward the low end of these ranges. *< My forecast model is now based on production of 148,000 boe/d in 2025 and 152,000 boe/d in 2026.*

Given these adjustments to the 2025 plan, at US\$60/bbl WTI for the balance of the year, Baytex expects to generate approximately \$200 million of free cash flow this year. In this pricing environment, Baytex benefits from a disciplined hedging program, which helps mitigate the volatility in revenue due to changes in commodity prices. For the balance of 2025, there are hedges on approximately 45% of net crude oil exposure using two-way collars with an average floor price of US\$60/bbl. **To further strengthen the balance sheet, Baytex intends to allocate 100% of the free cash flow to debt repayment after funding the quarterly dividend payment.** Baytex will continue to monitor market conditions and execute a prudent approach to shareholder returns, which has historically included a combination of share buybacks and quarterly dividend payments.

2025 OUTLOOK



Disciplined Reinvestment and Capital Allocation

Prioritizing free cash flow⁽¹⁾

Moderating growth profile and delivering **stable production**

Strong drilling, completion and operating performance across portfolio

Operationally efficient development in the Eagle Ford

Advance Pembina Duvernay

Capital efficient heavy oil development



~ 148,000 boe/d
2025 production

2025 Guidance⁽²⁾

E&D Expenditures	~ \$1.2 billion
Production	~ 148,000 boe/d
Oil and NGLs	85%

Operating Area	Net Wells Onstream	E&D Expenditures (\$MM)
U.S. Light Oil ⁽²⁾	50	\$700
Canada Light Oil ⁽³⁾	94	\$250
Canada Heavy Oil ⁽⁴⁾	112	\$250
Total	256	\$1,200

(1) Specified financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable with the calculation of similar measures presented by other entities. Refer to the Specified Financial Measures Advisory section in this presentation for further information.

(2) 2025 production guidance range: 148,000 to 152,000 boe/d. E&D expenditures range \$1.2 to \$1.3B.

(3) U.S. Light Oil includes operated / non-operated Eagle Ford.

(4) Canada Light Oil includes Duvernay / Viking.

(5) Canada Heavy Oil includes Peace River (Bluesky) / Peavine (Clearwater) / Lloydminster (Mannville).

Hedging Update

CRUDE OIL HEDGE PORTFOLIO

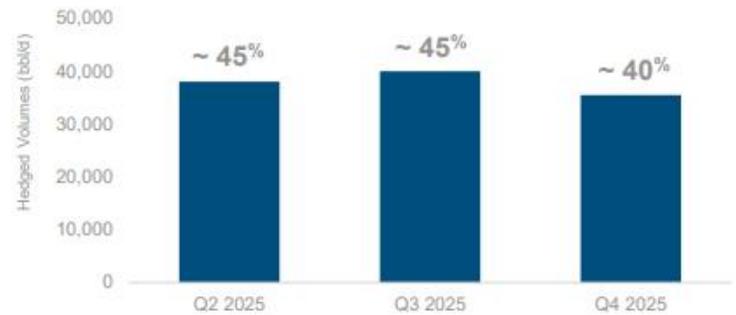
Balanced Approach to Risk Management



Target up to 45% of Net Crude Oil Volumes⁽¹⁾

Disciplined hedge program to help mitigate volatility in revenue due to changes in commodity prices

Utilize wide **2-way collars** to ensure modest returns at lower commodity prices while maintaining exposure to upside and minimizing costs



Collars (Weighted Average)			
Ceiling (US\$)	\$87.48	\$80.00	\$80.00
Floor (US\$)	\$60.00	\$60.00	\$60.00

Note that none of Baytex's natural gas and NGLs are hedged, so rising natural gas prices should give Baytex a nice revenue boost in 2025 and 2026. Baytex is getting good prices for their South Texas natural gas and NGLs. The Company's realized prices (\$Cdn) in Q1 2025 were \$99.46/bbl for light oil & condensate, \$93.63/bbl for heavy oil, \$31.31/bbl for NGLs and \$3.98/mcf for natural gas.

Natural gas prices are beginning to increase in Canada, but they are still quite a bit lower than U.S. natural gas prices.

Since the oil hedges have ceilings above the oil prices being used in my forecast, they have no impact on realized prices in 2025. I am using a differential of -\$2.00/bbl for the Company's light oil and an additional discount of -\$8.00/bbl for Canadian heavy oil.

The forecast below is in Canadian dollars." – Dan Steffens

Net Income and Cash Flow Forecast Model

		Ranger Oil Acquisition closed June 20, 2023						Closed sale of Kerrobert (~2,000 bpd of heavy oil) on 12/20/24						< \$42Cdn million to pay down debt		
Baytex Energy Corp. (BTE) Net Income and Cash Flow 2022 - 2026 (last updated 6/9/2025)		Canadian Dollars						Canadian Dollars								
(\$Thousands)		Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Actual Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast 2026		
REVENUES:																
Oil, NGL and natural gas sales		\$2,889,045	\$3,382,621	\$984,192	\$1,124,590	\$1,074,623	\$1,025,550	\$4,208,955	\$999,130	\$879,990	\$962,164	\$1,022,524	\$3,863,808	\$4,467,250	< Forecast Revenues include effect of hedges	
Less: Royalties		(562,964)	(669,792)	(209,171)	(240,440)	(223,800)	(206,675)	(880,086)	(207,937)	(193,598)	(211,676)	(224,955)	(838,166)	(1,005,131)	< 22% in 2025 due to increasing revenue in Texas	
Commodity derivatives - cash settlements		(334,481)	36,212	5,488	(2,257)	331	(2,115)	1,447	(194)	0	0	0	(194)	0		
Commodity derivatives - Non-cash MTM		135,471	(11,517)	(32,350)	10,790	22,596	(382)	654	(49,425)	0	0	0	(49,425)	0		
Total Revenues		2,127,071	2,737,524	748,159	892,683	873,570	816,378	3,330,970	741,574	686,393	750,488	797,569	2,976,023	3,462,118		
EXPENSES:																
Operating expenses		422,666	570,839	173,435	167,705	167,119	145,690	653,949	147,703	151,258	157,320	159,418	615,699	632,472	< \$11.40 / boe	
Transportation		48,561	89,306	29,835	33,314	36,883	33,110	133,142	30,512	31,844	33,120	33,562	129,037	133,152	< \$2.40 / boe	
Blending and other		189,454	224,802	64,208	67,685	51,902	80,148	263,943	72,820	74,966	77,970	79,010	304,765	313,462	< \$5.65 / boe	
G&A		50,270	69,789	22,412	21,006	17,895	20,433	81,746	25,606	23,000	23,000	25,000	96,606	92,000		
Transaction costs (Ranger Acquisition)			49,045	1,539	0	0	0	1,539	0	0	0	0	0	0		
Exploration and evaluation		30,239	8,896	18	649	82	30	779	107	500	500	500	1,607	2,000		
Share based compensation		29,056	37,699	9,523	5,565	2,305	479	17,872	763	1,000	1,000	1,000	3,763	12,000		
DD&A		587,050	1,047,904	344,137	353,101	356,384	332,288	1,385,910	319,923	327,726	340,860	345,405	1,333,914	1,370,356	< \$24.70 / boe	
Impairment (reversal)		(267,744)	833,662	0	0	0	0	0	0	0	0	0	0	0		
Financing expense		104,817	192,173	61,267	83,084	58,700	65,323	268,374	55,246	55,000	54,500	54,000	218,746	215,000	< Proceeds from asset sale in Dec 2024 paid down debt	
Foreign exchange (gain) or loss		43,441	(10,848)	39,937	20,055	(24,552)	120,455	155,895	(3,878)	0	0	0	(3,878)	0	free cash flow after dividends will pay down debt each qtr.	
(Gain) loss on disposal of assets		(4,898)	141,295	(2,661)	6,311	1,091	(3,521)	1,220	1,229	0	0	0	1,229	0		
Other (income) expense		3,244	(456)	1,071	1,025	(9,107)	322	(6,689)	1,189	1,500	1,500	1,500	5,689	6,000		
TOTAL EXPENSES		1,236,156	3,254,106	744,721	759,500	658,702	794,757	2,957,680	651,220	666,793	689,770	699,394	2,707,177	2,776,442		
NET INCOME BEFORE TAXES		890,915	(516,582)	3,438	133,183	215,048	21,621	373,290	90,354	19,599	60,718	98,175	268,846	685,676		
INCOME TAXES																
Current		3,594	14,403	1,680	6,475	(3,748)	17,359	21,766	2,152	980	3,036	4,909	11,077	34,284	< 5%	
Deferred		31,716	(297,629)	15,801	22,810	33,570	42,746	114,927	18,611	3,528	10,929	17,672	50,740	123,422	< 18%	
NET INCOME		\$855,605	(\$233,356)	(\$14,043)	\$103,898	\$185,226	(\$38,484)	\$236,597	\$69,591	\$15,091	\$46,753	\$75,595	\$207,030	\$527,971		
Common Stock outstanding (thousands)		557,986	821,681	773,590	773,590	773,590	773,590	773,590	771,443	771,500	771,500	771,500	771,486	772,000	< Q1 2025 is stock outstanding on 3-31-2025	
Earnings per share		\$1.53	(\$0.28)	(\$0.02)	\$0.13	\$0.24	(\$0.05)	\$0.31	\$0.09	\$0.02	\$0.06	\$0.10	\$0.27	\$0.68	Stock Buybacks placed on hold for remainder of 2025	
NOTE: Current First Call Estimated EPS																
Cashflow per share (before CapEx)		\$ 1,146,800	\$ 1,516,626	\$ 415,796	\$ 525,724	\$ 529,229	\$ 455,437	\$ 1,926,186	\$ 460,351	\$ 337,845	\$ 375,042	\$ 400,171	\$ 1,573,409	\$ 1,875,749	< 2025 Capex Guidance is \$1.25 Cdn billion (5/5)	
		\$2.06	\$1.85	\$0.54	\$0.68	\$0.68	\$0.59	\$2.49	\$0.60	\$0.44	\$0.49	\$0.52	\$2.04	\$2.43	< Valuation of 3 X 2024 to 2026 CFPS = \$ 6.75 < Cdn	
									\$0.60	\$0.48	\$0.48	\$0.49	\$2.05	\$1.83	< TipRanks \$Cdn EPG PT in US dollars \$ 4.72 < \$US @ 70%	
PRODUCTION																
Light Oil & Condensate (bbls/d)		33,106	53,389	66,036	67,031	69,843	64,661	66,893	62,335	61,967	63,750	64,600	63,163	64,600	< 42.3% < 42.5% TipRanks 5 analysts) \$ 4.04 < \$Cdn	
Heavy Oil (bbls/d)		28,972	35,460	40,560	43,703	42,759	42,227	42,312	40,192	40,096	41,250	41,800	40,834	41,800	< 27.6% < 27.5%	
NGLs (bbls/d)		7,575	14,304	19,299	20,167	19,837	21,208	20,128	19,046	20,413	21,000	21,280	20,435	21,280	< 13.9% < 14.0%	
Natural Gas (Mcf/d)		83,108	114,010	148,353	139,760	132,175	148,792	142,270	135,731	139,973	144,000	145,920	141,406	145,920	< 16.2% < 16.0%	
boepd		83,504	122,155	150,621	154,194	154,468	152,895	153,044	144,194	145,805	150,000	152,000	148,000	152,000	< 2025 Guidance is ~148 to 152 Mboepd	
PRODUCT PRICES																
Light Oil & Condensate		107.73	110.25	107.61	107.61	98.75	102.02	99.46	87.29	90.86	94.43	93.01	105.00	105.00	< See impact of hedge less \$2/bbl differential	
Heavy Oil		90.74	76.37	82.61	99.31	89.29	88.85	90.02	93.63	79.29	82.86	86.43	85.55	97.00	< WTI oil price /0.7 less \$8 differential	
NGLs		43.58	29.43	26.15	24.48	27.45	29.00	26.77	31.31	29.00	32.00	35.00	31.83	35.00		
Natural Gas		5.70	3.08	2.38	2.05	2.14	2.50	2.27	3.98	3.50	4.00	4.50	4.00	4.50	< Baytex getting good price for South Texas Ngas	
Gross Revenue check (prod * ave price)		2,554,557	3,418,712	989,680	1,122,333	1,074,954	1,023,435	4,207,155	998,936	879,990	962,164	1,022,524	3,873,573	4,467,250	< Revenues are net of cash settlements on hedges on row 11	
							998,936		998,936	770,100	806,200	804,200	3,310,000	3,100,000	< TipRanks' Revenue Estimates in \$Cdn	

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