

## Management

**Eric T. Greager**, President and CEO  
**Chad L. Kalmakoff**, CFO  
**Chad E. Lundberg**, COO  
**James R. Maclean**, CLO

[www.baytexenergy.com](http://www.baytexenergy.com)

## EPG Commentary by Dan Steffens

**Baytex Energy Corp. (NYSE:BTE)** is the largest company in our Small-Cap Growth Portfolio with a market-cap of \$2.7Cdn billion and current production of approximately 150,000 Boepd. I have been following the Company closely since Baytex announced the acquisition of Ranger Oil that closed on June 20, 2023. I see nothing that justifies BTE trading at a 35% discount to book value per share.

**Baytex reported Q2 and Q3 2025 results that exceeded my forecast.** Based on their detailed guidance for Q4 2025, the Company should generate over \$350Cdn million of free cash flow for the year. My current valuation of \$6.00Cdn is just 3X annualized operating cash flow per share for 2025 & 2026.

The Company's 3<sup>rd</sup> quarter earnings call highlighted strong operational performance with record production in the Pembina Duvernay and robust free cash flow, despite lower commodity prices impacting forecasts. While there are operational challenges, such as the abandoned of a Duvernay well, the Company's financial position remains strong with significant liquidity. Baytex does have significant oil price risk because ~95% of revenues come from liquid sales.

## Highlights from the Q3 conference call:

- **Record Production in Pembina Duvernay:** Pembina Duvernay achieved a new quarterly production record averaging just over 10,000 BOE per day, with a 53% increase from the previous quarter.
- **Robust Free Cash Flow and Debt Reduction:** Baytex generated \$143 million in free cash flow and reduced net debt by \$50 million to \$2.2 billion, supported by strong operational execution and cost discipline.
- **Heavy Oil and Eagle Ford Asset Performance:** Heavy oil production grew 5% quarter-over-quarter, and Eagle Ford volumes increased by 3%, contributing to steady volumes and strong cash flow.
- **Significant Financial Liquidity:** Baytex has over \$1.3 billion in undrawn credit capacity, with strong financial liquidity and no debt maturing until April 2030.
- **Improved Drilling and Completion Costs:** The Company achieved a 12% improvement in drilling and completion costs in the Eagle Ford operations.




## Things to be concerned about:

- **Lower Oil Prices Impacting Free Cash Flow:** Free cash flow after dividends forecast for 2025 was revised down from \$400 million to \$300 million due to lower commodity prices in the second half of the year.
- **Casing Issues in Duvernay Well:** A well in the Pembina Duvernay had to be abandoned due to casing issues during completion, indicating potential operational challenges.

Baytex deserves a higher valuation multiple once oil prices stabilize. Most encouraging are the Duvernay well results and the successful refracs in South Texas that should increase proved reserves. I originally added BTE to our Sweet 16 in 2023 because I thought they had significant upside in South Texas. Refrac results prove that I was right.

Baytex's Q2 2025 production was 148,095 Boepd, which beat my forecast of 145,800 Boepd. Q3 2025 production of 150,950 Boepd beat my forecast of 149,200 Boepd. The Company does have a history of under-estimating future production volumes, so there is upside to their guidance of 149,000 Boepd for Q4, which I am using in my model.

Most of this year's free cash flow is being generated in the 2<sup>nd</sup> half of the year because their capital program was front-end loaded. Free cash flow after dividends is being used to pay down debt. **The balance sheet is in good shape and Baytex has no near-term debt repayment issues.**

	<b>Disciplined Reinvestment and Capital Allocation</b>	<p>Prioritizing free cash flow<sup>(1)</sup></p> <p>High-quality oil-weighted portfolio with more than 10-years of drilling inventory</p> <p>Track record of new discoveries</p>
	<b>Shareholder Returns</b>	<p>Prioritizing balance sheet in the near-term</p> <p>Annual dividend of \$0.09 per share (declared quarterly)</p> <p>Repurchased 11% of shares outstanding since June 2023</p>
	<b>Financial Position</b>	<p>Significant credit capacity</p> <p>Long-term notes termed out to 2030 and 2032</p> <p>Resilient through the commodity price cycles</p>

**On October 13<sup>th</sup> Bloomberg reported** that *"Baytex Energy is exploring a potential exit from its Eagle Ford shale operations in south Texas, US, as it considers refocusing on assets in Canada. The operations could attract bids of up to \$3 billion, although no final decision has been taken and Baytex may choose to retain the acreage. A company spokesperson refused to comment, reported the media outlet."* Bloomberg reported, citing unnamed people with knowledge of the matter said that *"After expanding its presence in the Eagle Ford two years ago through its acquisition of Ranger Oil, the Calgary, Canada-based producer has now engaged advisers to gauge interest in the US assets."*

**I have not seen any further reports that Baytex is selling their South Texas assets.** The Eagle Ford area does have ample natural gas pipeline access to large LNG export facilities on the Gulf Coast, so it might be an attractive asset package. A sales price of \$3 billion would be more than Baytex's current market-cap.

***My Fair Value Estimate for BTE is \$6.00Cdn & \$4.38US/share***

TipRanks' Price Target is \$4.00Cdn/share

**Disclosure:** I do not have a 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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## 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 mix is approximately light oil & condensate ~ 42%, heavy oil ~ 29%, NGL ~ 13%, natural gas ~ 16%.

## A DIVERSIFIED NORTH AMERICAN E&P OPERATOR



### Market Summary

Ticker Symbol	TSX, NYSE   BTE
Average Daily Volume <sup>(1)</sup>	Canada: 12 million   US: 23 million
Shares Outstanding <sup>(2)</sup>	768 million
Market Capitalization / Enterprise Value <sup>(3)</sup>	\$2.5 billion / \$4.7 billion
Annual Dividend per Share   Dividend Yield <sup>(4)(5)</sup>	\$0.09   2.8%

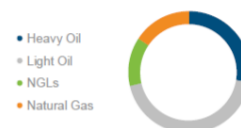
### Operating Statistics

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

### 2025 Production by Business Unit



### 2025 Production by Commodity



(1) Average daily trading volumes for October 1-29, 2025. Volumes are a composite of all exchanges.

(2) Shares outstanding as at October 29, 2025.

(3) Enterprise value based on closing share price on the Toronto Stock Exchange on October 29, 2025 and net debt as at September 30, 2025. Enterprise value is calculated as market capitalization plus net debt and is used to assess the valuation of the Company. Net debt is a capital management measure. Refer to the Capital Management Measures Advisory section in this presentation for further information.

(4) Refer to the Dividend Advisory section in this presentation for further information.

(5) Dividend yield is calculated by dividing the annualized per share dividend by the market share price for the applicable period.




(6) Production, production mix, and exploration and development ("E&D") expenditures represents 2025 guidance.

(7) Baytex's year-end 2024 reserves were evaluated by McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserves evaluator in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101"). See "Advisory Regarding Oil and Gas Information".

## Third Quarter 2025 Highlights

- Delivered production of 150,950 boe/d (86% oil and NGL), a 1% increase in production per basic share compared to Q3/2024.
- Generated free cash flow of \$143 million (\$0.19 per basic share).
- Achieved record Pembina Duvernay production of 10,185 boe/d (77% oil and NGL), up 53% compared to Q2/2025.
- Increased heavy oil production 5% over Q2/2025 with continued strong performance.
- Brought 15.6 net wells to sales in the Eagle Ford with strong execution, achieving a 12% improvement in drilling and completion costs, compared to 2024.
- Expanded its heavy oil development fairway and consolidated Pembina Duvernay acreage through targeted land acquisitions and a property swap.
- Reported cash flows from operating activities of \$473 million (\$0.62 per basic share).
- Generated net income of \$32 million (\$0.04 per basic share).
- Delivered adjusted funds flow of \$422 million (\$0.55 per basic share).
- Reduced net debt by 2% (\$50 million) and maintained balance sheet strength with a total debt to Bank EBITDA ratio of 1.1x.

***“Baytex delivered solid third-quarter results highlighted by record production in the Pembina Duvernay, strong free cash flow generation, and further progress on debt reduction... Our heavy oil business continues to generate reliable returns and, through targeted land acquisitions, we are expanding our long-term inventory. In the Pembina Duvernay, a strategic property swap further consolidates our position, setting the stage for full-scale development. These results reinforce our focus on disciplined capital allocation and demonstrate the quality and value creation potential of our asset base as we work to drive sustainable value for shareholders” - Eric T. Greager, President and Chief Executive Officer.***

	<b>Strong Execution</b>	<p>Operating and financial results in line with full-year plan</p> <p>2% increase in production per share</p> <p>Net debt<sup>(1)</sup> reduced 7% (\$173 million)</p>
	<b>Pembina Duvernay Performance</b>	<p>Achieved record well performance with first pad (3-wells) delivering average peak 30-day initial rates of 1,865 boe/d per well (89% oil and NGL)</p> <p>11% improvement in drilling and completion costs per completed lateral foot, compared to 2024</p>
	<b>Eagle Ford Development</b>	<p>38 net operated wells onstream, realizing a 12% improvement in drilling and completion costs per completed lateral foot, compared to 2024</p> <p>Two successful refracs, extending inventory duration and improving capital efficiencies</p>
	<b>Heavy Oil Program</b>	<p>Production increased 5% in Q3/2025, compared to Q2/2025</p> <p>Continued performance at Peavine, Peace River and Lloydminster</p> <p>Delivers strongest economic return across portfolio</p>

## Financial Results

During the third quarter, Baytex delivered operating and financial results in line with its full-year plan. Adjusted funds flow was \$422 million (\$0.55 per basic share) and net income was \$32 million (\$0.04 per basic share).

Baytex generated free cash flow of \$143 million and returned \$17 million to shareholders through its quarterly dividend.

Net debt decreased 2% (\$50 million) to \$2.2 billion, driven by strong free cash flow, partially offset by an unrealized foreign exchange loss from a weakening Canadian dollar on its U.S. dollar-denominated debt.

Baytex maintained strong financial flexibility with US\$1.1 billion in credit facilities that mature in June 2029 and are less than 15% drawn, positioning it well across various commodity price cycles.



## 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 15% drawn on US\$1.1B of total credit facilities

Repurchased and cancelled US\$41 million of 2030 long-term notes in 2025

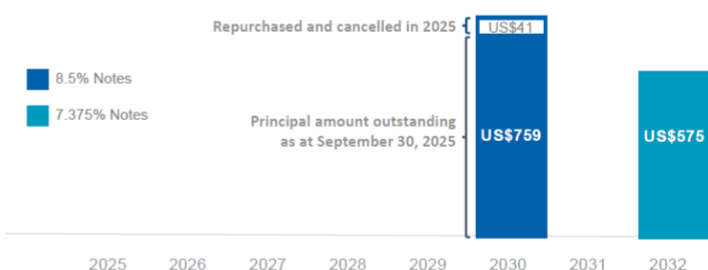
Total debt<sup>(2)</sup> target of \$1.5 billion (~ 0.7x total debt to EBITDA<sup>(2)</sup> at US\$70 WTI)

#### Total Debt <sup>(1)(2)</sup>

C\$ millions

Credit facilities <sup>(3)</sup>	\$182
Long-term notes	
8.500% notes due April 1, 2030	\$1,056
7.375% notes due April 1, 2032	\$800
Total long-term notes	\$1,856
Total debt	\$2,038

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



(1) Total debt as at September 30, 2025.

(2) Calculated in accordance with the amended credit facilities agreement which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

(3) Revolving credit facilities total US\$1.1 billion and mature June 2029. The revolving credit facilities are not borrowing base facilities and do not require annual or semi-annual reviews.

## Operations

Production averaged 150,950 boe/d (86% oil and NGL) in the third quarter, representing a 1% increase in production per basic share compared to Q3/2024. Consistent with Baytex's full-year plan, exploration and development expenditures for Q3/2025 totaled \$270 million and Baytex brought 69 (61.6 net) wells onstream.

	Light Oil – USA (Eagle Ford)	Light Oil – Canada (Viking/Duvernay)	Heavy Oil – Canada (Peace River/Peavine/ Lloydminster)
<b>Production (2025E)</b>	82,000 boe/d	18,000 boe/d	44,000 boe/d
<b>% Liquids</b>	81%	83%	96%
<b>Land (net acres)</b>	178,000	317,000	745,000
<b>2P Reserves (Gross) <sup>(1)</sup></b>	401 MMboe	109 MMboe	137 MMboe
<b>Asset Level Free Cash Flow (% of corporate) <sup>(2)</sup></b>	55%	5%	40%
<b>Drilling Locations (net) <sup>(3)</sup></b>	~ 800	~ 1,200	~ 1,100
<b>Individual Well Economics <sup>(4) (5)</sup></b>			
<b>IRRs</b>	45% to 90%	55% to 90%	95% to > 250%
<b>Payouts</b>	14 to 26 months	14 to 21 months	8 to 13 months
<b>CROCI <sup>(6)</sup></b>	2.1x to 2.5x	2.0x to 2.7x	2.4x to 4.0x

(1) Baytex's year-end 2024 reserves were evaluated by McDaniel & Associates Consultants Ltd, ("McDaniel"), an independent qualified reserves evaluator in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101"). See "Advisory Regarding Oil and Gas Information".

(2) 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.

(3) Net locations includes proved plus probable undeveloped reserves locations at year-end 2024 and unbooked future locations. See "Advisory Regarding Oil and Gas Information".

(4) Individual well economics based on constant pricing and costs and Baytex's internal assumptions using an average type curve for wells within each asset that are expected to be developed in the five-year outlook (representing ~ 40% of our inventory of booked and un-booked risked locations).

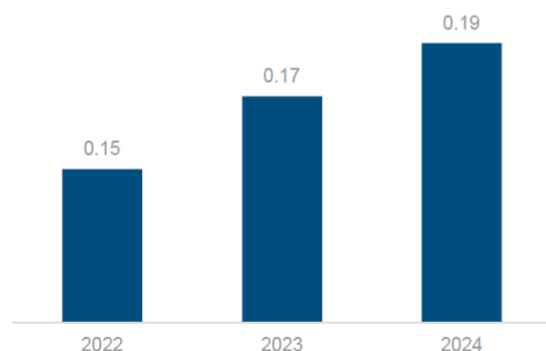
(5) Commodity price assumptions: WTI – US\$75/bbl; WCS differential – US\$13/bbl; NYMEX Gas - US\$3.25/MMBtu; Exchange Rate (CAD/USD) – 1.40.

(6) Cash Return on Capital Invested ("CROCI") is a supplementary financial measure calculated as the undiscounted cash flow stream for an individual well divided by the cost to drill, complete, equip and tie-in a well.

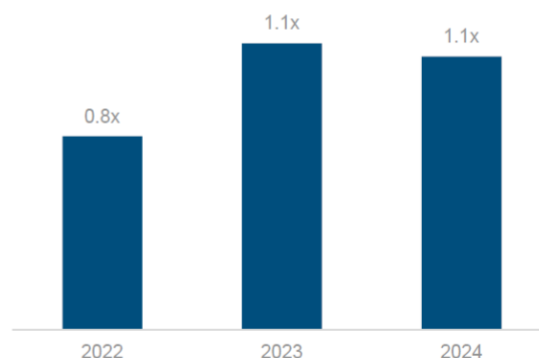
## CREATING SHAREHOLDER VALUE

### Production per share growth with reasonable leverage

Production (boe/d) per thousand shares



Total debt<sup>(1)</sup> to Bank EBITDA<sup>(1)(2)</sup>



(1) Calculated in accordance with the amended credit facilities agreement which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca)

(2) Total Debt to Bank EBITDA ratio based on year-end total debt and trailing 12-month Bank EBITDA.

BAYTEX ENERGY / NYSE / TSX BTE

### Oil-Focused Eagle Ford Development

Eagle Ford production averaged 82,765 boe/d (82% oil and NGL), relatively unchanged from Q2/2025. Crude oil production averaged 52,330 bbl/d, up 3% from Q2/2025.

Baytex's 2025 development program has largely focused on the black oil to condensate windows of its acreage. Baytex brought 15.6 net wells onstream while achieving a 12% improvement in operated drilling and completion costs per completed lateral foot compared to 2024.

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During the second quarter Baytex successfully completed two refracs in the Lower Eagle Ford. The wells continue to deliver results comparable to Baytex's broader development program with improved capital efficiencies and returns. Baytex anticipates an expanded refrac program in 2026.

## 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 52 net wells to sales (~ 75% operated) in 2025

#### 2025 Operated Activity

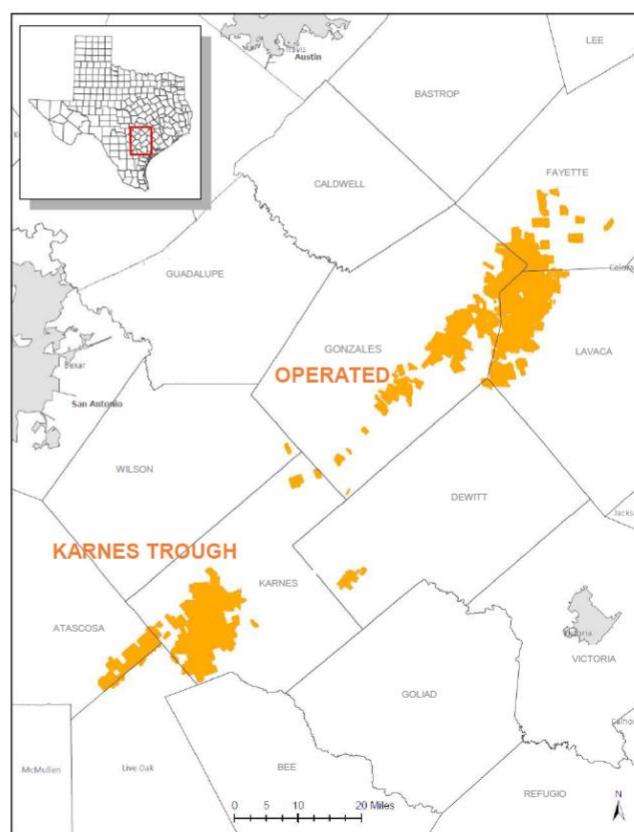
Expect to bring 40 operated wells onstream - **37 Lower Eagle Ford wells and 3 Upper Eagle Ford wells**

Realized ~ **12% improvement in YTD drilling and completion costs per lateral foot** over 2024

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

**Two successful refracs** extends inventory duration and improves capital efficiencies



BAYTEX ENERGY / NYSE / TSX BTE

## Record Pembina Duvernay Production

Production from Baytex's Canadian light oil business averaged 19,589 boe/d (80% oil and NGL), up 20% from Q2/2025. The Pembina Duvernay represents Baytex's largest growth asset and accounted for approximately 50% of Canadian light oil production during the quarter.

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Baytex achieved record Pembina Duvernay production of 10,185 boe/d (77% oil and NGL) in Q3/2025, up 53% from Q2/2025. The third pad (10-31, 3 wells) from Baytex's 2025 program was brought onstream in September with two of three wells generating strong 30-day peak production rates averaging 1,380 boe/d per well (830 bbl/d of crude oil, 355 bbl/d of NGLs, 1,172 Mcf/d of natural gas). The third well encountered casing issues during completion and was subsequently abandoned.

## CANADA LIGHT OIL: PEMBINA DUVERNAY / VIKING

### High netback light oil

Pembina Duvernay Shale is a growth asset in the Canadian portfolio

#### Pembina Duvernay

143 net sections

Demonstration-stage light oil resource play

Produced **10,200 boe/d** in Q3/2025 (77% liquids)

**8 net wells** onstream in 2025

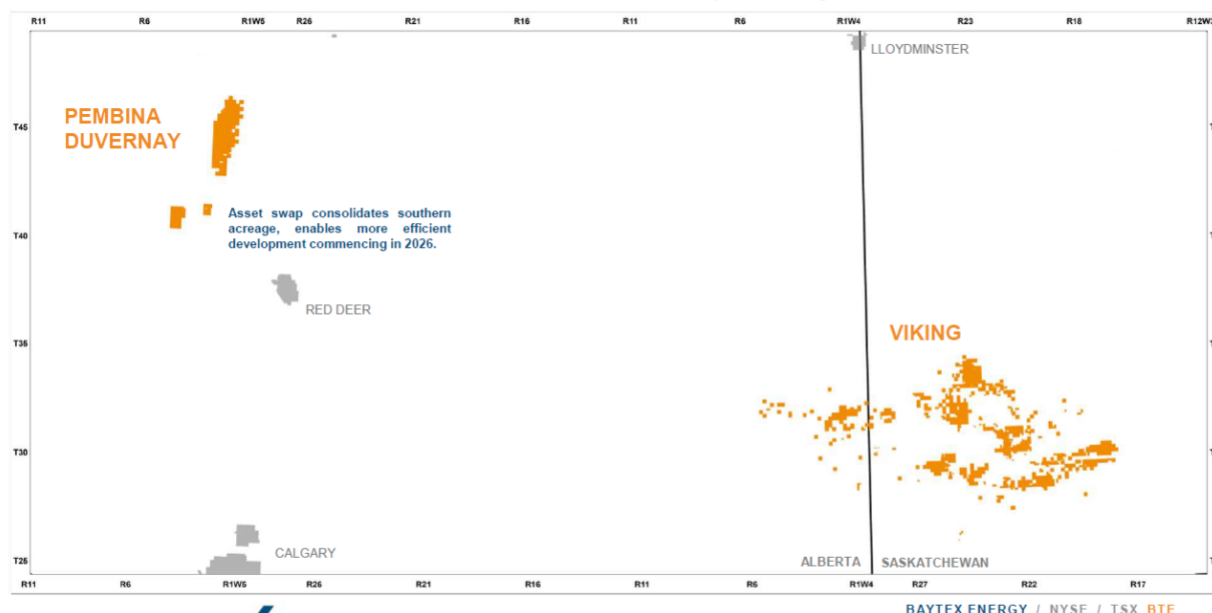
#### Viking

355 net sections

Stable production and high netbacks

Produced **9,400 boe/d** in Q3/2025 (83% liquids)

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



Baytex's 2025 program (3 pads, 8 producing wells) exceeded initial rate expectations and sets the stage for full commercialization. Strong production, combined with an 11% improvement in drilling and completion costs per completed lateral foot compared to 2024, has significantly improved well economics.

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Baytex has assembled 140 net sections of highly prospective lands and identified approximately 200 drilling locations. Over the next two years, Baytex expects to transition to a one-rig drilling program with 18 to 20 wells per year, targeting production of 20,000-25,000 boe/d by 2029-2030.

Subsequent to quarter-end, Baytex completed an asset swap in the Pembina Duvernay consolidating its southern acreage. This enables more efficient development of these lands commencing in 2026. In addition, in support of Baytex's ongoing development, Baytex commissioned midstream infrastructure associated with its partnership with Gibson Energy. Construction of the infrastructure was completed on time and under budget.

## CANADA HEAVY OIL: PEACE RIVER / PEAVINE / LLOYDMINSTER

### Innovative Multi-Lateral Drilling and Top-Tier Efficiencies

Clearwater at Peavine Delivers Exceptional Well Performance and Economics

#### Peace River (Bluesky)

524 net sections

Produced **11,600 boe/d** in Q3/2025 (86% oil)

Expect to bring ~ **12 net MLHZ wells** onstream in 2025

#### Peavine (Clearwater)

Partnership with Peavine Métis Settlement covering

**134.5 contiguous sections**

Produced **20,950 boe/d** in Q3/2025 (100% oil)

Expect to bring ~ **42 net MLHZ wells** onstream in 2025

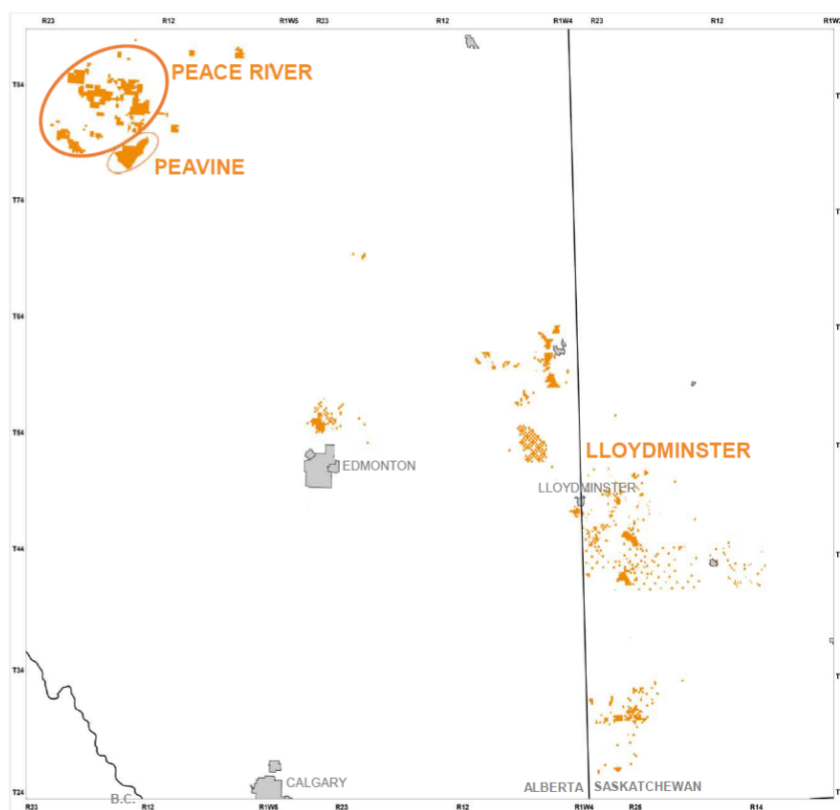
#### Lloydminster (Mannville)

523 net sections

Produced **13,500 boe/d** in Q3/2025 (98% oil)

Targeting multiple horizons within the Mannville group of formations

Expect to bring ~ **58 net wells** onstream in 2025



## Organic Heavy Oil Growth and Inventory Expansion

Heavy oil production averaged 47,280 boe/d (96% oil and NGL), up 5% from Q2/2025. Strong operating results reflect continued performance at Peavine, Peace River, and across the broader Mannville group in Lloydminster. Baytex brought onstream 20.0 net wells during the quarter: 10 Clearwater wells at Peavine, 4 wells at Peace River, and 6 wells at Lloydminster.






Baytex continues to build on its heavy oil expertise and enhance its long-term inventory of development prospects. During the 3<sup>rd</sup> quarter, Baytex acquired 40.5 net sections of highly prospective lands at Peace River, and 4.5 net sections in northeast Alberta targeting the broader Mannville group. To-date in 2025, through organic development and land acquisitions, Baytex has added 200 drilling locations to its inventory count, bringing its heavy oil portfolio to 1,100 drilling locations. This supports approximately 10 years of drilling at Baytex's current pace of development.

Baytex's heavy oil operations continue to deliver the strongest economic returns across its portfolio, supported by its extensive acreage, capital-efficient development, and the continued strength in Western Canadian Select pricing.

## Quarterly Dividend

The Board of Directors has declared a quarterly cash dividend of \$0.0225 per share, payable January 2, 2026 to shareholders of record on December 15, 2025.

*"Based on my current forecast, Baytex should generate free cash flow after dividends of \$300Cdn million in 2025."* – Dan Steffens.

Recent Price Targets submitted to TipRanks					Price target ⓘ \$Cdn
Analyst/Rank	Analyst firm	Rating	Date		
 <b>Jeremy Mccrea</b> ★★★★★	BMO Capital	Hold	11/03/2025		\$3.00
 <b>Luke Davis</b> ★★★★★	Raymond James	Hold	10/31/2025		\$3.50
 <b>Andrew Wong CFA</b> ★★★★★	RBC Capital	Buy	10/31/2025		\$5.00
 <b>Phillips Johnston</b> ★★★★☆	Capital One Financial	Hold	10/27/2025		\$4.00
 <b>Dan Payne</b> ★★★★★	National Bank	Buy	10/22/2025		\$4.50

## Hedging Update

- Target up to 45% of Net Crude Oil Volumes
- Disciplined hedge program to help mitigate volatility in revenue due to changes in commodity prices
- Utilize wide 2-way collars and puts to ensure modest returns at lower commodity prices while maintaining exposure to upside and minimizing costs

### CRUDE OIL HEDGE PORTFOLIO

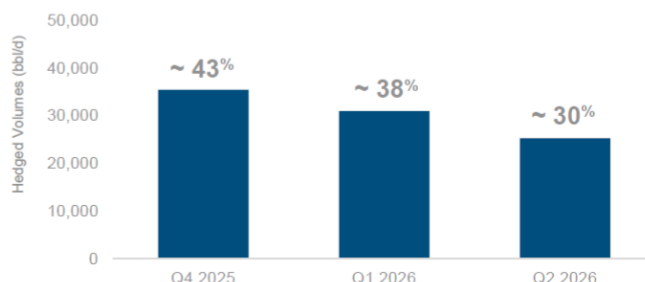
## Balanced Approach to Risk Management



**Target up to 45% of Net Crude Oil Volumes<sup>(1)</sup>**

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

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



Collars (Weighted Average)			
Ceiling (US\$)	\$71.69	\$67.28	\$65.86
Floor (US\$)	\$60.00	\$60.00	\$60.00

(1) Percentage of hedged volumes are based on 2025 production guidance (excluding NGLs), net of royalties.



## 2025 Outlook

Baytex remains committed to disciplined capital allocation, prioritizing free cash flow and strengthening its balance sheet. Baytex continues to execute its 2025 plan and anticipate full-year production of approximately 148,000 boe/d with exploration and development expenditures of approximately \$1.2 billion.

Based on year-to-date actual results and the forward strip for the balance of 2025(4) Baytex expects to generate free cash flow of approximately \$300 million in 2025. Baytex continues to allocate 100% of free cash flow to debt repayment after funding quarterly dividend payments, targeting net debt of approximately \$2.1 billion by year-end.

Baytex's 2026 capital budget will be released in January following approval by its Board of Directors.

## 2025 GUIDANCE AND COST ASSUMPTIONS

Exploration and development expenditures (\$ billions)	~ \$1.2
Production (boe/d)	~ 148,000
Expenses:	
Average royalty rate (%) <sup>(1)</sup>	~ 22%
Operating (\$/boe) <sup>(2)</sup>	\$11.75 - \$12.00
Transportation (\$/boe) <sup>(2)</sup>	\$2.40 - \$2.55
General and administrative (\$ millions) <sup>(2)</sup>	\$95 (\$1.76/boe)
Cash interest (\$ millions) <sup>(2)</sup>	\$180 (\$3.33/boe)
Current Income Taxes (\$ millions)	< 1% of EBITDA <sup>(3)</sup>
Leasing expenditures (\$ millions)	\$15
Asset retirement obligations (\$ millions)	\$20

- (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) Supplementary financial measure calculated as operating expense, transportation expense, general and administrative expense or cash interest expense divided by barrels of oil equivalent production volume for the applicable period.
- (3) Calculated in accordance with the amended credit facilities agreement which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).



## 2025 RETURN OF CAPITAL

### Shareholder return framework to prioritize balance sheet

#### Free Cash Flow Priorities

Strengthening Balance Sheet

##### Near-term

100% of free cash flow to debt repayment after funding quarterly dividend

##### Long-term

Maintain a prudent approach to shareholder returns, which has historically comprised a mix of share buybacks and quarterly dividends

2025 Free Cash Flow (\$ millions)<sup>(1)(2)</sup>



Shares Repurchased (millions)



- (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 free cash flow sensitivity based on 9-month actual results for 2025 and each assumed WTI price for H2/2025 along with the following commodity price assumptions: WCS differential – US\$12/bbl; NYMEX Gas – US\$3.75/MMBtu; Exchange Rate (CAD/USD) – 1.35. Baytex generated \$198 million of free cash flow in the first nine months of 2025.

## FIVE-YEAR OUTLOOK (2024 – 2028)

### Sustainable plan<sup>(1)(2)</sup> delivers significant value



#### Prioritizing free cash flow<sup>(3)</sup>

Balance sheet, quarterly dividend, share buybacks



#### 0-4% annual production growth

Base plan delivers stable production; optionality for organic growth under higher commodity prices



#### Strong economics across portfolio

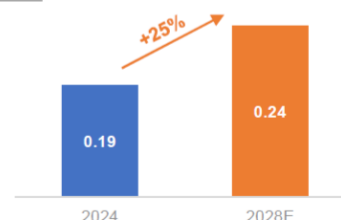
> 10 years of drilling inventory



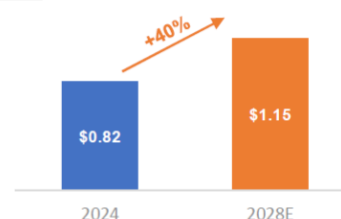
#### Balance sheet strength

Target total debt<sup>(4)</sup> to Bank EBITDA<sup>(4)</sup> ratio < 1.0x

Production  
(boe/d per thousand shares)



Free Cash Flow (per share)<sup>(3)</sup>



(1) Five-year outlook released on December 3, 2024 and based on a mid-cycle WTI price of US\$75/bbl WTI. Year one (2024) based on actual results. Year two (2025) based on 2025 guidance. Years three through five (2026 to 2028) assume 0% annual production growth at flat US\$75/bbl WTI. Budget and forecast beyond 2025 have not been finalized and are subject to a variety of factors including prior year's results. For illustrative purposes only and should not be relied upon as indicative of future results. Baytex's actual results may vary.

(2) Commodity price assumptions 2025 to 2028: WTI - US\$75/bbl; WCS differential - US\$13/bbl; NYMEX gas - US\$3.25/MMBtu; exchange rate (CAD/USD) - 1.40.

(3) 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.

(4) Calculated in accordance with the amended credit facilities agreement which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca)

## FIVE-YEAR OUTLOOK (2024 – 2028)

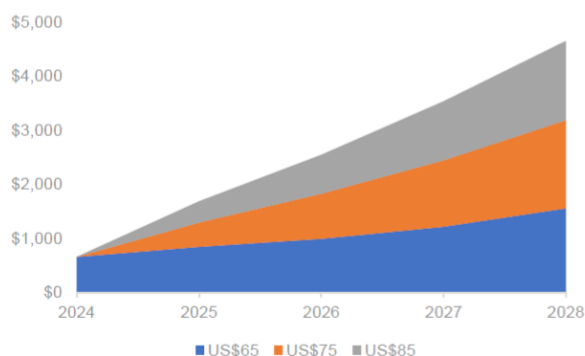
### Shareholder Returns<sup>(1)(2)</sup>



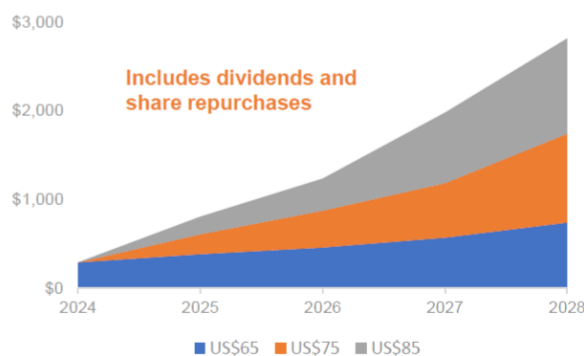
#### Compelling Returns Profile

Underpinned by disciplined reinvestment and capital allocation

Free Cash Flow<sup>(3)</sup> over Five-Year Outlook (\$ millions)



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



- (1) Five-year outlook released on December 3, 2024 and based on a mid-cycle WTI price of US\$75/bbl WTI. Year one (2024) based on actual results. Year two (2025) based on 2025 guidance. Years three through five (2026 to 2028) assume 0% annual production growth at flat US\$65/bbl and US\$75/bbl WTI scenarios, and ~2% annual production growth at flat US\$85/bbl scenario. Budget and forecast beyond 2025 have not been finalized and are subject to a variety of factors including prior year's results. For illustrative purposes only and should not be relied upon as indicative of future results. Baytex's actual results may vary.
- (2) Commodity price assumptions 2025 to 2028 at WTI prices of US\$65/bbl, US\$75/bbl and US\$85/bbl. WCS differential – US\$13/bbl; NYMEX gas – US\$3.25/MMBtu; exchange rate (CAD/USD) – 1.40.
- (3) 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.

## Net Income and Cash Flow Forecast Model

November 10, 2025

Baytex Energy Corp. (BTE)		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									
Net Income and Cash Flow 2022 - 2026 (last updated 11/10/2025)															
(\$Thousands)				Canadian Dollars		Canadian Dollars									
		Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual 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	\$886,579	\$927,648	\$828,167	\$3,641,524	\$3,535,593	< Forecast Revenues include effect of hedges
Less: Royalties		(562,964)	(669,792)	(209,171)	(240,440)	(223,800)	(206,675)	(880,086)	(207,937)	(177,390)	(181,230)	(165,633)	(732,190)	(742,475)	< 20% in 2025 and 21% in 2026
Commodity derivatives - cash settlements		(334,481)	36,212	5,488	(2,257)	331	(2,115)	1,447	(194)	(11,874)	(8,580)	0	(20,648)	0	
Commodity derivatives - Non-cash MTM		135,471	(11,517)	(32,350)	10,790	22,596	(382)	654	(49,425)	30,537	3,541	0	(15,347)	0	
Total Revenues		2,127,071	2,737,524	748,159	892,683	873,750	816,378	3,330,970	741,574	727,852	741,379	662,533	2,873,338	2,793,119	
EXPENSES:															Operating Expenses per BTE guidance
Operating expenses		422,666	570,839	173,435	167,705	167,119	145,690	653,949	147,703	161,020	160,284	159,698	628,705	644,216	< \$11.65 /boe
Transportation		48,561	89,306	29,835	33,314	36,883	33,110	133,142	30,512	32,907	35,295	34,955	133,669	141,009	< \$2.55 / boe
Blending and other		189,454	224,802	64,208	67,685	51,902	80,148	263,943	72,820	62,381	49,750	51,405	236,356	207,366	< \$3.75 / boe
G&A		50,270	69,789	22,412	21,006	17,895	20,433	81,746	25,606	22,220	20,736	24,000	92,562	100,000	
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	457	127	250	941	2,000	
Share based compensation		29,056	37,699	9,523	5,565	2,305	479	17,872	763	1,555	10,737	2,000	15,055	16,000	
DD&A		587,050	1,047,904	344,137	353,101	356,384	332,288	1,385,910	319,923	322,159	329,093	325,565	1,296,740	1,313,316	< \$23.75 / 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	51,713	52,436	52,000	211,395	200,000	< All FC after dividends will paydown debt in 2H 2025
Foreign exchange (gain) or loss		43,441	(10,848)	39,937	20,055	(24,552)	120,455	155,895	(3,878)	(100,586)	36,921	0	(67,543)	0	
(Gain) loss on disposal of assets		(4,898)	141,295	(2,661)	6,311	1,091	(3,521)	1,220	1,229	(666)	(1,591)	0	(1,028)	0	
Other (income) expense		3,244	(456)	1,071	1,025	(9,107)	322	(6,689)	1,189	685	583	1,000	3,457	6,000	
TOTAL EXPENSES		1,236,156	3,254,106	744,721	759,500	658,702	794,757	2,957,680	651,220	553,845	694,371	650,874	2,550,310	2,629,906	
NET INCOME BEFORE TAXES		890,915	(516,582)	3,438	133,183	215,048	21,621	373,290	90,354	174,007	47,008	11,660	323,029	163,213	
INCOME TAXES															
Current		3,594	14,403	1,680	6,475	(3,748)	17,359	21,766	2,152	4,547	(5,733)	233	1,199	3,264	< 2%
Deferred		31,716	(297,629)	15,801	22,810	33,570	42,746	114,927	18,611	17,911	20,773	2,449	59,744	34,275	< 21%
NET INCOME		\$855,605	(\$233,356)	(\$14,043)	\$103,898	\$185,226	(\$38,484)	\$236,597	\$69,591	\$151,549	\$31,968	\$8,978	\$262,086	\$125,674	
Common Stock outstanding (thousands)		557,986	821,681	773,590	773,590	773,590	773,590	773,590	771,443	768,317	768,317	768,317	769,099	765,000	< 2025 is stock outstanding at end of each Qtr
Earnings per share		\$1.53	(\$0.28)	(\$0.02)	\$0.13	\$0.24	(\$0.05)	\$0.31	\$0.09	\$0.20	\$0.04	\$0.01	\$0.34	\$0.16	Stock Buybacks placed on hold for remainder of 2025
NOTE: Current First Call Estimated EPS									\$0.09	\$0.20	\$0.04	\$0.01	\$0.34	\$0.07	< TipRanks' EPS forecasts
Cashflow per share (before CapEx)		\$2.06	\$1.85	\$0.54	\$0.68	\$0.68	\$0.59	\$2.49	\$0.60	\$0.47	\$0.54	\$0.44	\$2.05	\$1.90	< 2025 Capex Guidance is \$1.2 Cdn billion (Oct 30)
									\$0.60	\$0.47	\$0.54	\$0.44	\$2.05	\$1.90	< Valuation of 3 X 2025 to 2026 CFPS = \$ 6.00 < Cdn
															< TipRanks \$Cdn EPG PT in US dollars \$ 4.38 < \$US @ 73%
PRODUCTION															Q4 2024 2H 2025
Light Oil & Condensate (bbls/d)		33,106	53,389	66,036	67,031	69,843	64,661	66,893	62,335	62,108	64,935	62,580	62,990	63,630	< 42.3% < 42% TipRanks 5 analysts >>> \$ 4.00 < \$Cdn
Heavy Oil (bbls/d)		28,972	35,460	40,560	43,703	42,759	42,227	42,312	40,192	42,959	45,269	43,210	42,907	43,935	< 27.6% < 29%
NGLs (bbls/d)		7,575	14,304	19,299	20,167	19,837	21,208	20,128	19,046	19,948	19,067	19,370	19,358	19,695	< 13.9% < 13%
Natural Gas (Mcf/d)		83,108	114,010	148,353	139,760	132,175	148,792	142,270	135,731	138,482	130,076	143,040	136,832	145,440	< 16.2% < 16%
boepd		83,504	122,155	150,621	154,194	154,468	152,895	153,044	144,194	148,095	150,950	149,000	148,060	151,500	< 2025 Guidance is ~148,000 Bboepd (Oct 30)
PRODUCT PRICES															< YOY production growth
Light Oil & Condensate		107.73	110.25	100.96	107.61	100.78	98.75	102.02	99.46	85.98	87.52	79.19	88.04	82.62	< See impact of hedges less \$3/bbl differential
Heavy Oil		90.74	76.37	82.61	99.31	89.29	88.85	90.02	93.63	77.34	78.99	73.19	80.79	76.62	< WTI oil price /0.73 less \$9 differential
NGLs		43.58	29.43	26.15	24.48	27.45	29.00	26.77	31.31	25.68	23.60	25.00	26.40	30.00	
Natural Gas		5.70	3.08	2.38	2.05	2.14	2.50	2.27	3.98	3.16	2.16	2.79	3.02	3.25	< 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	874,705	919,068	828,167	3,636,701	3,535,593	< Revenues are net of cash settlements on hedges on row 11
									998,936	874,705	919,068	828,167	3,636,701	3,535,593	< TipRanks' Revenue Estimates in \$Cdn
									998,936	874,705	919,068	828,167	3,636,701	3,535,593	

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