

## Management

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## EPG Commentary by Dan Steffens

**Baytex Energy Corp. (NYSE:BTE)** is the largest holding in our Small-Cap Growth Portfolio, with a market capitalization of Cdn\$5.1 billion. The stock is up 58.4% year to date, driven mainly by stronger oil prices and a strategic asset sale that allowed the company to repay most of its debt.

On December 19, 2025, Baytex completed the sale of its South Texas assets for Cdn\$2.96 billion. Production is now about 69,000 boe/d, and the company is focused on increasing output in Western Canada. Revenue remains heavily weighted toward oil, and none of its oil production is hedged beyond June 30, 2026. As a result, operating cash flow could rise significantly in the second half of 2026.

Baytex reported first-quarter 2026 results that exceeded my expectations. During the quarter, the company repurchased 35.1 million shares, and I expect it to continue using free cash flow to fund buybacks. The new CEO is also committed to funding annual production growth of 6% to 8% entirely through operating cash flow.

In 2025, Baytex generated Cdn\$1,504 million in adjusted operating cash flow and Cdn\$275 million in free cash flow. My current valuation of Cdn\$8.00 per share is based on 5x annualized operating cash flow per share for 2025 through 2027. Baytex is also expected to generate nearly Cdn\$600 million in free cash flow in 2026.

## BAYTEX OVERVIEW

**Focused Canadian Oil Producer**

Technical leadership and disciplined capital allocation

**Commitment to Shareholder Returns**

Industry-leading net cash position with flexibility to invest, grow, and return capital through the cycle

**Compelling Valuation**

Accelerating growth and shareholder returns support meaningful re-rate potential

### Corporate Profile

Shares Outstanding <sup>(1)</sup>	718 million
Market Capitalization <sup>(2)</sup>	\$4.8 billion
Net (cash) debt <sup>(3)</sup>	(\$0.6 billion)
Quarterly dividend <sup>(4)</sup>	\$0.0225 per share
Dividend yield <sup>(5)</sup>	1.3%
Annual Production <sup>(6)</sup>	69 – 71 Mboe/d
% Oil and NGL <sup>(6)</sup>	89%

1) Shares outstanding as at May 29, 2026.

2) Market capitalization based on closing share price on the Toronto Stock Exchange on May 29, 2026.

3) Net (cash) debt as at March 31, 2026. Net (cash) 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 represents 2026 guidance.

**My Fair Value Estimate for BTE is \$8.00Cdn & \$5.84US/share**

TipRanks' Price Target is \$7.35Cdn/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.



## Company Overview

Baytex Energy Corp. is a Calgary-based energy company committed to driving shareholder value through disciplined execution. It operates a high-quality, high-return portfolio in the Western Canadian Sedimentary Basin, featuring the Pembina Duvernay and heavy oil plays in Alberta and Saskatchewan. These core assets are backed by an extensive drilling inventory and consistently generate strong cash flow.



## 2025 Highlights

- Completed the divestiture of U.S. Eagle Ford assets for net proceeds of \$3.0 billion on December 19, 2025, successfully transitioning Baytex to a focused Canadian producer.
- **Significantly strengthened financial position with net cash of \$857 million (cash less principal amount of Senior Notes that remain outstanding).**

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- Delivered 2025 Canadian production of 65,528 boe/d (89% oil and NGL), representing 6% organic growth over 2024. Q4/2025 Canadian production averaged 67,295 boe/d (88% oil and NGL).
- Reported a 2025 net loss of \$604 million (\$0.78 per basic share) due to non-cash, one-time items associated with the Eagle Ford divestiture and a Viking impairment, with no impact to cash flow.
- Reported cash flows from operating activities of \$1.5 billion (\$1.93 per basic share) for 2025, including \$228 million (\$0.30 per basic share) in the fourth quarter.
- Delivered full-year adjusted funds flow of \$1.5 billion (\$1.97 per basic share) with \$262 million (\$0.34 per basic share) generated in Q4/2025.
- Realized free cash flow of \$275 million (\$0.36 per basic share) for the full-year, including \$76 million (\$0.10 per basic share) in Q4/2025.
- Re-initiated share buybacks on December 24, 2025.

*"2025 was a definitive year for Baytex, marked by the successful repositioning of our portfolio into a focused, high-return Canadian oil producer. We strengthened our financial position and reinforced our potential for long-term value creation. With a sustaining breakeven of US\$52/bbl WTI, Baytex is well-positioned to navigate market volatility and accelerate shareholder returns. Our 2026 plan is already delivering operational momentum across our core Pembina Duvernay and heavy oil fairways, and I am confident the company is set up for a seamless leadership transition."* - Eric T. Greager, Chief Executive Officer

## Divestitures

On December 19, 2025, Baytex completed the divestiture of its U.S. Eagle Ford assets for net proceeds of US\$2.2 billion (\$3.0 billion in Canadian dollars) after closing adjustments. As a result of the disposition, results from the operated and non-operated Eagle Ford properties have been classified as discontinued operations for the current and comparative periods. This strategic divestiture significantly strengthens Baytex's financial position and sharpens its focus on a high-return Canadian energy platform, positioning the Company for long-term value creation. With the closing of the transaction, Baytex is now in a net cash position. The Company intends to use a portion of these proceeds to repay its outstanding credit facilities and redeem its outstanding 8.500% Senior Notes due 2030 and has also commenced a cash tender offer for its US\$575 million of outstanding 7.375% Senior Notes due 2032.

## First Quarter 2026 Highlights

- Delivered production of 69,478 boe/d (88% oil and NGL), exceeding the high end of quarterly guidance.
- Generated adjusted funds flow of \$151 million (\$0.20 per basic share) and cash flows from operating activities of \$122 million (\$0.16 per basic share).
- Repurchased 35.1 million common shares for \$174 million, representing 4.6% of shares outstanding. Exited the first quarter with net cash of \$591 million.
- Strong Peavine performance with first 6 wells of 2026 program exceeding initial expectations.
- Drilled seven discrete horizons in the Mannville at Lloydminster.
- Acquired an additional 40 sections of highly prospective lands at Utikuma in the Peace River region.

## STRATEGIC PRIORITIES

Committed to technical leadership and long-term value creation

### 1. Target 15% annual total shareholder return

- Production growth, dividends and share buybacks – at a mid-cycle WTI price of US\$70/bbl
- Underpinned by a strong, flexible balance sheet

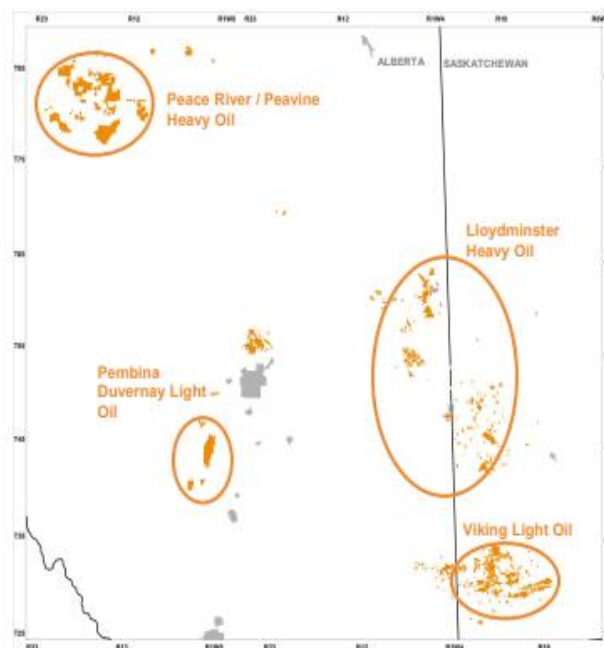
### 2. Building a culture of disciplined growth and long-term value

- Deliver 6% to 8% annual production growth
- Continuous improvement in cash costs and capital efficiencies; target a long-term sustaining break-even price of under US\$50/bbl WTI

### 3. Achieve full scale development in the Duvernay and advance heavy oil opportunity set

- Duvernay: targeting 20,000 - 25,000 boe/d by 2029-2030, supported by 91,500 net acres and ~ 210 drilling locations
- Heavy oil exploration: increase activity to expand development inventory and test new play concepts across heavy oil fairway - Utikuma seismic survey and step out wells
- Peavine waterflood pilots: potential for enhanced recovery and moderated decline rates; first injection June 2026
- Gemini thermal SAGD: 44 million barrels probable reserves; technical planning advancing toward potential FID in 2027

Premier Canadian Assets



## Financial & Operating Results

Baytex delivered strong first quarter results highlighted by outperformance across the heavy oil portfolio. Production averaged 69,478 boe/d (88% oil and NGL), exceeding the high end of the quarterly guidance range of 68,000 to 69,000 boe/d. Exploration and development expenditures totaled \$145 million, consistent with the full-year plan, and we brought 54 (52.7 net) wells onstream. Adjusted funds flow was \$151 million (\$0.20 per basic share). Baytex generated a net loss of \$67 million (\$0.09 per basic share), due largely to unrealized financial derivatives losses.

First quarter operating results reflect continued performance at Peavine, Peace River, and across the broader Mannville group in Lloydminster. Baytex brought onstream 25.7 net wells during the quarter: 6 Clearwater wells at Peavine, 3 wells at Peace River and 16.7 net wells at Lloydminster. At Peavine, the first six wells of our 2026 program generated an average 30-day initial production rate of 680 bbl/d per well, significantly outperforming expectations. At Lloydminster, there were 3-rigs running during the quarter. Baytex successfully targeted seven discrete horizons in the Mannville through a combination of multi-lateral and circulation string horizontal wells. In the first quarter, Baytex acquired an additional 40 sections of highly prospective lands at Utikuma in the Peace River region, bringing its land holdings in the area to 109 sections. Baytex recently completed a 21-square-mile seismic survey covering 20% of its land base, and following interpretation, it could drill its first exploration test well in early 2027.

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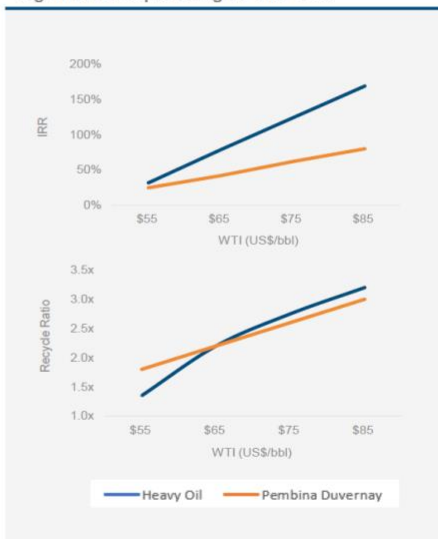
## SUMMARY OF CANADIAN OPERATING AND FINANCIAL METRICS

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	Q1 2026
<b>Benchmark Prices</b>											
WTI crude oil (US\$/bbl)	\$76.96	\$80.57	\$75.10	\$70.27	\$75.72	\$71.42	\$63.74	\$63.74	\$59.14	\$64.81	\$71.93
NYMEX natural gas (US\$/MMBtu)	\$2.24	\$1.89	\$2.16	\$2.79	\$2.27	\$3.65	\$3.44	\$3.44	\$3.55	\$3.43	\$5.04
<b>Production</b>											
Crude oil (bbl/d)	52,053	54,779	56,540	53,795	54,296	51,967	54,126	57,874	54,659	54,672	56,743
Natural gas liquids (bbl/d)	2,631	2,309	2,533	3,519	2,749	3,123	2,986	3,485	4,488	3,524	4,368
Natural gas (mcf/d)	44,380	39,599	33,566	48,113	41,412	43,743	42,331	40,961	48,895	43,988	50,205
Oil equivalent (boe/d) <sup>(1)</sup>	62,081	63,688	64,668	65,332	63,948	62,380	64,167	68,185	67,295	65,528	69,478
% Liquids	88%	90%	86%	88%	89%	88%	89%	90%	88%	89%	88%
<b>Netback (\$/boe)</b>											
Total sales, net of blending and other expenses <sup>(2)</sup>	\$62.33	\$76.07	\$72.37	\$64.31	\$68.79	\$67.92	\$59.71	\$61.88	\$53.55	\$60.61	\$60.30
Royalties <sup>(3)</sup>	(10.01)	(12.58)	(11.99)	(10.05)	(11.16)	(10.55)	(8.19)	(8.55)	(6.97)	(8.52)	(8.25)
Operating expense <sup>(4)</sup>	(15.12)	(14.57)	(14.69)	(13.12)	(14.36)	(13.46)	(15.08)	(13.55)	(13.84)	(13.98)	(12.99)
Transportation expense <sup>(5)</sup>	(3.22)	(3.38)	(4.17)	(3.59)	(3.60)	(3.34)	(3.52)	(3.68)	(3.44)	(3.50)	(3.70)
Operating Netback <sup>(2)</sup>	\$33.98	\$45.54	\$41.52	\$37.55	\$39.67	\$40.57	\$32.92	\$36.10	\$29.30	\$34.61	\$35.36

## STRONG WELL ECONOMICS<sup>(1)</sup> ACROSS PORTFOLIO

Heavy Oil <sup>(2)</sup>			Pembina Duvernay <sup>(3)</sup>		
DCET (\$MM) <sup>(4)</sup>	\$2.0 - \$3.0		DCET (\$MM) <sup>(4)</sup>	\$12.5	
EUR (Mboe) <sup>(5)</sup>	100 - 175 (89% - 100% liquids)		EUR (Mboe) <sup>(5)</sup>	900 - 1,000 (76% liquids)	
IP 365 (boe/d)	100 - 145 (86% - 100% liquids)		IP 365 (boe/d)	550 - 650 (84% liquids)	
WTI	US\$65	US\$75	WTI	US\$65	US\$75
IRRs <sup>(6)</sup>	62% - 95%	104% - 141%	IRR <sup>(6)</sup>	42%	62%
Payouts <sup>(7)</sup>	13 - 23 months	11 - 14 months	Payout <sup>(7)</sup>	25 months	19 months
Recycle Ratio <sup>(8)</sup>	2.1x - 2.3x	2.6x - 2.9x	Recycle Ratio <sup>(8)</sup>	2.2x	2.6x

### Significant Torque to Higher Oil Prices




- 1) Pricing Assumptions: WTI-WCS differential – US\$12.50/bbl, AECO Gas – \$2.75/Mcf, Exchange Rate (CAD/USD) = 1.4.
- 2) Heavy oil includes multi-lateral horizontal (MLHZ) and circulation string horizontal wells across the Clearwater, Bluesky and Mannville group.
- 3) Pembina Duvernay based on an average 4,000 meter completed lateral length (CLL) and 320 meter inter-well spacing.
- 4) DCET refers to the cost to drill, complete, equip and tie-in a well.
- 5) EUR refers to the estimated ultimate recovery of a well, an approximation of the quantity of oil or gas that is expected to be economically recoverable over its producing life.
- 6) IRR refers to the internal rate of return; a measure used to compare the profitability of an investment and represents the discount rate at which the net present value of costs equals the net present value of the benefits. The higher a project's IRR, the more desirable the project.
- 7) Payout refers to the point at which all costs of drilling and operating a well are recouped from the sale of its production.
- 8) Recycle ratio is calculated by dividing operating netback on a per boe basis by F&D costs. F&D costs refer to the DCET cost divided by the EUR.

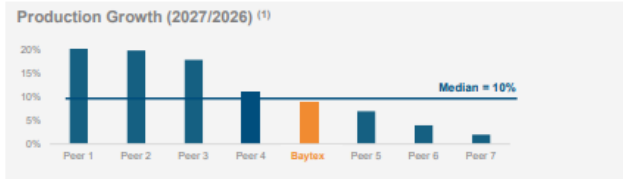
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*If oil prices remain elevated, 2026 will be a very good year for Baytex shareholders.*

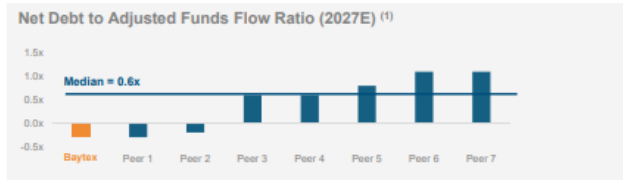
## COMPELLING VALUATION UPSIDE

Potential for equity re-rate with competitive growth and balance sheet

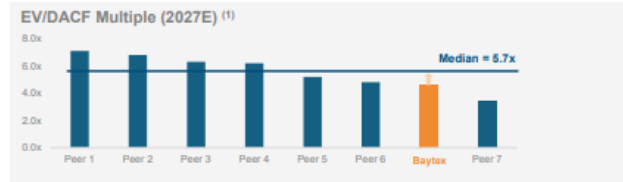
 Competitive production growth



 Industry-leading balance sheet



 Compelling valuation

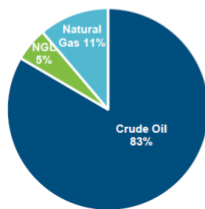


1) Source: Peter's & Co., May 25, 2026. Commodity prices: WTI - US\$73.82/bbl, WCS differential - US\$14.95/bbl, NYMEX Gas - US\$3.45/MMBtu; Exchange Rate (CAD/USD) - 1.36.

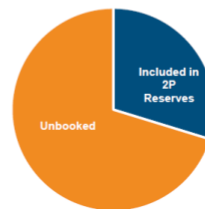
## STRONG OPERATING LEVERAGE TO CRUDE OIL

88% production weighting to crude oil; significant drilling inventory

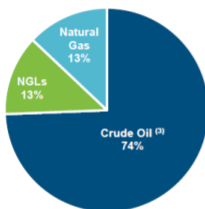
Canada 2025 Production - 65,500 boe/d



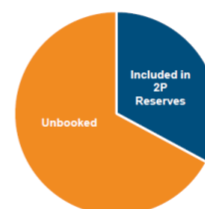
~ 1,100 Total Heavy Oil Drilling Locations



Canada 2P Reserves (YE 2025) - 282 MMboe (1)(2)



~ 210 Total Pembina Duvernay Drilling Locations



1) Baytex's reserves evaluated by McDaniel & Associates, an independent qualified reserves evaluator.  
2) Canada proved reserves (1P) at YE 2025: 151 MMboe (crude oil - 67%, NGLs - 17%, natural gas - 16%).  
3) Includes 44.5 million barrels of probable reserves associated with the Gemini Thermal project.

## Reserves

Baytex's year-end 2025 reserves were evaluated by McDaniel & Associates Consultants Ltd., an independent qualified reserves evaluator. All of Baytex's oil and gas properties were evaluated in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and the Canadian Oil and Gas Evaluation Handbook using the average commodity price forecasts and inflation rates of McDaniel, GLJ Petroleum Consultants and Sproule ERCE as of January 1, 2026.

Reserves Summary	Light and Medium Oil (Mbbbls)	Tight Oil (Mbbbls)	Heavy Oil (Mbbbls)	Bitumen (Mbbbls)	Total Oil (Mbbbls)	Natural Gas Liquids <sup>(3)</sup> (Mbbbls)	Conventional Natural Gas <sup>(4)</sup> (MMcf)	Shale Gas (MMcf)	Total <sup>(5)</sup> (Mboe)
<b>Gross <sup>(1)</sup></b>									
Proved producing	8,466	4,256	38,513	-	51,235	7,003	46,117	18,277	68,970
Proved developed non-producing	-	-	993	-	993	1	236	-	1,033
Proved undeveloped	11,252	18,464	19,254	-	48,970	17,815	28,428	55,041	80,696
<b>Total proved</b>	<b>19,718</b>	<b>22,719</b>	<b>58,760</b>	<b>-</b>	<b>101,197</b>	<b>24,819</b>	<b>74,780</b>	<b>73,318</b>	<b>150,699</b>
<b>Total probable</b>	<b>12,817</b>	<b>10,062</b>	<b>41,149</b>	<b>44,459</b>	<b>108,487</b>	<b>10,837</b>	<b>39,115</b>	<b>32,051</b>	<b>131,185</b>
<b>Proved plus probable</b>	<b>32,535</b>	<b>32,781</b>	<b>99,909</b>	<b>44,459</b>	<b>209,684</b>	<b>35,657</b>	<b>113,896</b>	<b>105,369</b>	<b>281,884</b>
<b>Net <sup>(2)</sup></b>									
Proved producing	8,029	3,593	33,045	-	44,666	6,115	41,598	16,663	60,492
Proved developed non-producing	-	-	868	-	868	1	219	-	905
Proved undeveloped	10,735	15,798	17,184	-	43,718	15,577	24,806	49,697	71,712
<b>Total proved</b>	<b>18,764</b>	<b>19,391</b>	<b>51,097</b>	<b>-</b>	<b>89,252</b>	<b>21,694</b>	<b>66,623</b>	<b>66,360</b>	<b>133,109</b>
<b>Total probable</b>	<b>11,876</b>	<b>8,065</b>	<b>34,599</b>	<b>35,743</b>	<b>90,282</b>	<b>9,129</b>	<b>34,047</b>	<b>28,442</b>	<b>109,826</b>
<b>Proved plus probable</b>	<b>30,640</b>	<b>27,455</b>	<b>85,696</b>	<b>35,743</b>	<b>179,534</b>	<b>30,823</b>	<b>100,670</b>	<b>94,801</b>	<b>242,936</b>

### Notes:

(1) "Gross" reserves means the total working interest share of remaining recoverable reserves owned by Baytex before deductions of royalties payable to others.

(2) "Net" reserves means Baytex's gross reserves less all royalties payable to others plus royalty interest reserves.

(3) Natural Gas Liquids includes condensate.

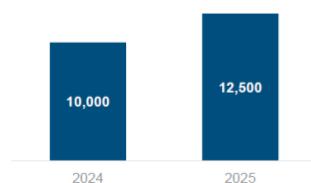
(4) Conventional Natural Gas includes associated, non-associated and solution gas.

(5) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOEs may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## EXECUTION AND PERFORMANCE IN THE PEMBINA DUVERNAY

### Transition to commercialization with improved well economics

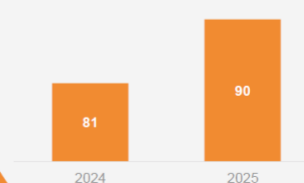
25% Increase in Completed Lateral Length (CLL, feet)



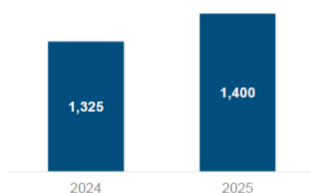
Execution Improvements

- Enhanced drilling assembly
- Improved completion uniformity
- Tapered cluster design
- Optimized pumping schedule

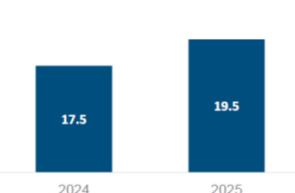
11% Improvement in EUR <sup>(1)</sup> (Boe per foot, CLL)



5% Improvement in Drilling Efficiency (ft/day)



10% Improvement in Completion Efficiency (Pumping hours/day)



11% Improvement in Well Cost (DCET, \$/foot CLL)



1) EUR refers to the estimated ultimate recovery of a well, an approximation of the quantity of oil or gas that is expected to be economically recoverable over its producing life.

### Record Pembina Duvernay Production

In the Duvernay, production is expected to increase 35% to average approximately 11,000 boe/d in 2026, with a target year-end exit rate of 14,000 to 15,000 boe/d. Baytex currently has one rig running in the Duvernay, drilling the first well of a four-well pad on its southern acreage. The Company expects to drill 17 wells (up from 12 wells) and bring 13 wells onstream. The remaining four wells are expected to be completed and brought onstream in the first quarter of 2027. Baytex has also commenced its infrastructure build-out for 2026, including anchor oil batteries and water handling.

### Organic Heavy Oil Growth and Inventory Expansion

Baytex's heavy oil portfolio is expected to deliver stable production and reliable returns. Baytex currently has five drilling rigs active across its heavy oil fairway targeting the Clearwater at Peavine and the broader Mannville stack in Lloydminster. Baytex expects to bring 100 heavy oil wells onstream in 2026. In addition, Baytex's 2026 program will see increased exploration activity, including stratigraphic tests, step-out wells and 3-D seismic.

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At Peavine, Baytex is drilling the third of thirteen multi-lateral horizontal wells on a single pad. In addition, Baytex intends to undertake two waterflood pilot projects as it looks to blend the attractive capital efficiencies of multi-lateral primary development with the potential upside of enhanced recovery and moderated decline rates.

At Lloydminster, Baytex's first quarter drilling program will target seven discrete horizons in the Mannville: Cummings, GP, Lloydminster, McLaren, Sparky and both the Upper and Lower Waseca. In northeast Alberta, Baytex recently brought onstream two multi-lateral wells in the Sparky that generated average 30-day initial production rates of 450 bbl/d per well, and a five-well pad in the Upper Waseca that generated average 30-day initial production rates of 150 bbl/d per well. In the Viking, Baytex is running a largely level-loaded one rig program in 2026 (outside of spring break-up) to maximize efficiencies. Baytex expects to bring 73 net wells onstream in 2026.

## INCREASING HEAVY OIL EXPLORATION ACTIVITY

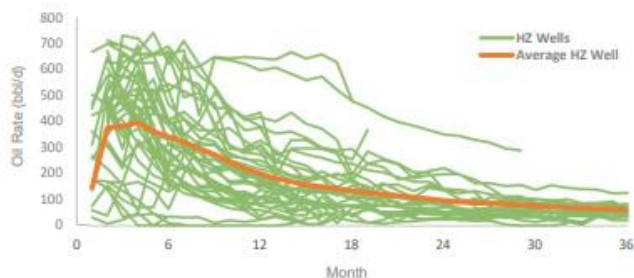
Building on our heavy oil expertise and enhancing prospect inventory

Targeting Pekisko mounds (pinnacle reef-like buildups) near our Peace River / Peavine operations

Acquired additional 40 sections at Utikuma in Q1 2026, bringing total land holdings to 109 sections

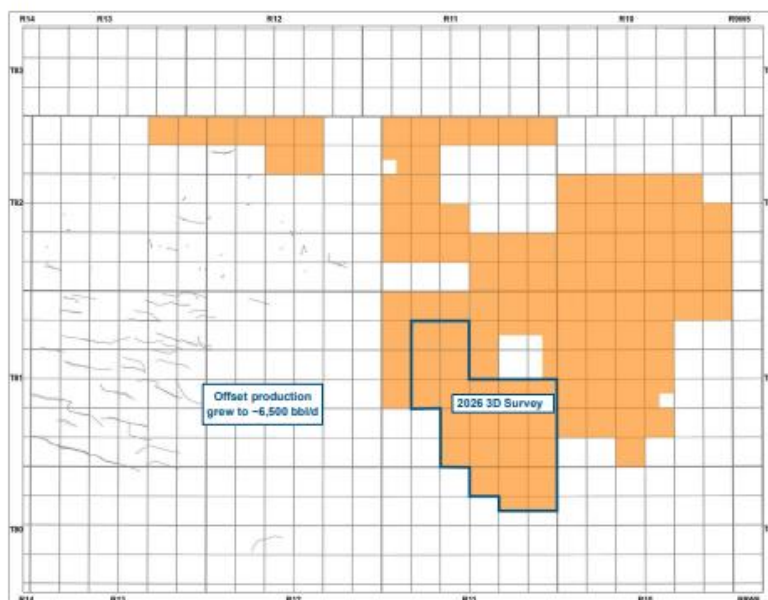
Completed 21-square mile seismic survey, and following interpretation, first exploration well could be drilled in Q1 2027

### Offsetting Pekisko Mound Production



Source: GeoSCOUT

### Utikuma Land Position








## Quarterly Dividend

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

*“Based on my current forecast, Baytex should generate free cash flow after dividends of \$450Cdn million in 2026.”* – Dan Steffens.

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Recent Price Targets submitted to TipRanks 6-3-2026					Price target ⓘ \$Cdn
Analyst/Rank	Analyst firm	Rating	Date		
 <b>Dennis Fong</b> ★★★★★	CIBC	Hold	06/01/2026		\$7.25
 <b>Gregory Pardy</b> ★★★★★	RBC Capital	Hold	05/08/2026		\$7.00
 <b>Menno Hulshof</b> ★★★★★	TD Cowen	Hold	05/08/2026		\$6.50
 <b>Kevin Fisk</b> ★★★★★	Scotiabank	Buy	05/08/2026		\$7.50
 <b>Amir Arif</b> ★★★★★	ATB Cormark Capital Markets	Hold	05/07/2026		\$8.50

## Baytex Energy (BTE) Technical Analysis

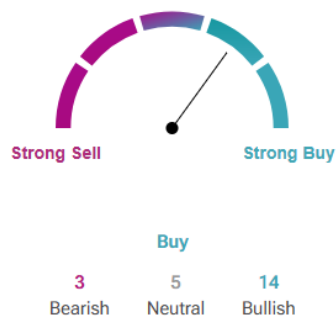
Source: TipRanks Premium 6-3-2026

Technical Sentiment

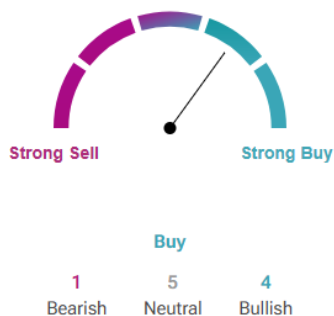
[AI Technical Analysis](#)

1 Minute 5 Minutes 15 Minutes 30 Minutes 1 Hour 5 Hours **1 Day** 1 Week 1 Month

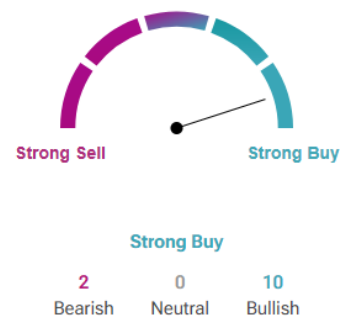
Overall Consensus



Technical Analysis Consensus



Moving Average Consensus



## Hedging Update

Baytex employs a disciplined hedging strategy to manage heavy oil basis differential volatility. For 2026, approximately 45% of its net heavy oil basis differential exposure is hedged at a WTI-WCS basis differential of US\$13.13/bbl.

Baytex also has WTI hedges in place for the first half of 2026. For Q1/2026 Baytex has entered into hedges on approximately 60% of its net crude oil exposure utilizing two-way collars with an average floor price of US\$60/bbl and an average ceiling price of US\$67/bbl.

### Crude Oil - Note that none of oil is hedged after June 2026

Collar	Apr 2026 to Jun 2026	5,000 bbl/d	US\$60.00/US\$67.00/bbl	WTI
Collar	Apr 2026 to Apr 2026	2,500 bbl/d	US\$60.00/US\$68.00/bbl	WTI
Collar	Apr 2026 to Jun 2026	5,000 bbl/d	US\$60.00/US\$66.00/bbl	WTI
Collar	Apr 2026 to Jun 2026	5,000 bbl/d	US\$60.00/US\$64.00/bbl	WTI
Collar	Apr 2026 to Jun 2026	5,000 bbl/d	US\$60.00/US\$65.00/bbl	WTI
Collar	Apr 2026 to Jun 2026	2,500 bbl/d	US\$60.00/US\$68.00/bbl	WTI

### Natural Gas

Swap	Apr 2026 to Dec 2026	2,000 GJ/d	\$3.21/GJ	AECO
Swap <sup>(3)</sup>	May 2026 to Dec 2026	7,000 GJ/d	\$1.64/GJ	AECO
Basis differential	Apr 2026 to Dec 2026	2,500 mmbtu/d	NYMEX less US\$1.66/mmbtu	NYMEX/AECO
Collar	Apr 2026 to Dec 2026	2,500 mmbtu/d	US\$4.00/US\$5.10/mmbtu	NYMEX

## Managing WTI-WCS basis differential volatility



**45% of heavy oil basis differential exposure hedged through 2026**

### WTI Hedges

**Q2/2026** 25,000 bbl/d (~50%) with US\$60/bbl floor and US\$66/bbl ceiling

### WTI-WCS Basis Differential Hedges <sup>(1)</sup>



## 2026 Outlook

Baytex enters 2026 as a focused Canadian producer with a high-quality asset base centered on heavy oil operations and an attractive position in the Pembina Duvernay.

Baytex's 2026 budget, released in December 2025, targets **annual production of 69,000 to 71,000 boe/d**, representing 3% to 5% organic growth year-over-year, with E&D expenditures of \$625 million. This plan is designed to deliver disciplined growth while investing in the long-term infrastructure and exploration to support future value creation. Baytex has significant inventory depth and optionality across its portfolio to support its current plan and potentially accelerate growth beyond these levels.

## Running Room

Baytex's heavy oil assets comprise 750,000 net acres and **1,100 drilling locations, supporting approximately 12 years of drilling at its current pace of development**. Baytex currently has five drilling rigs active across its heavy oil fairway targeting the Clearwater at Peavine and the broader Mannville stack in Lloydminster.

**Baytex expects to bring 91 heavy oil wells onstream in 2026.**

Baytex's 2026 program will see increased exploration activity, including stratigraphic tests, step-out wells and 3-D seismic, to expand its development inventory and test new play concepts across its extensive heavy oil fairway. In addition,

Baytex is advancing two waterflood pilot projects at Peavine, blending the attractive capital efficiencies of multi-lateral primary development with the potential for enhanced recovery and moderated decline rates.

In the Duvernay, Baytex has assembled 91,500 net acres and identified approximately 210 drilling locations. Production is expected to increase 35% to average approximately 11,000 boe/d in 2026, with a target year-end exit rate of 14,000 to 15,000 boe/d. Baytex currently has one rig drilling a four-well pad on its southern acreage. Completion operations are scheduled for the second quarter with the wells expected to be onstream by mid-year. The remaining two pads are expected onstream during the third and fourth quarters.

## 2026 GUIDANCE AND COST ASSUMPTIONS

Exploration and development expenditures (\$ millions)	~ \$625
Production (boe/d)	69,000 - 71,000
Expenses:	
Average royalty rate (%) <sup>(1)</sup>	~ 15%
Operating (\$/boe) <sup>(2)</sup>	\$13.75 - \$14.25
Transportation (\$/boe) <sup>(2)</sup>	\$3.40 - \$3.60
Leasing expenditures (\$ millions)	\$7
Asset retirement obligations (\$ millions)	\$20

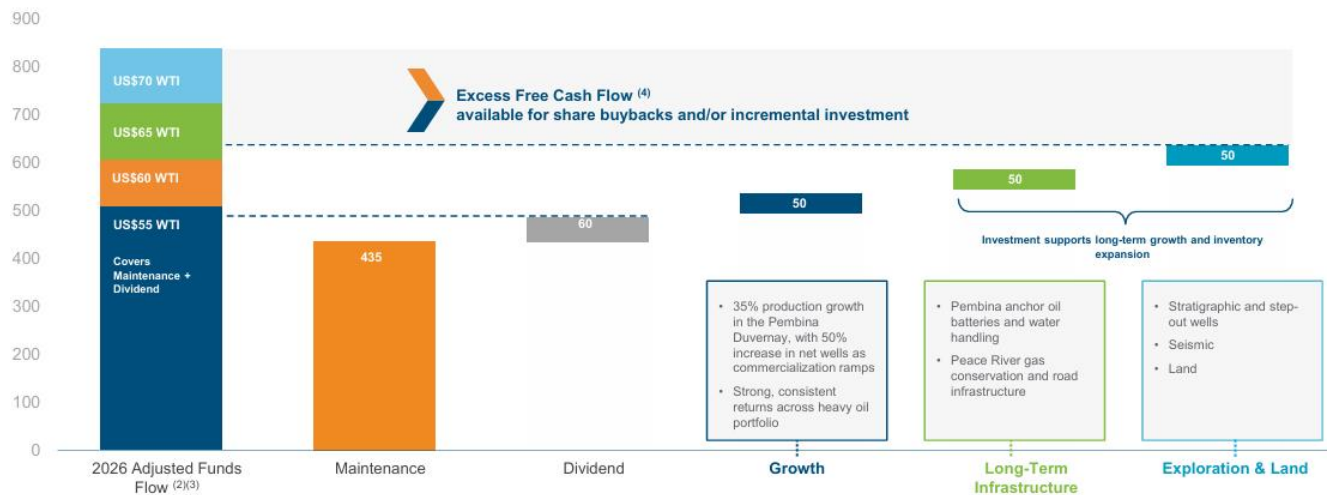


## 2026 CAPITAL ALLOCATION WATERFALL

Enabling growth, returns, and value creation



Capital Allocation (\$MM) <sup>(1)</sup>



1) Represents mid-point of capital guidance range.  
 2) Commodity price assumptions: WTI-WCS Differential - US\$12.50/bbl, AECO Gas - \$3.00/Mcf, Exchange rate (CAD/USD) = 1.4. Adjusted funds flow sensitivities includes the impact of ARO and leasing expenditures.  
 3) Capital management measure. Refer to the Specified Financial Measures Advisory section in this presentation for further information.  
 4) Excess free cash flow is calculated as free cash flow less dividend payments. Free cash flow is a 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.

## DISCIPLINED 2026 CAPITAL BUDGET

Increased production guidance driven by strong operating performance and planned 2H activity

~ 7% annual production growth

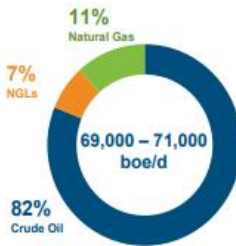
Significant value creation in the Pembina Duvernay

Consistent heavy oil performance delivers reliable returns

2026e Capital Expenditure



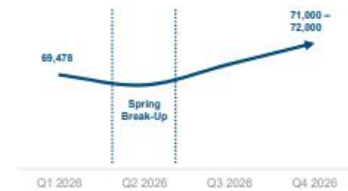
2026e Production



Capex Breakdown (\$MM)

Maintenance	435
Growth	90
Long-term Infrastructure	50
Exploration and Land	50
<b>Total</b>	<b>625</b>

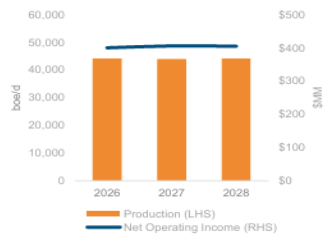
Production Profile (boe/d)



## 3-YEAR OUTLOOK

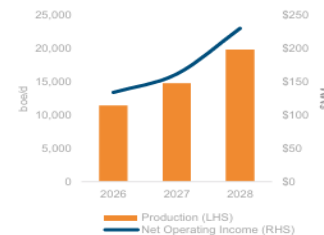
### Sustainable value creation at US\$60 WTI

Heavy Oil 3-Year Outlook



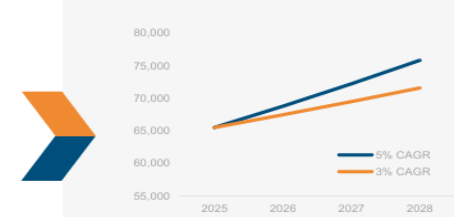
**Heavy Oil:** Stable portfolio generates substantial free cash flow to fund Duvernay growth; optionality for growth at higher WTI prices

Pembina Duvernay 3-Year Outlook



**Pembina Duvernay:** > 30% production CAGR<sup>(2)</sup> over three years drives 80% increase in net operating income

Production Profile (boe/d)



**3-5% Production CAGR<sup>(2)</sup>:** with optionality to accelerate growth at higher WTI prices

**Balance Sheet:** Net cash position maintained during plan period, excluding potential tuck-in acquisitions

**Shareholder Returns:** Excess free cash flow available for share buybacks, dividends or incremental investment

## Net Income and Cash Flow Forecast Model

		<b>Ranger Oil Acquisition closed June 20, 2023</b>		On December 19th 2025 Baytex closed the sale of their S.Texas Eagle Ford assets for \$2.96Cdn billion net of closing adjustments. Selling 82,765 Boepd with mix of 52,330 bpd of Light oil, 15,582 bpd of NGL and 89,115 mctpd. All heavy oil in Canada stays in BTE.												
Baytex Energy Corp. (BTE) Net Income and Cash Flow 2023 - 2027 (last updated 6/3/2026) (\$Thousands)		Canadian Dollars					Canadian Dollars									
	Actual 2023	Actual 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual Qtr3 2025	Actual Qtr4 2025	Actual Year 2025	Actual Qtr1 2026	Forecast Qtr2 2026	Forecast Qtr3 2026	Forecast Qtr4 2026	Forecast Year 2025	Forecast 2027			
<b>REVENUES:</b>																
Oil, NGL and natural gas sales	\$3,382,621	\$4,208,955	\$999,130	\$886,579	\$927,648	\$759,815	\$3,573,172	\$452,954	\$588,782	\$675,981	\$613,968	\$2,331,685	\$2,296,884	< Forecast Revenues include effect of hedges		
Less: Royalties	(669,792)	(880,086)	(207,937)	(177,390)	(181,230)	(145,581)	(712,138)	(51,589)	(88,317)	(101,397)	(92,095)	(333,399)	(344,533)	< 20% in 2025 and 15% in 2026		
Commodity derivatives - cash settlements	36,212	1,447	(194)	(11,874)	(8,580)	1,013	(19,635)	(29,289)	0	0	0	(29,289)	0			
Commodity derivatives - Non-cash MTM	(11,517)	654	(49,425)	30,537	3,541	17,911	2,564	(121,467)	0	0	0	(121,467)	0	< Non-cash item that does not impact the stock valuation		
<b>Total Revenues</b>	<b>2,737,524</b>	<b>3,330,970</b>	<b>741,574</b>	<b>727,852</b>	<b>741,379</b>	<b>633,158</b>	<b>2,843,963</b>	<b>250,609</b>	<b>500,465</b>	<b>574,584</b>	<b>521,873</b>	<b>1,847,530</b>	<b>1,952,352</b>			
<b>EXPENSES:</b>																
Operating expenses	570,839	653,949	147,703	161,020	160,284	157,734	626,741	81,244	87,906	90,160	92,123	351,433	383,250	<b>Operating Expenses per BTE guidance on May 6</b>		
Transportation	89,306	133,142	30,512	32,907	35,295	30,666	129,380	23,134	21,977	22,540	23,031	90,681	95,813	< \$14.00 /boe		
Blending and other	224,802	263,943	72,820	62,301	49,750	50,039	234,990	75,921	50,232	51,520	52,642	230,315	219,000	< \$3.70 / boe		
G&A	69,789	81,746	25,606	22,220	20,736	34,963	103,525	22,299	19,000	19,000	20,000	80,299	80,000	< Reduction in workforce soon after EF sale closes		
Transaction costs	49,045	1,539	0	0	0	0	0	0	0	0	0	0	0			
Exploration and evaluation	8,896	779	107	457	127	4,843	5,534	665	250	250	250	1,415	1,000			
Share based compensation	37,699	17,872	763	1,555	10,737	20,254	33,309	22,870	5,000	5,000	10,000	42,870	30,000			
DD&A	1,047,904	1,385,910	319,923	322,159	329,093	293,517	1,264,692	123,690	125,580	128,800	131,604	509,674	547,500	< \$20.00 / boe		
Impairment (reversal)	833,662	0	0	0	0	148,000	148,000	0	0	0	0	0	0			
Financing expense	192,173	268,374	55,246	51,713	52,436	185,607	345,002	3,097	3,000	3,000	3,000	12,097	12,000	< EF sale proceeds paid off most interest-bearing debt		
Foreign exchange (gain) or loss	(10,848)	155,895	(3,878)	(100,586)	36,921	(30,100)	(97,643)	1,934	0	0	0	1,934	0			
(Gain) loss on disposal of assets	141,295	1,220	1,229	(666)	(1,591)	509,108	508,080	(2,017)	0	0	0	(2,017)	0			
<b>Net (Income) from discontinued operations</b>								<b>(12,353)</b>					<b>(12,353)</b>			
Other (income) expense	(456)	(6,689)	1,189	685	583	1,452	3,909	1,704	2,500	2,500	2,500	9,204	12,000			
<b>TOTAL EXPENSES</b>	<b>3,254,106</b>	<b>2,957,680</b>	<b>651,220</b>	<b>553,845</b>	<b>694,371</b>	<b>1,406,083</b>	<b>3,305,519</b>	<b>342,188</b>	<b>315,445</b>	<b>322,770</b>	<b>335,149</b>	<b>1,315,552</b>	<b>1,380,563</b>			
<b>NET INCOME BEFORE TAXES</b>	<b>(516,582)</b>	<b>373,290</b>	<b>90,354</b>	<b>174,007</b>	<b>47,008</b>	<b>(772,925)</b>	<b>(461,556)</b>	<b>(91,579)</b>	<b>185,020</b>	<b>251,814</b>	<b>186,723</b>	<b>531,978</b>	<b>571,789</b>			
<b>INCOME TAXES</b>																
Current	14,403	21,766	2,152	4,547	(5,733)	29,016	29,982	0	1,850	2,518	1,867	6,236	5,718	< 1%		
Deferred	(297,629)	114,927	18,611	17,911	20,773	54,946	112,241	(24,253)	40,704	55,399	41,079	112,930	125,794	< 22%		
<b>NET INCOME</b>	<b>(233,356)</b>	<b>\$236,597</b>	<b>\$69,591</b>	<b>\$151,549</b>	<b>\$31,968</b>	<b>(\$856,887)</b>	<b>(\$603,779)</b>	<b>(\$67,326)</b>	<b>\$142,466</b>	<b>\$193,897</b>	<b>\$143,777</b>	<b>\$412,813</b>	<b>\$440,278</b>			
Common Stock outstanding (thousands)	821,681	773,590	771,443	768,317	768,317	768,317	769,099	730,561	720,000	710,000	700,000	730,000	680,000	< Common stock outstanding at end of each Qtr		
Earnings per share	(\$0.28)	\$0.31	\$0.09	\$0.20	\$0.04	(\$1.12)	(\$0.79)	(\$0.09)	\$0.20	\$0.27	\$0.21	\$0.57	\$0.65	Stock Buybacks Ramping up in 2026		
NOTE: Current First Call Estimated EPS	\$ 1,516,626	\$ 1,926,186	\$ 460,351	\$ 363,354	\$ 416,715	\$ 263,653	\$ 1,504,073	\$ 148,506	\$ 309,000	\$ 368,346	\$ 316,710	\$ 1,142,562	\$ 1,084,571	< TipRanks' EPS forecasts		
Cashflow per share (before CapEx)	\$1.85	\$2.49	\$0.60	\$0.47	\$0.54	\$0.34	\$1.96	\$0.20	\$0.43	\$0.52	\$0.45	\$1.60	\$1.59	< 2026 Capex Guidance is \$625 Cdn million (May 6)		
<b>PRODUCTION</b>																
Light Oil & Condensate (bbls/d)	53,389	66,893	62,335	62,108	64,935	54,140	60,880	11,835	11,937	12,600	12,874	12,312	15,000	< Valuation of 5 X 2026 to 2027 CFPS = \$ 8.00 < Cdn		
Heavy Oil (bbls/d)	35,460	42,312	40,192	42,959	45,269	42,628	42,762	44,908	44,505	44,450	45,418	44,820	46,500	< TipRanks' EPS forecasts		
NGLs (bbls/d)	14,304	20,128	19,046	19,948	19,067	18,011	19,018	4,367	4,278	4,550	4,649	4,461	5,250	< 2026 Capex Guidance is \$625 Cdn million (May 6)		
Natural Gas (Mcf/d)	114,010	142,270	135,731	138,482	130,076	133,845	134,534	50,205	49,680	50,400	51,497	50,446	49,500	< TipRanks' EPS forecasts		
boepd	122,155	153,045	144,194	148,095	150,950	137,087	145,082	69,478	69,000	70,000	71,524	70,000	75,000	< 2026 Guidance is 69,000 to 71,000 Boepd (May 6)		
<b>PRODUCT PRICES</b>																
Light Oil & Condensate	46.3%	25.3%	Commodity Prices in \$Cdn net of hedges					-5.2%	Commodity Prices in \$Cdn net of hedges					-51.8%	7.1%	< YOY production growth
Heavy Oil	110.25	102.02	99.46	85.98	87.52	80.38	88.33	83.55	110.14	123.84	108.77	106.57	96.44	< WTI oil price /0.73 less \$20 differential		
NGLs	76.37	90.02	93.63	77.34	78.99	58.62	77.14	85.79	112.14	125.84	110.77	108.63	98.44	< WTI oil price /0.73 less \$18 differential		
Natural Gas	29.43	26.77	31.31	25.68	23.60	23.63	26.06	21.78	24.00	26.00	30.00	25.44	30.00	< WAG		
Gross Revenue check (prod * ave price)	3,418,712	4,210,446	998,936	874,705	919,068	709,802	3,511,834	423,665	588,782	675,981	613,968	2,334,564	2,296,884	< Revenues are net of cash settlements on hedges on row 11		
			Oil & Gas revenues include cash settlements on hedges >					423,665	309,800	322,400	N/A	1,840,000	1,580,000	< First Call's Revenue Estimates in \$Cdn		

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