

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Q1 2019

Baytex had the following financial derivative contracts outstanding as of May 2, 2019:

	Period	Volume	Price/Unit ⁽¹⁾	Index	Fair Value ⁽²⁾ (\$ millions)
Oil					
Fixed - Sell	Apr 2019 to Jun 2019	2,000 bbl/d	US\$62.85/bbl	WTI \$	0.8
Basis Swap	Apr 2019 to Jun 2019	4,000 bbl/d	WTI less US\$14.20/bbl	WCS \$	(1.5)
Basis Swap	Jul 2019 to Sep 2019	4,000 bbl/d	WTI less US\$17.38/bbl	WCS \$	(1.2)
Basis Swap	Oct 2019 to Dec 2019	4,000 bbl/d	WTI less US\$20.88/bbl	WCS \$	(0.2)
Fixed - Sell	Apr 2019 to Dec 2019	3,000 bbl/d	US\$61.63/bbl	WTI \$	1.4
3-way option ⁽³⁾	Apr 2019 to Dec 2019	2,000 bbl/d	US\$50.00/US\$60.00/US\$70.00	WTI \$	1.4
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$55.00/US\$65.00/US\$72.60	WTI \$	1.5
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$56.00/US\$66.00/US\$72.50	WTI \$	1.7
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$56.00/US\$66.00/US\$73.00	WTI \$	2.0
3-way option ⁽³⁾	Apr 2019 to Dec 2019	2,000 bbl/d	US\$57.00/US\$67.00/US\$73.00	WTI \$	3.7
3-way option ⁽³⁾	Apr 2019 to Dec 2019	2,000 bbl/d	US\$58.00/US\$68.00/US\$74.00	WTI \$	4.7
3-way option ⁽³⁾	Apr 2019 to Dec 2019	2,000 bbl/d	US\$49.00/US\$61.70/US\$75.00	WTI \$	2.3
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$60.00/US\$69.90/US\$75.00	WTI \$	2.4
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$61.00/US\$71.00/US\$76.00	WTI \$	3.0
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$63.00/US\$73.00/US\$78.00	WTI \$	2.8
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$55.50/US\$65.50/US\$75.50	Brent \$	0.5
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$60.00/US\$70.00/US\$77.55	Brent \$	1.2
3-way option ⁽³⁾	Apr 2019 to Dec 2019	1,000 bbl/d	US\$63.00/US\$73.00/US\$83.00	Brent \$	1.8
Fixed - Sell ⁽⁵⁾	Apr 2019 to Dec 2019	2,000 bbl/d	US\$61.45/bbl	WTI \$	—
Fixed - Sell ⁽⁵⁾	May 2019 to Dec 2019	5,000 bbl/d	US\$64.09/bbl	WTI \$	—
Basis Swap ⁽⁵⁾	Jun 2019 to Dec 2019	4,000 bbl/d	WTI less US\$8.00/bbl	MSW \$	—
Swaption ⁽⁴⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$62.50/bbl	WTI \$	(1.4)
Swaption ⁽⁴⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$63.20/bbl	WTI \$	(1.2)
3-way option ⁽³⁾	Jan 2020 to Dec 2020	1,500 bbl/d	US\$51.00/US\$59.00/US\$65.60	WTI \$	(0.1)
3-way option ⁽³⁾	Jan 2020 to Dec 2020	1,500 bbl/d	US\$51.00/US\$59.00/US\$66.00	WTI \$	—
3-way option ⁽³⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$59.50/US\$66.15	WTI \$	0.2
3-way option ⁽³⁾⁽⁵⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$66.00	WTI \$	—
3-way option ⁽³⁾⁽⁵⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$65.60	WTI \$	—
3-way option ⁽³⁾⁽⁵⁾	Jan 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$66.05	WTI \$	—
3-way option ⁽³⁾⁽⁵⁾	Jan 2020 to Dec 2020	2,000 bbl/d	US\$51.00/US\$60.00/US\$66.70	WTI \$	—
Natural Gas					
Fixed - Sell	Apr 2019 to Dec 2019	5,000 mmbtu/d	US\$3.15	NYMEX \$	0.6
Fixed - Sell	Apr 2019 to Jun 2019	10,000 mmbtu/d	US\$2.79	NYMEX \$	0.1
Fixed - Sell	Jul 2019 to Sep 2019	10,000 mmbtu/d	US\$2.79	NYMEX \$	—
Fixed - Sell	Oct 2019 to Dec 2019	10,000 mmbtu/d	US\$2.88	NYMEX \$	—
Total				\$	26.5
Current asset					27.6
Non-current liability					(1.1)

(1) Based on the weighted average price per unit for the period.

(2) Fair values as at March 31, 2019. Contracts entered subsequent to March 31, 2019 have no fair value assigned.

(3) Producer 3-way option consists of a sold put, a bought put and a sold call. To illustrate, in a US\$50/US\$60/US\$70 contract, Baytex receives WTI plus US\$10.00/bbl when WTI is at or below US\$50/bbl; Baytex receives US\$60.00/bbl when WTI is between US\$50/bbl and US\$60/bbl; Baytex receives the market price when WTI is between US\$60/bbl and US\$70/bbl; and Baytex receives US\$70/bbl when WTI is above US\$70/bbl.

(4) For these contracts, the counterparty has the right, if exercised on December 31, 2019, to enter a swap transaction for the remaining term, notional volume and fixed price per unit indicated above.

(5) Contracts entered subsequent to March 31, 2019.