

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Q4 2018

Baytex had the following financial derivative contracts:

	Remaining Period	Volume	Price/Unit ⁽¹⁾	Index	Fair Value ⁽²⁾ (\$ millions)
Oil					
Fixed - Sell	Jan 2019 to Jun 2019	2,000 bbl/d	US\$62.85/bbl	WTI \$	8.0
3-way option ⁽³⁾	Jan 2019 to Dec 2019	2,000 bbl/d	US\$70.00/US\$60.00/US\$50.00	WTI \$	7.0
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$72.60/US\$65.00/US\$55.00	WTI \$	4.0
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$72.50/US\$66.00/US\$56.00	WTI \$	4.1
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$73.00/US\$66.00/US\$56.00	WTI \$	4.1
3-way option ⁽³⁾	Jan 2019 to Dec 2019	2,000 bbl/d	US\$73.00/US\$67.00/US\$57.00	WTI \$	8.3
3-way option ⁽³⁾	Jan 2019 to Dec 2019	2,000 bbl/d	US\$74.00/US\$68.00/US\$58.00	WTI \$	8.4
3-way option ⁽³⁾	Jan 2019 to Dec 2019	2,000 bbl/d	US\$75.00/US\$61.70/US\$49.00	WTI \$	9.1
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$75.00/US\$69.90/US\$60.00	WTI \$	4.3
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$76.00/US\$71.00/US\$61.00	WTI \$	4.4
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$78.00/US\$73.00/US\$63.00	WTI \$	4.5
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$75.50/US\$65.50/US\$55.50	Brent \$	3.1
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$77.55/US\$70.00/US\$60.00	Brent \$	3.7
3-way option ⁽³⁾	Jan 2019 to Dec 2019	1,000 bbl/d	US\$83.00/US\$73.00/US\$63.00	Brent \$	4.0
Basis Swap ⁽⁴⁾	Mar 2019 to Jun 2019	2,000 bbl/d	WTI less US\$14.75/bbl	WCS \$	—
Basis Swap ⁽⁴⁾	Apr 2019 to Jun 2019	2,000 bbl/d	WTI less US\$13.65/bbl	WCS \$	—
Basis Swap ⁽⁴⁾	Jul 2019 to Sep 2019	4,000 bbl/d	WTI less US\$17.38/bbl	WCS \$	—
Basis Swap ⁽⁴⁾	Oct 2019 to Dec 2019	4,000 bbl/d	WTI less US\$20.88/bbl	WCS \$	—
Natural Gas					
Fixed - Sell	Jan 2019 to Mar 2019	5,000 GJ/d	CAD\$2.25	AECO \$	0.4
Fixed - Sell	Jan 2019 to Dec 2019	5,000 mmbtu/d	US\$3.15	NYMEX \$	0.8
Fixed - Sell	Jan 2019 to Mar 2019	10,000 mmbtu/d	US\$3.82	NYMEX \$	0.8
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 \$	0.1
Fixed - Sell	Oct 2019 to Dec 2019	10,000 mmbtu/d	US\$2.88	NYMEX \$	0.1
Total					\$ 79.3
Current asset					\$ 79.3

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

(2) Fair values as at December 31, 2018. For the purposes of the table, contracts entered subsequent to December 31, 2018 will have no fair value assigned.

(3) Producer 3-way option consists of a sold call, a bought put and a sold put. To illustrate, in a US\$70.00/US\$60.00/US\$50.00 contract, Baytex receives WTI plus US\$10.00/bbl when WTI is at or below US\$50.00/bbl; Baytex receives US\$60.00/bbl when WTI is between US\$50.00/bbl and US\$60.00/bbl; Baytex receives the market price when WTI is between US\$60.00/bbl and US\$70.00/bbl; and Baytex receives US\$70.00/bbl when WTI is above US\$70.00/bbl.

(4) Contracts entered subsequent to December 31, 2018.