



CREATING **ENERGY** | CREATING **VALUE**

NBF Fall Energy Caravan

SIGNIFICANCE OF HEAVY OIL MULTI-LATERAL EXPANSION

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CHAD E. LUNDBERG
CHIEF OPERATING OFFICER

KENDALL D. ARTHUR
SENIOR VICE PRESIDENT & GENERAL MANAGER,
CANADIAN HEAVY OIL OPERATIONS

BRIAN G. ECTOR
SENIOR VICE PRESIDENT, CAPITAL MARKETS &
INVESTOR RELATIONS



ADVISORY

In this presentation, we refer to certain specified financial measures which do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). While these measures are commonly used in the oil and natural gas industry, our determination of these measures may not be comparable with calculations of similar measures presented by other reporting issuers. This presentation also contains oil and gas disclosures, various industry terms, and forward-looking statements, including various assumptions on which such forward-looking statements are based and related risk factors. Please see the Company's disclosures located at the end of this presentation for further details regarding these matters.

All slides in this presentation should be read in conjunction with "Forward Looking Statements Advisory", "Specified Financial Measures Advisory", "Capital Management Measures Advisory" and "Advisory Regarding Oil and Gas Information".

This presentation should be read in conjunction with the Company's consolidated interim unaudited financial statements and Management's Discussion and Analysis ("MD&A") for the period ended June 30, 2023.

There is no representation by Baytex that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements. The future oriented financial information and forward-looking statements are made as of August 31, 2023 and Baytex disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

All amounts in this presentation are stated in Canadian dollars unless otherwise specified.

A DIVERSIFIED NORTH AMERICAN E&P OPERATOR



Market Summary

Ticker Symbol	TSX, NYSE BTE
Average Daily Volume ⁽¹⁾	Canada: 6.9 million US: 4.3 million
Shares Outstanding	857 million
Market Capitalization / Enterprise Value ⁽²⁾	\$4.7 billion / \$7.5 billion
Annual Dividend per Share Dividend Yield ⁽³⁾	\$0.09 1.6%

Operating Statistics

Production (working interest) ⁽⁴⁾	153 – 157 Mboe/d
Production Mix ⁽⁴⁾	84% liquids
E&D Expenditures ⁽⁴⁾	\$601 - \$641 million
Reserves – 2P Gross ⁽⁵⁾	696 MMboe
Net Acres	1.7 million

H2/2023 Production by Business Unit

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



H2/2023 Production by Commodity

- Heavy Oil
- Light Oil
- NGLs
- Natural Gas



(1) Average daily trading volumes for August 2023. Volumes are a composite of all exchanges.

(2) Enterprise value based on closing share price on the Toronto Stock Exchange on August 30, 2023 and net debt as at June 30, 2023. Enterprise value is calculated as market capitalization plus net debt and is used to assess the valuation of the Company.

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

(4) Production, production mix, and exploration and development ("E&D") expenditures represents H2/2023 guidance.

(5) Reserves based on (i) Baytex reserves as at December 31, 2022 prepared 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"); and (ii) Ranger's year-end 2022 reserves were evaluated by McDaniel in accordance with NI 51-101. See "Advisories".

Significance of Heavy Oil Multi-Lateral Expansion



The slide features a large blue triangle on the right side containing two images: the top part shows an industrial facility with pipes and valves, and the bottom part shows an oil pumpjack in a green field under a blue sky. On the left, there are several light gray diagonal lines. A diagonal bar with orange, dark blue, and green segments crosses the bottom right. Two diagonal text labels are positioned along this bar: 'NYSE | TSX BTE' in white on an orange background and 'BAYTEXENERGY.COM' in white on a dark blue background.

NYSE | TSX BTE

BAYTEXENERGY.COM

BAYTEX IS A LEADER IN THE ADVANCEMENT OF MLHZ DRILLING

Significant land position across our heavy oil portfolio as the use of MLHZ development continues to expand

- ✓ Decades of in-house experience drive exceptional well results
- ✓ Maximize capital efficiencies and resource capture
- ✓ Creative and innovative well designs access previously stranded oil
- ✓ Lower capital costs (DCET) reflect relatively shallow depth and minimal completion costs
- ✓ Facility design and layout minimizes environmental footprint
- ✓ Impactful Indigenous partnerships / relationships

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)

514 net sections

Produced **12,200 boe/d** in H1/2023 (85% oil)

3 net multi-lateral wells planned for H2/2023

Long life polymer flood at Seal

Peavine (Clearwater)

Partnership with Peavine Métis Settlement covering

80 contiguous sections

Produced **11,700 boe/d** in H1/2023 (100% oil)

Expect to bring **19 net Clearwater wells** onstream in H2/2023

Lloydminster (Mannville)

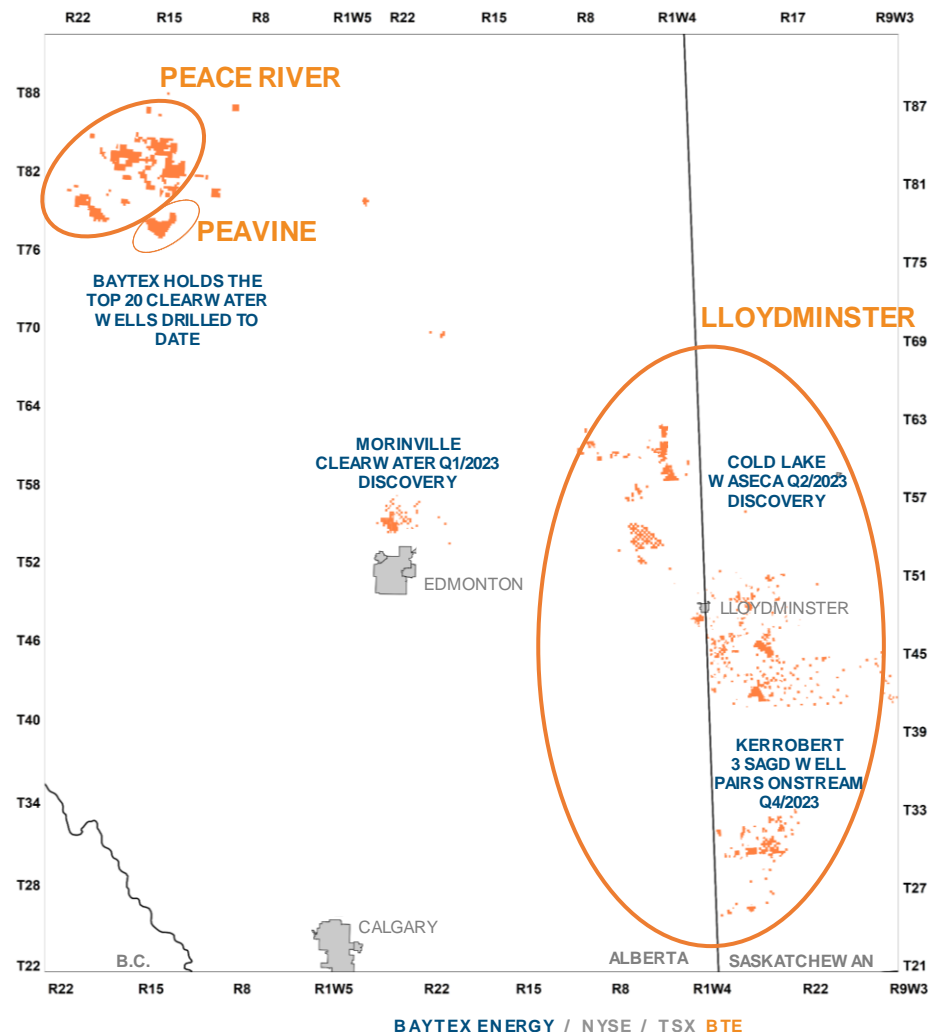
516 net sections

Produced **11,700 boe/d** in H1/2023 (98% oil)

Targeting multiple horizons within the Mannville group of formations

Long-life water and polymer floods at Soda Lake and Tangleflats, and SAGD project at Kerrobert

Expect to bring **~ 18 net wells** onstream in H2/2023



BAYTEX HAS UTILIZED MULTI-LATERALS SINCE 2007

~ 45% of Baytex's Canadian production comes from MLHZ's

Baytex's first MLHZ well was drilled at Peace River in 2007

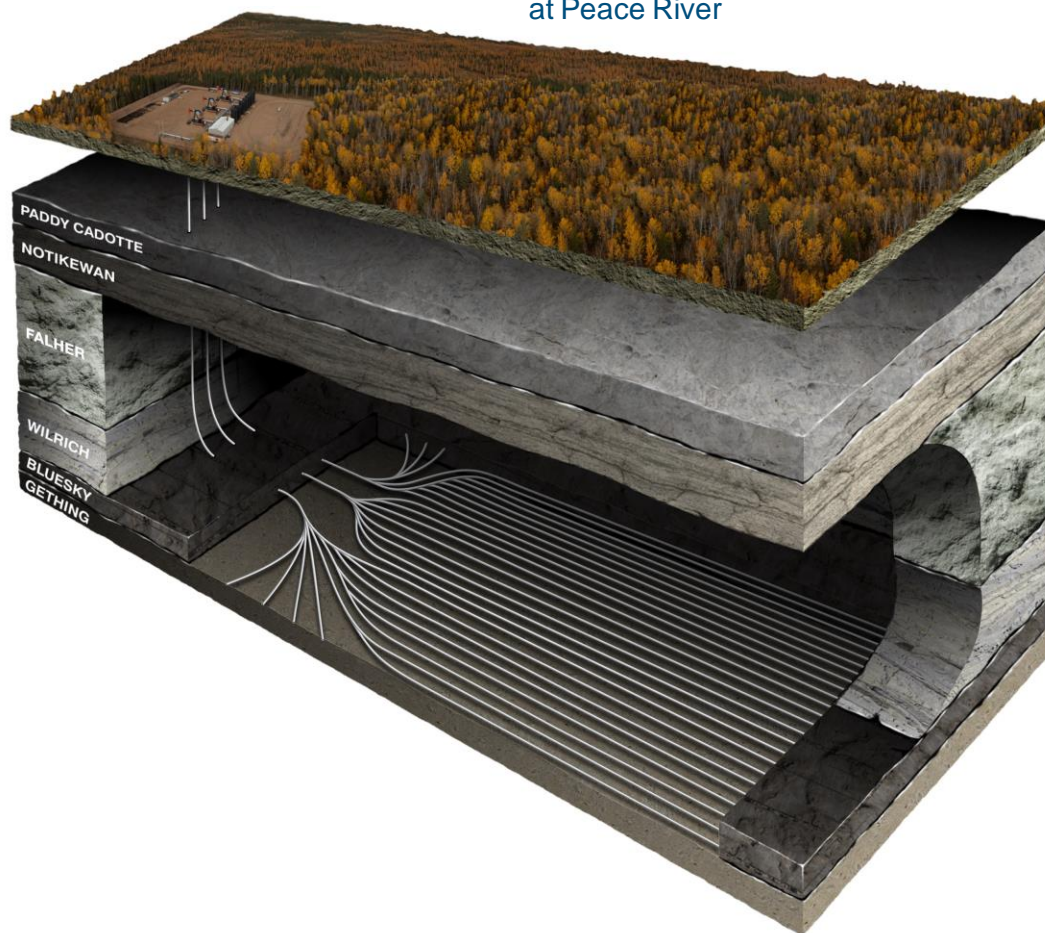
The primary production target at Peace River is the lower Cretaceous **Bluesky Formation**; at Peavine we target the lower Cretaceous Spirit River Formation (**Clearwater equivalent**)

In the Lloydminster region, Baytex's first MLHZ wells were drilled in 2013-2014, targeting the Cummings and Sparky formations

Drilling techniques have evolved with our "standard" multi-lateral now consisting of 8 to 14 legs which exploits a $\frac{1}{4}$ section swath of reservoir to maximize capital efficiencies

Heavy oil is not a resource play → variable geology throughout the regions requires custom tailored well designs

Typical Open Hole Multi-Lateral Well Design at Peace River

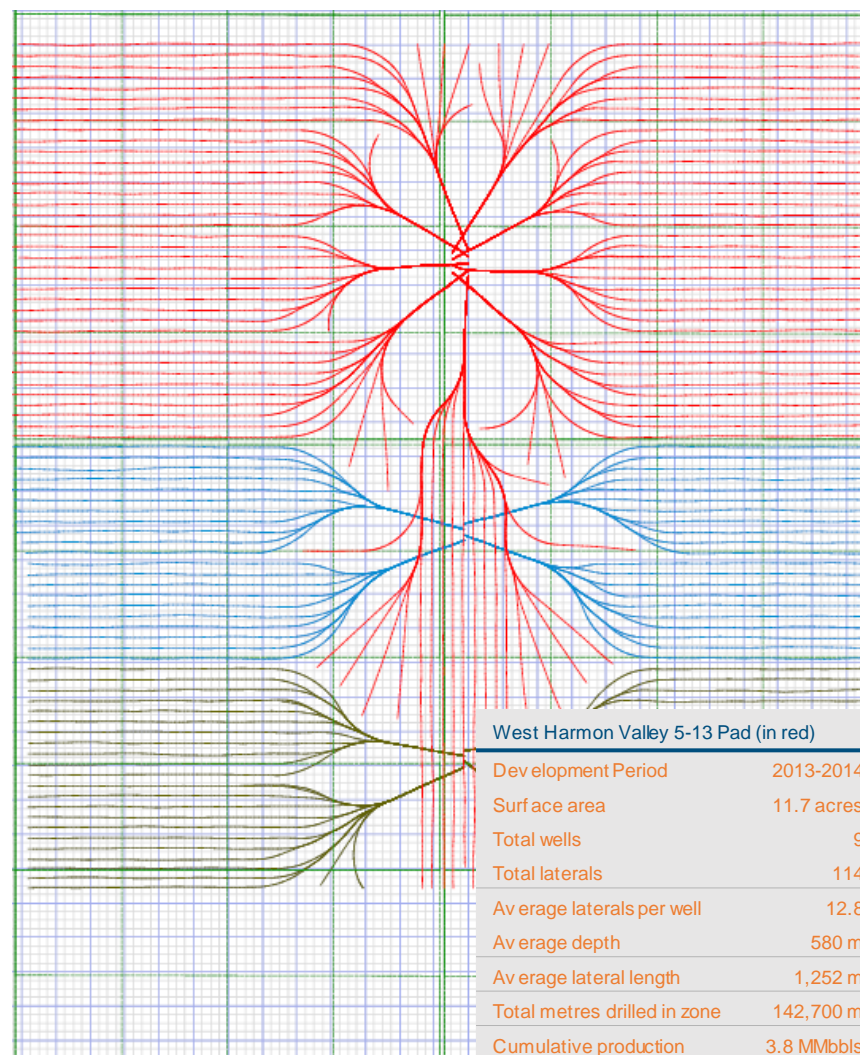


PEACE RIVER HISTORY OF MLHZ DEVELOPMENT

At Peace River, Baytex has drilled 238 Bluesky MLHZ wells and over 2,500 laterals (average of 10.5 laterals per well)

1994-2004	Acquired 96 sections of land (100% working interest) through crown land purchases
2005	Drilled first six horizontal producers
2007	Drilled first multi-lateral well (dual-leg)
2009	Drilled wells with 4, 6 and 8 laterals
2011	Acquired Reno acreage (149 net sections) and ~ 2,000 bbl/d of production
2013-2014	Peak development with 72 MLHZ wells over a two-year period; production reached 25,000 bbl/d
2017	Acquired Seal acreage from Murphy Oil, adding 415 net sections of land and ~ 3,000 bbl/d of production
2017-2022	Development program scaled back to 4-12 wells per year

Typical Peace River Bluesky Pad Development



BAYTEX LEVERAGED PEACE RIVER BLUESKY EXPERIENCE AT PEAVINE

Production has grown from zero in early 2021 to 11,700 boe/d in H1/2023

Peavine has shifted to development mode generating substantial free cash flow

Forecast production of 12,000 to 15,000 boe/d for the next decade

Partnership with Peavine Métis Settlement covers 80 contiguous sections

Lower Cretaceous Spirit River formation (Falher E); stratigraphic and depositional equivalent to Clearwater formation

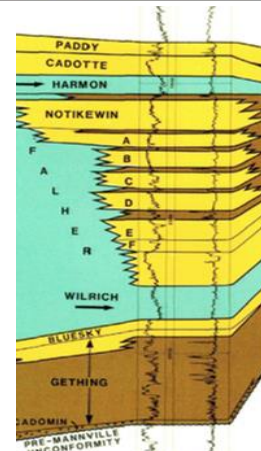
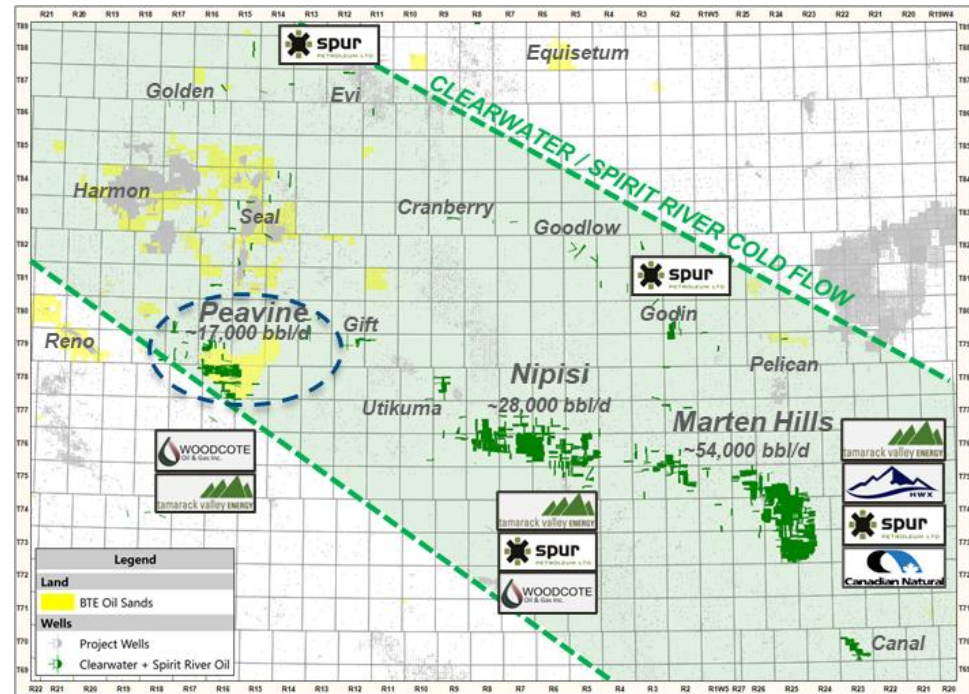
Up-hole of adjacent Bluesky development

Initial test well on production March 2021

Reservoir characteristics locally unique:

- Shaly sand reservoir - clay rich up to 37% of rock volume
- ↓ oil saturations per unit thickness; volumetric implications
- High formation damage risk – KCl / oil-based mud

Baytex holds the top 20 Clearwater wells drilled to date



NORTHWEST PLAINS		NORTHEAST PLAINS	
12	13		
SHAFTS-BURY	FISH SCALE ZONE	FISH SCALE ZONE	
PEACE RIVER	PADDY	WINGPELICAN	WINGPELICAN
	CADOTTE		WASECA
	HARMON		SPARKY
	NOTIKEWIN		GENERAL PETROLEUM
SPIRIT RIVER	FALHER	GRAND RAPIDS	REX
	WILRICH	CLEARWATER	LLOYDMINSTER
BLUESKY		WABISKAW	CUMMINGS
GETHING	CADOMIN	McMURRAY	DINA
PEACE RIVER AREA		ATHABASCA AREA	LLOYDMINSTER AREA

PEAVINE CLEARWATER DEVELOPMENT

2022 Development (22 new Hz's, 5 Producing Pads)

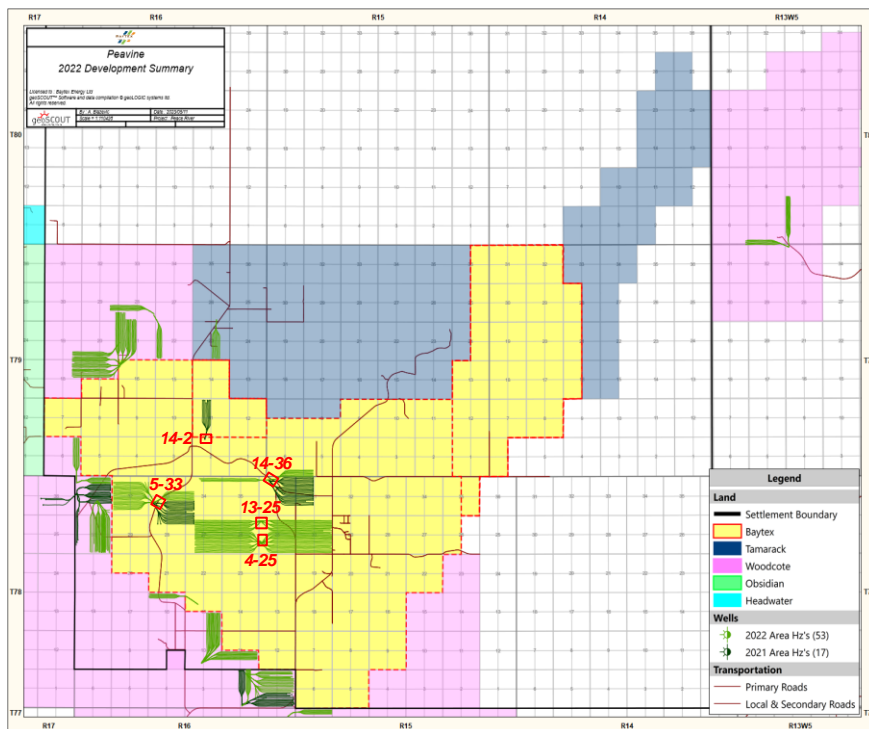
1.5 rig program

2 new pads with pilot strats

112 laterals / 247 km open-hole, 98% efficiency

KCl mud system optimization (solids, additives)

Downspace 50 → 40m in H2: analog & reservoir simulation



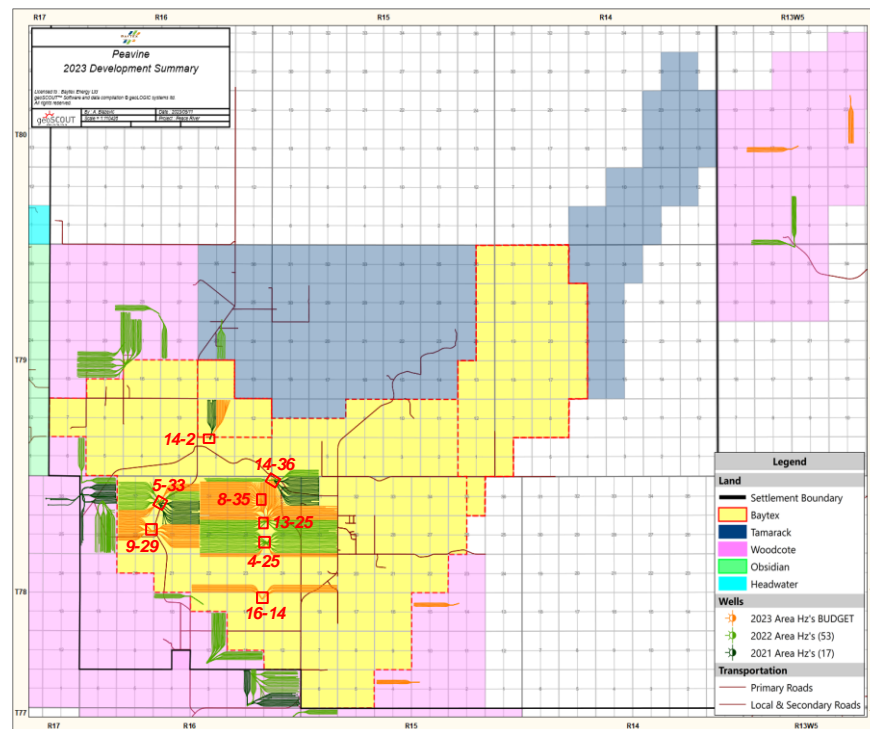
2023 Development (31 new Hz's, 8 Producing Pads)

1.75 rigs

3 new pads with pilot strats

349 km open hole planned; 12/31 wells completed to end of Q2

Testing limits of extended reach horizontals in H2; up to 4,100 MD



2023 NEW POOL DISCOVERIES UTILIZING MLHZ DRILLING

Morinville “Rex” (Q1/2023)

Clearwater potential identified up-hole of existing Baytex operated fields

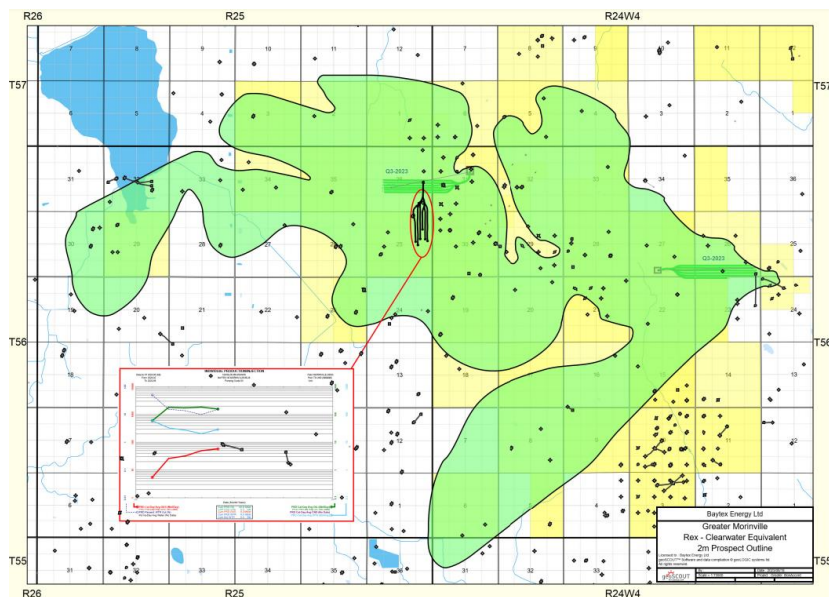
Traditional Clearwater heavy oil fairway is 500 to 700m TVD;
Clearwater at Morinville (Rex formation) is deeper at ~ 1,000m TVD

Original position consisted of ~ 7 net sections; current prospective land position stands at ~ 28 net sections

Success at 08-25-056-25W4 test well (on production Feb 2023)

Cored pilot hole provides initial inputs on reservoir and mobility characterization

2 well development in H2/2023 will test both sides of the pool



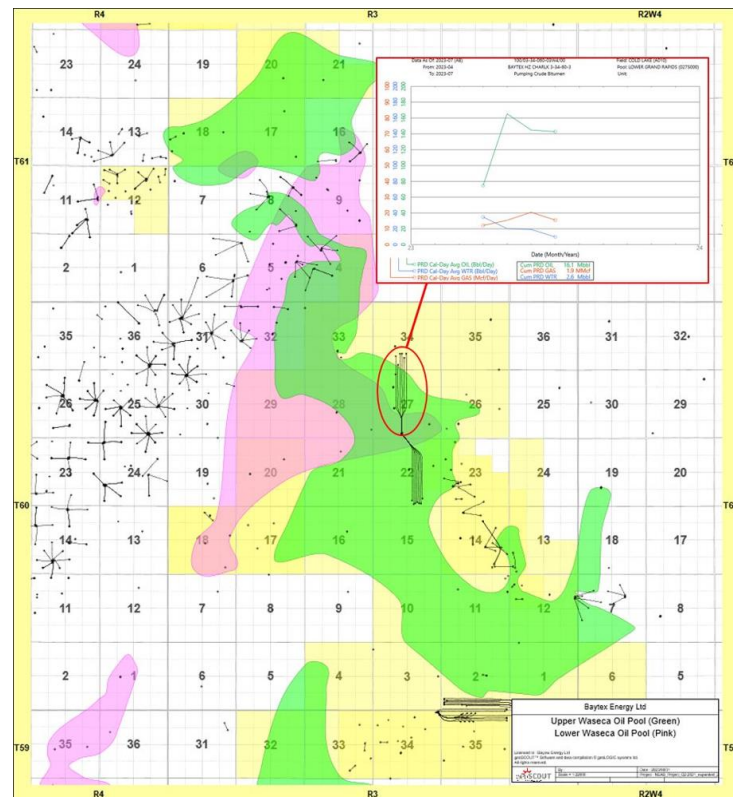
Cold Lake “Waseca” (Q2/2023)

Regional estuary fill sands (Clearwater-esque reservoir)

Stacked pay horizons (upper and lower Waseca)

2023 trial (upper Waseca) 6-leg open-hole MLHZ on 50m spacing

H2/2023 – resume Upper Waseca delineation; test lower Waseca and GP open-hole potential



ROBUST DEVELOPMENT INVENTORY ACROSS LLOYDMINSTER FAIRWAY

Baytex initiated MLHZ trials in 2013-2014; first development occurred at Soda Lake (Cummings formation) and Lloydminster (Sparky formation)

Near-term focus is circulation-horizontals and MLHZ development

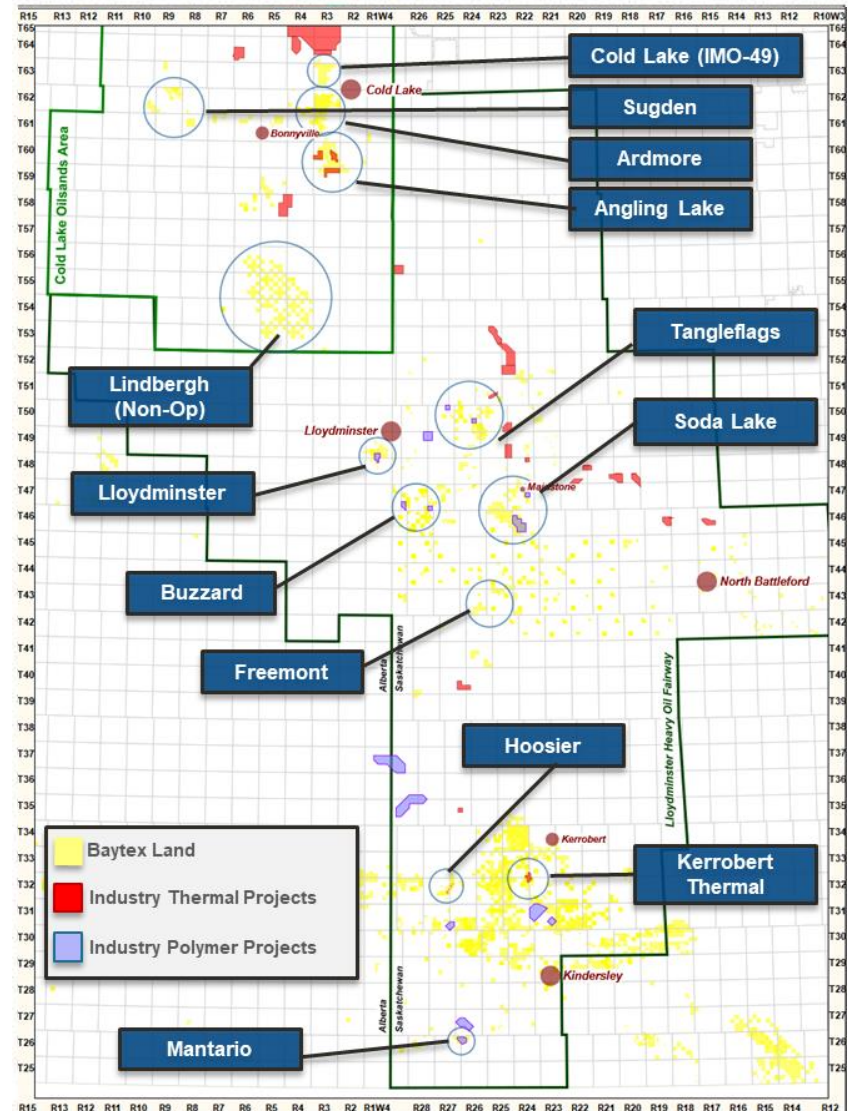
Multi-lateral development across the Lloydminster fairway is field/zone specific

In 2023, continuing with circulation-horizontal development at Ardmore (Sparky formation) and Soda Lake (Lloydminster formation) and a trial planned for Soda Lake (McLaren formation)

Successful Q1/2023 Waseca MLHZ trial in Cold Lake / Angling Lake with additional wells planned in 2023 and 2024 for further delineation

Further open-hole MLHZ development planned in Lloydminster Sparky and GP after successful drilling programs in the last 3 years

Testing MLHZ applications in Lloydminster and Rex formation at Cold Lake to determine the future development strategy



BUSINESS UNIT AND ASSET-LEVEL WELL ECONOMICS

Business Unit / Assets ⁽¹⁾	IP365 (boe/d) (Liquids %)	EUR Mboe (Liquids %)	Well Cost (\$MM) ⁽²⁾	IRR (%) ⁽³⁾⁽⁴⁾	Payout (Months) ⁽³⁾⁽⁴⁾
U.S. Light Oil					
Operated Eagle Ford	615 (88%)	705 (86%)	\$12.5	80%	16
Karnes Trough Eagle Ford	590 (76%)	630 (74%)	\$8.2	89%	13
Canada Light Oil					
Viking	48 (90%)	45 (90%)	\$1.3	71%	16
Duvernay	615 (84%)	1,065 (79%)	\$10.5	77%	17
Canada Heavy Oil					
Peace River (Bluesky)	140 (97%)	215 (82%)	\$3.5	66%	17
Peavine (Clearwater)	180 (99%)	170 (97%)	\$2.1	215%	8
Lloydminster (Mannville)	90 (100%)	90 (100%)	\$1.7	88%	14

(1) All figures are approximate.

(2) Represents expected cost to drill, complete, equip and tie-in. Lateral length for an Operated Eagle Ford well is ~ 8,200 feet and for a Karnes Trough Eagle Ford well is ~ 6,000 feet.

(3) Individual well economics based on constant pricing and costs, and Baytex's assumptions regarding an expected type curve and the above assumptions for production, EUR and well costs.

(4) Commodity price assumptions: WTI – US\$75/bbl; WCS differential – US\$15/bbl; NYMEX Gas - US\$3.50/MMBtu; Exchange Rate (CAD/USD) – 1.35.

HEAVY OIL RESERVOIR CHARACTERISTICS

	Peace River	Peavine	Lloydminster (Northeast Alberta)	Lloydminster (Saskatchewan)
Formation	Bluesky	Spirit River (Falher)	Mannville Group (Colony, McLaren, Waseca, Sparky, GP, Rex, Lloyd)	Mannville Group (McLaren, Waseca, Sparky, GP, Rex, Lloyd, Cummings)
Depth	550 – 620 metres	550 - 650 metres	260 – 470 metres	520 – 680 metres
Pressure	~ 4,600 kpa	~ 4,800 kpa	2,300 - 3,000 kpa	2,500 - 4,500 kpa
Thickness	5 - 15 metres	2 - 8 metres	3 - 17 metres	2 - 6 metres
Porosity	22 – 30%	15 - 24%	27 - 36%	27 - 33%
Viscosity	5,021 to – 60,700 cP	1,175 - 58,655 cP	7,043 - 132,000 cP	1,000 - 30,000 cP
Permeability	550 - 7,000 mD	66 - 747 mD	600 - 7,000 mD	600 - 4,000 mD
Oil Saturation	65% - 85%	30 - 55%	45 - 75%	70 - 85%
Clay Content	5 - 7%	25 - 37%	5 - 28%	5 - 10%
Recovery Factor	4 - 10%	4 - 15%	4 - 10%	5 - 12%

ONE MULTI-LATERAL WELL WOULD COVER DOWNTOWN CALGARY





CONTACT INFORMATION

BAYTEX ENERGY CORP.

Suite 2800, Centennial Place
520 – 3rd Avenue S.W.
Calgary, Alberta T2P 0R3

TF 1.800.524.5521

Eric T. Greager

President and Chief Executive Officer

Chad L. Kalmakoff

Chief Financial Officer

Chad E. Lundberg

Chief Operating Officer

Brian G. Ector

Senior Vice President, Capital Markets and Investor Relations

587.952.3237

BAYTEXENERGY.COM

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