

PETROLEUM AND NATURAL GAS RESERVES AS AT DECEMBER 31, 2021

Baytex's year-end 2021 proved and probable reserves were evaluated by McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserves evaluator. All of our oil and gas properties were evaluated in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") using the average commodity price forecasts and inflation rates of McDaniel, GLJ Petroleum Consultants ("GLJ") and Sproule Associates Limited ("Sproule") as of January 1, 2022. Complete reserves disclosure will be included in our Annual Information Form for the year ended December 31, 2021, which will be filed on or before March 31, 2022.

Reserves Highlights

- Proved developed producing ("PDP") reserves increased by 7%, from 120 mmboe to 129 mmboe. Proved reserves ("1P") total 278 mmboe (271 mmboe at year-end 2020) and proved plus probable reserves ("2P") total 451 mmboe (462 mmboe at year-end 2020).
- Finding and development ("F&D") costs, including changes in future development costs ("FDC"), were \$8.20/boe for PDP reserves, \$17.67/boe for 1P reserves and \$24.55/boe for 2P reserves.
- Generated a PDP recycle ratio of 4.5x and a 1P recycle ratio of 2.1x based on 2021 operating netback⁽²⁾ of \$36.52/boe.
- Reserves on a 1P basis are comprised of 80% oil and NGL (36% light oil, 26% NGL's, 17% heavy oil and 2% bitumen) and 20% natural gas. PDP reserves represent 46% of 1P reserves (44% at year-end 2020) and 1P reserves represent 62% of 2P reserves (59% at year-end 2020).
- Baytex maintains a strong reserves life index of 4.4 years based on PDP reserves, 9.4 years based on 1P reserves and 15.3 years based on 2P reserves.
- At year-end, 2021, the present value of our reserves, discounted at 10% before tax, is estimated to be \$5.1 billion (\$3.3 billion at year-end 2020). The increase is largely attributable to a higher commodity price forecast being utilized by our reserves evaluator (consultant average of approximately US\$70/bbl WTI).
- Our net asset value at year-end 2021, discounted at 10% before tax, is \$6.67 per share. This is based on the estimated reserves value plus a value for undeveloped acreage, net of long-term debt and working capital.

(1) Spending includes government grants received for abandonment and reclamations of \$2 million in 2020, \$3 million in 2021 and \$15 million in 2022.

(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 section in this report for further information.

The following table sets forth our gross and net reserves volumes at December 31, 2021 by product type and reserves category. Please note that the data in the table may not add due to rounding.

Reserves Summary

Reserves Summary	Light and Medium Oil	Tight Oil	Heavy Oil	Bitumen	Total Oil	Natural Gas Liquids ⁽³⁾	Conventional Natural Gas ⁽⁴⁾	Shale Gas	Total ⁽⁵⁾
	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmcf)	(mmcf)	(mboe)
Gross ⁽¹⁾									
Proved producing	18,564	26,623	23,735	641	69,564	31,853	65,234	99,778	128,919
Proved developed non-producing	664	314	765	—	1,743	852	1,973	2,448	3,333
Proved undeveloped	26,781	26,278	21,503	4,197	78,759	39,431	37,216	129,213	145,929
Total proved	46,009	53,216	46,003	4,838	150,067	72,137	104,423	231,439	278,181
Total probable	23,296	21,485	29,705	45,874	120,360	27,751	62,394	84,928	172,665
Proved plus probable	69,305	74,701	75,709	50,713	270,427	99,888	166,817	316,367	450,846
Net ⁽²⁾									
Proved producing	17,436	19,797	20,775	575	58,583	23,735	58,749	74,461	104,519
Proved developed non-producing	617	232	689	—	1,538	630	1,687	1,812	2,751
Proved undeveloped	24,891	19,882	19,139	3,857	67,769	29,521	34,310	96,601	119,108
Total proved	42,944	39,911	40,602	4,432	127,890	53,885	94,745	172,874	226,378
Total probable	21,399	16,404	25,547	37,186	100,535	20,970	56,747	64,506	141,715
Proved plus probable	64,343	56,315	66,149	41,618	228,425	74,856	151,492	237,381	368,093

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.

Reserves Reconciliation

The following table reconciles the year-over-year changes in our gross reserves volumes by product type and reserves category. Please note that the data in the table may not add due to rounding.

Proved Reserves – Gross Volumes ⁽¹⁾ (Forecast Prices)

	Light and Medium Oil	Tight Oil	Heavy Oil	Bitumen	Total Oil	Natural Gas Liquids ⁽³⁾	Conventional Natural Gas ⁽⁴⁾	Shale Gas	Total ⁽⁵⁾
	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmbbls)	(mmcf)	(mmcf)	(mboe)
December 31, 2020	52,067	53,316	35,412	5,737	146,532	72,475	87,894	226,334	271,378
Extensions	3,227	4,370	8,977	—	16,574	4,294	16,032	16,165	26,234
Technical Revisions ⁽²⁾	(6,059)	520	2,949	(394)	(2,984)	(1,379)	(1,649)	1,599	(4,372)
Acquisitions	3	—	1,228	—	1,231	—	—	—	1,231
Dispositions	(2)	(20)	(260)	—	(282)	(19)	(313)	(35)	(360)
Economic Factors	2,509	612	5,160	130	8,411	1,159	20,547	1,995	13,326
Production	(5,734)	(5,581)	(7,464)	(635)	(19,414)	(4,392)	(18,088)	(14,619)	(29,257)
December 31, 2021	46,009	53,216	46,003	4,838	150,067	72,137	104,423	231,439	278,181

Probable Reserves – Gross Volumes ⁽¹⁾ (Forecast Prices)

	Light and Medium Oil (mmbbls)	Tight Oil (mmbbls)	Heavy Oil (mmbbls)	Bitumen (mmbbls)	Total Oil (mmbbls)	Natural Gas Liquids ⁽³⁾ (mmbbls)	Conventional Natural Gas ⁽⁴⁾ (mmcf)	Shale Gas (mmcf)	Total ⁽⁵⁾ (mboe)
December 31, 2020	25,688	24,642	30,544	46,093	126,967	32,760	86,778	96,852	190,332
Extensions	2,413	(2,315)	(760)	—	(663)	(2,989)	(9,810)	(10,055)	(6,963)
Technical Revisions ⁽²⁾	(5,357)	(1,018)	(1,721)	(216)	(8,312)	(1,634)	(70)	(2,403)	(10,359)
Acquisitions	—	—	458	—	458	—	—	—	458
Dispositions	(5)	(5)	(225)	—	(235)	(258)	(7,224)	(9)	(1,699)
Economic Factors	556	182	1,409	(2)	2,145	(127)	(7,280)	543	895
Production	—	—	—	—	—	—	—	—	—
December 31, 2021	23,296	21,485	29,705	45,874	120,360	27,751	62,394	84,928	172,665

Proved Plus Probable Reserves – Gross Volumes ⁽¹⁾ (Forecast Prices)

	Light and Medium Oil (mmbbls)	Tight Oil (mmbbls)	Heavy Oil (mmbbls)	Bitumen (mmbbls)	Total Oil (mmbbls)	Natural Gas Liquids ⁽³⁾ (mmbbls)	Conventional Natural Gas ⁽⁴⁾ (mmcf)	Shale Gas (mmcf)	Total ⁽⁵⁾ (mboe)
December 31, 2020	77,755	77,958	65,956	51,830	273,499	105,235	174,671	323,186	461,710
Extensions	5,640	2,054	8,217	—	15,911	1,304	6,222	6,110	19,271
Technical Revisions ⁽²⁾	(11,416)	(498)	1,228	(610)	(11,296)	(3,013)	(1,719)	(804)	(14,730)
Acquisitions	3	—	1,686	—	1,689	—	—	—	1,689
Dispositions	(7)	(26)	(485)	—	(517)	(278)	(7,536)	(45)	(2,058)
Economic Factors	3,065	794	6,570	127	10,556	1,031	13,267	2,538	14,221
Production	(5,734)	(5,581)	(7,464)	(635)	(19,414)	(4,392)	(18,088)	(14,619)	(29,257)
December 31, 2021	69,305	74,701	75,709	50,713	270,427	99,888	166,817	316,367	450,846

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) Negative revisions in light and medium oil are predominantly associated with our Viking asset and due to variations in performance versus previous forecasts and the removal of inventory locations with higher finding and development costs.
- (3) Natural gas liquids include 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.

Future Development Costs

The following table sets forth future development costs deducted in the estimation of the future net revenue attributable to the reserves categories noted below.

Future Development Costs (\$ millions)	Proved Reserves	Proved Plus Probable Reserves
2022	416	423
2023	506	540
2024	517	562
2025	489	581
2026	398	657
Remainder	84	987
Total FDC undiscounted	2,410	3,750

F&D and FD&A Costs – including future development costs

Based on the evaluation of our petroleum and natural gas reserves prepared by McDaniel, the efficiency of our capital program is summarized in the following table.

\$ millions except for per boe amounts	2021	2020	2019	3 Year
Proved plus Probable Reserves				
Finding & Development Costs				
Exploration and development expenditures	\$ 313.3	\$ 280.3	\$ 552.3	1,145.9
Net change in Future Development Costs	\$ 147.4	\$ (705.9)	\$ 96.7	(461.8)
Gross Reserves additions (mmboe)	18.8	(38.4)	39.8	20.2
F&D Costs (\$/boe)	\$ 24.55	\$ 11.08	\$ 16.30	33.92
Finding, Development & Acquisition (“FD&A”) Costs				
Exploration and development expenditures and net acquisitions	\$ 307.1	\$ 280.2	\$ 554.5	1,141.7
Net change in Future Development Costs	\$ 144.4	\$ (709.3)	\$ 79.9	(485.0)
Gross Reserves additions (mmboe)	18.4	(38.6)	38.6	18.5
FD&A Costs (\$/boe)	\$ 24.55	\$ 11.12	\$ 16.42	35.59
Proved Reserves				
Finding & Development Costs				
Exploration and development expenditures	\$ 313.3	\$ 280.3	\$ 552.3	1,145.9
Net change in Future Development Costs	\$ 308.6	\$ (464.4)	\$ (90.4)	(246.2)
Gross Reserves additions (mmboe)	35.2	(13.1)	35.8	57.9
F&D Costs (\$/boe)	\$ 17.67	\$ 14.06	\$ 12.92	15.55
Finding, Development & Acquisition Costs				
Exploration and development expenditures and net acquisitions	\$ 307.1	\$ 280.2	\$ 554.5	1,141.7
Net change in Future Development Costs	\$ 316.8	\$ (464.4)	\$ (107.2)	(254.7)
Gross Reserves additions (mmboe)	36.1	(13.1)	34.7	57.7
FD&A Costs (\$/boe)	\$ 17.30	\$ 14.07	\$ 12.88	15.38
Proved Developed Producing Reserves				
Finding & Development Costs				
Exploration and development expenditures	\$ 313.3	\$ 280.3	\$ 552.3	1,145.9
Gross Reserves additions (mmboe)	38.2	7.7	42.5	88.2
F&D Costs (\$/boe)	\$ 8.20	\$ 36.63	\$ 13.04	12.99
Finding, Development & Acquisition Costs				
Exploration and development expenditures and net acquisitions	\$ 307.1	\$ 280.2	\$ 554.5	1,141.7
Gross Reserves additions (mmboe)	38.1	7.6	42.5	88.3
FD&A Costs (\$/boe)	\$ 8.06	\$ 36.64	\$ 13.04	12.93

Reserves Life Index

The following table sets forth our reserves life index, which is calculated by dividing our proved and proved plus probable reserves at year-end 2021 by annualized Q4/2021 production.

	Reserves Life Index (years)		
	Q4/2021 Production	Proved	Proved Plus Probable
Crude Oil and NGL (bbl/d)	66,452	9.2	15.3
Natural Gas (mcf/d)	86,029	10.7	15.4
Oil Equivalent (boe/d)	80,789	9.4	15.3

Forecast Prices and Costs

The following table summarizes the forecast prices used in preparing the estimated reserves volumes and the net present values of future net revenues at December 31, 2021. The estimated future net revenue to be derived from the production of the reserves is based on the following average of the price forecasts of McDaniel, GLJ and Sproule as of January 1, 2022.

Year	WTI Crude Oil US\$/bbl	Edmonton Light Crude Oil \$/bbl	Western Canadian Select \$/bbl	Henry Hub US\$/MMBtu	AECO Spot \$/MMBtu	Inflation Rate %/Yr	Exchange Rate \$US/\$Cdn
2021 act.	67.95	80.25	68.80	3.90	3.55	1.4	0.800
2022	72.83	86.82	74.42	3.85	3.56	—	0.797
2023	68.78	80.73	69.17	3.44	3.21	2.3	0.797
2024	66.76	78.01	66.54	3.17	3.05	2.0	0.797
2025	68.09	79.57	67.87	3.24	3.11	2.0	0.797
2026	69.45	81.16	69.23	3.30	3.17	2.0	0.797
2027	70.84	82.78	70.61	3.37	3.23	2.0	0.797
2028	72.26	84.44	72.02	3.44	3.30	2.0	0.797
2029	73.70	86.13	73.46	3.50	3.36	2.0	0.797
2030	75.18	87.85	74.69	3.58	3.43	2.0	0.797
2031	76.68	89.61	76.19	3.65	3.50	2.0	0.797
Thereafter	Escalation rate of 2.0%					2.0	0.797

Net Present Value of Reserves ⁽¹⁾ (Forecast Prices and Costs)

The following table summarizes the McDaniel estimate of the net present value before income taxes of the future net revenue attributable to our reserves.

Reserves at December 31, 2021 (\$ millions, discounted at)	0%	5%	10%	15%
Proved developed producing	2,399	2,235	1,988	1,787
Proved developed non-producing	94	72	60	52
Proved undeveloped	2,852	1,948	1,399	1,040
Total proved	5,345	4,255	3,448	2,880
Probable	4,596	2,554	1,636	1,149
Total Proved Plus Probable (before tax)	9,941	6,809	5,084	4,029

Note:

(1) Includes abandonment, decommissioning and reclamation costs for all producing and non-producing wells and facilities.

Net Asset Value (Forecast Prices and Costs)

Our estimated net asset value is based on the estimated net present value of all future net revenue from our reserves, before income taxes, as estimated by McDaniel at year-end, plus the estimated value of our undeveloped land holdings, less net debt. This calculation can vary significantly depending on the oil and natural gas price assumptions. In addition, this calculation does not consider "going concern" value and assumes only the reserves identified in the reserves report with no further acquisitions or incremental development.

The following table sets forth our net asset value as at December 31, 2021.

(\$ millions, except per share amounts, discounted at)	5%	10%	15%
Net present value of proved plus probable reserves ⁽¹⁾	6,809	5,084	4,029
Undeveloped land holdings ⁽²⁾	89	89	89
Net Debt ⁽⁴⁾	(1,410)	(1,410)	(1,410)
Net Asset Value	5,488	3,763	2,708
Net Asset Value per Share ⁽³⁾	9.73	6.67	4.80

Notes:

(1) Includes abandonment, decommissioning and reclamation costs for all producing and non-producing wells and facilities.

(2) The value of undeveloped land holdings generally represents the estimated replacement cost of our undeveloped land.

(3) Based on 564.2 million common shares outstanding as at December 31, 2021.

(4) Capital management measure. Refer to the Specified Financial Measures section in this report for further information.

Additional Information

Our audited consolidated financial statements for the year ended December 31, 2021 and the related Management's Discussion and Analysis of the operating and financial results can be accessed on our website at www.baytexenergy.com and will be available shortly through SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.shtml.

Advisory Regarding Oil and Gas Information

The reserves information contained in this report has been prepared in accordance with NI 51-101. Complete NI 51-101 reserves disclosure will be included in our Annual Information Form for the year ended December 31, 2021, which will be filed on or before March 31, 2022. Listed below are cautionary statements that are specifically required by NI 51-101:

- The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one boe (6 mcf/bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.
- With respect to finding and development costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.
- This report contains estimates of the net present value of our future net revenue from our reserves. Such amounts do not represent the fair market value of our reserves.

Throughout this report, "oil and NGL" refers to heavy oil, bitumen, light and medium oil, tight oil, condensate and natural gas liquids ("NGL") product types as defined by NI 51-101. The following table shows Baytex's disaggregated production volumes for the three and twelve months ended December 31, 2021. The NI 51-101 product types are included as follows: "Heavy Oil" - heavy oil and bitumen, "Light and Medium Oil" - light and medium oil, tight oil and condensate, "NGL" - natural gas liquids and "Natural Gas" - shale gas and conventional natural gas.

	Three Months Ended December 31, 2021					Twelve Months Ended December 31, 2021				
	Heavy Oil (bbl/d)	Light and Medium Oil (bbl/d)	NGL (bbl/d)	Natural Gas (Mcf/d)	Oil Equivalent (boe/d)	Heavy Oil (bbl/d)	Light and Medium Oil (bbl/d)	NGL (bbl/d)	Natural Gas (Mcf/d)	Oil Equivalent (boe/d)
Canada – Heavy										
Peace River	11,491	8	22	11,027	13,359	11,198	7	23	11,408	13,130
Lloydminster	10,566	12	—	1,677	10,858	10,202	6	—	1,448	10,449
Peavine	1,425	—	—	—	1,425	788	—	—	—	788
Canada - Light										
Viking	—	14,200	166	11,679	16,313	—	15,277	146	11,133	17,278
Duvernay	—	1,475	733	2,766	2,668	—	1,047	598	2,178	2,008
Remaining Properties	—	693	792	25,524	5,739	—	606	904	25,566	5,771
United States										
Eagle Ford	—	18,598	6,271	33,356	30,428	—	18,846	5,573	37,874	30,731
Total	23,482	34,986	7,984	86,029	80,789	22,188	35,789	7,244	89,606	80,156

This press report contains metrics commonly used in the oil and natural gas industry, such as "finding and development costs", "finding, development and acquisition costs", "net asset value", and "reserves life index." These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included in this report to provide readers with additional measures to evaluate Baytex's performance, however, such measures are not reliable indicators of Baytex's future performance and future performance may not compare to Baytex's performance in previous periods and therefore such metrics should not be unduly relied upon.

Finding and development costs are calculated on a per boe basis by dividing the aggregate of the change in future development costs from the prior year for the particular reserve category and the costs incurred on exploration and development activities in the year by the change in reserves from the prior year for the reserve category.

Finding, development and acquisition costs are calculated on a per boe basis by dividing the aggregate of the change in future development costs from the prior year for the particular reserve category and the costs incurred on development and exploration activities and property acquisitions (net of dispositions) in the year by the change in reserves from the year for the reserve category.

Net asset value has been calculated based on the estimated net present value of all future net revenue from our reserves, before income taxes, as estimated by McDaniel effective December 31, 2021, plus the estimated value of our undeveloped land holdings, less net debt.

Reserve life index means the reserves for the particular reserve category divided by annualized 2021 fourth quarter production.

References herein to average 30-day initial production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for us or the assets for which such rates are provided. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, we caution that the test results should be considered to be preliminary.

Notice to United States Readers

The petroleum and natural gas reserves contained in this report have generally been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States or other foreign disclosure standards. For example, the United States Securities and Exchange Commission (the "SEC") requires oil and gas issuers, in their filings with the SEC, to disclose only "proved reserves", but permits the optional disclosure of "probable reserves" (each as defined in SEC rules). Canadian securities laws require oil and gas issuers disclose their reserves in accordance with NI 51-101, which requires disclosure of not only "proved reserves" but also "probable reserves". Additionally, NI 51-101 defines "proved reserves" and "probable reserves" differently from the SEC rules. Accordingly, proved and probable reserves disclosed in this report may not be comparable to United States standards. Probable reserves are higher risk and are generally believed to be less likely to be accurately estimated or recovered than proved reserves.

In addition, under Canadian disclosure requirements and industry practice, reserves and production are reported using gross volumes, which are volumes prior to deduction of royalty and similar payments. The SEC rules require reserves and production to be presented using net volumes, after deduction of applicable royalties and similar payments.

Moreover, Baytex has determined and disclosed estimated future net revenue from its reserves using forecast prices and costs, whereas the SEC rules require that reserves be estimated using a 12-month average price, calculated as the arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period. As a consequence of the foregoing, Baytex's reserve estimates and production volumes in this report may not be comparable to those made by companies utilizing United States reporting and disclosure standards.

Baytex Energy Corp.

Baytex Energy Corp. is an energy company based in Calgary, Alberta. The company is engaged in the acquisition, development and production of crude oil and natural gas in the Western Canadian Sedimentary Basin and in the Eagle Ford in the United States. Approximately 82% of Baytex's production is weighted toward crude oil and natural gas liquids. Baytex's common shares trade on the Toronto Stock Exchange under the symbol BTE.

For further information about Baytex, please visit our website at www.baytexenergy.com or contact:

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