

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Q2 2020

Baytex had the following financial derivative contracts outstanding as of July 29, 2020:

	Remaining Period	Volume	Price/Unit ⁽¹⁾	Index
Oil				
WCS Stream ⁽⁸⁾	July 2020	8,000 bbl/d	\$27.15/bbl	Blended
WCS Stream ⁽⁸⁾	August 2020	5,000 bbl/d	\$32.05/bbl	Blended
Basis Swap	July 2020 to Dec 2020	6,500 bbl/d	WTI less US\$16.27/bbl	WCS
Basis Swap	Jan 2021 to Dec 2021	4,000 bbl/d	WTI less US\$14.26/bbl	WCS
MSW Stream ⁽⁷⁾	July 2020	11,695 bbl/d	\$27.17/bbl	Blended
MSW Stream ⁽⁷⁾	August 2020	5,000 bbl/d	\$42.28/bbl	Blended
Basis Swap	July 2020 to Dec 2020	5,000 bbl/d	WTI less US\$6.15/bbl	MSW
Basis Swap ⁽⁹⁾	Jan 2021 to Dec 2021	2,000 bbl/d	WTI less US\$5.95/bbl	MSW
Fixed - Sell	July 2020	4,000 bbl/d	US\$24.73/bbl	WTI
Fixed - Sell	July 2020	9,500 bbl/d	\$36.32/bbl	WTI-CAD
Fixed - Sell	August 2020	5,000 bbl/d	US\$36.30/bbl	WTI
Fixed - Sell	August 2020	5,000 bbl/d	\$48.55/bbl	WTI-CAD
Fixed - Sell	July 2020 to Dec 2020	6,000 bbl/d	US\$43.50/bbl	WTI
Fixed - Sell	October 2020 to Dec 2020	2,000 bbl/d	US\$40.61/bbl	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	3,000 bbl/d	US\$50.00/US\$56.00/US\$61.35	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	3,000 bbl/d	US\$50.00/US\$57.00/US\$60.00	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	4,500 bbl/d	US\$50.00/US\$57.00/US\$62.00	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	3,000 bbl/d	US\$50.00/US\$58.00/US\$62.00	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$58.00/US\$60.50	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$58.00/US\$60.83	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,500 bbl/d	US\$51.00/US\$59.00/US\$65.60	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,500 bbl/d	US\$51.00/US\$59.00/US\$66.00	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$59.50/US\$66.15	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$65.60	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$66.00	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	1,000 bbl/d	US\$51.00/US\$60.00/US\$66.05	WTI
3-way option ⁽²⁾	July 2020 to Dec 2020	2,000 bbl/d	US\$51.00/US\$60.00/US\$66.70	WTI
3-way option ⁽²⁾⁽⁹⁾	Jan 2021 to Dec 2021	5,000 bbl/d	US\$35.00/US\$45.00/US\$55.00	WTI
Swaption ⁽³⁾	Jan 2021 to Dec 2021	3,000 bbl/d	US\$64.50/bbl	Brent
Swaption ⁽⁴⁾	Jan 2021 to Dec 2021	3,000 bbl/d	US\$70.00/bbl	Brent
Swaption ⁽⁴⁾	Jan 2021 to Dec 2021	3,000 bbl/d	US\$60.75/bbl	WTI
Swaption ⁽⁶⁾⁽⁹⁾	Jan 2022 to Dec 2022	5,000 bbl/d	US\$53.00/bbl	WTI
Natural Gas				
Fixed - Sell	July 2020 to Dec 2020	10,500 GJ/d	\$2.01/GJ	AECO 7A
Fixed - Sell	Jan 2021 to Dec 2021	13,000 GJ/d	\$2.29/GJ	AECO 7A
Fixed - Sell	July 2020 to Dec 2020	2,500 GJ/d	\$2.29/GJ	AECO 5A
Fixed - Sell ⁽⁹⁾	Jan 2021 to Dec 2021	2,500 GJ/d	\$2.40/GJ	AECO 5A
Fixed - Sell	Oct 2020 to Dec 2020	5,500 mmbtu/d	US\$2.64/mmbtu	NYMEX
Fixed - Sell	Jan 2021 to Dec 2021	12,000 mmbtu/d	US\$2.70/mmbtu	NYMEX
3-way option ⁽²⁾	July 2020 to Dec 2020	5,000 mmbtu/d	US\$2.25/US\$2.60/US\$2.85	NYMEX
Swaption ⁽⁵⁾	Jan 2021 to Dec 2021	5,000 mmbtu/d	US\$2.90/mmbtu	NYMEX

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

- (2) *Producer 3-way option consists of a sold put, bought put, and a sold call. To illustrate, in a US\$50.00/US\$58.00/US\$62.00 contract, Baytex receives WTI plus US\$8.00/bbl when WTI is at or below US\$50.00/bbl; Baytex receives US\$58.00/bbl when WTI is between US\$50.00/bbl and US\$58.00/bbl; Baytex receives the market price when WTI is between US\$58.00/bbl and US\$62.00/bbl; and Baytex receives US\$62.00/bbl when WTI is above US\$62.00/bbl.*
- (3) *For these contracts, the counterparty has the right, if exercised on September 30, 2020, to enter a swap transaction for the remaining term, notional volume and fixed price per unit indicated above.*
- (4) *For these contracts, the counterparty has the right, if exercised on December 31, 2020, to enter a swap transaction for the remaining term, notional volume and fixed price per unit indicated above.*
- (5) *For these contracts, the counterparty has the right, if exercised on December 23, 2020, to enter a swap transaction for the remaining term, notional volume and fixed price per unit indicated above.*
- (6) *For these contracts, the counterparty has the right, if exercised on December 31, 2021, to enter a swap transaction for the remaining term, notional volume and fixed price per unit indicated above.*
- (7) *For these contracts, the contract price per unit is the sum of the average WTI price for the period and the average of the Edmonton SW blend differential (the average of TMX SW 1a index as determined by NGX and the NE Monthly Index for physical SW as determined by Net Energy), converted to CAD at the noon day average rate.*
- (8) *For these contracts, the contract price per unit is the sum of the average WTI price for the period and the average of the Western Canadian Select blend differential (the average of the Natural Gas Exchange Inc's WCS Index Differential and the Net Energy Inc.'s WCS Index Differential), converted to CAD at the noon day average rate.*
- (9) *Contracts entered subsequent to June 30, 2020.*

The following table sets forth the realized and unrealized gains and losses recorded on financial derivatives.

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Realized financial derivatives gain	\$ (13,624)	\$ (12,993)	\$ (40,474)	\$ (31,807)
Unrealized financial derivatives loss (gain)	69,286	(14,673)	(26,709)	38,588
Financial derivatives loss (gain)	\$ 55,662	\$ (27,666)	\$ (67,183)	\$ 6,781