

BAYTEX

ENERGY LTD.

NOTICE TO INDUSTRY OF CORPORATE AND PARTNERSHIP RESTRUCTURING

NOTICE IS HEREBY GIVEN THAT the following transactions occurred in the order set out below:

1. Effective January 1, 2010 at 12:02 a.m., Baytex Oil & Gas Ltd. ("**BOGL**") sold its entire interest in and to all of its petroleum and natural gas properties and related assets to Baytex Energy Ltd. ("**BEL**").
2. Effective January 1, 2010 at 12:03 a.m., BEL contributed its beneficial interest in and to all of its petroleum and natural gas properties and related assets with the exception of Township 51, Range 23 W3M: Section 35 (Fractional) and Township 52, Range 23 W3M: Section 3 (the "**Retained Properties**") to Baytex Energy Partnership (the "**Partnership**") in exchange for additional partnership interests and other consideration.
3. Pursuant to a Nominee and Agency Agreement dated and effective January 1, 2010 between BEL and the Partnership, BEL agreed to, and was appointed and authorized by the Partnership to, hold title to all of the Partnership's petroleum and natural gas properties and related assets as nominee, agent and bare trustee for the Partnership and to represent the Partnership in all respects as to such petroleum and natural gas properties and related assets.

As a result of the foregoing, please amend your records accordingly and note the following:

- (a) The Partnership, effective January 1, 2010, is the beneficial owner of all of the petroleum and natural gas properties and related assets formerly owned by BEL (with the exception of the Retained Properties) and BOGL and the Partnership continues to be the beneficial owner of the petroleum and natural gas properties and related assets owned by it immediately prior to January 1, 2010.
- (b) BEL, effective January 1, 2010, holds title to all of the Partnership's petroleum and natural gas properties and related assets as nominee, agent and bare trustee for the Partnership.
- (c) For all industry purposes, from and after January 1, 2010, BEL shall be, or shall remain, as the case may be, the recognized holder of all of the Partnership's petroleum and natural gas properties and related assets.
- (d) This restructuring will not affect the operations in respect of petroleum and natural gas properties and related assets formerly owned by BEL or BOGL in any way.
- (e) All required specific conveyancing to give effect to the above restructuring (including notices of assignment, transfers, assignments, novations and other notices) is being prepared and will be circulated in the near future.

- (f) For any agreement that contemplates recognition of assignment upon receipt of notification without further documentation, please accept this Notice to Industry as such notification and amend your records to recognize BEL.
- (g) To the extent that any preferential rights of third parties are triggered by the above restructuring, notices of disposition and exception letters are being prepared and will be circulated in the near future. To the extent that any agreement requires that your consent to the above transactions be obtained, please consider this Notice as our request for such consent, upon and subject to the terms of the applicable agreement.
- (h) All notices, correspondence, invoices or payments previously sent to BEL, BOGL or the Partnership in respect of the petroleum and natural gas properties and related assets formerly owned by any of them and now beneficially owned by the Partnership should be sent to the recognized holder, BEL, as follows:

Baytex Energy Ltd.
2200, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

In circumstances where such agreements specify notices, correspondence, invoices or payments are to be addressed to the attention of certain departments, positions or individuals, such identification should continue to be used.

Thank you for your cooperation and assistance in this matter. Should you require further information, please contact Tania Dunlop at (403) 267-0788.


Dated at the City of Calgary, in the Province of Alberta as of the 1st day of January, 2010.

BAYTEX ENERGY LTD.

Per: 


Anthony W. Marino
President and Chief Executive Officer

BAYTEX OIL & GAS LTD.

Per: 

Anthony W. Marino
President and Chief Executive Officer

BAYTEX ENERGY PARTNERSHIP, by its
managing partner, Baytex Energy Ltd.

Per: 

Anthony W. Marino
President and Chief Executive Officer