

BAYTEX ENERGY CORP.
OFFER TO PURCHASE FOR CASH
ANY AND ALL
OF ITS OUTSTANDING

7.375% SENIOR NOTES DUE 2032

The Tender Offer (as defined below) will expire at 5:00 P.M., New York City time, on December 30, 2025, unless extended or earlier terminated by the Company (such date and time, as it may be extended or earlier terminated, the “Expiration Date”). The early tender deadline for the Tender Offer will be 5:00 P.M., New York City time, on December 12, 2025 (such date and time, including as it may be extended or earlier terminated, the “Early Tender Date”). Holders of the Notes must validly tender and not validly withdraw their Notes at or prior to the Early Tender Date in order to be eligible to receive the Early Tender Payment (as defined below) in addition to the Tender Offer Consideration (as defined below). The Early Tender Payment and the Tender Offer Consideration will be paid in cash. Tendered Notes may be withdrawn at any time at or prior to 5:00 P.M., New York City time, on December 12, 2025 (such date and time, as it may be extended or earlier terminated, the “Withdrawal Deadline”), and not after the Withdrawal Deadline, except for certain limited circumstances where additional withdrawal rights are required by law. The consummation of the Tender Offer is subject to the satisfaction of certain conditions as set forth herein, or waiver by the Company of such conditions in the sole and absolute discretion of the Company.

Baytex Energy Corp., an Alberta, Canada corporation (“**Baytex**,” the “**Company**,” the “**Offeror**,” “**we**” or “**us**”), hereby offers (the “**Tender Offer**”) to purchase for cash, upon the terms and subject to the conditions set forth in this offer to purchase dated December 1, 2025 (as it may be amended or supplemented from time to time, this “**Offer to Purchase**”), any and all of its outstanding 7.375% Senior Notes due 2032 (the “**Notes**”) (which Notes are further identified in the table below) from each registered holder of such Notes (each a “**Holder**”).

The table below summarizes certain payment terms of the Tender Offer:

Title of Note	CUSIP / ISIN (144A)	CUSIP / ISIN (Reg S)	Principal Amount Outstanding	Tender Offer Consideration (1)(2)	Early Tender Payment (1)	Total Consideration (1)(2)(3)
7.375% Senior Notes due 2032	07317QAK1 / US07317QAK13	C08047AE9 / USC08047AE94	\$575,000,000	\$1,000	\$40	\$1,040

- (1) Per \$1,000 principal amount of Notes accepted for purchase.
- (2) Excludes Accrued Interest, which will be paid in addition to the Tender Offer Consideration or the Total Consideration, as applicable.
- (3) Includes the applicable Early Tender Payment.

The Tender Offer may be amended, extended, terminated or withdrawn by Baytex in its sole and absolute discretion.

In this Offer to Purchase, references to “\$” or “U.S.\$” are to United States dollars. References to the purchase price for the tendered Notes do not include accrued and unpaid interest on Notes being purchased (“**Accrued Interest**”), which will also be paid to, but not including, the applicable Settlement Date (as defined below).

The Tender Offer is open to all Holders of Notes. The Tender Offer is not conditioned on any minimum principal amount of Notes being tendered. However, Baytex’s obligation to accept for purchase and to pay for the Notes in the Tender Offer is subject to the satisfaction or waiver of a number of conditions as set forth herein in the sole and absolute discretion of Baytex, including the Asset Sale Condition (as defined below). For further information regarding the conditions, see “Conditions to the Tender Offer.”

The purpose of the Tender Offer is to acquire and cancel any and all of the Notes.

This Offer to Purchase contains important information that should be read before any decision is made with respect to the Tender Offer. In particular, see “Certain Significant Consequences to Holders” for a discussion of certain factors Holders should consider in connection with the Tender Offer.

Neither the U.S. Securities and Exchange Commission (the “SEC”), any U.S. state securities commission nor any regulatory authority of any other country has approved or disapproved of the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed upon the adequacy or accuracy of the disclosures in this Offer to Purchase.

The Dealer Manager for the Tender Offer is:

RBC Capital Markets

December 1, 2025

The total consideration for the Notes (the “**Total Consideration**”) is \$1,040 for each \$1,000 principal amount of the Notes. The Total Consideration includes an early tender payment (the “**Early Tender Payment**”) of \$40 for each \$1,000 principal amount of the Notes, which Early Tender Payment is in addition to the applicable Tender Offer Consideration (as defined below).

Holders validly tendering Notes (that have not been validly withdrawn) at or prior to the Early Tender Date will be eligible to receive for such Notes the Total Consideration (including the Early Tender Payment) on a date promptly following the Early Tender Date (as it may be extended, the “**Early Settlement Date**”). The Early Settlement Date is expected to be the sixth business day after the Early Tender Date, but that may change without notice.

Holders validly tendering Notes (that have not been validly withdrawn) after the Early Tender Date and prior to or at the Expiration Date will be eligible to receive for such Notes (the “**Tender Offer Consideration**”) \$1,000 for each \$1,000 principal amount of the Notes, which is equal to the applicable Total Consideration less the Early Tender Payment, on a date promptly following the Expiration Date (the “**Final Settlement Date**”). The Final Settlement Date is expected to be the first business day after the Expiration Date, but that may change without notice.

In addition, Holders whose Notes are purchased in the Tender Offer will receive Accrued Interest in respect of their purchased Notes from the last interest payment date to, but not including, (i) in the case of any Notes tendered at or prior to the Early Tender Date, the Early Settlement Date and (ii) in the case of any Notes tendered after the Early Tender Date, the Final Settlement Date, as the case may be. For the avoidance of doubt, the terms “Tender Offer Consideration” and “Total Consideration” do not include Accrued Interest.

Subject to the matters described below, upon acceptance for purchase, the Company will pay (or cause to be paid) (i) the applicable consideration for the Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and (ii) the applicable consideration for the Notes validly tendered after the Early Tender Date and prior to or at the Expiration Date, in each case, by the deposit of immediately available funds in U.S. dollars on either the Early Settlement Date or the Final Settlement Date, as applicable. Such deposit will be made with Global Bondholder Services Corporation, as information and tender agent (the “**Information and Tender Agent**”), or, upon their instructions, with The Depository Trust Company (“**DTC**”), which will act as agent, as described in this Offer to Purchase, for tendering Holders for the purposes of tendering Notes, receiving payment and transmitting such payment to tendering Holders, including dealing with DTC. Requests for additional copies of this Offer to Purchase may be directed to the Information and Tender Agent at the telephone numbers and email address set forth on the back cover page of this Offer to Purchase.

None of the Company, the trustee under the indenture governing the Notes (such trustee, the “Trustee” and such indenture the “Indenture”), any paying agent, transfer agent or listing agent (such agents, collectively, the “Agents”), RBC Capital Markets, LLC (the “Dealer Manager”), the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives makes any recommendation as to whether or not Holders should tender their Notes.

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IMPORTANT INFORMATION REGARDING THE TENDER OFFER

This Offer to Purchase contains important information. You should read this Offer to Purchase in its entirety before you make any decision with respect to the Tender Offer.

The purpose of the Tender Offer is to acquire and cancel any and all of the outstanding Notes. Following consummation of the Tender Offer, the Notes that are purchased in the Tender Offer will be retired and cancelled and no longer remain outstanding obligations. See “Purpose of the Tender Offer.”

The Tender Offer is conditioned on various conditions which are described under “Conditions to the Tender Offer.”

Tendered Notes may be validly withdrawn at any time at or prior to, but not after, the Withdrawal Deadline, by following the procedures described herein. Tenders of Notes may not be withdrawn after the Withdrawal Deadline unless withdrawal rights are required by applicable law. If the Tender Offer is terminated without Notes being purchased, any Notes tendered pursuant to the Tender Offer will be returned promptly to the tendering Holders, and neither the Tender Offer Consideration nor the Total Consideration, as the case may be, will be paid or become payable.

Upon the terms and subject to the conditions of the Tender Offer, the Company will pay (or cause to be paid) (a) the Total Consideration on the Early Settlement Date for Notes validly tendered at or prior to the Early Tender Date together with Accrued Interest on such Notes, and (b) the Tender Offer Consideration on the Final Settlement Date for Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date together with Accrued Interest on such Notes; *provided*, without limitation that, as applicable in each case, (i) such Notes are not validly withdrawn, (ii) the Tender Offer Conditions (as defined below), including the Asset Sale Condition, have been satisfied or waived, and (iii) the Company has, in its sole and absolute discretion, accepted such Notes for payment pursuant to this Offer to Purchase.

Payment for Notes accepted for purchase in the Tender Offer will be made by the Company by deposit with the Information and Tender Agent, or, upon their instructions, with DTC, which will act as agent for the Holders for the purpose of receiving the Total Consideration or the Tender Offer Consideration, as the case may be, and any Accrued Interest payable, and transmitting such monies to the Holders, including dealing with DTC.

The Company reserves the right, subject to applicable law, in its sole and absolute discretion, to waive any of the Tender Offer Conditions, in whole or in part, at any time and from time to time.

The Company also reserves the right, subject to applicable law, in its sole and absolute discretion, (1) to terminate or withdraw the Tender Offer; (2) to extend one or more of the Early Tender Date, the Withdrawal Deadline or the Expiration Date; and (3) otherwise to amend the Tender Offer in any respect. The Company may also extend the Early Tender Date or the Expiration Date without, in either case, extending the Withdrawal Deadline.

The foregoing rights are in addition to the right to delay acceptance for purchase of Notes tendered pursuant to the Tender Offer or the payment of Notes accepted for purchase pursuant to the Tender Offer in order to comply with any applicable law, subject to Rule 14e-1(c) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), which requires that the Company pay the consideration offered or return the Notes deposited by or on behalf of Holders promptly after the termination or withdrawal of the Tender Offer.

No dealer, salesperson or other person is authorized to give any information or to make any representations with respect to the matters described in this Offer to Purchase (including in the documents incorporated by reference in this Offer to Purchase) other than those contained or incorporated by reference in this Offer to Purchase and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives.

This Offer to Purchase contains important information that should be read before any decision is made with respect to the Tender Offer. In particular, see “Certain Significant Consequences to Holders” for a discussion of certain factors you should consider in connection with the Tender Offer. You should read this Offer to Purchase in its entirety before you make any decision with respect to the Tender Offer.

This Offer to Purchase contains or incorporates by reference important information that should be read before any decision is made with respect to the Tender Offer. See “Incorporation of Documents by Reference.”

NONE OF THE COMPANY, THE TRUSTEE, THE AGENTS, THE DEALER MANAGER, THE INFORMATION AND TENDER AGENT, ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES OR ANY OF ITS OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR REPRESENTATIVES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY NOTES IN RESPONSE TO THE TENDER OFFER, AND NEITHER THE COMPANY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF SUCH NOTES TO TENDER.

None of the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives assumes any responsibility for the accuracy or completeness of the information contained or incorporated by reference in this Offer to Purchase including the information concerning the Tender Offer, the Company or any of its affiliates contained in this Offer to Purchase or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives is providing Holders with any legal, business, tax, investment or other advice in this Offer to Purchase. Holders should consult with their own advisors as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash. Holders must comply with all laws that apply to them in relation to the Tender Offer. Holders must also obtain any consents or approvals that they need in order to tender their Notes. None of the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives is responsible for Holders’ compliance with these legal requirements.

This transaction has not been approved or disapproved by the SEC or any state or foreign securities commission or authority, and neither the SEC nor any state or foreign securities commission or authority has passed upon the fairness or merits of this transaction or upon the accuracy or adequacy of the information contained in this Offer to Purchase or any related documents. Any representation to the contrary is a criminal offense.

This Offer to Purchase provides only a general summary description of certain Canadian tax consequences that may be relevant to a Holder’s decision to tender Notes. Holders should consult their own legal, tax and investment advisors concerning the information contained in this Offer to Purchase with regard to their particular circumstances.

See “Certain United States Federal Income Tax Consequences” for a summary discussion of certain U.S. federal income tax consequences that should be considered in evaluating the Tender Offer. U.S. holders (as defined in “Certain United States Federal Income Tax Consequences”) should consult with their own legal, tax and investment advisors concerning the information contained in this Offer to Purchase with regard to their particular circumstances.

The Dealer Manager in the ordinary course of business may purchase and/or sell the Company’s securities, including the Notes, for its own account and for the accounts of customers. As a result, the Dealer Manager at any time may own certain of the Company’s securities, including the Notes. In addition, the Dealer Manager may tender Notes in the Tender Offer for its own account.

If you do not tender your Notes, they will remain outstanding immediately following the Tender Offer until they are repurchased, redeemed or repaid. If the Company consummates the Tender Offer, the applicable trading market for your outstanding Notes may be significantly more limited. For a discussion of this and certain other matters to be considered in connection with the Tender Offer, see “Certain Significant Consequences to Holders.”

If the Company makes a material change in the terms of the Tender Offer or waives a material condition of the Tender Offer, the Company will disseminate additional materials related to the Tender Offer and extend the Tender Offer, to the extent required by law. In addition, the Company may, if it deems appropriate, extend the Tender Offer for any reason. Any extension, amendment or termination by the Company will be followed promptly by public announcement thereof. Without limiting the manner in which the Company may choose to make a public announcement of any extension, amendment or termination of the Tender Offer, the Company will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release, and in the case of an announcement of an extension of the Tender Offer, the Company shall issue a notice of such extension by press release or other public announcement, which notice shall be issued no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

Any questions or requests for assistance concerning the Tender Offer may be directed to the Dealer Manager at the telephone numbers and email address set forth on the back cover page of this Offer to Purchase. Additional copies of this Offer to Purchase are available at <https://www.gbsc-usa.com/baytex>, or requests for additional copies may be directed to the Information and Tender Agent at the telephone numbers and email address set forth on the back cover page of this Offer to Purchase.

This Offer to Purchase and related documents do not constitute an offer to buy or the solicitation of an offer to sell Notes in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful.

In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer shall be deemed to be made on behalf of the Offeror by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

The statements made in this Offer to Purchase are made as of the date on the front cover page of this Offer to Purchase, and the statements made in documents incorporated by reference are made as of the respective dates of such documents.

Neither the delivery of this Offer to Purchase nor any purchase of Notes shall, under any circumstances, create any implication that there has been no change in either the Company’s or the Company’s affiliates’ affairs since the date hereof or that the information included or incorporated by reference herein is correct as of any time subsequent to the date hereof or thereof, respectively.

None of the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives makes any representations or warranties with respect to any of the information contained in this Offer to Purchase regarding the Company or any information related to any of the Company’s publicly disseminated documents. Furthermore, the Company cannot give any assurance that all events occurring prior to the date hereof that could affect the price of the Notes have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Company could affect the value of the Notes.

IMPORTANT INFORMATION REGARDING TENDERING NOTES

The Company understands that all Notes are in book-entry form. Any Holder wishing to tender Notes pursuant to the Tender Offer must transmit an Agent's Message (as defined below), together with confirmation of the transfer of such Notes into the account of the Information and Tender Agent with DTC pursuant to the procedures for book-entry transfer set forth herein. **Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Notes so registered. Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee (i) may establish its own earlier deadline for participation in the Tender Offer and (ii) may charge such beneficial owner a commission or fee for tendering the Notes. Beneficial owners wishing to participate in the Tender Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate.** See "Procedures for Tendering Notes."

The Company expects that DTC will authorize participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. To effect a tender, DTC participants must transmit their acceptance to DTC through the DTC Automated Tender Offer Program ("ATOP"), for which the Tender Offer will be eligible, and follow the procedures for book-entry transfer set forth in "**Procedures for Tendering Notes.**" There is no separate letter of transmittal in connection with the Tender Offer.

The Company has not provided any guaranteed delivery provisions in connection with the Tender Offer. You must tender your Notes in accordance with the procedures set forth in "Procedures for Tendering Notes." No alternative, conditional or contingent tenders of Notes will be accepted.

This Offer to Purchase contains or incorporates by reference important information that should be read before any decision is made with respect to the Tender Offer. See "Incorporation of Documents by Reference."

Tendering Holders will not be obligated to pay brokerage fees or commissions to the Company, the Dealer Manager or the Information and Tender Agent in connection with their tendering Notes pursuant to the Tender Offer.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Offer to Purchase are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by terminology such as "believe," "continue," "estimate," "expect," "forecast," "intend," "may," "objective," "ongoing," "outlook," "potential," "project," "plan," "should," "target," "would," "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this Offer to Purchase speak only as of the date thereof and are expressly qualified by this cautionary statement. Holders are urged to also read the various advisories relating to sections containing forward-looking statements in each of the documents incorporated by reference into this Offer to Purchase (see "Incorporation of Documents by Reference").

This Offer to Purchase contains forward-looking statements relating but not limited to: statements regarding our future financial position, business strategy, projected revenues, earnings, costs, capital expenditures and plans and objectives of management for the future. Additionally, this Offer to Purchase contains forward-looking statements related to the recently announced Eagle Ford Asset Sale (as defined below), including the conditions to the closing of the transaction and the expected timing of closing, the intended use of proceeds of the sale, the potential benefits of the transaction and our business, strategies and plans following the completion thereof, among other matters.

These forward-looking statements are based on certain key assumptions regarding, among other things: that the closing conditions to the Eagle Ford Asset Sale will be satisfied and the closing of the transaction will occur as anticipated; expected closing adjustments and transaction costs related to the Eagle Ford Asset Sale; oil and natural gas prices and differentials between light, medium and heavy crude oil prices; well production rates and reserve volumes; success obtained in drilling new wells; our ability to add production and reserves through our exploration

and development activities; capital expenditure levels; operating costs; our ability to borrow under our credit agreements; the receipt, in a timely manner, of regulatory and other required approvals for our operating activities; the availability and cost of labour and other industry services; interest and foreign exchange rates; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; our ability to develop our crude oil and natural gas properties in the manner currently contemplated; our ability to market oil and natural gas successfully; that we will have sufficient financial resources in the future to provide shareholder returns; and current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated). Readers are cautioned that such assumptions, although considered reasonable by Baytex at the time of preparation, may prove to be incorrect.

Actual results achieved will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: risks that the Eagle Ford Asset Sale will not be completed on the terms anticipated or at all, including due to the failure to satisfy one or more closing conditions; if the Eagle Ford Asset Sale is completed as anticipated, the Company's board of directors retains the discretion to determine how to use the proceeds received therefrom, and such use of proceeds may differ from our prior expectations, including payment of other outstanding liabilities; failure to achieve the expected benefits of the Eagle Ford Asset Sale; the risk that the Eagle Ford Asset Sale will materially change the financial condition of the Company which may consequently impact Holders; the risk of an extended period of low oil and natural gas prices (including as a result of tariffs); risks associated with our ability to develop our properties and add reserves; that we may not achieve the expected benefits of acquisitions and we may sell assets below their carrying value; the availability and cost of capital or borrowing; restrictions or costs imposed by climate change initiatives and the physical risks of climate change; the impact of an energy transition on demand for petroleum productions; availability and cost of gathering, processing and pipeline systems; retaining or replacing our leadership and key personnel; changes in income tax or other laws or government incentive programs; risks associated with large projects; risks associated with higher a higher concentration of activity and tighter drilling spacing; costs to develop and operate our properties; risks associated with achieving our total debt target, production guidance, exploration and development expenditures guidance; the amount of free cash flow we expect to generate; risk that the board of directors determines to allocate capital other than as set forth herein; current or future controls, legislation or regulations; restrictions on or access to water or other fluids; public perception and its influence on the regulatory regime; new regulations on hydraulic fracturing; regulations regarding the disposal of fluids; risks associated with our hedging activities; variations in interest rates and foreign exchange rates; uncertainties associated with estimating oil and natural gas reserves; our inability to fully insure against all risks; risks associated with a third-party operating our Eagle Ford properties; additional risks associated with our thermal heavy crude oil projects; our ability to compete with other organizations in the oil and gas industry; risk that we do not achieve our GHG emissions intensity reduction target; risks associated with our use of information technology systems; adverse results of litigation; that our credit facilities may not provide sufficient liquidity or may not be renewed; failure to comply with the covenants in our debt agreements; risks associated with expansion into new activities; the impact of Indigenous claims; risks of counterparty default; impact of geopolitical risk and conflicts, loss of foreign private issuer status; conflicts of interest between the Company and its directors and officers; variability of share buybacks and dividends; risks associated with the ownership of our securities, including changes in market-based factors; risks for United States and other non-resident shareholders, including the ability to enforce civil remedies, differing practices for reporting reserves and production, additional taxation applicable to non-residents and foreign exchange risk; and other factors, many of which are beyond our control. Readers are cautioned that the foregoing list of risk factors is not exhaustive. New risk factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

These and additional risk factors are discussed in our Annual Information Form, Annual Report on Form 40-F and Management's Discussion and Analysis for the year ended December 31, 2024 filed with each of the provincial securities commissions or similar authorities in Canada (the "**Canadian Securities Regulators**") and the SEC and in our other public filings. The information found on our corporate website is not incorporated by reference herein and does not constitute part of this Offer to Purchase.

The forward-looking statements contained in this Offer to Purchase are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

WHERE YOU CAN FIND MORE INFORMATION

The Company is a reporting issuer in Canada and is required to file annual and quarterly financial statements, annual information forms, information circulars and other information with the Canadian Securities Regulators. Copies of such filings are available to the public on the internet at www.sedarplus.ca (“**SEDAR**”) but are not part of this Offer to Purchase unless specifically referenced as incorporated herein.

The Company is subject to the information requirements of the Exchange Act and in accordance with those requirements, the Company files and furnishes reports and other information with the SEC, but such information is not part of this Offer to Purchase unless specifically referenced as incorporated herein. Under the multi-jurisdictional disclosure system adopted by the United States and Canada, the Company generally may prepare these reports and other information in accordance with the disclosure requirements of Canada. These requirements are different from those of the United States. The reports and other information filed and furnished by the Company with the SEC are available to the public on the SEC’s Electronic Data Gathering, Analysis and Retrieval System (“**EDGAR**”) website at www.sec.gov.

Information has been incorporated by reference in this Offer to Purchase from documents filed with the SEC and with the Canadian Securities Regulators. The information incorporated by reference is deemed to be part of this Offer to Purchase. Copies of the documents incorporated by reference herein from documents filed with the SEC and the Canadian Securities Regulators may be obtained on request without charge from the Company at Suite 2800, Centennial Place, East Tower, 520 – 3rd Avenue S.W., Calgary, Alberta, Canada, T2P 0R3, Telephone: (587) 952-3000.

The information available on the Company’s corporate website does not form part of this Offer to Purchase and is not incorporated by reference herein, notwithstanding the references to its corporate website contained in Baytex’s corporate reports that are included in this Offer to Purchase (except as specified under “Incorporation of Documents by Reference”). You should rely only on the information included in this Offer to Purchase when making a decision as to whether to tender your Notes.

The Notes are not listed on any national or regional securities exchange. Nevertheless, quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed only as approximations. Holders are urged to contact their brokers with respect to current information regarding the Notes.

INCORPORATION OF DOCUMENTS BY REFERENCE

The documents specified below are specifically incorporated by reference in this Offer to Purchase from documents filed with the SEC and in Canada with the Canadian Securities Regulators on SEDAR, and such information is considered to be a part of this Offer to Purchase:

- (1) the Annual Information Form of Baytex for the year ended December 31, 2024, dated March 4, 2025, filed with the Canadian Securities Regulators on SEDAR on March 4, 2025 and filed with the SEC on March 5, 2025 as Exhibit 99.1 to the Company’s Annual Report on Form 40-F (the “Form 40-F”);
- (2) Baytex’s audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2024, and the independent auditor’s report thereon, as filed with the Canadian Securities Regulators on SEDAR by Baytex on March 4, 2025 and the SEC on March 5, 2025;
- (3) Baytex’s “Management’s Discussion and Analysis” (“**MD&A**”) for the fiscal year ended December 31, 2024, as filed with the Canadian Securities Regulators on SEDAR by Baytex on March 4, 2025 and the SEC on March 5, 2025;
- (4) the condensed interim unaudited consolidated financial statements of Baytex for the quarters ended March 31, 2025, June 30, 2025 and September 30, 2025, as filed with the Canadian Securities Regulators on SEDAR

by Baytex on May 5, 2025, July 31, 2025 and October 30, 2025, respectively, and the SEC on May 5, 2025, July 31, 2025 and October 31, 2025, respectively; and

- (5) Baytex's MD&A for the quarters ended March 31, 2025, June 30, 2025 and September 30, 2025, as filed with the Canadian Securities Regulators on SEDAR by Baytex on May 5, 2025, July 31, 2025 and October 30, 2025, respectively, and the SEC on May 5, 2025, July 31, 2025 and October 31, 2025, respectively.

All documents of the type referred to above filed by Baytex with the Canadian Securities Regulators, as well as material change reports (other than confidential material change reports), filed by Baytex with the securities commissions or other securities regulatory authorities in the provinces of Canada after the date of this Offer to Purchase and prior to the expiration or early termination of the offering made hereby shall be deemed to be incorporated by reference into this Offer to Purchase.

Any statement contained in a document filed prior to the date of this Offer to Purchase and incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Offer to Purchase by the express statements of this Offer to Purchase to the extent of any inconsistency therewith. Any statement contained in this Offer to Purchase or in a document incorporated by reference herein will be deemed to be modified or superseded for purposes of this Offer to Purchase to the extent that a statement contained herein or in any other subsequently filed document that is also incorporated by reference herein modifies or supersedes such statement. We may receive comments from the Canadian Securities Regulators on the filings we make with the Canadian Securities Regulators that may require us to amend the information contained in or incorporated herein by reference. In addition, the Canadian Securities Regulators may issue guidance relating to existing practice in the presentation of financial information or may promulgate new regulations that may require modifications to the presentation of the information included in this Offer to Purchase. Any such modifications may be significant. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statements so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

In addition, the Information and Tender Agent will provide without charge to each person to whom this Offer to Purchase is delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Such documents incorporated by reference can be obtained by accessing this Offer to Purchase at <https://www.gbsc-usa.com/baytex>. Requests for such documents may also be directed to the Information and Tender Agent at its email address set forth on the back cover page of this Offer to Purchase.

No dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the Tender Offer other than the information and representations contained or incorporated by reference in this Offer to Purchase, and, if given or made, such information or representations must not be relied upon as having been authorized. You should rely only on the information contained or incorporated by reference into this Offer to Purchase or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this Offer to Purchase.

Baytex does not endorse or accept any responsibility for the content on, or the use of, SEDAR. Reference is made to SEDAR for informational purposes only, and is not intended for trading or investment purposes. Baytex does not guarantee the sequence, accuracy or completeness of any information or data displayed through SEDAR and shall not be liable in any way to any offeree or to any other person, firm or corporation whatsoever for any delays, inaccuracies, errors in, or omission of any such information or data or the transmission thereof, or for any action taken in reliance thereon, or for any damages arising therefrom or occasioned thereby or by reason of nonperformance or interruption, or termination, of the information or data for any cause whatsoever.

OFFERING AND DISTRIBUTION RESTRICTIONS

The distribution of this Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Purchase comes are required by Baytex, the Dealer Manager and the Information and Tender Agent to inform themselves about and to observe any such restrictions.

This Offer to Purchase does not constitute an offer to purchase or an invitation or solicitation to participate in the Tender Offer in any jurisdiction or under any circumstances in which, or to any person with respect to whom, it is unlawful to make such offer or invitation or solicitation or for there to be such participation under applicable laws.

We are not aware of any jurisdiction where the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If we become aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, we will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Tender Offer. If, after such good faith effort, we cannot comply with any such applicable laws, the Tender Offer will not be made to the Holders of Notes residing in each such jurisdiction.

In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made on behalf of the Offeror by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

This Offer to Purchase has not been filed with or reviewed by the SEC, any federal, state, or foreign securities commission or regulatory authority, and no such commission or authority has passed upon the fairness or merits of the Tender Offer or upon the accuracy or adequacy of this Offer to Purchase. Any representation to the contrary is unlawful and may be a criminal offense.

The delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in the affairs of Baytex or any of its subsidiaries since the date hereof.

Each Holder participating in the Tender Offer will be deemed to give certain representations as set out in “Principal Terms of the Tender Offer—Representations, Warranties and Covenants of Holders of Notes.” Additionally, by tendering securities, or instructing its custodian to tender securities, a Holder is (i) representing and warranting that (a) it is not a person to whom it is unlawful to make an invitation to tender pursuant to the Tender Offer under applicable law and (b) such Holder has observed (and will observe) all laws of relevant jurisdictions in connection with such Holder’s tender and (ii) deemed to give certain representations as set out in “Procedures for Tendering Notes.” If a Holder is unable to make these representations, such Holder’s tender of Notes for purchase may be rejected. Each of the Company, the Dealer Manager, and the Information and Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Tender Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result, the Company determines (for any reason) that such representation is not correct, such tender may be rejected.

SUMMARY TIMETABLE

The following summary timetable is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer to Purchase. Unless otherwise defined herein, capitalized terms used in this summary have the respective meanings specified elsewhere in this Offer to Purchase.

Date	Calendar Date	Event
Early Tender Date	5:00 P.M., New York City time, on December 12, 2025, unless extended by the Company in its sole and absolute discretion.	The last time and date for Holders to tender Notes to qualify for the payment of the Total Consideration, which includes the Early Tender Payment. Holders who validly tender Notes after the Early Tender Date, but at or prior to the Expiration Date, will only be eligible to receive the Tender Offer Consideration.
Withdrawal Deadline	5:00 P.M., New York City time, on December 12, 2025, unless extended by the Company in its sole and absolute discretion or as required by applicable law.	The last time and date for Holders who have tendered Notes to withdraw any tendered Notes. Notes tendered at or prior to the Withdrawal Deadline may not be withdrawn after the Withdrawal Deadline unless withdrawal rights are required by applicable law. Notes tendered after the Withdrawal Deadline may not be withdrawn unless withdrawal rights are required by applicable law.
Early Settlement Date	Expected to be the sixth business day following the Early Tender Date or as promptly as practicable thereafter.	Date on which payment of the Total Consideration, plus Accrued Interest up to but excluding the Early Settlement Date, will be made with respect to Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted for purchase by the Company.
Expiration Date	5:00 P.M., New York City time, on December 30, 2025, unless extended by the Company in its sole and absolute discretion.	The last time and date for Holders to tender Notes pursuant to the Tender Offer.
Final Settlement Date	Expected to be the first business day following the Expiration Date or as promptly as practicable thereafter.	Date on which payment of the Tender Offer Consideration with respect to Notes tendered after the Early Tender Date but at or prior to the Expiration Date, plus Accrued Interest up to but excluding the Final Settlement Date, will be made with respect to Notes validly tendered and not validly withdrawn and accepted for purchase by the Company.

The above times and dates are subject to the absolute right of the Company to extend, re-open, amend and/or terminate the Tender Offer, in its sole and absolute discretion (subject only to applicable law). Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes whether such intermediary would require specific instructions and conditions to participate in, or (in the limited circumstances in which withdrawal is permitted) withdraw their instruction to participate in, the Tender Offer before the deadlines set out above.

In the event that the Tender Offer is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Company, the Total Consideration or Tender Offer Consideration, as applicable, will not be paid or become payable to Holders who have validly tendered and not validly withdrawn their Notes in connection with the Tender Offer.

SUMMARY

This Offer to Purchase contains important information that should be read carefully before any decision is made with respect to the Tender Offer. The following summary is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Offer to Purchase or any amendments or supplements hereto. Capitalized terms not otherwise defined in this summary have the meanings assigned to them elsewhere in this Offer to Purchase and the documents incorporated by reference.

The Offeror Baytex Energy Corp., an Alberta, Canada corporation.

Notes The Notes for which the Tender Offer is being made, the CUSIP numbers and ISINs therefor and the principal amount outstanding are set forth in the table below:

<u>Title of Note</u>	<u>CUSIP Nos.</u>	<u>ISINs</u>	<u>Principal Amount Outstanding</u>
7.375% Senior Notes due 2032	07317QAK1 C08047AE9	US07317QAK13 USC08047AE94	\$575,000,000

The Tender Offer The Company is offering, upon the terms and conditions set forth in this Offer to Purchase, to purchase any and all of the outstanding Notes for cash.

Purpose of the Tender Offer The purpose of the Tender Offer is to acquire and cancel any and all of the outstanding Notes. Following consummation of the Tender Offer, the Notes that are purchased in the Tender Offer will be retired and cancelled and no longer remain outstanding obligations. See “Purpose of the Tender Offer.”

Early Tender Date 5:00 P.M., New York City time, December 12, 2025, or a later time if extended by the Company in its sole and absolute discretion (which is the time by which Holders must tender their Notes in order to be eligible to receive the Total Consideration).

Withdrawal Deadline ... 5:00 P.M., New York City time, on December 12, 2025, unless extended by the Company in its sole and absolute discretion or as required by applicable law. Holders who tender Notes after the Withdrawal Deadline, may not withdraw such Notes unless withdrawal rights are required by applicable law.

Expiration Date The Tender Offer will expire at 5:00 P.M., New York City time, on December 30, 2025, unless the Tender Offer is extended or earlier terminated by the Company in its sole and absolute discretion (which is the time after the Early Tender Date by which Holders must tender their Notes in order to be eligible to receive the Tender Offer Consideration). Holders who tender their Notes after the Early Tender Date will not be eligible to receive the Early Tender Payment and will only be eligible (*provided* they tender at or prior to the Expiration Date) to receive the Tender Offer Consideration.

Settlement Date The Company expects that payment for all Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted for purchase by the Company will be made on the Early Settlement Date. The Company expects the Early Settlement Date (subject to any extension of the Early Tender Date) to be the sixth business day after the Early Tender Date.

The Company expects that payment for all Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase by the Company will be made on the Final Settlement Date. Each of the Early Settlement Date and Final Settlement Date is referred to herein as a “Settlement Date.” The Company expects the Final Settlement Date (subject to any extension of the Expiration Date) to be the first business day after the Expiration Date.

The date of each of the Settlement Dates may change without notice.

Under no circumstances will interest be paid by the Company on any cash to be paid to Holders by reason of any delay in making payment of funds on the Early Settlement Date or the Final Settlement Date (as applicable), other than a delay caused by the Company’s failure to deposit the relevant funds on the applicable Settlement Date.

Tender Offer

Consideration..... The Tender Offer Consideration for the Notes accepted for purchase by the Company (which is the applicable Total Consideration less the Early Tender Payment) is an amount equal to: U.S.\$1,000 per U.S.\$1,000 principal amount of Notes.

Early Tender Payment. Holders who validly tender and do not validly withdraw Notes prior to the Early Tender Date will receive on the Early Settlement Date an Early Tender Payment equal to \$40 per \$1,000 principal amount of the Notes accepted for purchase.

Total Consideration..... The Total Consideration for Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date, and accepted for purchase by the Company will be: U.S.\$1,040 per U.S.\$1,000 principal amount of Notes.

The Total Consideration includes the Early Tender Payment.

Accrued Interest Holders tendering their Notes will also receive accrued and unpaid interest up to, but excluding, the Early Settlement Date or Final Settlement Date, as applicable, which is not included in the Tender Offer Consideration or Total Consideration.

Acceptance For purposes of the Tender Offer, tendered Notes will be deemed to have been accepted for purchase if and when the Company gives oral or written notice thereof to the Information and Tender Agent.

Conditions to the

Tender Offer The Tender Offer is subject to, and conditioned upon satisfaction or waiver of the Tender Offer Conditions (as defined in “Conditions to the Tender Offer—Tender Offer Conditions”), including the Asset Sale Condition, in the sole and absolute discretion of the Company. Subject to applicable law, the Company reserves the right, in its sole and absolute discretion, to waive any or all of the Tender Offer Conditions, in whole or in part.

The Tender Offer is not subject to any minimum principal amount of Notes being tendered.

Asset Sale Condition..... In order to satisfy the Asset Sale Condition, the transactions contemplated by the Eagle Ford Sale Agreement (as defined below) shall have been consummated. See “Conditions to the Tender Offer—Tender Offer Conditions.”

How to Tender Notes.... See “Procedures for Tendering Notes.” For further information, Holders should contact the Information and Tender Agent or consult their broker, dealer or other similar nominee for assistance.

Waivers, Extensions, Amendments and Termination The Company expressly reserves the right, in its sole and absolute discretion and subject only to applicable law, at any time or from time to time, to amend, extend, terminate, re-open or waive any aspect of the Tender Offer, including among other things: (a) waiving any condition to the Tender Offer, (b) extending the Early Tender Date or the Expiration Date and all Notes previously tendered pursuant to the Tender Offer will remain subject to the Tender Offer and may be accepted for purchase or payment, subject to any withdrawal rights of Holders, (c) extending the Early Tender Date or the Expiration Date without, in either case, extending the Withdrawal Deadline for tendered Notes, except in certain limited circumstances where additional withdrawal rights are required by law, such that Holders that validly tender and do not validly withdraw their Notes will be entitled to the Total Consideration or Tender Offer Consideration, as the case may be, if such Notes are accepted for purchase but will not be able to withdraw their tendered Notes, (d) amending the terms of the Tender Offer in any respect, and (e) terminating the Tender Offer and not accepting for purchase any tendered Notes. See “Principal Terms of the Tender Offer—Expiration Date; Extensions; Terminations; Amendments.”

Certain United States Federal Income Tax Consequences For a discussion of certain U.S. federal income tax consequences of the Tender Offer that may be applicable to U.S. holders (as defined therein), see “Certain United States Federal Income Tax Consequences.”

Certain Canadian Federal Income Tax Consequences For a discussion of certain Canadian federal income tax consequences of the Tender Offer that may be applicable to Holders, see “Certain Canadian Federal Income Tax Consequences.”

Source and Amount of Funds For a discussion of the source and amount of funds that will be used to pay the amounts payable pursuant to the Tender Offer, see “Purpose of the Tender Offer.”

Dealer Manager RBC Capital Markets, LLC is serving as Dealer Manager in connection with the Tender Offer. Contact information for the Dealer Manager appears on the back cover page of this Offer to Purchase.

Information and Tender Agent Global Bondholder Services Corporation is serving as Information and Tender Agent in connection with the Tender Offer. Requests for additional copies of this Offer to Purchase should be directed to the Information and Tender Agent. Contact information for the Information and Tender Agent appears on the back cover page of this Offer to Purchase.

Other Purchase

Considerations From time to time, following the consummation, expiration or early termination of the Tender Offer, the Company retains the absolute right, in its sole and absolute discretion, to acquire Notes. The Company or any of its affiliates may purchase or otherwise acquire (but is not required to purchase or otherwise acquire) any Notes in privately negotiated transactions, through additional tender or exchange offers, by redeeming the Notes (with any applicable make-whole redemption premium), through open market purchases, by defeasance or otherwise, upon such terms and at such prices as the Company or any of its affiliates may determine (or as may be provided for in the relevant Indenture), which may be more or less than the price to be paid pursuant to the Tender Offer and may involve cash or other consideration. Accordingly, any future purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Tender Offer. Any future purchases by the Company or any of its affiliates will depend on various factors existing at that time.

**Additional
Documentation;
Further Information;
Assistance**

Any questions or requests for assistance or for additional copies of this Offer to Purchase or related documents may be directed to the Information and Tender Agent at its telephone numbers or email address set forth on the back cover page of this Offer to Purchase. Copies of this Offer to Purchase and documents incorporated by reference are also available at <https://www.gbsc-usa.com/baytex>. Holders may also contact the Dealer Manager or their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

INFORMATION ABOUT THE COMPANY

Baytex Energy Corp. is an energy company with headquarters based in Calgary, Alberta and offices in Houston, Texas. 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 Shale in the United States. The Company and its predecessors have been in business for more than 30 years and its operating team is well established with a track record of technical proficiency and operational success. Throughout its history, the Company has endeavored to add value by developing assets and completing selective acquisitions and divestitures.

On November 12, 2025, certain subsidiaries of Baytex entered into a definitive Securities Purchase Agreement, dated November 12, 2025, with an undisclosed buyer (the “**Buyer**”) providing for the sale to such Buyer of the Baytex subsidiary that owns Baytex’s upstream, midstream and related assets located in the Eagle Ford Shale in Texas (the “**Eagle Ford Assets**”) for cash consideration of approximately \$2.305 billion (such agreement, as amended, the “**Eagle Ford Sale Agreement**” and the transactions contemplated thereby, the “**Eagle Ford Asset Sale**”). The Eagle Ford Asset Sale is expected to close in late 2025 or early 2026, subject to customary closing conditions and regulatory approvals, including approval under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976. Following completion of the transaction, the Company intends to focus on its Canadian operating segment, which includes its light oil assets in the Viking and Duvernay, heavy oil assets in Peace River and Lloydminster and conventional oil and natural gas assets in Western Canada. Following the Eagle Ford Asset Sale, Baytex will be a focused Canadian energy producer with high-quality heavy oil operations at Peavine, Peace River, and Lloydminster, as well as an attractive, scalable position in the Pembina Duvernay and high netback light oil in the Viking. Concurrently with the closing of the Eagle Ford Asset Sale, Baytex expects to redeem its 8.500% Senior Notes due 2030 with proceeds from the Eagle Ford Asset Sale.

Baytex is a corporation amalgamated under the laws of the Province of Alberta and is the issuer of the Notes. Baytex’s registered office is located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Baytex’s telephone number is (587) 952-3000, and its corporate website is www.baytexenergy.com. The information found on Baytex’s corporate website is not (except as specified under “Incorporation of Documents by Reference”) incorporated by reference herein and does not constitute part of this Offer to Purchase.

Further information regarding Baytex is contained in information incorporated by reference into this Offer to Purchase. See “Incorporation of Documents by Reference.”

You should rely only on the information included in this Offer to Purchase when making a decision as to whether to tender your Notes.

PURPOSE OF THE TENDER OFFER

The Tender Offer is being undertaken to acquire and cancel any and all of the Notes. The Tender Offer will be financed by a portion of the cash proceeds received from the Eagle Ford Asset Sale.

The Tender Offer is conditioned on various conditions, including the Asset Sale Condition, which are described under “Conditions to the Tender Offer.”

This Offer to Purchase does not constitute or form part of an offer to sell or the solicitation of an offer to purchase any securities.

CERTAIN SIGNIFICANT CONSEQUENCES TO HOLDERS

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the information contained in this Offer to Purchase and the documents incorporated by reference, the matters discussed below.

Position of the Company Concerning the Tender Offer

None of the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives is making any recommendations to the Holders as to whether or not to tender all or any portion of the Notes, and none of the foregoing has authorized any person to make any such recommendation. Holders must decide whether to tender Notes, and if tendering, the amount of Notes to tender. Holders are urged to evaluate carefully all information in this Offer to Purchase, consult their own investment, legal and tax advisors and make their own decisions whether to tender Notes and, if so, the principal amount of Notes to tender.

Limited Trading Market

The Notes are not listed on any national or regional securities exchange. To the extent that Notes are tendered and accepted in the Tender Offer, the limited trading market for Notes may become more limited or non-existent. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for Notes not tendered or tendered but not accepted for purchase may be affected adversely to the extent that the number of Notes purchased pursuant to the Tender Offer reduces the float. The reduced float may also tend to make the trading price for the Notes more volatile. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following the Tender Offer. The extent of the public market for the Notes following consummation of the Tender Offer would depend upon, among other things, the remaining outstanding principal amount of Notes following the consummation of the Tender Offer, the number of Holders remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms. We cannot assure you that a market for any Notes that remain outstanding following the consummation of the Tender Offer will exist or be sustained.

The Consummation of the Tender Offer is Subject to Satisfaction of Certain Conditions

The consummation of the Tender Offer is subject to satisfaction or waiver by the Company of certain conditions as set forth herein, in the sole and absolute discretion of the Company, including the Asset Sale Condition. These conditions are described in more detail in this Offer to Purchase under “Conditions to the Tender Offer.” There can be no assurance that such conditions will be satisfied or waived with respect to the Tender Offer.

Effect of the Tender Offer on Holders of Notes Tendered and Accepted in the Tender Offer

If your Notes are validly tendered, not validly withdrawn and accepted at or prior to the Early Tender Date or Expiration Date, you will receive the Total Consideration or the Tender Offer Consideration, as the case may be, plus Accrued Interest, but you will give up all rights and benefits associated with ownership of such Notes.

Treatment of Notes Not Tendered or Not Purchased in the Tender Offer

Notes not tendered and purchased in the Tender Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the instruments governing the Notes, will remain unchanged. No amendments to these documents are being sought.

From time to time, following the consummation, expiration or early termination of the Tender Offer, the Company retains the absolute right, in its sole and absolute discretion, to acquire Notes. The Company or any of its affiliates may purchase or otherwise acquire (but is not required to purchase or otherwise acquire) any Notes in privately negotiated transactions, through additional tender or exchange offers, by redeeming the Notes (with any applicable

make-whole redemption premium), through open market purchases, by defeasance or otherwise, upon such terms and at such prices as the Company or any of its affiliates may determine (or as may be provided for in the relevant Indenture), which may be more or less than the price to be paid pursuant to the Tender Offer and may involve cash or other consideration. Accordingly, any future purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Tender Offer. Any future purchases by the Company or any of its affiliates will depend on various factors existing at that time.

Withdrawal Rights

Tenders of Notes made at or prior to the Withdrawal Deadline may be validly withdrawn at any time at or prior to the Withdrawal Deadline, but not thereafter, unless withdrawal rights are required by applicable law. In addition, the Company may, in its sole and absolute discretion subject to applicable law, extend the Withdrawal Deadline, the Expiration Date or, at any time prior to the Expiration Date, terminate the Tender Offer. The Company may also extend the Early Tender Date or the Expiration Date without, in either case, extending the Withdrawal Deadline. Payment of the Total Consideration and the Tender Offer Consideration will not be made prior to the Early Settlement Date or Final Settlement Date, as applicable, the occurrence of which is dependent upon the satisfaction or waiver of the conditions to the Tender Offer. Therefore, Holders that tender Notes at or prior to the Withdrawal Deadline could be forced to wait for an extended period of time before receiving payment, if at all, and will not after the Withdrawal Deadline have the ability to withdraw and trade tendered Notes unless the Company extends the Withdrawal Deadline. Unless withdrawal rights are required by applicable law, Notes tendered after the Withdrawal Deadline may not be withdrawn, and Holders that tender such Notes could be forced to wait for an extended period of time before receiving payment for their Notes, if at all.

Tendering Notes Will Have Tax Consequences

See “Certain United States Federal Income Tax Consequences” for a discussion of certain U.S. federal income tax consequences of the Tender Offer and see “Certain Canadian Federal Income Tax Consequences” for a discussion of certain Canadian federal income tax consequences of the Tender Offer.

Subsequent Repurchases of the Notes

From time to time, following the consummation, expiration or early termination of the Tender Offer, the Company or any of its affiliates may purchase or otherwise acquire (but is not required to purchase or otherwise acquire) any Notes in privately negotiated transactions, through additional tender or exchange offers, by redeeming the Notes (with any applicable make-whole redemption premium), through open market purchases, by defeasance or otherwise, upon such terms and at such prices as the Company or any of its affiliates may determine (or as may be provided for in the relevant Indenture), which may be more or less than the price to be paid pursuant to the Tender Offer and may involve cash or other consideration. Accordingly, any future purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Tender Offer. Any future purchases by the Company or any of its affiliates will depend on various factors existing at that time.

Effect of Eagle Ford Asset Sale on Baytex

Following the Eagle Ford Asset Sale, Baytex will no longer own the Eagle Ford Assets, and Baytex intends to focus on its Canadian operating segment, which includes its light oil assets in the Viking and Duvernay, heavy oil assets in Peace River and Lloydminster and conventional and natural gas assets in Western Canada.

Effect of Tender Offer on Company’s Obligations Pursuant to Section 4.7 of the Indenture

The Tender Offer constitutes an Asset Sale Offer pursuant to Section 4.7 of the Indenture. As a result, pursuant to Section 4.7(c) of the Indenture, upon completion of the Tender Offer, the Company will have satisfied its obligation to make an Asset Sale Offer (as defined in the Indenture) with respect to an amount of Net Proceeds (as defined in the Indenture) from the Eagle Ford Asset Sale equal to the principal amount of the Notes plus Accrued Interest on the Notes.

None of the Company, the Trustee, the Agents, the Dealer Manager, the Information and Tender Agent, any of their respective subsidiaries or affiliates or any of its or their respective directors, officers, employees or representatives is making any recommendations to the Holders as to whether or not to tender all or any portion of the Notes, and none of the foregoing has authorized any person to make any such recommendation.

PRINCIPAL TERMS OF THE TENDER OFFER

General

The Company offers to purchase any and all of the outstanding Notes for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase. In its sole and absolute discretion, the Company may determine if certain conditions to the Tender Offer have been satisfied for the purchase of the Notes, including the Asset Sale Condition.

The Total Consideration for Notes validly tendered and not validly withdrawn at or prior to the Early Tender Date and accepted for purchase by the Company pursuant to the Tender Offer will be an amount equal to that specified on the front cover page of this Offer to Purchase.

Upon the terms and subject to the conditions of the Tender Offer, the Company will pay (or cause to be paid) the Total Consideration to Holders that validly tender and do not validly withdraw their Notes at or prior to the Early Tender Date. Such Holders are expected to receive payment of the Total Consideration on the Early Settlement Date if the Company accepts the tendered Notes for purchase. Upon the terms and subject to the conditions of the Tender Offer, Holders that validly tender their Notes after the Early Tender Date but at or prior to the Expiration Date and whose tendered Notes are accepted for purchase by the Company will receive the Tender Offer Consideration (in an amount specified on the front cover page of this Offer to Purchase). Payments of the Tender Offer Consideration for such Notes validly tendered and not validly withdrawn are expected to be made on the Final Settlement Date, if the Company accepts the tendered Notes for purchase. The Company will be deemed to have accepted validly tendered (and not validly withdrawn) Notes in the Tender Offer when, as and if the Company has given oral or written notice thereof to the Information and Tender Agent.

Holders that validly tender (and do not validly withdraw) Notes and whose Notes are accepted for purchase will also receive Accrued Interest up to, but not including, the Early Settlement Date or Final Settlement Date, as applicable.

To the extent permitted by applicable law, the Company reserves the right to extend, delay, accept, amend or terminate the Tender Offer. To the extent permitted by applicable law, the Company may waive any or all of the conditions to the Tender Offer.

The Notes may be tendered only in principal amounts equal to the minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. There are no guaranteed delivery procedures. Holders who tender less than all their Notes must continue to hold Notes in the authorized denominations specified above.

Payment of cash to tendering Holders will be paid by the Company directly to DTC for further credit to the cash accounts of such tendering Holders.

Holders that tender in the Tender Offer will not be required to pay brokerage commissions to the Company, the Trustee, the Dealer Manager, the Agents or the Information and Tender Agent. If Notes are held through a nominee, Holders should contact such nominee to determine whether any transaction costs are applicable.

No appraisal rights are available to Holders in connection with the Tender Offer.

Representations, Warranties and Covenants of Holders of Notes

By tendering its Notes through the submission of an electronic acceptance instruction in accordance with the requirements of ATOP, each Holder (which term in this subsection “Representations, Warranties and Covenants of Holders of Notes” includes any beneficial owner on whose behalf a Holder is acting) will be deemed to represent, warrant and undertake the following to the Company, the Dealer Manager and the Information and Tender Agent:

1. Such Holder irrevocably constitutes and appoints the Information and Tender Agent as such Holder’s true and lawful agent and attorney-in-fact (with full knowledge that the Information and Tender Agent also acts

as the agent of the Company) with respect to such Notes, with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) present such Notes and all evidences of transfer and authenticity to, or transfer ownership of, such Notes on the account books maintained by DTC or the applicable clearing system to, or upon the order of, the Company, (ii) present such Notes for transfer of ownership on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes, all in accordance with the terms and conditions of the Tender Offer.

2. Such Holder understands that tenders of Notes may be withdrawn by written notice of withdrawal received by the Information and Tender Agent at any time at or prior to the Withdrawal Deadline. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be credited to the account maintained at DTC from which such Notes were delivered.
3. Such Holder understands that tenders of Notes pursuant to any of the procedures described in this Offer to Purchase and acceptance of such Notes by the Company will constitute a binding agreement between Holders and the Company upon the terms and subject to the conditions of the Tender Offer. For purposes of the Tender Offer, such Holder understands that validly tendered and not validly withdrawn Notes (or defectively tendered Notes with respect to which the Company has waived or caused to be waived such defect) will be deemed to have been accepted by the Company if, as and when the Company gives written notice thereof to the Information and Tender Agent.
4. Such Holder has full power and authority to tender, sell, assign and transfer the Notes tendered hereby and that when such tendered Notes are accepted for purchase and payment by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and together with all rights attached thereto. Such Holder will, upon request, execute and deliver any additional documents deemed by the Information and Tender Agent or by the Company to be necessary or desirable to complete the sale, assignment transfer and cancellation of the Notes tendered hereby or to evidence such power and authority.
5. Such Holder understands that tender of the Notes pursuant to the procedures described in “Procedures for Tendering Notes” of this Offer to Purchase constitute such Holder’s acceptance of the terms and conditions of the Tender Offer. The Company’s acceptance for payment of Notes tendered pursuant to the Tender Offer will constitute a binding agreement between such tendering Holder and the Company upon the terms and subject to the conditions of the Tender Offer.
6. Such Holder has read and agreed to all of the terms of the Tender Offer. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, the death or incapacity of the Holder, and any obligation of the Holder hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the Holder.
7. Such Holder acknowledges that on submitting the required electronic instructions to DTC, the Holder is deemed to agree that the relevant Notes will be blocked in the DTC system with effect from the date the relevant tender of Notes is made until the earlier of (i) the time of settlement on the relevant Settlement Date and (ii) the date on which the tender for the relevant Notes is terminated by the Company or on which such tender is validly withdrawn, in each case in accordance with the terms of this Offer to Purchase.
8. Such Holder hereby requests that any Notes representing principal amounts not accepted for purchase be released in accordance with DTC procedures.
9. Such Holder understands that, subject to the terms and conditions of the Tender Offer, the Company will pay the Total Consideration or the Tender Offer Consideration, as applicable, and the Accrued Interest up to, but not including, the relevant Settlement Date for those Notes that are accepted and that were validly tendered and not validly withdrawn at or prior to the Early Tender Date or the Expiration Date, as applicable.

10. Such Holder recognizes that the Company may terminate or amend the Tender Offer or may postpone the acceptance for payment of, or the payment for, Notes tendered or may not be required to purchase any of the Notes tendered hereby.
11. Such Holder understands that the delivery and surrender of any Notes is not effective, and the risk of loss of the Notes does not pass to the Information and Tender Agent, until receipt by the Information and Tender Agent of an Agent's Message properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company. All questions as to form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by the Company, in its sole and absolute discretion, which determination shall be final and binding.
12. Such Holder has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any requisite payments due from such Holder in each respect in connection with any offer or acceptance, in any jurisdiction, and such Holder has not taken or omitted to take any action in breach of the terms of the Tender Offer or which will or may result in the Company or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Tender Offer or tender of Notes in connection therewith.
13. Such Holder is not from or located in any jurisdiction where the making or acceptance of the Tender Offer does not comply with the laws of that jurisdiction.

IF A HOLDER THAT DESIRES TO TENDER ITS NOTES IS UNABLE TO PROVIDE THE REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS SET FORTH ABOVE, SUCH HOLDER SHOULD CONTACT THE DEALER MANAGER OR INFORMATION AND TENDER AGENT IMMEDIATELY.

Acceptance for Purchase and Payment for Notes

Upon the terms of this Offer to Purchase and subject to the satisfaction or waiver of the Tender Offer Conditions, including the Asset Sale Condition, the Company will accept the Notes validly tendered and not validly withdrawn pursuant to the Tender Offer. Subject to rules promulgated under the Exchange Act, the Company expressly reserves the right to delay acceptance of any of the Notes or to terminate the Tender Offer and not accept for purchase any Notes not theretofore accepted if any of the conditions set forth under the heading "Conditions to the Tender Offer" are not satisfied or waived by the Company. The Company will pay (or cause to be paid) the Total Consideration or the Tender Offer Consideration, as applicable, pursuant to the Tender Offer promptly after the acceptance for purchase of Notes validly tendered and not validly withdrawn. In all cases, the Company will purchase Notes accepted for purchase pursuant to the Tender Offer only after timely receipt by the Information and Tender Agent of (a) confirmation of satisfaction of DTC's ATOP procedures set forth under "Procedures for Tendering Notes" and (b) any other documents required thereby.

For purposes of the Tender Offer, the Company will be deemed to have accepted validly tendered and not validly withdrawn Notes, when, as and if the Company gives oral or written notice thereof to the Information and Tender Agent. Payment for Notes accepted for purchase pursuant to the Tender Offer will be made by the Company by depositing such payment with DTC, which will act as agent for the tendering Holders for the purpose of receiving the Total Consideration or Tender Offer Consideration, as applicable (and Accrued Interest up to, but not including, the Early Settlement Date or Final Settlement Date, as applicable), and transmitting such Total Consideration or Tender Offer Consideration, as applicable (plus Accrued Interest up to but not including, the Early Settlement Date or Final Settlement Date, as applicable), to such Holders. Under no circumstances will any additional amount be paid by the Company or the Information and Tender Agent, as applicable, by reason of any delay in making such payment.

If, for any reason whatsoever, acceptance for purchase or the payment of any Notes tendered pursuant to the Tender Offer is delayed, or the Company is unable to accept for purchase the Notes tendered pursuant to the Tender Offer, then, without prejudice to the Company's rights set forth herein, the Information and Tender Agent may nevertheless, on behalf of the Company, and subject to rules promulgated under the Exchange Act, retain previously

tendered Notes, and such Notes may not be withdrawn except to the extent that the Holder of such Notes is entitled to withdrawal rights as described herein. See “Withdrawal of Tenders.”

If any tendered Notes are not accepted for purchase because of an invalid tender or because of the occurrence or non-occurrence of certain other events set forth herein or otherwise, then Notes tendered by book-entry transfer pursuant to the procedures of DTC’s ATOP will be credited to the account maintained at DTC from which such Notes were delivered promptly after the Expiration Date or the early termination of the Tender Offer.

No alternative, conditional or contingent tenders of Notes will be accepted. There are no guaranteed delivery procedures. A tendering Holder, by electronically transmitting its acceptance through ATOP waives all rights to receive notice of acceptance of such Holder’s Notes for purchase.

Expiration Date; Extensions; Terminations; Amendments

The Tender Offer will expire on the Expiration Date. The Tender Offer may be extended or terminated by the Company in its sole and absolute discretion. The Company will notify the Information and Tender Agent of any extensions or terminations by oral or written notice and will make a public announcement thereof on the next business day after the previously scheduled Early Tender Date, in the case of an extension of the Early Tender Date, or before 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date, in the case of an extension of the Expiration Date, as applicable. There can be no assurance that the Company will exercise its right to extend the Tender Offer.

During any extension of the Tender Offer, all Notes previously tendered and not validly withdrawn will remain subject to the Tender Offer and may be accepted for purchase at the expiration of the Tender Offer, subject to the right, if any, of a Holder to withdraw its tender of Notes. See “Withdrawal of Tenders.”

The Company also expressly reserves the right, in its sole and absolute discretion, subject to applicable law, (a) to terminate the Tender Offer at any time at or prior to the Expiration Date and not accept for purchase any Notes not theretofore accepted for purchase, (b) to delay the acceptance for purchase of any Notes or, regardless of whether such Notes were theretofore accepted for purchase, to delay the purchase or payment of any Notes pursuant to the Tender Offer, by giving oral or written notice of such delay to the Information and Tender Agent, and (c) at any time, or from time to time, to amend the Tender Offer in any respect. Except as otherwise provided herein or otherwise required by law, withdrawal rights with respect to Notes tendered pursuant to the Tender Offer will not be extended or reinstated as a result of an extension or amendment of the Tender Offer. See “Withdrawal of Tenders.”

Any extension, delay, termination or amendment of the Tender Offer will be followed promptly by a public announcement thereof. Without limiting the manner in which the Company may choose to make a public announcement of any extension, delay, termination or amendment of the Tender Offer, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement, except in the case of an announcement of an extension of the Tender Offer, in which case the Company shall have no obligation to publish, advertise or otherwise communicate such announcement other than by issuing a notice of such extension by press release or other public announcement, which notice shall be issued no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

If the Company decides to increase or decrease the purchase price offered to Holders of Notes in the Tender Offer, the Company will, to the extent required by applicable law, cause the Tender Offer to be extended, if necessary, so that the Tender Offer remains open at least until the expiration of 10 business days from the date that such notice is first published, sent or given by the Company.

If the Company makes a material change in the terms of the Tender Offer (including any change in the amount of the Total Consideration, Tender Offer Consideration or Early Tender Payment) or the information concerning the Tender Offer, or waives any condition to the Tender Offer that results in a material change to the circumstances of the Tender Offer, then the Company will disseminate additional materials to the extent required under the Exchange Act and will extend the Tender Offer to the extent required in order to permit Holders of Notes adequate time to consider such materials. The minimum period during which the Tender Offer must remain open following material changes in

the terms of the Tender Offer or information concerning the Tender Offer, other than a change in the Total Consideration, the Tender Offer Consideration or the Early Tender Payment, will depend upon the specific facts and circumstances, including the relative materiality of the terms or information.

Effect of Tender Offer on Company's Obligations Pursuant to Section 4.7 of the Indenture

The Tender Offer constitutes an Asset Sale Offer pursuant to Section 4.7 of the Indenture. As a result, pursuant to Section 4.7(c) of the Indenture, upon completion of the Tender Offer, the Company will have satisfied its obligation to make an Asset Sale Offer (as defined in the Indenture) with respect to an amount of Net Proceeds (as defined in the Indenture) from the Eagle Ford Asset Sale equal to the principal amount of the Notes plus Accrued Interest on the Notes.

PROCEDURES FOR TENDERING NOTES

The tender by a Holder of Notes (and subsequent acceptance of such tender by the Company) pursuant to the procedures set forth below will constitute a binding agreement between such Holder and the Company in accordance with the terms and subject to the conditions set forth in this Offer to Purchase. No alternative, conditional or contingent tenders of Notes will be accepted. There are no guaranteed delivery procedures.

The Company understands that all Notes are in book-entry form. The method of delivery of Notes, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent's Message (as defined below) transmitted through ATOP, is at the election and risk of the person tendering Notes and, except as otherwise provided, delivery will be deemed made only when actually received or acknowledged by the Information and Tender Agent. **There is no separate letter of transmittal in connection with the Tender Offer.**

Any beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender such Notes should contact its nominee promptly and instruct such nominee to tender Notes on such beneficial owner's behalf. If such beneficial owner wishes to tender such Notes itself, such beneficial owner must, prior to delivering such Notes, make appropriate arrangements to register ownership of the Notes in such beneficial owner's name. The transfer of record ownership may take considerable time.

Only registered Holders of Notes are authorized to tender their Notes pursuant to the Tender Offer. Accordingly, to properly tender Notes or cause Notes to be tendered, the following procedures must be followed.

Tender of Notes is only through DTC

The Tender Offer will be eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of the Tender Offer by causing DTC to transfer their Notes to the Information and Tender Agent in accordance with DTC's ATOP procedures. DTC will then send an Agent's Message to the Information and Tender Agent.

The term "**Agent's Message**" means a message transmitted by DTC, received by the Information and Tender Agent, and forming part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC participant tendering Notes which are the subject of such Book-Entry Confirmation and that such DTC participant has received and agrees to be bound by the terms of the Tender Offer as set forth in this Offer to Purchase and that the Company may enforce such agreement against such participant. Holders desiring to tender their Notes prior to the Early Tender Date or the Expiration Date should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such respective date. Tenders not received by the Information and Tender Agent prior to the Expiration Date will be disregarded and of no effect. The confirmation of a book-entry transfer into the Information and Tender Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

No letter of transmittal is being used in relation to the Tender Offer. The valid electronic tender of Notes in accordance with DTC's ATOP procedures shall constitute a tender of Notes pursuant to the Tender Offer.

Defective or Rejected Tenders or Deliveries

All questions regarding the validity, form and eligibility, including time of receipt or revision, of any tender of Notes will be determined by the Company in its sole and absolute discretion, which determination will be final and binding. None of the Company, the Dealer Manager, the Trustee, the Agents or the Information and Tender Agent will be under any duty to give notice to any tendering Holder of any irregularities in the tender of Notes, and none of such parties shall incur any liability for the failure to give such notice.

Although the Company intends to notify the relevant Holders of defects or irregularities with respect to any tender of Notes, none of the Company, the Dealer Manager, the Trustee, the Agents, the Information and Tender Agent or

any other person will be under any duty to give such notification or shall incur any liability for failure to give any such notification.

Other Matters

No guaranteed delivery procedures are being offered in connection with the Tender Offer. Holders must tender their Notes at or prior to the Early Tender Date or Expiration Date in order to participate and be eligible to receive the Total Consideration or the Tender Offer Consideration, as applicable.

None of the Company, the Dealer Manager, the Trustee, the Agents or the Information and Tender Agent will be responsible for communication by: (i) Holders to DTC, or participants through which they hold Notes, or (ii) Holders, DTC, or participants to the Information and Tender Agent. All tendering Holders waive any right to receive any notice of the acceptance of their Notes for purchase.

Notwithstanding any other provision hereof, payment for Notes accepted for purchase pursuant to the Tender Offer will in all cases be made only after timely receipt by the Information and Tender Agent of a timely Agent's Message with respect to such Notes. Under no circumstances will interest be paid on the Total Consideration or the Tender Offer Consideration as a result of any delay in making such payments.

Tenders of Notes pursuant to the procedures described above and acceptance thereof by the Company will constitute a binding agreement between the Company and the tendering Holder of such Notes, upon the terms and subject to the conditions of the Tender Offer.

The Holder (on behalf of itself and any beneficial owner on whose behalf the Holder is tendering and such beneficial owner will also be deemed a "Holder" for purposes of this paragraph), by tendering Notes in accordance with the procedures set forth in this section entitled "Procedures for Tendering Notes" and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered therewith: (i) irrevocably sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to all the Notes tendered thereby pursuant to the Tender Offer, and represents and warrants that when such tendered Notes are accepted for purchase, good title thereto, free and clear of all liens, restrictions, charges and encumbrances will be acquired not subject to any adverse claim or right; (ii) waives any and all other rights with respect to the Notes tendered pursuant to the Tender Offer (including the tendering Holder's waiver of any existing or past defaults and their consequences in respect of the Notes and the Indenture); (iii) releases and discharges the Company from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, the Notes tendered pursuant to the Tender Offer, including any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption or defeasance of the Notes; and (iv) irrevocably constitutes and appoints the Information and Tender Agent as the true and lawful agent and attorney-in-fact of such Holder with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to the Company, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Information and Tender Agent will have no rights to, or control over, funds from the Company), all in accordance with the terms of the Tender Offer.

The Holder will, upon request, execute and deliver any additional documents deemed by the Information and Tender Agent and the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered pursuant to the Tender Offer.

All questions as to the form of all documents and the validity (including time of receipt) and acceptance of all tenders of Notes will be determined by the Company, in its sole and absolute discretion, the determination of which shall be final and binding. The Company reserves the absolute right, in its sole and absolute discretion, to reject any or all tenders of Notes that are not in proper form or the acceptance of which, in the Company's opinion, would be unlawful. The Company also reserves the right in its sole and absolute discretion to waive any defects, irregularities or conditions of tender as to particular Notes, whether or not similar defects or irregularities are waived in the case of other Holders. A waiver of any defect or irregularity with respect to tender of one Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Note.

The Company's interpretation of the terms and conditions of the Tender Offer will be final and binding.

Any defect or irregularity in connection with tenders of Notes must be cured within such time as the Company determines, unless waived by the Company. Tenders of Notes shall not be deemed to have been made until all defects and irregularities have been waived by the Company or cured. A defective tender of Notes (which defect is not waived by the Company) will not constitute a valid tender of Notes. None of the Company, the Information and Tender Agent, the Agents, the Trustee, the Dealer Manager or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes, and none of them shall incur any liability to Holders for failure to give any such notice.

All questions as to the form and validity (including time of receipt) of any tender of a Note or withdrawal of tender of a Note will be determined by the Company, in its sole and absolute discretion, which determination shall be final and binding on the Holder. None of the Company, the Agents, the Trustee, the Information and Tender Agent, the Dealer Manager or any other person will be under any duty to give notification of any defect or irregularity in any delivery or will incur any liability for failure to give any such notification.

If the Company is delayed or unable to accept for purchase or payment the Notes pursuant to the Tender Offer for any reason, then, without prejudice to the Company's rights hereunder, tendered Notes may be retained by the Information and Tender Agent on behalf of the Company.

Upon a valid tender of Notes, the Holder of such Notes, subject to and effective upon the Company making available the payment of the Total Consideration or the Tender Offer Consideration, as applicable, will be deemed to waive any rights that it may have pursuant to law, to the extent permitted, to challenge the validity of the transactions contemplated by the Tender Offer, including the right to claw back any payment made by the Company in connection therewith.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EACH HOLDER AND BENEFICIAL OWNER OF THE NOTES (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF EACH HOLDER AND BENEFICIAL OWNER OF THE NOTES) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS OFFER AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE HOLDER OR BENEFICIAL OWNER OF A NOTE RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN U.S. TREASURY REGULATION SECTION 1.6011-4). THE AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS WITH HOLDERS OR BENEFICIAL OWNERS OF NOTES REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.

WITHDRAWAL OF TENDERS

Holders who wish to exercise their right of withdrawal with respect to the Tender Offer must give a properly transmitted **“Request Message”** through ATOP prior to the Withdrawal Deadline or at such other permissible times as are described herein. In order to be valid, a Request Message must specify who deposited the Notes to be withdrawn (the **“Depositor”**), the name of the participant in DTC whose name appears on the security position listing as the owner of such Notes, if different from that of the Depositor, and a description of the Notes to be withdrawn (including the principal amount of Notes to be withdrawn). If certificates have been identified through Book-Entry Confirmation of such Notes to the Information and Tender Agent, the name of the Holder and the certificate number or numbers relating to such Notes withdrawn must also be furnished to the Information and Tender Agent as aforesaid prior to the name and number of the account at DTC being credited with withdrawn Notes for the Notes previously transferred by book-entry.

Any permitted withdrawal of tenders of Notes may not be rescinded, and any Notes validly withdrawn will thereafter be deemed not validly tendered and not validly withdrawn for purposes of the Tender Offer; *provided, however*, that withdrawn Notes may be re-tendered by again following the appropriate procedures described herein at any time at or prior to the Expiration Date.

A Holder who validly withdraws previously tendered Notes will not receive the Total Consideration or the Tender Offer Consideration unless such Notes are re-tendered by the Early Tender Date (with respect to the Total Consideration) or the Expiration Date (with respect to the Tender Offer Consideration), as applicable, in accordance with the procedures and deadlines described in this Offer to Purchase. Any Notes (i) validly tendered and not validly withdrawn at or prior to the Withdrawal Deadline or (ii) validly tendered after the Withdrawal Deadline, may not be withdrawn, except under certain limited circumstances in which the terms of the Tender Offer are materially modified, including, without limitation, if the Company changes the amount of the Total Consideration, the Tender Offer Consideration or the Early Tender Payment or as otherwise required by law.

The Company reserves the right to extend the Early Tender Date for tendered Notes without extending the Withdrawal Deadline, except in certain limited circumstances where additional withdrawal rights are required by law. As a result, if the Company extends the Early Tender Date or the Expiration Date without, in either case, extending the Withdrawal Deadline, Holders that validly tender and do not validly withdraw their Notes will be entitled to the Total Consideration or Tender Offer Consideration, as applicable, if such Notes are accepted for purchase by the Company but will not be able to withdraw their tendered Notes. A Holder who has tendered its Notes at or prior to the Early Tender Date and does not validly withdraw such Notes at or prior to the Withdrawal Deadline, may not withdraw such Notes (except under certain limited circumstances in which the terms of the Tender Offer are materially modified or as otherwise required by law) and will be eligible to receive the Total Consideration in respect of such tendered Notes that have been accepted for purchase by the Company. A Holder who has tendered its Notes after the Withdrawal Deadline but at or prior to the Expiration Date, may not withdraw such Notes (except under certain limited circumstances in which the terms of the Tender Offer are materially modified or as otherwise required by law) and will be eligible to receive only the Tender Offer Consideration in respect of such tendered Notes that have been accepted for purchase by the Company.

For a withdrawal of tendered Notes to be effective, when such withdrawal is permitted under the circumstances described above, a written or facsimile transmission notice of withdrawal, in the form of a Request Message, must be received by the Information and Tender Agent during any period in which withdrawals are allowed at its email address set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must (i) specify the name of the Holder who tendered the Notes to be withdrawn and (ii) contain the aggregate principal amount represented by such Notes. If the Notes to be withdrawn have been delivered or otherwise identified to the Information and Tender Agent, a signed notice of withdrawal will be effective immediately upon written or facsimile notice of that withdrawal even if physical release is not effected.

Withdrawals of tenders of Notes may not be rescinded, and any Notes properly withdrawn will thereafter no longer be deemed validly tendered for purposes of the Tender Offer. Upon any permitted withdrawal of tendered Notes by a Holder, such Holder will cease to be a party to the Tender Offer and shall have no further rights or

obligations under the Tender Offer and the Company shall not have any further obligation to such Holder under the terms of the Tender Offer. Properly withdrawn Notes may, however, be resubmitted, by again following the appropriate procedures described in “Procedures for Tendering Notes,” at any time at or prior to the Expiration Date. Notwithstanding the foregoing, Holders will also have the right to withdraw from the Tender Offer to the extent required under U.S. law.

CONDITIONS TO THE TENDER OFFER

Terms and Conditions

Notwithstanding any other provision of the Tender Offer, the Company's obligation to accept for purchase, and to pay (or cause to be paid) the Total Consideration or the Tender Offer Consideration, as applicable, for Notes validly tendered and not validly withdrawn pursuant to the Tender Offer is in each case subject to, and conditioned upon, unless waived, the Tender Offer Conditions as described below, including the Asset Sale Condition, at the Early Tender Date or the Expiration Date, as applicable.

Subject to all applicable securities laws and the terms set forth in the Tender Offer, the Company reserves the right (i) to waive prior to the Expiration Date any or all conditions to the Tender Offer, (ii) to extend, terminate or not proceed with the Tender Offer or (iii) otherwise to amend the Tender Offer in any respect, in each case in the Company's sole and absolute discretion.

Tender Offer Conditions

Notwithstanding any other provision of the Tender Offer and in addition to (and not in limitation of) the Company's rights to extend and/or amend the Tender Offer, the Company shall not be required to accept for purchase, or to pay for, and may delay the acceptance of, any tendered Notes and may terminate the Tender Offer if, before such time any Notes have been accepted for purchase pursuant to the Tender Offer, the Asset Sale Condition shall not have been satisfied or waived, or any of the following have occurred (the "**Tender Offer Conditions**") in the sole judgment of the Company:

(1) there shall have been threatened, instituted or be pending before any court, agency, authority or other tribunal any action, suit or proceeding by any government or governmental, regulatory or administrative agency or authority or by any other person, domestic or foreign, or any judgment, order or injunction entered, enforced or deemed applicable by any such court, authority, agency or tribunal, which challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making of, the Tender Offer, the acquisition of Notes pursuant to the Tender Offer or is otherwise related in any manner to, or otherwise affects, the Tender Offer;

(2) there shall have been any action threatened or taken, or any approval withheld, or any statute, rule or regulation invoked, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Tender Offer, the Company, or any of the Company's subsidiaries, by any government or governmental, regulatory or administrative authority or agency or tribunal, domestic or foreign, which, in the Company's reasonable judgment, would or might directly or indirectly result in any of the consequences referred to in paragraph (1) above;

(3) the Company has determined in its reasonable judgment that the acceptance for payment of, or payment for, some or all of the Notes in the Tender Offer could violate, conflict with or constitute a breach of any contract, order, statute, law, rule, regulation, executive order, decree, or judgment of any court to which the Company or any of its subsidiaries may be bound or subject;

(4) at any time on or after the date of this Offer to Purchase, any change (or any condition, event or development involving a prospective change) shall have occurred or been threatened in the business, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), licenses, results of operations or prospects of the Company or any of its subsidiaries, which, in the Company's reasonable judgment, is or may be materially adverse, or the Company shall have become aware of any fact which, in its reasonable judgment, has or may have material adverse significance with respect to the Company and its subsidiaries, or would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;

(5) at any time on or after the date of this Offer to Purchase, there shall have occurred (i) any general suspension or limitation of trading in securities on any national securities exchange or market in the United States or Canada or other major financial markets (whether or not mandatory), (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Canada, (iii) any limitation (whether or not mandatory) by any governmental authority or agency on, or other event which, in the Company's reasonable judgment, might materially

adversely affect the extension of credit by banks or other lending institutions in the United States or Canada (whether or not mandatory), (iv) commencement or declaration of a war, armed hostilities, terrorist acts or other national or international calamity whether or not involving the United States or Canada, (v) a material change in United States currency exchange rates or a suspension of, or limitation on, the markets for U.S. dollars, (vi) any significant adverse change in the price of the Notes in the United States or Canadian securities or financial markets or other major securities or financial markets, (vii) any significant adverse change in the United States, Canadian or other major securities or financial markets generally, (viii) a material impairment in the trading market for debt securities generally, or (ix) in the case of any of the foregoing existing on the date of this Offer to Purchase, a material acceleration or worsening thereof;

(6) any approval, permit, authorization, consent or other action of any domestic or foreign governmental, administrative or regulatory agency, authority, tribunal or third party shall not have been obtained on terms satisfactory to the Company, which, in the Company's reasonable judgment in any such case, and regardless of the circumstances (including any action or inaction by the Company or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with the Tender Offer and/or with such acceptance for purchase or with such payment; or

(7) the Information and Tender Agent or the Trustee objects in any respect to, or takes any action that would be reasonably likely to materially and adversely affect, the consummation of the Tender Offer, or takes any action that challenges the validity or effectiveness of the procedures used by the Company in the making of the Tender Offer or in the purchase of the Notes.

The "**Asset Sale Condition**" means that the transactions contemplated by the Eagle Ford Sale Agreement shall have been consummated.

The foregoing conditions are for the Company's sole benefit and the failure of any such conditions to be satisfied may be asserted by the Company regardless of the circumstances, including any action or inaction by the Company, giving rise to any such failure and any such failure may be waived by the Company in whole or in part at any time and from time to time in the Company's sole and absolute discretion. If the Company fails at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

Notwithstanding any of the foregoing, if the Company accepts for purchase Notes validly tendered and not validly withdrawn, then, to the extent required to comply with applicable law, it will be deemed to have waived any conditions for acceptance of such Notes tendered at or prior to the Expiration Date other than valid tender.

No acceptance for purchase under the Tender Offer of Notes validly tendered and not validly withdrawn at the Early Tender Date shall be deemed a waiver of any condition set forth above with respect to Notes tendered after the Early Tender Date.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain U.S. federal income tax consequences of the Tender Offer that may be relevant to U.S. holders (as defined below) of the Notes but does not purport to be a complete analysis of all the potential U.S. federal income tax consequences related thereto. This discussion is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), applicable U.S. Treasury regulations promulgated thereunder, judicial authority and administrative interpretations, all as of the date of this Offer to Purchase and all of which are subject to change, possibly with retroactive effect, or are subject to differing interpretations. We cannot assure you that the U.S. Internal Revenue Service (the “IRS”), will not challenge one or more of the U.S. federal income tax consequences described in this discussion, and we have not obtained, nor do we intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal income tax consequences described in this discussion.

This discussion is limited to U.S. holders who hold the Notes as capital assets (generally, property held for investment). This discussion does not address any U.S. federal tax consequences other than income tax consequences (such as estate and gift tax consequences) or the tax consequences arising under the laws of any state, local, non-U.S. or other jurisdiction or any income tax treaty. In addition, this discussion does not address all tax consequences that may be important to a particular U.S. holder in light of the holder’s circumstances, including consequences relating to any alternative minimum tax or the Medicare contribution tax on net investment income, or to certain categories of investors that may be subject to special rules, such as:

- traders or dealers in securities or currencies;
- traders in securities that have elected the mark-to-market method of accounting for their securities;
- U.S. holders whose functional currency is not the U.S. dollar;
- U.S. holders who hold the Notes through non-U.S. brokers or other non-U.S. intermediaries;
- persons holding their Notes as part of a hedge, straddle, conversion or other “synthetic security” or integrated transaction;
- former U.S. citizens or long-term residents of the United States;
- banks or other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- persons subject to alternative minimum tax;
- entities that are tax-exempt for U.S. federal income tax purposes;
- U.S. persons that own (directly or through attribution) 10% or more of the stock, by vote or value, of the Company;
- “controlled foreign corporations,” “passive foreign investment companies” and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons deemed to sell their Notes under the constructive sale provisions of the Code;
- persons required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an “applicable financial statement” (within the meaning of Section 451(b) of the Code); and
- partnerships and other entities treated as pass-through entities for U.S. federal income tax purposes and holders of interests therein.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of the partnership generally will depend on the status of the partner and the activities of the partnership and

upon certain determinations made at the partner level. Such partner or partnership should consult its own tax advisor as to its tax consequences of participating in the Tender Offer.

We have taken the position, and the following discussion assumes, that the Notes are not instruments subject to the U.S. Treasury regulations that apply to “contingent payment debt instruments.” If they were so treated, the tax consequences to a tendering U.S. holder upon the sale of Notes pursuant to the Offer to Purchase could differ from those discussed below. You should consult your own tax advisor regarding the possible application of the contingent payment debt instrument rules to the Notes.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED TO BE TAX ADVICE TO ANY PARTICULAR INVESTOR. INVESTORS CONSIDERING THE SALE OF NOTES PURSUANT TO THE TENDER OFFER ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE SALE OF NOTES PURSUANT TO THE TENDER OFFER UNDER OTHER U.S. FEDERAL TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Tax Consequences to Tendering U.S. Holders

You are a “U.S. holder” for purposes of this discussion if you are a beneficial owner of a Note and you are for U.S. federal income tax purposes:

- an individual who is a U.S. citizen or U.S. resident;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a U.S. court and that has one or more United States persons that have the authority to control all substantial decisions of the trust or (ii) that has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

Tender of Notes Pursuant to the Tender Offer

The receipt of cash by a U.S. holder in exchange for Notes pursuant to the Tender Offer will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder that receives cash for Notes pursuant to the Tender Offer will recognize gain or loss equal to the difference, if any, between (i) the amount of cash received (including any Early Tender Payment if treated as additional consideration (as discussed below), but excluding any amounts attributable to accrued and unpaid interest, which will be taxable as discussed below) and (ii) such U.S. holder’s adjusted tax basis in such Notes. A U.S. holder’s adjusted tax basis in a Note is generally equal to the price such holder paid for the Note, increased by any market discount (as described below) previously included in such U.S. holder’s gross income with respect to the Note and decreased (but not below zero) by any amortizable bond premium that the U.S. holder has previously deducted with respect to the Note. Amortizable bond premium is generally defined as the excess of a U.S. holder’s tax basis in the Note immediately after its acquisition by such U.S. holder over the principal amount of the Note. Subject to the discussion below regarding market discount, any gain or loss recognized on a tender of a Note will generally be capital gain or loss and will be long-term capital gain or loss if the U.S. holder’s holding period in the Note, for U.S. federal income tax purposes, is more than one year at the time of the disposition pursuant to the Tender Offer. Such gain or loss will be U.S. source income or loss for purposes of computing a U.S. holder’s foreign tax credit limitation. Long-term capital gains recognized by certain non-corporate U.S. holders currently are eligible for reduced rates of taxation. The deductibility of capital losses may be subject to limitation.

Any gain recognized by a tendering U.S. holder will be treated as ordinary income rather than capital gain to the extent of any market discount on the Notes that has accrued during the period that the tendering U.S. holder held the Notes and that has not previously been included in income by the U.S. holder. A Note generally will be considered to be acquired with market discount if the initial tax basis of the Note in the hands of the U.S. holder immediately after its acquisition was less than the principal amount of the Note by at least a specified de minimis amount. Market

discount accrues on a ratable basis, unless the U.S. holder elects to accrue the market discount using a constant-yield method. U.S. holders should consult their own tax advisors as to the portion of any gain that could be taxable as ordinary income under the market discount rules.

Accrued Interest

In general, each payment of accrued but unpaid interest (including additional amounts, if any, and any taxes withheld on payments of interest or additional amounts) on a Note generally will be taxable as ordinary income to the extent not previously included in such U.S. holder's income. Interest paid on a Note will constitute foreign source income and be considered "passive category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisers regarding the availability of foreign tax credits.

Early Tender Payment

The U.S. federal income tax treatment of the receipt of the Early Tender Payment by U.S. holders that tender Notes pursuant to the Tender Offer is not entirely clear. Under the Code, any amount received by a U.S. holder on retirement of a debt instrument is generally treated as being received in exchange for the debt instrument. Although the issue is not free from doubt, we intend to take the position that the Early Tender Payment is additional consideration for the Notes, in which case such a payment would be treated in the manner described above. It is possible, however, that the Early Tender Payment may be treated as a separate fee that generally would be subject to tax as ordinary income rather than as additional consideration for the Notes, in which case, if a U.S. holder has a capital loss on the sale of the Notes pursuant to the Tender Offer, such holder generally would be limited in its ability to use the capital loss to offset any ordinary income resulting from the Early Tender Payment. U.S. holders should consult their own tax advisors as to the proper treatment of the Early Tender Payment.

Information Reporting and Backup Withholding

Information reporting may apply to the aggregate amounts received by a U.S. holder pursuant to the Tender Offer. A U.S. holder may also be subject to backup withholding on payments received with respect to the Notes unless such U.S. holder provides the Information and Tender Agent with such U.S. holder's correct taxpayer identification number ("TIN"), certified under penalties of perjury, as well as certain other information (generally on IRS Form W-9), or otherwise establishes an exemption from backup withholding. Exempt U.S. holders (including, among others, corporations) are not subject to these backup withholding and information reporting requirements, provided they establish their exempt status when required.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, if any, and a refund may be obtained from the IRS if the amounts withheld exceed your actual U.S. federal income tax liability and you timely provide the required information or appropriate claim form to the IRS.

Consequences to Non-Tendering Holders

U.S. holders whose Notes are not purchased by the Company pursuant to the Tender Offer will not incur any U.S. federal income tax liability as a result of the consummation of the Tender Offer and will have the same adjusted tax basis and holding period in their Notes as they had before the Tender Offer.

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. WE URGE YOU TO CONSULT YOUR OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE SALE OF NOTES PURSUANT TO THE TENDER OFFER, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS AND THE CONSEQUENCES UNDER ANY APPLICABLE TAX TREATY.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain Canadian federal income tax consequences generally applicable to the tender of Notes pursuant to the Tender Offer by a holder of Notes who, for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) and at all relevant times, holds the Notes as capital property and deals at arm's length, and is not affiliated with, the Company. Generally, the Notes will be considered capital property to a Holder provided that the Holder does not hold the Notes in the course of carrying on a business and has not acquired them as an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of certain rules applicable to income, gain or loss from "mark-to-market property" as defined in the Tax Act); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) who has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than the Canadian currency; or (iv) that enters into, with respect to their Notes, a "derivative forward agreement", (as defined under the Tax Act). Such holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based on the current provisions of the Tax Act and the current administrative and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or any administrative or assessing practice, whether by judicial, governmental, regulatory or legislative decision or action, nor does it take into account provincial, territorial or foreign income tax consequences which may differ from the Canadian federal income tax consequences described herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder. No representation with respect to the Canadian federal income tax consequences to any particular Holder is made herein. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Residents of Canada

The following portion of the summary applies only to a Holder who, at all relevant times, is resident or deemed to be resident in Canada for purposes of the Tax Act (a “**Resident Holder**”). Certain Resident Holders whose Notes might not otherwise be capital property, may, in certain circumstances, be entitled to have the Notes and all other "Canadian securities", as defined in the Tax Act, owned by such holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Resident Holders whose Notes might not otherwise be considered to be capital property are urged to consult their own tax advisors concerning this election.

Foreign Currency

For purposes of the Tax Act, all amounts relevant in computing a Resident Holder's liability under the Tax Act must be computed in Canadian currency. Any amount denominated in U.S. dollars (including adjusted cost base and proceeds of disposition) must be converted into Canadian dollars based on the Canada/U.S. currency exchange rate at the relevant time for purposes of the Tax Act and the Regulations.

Disposition of Notes Pursuant to Offer

A Resident Holder who disposes of Notes pursuant to the Offer will be considered to have disposed of such Notes for proceeds of disposition equal to the consideration received on the disposition. The Resident Holder will realize a capital gain (capital loss) on the disposition of the Notes equal to the amount by which the Resident Holder's proceeds of disposition, net of any reasonable costs of disposition, are greater than (less than) the adjusted cost base to the Resident Holder of the Notes sold pursuant to the Offer.

Upon the disposition, any interest which has accrued on the Notes to the date of disposition and which would otherwise be payable after that date will be excluded from the Resident Holder's proceeds of disposition of the Notes and must be included in computing the income of the Resident Holder except to the extent it was included in the income of the Resident Holder for a previous year.

The Early Tender Payment payable for the Notes pursuant to the Offer will be deemed to be interest only if it can reasonably be considered to relate to amounts that would have been paid on the Notes as interest had the Notes not been purchased by the Company. The Company is of the view that the Early Tender Payment does not relate to such amounts.

Generally, one-half of a capital gain (a “**taxable capital gain**”) will be included in the Resident Holder’s income, and one-half of a capital loss (an “**allowable capital loss**”) must be deducted against taxable capital gains realized by such Resident Holder in the same taxation year. Any excess of allowable capital losses over taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation years and applied against net taxable capital gains realized in such years in accordance with the detailed rules contained in the Tax Act. Capital gains realized by an individual or by most trusts may give rise to liability for alternative minimum tax.

A Resident Holder that throughout the relevant taxation year is a "Canadian controlled private corporation" or, at any time in the year, a "substantive CCPC" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), which generally includes income in respect of interest and taxable capital gains.

Non-Residents of Canada

The following discussion summarizes the principal Canadian federal income tax considerations generally applicable to a holder that, at all relevant times, for purposes of the application of the Tax Act and any applicable tax treaty or convention: (i) is neither resident nor deemed to be resident in Canada, (ii) does not and is not deemed to use or hold the Notes in carrying on business in Canada, (iii) is the beneficial owner of the Notes, including entitlements to all payments thereunder, (iv) is not an “authorized foreign bank,” (v) is not a “registered non-resident insurer,” (vi) is not a non-resident insurer carrying on an insurance business in Canada and elsewhere and (vii) is not a, and deals at arm’s length with any, “specified shareholder” of the Company for purposes of the thin capitalization rules in the Tax Act (a “**Non-Canadian Holder**”).

The payment by the Company of the Tender Offer Consideration, Early Tender Payment or any amount in respect of accrued and unpaid interest to a Non-Canadian Holder who tenders Notes pursuant to the Tender Offer will not be subject to Canadian withholding tax. No other taxes on income (including capital gains) will be payable by a Non-Canadian Holder under the Tax Act in respect of the receipt of the Tender Offer Consideration, the Early Tender Payment or any amount in respect of accrued and unpaid interest pursuant to the Tender Offer or as a result of the tender and disposition of Notes pursuant to the Tender Offer.

THE DEALER MANAGER AND THE INFORMATION AND TENDER AGENT

Dealer Manager

The Company has retained RBC Capital Markets, LLC as Dealer Manager. The Company has agreed to pay the Dealer Manager customary fees for its services in connection with the Tender Offer. The Company has also agreed to reimburse the Dealer Manager for certain of its out-of-pocket expenses and to indemnify the Dealer Manager against certain liabilities, including liabilities under federal securities laws.

The Dealer Manager and/or its affiliates, in the ordinary course of such party's business, may make a market in securities of the Company and its affiliates, including the Notes. In the ordinary course of business and from time to time, the Dealer Manager and/or its affiliates may hold long or short positions and may trade, for their respective accounts or for the accounts of customers, in certain of the debt or equity securities of the Company and its affiliates, including the Notes. In addition, to the extent the Dealer Manager or any of its affiliates hold Notes during the Tender Offer, they may tender such Notes pursuant to the terms of the Tender Offer. In the ordinary course of business, the Dealer Manager and its affiliates have in the past provided, currently provide, and may in the future from time to time provide, investment banking and general financing and commercial banking services to the Company and certain of its affiliates, including the provision of credit facilities, and/or the performance of financial advisory services for the Company and its affiliates, for which they have received, or will receive, customary fees and expenses. The Dealer Manager is not obligated to make a market in the Notes.

The Dealer Manager may perform certain of its services hereunder through its affiliates and any of its affiliates performing services hereunder shall be entitled to the benefits received pursuant to the Tender Offer.

Information and Tender Agent

The Company has retained Global Bondholder Services Corporation as the Information and Tender Agent in connection with the Tender Offer. The Company has agreed to pay the Information and Tender Agent customary fees for its services in connection with the Tender Offer. The Company has also agreed to reimburse the Information and Tender Agent for certain of its out-of-pocket expenses and to indemnify the Information and Tender Agent against certain liabilities, including liabilities under federal securities laws.

Other

The Company will not pay any fees or commissions to any broker, dealer or other person other than the Dealer Manager and the Information and Tender Agent in connection with the solicitation of tenders of Notes pursuant to the Tender Offer. The Company will, however, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding this Offer to Purchase and related materials to their clients.

NONE OF THE COMPANY, THE TRUSTEE, THE AGENTS, THE DEALER MANAGER, THE INFORMATION AND TENDER AGENT, ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES OR ANY OF ITS OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR REPRESENTATIVES IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER ANY OF THEIR NOTES IN RESPONSE TO THE TENDER OFFER, AND NEITHER THE COMPANY NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES AND, IF SO, THE PRINCIPAL AMOUNT OF THE NOTES TO TENDER.

MISCELLANEOUS

The Company is not aware of any jurisdiction in which the making of the Tender Offer is not in compliance with applicable law. If the Company becomes aware of any jurisdiction in which the making of the Tender Offer would not

be in compliance with applicable law, the Company will make a good faith effort to comply with any such law. If, after such good faith effort, the Company cannot comply with any such law, the Tender Offer will not be made to (and tenders of Notes will not be accepted from or from persons on behalf of) the owners of Notes residing in such jurisdiction.

The Dealer Manager in respect of the Notes and the Tender Offer is:

RBC Capital Markets
Brookfield Place
200 Vesey Street, 8th Floor
New York, New York 10281
Attention: Liability Management Team
Toll-Free: +1 (877) 381-2099
Collect: +1 (212) 618-7843
Email: liability.management@rbccm.com

The Information and Tender Agent in respect of the Tender Offer is:

Global Bondholder Services Corporation

By Mail, Overnight Courier or Hand Delivery:

65 Broadway, Suite 404
New York, New York 10006
Attention: Corporate Actions
Banks and Brokers: (212) 430-3774
Toll Free: (855) 654-2014
Email: contact@gbsc-usa.com

By Facsimile
(Eligible Institutions Only)

(212) 430-3775/3779

Any questions or requests for assistance regarding how to tender Notes or for additional copies of this Offer to Purchase may be directed to the Information and Tender Agent at its telephone numbers and email address set forth above. Copies of this Offer to Purchase are also available at <https://www.gbsc-usa.com/baytex>. Any questions regarding the terms of the Tender Offer may be directed to the Dealer Manager at its telephone numbers and email address set forth above.