



Third Quarter Report

For the three and nine months ended September 30, 2010

FINANCIAL AND OPERATING HIGHLIGHTS

Financial (\$000's except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Petroleum and natural gas revenues	7,778	1,068	16,245	1,068
Funds generated by operations ⁽¹⁾	3,998	4	8,027	(262)
Per share basic / diluted	0.01	0.00	0.04	(0.18)
Net loss	(4,573)	(445)	(5,262)	(711)
Per share basic / diluted	(0.02)	(0.10)	(0.03)	(0.49)
Capital expenditures	16,067	2	29,019	18
Corporate and property acquisitions (cash consideration)	40,534	56,550	40,534	56,550
Bank debt and working capital surplus (deficit) ⁽²⁾	(46,674)	824	(46,674)	824
Operating				
Production				
Crude oil (bbls/d)	861	108	516	36
NGLs (bbls/d)	121	24	101	8
Natural gas (mcf/d)	4,828	922	3,723	311
Total (boe/d)	1,787	285	1,238	96
Average realized price				
Crude oil (\$/bbls)	69.48	69.72	72.36	69.72
NGLs (\$/bbls)	48.61	46.35	55.42	46.35
Natural gas (\$/mcf)	3.92	3.09	4.46	3.09
Total (\$/boe)	47.32	40.72	48.08	40.72
Netback (\$/boe)				
Petroleum and natural gas revenue	47.32	40.72	48.08	40.72
Other income	0.20	0.05	0.33	0.05
Royalties	(6.81)	(7.02)	(7.97)	(7.02)
Operating expenses	(10.22)	(12.11)	(10.03)	(12.11)
Transportation expenses	(1.29)	(1.97)	(1.50)	(1.97)
Operating Netback prior to hedging	29.20	19.67	28.91	19.67
Realized hedging gain	1.52	-	1.69	-
Operating Netback	30.72	19.67	30.60	19.67
Total wells drilled				
Working Interest wells	4.0	-	12.0	-
Success rate	3.0	-	7.1	-
Undeveloped land holdings (acres)	100%	-	100%	-
Gross	67,247	11,698	67,247	11,698
Net	47,636	4,388	47,636	4,388
Common shares, end of period (000's) ⁽³⁾	314,478	18,000	314,478	18,000
Weighted Average shares (000's)	283,212	4,352	198,354	1,456

⁽¹⁾ Funds used in operations are calculated as cash flow from operating activities before the change in non-cash working capital and is a non-GAAP measurement

⁽²⁾ Excludes risk management contracts

⁽³⁾ Subsequent to September 30, 2010, Whitecap consolidated its shares on a 10 to 1 basis

MESSAGE TO SHAREHOLDERS

Whitecap Resources Inc. ("Whitecap") is pleased to provide you with our report on our third quarter operational and financial results. Whitecap is a premium light oil resource producer focused on per share growth in cash flow, production and reserves.

Our third quarter was characterized by an active acquisition, integration and development drilling program that has led to significant increases in production, reserves and cash flow. During the quarter we announced and closed the corporate acquisition of Onyx 2006 Inc. ("Onyx") concurrent with a \$40 million equity financing; this was a follow-up to our reverse takeover of Spitfire Energy Ltd. that closed on June 25, 2010.

We participated in the drilling of four horizontal wells during the quarter. Two operated horizontal wells in our Valhalla North Montney C oil pool, which were successful and two horizontal Cardium multi-frac wells that Whitecap funded as part of its acquisition of Onyx. Both wells were successful and produced out their hydrocarbon load fluid through the quarter.

Our accomplishments in the third quarter of 2010 include:

- On July 30, 2010, Whitecap completed the acquisition of Onyx 2006 Inc. with assets in the Pembina area of Alberta for total consideration of approximately \$52 million. The acquisition added an additional light oil growth area with high netbacks and provides Whitecap with an entry point into the Cardium resource play.
- Executed an effective \$15 million capital program during the quarter which included drilling 4.0 (3.0 net) horizontal wells.
- Average production volumes increased 85 percent to 1,787 boe/d in the third quarter of 2010 compared to 964 boe/d in the second quarter of 2010 and increased over five times compared to the prior year.
- Whitecap continues to increase its oil weighting from 46 percent in the third quarter of 2009 to 55 percent in the third of 2010. Current production is approximately 2,250 boe/d with near term capability of 2,600 boe/d.
- Generated funds from operations of \$4.0 million in the third quarter which includes \$0.3 million of hedging gains on risk management contracts, an increase of 106 percent over the second quarter of 2010. Year to date the Company has realized hedging gains of \$0.6 million.
- Improved our operating netback in the third quarter by 56 percent to \$30.72 compared to \$19.67 in the same period in the prior year. This was driven mainly by higher commodity prices, lower operating costs and realized hedging gains.
- Whitecap has increased its hedge position to 33 percent of its estimated fourth quarter production at an average price of C\$82.43 WTI based on the average swap and floor prices. For 2011, Whitecap has hedged approximately 20 percent of its estimated production at an average price of C\$86.38 WTI in the first half of the year and C\$80.50 WTI in the second half of the year based on the average swap and floor prices. This guarantees the Company \$5.5 million of revenue in the fourth quarter of 2010 and \$18.3 million of revenue in 2011, leaving sufficient pricing upside in addition to the ability to layer on incremental hedges.
- Improved our undeveloped land position in our three core growth areas to 47,636 net undeveloped acres from 30,308 net acres, a 57 percent increase.
- We expanded our Board of Directors to include two well respected and knowledgeable oilmen; Greg Fletcher and Glenn McNamara. We are happy to have Greg and Glenn join our team and look forward to working with them as we grow the company.
- Subsequent to the quarter end Whitecap consolidated its common shares on a 10 to 1 basis. The consolidated common shares commenced trading on the Toronto Stock Exchange at the opening of trading on October 18, 2010, under the symbol WCP. The common shares were delisted from the TSX Venture Exchange at that time.

- For the remainder of the 2010 year, we will continue to focus our efforts towards capital and operating efficiencies in our three core oil growth areas. We expect to drill five additional horizontal wells before the end of the year, four in the west central Alberta area targeted towards Cardium light oil and one horizontal well in our Valhalla North Montney C oil pool. With a little cooperation from the weather, our plan is to have all of the wells drilled and on-stream by year-end which will lead us to our contemplated 3,000-3,200 boe/d exit production capability rate at the end of 2010.

2011 Guidance

As has been the case in 2010, we expect 2011 to continue to experience significant variability with respect to commodity prices with oil trading at the higher end of our \$70 to \$85 WTI outlook while natural gas continues to trade at the lower end of the past three year price curve.

For 2011, our Board of Directors has approved a \$48 million capital program consisting of approximately 32 (20 net) wells, all of which are targeting high quality, high netback oil. On a gross basis, we expect that 13 wells will be drilled in Valhalla targeting continued waterflood development of the Montney C pool as well as other prospective oil targets at shallower depths than the Montney C. In West Central Alberta, we expect to drill 10 horizontal wells targeting Cardium and expanding our footprint in the Belly River formation, and lastly, 9 wells in southwest Saskatchewan, further developing the oil pool that we acquired in late June of this year. Although we do not specifically budget for acquisitions, our technical team continues to evaluate opportunities that will add per share growth in cash flow, production and reserves.

We anticipate a 2011 average production of 3,500 boe/d (65 percent weighted to oil and NGL's) and a 2011 exit rate of 4,500 boe/d (67 percent weighted to oil and NGL's), representing 50 percent growth from 2010 exit rate guidance.

2011 guidance as follows:

Average production (boe/d)	3,500 (65% Oil and NGL's)
Exit production (boe/d)	4,500 (67% Oil and NGL's)
Cash flow (\$mm)	45.0
Per share (\$ basic)	1.29
Operating netback (\$/boe)	40.00
Net capital expenditures (\$mm)	48.0
Wells drilled (#)	32.0 (20.0 net)
Oil price (US\$ WTI)	82.00
AECO gas price (C\$/GJ)	4.00
CAD/USD exchange rate	0.95

We currently have a drilling inventory in excess of 130 locations which represents a four year inventory based on our anticipated 2011 activity. We look forward to building another successful year with our shareholders as we strive towards becoming a premium intermediate sized light oil producer.

(signed) "Grant Fagerheim"
 Grant Fagerheim
 November 1, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations for Whitecap Resources Inc. (the "Company" or "Whitecap") is dated November 1, 2010 and should be read in conjunction with the Company's unaudited financial statements and related notes for the three and nine months ended September 30, 2010 and the audited financial statements and related notes for the period ended December 31, 2009.

The accompanying financial statements of Whitecap have been prepared by management and approved by the Company's Audit Committee and Board of Directors. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") in Canadian dollars, except where indicated otherwise. The MD&A contains Non-GAAP measures and forward-looking information; readers are cautioned that the MD&A should be read in conjunction with Whitecap's disclosure under "Non-GAAP Measures" and "Forward-Looking Statements" included at the end of this MD&A.

DESCRIPTION OF BUSINESS

The Company is a growth oriented oil and gas company engaged in the acquisition of, exploration for and development of crude oil and natural gas in Western Canada.

On June 25, 2010, the Company completed a reverse takeover of Spitfire Energy Ltd. ("Spitfire"). Concurrent with the reverse takeover, the company completed a \$7.75 million non-brokered private placement. On July 1, 2010, Spitfire amalgamated with its wholly-owned subsidiary Whitecap Resources Inc. and changed its name to Whitecap Resources Inc.

On July 30, 2010, the Company completed the acquisition of Onyx 2006 Inc. ("Onyx") for consideration of approximately \$52.0 million. In connection with the acquisition of Onyx, Whitecap completed a bought deal financing offering of 89.0 million subscription receipts at \$0.45 per subscription receipt for total gross proceeds of \$40.0 million. The outstanding receipts were exchanged for common shares effective July 30, 2010.

2010 THIRD QUARTER FINANCIAL AND OPERATIONAL RESULTS

Production

Whitecap's production volumes and commodity splits were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Crude oil (bbls/d)	861	108	516	36
Natural gas liquids (bbls/d)	121	24	101	8
Natural gas (mcf/d)	4,828	922	3,723	311
Total (boe/d)	1,787	286	1,238	96
Production Split (%)				
Crude oil	48	38	42	38
Natural gas liquids	7	8	8	8
Natural gas	45	54	50	54
Total	100	100	100	100

Average production volumes increased six times to 1,787 boe/d in the third quarter of 2010 and increased twelve times to 1,238 boe/d for the nine months ended September 30, 2010 compared to the respective prior periods. The increases were a result of strategic acquisitions and successful drilling results to date.

Current production is approximately 2,250 boe/d, with near term capacity of 2,600 boe/d.

Revenue

A breakdown of 2010 revenue is as follows:

(\$000's)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Crude oil	5,494	704	10,175	704
Natural gas liquids	540	102	1,536	102
Natural gas	1,744	262	4,534	262
Total commodity revenue	7,778	1,068	16,245	1,068
Other income	34	1	110	1
Total	7,812	1,069	16,355	1,069

Average benchmark and realized prices for the three and nine months ended September 30, 2010 as follows:

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Benchmark prices				
WTI (US\$/bbl) ⁽¹⁾	76.11	68.30	77.56	56.98
Cdn\$ / US\$ foreign exchange rate	1.04	1.10	1.03	1.17
WTI (Cdn\$/bbl)	79.06	74.95	79.66	66.68
AECO natural gas (\$/mcf) ⁽²⁾	3.54	2.94	4.13	2.83
Average realized prices ⁽³⁾				
Crude Oil (\$/bbl)	69.48	69.72	72.36	69.72
Natural gas liquids (\$/bbl)	48.61	46.35	55.42	46.35
Natural gas (\$/mcf)	3.92	3.09	4.46	3.09
Combined (\$/boe)	47.32	40.72	48.08	40.72

⁽¹⁾ WTI represents posting prices of West Texas Intermediate oil

⁽²⁾ Represents the AECO daily posting

⁽³⁾ Prior to gain on risk management contracts

WTI (US\$/bbl) increased from the prior period averaging \$76.11/bbl and \$77.56/bbl for the three and nine month periods respectively. Whitecap's differentials have increased compared to the prior period due to the addition of the SW Saskatchewan assets which have medium gravity oil (22° API) and widening differentials between Edmonton par and WTI. The Valhalla North and Pembina properties have predominately light crude oil.

Alberta AECO Hub natural gas prices increased to \$3.54/mcf in the third quarter of 2010 compared to \$2.94/mcf in the prior period. Whitecap typically realizes a premium to the AECO daily spot price as its natural gas production has high heat content, which receives a higher sales price.

Risk Management and Hedging Activities

Whitecap maintains an ongoing risk management program to reduce the volatility of revenues in order to fund capital expenditures and protect acquisition economics as necessary. The Company has not designated any of its risk management activities as accounting hedges under the Canadian Institute of Chartered Accountants section 3855.

For the three and nine months ended, the Company realized a gain of \$0.3 million and \$0.6 million respectively on its risk management contracts. The unrealized loss is a result of the change in the mark to market value period over period.

	Three months ended September 30, 2010	Nine months ended September 30, 2010
Risk Management Contracts (\$000's)		
Realized gain on risk management contracts	251	570
Unrealized loss on risk management contracts	(493)	(88)
Total gain(loss) on risk management contracts	(242)	482

At September 30, 2010, the following commodity risk management contracts were outstanding.

Type	Volume	Price	Index	Term
Swap	500 GJ/d	\$5.50/GJ	AECO	Sept to Oct 2010
Swap	500 GJ/d	\$5.30/GJ	AECO	Sept to Oct 2010
Swap	100 bbls/d	C\$86.00/bbl	C\$WTI	Sept to Dec 2010
Swap	100 bbls/d	C\$85.00/bbl	C\$WTI	Oct to Dec 2010
Swap	200 bbls/d	C\$83.00/bbl	C\$WTI	Oct to Dec 2010
Swap	200 bbls/d	C\$85.00/bbl	C\$WTI	Jan to Dec 2011
Swap	200 bbls/d	C\$86.75/bbl	C\$WTI	Jan to Jun 2011
Collar	100 bbls/d	C\$70.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Sept to Dec 2010
Collar	200 bbls/d	C\$75.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Jul to Dec 2011

Subsequent to September 30, 2010, the Company entered into the following commodity risk management contracts.

Type	Volume	Price	Index	Term
Swap	200 bbls/d	C\$85.00/bbl	C\$WTI	Oct to Dec 2010
Swap	100 bbls/d	C\$88.00/bbl	C\$WTI	Jan to Dec 2011
Swap	100 bbls/d	C\$86.75/bbl	C\$WTI	Jan to Jun 2011
Swap	200 bbls/d	C\$87.00/bbl	C\$WTI	Jan to Jun 2011
Collar	100 bbls/d	C\$75.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Jul to Dec 2011

Whitecap's risk management strategy is to transact with creditworthy counterparties to provide downside protection and minimize the price cap on its product. The Company has approval to hedge up to 60 percent of its current production. The Company has hedged approximately 33 percent of its estimated fourth quarter 2010 production volumes and approximately 20 percent of its estimated 2011 production volumes.

At September 30, 2010, the following financial power contract was outstanding.

Type	Volume	Price	Term
Swap	3,506 MWh	\$49.60/MWh	Sept 2010 to Dec 2011

Subsequent to September 30, 2010, the Company entered into the following financial power contract.

Type	Volume	Price	Term
Swap	1,139 MWh	\$46.06/MWh	Jan 2011 to Dec 2011

Whitecap has hedged approximately 48 percent of its 2011 power consumption at an average price of \$48.72/MWh.

Operating Netbacks

The components of operating netback are shown below:

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009 ⁽¹⁾	2010	2009 ⁽¹⁾
\$per BOE				
Average sales price	47.32	40.72	48.08	40.72
Other revenue	0.20	0.06	0.33	0.06
Total revenue	47.52	40.78	48.41	40.78
Royalties	(6.81)	(7.03)	(7.97)	(7.03)
Operating costs	(10.22)	(12.11)	(10.03)	(12.11)
Transportation	(1.29)	(1.97)	(1.50)	(1.97)
Operating Netback prior to hedging	29.20	19.67	28.91	19.67
Realized hedging gain	1.52	-	1.69	-
Operating Netback after hedging	30.72	19.67	30.60	19.67

⁽¹⁾ 2009 operating netback is for the one month ended September 30, 2009

Royalties as a percentage of revenue were 14 percent in the third quarter of 2010 compared to 17 percent in the prior period. The decrease in royalty rates are a result of new production from Whitecap's horizontal wells qualifying for the five percent royalty rate in addition to lower royalty rates from the Spitfire and Onyx acquired properties. For the nine months ended, royalties as a percentage of revenue were comparable at 17 percent in 2010 and 2009.

For the three months and nine months ended September 30, 2010, operating costs were lower compared to the prior periods due to incremental volumes from drilling activity which reduced fixed costs on a per boe basis and an overall focus on operational efficiencies.

General and administrative ("G&A")

Total G&A costs for the three and nine months ended September 30, 2010 were \$3.7 million and \$4.9 million respectively.

(\$000's)	Three months ended September 30,		Nine months ended September 30	
	2010	2009	2010	2009
G&A – gross	1,123	296	2,449	549
Overhead recoveries	(344)	-	(756)	-
Capitalized	(503)	-	(924)	-
G&A - net	276	296	769	549
Stock based compensation – non cash	3,391	34	4,140	34
Total general and administrative	3,667	330	4,909	583
Cash G&A per BOE	2.89	11.29	3.39	20.94

Total G&A for the third quarter of 2010 increased to \$3.7 million from \$0.3 million in the prior period and increased to \$4.9 million for the nine months ended September 30, 2010 compared to \$0.6 million in 2010. The increases from the prior year were mainly attributed to higher non-cash stock based compensation expense.

Stock Based Compensation

Stock-based compensation expense is the amortization over the vesting period of the fair value of stock options and warrants granted to employees, consultants and directors of the Company. Stock options granted under the stock option plan have a term of four years to expiry. The fair value of all options granted is estimated at the grant date using the Black-Scholes option pricing model.

The Company recognized \$3.4 million in non-cash stock based compensation in the third quarter of 2010 of which \$2.2 million was a result of one-third of the warrants vesting.

The Company capitalized \$0.3 million and \$0.5 million of stock based compensation for the three and nine months ended September 30, 2010, respectively. No stock based compensation expense was capitalized in the comparable periods in 2009.

Interest and Financing Expenses

(\$000's)	Three months ended September		Nine months ended September 30	
	2010	2009	2010	2009
Interest and fees on bank debt and loans	374	104	563	117
Interest on debentures	202	111	598	111
Non-cash interest expense	39	22	116	22
Total interest and financing charges	615	237	1,277	250
Per BOE	2.28	8.22	1.67	8.72

Total interest and financing charges includes non-cash interest expense related to the debenture offering. This is discussed further in the liquidity and capital resources section of the MD&A. For the three and nine months ended September 30, 2010, interest and fees on bank debt and loans have increased compared to prior periods due to an increase in bank debt.

Depletion, Depreciation, and Accretion

The DD&A rate will fluctuate from one period to the next depending on the amount and type of capital spending and the amount of reserves added. Increases in the DD&A rate for the three and nine months ended September 30, 2010 is due to timing of the Company's capital program and the resulting proven reserve additions.

A breakdown of the DD&A as follows:

	Three months ended September		Nine months ended September 30	
(\$000's)	2010	2009	2010	2009
Depletion and Depreciation expense	5,130	600	9,543	600
Accretion expense	60	7	115	7
	5,190	607	9,658	607
Per BOE	31.38	23.16	28.11	23.16

Taxes

The Company has a future income tax recovery of \$0.3 million for the three and nine months ended September 30, 2010. The future income tax expense or recovery in the reporting period reflect reduction to future tax rates, excess tax pools over accounting values, and tax pool adjustments from the prior year.

The following deductions are available for future income tax purposes:

(\$000's)	2010
Undepreciated capital cost	24,125
Canadian development expense	28,529
Canadian exploration expense	6,150
Canadian oil and gas property expense	46,059
Non-capital loss carry forward	10,371
Share issue costs	2,829
Total	118,063

Cash Flow and Net Income

Cash flow from operating activities for the three months ended September 30, 2010 was an inflow of \$4.4 million compared to a cash outflow of \$1.1 million in 2009. Cash flow from operating activities for the nine months ended September 30, 2010 was an inflow of \$2.5 million compared to a cash outflow of \$1.0 million in 2009. Positive cash flow from operations in the current year is a result of the Company advancing from a start-up phase to a producing phase with the related revenue generation from its properties.

Net loss for the three months ended September 30, 2010 was \$4.6 million compared to a net loss of \$0.5 million for the comparable period in 2009. Net loss for the nine months ended September 30, 2010 was \$5.3 million compared to a net loss of \$0.7 million for the comparable period in 2009. Increase in net loss for the three and nine months ended September 30, 2010 are primarily related to non-cash DD&A and non-cash stock based compensation expense.

Capital Expenditures

A breakdown of capital expenditures and property acquisitions is shown below:

(\$000's)	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Land and lease	415	-	776	-
Geological and geophysical	124	-	515	-
Drilling and completions	11,109	-	21,061	-
Investment in facilities	2,937	-	4,020	-
Capitalized administration ⁽¹⁾	296	-	546	-
Drilling credits	(331)	-	(1,336)	-
Subtotal	14,550	-	25,582	-
Office and other	90	2	126	18
Property acquisitions	1,427	56,550	3,311	56,550
Expenditures on corporate acquisitions (cash based)	40,534	-	40,534	-
Capital Expenditures	56,601	56,552	69,553	56,568

⁽¹⁾ Excludes non-cash capitalized stock based compensation

During the first nine months of 2010, capital expenditures excluding acquisitions and after deducting Alberta Drilling Royalty Credits (drilling credits), totaled \$14.6 million, with approximately 97 percent spent on drilling, completions and facilities.

Peace River Arch Alberta

Third quarter activity in the Peace River Arch was focused on the Valhalla Montney C (Sexsmith Sand) light oil pool and consisted of two additional horizontal wells drilled to further confirm the extent of the pool. To date, four horizontal "multi-frac" wells have been completed and tested, with three being placed on production. The Company operated 100 percent of the activity with working interest ranges from 30-50 percent. The three producing wells have been on production for over a month. The one month average production is 252 boe/d/well ranging from 138 to 353 boe/d. These averages include two wells that are producing from less than half of their drilled horizontal well length due to mechanical problems encountered during the completion operations. As these wells are part of a large continuous pool and are receiving pressure support from the waterflood, the Company anticipates the production decline profiles to be fairly flat as exemplified by the first horizontal well which is currently producing 275 boe/d after three months.

The Company recently tested its fourth horizontal well and over three days of testing the well free flowed an average of 330 boe/d gross. The well was still recovering load water from the fracture stimulation at the conclusion of the testing period. The Company is currently installing artificial lift equipment and expect this well to be on production by early November at rates > 300 boe/d gross. This well is a key well in the expansion of the pool development to the North and West which to date has been sparsely developed.

The Company is currently drilling the fifth and final horizontal well of the 2010 program. All wells are being fracture stimulated with 7 to 11 fracs per horizontal wellbore.

These results, which have met and/or exceeded expectations, have confirmed the effectiveness of the horizontal multi-frac technology in this pool. As a result, the Company will primarily be using this technology to continue with the full development of Montney C pool which includes expansion of the waterflood to encompass the entire pool. The Company has completed history matching the full field simulation model (16+ years of history) and the history match confirmed that there is more initial oil in place than was originally estimated. The Company is currently evaluating several development scenarios with the simulation model and will be identifying an optimal development strategy and initiating the implementation of it in 2011.

The Company will be completing its 2010 drilling program with the drilling of its fifth horizontal well which will be on production prior to year end.

West Central Alberta

In addition to closing the Onyx acquisition on July 30, 2010, Whitecap's third quarter activity in the West Central area was focused on the following:

- Expanding and improving the Cardium oil presence in the area via smaller, but attractive, acquisitions. In the third quarter, the Company acquired 4.0 sections (1.8 net) of Cardium rights through a combination of crown sales, farm-in and acquisition activity.
- Evaluating and expanding the Belly River interests in the Modeste Creek and Pembina Area. The Company recently recompleted a bypassed Belly River Oil pay interval (90 percent WI) which encountered virgin reservoir pressure and tested over 135 bopd. This well is currently on production at 100 boe/d, of which 70 percent is light sweet oil. Based on this result the Company has plans to continue to develop and evaluate “bypassed Belly River Oil pay” opportunities on its lands as well as acquire prospective crown and competitor lands. The Company is currently recompleting its second Belly River oil bypassed pay opportunity in the Pembina area. In addition the Company will investigate enhancing the development and reserve recovery of its 100 percent Modeste Creek Belly River oil pool which has only recovered 800 Mbbls (6 percent) of the 13 MMbbls original oil in place. A fourth quarter workover / recompletion program is currently under way.
- Finishing the Onyx drilling program by completing and placing on production the two horizontal Cardium light oil wells that were drilled by Onyx. Initial rates from these wells are consistent with other wells in the area averaging 125 boe/d. Both wells have recovered their load fluid and are currently producing at a combined stabilized rate of 80 boe/d.

Although we had originally contemplated to start our Cardium horizontal drilling program by late August, we were delayed by wet operating conditions and commenced our Q4 Cardium Horizontal oil well program in the first week of October. We have plans to drill four wells prior to year end and currently have the wells coming on late in December.

Southwest Saskatchewan

The two infill Fosterton Roseray sand oil wells that were drilled in Q2 were completed and placed on production with results as expected (30 boe/d per well, 84 percent WI). The Company has completed the Environmental Protection Plan that is required by the Saskatchewan Government to start its four well drilling program in Q1 2011. Included in this program is an extensional location that is testing an undrained seismic feature that if successful would add significant oil in place with the opportunity for several additional infill locations.

Wells in the Fosterton Roseray oil pool are very predictable and provide the opportunity for low risk low decline production adds at very attractive economic returns.

Acquisitions

In the third quarter of 2010, Whitecap completed the acquisition of Onyx for cash consideration of approximately \$40.5 million and the assumption of approximately \$11.0 million in net debt. On July 8, 2010 the Company also closed an asset acquisition of approximately 45 boe/d of operated production in West Central Alberta for \$1.3 million prior to normal purchase price adjustments.

Asset Retirement Obligation

At September 30, 2010, the Company recorded an Asset Retirement Obligation (“ARO”) of \$3.3 million for future abandonment and reclamation of the Company’s properties. The ARO balance included \$0.1 million related to liabilities incurred, \$1.7 million related to liabilities acquired from corporate and property acquisitions, and \$0.1 million for accretion expense in the period.

Subsequent Events

Whitecap filed articles of amendment to consolidate its common shares on a 10 to 1 basis. The consolidated common shares commenced trading on the Toronto Stock Exchange at the opening of trading on October 18, 2010, under the symbol WCP. The common shares were delisted from the TSX Venture Exchange at that time. The consolidation was approved by the shareholders of Whitecap at the annual and special meeting held on September 14, 2010.

Following the consolidation, Whitecap has a total of 31,447,783 common shares outstanding. In addition, 1,600,000 warrants and 1,961,022 options to purchase an equivalent number of common shares are outstanding. No fractional post-consolidated common shares were issued and no cash was paid in lieu of fractional post-consolidation common shares. Any fractional common shares resulting from the consolidation were rounded to the nearest whole common share.

Capital Resources and Liquidity

Credit Facility

At September 30, 2010, the Company had a \$55 million operating credit facility with a Canadian financial institution. Borrowings under the facility bear interest at the lender's prime rate plus 1.25 percent or, at the Company's option, guaranteed notes at the lender's base rate plus 2.75 percent. The loan is payable on demand and is secured by a \$200 million debenture over the Company's real properties, a floating charge over all present and after acquired real property interests, and a security interest over all present and after acquired personal property.

At September 30, 2010, Whitecap is in compliance with all covenants under the credit facility.

Convertible Debentures

The Company has a \$10 million principal amount of 8 percent secured convertible debentures. Interest is paid quarterly in arrears and the debentures mature on September 30, 2012.

The debentures have been classified as long term debt, net of the fair value of the conversion feature at the date of issue, which has been classified as part of shareholders' equity. The value of the debt was calculated as the present value of the principal and interest payments with the remainder of the value attributed to the conversion feature and recorded as equity. The debt portion of the debenture is accreted up to its full face value by the end of the debenture term. The accretion is recorded as non-cash interest and financing charges on the statement of operations and deficit. The financing charges related to the debenture offering have been offset against the convertible debenture balance and are being amortized as interest and financing charges over the life of the debentures.

Equity

On January 12, 2010, the Company closed its non brokered private placement financing of 25,000 common shares at a price of \$0.24 per common share, for total gross proceeds of \$50,000.

On June 25, 2010, the Company completed the reverse takeover of Spitfire whereby each shareholder of Whitecap received 8.33 common shares of Spitfire in exchange for each Whitecap share. As part of the reverse takeover, Spitfire also completed a \$7.75 million non-brokered private placement of 16.0 million units of Spitfire at a price of \$0.25 per unit, with each unit comprised of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of \$0.25 for a period of five years and 15.0 million common shares at a price of \$0.25 per common share. The private placement units and common shares are subject to an 18 month escrow, pursuant to which 25 percent of such securities were released from escrow on July 12, 2010 and 25 percent are to be released every six months thereafter. On July 1, 2010, Spitfire amalgamated with its wholly-owned subsidiary Whitecap Resources Inc. and changed its name to Whitecap Resources Inc.

The warrants will vest and become exercisable as to one-third upon the 20 day weighted average trading price of the common shares market price equaling or exceeding \$0.40, an additional one-third upon the market price equaling or exceeding \$0.50 and a final one-third upon the market price equaling or exceeding \$0.60. The first performance condition has been met as the common shares market price equaled or exceeded \$0.40 in the second quarter and the fair value related to those options have recognized in stock based compensation expense for the period ended.

On July 30, 2010, the Company completed a bought deal finance offering of 89 million subscription receipts of Whitecap common shares at a price of \$0.45 per subscription receipt for total gross proceeds of \$40.0 million. Concurrent with the closing of the Onyx acquisition, the outstanding subscription receipts of Whitecap were exchanged for common shares of Whitecap effective July 30, 2010.

The Company is authorized to issue an unlimited number of common shares. As at November 1, 2010 there were 31,447,783 common shares outstanding, post-consolidation.

Liquidity

At September 30, 2010, the Company has approximately \$10.9 million of unused credit available under its operating credit facility.

The Company generally relies on operating cash flows and the bank loan to fund capital requirements and provide liquidity. From time to time, the Company accesses capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs. Future liquidity depends primarily on cash flow generated from operations, existing credit facilities and the ability to access debt and equity markets. Bank debt is classified as a current liability as it is a demand loan, however the Company does not believe that the loan will be required to be repaid in the near term. The Company is currently in a net loss position, however it generates positive operating cash

flow and the net loss position is primarily due to non cash items. Additionally, the Company has \$10.9 million of unutilized bank debt to cover any working capital deficiencies. The Company believes that it is well positioned to take advantage of its internally developed opportunities funded through available credit facilities combined with anticipated cash flow from operations. Present sources of capital are currently sufficient to satisfy the capital program for the remainder of the 2010 fiscal year.

Contractual Obligations

Whitecap has contractual obligations in the normal course of business including purchase of assets and services, operating agreements, transportation commitments, sales commitments, royalty obligations, lease rental obligations and employee agreements. These obligations are of a recurring, consistent nature and impact Whitecap's cash flows in an ongoing manner. The Company is committed to future payments under the following agreements:

(\$000's)	2010	2011	2012	2013+
Operating lease -office building and vehicles	585	1,562	1,429	4,992

Summary of quarterly results ("unaudited")

\$000's, except as noted	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
FINANCIALS								
Total revenue	7,778	4,044	4,499	3,749	1,069	-	-	-
Funds from (used in) operations	3,998	1,938	2,088	1,258	4	(154)	(112)	(109)
Basic & Diluted (\$/share)	0.01	0.00	0.11	0.07	0.00	(1,540)	(1,120)	(1,090)
Net income (loss)	(4,916)	(712)	23	(512)	(430)	(162)	(119)	(112)
Basic & Diluted (\$/share)	(0.02)	0.00	0.00	(0.03)	(0.10)	(1,620)	(1,190)	(1,120)
Net capital expenditures	16,067	7,555	5,397	371	56,552	3	13	17
Working capital (deficit) surplus ⁽¹⁾	(2,564)	(1,093)	(2,288)	265	824	475	318	194
Bank Debt	44,110	22,107	11,286	10,580	12,790	-	-	-
Common shares outstanding (000's)	314,478	222,585	18,407	18,382	18,000	(2)	(2)	(2)
OPERATIONS								
Average daily production								
Crude oil (bbls/d)	861	343	337	308	108	-	-	-
Natural gas liquids (bbls/d)	121	89	94	86	24	-	-	-
Natural gas (mcf/d)	4,828	3,192	3,131	2,470	922	-	-	-
Total (boe/d)	1,787	964	953	806	285	-	-	-

⁽¹⁾ Excludes bank debt and risk management contracts

⁽²⁾ 100 common shares were issued on incorporation

For the period from incorporation to August 31, 2009, Whitecap did not have any petroleum and natural gas properties. In September 2009, the Company closed the acquisition of the Valhalla North assets located in Alberta. The assets were acquired under the terms of an agreement whereby Whitecap and a private company jointly acquired the assets. Whitecap acquired a 50 percent operated interest in the assets for cash consideration of approximately \$58 million prior to purchase price adjustments.

In the second quarter of 2010, the Company completed the reverse take-over of Spitfire whereby each shareholder of Whitecap received 8.33 common shares of Spitfire in exchange for each Whitecap share. On July 1, 2010, Spitfire amalgamated with its wholly-owned subsidiary Whitecap Resources Inc. and changed its name to Whitecap Resources Inc.

In the third quarter of 2010, the Company completed the acquisition of Onyx 2006 Inc. ("Onyx") for consideration of approximately \$52.0 million. In connection with the acquisition of Onyx, Whitecap completed a bought deal finance offering of 89.0 million subscription receipts at \$0.45 per subscription receipt for total gross proceeds of \$40.0 million. The outstanding receipts were exchanged for common shares effective July 30, 2010.

Off Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

Transactions with Related Parties

There were no related party transactions for the nine months ended September 30, 2010.

Critical Accounting Estimates

Whitecap's financial and operating results may incorporate certain estimates including:

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated capital expenditures on projects that are in progress;
- estimated depletion, depreciation and accretion that are based on estimates of oil and gas reserves that the Company expects to recover in the future, commodity prices, estimated future salvage values, and estimated future capital costs;
- estimated fair values of derivative contracts that are subject to fluctuation depending upon the underlying commodity prices and foreign exchange rates;
- estimated value of asset retirement obligations that are dependent upon estimates of future costs and timing of expenditures;
- estimated income and other tax liabilities require interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time;
- estimated stock based compensation expense using the Black-Scholes option pricing model.

The Company has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

Financial Reporting Update

Future Accounting Changes

Business Combinations

The CICA issued Handbook Section 1582 "Business Combinations" that replaces the previous business combinations standard. Under this guidance, the purchase price used in a business combination is based on the fair value of shares exchanged at the market price at acquisition date. Under the current standard, the purchase price used is based on the market price of shares for a reasonable period before and after the date the acquisition is agreed upon and announced. In addition, the guidance generally requires all transaction costs to be expensed. Current standards allow for the capitalization of these costs as part of the purchase price. This new Section also addresses contingent liabilities, which will be required to be recognized at fair value on acquisition, and subsequently re-measured at each reporting period until settled. Currently, standards require only contingent liabilities that are payable to be recognized. The new guidance requires negative goodwill to be recognized in operations rather than the current standard of deducting from non-current assets in the purchase price allocation. This standard applies prospectively to business combinations on or after January 1, 2011 with earlier application permitted. Whitecap has chosen not to early adopt this standard and has accounted for its business combination using CICA Handbook Section 1581.

Consolidated Financial Statements and Non-controlling Interest

The CICA issued Handbook Sections 1601 "Consolidated Financial Statements", and 1602 "Non-controlling Interests", which replaces existing guidance under Section 1600 "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of Consolidated Financial Statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in Consolidated Financial Statements subsequent to a business combination. These standards will be effective for Whitecap for business combinations occurring on or after January 1, 2011, with early application permitted. Whitecap is currently assessing the impact of the standard.

International Financial Reporting Standards (IFRS)

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian generally accepted accounting principles (GAAP) with IFRS for Canadian enterprises with public accountability. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required for accounting periods commencing on or after January 1, 2011, for publicly accountable profit-orientated enterprises.

First-time adoption of IFRS

The financial statement for the year ended December 31, 2011, will be prepared according to IFRS with comparative amounts for the year ended December 31, 2010. IFRS 1, First-time Adoption of International Financial Reporting Standards, generally requires that the Company apply IFRS on a retrospective basis in its opening balance sheet as at January 1, 2010. IFRS 1 also provides certain mandatory exceptions and elective exemptions to retrospective application. The Company expects to complete its analysis of, and quantify on a preliminary basis, each exemption during the fourth quarter of 2010.

Possible significant accounting differences between the Company's current accounting policies under Canadian GAAP and expected accounting policies under IFRS include the following:

Property, Plant and Equipment

The Company is currently assessing the quantitative impact of the anticipated changes under IFRS. The Company, like many other Canadian oil and gas reporting issuers, applies the "full-cost" accounting methodology to its oil and gas assets. Under full-cost, capital expenditures are maintained in a single cost center for each country, and the cost center is subject to a single depletion calculation and impairment test. However, IFRS requires a more extensive evaluation of the Company's oil and gas assets.

Capital expenditures have to be segregated between exploration and evaluation ("E&E") and development and production ("D&P") assets. In addition assets have to be aggregated at a component level. On transition, this requires establishing the book value of the undeveloped land and unproved properties and then allocating the remaining carrying value to the D&P assets, based on reserve allocations for each component.

For depletion and depreciation purposes, the Company must determine an appropriate depletion or depreciation method and deplete by component. There is the choice of whether or not to deplete E&E assets. In addition, there is the option to deplete using a reserve base of proved reserves or both proved plus probable reserves. Whitecap is currently assessing the most appropriate depletion methodology it will use.

Impairment tests are to be calculated at a Cash Generating Unit level ("CGU"), which is defined as the lowest level of assets that produce independent cash inflows. The Company must identify its CGU's for this purpose. An impairment test must be performed individually for all CGU's when indicators suggest there may be an impairment. There will be more CGU's than the single full-cost pool. The recognition of impairment in a prior year can be reversed should the conditions that caused the impairment improve.

Provisions, contingent liabilities and assets, including asset retirement obligations ("ARO") are identified and calculated differently under IFRS. ARO calculations are expected to be impacted due to differences in the discount rates to be used to present value the liability. In addition, under IFRS, ARO is required to be revalued each reporting period at the then prevailing interest rate. This may increase or decrease the ARO recorded on the balance sheet depending on the movement of interest rates. In addition, onerous contracts will require identification and, to the extent they exist, must be recorded as a liability on the balance sheet.

Share-based payments are expensed based on a graded vesting schedule. Also, the Company will be required to incorporate a forfeiture multiplier rather than account for forfeitures as they occur under Canadian GAAP. The Company continues to assess the impact of this change on its future financial reporting.

The above is not intended to be a complete and comprehensive disclosure of all the possible significant accounting differences between the Company's current Canadian GAAP accounting policies and those expected under IFRS. Whitecap has started evaluating the impact of all of its IFRS accounting policy choices and the effect they will have on its financial statements. The Company will disclose additional information as the impacts, effects and policy choices are determined. Any amendments to existing IFRS standards or implementation of new IFRS standards could lead to additional changes.

Business Risks

Whitecap's exploration and production activities are concentrated in the Western Canadian Sedimentary Basin, where activity is highly competitive and includes a variety of different sized companies. Whitecap is subject to a number of risks that are also common to other organizations involved in the oil and gas industry. Such risks include finding and developing oil and gas reserves at economic costs, estimating amounts of recoverable reserves, production of oil and gas in commercial quantities, marketability of oil and gas produced, fluctuations in commodity prices, financial and liquidity risks and environmental safety risks.

In order to reduce exploration risk, Whitecap employs or contracts highly qualified and motivated professionals who have demonstrated the ability to generate quality proprietary geological and geophysical prospects.

Whitecap has retained an independent engineering consulting firm that assists the Company in evaluating recoverable amounts of oil and gas reserves. Values of recoverable reserves are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and government regulation. Such estimates may vary from actual results.

The Company mitigates its risk related to producing hydrocarbons through the utilization of current technology and information systems. In addition, Whitecap strives to operate the majority of its prospects, thereby maintaining operational control. When the Company does not operate, it relies on its partners in jointly owned properties to maintain operational control.

Whitecap is exposed to market risk to the extent that the demand for oil and gas produced by the Company exists within Canada and the United States. External factors beyond the company's control may affect the marketability of oil and gas produced. These factors include commodity prices and variations in the Canada–United States currency exchange rate, which in turn responds to economic and political circumstances throughout the world. Oil prices are affected by worldwide supply and demand fundamentals while natural gas prices are affected by North American supply and demand fundamentals. Whitecap may periodically use futures and options contracts to hedge its exposure to the potential adverse impact of commodity price volatility.

Exploration and production for oil and gas is very capital intensive. As a result, the Company relies on equity markets as a source of new capital. In addition, Whitecap utilizes bank financing to support ongoing capital investments, which exposes the Company to fluctuations in interest rates on its bank debt. Funds from operations also provide Whitecap with capital required to grow in its business. Equity and debt capital are subject to market conditions and availability may increase or decrease from time to time. Funds from operations also fluctuate with changing commodity prices

Oil and gas exploration and production can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. The Company conducts its operations with high standards in order to protect the environment and the general public. Whitecap maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations.

NON-GAAP MEASURES

This document contains the terms "funds from operations" and "operating netbacks", which do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures by other companies. Whitecap uses funds from operations and operating netbacks to analyze financial and operating performance. Whitecap feels these benchmarks are key measures of profitability and overall sustainability for the Company. Both of these terms are commonly used in the oil and gas industry. Funds from operations and operating netbacks are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with GAAP. Funds from operations are calculated as cash flows from operating activities less changes in non-cash working capital. Operating netbacks are determined by deducting royalties, production expenses and transportation and selling expenses from oil and gas revenue. The Company calculates funds from operations per share using the same method and shares outstanding that are used in the determination of earnings per share.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A may contain certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing",

"may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A may contain forward-looking information and statements pertaining to the following: projected average and exit production rates; the volumes and estimated value of Whitecap's oil and gas reserves; the life of Whitecap's reserves; the volume and product mix of Whitecap's oil and gas production; future oil and natural gas prices and Whitecap's commodity risk management programs; the amount of future asset retirement obligations; future liquidity and financial capacity; future results from operations and operating metrics; future costs, expenses and royalty rates; future interest costs; future development, exploration, acquisition and development activities (including drilling plans) and related capital expenditures and future taxes payable by Whitecap; and Whitecap's tax pools.

The forward-looking information and statements contained in this MD&A reflect several material factors and expectations and assumptions of Whitecap including, without limitation: that Whitecap will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Whitecap's reserve and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and cash flow to fund its planned expenditures; Whitecap believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Whitecap's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Whitecap or by third party operators of Whitecap's properties, increased debt levels or debt service requirements; inaccurate estimation of Whitecap's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Whitecap's public disclosure documents (including, without limitation, those risks identified in this MD&A).

The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A, and none of Whitecap or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Note: "Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Balance Sheet*(unaudited)*

(\$000's)	September 30, 2010	December 31, 2009
Assets		
Current Assets		
Cash	4	5
Accounts receivable	9,047	1,886
Deposits and prepaid expenses	943	434
Risk management contracts [Note 12]	-	24
	9,994	2,349
Future income tax asset	-	662
Properties and Equipment [Note 4]	174,351	56,049
	184,345	59,060
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank debt [Note 6]	44,110	10,580
Risk management contracts [Note 12]	64	-
Accounts payable and accrued liabilities	12,558	2,060
	56,732	12,640
Convertible Debentures [Note 7]	9,710	9,594
Future income tax liability	13,403	-
Asset retirement obligation [Note 8]	3,279	1,309
	83,124	23,543
Shareholders' Equity		
Share capital [Note 9]	103,157	36,104
Equity component of debentures [Note 7]	425	425
Contributed surplus [Note 9]	4,254	341
Deficit	(6,615)	(1,353)
	101,221	35,517
	184,345	59,060

See accompanying notes to financial statements

Approved on behalf of the Board:

(signed) "Stephen C. Nikiforuk"

Stephen C. Nikiforuk
Director

(signed) "Grant B. Fagerheim"

Grant B. Fagerheim
Director

Statements of Operations, Comprehensive Loss and Deficit
(unaudited)

(\$000's)	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Revenue				
Petroleum and natural gas revenue	7,778	1,068	16,245	1,068
Royalties	(1,120)	(184)	(2,692)	(184)
Other income	34	1	110	1
	6,692	885	13,663	885
Realized gain on risk management contracts	251	-	570	-
Unrealized loss on risk management contracts [Note 12]	(493)	-	(88)	-
	6,450	885	14,145	885
Expenses				
Operating	1,680	318	3,390	318
Transportation	214	52	510	52
General and administrative [Note 9]	3,667	330	4,909	583
Interest and financing	615	237	1,277	250
Depletion, depreciation and accretion	5,190	607	9,658	607
	11,366	1,544	19,744	1,810
Net loss before income taxes	(4,916)	(659)	(5,599)	(925)
Future income tax recovery	343	214	337	214
Net loss and other comprehensive loss	(4,573)	(445)	(5,262)	(711)
Deficit, beginning of period	(2,042)	(395)	(1,353)	(129)
Deficit, end of period	(6,615)	(840)	(6,615)	(840)
Net loss per share [Note 10]				
Basic / Diluted	(0.02)	(0.10)	(0.03)	(0.49)

See accompanying notes to financial statements

Statement of Cash Flows

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	2010	2009
Operating activities				
Net income loss for the period	(4,573)	(445)	(5,262)	(711)
Items not affecting cash:				
Depletion, depreciation and accretion	5,190	607	9,658	607
Future income taxes	(343)	(214)	(337)	(214)
Stock based compensation	3,192	34	3,764	34
Non-cash interest expense [Note 7]	39	22	116	22
Unrealized gain on risk management contracts [Note 12]	493	-	88	-
	3,998	4	8,027	(262)
Net change in non-cash working capital items [Note 14]	441	(1,104)	(5,522)	(756)
	4,439	(1,100)	2,505	(1,018)
Financing Activities				
Repayment of related party loan	-	(300)	-	(300)
Issuance of convertible debenture	-	10,000	-	10,000
Deferred financing chargers	-	(42)	-	(42)
Increase in bank debt	22,003	12,790	33,530	12,790
Repayment of acquisition debt	(9,074)	-	(16,975)	-
Issuance of share capital, net of share issue costs [note 9]	38,280	35,099	46,160	35,099
	51,209	57,547	62,715	57,547
Investing activities				
Expenditures on property, plant and equipment additions	(16,067)	(56,552)	(29,019)	(56,567)
Expenditures on corporate and asset acquisitions	(40,534)	-	(40,534)	-
Net change in non-cash working capital items	952	-	4,332	-
	(55,649)	(56,552)	(65,221)	(56,567)
Decrease in cash, during the period	(1)	(105)	(1)	(38)
Cash, beginning of period	5	109	5	42
Cash, end of period	4	4	4	4
Cash interest paid	576	104	1,161	117

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

1. Basis of Presentation

Whitecap Resources Inc. (also referred to herein as "Whitecap" or "the Company") is an oil and natural gas exploration, development and production company based in Calgary, Alberta, Canada. The Company's operations are in Alberta and Saskatchewan.

The unaudited interim financial statements follow the same accounting policies as the most recent annual audited financial statements. The interim financial statements note disclosures do not include all of those required by Canadian generally accepted accounting principles ("GAAP") applicable for annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2009.

On June 25, 2010, the Company completed the reverse takeover of Spitfire Energy Ltd. ("Spitfire") which provided for (i) a recapitalization of the Corporation through a private placement (the "Private Placement"); (ii) the appointment of a new management team and a new board of directors (collectively, the "New Management Group"); (iii) the acquisition of an oil-weighted asset base in southwest Saskatchewan.

On July 1, 2010, Spitfire amalgamated with its wholly-owned subsidiary Whitecap Resources Inc. and changed its name to Whitecap Resources Inc. The comparative financial statements of the Company for the three and nine months ended September 30, 2010 include the operating results of Whitecap prior to the reverse takeover and the results of the combined entities after June 25, 2010.

2. Acquisitions

(a) Spitfire Energy Ltd. (Reverse takeover)

On June 25, 2010, Whitecap shareholders received approximately 153 million shares of Spitfire. The total consideration has been valued based on a deemed share price of \$0.33 per Spitfire share outstanding plus net debt of approximately \$8.6 million. For accounting purposes the transaction was accounted for as a reverse takeover with Whitecap deemed to be the acquirer and Spitfire deemed to be the acquiree. The acquisition will be recorded by the elimination of the share capital, contributed surplus and deficit of Spitfire.

Net assets acquired (\$000's):

Non-cash working capital deficiency	(8,571)
Petroleum and natural gas properties	34,355
Asset retirement obligations	(636)
Future income tax liability	(4,063)
	21,085

Consideration:

Issuance of shares	20,002
Transaction costs	1,083
	21,085

(b) Onyx 2006 Inc. (“Onyx”)

On July 30, 2010, Whitecap acquired all the issued and outstanding shares of Onyx for an aggregate purchase price of approximately \$52 million which included \$40.5 million payable in cash to the shareholders of Onyx and the assumption of approximately \$11.0 million of total net liabilities.

Net assets acquired (\$000’s):

Non-cash working capital deficiency	(10,959)
Petroleum and natural gas properties	63,440
Asset retirement obligations	(692)
Future income tax liability	(10,876)
	40,914

Consideration:

Cash consideration paid	40,534
Transaction costs	380
	40,914

3. Financial assets and credit risk

Credit risk is the risk of financial loss to Whitecap if a partner or counterparty to a product sales contract or financial instrument fails to meet its contractual obligations. Whitecap is exposed to credit risk with respect to its accounts receivable. Most of Whitecap’s accounts receivable relate to oil and natural gas sales and are subject to typical industry credit risks. Whitecap manages this credit risk as follows:

- By entering into sales contracts with only established credit worthy counterparties as verified by a third party rating agency, through internal evaluation or by requiring security such as letters of credit;
- By limiting exposure to any one counterparty; and
- By restricting cash equivalent investments and risk management transactions to counterparties that, at the time of transaction, are not less than investment grade.

The majority of the credit exposure on accounts receivable at September 30, 2010 pertains to accrued revenue for September 2010 production volumes. Whitecap transacts with a number of oil and natural gas marketing companies and commodity end users (“commodity purchasers”). Commodity purchasers and marketing companies typically remit amounts to Whitecap by the 25th day of the month following production. Joint interest receivables are typically collected within a month following production. At September 30, 2010, no one counterparty accounted for more than 25 percent of the total accounts receivable balance.

During the nine months of 2010, Whitecap has not experienced any material credit loss in the collection of receivables.

When determining whether amounts that are past due are collectable, management assesses the credit worthiness and past payment history of the counterparty, as well as the nature of the past due amount. Whitecap considers all amounts greater than 90 days to be past due. As at September 30, 2010, there was \$0.3 million of receivables aged over 90 days. Subsequent to September 30, 2010, approximately \$0.1 million has been collected and the remaining balance is not considered to be a credit risk.

Maximum credit risk is calculated as the total recorded value of accounts receivable at the balance sheet date.

4. Property, plant and equipment

(\$000's)	September 30, 2010	December 31, 2009
Petroleum and natural gas properties	185,852	58,134
Other assets	278	152
Accumulated depletion and depreciation	(11,779)	(2,237)
Net book value	174,351	56,049

At September 30, 2010, approximately \$13.5 million (2009 – \$0.8 million) of unproved property and salvage value of \$2.3 million (2009 – \$1.0 million) was excluded from the depletion calculation. Future development costs of \$11.9 million (2009 – \$7.7 million) were included in the depletion calculation.

During the nine months ended September 30, 2010, the Company capitalized \$1.0 million (2009 - \$0.1 million) of administrative costs directly relating to exploration and development activities which includes \$0.5 million (2009 - \$nil) of stock-based compensation.

5. Financial liabilities and liquidity risk

Liquidity risk is the risk that Whitecap will not be able to meet its financial obligations as they become due. Whitecap actively manages its liquidity through cash, debt and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, available credit under existing banking arrangements and opportunities to issue additional common shares. Management believes that future cash flows generated from these sources will be adequate to settle Whitecap's financial liabilities.

The following table details Whitecap's financial liabilities as at September 30, 2010:

(\$000's)	1 year	2 to 3 years	Total
Accounts payable and accrued liabilities	12,558	-	12,558
Risk management contracts	64	-	64
Bank debt	44,110	-	44,110
Convertible debentures including interest	800	10,802	11,602
Total financial liabilities	57,532	10,802	68,334

Whitecap actively maintains credit and working capital facilities to ensure that it has sufficient available funds to meet its financial requirements at a reasonable cost.

6. Credit facilities

At September 30, 2010, the Company had a \$55.0 million operating loan facility with a Canadian Financial Institution. Borrowings under the facility bear interest at the lender's prime rate plus 1.25 percent or, at the Company's option, guaranteed notes at the lender's base rate plus 2.75 percent. The loan is payable on demand and is secured by a \$200 million debenture over the Company's real properties, a floating charge over all present and after acquired real property interests, and a security interest over all present and after acquired personal property.

7. Convertible debentures

On August 10, 2009, the Company issued \$10 million principal amount of 8 percent secured convertible debentures. Interest is paid quarterly in arrears and the conversion price for the debentures is \$0.29 per share. The convertible debentures are converted into equity when the publicly traded stock trades above \$0.50 per share for sixty consecutive days.

(\$000's)	Debt Portion	Financing Cost	Total Debt	Equity Portion	Principal Outstanding
Balance, beginning of period	9,631	(37)	9,594	425	10,000
Non-cash interest expense	106	10	116	-	-
Balance, end of period	9,737	(27)	9,710	425	10,000

8. Asset retirement obligation

The following table provides a reconciliation of the carrying amount of the obligation associated with the retirement of oil and gas properties.

(\$000's)	2010
Asset retirement obligation, December 31, 2009	1,309
Liabilities incurred	134
Liabilities acquired	1,721
Accretion expense	115
Asset retirement obligation, September 30, 2010	3,279

The key assumptions, on which the carrying amount of the asset retirement obligation is based, include a credit adjusted risk-free rate of 8 percent and inflation rate of 2 percent. The total undiscounted amount of the estimated cash flows required to settle the obligations was \$10.0 million. The expected timing of payment of the cash flows required for settling the obligations related to wells and major facilities extend for up to 47 years.

9. Share capital

a) Authorized

Unlimited number of common shares without nominal or par value.

b) Issued and outstanding

(000's)	Shares	2010 \$
Balance, December 31, 2009 ⁽¹⁾	18,382	36,104
Issuance from private placement ⁽¹⁾	25	50
Option exercise ⁽¹⁾	40	120
Elimination of Whitecap shares	(18,447)	-
Outstanding Spitfire shares	37,920	-
Reverse takeover bid of Spitfire	153,664	20,002
Issuance from private placement	31,000	7,750
Option exercise ⁽²⁾	2,894	973
Share subscription related to Onyx acquisition ⁽²⁾	89,000	40,050
Share issue costs (net of tax)	-	(1,892)
Balance, end of period	314,478	103,157

⁽¹⁾ Prior to the 8.33 exchange ratio as a result of the reverse takeover of Spitfire Energy Ltd.

⁽²⁾ Post 8.33 exchange ratio

Common share offering

On January 12, 2010, the Company closed its non brokered private placement financing of 25,000 common shares at a price of \$2.00 (prior to the 8.33 exchange ratio as a result of the reverse takeover of Spitfire Energy Ltd.) per common share, for total gross proceeds of \$50,000.

Reverse takeover bid

On June 25, 2010, the Company completed the reverse takeover of Spitfire whereby each shareholder of Whitecap received 8.33 common shares of Spitfire in exchange for each Whitecap share. As part of the reverse takeover, Spitfire also completed a \$7.75 million non-brokered private placement (the "Private Placement") of 16.0 million units of Spitfire at a price of \$0.25 per unit, with each unit comprised of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of \$0.25 for a period of five years and 15.0 million common shares at a price of \$0.25 per common share. The private placement units and common shares are subject to an 18 month escrow, pursuant to which 25 percent of such security was released from escrow on July 12, 2010 and 25 percent released every six months thereafter. On July 1, 2010, Spitfire amalgamated with its wholly-owned subsidiary Whitecap Resources Inc. and changed its name to Whitecap Resources Inc.

Share subscription

On July 30, 2010, the Company completed a bought deal finance offering of 89.0 million subscription receipts of Whitecap common shares at a price of \$0.45 per subscription receipt for total gross proceeds of \$40.0 million. Concurrent with the closing of the Onyx acquisition, the outstanding subscription receipts of Whitecap were exchanged for common shares of Whitecap effective July 30, 2010.

c) Stock options

Under the Stock Option Plan, the Board of Directors may grant to any director, officer, employee or consultant, options to acquire common shares of the Company. Stock options granted under the stock option plan have a term of four years to expiry. Vesting is determined by the Company's board of directors. Currently, all of the options granted vest equally over a three year period commencing on the first anniversary date of the grant. Each stock option granted permits the holder to purchase one common share of the Company at the stated exercise price.

Nine months ended September 30, 2010		
(000's except per share amounts)	Number of Options	Weighted Average Exercise Price (\$)
Balance, beginning of period	13,968	0.24
Granted	6,823	0.41
Acquired ⁽¹⁾	2,922	0.27
Exercised	(3,226)	0.27
Expired	(29)	0.56
Forfeited	(848)	0.24
Balance, ending of period	19,610	0.28

⁽¹⁾ Pursuant to the reverse takeover transaction, all outstanding Spitfire options vested upon the close of the transaction and all unexercised options in the period expired on September 24, 2010 in accordance with the Spitfire option agreement.

Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)
0.24	13,329	3.0	0.24	3,672	0.24
0.30	4,173	3.7	0.30	-	-
0.45	2,108	3.9	0.45	-	-
	19,610	3.2	0.28	3,672	0.24

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	2010
Risk-free interest rate	2.16%
Expected life (years)	4
Expected volatility	65%
Weighted average fair value (\$/option)	\$0.19

d) Warrants

On June 25, 2010, performance warrants were granted to certain employees in conjunction with the recapitalization transaction. A total of 16.0 million performance warrants were issued, entitling the holders thereof to purchase one common share at a price of \$0.25 for a period of 5 years following the date of issuance. The performance warrants will vest and become exercisable as to one-third upon the 20 day weighted average trading price of the common shares (the "Trading Price") equaling or exceeding \$0.40, an additional one-third upon the Trading Price equaling or exceeding \$0.50 and a final one-third upon the Trading Price equaling or exceeding \$0.60. The performance warrants are measured at their fair value on the date of grant and recognized as an expense over a two year vesting period.

Pursuant to the Recapitalization of Spitfire, Whitecap assumed 1.3 million warrants outstanding for Spitfire shares which entitled each holder to purchase one Spitfire common share at a price of \$1.15 per Spitfire share. These warrants expired August 1, 2010 in accordance with the warrant agreement.

Nine months ended September 30, 2010		
(000's except per share amounts)	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, beginning of period	-	-
Granted	16,000	0.25
Acquired	1,300	1.15
Expired	(1,300)	1.15
Balance, ending of period	16,000	0.25

Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise price (\$/share)	Number Exercisable	Weighted Average Exercise Price (\$/share)
0.25	16,000	4.7	0.25	5,334	0.25

The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

Risk-free interest rate	2010
Expected life (years)	2.20%
Expected volatility	5
Weighted average fair value (\$/warrant)	65%
	\$0.41

e) Contributed surplus

(\$000's)	2010
Balance, beginning of period	341
Stock based compensation – Options	1,125
Stock based compensation – Warrants	3,034
Option exercises	(246)
Balance, end of period	4,254

10. Per share results

	Nine months ended September 30,	
	2010	2009
Per share income (loss), basic and diluted	(0.03)	(0.49)
Weighted average shares outstanding (000's)		
Basic	198,354	1,456
Diluted	233,100	1,456

11. Capital management

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Company considers its capital structure to include shareholders' equity, bank debt, convertible debentures and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue new shares, seek debt financing and adjust its capital spending to manage current and projected debt levels.

The following is a breakdown of the Company's capital structure:

(\$000's)	2010
Current assets	9,994
Current liabilities, excluding bank debt	12,622
Working capital deficit	2,628
Bank debt	44,110
Convertible debentures	9,710
Shareholders' equity	101,221

12. Financial instruments and risk management

Fair Value of Financial Assets and Liabilities

Financial instruments of the Company consist mainly of cash, deposits, receivables, risk management contracts, payables, bank debt and convertible debentures, all of which are included in these financial statements. At September 30, 2010, the classification of financial instruments and the carrying amounts reported on the balance sheet and their estimated fair values are as follows:

(\$000's)	Carrying Amount	Fair Value
Receivables	9,047	9,047
Held for trading instruments (cash and risk management contracts) ⁽¹⁾	60	60
Convertible Debentures – liability portion	9,710	9,710
Other financial liabilities (accounts payable and bank debt)	56,668	56,668

⁽¹⁾ The fair value measurement of the risk management contracts has a fair value hierarchy of Level 2.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1- Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2- Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3- Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Market risk management

Commodity Price Risk

The Company's operational results and financial condition are largely dependent on the commodity price received for its oil and natural gas production. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, weather, economic, and geopolitical factors.

Whitecap manages the risks associated with changes in commodity prices by entering into a variety of risk management contracts (see risk management contracts below). The following table illustrates the effects of movement in commodity prices on net income before tax due to changes in the fair value of risk management contracts in place at September 30, 2010, with all other variables held constant. When assessing the potential impact of these commodity price changes, the Company believes 10 percent volatility is a reasonable measure.

(\$000's impact on net income before tax)	Nine months ended September 30, 2010	
	10% increase	10% decrease
Crude oil price	(1,151)	1,110
Natural gas price	(11)	11
	(1,162)	1,121

At September 30, 2010 the following risk management contracts were outstanding with a mark to market liability value of \$0.1 million.

Type	Volume	Price	Index	Term
Swap	500 GJ/d	\$5.50/GJ	AECO	Sept to Oct 2010
Swap	500 GJ/d	\$5.30/GJ	AECO	Sept to Oct 2010
Swap	100 bbls/d	C\$86.00/bbl	C\$WTI	Sept to Dec 2010
Swap	100 bbls/d	C\$85.00/bbl	C\$WTI	Oct to Dec 2010
Swap	200 bbls/d	C\$83.00/bbl	C\$WTI	Oct to Dec 2010
Swap	200 bbls/d	C\$85.00/bbl	C\$WTI	Jan to Dec 2011
Swap	200 bbls/d	C\$86.75/bbl	C\$WTI	Jan to Jun 2011
Collar	100 bbls/d	C\$70.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Sept to Dec 2010
Collar	200 bbls/d	C\$75.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Jul to Dec 2011

Subsequent to September 30, 2010, the Company entered into the following risk management contracts.

Type	Volume	Price	Index	Term
Swap	200 bbls/d	C\$85.00/bbl	C\$WTI	Oct to Dec 2010
Swap	100 bbls/d	C\$88.00/bbl	C\$WTI	Jan to Dec 2011
Swap	100 bbls/d	C\$86.75/bbl	C\$WTI	Jan to Jun 2011
Swap	200 bbls/d	C\$87.00/bbl	C\$WTI	Jan to Jun 2011
Collar	100 bbls/d	C\$75.00/bbl floor / C\$100.00/bbl ceiling	C\$WTI	Jul to Dec 2011

At September 30, 2010, the following financial power contract was outstanding.

Type	Volume	Price	Term
Swap	3,506 MWh	\$49.60/MWh	Sept 2010 to Dec 2011

Subsequent to September 30, 2010, the Company entered into the following financial power contract.

Type	Volume	Price	Term
Swap	1,139 MWh	\$46.06/MWh	Jan 2011 to Dec 2011

Interest Rate Risk

The Company is exposed to fluctuations in interest rates on its bank debt. Interest rate risk is mitigated through short-term fixed rate borrowings using guaranteed notes.

If interest rates applicable to floating rate debt at September 30, 2010, were to have increased by 25 basis points (0.25 percent) it is estimated that the Company's annual cash flows would decrease by approximately \$0.1 million.

Foreign Exchange Risk

The Company is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate on sales of commodities that are denominated in U.S. dollars or directly influenced by U.S. dollar benchmark prices.

13. COMMITMENTS

The Company is committed to future payments under the following agreements:

(\$000's)	2010	2011	2012	2013+
Operating lease -office building and vehicles	585	1,562	1,429	4,992

14. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital:⁽¹⁾

	Nine months ended September 30	
	2010	2009
Accounts receivable	(4,645)	(1,341)
Prepaid and deposits	(225)	39
Accounts payable and accrued	3,680	546
Change in non-cash working	(1,190)	(756)
Relating to:		
Operating activities	(5,522)	(756)
Investing activities	4,332	-

⁽¹⁾Excludes bank debt and corporate acquisitions

15. Subsequent Events

Whitecap filed articles of amendment to consolidate its common shares on a 10 to 1 basis. The consolidated common shares commenced trading on the Toronto Stock Exchange at the opening of trading on October 18, 2010, under the symbol WCP. The common shares were delisted from the TSX Venture Exchange at that time. The consolidation was approved by the shareholders of Whitecap at the annual and special meeting held on September 14, 2010.

Following the consolidation, Whitecap had a total of 31,447,783 common shares outstanding. In addition, 1,600,000 warrants and 1,961,022 options to purchase an equivalent number of common shares are outstanding. No fractional post-consolidated common shares were issued and no cash was paid in lieu of fractional post-consolidation common shares. Any fractional common shares resulting from the consolidation were rounded to the nearest whole common share.

CORPORATE INFORMATION

DIRECTORS

Grant B. Fagerheim⁽³⁾
President & CEO, Whitecap Resources Inc.
Chairman Whitecap Resources Inc.

Greg Fletcher⁽¹⁾⁽³⁾
President & CEO Sierra Energy Inc.

Glenn McNamara⁽²⁾⁽³⁾
President, Petromanas Energy Inc.
Chairman of the Reserve Committee

Stephen C. Nikiforuk⁽¹⁾
President, MyOwnCFO Inc.
Chairman of the Audit Committee

Robert G. Welty⁽¹⁾⁽²⁾
Independent Businessman
Chairman of the Compensation and Corporate Governance
Committee

Grant A. Zawalsky⁽²⁾
Partner, Burnet, Duckworth & Palmer LLP

- ⁽¹⁾ Member of the Audit Committee
⁽²⁾ Member of the Compensation and Corporate Governance
Committee
⁽³⁾ Member of the Reserve Committee

OFFICERS

Grant B. Fagerheim
President & CEO

Joel Armstrong
Vice President, Production & Operations

Dan Christensen
Vice President, Exploration

Darin Dunlop
Vice President, Engineering

Thanh Kang
Vice President, Finance & CFO

Gary Lebsack
Vice President, Land

David Mombourquette
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ABBREVIATIONS

bbls	barrels	mcf	thousand cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
boe	barrels of oil equivalent	mmcf	million cubic feet
boe/d	barrels of oil equivalent per day	mstb	1000 stock tank barrels
bp/d	barrels per day	NGL's	natural gas liquids
bop/d	barrels of oil per day	WTI	West Texas Intermediate
Mbbl	thousand barrels	GJ	gigajoule
AECO	Alberta Energy Company		

*Natural gas is equated to oil on the basis of 6 Mcf of natural gas =1 barrel of oil equivalent (boe)