

WHITECAP RESOURCES INC.

ESG NEWSLETTER

MAY 2021

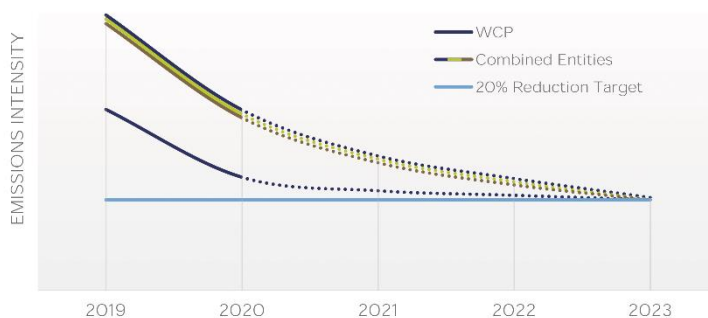
GREENER TOGETHER – ACQUISITIONS AND OUR EMISSIONS PROFILE



In the fall of 2020, our first look at the assets of NAL Resources and TORC Oil and Gas informed us that both had higher emissions intensities (tonnes of CO₂/BOE) than Whitecap. This was based on 2019 emissions and production, the last full year of available data. What impact would this have on our emissions intensity target of achieving a 20% reduction in intensity by 2023?

In considering this question, we looked at the combined impact of reductions made in 2020 and efficiencies that could be captured as a result of the business combination. All three companies made significant progress in 2020. Whitecap reduced emission intensity by 16% while NAL and TORC also posted substantial intensity reductions. At the same time, several emission reduction opportunities materialized from the business combination that we can pursue in 2021. For example, facility consolidation opportunities will reduce emissions and achieving scale improves the economics of gas conservation projects.

Projected Reduction of Emissions Intensities



Once the transition is complete, Whitecap will evaluate final 2020 emissions and determine if any readjustment of the target is necessary. Based on our pre-acquisition evaluation, we believe the target is still achievable.

NET NEGATIVE STATUS

The key pillar of Whitecap's sustainability profile is our net negative status and Whitecap investigated how the combination with NAL, TORC and Kicking Horse would impact that status. Whitecap is proud to have once again sequestered more CO₂ than we emitted in 2020. This accomplishment is achieved through our operation of the world class Weyburn Unit, one of the largest carbon capture utilization and storage (CCUS) projects in the world, where we sequester roughly 2 million tonnes of CO₂ each year. With the NAL acquisition, the Joffre CO₂ flood in central Alberta adds roughly 22,000 tonnes of CO₂ sequestration per year to our portfolio.

Our initial look at available data during the due diligence process showed that Whitecap's sequestration volumes would not fully cover all emissions of the combined entity. Now that we have finalized 2020 data and looking forward to 2021, the balance between emissions and sequestration is narrowing further.

Our net emissions status for 2020 will be disclosed in our upcoming sustainability report to be published mid-2021. It is safe to say that even with these acquisitions, Whitecap will be close to net neutral in 2021, and will continue to pursue net negative emitter status. We remain focused on reducing overall emissions and at the same time, expanding our exposure to CCUS development to bolster our net negative status for years to come.

WHITECAP RESOURCES INC.

ESG NEWSLETTER

GAS INJECTION SCHEME REDUCES EMISSIONS

At Whitecap, we are continuously exploring the nexus of environmental stewardship and good business practice. Last fall, our Wapiti team was faced with the unwelcomed prospects of production curtailment and flaring of gas due to a planned shut-down of a third-party gas processing facility. At our Wapiti facility, oil is produced to tanks and trucked to a pipeline terminal. Natural gas that is produced with the oil is sent by pipeline to a nearby gas processing facility. These facilities require periodic maintenance and during the maintenance period - called a plant “turnaround” – connected production is shut-in.



Standard operating procedure calls for the continued production of oil while flaring the gas. Instead, the team devised and implemented a gas injection scheme that allowed oil production to continue while gas was stored in underground formations. “Success was by no means assured. Our team came up with the idea and successful implementation was due to the input of geological and engineering experts in Calgary and our Operations team in the field working together. Through this process, our team avoided

flaring that would have emitted 13,000 tonnes of CO₂e” (Sheldon Stepp, Operations Engineer, Whitecap). The facility is now back online processing the stored gas. This solution resulted in no downtime of oil production, 100% conservation of the natural gas and no additional greenhouse gas emissions.

“By re-defining success to include reducing our corporate emissions intensity along with maximizing production, the creativity of our production teams will drive continuous improvement.”

Joel Armstrong
Senior V.P. Production & Operations

NEW ENERGY

Late in 2020, Whitecap created the New Energy team to focus on low carbon opportunities and to leverage Whitecap’s technology and expertise to significantly advance business opportunities associated with CCUS. This team’s objective is to create additional sustainable revenue streams for our shareholders in the future. To do this, they are tasked with advancing regulatory and business frameworks for low carbon solutions and evaluating low carbon hydrogen and other new energy opportunities.

In order to meet global climate change objectives, countries will need to transition a significant percentage of energy generation to low emission alternatives and at the same time, incorporate CCUS. While there is much discussion about timing, there is no disputing that countries, including Canada, are in active pursuit of lower carbon fuel sources and CCUS solutions. This New Energy initiative seeks to leverage our CCUS physical assets and knowledge capital in pursuit of business opportunities associated with this transition, and at the same time, acts as a hedge against any long-term demand threat to our traditional business model.

“This is an exciting new direction for Whitecap; with this new business unit, we are looking to leverage our extensive in-house technical expertise and world class CCUS assets we manage today.”

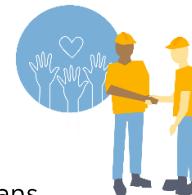
Adlai Majer
Director, New Energy

WHITECAP RESOURCES INC.

ESG NEWSLETTER

MAKING WAVES IN THE COMMUNITY: WEYBURN, SASKATCHEWAN

Whitecap Resources is passionate about being involved in our local communities. We are committed to bringing positive, measurable change, both locally and to our business.



Our Weyburn team goes above and beyond to give back to their community, whether that means being actively involved with youth, providing U9 hockey teams with masks to ensure safe play, or funding an accessible play structure so that youths and adults with physical and intellectual disabilities may participate in safe and inclusive play.

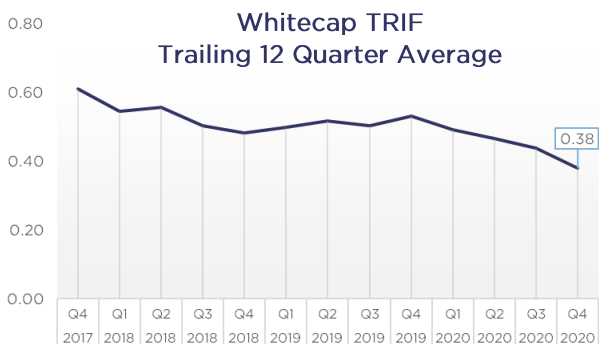


We are proud to offer continuous support to local charitable organizations, such as the Weyburn Salvation Army, and sponsorship to the Credit Union Spark Centre, a modern recreational facility for the residents of Weyburn and surrounding communities to enjoy. The Weyburn Group Home Society needed safe, secure and reliable transportation for residents travelling to medical appointments, outings and family visits and Whitecap responded by contributing to the purchase of a new van.

It is our belief that through the working relationships that Whitecap builds with local non-profit and service-based organizations, neighbourhoods are strengthened, and communities are enriched.

CONTINUING TO DELIVER WORLD CLASS SAFETY PERFORMANCE

The health and safety of our employees and contractors is embedded in everything we do at Whitecap. In 2018, Whitecap recorded a total recordable injury frequency (TRIF) of 0.26 for employees and contractors combined. This equates to roughly one recordable injury for every 400 workers working for 1 year. This would be considered “world class” in any industry and the entire Whitecap family was very proud to have reached this achievement.



In 2019, our performance regressed closer to our historical average. This led to numerous initiatives at all levels of the organization to engage both employees and contractors and ensure that we all had one common goal: **send people home each day without injury**. “Either 2019 results were a return to previous performance levels and 2018 performance was an anomaly, or 2019 performance was an outlier in our steady progression towards zero injuries” (Mike Nerbas, V.P. HSE, Whitecap). 2020 performance would tell the story and Whitecap was intent on proving the latter.

Once again, in 2020, Whitecap delivered a TRIF of 0.26! This represents a substantial improvement over 2019. This performance will put Whitecap in very rare company and renews our confidence in the people and programs we have in place to deliver these results.