WHITECAP RESOURCES INC

NEWS RELEASE

December 18, 2018

WHITECAP RESOURCES INC. ANNOUNCES 2019 CAPITAL BUDGET AND OUTLOOK TO 88,000 – 90,000 BOE/D OVER THE NEXT THREE YEARS

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to announce that its Board of Directors has approved a $425 - $475 million capital budget for 2019 that includes the drilling of 220 (191.5 net) horizontal wells. The 2019 capital program and the annual dividend of $0.324 per share is expected to be fully funded by internally generated funds flow.

Canadian crude oil price differentials, and associated short term contracts, have been positively impacted by the Alberta Government's recent announcement curtailing 325,000 barrels a day of Alberta crude oil production effective January 1, 2019 to help reduce the excess crude in storage, and their intention to purchase rail cars to transport an additional 120,000 barrels a day out of the province starting in late 2019. Longer term, Canada needs additional export pipelines (Keystone XL, Trans Mountain Expansion and Enbridge Line 3 Replacement) to ensure that we receive a fair price for our natural resources for the benefit of all Canadians. With the extreme volatility in both West Texas Intermediate ("WTI") and Canadian differentials, Whitecap has elected to take a cautious and defensive approach in the 1H/2019 by reducing capital spending compared to the prior year with a focus on debt reduction. We will continue to monitor the impact of the production curtailments, progress of the export pipelines and commodity prices to determine if any adjustments are required to our preliminary 2H/2019 plans.

In 2016 and 2017, Whitecap was opportunistic in acquiring premium light oil assets with low base production declines and strong operating netbacks. In aggregate, we acquired approximately 30,000 boe/d for $1.4 billion with a base decline rate of less than 10%. With WTI prices currently at US$50 - $55/bbl in combination with wider Canadian crude oil differentials, the benefits of having assets with long life, low production declines and high operating netbacks become increasingly more important. These production assets generate significant free funds flow and complement our short cycle, high rate of return drilling inventory. This balance provides stability in times of volatile commodity prices but also provides flexibility to rapidly increase production growth when realized prices provide higher returns on capital invested.

2019 Budget

The objective of our 2019 budget is to protect our balance sheet, reduce net debt and maintain the current dividend by having a disciplined 1H/2019 capital program in combination with a flexible 2H/2019 capital program. The 2019 capital budget of $425 - $475 million includes drilling 220 (191.5 net) wells for production additions as well as investment in enhanced oil recovery ("EOR") projects for long-term value creation including the drilling of 9 (7.9 net) horizontal injection wells.

Whitecap prudently invests for the long term by spending capital on EOR projects to ensure that we manage our base production declines. In 2019, 18% of our capital budget or $80 million is anticipated to be spent on CO_2 and polymer purchases, injection wells (both conversions and new drills) and waterflood expansions/pilots. We anticipate investments in these decline rate mitigation projects will provide a predictable and stable corporate base decline rate of 18% - 19% while still significantly growing our production base. Our compounded annual growth rate ("CAGR") on organic production over the next three years is anticipated to be 6%.

The 1H/2019 budget is defensive and focused on balance sheet strength in this time of economic uncertainty in the Canadian energy industry. It is designed to ensure capital spending and dividend payments are fully covered by anticipated funds flow. In the 1H/2019, we are anticipating funds flow of $276 million, capital spending not greater than $135 million and dividend payments of $67 million, resulting in free funds flow of $74 million which will be used to reduce net debt. By design, our first half program mitigates any production impacts from the government-mandated production cuts and allows us to focus a higher percentage of our capital towards long life and high net present value projects such as EOR and waterfloods.

The 2H/2019 capital program is designed to provide maximum flexibility allowing us to increase or decrease capital spending depending upon the realized crude oil pricing environment. Whitecap has high working interest and operatorship in its properties and can therefore control the nature, timing and extent of capital spending in each of our core areas. The 2H/2019 capital budget is expected to deliver Q4/2018 to Q4/2019 production per share growth of 6% and, more importantly, sets us up for a very strong 2020 and targeted organic growth to 88,000 – 90,000 boe/d by the end of 2021 within anticipated funds flow.

The overall expected capital efficiency (IP365) for the 2019 capital program is $23,775 per boe/d which is consistent with our estimated 2018 at $23,380 per boe/d and our 2016-2018 average of $20,114 per boe/d. The slight increase to our three-year average is primarily due to an increase in allocation of capital spending to longer term projects associated with EORs and base production decline mitigation in addition to service cost increases.

Highlights of our 2019 capital budget include the following:

Northwest Alberta and British Columbia ($112 million)

Building on an active and successful year in the Deep Basin, we plan to drill 22 (22.0 net) wells in 2019 of which 3 (3.0 net) wells are in the 1H/2019. The excellent well results and positive outcomes from strategic technical initiatives provide us with confidence to increase the pace of activity in our Wapiti Cardium asset by 82% in 2019 to 20.0 net wells from 11.0 net wells in 2018. These strategic initiatives led to a 50% increase in net well inventory within our Wapiti Cardium asset. The increase is primarily a result of the simulation, piloting and evaluation of well results that support an increase in well densities on most of our lands from four to six wells per section.

A new completion strategy was also tested successfully in Q4/2018 and has the potential to reduce completion costs by 20% going forward. The remaining 2 (2.0 net) wells planned for in the Deep Basin will be focused on expansion of a new area. Due to the increased scope and potential of our Wapiti Cardium asset, in 2018 we acquired a facility interest to secure sufficient firm egress and expanded our central battery and fluid handling facility. The acquisition and expansion will reduce operating costs by approximately 25% as we continue to develop the Wapiti property.

In Boundary Lake, we have had excellent results from the identification and implementation of waterflood optimization initiatives which have decreased our base production decline rate from 15% to 10% in this area. As result, 40% of our capital spending in this area will be allocated to waterflood optimization and expansion. In addition, we plan to drill an additional 2 (2.0 net) wells in this area in Q4/2019.

West Central Alberta ($81 million)

The 1H/2019 program is focused on setting the stage for drilling waterflood supported horizontal wells in the 2H/2019 including preparation of the property for full development and maximum resource recovery. We anticipate drilling 26 (23.6 net) wells in 2019 of which 3 (2.6 net) will be horizontal injectors. Capital spending will be focused primarily in West Pembina and Ferrier.

West Central Saskatchewan ($112 million)

We anticipate drilling 11 (10.9 net) wells in 1H/2019 including 2 (2.0 net) horizontal injection wells in our Kerrobert waterflood where we have experienced encouraging response from water injection. The 1H/2019 program includes a 6 (5.9 net) well drilling program and $2 million in facility and injection expansion in the Dodsland Viking waterflood. This will allow for accelerated growth and recovery from this pool where we have seen exceptional results to date.

Our capital program in the Viking is extremely flexible and our plans are to ramp up activity in the 2H/2019 drilling 92 (83.0 net) wells for a total of 103 (93.9 net) wells for the full year.

Southwest Saskatchewan ($94 million)

With the exceptional results in 2018 on both the resource plays and waterfloods, the capital budget for 2019 has been increased by 10% compared to the prior year. We plan to drill 62 (46.9 net) wells in 2019 of which 19 (15.9 net) will be drilled in the 1H/2019.

We anticipate 47% of our drills to target the Atlas resource play, 13% Upper Shaunavon resource play, 22% Roseray and Success conventional waterflood re-development and 18% in a new play development which includes 9 (7.4 net) wells to follow-up on our outstanding Lower Shaunavon results in the Bench area.

In addition to our drilling capital, we expect to spend $32 million on waterflood expansion and optimization efforts to lower base decline rates and increase reserve recovery.

Southeast Saskatchewan ($45 million)

We anticipate spending only 31% of Weyburn’s operating income to keep production flat year over year. The capital program includes drilling 5 (3.1 net) infill wells and approximately $27 million on CO_2 purchases and optimization initiatives. We expect to spend less than 50% of the area’s operating income to deliver a CAGR on production of 3% in future years.

2019 Budget Summary

	2019 Budget [1] [2]	Budget Q4/2019 [3]	Estimated Q4/2018	Q4/Q4 Change
Average Production (boe/d)	70,000 – 72,000	77,000 – 79,000	73,500	6%
Per million shares (fully diluted)	169	186	176	6%
% oil and NGLs	85%	85%	85%	-
Funds flow netback ($/boe) [4]	$23.75	$26.70	$20.80	28%
Funds flow ($MM)	615	192	141	36%
Per share (fully diluted)	$1.47	$0.46	$0.34	36%
Capital expenditures ($MM)	425 - 475	75 - 125	85	18%
Dividends ($MM)	135	34	34	-
Free funds flow ($MM) [5]	30	58	22	164%
Total payout ratio [5]	95%	70%	84%	(17%)
WTI (US$/bbl)	$55.00	$55.00	$60.00	(8%)
Edmonton Par Differential (US$/bbl)	($9.00)	($8.00)	($26.00)	(69%)
WCS Differential (US$/bbl)	($17.50)	($17.00)	($40.00)	(58%)
CAD/USD exchange rate	0.75	0.75	0.76	(1%)
Natural gas (AECO C$/GJ)	$1.37	$1.50	$1.40	(7%)

Notes:
(1) 2019 budget calculations based on mid-case production of 71,000 boe/d and capital expenditures of $450 million.
(2) Incorporates the estimated impact from the government-mandated production cuts.
(3) Q4/2019 calculations based on mid-case production of 78,000 boe/d and capital expenditures of $100 million in the quarter.
(4) Funds flow netbacks represent funds flow divided by production for the period.
(5) Refer to the non-GAAP measures section of this press release for additional disclosures and assumptions.

Hedging

We continue to maintain a disciplined and prudent approach to debt management through our risk management program. Our objective is to mitigate price volatility to provide more predictability to our funds flow and lock in economic returns on capital spending. The Company has now hedged approximately 40% of 2019 forecasted crude oil production using a combination of fixed price swaps at an average price of C$74/bbl and costless collars providing average downside protection at C$72/bbl and average upside participation to C$92/bbl. In 1H/2020, we have approximately 13% of our forecasted crude oil production hedged using costless collars providing downside protection at C$69/bbl and average upside participation to C$89/bbl. In addition, given the volatility in Canadian crude oil differentials, we have fixed the mixed sweet blend ("MSW") differential using both financial and physical contracts at an average price of approximately US$10.90/bbl on approximately 3,000 bbls/d in the 1H/2019.

Conference Call and Webcast

Whitecap has scheduled a conference call and webcast to begin promptly at 9:00 am MT (11:00 am ET) on Tuesday, December 18, 2018.

The conference call dial-in number is: 1-888-390-0605 or (587) 880-2175 or (416) 764-8609

A live webcast of the conference call will be accessible on Whitecap's website at www.wcap.ca by selecting *"Investors"*, then *"Presentations & Events"*. Shortly after the live webcast, an archived version will be available for approximately 14 days.

An archived recording of the conference call will also be available approximately two hours after the completion of the call until January 1, 2019 by dialing 1-888-390-0541, passcode 041839#.

Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "continue", "project", "believe", "expect", "forecast", "guidance", "planned" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information about our strategy, plans and objectives, our 2019 production, funds flow, capital spending, production per share, operating netbacks, funds flow netbacks, free funds flow and total payout ratio; our 2019 capital program and allocation thereof; our capital efficiencies; the flexibility of our 2H/2019 capital program and our ability to increase or decrease capital spending; expected production by end of 2021; water flood and EOR plans and anticipated benefits therefrom; benefits to be obtained from our hedging program; future production decline rates; benefits to be derived from investments in decline rate mitigation projects; anticipated CAGR over the next three years; the timing, location, target and extent of future drilling operations including the quantity of drilling locations in inventory and the anticipated benefits therefrom; well payout and economic rates of return; completion and operating cost reductions; timing of the facility and injection expansion in the Dodsland Viking waterflood and the anticipated benefits therefrom; anticipated target resource plays for drilling activities in southwest Saskatchewan; the sources of funding dividends and our capital program; use of free funds flow; the results of our operations; future performance; business prospects and opportunities; our future dividends and dividend policy; industry conditions, exchange rates, commodity prices and differentials.

The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates, environmental levies and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; that our 2019 capital program will proceed as planned; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities within the estimated timelines; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully; our ability to access capital; and obtaining the necessary regulatory approvals.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes. With respect to dividends, the payment of dividends in the future is not assured or guaranteed. The dividend policy will be periodically review by Whitecap's Board of Directors and no assurance or guarantee can be given that Whitecap will maintain the dividend policy in its current form.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains financial outlook information ("FOFI") about Whitecap's prospective funds flow, free funds flow, total payout ratio, operating and funds flow netbacks and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumption outlined in the Non-GAAP measures section below. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Whitecap disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Oil and Gas Advisories
"Boe" means barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 bbl of oil. Boes 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. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains metrics commonly used in the oil and natural gas industry, such as "operating netbacks" and “capital efficiency”. Capital efficiency represents capital expenditures divided by the estimated IP365 of the associated wells. Management believes that capital efficiency provides a useful measure of Whitecap’s ability to generate incremental production from the Company’s capital program. See "Non-GAAP Measures" for how operating netback is calculated. These terms have been calculated by management and do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Non-GAAP Measures
This press release includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards (“IFRS” or, alternatively, “GAAP”) and therefore may not be comparable with the calculation of similar measures by other companies. See the Company’s Management’s Discussion and Analysis of financial condition and results of operation for the period ended September 30, 2018 for a reconciliation of the non-GAAP measures.

“Free funds flow” represents funds flow less dividends paid or declared and capital expenditures on property (“PP&E”). Management believes that free funds flow provides a useful measure of Whitecap's capital reinvestment and dividend policy.

“Operating netbacks” are determined by adding processing income and realized hedging gains and deducting tariffs, royalties, operating expenses and transportation expenses from petroleum and natural gas revenues. Operating netbacks are per boe measures used in operational and capital allocation decisions. Presenting operating netbacks on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

The assumptions used in operating and funds flow netbacks this press release as follows:

($/boe)	2019 Budget	Budget Q4/2019	Estimated Q4/2018
Petroleum and natural gas revenues	51.25	52.65	41.95
Tariffs	(0.70)	(0.60)	(0.70)
Processing income	0.50	0.50	0.50
Realized hedging gains	0.15	0.05	4.80
Royalties	(8.60)	(8.00)	(7.35)
Operating expenses	(13.00)	(12.00)	(12.50)
Transportation expenses	(2.30)	(2.40)	(2.30)
General and administrative expenses	(1.20)	(1.20)	(1.10)
Interest and financing expenses	(2.00)	(2.00)	(2.00)
Decommissioning liabilities	(0.35)	(0.30)	(0.50)

“Total payout ratio” is calculated as dividends paid or declared plus capital expenditures on PP&E, divided by funds flow. Management believes that total payout ratio provides a useful measure of Whitecap's capital reinvestment and dividend policy, as a percentage of the amount of funds flow.

For further information:

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