



NEWS RELEASE

May 1, 2019

WHITECAP RESOURCES INC. ANNOUNCES FIRST QUARTER 2019 RESULTS AND 5.6% DIVIDEND INCREASE

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited financial results for the three months ended March 31, 2019.

Selected financial and operating information is outlined below and should be read with Whitecap's unaudited interim consolidated financial statements and related Management's Discussion and Analysis ("MD&A") which are available at www.sedar.com and on our website at www.wcap.ca.

FINANCIAL AND OPERATING HIGHLIGHTS

Financial (\$000s except per share amounts)	Three months ended March 31	
	2019	2018
Petroleum and natural gas revenues	343,239	368,050
Net loss	(52,561)	(7,755)
Basic (\$/share)	(0.13)	(0.02)
Diluted (\$/share)	(0.13)	(0.02)
Funds flow	161,221	164,799
Basic (\$/share)	0.39	0.39
Diluted (\$/share)	0.39	0.39
Dividends paid or declared	33,466	32,187
Per share	0.08	0.08
Total payout ratio (%) ⁽¹⁾	98	130
Expenditures on PP&E	124,904	182,615
Property acquisitions	1,390	615
Property dispositions	(667)	(127)
Corporate acquisition	-	53,166
Net debt	1,297,412	1,414,606
Operating		
Average daily production		
Crude oil (bbls/d)	55,199	57,976
NGLs (bbls/d)	4,386	4,002
Natural gas (Mcf/d)	66,486	66,852
Total (boe/d)	70,666	73,120
Average realized price ⁽²⁾		
Crude oil (\$/bbl)	63.60	65.29
NGLs (\$/bbl)	27.90	36.02
Natural gas (\$/Mcf)	2.72	2.40
Total (\$/boe)	53.97	55.93
Netbacks (\$/boe)		
Petroleum and natural gas revenues	53.97	55.93
Tariffs	(0.56)	(1.05)
Processing income	0.51	0.51
Blending revenue	1.87	-
Petroleum and natural gas sales	55.79	55.39
Realized hedging loss	(0.48)	(2.34)
Royalties	(9.32)	(10.39)
Operating expenses	(12.68)	(12.16)
Transportation expenses	(2.20)	(1.90)
Blending expenses	(1.79)	-
Operating netbacks ⁽¹⁾	29.32	28.60
Share information (000s)		
Common shares outstanding, end of period	413,158	417,255
Weighted average basic shares outstanding	413,458	417,751
Weighted average diluted shares outstanding	415,933	419,953

Notes:

(1) Total payout ratio and operating netbacks do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this press release for additional disclosure and assumptions.

(2) Prior to the impact of hedging activities and tariffs.

MESSAGE TO SHAREHOLDERS

Whitecap is pleased to report continued strong operational and financial performance in the first quarter of 2019. Average production of 70,666 boe/d was higher than our forecast of 69,000 boe/d which resulted in strong funds flow of \$161.2 million (\$0.39/share). As a result of the wide Canadian crude oil price differentials experienced in the fourth quarter of 2018, Whitecap elected for a defensive first quarter capital program. Capital spending in the first quarter was only \$124.9 million, representing approximately 28% of our capital budget for 2019. This compares to \$182.6 million invested in the first quarter of 2018, representing 41% of the capital budget for 2018. Whitecap's commitment to capital discipline and strong operational performance resulted in a total payout ratio of 98% after capital spending and dividend payments during the quarter.

Whitecap continues to have a strong balance sheet with net debt at \$1.3 billion on debt capacity of \$1.7 billion. On strip pricing, we anticipate net debt to annualized fourth quarter funds flow to be 1.3x as we ramp up production to 77,000 – 79,000 boe/d. Our priority is to continue to strengthen our balance sheet to provide us with the flexibility to capitalize on future opportunities.

QUARTERLY FINANCIAL HIGHLIGHTS

- Funds flow for the quarter was \$161.2 million (\$0.39/share) compared to \$138.8 million (\$0.33/share) in Q4/18, an increase of 16% (18% per share). Operating netbacks (prior to hedges) increased 55% to \$29.80/boe compared to \$19.26/boe in Q4/18. The increase in funds flow and operating netbacks (prior to hedges) was primarily driven by the significant narrowing of Canadian crude oil price differentials and the resulting higher realized crude oil prices.
- Average production of 70,666 boe/d with capital expenditures of \$124.9 million in Q1/19 compared to 73,120 boe/d with capital expenditures of \$182.6 million in Q1/18. Average production decreased 3% and capital expenditures decreased by 32%.
- Capital discipline and strong operational execution resulted in a total payout ratio after capital spending and dividend payments of 98% compared to 130% in Q1/18.
- Further strengthened the balance sheet by reducing net debt by \$117 million or 8% compared to Q1/18.
- Continued to layer on additional hedges mainly with costless collars for downside price protection and upside participation. Forty-two percent of the Company's 2H19 crude oil production (net of royalties) and 12% of 2020 crude oil production (net of royalties) are hedged using a combination of swaps and costless collars. See Note 5 to the first quarter financial statements for further details.

OPERATIONAL UPDATE

We executed on a defensive capital program in the first quarter investing \$124.9 million in the drilling of 56 (52.1 net) wells of which 6 (5.1 net) were waterflood injection wells, continuing our strategy of mitigating corporate production declines through the optimization of our enhanced oil recovery ("EOR") projects. We achieved excellent capital efficiencies from our first quarter capital program and delivered average production higher than our forecast despite February being one of the coldest winters on record which negatively impacted our production in some of our operating areas.

Northwest Alberta and British Columbia

In the first quarter, we drilled 5 (5.0 net) wells in the Deep Basin, all of which are now on production. Early results are encouraging and are anticipated to meet or exceed expectations. We realized 10% cost savings on our Wapiti Cardium completions compared to our prior programs by utilizing new completion strategies and anticipate further savings with the larger second half 2019 program. We have 18 (18.0 net) wells planned for the remainder of the year in the Deep Basin.

First quarter capital activity in Boundary Lake was focused on waterflood optimization with our drilling program anticipated to start in the fourth quarter of 2019 with the drilling of 2 (2.0 net) wells.

West Central Alberta

In West Pembina we drilled 5 (4.5 net) horizontal wells, including 3 (2.6 net) injection wells to enhance production and recovery in our operated waterfloods. We have an additional 9 (8.3 net) horizontal production wells planned for the second half of 2019 in West Pembina.

In Ferrier we drilled 4 (4.0 net) horizontal wells in the quarter with an average IP30 rate of 562 boe/d, 88% higher than our production forecasts. We have another 4 (3.3 net) horizontal oil wells planned in Ferrier for the remainder of 2019. We had similar success in Willesden Green where we drilled 2 (2.0 net) wells in the quarter with an IP30 rate of 717 boe/d for the one well that has more than 30 days of production. This compares to our production expectation of 351 boe/d.

West Central Saskatchewan

We drilled a total of 23 (22.9 net) Viking horizontal wells in the first quarter including two targeted horizontal water injection wells in Kerrobert. Results from both our drilling and waterflood optimization programs are exceeding expectations. This improved performance positively impacted our first quarter production by over 10% compared to our budget forecast for this area. We have an additional 77 (71.3 net) horizontal wells planned for the remainder of the year.

Southwest Saskatchewan

We drilled a total of 17 (13.7 net) wells in the first quarter including 9 (8.0 net) horizontal oil wells in the Atlas, 1 (0.5 net) in the Success, 1 (0.7 net) in the Upper Shaunavon, 5 (4.0 net) in the Lower Shaunavon and 1 (0.5 net) horizontal injector. Drilling results on average have met expectations with the exception being the Lower Shaunavon program. This program has exceeded productivity expectations with an average IP60 rate of 122 boe/d, 39% higher than our production expectation of 88 boe/d. This is another significant step in de-risking and improving the economics of our Lower Shaunavon inventory of more than 200 locations.

We have a further 49 (34.3 net) wells planned for the remainder of the year including 7 (5.4 net) in the Lower Shaunavon.

Southeast Saskatchewan

Capital spending in the first quarter was focused on maintenance, optimization and CO₂ purchases. Our 2018 infill and CO₂ roll-out programs continue to perform at or above our expectations, and we anticipate commencing our next Weyburn drilling program in the second half of 2019.

OUTLOOK

We are off to an exceptional start to the year and confident that we will be able to achieve our full year production target of 70,000 – 72,000 boe/d and fourth quarter average production of 77,000 – 79,000 boe/d, 5-8% growth over the fourth quarter of 2018.

The WTI price has continued to improve in the second quarter and in combination with currently narrow Canadian crude oil price differentials and a weak Canadian dollar, our funds flow is significantly higher than budgeted. Despite the increase to our funds flow, we remain disciplined in our approach to capital spending and our capital budget for 2019 remains unchanged at \$425 to \$475 million. Priority for our free funds flow for the balance of 2019 will be towards further strengthening our balance sheet with the first \$100 million of free funds flow being used to reduce existing bank debt.

DIVIDEND INCREASE

Our business model is strong, and we remain committed to sustainable production growth and dividends within funds flow. With the excellent operational results to date, combined with significantly higher realized crude oil prices, our Board of Directors has approved a 5.6% increase to the monthly dividend to \$0.0285 per share (\$0.342 per share annualized) from \$0.027 per share (\$0.324 per share annualized) effective for the May 2019 dividend, payable in June. The dividend increase represents 3% of our anticipated free funds flow in 2019 and demonstrates confidence in our ability to generate free funds flow along with our commitment to return cash to shareholders.

On behalf of our Board of Directors and the Whitecap management team, we would like to thank our shareholders for their ongoing support.

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 Wednesday, May 1, 2019.

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.

Note Regarding Forward-Looking Statements

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, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, objectives and priorities; the Company's hedging program; the number of wells to be drilled and the timing thereof; anticipated net debt to annualized fourth quarter 2019 funds flow; targeted 2019 full-year production and fourth quarter average production; ability to achieve full year production target and fourth quarter average production target; anticipated further cost savings from new completion strategies in Deep Basin; the 2019 capital budget; the ability to de-risk and improve the economics of Lower Shaunavon inventory; expectation that the Company will exceed production expectations in Deep Basin; our anticipated free funds flow in 2019 and the first \$100 million of free funds flow for the balance of 2019 being used to reduce existing bank debt; and the ability to capitalize on future opportunities.

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 and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; 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; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; 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 and our ability to access capital.

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. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. 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.

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.

Oil and Gas Advisories

"Boe" means barrel of oil equivalent based on 6 mcf of natural gas to 1 bbl of oil. 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. 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 which have been prepared by management, such as "operating netback". These terms do not have 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 Whitecap's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in this press release, should not be relied upon for investment or other purposes. Refer below to the Non-GAAP Measures section of this press release for additional disclosure on "operating netback".

Production Rates

Any references in this news release to initial production rates (IP30 or IP60) are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Whitecap.

Drilling Locations

This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from McDaniel & Associates Consultants Ltd.'s reserves evaluation effective December 31, 2018 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 200 (165.5 net) Lower Shaunavon drilling locations identified herein, 10 (9.1 net) are proved locations, 3 (2.4 net) are probable locations and 187 (154 net) are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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 March 31, 2019 for a reconciliation of the non-GAAP measures.

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

"Operating income" is determined by adding blending revenue and processing income, deducting realized hedging losses or adding realized hedging gains and deducting tariffs, royalties, operating expenses, transportation expenses and blending expenses from petroleum and natural gas revenues. Operating income is used in operational and capital allocation decisions. Management uses operating income to better analyze performance among its management units.

"Operating netbacks" are determined by dividing Operating Income by total production for the period. 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 comparative basis.

"Operating netbacks (prior to hedges)" are determined by adding blending revenue and processing income, and deducting tariffs, royalties, operating expenses, transportation expenses and blending expenses from petroleum and natural gas revenues. Operating netbacks (prior to hedges) are per boe measures used in operational and capital allocation decisions excluding the impact of the Company's hedging program. Presenting operating netbacks (prior to hedging) on a per boe basis allows management to better analyze performance against prior periods on a comparative basis.

“**Total payout ratio**” is calculated as dividends paid or declared plus 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.

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