



## **CONSOLIDATED FINANCIAL STATEMENTS**

First Quarter 2023

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited)

As at (CAD \$ millions)	Note	March 31, 2023	December 31, 2022
<b>Assets</b>			
Current Assets			
Accounts receivable		405.8	480.2
Deposits and prepaid expenses		18.1	22.7
Assets held for sale	6	-	426.4
Risk management contracts	4 & 5	48.8	43.1
<b>Total current assets</b>		<b>472.7</b>	<b>972.4</b>
Property, plant and equipment	6 & 7	8,492.0	8,357.8
Exploration and evaluation	8	161.9	162.9
Right-of-use assets	9	24.4	24.6
Risk management contracts	4 & 5	12.2	12.1
<b>Total assets</b>		<b>9,163.2</b>	<b>9,529.8</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable and accrued liabilities		529.2	549.1
Share awards liability	14	26.6	16.1
Dividends payable		29.1	22.3
Deferred gain	13	2.3	2.3
Lease liabilities	11	6.9	6.6
Liabilities associated with assets held for sale	6	-	110.9
Risk management contracts	4 & 5	19.1	46.9
<b>Total current liabilities</b>		<b>613.2</b>	<b>754.2</b>
Risk management contracts	4 & 5	1.6	2.4
Long-term debt	10	1,336.7	1,844.6
Lease liabilities	11	21.9	22.4
Decommissioning liability	12	1,063.8	1,000.4
Share awards liability	14	6.5	5.2
Deferred gain	13	51.9	52.4
Deferred income tax		872.3	798.5
<b>Total liabilities</b>		<b>3,967.9</b>	<b>4,480.1</b>
<b>Shareholders' Equity</b>			
Share capital	14	4,845.4	4,872.8
Contributed surplus	14	15.7	12.2
Retained earnings		334.2	164.7
<b>Total shareholders' equity</b>		<b>5,195.3</b>	<b>5,049.7</b>
<b>Total liabilities and shareholders' equity</b>		<b>9,163.2</b>	<b>9,529.8</b>

Commitments (Note 18)

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board:

(signed) "Stephen C. Nikiforuk"

Stephen C. Nikiforuk

Director

(signed) "Grant B. Fagerheim"

Grant B. Fagerheim

Director

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the three months ended March 31  
(unaudited)

(CAD \$ millions, except per share amounts)	Note	2023	2022
<b>Revenue</b>			
Petroleum and natural gas sales	15	952.6	1,063.1
Royalties		(160.7)	(197.4)
Petroleum and natural gas sales, net of royalties		791.9	865.7
Other income (loss)			
Net gain (loss) on commodity contracts	5	50.4	(171.8)
Total revenue and other income		842.3	693.9
<b>Expenses</b>			
Operating		195.1	164.3
Transportation		29.8	24.8
Marketing		64.2	58.3
General and administrative		13.9	11.9
Stock-based compensation	5 & 14	13.5	6.8
Interest and financing	5 & 10	24.8	-
Accretion of decommissioning liabilities	12	7.9	7.3
Depletion, depreciation, and amortization	7	215.6	181.2
Impairment reversal	7	-	(629.7)
Exploration and evaluation	8	4.5	1.9
Net gain on asset dispositions	6	(76.4)	(0.6)
Total expenses		492.9	(173.8)
Income before income taxes		349.4	867.7
<b>Taxes</b>			
Current income tax expense		13.0	-
Deferred income tax expense		73.8	215.4
Net income and other comprehensive income		262.6	652.3
<b>Net Income Per Share (\$/share)</b>			
	16		
Basic		0.43	1.04
Diluted		0.43	1.03

See accompanying notes to the consolidated financial statements

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the three months ended March 31  
(unaudited)

(CAD \$ millions)	Note	2023	2022
<b>Share Capital</b>	14(b)		
Balance, beginning of year		4,872.8	4,961.3
Common shares repurchased	14(c)	(27.6)	-
Issued on the acquisition of TimberRock		-	100.1
Share award vesting		0.2	0.5
Share issue costs, net of deferred income tax		-	(0.1)
<b>Balance, end of period</b>		<b>4,845.4</b>	<b>5,061.8</b>
<b>Contributed Surplus</b>	14(e)		
Balance, beginning of year		12.2	11.0
Stock-based compensation		3.7	4.5
Share award vesting		(0.2)	(0.5)
<b>Balance, end of period</b>		<b>15.7</b>	<b>15.0</b>
<b>Retained Earnings (Deficit)</b>			
Balance, beginning of year		164.7	(1,232.8)
Net income and other comprehensive income		262.6	652.3
Common shares repurchased	14(c)	(5.4)	-
Dividends		(87.7)	(47.1)
<b>Balance, end of period</b>		<b>334.2</b>	<b>(627.6)</b>

*See accompanying notes to the consolidated financial statements*

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the three months ended March 31  
(unaudited)

(CAD \$ millions)	Note	2023	2022
<b>Operating Activities</b>			
Net income and other comprehensive income		262.6	652.3
Items not affecting cash:			
Depletion, depreciation, and amortization	7	215.6	181.2
Impairment reversal	7	-	(629.7)
Exploration and evaluation	8	4.5	1.9
Deferred income tax expense		73.8	215.4
Stock-based compensation	5 & 14	2.8	3.3
Accretion expense	12	7.9	7.3
Unrealized loss (gain) on risk management contracts	5	(34.4)	76.5
Net gain on asset dispositions	6 & 13	(77.1)	(0.6)
Settlement of decommissioning liabilities	12	(7.7)	(1.9)
Net change in non-cash working capital	17	20.6	(115.1)
Cash flow from operating activities		468.6	390.6
<b>Financing Activities</b>			
Increase (decrease) in long-term debt		(507.9)	12.1
Common shares repurchased	14(c)	(33.0)	-
Share issue costs		-	(0.2)
Dividends		(87.7)	(47.1)
Principal portion of lease payments		(1.8)	(0.4)
Net change in non-cash working capital	17	6.8	5.0
Cash flow used in financing activities		(623.6)	(30.6)
<b>Investing Activities</b>			
Expenditures on property, plant and equipment		(253.6)	(211.5)
Expenditures on property acquisitions		-	(0.1)
Cash from property dispositions	6	360.4	-
Expenditures on corporate acquisitions, net of cash acquired		-	(180.5)
Net change in non-cash working capital	17	48.2	32.2
Cash flow from (used) in investing activities		155.0	(359.9)
Change in cash, during the period		-	-
Cash, beginning of period		-	-
Cash, end of period		-	-
<b>Cash Interest Paid</b>		<b>16.4</b>	<b>9.5</b>

See accompanying notes to the consolidated financial statements

## **1. NATURE OF BUSINESS**

Whitecap Resources Inc. (also referred to herein as "**Whitecap**" or the "**Company**") is a Calgary based oil and gas company that is engaged in the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets. Whitecap's common shares are traded on the Toronto Stock Exchange ("**TSX**") under the symbol WCP. The Company's principal place of business is located at 3800, 525 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1G1.

## **2. BASIS OF PRESENTATION**

### **a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. They are condensed as they do not include all of the information required for full annual consolidated financial statements, and they should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("**IFRS**") issued and outstanding as at April 25, 2023, the date the Board of Directors approved these statements.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited interim consolidated financial statements follow the same accounting policies as the most recent annual audited consolidated financial statements. The interim consolidated financial statements note disclosures do not include all of those required by IFRS applicable for annual consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

## **4. DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 for commodity, interest and foreign exchange contracts are based on inputs including quoted forward prices for commodities, forward interest rates and forward foreign exchange rates, respectively, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

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The carrying value of deposits, accounts receivable, bank debt, dividends payable, accounts payable and accrued liabilities included in the balance sheet approximate fair value due to the short-term nature of those instruments or the indexed rate of interest on the bank debt. The fair value measurement of the risk management contracts and the senior notes have a fair value hierarchy of Level 2. The fair value measurement of property, plant and equipment ("PP&E"), exploration and evaluation ("E&E"), right-of-use assets and future cash flows of development and operating costs used in determining deferred gain on sale of royalty interests have a fair value hierarchy of Level 3. The Company's finance department is responsible for performing the valuation of financial instruments, including the calculation of Level 3 fair values. Refer to Notes 7, 8, 9 and 13 for changes in the Company's Level 3 assets.

**a) PP&E and E&E Assets**

The fair value of PP&E recognized is based on market values. The market value of PP&E is the estimated amount for which PP&E could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of oil and natural gas interests (included in PP&E) is generally estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on internally and externally prepared reserve reports prepared by qualified individuals. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. The market value of E&E assets is estimated with reference to the market values of current arm's length transactions in comparable locations.

**b) Deposits, Accounts Receivable, Long-term Debt, Dividends Payable, Accounts Payable and Accrued Liabilities**

The fair value of deposits, accounts receivable, bank debt, senior notes, dividends payable, accounts payable and accrued liabilities is estimated as the present value of future net cash flows, discounted at the market rate of interest at the reporting date. As at March 31, 2023 and December 31, 2022, the fair value of these balances, other than senior notes, approximated their carrying value. The fair value of the bank debt is equal to its carrying amount as the bank debt bears interest at floating rates and credit spreads within the facility are indicative of market rates.

**c) Derivatives**

The fair value of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward benchmark commodity prices, forward interest rates and forward foreign exchange rates to estimate the fair value of financial derivatives. In addition to market information, the Company incorporates transaction specific details that market participants would utilize in a fair value measurement, including the impact of non-performance risk. The valuation techniques used have not changed in the period.

**d) Share Awards**

The fair values of share awards are measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, expected forfeiture rates, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

**5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Financial Assets and Financial Liabilities Subject to Offsetting**

Financial assets and liabilities are only offset if Whitecap has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. Whitecap offsets risk management assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivatives.

(\$ millions)	March 31, 2023			December 31, 2022		
	Asset	Liability	Net	Asset	Liability	Net
Gross amount	61.3	(21.0)	40.3	55.2	(49.3)	5.9
Amount offset	(0.3)	0.3	-	-	-	-
Net amount <sup>(1)</sup>	61.0	(20.7)	40.3	55.2	(49.3)	5.9

Note:

<sup>(1)</sup> Gross asset and liability positions by counter party that are offset on the balance sheet as at March 31, 2023 and December 31, 2022.

**b) 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 cash, accounts receivable and risk management contracts. Most of Whitecap's accounts receivable relate to oil and natural gas sales or joint interest billings and are subject to typical industry credit risks. Whitecap manages this credit risk as follows:

- By entering into sales contracts with only established creditworthy 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 maximum exposure to credit risk is as follows:

(\$ millions)	March 31, 2023	December 31, 2022
Accounts receivable	405.8	480.2
Risk management contracts	61.0	55.2
Total exposure	466.8	535.4

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at March 31, 2023 pertains to accrued revenue for March 2023 production volumes. Whitecap transacts with a number of oil and natural gas marketing companies and commodity end users ("**Commodity Purchasers**"). Commodity Purchasers typically remit amounts to Whitecap on or about the 25<sup>th</sup> day of the month following production. The Company monitors the exposure to any single counterparty along with its financial position. If it is deemed that a counterparty has become materially weaker, the Company will work to reduce the credit exposure to that counterparty. At March 31, 2023, one Commodity Purchaser accounted for 15 percent of the total accounts receivable balance. None are considered a credit risk.

Whitecap applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss provision for all trade receivables. Prior credit losses in the collection of accounts receivable by Whitecap have been negligible and the Company does not anticipate any significant future credit losses based on forward looking information.



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When determining whether amounts that are past due are collectable, management assesses the creditworthiness 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. At March 31, 2023, there was \$7.5 million (December 31, 2022 – \$9.4 million) of receivables aged over 90 days. Subsequent to March 31, 2023, approximately \$0.5 million (December 31, 2022 – \$2.1 million) has been collected and the remaining balance is not considered to be a credit risk.

**c) 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 and debt 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 long-term debt. Whitecap actively monitors its credit and working capital facilities to ensure that it has sufficient available funds to meet its dividend payments and financial requirements at a reasonable cost. Management believes that future funds generated from these sources will be adequate to settle Whitecap's financial liabilities.

The following table details the contractual maturities of Whitecap's financial liabilities as at March 31, 2023:

(\$ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	528.9	-	-	528.9
Dividends payable	29.1	-	-	29.1
Long-term debt <sup>(1)</sup>	14.7	208.8	1,149.8	1,373.3
Lease liabilities <sup>(1)</sup>	8.1	7.4	34.5	50.0
Share awards liability	26.6	5.3	1.2	33.1
Risk management contracts <sup>(2)</sup>	19.1	1.6	-	20.7
<b>Total financial liabilities</b>	<b>626.5</b>	<b>223.1</b>	<b>1,185.5</b>	<b>2,035.1</b>

Notes:

<sup>(1)</sup> These amounts include the notional principal and interest payments.

<sup>(2)</sup> Interest rate swaps are included in risk management contracts.

The following table details the contractual maturities of Whitecap's financial liabilities as at December 31, 2022:

(\$ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	549.1	-	-	549.1
Dividends payable	22.3	-	-	22.3
Liabilities associated with assets held for sale	110.9	-	-	110.9
Long-term debt <sup>(1)</sup>	14.7	210.5	1,659.6	1,884.8
Lease liabilities <sup>(1)</sup>	7.9	7.3	35.9	51.1
Share awards liability	16.1	4.3	0.9	21.3
Risk management contracts <sup>(2)</sup>	46.9	2.4	-	49.3
<b>Total financial liabilities</b>	<b>767.9</b>	<b>224.5</b>	<b>1,696.4</b>	<b>2,688.8</b>

Notes:

<sup>(1)</sup> These amounts include the notional principal and interest payments.

<sup>(2)</sup> Interest rate swaps are included in risk management contracts.

**WHITECAP RESOURCES INC.**  
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**d) Market Risk**

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is composed of commodity price risk, interest rate risk, equity price risk and foreign exchange risk as discussed below.

Whitecap's consolidated balance sheet included the following risk management assets recorded at fair value:

(\$ millions)	March 31, 2023	December 31, 2022
<b>Current Assets</b>		
Crude oil	0.3	-
Natural gas	27.9	20.7
Interest	12.8	13.8
Power	2.2	-
Equity	5.6	8.6
Total current assets	48.8	43.1
<b>Long-term Assets</b>		
Crude oil	4.1	1.5
Natural gas	1.7	1.2
Interest	6.4	9.4
Total long-term assets	12.2	12.1
<b>Total fair value</b>	<b>61.0</b>	<b>55.2</b>

Whitecap's consolidated balance sheet included the following risk management liabilities recorded at fair value:

(\$ millions)	March 31, 2023	December 31, 2022
<b>Current Liabilities</b>		
Crude oil	19.1	46.9
Total current liabilities	19.1	46.9
<b>Long-term Liabilities</b>		
Crude oil	-	2.4
Power	1.6	-
Total long-term liabilities	1.6	2.4
<b>Total fair value</b>	<b>20.7</b>	<b>49.3</b>

Whitecap's net income includes the following realized and unrealized gains (losses) on risk management contracts:

(\$ millions)	2023	Three months ended March 31, 2022
Realized gain (loss) on commodity contracts	9.1	(77.8)
Unrealized gain (loss) on commodity contracts	41.3	(94.0)
Net gain (loss) on commodity contracts	50.4	(171.8)
Realized gain (loss) on interest rate contracts <sup>(1)</sup>	3.4	(0.8)
Unrealized gain (loss) on interest rate contracts <sup>(1)</sup>	(3.9)	10.7
Realized gain on equity contracts <sup>(2)</sup>	3.0	5.0
Unrealized gain (loss) on equity contracts <sup>(2)</sup>	(3.0)	6.8
<b>Net gain (loss) on risk management contracts</b>	<b>49.9</b>	<b>(150.1)</b>

Notes:

<sup>(1)</sup> The gains (losses) on interest rate risk management contracts are included in interest and financing expense.

<sup>(2)</sup> The gains (losses) on equity contracts are included in stock-based compensation expenses.

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***j) Commodity Price Risk***

The Company's operational results and financial condition are largely dependent on the commodity prices 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, the COVID-19 pandemic, 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. The Company assesses the effects of movement in commodity prices on income before tax. When assessing the potential impact of these commodity price changes, the Company believes a ten percent volatility is a reasonable measure. A ten percent increase or decrease in commodity prices would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$ millions)	March 31, 2023	
	Increase 10%	Decrease 10%
<b>Commodity Price</b>		
Crude oil	(29.8)	26.1
Natural gas	(5.3)	5.2
Power	(1.5)	1.5

At March 31, 2023, the following commodity risk management contracts were outstanding with an asset fair market value of \$36.2 million and liability fair market value of \$20.7 million (December 31, 2022 – asset of \$23.4 million and liability of \$49.3 million):

***1) WTI Crude Oil Derivative Contracts***

Type	Remaining Term	Volume (bbls/d)	Bought Put Price (C\$/bbl) <sup>(1)</sup>	Sold Call Price (C\$/bbl) <sup>(1)</sup>	Swap Price (C\$/bbl) <sup>(1)</sup>
Swap	Apr - Jun 2023	1,000			80.00
Swap	Jul - Dec 2023	1,000			82.02
Swap	Apr - Dec 2023	1,000			95.05
Collar	Apr - Jun 2023	5,500	72.27	99.56	
Collar	Jul - Dec 2023	3,000	76.67	101.85	
Collar	Apr - Dec 2023	3,000	71.67	100.22	
Collar	Jan - Dec 2024	5,000	82.00	116.98	

Note:

<sup>(1)</sup> Prices reported are the weighted average prices for the period.

***2) Natural Gas Derivative Contracts***

Type	Remaining Term	Volume (GJ/d)	Bought Put Price (C\$/GJ) <sup>(1)</sup>	Sold Call Price (C\$/GJ) <sup>(1)</sup>	Swap Price (C\$/GJ) <sup>(1)</sup>
Swap	Apr - Oct 2023	70,000			3.88
Swap	Jan - Dec 2024	10,000			4.02
Collar	Apr - Dec 2023	14,000	3.32	6.13	

Note:

<sup>(1)</sup> Prices reported are the weighted average prices for the period.

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3) *Power Derivative Contracts*

Type	Remaining Term	Volume (MWh)	Fixed Rate (\$/MWh) <sup>(1)</sup>
Swap	Apr - Dec 2023	33,000	124.00
Swap	Apr 2023 - Dec 2024	76,285	115.00
Swap	Jan - Dec 2024	43,920	99.00

Note:

<sup>(1)</sup> Prices reported are the weighted average prices for the period.

4) *Contracts entered into subsequent to March 31, 2023*

a) *WTI Crude Derivative Contracts*

Type	Remaining Term	Volume (bbls/d)	Swap Price (C\$/bbl) <sup>(1)</sup>
Swap	May - Dec 2023	5,000	107.22
Swap	Jan - Jun 2024	4,000	99.26
Swap	Jul - Dec 2024	2,000	97.50

Note:

<sup>(1)</sup> Prices reported are the weighted average prices for the period.

ii) *Interest Rate Risk*

The Company is exposed to interest rate risk on its credit facility and \$705 million term loan. The credit facility consists of a \$1.93 billion revolving syndicated facility and a \$75.0 million revolving operating facility. The revolving syndicated facility and revolving operating facility and the term loan bear interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. Changes in interest rates could result in an increase or decrease in the amount Whitecap pays to service the variable interest rate debt. The Company mitigates its exposure to interest rate changes by entering into interest rate swap transactions and/or fixed rate debt.

If interest rates applicable to floating rate debt at March 31, 2023 were to have increased or decreased by 100 basis points, it is estimated that the Company's income before tax would change by approximately \$2.4 million for the three months ended March 31, 2023 (\$14.5 million for the year ended December 31, 2022). This assumes that the change in interest rate is effective from the beginning of the year and the amount of floating rate debt is at March 31, 2023.

When assessing the potential impact of forward interest rate changes on the Company's interest rate swaps, the Company believes an interest rate volatility of 100 basis points is a reasonable measure. A 100 basis point increase or decrease in forward interest rates would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$ millions)	March 31, 2023	
	Increase 1.0%	Decrease 1.0%
Interest rate swaps	6.9	(6.9)

At March 31, 2023, the following interest rate risk management contracts were outstanding with an asset fair market value of \$19.2 million (December 31, 2022 – asset of \$23.2 million):

1) *Interest Rate Contracts*

Type	Term	Amount (\$ millions)	Fixed Rate (%) <sup>(1)</sup>	Index <sup>(2)</sup>	
Swap	Aug 6, 2019	Aug 6, 2024	200.0	1.5540	CDOR
Swap	May 5, 2021	May 5, 2025	200.0	1.2315	CDOR

Notes:

<sup>(1)</sup> Rates reported are the weighted average rates for the period.

<sup>(2)</sup> Canadian Dollar Offered Rate ("CDOR").

**iii) Equity Price Risk**

The Company is exposed to equity price risk on its own share price in relation to awards issued under the award incentive plan, which affects earnings through the revaluation of awards that are accounted for as cash-settled transactions at each period end. Changes in share price could result in an increase or decrease in the amount that Whitecap recognizes as stock-based compensation and the amount Whitecap pays to cash settle awards. The Company mitigates its exposure to fluctuations in its share price by entering into equity derivative contracts such as total return swaps.

When assessing the potential impact of share price on the Company's total return swaps, the Company believes a share price volatility of ten percent is a reasonable measure. A ten percent increase or decrease in share price would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$ millions)	March 31, 2023	
	Increase 10%	Decrease 10%
Total return swaps	0.7	(0.7)

At March 31, 2023, the following equity risk management contracts were outstanding with an asset fair market value of \$5.6 million (December 31, 2022 – asset of \$8.6 million):

**1) Equity Derivative Contracts**

Type	Remaining Term		Notional Amount (\$ millions) <sup>(1)</sup>	Share Volume (millions)
Swap	Apr 1, 2023	Oct 1, 2023	1.4	0.7

Note:

<sup>(1)</sup> Notional amount is calculated as the share volume for the period multiplied by the weighted average prices for the period.

**iv) Foreign Exchange Risk**

The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate on crude oil sales based on U.S. dollar benchmark prices and commodity contracts that are settled in U.S. dollars. Foreign exchange risk is mitigated by entering into Canadian dollar denominated commodity risk management contracts or foreign exchange contracts. At March 31, 2023, Whitecap did not have any foreign exchange contracts outstanding.

**e) 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, long-term debt and working capital.

**j) Net Debt and Total Capitalization**

Management considers net debt a key capital management measure to assess the Company's liquidity. Total capitalization is a capital management measure used by management and investors in analyzing the Company's balance sheet strength and liquidity.

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

(\$ millions)	March 31, 2023	December 31, 2022
Long-term debt	1,336.7	1,844.6
Accounts receivable	(405.8)	(480.2)
Deposits and prepaid expenses	(18.1)	(22.7)
Accounts payable and accrued liabilities	529.2	549.1
Dividends payable	29.1	22.3
Net debt	1,471.1	1,913.1
Shareholders' equity	5,195.3	5,049.7
<b>Total capitalization</b>	<b>6,666.4</b>	<b>6,962.8</b>

**ii) Funds Flow**

Management considers funds flow to be a key capital management measure of operating performance as it demonstrates Whitecap's ability to generate the cash necessary to pay dividends, repay debt, make capital investments, and/or to repurchase common shares under the Company's normal course issuer bid ("**NCIB**"). Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow provides a useful measure of Whitecap's ability to generate cash that is not subject to short-term movements in non-cash operating working capital. Funds flow is not a standardized measure and, therefore, may not be comparable with the calculation of similar measures by other entities.

Funds flow for the three months ended March 31, 2023 and 2022 is calculated as follows:

(\$ millions)	2023	Three months ended March 31, 2022
Cash flow from operating activities	468.6	390.6
Net change in non-cash working capital	(20.6)	115.1
Funds flow	448.0	505.7
Funds flow per share, basic	0.74	0.81
Funds flow per share, diluted	0.73	0.80

**6. DISPOSITIONS**

**Non-core Asset Dispositions**

In the first quarter of 2023, the Company closed the previously announced dispositions of non-core assets for total consideration of \$389.5 million. These assets were previously classified as held for sale at December 31, 2022 and upon closing of the transactions, a net gain on asset disposition of \$68.9 million was recorded as the proceeds less cost of disposal exceeded their carrying amount.

**7. PROPERTY, PLANT AND EQUIPMENT**

**a) Net Carrying Amount**

Net book value (\$ millions)	March 31, 2023	December 31, 2022
Petroleum and natural gas properties	13,238.7	12,890.7
Other assets	15.1	15.1
Property, plant and equipment, at cost	13,253.8	12,905.8
Less: accumulated depletion, depreciation, amortization and impairment	(4,761.8)	(4,548.0)
<b>Total net carrying amount</b>	<b>8,492.0</b>	<b>8,357.8</b>

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**b) Cost**

Cost (\$ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	12,890.7	15.1	12,905.8
Additions	256.8	-	256.8
Property acquisitions	29.2	-	29.2
Change in decommissioning costs	63.2	-	63.2
Transfer from evaluation and exploration assets	0.3	-	0.3
Disposals	(1.5)	-	(1.5)
<b>Balance at March 31, 2023</b>	<b>13,238.7</b>	<b>15.1</b>	<b>13,253.8</b>

**c) Accumulated Depletion, Depreciation, Amortization and Impairment**

Accumulated depletion, depreciation, amortization and impairment (\$ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	4,540.5	7.5	4,548.0
Depletion, depreciation and amortization	213.3	0.5	213.8
<b>Balance at March 31, 2023</b>	<b>4,753.8</b>	<b>8.0</b>	<b>4,761.8</b>

Future development costs of \$5.3 billion (March 31, 2022 – \$5.1 billion) were included in the depletion calculation. The Company capitalized \$9.6 million (March 31, 2022 – \$10.2 million) of administrative costs directly relating to development activities which includes \$3.3 million (March 31, 2022 – \$5.2 million) of stock-based compensation.

**d) Impairment Expense (Reversal)**

***ij) March 31, 2023 Impairment and Impairment Reversal***

At March 31, 2023, there were no indicators of impairment or impairment reversal for PP&E assets.

***ii) March 31, 2022 Impairment Reversal***

At March 31, 2022, as a result of an increase in forward benchmark commodity prices compared to December 31, 2021, an impairment reversal test on the Company's PP&E assets was performed.

The impairment reversal test of PP&E at March 31, 2022 concluded that the fair value less cost of disposal ("**FVLCD**") of each of the Company's CGUs with impairment losses recognized in prior periods that were not subsequently fully reversed exceeded their carrying amounts.

(\$ millions)	FVLCD	Carrying Value	Reversal <sup>(1)</sup>
Central Alberta	1,881.7	1,601.3	(280.4)
Western Saskatchewan	1,736.0	1,386.7	(349.3)
<b>Total</b>	<b>3,617.7</b>	<b>2,988.0</b>	<b>(629.7)</b>

Note:

<sup>(1)</sup> The impairment recovery is limited to a maximum of the estimated depleted historical cost if the impairment had not been recognized.

The full amount of the impairment reversal was attributed to PP&E and, as a result, a total impairment reversal of \$629.7 million was recorded in the Consolidated Statement of Comprehensive Income for the three months ended March 31, 2022. The impairment reversal was primarily a result of higher forecast benchmark commodity prices.

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**8. EXPLORATION AND EVALUATION ASSETS**

**a) Net Carrying Amount**

(\$ millions)	March 31, 2023	December 31, 2022
Exploration and evaluation assets	211.1	207.6
Less: accumulated land expiries and write-offs	(49.2)	(44.7)
<b>Total net carrying amount</b>	<b>161.9</b>	<b>162.9</b>

**b) Cost**

(\$ millions)	Undeveloped Land
Balance at December 31, 2022	207.6
Additions	4.1
Transfer to property, plant and equipment	(0.3)
Disposals	(0.3)
<b>Balance at March 31, 2023</b>	<b>211.1</b>

**c) Accumulated Land Expiries and Write-Offs**

(\$ millions)	Accumulated land expiries and write-offs
Balance at December 31, 2022	44.7
Land expiries and write-offs	4.5
<b>Balance at March 31, 2023</b>	<b>49.2</b>

E&E assets consist of the Company's exploration projects which are pending the determination of proved reserves. Additions represent the Company's share of costs acquired or incurred on E&E assets during the year.

**d) Impairment**

At March 31, 2023, there were no indicators of impairment for E&E assets.

**9. RIGHT-OF-USE ASSETS**

Whitecap recognizes right-of-use assets and corresponding lease liabilities related to certain office facilities, operating facilities, vehicles and equipment. See Note 11 – "Lease Liabilities" for additional information regarding the Company's leases.

**a) Net Carrying Amount**

(\$ millions)	Offices	Other	Total
Right-of-use assets	36.3	10.3	46.6
Less: accumulated depreciation	(16.0)	(6.2)	(22.2)
<b>Balance at March 31, 2023</b>	<b>20.3</b>	<b>4.1</b>	<b>24.4</b>

**b) Cost**

(\$ millions)	Offices	Other	Total
Balance at December 31, 2022	35.7	9.3	45.0
Additions	0.6	1.0	1.6
<b>Balance at March 31, 2023</b>	<b>36.3</b>	<b>10.3</b>	<b>46.6</b>

**c) Accumulated Depreciation**

(\$ millions)	Offices	Other	Total
Balance at December 31, 2022	14.8	5.6	20.4
Depreciation	1.2	0.6	1.8
<b>Balance at March 31, 2023</b>	<b>16.0</b>	<b>6.2</b>	<b>22.2</b>



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**10. LONG-TERM DEBT**

(\$ millions)	March 31, 2023	December 31, 2022
Credit facility	236.8	744.7
Term loan	705.0	705.0
Senior secured notes	394.9	394.9
<b>Long-term debt</b>	<b>1,336.7</b>	<b>1,844.6</b>

At March 31, 2023, the Company had a total credit capacity of \$3.1 billion which consisted of a \$2.0 billion credit facility, a \$705 million term loan facility, and \$395 million in senior secured notes.

**a) Credit Facility**

As at March 31, 2023, the Company had a \$2.0 billion credit facility with a syndicate of banks. The credit facility consists of a \$1.93 billion revolving syndicated facility and a \$75.0 million revolving operating facility, with a maturity date of May 31, 2026. As at March 31, 2023, the amount drawn on the credit facilities was \$236.8 million. Prior to any anniversary date, being May 31 of each year, Whitecap may request an extension of the then current maturity date, subject to approval by the banks. Following the granting of such extension, the term to maturity of the credit facilities shall not exceed four years. The credit facility provides that advances may be made by way of direct advances, banker's acceptances or letters of credit/guarantees. The credit facility bears interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to earnings before interest, taxes, depreciation and amortization ("**EBITDA**") ratio for the most recent quarter. The bankers' acceptances bear interest at the applicable banker's acceptance rate plus an explicit stamping fee based upon the Company's debt to EBITDA ratio. The credit facilities are secured by a floating charge debenture on the assets of the Company.

The following table lists Whitecap's financial covenants as at March 31, 2023:

Covenant Description	March 31, 2023
Debt to EBITDA <sup>(1) (2)</sup>	Maximum Ratio 4.00 <b>0.53</b>
EBITDA to interest expense <sup>(1)</sup>	Minimum Ratio 3.50 <b>37.07</b>

Notes:

<sup>(1)</sup> The EBITDA used in the covenant calculation is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items such as material acquisitions or dispositions.

<sup>(2)</sup> The debt used in the covenant calculation includes bank indebtedness, letters of credit, and dividends declared.

At March 31, 2023, the Company was compliant with all covenants provided for in the lending agreement. Copies of the Company's credit agreements and amendments may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

**b) Term Loan**

At March 31, 2023, the Company had a \$705 million term loan facility which was obtained in conjunction with the closing of the XTO acquisition. The term loan has a maturity date of May 31, 2026 and is repayable at any time with no penalty. At March 31, 2023, the amount of the term loan outstanding was \$705 million. The term loan provides that advances may be made by way of direct advances or banker's acceptances. The term loan bears interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to EBITDA ratio for the most recent quarter.

The term loan is subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. At March 31, 2023, the Company was compliant with all covenants provided for in the term loan agreement. A copy of the Company's term loan agreement may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

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**c) Senior Secured Notes**

At March 31, 2023, the Company had issued \$395 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility and term loan. The terms, rates, principals and carrying amounts of the Company's outstanding senior notes are detailed below:

(\$ millions)

Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
May 31, 2017	May 31, 2024	3.54%	200.0	200.0	173.0
December 20, 2017	December 20, 2026	3.90%	195.0	194.9	165.5
<b>Balance at March 31, 2023</b>			<b>395.0</b>	<b>394.9</b>	<b>338.5</b>

The senior secured notes are subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. At March 31, 2023, the Company was compliant with all covenants provided for in the note agreements. Copies of the Company's note agreements and amendments may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

**d) Interest and Financing Expenses**

The following table summarizes the components of interest and financing expenses during the period:

(\$ millions)	2023	Three months ended March 31, 2022
Interest expenses	24.0	9.6
Interest expenses, lease liabilities (Note 11)	0.3	0.3
Realized (gains) losses on interest rate contracts (Note 5(d))	(3.4)	0.8
Unrealized (gains) losses on interest rate contracts (Note 5(d))	3.9	(10.7)
<b>Interest and financing expenses</b>	<b>24.8</b>	<b>-</b>

**11. LEASE LIABILITIES**

The Company incurs lease payments related to office facilities, operating facilities, vehicles and equipment. Leases are entered into and exited in coordination with specific business requirements which include the assessment of the appropriate durations for the related leased assets.

(\$ millions)	March 31, 2023	December 31, 2022
Current portion	6.9	6.6
Non-current portion	21.9	22.4
<b>Lease liabilities</b>	<b>28.8</b>	<b>29.0</b>

For the three months ended March 31, 2023, interest expense of \$0.3 million (\$0.3 million for the three months ended March 31, 2022) and total cash outflows of \$2.0 million (\$0.7 million for the three months ended March 31, 2022) were recognized relating to lease liabilities.

## 12. DECOMMISSIONING LIABILITY

(\$ millions)

Balance at December 31, 2022	1,000.4
Liabilities incurred	2.7
Liabilities settled	(7.7)
Change in estimate	60.5
Accretion expense	7.9
<b>Balance at March 31, 2023</b>	<b>1,063.8</b>

The Company's decommissioning liability results from its ownership interest in oil and natural gas assets including well sites and gathering systems. The total decommissioning liability is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The key assumptions, on which the carrying amount of the decommissioning liability is based, include a risk-free rate of 3.0 percent (3.3 percent at December 31, 2022) and inflation rate of 2.0 percent (2.0 percent at December 31, 2022). At March 31, 2023, the total undiscounted amount of the estimated cash flows required to settle the obligations was \$2.3 billion (December 31, 2022 – \$2.6 billion). The expected timing of payment of the cash flows required for settling the obligations extends up to 68 years.

## 13. DEFERRED GAIN

In 2021, the Company sold a five percent gross overriding royalty interest on Whitecap's working interest in the Weyburn Unit ("**Weyburn GORR**") for cash proceeds of \$186.0 million, net of transaction costs. The Company applied judgment in concluding that the proceeds for the sale of the Weyburn GORR comprised two components: (1) a payment for partial disposal of an interest in property, plant and equipment; and (2) an upfront payment received for future extraction services that will generate future royalties.

The Company used the discounted future cash flows of future development and operating costs multiplied by the five percent royalty rate to derive the upfront payment received for future extraction services of \$57.6 million, which was initially recorded as deferred gain and is afterwards being recognized as gain on asset disposition over the reserve life of the Weyburn Unit (as this is estimated to approximate the efforts we will incur towards the implied extraction performance obligation).

The remaining proceeds were compared to the carrying value attributable to the partial disposal of property, plant and equipment, which resulted in a \$17.6 million gain on asset disposition recognized in the fourth quarter of 2021. The Company applied judgment in determining the carrying value of property, plant and equipment to be disposed, which was derived based on the proportion of proved and probable reserve value given up on the Company's working interest in the Weyburn Unit. Changes to deferred gain were as follows:

(\$ millions)	March 31, 2023	December 31, 2022
Deferred gain, beginning of the period	54.8	57.1
Deferred gain amortization	(0.6)	(2.3)
Deferred gain, end of period	54.2	54.8
Less current portion of deferred gain	(2.3)	(2.3)
Non-current portion of deferred gain	51.9	52.5

**14. SHARE CAPITAL**

**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without nominal or par value. The Company is also authorized to issue an unlimited number of preferred shares without nominal or par value provided that, if the authorized preferred shares are to be assigned voting or conversion rights, the number of preferred shares to be issued may not exceed twenty percent of the number of issued and outstanding common shares at the time of issuance of any such preferred shares.

**b) Issued and outstanding**

(\$ millions)	Shares	\$
Balance at December 31, 2022	608.7	4,872.8
Common shares repurchased <sup>(1)</sup>	(5.7)	(27.6)
Contributed surplus adjustment on vesting of share awards	-	0.2
<b>Balance at March 31, 2023</b>	<b>603.0</b>	<b>4,845.4</b>

Note:

<sup>(1)</sup> At December 31, 2022, 2.2 million shares repurchased under the NCIB were held in treasury. Subsequent to year end, all of the shares held in treasury were cancelled.

**c) Normal Course Issuer Bid**

On May 16, 2022, the Company announced the approval of its renewed NCIB by the TSX (the "**2022 NCIB**"). The 2022 NCIB allows the Company to purchase up to 58,341,984 common shares over a period of twelve months commencing on May 21, 2022.

On May 17, 2021, the Company announced the approval of its renewed NCIB by the TSX (the "**2021 NCIB**"). The 2021 NCIB allowed the Company to purchase up to 29,894,096 common shares over a period of twelve months commencing on May 21, 2021. On March 22, 2022, the Company amended its 2021 NCIB to increase the number of common shares that it may purchase to 58,947,076 during the twelve month period commencing on May 21, 2021. No other terms of the 2021 NCIB changed.

Purchases are made on the open market through the TSX or alternative platforms at the market price of such common shares. All common shares purchased under the NCIB are cancelled. The total cost paid, including commissions and fees, is first charged to share capital to the extent of the average carrying value of Whitecap's common shares and the excess is charged to contributed surplus.

The following table summarizes the share repurchases for the three months ended March 31, 2023 and 2022.

(millions except per share amounts)	2023	Three months ended March 31, 2022
Shares repurchased	3.5	-
Average cost (\$/share)	9.56	-
Amounts charged to:		
Share capital (\$)	27.6	-
Retained earnings (\$)	5.4	-
Share repurchase cost (\$)	33.0	-

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**d) Award Incentive Plan**

The Award Incentive Plan has time-based awards and performance awards which may be granted to directors, officers, employees of the Company and other service providers. Independent outside directors receive only time-based awards as the primary form of long-term compensation. As at March 31, 2023, the maximum number of common shares issuable under the plan shall not at any time exceed 3.755 percent of the total common shares outstanding. Vesting is determined by the Company's Board of Directors. Time-based awards and performance awards issued to employees of the Company and independent outside directors have vesting periods ranging from 1 to 3 years.

Each time-based award may, in the Company's sole discretion, entitle the holder to be issued the number of common shares designated in the time-based award plus dividend equivalents or payment in cash. Decisions regarding settlement method for insider and non-insider awards are mutually exclusive. Performance awards are also subject to a performance multiplier. This multiplier, ranging from zero to two, will be applied on vesting and is dependent on the performance of the Company relative to predefined corporate performance measures set by the Board of Directors for the associated period.

Based on the terms of the Award Incentive Plan, the fair value of share awards is equal to the underlying share price on grant date. The fair value of awards that are accounted for as cash-settled transactions are subsequently adjusted to the underlying share price at each period end. Performance awards are also adjusted by an estimated payout multiplier. The amount of compensation expense is reduced by an estimated forfeiture rate on the grant date, which has been estimated at four percent of outstanding share awards. The forfeiture rate is adjusted to reflect the actual number of shares that vest. Fluctuations in compensation expense may occur due to changes in estimating the outcome of the performance conditions as well as changes in fair value for awards that are accounted for as cash-settled. Upon the vesting of the awards that are accounted for as equity-settled, the associated amount in contributed surplus is recorded as an increase to share capital. A copy of the Company's Award Incentive Plan may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

(\$ millions)	Number of Time-based Awards	Number of Performance Awards <sup>(1)</sup>	Total Awards
Balance at December 31, 2022	1.7	4.5	6.2
Granted	-	-	-
Forfeited	-	-	-
Vested	-	-	-
<b>Balance at March 31, 2023</b>	<b>1.7</b>	<b>4.5</b>	<b>6.2</b>

Note:

<sup>(1)</sup> Based on underlying awards before performance multiplier and dividends accrued.

**e) Contributed Surplus**

(\$ millions)	
Balance at December 31, 2022	12.2
Stock-based compensation	3.7
Share award vesting	(0.2)
<b>Balance at March 31, 2023</b>	<b>15.7</b>

**f) Dividends**

Dividends declared were \$0.15 per common share in the three months ended March 31, 2023 (\$0.08 per common share in the three months ended March 31, 2022).

On April 13, 2023, the Board of Directors declared a monthly dividend of \$0.0483 per common share designated as an eligible dividend, payable in cash to shareholders of record on April 30, 2023. The dividend payment date is May 15, 2023.

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**15. REVENUE**

Whitecap sells its production pursuant to fixed and variable-price contracts. The transaction price for fixed price contracts represents the stand-alone selling price per the contract terms. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under its contracts, Whitecap is required to deliver fixed or variable volumes of crude oil, natural gas and natural gas liquids to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

The contracts generally have a term of one year or less, whereby delivery occurs throughout the contract period. Commodity purchasers typically remit amounts to Whitecap on or about the 25<sup>th</sup> day of the month following production.

A breakdown of petroleum and natural gas sales is as follows:

(\$ millions)	2023	Three months ended March 31, 2022
Crude oil	712.3	835.9
NGLs	71.2	71.8
Natural gas	100.2	96.2
Petroleum and natural gas revenues	883.7	1,003.9
Tariffs	(7.6)	(6.3)
Processing & other income	11.8	6.8
Marketing revenue	64.7	58.7
<b>Petroleum and natural gas sales</b>	<b>952.6</b>	<b>1,063.1</b>

Substantially all of the petroleum and natural gas revenues for the three months ended March 31, 2023 are derived from variable price contracts based on index prices.

Included in accounts receivable at March 31, 2023 is \$325.6 million (March 31, 2022 – \$443.3 million) of accrued petroleum and natural gas revenues related to March 2023 production.

**16. PER SHARE RESULTS**

	2023	Three months ended March 31, 2022
Per share income (\$/share)		
Basic	0.43	1.04
Diluted	0.43	1.03
Weighted average shares outstanding (millions)		
Basic	606.1	625.2
Diluted <sup>(1)</sup>	610.8	632.9

Note:

<sup>(1)</sup> There were no anti-dilutive share awards for the three months ended March 31, 2023 and 2022.

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**17. SUPPLEMENTAL CASH FLOW INFORMATION**

**a) Changes in Non-Cash Working Capital**

Changes in non-cash working capital, excluding acquired working capital:

(\$ millions)	2023	Three months ended March 31, 2022
Accounts receivable	74.4	(178.7)
Deposits and prepaid expenses	4.6	2.0
Accounts payable and accrued liabilities	(19.9)	99.2
Share awards liability – current	10.5	(1.3)
Dividend payable	6.8	5.0
Share awards liability	1.3	(0.2)
<b>Change in non-cash working capital</b>	<b>77.7</b>	<b>(74.0)</b>
Related to:		
Operating activities	20.6	(115.1)
Financing activities	6.8	5.0
Investing activities	48.2	32.2
Items not impacting cash	2.1	4.0

**b) Reconciliation of Financing Liabilities Arising from Financing Activities**

The following table provides a detailed breakdown of the cash and non-cash changes in financing liabilities arising from financing activities:

(\$ millions)	Long-term debt	Lease liabilities	Dividends payable
Balance at December 31, 2022	1,844.6	29.0	22.3
Additions	-	1.6	-
Cash flows	(508.3)	(1.8)	-
Amortization of debt issuance costs	0.4	-	-
Dividends paid	-	-	(22.3)
Dividends payable	-	-	29.1
<b>Balance at March 31, 2023</b>	<b>1,336.7</b>	<b>28.8</b>	<b>29.1</b>

**18. COMMITMENTS**

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

(\$ millions)	2023	2024	2025	2026+	Total
Lease liabilities <sup>(1)</sup> (Note 11)	6.0	7.7	7.1	29.2	50.0
Service agreements	3.4	4.5	4.0	25.0	36.9
Transportation agreements	90.0	108.4	87.0	471.6	757.0
CO <sub>2</sub> purchase commitments	30.6	23.3	17.5	19.9	91.3
Long-term debt <sup>(1)</sup>	11.1	210.5	7.6	1,144.1	1,373.3
<b>Total</b>	<b>141.1</b>	<b>354.4</b>	<b>123.2</b>	<b>1,689.8</b>	<b>2,308.5</b>

Note:

<sup>(1)</sup> These amounts include the notional principal and interest payments.

**19. RELATED PARTY TRANSACTIONS**

The Company has retained the law firm of Burnet, Duckworth & Palmer LLP ("**BD&P**") to provide Whitecap with legal services. A director of Whitecap is a partner of this firm. During the three months ended March 31, 2023, the Company incurred \$0.5 million for legal fees and disbursements (\$0.4 million for the three months ended March 31, 2022). These amounts have been recorded at the amounts that have been agreed upon by the two parties. The Company expects to retain the services of BD&P from time to time. At March 31, 2023, a \$0.1 million payable balance (nil – March 31, 2022) was outstanding.

**20. INVESTMENTS IN SUBSIDIARIES**

The Company has the following material subsidiaries, each owned 100% directly or indirectly, at March 31, 2023:

<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation or Formation</b>
Whitecap Energy Canada ULC	Alberta
Whitecap Energy Canada	Alberta