



NEWS RELEASE

August 26, 2019

WHITECAP RESOURCES INC. STRENGTHENS BALANCE SHEET - ADJUSTS 2019 CAPITAL EXPENDITURES

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) announces that it has elected to exercise a more cautious approach for the balance of 2019 by reducing the Company's 2019 second half capital expenditures program by 17% to \$250 million from \$300 million to provide greater optionality and improve near term free funds flow. Our full year 2019 capital expenditure program is now anticipated to be \$400 million which is \$50 million lower than our previous guidance of \$450 million.

Our 2019 average production guidance of 70,000 to 72,000 boe/d remains unchanged despite the reduction in capital expenditures. We now anticipate growing production 6% to 74,000 to 75,000 boe/d in the fourth quarter of 2019 from the second quarter average production of 70,611 boe/d. On strip pricing, anticipated 2019 free funds flow is approximately \$135 million with a total payout ratio of 80% compared to \$95 million and a total payout ratio of 86% prior to the reduced capital program.

The objective of our 2019 budget was to protect our balance sheet, reduce net debt and maintain the current dividend by having a disciplined first half 2019 capital program and a flexible second half 2019 program. In the first half of 2019, we were able to reduce net debt by \$106.6 million and not only maintain the dividend but provide a modest but sustainable 5.6% increase for our shareholders. Our continued disciplined approach to capital spending in the second half of 2019 will further strengthen our balance sheet going into a period of significant global economic uncertainty. We believe the reduction to our capital program is prudent given the continuing U.S. / China trade wars and recessionary concerns in 2020.

We applaud the Alberta Government's recent decision to extend crude oil curtailments by one year along with raising the amount of a producer's output that is exempt from curtailment to 20,000 bbls/d from 10,000 bbls/d. These enhancements will provide more value to all Albertans for their natural resources while allowing Whitecap to allocate capital investment to our highest rate of return projects without the risk of the associated production being restricted.

Our long-term strategy is prioritized to protect the balance sheet first, maintain a sustainable dividend second and generate a moderate growth rate while retaining future financial optionality to enhance shareholder returns. We operate essentially all of our assets and have a comprehensive understanding of our high-quality drilling inventory and therefore have the operational and financial flexibility to accelerate our capital program in 2020 to respond to more stable market conditions and will ensure capital expenditures and dividend payments are well funded by funds flow and our balance sheet strength is maintained.

We are also pleased to advise that we have fixed \$200 million of bank debt at a very attractive long-term effective interest rate of 3.25% per annum for five years. This is incremental to the \$595 million of debt termed out to 2022 - 2026 at an average fixed rate of 3.63% per annum. Whitecap continues to have a strong balance sheet with net debt at \$1.2 billion on debt capacity of \$1.77 billion.

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

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 second half capital expenditure program, our ability to provide greater optionality and improve near term free funds flow, our anticipated 2019 average production including fourth quarter average production, anticipated free funds flow and total payout ratio for 2019, the benefits to Albertans from the changes to crude oil curtailments, our ability to protect the balance sheet, maintain a sustainable dividend and generate a moderate growth rate while retaining future optionality to enhance shareholder returns, our ability to adjust our 2020 capital program to respond to market conditions, our plans to enhance shareholder returns, capital allocation plans, future global economic uncertainty, and our ability to ensure capital expenditures and dividend payments are well funded by funds flow and the balance sheet strength is maintained.

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 production curtailment, 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.

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 June 30, 2019 for a reconciliation of the non-GAAP measures.

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

“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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