



## NEWS RELEASE

March 17, 2020

### **WHITECAP ANNOUNCES ACTIONS TO FORTIFY BALANCE SHEET AND STRENGTHEN POSITION**

CALGARY, ALBERTA – Whitecap Resources Inc. (“Whitecap” or the “Company”) is employing proactive measures in response to current market conditions and the sharp decline in global commodity prices. Whitecap has persevered through previous commodity price cycles and will continue to focus on a strategy that protects the business, our balance sheet and liquidity and to provide returns to our shareholders.

The current crude oil price weakness has significantly reduced the expected returns from our 2020 capital program and, therefore, we have immediately reduced our capital spending in order to protect shareholder value. We are electing to reduce our 2020 capital program to \$200 - \$210 million from \$350 - \$370 million previously, a reduction of approximately \$160 million or 44%. The lower capital investment will be restricted to asset integrity, health and safety programs in addition to our CO<sub>2</sub> purchases at our carbon sequestration project in Weyburn, Saskatchewan, until the commodity price outlook improves. With our first quarter capital program completed we now expect to only spend \$5 – \$7 million per month for the remainder of the year for a total capital budget of \$200 to \$210 million in 2020. While this decision is expected to result in lower production than originally forecast, the capital reduction allows for greater financial flexibility to maintain our balance sheet strength. Whitecap’s average production in 2020 is now expected to be 67,000 – 68,000 boe/d compared to 71,000 – 72,000 boe/d previously, a decrease of 6%.

Additionally, Whitecap’s board of directors has approved a reduction to the Company’s monthly dividend per share from Canadian \$0.0285 to \$0.01425, effective for the April dividend payable in May 2020. The Company will use the \$70 million of cash retained annually from the dividend reduction to further strengthen our financial position. The cash dividend of Canadian \$0.0285 per common share in respect of March operations will be paid on April 15, 2020 to shareholders of record on March 31, 2020. The dividend is an eligible dividend for the purposes of the Income Tax Act (Canada). Return of capital to shareholders continues to be a priority for us and an important component of our total return strategy. Whitecap maintains a strong balance sheet, ending 2019 with approximately \$580 million of liquidity and no near-term debt maturities through 2022. Our debt to earnings before interest, taxes, depreciation and amortization (“EBITDA”) ratio was 1.6x at the end of 2019 and is expected to remain well below our debt covenant of 4.0x, which positions us well in the current market environment.

The Company’s strong hedge portfolio also enhances our strong financial position. Whitecap has approximately 44% of our estimated crude oil production protected for 2020 at an average floor price of \$65.18 per barrel in Canadian dollars. The Company’s hedge position is composed of swaps and costless collars. Using current strip pricing, our hedging gains in 2020 are estimated to be \$130 million.

Whitecap is committed to taking decisive actions to protect our balance sheet, preserve liquidity and retain long term value for our shareholders. With the revised capital program and dividend, Whitecap is fully funded in a low US\$30 per barrel WTI crude oil price for the remainder of 2020. We have a premium asset base with low production declines and strong funds flow netbacks. Our high quality asset base and excellent liquidity provides us with a competitive advantage as we navigate through this period of extreme commodity price volatility. More importantly, we have a group of very dedicated employees determined to relentlessly drive down costs throughout our business, while operating safely and responsibly to allow us to exit this downturn in a position of strength.

#### **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, 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”, “potential”, 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, focus, objectives and priorities; 2020 revised capital program and allocation thereof; expected monthly spend in respect of our 2020 revised capital program; expected effects of the 2020 revised capital program; expected average production from the 2020 revised capital program; expected use of the cash retained from the reduced monthly dividend; future dividend payments and dividend policy; expectations regarding the EBITDA ratio; financial position; expectations to be fully funded in 2020 in a low US\$30 per barrel WTI crude price, and anticipated hedging gains.

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 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, production curtailment, 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](http://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.

## Production

	Light Crude oil and Medium Crude Oil (bbls/d)	NGLs (bbls/d)	Natural gas (Mcf/d)	Total (boe/d) <sup>(1)</sup>
Production Guidance – 2020 March 17 <sup>th</sup> 2020	52,260 – 53,040	4,020 – 4,080	64,320 – 65,280	67,000 – 68,000
Production Guidance – 2020 February 27 <sup>th</sup> 2020	56,090 – 56,880	4,260 – 4,320	63,900 – 64,800	71,000 – 72,000

Note:

<sup>(1)</sup> Disclosure of production on a per boe basis of amounts in the above table in this press release consists of the constituent product types and their respective quantities disclosed in this table.

"Boe" means barrel of oil equivalent on the basis of 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.

For further information:

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