



NEWS RELEASE

August 4, 2016

WHITECAP RESOURCES INC. ANNOUNCES SECOND QUARTER 2016 RESULTS

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited financial results for the three and six months ended June 30, 2016.

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 June 30		Six months ended June 30	
	2016	2015	2016	2015
Petroleum and natural gas sales	135,553	186,178	247,659	318,817
Funds flow ⁽¹⁾	93,330	144,703	161,327	254,636
Basic (\$/share)	0.29	0.51	0.52	0.90
Diluted (\$/share)	0.29	0.50	0.51	0.89
Net income (loss)	(28,311)	(8,583)	(26,706)	(37,986)
Basic (\$/share)	(0.09)	(0.03)	(0.09)	(0.13)
Diluted (\$/share)	(0.09)	(0.03)	(0.09)	(0.13)
Dividends paid or declared	23,224	53,181	65,078	100,722
Per share	0.07	0.19	0.21	0.38
Total payout ratio (%) ⁽¹⁾	42	68	78	87
Development capital expenditures ⁽¹⁾	16,159	45,868	61,397	121,883
Property acquisitions	596,244	13,077	617,535	71,407
Property dispositions	(42,498)	(10,805)	(144,133)	(13,468)
Corporate acquisitions	-	579,906	-	579,906
Net debt outstanding ⁽¹⁾	869,231	774,825	869,231	774,825
Operating				
Average daily production				
Crude oil (bbls/d)	26,771	28,416	28,166	27,027
NGLs (bbls/d)	3,231	2,865	3,218	2,777
Natural gas (Mcf/d)	62,315	61,441	61,931	60,843
Total (boe/d)	40,388	41,521	41,706	39,945
Average realized price ⁽²⁾				
Crude oil (\$/bbl)	50.18	64.67	43.02	57.16
NGLs (\$/bbl)	17.33	16.79	14.02	17.37
Natural gas (\$/Mcf)	1.45	2.61	1.68	2.77
Total (\$/boe)	36.88	49.27	32.63	44.10
Netback (\$/boe)				
Petroleum and natural gas sales	36.88	49.27	32.63	44.10
Realized hedging gain	7.48	10.76	6.85	12.59
Royalties	(4.61)	(6.44)	(4.17)	(5.82)
Operating expenses	(9.73)	(9.67)	(9.40)	(10.11)
Transportation expenses	(0.90)	(1.72)	(0.89)	(1.61)
Operating netbacks ⁽¹⁾	29.12	42.20	25.02	39.15
General and administrative	(1.36)	(1.49)	(1.35)	(1.49)
Interest and financing	(2.36)	(2.41)	(2.41)	(2.43)
Cash netbacks ⁽¹⁾	25.40	38.30	21.26	35.23
Share information (000s)				
Common shares outstanding, end of period	367,574	298,599	367,574	298,599
Weighted average basic shares outstanding	319,533	283,198	311,369	283,609
Weighted average diluted shares outstanding	322,586	287,270	313,907	287,607

Notes:

(1) Funds flow, total payout ratio, development capital, net debt, operating netbacks and cash netbacks do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this press release.

(2) Prior to the impact of hedging activities.

MESSAGE TO OUR SHAREHOLDERS

We are pleased to report our Q2/2016 operating and financial results which have continued to exceed our expectations. Q2/2016 production averaged 40,388 boe/d, 5% higher than our forecast of 38,500 boe/d on a limited capital program of \$16.2 million which was at the low end of our \$15 to \$20 million anticipated spending. The better than forecasted production in the quarter was primarily due to operational efficiencies in the field and better base production performance which mitigated the impact of scheduled maintenance and expected downtime.

Crude oil prices have improved markedly from the lows of WTI US\$27.00/bbl in Q1/2016 to average WTI US\$45.59/bbl in Q2/2016. This combined with our low cash costs of \$18.96/boe resulted in \$54 million of free funds flow (after capital expenditures and dividend payments) in Q2/2016 or a total payout ratio of 42% for the three months ended June 30, 2016. Total payout ratio was 78% for the six months ended June 30, 2016.

At the end of the second quarter, we closed the acquisition of premium oil assets in southwest Saskatchewan for cash consideration of \$596 million. The acquisition included 11,600 boe/d of low decline production (< 5% historically), 660 (483 net) high quality drilling locations and extensive infrastructure to support continued low cost production growth. In addition, we disposed of 100 boe/d of non-core production and undeveloped lands in Saskatchewan for \$25 million further strengthening our balance sheet. The disposition allowed us to realize value on assets that were unlikely to be developed by Whitecap as they ranked low within our portfolio of opportunities.

The strengthening price of crude oil through the quarter and the continued price volatility provided us with opportunities to enhance our hedge portfolio and further protect the downside should prices be lower than forecast. Our risk management program continues to be a key component of our long-term strategy to mitigate price volatility and to stabilize funds flow. We currently have 50% of our crude oil hedged at approximately C\$70/bbl for the 2H/2016, 27% hedged at C\$61/bbl in 2017 and 16% hedged at C\$60/bbl in 2018.

Quarterly Highlights

- Achieved average production of 40,388 boe/d (74% oil and NGLs) which was 5% higher than forecast.
- Operating netbacks increased by 38% to \$29.12/boe from \$21.16/boe in Q1/2016 and cash netbacks increased by 46% to \$25.40/boe from \$17.36/boe in Q1/2016.
- Funds flow of \$93.3 million (\$0.29/share) in Q2/2016 was up 37% compared to \$68.0 million (\$0.22/share) in Q1/2016.
- Closed the acquisition of 11,600 boe/d (98% oil) of low decline medium gravity oil assets concentrated in southwest Saskatchewan for a net purchase price of \$596 million. The acquisition was financed through an over-subscribed \$470 million bought deal equity financing and bank debt.
- Executed a systematic and effective risk management strategy to protect economic returns. See note 5 of the Q2/2016 financial statements for details to our hedge positions.
- Generated free funds flow (after development capital spending and dividends) of \$54 million for the three months ended June 30, 2016 and \$35 million for the six months ended June 30, 2016.

OUTLOOK

We are gearing up for an active 2H/2016 capital program, with total budgeted spending of \$114 million which will be more weighted towards Q4/2016. We plan to drill 67 gross wells of which 30 are expected to be extended reach horizontal ("ERH") wells. Whitecap has been utilizing ERH technology for the past two years across our core areas and has continued to improve upon the design and methods for our ERH wells which now includes drilling 2 mile long lateral horizontal sections in our Wapiti Cardium core area. This will significantly reduce our surface costs and footprint to develop our core assets.

In west central Saskatchewan, we continue to make significant strides on our horizontal Viking wells, reducing all in costs by another 10% to \$620,000 per standard length well and increasing the IP(30) rate by 14% to 148 boe/d. This has resulted in a 21% improvement in our IP(30) capital efficiencies. These improvements will also be realized on our ERH drills. We anticipate drilling 38 horizontal Viking wells in 2H/2016 of which 16 will be ERH wells.

Integration of our newly acquired southwest Saskatchewan assets has been seamless and the assets are performing at or above the expectations established at the time the acquisition was announced. We anticipate drilling 12 horizontal oil wells on these assets in Q4/2016. Initial indications are that well costs will be lower than what was originally forecast through a combination of further service cost reductions and efficiency improvements identified by our technical staff.

In West Pembina, realized costs from our Q1/2016 program have allowed us to confidently reduce the forecasted ERH well costs for the remainder of 2016 by 13% (\$440,000 per well). This is primarily a result of design optimizations and lower cost of services. We anticipate drilling 9 horizontal Cardium wells in 2H/2016 of which 7 are in West Pembina and 2 are in Ferrier. All of the planned locations will be ERH wells.

Our Wapiti Cardium wells have performed as expected with declines being much flatter than many of our other resource plays. This is a direct result of the greater thickness of the reservoir pay column which can be up to 16 meters. The combination of higher activity levels in this area and increased lateral length to 2 miles on our ERH wells in this area is anticipated to dramatically improve full development capital efficiencies from what has been historically realized, consistent with our track record of improving capital efficiencies in our core areas. We are also investigating reduced spacing opportunities of up to 8 wells per section. We anticipate drilling 6 wells, including 5 ERH wells in the Deep Basin of which 3 will be horizontal Cardium wells in the Wapiti area.

Over the last 12 months, we have drilled 5 horizontal wells at Boundary Lake that, on average, have significantly outperformed our initial expectations with lower than forecasted production declines due to latent and ongoing waterflood support. We anticipate drilling 2 Boundary Lake wells in 2H/2016, as part of a larger winter 2016/2017 capital program that includes capital spending on injection optimizations to further enhance the decline profile and reserve recovery.

Since inception, Whitecap has continued to successfully acquire high quality oil assets that, when combined with our technical expertise, has enabled us to deliver strong organic growth and returns to shareholders despite a volatile and currently depressed commodity price environment. We continue to mature our drilling inventory to maximize economic returns from both standard horizontal and ERH wells and currently have a high quality inventory of 3,040 oil locations of which 22% or 654 are ERH locations. This provides us with greater than 15 years of drilling inventory for continued profitable per share growth. The depth of inventory accumulated to date allows us to focus on further increasing organic production growth on a per share basis as we move through the year and into 2017 and beyond.

We remain on track to meet our 2016 average production guidance of 45,300 boe/d with the potential to exceed our exit target production of 51,000 boe/d on a full year capital program of \$175 million. Our robust risk management program provides downside price protection and our active drilling program in 2H/2016 sets us up for very strong per share growth in 2017 with the ability to realize further upside from operational performance and commodity price improvements.

Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "continue", "project", "believe", "expect", "forecast", "guidance", "planned" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding our future production, drilling inventory, drilling plans, IP(30) rates, capital costs, our capital program and our capital efficiencies, our hedging program and the benefits to be obtained therefrom; ability to improve development capital efficiencies; future performance; business prospects, strategy and opportunities; industry conditions and commodity prices.

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 and resource 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 state of the economy and the exploration and production business; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully; our ability to access capital; and obtaining the necessary regulatory approvals.

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

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

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

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Whitecap's prospective cost reductions as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Whitecap disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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, 2015 and mechanically updated to July 1, 2016 to account for drilling, acquisitions and divestitures 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 based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 3,040 total gross drilling locations identified herein, 1,260 are proved locations, 141 are probable locations and 1,639 are unbooked locations. Of the 660 gross drilling locations identified in southwest Saskatchewan, 137 are proved locations, 109 are probable locations and 414 are unbooked locations. 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 actually 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 some of the unbooked drilling locations have been de-risked by drilling 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.

"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.

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.

"**Funds flow**" represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs and settlement of decommissioning liabilities. Management considers funds flow and funds flow per share to be key measures as they demonstrate Whitecap's ability to generate the cash necessary to pay dividends, repay debt, fund settlement of decommissioning liabilities and make capital investments. 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.

The following table reconciles cash flow from operating activities (a GAAP measure) to funds flow (a non-GAAP measure):

(\$000s)	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Cash flow from operating activities	93,485	137,366	176,864	264,396
Changes in non-cash working capital	(557)	6,998	(16,257)	(10,449)
Settlement of decommissioning liabilities	152	38	370	385
Transaction costs	250	301	350	304
Funds flow	93,330	144,703	161,327	254,636
Cash dividends declared	23,224	53,181	65,078	100,722
Development capital expenditures	16,159	45,868	61,397	121,883
Total payout ratio (%)	42	68	78	87

“Cash costs” are determined by adding royalty, operating, transportation, general and administrative and interest expenses on a per boe basis.

“Cash netbacks” are determined by deducting cash general and administrative and interest expenses from operating netbacks.

“Development capital” represents expenditures on PP&E excluding corporate and other assets.

The following table reconciles expenditures on PP&E (a GAAP measure) to development capital (a non-GAAP measure):

(\$000s)	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Expenditures on PP&E	16,196	45,982	61,521	122,091
Expenditures on corporate and other assets	(37)	(114)	(124)	(208)
Development capital	16,159	45,868	61,397	121,883

“Free funds flow” is determined by deducting development capital and dividend payments from funds flow.

“Operating netbacks” are determined by deducting royalties, production expenses and transportation and selling expenses from oil and gas revenue. Operating netbacks are per boe measures used in operational and capital allocation decisions.

“Total payout ratio” is calculated as development capital plus cash dividends declared divided by funds flow.

“Net debt” is calculated as bank debt plus working capital deficiency adjusted for risk management contracts. Net debt is used by management to analyze the financial position and leverage of Whitecap.

The following table reconciles bank debt (a GAAP measure) to net debt (a non-GAAP measure):

(\$000s)	June 30, 2016	December 31, 2015
Bank debt	834,111	876,166
Current liabilities	135,289	165,922
Current assets	(96,633)	(149,338)
Risk management contracts	(3,536)	47,037
Net debt	869,231	939,787

Any references in this news release to initial production rates or IP(30) rate 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. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

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