



NEWS RELEASE

October 5, 2021

WHITECAP RESOURCES INC. ANNOUNCES SALE OF WEYBURN ROYALTY AND ACHIEVES DEBT REDUCTION TARGET

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to announce that it has entered into a definitive agreement (the "Agreement") with Topaz Energy Corp. for the sale of a newly formed 5% Gross Overriding Royalty ("GORR") on its working interest in the Weyburn CO₂ Unit for cash proceeds of \$188 million. The transaction is expected to close on or before October 31, 2021.

Following the completion of the GORR sale, Whitecap will retain its operated 65.3% working interest ownership in the Weyburn Unit which remains a core, strategic asset within our portfolio. The Weyburn Unit is the single largest anthropogenic carbon sequestration project in the world and has sequestered over 36 million tonnes of CO₂ since the project's first CO₂ injection in 2000. The project is expected to continue to sequester carbon at a rate of approximately 2 million tonnes per year, driving Whitecap's net negative carbon footprint after accounting for scope 1 & 2 emissions. With a 100% oil and natural gas liquids weighting and less than 3% base decline rate, the profitability of the Weyburn asset is robust and after the sale of the GORR, it will continue to generate significant free funds flow for Whitecap, with a free funds flow break-even price of approximately US\$35/bbl WTI based on preliminary 2022 capital plans. Production volumes from the previously announced unplanned downtime at Weyburn are now back online and current net production is approximately 14,000 boe/d.

RETURN OF CAPITAL FOCUS

The GORR sale aligns with Whitecap's stated priorities of maintaining balance sheet strength and increasing return of capital to shareholders. The GORR sale allows Whitecap to accelerate the achievement of our near-term net debt target of \$1.2 billion and reach our long-term net debt target of \$1.0 billion by year end 2021 to enhance total shareholder returns.

In achieving \$1.0 billion of net debt by year end 2021, Whitecap retains \$1.0 billion of liquidity on our credit facility and a forecasted debt to EBITDA ratio of 1.3 times at US\$45/bbl WTI and 0.7 times at US\$70/bbl WTI, providing significant financial flexibility and long-term sustainability.

With our debt targets achieved, Whitecap has significant optionality for free funds flow allocation and the potential to accelerate return of capital to shareholders through targeted share buybacks and dividend increases. Year to date, Whitecap has repurchased 5.1 million shares at an average price of \$5.98 per share and is permitted to purchase an additional 26.3 million shares under its current normal course issuer bid that runs between May 21, 2021 and May 20, 2022.

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

ADVISOR

National Bank Financial Inc. acted as exclusive financial advisor to Whitecap in connection with the GORR sale.

For further information:

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or

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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, priorities, 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, priorities and position; and the strategic rationale for, and anticipated benefits derived from, the Agreement. In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to: the expected close of the Agreement on or before October 31, 2021; that the Weyburn Unit will remain a core, strategic asset within Whitecap's portfolio following the completion of the GORR sale; that the Weyburn project will sequester 2 MT of carbon per year; the production decline rate of the Weyburn asset; our ability to generate significant free funds flow from the Weyburn asset; the underlying assumptions and the benefits to be derived therefrom from the Agreement; the Weyburn free funds flow break-even price; that we will reach our target net debt prior to year end; 2021 year end unutilized credit capacity and forecasted debt to EBITDA ratio at US\$45/bbl WTI and US\$70/bbl WTI; that Whitecap's debt reduction plans will provide significant financial flexibility, optionality and long-term sustainability; plans to maintain balance sheet strength; and potential plans to accelerate the return of capital to shareholders through targeted share buybacks and dividend increases.

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; the impact (and the duration thereof) that the COVID-19 pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, and (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas; 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; pandemics and epidemics; 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).

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 2021 year-end net debt; free funds flow; liquidity of Whitecap's credit facility and debt to EBITDA ratio, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Whitecap and the resulting financial results will likely vary from the amounts set forth in this press release and such variation may be material. Whitecap and its management believe

that the FOFI has been prepared on a reasonably basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. 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. 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.

Oil and Gas Advisories

References to crude oil or natural gas production in this press release refer to the light and medium crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

"Boe" means barrel of oil equivalent based on 6 mcf of natural gas to 1 bbl of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6:1 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.

Production

	Crude oil (bbls/d)	NGLs (bbls/d)	Natural gas (Mcf/d)	Total (boe/d) ⁽¹⁾
Current Net Weyburn	13,500	500	0	14,000

Note:

⁽¹⁾ 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.

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, 2021 for a reconciliation of the non-GAAP measures.

"Debt to EBITDA" is calculated in accordance with the Company's credit agreements, copies of which may be accessed through the SEDAR website (www.sedar.com).

"Free funds flow" represents funds flow less expenditures on property, plant and equipment. Management believes that free funds flow provides a useful measure of Whitecap's ability to increase returns to shareholders and to grow the Company's business. Previously, Whitecap also deducted dividends paid or declared in the calculation of free funds flow. The Company believes the change in presentation better allows comparison with both dividend paying and non-dividend paying peers.