



NEWS RELEASE

May 17, 2021

WHITECAP RESOURCES INC. DEMONSTRATES CONTINUED OPERATIONAL MOMENTUM AND INCREASES DIVIDEND 8%

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to announce that it has successfully closed the previously announced acquisition of Kicking Horse Oil & Gas Ltd. ("Kicking Horse"). Whitecap acquired all of the issued and outstanding common shares of Kicking Horse for consideration consisting of 34.5 million Whitecap common shares, \$56 million in cash and also assumed Kicking Horse's net debt (the "Acquisition").

Montney Resource Play Update

- On the Kakwa, Alberta lands acquired, we currently have two rigs drilling the final two wells of a four well pad (2.6 net). This four well pad will be completed in the third quarter and is expected to be on production in the fourth quarter. We will also start a 6 (4.4 net) well drilling program in the third quarter. This program will utilize a single drilling rig from two separate pads. We anticipate 3 (2.4 net) wells from the six well program to be completed and on production by year end 2021 with the remaining 3 (2.0 net) wells coming on production in the first quarter of 2022.
- On our previously owned Karr, Alberta lands, we are seeing the benefits of our optimized completions re-design and fracture stimulations. Our operated 13-1 (0.7 net) well has been on production since early April and is currently producing at a rate of 2,300 boe/d (70% oil and NGLs). Our non-operated well (0.5 net) has been on production since late March and is currently producing at 1,000 boe/d (75% oil and NGLs). These wells are above our budget expectations, partially due to an accelerated completion clean-up and associated decline in water cuts.
- Whitecap's tier 1 Montney inventory at Karr and Kakwa has very robust economics consisting of high productivity wells (IP365 1,100 – 1,400 boe/d) which drive quick project payouts (less than 1 year) and long term net asset value growth (NPV10 per well greater than \$12 million) at US\$55/bbl WTI and C\$2.50/GJ AECO.
- Whitecap now owns 168 (118 net) sections of Alberta Montney rights in some of the most prolific Montney acreage in the basin. Our 696 (437.4 net) drilling locations include over ten years of tier 1 inventory.

Dividend Increase

With the exceptional Montney wells results, outperformance from our existing assets, along with commodity prices higher than our US\$60/bbl WTI forecast, we are confident in our ability to generate significant free funds flow in 2021 and beyond. We are forecasting discretionary funds flow after capital and dividends in excess of \$200 million in the first half of 2021 which will be used to further strengthen our balance sheet.

Return of capital to shareholders is a priority for Whitecap, and our board of directors has approved an 8% increase to our monthly dividend. The monthly dividend will be increased from \$0.01508 to \$0.01625 per common share which equates to \$0.195 per common share annually and will be effective beginning with the June dividend, payable in July 2021. Including the dividend increase, Whitecap's 2021 dividend will equate to only 12% of funds flow based on current strip pricing.

In 2022, with preliminary forecasted corporate production of 120,000 boe/d and our expectations of benchmark commodity prices between US\$55 - \$65/bbl WTI and C\$2.50/GJ AECO, Whitecap anticipates annual funds flow of \$950 million - \$1.1 billion and discretionary funds flow (after capital and dividends) of \$250 - \$400 million. Under these scenarios, the increased dividend represents only 11% - 13% of funds flow and when combined with our strong balance sheet and high netback/low decline asset base, our sustainability remains firmly intact. Discretionary funds flow will be used for further returns to shareholders, debt repayment or opportunistic acquisitions within our core areas.

Whitecap also confirms that a cash dividend of \$0.01508 per common share in respect of May operations will be paid on June 15, 2021 to shareholders of record on May 31, 2021. This dividend is an eligible dividend for the purposes of the Income Tax Act (Canada).

ESG Update

Whitecap plans to release its 2021 Environmental, Social and Governance (ESG) report in mid-June 2021 which will include 2020 results. In addition, our first ESG newsletter was published on our website today which provides more details on priority initiatives across the Company.

NCIB Renewal

Whitecap is pleased to announce that the Toronto Stock Exchange (the "TSX") has accepted the notice of Whitecap's intention to commence a normal course issuer bid (the "NCIB"). Whitecap previously purchased an aggregate of 2,501,800 common shares at a weighted average price per share of \$4.15 under a normal course issuer bid that runs between May 21, 2020 to May 20, 2021.

The NCIB allows Whitecap to purchase up to 29,894,096 common shares (representing 5% of its 597,881,930 outstanding common shares as of May 10, 2021) over a period of twelve months commencing on May 21, 2021. The NCIB will expire no later than May 20, 2022. Under the NCIB, common shares may be repurchased in open market transactions on the TSX and other alternative trading platforms in Canada and in accordance with the rules of the TSX governing NCIB's. The total number of common shares Whitecap is permitted to purchase is subject to a daily purchase limit of 913,135 common shares, representing 25% of the average daily trading volume of 3,652,542 common shares on the TSX calculated for the six-month period ended April 30, 2021, however, Whitecap may make one block purchase per calendar week which exceeds the daily repurchase restrictions. Any common shares that are purchased under the NCIB will be cancelled upon their purchase by Whitecap.

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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, 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. In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to our priorities: the number of wells to be drilled and completed at Kakwa and the timing thereof; the timing of production additions; the timing of well payouts; the future growth in net asset value and the underlying assumptions; the ability to generate significant free funds flow in 2021 and beyond and the reasons therefor; forecast discretionary funds flow in first half 2021 and the allocation thereof; annual per common share dividend; Whitecap's 2021 dividend will equate to only 12% of funds flow based on current strip pricing; preliminary 2022 corporate production, funds flow, discretionary funds flow and the allocation thereof; our sustainability and reference to its stability; 2021 dividend relative to forecast funds flow and the underlying assumptions; the timing of the release of our 2021 ESG report; and the anticipated advantages to shareholders of the NCIB.

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; the ability of OPEC+ nations and other major producers of crude oil to reduce crude oil production and thereby arrest and reverse the steep decline in world crude oil prices; 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 ability of Whitecap to achieve the benefits of the NCIB; the impact of increasing

competition; ability to efficiently integrate assets and employees acquired through acquisitions, including the Acquisition; 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 first half 2021 discretionary funds flow, 2022 funds flow, discretionary funds flow and basic payout 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 presentation and such variation may be material. Whitecap and its management believe that the FOFI has been prepared on a reasonable 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 crude oil 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").

Initial Production Rates

Any references in this news release to initial production rates 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. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Whitecap.

Barrel of Oil Equivalency

"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.

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 Whitecap's internal evaluation and were

prepared by a member of Whitecap's management who is a qualified reserves evaluator in accordance with NI 51-101 effective April 1, 2021 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 per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources.

- Of the 696 (437.4 net) total Whitecap Montney drilling locations identified herein, 91 (58.0 net) are proved locations, 48 (27.7 net) are probable locations, and 557 (351.7 net) are unbooked locations.

Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. 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 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 certain of the unbooked drilling locations have been de-risked by drilling existing wells 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.

Production

	Crude oil/Condensate (bbls/d)	NGLs (bbls/d)	Natural gas (Mcf/d)	Total (boe/d) ⁽¹⁾
13-1 Well	1,475	125	4,200	2,300
Non-Operated Well	675	50	1,650	1,000
Karr tier 1 IP 365	545	120	2,610	1,100
S Kakwa tier 1 IP365	405	60	5,610	1,400
2022 Preliminary	77,750	9,500	196,500	120,000

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.

"Discretionary funds flow" represents funds flow less expenditures on property, plant and equipment ("PP&E") and dividends. Management believes that discretionary funds flow provides a useful measure of Whitecap's ability to increase returns to shareholders and to grow the Company's business.

"Free funds flow" represents funds flow less expenditures on PP&E. 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.