

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEET**  
(unaudited)

As at (CAD \$000s)	September 30 2019	December 31 2018
<b>Assets</b>		
Current Assets		
Accounts receivable	151,295	121,120
Deposits and prepaid expenses	9,888	11,082
Risk management contracts [Notes 4 & 5]	18,612	75,219
Total current assets	179,795	207,421
Property, plant and equipment [Notes 6 & 7]	5,226,548	5,189,461
Exploration and evaluation [Note 8]	7,435	9,683
Right-of-use assets [Note 9]	81,895	-
Investment in limited partnership [Note 10]	-	1,364
Goodwill [Note 11]	122,682	122,682
Risk management contracts [Notes 4 & 5]	4,026	9,454
Deferred income tax [Note 22]	453,592	418,899
Total assets	6,075,973	5,958,964
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	236,084	161,655
Share awards liability	7,483	4,080
Dividends payable	11,701	11,180
Lease liabilities [Note 13]	11,019	-
Risk management contracts [Notes 4 & 5]	2	-
Total current liabilities	266,289	176,915
Risk management contracts [Notes 4 & 5]	-	27
Long-term debt [Note 12]	1,154,977	1,255,697
Lease liabilities [Note 13]	73,438	-
Decommissioning liability [Note 14]	791,783	725,643
Share awards liability	4,405	3,380
Deferred income tax [Note 22]	620,615	567,736
Total liabilities	2,911,507	2,729,398
<b>Shareholders' Equity</b>		
Share capital [Note 15]	3,859,866	3,870,798
Contributed surplus [Note 15]	16,801	15,719
Deficit	(712,201)	(656,951)
Total shareholders' equity	3,164,466	3,229,566
Total liabilities and shareholders' equity	6,075,973	5,958,964

Commitments (Note 19)

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board:

(signed) "Stephen C. Nikiforuk"

Stephen C. Nikiforuk

Director

(signed) "Grant B. Fagerheim"

Grant B. Fagerheim

Director

**WHITECAP RESOURCES INC.****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three and nine months ended September 30

(unaudited)

	Three months ended September 30		Nine months ended September 30	
(CAD \$000s, except per share amounts)	2019	2018	2019	2018
<b>Revenue</b>				
Petroleum and natural gas sales [Note 16]	343,068	445,648	1,077,263	1,246,388
Royalties	(63,092)	(78,325)	(192,788)	(222,505)
Petroleum and natural gas sales, net of royalties	279,976	367,323	884,875	1,023,883
Other Income				
Net gain (loss) on commodity and FX contracts [Note 5]	12,630	(18,269)	(80,917)	(191,911)
Total revenue and other income	292,606	349,054	803,558	831,972
<b>Expenses</b>				
Operating	78,900	83,141	239,546	244,508
Transportation	14,023	15,211	42,147	44,132
Blending	7,078	1,641	22,440	4,048
General and administrative	6,545	7,636	19,908	24,608
Stock-based compensation [Note 15]	4,248	3,885	12,548	14,329
Transaction costs	-	-	-	200
Interest and financing [Note 12]	11,283	12,904	38,313	39,201
Accretion of decommissioning liabilities [Note 14]	1,538	4,517	6,974	12,219
Depletion, depreciation, and amortization [Notes 7 & 9]	116,273	124,076	351,953	361,951
Exploration and evaluation [Note 8]	142	10	2,134	875
Loss on investment [Note 10]	-	-	1,364	-
Net (gain) loss on asset dispositions [Note 7]	(15)	1,362	(28)	1,260
Total expenses	240,015	254,383	737,299	747,331
Income before income taxes	52,591	94,671	66,259	84,641
<b>Taxes</b>				
Deferred income tax expense [Note 22]	10,314	25,139	18,186	26,479
Net income and other comprehensive income	42,277	69,532	48,073	58,162
<b>Net Income Per Share (\$/share) [Note 17]</b>				
Basic	0.10	0.17	0.12	0.14
Diluted	0.10	0.17	0.12	0.14

See accompanying notes to the consolidated financial statements

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the nine months ended September 30  
(unaudited)

(CAD \$000s)	2019	2018
<b>Share Capital [Note 15(b)]</b>		
Balance, beginning of year	3,870,798	3,889,255
Common shares repurchased [Note 15(c)]	(19,628)	(25,473)
Contributed surplus adjustment on vesting of share awards	8,696	17,323
Balance, end of period	3,859,866	3,881,105
<b>Contributed Surplus [Note 15(e)]</b>		
Balance, beginning of year	15,719	33,662
Award incentive plan	9,790	20,124
Share award vesting	(8,708)	(17,323)
Common shares repurchased [Note 15(c)]	-	(11)
Balance, end of period	16,801	36,452
<b>Deficit</b>		
Balance, beginning of year	(656,951)	(589,784)
Net income and other comprehensive income	48,073	58,162
Dividends	(103,323)	(98,684)
Balance, end of period	(712,201)	(630,306)

*See accompanying notes to the consolidated financial statements*

**WHITECAP RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the three and nine months ended September 30  
(unaudited)

(CAD \$000s)	Three months ended		Nine months ended	
	2019	2018	2019	2018
<b>Operating Activities</b>				
Net income for the period	42,277	69,532	48,073	58,162
Items not affecting cash:				
Depletion, depreciation and amortization [Notes 7 & 9]	116,273	124,076	351,953	361,951
Exploration and evaluation [Note 8]	142	10	2,134	875
Deferred income tax expense [Note 22]	10,314	25,139	18,186	26,479
Stock-based compensation [Note 15]	1,819	3,885	6,616	14,329
Accretion of decommissioning liabilities [Note 14]	1,538	4,517	6,974	12,219
Unrealized (gain) loss on risk management contracts [Note 5]	(17,015)	(21,778)	62,010	94,283
Loss on investment in limited partnership [Note 10]	-	-	1,364	-
Net (gain) loss on asset dispositions [Note 7]	(15)	1,362	(28)	1,260
Settlement of decommissioning liabilities [Note 14]	(1,027)	(1,748)	(6,218)	(3,948)
Net change in non-cash working capital items [Note 18]	(6,933)	(18,800)	(8,593)	4,080
Cash flow from operating activities	147,373	186,195	482,471	569,690
<b>Financing Activities</b>				
Decrease in long-term debt	(19,491)	(40,700)	(100,720)	(43,408)
Common shares repurchased [Note 15]	(14,632)	(8,414)	(19,628)	(25,484)
Dividends	(35,171)	(33,778)	(103,323)	(98,684)
Principal portion of lease payments	(2,756)	-	(8,011)	-
Net change in non-cash working capital items [Note 18]	(67)	(28)	521	1,002
Cash flow used in financing activities	(72,117)	(82,920)	(231,161)	(166,574)
<b>Investing Activities</b>				
Expenditures on property, plant and equipment	(153,848)	(114,955)	(305,215)	(364,014)
Expenditures on property acquisitions [Note 6]	(2,020)	(18,369)	(3,581)	(20,092)
Cash from property dispositions	75	6,105	640	7,892
Expenditures on corporate acquisitions net of cash acquired	-	(753)	-	(58,223)
Net change in non-cash working capital items [Note 18]	80,537	24,697	56,846	31,321
Cash flow used in investing activities	(75,256)	(103,275)	(251,310)	(403,116)
Change in cash, during the period	-	-	-	-
Cash, beginning of period	-	-	-	-
Cash, end of period	-	-	-	-
<b>Cash Interest Paid</b>	<b>10,324</b>	<b>11,037</b>	<b>36,447</b>	<b>37,447</b>

See accompanying notes to the consolidated financial statements

## **1. NATURE OF BUSINESS**

Whitecap Resources Inc. (also referred to herein as “Whitecap” or the “Company”) is a Calgary based oil and gas company that is engaged in the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets. Whitecap's common shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol WCP. The Company’s principal place of business is located at 3800, 525 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1G1.

## **2. BASIS OF PRESENTATION**

### **a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. They are condensed as they do not include all of the information required for full annual consolidated financial statements, and they should be read in conjunction with the financial statements for the year ended December 31, 2018.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at October 29, 2019, the date the Board of Directors approved these statements.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited interim consolidated financial statements follow the same accounting policies as the most recent annual audited consolidated financial statements except as discussed below. The interim consolidated financial statements note disclosures do not include all of those required by IFRS applicable for annual consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2018.

### **a) IFRS 16 Leases (“IFRS 16”)**

Whitecap adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, Whitecap recognized lease liabilities of \$91.6 million in relation to all lease arrangements measured at the present value of the remaining lease payments from commitments disclosed as at December 31, 2018, adjusted by commitments in relation to arrangements not containing leases, short-term and low-value leases, and discounted using the Company’s incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate used to determine the lease liabilities at adoption was approximately 4.5 percent. The difference in operating lease commitments disclosed as at December 31, 2018 and lease liabilities recognized on the consolidated balance sheet at January 1, 2019 is primarily due to non-lease components of contracts reassessed as service agreements. The associated right-of-use assets were measured at the amount equal to the lease liabilities on January 1, 2019, with no impact on retained earnings. See Note 9 – “Right-of-Use Assets” and Note 13 – “Lease Liabilities” for additional information regarding the Company’s leases.

In applying IFRS 16 for the first time, Whitecap has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

**i) Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

**4. DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations for commodity, interest and foreign exchange ("FX") contracts are based on inputs including quoted forward prices for commodities, forward interest rates and forward exchange rates, respectively, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of deposits, accounts receivable, bank debt, dividends payable, accounts payable and accrued liabilities included in the balance sheet approximate fair value due to the short-term nature of those instruments or the indexed rate of interest on the bank debt. The fair value measurement of the risk management contracts and the senior notes have a fair value hierarchy of Level 2. The fair value measurement of property, plant and equipment ("PP&E"), exploration and evaluation ("E&E"), right-of-use assets, goodwill, and the investment in limited partnership have a fair value hierarchy of Level 3. The Company's finance department is responsible for performing the valuation of financial instruments, including the calculation of Level 3 fair values. Refer to Notes 7, 8, 9, 10 and 11 for changes in the Company's Level 3 assets.

**a) PP&E and E&E Assets**

The fair value of PP&E recognized is based on market values. The market value of PP&E is the estimated amount for which PP&E could be exchanged on the acquisition date between a willing buyer and a willing

seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of oil and natural gas interests (included in PP&E) are generally estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on internally and externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. The market value of E&E assets is estimated with reference to the market values of current arm's length transactions in comparable locations.

**b) Deposits, Accounts Receivable, Long-term Debt, Dividends Payable, Accounts Payable and Accrued Liabilities**

The fair value of deposits, accounts receivable, bank debt, senior notes, dividends payable, accounts payable and accrued liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. As at September 30, 2019 and December 31, 2018, the fair value of these balances, other than senior notes, approximated their carrying value. The fair value of the bank debt is equal to its carrying amount as the bank debt bears interest at floating rates and credit spreads within the facility are indicative of market rates.

**c) Derivatives**

The fair value of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward commodity prices, forward interest rates and forward exchange rates to estimate the fair value of financial derivatives. In addition to market information, the Company incorporates transaction specific details that market participants would utilize in a fair value measurement, including the impact of non-performance risk. The valuation technique used has not changed.

**d) Share Awards**

The fair values of share awards are measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

**e) Investment in Limited Partnership**

The fair value of the investment in limited partnership was based on the Company's share of the fair value of the limited partnership's accounts receivable, prepaid expenses and deposits, risk management contracts, PP&E, accounts payable and accrued liabilities, bank debt, loan from parent, and decommissioning obligations. The fair values are determined using the methods in the preceding paragraphs as applicable.

**5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Financial Assets and Financial Liabilities Subject to Offsetting**

Financial assets and liabilities are only offset if Whitecap has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. Whitecap offsets risk management assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivatives by counterparty that are offset on the balance sheet as at September 30, 2019 and December 31, 2018:

(\$000s)	September 30, 2019			December 31, 2018		
	Asset	Liability	Net	Asset	Liability	Net
Gross amount	24,594	(1,958)	22,636	86,539	(1,893)	84,646
Amount offset	(1,956)	1,956	-	(1,866)	1,866	-
Net amount	22,638	(2)	22,636	84,673	(27)	84,646

## b) Credit Risk

Credit risk is the risk of financial loss to Whitecap if a partner or counterparty to a product sales contract or financial instrument fails to meet its contractual obligations. Whitecap is exposed to credit risk with respect to its cash, accounts receivable and risk management contracts. Most of Whitecap's accounts receivable relate to oil and natural gas sales or joint interest billings and are subject to typical industry credit risks. Whitecap manages this credit risk as follows:

- By entering into sales contracts with only established creditworthy counterparties as verified by a third-party rating agency, through internal evaluation or by requiring security such as letters of credit;
- By limiting exposure to any one counterparty; and
- By restricting cash equivalent investments and risk management transactions to counterparties that, at the time of transaction, are not less than investment grade.

The maximum exposure to credit risk is as follows:

	September 30, 2019	December 31, 2018
Accounts receivable	151,295	121,120
Risk management contracts	22,638	84,673
<b>Total exposure</b>	<b>173,933</b>	<b>205,793</b>

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at September 30, 2019 pertains to accrued revenue for September 2019 production volumes. Whitecap transacts with a number of oil and natural gas marketing companies and commodity end users ("Commodity Purchasers"). Commodity Purchasers typically remit amounts to Whitecap by the 25<sup>th</sup> day of the month following production. The Company monitors the exposure to any single counterparty along with its financial position. If it is deemed that a counterparty has become materially weaker, the Company will work to reduce the credit exposure to that counterparty. At September 30, 2019, two Commodity Purchasers accounted for approximately 15 percent and 12 percent of the total accounts receivable balance and are not considered a credit risk.

Whitecap applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss provision for all trade receivables. Prior credit losses in the collection of accounts receivable by Whitecap have been negligible and the Company does not anticipate any significant future credit losses based on forward looking information. Accordingly, no provision has been recorded for expected credit losses.

When determining whether amounts that are past due are collectable, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Whitecap considers all amounts greater than 90 days to be past due. As at September 30, 2019, there was \$1.8 million (December 31, 2018 – \$1.6 million) of receivables aged over 90 days. Subsequent to September 30, 2019, approximately \$0.7 million (December 31, 2018 – \$0.8 million) has been collected and the remaining balance is not considered to be a credit risk.

## c) Liquidity Risk

Liquidity risk is the risk that Whitecap will not be able to meet its financial obligations as they become due. Whitecap actively manages its liquidity through cash, debt and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, available credit under existing banking arrangements and opportunities to issue additional common shares and/or long-term debt. Whitecap actively monitors its credit and working capital facilities to ensure that it has sufficient available funds to meet its dividend payments and financial requirements at a reasonable cost. Management believes that future funds generated from these sources will be adequate to settle Whitecap's financial liabilities.



The following table details the contractual maturities of Whitecap's financial liabilities as at September 30, 2019:

(\$000s)	<1 year	1 to 2 years	2+ years	Total
Accounts payable and accrued liabilities	236,084	-	-	236,084
Dividends payable	11,701	-	-	11,701
Long-term debt <sup>(1)</sup>	21,605	21,605	1,215,442	1,258,652
Lease liabilities <sup>(1)</sup>	14,575	14,290	69,045	97,910
Share awards liability	7,483	1,893	2,512	11,888
Risk management contracts <sup>(2)</sup>	2	-	-	2
<b>Total financial liabilities</b>	<b>291,450</b>	<b>37,788</b>	<b>1,286,999</b>	<b>1,616,237</b>

Notes:

(1) These amounts include the notional principal and interest payments.

(2) Interest rate swaps are included in risk management contracts

The following table details Whitecap's financial liabilities as at December 31, 2018:

(\$000s)	<1 year	1 to 2 years	2+ years	Total
Accounts payable and accrued liabilities	161,655	-	-	161,655
Dividends payable	11,180	-	-	11,180
Long-term debt <sup>(1)</sup>	21,605	21,605	1,332,322	1,375,532
Share awards liability	4,080	2,672	708	7,460
Risk management contracts <sup>(2)</sup>	-	27	-	27
<b>Total financial liabilities</b>	<b>198,520</b>	<b>24,304</b>	<b>1,333,030</b>	<b>1,555,854</b>

Notes:

(1) These amounts include the notional principal and interest payments.

(2) Interest rate swaps are included in risk management contracts.

#### d) Market Risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is composed of commodity price risk, interest rate risk and foreign exchange risk as discussed below.

Whitecap's consolidated balance sheet included the following risk management assets recorded at fair value:

(\$000s)	September 30 2019	December 31 2018
<b>Current Assets</b>		
Crude oil	17,823	74,588
Natural gas	-	388
Interest	681	180
Power	108	63
<b>Total current assets</b>	<b>18,612</b>	<b>75,219</b>
<b>Long-term Assets</b>		
Crude oil	3,354	9,454
Interest	657	-
Power	15	-
<b>Total long-term assets</b>	<b>4,026</b>	<b>9,454</b>
<b>Total fair value</b>	<b>22,638</b>	<b>84,673</b>

Whitecap's consolidated balance sheet included the following risk management liabilities recorded at fair value:

(\$000s)	September 30 2019	December 31 2018
<b>Current Liabilities</b>		
Natural Gas	2	-
Total current liabilities	2	-
<b>Long-term Liabilities</b>		
Power	-	27
Total long-term liabilities	-	27
<b>Total fair value</b>	<b>2</b>	<b>27</b>

Whitecap's net income includes the following realized and unrealized gains (losses) on risk management contracts:

(\$000s)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Realized loss on commodity and FX contracts	(3,046)	(39,512)	(17,749)	(96,133)
Unrealized gain (loss) on commodity and FX contracts	15,676	21,243	(63,168)	(95,778)
Net gain (loss) on commodity and FX contracts	12,630	(18,269)	(80,917)	(191,911)
Realized gain (loss) on interest rate contracts <sup>(1)</sup>	135	(428)	230	(1,657)
Unrealized gain on interest rate contracts <sup>(1)</sup>	1,339	535	1,158	1,495
Net gain (loss) on risk management contracts	14,104	(18,162)	(79,529)	(192,073)

Note:

<sup>(1)</sup> The gain (loss) on interest rate risk management contracts is included in interest and financing expense.

#### i) Commodity Price Risk

The Company's operational results and financial condition are largely dependent on the commodity price received for its oil and natural gas production. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, weather, economic and geopolitical factors.

Whitecap manages the risks associated with changes in commodity prices by entering into a variety of risk management contracts. The Company assesses the effects of movement in commodity prices on income before tax. When assessing the potential impact of these commodity price changes, the Company believes a ten percent volatility is a reasonable measure. A ten percent increase or decrease in commodity prices would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$000s)	September 30, 2019	
	Increase 10%	Decrease 10%
<b>Commodity Price</b>		
Crude Oil	(30,372)	33,488
Natural Gas	(154)	154
Power	89	(89)
<b>Differential</b>		
Crude oil	243	(243)

At September 30, 2019, the following commodity risk management contracts were outstanding with an asset fair market value of \$21.3 million (December 31, 2018 – asset of \$84.5 million and liability of \$0.1 million):

1) *WTI Crude Oil Derivative Contracts*

Type	Term	Volume (bbls/d)	Bought Put Price (C\$/bbl) <sup>(1)</sup>	Sold Call Price (C\$/bbl) <sup>(1)</sup>	Swap Price (C\$/bbl) <sup>(1)</sup>
Swap	2019 Oct – Dec	11,000			73.78
Collar	2019 Oct – Dec	12,000	71.79	92.50	
Collar	2020 Jan – Jun	10,000	68.50	87.99	
Collar	2020 Jul – Dec	2,000	70.00	85.15	
Collar	2020	8,000	61.63	80.27	

Note:

(1) Prices reported are the weighted average prices for the period.

2) *WTI Crude Oil Differential Derivative Contracts*

Type	Term	Volume (bbls/d)	Basis <sup>(1)</sup>	Swap Price (C\$/bbl) <sup>(2)</sup>
Swap	2019 Oct – Dec	4,000	MSW	11.43

Notes:

(1) Mixed Sweet Blend (“MSW”).

(2) Prices reported are the weighted average prices for the period.

3) *Natural Gas Derivative Contracts*

Type	Term	Volume (GJ/d)	Swap Price (C\$/GJ) <sup>(1)</sup>
Swap	2019 Nov – 2020 Mar	5,000	2.07

Note:

(1) Prices reported are the weighted average prices for the period.

4) *Power Derivative Contracts*

Type	Term	Volume (MWh)	Fixed Rate (\$/MWh) <sup>(1)</sup>
Swap	2019 Oct – Dec	6,624	51.10
Swap	2020	8,784	50.50

Note:

(1) Prices reported are the weighted average prices for the period.

5) *Contracts entered into subsequent to September 30, 2019*

a) *Natural Gas Derivative Contracts*

Type	Term	Volume (GJ/d)	Swap Price (C\$/GJ) <sup>(1)</sup>
Swap	2019 Nov – 2020 Mar	5,000	2.23
Swap	2020 Jan – Mar	5,000	2.30
Swap	2020	5,000	1.82

Note:

(1) Prices reported are the weighted average prices for the period.

ii) **Interest Rate Risk**

The Company is exposed to interest rate risk on its credit facility. The credit facility consists of a \$1.1 billion revolving syndicated facility and a \$75 million revolving operating facility. The revolving syndicated facility and revolving operating facility bear interest at the bank’s prime lending or bankers’ acceptance rates plus applicable margins. Changes in interest rates could result in an increase or decrease in the amount Whitecap pays to service the variable interest rate debt. The Company mitigates its exposure to interest rate changes by entering into interest rate swap transactions and/or fixed rate debt.

If interest rates applicable to floating rate debt at September 30, 2019 were to have increased or decreased by 25 basis points, it is estimated that the Company's income before tax would change by approximately \$0.4 million and \$1.1 million for the three and nine months ended September 30, 2019, respectively (\$0.4 million and \$1.2 million for the three and nine months ended September 30, 2018, respectively). This assumes that the change in interest rate is effective from the beginning of the quarter and the amount of floating rate debt is as at September 30, 2019.

When assessing the potential impact of forward interest rate changes on the Company's interest rate swaps, the Company believes an interest rate volatility of 25 basis points is a reasonable measure. A 25 basis point increase or decrease in forward interest rates would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$000s)	September 30, 2019	
	Increase 0.25%	Decrease 0.25%
Interest rate swaps	2,334	(2,334)

At September 30, 2019, the following interest rate risk management contracts were outstanding with an asset fair market value of \$1.3 million (December 31, 2018 – asset of \$0.2 million):

#### 1) Interest Rate Contracts

Type	Term		Amount (\$000s)	Fixed Rate (%)	Index <sup>(1)</sup>
Swap	Aug 6, 2019	Aug 6, 2024	200,000	1.554	CDOR

Note:

(1) Canadian Dollar Offered Rate ("CDOR").

#### iii) Foreign Exchange Risk

The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate ("USD/CAD") on crude oil sales based on U.S. dollar benchmark prices and commodity contracts that are settled in U.S. dollars. Foreign exchange risk is mitigated by entering into Canadian dollar denominated commodity risk management contracts or foreign exchange contracts. At September 30, 2019, Whitecap did not have any foreign exchange contracts outstanding.

#### e) Capital Management

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Company considers its capital structure to include shareholders' equity, long-term debt and working capital.

#### i) Net Debt and Total Capitalization

Management considers net debt a key measure to assess the Company's liquidity. Total capitalization is used by Management and investors in analyzing the Company's balance sheet strength and liquidity.

The following is a breakdown of the Company's capital structure:

(\$000s)	September 30 2019	December 31 2018
Accounts receivable	(151,295)	(121,120)
Deposits and prepaid expenses	(9,888)	(11,082)
Accounts payable and accrued liabilities	236,084	161,655
Dividends payable	11,701	11,180
Working capital deficiency	86,602	40,633
Long-term debt	1,154,977	1,255,697
Net debt	1,241,579	1,296,330
Shareholders' equity	3,164,466	3,229,566
Total capitalization	4,406,045	4,525,896

## ii) Funds Flow

Management considers funds flow to be a key measure of operating performance as it demonstrates Whitecap's ability to generate the cash necessary to pay dividends, repay debt, make capital investments, and/or to repurchase common shares under the Company's Normal Course Issuer Bid ("NCIB"). 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. Funds flow is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Funds flow for the three and nine months ended September 30, 2019 and 2018 is calculated as follows:

(\$000s)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Cash flow from operating activities	147,373	186,195	482,471	569,690
Net change in non-cash working capital items	6,933	18,800	8,593	(4,080)
Funds flow	154,306	204,995	491,064	565,610

## 6. ACQUISITIONS

The below amounts are estimates which were made by management at the time of the preparation of these consolidated financial statements based on information then available. Amendments may be made to these amounts as values subject to estimate are finalized for a period of up to one year.

In the nine months ended September 30, 2019, the Company consolidated working interests on existing assets in the Northwest Alberta and British Columbia, Southwest Saskatchewan, and the West Central Saskatchewan cash generating units. The acquisitions were accounted for as business combinations under IFRS 3.

### Net assets acquired (\$000s):

Petroleum and natural gas properties	4,699
Decommissioning liability	(1,093)
Total net assets acquired	<b>3,606</b>

### Consideration:

Cash consideration	3,581
Non-cash consideration	25
Total consideration	<b>3,606</b>

## 7. PROPERTY, PLANT AND EQUIPMENT

Net book value (\$000s)	September 30	December 31
	2019	2018
Petroleum and natural gas properties	8,254,847	7,876,793
Other assets	5,045	4,706
Property, plant and equipment, at cost	8,259,892	7,881,499
Less: accumulated depletion, depreciation, amortization and impairment	(3,033,344)	(2,692,038)
Total net carrying amount	5,226,548	5,189,461

Cost (\$000s)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2018	7,876,793	4,706	7,881,499
Additions	370,869	563	371,432
Property acquisitions	4,699	-	4,699
Transfer from evaluation and exploration assets	3,348	-	3,348
Disposals	(862)	(224)	(1,086)
Balance at September 30, 2019	8,254,847	5,045	8,259,892

#### a) Accumulated Depletion, Depreciation, Amortization and Impairment

Accumulated depletion, depreciation, amortization and impairment (\$000s)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2018	2,689,107	2,931	2,692,038
Depletion, depreciation and amortization	340,768	612	341,380
Disposals	-	(74)	(74)
Balance at September 30, 2019	3,029,875	3,469	3,033,344

At September 30, 2019, \$214.7 million of salvage value (September 30, 2018 – \$216.9 million) was excluded from the depletion calculation. Future development costs of \$3.1 billion (September 30, 2018 – \$2.8 billion) were included in the depletion calculation. The Company capitalized \$10.7 million (September 30, 2018 – \$11.7 million) of administrative costs directly relating to development activities which includes \$4.8 million (September 30, 2018 – \$5.8 million) of stock-based compensation.

#### b) Impairment Test of Property, Plant and Equipment

There were no indicators of impairment at September 30, 2019.

### 8. EXPLORATION AND EVALUATION ASSETS

(\$000s)	September 30 2019	December 31 2018
Exploration and evaluation assets	38,672	38,786
Less: accumulated land expiries and write-offs	(31,237)	(29,103)
Total net carrying amount	7,435	9,683

(\$000s)	Undeveloped Land
Balance at December 31, 2018	38,786
Additions	3,259
Transfer to property, plant and equipment	(3,348)
Disposals	(25)
Balance at September 30, 2019	38,672

(\$000s)	Accumulated land expiries and write-offs
Balance at December 31, 2018	29,103
Land expiries and write-offs	2,134
Balance at September 30, 2019	31,237

E&E assets consist of the Company's exploration projects which are pending the determination of proved reserves. Additions represent the Company's share of costs acquired or incurred on E&E assets during the period.

#### a) Impairment Test of Exploration and Evaluation Assets

There were no indicators of impairment at September 30, 2019.

## 9. RIGHT-OF-USE ASSETS

Whitecap recognizes right-of-use assets and corresponding lease liabilities related to certain office facilities, operating facilities, vehicles and equipment. See Note 13 – "Lease Liabilities" for additional information regarding the Company's leases.

### a) Carrying Amounts

(\$000s)	Offices	Facilities	Other	Total
Right-of-use assets	29,114	60,361	2,993	92,468
Less: accumulated depreciation	(2,508)	(7,243)	(822)	(10,573)
Balance at September 30, 2019	26,606	53,118	2,171	81,895

### b) Cost

(\$000s)	Offices	Facilities	Other	Total
Balance at January 1, 2019	29,114	60,361	2,154	91,629
Additions	-	-	839	839
Balance at September 30, 2019	29,114	60,361	2,993	92,468

### c) Accumulated Depreciation

(\$000s)	Offices	Facilities	Other	Total
Balance at January 1, 2019	-	-	-	-
Depreciation	2,508	7,243	822	10,573
Balance at September 30, 2019	2,508	7,243	822	10,573

## 10. INVESTMENT IN LIMITED PARTNERSHIP

(\$000s)	September 30 2019	December 31 2018
Investment in limited partnership, beginning of year	1,364	7,585
Loss on investment	(1,364)	(6,221)
Investment in limited partnership, end of period	-	1,364

On June 26, 2014, the Company acquired a ten percent interest in an oil and gas limited partnership. The investment was recorded at fair value and any subsequent gains or losses recorded in net income or loss. On April 15, 2019, the Company disposed of the interest in the oil and gas limited partnership.

## 11. GOODWILL

At September 30, 2019, the Company had goodwill of \$122.7 million (December 31, 2018 – \$122.7 million). At September 30, 2019, the Company had total accumulated goodwill impairment charges of \$126.4 million, which was recorded during the year ended December 31, 2015. The recoverable amount of goodwill is determined as the fair value less costs of disposal using a discounted cash flow method and is assessed at the corporate level. The Company's key assumptions used in determining the fair value less costs of disposal include reserves, discount rate, future commodity prices, operating costs and capital expenditures of the Company. The values of these assumptions have been assigned based on internal and external reserve and market price information. The fair value measurement of the Company's goodwill is designated Level 3 on the fair value hierarchy. Refer to Note 4 – "Determination of Fair Values" for a description of the methodology used in the determination of fair values.

### a) Impairment Test of Goodwill

There were no indicators of impairment at September 30, 2019.

## 12. LONG-TERM DEBT

(\$000s)	September 30 2019	December 31 2018
Bank debt	560,355	661,151
Senior secured notes	594,622	594,546
Long-term debt	1,154,977	1,255,697

### a) Bank Debt

As at September 30, 2019, the Company had a \$1.175 billion credit facility with a syndicate of banks. The credit facility consists of a \$1.1 billion revolving syndicated facility and a \$75 million revolving operating facility, with a maturity date of May 31, 2023. Prior to any anniversary date, being May 31 of each year, Whitecap may request an extension of the then current maturity date, subject to approval by the banks. Following the granting of such extension, the term to maturity of the credit facilities shall not exceed four years. The credit facility provides that advances may be made by way of direct advances, banker's acceptances or letters of credit/guarantees. The credit facility bears interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to earnings before interest, taxes, depreciation and amortization "EBITDA" ratio for the most recent quarter. The bankers' acceptances bear interest at the applicable banker's acceptance rate plus an explicit stamping fee based upon the Company's debt to EBITDA ratio. The credit facilities are secured by a floating charge debenture on the assets of the Company.

In the second quarter of 2018, as part of our annual credit facility review, the credit facility transitioned from a borrowing-based structure with lending capacity re-determined on a semi-annual basis, to a financial covenant-based structure with an extendible four-year term governed by our existing financial covenants. The credit facility has two financial covenants, whereby the Company's ratio of debt to EBITDA shall not exceed 4.00:1.00 (1.67:1.00 as at September 30, 2019) and the ratio of EBITDA to interest expense shall not be less than 3.50:1.00 (13.21:1.00 as at September 30, 2019). The EBITDA used in the covenant calculation is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items such as material acquisitions or dispositions. The debt used in the covenant calculation includes bank indebtedness, letters of credit, and dividends declared. As of September 30, 2019, the Company was compliant with all covenants provided for in the lending agreement. Copies of the Company's credit agreements may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

### b) Senior Secured Notes

As at September 30, 2019, the Company had issued \$595 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility. The terms, rates, principals and carrying amounts of the Company's outstanding senior notes are detailed below:

(\$000s)					
Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
January 5, 2017	January 5, 2022	3.46%	200,000	199,870	202,662
May 31, 2017	May 31, 2024	3.54%	200,000	199,868	200,000
December 20, 2017	December 20, 2026	3.90%	195,000	194,884	197,366
Balance at September 30, 2019			595,000	594,622	600,028

The senior secured notes are subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. As of September 30, 2019, the Company was compliant with all covenants provided for in the lending agreements.



### c) Interest and Financing Expense

The following table summarizes the components of interest and financing expense during the period:

(\$000s)	Three months ended		Nine months ended	
	September 30		September 30	
	2019	2018	2019	2018
Interest expense	11,775	13,011	36,711	39,039
Interest expense, lease liabilities [Note 13]	982	-	2,990	-
Unrealized gains on interest rate contracts	(1,339)	(535)	(1,158)	(1,495)
Realized (gains) losses on interest rate contracts	(135)	428	(230)	1,657
Interest and financing expense	11,283	12,904	38,313	39,201

### 13. LEASE LIABILITIES

The Company incurs lease payments related to office facilities, operating facilities, vehicles and equipment. Leases are entered into and exited in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased assets.

(\$000s)	September 30	December 31
	2019	2018
Current portion	11,019	-
Non-current portion	73,438	-
Lease liabilities	84,457	-

For the three and nine months ended September 30, 2019, interest expense of \$1.0 million and \$3.0 million, respectively, and total cash outflows of \$3.7 million and \$11.0 million, respectively, were recognized relating to lease liabilities.

### 14. DECOMMISSIONING LIABILITY

(\$000s)	
Balance at December 31, 2018	725,643
Liabilities incurred	7,274
Liabilities acquired	1,093
Liabilities settled	(6,218)
Liabilities disposed	(399)
Revaluation of liabilities acquired <sup>(1)</sup>	1,564
Change in estimate	55,852
Accretion expense	6,974
Balance at September 30, 2019	791,783

Note:

<sup>(1)</sup> Revaluation of liabilities acquired is the revaluation of acquired decommissioning liabilities at the end of the period using the risk-free discount rate. At the date of acquisition, acquired decommissioning liabilities are fair valued.

The Company's decommissioning liability results from its ownership interest in oil and natural gas assets including well sites and gathering systems. The total decommissioning liability is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The key assumptions, on which the carrying amount of the decommissioning liability is based, include a risk-free rate of 1.5 percent (2.2 percent at December 31, 2018) and inflation rate of 2.0 percent (2.0 percent at December 31, 2018). The total undiscounted amount of the estimated cash flows required to settle the obligations was \$1.0 billion (December 31, 2018 – \$1.2 billion). The expected timing of payment of the cash flows required for settling the obligations extends up to 45 years.

## 15. SHARE CAPITAL

### a) Authorized

Unlimited number of common shares without nominal or par value.

### b) Issued and outstanding

(000s)	Shares	\$
Balance at December 31, 2018	414,063	3,870,798
Issued on share award vesting	975	-
Common shares repurchased <sup>(1)</sup> <sup>(2)</sup>	(4,476)	(19,628)
Contributed surplus adjustment on vesting of share awards	-	8,696
Balance at September 30, 2019	410,562	3,859,866

Notes:

(1) As at December 31, 2018, 910,000 shares repurchased under the NCIB were held in treasury. Subsequent to year end, all of the shares held in treasury were cancelled.

(2) As at September 30, 2019, 1,055,100 shares repurchased under the NCIB were held in treasury. Subsequent to the quarter, all of the shares held in treasury were cancelled.

### c) Normal Course Issuer Bid

On May 16, 2017, the Company announced the approval of its NCIB by the TSX (the "2017 NCIB"). The 2017 NCIB allowed the Company to purchase up to 18,457,076 common shares over a period of twelve months commencing on May 18, 2017.

On May 16, 2018, the Company announced the approval of its renewed NCIB by the TSX (the "2018 NCIB"). The 2018 NCIB allowed the Company to purchase up to 20,864,806 common shares over a period of twelve months commencing on May 18, 2018.

On May 16, 2019, the Company announced the approval of its renewed NCIB by the TSX (the "2019 NCIB"). The 2019 NCIB allows the Company to purchase up to 20,657,914 common shares over a period of twelve months commencing on May 21, 2019.

Purchases are made on the open market through the TSX or alternative platforms at the market price of such common shares. All common shares purchased under the NCIB are cancelled. The total cost paid, including commissions and fees, is first charged to share capital to the extent of the average carrying value of Whitecap's common shares and the excess is charged to contributed surplus.

The following table summarizes the share repurchase activities during the period:

(000s except per share amounts)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Shares repurchased	3,545	1,029	4,621	2,974
Average cost (\$/share)	4.13	8.17	4.25	8.57
Amounts charged to				
Share capital	14,632	8,414	19,628	25,473
Contributed surplus	-	-	-	11
Share repurchase cost	14,632	8,414	19,628	25,484

### d) Award Incentive Plan

The Company implemented an Award Incentive Plan effective April 30, 2013. The Award Incentive Plan has time-based awards and performance awards which may be granted to directors, officers, employees of the Company and other service providers. Effective January 1, 2017, independent outside directors will receive only time-based awards as the primary form of long-term compensation. As at September 30, 2019, the maximum number of common shares issuable under the plan shall not at any time exceed 3.755 percent of the total common shares outstanding. Vesting is determined by the Company's Board of Directors. Currently, time-based awards and performance awards issued to employees of the Company vest three years from date of grant. Time-based awards issued to independent outside directors have vesting periods ranging from 1 to 3 years. Performance awards issued to officers of the Company vest in two tranches with

one half of such awards vesting February 1 and one half vesting October 1 of the third year following the grant date.

Each time-based award may in the Company's sole discretion, entitle the holder to be issued the number of common shares designated in the time-based award plus dividend equivalents or payment in cash. Decisions regarding settlement method for insider and non-insider awards are mutually exclusive. On October 1, 2018, consistent with the terms of the Award Incentive Plan, awards vesting for insiders were settled in cash. As a result, the remaining insider awards were accounted for as cash-settled, resulting in the recognition of share award liabilities on the consolidated balance sheet. Performance awards are also subject to a performance multiplier. This multiplier, ranging from zero to two, will be applied on vesting and is dependent on the performance of the Company relative to predefined corporate performance measures set by the Board of Directors for the associated period.

Based on the terms of the Award Incentive Plan, the fair value of share awards is equal to the underlying share price on grant date. The fair value of awards that are accounted for as cash-settled transactions are subsequently adjusted to the underlying share price at each period end. Performance awards are also adjusted by an estimated payout multiplier. The amount of compensation expense is reduced by an estimated forfeiture rate on the grant date, which has been estimated at 4 percent of outstanding share awards. The forfeiture rate is adjusted to reflect the actual number of shares that vest. Fluctuations in compensation expense may occur due to changes in estimating the outcome of the performance conditions as well as changes in fair value for awards that are accounted for as cash-settled. Upon the vesting of the awards that are accounted for as equity-settled, the associated amount in contributed surplus is recorded as an increase to share capital.

The estimated weighted average fair value for equity-settled share awards at the measurement date is \$4.43 per award granted during the period ended September 30, 2019.

(000s)	Number of Time-based Awards	Number of Performance Awards <sup>(1)</sup>	Total Awards
Balance at December 31, 2018	1,724	4,570	6,294
Granted	610	1,860	2,470
Forfeited	(24)	(28)	(52)
Vested	(301)	(705)	(1,006)
Balance at September 30, 2019	2,009	5,697	7,706

Note:

(1) Based on underlying awards before performance multiplier and dividends accrued.

#### e) Contributed Surplus

(\$000s)	
Balance at December 31, 2018	15,719
Stock-based compensation	9,790
Share award vesting	(8,708)
Balance at September 30, 2019	16,801

#### f) Dividends

Dividends declared were \$0.09 and \$0.25 per common share in the three and nine months ended September 30, 2019, respectively (\$0.08 and \$0.24 in the three and nine months ended September 30, 2018).

On October 15, 2019, the Board of Directors declared a dividend of \$0.0285 per common share designated as an eligible dividend, payable in cash to shareholders of record on October 31, 2019. The dividend payment date is November 15, 2019.

## 16. REVENUE

Whitecap sells its production pursuant to fixed and variable-price contracts. The transaction price for fixed price contracts represents the stand-alone selling price per the contract terms. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under its contracts, Whitecap is required to deliver fixed or variable volumes of crude oil, natural gas and natural gas liquids to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue relates specifically to the Company's efforts to transfer production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable consideration is considered constrained.

The contracts generally have a term of one year or less, whereby delivery occurs throughout the contract period. Commodity Purchasers typically remit amounts to Whitecap by the 25<sup>th</sup> day of the month following production.

A breakdown of petroleum and natural gas sales is as follows:

(\$000s)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Crude oil	318,758	420,770	993,050	1,171,436
NGLs	6,010	16,441	26,069	44,973
Natural gas	6,549	8,807	30,167	31,039
Petroleum and natural gas revenues	331,317	446,018	1,049,286	1,247,448
Tariffs	(3,227)	(4,446)	(9,574)	(15,486)
Processing & other income	7,672	2,406	14,412	9,256
Blending revenue	7,306	1,670	23,139	5,170
Petroleum and natural gas sales	343,068	445,648	1,077,263	1,246,388

Substantially, all of petroleum and natural gas revenues for the three and nine months ended September 30, 2019 are derived from variable price contracts based on index prices.

Included in accounts receivable at September 30, 2019 is \$115.2 million (September 30, 2018 – \$131.3 million) of accrued petroleum and natural gas revenues related to September 2019 production.

## 17. PER SHARE RESULTS

(000s except per share amounts)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Per share income (\$/share)				
Basic	\$0.10	\$0.17	\$0.12	\$0.14
Diluted	\$0.10	\$0.17	\$0.12	\$0.14
Weighted average shares outstanding				
Basic	411,815	417,341	412,816	417,515
Diluted <sup>(1)</sup>	414,464	420,055	415,360	419,842

Note:

<sup>(1)</sup> For the three and nine months ended September 30, 2019, 1.3 million and 1.6 million share awards, respectively (0.9 million and 2.1 million share awards for the three and nine months ended September 30, 2018) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

## 18. SUPPLEMENTAL CASH FLOW INFORMATION

### a) Changes in Non-Cash Working Capital

Changes in non-cash working capital, excluding acquired working capital:

(\$000s)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Accounts receivable	(16,845)	(9,648)	(30,175)	(33,148)
Deposits and prepaid expenses	48	(6,458)	1,194	(6,406)
Accounts payable and accrued liabilities	88,184	22,003	74,429	74,955
Share awards liability – current	1,431	-	3,403	-
Dividend payable	(67)	(28)	521	1,002
Share awards liability – long-term	1,422	-	1,025	-
Change in non-cash working capital	74,173	5,869	50,397	36,403
Related to:				
Operating activities	(6,933)	(18,800)	(8,593)	4,080
Financing activities	(67)	(28)	521	1,002
Investing activities	80,537	24,697	56,846	31,321
Items not impacting cash	636	-	1,623	-

### b) Reconciliation of Financing Liabilities Arising from Financing Activities

The following table provides a detailed breakdown of the cash and non-cash changes in financing liabilities arising from financing activities:

(\$000s)	Long-term debt	Lease liabilities	Dividend payable
Balance at December 31, 2018	1,255,697	-	11,180
Adoption of IFRS 16 [Note 3]	-	91,629	-
Additions	-	839	-
Cash flows	(101,687)	(8,011)	-
Amortization of debt issuance costs	967	-	-
Change in dividends payable	-	-	521
Balance at September 30, 2019	1,154,977	84,457	11,701

## 19. COMMITMENTS

The Company is committed to future payments under the following agreements:

(\$000s)	2019	2020	2021	2022+	Total
Lease liabilities [Note 13]	3,665	14,493	14,266	65,486	97,910
Service agreements	563	2,254	2,251	13,204	18,272
Transportation agreements	5,724	22,827	16,341	110,306	155,198
CO <sub>2</sub> purchase commitments	9,451	38,350	39,011	159,036	245,848
Long-term debt <sup>(1)</sup>	5,446	21,605	21,605	1,209,996	1,258,652
Total	24,849	99,529	93,474	1,558,028	1,775,880

Note:

<sup>(1)</sup> These amounts include the notional principal and interest payments.

## 20. RELATED PARTY TRANSACTIONS

The Company has retained the law firm of Burnet, Duckworth & Palmer LLP (“BD&P”) to provide Whitecap with legal services. A director of Whitecap is a partner of this firm. During the three and nine months ended September 30, 2019, the Company incurred \$0.1 million and \$0.2 million for legal fees and disbursements, respectively (nil and \$0.6 million for the three and nine months ended September 30, 2018, respectively). These amounts have been recorded at the amounts that have been agreed upon by the two parties. The Company expects to retain the services of BD&P from time to time. As of September 30, 2019, a nil payable balance (nil – September 30, 2018) was outstanding.

## 21. INVESTMENTS IN SUBSIDIARIES

The Company has the following material subsidiaries, each owned 100% directly, at September 30, 2019:

<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation or Formation</b>
Whitecap Energy Inc.	Canada
Whitecap Resources Partnership	Canada

## 22. INCOME TAXES

The general Provincial tax rate in Alberta was decreased on June 28, 2019 from 12 percent to 11 percent for the second half of 2019, 10 percent for 2020, 9 percent for 2021 and 8 percent for 2022 and beyond. As a result of the rate change, Whitecap recognized \$12.5 million in deferred income tax recovery in the consolidated statement of comprehensive income for the nine months ended September 30, 2019.