WHITECAP RESOURCES INC

NEWS RELEASE

March 7, 2017

WHITECAP RESOURCES INC. ANNOUNCES FOURTH QUARTER AND YEAR END 2016 RESULTS

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and audited financial results for the year ended December 31, 2016.

Selected financial and operating information is outlined below and should be read with Whitecap's audited annual consolidated financial statements and related Management's Discussion and Analysis ("MD&A") and Annual Information Form ("AIF") which will be available at www.sedar.com and on our website at www.wcap.ca.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended December 31		Twelve months ended December 31	
Financial ($000s except per share amounts)	2016	2015	2016	2015
Petroleum and natural gas sales	209,149	148,225	635,306	622,280
Net income (loss)	191,104	(87,087)	170,748	(500,713)
Basic ($/share)	0.52	(0.29)	0.50	(1.76)
Diluted ($/share)	0.51	(0.29)	0.50	(1.76)
Funds flow [(1)]	117,792	111,537	384,725	481,178
Basic ($/share) [(1)]	0.32	0.37	1.13	1.69
Diluted ($/share) [(1)]	0.32	0.37	1.13	1.68
Dividends paid or declared	25,745	56,162	116,521	212,898
Per share	0.07	0.19	0.35	0.75
Total payout ratio (%) [(1)]	89	106	76	93
Field capital [(1)]	79,651	62,322	173,993	234,778
Property acquisitions	12,043	94,397	630,565	252,278
Property dispositions	35	(268)	(144,379)	(26,592)
Corporate acquisitions	-	-	-	579,906
Net debt [(1)]	818,580	939,787	818,580	939,787
Operating				
Average daily production				
Crude oil (bbls/d)	37,072	29,092	32,398	27,958
NGLs (bbls/d)	3,247	3,130	3,168	2,974
Natural gas (Mcf/d)	61,756	59,069	61,651	60,128
Total (boe/d)	50,612	42,067	45,841	40,953
Average realized price [(2)]				
Crude oil ($/bbl)	53.88	49.05	47.58	53.69
NGLs ($/bbl)	23.60	15.60	17.31	15.31
Natural gas ($/Mcf)	3.23	2.29	2.26	2.63
Total ($/boe)	44.92	38.30	37.87	41.63
Netbacks ($/boe)				
Petroleum and natural gas sales	44.92	38.30	37.87	41.63
Realized hedging gain	1.65	10.84	4.44	11.39
Royalties	(6.89)	(5.36)	(5.42)	(5.53)
Operating expenses	(10.18)	(9.53)	(9.54)	(9.81)
Transportation expenses	(1.00)	(1.57)	(0.89)	(1.57)
Operating netbacks [(1)]	28.50	32.68	26.46	36.11
General and administrative	(1.15)	(1.38)	(1.29)	(1.44)
Interest and financing	(1.91)	(2.37)	(2.14)	(2.37)
Transaction costs	(0.00)	(0.01)	(0.02)	(0.02)
Settlement of decommissioning liabilities	(0.14)	(0.10)	(0.07)	(0.08)
Funds flow netbacks [(1)]	25.30	28.82	22.94	32.20
Share information (000s)				
Common shares outstanding, end of period	368,351	300,613	368,351	300,613
Weighted average basic shares outstanding	368,272	298,973	339,735	283,889
Weighted average diluted shares outstanding	371,193	302,578	341,893	287,011

Notes:

(1) Funds flow, funds flow per share, total payout ratio, field capital, net debt, operating netbacks and funds flow 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 another year of strong operating and financial results which exceeded our expectations during a very challenging year for the energy industry. We were able to achieve this in a safe and effective manner while increasing value for our shareholders. Our top three priorities in 2016 were to (1) maintain a strong balance sheet, (2) continue to achieve excellence in operational execution and cost improvements, and (3) if possible, capitalize on the lower commodity price environment by acquiring low decline assets that have growth potential and enhance the long-term sustainability of our Company.

As a result of once again spending less than our funds flow (total payout ratio of 76% after field capital spending and dividend payments), we were able to reduce net debt by $121.2 million to $818.6 million at December 31, 2016 on credit capacity of $1.1 billion resulting in undrawn capacity of $281.4 million or 26%. Our Q4/16 net debt to funds flow ratio was 1.7 times compared to 2.1 times in Q4/15 which was a 19% improvement. Subsequent to the year end, we further diversified and strengthened our financial flexibility through the issuance of C$200 million of senior secured 5 year notes with a low annual coupon rate of 3.46% maturing in 2022, thereby increasing our credit capacity by 18% to $1.3 billion.

With respect to operational execution, in 2016 we spent a total of $174 million of field capital drilling 104 (94.1 net) horizontal oil wells with a 100% success rate. These included 57 (51.8 net) horizontal Viking oil wells in west central Saskatchewan, 18 (17.9 net) horizontal Cardium wells in west central Alberta, 13 (9.2 net) wells in southwest Saskatchewan, 3 (2.5 net) Dunvegan wells and 6 (6.0 net) Cardium wells at Wapiti in northwest Alberta, 6 (5.7 net) Boundary Lake (Triassic) wells in British Columbia, and 1 (1.0 net) well at Elnora. Whitecap's field capital program resulted in a finding and development ("F&D") cost of $2.34/boe, including future development capital ("FDC") on total proved plus probable ("TPP") reserve additions. With a specific focus for the year on decreasing our controllable costs (operating, transportation, general and administrative, and interest and financing expenses), we were able to reduce these costs by 9% to $13.86/boe compared to $15.19/boe in 2015.

With respect to strategic acquisitions, we were able to successfully transact on and integrate $630.6 million in property acquisitions during the year including a significant acquisition of 11,600 boe/d (98% oil) of low decline production in southwest Saskatchewan. This acquisition provided us with a large drilling inventory and strong free funds flow profile for enhanced per share growth in funds flow, production and reserves in the future. Current production in southwest Saskatchewan is over 13,400 boe/d, an increase of 16% from the time of acquisition. Q4/16 operating costs in this area were $15.30/boe compared to $16.71/boe when we acquired the property, an 8% decrease. In aggregate, our field capital spending and net acquisitions resulted in TPP reserve additions replacing 559% of our annual production at a finding, development and acquisition ("FD&A") cost of $11.51/boe including changes in FDC and a recycle ratio of 2.3 times.

We highlight the following for 2016:

- ✓ Achieved record average production of 50,612 boe/d in Q4/16 compared to 42,067 boe/d in Q4/15, an increase of 20% (10% per debt-adjusted share). Average production for the full year was 45,841 boe/d compared to 40,953 in 2015, an increase of 12% (no change per debt-adjusted share).

- ✓ Realized strong funds flow netbacks of $25.30/boe in Q4/16 and averaged $22.94/boe in 2016 demonstrating the quality of our oil-weighted asset base and the results of our focus on reducing controllable costs which have declined by 9% year over year.

- ✓ Enhanced our funds flow netbacks through an active and effective risk management program which resulted in realized hedging gains of $7.7 million ($1.65/boe) in Q4/16 and $74.5 million ($4.44/boe) for the twelve months ended December 31, 2016.

- ✓ The total payout ratio was 76% in 2016 compared to 93% in the prior year, demonstrating the strength of our assets and the efficient execution of our field capital program in 2016.

- ✓ The results of our 2016 year end reserves evaluation underpins the quality of our asset base and upside potential. Refer to our February 27, 2017 news release "*Whitecap Resources Inc. Announces Continued Reserves Per Share Growth and Record Low Reserve Addition Costs Across All Categories"* for additional information.

OUTLOOK

With a large, low risk oil development inventory of 2,895 drilling locations and our disciplined approach to sustainable per share growth within funds flow, Whitecap is very well positioned to deliver strong returns to shareholders in 2017 and beyond. We continue to be constructive on a crude oil price recovery in 2017 and remain disciplined with respect to the allocation of our free funds flow which we anticipate to be significant based on current strip pricing. Our first priority for allocating free funds flow is to maintain our balance sheet strength. We are targeting a net debt to funds flow ratio of under 1.5 times and anticipate that based on current strip pricing, we will be able to achieve this in Q2/17. Our other priorities include enhancing our funds flow and production per share growth through either complementary tuck-in acquisitions within our core areas or increasing our field capital spending in 2H/17 and to consistently increase our dividend annually in a prudent and financially conservative manner with a focus on long-term sustainability. Our near term objective is to deliver strong results on our Q1/17 program and to closely monitor commodity prices in the 1H/17 before determining the allocation of our strong free funds flow.

Once again, our Management team and Board of Directors would like to thank you for your ongoing support of Whitecap.

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", "project", "expect", "forecast", "goal", "plan", "target", "intend" 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, priorities, objectives and focus, planned waterflood and enhanced oil recovery projects, our strategy to enhance long-term sustainability and our free funds flow profile, capital spending plans, future production, our capital expenditure program, future commodity prices, plans to allocate future funds flow, 2017 funds flow, targeted net debt to funds flow ratio, acquisition plans, and our future dividend policy, Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

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 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. 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 securityholders 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).

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Whitecap's prospective results of operations, funds flow, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing further information about Whitecap's future business operations. Whitecap disclaims any intention or obligation to update or revise any FOFI contained in this document, 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 document should not be used for purposes other than for which it is disclosed herein.

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.

Oil and Gas Advisories

All reserve references in this press release are “Company share reserves”. Company share reserves are the Company’s total working interest reserves before the deduction of any royalties and including any royalty interests of the Company.

"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.

This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "recycle ratio", "operating netback", "F&D costs", "FD&A costs", "production replacement ratio", and "development capital. These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

"**Finding and development costs**" are calculated as the sum of development capital plus the change in FDC for the period divided by the change in reserves that are characterized as development for the period and "**finding development and acquisition costs**" are calculated as the sum of development capital plus acquisition capital plus the change in FDC for the period divided by the change in total reserves, other than from production, for the period.

Both finding and development costs and finding development and acquisition costs take into account reserves revisions during the year on a per boe basis. The aggregate of the exploration and development costs incurred in the financial year and changes during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in this press release because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of our cost structure.

"**Development capital**" means the aggregate exploration and development costs incurred in the financial year on reserves that are categorized as development. Development capital excludes capitalized administration costs.

“Acquisition capital” includes net property acquisitions less any non-cash amounts and the announced purchase price of corporate acquisitions including any estimated working capital deficit or surplus rather than the amounts allocated to property, plant and equipment for accounting purposes and the aggregate exploration and development capital spending within the year on reserves that are categorized as acquisitions less the disposition of certain processing facilities.

"**Recycle ratio**" is measured by dividing operating netback by F&D or FD&A cost per boe for the year.

"**Operating netback**" is calculated using production revenues including realized hedging gains and losses on commodity contracts minus royalties, operating and transportation expenses calculated on a per boe basis.

"**Production replacement ratio**" is calculated as total reserve additions (including acquisitions net of dispositions) divided by annual production.

“Production per debt-adjusted share” adjusts for changes in net debt by converting debt to equity using the closing share price of Whitecap on the TSX at year end and is calculated as average production volumes divided by the sum of the number of common shares issued and outstanding at year end and the change in net debt at year end divided by the Company’s closing trading price on the TSX at year end.

“Reserve life index” is calculated as total company share reserves divided by annual production.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Whitecap’s operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

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 McDaniels' reserves evaluation effective December 31, 2016 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 2,895 total drilling locations identified herein, 1,183 are proved locations, 124 are probable locations and 1,588 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 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 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.

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.

"**Funds flow per share**" represents funds flow divided by the basic or diluted weighted average shares outstanding in the period. 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 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 and free funds flow (non-GAAP measures):

	Three months ended December 31		Twelve months ended December 31	
($000s)	2016	2015	2016	2015
Cash flow from operating activities	98,803	114,482	365,138	504,718
Changes in non-cash working capital	18,989	(2,945)	19,587	(23,540)
Funds flow	117,792	111,537	384,725	481,178
Cash dividends declared	25,745	56,162	116,521	212,898
Field capital expenditures	79,651	62,322	173,993	234,778
Free funds flow	12,396	(6,947)	94,211	33,502
Total payout ratio (%)	89	106	76	93

"**Field capital"** represents expenditures on property, plant and equipment excluding corporate and other assets.

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

	Three months ended December 31		Twelve months ended December 31	
($000s)	2016	2015	2016	2015
Expenditures on PP&E	79,703	62,391	174,358	235,096
Expenditures on corporate and other assets	(52)	(69)	(365)	(318)
Field capital	79,651	62,322	173,993	234,778

"Free funds flow" represents funds flow less cash dividends declared and field capital.

"Operating netbacks" are determined by deducting realized hedging losses or adding realized hedging gains and deducting royalties, operating expenses and transportation expenses from petroleum and natural gas sales. Operating netbacks are per boe measures used in operational and capital allocation decisions.

“Funds flow netbacks” are determined by deducting cash general and administrative, interest and financing expenses, transaction costs and settlement of decommissioning liabilities from operating netbacks.

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

“Net debt” is calculated as bank debt plus working capital surplus or deficit 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)	December 31 2016	December 31 2015
Bank debt	773,395	876,166
Current liabilities	231,416	165,922
Current assets	(111,194)	(149,338)
Risk management contracts	(75,037)	47,037
Net debt	818,580	939,787

For further information:

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