MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations for Whitecap Resources Inc. (the "Company" or "Whitecap") is dated April 28, 2020 and should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes for the period ended March 31, 2020, as well as the audited annual consolidated financial statements and related notes for the year ended December 31, 2019. These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, in Canadian dollars, except where indicated otherwise. Accounting policies adopted by the Company are set out in the notes to the audited annual consolidated financial statements for the year ended December 31, 2019 and Note 3 of the unaudited interim consolidated financial statements for the period ended March 31, 2020. The unaudited interim consolidated financial statements of Whitecap have been prepared by management and approved by the Company's Board of Directors. The MD&A should also be read in conjunction with Whitecap's disclosure under "Non-GAAP Measures" and "Forward-Looking Information and Statements" below. Additional information respecting Whitecap, is available on the SEDAR website (www.sedar.com) and on our website (www.wcap.ca).

DESCRIPTION OF BUSINESS

Whitecap 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.

2020 FIRST QUARTER FINANCIAL AND OPERATIONAL RESULTS

Production

Whitecap's average production volumes and commodity splits were as follows:

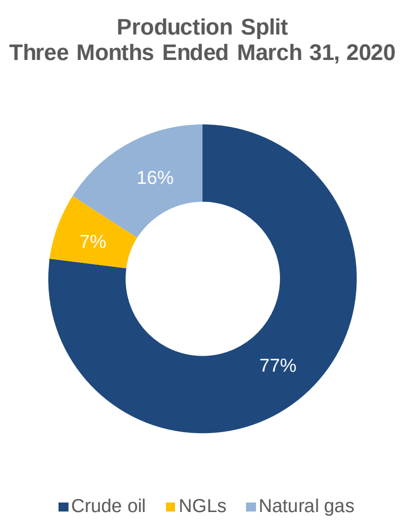
	Three months ended March 31	
	2020	2019
Crude oil (bbls/d) (1)	56,631	55,199
NGLs (bbls/d)	5,077	4,386
Natural gas (Mcf/d) (1)	70,466	66,486
Total (boe/d) (2)	73,452	70,666

Notes:

(1) References to crude oil or natural gas production in the above table and elsewhere in this MD&A refer to the light and medium crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

(2) Disclosure of production on a per boe basis in this MD&A consists of the constituent product types and their respective quantities disclosed in this table.

Exhibit 1



Average production volumes increased four percent to 73,452 boe/d in the first quarter of 2020 from 70,666 boe/d in the first quarter of 2019. The increase in production volumes was primarily attributable to capital investments in 2019 as well as in the first quarter of 2020, partially offset by natural declines.

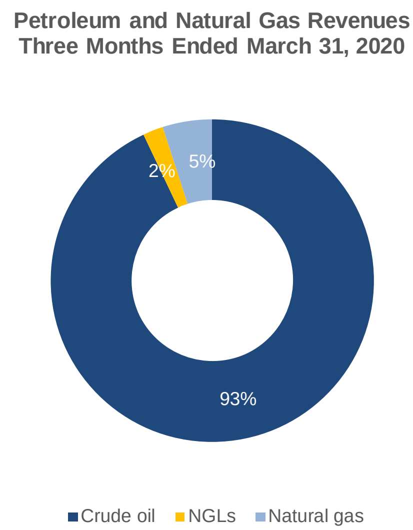
Our crude oil and NGLs weighting in the first quarter of 2020 is generally consistent compared to the first quarter of 2019.

Petroleum and Natural Gas Sales

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

	Three months ended March 31	
($000s)	2020	2019
Crude oil	244,659	315,951
NGLs	5,682	11,014
Natural gas	13,976	16,274
Petroleum and natural gas revenues	264,317	343,239
Tariffs	(3,086)	(3,559)
Processing & other income	2,200	3,260
Blending revenue	8,671	11,921
Petroleum and natural gas sales	272,102	354,861

Exhibit 2



Petroleum and natural gas revenues in the first quarter of 2020 decreased 23 percent to $264.3 million from $343.2 million in the first quarter of 2019. The decrease of $78.9 million consists of $89.9 million attributed to lower realized prices, partially offset by $11.0 million attributed to higher production volumes.

Benchmark and Realized Prices

Average benchmark and realized prices are as follows:

	Three months ended March 31 2020	2019
Average benchmark prices		
WTI (US$/bbl) (1)	46.17	54.90
Exchange rate (US$/C$)	1.34	1.33
WTI (C$/bbl)	61.65	72.98
MSW Par at Edmonton ($/bbl) (2)	51.62	66.40
Fosterton Par at Regina ($/bbl)	45.32	63.64
Midale Par at Cromer ($/bbl)	55.34	71.72
AECO natural gas ($/Mcf) (3)	2.03	2.62
Average realized prices (4)		
Crude oil ($/bbl)	47.48	63.60
NGLs ($/bbl)	12.30	27.90
Natural gas ($/Mcf)	2.18	2.72
Combined ($/boe)	39.54	53.97

Notes:

(1) WTI represents the calendar month average of West Texas Intermediate oil.

(2) Mixed Sweet Blend ("MSW").

(3) AECO represents the AECO 5A Daily Index price.

(4) Prior to the impact of hedging activities and tariffs.

Whitecap's weighted average realized price prior to the impact of hedging activities and tariffs decreased 27 percent to $39.54 per boe in the first quarter of 2020 compared to $53.97 per boe in the first quarter of 2019.

The WTI price decreased by 16 percent to average US$46.17 per barrel in the first quarter of 2020 compared to US$54.90 per barrel in the first quarter of 2019. The decrease is primarily due to increased North American crude oil supply, particularly in the US, throughout 2019 and continuing into the first quarter of 2020. In the first quarter of 2020, US average production increased eight percent to 12.7 million barrels per day compared to 11.8 million barrels per day in the first quarter of 2019.

The MSW par oil prices decreased by 22 percent to average $51.62 per barrel in the first quarter of 2020 compared to $66.40 per barrel in the first quarter of 2019. The decrease is primarily due to the decrease in WTI prices and the Alberta Government reducing the mandated production curtailments compared to the first quarter of 2019 when the implementation was effective.

The Company's realized crude oil price in southwest Saskatchewan is based on the Fosterton par price at Regina. The Fosterton oil price decreased 29 percent to average $45.32 per barrel in the first quarter of 2020 compared to $63.64 per barrel in the first quarter of 2019. The decrease is primarily due to lower WTI prices and the weakening of the Fosterton differential relative to WTI during the same period caused by weaker demand and pipeline egress constraints.

The Company's realized crude oil price in southeast Saskatchewan is based on the Midale par price at Cromer. The Midale par price decreased 23 percent to average $55.34 per barrel in the first quarter of 2020 compared to $71.72 per barrel in the first quarter of 2019. The decrease is primarily due to lower WTI prices.

The AECO daily spot price decreased 23 percent to average $2.03 per Mcf in the first quarter of 2020 compared to an average of $2.62 per Mcf in the first quarter of 2019. The decrease was primarily due to lower natural gas demand and increased production in the Western Canadian Sedimentary Basin compared to the first quarter of 2019.

The natural gas liquids realized price decreased 56 percent to average $12.30 per barrel in the first quarter of 2020 compared to $27.90 per barrel in the first quarter of 2019. The decrease is primarily due to increased transportation and processing fees, and a decline in demand due to increased supply within the Alberta fractionation market.

Risk Management and Hedging Activities

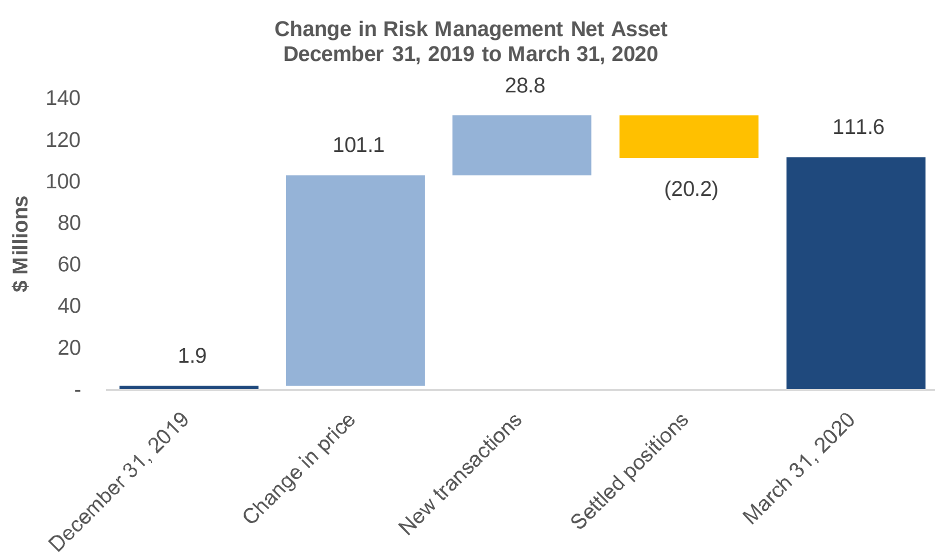
Whitecap maintains an ongoing risk management program to reduce the volatility of revenues in order to fund capital expenditures and pay cash dividends to shareholders.

The Company realized a gain of $19.8 million on its commodity risk management contracts for the three months ended March 31, 2020. The unrealized gains and losses are a result of the non-cash change in the mark-to-market values period over period. The significant assumptions made in determining the fair value of financial instruments are disclosed in Note 4 to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2020.

	Three months ended March 31	
Risk Management Contracts ($000s)	2020	2019
Realized gain (loss) on commodity contracts	19,789	(3,050)
Unrealized gain (loss) on commodity contracts	149,384	(108,318)
Net gain (loss) on commodity contracts	169,173	(111,368)
Realized gain on interest rate contracts (1)	141	92
Unrealized loss on interest rate contracts (1)	(9,717)	(177)
Realized gain on equity contracts (2)	292	-
Unrealized loss on equity contracts (2)	(29,958)	-
Net gain (loss) on risk management contracts	129,931	(111,453)

Notes:
(1) The gain (loss) on interest rate risk management contracts is included in interest and financing expenses.
(2) The gain (loss) on equity contracts is included in stock-based compensation expenses.

Exhibit 3



At March 31, 2020, the following risk management contracts were outstanding with an asset fair market value of $146.7 million and a liability fair market value of $35.1 million:

WTI Crude Oil Derivative Contracts

Type	Term	Volume (bbls/d)	Bought Put Price (C$/bbl) [1]	Sold Call Price (C$/bbl) [1]	Swap Price (C$/bbl) [1]
Swap	2020 Apr – Jun	2,000			80.93
Collar	2020 Apr – Jun	11,000	68.18	87.45	
Collar	2020 Apr – Dec	10,000	62.30	80.23	
Collar	2020 Jul – Dec	9,000	64.44	83.99	
Collar	2021 Jan – Jun	2,000	60.00	81.53	

Note:

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

WTI Crude Oil Differential Derivative Contracts

Type	Term	Volume (bbls/d)	Basis [1][2]	Swap Price (C$/bbl) [3]
Swap	2020 Apr – Jun	10,000	MSW	6.18
Swap	2020 Jul – Sep	2,000	MSW	7.00
Swap	2020 Jul – Dec	2,000	MSW	8.00
Swap	2020 Apr – Jun	4,000	WCS	21.80
Swap	2020 Apr – Sep	2,000	WCS	19.75
Swap	2020 Jul – Dec	2,000	WCS	21.65

Notes:

(1) Mixed Sweet Blend (“MSW”).

(2) Western Canadian Select (“WCS”)

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

Natural Gas Derivative Contracts

Type	Term	Volume (GJ/d)	Swap Price (C$/GJ) [1]
Swap	2020 Apr – Oct	15,000	1.66
Swap	2020 Apr – Dec	5,000	1.82
Swap	2021 Jan – Dec	10,000	1.95

Note:

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

Power Derivative Contracts

Type	Term	Volume (MWh)	Fixed Rate ($/MWh) [1]
Swap	2020 Apr – Dec	6,600	50.50

Note:

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

Interest Rate Contracts

Type	Term		Amount ($000s)	Fixed Rate (%) [1]	Index [2]
Swap	Aug 6, 2019	Aug 6, 2024	200,000	1.554	CDOR

Notes:

(1) Rates reported are the weighted average rates for the period.

(2) Canadian Dollar Offered Rate (“CDOR”).

Equity Derivative Contracts

Type	Term		Notional Amount ($000s) [1]	Share Volume
Swap	Apr 1, 2020	Oct 1, 2020	10,867	2,025,000
Swap	Apr 1, 2020	Oct 1, 2021	12,584	2,345,000
Swap	Apr 1, 2020	Oct 1, 2022	13,255	2,470,000

Note:

(1) Notional amount is calculated as the share volume for the period multiplied by the weighted average prices for the period.

Contracts entered into subsequent to March 31, 2020

WTI Crude Oil Derivative Contracts

Type	Term	Volume (bbls/d)	Swap Price (C$/bbl) (1)
Swap	2020 May	10,000	23.61

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

Natural Gas Derivative Contracts

Type	Term	Volume (GJ/d)	Swap Price (C$/GJ) (1)
Swap	2020 May – Oct	9,000	1.92
Swap	2020 Nov – 2021 Mar	2,000	2.60
Swap	2021 Jan – Dec	4,000	2.36
Swap	2021 Apr – Oct	2,000	2.33

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

Royalties

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Royalties	39,007	59,276
As a % of petroleum and natural gas revenues	14.8	17.3
$ per boe	5.84	9.32

Royalties as a percentage of revenues in the first quarter of 2020 were 14.8 percent compared to 17.3 percent in the first quarter of 2019. Certain royalties paid in Southeast Saskatchewan are based on net profits, which are calculated as operating income, less capital expenditures. Lower net profits due to lower operating income, as a result of decreased realized prices, and higher capital expenditures in 2020, resulted in Whitecap being subject to lower royalty rates in Southeast Saskatchewan. In addition, the decrease was attributed to lower realized pricing as well as favourable prior period adjustments in the first quarter of 2020 compared to the same period in 2019.

Whitecap pays royalties to the provincial governments and mineral owners in Alberta, Saskatchewan and British Columbia. Each province has separate royalty regimes which impact Whitecap's overall corporate royalty rate.

Operating Expenses

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Operating expenses	81,564	80,642
$ per boe	12.20	12.68

Operating expenses per boe in the first quarter of 2020 decreased four percent to $12.20 per boe compared to $12.68 per boe in the first quarter of 2019. The decrease in operating expenses per boe in the first quarter of 2020 is primarily attributed to higher production volumes in the first quarter of 2020 compared to the same period in 2019.

Transportation Expenses

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Transportation expenses	15,573	14,010
$ per boe	2.33	2.20

Transportation expenses per boe in the first quarter of 2020 increased six percent to $2.33 per boe compared to $2.20 per boe in the first quarter of 2019. The increase was primarily due to increased clean oil hauling and shipping rates in Northwest Alberta & British Columbia and increased shipper status in West Central Alberta which resulted in higher transportation expenses, with a corresponding decrease in tariffs netted against petroleum and natural gas sales.

Transportation expenses per boe will fluctuate quarterly based on pipeline connectivity or downtime, weather, shipper status and pipeline shipping arrangements. When Whitecap has shipper status, pipeline tariffs incurred by the Company are included in transportation expenses. When Whitecap does not have shipper status, pipeline tariffs incurred by commodity purchasers subsequent to the delivery of the Company's product are charged back to Whitecap and are netted against petroleum and natural gas sales.

Operating Netbacks

The components of operating netbacks are shown below:

	Three months ended March 31	
Netbacks ($/boe)	2020	2019
Petroleum and natural gas revenues	39.54	53.97
Tariffs	(0.46)	(0.56)
Processing & other income	0.33	0.51
Blending revenue	1.30	1.87
Petroleum and natural gas sales	40.71	55.79
Realized hedging gain (loss)	2.96	(0.48)
Royalties	(5.84)	(9.32)
Operating expenses	(12.20)	(12.68)
Transportation expenses	(2.33)	(2.20)
Blending expenses	(1.19)	(1.79)
Operating netbacks (1)	22.11	29.32

Note:
(1) Operating netbacks are a non-GAAP measure which is defined under the Non-GAAP Measures section of this MD&A.

General and Administrative ("G&A") Expenses

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Gross G&A costs	12,143	13,555
Recoveries	(4,751)	(3,794)
Capitalized G&A	(1,409)	(3,112)
G&A expenses	5,983	6,649
$ per boe	0.90	1.05

The decrease in gross G&A costs in the first quarter of 2020 compared to the same period in 2019 is primarily attributed to cost reduction initiatives by the Company in the first quarter of 2020.

The increase in recoveries in the first quarter of 2020 compared to the same period in 2019 is due to higher capital recoveries as there were higher capital expenditures in the first quarter of 2020 compared to the same period in 2019.

The decrease to capitalized G&A in the first quarter of 2020 compared to the same period in 2019 is primarily attributed to the timing of annual bonus payments, which are capitalized when paid.

G&A expenses per boe in the first quarter of 2020 decreased 14 percent to $0.90 per boe compared to $1.05 per boe in the first quarter of 2019. The decrease on a per boe basis is primarily attributed to lower gross G&A costs and higher production volumes in the first quarter of 2020 compared to the same period in 2019.

Share-based Awards

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Stock-based compensation	(2,299)	6,762
Realized gain on total return contracts	(292)	-
Unrealized loss on total return contracts	29,958	-
Capitalized stock-based compensation	(29)	(1,957)
Stock-based compensation expenses	27,338	4,805
$ per boe	4.09	0.76

The decreases in stock-based compensation and capitalized stock-based compensation for the three months ended March 31, 2020 are primarily attributable to a decrease in the fair value of cash-settled awards, resulting from decreases to Whitecap's share price in the first quarter of 2020. Stock-based compensation will fluctuate with changes to the expected payout multipliers associated with the performance awards, vesting of existing grants, additional grants under the Award Incentive Plan, as well as changes in fair value for awards that are accounted for as cash-settled.

The unrealized loss on total return contracts was a result of a decrease in the fair value of the total return contracts, resulting from a decrease in share price in the first quarter of 2020.

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 March 31, 2020, 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.

A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of awards that vest. 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 resulting stock-based compensation expense is recognized on a straight-line basis over the vesting period, with a corresponding increase to contributed surplus in the case of awards accounted for as equity-settled, or accounts payable and share-based compensation liability in the case of awards 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.

As at March 31, 2020, the Company had 7.1 million awards outstanding.

Interest and Financing Expenses

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Interest	12,407	13,754
Realized gain on interest rate contracts	(141)	(92)
Unrealized loss on interest rate contracts	9,717	177
Interest and financing expenses	21,983	13,839
$ per boe	3.29	2.18

Interest and financing expenses per boe increased 51 percent to $3.29 per boe in the first quarter of 2020 compared to $2.18 per boe in the first quarter of 2019. The increase on a per boe basis was mainly attributed to higher unrealized losses on interest rate contracts, which are included in interest and financing expenses, offset by lower outstanding debt balances and interest rates in the first quarter compared to the same period in 2019.

Depletion, Depreciation and Amortization ("DD&A")

	Three months ended March 31	
($000s, except per boe amounts)	2020	2019
Depletion, Depreciation and Amortization	125,118	116,842
$ per boe	18.72	18.37

DD&A per boe in the first quarter of 2020 was consistent at $18.72 per boe compared to $18.37 per boe in the first quarter of 2019.

DD&A per boe will fluctuate from one period to the next depending on the amount and type of capital spending, the recognition or reversal of impairments, the amount of reserves added and production volumes. The depletion rates are calculated on proved and probable oil and natural gas reserves, taking into account the future development costs to produce the reserves.

Impairment Expense

	Three months ended March 31	
($000s)	2020	2019
Property, plant and equipment impairment	2,801,593	-
Goodwill impairment	122,682	-
Impairment expense	2,924,275	-

Property, Plant and Equipment (PP&E) Impairment

The impairment test of PP&E at March 31, 2020 concluded that the carrying amounts of each of the Company's cash generating units exceeded their fair value less cost of disposal ("FVLCD"):

($000s)	FVLCD	Carrying Value	Impairment
Northwest Alberta & British Columbia	521,508	1,164,965	643,457
Southeast Saskatchewan	559,345	900,438	341,093
Southwest Saskatchewan	387,844	895,683	507,839
West Central Alberta	549,188	1,287,248	738,060
West Central Saskatchewan	360,167	931,311	571,144
Total	2,378,052	5,179,645	2,801,593

The full amount of the impairment was attributed to PP&E and, as a result, a total impairment loss of $2.8 billion was recorded in impairment expense. The impairment expense in 2020 was primarily a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019. Additionally, as a result of increased volatility in the market, the after-tax discount rate used to determine the FVLCD increased from 10 percent as at December 31, 2019 to 13 percent as at March 31, 2020. The three percent increase in the after-tax discount rate resulted in the recognition of an additional $908.3 million in PP&E impairment.

Goodwill impairment

In addition, as at March 31, 2020, the Company determined that the corporate carrying amount, consisting of PP&E and goodwill net of associated deferred income tax, of $2.5 billion exceeded the recoverable amount of $2.4 billion. The full amount of the impairment was attributed to goodwill and, as a result, an impairment loss of $122.7 million was recorded in impairment expense. The impairment expense in 2020 was primarily a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019.

Taxes

During the three months ended March 31, 2020, the Company recognized a deferred income tax recovery of $670.0 million compared to a deferred income tax recovery of $16.4 million for the same period in 2019. The deferred income tax recovery in the three months ended March 31, 2020 was primarily due to impairments recognized in the period.

The following gross deductions are available for deferred income tax purposes:

($000s)	March 31, 2020	December 31 2019	Annual Deductibility
Undepreciated capital cost	594,112	610,658	Various rates, primarily 25% declining balance
Canadian development expense	772,958	683,907	30% declining balance
Canadian exploration expense	7,364	-	100%
Canadian oil & gas property expense	1,631,575	1,653,727	10% declining balance
Non-capital loss carryforward	779,611	688,645	100%
Share issue costs	8,992	10,714	20% straight line
Total	3,794,612	3,647,651	

Gain on Acquisition

As part of the acquisition of Hyak Energy ULC ("Hyak"), Whitecap recognized a gain of $28.1 million for the three months ended March 31, 2020. The gain represents the excess of the $45.0 million total identifiable net assets acquired over the $16.9 million cash consideration paid.

Net Loss

For the three months ended March 31, 2020, the Company recognized a net loss of $2.1 billion, compared to a net loss of $52.6 million for the same period in 2019.

The following changes impacted the net loss:

($000s)	Three months ended March 31
2019 Net Loss	(52,561)
Increase in impairment expenses	(2,924,275)
Change in petroleum and natural gas sales	(82,759)
Increase in stock-based compensation expenses	(22,533)
Change in depletion, depreciation and amortization	(8,276)
Increase in interest and financing expenses	(8,144)
Change in deferred income tax recovery	653,618
Change in risk management contracts	280,541
Change in gain on acquisition	28,131
Change in royalties	20,269
Other net changes	4,515
2020 Net Loss	(2,111,474)

The factors causing these changes are discussed in the preceding sections.

Cash Flow from Operating Activities, Funds Flow and Payout Ratios

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.

Whitecap reports funds flow in total and on a per share basis. Refer to Note 5(e) "Capital Management" in the Company's unaudited interim consolidated financial statements.

The following table reconciles cash flow from operating activities to funds flow and free funds flow:

	Three months ended March 31	
($000s)	2020	2019
Cash flow from operating activities	160,495	136,852
Changes in non-cash working capital	(28,718)	24,369
Funds flow (1)	131,777	161,221
Expenditures on PP&E	138,797	124,904
Free funds flow (2)	(7,020)	36,317
Dividends paid or declared	34,906	33,466
Basic payout ratio (%) (2)	26	21
Total payout ratio (%) (2)	132	98
Funds flow per share, basic	0.32	0.39
Funds flow per share, diluted	0.32	0.39
Dividends paid or declared per share	0.09	0.08

Notes:

(1) Refer to Note 5(e) "Capital Management" in the unaudited interim consolidated financial statements.

(2) Free funds flow, basic payout ratio and total payout ratio are non-GAAP measures which are defined under the Non-GAAP Measures section of this MD&A.

Dividends are only declared once they are approved by the Company's Board of Directors. The Board of Directors reviews Whitecap's dividend policy on a monthly basis.

Cash flow from operating activities for the three months ended March 31, 2020, was $160.5 million, compared to $136.9 million for the same period in 2019.

The following changes impacted cash flow from operating activities:

($000s)	Three months ended March 31
2019 Cash flow from operating activities	136,852
Change in impairment expenses	2,924,275
Net change in non-cash working capital items	53,087
Change in depletion, depreciation and amortization	8,276
Change in net loss	(2,058,913)
Change in deferred income tax recovery	(653,618)
Change in unrealized risk management contracts	(218,204)
Change in gain on acquisition	(28,131)
Other net changes	(3,129)
2020 Cash flow from operating activities	160,495

Funds flow for the three months March 31, 2020, was $131.8 million compared to $161.2 million for the same period in 2019. The decrease in funds flow is primarily attributed to lower commodity prices, offset by higher production volumes.

Free funds flow for the three months ended March 31, 2020, was negative $7.0 million, compared to $36.3 million for the same period in 2019. The decrease in free funds flow is primarily attributed to lower funds flow and higher expenditures on PP&E.

Capital Expenditures

	Three months ended March 31	
($000s)	2020	2019
Land and geological	270	3,316
Drilling and completions	124,089	104,046
Investment in facilities	12,818	14,263
Capitalized administration	1,409	3,112
Corporate and other assets	211	167
Expenditures on PP&E	138,797	124,904
Property acquisitions	76	1,390
Property dispositions	-	(667)
Corporate acquisition	18,149	-
Total capital expenditures	157,022	125,627

For the three months ended March 31, 2020, expenditures on PP&E totaled $138.8 million with 99 percent spent on drilling, completions and facilities.

For the three months ended March 31, 2020, Whitecap's drilling activity was as follows:

	Three months ended March 31, 2020	
	Gross	Net
Northwest Alberta & British Columbia	12	7.2
Southeast Saskatchewan (1)	7	4.3
Southwest Saskatchewan (2)	22	13.5
West Central Alberta (3)	6	5.2
West Central Saskatchewan (4)	30	25.5
Total	77	55.7

Notes:

(1) Includes 2 (1.2 net) injection wells in the three months ended March 31, 2020.

(2) Includes 2 (1.8 net) injection wells in the three months ended March 31, 2020.

(3) Includes 1 (0.9 net) injection well in the three months ended March 31, 2020.

(4) Includes 3 (3.0 net) injection wells in the three months ended March 31, 2020.

For the three months ended March 31, 2019, Whitecap's drilling activity was as follows:

	Three months ended March 31, 2019	
	Gross	Net
Northwest Alberta & British Columbia	5	5.0
Southeast Saskatchewan	-	-
Southwest Saskatchewan (1)	17	13.7
West Central Alberta (2)	11	10.5
West Central Saskatchewan (3)	23	22.9
Total	56	52.1

Notes:
(1) Includes 1 (0.5 net) injection well in the three months ended March 31, 2019.
(2) Includes 3 (2.6 net) injection wells in the three months ended March 31, 2019.
(3) Includes 2 (2.0 net) injection wells in the three months ended March 31, 2019.

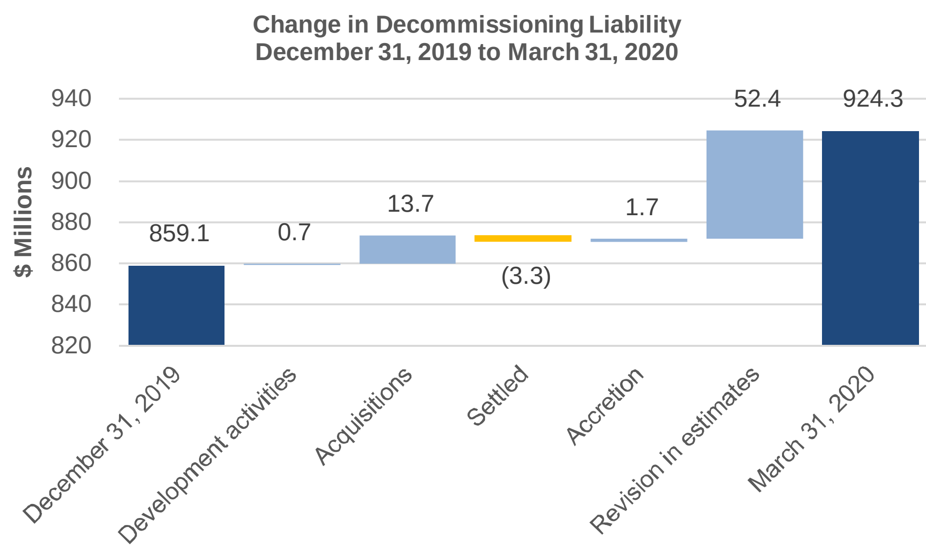
Corporate Acquisition

On January 15, 2020, the Company completed the acquisition of all of the issued and outstanding common shares of Hyak for $16.2 million in cash, net of acquired working capital.

Decommissioning Liability

At March 31, 2020, the Company's decommissioning liability balance was $924.3 million ($859.1 million as at December 31, 2019) for future abandonment and reclamation of the Company's properties. The increase in the decommissioning liability as at March 31, 2020 compared to December 31, 2019 is primarily attributed to revisions in estimates as a result of a decrease in the risk-free rate from 1.8 percent as at December 31, 2019 to 1.3 percent as at March 31, 2020. Estimates are based on both operational knowledge of the properties and updated industry guidance provided by the Alberta Energy Regulator and the Saskatchewan Ministry of the Economy. The estimates are reviewed quarterly and adjusted as new information regarding the liability is determined.

Exhibit 4



Capital Resources and Liquidity

Credit Facilities

As at March 31, 2020, 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.

The following table lists Whitecap's financial covenants as at March 31, 2020:

Covenant Description		March 31 2020
Debt to EBITDA [1] [2]	Maximum Ratio 4.00	1.69
EBITDA to interest expense [1]	Minimum Ratio 3.50	14.04

Notes:

(1) 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.

(2) The debt used in the covenant calculation includes bank indebtedness, letters of credit, and dividends declared.

As of March 31, 2020, 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).

Senior Secured Notes

As at March 31, 2020, the Company had issued $595 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility. The terms, rates and principals of the Company's outstanding senior notes are detailed below:

($000s)			
Issue Date	Maturity Date	Coupon Rate	Principal
January 5, 2017	January 5, 2022	3.46%	200,000
May 31, 2017	May 31, 2024	3.54%	200,000
December 20, 2017	December 20, 2026	3.90%	195,000
Balance at March 31, 2020			595,000

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 March 31, 2020, the Company was compliant with all covenants provided for in the lending agreements.

Equity

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:

	Three months ended March 31	
(000s except per share amounts)	2020	2019
Shares repurchased	1,634	-
Average cost ($/share)	4.83	-
Amounts charged to		
Share capital	7,895	-
Share repurchase cost	7,895	-

The Company is authorized to issue an unlimited number of common shares. As at April 28, 2020, there were 408.1 million common shares and 7.0 million share awards outstanding.

Liquidity

The Company generally relies on funds flow, equity issuances and its credit facility to fund its capital requirements, dividend payments and provide liquidity. From time to time, the Company accesses capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs. Future liquidity depends primarily on funds flow, existing credit facilities and the ability to access debt and equity markets. All repayments on the revolving production and operating facilities are due at the term maturity date. As none of the facilities mature within the next year, the liabilities are considered to be non-current. At March 31, 2020, the Company had $585.7 million of unutilized credit to cover any working capital deficiencies. The Company believes that available credit facilities combined with anticipated funds flow will be sufficient to satisfy Whitecap's 2020 development capital program and dividend payments for the 2020 fiscal year.

Contractual Obligations

Whitecap has contractual obligations in the normal course of business which may include purchase of assets and services, operating agreements, transportation commitments, sales commitments, royalty obligations, lease rental obligations, employee agreements and debt. These obligations are of a recurring, consistent nature and impact Whitecap's cash flows in an ongoing manner. The Company is committed to future payments under the following agreements:

($000s)	2020	2021	2022	2023+	Total
Lease liabilities (1)	10,547	14,356	14,698	50,865	90,466
Service agreements	1,507	2,006	2,004	9,769	15,286
Transportation agreements	23,127	20,674	27,916	136,769	208,486
CO_2 purchase commitments	28,815	39,011	39,790	119,246	226,862
Long-term debt (1)	16,278	21,681	14,685	1,224,176	1,276,820
Total	80,274	97,728	99,093	1,540,825	1,817,920

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

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 months ended March 31, 2020, the Company incurred $0.2 million for legal fees and disbursements ($0.1 million for the three months ended March 31, 2019). 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 March 31, 2020, no accounts payable amount ($0.1 million – March 31, 2019) was outstanding.

Changes in Accounting Policies Including Initial Adoption

There were no changes that had a material effect on the reported loss or net assets of the Company.

Standards Issued but not yet Effective

There are no other standards or interpretations issued, but not yet adopted, that are anticipated to have a material effect on the reported net loss or net assets of the Company.

Off Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet other than commitments disclosed in Note 18 to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2020.

Critical Accounting Estimates

Whitecap's financial and operating results may incorporate certain estimates including:

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated capital expenditures on projects that are in progress;
- estimated depletion, depreciation and accretion that are based on estimates of oil and gas reserves that the Company expects to recover in the future, commodity prices, estimated future salvage values and estimated future capital costs;
- estimated fair values of derivative contracts that are subject to fluctuation depending upon the underlying commodity prices and foreign exchange rates;
- estimated value of decommissioning liabilities that are dependent upon estimates of future costs, timing of expenditures and the risk-free rate;
- estimated income and other tax liabilities requiring interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time;
- estimated stock-based compensation expense using the Black-Scholes option pricing model;
- estimated fair value of business combinations and goodwill requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and exploration and evaluation assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates; and
- estimated recoverable amounts are based on estimated proved plus probable reserves, production rates, oil and gas prices, future costs, discount rates and other relevant assumptions.

The Company has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Furthermore, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

Business Risks

Whitecap's exploration and production activities are concentrated in the Western Canadian Sedimentary Basin, where activity is highly competitive and includes a variety of different-sized companies. Whitecap is subject to a number of risks that are also common to other organizations involved in the oil and gas industry. Such risks include finding and developing oil and gas reserves at economic costs, estimating amounts of recoverable reserves, production of oil and gas in commercial quantities, marketability of oil and gas produced, fluctuations in commodity prices, stock market volatility, debt service which may limit timing or amount of dividends as well as market price of shares, financial and liquidity risks and environmental and safety risks.

In order to reduce exploration risk, Whitecap employs or contracts highly qualified and motivated professionals who have demonstrated the ability to generate quality proprietary geological and geophysical prospects.

Whitecap has retained an independent engineering consulting firm that assists the Company in evaluating recoverable amounts of oil and gas reserves. Values of recoverable reserves are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and government regulations. Such estimates may vary from actual results.

The Company mitigates its risk related to producing hydrocarbons through the utilization of current technology and information systems. In addition, Whitecap strives to operate the majority of its prospects, thereby maintaining operational control. When the Company does not operate, it relies on its partners in jointly owned properties to maintain operational control.

Whitecap is exposed to market risk to the extent that the demand for oil and gas produced by the Company exists within Canada and the United States. External factors beyond the Company's control may affect the marketability of oil and gas produced. These factors include commodity prices and variations in the Canada–United States currency exchange rate which, in turn responds to economic and political circumstances throughout the world. Oil prices are affected by worldwide supply and demand fundamentals while natural gas prices are affected by North American supply and demand fundamentals. Whitecap uses futures and options contracts to hedge its exposure to the potential adverse impact of commodity price volatility. The primary objective of the risk management program is to provide a measure of stability to Whitecap dividends and its capital development program.

Exploration and production for oil and gas is capital intensive. In addition to funds flow, the Company accesses the equity markets as a source of new capital. In addition, Whitecap utilizes bank financing to support ongoing capital investments which exposes the Company to fluctuations in interest rates on its bank debt. Funds flow also fluctuates with changing commodity prices. Equity and debt capital are subject to market conditions, and availability may increase or decrease from time to time.

The Company's business, operations and financial condition has been significantly adversely affected by COVID-19. Actions taken to reduce the spread of COVID-19 have resulted in volatility and disruptions in regular business operations, supply chains and financial markets, as well as declining trade and market sentiment. COVID-19 as well as other factors have resulted in the deepest drop in crude oil prices that global markets have seen since 1991. With the rapid spread of COVID-19 and additional oil supply expected to come on-stream over the near term, oil prices and global equity markets have deteriorated significantly and are expected to remain under pressure. The extreme supply / demand imbalance is anticipated to cause a reduction in industry spending in 2020. These events and conditions have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the oil and natural gas industry. COVID-19 also poses a risk on the financial capacity of Whitecap's contract counterparties and potentially their ability to perform contractual obligations. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation.

On March 17, 2020, in response to current market conditions and the sharp decline in global commodity prices, the Company announced the first phase of its responses. A copy of the press release may be accessed through the SEDAR website (www.sedar.com). Phase one included the following actions:

- The reduction of our 2020 capital program to $200 - $210 million from $350 - $370 million previously, a reduction of approximately $160 million or 44%.
- A reduction to the Company's monthly dividend per share from $0.0285 to $0.01425, effective for the April dividend payable in May 2020, which resulted in $70 million of cash retained annually.

We have now taken the following additional actions as part of our phase two planning:

- A bottom-up analysis of our operating expenses resulting in an immediate reduction of $20 million and an additional $22 million of targeted reductions for a total anticipated decrease of $42 million in 2020. This is a 12% decrease compared to our original 2020 guidance. The reductions incorporate fee renegotiations, reduced consumption and pricing, workforce optimizations and deferral of activity.
- Our G&A costs per boe are already among the lowest in the sector when compared to our oil-weighted peers and we have reduced G&A expenses a further $8 million to $19 million, a decrease of 30% compared to our original 2020 guidance. The reductions include a voluntary 10% reduction to management salaries and board of director cash compensation and where possible, we have reduced non-discretionary spending and minimized or eliminated discretionary costs.
- Reduced annual 2020 capital expenditures by a further $20 million to $190 million compared to $210 million previously.
- An immediate deferral of approximately 2,000 boe/d of uneconomic production as a result of current crude oil prices. Our remaining production is generating positive operating income on strip prices for the remainder of the year. 2020 average production is now expected to be 65,000 – 67,000 boe/d. Given the continued weakness to near term global crude oil prices and the potential for involuntary curtailments as a result of pending storage constraints in North America over the coming months, we are prepared to defer additional production volumes as necessary.

Total cash reductions identified for 2020 from our phase one and phase two actions have totaled approximately $300 million. The cost reduction efforts on operating, general & administrative and royalty expenses are ongoing. In addition, our projected capital plans and dividend payments provide us with additional cash management levers which could be used to allow us to navigate through the current challenging environment.

Additional information regarding risk factors including, but not limited to, business risks is available in our Annual Information Form for the year ended December 31, 2019, a copy of which may be accessed through the SEDAR website (www.sedar.com).

Environmental Risks

General Risks

Oil and gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include the pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. The Company works hard to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Company conducts its operations with high standards in order to protect the environment, its employees and consultants, and the general public. Whitecap maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Company has available and result in financial distress.

Climate Change Risks

Our exploration and production facilities and other operations and activities emit greenhouse gasses ("GHG") which may require us to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate our effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on our business, financial condition, results of operations and prospects. Some of our significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. In addition, climate change has been linked to long-term shifts in climate patterns and extreme weather conditions both of which pose the risk of causing operational difficulties.

Additional information regarding risk factors including, but not limited to, environmental risks is available in our Annual Information Form for the year ended December 31, 2019, a copy of which may be accessed through the SEDAR website (www.sedar.com).

Summary of Quarterly Results

($000s, except as noted)	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2
Financial								
Petroleum and natural gas revenues	264,317	369,190	331,317	374,730	343,239	272,397	446,018	433,380
Funds flow (1)	131,777	184,546	154,306	175,537	161,221	138,810	204,995	195,816
Basic ($/share) (1)	0.32	0.45	0.37	0.42	0.39	0.33	0.49	0.47
Diluted ($/share) (1)	0.32	0.45	0.37	0.42	0.39	0.33	0.49	0.47
Net income (loss)	(2,111,474)	(203,946)	42,277	58,357	(52,561)	6,966	69,532	(3,615)
Basic ($/share)	(5.17)	(0.50)	0.10	0.14	(0.13)	0.02	0.17	(0.01)
Diluted ($/share)	(5.17)	(0.50)	0.10	0.14	(0.13)	0.02	0.17	(0.01)
Expenditures on PP&E	138,797	98,762	153,848	26,463	124,904	76,485	114,955	66,444
Property acquisitions	76	410	2,020	196	1,390	15,157	18,369	1,108
Property dispositions	-	(266)	(89)	44	(667)	(205)	(9,764)	(1,585)
Corporate acquisition	18,149	-	-	-	-	-	750	-
Total assets	3,220,706	5,358,465	6,075,973	5,968,862	6,120,622	5,958,964	6,142,384	6,136,672
Net debt	1,271,014	1,193,267	1,241,579	1,189,750	1,297,412	1,296,330	1,288,259	1,323,093
Common shares outstanding (000s)	408,000	409,619	410,562	412,907	413,158	414,063	416,456	417,485
Dividends paid or declared per share	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08
Operational								
Average daily production								
Crude oil (bbls/d)	56,631	58,044	53,245	55,155	55,199	57,072	59,212	59,786
NGLs (bbls/d)	5,077	4,805	4,399	4,417	4,386	4,656	4,460	4,461
Natural gas (Mcf/d)	70,466	70,811	63,663	66,231	66,486	68,739	71,141	69,393
Total (boe/d)	73,452	74,651	68,255	70,611	70,666	73,185	75,529	75,813

Note:
(1) Refer to Note 5(e) "Capital Management" in the financial statements and to the section entitled "Cash Flow from Operating Activities, Funds Flow and Payout Ratios " contained within this MD&A.

Over the past eight quarters, fluctuations in production volumes and realized commodity prices have impacted the Company's petroleum and natural gas revenues and funds flow. Net income (loss) has fluctuated due to changes in funds flow, impairment expense and unrealized derivative gains and losses which fluctuate with the changes in forward commodity prices and exchange rates. Capital expenditures and production volumes have fluctuated over time as a result of the timing of acquisitions and the impact of market conditions on the Company's development capital expenditures.

The following outlines the significant events over the past eight quarters:

In the first quarter of 2020, due to the weak crude oil prices, the Company reduced its expected 2020 capital spending program from $350 - $370 million to $200 - $210 million and reduced its monthly dividend per share from $0.0285 to $0.01425, in order to strengthen its financial position. Additionally, as a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019, the Company recognized impairments of $2.9 billion, of which $2.8 billion was attributed to PP&E and $0.1 billion was attributed to goodwill.

In 2019, the Company reduced capital spending compared to the prior year with the focus on further strengthening the balance sheet by reducing net debt. As a result of the decreased capital program, production volumes were slightly lower than the prior year.

In the fourth quarter of 2019, the Company recognized an impairment of $296.9 million attributed to PP&E. The impairment expense in 2019 was primarily a result lower forecast benchmark commodity prices at December 31, 2019 compared to December 31, 2018.

In the fourth quarter of 2018, the Company recognized an impairment of $219.3 million attributed to PP&E. The impairment expense was primarily a result of negative technical revisions in reserves assigned due to well performance at December 31, 2018 compared to December 31, 2017. Additionally, in the fourth quarter of 2018, there was increased volatility with a decrease in the WTI benchmark price and wider Canadian crude oil price differentials that negatively impacted petroleum and natural gas revenues and funds flow.

INTERNAL CONTROLS UPDATE

Whitecap is required to comply with National Instrument 52-109 Certification of Disclosure on Issuers' Annual and Interim Filings (“NI 52-109”). NI 52-109 requires that Whitecap disclose in its interim MD&A any material weaknesses in Whitecap's internal control over financial reporting and/or any changes in Whitecap's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, Whitecap's internal controls over financial reporting. Whitecap confirms that no material weaknesses or such changes were identified in Whitecap's internal controls over financial reporting during the first quarter of 2020.

NON-GAAP MEASURES

This MD&A includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures by other companies. Management believes that the presentation of these non-GAAP measures provides useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

“Basic payout ratio” is calculated as dividends paid or declared divided by funds flow. Management believes that basic payout ratio provides a useful measure of Whitecap's dividend policy and the amount of funds flow retained by the Company for capital reinvestment.

“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. Previously, Whitecap also deducted dividends paid or declared in the calculation of free funds flow. The Company believes the change in presentation better allows comparison with both dividend paying and non-dividend paying peers.

“Operating income” is determined by adding blending revenue and processing & other income, deducting realized hedging losses or adding realized hedging gains and deducting tariffs, royalties, operating expenses, transportation expenses and blending expenses from petroleum and natural gas revenues. Operating income is used in operational and capital allocation decisions. Management uses operating income to better analyze performance among its management units.

“Operating netbacks” are determined by adding blending revenue and processing & other income, deducting realized hedging losses or adding realized hedging gains and deducting tariffs, royalties, operating expenses, transportation expenses and blending expenses from petroleum and natural gas revenues. Operating netbacks are per boe measures used in operational and capital allocation decisions. Presenting operating netbacks on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

“Total payout ratio” is calculated as dividends paid or declared plus expenditures on PP&E, divided by funds flow. Management believes that total payout ratio provides a useful measure of Whitecap's capital reinvestment and dividend policy, as a percentage of the amount of funds flow.

BOE PRESENTATION

Boe means barrel of oil equivalent. All boe conversions in this MD&A are derived by converting gas to oil at the ratio of six thousand cubic feet (“Mcf”) of natural gas to one barrel (“Bbl”) of oil. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl : 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and are based on Whitecap's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "estimate", "objective", "ongoing", "may", "will", "project", "believe", "measure", "stability", "depends", "could", "sustainability" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: Whitecap's focus and strategy; Whitecap's commodity risk management program and the benefits to be derived therefrom; the amount of future decommissioning liabilities; future liquidity and financial capacity; sources of funding the Company's capital program; transportation expenses, stock-based compensation expenses; Whitecap's ability to fund its current development capital program and dividend payments for 2020; Whitecap's deductions available for deferred income tax purposes; revised 2020 capital program; reduction to operating expenses, G&A expenses, capital expenditures and royalty expenses for 2020; the potential to defer additional production; and projected capital plans and dividend payments.

The forward-looking information and statements contained in this MD&A reflect several material factors and expectations and assumptions of Whitecap including, without limitation: that Whitecap will continue to conduct its operations in a manner consistent with past operations; the general continuance or improvement in current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; 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; the accuracy of the estimates of Whitecap's reserve volumes; the impact of increasing competition; the general stability of the economic and political environment in which Whitecap operates; the ability of Whitecap to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate in a safe, efficient and effective manner; field production and decline rates; the ability to reduce operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency, exchange and interest rates; the continued availability of adequate debt and equity financing and cash flow to fund Whitecap's planned expenditures; and the ability to maintain dividends. Whitecap believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Whitecap's products; impact of the COVID-19 pandemic and the ability of the company to carry on operations as contemplated in light of the COVID-19 pandemic; determinations by OPEC and other countries as to production levels; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in Whitecap's development plans or by third party operators of Whitecap's properties; competition from other producers; inability to retain drilling rigs and other services; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; delays resulting from or inability to obtain required regulatory approvals; increased debt levels or debt service requirements; inaccurate estimation of Whitecap's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Whitecap's public disclosure documents (including, without limitation, those risks identified in this MD&A) and may be accessed through the SEDAR website (www.sedar.com).

The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A, and Whitecap does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Whitecap's prospective capital, operating, royalties and G&A costs, 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 reasonably basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. FOFI contained in this MD&A was made as of the date of this MD&A 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 MD&A should not be used for purposes other than for which it is disclosed herein.