



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter 2025

WHITECAP RESOURCES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(unaudited)

As at (CAD \$ millions)	Note	June 30, 2025	December 31, 2024
Assets			
Current Assets			
Cash		-	362.3
Accounts receivable		821.8	422.2
Deposits and prepaid expenses		67.0	22.4
Risk management contracts	4 & 5	260.1	77.4
Total current assets		1,148.9	884.3
Non-current deposit			
	19	86.6	86.6
Property, plant and equipment	6 & 7	16,654.5	8,778.6
Exploration and evaluation	8	587.0	140.6
Right-of-use assets	9	585.7	52.9
Risk management contracts	4 & 5	47.9	7.1
Total assets		19,110.6	9,950.1
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		1,302.8	767.1
Share awards liability	14	18.7	11.2
Dividends payable	17(b)	74.9	35.7
Deferred gain	13	2.3	2.3
Lease liabilities	11	56.1	15.4
Risk management contracts	4 & 5	12.4	4.7
Total current liabilities		1,467.2	836.4
Risk management contracts			
	4 & 5	10.0	27.0
Long-term debt	10	2,887.8	1,023.8
Lease liabilities	11	595.3	103.9
Decommissioning liability	12	1,501.6	1,091.1
Share awards liability	14	8.1	5.0
Deferred gain and other	13	67.5	72.8
Deferred income tax	6	1,462.9	1,042.8
Total liabilities		8,000.4	4,202.8
Shareholders' Equity			
Share capital	14	9,900.7	4,720.5
Contributed surplus	14	23.1	20.6
Retained earnings		1,186.4	1,006.2
Total shareholders' equity		11,110.2	5,747.3
Total liabilities and shareholders' equity		19,110.6	9,950.1

See accompanying notes to the interim 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.**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the three and six months ended June 30
(unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
(CAD \$ millions, except per share amounts)	Note	2025	2024	2025	2024
Revenue					
Petroleum and natural gas sales	15	1,446.8	1,048.9	2,459.9	1,982.2
Royalties		(185.8)	(162.8)	(343.7)	(308.4)
Petroleum and natural gas sales, net of royalties		1,261.0	886.1	2,116.2	1,673.8
Other income (loss)					
Net gain (loss) on commodity contracts	5	211.9	19.3	194.0	(67.4)
Total revenue and other income		1,472.9	905.4	2,310.2	1,606.4
Expenses					
Operating		361.8	217.7	580.5	438.0
Transportation		74.6	34.2	112.4	66.0
Marketing		81.1	63.1	142.1	122.4
General and administrative		26.7	16.2	42.8	31.6
Stock-based compensation	5 & 14	16.5	9.6	31.0	25.3
Transaction costs	6	55.4	-	57.5	-
Interest and financing	5 & 10	33.2	24.7	45.4	46.8
Accretion of decommissioning liabilities	12	10.2	10.2	19.5	18.9
Depletion, depreciation, and amortization	7 & 9	400.5	246.7	646.1	484.0
Exploration and evaluation	8	0.3	2.8	4.1	14.2
Net gain on asset dispositions	13	(0.6)	(1.9)	(1.2)	(2.5)
Total expenses		1,059.7	623.3	1,680.2	1,244.7
Income before income taxes		413.2	282.1	630.0	361.7
Taxes					
Current income tax expense (recovery)		(7.4)	100.6	49.0	139.3
Deferred income tax expense (recovery)		110.0	(63.0)	107.8	(81.9)
Total income tax expense		102.6	37.6	156.8	57.4
Net income and comprehensive income		310.6	244.5	473.2	304.3
Net Income Per Share (\$/share)					
Basic	16	0.33	0.41	0.62	0.51
Diluted	16	0.33	0.41	0.61	0.51

See accompanying notes to the interim consolidated financial statements

WHITECAP RESOURCES INC.**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the six months ended June 30
(unaudited)

(CAD \$ millions)	Note	2025	2024
Share Capital	14(b)		
Balance, beginning of year		4,720.5	4,805.0
Common shares repurchased	14(b)	(5.0)	(1.8)
Issued on the close of business combination	6	5,169.8	-
Share award vesting, non-insider	14(b)	15.6	11.0
Share award vesting, insider	14(b)	(0.1)	(0.2)
Share issue costs, net of deferred income tax	14(b)	(0.1)	-
Balance, end of period		9,900.7	4,814.0
Contributed Surplus	14(e)		
Balance, beginning of year		20.6	16.9
Stock-based compensation		18.1	11.7
Share award vesting, non-insider	14(d)	(15.6)	(11.0)
Balance, end of period		23.1	17.6
Retained Earnings			
Balance, beginning of year		1,006.2	655.1
Net income and comprehensive income		473.2	304.3
Common shares repurchased	14(c)	(0.4)	(0.4)
Dividends	17(b)	(292.6)	(218.3)
Balance, end of period		1,186.4	740.7

See accompanying notes to the interim consolidated financial statements

WHITECAP RESOURCES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three and six months ended June 30
(unaudited)

(CAD \$ millions)		Three Months Ended June 30,		Six Months Ended June 30,	
	Note	2025	2024	2025	2024
Operating Activities					
Net income and comprehensive income		310.6	244.5	473.2	304.3
Items not affecting cash:					
Depletion, depreciation, and amortization	7 & 9	400.5	246.7	646.1	484.0
Exploration and evaluation	8	0.3	2.8	4.1	14.2
Deferred income tax expense (recovery)		110.0	(63.0)	107.8	(81.9)
Stock-based compensation	5 & 14	6.7	5.1	13.4	9.3
Accretion expense	12	10.2	10.2	19.5	18.9
Unrealized (gain) loss on risk management contracts	5	(166.5)	(10.5)	(136.5)	84.5
Net gain on asset dispositions	13	(0.6)	(1.9)	(1.2)	(2.5)
Amortization of deferred revenue		(2.6)	-	(4.2)	-
Settlement of decommissioning liabilities	12	(9.6)	(7.5)	(16.9)	(20.4)
Settlement of acquired risk management contracts		53.8	-	53.8	-
Net change in non-cash working capital	17	(44.1)	78.6	(195.3)	47.1
Cash flow from operating activities		668.7	505.0	963.8	857.5
Financing Activities					
Increase (decrease) in long-term debt	10	1,061.6	(202.5)	864.0	(166.0)
Common shares repurchased	14(c)	(5.4)	(2.2)	(5.4)	(2.2)
Share issue costs		-	-	(0.1)	-
Dividends	17(b)	(185.4)	(109.2)	(292.6)	(218.3)
Principal portion of lease payments		(7.2)	(2.0)	(10.9)	(3.9)
Repayment of acquired debt	6	(1,749.0)	-	(1,749.0)	-
Net change in non-cash working capital	17	39.2	0.1	39.2	0.1
Cash flow used in financing activities		(846.2)	(315.8)	(1,154.8)	(390.3)
Investing Activities					
Expenditures on property, plant and equipment		(408.8)	(203.8)	(806.9)	(597.0)
Expenditures on property acquisitions		(0.6)	(1.7)	(0.7)	(1.7)
Cash from property dispositions	6	263.7	100.0	263.8	100.3
Cash acquired on close of business combination	6	111.3	-	111.3	-
Net change in non-cash working capital	17	211.9	(83.7)	261.2	31.2
Cash flow used in investing activities		177.5	(189.2)	(171.3)	(467.2)
Change in cash, during the period		-	-	(362.3)	-
Cash, beginning of period		-	-	362.3	-
Cash, end of period		-	-	-	-
Cash Interest Paid		36.5	24.2	41.2	39.6
Cash Taxes Paid		14.6	31.9	221.9	96.5

See accompanying notes to the interim 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 audited annual consolidated financial statements for the year ended December 31, 2024.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("**IFRS Accounting Standards**") issued and outstanding at July 22, 2025, the date the Board of Directors approved these statements.

3. MATERIAL ACCOUNTING POLICIES

The unaudited interim consolidated financial statements follow the same accounting policies as the most recent annual audited consolidated financial statements. The interim consolidated financial statements note disclosures do not include all of those required by IFRS Accounting Standards 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, 2024.

a) Standards Issued but not yet Effective

i) Presentation and Disclosure in Financial Statements

IFRS 18 'Presentation and Disclosure in Financial Statements' was issued in April 2024 by the International Accounting Standards Board and replaces IAS 1 Presentation of Financial Statements. The standard introduces defined structure to the Statement of Comprehensive Income with related specific disclosure requirements. IFRS 18 is effective January 1, 2027 and is required to be adopted retrospectively. Early adoption is permitted. The Company is assessing the impact of IFRS 18 on the Company's consolidated financial statements.

ii) Financial Instruments and Financial Instruments: Disclosures

IFRS 9 'Financial Instruments' ("**IFRS 9**") and IFRS 7 'Financial Instruments: Disclosures' were amended in May 2024 to clarify the date of recognition and derecognition of financial assets and liabilities. These amendments are effective January 1, 2026, and are required to be adopted retrospectively by adjusting opening balances and retained earnings at the date of adoption. Early adoption is permitted. The Company is assessing the impact of the amendments on the Company's consolidated financial statements.

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 contracts are based on inputs including quoted forward prices for commodities, forward interest rates and forward foreign 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 fair value measurement of the risk management contracts, investment grade senior notes 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"), and right-of-use assets 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 and 9 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) is 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 prepared by qualified individuals. 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, Prepaid Expenses, Accounts Receivable, Long-term Debt, Dividends Payable, Accounts Payable and Accrued Liabilities

The carrying value of deposits and prepaid expenses, 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 of bank debt, investment grade senior notes and senior notes is estimated as the present value of future net cash flows, discounted at the market rate of interest at the reporting date. At June 30, 2025 and December 31, 2024, the fair value of these balances, other than the investment grade senior notes and 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 benchmark commodity prices, forward interest rates and forward foreign 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 techniques used have not changed in the period.

WHITECAP RESOURCES INC.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(unaudited)

d) Share Awards

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

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.

	June 30, 2025			December 31, 2024		
(\$ millions)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	341.6	(56.0)	285.6	86.8	(34.0)	52.8
Amount offset	(33.6)	33.6	-	(2.3)	2.3	-
Net amount ⁽¹⁾	308.0	(22.4)	285.6	84.5	(31.7)	52.8

⁽¹⁾ Gross asset and liability positions by counterparty that are offset on the balance sheet at June 30, 2025 and December 31, 2024.

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:

(\$ millions)	June 30, 2025	December 31, 2024
Accounts receivable	821.8	422.2
Risk management contracts	308.0	84.5
Total exposure	1,129.8	506.7

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at June 30, 2025 pertains to accrued revenue for June 2025 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 25th 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 June 30, 2025, no single Commodity Purchaser accounted for greater than 10 percent of the total accounts receivable balance.

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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.

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. At June 30, 2025, there was \$8.2 million (December 31, 2024 – \$9.5 million) of receivables aged over 90 days. Subsequent to June 30, 2025, approximately \$0.3 million of these receivables have 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 and debt 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 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 at June 30, 2025:

(\$ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	1,302.8	-	-	1,302.8
Dividends payable	74.9	-	-	74.9
Long-term debt ⁽¹⁾	88.5	279.5	2,971.9	3,339.9
Lease liabilities ⁽²⁾	101.5	101.2	850.2	1,052.9
Share awards liability	18.7	5.4	2.7	26.8
Risk management contracts ⁽³⁾	12.4	10.0	-	22.4
Total financial liabilities	1,598.8	396.1	3,824.8	5,819.7

⁽¹⁾ This amount includes the notional principal and interest payments on the revolving credit facility, investment grade senior notes, and senior notes, excluding expected interest payments on the revolving credit facility.

⁽²⁾ This amount includes the notional principal and interest payments.

⁽³⁾ Interest rate swaps and total return swaps are included in risk management contracts.

The following table details the contractual maturities of Whitecap's financial liabilities at December 31, 2024:

(\$ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	767.1	-	-	767.1
Dividends payable	35.7	-	-	35.7
Long-term debt ⁽¹⁾	25.1	24.9	1,073.6	1,123.6
Lease liabilities ⁽²⁾	22.1	21.1	130.2	173.4
Share awards liability	11.2	4.0	1.0	16.2
Risk management contracts ⁽³⁾	4.7	27.0	-	31.7
Total financial liabilities	865.9	77.0	1,204.8	2,147.7

⁽¹⁾ This amount includes the notional principal and interest payments on the revolving credit facility, investment grade senior notes, and senior notes, excluding expected interest payments on the revolving credit facility.

⁽²⁾ This amount includes the notional principal and interest payments.

⁽³⁾ Interest rate swaps are included in risk management contracts.

WHITECAP RESOURCES INC.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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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, equity price risk and foreign exchange risk as discussed below.

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

(\$ millions)	June 30, 2025	December 31, 2024
Current Assets		
Crude oil	171.2	24.8
Natural gas	88.4	51.2
Interest	-	1.4
Equity	0.5	-
Total current assets	260.1	77.4
Long-term Assets		
Crude oil	36.8	2.1
Natural gas	10.8	5.0
Equity	0.3	-
Total long-term assets	47.9	7.1
Total fair value	308.0	84.5

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

(\$ millions)	June 30, 2025	December 31, 2024
Current Liabilities		
Crude oil	-	3.7
Natural gas	10.2	-
Power	0.4	1.0
Equity	1.8	-
Total current liabilities	12.4	4.7
Long-term Liabilities		
Crude oil	0.3	23.6
Natural gas	9.7	3.4
Total long-term liabilities	10.0	27.0
Total fair value	22.4	31.7

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(unaudited)

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

(\$ millions)	Three months ended		Six months ended	
	2025	June 30, 2024	2025	June 30, 2024
Realized gain on commodity contracts	43.1	4.5	56.8	10.1
Unrealized gain (loss) on commodity contracts	168.8	14.8	137.2	(77.5)
Net gain (loss) on commodity contracts	211.9	19.3	194.0	(67.4)
Realized gain on interest rate contracts ⁽¹⁾	0.3	3.8	1.4	7.8
Unrealized loss on interest rate contracts ⁽¹⁾	(0.3)	(4.3)	(1.4)	(7.0)
Realized gain (loss) on equity contracts ⁽²⁾	(0.1)	-	0.5	-
Unrealized gain (loss) on equity contracts ⁽²⁾	(2.0)	-	0.7	-
Net gain (loss) on risk management contracts	209.8	18.8	195.2	(66.6)

⁽¹⁾ The gains (losses) on interest rate risk management contracts are included in interest and financing expense.

⁽²⁾ The gains (losses) on equity risk management contracts are included in stock-based compensation expenses.

i) Commodity Price Risk

The Company's operational results and financial condition are largely dependent on the commodity prices 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, the COVID-19 pandemic, inventory levels, weather, and economic and geopolitical factors, including tariffs imposed by the U.S. and other countries on one another.

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 commodity risk management contracts and net income before tax:

(\$ millions)	June 30, 2025	
	Increase 10%	Decrease 10%
Commodity Price		
Crude oil	(191.1)	191.7
Natural gas	(45.9)	45.6
Power	0.1	(0.1)
Differential		
Natural gas	21.2	(21.2)

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(unaudited)

At June 30, 2025, the following commodity risk management contracts were outstanding with an asset fair market value of \$307.2 million and liability fair market value of \$20.6 million (December 31, 2024 – asset of \$83.1 million and liability of \$31.7 million):

1) WTI Crude Oil Derivative Contracts

Type	Remaining Term	Volume (bbls/d)	Bought Put Price (C\$/bbl) ⁽¹⁾	Sold Call Price (C\$/bbl) ⁽¹⁾	Swap Price (C\$/bbl) ⁽¹⁾
Swap	Jul - Sep 2025	21,500			97.51
Swap ⁽²⁾⁽³⁾	Jul - Dec 2025	28,000			100.81
Swap	Oct - Dec 2025	12,000			94.98
Swap ⁽⁴⁾	Jan - Dec 2026	27,500			91.19
Collar	Jul - Sep 2025	3,500	95.42	105.42	
Collar	Jul - Dec 2025	19,000	82.23	101.90	
Collar	Jan - Dec 2026	13,000	74.23	93.43	

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

⁽²⁾ 8,000 bbls/d at a weighted average price of \$98.61/bbl are extendable through the first half of 2026 at the option of the counterparty through the exercise of a one-time option on December 31, 2025.

⁽³⁾ 5,000 bbls/d at a weighted average price of \$105.41/bbl are extendable through 2026 at the option of the counterparty through the exercise of a one-time option on December 31, 2025.

⁽⁴⁾ 3,000 bbls/d at a weighted average price of \$92.63/bbl are extendable through 2027 at the option of the counterparty through the exercise of a one-time option on December 31, 2026.

2) AECO Natural Gas Derivative Contracts

Type	Remaining Term	Volume (GJ/d)	Bought Put Price (C\$/GJ) ⁽¹⁾	Sold Call Price (C\$/GJ) ⁽¹⁾	Swap Price (C\$/GJ) ⁽¹⁾
Swap ⁽²⁾	Jul - Dec 2025	105,000			3.34
Swap	Jan - Dec 2026	50,000			3.35
Swap	Nov 2026 - Mar 2027	5,000			3.37
Collar	Jan - Dec 2026	68,500	2.25	3.52	

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

⁽²⁾ 17,500 GJ/d at a weighted average price of \$3.48/GJ are extendable through 2026 at the option of the counterparties through the exercise of a one-time option on December 31, 2025.

3) NYMEX Natural Gas Derivative Contracts

Type	Remaining Term	Volume (MMBtu/d)	Bought Put Price (US\$/MMBtu) ⁽¹⁾	Sold Call Price (US\$/MMBtu) ⁽¹⁾	Swap Price (US\$/MMBtu) ⁽¹⁾
Swap	Jul - Dec 2025	51,000			3.43
Swap	Jul 2025 - Mar 2026	25,000			3.63
Swap	Jan - Dec 2026	50,000			3.72
Collar	Jul - Dec 2025	65,000	3.32	3.92	
Collar	Jan - Dec 2026	55,000	3.70	4.19	

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

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4) NYMEX Natural Gas Differential Derivative Contracts

Type	Remaining Term	Volume (MMBtu/d)	Basis	Fixed differential (US\$/MMBtu) ⁽¹⁾
Swap	Jul - Dec 2025	193,000	AECO	(1.11)
Swap	Jan - Mar 2026	25,000	AECO	(1.37)
Swap	Jan - Dec 2026	105,000	AECO	(1.46)

⁽¹⁾ Prices reported are the weighted average prices for the period.**5) Power Derivative Contracts**

Type	Remaining Term	Volume (MWh)	Fixed Rate (\$/MWh) ⁽¹⁾
Swap	Jul - Dec 2025	22,080	71.75

⁽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 \$2.85 billion revolving syndicated facility and a \$150.0 million revolving operating facility. The revolving syndicated facility and revolving operating facility bear interest at the bank's prime lending or adjusted CORRA 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. See Note 10 - "Long-Term Debt" for additional information regarding the Company's credit facility.

If interest rates applicable to floating rate debt at June 30, 2025 were to have increased or decreased by 100 basis points, it is estimated that the Company's income before tax would change by approximately \$6.7 million and \$13.5 million for the three and six months ended June 30, 2025, respectively (\$2.5 million and \$5.0 million for the three and six months ended June 30, 2024, respectively). This assumes that the change in interest rate is effective from the beginning of the period and the amount of floating rate debt is the amount outstanding at June 30, 2025. At June 30, 2025, Whitecap did not have any interest rate risk management contracts outstanding (December 31, 2024 – asset of \$1.4 million).

iii) Equity Price Risk

The Company is exposed to equity price risk on its own share price in relation to awards issued under the award incentive plan, which affects earnings through the revaluation of awards that are accounted for as cash-settled transactions at each period end. Changes in share price could result in an increase or decrease in the amount that Whitecap recognizes as stock-based compensation and the amount Whitecap pays to cash settle awards. The Company may mitigate its exposure to fluctuations in its share price by entering into equity derivative contracts such as total return swaps from time to time.

When assessing the potential impact of share price on the Company's total return swaps, the Company believes a share price volatility of ten percent is a reasonable measure. A ten percent increase or decrease in share price would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

(\$ millions)	June 30, 2025	
	Increase 10%	Decrease 10%
Total return swaps	2.2	(2.2)

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At June 30, 2025, the following equity risk management contracts were outstanding with an asset fair market value of \$0.8 million and liability fair market value of \$1.8 million (December 31, 2024 asset of nil):

1) Equity Derivative Contracts

Type	Remaining Term		Notional Amount (\$ millions) ⁽¹⁾	Share Volume (millions)
Swap	Jul 1, 2025	Nov 3, 2025	3.5	0.4
Swap	Jul 1, 2025	Mar 31, 2026	9.3	0.9
Swap	Jul 1, 2025	Apr 1, 2026	2.9	0.3
Swap	Jul 1, 2025	May 1, 2026	2.9	0.3
Swap	Jul 1, 2025	Nov 2, 2026	2.9	0.3
Swap	Jul 1, 2025	Apr 1, 2027	2.9	0.3
Swap	Jul 1, 2025	May 3, 2027	2.9	0.3
Swap	Jul 1, 2025	Nov 1, 2027	3.0	0.3

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

iv) Foreign Exchange Risk

The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate on crude oil sales based on U.S. dollar benchmark prices and commodity contracts that are settled in U.S. dollars. The Company may mitigate its exposure to changes in the U.S./Canadian dollar exchange rate by entering into Canadian dollar denominated commodity risk management contracts or foreign exchange contracts. At June 30, 2025, 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.

j) Net Debt and Total Capitalization

Management considers net debt a key capital management measure to assess the Company's liquidity. Total capitalization is a capital management measure 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:

(\$ millions)	June 30, 2025	December 31, 2024
Long-term debt	2,887.8	1,023.8
Cash	-	(362.3)
Accounts receivable	(821.8)	(422.2)
Deposits and prepaid expenses	(67.0)	(22.4)
Non-current deposit	(86.6)	(86.6)
Accounts payable and accrued liabilities	1,302.8	767.1
Dividends payable	74.9	35.7
Net debt	3,290.1	933.1
Shareholders' equity	11,110.2	5,747.3
Total capitalization	14,400.3	6,680.4

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ii) Funds Flow

Management considers funds flow to be a key capital management 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 six months ended June 30, 2025 and 2024 is calculated as follows:

	Three months ended		Six months ended	
		June 30,		June 30,
(\$ millions, except per share amounts)	2025	2024	2025	2024
Cash flow from operating activities	668.7	505.0	963.8	857.5
Net change in non-cash working capital	44.1	(78.6)	195.3	(47.1)
Funds flow	712.8	426.4	1,159.1	810.4
Funds flow per share, basic	0.76	0.71	1.51	1.35
Funds flow per share, diluted	0.75	0.71	1.50	1.35

6. ACQUISITIONS AND DISPOSITIONS

The revenue and petroleum and natural gas sales, net of royalties less operating and transportation expenses ("**Operating Income**") for the post-acquisition periods of the acquisitions listed below are included in the statement of comprehensive income.

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. The pro-forma information disclosed below is not necessarily indicative of the actual results that would have been achieved had the business combinations closed on January 1, 2025.

2025 Acquisitions**i) Veren Inc. Business Combination**

On May 12, 2025, the Company closed the Veren Inc. ("**Veren**") business combination. Veren was an independent oil and gas exploration and production company focused on the development of light crude oil, natural gas liquids, shale gas, and conventional natural gas, and operated primarily in Alberta and Saskatchewan. The business combination created the seventh largest oil and natural gas producer and the fifth largest natural gas producer in Canada. The Company is now the largest Alberta Montney and Duvernay landholder and a prominent light oil producer in Saskatchewan. The business combination allows the Company to leverage the combined asset base and technical expertise to drive incremental improvements to profitability and increased returns to shareholders. The Company issued approximately 643.0 million Whitecap common shares at the closing price of \$8.04 for total consideration of \$5.2 billion in exchange for all the issued and outstanding Veren shares. Veren shareholders received 1.05 common shares of Whitecap for each Veren common share held.

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The business combination was recognized in accordance with IFRS 3 Business Combinations ("**IFRS 3**"). Upon close of the business combination, the board of directors of the Company was composed of eleven members, including seven members from the legacy Whitecap board, and four members from the legacy Veren board. The executive team at the time of closing was comprised of the legacy Whitecap executive team. After the close of the business combination, former Whitecap shareholders held approximately 48 per cent of the combined company and former Veren shareholders held approximately 52 per cent of the combined company. The Company has determined, based on the composition of the Company's board of directors and executive team, and the issuance of Whitecap common shares to Veren shareholders, that Whitecap is the acquirer for accounting purposes and has recognized the net assets of Veren under its existing accounting policies.

Transaction costs in connection with the business combination were \$55.4 million and \$57.5 million for the three and six months ended June 30, 2025 respectively. The Company repaid \$1.7 billion of acquired debt upon close of the business combination. See Note 10 - "Long-Term Debt" for additional information regarding the Company's debt. Right-of-use assets and lease liabilities previously recognized by Veren have been revalued to the present value of lease payments remaining at the time of the business combination. See Note 9 - "Right-of-Use Assets" and Note 11 - "Lease Liabilities" for additional information regarding the Company's leases.

The business combination with Veren contributed revenues of \$519.7 million and operating income of \$347.1 million from May 12, 2025 to June 30, 2025. Had the business combination with Veren closed on January 1, 2025, estimated contributed revenues would have been \$2,021.5 million and estimated contributed operating income would have been \$1,303.1 million for the six months ended June 30, 2025.

Net assets acquired (\$ millions):

Working capital	80.1
PP&E	7,766.1
Risk management contracts	150.1
E&E	453.5
Other long-term liabilities	(1.6)
Deferred income tax	(312.3)
Decommissioning liability	(217.1)
Right-of-use asset	540.8
Lease liability	(540.8)
Long-term debt	(2,749.0)
Total identifiable net assets acquired	5,169.8
Consideration:	
Share consideration	5,169.8
Total consideration	5,169.8

2025 Dispositions***j) Non-Strategic Asset Dispositions***

On June 30, 2025, the Company closed the disposition of certain non-strategic assets for total cash consideration of \$263.7 million. The non-strategic assets disposed of included assets in southwest Saskatchewan and a working interest in a natural gas facility in the Kaybob region.

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2024 Dispositions**i) Musreau 05-09 Facility Partial Disposition**

On June 24, 2024, the Company closed the disposition of a 50 percent working interest in the Musreau 05-09 facility for cash consideration of \$100 million. A gain on disposition of \$0.7 million was recorded as the proceeds less cost of disposal exceeded the carrying amount. The Company retains operatorship and the remaining 50 percent working interest. In addition, the Company has entered into a long-term fixed take-or-pay commitment. See Note 9 - "Right-of-Use Assets" and Note 11 - "Lease Liabilities" for additional information regarding the Company's leases.

ii) Kaybob Facility Partial Disposition

On December 31, 2024, the Company closed the disposition of a 50 percent working interest in the Company's Kaybob 15-07 complex for \$420.0 million. A 50 percent working interest in the complex and the associated decommissioning liability was previously classified as held for sale, and upon closing of the transaction, a net gain on asset disposition of \$243.1 million was recorded as the proceeds less cost of disposal exceeded its carrying amount. The Company will retain operatorship and the remaining 50 percent working interest in the complex and has entered into a take-or-pay commitment with Pembina Gas Infrastructure ("PGI") to access their working interest capacity in the Kaybob complex.

In addition, at the closing of the transaction, the Company closed its strategic partnership with PGI to fund 100% of phase 1 of the Lator facility, which includes our 04-13 battery (the "**Lator Facility**"), and entered into a long-term fixed take-or-pay commitment with PGI for priority access to the facility upon completion.

7. PROPERTY, PLANT AND EQUIPMENT**a) Net Carrying Amount**

	June 30, 2025	December 31, 2024
Net book value (\$ millions)		
Petroleum and natural gas properties	23,601.9	15,093.9
Other assets	24.3	20.5
Property, plant and equipment, at cost	23,626.2	15,114.4
Less: accumulated depletion, depreciation, amortization and impairment	(6,971.7)	(6,335.8)
Total net carrying amount	16,654.5	8,778.6

b) Cost

	Petroleum and natural gas properties	Other assets	Total
Cost (\$ millions)			
Balance at December 31, 2024	15,093.9	20.5	15,114.4
Additions	808.4	3.8	812.2
Property acquisitions	0.7	-	0.7
Acquired on close of business combination (Note 6)	7,766.1	-	7,766.1
Change in decommissioning costs	248.3	-	248.3
Transfer from evaluation and exploration assets	0.7	-	0.7
Disposals	(316.2)	-	(316.2)
Balance at June 30, 2025	23,601.9	24.3	23,626.2

c) Accumulated Depletion, Depreciation, Amortization and Impairment

	Petroleum and natural gas properties	Other assets	Total
Accumulated depletion, depreciation, amortization and impairment (\$ millions)			
Balance at December 31, 2024	6,323.4	12.4	6,335.8
Depletion, depreciation and amortization	634.6	1.3	635.9
Balance at June 30, 2025	6,958.0	13.7	6,971.7

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Future development costs of \$17.9 billion (June 30, 2024 – \$8.3 billion) were included in the depletion calculation. The Company capitalized \$21.3 million (June 30, 2024 – \$15.7 million) of administrative costs directly relating to development activities which includes \$8.0 million (June 30, 2024 – \$5.6 million) of stock-based compensation.

d) Impairment Expense (Reversal)

At June 30, 2025, there were no indicators of impairment or impairment reversal for PP&E assets.

At June 30, 2025, the impairment amounts that can be reversed in future periods for the Western Saskatchewan cash generating unit ("CGU"), net of depletion, had no impairment loss been recognized in prior periods, is \$209.6 million. All other previous impairments for the Company's other CGUs have been fully reversed.

8. EXPLORATION AND EVALUATION ASSETS**a) Net Carrying Amount**

(\$ millions)	June 30, 2025	December 31, 2024
Exploration and evaluation assets	658.7	208.2
Less: accumulated land expiries and write-offs	(71.7)	(67.6)
Total net carrying amount	587.0	140.6

b) Cost

(\$ millions)	
Balance at December 31, 2024	208.2
Additions	2.7
Acquired on close of business combination (Note 6)	453.5
Transfer to property, plant and equipment	(0.7)
Disposals	(5.0)
Balance at June 30, 2025	658.7

c) Accumulated Land Expiries and Write-Offs

(\$ millions)	
Balance at December 31, 2024	67.6
Land expiries and write-offs	4.1
Balance at June 30, 2025	71.7

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 year.

d) Impairment

At June 30, 2025, there were no indicators of impairment for E&E assets.

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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. The partial disposition of the Musreau facility was accounted for as a sale and leaseback transaction, and a right-of-use asset was recognized accordingly. See Note 11 – "Lease Liabilities" for additional information regarding the Company's leases.

a) Net Carrying Amount

(\$ millions)	Offices	Facilities	Other	Total
Right-of-use assets	117.6	484.0	29.6	631.2
Less: accumulated depreciation	(26.1)	(6.1)	(13.3)	(45.5)
Balance at June 30, 2025	91.5	477.9	16.3	585.7

b) Cost

(\$ millions)	Offices	Facilities	Other	Total
Balance at December 31, 2024	37.7	34.6	15.9	88.2
Acquired on close of business combination (Note 6)	79.9	449.4	11.5	540.8
Additions	-	-	0.7	0.7
Modifications	-	-	1.5	1.5
Balance at June 30, 2025	117.6	484.0	29.6	631.2

c) Accumulated Depreciation

(\$ millions)	Offices	Facilities	Other	Total
Balance at December 31, 2024	22.4	1.7	11.2	35.3
Depreciation	3.7	4.4	2.1	10.2
Balance at June 30, 2025	26.1	6.1	13.3	45.5

10. LONG-TERM DEBT

(\$ millions)	June 30, 2025	December 31, 2024
Credit facility	992.8	428.8
Senior notes	195.0	195.0
Investment grade senior notes	1,700.0	400.0
Long-term debt	2,887.8	1,023.8

At June 30, 2025, the Company had a total credit capacity of \$4.9 billion which consisted of a \$3.0 billion credit facility, \$1.7 billion in investment grade senior notes, and \$195.0 million in senior notes.

a) Credit Facility

At June 30, 2025, the Company had a \$3.0 billion unsecured covenant-based credit facility with a syndicate of banks. The credit facility consists of a \$2.85 billion revolving syndicated facility and a \$150.0 million revolving operating facility, with a maturity date of September 19, 2029. At June 30, 2025, the amount drawn on the credit facilities was \$992.8 million. Once per calendar year, the Company may request an extension of the then current maturity date, subject to approval by the banks. The credit facility provides that advances may be made by way of direct advances, CORRA loans, or letters of credit/guarantees. The credit facility bears interest at the bank's prime lending or adjusted CORRA rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's credit rating. The CORRA loans bear interest at the applicable adjusted CORRA rate plus an explicit margin based upon the Company's credit rating.

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The following table lists the Company's financial covenant on its credit facility at June 30, 2025:

Covenant Description	June 30, 2025
Debt to Capitalization ⁽¹⁾	Maximum Ratio 0.60 0.21

⁽¹⁾ The debt used in the covenant calculation includes bank indebtedness, investment grade senior notes, senior notes, letters of credit, and dividends declared.

At June 30, 2025, the Company was compliant with all covenants provided for in the credit agreement.

b) Senior Notes

At June 30, 2025, the Company had issued \$195.0 million of senior notes. The notes rank equally with the Company's obligations under its credit facility. The term, rate, principal and carrying amount of the Company's outstanding senior notes are detailed below:

(\$ millions)

Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
December 20, 2017	December 20, 2026	3.900%	195.0	195.0	188.8
Balance at June 30, 2025			195.0	195.0	188.8

The senior notes are subject to the same debt to capitalization ratio financial covenant described above under the Credit Facility. The senior notes are also subject to the following financial covenant as at June 30, 2025:

Covenant Description	June 30, 2025
Debt to EBITDA ^{(1) (2)}	Maximum Ratio 4.00 0.66

⁽¹⁾ The earnings before interest, taxes, depreciation, and amortization (EBITDA) used in the covenant calculation is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items.

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

At June 30, 2025, the Company was compliant with all covenants provided for in the note agreement.

c) Investment Grade Senior Notes

On June 19, 2025, the Company issued \$300.0 million of investment grade senior notes. At June 30, 2025, the Company had issued an aggregate of \$1.7 billion of investment grade senior notes. The notes rank equally with the Company's obligations under its credit facility.

The term, rate, principal and carrying amount of the Company's outstanding investment grade senior notes are detailed below:

(\$ millions)

Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
June 19, 2025	June 19, 2028	3.761%	300.0	300.0	296.6
June 21, 2024	June 21, 2029	4.968%	550.0	550.0	565.8
November 1, 2024	November 1, 2029	4.382%	400.0	400.0	403.2
June 21, 2024	June 21, 2034	5.503%	450.0	450.0	494.1
Balance at June 30, 2025			1,700.0	1,700.0	1,759.7

There are no financial covenants on the investment grade senior notes.

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d) Interest and Financing Expenses

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

(\$ millions)	Three months ended		Six months ended	
	2025	June 30, 2024	2025	June 30, 2024
Interest expenses	28.3	23.9	38.8	46.9
Interest expenses, lease liabilities ⁽¹⁾	4.9	0.3	6.6	0.7
Realized gain on interest rate contracts ⁽²⁾	(0.3)	(3.8)	(1.4)	(7.8)
Unrealized loss on interest rate contracts ⁽²⁾	0.3	4.3	1.4	7.0
Interest and financing expenses	33.2	24.7	45.4	46.8

⁽¹⁾ Refer to Note 11.

⁽²⁾ Refer to Note 5(d).

11. 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 include the assessment of the appropriate durations for the related leased assets.

(\$ millions)	June 30, 2025	December 31, 2024
Current portion	56.1	15.4
Non-current portion	595.3	103.9
Lease liabilities ⁽¹⁾	651.4	119.3

⁽¹⁾ Included in lease liabilities is \$538.9 million related to facilities (\$25.8 million is the current portion and \$513.1 million is the non-current portion).

For the three and six months ended June 30, 2025, interest expense of \$4.9 million and \$6.6 million, respectively (\$0.3 million and \$0.7 million for the three and six months ended June 30, 2024, respectively) and total cash outflows of \$12.0 million and \$17.5 million, respectively (\$2.3 million and \$4.5 million for the three and six months ended June 30, 2024, respectively) were recognized relating to lease liabilities.

12. DECOMMISSIONING LIABILITY

(\$ millions)	
Balance at December 31, 2024	1,091.1
Liabilities incurred	5.1
Liabilities acquired on close of business combination ⁽¹⁾	217.1
Liabilities settled	(16.9)
Liabilities disposed	(57.5)
Revaluation of liabilities acquired ⁽¹⁾	290.0
Accretion expense	19.5
Revisions in estimates	(46.8)
Balance at June 30, 2025	1,501.6

⁽¹⁾ The decommissioning liability was valued using the credit adjusted risk free rate of 7.5 percent for the purposes of the purchase price and was subsequently adjusted to a risk-free rate of 3.2 percent and an inflation rate of 2.0 percent to reflect a day 2 adjustment post-closing of the transaction. See Note 6 - "Acquisitions and Dispositions" for additional information regarding the business combination with Veren.

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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 3.6 percent (3.3 percent at December 31, 2024) and inflation rate of 2.0 percent (2.0 percent at December 31, 2024). At June 30, 2025, the total undiscounted amount of the estimated cash flows required to settle the obligations was \$3.5 billion (December 31, 2024 – \$2.6 billion). The expected timing of payment of the cash flows required for settling the obligations extends up to 54 years.

13. DEFERRED GAIN

In 2021, the Company recognized a \$57.6 million deferred gain as part of the sale of a five percent gross overriding royalty interest on Whitecap's working interest in the Weyburn Unit. The deferred gain is being recognized as gain on asset disposition over the reserve life of the Weyburn Unit.

Changes to deferred gain were as follows:

(\$ millions)	June 30, 2025	December 31, 2024
Deferred gain, beginning of the period	50.1	52.4
Deferred gain amortization	(1.2)	(2.3)
Deferred gain, end of period	48.9	50.1
Less current portion of deferred gain	(2.3)	(2.3)
Non-current portion of deferred gain	46.6	47.8

14. SHARE CAPITAL**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without nominal or par value. The Company is also authorized to issue an unlimited number of preferred shares without nominal or par value provided that, if the authorized preferred shares are to be assigned voting or conversion rights, the number of preferred shares to be issued may not exceed twenty percent of the number of issued and outstanding common shares at the time of issuance of any such preferred shares.

b) Issued and outstanding

(\$ millions)	Shares	\$
Balance at December 31, 2024	587.5	4,720.5
Issued on close of business combination (Note 6)	643.0	5,169.8
Share issue costs, net of deferred income tax	-	(0.1)
Issued on share award vesting	1.7	-
Common shares repurchased	(0.6)	(5.0)
Contributed surplus adjustment on vesting of non-insider share awards	-	15.6
Share award liability adjustment on settlement of insider share awards	-	(0.1)
Balance at June 30, 2025	1,231.6	9,900.7

c) Normal Course Issuer Bid

On May 15, 2025, the Company announced the approval of its renewed NCIB by the TSX (the "**2025 NCIB**"). The 2025 NCIB allows the Company to purchase up to 122,135,462 common shares over a period of twelve months commencing on May 23, 2025.

On May 15, 2024, the Company announced the approval of its renewed NCIB by the TSX (the "**2024 NCIB**"). The 2024 NCIB allowed the Company to purchase up to 59,110,613 common shares over a period of twelve months commencing on May 23, 2024.

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On May 17, 2023, the Company announced the approval of its renewed NCIB by the TSX (the "**2023 NCIB**"). The 2023 NCIB allowed the Company to purchase up to 59,724,590 common shares over a period of twelve months commencing on May 23, 2023.

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 the Company's common shares and the excess is charged to retained earnings.

The following table summarizes the share repurchases for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
(millions except per share amounts)	2025	2024	2025	2024
Shares repurchased	0.6	0.2	0.6	0.2
Average cost (\$/share)	8.73	10.02	8.73	10.02
Amounts charged to:				
Share capital (\$)	5.0	1.8	5.0	1.8
Retained earnings (\$)	0.4	0.4	0.4	0.4
Share repurchase cost (\$)	5.4	2.2	5.4	2.2

d) Award Incentive Plan

The Award Incentive Plan has time-based awards ("**TBAs**") and performance awards ("**PAs**") which may be granted to officers and employees of the Company and other service providers. At June 30, 2025, the maximum number of common shares issuable under the plan shall not at any time exceed 4.0 percent of the total common shares outstanding (less the aggregate number of common shares reserved for issuance from time to time pursuant to all other security based compensation arrangements of the Company). Vesting is determined by the Company's Board of Directors. TBAs and PAs issued to employees of the Company (and historically issued to independent outside directors) have vesting periods ranging from 1 to 3 years. Prior to January 1, 2025, independent outside directors received TBAs as long-term compensation. However, effective January 1, 2025, independent outside directors no longer participate in the award incentive plan and instead receive an annual grant of deferred share units ("**DSUs**"). DSUs vest immediately on grant but are not redeemable until the holder ceases to be a director.

Each TBA may, in the Company's sole discretion, entitle the holder to be issued the number of common shares designated in the TBA plus dividend equivalents or payment in cash. Decisions regarding settlement method for insider and non-insider awards are mutually exclusive. Awards granted to insiders are currently accounted for as cash-settled, and awards granted to non-insiders are currently accounted for as equity-settled. PAs 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. PAs 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 four 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. A copy of the Company's Award Incentive Plan may be accessed through the SEDAR+ website (www.sedarplus.ca).

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In connection with the Veren business combination that closed in the second quarter of 2025, the Company has assumed all outstanding Veren share awards that were not accelerated at closing, which includes employee share value awards ("**ESVAs**"), performance share units ("**PSUs**"), and restricted share awards ("**RSAs**"). The ESVAs, PSUs and RSAs that were not accelerated continue to be governed by and are subject to the terms and conditions of the corresponding legacy Veren plans, which were assumed by Whitecap. No additional ESVAs, PSUs and RSAs will be granted under the legacy Veren plans.

(millions)	ESVAs	RSAs	PSUs ⁽¹⁾	PAs ⁽¹⁾	TBAs	DSUs	Total Awards
Balance at December 31, 2024	-	-	-	5.3	1.9	-	7.2
Assumed on close of business combination (Note 6)	2.2	0.1	0.1	-	-	-	2.4
Granted	-	-	-	3.4	1.2	0.1	4.7
Forfeited	(0.2)	-	-	(0.1)	-	-	(0.3)
Vested	-	-	-	(1.2)	(0.5)	-	(1.7)
Balance at June 30, 2025	2.0	0.1	0.1	7.4	2.6	0.1	12.3

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

e) Contributed Surplus

(\$ millions)

Balance at December 31, 2024	20.6
Stock-based compensation	18.1
Share award vesting	(15.6)
Balance at June 30, 2025	23.1

f) Dividends

Dividends declared were \$0.1824 and \$0.3648 per common share in the three and six months ended June 30, 2025, respectively (\$0.1824 and \$0.3648 per common share in the three and six months ended June 30, 2024, respectively).

On July 15, 2025, the Board of Directors declared a monthly dividend of \$0.0608 per common share designated as an eligible dividend, payable in cash to shareholders of record on July 31, 2025. The dividend payment date is August 15, 2025.

15. REVENUE

The Company 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, the Company 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 payments to the Company by the 25th day of the month following production.

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

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Crude oil	1,150.6	869.9	1,935.4	1,589.3
NGLs	108.1	65.7	184.1	127.1
Natural gas ⁽¹⁾	106.6	44.8	188.0	132.3
Petroleum and natural gas revenues	1,365.3	980.4	2,307.5	1,848.7
Tariffs	(11.6)	(6.8)	(16.3)	(13.6)
Processing & other income	12.2	11.5	25.2	23.5
Marketing revenue	80.9	63.8	143.5	123.6
Petroleum and natural gas sales	1,446.8	1,048.9	2,459.9	1,982.2

⁽¹⁾ During the quarter ended June 30, 2025, natural gas sales include \$24.3 million related to Canadian production sold into U.S. pricing markets through the Company's acquired U.S. legal entity. See Note 6 - "Acquisitions and Dispositions" for additional information regarding the business combination with Veren.

Substantially all of the petroleum and natural gas revenues for the three and six months ended June 30, 2025 are derived from variable price contracts based on index prices.

Included in accounts receivable at June 30, 2025 is \$647.4 million (June 30, 2024 – \$343.9 million) of accrued petroleum and natural gas revenues related to June 2025 production.

As part of the Company's strategic infrastructure partnership with PGI to fund 100% of the Lator Facility and the Alberta Montney infrastructure development acquired from Veren (see Note 6 - "Acquisitions and Dispositions"), the Company is the principal party responsible for the construction of these facilities so associated revenues are recognized, while the expenses within an approved budget are fully reimbursed. Therefore, included in processing & other income is \$27.8 million of gross income offset by \$27.8 million of expenses and \$42.6 million of gross income offset by \$42.6 million of expenses related to these facilities for the three and six months ended June 30, 2025, respectively (nil gross income and nil expenses for the three and six months ended June 30, 2024, respectively).

16. PER SHARE RESULTS

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Per share income (\$/share)				
Basic	0.33	0.41	0.62	0.51
Diluted	0.33	0.41	0.61	0.51
Weighted average shares outstanding (millions)				
Basic	941.4	598.8	765.4	598.4
Diluted ⁽¹⁾	946.4	602.1	770.2	601.9

⁽¹⁾ For the three and six months ended June 30, 2025, 0.2 million share awards and nil share awards, respectively (for the three and six months ended June 30, 2024, nil share awards) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

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17. SUPPLEMENTAL CASH FLOW INFORMATION**a) Changes in Non-Cash Working Capital**

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

(\$ millions)	Three months ended June 30, 2025	June 30, 2024	Six months ended June 30, 2025	June 30, 2024
Accounts receivable	75.4	14.3	55.3	(21.3)
Deposits and prepaid expenses	(23.9)	(4.5)	(21.3)	(1.8)
Accounts payable and accrued liabilities	123.5	(5.7)	30.1	100.6
Share awards liability – current	(6.8)	(6.9)	3.7	3.6
Dividend payable	39.2	0.1	39.2	0.1
Share awards liability	0.6	(1.3)	1.5	0.8
Change in non-cash working capital	208.0	(4.0)	108.5	82.0
Related to:				
Operating activities	(44.1)	78.6	(195.3)	47.1
Financing activities	39.2	0.1	39.2	0.1
Investing activities	211.9	(83.7)	261.2	31.2
Items not impacting cash	1.0	1.0	3.4	3.6

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:

(\$ millions)	Long-term debt	Lease liabilities	Dividends payable
Balance at December 31, 2024	1,023.8	119.3	35.7
Additions	-	0.7	-
Acquired on close of business combination (Note 6)	2,749.0	540.8	-
Modifications	-	1.5	-
Cash flows	(885.6)	(10.9)	(292.6)
Amortization of debt issuance costs	0.6	-	-
Dividends declared	-	-	331.8
Balance at June 30, 2025	2,887.8	651.4	74.9

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18. COMMITMENTS

Upon close of the business combination, the Company assumed all of Veren's commitments and contractual obligations which have been included in the table below. See Note 6 - "Acquisitions and Dispositions" for additional information regarding the business combination with Veren. The Company is committed to future payments under the following agreements:

(\$ millions)	< 1 Yr	1-3 Yrs	3-4 Yrs	> 5 Yrs	Total
Long-term debt ⁽¹⁾	88.5	360.3	949.7	1,941.4	3,339.9
Transportation Commitments	409.0	765.8	679.0	1,427.6	3,281.4
Gas Processing Commitments	178.3	390.0	396.6	783.4	1,748.3
Lease Liabilities ⁽²⁾ (Note 11)	101.5	194.1	186.7	570.6	1,052.9
CO ₂ Purchase Commitments	20.5	44.0	46.3	111.2	222.0
Operating Commitments ⁽³⁾	22.8	33.0	26.2	10.0	92.0
Total	820.6	1,787.2	2,284.5	4,844.2	9,736.5

⁽¹⁾ This amount includes the notional principal and interest payments on the revolving credit facility, investment grade senior notes, and senior notes, excluding expected interest payments on the revolving credit facility.

⁽²⁾ These amounts include the notional principal and interest payments.

⁽³⁾ Included in lease operating commitments are recoveries of operating costs totaling \$16.6 million on subleased office space.

19. INCOME TAXES**Reassessments**

In 2023, Whitecap received reassessments from the Canada Revenue Agency ("**CRA**") and the Alberta Tax and Revenue Administration ("**ATRA**") for a former subsidiary that deny non-capital loss deductions relevant to the calculation of income taxes for the years 2018 and 2019. In 2023, Whitecap filed a notice of objection for each CRA and ATRA reassessment and subsequently filed an appeal directly to the Tax Court of Canada. There has been no change in the status of these reassessments since the appeal to the Tax Court of Canada was filed. Whitecap remains confident in the appropriateness of its tax filing position and intends to vigorously defend it.