WHITECAP RESOURCES INC

NEWS RELEASE

April 26, 2023

WHITECAP RESOURCES INC. ANNOUNCES STRONG FIRST QUARTER RESULTS, DIRECTOR NOMINEE AND PROVIDES AN OPERATIONAL UPDATE

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited financial results for the three months ended March 31, 2023.

Selected financial and operating information is outlined below and should be read with Whitecap's unaudited interim consolidated financial statements and related management's discussion and analysis for the three months ended March 31, 2023 which are available at www.sedar.com and on our website at www.wcap.ca.

Financial ($ millions except for share amounts and percentages)	Three months ended March 31 2023	2022
Petroleum and natural gas revenues	883.7	1,003.9
Net income	262.6	652.3
Basic ($/share)	0.43	1.04
Diluted ($/share)	0.43	1.03
Funds flow [1]	448.0	505.7
Basic ($/share) [1]	0.74	0.81
Diluted ($/share) [1]	0.73	0.80
Dividends declared	87.7	47.1
Per share	0.15	0.08
Expenditures on property, plant and equipment [2]	253.6	211.5
Total payout ratio (%) [1]	76	51
Net Debt [1]	1,471.1	1,093.3
Operating		
Average daily production		
Crude oil (bbls/d)	86,276	82,980
NGLs (bbls/d)	16,655	14,591
Natural gas (Mcf/d)	313,159	210,720
Total (boe/d) [3]	155,124	132,691
Average realized Price [1,4]		
Crude oil ($/bbl)	91.73	111.93
NGLs ($/bbl)	47.50	54.64
Natural gas ($/Mcf)	3.56	5.07
Petroleum and natural gas revenues ($/boe) [1]	63.30	84.06
Operating Netback ($/boe) [1]		
Petroleum and natural gas revenues	63.30	84.06
Tariffs	(0.54)	(0.52)
Processing & other income	0.85	0.57
Marketing revenues	4.63	4.91
Petroleum and natural gas sales	68.24	89.02
Realized gain/(loss) on commodity contracts	0.65	(6.52)
Royalties	(11.51)	(16.53)
Operating expenses	(13.97)	(13.76)
Transportation expenses	(2.13)	(2.08)
Marketing expenses	(4.60)	(4.88)
Operating netbacks	36.68	45.25
Share information (millions)		
Common shares outstanding, end of period	603.0	626.3
Weighted average basic shares outstanding	606.1	625.2
Weighted average diluted shares outstanding	610.8	632.9

MESSAGE TO SHAREHOLDERS

Whitecap has had a strong start to the 2023 year generating $448 million of funds flow in the first quarter on capital expenditures of $254 million, resulting in $194 million of free funds flow[1]. Return of capital to shareholders during the quarter totaled $121 million or 62% of free funds flow, consisting of $88 million of dividends and $33 million of share repurchases under our Normal Course Issuer Bid ("NCIB"). We remain focused on generating strong returns on capital invested while being committed to returning a significant amount of free funds flow back to shareholders.

First quarter production of 155,124 boe/d included 102,931 bbls/d of total liquids production (oil, condensate and NGLs) and 313,159 mcf/d of natural gas production, as successful first quarter drilling programs in our Central Alberta and Saskatchewan business units resulted in higher liquids production than internally forecasted. Our 2023 budget was set in the third quarter of last year using average forecasted AECO prices of $5.00/GJ, which have since deteriorated to approximately $2.00/GJ for summer 2023 and approximately $2.50/GJ for the year. As a result, early in the first quarter we began actively re-allocating capital and production additions to focus more on our assets that generate a stronger netback at current price levels. We spud a total of 69 (60.8 net) wells during the first quarter, 50 (46.0 net) wells in the oil prone areas in Saskatchewan, 13 (10.6 net) wells in Central Alberta, and 6 (4.2 net) wells in Northern Alberta.

Net debt at the end of the first quarter was $1.47 billion, a decrease of over $400 million from December 31, 2022, with disposition proceeds and excess funds flow contributing to the decrease. We have now reduced net debt by over $700 million in the seven months since the closing of the XTO Energy Canada acquisition, while at the same time we have returned $264 million (or $0.43 per share) to shareholders through our base dividend plus share repurchases under our NCIB.

We provide the following first quarter 2023 financial and operating highlights:

- **Funds Flow.** Whitecap's first quarter funds flow of $448 million, or $0.73 per share, was strong and reflective of higher liquids production than internally forecasted. As we expect to be cash taxable in 2023 at current strip prices, we have recorded current income tax expense of $0.93 per boe; however, due to commodity price volatility, our expectation for cash taxability may change over the course of the year.

- **Return of Capital Focus.** Whitecap's first quarter dividends of $0.15 per share ($0.58 per share annualized) increased 32% compared to the fourth quarter of 2022 and increased 93% compared to the same quarter in 2022. Total capital returned to shareholders of $0.20 per share includes $33 million of share repurchases under our NCIB. We have repurchased a total of 16.5 million shares on our current NCIB and intend to renew it upon expiry on May 20, 2023.

- **Balance Sheet Strength.** Quarter end net debt of $1.47 billion equated to a debt to EBITDA ratio[5] of 0.5 times and an EBITDA to interest expense ratio[5] of 37.1 times, both well within our debt covenants of not greater than 4.0 times and not less than 3.5 times, respectively. At our stress case price deck of US$50/bbl WTI and $3.00/GJ AECO, our net debt of $1.47 billion represents a debt to EBITDA ratio of only 1.3 times, highlighting the strength of our balance sheet.

- **Refined Capital Allocation.** First quarter capital spending of $254 million was lower than our original estimate of over $300 million as we have modified our drilling schedule and re-allocated capital towards higher netback oil weighted projects in subsequent quarters due to low AECO natural gas prices. In addition, a now resolved supply chain delay has shifted approximately $40 million of Montney capital to the second and third quarters. We remain flexible and diligent to shift capital across our asset base and Business Units to maximize our funds flow.

OPERATIONS UPDATE

Central Alberta

Our first quarter Glauconite program consisted of 8 (7.2 net) wells drilled, of which 4 (4.0 net) wells have been brought on production and the remaining are expected by the end of June. Our full-year program includes 15 (13.8 net) Glauconite wells and, as part of the re-allocation of our capital program, we have added 5 (4.4 net) high liquid yield wells and deferred 1 (0.5 net) lower liquid yield wells.

The expansion of our Glauconite asset base over the past few years has proven to be beneficial as our operated Glauconite program continues to outperform our expectations. Four recently drilled wells with over a year of production history have achieved an average rate of 660 boe/d per well (71% liquids) which compares to our expected IP(365) rate of 590 boe/d (52% liquids).

Development of the Pembina Cardium Unit 11 ("PCU 11") continues to progress, having drilled 7 (3.9 net) wells since mid-2022, including 2 (1.1 net) injection wells. The 3 (1.7 net) wells drilled in the second half of 2022 have 90 days of production history with average rates of 420 boe/d (93% liquids) per well or over 80% above our IP(90) budget expectations of approximately 230 boe/d. Our full-year program includes 12 (6.6 net) Cardium wells in PCU 11 and 14 (8.4 net) total Cardium wells in the greater Pembina area.

Northern Alberta

Our Montney assets generate robust economics in the current pricing environment and initial upside has been captured with shorter clean up periods than originally budgeted and strong liquids rates. Our most recent 4-well Montney pad at Kakwa came on production in late 2022 and has average production rates of 1,201 boe/d (52% liquids) per well over the first 150 days on production, which is in line with our expectations on a total production basis but exceeding our expectations of 40% liquids yields. Production optimization efforts on the post-clean up period of our Montney wells are ongoing and we project capital payout on these wells within eight months of coming on production.

In addition to proactively making capital program adjustments as a result of falling natural gas prices, supply chain issues encountered in the first quarter have delayed on production dates for our most recent two pads. This delay has since been resolved with drilling and completions activities continuing and on-stream dates are now expected by the end of the second quarter. Since acquiring the Kakwa assets in mid-2021, asset level performance has been strong and with the expansive Montney drilling inventory we look forward to many years of consistent growth going forward.

We have been advancing a thorough technical review of our Duvernay acreage as well as offsetting developments since acquiring the assets in the fall of 2022 and, as a result, we have commenced drilling a 3-well Duvernay pad at Kaybob (11-34) and expect it to be on production in the third quarter. In addition, as part of the re-allocation of our capital program, we have substituted a 4-well Duvernay pad in place of a Montney pad at Lator which was expected to have lower liquids rates than these specific Duvernay wells. The 4-well pad will be drilled after the 11-34 pad and is expected to be on production in the fourth quarter of this year.

Saskatchewan

In Southeast Saskatchewan we drilled a total of 14 (14.0 net) Frobisher horizontal wells, with a mix of single, dual and triple leg wells. Early results from the program are encouraging with the 5 (5.0 net) wells that have been on production for more than 60 days achieving IP(60) average rates of 207 boe/d per well which were over 20% higher than expectations. Our two-rig program will commence once break up conditions subside, and we plan to drill 43 (37.9 net) Mississippian conventional wells in the second half of the year.

Our first quarter Southwest Saskatchewan program was very successful, highlighted by our three Lower Shaunavon wells that significantly outperformed expectations. Two of the Lower Shaunavon wells were extension wells to the North of existing development and will have a positive impact of up to 30 locations[6]. In total we drilled 11 (9.7 net) producing wells across four medium oil formations along with 18 (16.3 net) Viking horizontal light oil wells during the first quarter with results at or above our expectations.

BOARD OF DIRECTORS NOMINEE

Whitecap is pleased to announce that Vineeta Maguire will stand for election as an independent director to our Board of Directors at the upcoming Annual Meeting of the Shareholders (“Annual Meeting”) on May 17, 2023. Ms. Maguire is an independent businesswoman with over thirty years of experience in the oil and gas industry. Prior to her retirement from Ovintiv Inc. earlier this year, Ms. Maguire was Vice President, Supply Management Services, North America during the period of 2014 to 2023 and Vice President, Canadian Operations during the period of 2012 to 2014.

Ms. Maguire holds a Bachelor of Applied Science (Chemical Engineering) from the University of British Columbia and a Master of Science (Chemical Engineering) from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta. Ms. Maguire has received the Supply Chain Management Designation (SCMP) and is currently pursuing the Institute of Corporate Directors Designation (ICD.D). Ms. Maguire is also currently Vice Chair of the Board of Directors of Alberta Easter Seals and an Advisor of the Haskayne School of Business (Supply Chain and Logistics Advisory Board) at the University of Calgary.

Whitecap continues to work towards increasing diversity at all levels of our business. The addition of Ms. Maguire to our board of directors achieves our target of not less than 30% representation by women on our Board by the end of 2023 and reflects our commitment to diversity at our highest level while maintaining strong technical and governance guidance.

Whitecap is also announcing that one of our founding directors, Mr. Gregory S. Fletcher, is retiring from our Board of Directors and is not seeking re-election at the upcoming Annual Meeting. Our Board of Directors and management team are extremely grateful for Mr. Fletcher's valuable contributions and guidance as a director since September 2010 and wish to thank him for his years of service.

OUTLOOK

The outlook for Whitecap remains strong and resilient as we continue to focus on operational excellence in 2023 with an unchanged capital budget of $900 – $950 million and average production guidance of 160,000 – 162,000 boe/d.

As referenced earlier, we have elected to modify our drilling schedule and have reallocated capital within our core operating regions and are concentrating our efforts on higher netback assets with timing changes resulting in a large portion of our production additions occurring in the third and fourth quarters of this year. Our forecasted fourth quarter production is expected to average approximately 170,000 boe/d, which represents 10% per share growth[7] relative to the fourth quarter of 2022 after adjusting for the recently completed dispositions.

We remain committed to our return of capital framework which will result in 75% of free funds flow being returned to shareholders upon reaching our $1.3 billion net debt milestone, including the targeted 26% dividend increase to $0.73 per share annually. We expect to reach the $1.3 billion net debt milestone by mid-2023 at current strip prices[8].

On behalf of our employees, management team and Board of Directors, we would like to thank our shareholders for their support and look forward to updating you on our progress throughout the year.

NOTES

1. Funds flow, funds flow basic ($/share), funds flow diluted ($/share) and net debt are capital management measures. Total payout ratio, average realized price, and petroleum and natural gas revenues figures are supplementary financial measures. Operating netback and free funds flow are non-GAAP financial measures. Operating netbacks ($/boe) is a non-GAAP ratio. Refer to the Specified Financial Measures section in this press release for additional disclosure and assumptions.
2. Also referred to herein as "capital expenditures" and "capital spending".
3. Disclosure of production on a per boe basis in this press release consists of the constituent product types and their respective quantities disclosed herein. Refer to Barrel of Oil Equivalency and Production, Initial Production Rates and Product Type Information in this press release for additional disclosure.
4. Prior to the impact of risk management activities and tariffs.
5. Debt to EBITDA ratio and EBITDA to interest expense ratio are specified financial measures that are calculated in accordance with the financial covenants in our credit agreement.
6. Disclosure of drilling locations in this press release consists of unbooked locations and their respective quantities on a gross and net basis as disclosed herein. Refer to Drilling Locations in this press release for additional disclosure.
7. Production per share is the Company's total crude oil, NGL and natural gas production volumes for the applicable period divided by the weighted average number of diluted shares outstanding for the applicable period. Production per share growth is determined in comparison to the applicable comparative period (adjusted for dispositions).
8. Based on the following commodity pricing and exchange rate assumptions for the full year 2023: US$75.26/bbl WTI, $2.49/GJ AECO, USD/CAD of $1.36.

CONFERENCE CALL AND WEBCAST

Whitecap has scheduled a conference call and webcast to begin promptly at 9:00 am MT (11:00 am ET) on Thursday, April 27, 2023.

The conference call dial-in number is: 1-888-390-0605 or (587) 880-2175 or (416) 764-8609

A live webcast of the conference call will be accessible on Whitecap's website at www.wcap.ca by selecting *"Investors"*, then *"Presentations & Events"*. Shortly after the live webcast, an archived version will be available for approximately 14 days.

For further information:

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or
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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", "potential", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, focus, objectives, priorities and position.

In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to: our focus on generating strong returns on capital invested while being committed to returning a significant amount of free funds flow back to shareholders; our expectation to be cash taxable in 2023 at current strip prices and that such expectation may change over the course of the year due to commodity price volatility; our intention to renew our NCIB upon expiry on May 20, 2023; our forecast that our quarter end net debt of $1.47 billion represents a debt to EBITDA ratio of only 1.3 times at a stress case price deck of US$50/bbl WTI and $3.00/GJ AECO; our expectation that we can shift capital across our asset base and Business Units to maximize our funds flow; our expectation that the remaining wells from our first quarter Glauconite program will be brought on production by the end of June; our expectation that we will drill 15 (13.8 net) Glauconite wells, 12 (6.6 net) Cardium wells in PCU 11, and 14 (8.4 net) total Cardium wells in 2023; generate robust economics in the current pricing environment; our projection to achieve capital payout on our most recent 4-well Montney pad at Kakwa within eight months of coming on production; our expectation to bring our two most recent Montney pads on production by the end of the second quarter; the anticipated benefits of our Montney drilling inventory including our belief that asset level performance in the Montney will continue for many years; our expectation that the 11-34 Duvernay pad will be on production in the third quarter; our expectation to drill a 4-well Duvernay pad after the 11-34 pad and that liquids rates will be higher than a Montney pad at Lator; our expectation that the 4-well Duvernay pad will come on production in the fourth quarter of 2023; our expectation that we will begin a two-rig program in Southeast Saskatchewan once break up conditions subside; our expectation to drill 43 (37.9 net) Mississippian conventional wells in the second half of the year; our belief that two of the Lower Shaunavon wells drilled in the first quarter will have a positive impact of up to 30 locations; our belief that the outlook for Whitecap remains strong and resilient; our focus on operational excellence in 2023; our forecasts for average daily production (including by product type) and capital expenditures for 2023; our belief that re-allocated capital will be concentrated on higher netback assets; our forecast that a large portion of our production additions will occur in the third and fourth quarters; our forecasts for average daily production (including by product type) and production per share growth for the fourth quarter of 2023; that we remain committed to our return of capital framework which will result in 75% of free funds flow being returned to shareholders upon reaching our $1.3 billion net debt milestone, which includes our targeted $0.73 per share annual dividend; and, our expectation to reach the $1.3 billion net debt milestone by mid-2023 at current strip prices.

The forward-looking information is based on certain key expectations and assumptions made by our management, including: that we will continue to conduct our operations in a manner consistent with past operations except as specifically noted herein (and for greater certainty, the forward-looking information contained herein excludes the potential impact of any acquisitions or dispositions that we may complete in the future); 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; expectations and assumptions concerning prevailing and forecast commodity prices, exchange rates, interest rates, inflation rates, applicable royalty rates and tax laws, including the assumptions specifically set forth herein; that going forward the COVID-19 pandemic will not have a material impact 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 adjust crude oil production levels and thereby manage world crude oil prices; the impact (and the duration thereof) of the ongoing military actions between Russia and Ukraine and related sanctions on crude oil, NGLs and natural gas prices; the impact of rising and/or sustained high inflation rates and interest rates on the North American and world economies and the corresponding impact on our costs, our profitability, and on crude oil, NGLs and natural gas prices; future production rates and estimates of operating costs and development capital, including as specifically set forth herein; performance of existing and future wells; reserve volumes and net present values thereof; anticipated timing and results of capital expenditures / development capital, including as specifically set forth herein; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; future dividend levels and share repurchase levels; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions or asset exchange transactions; ability to market oil and natural gas successfully; and our ability to access capital and the cost and terms thereof.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, and by its very nature it involves inherent risks and uncertainties. These include, but are not limited to: the risk that the funds that we ultimately return to shareholders through dividends and/or share buybacks is less than currently anticipated and/or is delayed, whether due to the risks identified herein or otherwise; the risk that any of our material assumptions prove to be materially inaccurate, including our 2023 forecasts (including for commodity prices and exchange rates); the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; pandemics and epidemics; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; risks associated with increasing costs, whether due to high inflation rates, high interest rates, supply chain disruptions or other factors; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; inflation rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources on acceptable terms or at all; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental regulations; and the risk that the amount of future cash dividends paid by us and/or shares repurchased for cancellation by us, if any, will be subject to the discretion of our Board of Directors and may vary depending on a variety of factors and conditions existing from time to time, including, among other things, fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, contractual restrictions contained in our debt agreements, and the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends and/or the repurchase of shares – depending on these and various other factors, many of which will be beyond our control, our dividend policy and/or share buyback policy and, as a result, future cash dividends and/or share buybacks, could be reduced or suspended entirely. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our expectation to be cash taxable in 2023 at current strip prices, Whitecap's forecast 2023 capital expenditures, our forecast for reaching net debt of $1.3 billion by mid-2023 at current strip prices, our targeted annual base dividend level of $0.73 per share, and the percent of free funds flow to be returned to shareholders upon reaching our net debt target of $1.3 billion 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 herein and such variation may be material. Whitecap and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

OIL AND GAS ADVISORIES

Barrel of Oil Equivalency

"Boe" means barrel of oil equivalent. All boe conversions in this press release 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.

Drilling Locations

This press release discloses unbooked drilling inventory. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. The unbooked locations disclosed herein consist of:

- 30 (30.0 net) Lower Shaunavon drilling locations.

Unbooked locations consist of drilling locations that have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all of these drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Production, Initial Production Rates & Product Type Information

References to petroleum, crude oil, natural gas liquids ("NGLs"), natural gas and average daily production in this press release refer to the light and medium crude oil, tight crude oil, conventional natural gas, shale gas and NGLs product types, as applicable, as defined in National Instrument 51-101 ("NI 51-101"), except as noted below.

NI 51-101 includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, tight oil and condensate. NGLs refers to ethane, propane, butane and pentane combined. Natural gas refers to conventional natural gas and shale gas combined.

Any reference in this news release to initial production rates (IP(60), IP(90), IP(150), IP(365)) are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rate in calculating the aggregate production for Whitecap.

The Company's average daily production for the quarter ended March 31, 2023 and 2022, the average daily production rate per well for (1) the recent Glauconite wells (IP(365) and budget), (2) the recent PCU 11 Cardium wells (IP(90) and budget), (3) the recent 4-well Montney pad at Kakwa (IP(150)), and (4) the recent Frobisher wells (IP(60)), and the forecast average daily production for 2023 (mid-point) and the fourth quarter of 2023 disclosed in this press release consists of the following product types, as defined in NI 51-101 (other than as noted above with respect to condensate) and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

Whitecap Corporate	**Q1/2023**	**Q1/2022**	**2023 Guidance (Mid-point)**	**Q4/2023 Guidance**
Light and medium oil (bbls/d)	76,917	79,406	72,500	76,450
Tight oil (bbls/d)	9,359	3,574	13,000	12,500
Crude oil (bbls/d)	86,276	82,980	85,500	88,950
NGLs (bbls/d)	16,655	14,591	17,000	18,000
Shale gas (Mcf/d)	158,024	51,605	207,000	226,600
Conventional natural gas (Mcf/d)	155,135	159,115	144,000	151,700
Natural gas (Mcf/d)	313,159	210,720	351,000	378,300
Total (boe/d)	155,124	132,691	161,000	170,000

Initial Production Rates	**Recent Glauconite IP(365) per well**	**Budget Glauconite well IP(365)**	**Recent PCU 11 Cardium IP(90) per well**	**Budget PCU 11 Cardium well IP(90)**
Light and medium oil (bbls/d)	298	140	363	190
Tight oil (bbls/d)	-	-	-	-
Crude oil (bbls/d)	297	140	363	190
NGLs (bbls/d)	166	170	26	16
Shale gas (Mcf/d)	-	-	-	-
Conventional natural gas (Mcf/d)	1,170	1,680	186	144
Natural gas (Mcf/d)	1,170	1,680	186	144
Total (boe/d)	660	590	420	230

Initial Production Rates	**Recent Montney IP(150) per well**	**Recent Frobisher IP(60) per well**
Light and medium oil (bbls/d)	-	197
Tight oil (bbls/d)	568	-
Crude oil (bbls/d)	568	197
NGLs (bbls/d)	53	7
Shale gas (Mcf/d)	3,480	-
Conventional natural gas (Mcf/d)	-	18
Natural gas (Mcf/d)	3,480	18
Total (boe/d)	1,201	207

SPECIFIED FINANCIAL MEASURES

This press release includes various specified financial measures, including non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as further described herein. These financial measures are not standardized financial measures under International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other companies.

"Average realized prices" for crude oil, NGLs and natural gas are supplementary financial measures calculated by dividing each of these components of petroleum and natural gas revenues, disclosed in Note 15 "Revenue" to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2023, by their respective production volumes for the period.

"Free funds flow" is a non-GAAP financial measure calculated as funds flow less expenditures on property, plant and equipment ("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. Free funds flow is not a standardized financial measure under IFRS and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other entities. The most directly comparable financial measure to free funds flow disclosed in the Company's primary financial statements is cash flow from operating activities. Refer to the "Cash Flow from Operating Activities, Funds Flow and Payout Ratios" section of our management's discussion and analysis for the three months ended March 31, 2023 which is incorporated herein by reference, and available on SEDAR at www.sedar.com. In addition, see the following table which reconciles cash flow from operating activities to funds flow and free funds flow:

	Three months ended Mar. 31,	
($ millions)	**2023**	**2022**
Cash flow from operating activities	468.6	390.6
Net change in non-cash working capital items	(20.6)	115.1
Funds flow	448.0	505.7
Expenditures on PP&E	253.6	211.5
Free funds flow	194.4	294.2
Total payout ratio (%)	76	51
Funds flow per share, basic	0.74	0.81
Funds flow per share, diluted	0.73	0.80

"Funds flow", **"funds flow basic ($/share)" and "funds flow diluted ($/share)"** are capital management measures and are key measures of operating performance as they demonstrate 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 NCIB. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow, funds flow basic ($/share) and funds flow diluted ($/share) provide useful measures of Whitecap's ability to generate cash that are not subject to short-term movements in non-cash operating working capital. Whitecap reports funds flow in total and on a per share basis (basic and diluted), which is calculated by dividing funds flow by the weighted average number of basic shares and weighted average number of diluted shares outstanding for the relevant period. See Note 5(e)(ii) "Capital Management – Funds Flow" in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2023 for additional disclosures.

"Net Debt" is a capital management measure that management considers to be key to assessing the Company's liquidity. See Note 5(e)(i) "Capital Management – Net Debt and Total Capitalization" in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2023 for additional disclosures. The following table reconciles the Company's long-term debt to net debt:

Net Debt ($ millions)	**Mar. 31, 2023**	**Dec. 31, 2022**
Long-term debt	1,336.7	1,844.6
Accounts receivable	(405.8)	(480.2)
Deposits and prepaid expenses	(18.1)	(22.7)
Accounts payable and accrued liabilities	529.2	549.1
Dividends payable	29.1	22.3
Net Debt	1,471.1	1,913.1

"Operating netback" is a non-GAAP financial measure determined by adding marketing revenues and processing & other income, deducting realized losses on commodity risk management contracts or adding realized gains on commodity risk management contracts and deducting tariffs, royalties, operating expenses, transportation expenses and marketing expenses from petroleum and natural gas revenues. The most directly comparable financial measure to operating netback disclosed in the Company's primary financial statements is petroleum and natural gas sales. Operating netback is a measure used in operational and capital allocation decisions. Operating netback is not a standardized financial measure under IFRS and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other entities. For further information, refer to the "Operating Netbacks" section of our management's discussion and analysis for the three months ended March 31, 2023, which is incorporated herein by reference, and available on SEDAR at www.sedar.com. A reconciliation of operating netbacks to petroleum and natural gas revenues is set out below:

	Three months ended Mar. 31,	
Operating Netbacks ($ millions)	**2023**	**2022**
Petroleum and natural gas revenues	883.7	1,003.9
Tariffs	(7.6)	(6.3)
Processing & other income	11.8	6.8
Marketing revenues	64.7	58.7
Petroleum and natural gas sales	952.6	1,063.1
Realized gain (loss) on commodity contracts	9.1	(77.8)
Royalties	(160.7)	(197.4)
Operating expenses	(195.1)	(164.3)
Transportation expenses	(29.8)	(24.8)
Marketing expenses	(64.2)	(58.3)
Operating netbacks	511.9	540.5

"Operating netback ($/boe)" is a non-GAAP ratio calculated by dividing operating netbacks by the total production for the period. Operating netback is a non-GAAP financial measure component of operating netback per boe. Operating netback per boe is not a standardized financial measure under IFRS and, therefore may not be comparable with the calculation of similar financial measures disclosed by other entities. Presenting operating netback on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

"Petroleum and natural gas revenues ($/boe)" is a supplementary financial measure calculated by dividing this component of petroleum and natural gas sales, disclosed in Note 15 "Revenue" to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2023, by the Company's total production volumes for the period.

"Total payout ratio" is a supplementary financial measure 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.

Per Share Amounts

Per share amounts noted in this press release are based on fully diluted shares outstanding unless noted otherwise.