WHITECAP RESOURCES INC

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2024 and 2023

Independent auditor's report

To the Shareholders of Whitecap Resources Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Whitecap Resources Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impact of crude oil and natural gas reserves on net petroleum and natural gas properties *Refer to note 2 – Basis of presentation, note 3 – Material accounting policies and note 7 – Property, plant and equipment to the consolidated financial statements.* The Company's property, plant and equipment (PP&E) has a net carrying value of $8,770.5 million related to petroleum and natural gas properties as at December 31, 2024. Depletion, depreciation and amortization (DD&A) expense related to the petroleum and natural gas properties was $963.2 million for the year then ended. Petroleum and natural gas properties are depleted using the unit-of-production method based on estimated proved plus probable crude oil and natural gas reserves, taking into account the future development costs required to produce the reserves. Proved plus probable crude oil and natural gas reserves are evaluated by independent petroleum consultants (management's experts) in accordance with Canadian National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Significant assumptions used by management to determine the proved plus probable crude oil and natural gas reserves include forecast benchmark commodity prices, production rates, production costs as well as future development costs. We considered this a key audit matter due to (i) the significant judgment made by management, including the use of management's experts, when determining the proved plus probable crude oil and natural gas reserves and (ii) a high degree of	Our approach to addressing the matter included the following procedures, among others: • The work of management's experts was used in performing the procedures to evaluate the reasonableness of the proved plus probable crude oil and natural gas reserves used to determine DD&A expense. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings. • Tested how management determined DD&A expense, which included the following: – Evaluated the reasonableness of significant assumptions used by management in developing the underlying estimates, including: o Production rates, production costs and future development costs by considering the past performance of the Company, and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable. o Forecast benchmark commodity prices by comparing those forecasts with other reputable third-party industry forecasts.

Key audit matter	How our audit addressed the key audit matter
auditor judgment, subjectivity and effort in performing procedures relating to the significant assumptions.	• Recalculated the unit-of-production rates used to calculate DD&A expense.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ryan Lundeen.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 18, 2025

WHITECAP RESOURCES INC.
CONSOLIDATED BALANCE SHEETS

As at (CAD $ millions)	Note	**December 31, 2024**	December 31, 2023
Assets			
Current Assets			
Cash		**362.3**	-
Accounts receivable		**422.2**	400.2
Deposits and prepaid expenses		**22.4**	32.9
Risk management contracts	4 & 5	**77.4**	78.4
Total current assets		**884.3**	511.5
Non-current deposit	19	**86.6**	82.9
Property, plant and equipment	6 & 7	**8,778.6**	8,772.6
Exploration and evaluation	8	**140.6**	169.8
Right-of-use assets	9	**52.9**	22.1
Risk management contracts	4 & 5	**7.1**	43.3
Total assets		**9,950.1**	9,602.2
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	19	**767.1**	509.0
Share awards liability	14	**11.2**	10.1
Dividends payable	20(b)	**35.7**	36.4
Deferred gain	13	**2.3**	2.3
Lease liabilities	11	**15.4**	7.8
Risk management contracts	4 & 5	**4.7**	2.0
Total current liabilities		**836.4**	567.6
Risk management contracts	4 & 5	**27.0**	0.3
Long-term debt	10	**1,023.8**	1,356.1
Lease liabilities	11	**103.9**	18.8
Decommissioning liability	12	**1,091.1**	1,093.1
Share awards liability	14	**5.0**	4.2
Deferred gain and other	13	**72.8**	50.1
Deferred income tax	19	**1,042.8**	1,035.0
Total liabilities		**4,202.8**	4,125.2
Shareholders' Equity			
Share capital	14	**4,720.5**	4,805.0
Contributed surplus	14	**20.6**	16.9
Retained earnings		**1,006.2**	655.1
Total shareholders' equity		**5,747.3**	5,477.0
Total liabilities and shareholders' equity		**9,950.1**	9,602.2

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board:

(signed) *"Stephen C. Nikiforuk"*
Stephen C. Nikiforuk
Director

(signed) *"Grant B. Fagerheim"*
Grant B. Fagerheim
Director

WHITECAP RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31

(CAD $ millions, except per share amounts)	Note	2024	2023
Revenue			
Petroleum and natural gas sales	15	**3,937.9**	3,848.9
Royalties		**(600.1)**	(618.9)
Petroleum and natural gas sales, net of royalties		**3,337.8**	3,230.0
Other income (loss)			
Net gain (loss) on commodity contracts	5	**(16.3)**	151.7
Total revenue and other income		**3,321.5**	3,381.7
Expenses			
Operating	17	**874.1**	805.4
Transportation		**135.9**	123.8
Marketing		**253.3**	273.9
General and administrative	17	**63.8**	57.1
Stock-based compensation	5 & 14	**44.6**	39.9
Transaction costs		**2.3**	-
Interest and financing	5 & 10	**89.8**	83.5
Accretion of decommissioning liabilities	12	**37.3**	33.6
Depletion, depreciation, and amortization	7	**975.2**	865.2
Exploration and evaluation	8	**16.3**	6.6
Net gain on asset dispositions	6 & 13	**(246.4)**	(78.0)
Total expenses		**2,246.2**	2,211.0
Income before income taxes		**1,075.3**	1,170.7
Taxes			
Current income tax expense	19	**255.2**	64.7
Deferred income tax expense	19	**7.8**	217.0
Total income tax expense		**263.0**	281.7
Net income and other comprehensive income		**812.3**	889.0
Net Income Per Share ($/share)			
Basic	18	**1.37**	1.47
Diluted	18	**1.36**	1.46

See accompanying notes to the consolidated financial statements

WHITECAP RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31

(CAD $ millions)	Note	**2024**	2023
Share Capital	14(b)		
Balance, beginning of year		**4,805.0**	4,872.8
Common shares repurchased	14(c)	**(101.8)**	(96.9)
Share award vesting, non-insider	14(d)	**17.7**	13.6
Share award vesting, insider	14(b)	**(0.4)**	15.5
Balance, end of year		**4,720.5**	4,805.0
Contributed Surplus	14(e)		
Balance, beginning of year		**16.9**	12.2
Stock-based compensation		**21.4**	18.3
Share award vesting, non-insider	14(d)	**(17.7)**	(13.6)
Balance, end of year		**20.6**	16.9
Retained Earnings			
Balance, beginning of year		**655.1**	164.7
Net income and other comprehensive income		**812.3**	889.0
Common shares repurchased	14(c)	**(27.9)**	(25.8)
Dividends		**(433.3)**	(372.8)
Balance, end of year		**1,006.2**	655.1

See accompanying notes to the consolidated financial statements

WHITECAP RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

(CAD $ millions)	Note	**2024**	2023
Operating Activities			
Net income and other comprehensive income		**812.3**	889.0
Items not affecting cash:			
Depletion, depreciation, and amortization	7	**975.2**	865.2
Exploration and evaluation	8	**16.3**	6.6
Deferred income tax expense		**7.8**	217.0
Stock-based compensation	5 & 14	**16.6**	14.4
Accretion expense	12	**37.3**	33.6
Unrealized loss (gain) on risk management contracts	5	**66.6**	(113.5)
Net gain on asset dispositions	6 & 13	**(246.4)**	(78.8)
Settlement of decommissioning liabilities	12	**(53.5)**	(42.1)
Net change in non-cash working capital	20	**201.3**	(48.9)
Cash flow from operating activities		**1,833.5**	1,742.5
Financing Activities			
Decrease in long-term debt		**(332.3)**	(488.5)
Common shares repurchased	14(c)	**(129.7)**	(122.7)
Dividends		**(433.3)**	(372.8)
Principal portion of lease payments		**(11.4)**	(7.0)
Net change in non-cash working capital	20	**(0.7)**	14.1
Cash flow used in financing activities		**(907.4)**	(976.9)
Investing Activities			
Expenditures on property, plant and equipment		**(1,131.1)**	(953.8)
Expenditures on property acquisitions	6	**(5.6)**	(171.1)
Cash from property dispositions	6	**508.8**	360.2
Expenditures on corporate acquisitions, net of cash acquired	6	**-**	6.7
Net change in non-cash working capital	20	**64.1**	(7.6)
Cash flow used in investing activities		**(563.8)**	(765.6)
Change in cash, during the year		**362.3**	-
Cash, beginning of year		**-**	-
Cash, end of year		**362.3**	-
Cash Interest Paid		**71.2**	71.9
Cash Taxes Paid		**125.8**	-

See accompanying notes to the consolidated financial statements

1. NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

a) Statement of Compliance

These audited consolidated financial statements have been prepared under International Financial Reporting Standards, as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") as at and for the year ended December 31, 2024, including the 2023 comparative period. The policies applied in these consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as of February 18, 2025, the date the Board of Directors approved these statements.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for derivative financial instruments and stock-based transactions which are measured at fair value. The methods used to measure fair values are discussed in Note 4.

c) Functional and Presentation Currency

The financial statements are presented in Canadian dollars which is the Company's functional currency.

d) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, and revenues and expenses during the reporting year. Actual results could differ from those estimated.

i) Cash Generating Units

Oil and natural gas assets are grouped into cash generating units ("**CGUs**") that have been identified as being the smallest identifiable group of assets that generate cash flows that are independent of cash flows of other assets or groups of assets. The determination of these CGUs was based on management's judgment in regard to shared infrastructure, geographical proximity, commodity type and similar exposure to market risk and materiality. The Company has identified the following CGUs:

- Northern Alberta & British Columbia CGU;
- Central Alberta CGU;
- Eastern Saskatchewan CGU; and
- Western Saskatchewan CGU.

ii) Crude Oil and Natural Gas Reserves

Reserve estimates are based on forecast benchmark commodity prices, production rates, production costs as well as future development costs, all of which are subject to many uncertainties, interpretations, and judgments. These estimates are expected to be revised over time based on updated information. DD&A, decommissioning liability, deferred taxes, impairment and impairment reversals, and business combinations are based on reserve estimates.

iii) Future Net Cash Flows

Estimates of future net cash flows used in the calculation of the estimated recoverable amount are based on reserve evaluation reports prepared by independent petroleum consultants. Discounted future net cash flows are based on forecast benchmark commodity prices and costs over the expected economic life of the reserves and discounted using market-based rates to reflect a market participant's view of the risks associated with the assets.

iv) Business Combinations
Management's determination of whether a transaction constitutes a business combination or asset acquisition is determined based on the criteria in IFRS 3 *Business Combinations* ("**IFRS 3**"). Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment ("**PP&E**") and exploration and evaluation ("**E&E**") assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices, discount rates, future costs and the assessment of recent comparable market transactions. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill.

v) Decommissioning Liability
Amounts recorded for decommissioning costs and the related accretion expense require the use of estimates with respect to the amount and timing of asset retirements, site remediation and related cash flows, as well as the selection of a risk-free discount rate.

vi) Financial Derivative Instruments
The estimated fair values of derivative instruments resulting in financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

vii) Depletion, Depreciation and Amortization ("DD&A")
Estimated DD&A charges are based on estimates of oil and gas reserves that the Company expects to recover in the future and the future development costs required to produce the reserves.

viii) Stock-based Compensation
Compensation costs accrued for long-term stock-based compensation plans, including share awards, are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model, which is based on significant assumptions such as volatility, forfeiture and expected term.

The Company's performance share awards are subject to estimation relating to the performance multiplier, which will determine the ultimate equity payout at the vesting date. This multiplier, ranging from zero to two, will be applied at vesting and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period and the Board of Directors' discretion. Assumptions on the forfeiture rate at the time of grant are also subject to management estimates.

ix) Income Tax
Income taxes are subject to measurement uncertainty as regulations and legislation in the various jurisdictions in which the Company operates are subject to change and tax interpretation of existing tax laws that could be subject to CRA challenge.

x) Impairment
The impairment calculation is based on significant assumptions of proved plus probable oil and natural gas reserves, production rates, benchmark commodity prices, future costs, discount rates and other relevant assumptions. By their nature, these significant assumptions are subject to measurement uncertainty and the impact on the financial statements of future periods could be material.

xi) Revenue and Expenditures
The Company's reported revenues and expenditures, including expenditures on property, plant and equipment, are subject to estimation as at a specific reporting date, but for which actual revenues and expenditures have not yet been received or paid.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a) Jointly Controlled Operations

Substantially all of the Company's exploration and production activities are conducted under joint operating agreements, whereby two or more parties jointly control the assets. These financial statements reflect only the Company's share of these jointly controlled assets and, once production commences, a proportionate share of the relevant revenue and related costs.

b) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or when the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Cash, Accounts Receivable, Loans and Other Receivables

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments. Accounts receivable, loans and other receivables, which are non-derivative financial assets that have fixed or determinable payment terms and are not quoted in an active market, are classified as financial assets at amortized cost and are reported at amortized cost. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

ii) Financial Derivative Instruments

Financial derivative instruments are included in current assets and liabilities except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets and liabilities. The Company has not designated any of its financial derivative contracts as hedging instruments. The Company's financial derivative instruments are classified as financial assets or liabilities at fair value through profit or loss and are reported at fair value with changes in fair value recorded in net income or loss.

The Company has accounted for its forward physical delivery sales contracts, which were entered into and continue to be held for the purpose of receipt or delivery of non-financial items, in accordance with its expected purchase, sale or usage requirements as executory contracts. As such, these contracts are not considered to be derivative financial instruments and have not been recorded at fair value on the consolidated balance sheet. Realized gains or losses from physically settled commodities sales contracts are recognized in petroleum and natural gas sales as the contracts are settled.

iii) Accounts Payable, Accrued Liabilities and Long-term Debt

These financial instruments are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or repay borrowings from lenders. They are classified as current liabilities if payment is due within one year or less. These financial instruments are classified as financial liabilities at amortized cost and are reported at amortized cost using the effective interest rate method.

iv) Impairment of Financial Assets

Whitecap applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 *Financial Instruments* ("**IFRS 9**") which permits the use of the lifetime expected loss provision for all trade receivables carried at amortized cost.

At each reporting date, the Company measures the lifetime expected loss provision taking into consideration Whitecap's historical credit loss experience as well as forward-looking information in order to establish loss rates. The impairment loss (or reversal) is the amount of expected credit losses that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

c) Oil and Gas Exploration and Evaluation Expenditures

Oil and gas E&E expenditures are accounted for in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, whereby costs associated with the exploration for and evaluation of oil and gas reserves are accumulated on an area-by-area basis and are capitalized as either tangible or intangible E&E assets when incurred. Costs incurred in advance of land acquisition are charged to the statement of comprehensive income; however, all other costs, including directly attributable general and administrative costs, are added to E&E assets.

When an area is determined to be technically feasible and commercially viable, the accumulated costs are tested for impairment and transferred to PP&E. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue to work in the area, the unrecoverable costs are recognized on the statement of comprehensive income.

No depletion or depreciation is provided for E&E assets.

d) PP&E

PP&E, which includes oil and natural gas development and production assets, represents costs incurred in developing oil and natural gas reserves and maintaining or enhancing production from such reserves. Future decommissioning costs, related to producing assets, are also capitalized to PP&E. PP&E is carried at cost, less accumulated DD&A and accumulated net impairment losses.

Gains and losses on disposal of PP&E are determined as the difference between proceeds from disposal and the carrying amount of the asset sold and are recognized as a gain or loss on disposal in the statement of comprehensive income.

i) DD&A

The net carrying value of the oil and gas assets is depleted using the unit-of-production method based on estimated proved plus probable oil and natural gas reserves, taking into account the future development costs required to produce the reserves.

Proved plus probable oil and natural gas reserves are evaluated by independent petroleum consultants in accordance with Canadian National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Production and reserves of natural gas are converted to equivalent barrels of crude oil on the basis of six thousand cubic feet of gas to one barrel of oil. Changes in estimates used in prior periods, such as proved and probable reserves, that affect the unit-of-production calculations are dealt with on a prospective basis.

e) Leases

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

f) Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable, and the asset is available for immediate sale in its present condition. For the sale to be highly probable, management must be committed to a plan to sell the asset and an active program to locate a buyer has been initiated. The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale should be expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs of disposal ("**FVLCD**"), with impairments recognized in the statement of comprehensive income in the period measured. Non-current assets held for sale are presented in current assets and liabilities within the balance sheet. Assets held for sale are not depleted, depreciated or amortized.

g) Impairment

The carrying amounts of PP&E are reviewed at each reporting date to determine whether there are any indicators of impairment. If such an indicator exists, the estimated recoverable amount is calculated. For the purpose of impairment testing, PP&E assets are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or group of assets. The estimated recoverable amount of an asset or CGU is the greater of its FVLCD and its value in use ("**VIU**"). FVLCD is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal or in the case of a lack of comparable transactions, based upon discounted after tax cash flows. VIU is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU. An impairment loss is recognized in the statement of comprehensive income if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, or indicators suggest that the carrying amount exceeds the estimated recoverable amount. E&E assets are tested for impairment immediately prior to costs being transferred to PP&E. Exploration and evaluation assets are tested for impairment at the CGU level by referencing the fair value of current arm's length transactions in the market to the carrying amount of E&E assets. Impairments of E&E assets are reversed when there has been a subsequent increase in the estimated recoverable amount, but only to the extent of what the carrying amount would have been had no impairment been recognized.

Impairment losses previously recognized are assessed at each reporting date for indicators that the loss has decreased or no longer exists. An impairment loss is reversed to the extent that the asset's new carrying amount does not exceed the original carrying amount, net of related accumulated DD&A, if there has been an increase in the estimated recoverable amount.

h) Business Combinations

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. The acquisition date is the closing date of the business combination. Revisions may be made to the initial recognized amounts determined during the measurement period, which shall not exceed one year after the acquisition date. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred, and equity instruments issued. If the cost of the acquisition is greater than the fair value of the net identifiable assets acquired, the difference is recorded as goodwill on the consolidated balance sheet. If the cost of the acquisition is less than the fair value of the net identifiable assets acquired, the difference is recognized immediately in the consolidated statement of income. Transaction costs associated with a business combination are expensed as incurred.

i) Decommissioning Liability

Decommissioning liabilities include present obligations where the Company will be required to retire tangible long-lived assets. Decommissioning liabilities are measured at the present value of the expenditure expected to be incurred using the relevant risk-free rate. The associated cost is capitalized as part of the cost of the related long-lived asset. Changes in the estimated obligation resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognized as a change in the decommissioning liability.

Amortization of decommissioning costs is included in depreciation, depletion and amortization in the statement of comprehensive income. Increases resulting from the passage of time are recorded as accretion of decommissioning liabilities in the statement of comprehensive income.

Actual expenditures incurred are charged against the accumulated decommissioning liability.

j) Borrowing Costs
Borrowing costs attributable to the acquisition, construction or production of qualifying assets that require greater than a year to be ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest and financing expense in the statement of comprehensive income in the period in which they are incurred.

k) Stock-based Compensation
The Company's stock-based compensation program consists of share awards. Share awards issued to insiders are accounted for as cash-settled transactions. Share awards issued to employees are accounted for as equity-settled transactions.

Time-based and performance share awards granted under the Award Incentive Plan are accounted for at fair value. Stock-based compensation expense is determined based on the estimated fair value of shares on the date of grant using the Black-Scholes option pricing model. The fair value of awards issued to insiders that are accounted for as cash-settled transactions are subsequently adjusted to reflect the fair value at each period end. Fair value is based on the prevailing Whitecap share price. Forfeitures are estimated at the grant date and are subsequently adjusted to reflect actual forfeitures. The expense is recognized on a straight–line basis over the vesting period, with a corresponding increase to contributed surplus in the case of awards accounted for as equity-settled, or share awards liability in the case of awards accounted for as cash-settled. The Company capitalizes the portion of stock-based compensation directly attributable to development activities, with a corresponding decrease to stock-based compensation expense.

Share awards are either time-based or performance based. Performance based awards are granted with a performance multiplier. This multiplier, ranging from zero to two, will be applied at vesting and is dependent on the performance of the Company relative to pre-defined corporate performance measures for a particular period and the Board of Directors' discretion.

l) Income Tax
Income tax comprises current and deferred taxes. Income tax is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in other comprehensive income or elsewhere in shareholders' equity, in which case the related income tax expense or recovery is also recognized directly in other comprehensive income or elsewhere in shareholders' equity.

Current tax expense is the expected cash tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, the deferred tax expense and related liability are recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to continue to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

m) Share Capital
Proceeds from the issuance of common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

n) Revenue from Petroleum and Natural Gas Sales

Revenue from the sale of crude oil, natural gas and natural gas liquids is measured based on the consideration specified in contracts with customers. Whitecap recognizes revenue when control of the product transfers to the buyer and collection is reasonably assured. This is generally at the point in time when the customer obtains legal title to the product which is when it is physically transferred to the pipeline or other transportation method agreed upon. Revenues from processing activities are recognized over time as processing occurs and are generally billed monthly.

Whitecap has applied the practical expedient to recognize revenue in the amount to which the Company has the right to invoice. As such, no disclosure is included relating to the amount of transaction price allocated to remaining performance obligations and when these amounts are expected to be recognized as revenue.

o) Net Income per Share

Net income per share is calculated by dividing the net income for the period by the weighted average number of common shares outstanding during the period.

Diluted net income per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The Company's potentially dilutive common shares comprise share awards granted to employees and directors. The number of shares included with respect to share awards is computed using the treasury stock method.

p) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries and any reference to the Company throughout these consolidated financial statements refers to the Company and its subsidiaries. All intercompany balances, transactions, revenue and expenses are eliminated on consolidation. The consolidated accounts are prepared using uniform accounting policies.

q) Changes in Accounting Policies

There were no changes that had a material effect on the reported net income or net assets of the Company during the periods presented in these audited consolidated financial statements.

r) 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' 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 and the senior notes have a fair value hierarchy of Level 2. The fair value measurement of PP&E, 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. Refer to Notes 7, 8, 9 and 13 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 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 December 31, 2024 and December 31, 2023, the fair value of these balances, other than senior notes, approximated their carrying value. The fair value of the bank debt is equal to its carrying amount as the bank debt bears interest at floating rates and credit spreads within the facility are indicative of market rates.

c) Derivatives

The fair value of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward 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 year.

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:

	December 31, 2024			December 31, 2023		
($ millions)	**Asset**	**Liability**	**Net**	Asset	Liability	Net
Gross amount	**86.8**	**(34.0)**	**52.8**	121.7	(2.3)	119.4
Amount offset	**(2.3)**	**2.3**	**-**	-	-	-
Net amount (1)	**84.5**	**(31.7)**	**52.8**	121.7	(2.3)	119.4

(1) Gross asset and liability positions by counterparty that are offset on the balance sheet at December 31, 2024 and December 31, 2023.

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)	**December 31, 2024**	December 31, 2023
Accounts receivable	**422.2**	400.2
Risk management contracts	**84.5**	121.7
Total exposure	**506.7**	521.9

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at December 31, 2024 pertains to accrued revenue for December 2024 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 December 31, 2024, one Commodity Purchaser accounted for 12 percent of the total accounts receivable balance. It is not considered a credit risk.

Whitecap applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 which permits the use of the lifetime expected loss provision for all trade receivables. Prior credit losses in the collection of accounts receivable by Whitecap have been negligible and the Company does not anticipate any significant future credit losses based on forward looking information.

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 December 31, 2024, there was $9.5 million (December 31, 2023 – $10.6 million) of receivables aged over 90 days. Subsequent to December 31, 2024, approximately $1.9 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 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.

The following table details the contractual maturities of Whitecap's financial liabilities at December 31, 2023:

($ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	509.0	-	-	509.0
Dividends payable	36.4	-	-	36.4
Long-term debt (1)	210.6	7.6	1,163.5	1,381.7
Lease liabilities (2)	9.0	8.8	36.3	54.1
Share awards liability	10.1	3.4	0.8	14.3
Risk management contracts (3)	2.0	0.3	-	2.3
Total financial liabilities	777.1	20.1	1,200.6	1,997.8

(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.

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)	**December 31, 2024**	December 31, 2023
Current Assets		
Crude oil	**24.8**	43.4
Natural gas	**51.2**	23.4
Interest	**1.4**	11.6
Total current assets	**77.4**	78.4
Long-term Assets		
Crude oil	**2.1**	32.6
Natural gas	**5.0**	9.2
Interest	**-**	1.5
Total long-term assets	**7.1**	43.3
Total fair value	**84.5**	121.7

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

($ millions)	**December 31, 2024**	December 31, 2023
Current Liabilities		
Crude oil	**3.7**	-
Power	**1.0**	2.0
Total current liabilities	**4.7**	2.0
Long-term Liabilities		
Crude oil	**23.6**	-
Natural gas	**3.4**	-
Power	**-**	0.3
Total long-term liabilities	**27.0**	0.3
Total fair value	**31.7**	2.3

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

	Twelve months ended December 31,	
($ millions)	**2024**	2023
Realized gain on commodity contracts	**38.6**	19.5
Unrealized (loss) gain on commodity contracts	**(54.9)**	132.2
Net (loss) gain on commodity contracts	**(16.3)**	151.7
Realized gain on interest rate contracts (1)	**11.6**	15.1
Unrealized loss on interest rate contracts (1)	**(11.7)**	(10.0)
Realized gain on equity contracts (2)	**-**	8.6
Unrealized loss on equity contracts (2)	**-**	(8.7)
Net (loss) gain on risk management contracts	**(16.4)**	156.7

(1) The gain (loss) on interest rate risk management contracts is included in interest and financing expense.
(2) The gain (loss) on equity contracts is 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.

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)	**December 31, 2024**	
	Increase 10%	**Decrease 10%**
Commodity Price		
Crude oil	(162.1)	148.3
Natural gas	(16.8)	15.0
Power	0.2	(0.2)

At December 31, 2024, the following commodity risk management contracts were outstanding with an asset fair market value of $83.1 million and liability fair market value of $31.7 million (December 31, 2023 – asset of $108.6 million and liability of $2.3 million):

1) WTI Crude Oil Derivative Contracts

Type	**Remaining Term**	**Volume (bbls/d)**	**Swap Price (C$/bbl) (1)**
Swap	Jan - Jun 2025	8,000	104.39
Swap	Jul - Dec 2025	1,000	100.05
Swap (2)	Jan - Dec 2025	19,000	101.77
Swap	Jan - Dec 2026	22,500	91.55

(1) Prices reported are the weighted average prices for the period.
(2) 5,000 bbls/d at a weighted average price of $105.41/bbl are extendable through 2026 at the option of the counterparties through the exercise of a one-time option on December 31, 2025.

2) 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	Jan - Mar 2025	10,000			3.58
Swap [2]	Jan - Dec 2025	105,000			3.34
Swap	Jan - Dec 2026	30,000			3.58
Collar	Jan - Dec 2026	68,500	2.25	3.52	

[1] Prices reported are the weighted average prices for the period.
[2] 17,500 GJs/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) Power Derivative Contracts

Type	Remaining Term	Volume (MWh)	Fixed Rate ($/MWh) [1]
Swap	Jan - Dec 2025	43,800	71.75

[1] Prices reported are the weighted average prices for the period.

4) Contracts entered into subsequent to December 31, 2024

Natural Gas Derivative Contracts

Type	Remaining Term	Volume (GJs/d)	Swap Price (C$/GJ) [1]
Swap	Nov 2026 - Mar 2027	5,000	3.37

[1] Prices reported are the weighted average prices for the period.

ii) Interest Rate Risk

The Company is exposed to interest rate risk on its credit facility. The credit facility consists of a $1.93 billion revolving syndicated facility and a $75.0 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 December 31, 2024 were to have increased or decreased by 100 basis points, it is estimated that the Company's income before tax would change by approximately $8.3 million ($9.6 million for the year ended December 31, 2023). This assumes that the change in interest rate is effective from the beginning of the year and the amount of floating rate debt is the amount outstanding at December 31, 2024.

When assessing the potential impact of forward interest rate changes on the Company's interest rate swaps, the Company believes an interest rate volatility of 100 basis points is a reasonable measure. A 100 basis point increase or decrease in forward interest rates would have resulted in the following impact to unrealized gains (losses) on interest rate risk management contracts and net income before tax:

($ millions)	December 31, 2024	
	Increase 1.0%	**Decrease 1.0%**
Interest rate swaps	0.7	(0.7)

At December 31, 2024, the following interest rate risk management contracts were outstanding with an asset fair market value of $1.4 million (December 31, 2023 – asset of $13.1 million):

1) Interest Rate Contracts

Type	**Term**		**Amount ($ millions)**	**Fixed Rate (%) (1)**	**Index (2)**
Swap	May 5, 2021	May 5, 2025	200.0	1.2315	CORRA

(1) Rates reported are the weighted average rates for the period.
(2) Canadian Overnight Repo Rate Average ("CORRA").

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. At December 31, 2024, Whitecap did not have any equity price risk contracts outstanding.

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 December 31, 2024, Whitecap did not have any foreign exchange contracts outstanding.

e) Capital Management

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

i) Net Debt and Total Capitalization

Management considers net debt a key 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)	**December 31, 2024**	December 31, 2023
Long-term debt	**1,023.8**	1,356.1
Cash	**(362.3)**	-
Accounts receivable	**(422.2)**	(400.2)
Deposits and prepaid expenses	**(22.4)**	(32.9)
Non-current deposit	**(86.6)**	(82.9)
Accounts payable and accrued liabilities	**767.1**	509.0
Dividends payable	**35.7**	36.4
Net debt	**933.1**	1,385.5
Shareholders' equity	**5,747.3**	5,477.0
Total capitalization	**6,680.4**	6,862.5

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 years ended December 31, 2024 and 2023 is calculated as follows:

	Twelve months ended December 31,	
($ millions, except per share amounts)	**2024**	2023
Cash flow from operating activities	**1,833.5**	1,742.5
Net change in non-cash working capital	**(201.3)**	48.9
Funds flow	**1,632.2**	1,791.4
Funds flow per share, basic	**2.74**	2.96
Funds flow per share, diluted	**2.73**	2.94

6. ACQUISITIONS AND DISPOSITIONS

a) 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. Whitecap retains operatorship and the remaining 50 percent working interest. In addition, Whitecap 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. Whitecap 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, Whitecap closed its strategic partnership with PGI to fund 100% of phase 1 of the Lator Facility, which includes our 04-13 battery, and entered into a long-term fixed take-or-pay commitment with PGI for priority access to the facility upon completion.

b) 2023 Acquisitions

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, 2023.

i) Western Saskatchewan Asset Acquisition

On December 11, 2023, the Company closed the acquisition of certain assets in the Western Saskatchewan CGU for cash consideration of $153.5 million. The acquisition of the Western Saskatchewan assets has been accounted for as a business combination under IFRS 3.

The acquisition of the assets in Western Saskatchewan contributed revenues of $5.5 million and operating income of $3.5 million from December 11, 2023 to December 31, 2023. Had the acquisition of these assets closed on January 1, 2023, estimated contributed revenues would have been $118.4 million and estimated contributed operating income would have been $81.9 million for the year ended December 31, 2023.

Net assets acquired ($ millions):	
Petroleum and natural gas properties	**165.8**
Exploration and evaluation	**0.6**
Decommissioning liability	**(12.9)**
Total identifiable net assets acquired	**153.5**
Consideration:	
Cash consideration	**153.5**
Total consideration	**153.5**

ii) Other Acquisitions

In the year ended December 31, 2023, the Company closed the acquisition of various assets located in its core areas of Central Alberta, Eastern Saskatchewan and Western Saskatchewan for consideration consisting of $40.6 million of petroleum and natural gas properties and $4.6 million of exploration and evaluation assets for a total of $45.2 million of non-cash consideration. The acquisitions were accounted for as a business combination under IFRS 3.

c) 2023 Dispositions

i) Non-core Asset Dispositions

In the first quarter of 2023, the Company closed the dispositions of non-core assets for total net consideration of $389.5 million. Upon closing of the transactions, a net gain on asset disposition of $68.7 million was recorded as the proceeds less cost of disposal exceeded their carrying amount.

7. PROPERTY, PLANT AND EQUIPMENT

a) Net Carrying Amount

Net book value ($ millions)	**December 31, 2024**	December 31, 2023
Petroleum and natural gas properties	**15,093.9**	14,162.2
Other assets	**20.5**	16.5
Property, plant and equipment, at cost	**15,114.4**	14,178.7
Less: accumulated depletion, depreciation, amortization and impairment	**(6,335.8)**	(5,406.1)
Total net carrying amount	**8,778.6**	8,772.6

b) Cost

Cost ($ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	12,890.7	15.1	12,905.8
Additions	949.9	1.4	951.3
Property acquisitions	213.2	-	213.2
Corporate acquisitions	19.5	-	19.5
Change in decommissioning costs	88.3	-	88.3
Transfer from evaluation and exploration assets	1.4	-	1.4
Disposals	(0.8)	-	(0.8)
Balance at December 31, 2023	14,162.2	16.5	14,178.7
Additions	1,135.0	4.0	1,139.0
Property acquisitions	5.5	-	5.5
Change in decommissioning costs	15.6	-	15.6
Transfer from evaluation and exploration assets	2.0	-	2.0
Disposals	(226.4)	-	(226.4)
Balance at December 31, 2024	**15,093.9**	**20.5**	**15,114.4**

c) Accumulated Depletion, Depreciation, Amortization and Impairment

Accumulated depletion, depreciation, amortization and impairment ($ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	4,540.5	7.5	4,548.0
Depletion, depreciation and amortization	855.9	2.2	858.1
Balance at December 31, 2023	5,396.4	9.7	5,406.1
Depletion, depreciation and amortization	963.2	2.7	965.9
Disposal	(36.2)	-	(36.2)
Balance at December 31, 2024	**6,323.4**	**12.4**	**6,335.8**

Future development costs of $8.7 billion (December 31, 2023 – $8.4 billion) were included in the depletion calculation. The Company capitalized $24.9 million (December 31, 2023 – $21.9 million) of administrative costs directly relating to development activities which includes $10.1 million (December 31, 2023 – $9.0 million) of stock-based compensation.

Impairment losses can be reversed in future periods if the estimated recoverable amount of the CGU exceeds its carrying value. The impairment recovery is limited to a maximum of the estimated depleted historical cost if the impairment had not been recognized.

d) Impairment Test of Property, Plant and Equipment

i) December 31, 2024 Impairment and Impairment Reversal

At December 31, 2024, there were no indicators of impairment or impairment reversal for PP&E assets.

At December 31, 2024, the impairment amounts that can be reversed in future periods for each CGU, net of depletion, had no impairment loss been recognized in prior periods, is $217.0 million for Western Saskatchewan. All other previous impairments for the Company's other CGUs have been fully reversed.

ii) December 31, 2023 Impairment

At December 31, 2023, as a result of a significant decrease in forward benchmark natural gas prices compared to December 31, 2022, an impairment test on the Company's Central Alberta CGU was performed.

The impairment test at December 31, 2023 concluded that the FVLCD of the Company's Central Alberta CGU of $2.0 billion exceeded its carrying amount of $1.9 billion, and as a result, no impairment expense was recorded.

At December 31, 2023, the impairment amount that could be reversed in future periods, net of depletion, had no impairment loss been recognized in prior periods, is $236.1 million for the Western Saskatchewan CGU. All other previous impairments for the Company's other CGUs have been fully reversed.

8. EXPLORATION AND EVALUATION ASSETS

a) Net Carrying Amount

($ millions)	**December 31, 2024**	December 31, 2023
Exploration and evaluation assets	**208.2**	221.1
Less: accumulated land expiries and write-offs	**(67.6)**	(51.3)
Total net carrying amount	**140.6**	169.8

b) Cost

($ millions)	
Balance at December 31, 2022	207.6
Additions	16.3
Transfer to property, plant and equipment	(1.4)
Disposals	(1.4)
Balance at December 31, 2023	221.1
Additions	3.3
Transfer to property, plant and equipment	(2.0)
Disposals	(14.2)
Balance at December 31, 2024	**208.2**

c) Accumulated Land Expiries and Write-Offs

($ millions)	
Balance at December 31, 2022	44.7
Land expiries and write-offs	6.6
Balance at December 31, 2023	51.3
Land expiries and write-offs	16.3
Balance at December 31, 2024	**67.6**

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 Test of Exploration and Evaluation Assets

At December 31, 2024, there were no indicators of impairment for E&E assets.

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 Musreau facility partial disposition 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	37.7	34.6	15.9	88.2
Less: accumulated depreciation	(22.4)	(1.7)	(11.2)	(35.3)
Balance at December 31, 2024	**15.3**	**32.9**	**4.7**	**52.9**

b) Cost

($ millions)	Offices	Facilities	Other	Total
Balance at December 31, 2022	35.7	-	9.3	45.0
Additions	0.7	-	4.2	4.9
Disposals	(0.3)	-	-	(0.3)
Balance at December 31, 2023	36.1	-	13.5	49.6
Additions	4.5	34.6	2.4	41.5
Disposals and other	(2.9)	-	-	(2.9)
Balance at December 31, 2024	**37.7**	**34.6**	**15.9**	**88.2**

c) Accumulated Depreciation

($ millions)	Offices	Facilities	Other	Total
Balance at December 31, 2022	14.8	-	5.6	20.4
Depreciation	4.6	-	2.5	7.1
Balance at December 31, 2023	19.4	-	8.1	27.5
Depreciation	4.5	1.7	3.1	9.3
Disposals	(1.5)	-	-	(1.5)
Balance at December 31, 2024	**22.4**	**1.7**	**11.2**	**35.3**

10. LONG-TERM DEBT

($ millions)	**December 31, 2024**	December 31, 2023
Credit facility	**428.8**	256.2
Term loan	**-**	705.0
Senior notes	**195.0**	394.9
Investment grade senior notes	**400.0**	-
Long-term debt	**1,023.8**	1,356.1

At December 31, 2024, the Company had a total credit capacity of $2.6 billion which consisted of a $2.0 billion credit facility, $400.0 million in investment grade senior notes, and $195.0 million in senior notes. On September 19, 2024, the Company entered into a $2.0 billion unsecured covenant-based credit facility which replaced the $2.0 billion secured credit and $705 million term loan facilities. On November 1, 2024, the Company issued $400.0 million of investment grade senior notes which have a fixed interest rate of 4.38% and mature on November 1, 2029. See Note 10 c) – "Investment Grade Senior Notes" for additional information regarding the Company's investment grade senior notes.

a) Credit Facility

At December 31, 2024, the Company had a $2.0 billion unsecured covenant-based credit facility with a syndicate of banks. The credit facility consists of a $1.93 billion revolving syndicated facility and a $75.0 million revolving operating facility, with a maturity date of September 19, 2028. At December 31, 2024, the amount drawn on the credit facilities was $428.8 million. Once per calendar year, Whitecap may request an extension of the then current maturity date, subject to approval by the banks. Following the granting of such extension, the term to maturity of the credit facilities shall not exceed four years. The credit facility provides that advances may be made by way of direct advances, 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.

The following table lists Whitecap's financial covenants at December 31, 2024:

Covenant Description		**December 31, 2024**
Debt to EBITDA [(1)] [(2)]	Maximum Ratio 4.00	**0.52**
EBITDA to interest expense [(1)]	Minimum Ratio 3.50	**25.91**
Debt to Capitalization [(2)]	Maximum Ratio 0.60	**0.16**

(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 December 31, 2024, the Company was compliant with all covenants provided for in the credit agreement.

b) Senior Notes

At December 31, 2024, the Company had issued $195.0 million senior notes. The notes rank equally with Whitecap'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	3.90 %	195.0	195.0	186.8
Balance at December 31, 2024			**195.0**	**195.0**	**186.8**

The Company fully repaid $200 million in senior notes that matured on May 31, 2024. The senior notes are subject to the same debt to EBITDA ratio, EBITDA to interest expense ratio, and debt to capitalization ratio financial covenants described above under the Credit Facility.

At December 31, 2024, the Company was compliant with all covenants provided for in the note agreements.

c) Investment Grade Senior Notes

At December 31, 2024, the Company had issued $400.0 million of investment grade senior notes. The notes rank equally with Whitecap'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
November 1, 2024	November 1, 2029	4.38%	400.0	400.0	401.2
Balance at December 31, 2024			**400.0**	**400.0**	**401.2**

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

d) Interest and Financing Expense

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

($ millions)	Twelve months ended December 31, 2024	2023
Interest expenses	**85.5**	87.3
Interest expenses, lease liabilities [(1)]	**4.2**	1.3
Realized gains on interest rate contracts [(2)]	**(11.6)**	(15.1)
Unrealized losses on interest rate contracts [(2)]	**11.7**	10.0
Interest and financing expenses	**89.8**	83.5

(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. The Company has entered into a long-term fixed take-or-pay commitment, and a lease liability was recognized at the present value of future lease payments using the Company's incremental borrowing rate.

($ millions)	**December 31, 2024**	December 31, 2023
Current portion	**15.4**	7.8
Non-current portion	**103.9**	18.8
Lease liabilities [(1)]	**119.3**	26.6

(3) Included in lease liabilities is $94.3 million related to the Musreau 05-09 facility ($6.6 million is the current portion and $87.7 million is the non-current portion).

For the twelve months ended December 31, 2024, interest expense of $4.2 million and total cash outflows of $15.4 million were recognized relating to lease liabilities.

For the twelve months ended December 31, 2023, interest expense of $1.3 million and total cash outflows of $8.0 million were recognized relating to lease liabilities.

12. DECOMMISSIONING LIABILITY

($ millions)	
Balance at December 31, 2022	1,000.4
Liabilities incurred	7.6
Liabilities acquired	12.9
Liabilities settled	(42.1)
Revaluation of liabilities acquired (1)	21.1
Change in estimate	59.6
Accretion expense	33.6
Balance at December 31, 2023	1,093.1
Liabilities incurred	10.5
Liabilities settled	(53.5)
Liabilities disposed	(1.4)
Change in estimate	5.1
Accretion expense	37.3
Balance at December 31, 2024	**1,091.1**

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

The Company's decommissioning liability results from its ownership interest in oil and natural gas assets including well sites and gathering systems. The total decommissioning liability is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The key assumptions, on which the carrying amount of the decommissioning liability is based, include a risk-free rate of 3.3 percent (3.0 percent at December 31, 2023) and inflation rate of 2.0 percent (2.0 percent at December 31, 2023). At December 31, 2024, the total undiscounted amount of the estimated cash flows required to settle the obligations was $2.6 billion (December 31, 2023 – $2.4 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)	**December 31, 2024**	December 31, 2023
Deferred gain, beginning of the year	**52.4**	54.7
Deferred gain amortization	**(2.3)**	(2.3)
Deferred gain, end of year	**50.1**	52.4
Less current portion of deferred gain	**(2.3)**	(2.3)
Non-current portion of deferred gain	**47.8**	50.1

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, 2022	608.7	4,872.8
Issued on share award vesting	3.6	-
Common shares repurchased [(1)]	(14.3)	(96.9)
Contributed surplus adjustment on vesting of non-insider share awards	-	13.6
Share award liability adjustment on settlement of insider share awards	-	15.5
Balance at December 31, 2023	598.0	4,805.0
Issued on share award vesting	2.2	-
Common shares repurchased	(12.7)	(101.8)
Contributed surplus adjustment on vesting of non-insider share awards	-	17.7
Share award liability adjustment on settlement of insider share awards	-	(0.4)
Balance at December 31, 2024	**587.5**	**4,720.5**

(1) At December 31, 2022, 2.2 million common shares repurchased under the NCIB were held in treasury. Subsequent to year end, all of the common shares held in treasury were cancelled.

c) Normal Course Issuer Bid

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

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.

On May 16, 2022, the Company announced the approval of its renewed NCIB by the TSX (the "**2022 NCIB**"). The 2022 NCIB allowed the Company to purchase up to 58,341,984 common shares over a period of twelve months commencing on May 21, 2022.

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

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

	Twelve months ended December 31,	
(millions except per share amounts)	**2024**	2023
Shares repurchased	**12.7**	12.1
Average cost ($/share)	**10.23**	10.16
Amounts charged to:		
Share capital ($)	**101.8**	96.9
Retained earnings ($)	**27.9**	25.8
Share repurchase cost ($)	**129.7**	122.7

d) Award Incentive Plan

The Award Incentive Plan has time-based awards and performance awards which may be granted to directors, officers, employees of the Company and other service providers. Independent outside directors receive only time-based awards as the primary form of long-term compensation. At December 31, 2024, the maximum number of common shares issuable under the plan shall not at any time exceed 3.755 percent of the total common shares outstanding. Vesting is determined by the Company's Board of Directors. Time-based awards and performance awards issued to employees of the Company and independent outside directors have vesting periods ranging from 1 to 3 years.

Each time-based award may, in the Company's sole discretion, entitle the holder to be issued the number of common shares designated in the time-based award plus dividend equivalents or payment in cash. Decisions regarding settlement method for insider and non-insider awards are mutually exclusive. Awards granted to insiders are currently accounted for as cash-settled, and awards granted to non-insiders are currently accounted for as equity-settled. Performance awards are also subject to a performance multiplier. This multiplier, ranging from zero to two, will be applied on vesting and is dependent on the performance of the Company relative to predefined corporate performance measures set by the Board of Directors for the associated period.

Based on the terms of the Award Incentive Plan, the fair value of share awards is equal to the underlying share price on grant date. The fair value of awards that are accounted for as cash-settled transactions are subsequently adjusted to the underlying share price at each period end. Performance awards are also adjusted by an estimated payout multiplier. The amount of compensation expense is reduced by an estimated forfeiture rate on the grant date, which has been estimated at 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).

(millions)	Number of Time-based Awards	Number of Performance Awards [1]	Total Awards
Balance at December 31, 2022	1.7	4.5	6.2
Granted	1.0	2.3	3.3
Forfeited	(0.1)	(0.1)	(0.2)
Vested	(0.8)	(2.2)	(3.0)
Balance at December 31, 2023	1.8	4.5	6.3
Granted	1.1	3.1	4.2
Forfeited	(0.1)	(0.1)	(0.2)
Vested	(0.9)	(2.2)	(3.1)
Balance at December 31, 2024	**1.9**	**5.3**	**7.2**

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

e) Contributed Surplus

($ millions)	
Balance at December 31, 2022	12.2
Stock-based compensation	18.3
Share award vesting	(13.6)
Balance at December 31, 2023	16.9
Stock-based compensation	21.4
Share award vesting	(17.7)
Balance at December 31, 2024	**20.6**

f) Dividends

Dividends declared were $0.73 per common share in the year ended December 31, 2024 ($0.62 per common share in the year ended December 31, 2023).

On January 15, 2025, the Board of Directors declared a dividend of $0.0608 per common share designated as an eligible dividend, payable in cash to shareholders of record on January 31, 2025. The dividend payment date is February 18, 2025.

On February 13, 2025, the Board of Directors declared a dividend of $0.0608 per common share designated as an eligible dividend, payable in cash to shareholders of record on February 28, 2025. The dividend payment date is March 17, 2025.

15. REVENUE

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

The contracts generally have a term of one year or less, whereby delivery occurs throughout the contract period. Commodity purchasers typically remit payments to Whitecap by the 25th day of the month following production.
A breakdown of petroleum and natural gas sales is as follows:

	Twelve months ended December 31,	
($ millions)	**2024**	2023
Crude oil	**3,198.1**	2,973.8
NGLs	**257.0**	245.6
Natural gas	**210.6**	332.2
Petroleum and natural gas revenues	**3,665.7**	3,551.6
Tariffs	**(26.9)**	(27.9)
Processing & other income	**44.1**	49.8
Marketing revenue	**255.0**	275.4
Petroleum and natural gas sales	**3,937.9**	3,848.9

Substantially all of the petroleum and natural gas revenues for the year ended December 31, 2024 are derived from variable price contracts based on index prices.

Included in accounts receivable at December 31, 2024 is $338.3 million (December 31, 2023 – $296.0 million) of accrued petroleum and natural gas revenues related to December 2024 production.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation relating to key management personnel, including directors of the Company, is as follows:

	Twelve months ended December 31,	
($ millions)	**2024**	2023
Salaries and bonuses	**11.4**	10.0
Stock-based compensation	**27.1**	26.0
Total key management personnel compensation	**38.5**	36.0

17. EMPLOYEE COMPENSATION EXPENSE

Whitecap's Consolidated Statement of Comprehensive Income is prepared primarily by nature of item, with the exception of employee compensation expense which is included in both operating and general and administrative ("**G&A**") expense line items.

The following table details the amount of total employee compensation expense included in operating and G&A expense line items in the statements of income:

	Twelve months ended December 31,	
($ millions)	**2024**	2023
Operating	**41.9**	38.7
G&A less capitalized portion	**51.1**	54.7
Total employee compensation expense	**93.0**	93.4

18. PER SHARE RESULTS

	Twelve months ended December 31,	
	2024	2023
Per share income ($/share)		
Basic	**1.37**	1.47
Diluted	**1.36**	1.46
Weighted average shares outstanding (millions)		
Basic	**594.9**	605.1
Diluted (1)	**598.1**	608.6

(1) For the year ended December 31, 2024, 0.6 million share awards (no anti-dilutive share awards for the year ended December 31, 2023) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

19. INCOME TAXES

a) Income Tax Expense

Income taxes for the years ended December 31, 2024 and 2023 are as follows:

($ millions)	**2024**	2023
Current income tax expense (1)	**255.2**	64.7
Deferred income tax expense		
Origination and reversal of timing differences	**7.8**	217.0
Total income tax expense	**263.0**	281.7

(1) Current income tax expense of $193.9 million is included in accounts payable and accrued liabilities on the balance sheet.

The tax provision differs from the amount computed by applying the combined Canadian federal and provincial statutory income tax rates to income before income tax expense as follows:

($ millions, except statutory tax rates)	Twelve months ended December 31, 2024	2023
Income before income taxes	**1,075.3**	1,170.7
Statutory income tax rate [1]	**24.43%**	24.42%
Expected income tax expense at statutory rates	**262.7**	285.9
Increase (decrease) resulting from		
Non taxable portion of gain on sale	**(33.2)**	-
Change in statutory rate	**20.3**	(3.2)
Return to provision true-up	**4.0**	(4.6)
Non-deductible stock-based compensation	**6.5**	5.9
Non-deductible transaction costs	**0.3**	0.1
Other	**2.4**	(2.4)
Total income tax expense	**263.0**	281.7

[1] The tax rate consists of the combined federal and provincial statutory tax rates for the Company and its subsidiaries for the years ended December 31, 2024 and 2023.

b) Deferred Tax Assets and Deferred Tax Liabilities

The analysis of deferred tax assets and deferred tax liabilities is as follows:

($ millions)	December 31, 2024	December 31, 2023
Deferred tax assets		
To be recovered after more than 12 months	**267.8**	267.4
To be recovered within 12 months	**2.7**	5.1
Deferred tax liabilities		
To be settled after more than 12 months	**(1,295.6)**	(1,288.8)
To be settled within 12 months	**(17.7)**	(18.7)
Deferred tax liabilities	**(1,042.8)**	(1,035.0)

Deferred tax assets (liabilities):

($ millions)	Capital assets in excess of tax value	Risk Management asset / (liability)	Decom-missioning liability	Non-capital loss carry forward	Share issue costs	Cash settled share awards	Total
At December 31, 2022	(1,190.9)	(1.4)	271.0	117.5	0.1	5.2	(798.5)
Charged / (credited) to the income statement	(53.2)	(27.8)	(26.9)	(107.4)	-	(1.7)	(217.0)
Corporate acquisition	(12.4)	-	-	(7.5)	-	-	(19.9)
Change in estimate of decommissioning liabilities	(22.2)	-	22.2	-	-	-	-
Other	0.4	-	-	-	-	-	0.4
At December 31, 2023	(1,278.3)	(29.2)	266.3	2.6	0.1	3.5	(1,035.0)
Charged / (credited) to the income statement	(15.3)	16.2	(4.0)	(3.0)	-	(1.7)	(7.8)
Change in estimate of decommissioning liabilities	(3.6)	-	3.6	-	-	-	-
At December 31, 2024	**(1,297.2)**	**(13.0)**	**265.9**	**(0.4)**	**0.1**	**1.8**	**(1,042.8)**

c) Gross Deductions

The following gross deductions are available for income tax purposes:

($ millions)	**December 31, 2024**	December 31, 2023
Undepreciated capital cost	**730.1**	793.2
Canadian development expense	**1,285.0**	1,037.1
Canadian oil and gas property expense	**1,375.9**	1,708.1
Non-capital loss carry forward	**-**	11.4
Share issue costs	**0.1**	0.3
Total	**3,391.1**	3,550.1

The Company recognized deferred tax assets to the extent that it is probable that the future benefit will be realized.

d) 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. Whitecap has paid 50 percent of the reassessed taxes, interest, and penalties as a deposit to the CRA ($65.3 million) and the ATRA ($17.7 million) to date. If Whitecap is ultimately successful in defending its position, then any taxes, interest and penalties paid to the CRA and the ATRA would be refunded plus interest. If Whitecap is unsuccessful, then any remaining taxes payable plus interest and any penalties would have to be remitted by Whitecap. 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.

20. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in Non-Cash Working Capital

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

	Twelve months ended December 31,	
($ millions)	**2024**	2023
Accounts receivable	**(20.4)**	80.0
Deposits and prepaid expenses	**6.8**	(93.1)
Accounts payable and accrued liabilities	**282.6**	(46.6)
Share awards liability – current	**1.1**	(6.0)
Dividend payable	**(0.7)**	14.1
Share awards liability	**0.8**	(1.0)
Change in non-cash working capital	**270.2**	(52.6)
Related to:		
Operating activities	**201.3**	(48.9)
Financing activities	**(0.7)**	14.1
Investing activities	**64.1**	(7.6)
Items not impacting cash	**5.5**	(10.2)

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, 2022	1,844.6	29.0	22.3
Additions	-	4.6	-
Cash flows	(490.0)	(7.0)	(372.8)
Amortization of debt issuance costs	1.5	-	-
Dividends declared	-	-	386.9
Balance at December 31, 2023	1,356.1	26.6	36.4
Additions	-	104.1	-
Cash flows	(335.4)	(11.4)	(433.3)
Amortization of debt issuance costs	3.1	-	-
Dividends declared	-	-	432.6
Balance at December 31, 2024	**1,023.8**	**119.3**	**35.7**

21. COMMITMENTS

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

($ millions)	2025	2026	2027	2028+	Total
Transportation agreements	174.7	138.8	154.7	1,280.4	1,748.6
Long-term debt [(1)]	25.1	219.9	17.5	861.1	1,123.6
CO2 Purchase Commitments	20.3	20.7	22.2	168.7	231.9
Lease liabilities [(2)] (Note 11)	22.2	21.1	19.5	110.6	173.4
Service agreements	5.2	5.2	4.8	19.1	34.3
Total	**247.5**	**405.7**	**218.7**	**2,439.9**	**3,311.8**

(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.