WHITECAP RESOURCES INC

NEWS RELEASE

August 1, 2019

WHITECAP RESOURCES INC. ANNOUNCES SECOND QUARTER 2019 RESULTS AND APPOINTMENT OF DIRECTOR

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited financial results for the three and six months ended June 30, 2019.

Selected financial and operating information is outlined below and should be read with Whitecap's unaudited interim consolidated financial statements and related Management's Discussion and Analysis ("MD&A") which are available at www.sedar.com and on our website at www.wcap.ca.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended June 30		Six months ended June 30	
Financial ($000s except per share amounts)	2019	2018	2019	2018
Petroleum and natural gas revenues	374,730	433,380	717,969	801,430
Net income (loss)	58,357	(3,615)	5,796	(11,370)
Basic ($/share)	0.14	(0.01)	0.01	(0.03)
Diluted ($/share)	0.14	(0.01)	0.01	(0.03)
Funds flow	175,537	195,816	336,758	360,615
Basic ($/share)	0.42	0.47	0.81	0.86
Diluted ($/share)	0.42	0.47	0.81	0.86
Dividends paid or declared	34,686	32,719	68,152	64,906
Per share	0.08	0.08	0.17	0.16
Expenditures on PP&E	26,463	66,444	151,367	249,059
Total payout ratio (%) (1)	35	51	65	87
Property acquisitions	196	1,108	1,586	1,723
Property dispositions	44	(1,585)	(623)	(1,712)
Corporate acquisition	-	-	-	53,166
Net debt	1,189,750	1,323,093	1,189,750	1,323,093
Operating				
Average daily production				
Crude oil (bbls/d)	55,155	59,786	55,177	58,886
NGLs (bbls/d)	4,417	4,461	4,402	4,233
Natural gas (Mcf/d)	66,231	69,393	66,358	68,129
Total (boe/d)	70,611	75,813	70,639	74,474
Average realized price (2)				
Crude oil ($/bbl)	71.40	75.36	67.52	70.43
NGLs ($/bbl)	22.50	38.33	25.18	37.24
Natural gas ($/Mcf)	1.22	1.24	1.97	1.80
Total ($/boe)	58.32	62.82	56.15	59.45
Netbacks ($/boe)				
Petroleum and natural gas revenues	58.32	62.82	56.15	59.45
Tariffs	(0.43)	(0.60)	(0.50)	(0.82)
Processing income	0.54	0.50	0.53	0.51
Blending revenue	0.61	0.51	1.24	0.26
Petroleum and natural gas sales	59.04	63.23	57.42	59.40
Realized hedging loss	(1.81)	(5.97)	(1.15)	(4.20)
Royalties	(10.96)	(10.99)	(10.14)	(10.70)
Operating expenses	(12.45)	(11.79)	(12.56)	(11.97)
Transportation expenses	(2.20)	(2.38)	(2.20)	(2.15)
Blending expenses	(0.62)	(0.35)	(1.20)	(0.18)
Operating netbacks (1)	31.00	31.75	30.17	30.20
Share information (000s)				
Common shares outstanding, end of period	412,907	417,485	412,907	417,485
Weighted average basic shares outstanding	413,192	417,456	413,324	417,603
Weighted average diluted shares outstanding	416,626	420,281	416,081	419,998

Notes:

(1) Total payout ratio and operating netbacks do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this press release for additional disclosure and assumptions.

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

MESSAGE TO SHAREHOLDERS

We are pleased to report strong 2019 second quarter operating and financial results. Production averaged 70,611 boe/d which was higher than our forecast of 68,000 – 70,000 boe/d on limited capital expenditures of $26.5 million which was below our $30 - $50 million anticipated spend.

Whitecap's objective in the first half of 2019 was to increase free funds flow while maintaining production with limited capital expenditures. This disciplined approach to capital spending was intended to further strengthen our balance sheet going into a year of significant uncertainty around Canadian crude oil prices and differentials. Production in December 2018 averaged 70,599 boe/d and in June 2019 averaged 70,464 boe/d. We were able to maintain our production levels by spending only $151.4 million in the first six months of 2019, less than half our funds flow for the period. The low maintenance capital nature of our asset base allowed us to maintain production and fund our dividends in a low commodity price environment, demonstrating the sustainability of our long-term business model.

In the first half of 2019, we generated funds flow of $336.8 million, spent $151.4 million on capital to maintain production, and paid dividends of $68.2 million, resulting in $117.2 million of free funds flow or a total payout ratio of 65%. This includes our 5.6% dividend increase in May of this year.

With US$WTI at approximately $55.00/bbl, Canadian light oil differentials at US$5.00/bbl and a weak Canadian dollar, our assets generate robust operating netbacks and strong drilling economics. Whitecap's objective in the second half of 2019 is to increase average production in the fourth quarter to 77,000 boe/d on capital spending of $300 million. We also anticipate funds flow in the second half of 2019 to approximate capital spending and dividend payments.

Whitecap remains in an enviable position with premium assets that can generate significant free funds flow in the current commodity price environment and with a top tier balance sheet. We have reduced net debt by $106.6 million or 8% in the first six months of 2019, and net debt at the end of the second quarter was $1.2 billion on debt capacity of $1.77 billion, providing significant financial flexibility. Second quarter debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio was 1.6x and we anticipate reducing this further in the second half of 2019 as we increase production to 77,000 boe/d.

Whitecap is a leader in environmental stewardship, community engagement, technical innovation and entrepreneurship. We have made great strides in reducing our environmental footprint and increasing our long-term sustainability with the acquisition of the Weyburn asset in late 2017. We operate this world class enhanced oil recovery project in southeast Saskatchewan which injects and stores more CO_2 annually than the direct and indirect CO_2 emissions from our Company's total operations combined.

APPOINTMENT OF NEW DIRECTOR

As a continuation of our commitment to high standards of ESG performance, we are pleased to announce that Brad Wall has been appointed to the Whitecap Board of Directors effective July 30, 2019 and will serve as a member of the Health & Safety Committee and the newly created Sustainability & Advocacy Committee.

Mr. Wall has 18 years of political experience and served as the Premier of Saskatchewan from November 2007 until February 2018. During his tenure as Premier, Mr. Wall helped lead the province to a period of strong population and economic growth, export expansion, record infrastructure investment and tax reductions while helping to earn the province's first ever AAA credit rating.

The newly created Sustainability & Advocacy Committee will focus on environmental stewardship and performance in addition to being a strong voice for the Canadian oil and natural gas industry and the importance of delivering more of our products to world markets and the impact that has on reducing greenhouse gas emissions globally.

QUARTERLY FINANCIAL HIGHLIGHTS

- Capital discipline and strong operational execution resulted in a total payout ratio after capital spending and dividend payments of 35% in Q2/19 and 65% year to date in 2019. This compares to a Q2/18 total payout ratio of 51% and 87% for the first six months of 2018.

- Generated free funds flow of $114.4 million in Q2/19 and $117.2 million year to date, after capital expenditures and dividend payments compared to $46.7 million for the first six months of 2018, an increase of 151%.

- Production averaged 70,611 boe/d on limited capital expenditures of $26.5 million in Q2/19 compared to 75,813 boe/d on capital expenditures of $66.4 million in Q2/18. Capital expenditures for 1H/19 were $151.4 million compared to $249.1 million for the prior period, a decrease of 39%.

- Operating netbacks remained strong at $31.00/boe compared to $31.75/boe in Q2/18 despite a 7% decrease to average realized prices. This was primarily due to lower realized hedging losses compared to Q2/18.

- Funds flow for the quarter was $175.5 million ($0.42/share) compared to $195.8 million ($0.47/share) in Q2/18, a 10% decrease, mainly due to lower capital expenditures and the resulting decrease in average production.

- Continued to mitigate price volatility and protect economic returns through our risk management strategy. See Note 5 of the Q2/19 unaudited interim consolidated financial statements for details of our hedge positions.

OUTLOOK

With the first half of 2019 behind us, we are now getting started on a very active capital program for the remainder of the year where we anticipate drilling 174 (151.3 net) wells as part of our $300 million second half capital program.

In Northwest Alberta and British Columbia, we plan to drill 17 (15.8 net) wells in the Deep Basin including an extensional well with significant reserve and productivity upside as well as initiation of a gas flood enhanced oil recovery pilot in our Wapiti Cardium oil pool. At Boundary Lake, we will be recommencing the redevelopment of the oil pool with the drilling of 3 (3.0 net) wells in the fourth quarter.

The second half program in West Central Alberta includes the drilling of 5 (4.9 net) Cardium horizontal wells of which 4 (4.0 net) will be in Ferrier.

In West Central Saskatchewan, we plan to drill 95 (87.1 net) Viking oil wells including 21 (20.9 net) wells focused on improving oil recovery in our waterfloods and 5 (5.0 net) wells that are focused on expanding our inventory into a new area.

For the second half of 2019, we intend to drill 49 (37.4 net) wells in Southwest Saskatchewan which includes 11 (9.3 net) wells in the Lower Shaunavon to further delineate and solidify our identified inventory of over 200 Lower Shaunavon locations.

In Southeast Saskatchewan, we will recommence our development program in Weyburn with the drilling of 5 (3.1 net) infill horizontal oil wells. Performance of the pool is meeting and, in some areas exceeding expectations, after recovering from abnormal CO_2 supply issues and associated production downtime in the first quarter.

Whitecap remains a fundamentally strong business focused on return on capital employed and delivering stable funds flow for our shareholders. We are in an enviable position where we can self-fund our production growth and dividends while generating a significant amount of free funds flow in the current commodity price environment. We are on track to meeting our annual production guidance of 70,000 – 72,000 boe/d on capital expenditures of $425 - $475 million.

On behalf of our Board of Directors and the Whitecap management team, we would like to thank our shareholders for their ongoing support.

Conference Call and Webcast

Whitecap has scheduled a conference call and webcast to begin promptly at 9:00 am MT (11:00 am ET) on Thursday, August 1, 2019.

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

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

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", “continue”, “trend”, “sustain”, "project", "expect", “forecast”, “budget”, "goal", “guidance”, "plan", “objective”, “strategy”, “target”, "intend", “estimate”, or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, objectives and priorities; the objective in the second half of 2019 to increase average production and the amount of capital spending required; anticipation that funds flow will approximate capital spending and dividend payments in the second half of 2019; anticipation of reducing the debt to EBITDA ratio in 2019; the Company's hedging program; the number of wells to be drilled as well as the timing and locations thereof and the benefits to be derived from such drilling activities; anticipated reserve and productivity upside from the extensional well in Deep Basin; the ability to further delineate and solidify our identified inventory; the ability to self-fund our production growth and dividends while generating a significant amount of free funds flow in the current commodity price environment; the ability to achieve target annual production guidance and the ability to do so on budgeted capital expenditures.

The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully and our ability to access capital.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

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

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

Oil and Gas Advisories

"Boe" means barrel of oil equivalent based on 6 mcf of natural gas to 1 bbl of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "operating netback". These terms do not have standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Whitecap's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in this press release, should not be relied upon for investment or other purposes. Refer below to the Non-GAAP Measures section of this press release for additional disclosure on "operating netback".

Drilling Locations
This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from McDaniel & Associates Consultants Ltd.'s reserves evaluation effective December 31, 2018 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 200 (165.5 net) Lower Shaunavon drilling locations identified herein, 10 (9.1 net) are proved locations, 3 (2.4 net) are probable locations and 187 (154 net) are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Non-GAAP Measures

This press release includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and, therefore, may not be comparable with the calculation of similar measures by other companies. See the Company's Management's Discussion and Analysis of financial condition and results of operation for the period ended June 30, 2019 for a reconciliation of the non-GAAP measures.

"Free funds flow" represents funds flow less dividends paid or declared and expenditures on property, plant and equipment ("PP&E"). Management believes that free funds flow provides a useful measure of Whitecap's capital reinvestment and dividend policy.

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

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

Debt to EBITDA Ratio

The debt to EBITDA ratio is calculated in accordance with the financial covenants in the Company's credit agreements. The EBITDA used in the debt to EBITDA ratio is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items such as material acquisitions or dispositions. The debt used in the debt to EBITDA ratio includes bank indebtedness, letters of credit, and dividends declared. See Note 12(a) of the Q2/19 unaudited interim consolidated financial statements. Additionally, copies of the Company's credit agreements may be accessed through the SEDAR website (www.sedar.com).

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