MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations for Whitecap Resources Inc. (the "Company" or "Whitecap") is dated March 18, 2014 and should be read in conjunction with the Company's audited annual financial statements and related notes for the year ended December 31, 2013. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars, except where indicated otherwise. Accounting policies adopted by the Company are set out in the notes to the audited annual financial statements for the year ended December 31, 2013.

The annual financial statements of Whitecap have been prepared by management and approved by the Company's Board of Directors.

DESCRIPTION OF BUSINESS

Whitecap is engaged in the acquisition, development, optimization and production of crude oil and natural gas in western Canada. We are focused on providing sustainable monthly dividends and per share growth through a combination of accretive oil-based acquisitions and organic growth on existing and acquired assets.

2013 ANNUAL FINANCIAL AND OPERATIONAL RESULTS

Production

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

	Year ended December 31,	
	2013	2012
Crude oil (bbls/d)	11,870	8,612
NGLs (bbls/d)	1,713	998
Natural gas (Mcf/d)	37,117	26,650
Total (boe/d)	19,769	14,052
Production split (%)		
Crude oil and NGLs	69	68
Natural gas	31	32
Total	100	100

Average production volumes increased 41 percent to 19,769 boe/d in 2013 from 14,052 boe/d in 2012 while fourth quarter 2013 production volumes increased 30 percent to 22,061 boe/d compared to 17,018 boe/d in the prior period. The increases in production are mainly attributed to acquisitions completed in 2013 and the successful execution of our development capital program, partially offset by natural declines. Our crude oil and NGL weighting has increased one percent in 2013 to 69 percent.

Revenue

A breakdown of revenue is as follows:

	Year ended December 31,	
($000s)	2013	2012
Crude oil	390,538	262,730
NGLs	30,956	25,184
Natural gas	45,601	17,856
Petroleum and natural gas sales	467,095	305,770

Petroleum and natural gas sales in 2013 increased 53 percent to $467.1 million from $305.8 million in 2012. The increase of $161.3 million consists of $124.1 million attributed to higher production volumes and $37.2 million due to higher realized prices. Petroleum and natural gas sales for the fourth quarter of 2013 increased 30 percent to $122.2 million from $93.9 million in the fourth quarter of 2012, an increase of $28.3 million of which $27.8 million is attributed to higher production volumes and $0.5 million is due to higher realized prices.

Average benchmark and realized prices are as follows:

	Year ended December 31,	
	2013	2012
Benchmark prices		
WTI (US$/bbl)[1]	97.97	94.21
USD – CAD foreign exchange rate	1.03	1.00
WTI (C$/bbl)	100.87	94.15
Edmonton Par (C$/bbl)	92.93	86.31
AECO natural gas ($/Mcf)[2]	3.17	2.39
Average realized prices[3]		
Crude oil ($/bbl)	90.09	83.22
NGLs ($/bbl)	49.42	48.76
Natural gas ($/Mcf)	3.36	2.58
Combined ($/boe)	64.73	59.46

Notes:

(1) WTI represents posting prices of West Texas Intermediate oil.

(2) Represents the AECO daily posting.

(3) Prior to the impact of hedging activities.

In 2013, Whitecap's weighted average realized price prior to the impact of hedging activities was $64.73 per boe compared to the prior period of $59.46 per boe. Prior to hedging activities Whitecap's weighted average realized price was $60.20 per boe in the fourth quarter of 2013, consistent with $59.97 per boe in 2012.

US$ WTI prices increased in 2013 averaging $97.97 per barrel compared to $94.21 per barrel in the prior year. Mid-year increases to US refining capacity and improvements to pipeline bottlenecks between Cushing, Oklahoma and Gulf Coast refineries helped reduce high oil inventories at Cushing, improving WTI oil prices in the latter part of 2013.

The Edmonton light sweet crude price differential to WTI averaged $7.57 US/barrel in 2013, decreasing three percent over 2012. Differentials were less volatile in 2013 with the exception of the fourth quarter when light oil supply increases, pipeline disruptions and subsequent restrictions occurred increasing the differential to $14.93 US/barrel.

Whitecap continues to access opportunities to optimize oil prices and transportation, including transporting oil via rail to avoid pipeline restrictions and access higher priced markets. Whitecap currently moves 1,250 bbls/day on rail, primarily in west central Saskatchewan. Whitecap has also contracted for long term firm oil pipeline transportation capacity from the Peace River and Deep Basin areas to ensure takeaway capacity is accessible in these key areas of growth.

The AECO daily spot price averaged $3.17 per Mcf in 2013 compared to $2.39 per Mcf in 2012, an increase of 33 percent. While North American gas production remains strong, weather related demand improved year over year drawing down gas storage levels from record highs seen in 2012. The Company's natural gas receives a modest premium to the Alberta natural gas spot benchmark price due to its higher heat content.

Risk Management and Hedging Activities

Whitecap maintains an ongoing risk management program to reduce the volatility of revenues in order to fund capital expenditures and provide a measure of stability to Whitecap dividends. The Company has Board of Directors' approval to hedge a forward position of 3 years and up to 75 percent of its most recent quarter's average daily production, net of royalties.

The Company realized a loss of $11.8 million on its risk management contracts in 2013. The unrealized loss is a result of the non-cash change in the mark-to-market values period over period.

Risk Management Contracts ($000s)	2013	2012
Realized gain (loss) on risk management contracts	(11,795)	12,821
Unrealized gain (loss) on risk management contracts	(45,920)	18,840
Total gain (loss) on risk management contracts	(57,715)	31,661

At December 31, 2013 the following risk management contracts were outstanding with a mark-to-market asset value of $35.1 million:

Financial WTI Crude Oil Derivative Contracts – Canadian Dollar[(1)]

Term	**Volume (bbl/d)**	**Average Swap Price ($/bbl)**	**Average Collar Sold Call Price ($/bbl)**	**Average Collar Bought Put Price ($/bbl)**
2014	10,500	94.93	-	-
2014 January - February	250	-	100.80	90.00
2015	4,000	92.68	-	-

Note:
(1) Volumes and prices reported are the weighted average volumes and prices for the period.

Contracts acquired and entered into subsequent to December 31, 2013[(1)]

Term	**Contract**	**Volume (bbl/d)**	**Average Swap Price ($/bbl)**
2014 January - June	Swap	1,000	99.25
2014 January - July	Swap	250	100.75
2014 April - December	Swap	1,000	107.25
2014 August - December	Swap	250	100.08
2014	Swap	650	98.82
2015 January - June	Swap	2,000	99.03
2015	Swap	4,000	98.49
2016	Swap	1,000	95.05

Note:
(1) Volumes and prices reported are the weighted average volumes and prices for the period.

Financial Natural Gas Derivative Contracts – Canadian Dollar[(1)]

Term	**Contract**	**Volume (GJ/d)**	**Average Swap Price ($/GJ)**
2014	Swap	19,000	3.57
2015	Swap	5,000	3.51

Note:
(1) Volumes and prices reported are the weighted average volumes and prices for the period.

Contracts entered into subsequent to December 31, 2013[(1)]

Term	**Contract**	**Volume (GJ/d)**	**Average Swap Price ($/GJ)**
2014 February - December	Swap	5,000	3.84
2014 July - December	Swap	8,500	4.35
2015 January - June	Swap	2,500	4.12
2015	Swap	10,000	3.83
2016	Swap	5,000	3.51

Note:
(1) Volumes and prices reported are the weighted average volumes and prices for the period.

Financial Power Derivative Contracts – Canadian Dollar

Term	Contract	Volume (MW/h)	Fixed Rate ($/MW/h)
2014	Swap	27,156	55.34
2015	Swap	26,280	51.26
2016	Swap	8,784	52.51

Interest Rate Contracts

Term		Amount (C$000s)	Fixed Rate (%)	Index
03-Oct-13	03-Oct-18	200,000	2.45	CDOR
03-Dec-13	03-Dec-14	100,000	1.22	CDOR

Royalties

	Year ended December 31,	
($000s, except per boe amounts)	2013	2012
Royalties	59,758	35,061
As a % of petroleum and natural gas sales	13	11
$ per boe	8.28	6.82

Whitecap pays royalties to the provincial governments and landowners in Alberta and Saskatchewan. Both provinces have separate royalty regimes which impact Whitecap's overall corporate royalty rate.

The horizontal wells targeting the Montney Sexsmith pool at Peace River Arch qualify for the five percent royalty rate on up to 70,000 to 80,000 boe of production and for a maximum of 30 to 36 months depending on measured depth drilled. In west central Alberta, the horizontal wells drilled qualify for the five percent royalty rate on up to 60,000 boe of production and for a maximum of 24 months. The horizontal wells targeting the Viking oil pool qualify for the Government of Saskatchewan's reduced royalty rate of 2.5 percent for up to 37,700 barrels of oil produced from the well. The applicable new oil royalty rate will apply thereafter.

For the twelve months ended December 31, 2013, royalties as a percentage of revenue was 13 percent, compared to 11 percent in the prior year. The fourth quarter 2013 royalty rate was 14 percent compared to 12 percent in the same period in 2012. The increase in royalty rates when compared to the prior periods are a result of higher realized oil and natural gas prices in 2013 and expiry of the five percent royalty rate incentive on wells that reached either the maximum production or time allowable under the program, partially offset by new wells that qualify for the five percent royalty rate.

Operating expenses

	Year ended December 31,	
($000s, except per boe amounts)	2013	2012
Operating expenses	71,887	56,398
$ per boe	9.96	10.97

Operating costs in 2013 decreased nine percent to $9.96 per boe compared to $10.97 per boe in the prior period. Fourth quarter 2013 operating costs of $10.05 per boe were consistent with $9.95 per boe in the prior period. The 2013 decrease in operating costs on a per boe basis is attributed to the continued focus on operational efficiencies in our core areas resulting in lower operating costs on incremental production volumes and favorable cost adjustments on acquired properties.

Transportation expenses

($000s, except per boe amounts)	Year ended December 31, 2013	2012
Transportation expenses	17,304	12,145
$ per boe	2.40	2.36

Transportation costs in 2013 increased two percent to $2.40 per boe compared to $2.36 per boe in the prior period. Fourth quarter transportation costs increased five percent to $2.49 per boe compared to $2.38 per boe in the prior period. The slight increase in 2013 transportation costs over the comparable periods in 2012 is attributed to pipeline restrictions which resulted in higher trucking costs to get production to market.

Operating Netbacks

The components of operating netbacks are shown below:

Netbacks ($/boe)	Year ended December 31, 2013	2012
Petroleum and natural gas sales	64.73	59.46
Royalties	(8.28)	(6.82)
Operating expenses	(9.96)	(10.97)
Transportation expenses	(2.40)	(2.36)
Operating netbacks prior to hedging	44.09	39.31
Realized hedging gain (loss)	(1.63)	2.49
Operating netbacks[1]	42.46	41.80

Note:

[1] Operating netback is a non-GAAP measure, which is defined under the Non-GAAP Measures section of this MD&A.

In 2013, the operating netback increased two percent to $42.46 per boe compared to $41.80 per boe in the prior period. The increase on a per boe basis in 2013 was due to higher realized pricing and lower operating costs partially offset by higher royalties and a realized hedge loss.

The operating netback decreased 18 percent in the fourth quarter to $36.88 per boe compared to $44.92 per boe in the prior period. The decrease on a per boe basis in the fourth quarter of 2013 over the comparable period in 2012 is primarily the result of a realized hedge loss and higher royalties.

General and administrative ("G&A")

($000s)	Year ended December 31, 2013	2012
G&A	15,291	11,267
Capitalized	(3,234)	(2,033)
Net G&A	12,057	9,234
$ per boe	1.67	1.80

Net G&A per boe decreased to $1.67 per boe in 2013 compared to $1.80 per boe in 2012. The decrease was mainly attributed to higher production volumes, which more than offset the absolute increase in net G&A.

Share-based and Option-based Awards

($000s)	Year ended December 31, 2013	2012
Stock-based compensation	7,549	5,143
Capitalized stock-based compensation	(2,187)	(1,267)
Stock-based compensation	5,362	3,876
$ per boe	0.74	0.76

In 2013, the Company recorded stock-based compensation expense of $7.6 million with the offsetting amount recorded in contributed surplus. The increase of 47% over 2012 is primarily due to the expense associated with the Award Incentive Plan implemented in 2013.

Award Incentive Plan
The Company implemented an Award Incentive Plan effective April 30, 2013. The Award Incentive Plan has time-based awards and performance awards which may be granted to the directors, officers and employees of the Company. The maximum number of common shares issuable under the plan shall not at any time exceed 6.5% of the total common shares outstanding less the aggregate number of common shares reserved for issuance pursuant to outstanding stock options. All share awards vest 3 years from date of grant.

Each time-based award entitles the holder to be issued the number of common shares designated in the time-based award (plus dividend equivalents) with such common shares to be issued three years from the date of grant. Certain awards have been granted with a performance multiplier. This multiplier, ranging from zero to two, will be applied at exercise and is dependent on the performance of the Company relative to pre-defined corporate performance measures set by the Board of Directors for the associated period.

A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of shares that vest. Awards are measured at fair value on the date of grant, and the resulting stock-based compensation expense is recognized on a straight-line basis over the vesting period. Upon the exercise of the awards, the associated amount in contributed surplus is recorded as an increase to share capital.

As at December 31, 2013, the Company had 2.1 million awards outstanding.

Stock Options & Performance Warrants
As at December 31, 2013, the Company had 2.9 million stock options and 0.3 million performance warrants outstanding. The options have a weighted average exercise price of $6.82 per option and the warrants have a weighted average exercise price of $2.36 per warrant. Stock-based compensation expense is the amortization over the vesting period of the fair value of stock options granted to employees, consultants and directors of the Company. Stock options granted under the stock option plan have a term of four years to expiry and performance warrants granted have a term of five years to expiry.

No further stock options and performance warrants will be granted and the outstanding options and warrants will be either exercised or forfeited over the remaining life.

Transaction Costs

	Year ended December 31,	
($000s)	2013	2012
Total transaction costs	765	4,416

Transaction costs are the incremental costs incurred related to an acquisition, such as finder's fees, advisory, legal and other professional fees. Transaction costs incurred are mainly attributable to costs incurred for the acquisition of Invicta Energy Corp. ("Invicta"), property acquisitions and costs related to non-core asset disposals.

Interest and Financing Expenses

	Year ended December 31,	
($000s)	2013	2012
Total interest and financing charges	15,493	11,868
$ per boe	2.15	2.31

Interest expense has increased compared to the prior period as a result of higher levels of bank debt from our development capital program and acquisitions, the cost of which exceeded funds from operations. The decrease on a per boe basis was mainly attributed to higher production volumes, which more than offset the absolute increase in interest and fees on bank debt.

Depletion, Depreciation, Amortization and Impairment

($000s)	Year ended December 31, 2013	2012
Depletion, depreciation and amortization ("DD&A")	149,487	116,096
Impairment	2,900	-
DD&A and impairment	152,387	116,096
$ per boe	21.12	22.63

The DD&A rate will fluctuate from one period to the next depending on the amount and type of capital spending and the amount of reserves added. The depletion rate is calculated on proved and probable oil and natural gas reserves, taking into account the future development costs to produce the reserves.

At December 31, 2013, the Company determined that the carrying amount of the Minors CGU exceeded its recoverable amount, which was calculated as the fair value less costs of disposal. The fair value less costs of disposal was determined with a discounted cash flow approach based on 2013 year-end reserves and market commodity prices. Whitecap used a risk-adjusted discount rate of 10% to determine the fair value at the measurement date (Level 3 fair value inputs). The impairment was attributed to PP&E and, as a result, an impairment loss of $1.9 million was recorded. The impairment was a result of revised estimates to the decommissioning liabilities.

An additional $1.0 million impairment loss was recorded on the assets classified as held for sale at December 31, 2013. The impairment was a result of the carrying amount of the assets held for sale exceeding its recoverable amount, which was calculated as the fair value less costs of disposal. The fair value measurement was determined using estimates of expected proceeds on disposition based on initial marketing efforts.

Exploration and Evaluation Asset Expiries

During the year ended December 31, 2013, $1.7 million of costs associated with expired mineral leases were recognized as an expense compared to the prior periods of $3.5 million. The Company added $33.5 million of undeveloped land in connection with the acquisitions completed in 2013.

Taxes

The Company has a deferred income tax expense of $25.0 million for the year ended December 31, 2013 compared to $20.5 million in 2012.

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

($000s)	December 31, 2013	December 31, 2012
Undepreciated capital cost	179,530	169,147
Canadian development expense	353,438	381,611
Canadian exploration expense	4,649	17,909
Canadian oil and gas property expense	513,220	172,645
Non-capital loss carry forward	67,439	82,974
Share issue costs	22,179	15,310
Total	1,140,455	839,596

Net Income

Net income for the year ended December 31, 2013 was $40.4 million compared to $52.5 million in 2012. The net loss for the fourth quarter of 2013 was $1.5 million compared to a net income of $7.6 million in the comparable period. The decrease to earnings is mainly attributed to unrealized losses on financial instruments, partially offset by increased production volumes.

Funds from Operations and Payout Ratio

Funds from operations and payout ratio are non-GAAP measures. Funds from operations represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs, settlement of decommissioning liabilities and termination fees received. Basic payout ratio is calculated as

cash dividends divided by funds from operations. The Company considers these to be key measures of performance and indicators of sustainability.

The following table reconciles cash flow from operating activities (a GAAP measure) to funds from operations (a non-GAAP measure):

	Year ended December 31,	
($000s)	2013	2012
Cash flow from operating activities	279,859	173,535
Changes in non-cash working capital	(1,107)	14,737
Settlement of decommissioning liabilities	484	1,197
Transaction costs	765	4,416
Termination fee received	(1,200)	-
Funds from operations	278,801	193,885
Dividends declared	92,978	-
Dividends declared per share	0.61	-
Basic payout ratio	33.3%	-

Dividends are only declared once they are approved by the Company's Board of Directors. The Board of Directors review Whitecap's ability to pay a dividend on a monthly basis.

Cash flow from operating activities for 2013 was $279.9 million compared to prior year cash flow of $173.5 million. The significant increase in 2013 cash flow is mainly attributed to the Company's growth in production volumes and increased commodity prices, partially offset by realized losses on risk management contracts and increased royalties.

Capital Expenditures

	Year ended December 31,	
($000s)	2013	2012
Land and lease	3,291	5,546
Geological and geophysical	689	1,625
Drilling and completions net of drilling credits	156,554	217,593
Investment in facilities	26,226	18,929
Capitalized administration	3,234	2,033
Development capital	189,994	245,726
Office and other	106	430
Net property acquisitions	371,820	3,842
Corporate acquisitions	66,450	645,622
Total capital expenditures	628,370	895,620

For the year ended December 31, 2013, development capital totaled $190.0 million with over 96% spent on drilling, completions and facilities.

In 2013, Whitecap drilled a total of 100 (73.3 net) wells with a 100% success rate, including 50 (37.1 net) horizontal Viking oil wells in western central Saskatchewan, 25 (14.3 net) horizontal Cardium oil wells at Garrington, 16 (14.5 net) horizontal Cardium wells in the greater Pembina area, 5 (4.4 net) horizontal Dunvegan wells in the Deep Basin area of northwest Alberta and 2 (1.0 net) horizontal Montney oil wells at Valhalla.

Corporate acquisitions
In the second quarter of 2013, the Company closed the acquisition of Invicta for consideration of approximately $0.2 million in cash, the issuance of an aggregate of approximately 4.8 million common shares of Whitecap, and the assumption of Invicta's net debt.

Net property acquisitions
In the second quarter of 2013, the Company closed the acquisition of a Viking light oil asset under waterflood in the Dodsland area of west central Saskatchewan for total consideration of $110.0 million.

In the third quarter of 2013, the Company closed the working interest consolidation of Valhalla and Garrington light oil assets for consideration of $173.6 million and other complementary property acquisitions totalling an aggregate of $36.8 million.

In the fourth quarter of 2013, the Company closed the acquisition of a Cardium light oil property and a working interest consolidation of its Eagle Lake Viking unit for total consideration of $90 million.

Additionally in 2013, the Company disposed of non-core properties for total consideration of $26.6 million.

Decommissioning Liability

At December 31, 2013, the Company recorded decommissioning liabilities of $119.9 million for future abandonment and reclamation of the Company's properties. Estimates are based on both operational knowledge of the properties and updated industry guidance provided by the Alberta Energy Regulator ("AER") effective May 1, 2013. The estimates are reviewed quarterly and adjusted as new information regarding the liability is determined.

Capital Resources and Liquidity

Credit Facility

As at December 31, 2013, the Company had a $600 million credit facility with a syndicate of Canadian banks. The credit facility consists of a $375 million revolving production facility, a $25 million revolving operating facility and a $200 million term loan facility. The revolving facilities may be extended for a further 364-day revolving period upon the request of Whitecap, subject to approval by the banks. At the end of the revolving period, being May 29, 2014, the extendible revolving credit facility converts into a 366-day term loan if not renewed. The credit facility provides that advances may be made by way of direct advances, banker's acceptances or letters of credit/guarantees. The credit facility bears interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to earnings before interest, taxes, depreciation and amortization "EBITDA" ratio for the most recent quarter. The banker's acceptances bear interest at the applicable banker's acceptance rate plus an explicit stamping fee based upon the Company's Debt to EBITDA ratio. The credit facilities are secured by a fixed and floating charge debenture on the assets of the Company. The term loan facility matures on October 3, 2018 and has a fixed interest rate of 5.3%.

The credit facility has two financial covenants, whereby the Company's ratio of Debt to EBITDA shall not exceed 4.0:1.0 and the ratio of EBITDA/interest expense shall not be less than 3.5:1.0. The EBITDA used in the covenant calculation is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items. The debt used in the covenant calculation shall include bank indebtedness, letters of credit, and distributions declared. As of December 31, 2013, the Company was compliant with all covenants provided for in the lending agreement. The next review is scheduled on or before May 29, 2014.

Equity

On April 30, 2013, as part of the Invicta acquisition, approximately 4.8 million Whitecap shares were issued to Invicta shareholders as part of the transaction. The common shares issued were valued using the share price of Whitecap on April 30, 2013 of $10.34 per share.

On May 16, 2013, the Company completed a bought deal finance offering of approximately 9.3 million Whitecap shares at a price of $9.70 per common share for gross proceeds of approximately $90.0 million. The Company also granted the underwriters an over-allotment option, which was exercised for approximately an additional 1.1 million common shares at a price of $9.70 per common share, for additional gross proceeds of $10.8 million. In conjunction with the financing, the Company also agreed to issue approximately 1.9 million common shares on a Canadian Development Expenditures ("CDE") flow-through basis at a price of $10.67 per flow-through common share on a non-brokered, private placement basis for additional gross proceeds of approximately $20.0 million. The gross proceeds from the bought deal financing were used to partially fund the purchase price of the Dodsland property acquisition. The remaining funds required to finance the purchase price of the acquisition were drawn from Whitecap's credit facility. The proceeds from the flow-through common share financing will be used to incur eligible Canadian development expenditures that will be renounced to subscribers effective on or before December 31, 2013.

On July 18, 2013, the Company completed a bought deal finance offering of approximately 17.2 million subscription receipts at a price of $9.90 per subscription receipt for gross proceeds of approximately $170.0 million. The proceeds from the sale of the subscription receipts were held in escrow pending the completion of the Valhalla and Garrington property acquisition. Upon closing of the acquisition on July 31, 2013, each subscription receipt converted to one common share of Whitecap. The gross proceeds from the bought deal financing were used to partially fund the purchase price of the property acquisition. The remaining funds required to finance the purchase price of the acquisition were drawn from Whitecap's credit facility.

On November 13, 2013, the Company closed a bought deal finance offering of approximately 5.4 million Whitecap shares at a price of $12.00 per common share for gross proceeds of approximately $65 million.

The Company is authorized to issue an unlimited number of common shares. As at March 18, 2014 there were 200.0 million common shares, 2.8 million stock options, 0.3 million warrants and 2.1 million share awards outstanding.

Liquidity

The Company generally relies on operating cash flows, equity issuances and its credit facility to fund its capital requirements, dividend payments and provide liquidity. From time to time, the Company accesses capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs. Future liquidity depends primarily on funds from operations, existing credit facilities and the ability to access debt and equity markets. Bank debt is classified as a non-current liability. All repayments on the revolving production and operating facilities are due at the term maturity date. Repayment on the term loan facility is due on the term loan maturity date. As none of the facilities mature within the next year, the liabilities are considered to be non-current. The Company generates positive operating cash flow. At December 31, 2013 the Company had $217.1 million of unutilized credit to cover any working capital deficiencies. The Company believes that it is well positioned to take advantage of its internally developed opportunities funded through available credit facilities combined with anticipated funds from operations. Present sources of capital are currently anticipated to be sufficient to satisfy the Company’s capital program and dividend payments for the 2014 fiscal year.

Contractual Obligations

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

($000s)	2014	2015	2016	2017+	Total
Operating lease - office building	2,368	2,279	2,259	1,318	8,224
Transportation agreements	3,448	3,682	3,742	10,339	21,211
Total	5,816	5,961	6,001	11,657	29,435

Related Party Transactions

In October 2012, the Company advanced $1.0 million as loans to certain officers and employees, excluding the Chief Executive Officer, to finance the purchase of Whitecap common shares through the facilities of the Toronto Stock Exchange. The loans are non-interest bearing. 50% of the amount of each loan is repayable on April 1, 2014 and the balance is repayable on October 1, 2014. If the employee's employment is terminated for any reason, the full amount of the loan is due and payable within 30 days. Each loan is secured by the common shares acquired with the loan proceeds and Whitecap has full recourse to the other assets of the employee for the amount outstanding.

The Company has retained the law firm of Burnet, Duckworth and Palmer LLP (“BDP”) to provide Whitecap with legal services. A director of Whitecap is a partner of this firm. During the year ended December 31, 2013, the Company incurred $0.9 million for legal fees and disbursements. These amounts have been recorded at the exchange amount. The Company expects to retain the services of BDP from time to time. As of December 31, 2013 no payable balance was outstanding.

Subsequent Events

On January 6, 2014, the Company closed the acquisition of Home Quarter Resources Ltd. ("Home Quarter") by acquiring all of the issued and outstanding common shares of Home Quarter through the issuance of 27.5 million Whitecap common shares and the assumption of Home Quarter's working capital surplus of approximately $3.0 million. Home Quarter was a light oil-weighted energy company with operations primarily in the Kindersley (Whiteside) area of west central Saskatchewan which immediately offsets Whitecap's lands and Viking production in Kindersley (Lucky Hills).

The preliminary purchase price allocation of the acquisition is as follows:

Net assets acquired[(1)] ($000s):	
Working capital	2,998
Risk management contracts	(1,857)
Petroleum and natural gas properties	377,621
Exploration and evaluation	19,860
Goodwill	34,487
Decommissioning liability	(4,918)
Deferred income tax	(82,085)
	346,106

Consideration:	
Share consideration	346,106
Total consideration	**346,106**

Note:
(1) The above amounts are estimates, which were made by management at the time of the preparation of these financial statements based on information then available. Amendments may be made to these amounts as values subject to estimate are finalized.

The Company increased the monthly dividend to $0.0567 per share ($0.68 per share annualized) starting with our January 2014 dividend payable in February 2014.

Subsequent to December 31, 2013, the Company entered into an agreement to purchase certain strategic light oil assets focused primarily in Whitecap's Pembina Cardium / West Central core area, as well as at Boundary Lake in northeast BC, which is located just northwest of its core Valhalla area. Total net consideration is $692.7 million after giving effect to the disposition of certain Nisku natural gas production and related facilities located in the Pembina area to Keyera Corp. for $113 million and deducting estimated purchase price adjustments of $49.4 million at closing (the "Acquisition"). The Acquisition is expected to close on or before May 1, 2014. In conjunction with the acquisitions, the Company announced a bought deal finance offering of approximately 44.6 million subscription receipts at a price of $11.20 per subscription receipt for gross proceeds of approximately $500 million. Closing of the financing is expected to be on or about April 8, 2014.

Whitecap's Board of Directors has approved a 10% increase to our monthly dividend from $0.0567 to $0.0625 per share, subject to the closing of the Acquisition and based on the closing date of early May 2014, the dividend increase is expected to start with our May 2014 dividend payable in June 2014.

Whitecap has also entered into a separate agreement to acquire a private oil and gas company with assets in northern Alberta for a purchase price of approximately $107 million, subject to adjustments. This acquisition is expected to close on or before April 30, 2014.

Off Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

Critical Accounting Estimates

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

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated capital expenditures on projects that are in progress;

- estimated depletion, depreciation and accretion that are based on estimates of oil and gas reserves that the Company expects to recover in the future, commodity prices, estimated future salvage values and estimated future capital costs;
- estimated fair values of derivative contracts that are subject to fluctuation depending upon the underlying commodity prices and foreign exchange rates;
- estimated value of decommissioning liabilities that are dependent upon estimates of future costs, timing of expenditures and the risk-free rate;
- estimated income and other tax liabilities requiring interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time;
- estimated stock-based compensation expense using the Black-Scholes option pricing model;
- estimated fair value of business combinations and goodwill requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and E&E assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates.

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

ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET ADOPTED
The Company has assessed the impact of the following standards which, are to be adopted for fiscal years beginning January 1, 2014 with earlier adoption permitted. A brief description of the new standard is listed below:

In May 2013, the IASB issued IFRIC 21 "Levies," which was developed by the IFRS Interpretations Committee ("IFRIC"). IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached. IFRIC 21 is required to be adopted retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. IFRIC 21 will be applied by the Company on January 1, 2014 and the adoption may have an impact on the Company's accounting for production and similar taxes, which do not meet the definition of an income tax in IAS 12 "Income Taxes." the Company is currently assessing and quantifying the effect on its financial statements.

Changes in Accounting Policies
As of January 1, 2013, the Company adopted several new IFRS standards and amendments in accordance with the transitional provisions of each standard. A brief description of each new standard and its impact on the Company's financial statements follows below:

- IFRS 10 "Consolidated Financial Statements" supersedes IAS 27 "Consolidation and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities." This standard provides a single model to be applied in control analysis for all investees, including special purpose entities. The retrospective adoption of this standard does not have any impact on the Company's financial statements.

- IFRS 11 "Joint Arrangements" divides joint arrangements into two types, joint operations and joint ventures each with their own accounting model. All joint arrangements are required to be reassessed on transition to IFRS 11 to determine their type to apply the appropriate accounting. The retrospective adoption of this standard does not have a material impact on the Company's financial statements.

- IFRS 12 "Disclosure of Interests in Other Entities" combines in a single standard the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. The retrospective adoption of the annual disclosure requirements of this standard does not have any impact on the Company's annual financial statements.

- IFRS 13 "Fair Value Measurement" defines fair value, establishes a framework for measuring fair value, and sets out disclosure requirements for fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The adoption of this standard requires the revaluation of certain derivative financial liabilities on the Company’s consolidated balance sheets to reflect an appropriate amount of risk of non-performance by the Company. The standard also requires additional annual fair value disclosures, as well as additional interim disclosures, as per IAS 34. The prospective adoption of this standard does not have a material impact on the Company’s financial statements.

- IAS 27 "Separate Financial Statements" has been amended as a result of changes to IFRS 10. The retrospective adoption of these amendments does not have any impact on the Company's financial statements.

- IAS 28 "Investments in Associates and Joint Ventures" has been amended as a result of changes to IFRS 10 and IFRS 11. The retrospective adoption of these amendments does not have any impact on the Company's financial statements.

- The amendments to IAS 32 "Financial Instruments: Presentation" clarify the current requirements for offsetting financial instruments. The amendments to IFRS 7 "Financial Instruments: Disclosures" develop common disclosure requirements for financial assets and financial liabilities that are offset in the financial statements, or that are subject to enforceable master netting arrangements or similar agreements. The Company retrospectively adopted the amendments to both standards on January 1, 2013. The application of these amendments does not have any impact on the Company's financial statements, other than increasing the level of disclosures provided in the notes to the financial statements.

- IAS 36, Amendments, Recoverable Amount Disclosures for Non-Financial Assets, was published in May 2013. The amendments were issued to reverse the unintended requirement in IFRS 13, Fair Value Measurement, to disclose the recoverable amount of every CGU to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments were required to be applied retrospectively for years beginning on or after January 1, 2014, with early adoption allowed. Whitecap has elected to early adopt these amendments effective January 1, 2013.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures (“DC&P”), as defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, are designed to provide reasonable assurance that information required to be disclosed in the Company’s annual filings, interim filings or other reports filed, or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified under securities legislation and include controls and procedures designed to ensure that information required to be so disclosed is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer of Whitecap evaluated the effectiveness of the design and operation of the Company’s DC&P. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Whitecap’s DC&P were effective as at December 31, 2013.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal control over financial reporting (“ICFR”), as defined in National Instrument 52-109, includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of Whitecap;
2. are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of Whitecap are being made in accordance with authorizations of management and Directors of Whitecap; and

3. are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

The Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining ICFR for Whitecap. They have, as at the financial year ended December 31, 2013, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Whitecap's officers used to design the Company's ICFR is the Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, Whitecap conducted an evaluation of the effectiveness of the Company's ICFR as at December 31, 2013 based on the COSO Framework. Based on this evaluation, the officers concluded that as of December 31, 2013, Whitecap maintained effective ICFR.

It should be noted that while Whitecap's officers believe that the Company's controls provide a reasonable level of assurance with regard to their effectiveness, they do not expect that the DC&P and ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

There were no changes in Whitecap's ICFR during the year ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Business Risks

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

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

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

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

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

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

Environmental Risks

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

Selected Annual information

($000s, except as noted)	2013	2012	2011
Petroleum and natural gas sales	467,095	305,770	137,432
Net income (loss)	40,428	52,471	25,512
Basic ($/share)	0.27	0.46	0.40
Diluted ($/share)	0.27	0.45	0.39
Funds from operations[1]	278,801	193,885	87,163
Basic ($/share)	1.86	1.71	1.38
Diluted ($/share)	1.84	1.68	1.34
Total Assets	2,052,829	1,495,778	641,671
Net debt	401,177	343,994	158,811
Weighted average shares – basic	150,189	113,102	63,009
Weighted average shares – diluted	151,914	115,484	65,007
Dividends declared or paid	92,978	-	-
Dividends declared or paid per share (basic)	0.61	-	-

Note:

(1) Funds from operations and net debt do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this MD&A.

Whitecap's petroleum and natural gas sales, funds from operations and total assets have increased for the years 2011 to 2013 due to increased production volumes from corporate and property acquisitions completed and the Company's successful capital program during these periods.

Summary of quarterly results

($000s, except as noted)	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Financial								
Petroleum and natural gas sales	122,185	139,350	105,320	100,240	93,896	85,327	69,565	56,982
Funds from operations[(1)]	66,640	82,332	65,676	64,153	63,588	56,894	40,132	33,271
Basic ($/share)	0.39	0.51	0.47	0.49	0.50	0.45	0.34	0.42
Diluted ($/share)	0.39	0.51	0.46	0.49	0.49	0.44	0.33	0.41
Net income (loss)	(1,469)	16,168	20,143	5,586	7,579	10,678	26,536	7,678
Basic ($/share)	(0.01)	0.10	0.14	0.04	0.06	0.08	0.22	0.10
Diluted ($/share)	(0.01)	0.10	0.14	0.04	0.06	0.08	0.22	0.09
Development capital expenditures	21,988	65,515	27,905	74,586	67,563	74,749	39,667	63,747
Property acquisitions (net)	53,817	199,279	116,585	2,139	(4,977)	(101)	3,087	5,833
Corporate acquisitions	-	-	66,450	-	-	-	523,069	122,553
Total assets	2,052,829	2,007,911	1,766,744	1,537,331	1,495,778	1,496,308	1,439,857	823,679
Net debt[(1)]	401,177	398,578	357,974	360,753	343,994	366,899	347,639	156,411
Common shares outstanding (000s)	172,292	166,635	149,073	130,460	127,900	127,098	127,091	89,056
Dividends declared ($/share)	0.16	0.15	0.15	0.15	-	-	-	-
Operational								
Average daily production								
Crude oil (bbls/d)	12,585	12,870	10,912	11,085	10,520	9,672	8,057	6,168
NGLs (bbls/d)	2,159	1,864	1,500	1,319	1,274	1,183	1,073	457
Natural gas (Mcf/d)	43,902	40,281	32,983	31,126	31,341	29,642	26,573	18,959
Total (boe/d)	22,061	21,448	17,909	17,592	17,018	15,795	13,559	9,785

Note:
(1) Funds from operations and net debt do not have a standardized meaning under GAAP. Refer to non-GAAP measures in this MD&A.

In the past eight consecutive quarters, Whitecap has been able to consistently increase its production volumes through the efficient execution of its capital program as well as completing strategic acquisitions in its core areas. This has resulted in significant growth in funds from operations on an absolute and per share basis.

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

In the first quarter of 2012, the Company acquired Compass Petroleum Ltd. for total consideration of approximately $120.0 million providing us with an initial entry into the light oil Viking resource play and increasing our low risk drilling opportunities. Additionally, the Company completed a bought deal finance offering of 5.9 million units at a price of $20.20 per unit for gross proceeds of $120 million. Each unit was comprised of one subscription receipt at a price of $10.10 per subscription receipt and one common share at a price of $10.10 per common share.

In the second quarter of 2012, the Company acquired Midway Energy Ltd. for total consideration of approximately $359.0 million which provided a significant increase to our low risk Cardium drilling inventory.

In the first quarter of 2013, the Company adopted a monthly dividend policy commencing January 2013 with the first dividend payment in February 2013.

In the second quarter of 2013, the Company acquired all the issued and outstanding shares of Invicta for an aggregate purchase price of approximately $67.8 million which included $0.2 million payable in cash, assumed debt and working capital surplus of $17.6 million and 4.8 million common shares issued. This acquisition provided a significant increase to the Company's light oil Viking resource play. Additionally, the Company completed the acquisition of an existing Viking light oil waterflood asset in the Dodsland area of west central Saskatchewan for total consideration of $110.0 million.

In the third quarter of 2013, the Company acquired strategic light oil assets located predominantly in its core Valhalla and Garrington operated areas of Alberta for total consideration of $173.6 million.

In the fourth quarter of 2013, the Company acquired Cardium light oil assets in its core Garrington operated area and a working interest consolidation of its Eagle Lake Viking unit for total consideration of $90 million and disposed of non-core properties for $36 million.

NON-GAAP MEASURES

This report 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.

"Funds from operations" represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs, settlement of decommissioning liabilities and termination fees received. Management considers funds from operations and funds from operations per share to be key measures as they demonstrate Whitecap's ability to generate the cash necessary to pay dividends, repay debt, fund decommissioning liabilities and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds from operations 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. Refer to the "Funds from Operations and payout ratio" section of this report for the reconciliation of cash flow from operating activities to funds from operations.

"Operating netbacks" are determined by deducting royalties, production expenses and transportation and selling expenses from oil and gas revenue. Operating netbacks are per boe measures used in operational and capital allocation decisions.

"Cash dividends per share" represents cash dividends declared per share by Whitecap.

"Basic payout ratio" is calculated as cash dividends declared divided by funds from operations.

"Net debt" is calculated as bank debt plus working capital deficiency adjusted for risk management contracts.

The following table reconciles bank debt (a GAAP measure) to net debt (a non-GAAP measure):

($000s)	December 31, 2013	December 31, 2012
Bank debt	382,899	310,700
Current liabilities	113,773	104,903
Current assets	(66,795)	(82,272)
Risk management contracts	(28,700)	10,663
Net debt	401,177	343,994

BOE PRESENTATION

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

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this management's discussion and analysis constitute forward-looking statements and are based on Whitecap's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and

unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "believe", “measure”, "strategy", “stability”, “depends”, “could”, “sustainability” and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: Whitecap’s future plans and focus; transportation plans; future drilling plans; future oil and natural gas prices and differentials; Whitecap’s commodity risk management program; the amount of future decommissioning liabilities; future liquidity and financial capacity; future dividends and dividend policy; future costs, expenses and royalty rates; Whitecap’s ability to fund its current capital program and dividend payments for the remainder of the year, future taxes payable by Whitecap, and Whitecap’s tax pools.

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

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

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