WHITECAP RESOURCES INC.
CONSOLIDATED BALANCE SHEET
(unaudited)

As at (CAD $000s)	**June 30 2019**	December 31 2018
Assets		
Current Assets		
Accounts receivable	**134,450**	121,120
Deposits and prepaid expenses	**9,936**	11,082
Risk management contracts [Notes 4 & 5]	**6,242**	75,219
Total current assets	**150,628**	207,421
Property, plant and equipment [Notes 6 & 7]	**5,160,576**	5,189,461
Exploration and evaluation [Note 8]	**9,666**	9,683
Right-of-use assets [Note 9]	**84,957**	-
Investment in limited partnership [Note 10]	**-**	1,364
Goodwill [Note 11]	**122,682**	122,682
Risk management contracts [Notes 4 & 5]	**2,171**	9,454
Deferred income tax [Note 22]	**438,182**	418,899
Total assets	**5,968,862**	5,958,964
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**147,900**	161,655
Share awards liability	**6,052**	4,080
Dividends payable	**11,768**	11,180
Lease liabilities [Note 13]	**10,862**	-
Risk management contracts [Notes 4 & 5]	**2,792**	-
Total current liabilities	**179,374**	176,915
Risk management contracts [Notes 4 & 5]	**-**	27
Long-term debt [Note 12]	**1,174,468**	1,255,697
Lease liabilities [Note 13]	**75,826**	-
Decommissioning liability [Note 14]	**772,009**	725,643
Share awards liability	**2,983**	3,380
Deferred income tax [Note 22]	**594,891**	567,736
Total liabilities	**2,799,551**	2,729,398
Shareholders' Equity		
Share capital [Note 15]	**3,873,820**	3,870,798
Contributed surplus [Note 15]	**14,798**	15,719
Deficit	**(719,307)**	(656,951)
Total shareholders' equity	**3,169,311**	3,229,566
Total liabilities and shareholders' equity	**5,968,862**	5,958,964

Commitments (Note 19)

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 STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the three and six months ended June 30
(unaudited)

(CAD $000s, except per share amounts)	Three months ended June 30 **2019**	Three months ended June 30 2018	Six months ended June 30 **2019**	Six months ended June 30 2018
Revenue				
Petroleum and natural gas sales [Note 16]	**379,334**	436,237	**734,195**	800,740
Royalties	**(70,420)**	(75,799)	**(129,696)**	(144,180)
Petroleum and natural gas sales, net of royalties	**308,914**	360,438	**604,499**	656,560
Other Income				
Net gain (loss) on commodity and FX contracts [Note 5]	**17,821**	(110,467)	**(93,547)**	(173,642)
Total revenue and other income	**326,735**	249,971	**510,952**	482,918
Expenses				
Operating	**80,004**	81,359	**160,646**	161,367
Transportation	**14,114**	16,419	**28,124**	28,921
Blending	**4,006**	2,407	**15,362**	2,407
General and administrative	**6,714**	8,746	**13,363**	16,972
Stock-based compensation [Note 15]	**3,495**	4,519	**8,300**	10,444
Transaction costs	**-**	-	**-**	200
Interest and financing [Note 12]	**13,191**	13,387	**27,030**	26,297
Accretion of decommissioning liabilities [Note 14]	**1,778**	3,870	**5,436**	7,702
Depletion, depreciation, and amortization [Notes 7 & 9]	**118,838**	121,906	**235,680**	237,875
Exploration and evaluation [Note 8]	**619**	-	**1,992**	865
Loss on investment [Note 10]	**1,364**	-	**1,364**	-
Net gain on asset dispositions [Note 7]	**-**	-	**(13)**	(102)
Total expenses	**244,123**	252,613	**497,284**	492,948
Income (loss) before income taxes	**82,612**	(2,642)	**13,668**	(10,030)
Taxes				
Deferred income tax expense [Note 22]	**24,255**	973	**7,872**	1,340
Net income (loss) and other comprehensive income (loss)	**58,357**	(3,615)	**5,796**	(11,370)
Net Income (Loss) Per Share ($/share) [Note 17]				
Basic	**0.14**	(0.01)	**0.01**	(0.03)
Diluted	**0.14**	(0.01)	**0.01**	(0.03)

See accompanying notes to the consolidated financial statements

WHITECAP RESOURCES INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended June 30
(unaudited)

(CAD $000s)	**2019**	2018
Share Capital [Note 15(b)]		
Balance, beginning of year	**3,870,798**	3,889,255
Common shares repurchased [Note 15(c)]	**(4,996)**	(17,059)
Contributed surplus adjustment on vesting of share awards	**8,018**	17,323
Balance, end of period	**3,873,820**	3,889,519
Contributed Surplus [Note 15(e)]		
Balance, beginning of year	**15,719**	33,662
Award incentive plan	**7,109**	14,644
Share award vesting	**(8,030)**	(17,323)
Common shares repurchased [Note 15(c)]	**-**	(11)
Balance, end of period	**14,798**	30,972
Deficit		
Balance, beginning of year	**(656,951)**	(589,784)
Net income (loss) and other comprehensive income (loss)	**5,796**	(11,370)
Dividends	**(68,152)**	(64,906)
Balance, end of period	**(719,307)**	(666,060)

See accompanying notes to the consolidated financial statements

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

(CAD $000s)	Three months ended June 30 **2019**	2018	Six months ended June 30 **2019**	2018
Operating Activities				
Net income (loss) for the period	**58,357**	(3,615)	**5,796**	(11,370)
Items not affecting cash:				
Depletion, depreciation and amortization [Notes 7 & 9]	**118,838**	121,906	**235,680**	237,875
Exploration and evaluation [Note 8]	**619**	-	**1,992**	865
Deferred income tax expense [Note 22]	**24,255**	973	**7,872**	1,340
Stock-based compensation [Note 15]	**2,140**	4,519	**4,797**	10,444
Accretion of decommissioning liabilities [Note 14]	**1,778**	3,870	**5,436**	7,702
Unrealized (gain) loss on risk management contracts [Note 5]	**(29,470)**	68,885	**79,025**	116,061
Loss on investment in limited partnership [Note 10]	**1,364**	-	**1,364**	-
Net gain on asset dispositions [Note 7]	**-**	-	**(13)**	(102)
Settlement of decommissioning liabilities [Note 14]	**(2,344)**	(722)	**(5,191)**	(2,200)
Net change in non-cash working capital items [Note 18]	**22,709**	30,117	**(1,660)**	22,880
Cash flow from operating activities	**198,246**	225,933	**335,098**	383,495
Financing Activities				
Decrease in long-term debt	**(82,275)**	(52,428)	**(81,229)**	(2,708)
Common shares repurchased [Note 15]	**(4,996)**	(5,616)	**(4,996)**	(17,070)
Dividends	**(34,686)**	(32,719)	**(68,152)**	(64,906)
Principal portion of lease payments	**(2,663)**	-	**(5,255)**	-
Net change in non-cash working capital items [Note 18]	**613**	549	**588**	1,030
Cash flow used in financing activities	**(124,007)**	(90,214)	**(159,044)**	(83,654)
Investing Activities				
Expenditures on property, plant and equipment	**(26,463)**	(66,444)	**(151,367)**	(249,059)
Expenditures on property acquisitions [Note 6]	**(171)**	(1,108)	**(1,561)**	(1,723)
Cash from property dispositions	**(69)**	1,585	**565**	1,787
Expenditures on corporate acquisitions net of cash acquired	**-**	-	**-**	(57,470)
Net change in non-cash working capital items [Note 18]	**(47,536)**	(69,752)	**(23,691)**	6,624
Cash flow used in investing activities	**(74,239)**	(135,719)	**(176,054)**	(299,841)
Change in cash, during the period	**-**	-	**-**	-
Cash, beginning of period	**-**	-	**-**	-
Cash, end of period	**-**	-	**-**	-
Cash Interest Paid	**14,929**	15,141	**26,123**	26,410

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 condensed interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. They are condensed as they do not include all of the information required for full annual consolidated financial statements, and they should be read in conjunction with the financial statements for the year ended December 31, 2018.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as at July 30, 2019, the date the Board of Directors approved these statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements follow the same accounting policies as the most recent annual audited consolidated financial statements except as discussed below. The interim consolidated financial statements note disclosures do not include all of those required by IFRS applicable for annual consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2018.

a) IFRS 16 *Leases* ("IFRS 16")

Whitecap adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, Whitecap recognized lease liabilities of $91.6 million in relation to all lease arrangements measured at the present value of the remaining lease payments from commitments disclosed as at December 31, 2018, adjusted by commitments in relation to arrangements not containing leases, short-term and low-value leases, and discounted using the Company's incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate used to determine the lease liabilities at adoption was approximately 4.5 percent. The difference in operating lease commitments disclosed as at December 31, 2018 and lease liabilities recognized on the consolidated balance sheet at January 1, 2019 is primarily due to non-lease components of contracts reassessed as service agreements. The associated right-of-use assets were measured at the amount equal to the lease liabilities on January 1, 2019, with no impact on retained earnings. See Note 9 – "Right-of-Use Assets" and Note 13 – "Lease Liabilities" for additional information regarding the Company's leases.

In applying IFRS 16 for the first time, Whitecap has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

i) 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.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

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 ("FX") contracts are based on inputs including quoted forward prices for commodities, forward interest rates and forward 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 carrying value of deposits, 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 measurement of the risk management contracts and the senior notes have a fair value hierarchy of Level 2. The fair value measurement of property, plant and equipment ("PP&E"), exploration and evaluation ("E&E"), right-of-use assets, goodwill, and the investment in limited partnership have a fair value hierarchy of Level 3. The Company's finance department is responsible for performing the valuation of financial instruments, including the calculation of Level 3 fair values. Refer to Notes 7, 8, 9, 10 and 11 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) are 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. 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, Accounts Receivable, Long-term Debt, Dividends Payable, Accounts Payable and Accrued Liabilities

The fair value of deposits, accounts receivable, bank debt, senior notes, dividends payable, accounts payable and accrued liabilities is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. As at June 30, 2019 and December 31, 2018, 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 commodity prices, forward interest rates and forward 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 technique used has not changed.

d) Share Awards

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

e) Investment in Limited Partnership

The fair value of the investment in limited partnership was based on the Company's share of the fair value of the limited partnership's accounts receivable, prepaid expenses and deposits, risk management contracts, PP&E, accounts payable and accrued liabilities, bank debt, loan from parent, and decommissioning obligations. The fair values are determined using the methods in the preceding paragraphs as applicable.

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 by counterparty that are offset on the balance sheet as at June 30, 2019 and December 31, 2018:

	June 30, 2019			December 31, 2018		
($000s)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	12,823	(7,202)	5,621	86,539	(1,893)	84,646
Amount offset	(4,410)	4,410	-	(1,866)	1,866	-
Net amount	8,413	(2,792)	5,621	84,673	(27)	84,646

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:

	June 30, 2019	December 31, 2018
Accounts receivable	134,450	121,120
Risk management contracts	8,413	84,673
Total exposure	142,863	205,793

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at June 30, 2019 pertains to accrued revenue for June 2019 production volumes. Whitecap transacts with a number of oil and natural gas marketing companies and commodity end users ("Commodity Purchasers"). Commodity Purchasers typically remit amounts to Whitecap by the 25th day of the month following production. The Company monitors the exposure to any single counterparty along with its financial position. If it is deemed that a counterparty has become materially weaker, the Company will work to reduce the credit exposure to that counterparty. At June 30, 2019, two Commodity Purchasers accounted for approximately 11 percent and 10 percent of the total accounts receivable balance and are 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. Accordingly, no provision has been recorded for expected credit losses.

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. As at June 30, 2019, there was $1.6 million (December 31, 2018 – $1.6 million) of receivables aged over 90 days. Subsequent to June 30, 2019, approximately $0.6 million (December 31, 2018 – $0.8 million) has 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, debt and equity 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 additional common shares and/or 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 Whitecap's financial liabilities as at June 30, 2019:

($000s)	<1 year	1 to 2 years	2+ years	Total
Accounts payable and accrued liabilities	147,900	-	-	147,900
Dividends payable	11,768	-	-	11,768
Long-term debt [1]	21,605	21,605	1,240,379	1,283,589
Lease liabilities [1]	14,517	14,187	72,344	101,048
Share awards liability	6,052	1,400	1,583	9,035
Risk management contracts	2,792	-	-	2,792
Total financial liabilities	204,634	37,192	1,314,306	1,556,132

Note:

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

The following table details Whitecap's financial liabilities as at December 31, 2018:

($000s)	<1 year	1 to 2 years	2+ years	Total
Accounts payable and accrued liabilities	161,655	-	-	161,655
Dividends payable	11,180	-	-	11,180
Long-term debt [1]	21,605	21,605	1,332,322	1,375,532
Share awards liability	4,080	2,672	708	7,460
Risk management contracts [2]	-	27	-	27
Total financial liabilities	198,520	24,304	1,333,030	1,555,854

Notes:

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

(2) 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 and foreign exchange risk as discussed below.

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

($000s)	June 30 2019	December 31 2018
Current Assets		
Crude oil	6,054	74,588
Natural gas	-	388
Interest	-	180
Power	188	63
Total current assets	6,242	75,219
Long-term Assets		
Crude oil	2,129	9,454
Power	42	-
Total long-term assets	2,171	9,454
Total fair value	**8,413**	**84,673**

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

($000s)	June 30 2019	December 31 2018
Current Liabilities		
Crude oil	2,792	-
Total current liabilities	2,792	-
Long-term Liabilities		
Power	-	27
Total long-term liabilities	-	27
Total fair value	**2,792**	**27**

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

	Three months ended June 30		Six months ended June 30	
($000s)	2019	2018	2019	2018
Realized loss on commodity and FX contracts	(11,653)	(41,214)	(14,703)	(56,621)
Unrealized gain (loss) on commodity and FX contracts	29,474	(69,253)	(78,844)	(117,021)
Net gain (loss) on commodity and FX contracts	17,821	(110,467)	(93,547)	(173,642)
Realized gain (loss) on interest rate contracts [1]	3	(568)	95	(1,229)
Unrealized gain (loss) on interest rate contracts [1]	(4)	368	(181)	960
Net gain (loss) on risk management contracts	17,820	(110,667)	(93,633)	(173,911)

Note:
[1] The gain (loss) on interest rate risk management contracts is included in interest and financing expense.

i) Commodity Price Risk

The Company's operational results and financial condition are largely dependent on the commodity price 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, inventory levels, weather, 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 risk management contracts and net income before tax:

($000s)	June 30, 2019	
	Increase 10%	Decrease 10%
Commodity Price		
Crude Oil	(30,469)	32,627
Power	134	(134)
Differential		
Crude oil	725	(725)

At June 30, 2019, the following commodity risk management contracts were outstanding with an asset fair market value of $8.4 million and a liability fair market value of $2.8 million (December 31, 2018 – asset of $84.5 million and liability of $0.1 million):

1) WTI Crude Oil Derivative Contracts

Type	Term	Volume (bbls/d)	Bought Put Price (C$/bbl) (1)	Sold Call Price (C$/bbl) (1)	Swap Price (C$/bbl) (1)
Swap	2019 Jul – Dec	10,000			73.06
Collar	2019 Jul – Dec	12,000	71.79	92.50	
Collar	2020 Jan – Jun	9,000	68.89	88.83	
Collar	2020 Jul – Dec	2,000	70.00	85.15	
Collar	2020	1,000	68.00	85.20	

Note:

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

2) WTI Crude Oil Differential Derivative Contracts

Type	Term	Volume (bbls/d)	Basis (1)	Swap Price (C$/bbl) (2)
Swap	2019 Jul – Sep	2,000	MSW	9.45
Swap	2019 Aug – Dec	4,000	MSW	11.43

Notes:

(1) Mixed Sweet Blend ("MSW").

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

3) Power Derivative Contracts

Type	Term	Volume (MWh)	Fixed Rate ($/MWh) (1)
Swap	2019 Jul – Dec	13,248	51.10
Swap	2020	8,784	50.50

Note:

(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 $1.1 billion revolving syndicated facility and a $75 million revolving operating facility. The revolving syndicated facility and revolving operating facility bear interest at the bank's prime lending or bankers' acceptance 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.

If interest rates applicable to floating rate debt at June 30, 2019 were to have increased or decreased by 25 basis points, it is estimated that the Company's income before tax would change by approximately $0.4 million and $0.7 million for the three and six months ended June 30, 2019, respectively ($0.4 million and $0.9 million for the three and six months ended June 30, 2018, respectively). This assumes that the change in interest rate is effective from the beginning of the quarter and the amount of floating rate debt is as at June 30, 2019. At June 30, 2019, Whitecap did not have any interest rate contracts outstanding.

iii) Foreign Exchange Risk

The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate ("USD/CAD") on crude oil sales based on U.S. dollar benchmark prices and commodity contracts that are settled in U.S. dollars. Foreign exchange risk is mitigated by entering into Canadian dollar denominated commodity risk management contracts or foreign exchange contracts. At June 30, 2019, 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 measure to assess the Company's liquidity. Total capitalization is 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:

($000s)	June 30 2019	December 31 2018
Accounts receivable	(134,450)	(121,120)
Deposits and prepaid expenses	(9,936)	(11,082)
Accounts payable and accrued liabilities	147,900	161,655
Dividends payable	11,768	11,180
Working capital deficiency	15,282	40,633
Long-term debt	1,174,468	1,255,697
Net debt	1,189,750	1,296,330
Shareholders' equity	3,169,311	3,229,566
Total capitalization	4,359,061	4,525,896

ii) Funds Flow

Management considers funds flow to be a key measure of operating performance as it demonstrates Whitecap's ability to generate the cash necessary to pay dividends, repay debt, make capital investments, and/or to repurchase common shares under the Company's Normal Course Issuer Bid ("NCIB"). Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow provides a useful measure of Whitecap's ability to generate cash that is not subject to short-term movements in non-cash operating working capital. Funds flow is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Funds flow for the three and six months ended June 30, 2019 and 2018 is calculated as follows:

	Three months ended June 30		Six months ended June 30	
($000s)	2019	2018	2019	2018
Cash flow from operating activities	198,246	225,933	335,098	383,495
Net change in non-cash working capital items	(22,709)	(30,117)	1,660	(22,880)
Funds flow	175,537	195,816	336,758	360,615

6. ACQUISITIONS

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.

In the six months ended June 30, 2019, the Company consolidated working interests on existing assets in the Southwest Saskatchewan and the West Central Saskatchewan cash generating units. The acquisitions were accounted for as business combinations under IFRS 3.

Net assets acquired ($000s):	
Petroleum and natural gas properties	2,501
Decommissioning liability	(915)
Total net assets acquired	**1,586**

Consideration:	
Cash consideration	1,561
Non-cash consideration	25
Total consideration	**1,586**

7. PROPERTY, PLANT AND EQUIPMENT

Net book value ($000s)	June 30 2019	December 31 2018
Petroleum and natural gas properties	8,076,309	7,876,793
Other assets	4,952	4,706
Property, plant and equipment, at cost	8,081,261	7,881,499
Less: accumulated depletion, depreciation, amortization and impairment	(2,920,685)	(2,692,038)
Total net carrying amount	5,160,576	5,189,461

Cost ($000s)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2018	7,876,793	4,706	7,881,499
Additions	196,485	402	196,887
Property acquisitions	2,501	-	2,501
Transfer from evaluation and exploration assets	974	-	974
Disposals	(444)	(156)	(600)
Balance at June 30, 2019	8,076,309	4,952	8,081,261

a) Accumulated Depletion, Depreciation, Amortization and Impairment

Accumulated depletion, depreciation, amortization and impairment ($000s)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2018	2,689,107	2,931	2,692,038
Depletion, depreciation and amortization	228,329	365	228,694
Disposals	-	(47)	(47)
Balance at June 30, 2019	2,917,436	3,249	2,920,685

At June 30, 2019, $215.7 million of salvage value (June 30, 2018 – $214.7 million) was excluded from the depletion calculation. Future development costs of $3.3 billion (June 30, 2018 – $2.9 billion) were included in the depletion calculation. The Company capitalized $7.8 million (June 30, 2018 – $8.7 million) of administrative costs directly relating to development activities which includes $3.3 million (June 30, 2018 – $4.2 million) of stock-based compensation.

b) Impairment Test of Property, Plant and Equipment

There were no indicators of impairment at June 30, 2019.

8. EXPLORATION AND EVALUATION ASSETS

($000s)	June 30 2019	December 31 2018
Exploration and evaluation assets	40,761	38,786
Less: accumulated land expiries and write-offs	(31,095)	(29,103)
Total net carrying amount	9,666	9,683

($000s)	Undeveloped Land
Balance at December 31, 2018	38,786
Additions	2,974
Transfer to property, plant and equipment	(974)
Disposals	(25)
Balance at June 30, 2019	40,761

($000s)	Accumulated land expiries and write-offs
Balance at December 31, 2018	29,103
Land expiries and write-offs	1,992
Balance at June 30, 2019	31,095

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 period.

a) Impairment Test of Exploration and Evaluation Assets
There were no indicators of impairment at June 30, 2019.

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. See Note 13 – "Lease Liabilities" for additional information regarding the Company's leases.

a) Carrying Amounts

($000s)	Offices	Facilities	Other	Total
Right-of-use assets	29,114	60,361	2,468	91,943
Less: accumulated depreciation	(1,672)	(4,829)	(485)	(6,986)
Balance at June 30, 2019	27,442	55,532	1,983	84,957

b) Cost

($000s)	Offices	Facilities	Other	Total
Balance at January 1, 2019	29,114	60,361	2,154	91,629
Additions	-	-	314	314
Balance at June 30, 2019	29,114	60,361	2,468	91,943

c) Accumulated Depreciation

($000s)	Offices	Facilities	Other	Total
Balance at January 1, 2019	-	-	-	-
Depreciation	1,672	4,829	485	6,986
Balance at June 30, 2019	1,672	4,829	485	6,986

10. INVESTMENT IN LIMITED PARTNERSHIP

($000s)	June 30 2019	December 31 2018
Investment in limited partnership, beginning of year	1,364	7,585
Loss on investment	(1,364)	(6,221)
Investment in limited partnership, end of period	-	1,364

On June 26, 2014, the Company acquired a ten percent interest in an oil and gas limited partnership. The investment was recorded at fair value and any subsequent gains or losses recorded in net income or loss. On April 15, 2019, the Company disposed of the interest in the oil and gas limited partnership.

11. GOODWILL

At June 30, 2019, the Company had goodwill of $122.7 million (December 31, 2018 – $122.7 million). At June 30, 2019, the Company had total accumulated goodwill impairment charges of $126.4 million, which was recorded during the year ended December 31, 2015. The recoverable amount of goodwill is determined as the fair value less costs of disposal using a discounted cash flow method and is assessed at the corporate level. The Company's key assumptions used in determining the fair value less costs of disposal include reserves, discount rate, future commodity prices, operating costs and capital expenditures of the Company. The values of these assumptions have been assigned based on internal and external reserve and market price information. The fair value measurement of the Company's goodwill is designated Level 3 on the fair value hierarchy. Refer to Note 4 – "Determination of Fair Values" for a description of the methodology used in the determination of fair values.

a) Impairment Test of Goodwill

There were no indicators of impairment at June 30, 2019.

12. LONG-TERM DEBT

($000s)	June 30 2019	December 31 2018
Bank debt	579,871	661,151
Senior secured notes	594,597	594,546
Long-term debt	1,174,468	1,255,697

a) Bank Debt

As at June 30, 2019, the Company had a $1.175 billion credit facility with a syndicate of banks. The credit facility consists of a $1.1 billion revolving syndicated facility and a $75 million revolving operating facility, with a maturity date of May 31, 2023. Prior to any anniversary date, being May 31 of each 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, 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 bankers' 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 floating charge debenture on the assets of the Company.

In the second quarter of 2018, as part of our annual credit facility review, the credit facility transitioned from a borrowing-based structure with lending capacity re-determined on a semi-annual basis, to a financial covenant-based structure with an extendible four-year term governed by our existing financial covenants. The credit facility has two financial covenants, whereby the Company's ratio of debt to EBITDA shall not exceed 4.00:1.00 (1.58:1.00 as at June 30, 2019) and the ratio of EBITDA to interest expense shall not be less than 3.50:1.00 (13.93:1.00 as at June 30, 2019). The EBITDA used in the covenant calculation 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 covenant calculation includes bank indebtedness, letters of credit, and dividends declared. As of June 30, 2019, the Company was compliant with all covenants provided for in the lending agreement. Copies of the Company's credit agreements may be accessed through the SEDAR website (www.sedar.com).

b) Senior Secured Notes

As at June 30, 2019, the Company had issued $595 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility. The terms, rates, principals and carrying amounts of the Company's outstanding senior notes are detailed below:

($000s)

Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
January 5, 2017	January 5, 2022	3.46%	200,000	199,856	199,182
May 31, 2017	May 31, 2024	3.54%	200,000	199,861	195,626
December 20, 2017	December 20, 2026	3.90%	195,000	194,880	191,657
Balance at June 30, 2019			595,000	594,597	586,465

The senior secured notes are subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. As of June 30, 2019, the Company was compliant with all covenants provided for in the lending agreements.

c) Interest and Financing Expense

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

($000s)	Three months ended June 30 2019	2018	Six months ended June 30 2019	2018
Interest expense, net of capitalized interest	12,196	13,187	24,936	26,028
Interest expense, lease liabilities [Note 13]	994	-	2,008	-
Unrealized (gains) losses on interest rate contracts	4	(368)	181	(960)
Realized (gains) losses on interest rate contracts	(3)	568	(95)	1,229
Interest and financing expense	13,191	13,387	27,030	26,297

13. 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 includes the assessment of the appropriate durations for the related leased assets.

($000s)	June 30 2019	December 31 2018
Current portion	10,862	-
Non-current portion	75,826	-
Lease liabilities	86,688	-

For the three and six months ended June 30, 2019, interest expense of $1.0 million and $2.0 million, respectively, and total cash outflows of $3.7 million and $7.3 million, respectively, were recognized relating to lease liabilities.

14. DECOMMISSIONING LIABILITY

($000s)	
Balance at December 31, 2018	725,643
Liabilities incurred	2,861
Liabilities acquired	915
Liabilities settled	(5,191)
Revaluation of liabilities acquired (1)	1,265
Change in estimate	41,080
Accretion expense	5,436
Balance at June 30, 2019	772,009

Note:

(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 1.7 percent (2.2 percent at December 31, 2018) and inflation rate of 2.0 percent (2.0 percent at December 31, 2018). The total undiscounted amount of the estimated cash flows required to settle the obligations was $1.0 billion (December 31, 2018 – $1.2 billion). The expected timing of payment of the cash flows required for settling the obligations extends up to 45 years.

15. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without nominal or par value.

b) Issued and outstanding

(000s)	Shares	$
Balance at December 31, 2018	414,063	3,870,798
Issued on share award vesting	830	-
Common shares repurchased [1]	(1,986)	(4,996)
Contributed surplus adjustment on vesting of share awards	-	8,018
Balance at June 30, 2019	412,907	3,873,820

Note:

(1) As at December 31, 2018, 910,000 shares repurchased under the NCIB were held in treasury. Subsequent to year end, all of the shares held in treasury were cancelled.

c) Normal Course Issuer Bid

On May 16, 2017, the Company announced the approval of its NCIB by the TSX (the "2017 NCIB"). The 2017 NCIB allowed the Company to purchase up to 18,457,076 common shares over a period of twelve months commencing on May 18, 2017.

On May 16, 2018, the Company announced the approval of its renewed NCIB by the TSX (the "2018 NCIB"). The 2018 NCIB allowed the Company to purchase up to 20,864,806 common shares over a period of twelve months commencing on May 18, 2018.

On May 16, 2019, the Company announced the approval of its renewed NCIB by the TSX (the "2019 NCIB"). The 2019 NCIB allows the Company to purchase up to 20,657,914 common shares over a period of twelve months commencing on May 21, 2019.

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 contributed surplus.

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

	Three months ended June 30		Six months ended June 30	
(000s except per share amounts)	2019	2018	2019	2018
Shares repurchased	1,076	635	1,076	1,945
Average cost ($/share)	4.64	8.85	4.64	8.78
Amounts charged to				
Share capital	4,996	5,605	4,996	17,059
Contributed surplus	-	11	-	11
Share repurchase cost	4,996	5,616	4,996	17,070

d) 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 directors, officers, employees of the Company and other service providers. Effective January 1, 2017, independent outside directors will receive only time-based awards as the primary form of long-term compensation. As at June 30, 2019, 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. Currently, time-based awards and performance awards issued to employees of the Company vest three years from date of grant. Time-based awards issued to independent outside directors and performance awards issued to officers of the Company vest in two tranches with one half of such awards vesting February 1 of the third year following the grant date and one half vesting October 1 of the third year following the grant date.

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. On October 1, 2018, consistent with the terms of the Award Incentive Plan, awards vesting for insiders were settled in cash. As a result, the remaining insider awards were accounted for as cash-settled, resulting in the recognition of share award liabilities on the consolidated balance sheet. 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 4 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.

The estimated weighted average fair value for equity-settled share awards at the measurement date is $4.47 per award granted during the period ended June 30, 2019.

(000s)	Number of Time-based Awards	Number of Performance Awards [1]	Total Awards
Balance at December 31, 2018	1,724	4,570	6,294
Granted	536	1,802	2,338
Forfeited	(10)	(20)	(30)
Vested	(273)	(679)	(952)
Balance at June 30, 2019	1,977	5,673	7,650

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

e) Contributed Surplus

($000s)	
Balance at December 31, 2018	15,719
Stock-based compensation	7,109
Share award vesting	(8,030)
Balance at June 30, 2019	14,798

f) Dividends

Dividends declared were $0.08 and $0.17 per common share in the three and six months ended June 30, 2019, respectively ($0.08 and $0.16 in the three and six months ended June 30, 2018).

On July 15, 2019, the Board of Directors declared a dividend of $0.0285 per common share designated as an eligible dividend, payable in cash to shareholders of record on July 31, 2019. The dividend payment date is August 15, 2019.

16. 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 amounts to Whitecap by the 25th day of the month following production.

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

	Three months ended June 30		Six months ended June 30	
($000s)	2019	2018	2019	2018
Crude oil	358,341	410,014	674,292	750,666
NGLs	9,045	15,560	20,059	28,532
Natural gas	7,344	7,806	23,618	22,232
Petroleum and natural gas revenues	374,730	433,380	717,969	801,430
Tariffs	(2,788)	(4,106)	(6,347)	(11,040)
Processing income	3,480	3,463	6,740	6,850
Blending revenue	3,912	3,500	15,833	3,500
Petroleum and natural gas sales	379,334	436,237	734,195	800,740

Substantially, all of petroleum and natural gas revenues for the three and six months ended June 30, 2019 are derived from variable price contracts based on index prices.

Included in accounts receivable at June 30, 2019 is $106.7 million (June 30, 2018 – $133.9 million) of accrued petroleum and natural gas revenues related to June 2019 production.

17. PER SHARE RESULTS

	Three months ended June 30		Six months ended June 30	
(000s except per share amounts)	2019	2018	2019	2018
Per share income (loss) ($/share)				
Basic	$0.14	($0.01)	$0.01	($0.03)
Diluted	$0.14	($0.01)	$0.01	($0.03)
Weighted average shares outstanding				
Basic	413,192	417,456	413,324	417,603
Diluted (1)	416,626	417,456	416,081	417,603

Note:

(1) For the three and six months ended June 30, 2019, 2.1 million and 4.4 million share awards, respectively (6.4 million share awards for the three and six months ended June 30, 2018) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

18. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in Non-Cash Working Capital

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

	Three months ended June 30		Six months ended June 30	
($000s)	2019	2018	2019	2018
Accounts receivable	26,196	16,357	(13,330)	(23,500)
Deposits and prepaid expenses	223	(103)	1,146	52
Accounts payable and accrued liabilities	(52,419)	(55,889)	(13,755)	52,952
Share awards liability – current	3,590	-	1,972	-
Dividend payable	613	549	588	1,030
Share awards liability – long-term	(2,098)	-	(397)	-
Change in non-cash working capital	(23,895)	(39,086)	(23,776)	30,534
Related to:				
Operating activities	22,709	30,117	(1,660)	22,880
Financing activities	613	549	588	1,030
Investing activities	(47,536)	(69,752)	(23,691)	6,624
Items not impacting cash	319	-	987	-

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:

($000s)	Long-term debt	Lease liabilities	Dividend payable
Balance at December 31, 2018	1,255,697	-	11,180
Adoption of IFRS 16 [Note 3]	-	91,629	-
Additions	-	314	-
Cash flows	(81,799)	(5,255)	-
Amortization of debt issuance costs	570	-	-
Change in dividends payable	-	-	588
Balance at June 30, 2019	1,174,468	86,688	11,768

19. COMMITMENTS

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

($000s)	2019	2020	2021	2022+	Total
Lease liabilities [Note 13]	7,260	14,350	14,131	65,307	101,048
Service agreements	1,130	2,254	2,251	13,204	18,839
Transportation agreements	13,059	17,367	13,338	100,676	144,440
Long-term debt (1)	10,891	21,605	21,605	1,229,488	1,283,589
Total	32,340	55,576	51,325	1,408,675	1,547,916

Note:
(1) These amounts include the notional principal and interest payments.

20. RELATED PARTY TRANSACTIONS

The Company has retained the law firm of Burnet, Duckworth & Palmer LLP ("BD&P") to provide Whitecap with legal services. A director of Whitecap is a partner of this firm. During the three and six months ended June 30, 2019, the Company incurred nil and $0.1 million for legal fees and disbursements, respectively ($0.1 million and $0.6 million for the three and six months ended June 30, 2018, respectively). These amounts have been recorded at the amounts that have been agreed upon by the two parties. The Company expects to retain the services of BD&P from time to time. As of June 30, 2019, a nil payable balance (nil – June 30, 2018) was outstanding.

21. INVESTMENTS IN SUBSIDIARIES

The Company has the following material subsidiaries, each owned 100% directly, at June 30, 2019:

Name of Subsidiary	Jurisdiction of Incorporation or Formation
Whitecap Energy Inc.	Canada
Whitecap Resources Partnership	Canada

22. INCOME TAXES

The general Provincial tax rate in Alberta was decreased on June 28, 2019 from 12 percent to 11 percent for the second half of 2019, 10 percent for 2020, 9 percent for 2021 and 8 percent for 2022 and beyond. As a result of the rate change, Whitecap recognized $12.5 million in deferred income tax recovery in the consolidated statement of comprehensive income for the three and six months ended June 30, 2019.