

To: Former holders ("TORC Shareholders") of common shares of the public company, TORC Oil & Gas Ltd. ("TORC") in connection with the business combination of Whitecap Resources Inc. ("Whitecap") and TORC, by way of a plan of arrangement among TORC and Whitecap that has become effective (the "Arrangement").

TAX INSTRUCTION LETTER

This tax instruction letter is provided in connection with the Arrangement pursuant to which Whitecap Resources Inc. acquired all the common shares of TORC and continued to operate as Whitecap Resources Inc.

This tax instruction letter is for use by the former holders of common shares of TORC ("**TORC Shares**") who wish to recognize a capital gain as a result of the Arrangement by making a tax election with Whitecap under subsection 85(1) of the *Income Tax Act* (Canada) (the "**Tax Act**") or, in the case of a TORC Shareholder that is a partnership, under subsection 85(2) of the Tax Act (in either case, a "**Tax Election**").

TORC Shareholders who choose not to make a Tax Election will generally have a tax-deferred exchange as a result of the Arrangement. See *Exchange of TORC Shares for Whitecap Shares – Section 85 Election Not Made* in the joint information circular and proxy statement of Whitecap and TORC dated January 5, 2021 (the "Circular").

This Tax Election Package contains two copies of Form T2057 (In the event that the TORC Shares are held as partnership property, please obtain Form T2058). Additional copies of the relevant Canadian federal tax election forms may be obtained by contacting the Canada Revenue Agency ("**CRA**") or from their website (<http://www.cra-arc.gc.ca/>).

Whitecap will make a Tax Election only with a TORC Shareholder who is an "**Eligible Holder**". An Eligible Holder was a beneficial owner of TORC Shares immediately prior to the effective time of the Arrangement (other than a "Dissenting Shareholder" as defined in the Circular) who:

- (i) is a resident of Canada for purposes of the Tax Act (other than a person who is exempt from tax under Part I of the Tax Act), (ii) a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a member who is exempt from tax under Part I of the Tax Act), or (iii) is not, and is not deemed to be, a resident of Canada for the purposes of the Tax Act and whose TORC Shares are "taxable Canadian property" and not "treaty-protected property" (for the purposes of the Tax Act);
- has properly completed and executed the required tax election forms (two copies of CRA Form T2058 for partnerships or two copies of CRA Form T2057 for all other TORC Shareholders, and two copies of any applicable provincial or territorial election forms (the "**Tax Election Forms**")); and
- has ensured the receipt of the completed Tax Election Forms by Whitecap on or before **60 days after the effective date of the Arrangement**, at:

Whitecap Resources Inc.
Suite 3800, 525 – 8th Avenue S.W.
Calgary, Alberta
T2P 1G1

Attention: Thanh C. Kang
Chief Financial Officer

Whitecap is not required to make a Tax Election with anyone who is not an Eligible Holder.

These instructions are of a general nature only and are not intended to be (nor should they be construed to be) legal or tax advice to any particular TORC Shareholder concerning the Tax Election. Further, apart from providing these materials to TORC Shareholders for their convenience, neither Whitecap nor TORC will provide TORC Shareholders with any advice on making the Tax Election. Accordingly, TORC Shareholders should consult with their own tax advisors for specific advice in respect of whether to make a Tax Election, making the Tax Election and complying with the Tax Election Procedure having regard to their own particular circumstances.

Please review the enclosed forms very carefully and consult your tax advisor as to their proper completion and delivery and any filing deadlines. You are also advised to review Information Circular, 76-19R3 and Interpretation Bulletin, IT-291R3 issued by the CRA for information in respect of the Tax Election.

In order to achieve a deferral of tax in some provinces or territories similar to that resulting from the Tax Election, it may be necessary to file a separate copy of the Tax Election or a separate provincial or territorial tax election analogous to the Tax Election with the taxing authority of such province or territory. Whitecap will also make such a provincial or territorial tax election with an Eligible Holder under the same conditions that it is willing to make the Tax Election. TORC Shareholders are entirely responsible for determining whether any such separate federal, provincial or territorial election is applicable and appropriate in their circumstances and (if so) obtaining, completing and forwarding the related forms to Whitecap (at the address listed above) for execution by Whitecap.

Whitecap will assume that any representative that signs the Tax Election Forms on behalf of a corporation, trust or estate has been duly authorized to do so, and will not take any action to verify the validity of any such authorization. Former TORC Shareholders that are corporations, trusts or estates should consult their own legal advisors in determining whether such authorization has been properly given.

In order to make a Tax Election, two copies of the applicable Tax Election Forms must be signed and properly completed with the necessary information, including the number of TORC Shares transferred, the consideration received therefor and the applicable elected amounts for the purposes of such elections and must be received by Whitecap at the address stated above no later than 90 days after the effective date of the Arrangement. Whitecap will execute all properly completed Tax Election Forms submitted to it by an Eligible Holder and will return such Tax Election Forms to the Eligible Holder for filing with the appropriate tax authorities. It is the sole responsibility of the Eligible Holder who wishes to take advantage of the Tax Election to attend to the proper completion and filing of the forms required by the Tax Act in that regard.

Whitecap is not required to sign Tax Election Forms received after 90 days after the effective date of the Arrangement, and thus any Eligible Holder who does not ensure that Whitecap has received the completed Tax Election Forms, each containing an original signature of the Eligible Holder, on or before 90 days after the effective date of the Arrangement, may not be able to benefit from the elections.

Procedure for Completing Prescribed Form T2057

The following section illustrates the information required to be provided by an Eligible Holder completing Form T2057. Please consult your advisor on the completion of any additional Prescribed Forms (such as Form T2058 and any applicable provincial or territorial tax forms). **Do not write the required information on this letter of instructions. The information should be typed or legibly printed on the Prescribed Forms.**

Page 1 of Form T2057

Complete the information in this first box for the Eligible Holder making the election:

Taxpayer's name (transferor)		Social insurance, trust account or business number
Address		Postal code
Tax year of the taxpayer	Start Year Month Day End Year Month Day	Tax services office

The taxation year for individuals is January 1, 2021 to December 31, 2021.

Complete the information in this box if the TORC Shares were held in joint ownership; otherwise enter "N/A":

Name of Co-Owner(s), if any, (if more than one, attach schedule in like detail	Social Insurance Number	
Address	Postal Code	Tax Services Office

Whitecap will complete the next section:

Name of Corporation (Transferee)	Account Number/Business Number	
Whitecap Resources Inc.	●	
Address	Postal Code	Tax Services Office
Suite 3800, 525 – 8th Avenue S.W.	T2P 1G1	Calgary, Alberta
Taxation Year of Taxpayer	●	

Complete the next section, by filling in your name and telephone number or, if appropriate, the name and telephone number of your tax advisor:

Name of Persons to Contact for Additional Information	Area Code	Telephone Number
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The last section of page 1 of Form T2057 relates to late filed elections and Eligible Holders whose elections will be filed late.

Page 2 of Form T2057

Whitecap will complete the answers to the first five questions as follows:

- Is there a written agreement relating to this transfer (Pursuant to the "Offer")..... Yes No
- Is a price adjustment clause involved in respect of any of the properties? (Refer to current Interpretation Bulletin IT-169 for details)..... Yes No
- Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee?..... Yes No
- Where a non-arm's length intercorporate rollover exists, have all or substantially all (90% or more) of all the properties of the taxpayer been transferred to the corporation?..... Yes N/A No

Eligible Holders should answer the following questions based on their particular circumstances:

- Is the taxpayer a non-resident of Canada?..... Yes No
- Are any of the properties transferred capital properties?..... Yes No

.....
Whether the TORC Shares are capital properties to a particular Eligible Holder is a question of fact and law that must be determined by each Eligible Holder based on a consideration of all the relevant facts and circumstances.

If Yes,

- (a) have they been owned continuously since Valuation Day (V-Day – Dec 31,1971)?..... Yes No
- (b) have they been acquired after V-Day in a transaction considered not to be at arm's length?..... Yes No

Eligible Holders who hold their TORC Shares as capital property and acquired their TORC Shares in an arm's length transaction should check "No".

- (c) since V-Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends with respect to the shares transferred? (if yes, provide details of amounts and dates received and attach as a schedule)..... Yes No
- Is the agreed amount of any of the properties transferred based on an estimate of the fair market value on V-Day?..... Yes No
- If "Yes" does a formal documented V-Day value report exist?..... Yes No
- Has an election under subsection 26(7) of the Income Tax Act Application Rules (form T2076) been filed by or on behalf of the taxpayer? Yes No

Whitecap will complete the next section:

Corporation's name	
Business number R, C	Paid-up capital of shares transferred

Eligible Holders must complete the information in the two blank boxes in the next section, as follows:

Number of Shares	Class of Shares	Redemption Value	Paid-Up Capital	Voting or	Are shares redeemable at the holder's option?
	Common Shares	N/A		Voting	<input type="checkbox"/> Yes <input type="checkbox"/> No

↓
Enter the number you get in computing (7) on the next page.

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The amount added to paid-up capital will generally be equal to the "agreed amount" (discussed below).

Page 3 of Form T2057

Whitecap will insert the date on which it acquired the TORC Shares in the box "Date of sale or transfer of all properties listed below" following section:

Information on the eligible property disposed of and consideration received

Protected B when completed

	Date of sale or transfer of all properties listed below:			Note: For properties sold or transferred on different dates, use a separate Form T2057.				
	Property disposed of			B Agreed amount (cannot be zero)	Amount to be reported B – A (if greater than 0, see note 5)	Consideration received		
	Description	Elected amount limits (see note 1)				Non-share	Share	Fair market value of total consideration
		Fair market value	A		Description	Number and class		
Capital property excluding depreciable property	(brief legal)		(see note 2)					
Depreciable property	(description and prescribed class)		(see note 3)					
Eligible capital property	(kind)		(see note 4)					
Inventory excluding real property	(kind)		(cost amount)					
Resource property	(brief legal)		nil					
Security or debt obligation property	(description)		(cost amount)					
Specified Debt Obligation (for financial institutions only)			(cost amount)					
Capital property that is real property owned by a non- resident person	(description)							
AgriInvest fund no. 2 (see note 6)			(cost amount)					

Note 1: Read Interpretation Bulletin IT-291 for more information on eligible property and an explanation of the limits.
 Note 2: Adjusted cost base (subject to adjustment under section 53).
 Note 3: The lesser of undepreciated capital cost of all property of the class and the cost of the property.
 Note 4: The lesser of 4/3 of the cumulative eligible capital and the cost of the property.
 Note 5: This amount is to be reported either as a capital gain or as income, whichever applies. Also, in the case of depreciable property and eligible capital property, a portion of the amount may have to be reported as a capital gain while another portion of the amount may have to be reported as income.
 Note 6: Contributions made in a tax year ending after 2007, and amounts earned on those contributions, are only eligible if that property is owned by an individual.

Complete the information in this section according to the instructions following:

Property Disposed of			Agreed Amount	Amount to be reported B-A if >0 (see note 4)	Consideration Received		
Elected Amount Limits		B			Non-share	Share	Fair Market Value
Description (Brief Legal)	Fair Market Value		A	Description	Number and Class		
(1)	\$ (2)	\$ (3)	\$ (4)	\$ (5)	\$ (6)	\$ (7)	\$ (8)
Common Shares of Torc Oil & Gas Ltd.						Common Shares of Whitecap Resources Inc.)	

Capital Property Excluding Depreciable Property

Complete this section as follows:

- (1) Enter the number of TORC Shares sold and their description as "Common Shares of TORC".
- (2) Enter the total fair market value of TORC Shares sold, at the time of sale. The determination of fair market value is a question of fact. Consequently, TORC Shareholders should seek independent advice regarding the value of the consideration received by them pursuant to the Arrangement.
- (3) Enter the adjusted cost base (or cost amount in the case of inventory) of the TORC Shares.
- (4) See the rules described below with respect to calculation of the agreed amount.
- (5) Enter the result of B – A, this is the amount of your capital gain.
- (6) Do not enter anything here.
- (7) ***Important: This entry may not be what you expect, please read this carefully.*** Enter the number of Whitecap Shares you received under the Arrangement. The number of Whitecap Shares you received is the number of TORC Shares you had (see (1) above), multiplied by the number 0.57.
- (8) Enter the total fair market value, as at the effective date of the Arrangement, of the Whitecap Shares received. The amount entered here should equal the amount entered in (2) above.

Rules with Respect to Calculation of Agreed Amount

Subject to the rules set out below, Eligible Holders who wish to trigger a capital gain must elect an *agreed amount* greater than the adjusted cost base of the TORC Shares (or cost amount, if the TORC Shares are inventory). The *agreed amount* must be determined in accordance with the following rules:

- (1) The *agreed amount* may not be less than the lesser of the adjusted cost base (or cost amount, if the TORC Shares are inventory) to the Eligible Holder of the Eligible Holder's TORC Shares sold, determined immediately before the time of the sale, and the fair market value of the TORC Shares at that time.

- (2) The *agreed amount* may not exceed the fair market value of the TORC Shares at the time of the sale.

Eligible Holders should consult their tax advisors regarding the selection of the agreed amount in respect of their TORC Shares.

The Eligible Holder must sign in the last box as indicated:

Election and certification	
The taxpayer and the corporation jointly elect under subsection 85(1) in respect of the property specified, and certify that the information given in this election and in any attached documents is correct and complete.	
_____ Signature of Transferor, Authorized Officer or Authorized Person*	and _____ Signature of Authorized Officer of Transferee
* Attach a copy of the authorizing agreement.	_____ Date (yyyy-mm-dd)

Eligible Holder should sign here Leave this space blank for the authorized signature of Whitecap

- (3) Completion of Form T2058 and/or any applicable provincial or territorial tax forms.

Eligible Holders completing Form T2058 and/or any applicable provincial or territorial tax forms (such as TP-518V or TP-529V) may refer to the instructions set out above, although the order of presentation of the information on the other forms may differ from that of Form T2057 and some of the required information may be different.