WHITECAP RESOURCES INC

NEWS RELEASE

October 27, 2022

WHITECAP RESOURCES INC. REPORTS STRONG PRODUCTION PER SHARE GROWTH AND PROVIDES NEW ENERGY UPDATE

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited consolidated financial results for the three and nine months ended September 30, 2022.

Selected financial and operating information is outlined below and should be read with Whitecap's unaudited interim consolidated financial statements and related Management's Discussion and Analysis for the three and nine months ended September 30, 2022 which are available at www.sedar.com and on our website at www.wcap.ca.

FINANCIAL AND OPERATING HIGHLIGHTS

Financial ($000s except for share amounts and percentages)	Three months ended September 30 2022	2021	Nine months ended September 30 2022	2021
Petroleum and natural gas revenues	1,070,509	678,115	3,336,375	1,740,527
Net income	324,464	1,514,633	1,357,454	1,552,826
Basic ($/share)	0.53	2.40	2.19	2.64
Diluted ($/share)	0.53	2.37	2.17	2.62
Funds flow [1]	546,788	293,741	1,729,121	748,072
Basic ($/share)	0.89	0.46	2.80	1.27
Diluted ($/share)	0.88	0.46	2.77	1.26
Dividends paid or declared	67,232	30,807	169,991	83,772
Per share	0.11	0.05	0.28	0.14
Expenditures on property, plant and equipment [2]	208,004	135,204	507,529	293,486
Total payout ratio (%) [1]	50	57	39	50
Net Debt [1]	2,192,263	1,313,871	2,192,263	1,313,871
Operating				
Average daily production				
Crude oil (bbls/d)	85,137	77,188	84,599	74,063
NGLs (bbls/d)	16,513	10,279	14,863	10,368
Natural gas (Mcf/d)	264,886	170,807	225,076	150,979
Total (boe/d) [3]	145,798	115,935	136,975	109,594
Average realized Price [4,5]				
Crude oil ($/bbl)	111.64	81.02	119.13	73.75
NGLs ($/bbl)	55.87	45.64	58.65	37.36
Natural gas ($/Mcf)	4.56	3.79	5.65	3.49
Petroleum and natural gas revenues ($/boe) [5]	79.81	63.58	89.22	58.17
Operating Netback ($/boe) [1,5]				
Petroleum and natural gas revenues	79.81	63.58	89.22	58.17
Tariffs	(0.39)	(0.43)	(0.44)	(0.41)
Processing & other income	0.74	0.83	0.64	0.77
Marketing revenue	6.03	4.29	6.02	3.57
Petroleum and natural gas sales	86.19	68.27	95.44	62.10
Realized loss on commodity contracts	(2.20)	(6.83)	(5.98)	(5.13)
Royalties	(16.29)	(10.24)	(17.58)	(9.07)
Operating expenses	(14.85)	(13.71)	(14.71)	(13.61)
Transportation expenses	(2.27)	(2.29)	(2.20)	(2.23)
Marketing expenses	(6.00)	(4.32)	(5.97)	(3.60)
Operating netbacks	44.58	30.88	49.00	28.46
Share information (000s)				
Common shares outstanding, end of period	610,610	631,991	610,610	631,991
Weighted average basic shares outstanding	611,904	632,101	618,471	588,750
Weighted average diluted shares outstanding	617,911	638,060	624,504	593,407

MESSAGE TO SHAREHOLDERS

Whitecap delivered another strong quarter with the successful execution of its $208 million capital program to achieve average production of 145,798 boe/d in the third quarter, well ahead of our internal expectations. Production per share[1] increased 11% compared to the second quarter of this year and 30% compared to the same quarter in the prior year.

The efficient execution of our capital program and strong operational results generated $339 million of free funds flow[6] in the third quarter, of which $138 million was returned to shareholders through our base dividend ($67 million) and share repurchases ($71 million) at an average cost of $8.45 per share.

We successfully closed the acquisition of XTO Energy Canada ("XTO") on August 31st for net cash consideration of $1.7 billion, after working capital adjustments, resulting in quarter end net debt of $2.2 billion and a debt to EBITDA ratio[7] of 0.8 times. Total credit capacity is now $3.1 billion providing us with significant financial flexibility going forward.

Whitecap drilled 84 (68.4 net) wells during the quarter including 60 (46.7 net) wells in Saskatchewan, 13 (12.0 net) wells in Central Alberta, and 11 (9.7 net) wells in Northern Alberta & B.C.

We highlight the following third quarter 2022 financial and operating results:

- **Production Outperformance.** Third quarter production of 145,798 boe/d included one month of the XTO acquired volumes and increased 30% per share compared to Q3/21. Outperformance on our base assets continued while execution of optimization opportunities contributed to production outperforming our internal expectations of 142,000 – 144,000 boe/d.

- **Strong Funds Flow.** Third quarter funds flow of $547 million or $0.88 per share was up 91% as compared to Q3/21. Funds flow per share was the second highest quarterly result in Company history, and includes the impact of one-time transaction costs of $11 million relating to the XTO acquisition and higher operating costs primarily related to third quarter Alberta power prices averaging over 80% and over 120% higher than Q2/22 and Q3/21, respectively.

- **Return of Capital Focus.** Dividends paid during the third quarter were $67 million or $0.11 per share, which were 22% and 137% higher on a per share basis than Q2/22 and Q3/21, respectively. Including $71 million of share repurchases under our normal course issuer bid ("NCIB"), total capital returned to shareholders was $138 million during the quarter.

- **Balance Sheet Strength.** Quarter end net debt of $2.2 billion represents a debt to EBITDA ratio of 0.8x and EBITDA to interest expense ratio[7] of 55.2x, well within our covenant limits of not greater than 4.0x and not less than 3.5x, respectively. Our balance sheet is in excellent shape and provides significant financial flexibility to manage through commodity price cycles.

OUTLOOK

Integration of the XTO assets has been seamless given our existing expertise in the Montney. Since May 2021, we have brought on production 12 Montney wells with 4 more wells to be on stream by the end of the year, and we are expecting to drill another 23 (21.4 net) Montney wells at Kakwa in 2023. Our four-well 12-33 pad has now achieved an average production rate of 1,900 boe/d (36% liquids) per well over the first 120 days on production, while the three-well 14-13 pad has now been on for 270 days, achieving an average per well production rate of 1,660 boe/d (29% liquids)[3]. These results continue to exceed our initial expectations, further validating the high quality of inventory acquired.

We are currently operating 9 drilling rigs and we expect operational momentum to continue into the fourth quarter with average production increasing by 13% to approximately 165,000 boe/d (65% liquids). We now expect 2022 production to average 144,000 boe/d (70% liquids) which is at the high end of our previous guidance. Our expectations for 2022 capital expenditures of $670 - $690 million are unchanged which is expected to result in the Company reaching our $1.8 billion net debt milestone prior to year end at current strip prices[8].

Our 2023 budget of $900 - $950 million and average production guidance of 170,000 – 172,000 boe/d (64% liquids) is unchanged and is expected to result in the Company reaching our final net debt milestone of $1.3 billion in mid-2023[8]. Once we achieve our net debt milestone of $1.3 billion, we anticipate returning 75% of free funds flow back to shareholders which includes a targeted annual base dividend of $0.73 per share.

NEW ENERGY UPDATE

Whitecap's New Energy team continues to advance our Fort Saskatchewan carbon hub with our partners in Alberta and our Belle Plaine/Regina carbon hub in Saskatchewan with spending on pre-FID ("final investment decision") work, seismic and evaluation wells. In addition to these two projects, Whitecap, along with our partners, was successful in being selected by the Government of Alberta to pursue the development of two additional strategically located carbon hubs to transport and permanently sequester CO_2 emissions captured from sources in Central and Southern Alberta.

- **Rolling Hills Hub.** Whitecap and AltaGas Ltd. ("AltaGas") have partnered for a potential open-access carbon sequestration hub to the northwest of Calgary in Southern Alberta. The project has identified multiple CO_2 emission sources in the area and includes facilities owned and operated by both Whitecap and AltaGas. The project's next step is to commence a technical evaluation with a potential in-service date of 2026.

- **Central Alberta Hub.** Whitecap and Wolf Midstream have partnered for a potential open-access carbon sequestration hub east of Red Deer in Central Alberta. The hub will be connected to the Alberta Carbon Trunk Line and will leverage this existing infrastructure along with our subsurface knowledge in the area. The project's next step is to commence a technical evaluation with a potential in-service date of 2027.

We will continue to advance these projects forward to provide safe and reliable transportation and storage solutions for industrial parties. We are confident that our technical expertise and experience operating existing carbon sequestration projects both in Saskatchewan and Alberta will provide the necessary support for industrial parties wishing to pursue decarbonization plans at an accelerated pace.

On behalf of our employees, management team and Board of Directors, we would like to thank our shareholders for their support and look forward to updating you on our progress through the remainder of the year and into 2023.

CONFERENCE CALL AND WEBCAST

Whitecap has scheduled a conference call and webcast to begin promptly at 9:00 am MT (11:00 am ET) on Thursday, October 27, 2022.

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

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

For further information:

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NOTES

1 Funds flow, funds flow basic ($/share), funds flow diluted ($/share) and net debt are capital management measures. Total payout ratio and production per share are supplementary financial measures. Operating Netback is a non-GAAP financial measure and operating netbacks ($/boe) is a non-GAAP ratio. Refer to the Specified Financial Measures section in this press release for additional disclosure and assumptions.
2 Also referred to herein as "capital expenditures".
3 Disclosure of production on a per boe basis in this press release consists of the constituent product types and their respective quantities disclosed herein. Refer to Barrel of Oil Equivalency and Production, Initial Production Rates and Product Type Information in this press release for additional disclosure.
4 Prior to the impact of risk management activities and tariffs.
5 Supplementary financial measure. Refer to the "Supplementary Financial Measures" section of the Company's MD&A for the three and nine months ended September 30, 2022, which is incorporated herein by reference, and available on SEDAR at www.sedar.com.
6 Free funds flow is a non-GAAP financial measure. Refer to the Specified Financial Measures section in this press release for additional disclosure and assumptions.
7 Debt to EBITDA ratio and EBITDA to interest expense ratio are specified financial measures that are calculated in accordance with the financial covenants in our credit agreement.
8 See Note Regarding Forward-Looking Statements for underlying commodity price and exchange rate assumptions.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", "potential", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, focus, objectives, priorities and position.

In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to: that our total credit capacity provides us with significant financial flexibility going forward; our balance sheet being in excellent shape and provides significant financial flexibility to manage through commodity price cycles; our expectation that 4 more Montney wells will be on stream by the end of the year and we are expecting to drill another 23 (21.4 net) Montney wells at Kakwa in 2023; our average daily production forecast for Q4/22 (including by product type); our average daily production (including by product type) and capital expenditure forecasts for 2022 and 2023; our expectation to reach our net debt milestone of $1.8 billion prior to year end based on current strip pricing; our expectation to reach our final net debt milestone of $1.3 billion in mid-2023; that we anticipate returning 75% of free funds flow back to shareholders once our $1.3 billion net debt milestone is reached, which is expected to include a $0.73 per share annual dividend; the timing of the potential in-service date of 2026 for the Rolling Hills carbon sequestration hub; the timing of the potential in-service date of 2027 for the Central Alberta carbon sequestration hub; and that our technical expertise and experience operating existing carbon sequestration projects will provide the necessary support for industrial parties wishing to pursue decarbonization plans at an accelerated pace.

The forward-looking information is based on certain key expectations and assumptions made by our management, including: that we will continue to conduct our operations in a manner consistent with past operations except as specifically noted herein (and for greater certainty, the forward-looking information contained herein excludes the potential impact of any acquisitions or dispositions that we may complete in the future); the general continuance or improvement in current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; expectations and assumptions concerning prevailing and forecast commodity prices, exchange rates, interest rates, inflation rates, applicable royalty rates and tax laws, including the assumptions specifically set forth herein; the impact (and the duration thereof) that the COVID-19 pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, and (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas; the ability of OPEC+ nations and other major producers of crude oil to adjust crude oil production levels and thereby manage world crude oil prices; the impact (and the duration thereof) of the ongoing military actions between Russia and Ukraine and related sanctions on crude oil, NGLs and natural gas prices; the impact of rising and/or sustained high inflation rates and interest rates on the North American and world economies and the corresponding impact on our costs, our profitability, and on crude oil, NGLs and natural gas prices; future production rates and estimates of operating costs and development capital, including as specifically set forth herein; performance of existing and future wells; reserve volumes and net present values thereof; anticipated timing and results of capital expenditures / development capital, including as specifically set forth herein; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; future dividend levels and share repurchase levels; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions; ability to market oil and natural gas successfully; our ability to access capital and the cost and terms thereof. In addition: (i) our expectation to reach our net debt milestone of $1.8 billion prior to year end is based on the following current strip pricing and exchange rate assumptions: October 26 – December 31, 2022 - WTI of US$84.46/bbl, USD/CAD of $1.36 and AECO of C$5.02/GJ; (ii) our expectation to reach our net debt milestone of $1.3 billion in mid-2023 is based on the following commodity pricing and exchange rate assumptions: WTI of US$80.00/bbl, USD/CAD of $1.35 and AECO of C$5.00/GJ.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. These include, but are not limited to: the risk that we do not realize some or all of the anticipated benefits of the recently completed XTO acquisition; the risk that the funds that we ultimately return to shareholders through dividends and/or share buybacks is less than currently anticipated and/or is delayed, whether due to the risks identified herein or otherwise; the risk that any of our material assumptions prove to be materially inaccurate, including our 2022 and 2023 forecasts (including for commodity prices and exchange rates); the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; pandemics and epidemics; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; risks associated with increasing costs, whether due to high inflation rates, high interest rates, supply chain disruptions or other factors; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; inflation rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources on acceptable terms or at all; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental regulations; and the risk that the amount of future cash dividends paid by us and/or shares repurchased for cancellation by us, if any, will be subject to the discretion of our Board of Directors and may vary depending on a variety of factors and conditions existing from time to time, including, among other things, fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, contractual restrictions contained in our debt agreements, and the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends and/or the repurchase of shares – depending on these and various other factors, many of which will be beyond our control, our dividend policy and/or share buyback policy and, as a result, future cash dividends and/or share buybacks, could be reduced or suspended entirely. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

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

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

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Whitecap's Q4/22, 2022 and 2023 average daily production, 2022 and 2023 capital expenditures, the timing of reaching our first net debt milestone of $1.8 billion, our targeted annual dividend level and the timing thereof, the percent of free funds flow to be returned to shareholders based on reaching our net debt milestone of $1.3 billion and the timing thereof all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Whitecap and the resulting financial results will likely vary from the amounts set forth herein and such variation may be material. Whitecap and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

OIL AND GAS ADVISORIES

Barrel of Oil Equivalency

"**Boe**" means barrel of oil equivalent. All boe conversions in this press release are derived by converting gas to oil at the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") 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.

Production, Initial Production Rates and Product Type Information

References to petroleum, crude oil, natural gas liquids ("NGLs"), natural gas and average daily production in this press release refer to the light and medium crude oil, tight crude oil, conventional natural gas, shale gas and NGLs product types, as applicable, as defined in National Instrument 51-101 ("NI 51-101").

NI 51-101 includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher, and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, tight oil and condensate. NGLs refers to ethane, propane, butane and pentane combined. Natural gas refers to conventional natural gas and shale gas combined.

Any references in this news release to initial production rates (IP(120), IP(270)) are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Whitecap.

The Company's average daily production for the three and nine months ended September 30, 2022 and 2021, the average daily production rate per well for the recent Kakwa wells (12-33 pad - IP(120); and 14-13 pad - IP(270)), and the forecast average daily production for the Company for Q4/22, the full year 2022 and 2023 disclosed in this press release consists of the following product types, as defined in NI 51-101 and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

Initial Production Rates	**12-33 IP(120) per well**	**14-13 IP(270) per well**
Light and medium oil (bbls/d)	-	-
Tight oil/condensate (bbls/d)	575	340
Crude oil (bbls/d)	575	340
NGLs (bbls/d)	110	140
Shale gas (Mcf/d)	7,290	7,080
Conventional natural gas (Mcf/d)	-	-
Natural gas (Mcf/d)	7,290	7,080
Total (boe/d)	1,900	1,660

Whitecap Corporate	**Q4/22**	**2022**	**2023 (mid-point)**
Light and medium oil (bbls/d)	81,210	80,550	78,000
Tight oil/condensate (bbls/d)	8,750	5,400	13,500
Crude oil (bbls/d)	89,960	85,950	91,500
NGLs (bbls/d)	17,625	15,555	18,500
Shale gas (Mcf/d)	189,820	99,400	207,000
Conventional natural gas (Mcf/d)	154,668	155,570	159,000
Natural gas (Mcf/d)	344,488	254,970	366,000
Total (boe/d)	165,000	144,000	171,000

	Three months ended Sep. 30,		**Nine months ended Sep. 30,**	
Whitecap Corporate	**2022**	**2021**	**2022**	**2021**
Light and medium oil (bbls/d)	79,180	74,722	80,328	72,727
Tight oil/condensate (bbls/d)	5,957	2,466	4,271	1,335
Crude oil (bbls/d)	85,137	77,188	84,599	74,063
NGLs (bbls/d)	16,513	10,279	14,863	10,368
Shale gas (Mcf/d)	104,358	26,293	68,931	12,789
Conventional natural gas (Mcf/d)	160,528	144,514	156,145	138,190
Natural gas (Mcf/d)	264,886	170,807	225,076	150,979
Total (boe/d)	145,798	115,935	136,975	109,594

SPECIFIED FINANCIAL MEASURES

This press release includes various specified financial measures, including non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as further described herein. These financial measures are not standardized financial measures under International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other companies.

"Free funds flow" is a non-GAAP financial measure calculated as funds flow less expenditures on PP&E. Management believes that free funds flow provides a useful measure of Whitecap's ability to increase returns to shareholders and to grow the Company's business. Free funds flow is not a standardized financial measure under IFRS and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other entities. The most directly comparable financial measure to free funds flow disclosed in the Company's primary financial statements is cash flow from operating activities. Refer to the "Cash Flow from Operating Activities, Funds Flow and Payout Ratios" section of our management's discussion and analysis for the three and nine months ended September 30, 2022 which is incorporated herein by reference, and available on SEDAR at www.sedar.com. In addition, see the following table which reconciles cash flow from operating activities to funds flow and free funds flow:

	Three months ended Sep. 30,		**Nine months ended Sep. 30,**	
($000s)	**2022**	**2021**	**2022**	**2021**
Cash flow from operating activities	559,882	293,604	1,627,211	794,730
Net change in non-cash working capital items	(13,094)	137	101,910	(46,658)
Funds flow	546,788	293,741	1,729,121	748,072
Expenditures on PP&E	208,004	135,204	507,529	293,486
Free funds flow	338,784	158,537	1,221,592	454,586
Total payout ratio (%)	50	57	39	50
Funds flow per share, basic	0.89	0.46	2.80	1.27
Funds flow per share, diluted	0.88	0.46	2.77	1.26

"**Funds flow**", **"funds flow basic ($/share)" and "funds flow diluted ($/share)"** are capital management measures and are key measures of operating performance as they demonstrate 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 NCIB. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow, funds flow basic ($/share) and funds flow diluted ($/share) provide useful measures of Whitecap's ability to generate cash that are not subject to short-term movements in non-cash operating working capital. Whitecap reports funds flow in total and on a per share basis (basic and diluted), which is calculated by dividing funds flow by the weighted average number of basic shares and weighted average number of diluted shares outstanding for the relevant period. See Note 5(e)(ii) "Capital Management – Funds Flow" in the Company's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2022 for additional disclosures.

"**Net Debt**" is a capital management measure that management considers to be key to assessing the Company's liquidity. See Note 5(e)(i) "Capital Management – Net Debt and Total Capitalization" in the Company's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2022 for additional disclosures.

"Operating netback" is a non-GAAP financial measure determined by adding marketing revenues and processing & other income, deducting realized losses on commodity risk management contracts or adding realized gains on commodity risk management contracts and deducting tariffs, royalties, operating expenses, transportation expenses and marketing expenses from petroleum and natural gas revenues. The most directly comparable financial measure to operating netback disclosed in the Company's primary financial statements is petroleum and natural gas sales. Operating netback is a measure used in operational and capital allocation decisions. Operating netback is not a standardized financial measure under IFRS and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other entities. For further information, refer to the "Operating Netbacks" section of our management's discussion and analysis for the three and nine months ended September 30, 2022, which is incorporated herein by reference, and available on SEDAR at www.sedar.com. A reconciliation of operating netbacks to petroleum and natural gas revenues is set out below:

Operating Netbacks ($000s)	Three months ended Sep. 30, 2022	2021	Nine months ended Sep. 30, 2022	2021
Petroleum and natural gas revenues	1,070,509	678,115	3,336,375	1,740,527
Tariffs	(5,249)	(4,576)	(16,635)	(12,290)
Processing & other income	9,876	8,852	24,107	22,978
Marketing revenues	80,903	45,704	224,946	106,915
Petroleum and natural gas sales	1,156,039	728,095	3,568,793	1,858,130
Realized loss on commodity contracts	(29,493)	(72,864)	(223,587)	(153,508)
Royalties	(218,488)	(109,170)	(657,573)	(271,397)
Operating expenses	(199,186)	(146,248)	(550,043)	(407,322)
Transportation expenses	(30,455)	(24,470)	(82,312)	(66,759)
Marketing expenses	(80,461)	(46,036)	(223,256)	(107,823)
Operating netbacks	597,956	329,307	1,832,022	851,321

"Operating netback per boe" is a non-GAAP ratio calculated by dividing operating netbacks by the total production for the period. Operating netback is a non-GAAP financial measure component of operating netback per boe. Operating netback per boe is not a standardized financial measure under IFRS and, therefore may not be comparable with the calculation of similar financial measures disclosed by other entities. Presenting operating netback on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

"**Production per share**" is the Company's total crude oil, NGL and natural gas production volumes for the applicable period divided by the weighted average number of diluted shares outstanding for the applicable period. "**Production per share growth**" is determined in comparison to the applicable comparative period.

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

Per Share Amounts

Per share amounts noted in this press release are based on fully diluted shares outstanding.