WHITECAP RESOURCES INC

CONSOLIDATED FINANCIAL STATEMENTS

Third Quarter 2022

WHITECAP RESOURCES INC.
CONSOLIDATED BALANCE SHEET
(unaudited)

As at (CAD $000s)	Note	**September 30, 2022**	December 31, 2021
Assets			
Current Assets			
Accounts receivable		**468,371**	304,821
Deposits and prepaid expenses		**16,559**	10,478
Risk management contracts	4 & 5	**24,312**	12,636
Total current assets		**509,242**	327,935
Property, plant and equipment	6 & 7	**8,825,574**	6,382,258
Exploration and evaluation	8	**174,169**	56,073
Right-of-use assets	9	**25,648**	27,736
Risk management contracts	4 & 5	**20,998**	10,409
Deferred income tax		**-**	73,817
Total assets		**9,555,631**	6,878,228
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		**609,234**	400,418
Share awards liability	14	**32,778**	25,350
Dividends payable		**22,409**	13,856
Deferred gain	13	**2,306**	2,306
Lease liabilities	11	**6,523**	3,498
Risk management contracts	4 & 5	**53,017**	94,146
Total current liabilities		**726,267**	539,574
Risk management contracts	4 & 5	**2,974**	2,346
Long-term debt	10	**2,045,550**	1,055,662
Lease liabilities	11	**23,551**	26,170
Decommissioning liability	12	**1,147,648**	1,455,767
Share awards liability	14	**7,100**	4,495
Deferred gain	13	**53,024**	54,752
Deferred income tax		**703,443**	-
Total liabilities		**4,709,557**	3,138,766
Shareholders' Equity			
Share capital	14	**4,908,834**	4,961,257
Contributed surplus	14	**12,126**	11,022
Deficit		**(74,886)**	(1,232,817)
Total shareholders' equity		**4,846,074**	3,739,462
Total liabilities and shareholders' equity		**9,555,631**	6,878,228

Commitments (Note 18)

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
For the three and nine months ended September 30
(unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
(CAD $000s, except per share amounts)	Note	**2022**	2021	**2022**	2021
Revenue					
Petroleum and natural gas sales	15	**1,156,039**	728,095	**3,568,793**	1,858,130
Royalties		**(218,488)**	(109,170)	**(657,573)**	(271,397)
Petroleum and natural gas sales, net of royalties		**937,551**	618,925	**2,911,220**	1,586,733
Other income (loss)					
Net gain (loss) on commodity contracts	5	**74,988**	(66,966)	**(175,267)**	(297,374)
Total revenue and other income		**1,012,539**	551,959	**2,735,953**	1,289,359
Expenses					
Operating		**199,186**	146,248	**550,043**	407,322
Transportation		**30,455**	24,470	**82,312**	66,759
Marketing		**80,461**	46,036	**223,256**	107,823
General and administrative		**13,360**	10,650	**37,289**	29,940
Stock-based compensation	5 & 14	**12,263**	7,197	**25,045**	14,925
Transaction costs		**11,140**	154	**11,140**	11,847
Interest and financing	5 & 10	**10,654**	10,730	**14,564**	30,771
Accretion of decommissioning liabilities	12	**9,887**	7,090	**26,304**	19,706
Depletion, depreciation, and amortization	7 & 9	**208,031**	133,228	**582,177**	380,239
Impairment reversal	7	**-**	(1,851,216)	**(629,745)**	(1,851,216)
Exploration and evaluation	8	**1,455**	741	**4,462**	2,609
Net gain on asset dispositions	13	**(576)**	-	**(1,728)**	(5,073)
Total expenses		**576,316**	(1,464,672)	**925,119**	(784,348)
Income before income taxes		**436,223**	2,016,631	**1,810,834**	2,073,707
Taxes					
Deferred income tax expense		**111,759**	501,998	**453,380**	520,881
Net income and other comprehensive income		**324,464**	1,514,633	**1,357,454**	1,552,826
Net Income Per Share ($/share)	16				
Basic		**0.53**	2.40	**2.19**	2.64
Diluted		**0.53**	2.37	**2.17**	2.62

See accompanying notes to the consolidated financial statements

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

(CAD $000s)	Note	**2022**	2021
Share Capital	14(b)		
Balance, beginning of year		**4,961,257**	3,867,343
Common shares repurchased	14(c)	**(161,950)**	(30,486)
Issued on the acquisition of TimberRock	6	**99,281**	-
Issued on the acquisition of NAL		**-**	283,195
Issued on the acquisition of TORC		**-**	731,877
Issued on the acquisition of HighRock		**-**	22,286
Issued on the acquisition of Kicking Horse		**-**	189,201
Share award vesting		**10,379**	11,061
Share issue costs, net of deferred income tax		**(133)**	(592)
Balance, end of period		**4,908,834**	5,073,885
Contributed Surplus	14(e)		
Balance, beginning of year		**11,022**	13,022
Stock-based compensation		**11,483**	8,873
Share award vesting		**(10,379)**	(11,061)
Balance, end of period		**12,126**	10,834
Deficit			
Balance, beginning of year		**(1,232,817)**	(2,883,414)
Net income and other comprehensive income		**1,357,454**	1,552,826
Common shares repurchased	14(c)	**(29,532)**	-
Dividends		**(169,991)**	(83,772)
Balance, end of period		**(74,886)**	(1,414,360)

See accompanying notes to the consolidated financial statements

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
(CAD $000s)	Note	**2022**	2021	**2022**	2021
Operating Activities					
Net income and other comprehensive income		**324,464**	1,514,633	**1,357,454**	1,552,826
Items not affecting cash:					
Depletion, depreciation, and amortization	7 & 9	**208,031**	133,228	**582,177**	380,239
Impairment reversal	7	**-**	(1,851,216)	**(629,745)**	(1,851,216)
Exploration and evaluation	8	**1,455**	741	**4,462**	2,609
Deferred income tax expense		**111,759**	501,998	**453,380**	520,881
Stock-based compensation	5 & 14	**2,685**	1,622	**8,635**	6,534
Accretion of decommissioning liabilities	12	**9,887**	7,090	**26,304**	19,706
Unrealized loss (gain) on risk management contracts	5	**(107,140)**	(11,742)	**(62,691)**	128,345
Net gain on asset dispositions	13	**(576)**	-	**(1,728)**	(5,073)
Settlement of decommissioning liabilities	12	**(3,777)**	(2,613)	**(9,127)**	(6,779)
Net change in non-cash working capital	17	**13,094**	(137)	**(101,910)**	46,658
Cash flow from operating activities		**559,882**	293,604	**1,627,211**	794,730
Financing Activities					
Increase (decrease) in long-term debt		**1,200,560**	(109,782)	**989,888**	123,310
Common shares repurchased	14(c)	**(70,676)**	(19,336)	**(191,482)**	(30,486)
Share issue costs		**-**	(48)	**(173)**	(782)
Dividends		**(67,232)**	(30,807)	**(169,991)**	(83,772)
Principal portion of lease payments		**(1,564)**	(1,289)	**(2,402)**	(5,450)
Repayment of acquired debt		**-**	-	**-**	(400,921)
Net change in non-cash working capital	17	**3,850**	11	**8,553**	4,438
Cash flow (from) used in financing activities		**1,064,938**	(161,251)	**634,393**	(393,663)
Investing Activities					
Expenditures on property, plant and equipment		**(208,004)**	(135,204)	**(507,529)**	(293,486)
Expenditures on property acquisitions		**197**	(394)	**(6,287)**	(72,753)
Cash from property dispositions		**3,853**	35	**17,033**	102
Expenditures on corporate acquisitions, net of cash acquired	6	**(1,690,436)**	(40,189)	**(1,870,952)**	(85,980)
Net change in non-cash working capital	17	**269,570**	43,399	**106,131**	51,050
Cash flow used in investing activities		**(1,624,820)**	(132,353)	**(2,261,604)**	(401,067)
Change in cash, during the period		**-**	-	**-**	-
Cash, beginning of period		**-**	-	**-**	-
Cash, end of period		**-**	-	**-**	-
Cash Interest Paid		**10,507**	9,310	**32,926**	31,838

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 audited annual consolidated financial statements for the year ended December 31, 2021.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("**IFRS**") issued and outstanding as at October 25, 2022, 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. 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, 2021.

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 contracts are based on inputs including quoted forward prices for commodities, forward interest rates and forward foreign 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 and future cash flows of development and operating costs used in determining deferred gain on sale of royalty interests 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 and 13 for changes in the Company's Level 3 assets.

a) PP&E and E&E Assets

The fair value of PP&E recognized in business combinations 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) is 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 values of deposits, accounts receivable, bank debt, senior notes, dividends payable, accounts payable and accrued liabilities are estimated as the present value of future net cash flows, discounted at the market rate of interest at the reporting date. At September 30, 2022 and December 31, 2021, 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 values 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 benchmark commodity prices, forward interest rates and forward foreign 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 in the period.

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, expected forfeiture rates, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

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 September 30, 2022 and December 31, 2021:

	September 30, 2022			December 31, 2021		
($000s)	**Asset**	**Liability**	**Net**	Asset	Liability	Net
Gross amount	**51,051**	**(61,732)**	**(10,681)**	23,066	(96,513)	(73,447)
Amount offset	**(5,741)**	**5,741**	**-**	(21)	21	-
Net amount	**45,310**	**(55,991)**	**(10,681)**	23,045	(96,492)	(73,447)

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:

($000s)	**September 30, 2022**	December 31, 2021
Accounts receivable	**468,371**	304,821
Risk management contracts	**45,310**	23,045
Total exposure	**513,681**	327,866

Joint interest receivables are typically collected within one to three months following production. The majority of the credit exposure on accounts receivable at September 30, 2022 pertains to accrued revenue for September 2022 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 on or about 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 September 30, 2022, three Commodity Purchasers, each of whom are considered investment grade, individually accounted for more than 10 percent of the total accounts receivable balance. None are 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. At September 30, 2022, there was $9.6 million (December 31, 2021 – $5.0 million) of receivables aged over 90 days. Subsequent to September 30, 2022, approximately $1.0 million (December 31, 2021 – $2.1 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 and debt 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 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 the contractual maturities of Whitecap's financial liabilities as at September 30, 2022:

($000s)	**<1 year**	**1 - 2 years**	**2+ years**	**Total**
Accounts payable and accrued liabilities	**609,234**	**-**	**-**	**609,234**
Dividends payable	**22,409**	**-**	**-**	**22,409**
Long-term debt [(1)]	**14,685**	**212,319**	**1,862,448**	**2,089,452**
Lease liabilities [(1)]	**7,705**	**7,007**	**36,813**	**51,525**
Share awards liability	**32,778**	**5,484**	**1,616**	**39,878**
Risk management contracts [(2)]	**53,017**	**2,974**	**-**	**55,991**
Total financial liabilities	**739,828**	**227,784**	**1,900,877**	**2,868,489**

Notes:
(1) These amounts include the notional principal and interest payments.
(2) Interest rate swaps are included in risk management contracts.

The following table details the contractual maturities of Whitecap's financial liabilities as at December 31, 2021:

($000s)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	400,418	-	-	400,418
Dividends payable	13,856	-	-	13,856
Long-term debt [(1)]	214,761	14,685	881,177	1,110,623
Lease liabilities [(1)]	4,728	6,405	22,522	33,655
Share awards liability	25,350	3,761	734	29,845
Risk management contracts [(2)]	94,146	2,346	-	96,492
Total financial liabilities	753,259	27,197	904,433	1,684,889

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, equity price risk and foreign exchange risk as discussed below.

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

($000s)	**September 30, 2022**	December 31, 2021
Current Assets		
Crude oil	**3,876**	2,004
Natural gas	**44**	-
Interest	**11,515**	-
Equity	**8,877**	10,632
Total current assets	**24,312**	12,636
Long-term Assets		
Crude oil	**7,142**	-
Natural gas	**45**	-
Interest	**11,671**	5,022
Equity	**2,140**	5,387
Total long-term assets	**20,998**	10,409
Total fair value	**45,310**	23,045

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

($000s)	**September 30, 2022**	December 31, 2021
Current Liabilities		
Crude oil	**43,943**	80,346
Natural gas	**9,074**	12,590
Interest	**-**	1,210
Total current liabilities	**53,017**	94,146
Long-term Liabilities		
Crude oil	**2,529**	2,346
Natural gas	**445**	-
Total long-term liabilities	**2,974**	2,346
Total fair value	**55,991**	96,492

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

	Three months ended September 30,		Nine months ended September 30,	
($000s)	**2022**	2021	**2022**	2021
Realized loss on commodity contracts	**(29,493)**	(72,864)	**(223,587)**	(153,508)
Unrealized gain (loss) on commodity contracts	**104,481**	5,898	**48,320**	(143,866)
Net gain (loss) on commodity contracts	**74,988**	(66,966)	**(175,267)**	(297,374)
Realized gain (loss) on interest rate contracts (1)	**1,567**	(982)	**794**	(2,380)
Unrealized gain on interest rate contracts (1)	**3,056**	1,359	**19,374**	5,111
Realized gain on equity contracts (2)	**154**	182	**15,152**	3,318
Unrealized gain (loss) on equity contracts (2)	**(397)**	4,485	**(5,003)**	10,410
Net gain (loss) on risk management contracts	**79,368**	(61,922)	**(144,950)**	(280,915)

Notes:
(1) The gains (losses) on interest rate risk management contracts are included in interest and financing expense.
(2) The gains (losses) on equity contracts are included in stock-based compensation expenses.

i) Commodity Price Risk

The Company's operational results and financial condition are largely dependent on the commodity prices 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, the COVID-19 pandemic, 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)	**September 30, 2022**	
	Increase 10%	**Decrease 10%**
Commodity Price		
Crude oil	(47,761)	46,153
Natural gas	(3,113)	3,117
Differential		
Crude oil	814	(814)

At September 30, 2022, the following commodity risk management contracts were outstanding with an asset fair market value of $11.1 million and liability fair market value of $56.0 million (December 31, 2021 – asset of $2.0 million and liability of $95.3 million):

1) WTI Crude Oil Derivative Contracts

Type	Remaining Term	Volume (bbls/d)	Bought Put Price (C$/bbl) (1)	Sold Call Price (C$/bbl) (1)	Swap Price (C$/bbl) (1)
Swap	Oct - Dec 2022	4,000			101.50
Swap	Jan - Jun 2023	1,000			80.00
Swap	Jul - Dec 2023	1,000			82.02
Swap	Jan - Dec 2023	1,000			95.05
Collar	Oct - Dec 2022	6,500	62.85	82.76	
Collar	Jan - Jun 2023	5,500	72.27	99.56	
Collar	Jul - Dec 2023	3,000	76.67	101.85	
Collar	Jan - Dec 2023	3,000	71.67	100.22	
Collar	Jan - Dec 2024	5,000	82.00	116.98	

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

2) WTI Crude Oil Differential Derivative Contracts

Type	Remaining Term	Volume (bbls/d)	Basis (1)	Swap Price (C$/bbl) (2)
Swap	Oct - Dec 2022	3,000	WCS	15.32

Notes:
(1) Western Canadian Select ("**WCS**").
(2) Prices reported are the weighted average prices for the period.

3) Natural Gas Derivative Contracts

Type	Remaining Term	Volume (GJ/d)	Bought Put Price (C$/GJ) (1)	Sold Call Price (C$/GJ) (1)	Swap Price (C$/GJ) (1)
Swap	Oct 2022	25,000			4.30
Swap	Oct - Dec 2022	25,000			1.95
Collar	Jan - Dec 2023	14,000	3.32	6.13	

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 and a $705 million term loan. The credit facility consists of a $1.93 billion revolving syndicated facility and a $75 million revolving operating facility. The revolving syndicated facility, revolving operating facility and the term loan 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 September 30, 2022 were to have increased or decreased by 100 basis points, it is estimated that the Company's income before tax would change by approximately $4.1 million and $12.4 million for the three and nine months ended September 30, 2022, respectively ($0.4 million and $1.2 million for the three and nine months ended September 30, 2021, respectively). This assumes that the change in interest rate is effective from the beginning of the year and the amount of floating rate debt is as at September 30, 2022.

When assessing the potential impact of forward interest rate changes on the Company's interest rate swaps, the Company believes an interest rate volatility of 100 basis points is a reasonable measure. A 100 basis point increase or decrease in forward interest rates would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

($000s)	September 30, 2022	
	Increase 1.0%	**Decrease 1.0%**
Interest rate swaps	8,834	(8,834)

At September 30, 2022, the following interest rate risk management contracts were outstanding with an asset fair market value of $23.2 million (December 31, 2021 – asset of $5.0 million and liability of $1.2 million):

1) Interest Rate Contracts

Type	**Term**		**Amount ($000s)**	**Fixed Rate (%) (1)**	**Index (2)**
Swap	Aug 6, 2019	Aug 6, 2024	200,000	1.5540	CDOR
Swap	May 5, 2021	May 5, 2025	200,000	1.2315	CDOR

Notes:
(1) Rates reported are the weighted average rates for the period.
(2) Canadian Dollar Offered Rate ("**CDOR**").

iii) Equity Price Risk
The Company is exposed to equity price risk on its own share price in relation to awards issued under the award incentive plan, which affects earnings through the revaluation of awards that are accounted for as cash-settled transactions at each period end. Changes in share price could result in an increase or decrease in the amount that Whitecap recognizes as stock-based compensation and the amount of cash Whitecap pays to settle the awards. The Company mitigates its exposure to fluctuations in its share price by entering into equity derivative contracts such as total return swaps.

When assessing the potential impact of share price on the Company's total return swaps, the Company believes a share price volatility of ten percent is a reasonable measure. A ten percent increase or decrease in share price would have resulted in the following impact to unrealized gains (losses) on risk management contracts and net income before tax:

($000s)	September 30, 2022	
	Increase 10%	**Decrease 10%**
Total return swaps	1,737	(1,737)

At September 30, 2022, the following equity risk management contracts were outstanding with an asset fair market value of $11.0 million (December 31, 2021 – asset of $16.0 million):

1) Equity Derivative Contracts

Type	**Remaining Term**		**Notional Amount ($000s) (1)**	**Share Volume (000s)**
Swap	Oct 1, 2022		4,240	987
Swap	Oct 1, 2022	Oct 1, 2023	2,083	997

Note:
(1) Notional amount is calculated as the share volume for the period multiplied by the weighted average prices for the period.

iv) Foreign Exchange Risk
The Company is exposed to the risk of changes in the U.S./Canadian dollar exchange rate 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 September 30, 2022, 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 capital management measure to assess the Company's liquidity. Total capitalization is a capital management measure 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)	**September 30, 2022**	December 31, 2021
Long-term debt	**2,045,550**	1,055,662
Accounts receivable	**(468,371)**	(304,821)
Deposits and prepaid expenses	**(16,559)**	(10,478)
Accounts payable and accrued liabilities	**609,234**	400,418
Dividends payable	**22,409**	13,856
Net debt	**2,192,263**	1,154,637
Shareholders' equity	**4,846,074**	3,739,462
Total capitalization	**7,038,337**	4,894,099

ii) Funds Flow

Management considers funds flow to be a key capital management 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 nine months ended September 30, 2022 and 2021 is calculated as follows:

	Three months ended September 30,		Nine months ended September 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	**(13,094)**	137	**101,910**	(46,658)
Funds flow	**546,788**	293,741	**1,729,121**	748,072
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

6. ACQUISITIONS

The revenue and operating income for the post-acquisition periods of the acquisitions listed below are included in the statement of comprehensive income.

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. The pro-forma information disclosed below is not necessarily indicative of the actual results that would have been achieved had the business combinations closed on January 1, 2022.

a) 2022 Acquisitions

i) XTO Energy Canada ("XTO")

On August 31, 2022, the Company closed the previously announced acquisition of XTO for total cash consideration of approximately $1.9 billion. The acquisition of XTO has been accounted for as a business combination under IFRS 3.

The acquisition of XTO has contributed revenues of $44.0 million and operating income of $30.1 million since August 31, 2022. Had the acquisition of XTO closed on January 1, 2022, estimated contributed revenues would have been $452.7 million and estimated contributed operating income would have been $375.7 million for the nine months ended September 30, 2022.

Net assets acquired ($000s):	
Working capital	**140,872**
Petroleum and natural gas properties	**1,898,936**
Exploration and evaluation	**118,934**
Right-of-use assets	**1,089**
Decommissioning liability	**(30,006)**
Lease liabilities	**(1,089)**
Deferred income tax	**(257,724)**
Total identifiable net assets acquired	**1,871,012**
Consideration:	
Cash consideration	**1,871,012**
Total consideration	**1,871,012**

ii) TimberRock Energy Corp. ("TimberRock")

On January 10, 2022, the Company closed the previously announced acquisition of TimberRock. Whitecap issued 12.4 million Whitecap common shares and paid $205.8 million in cash, in exchange for all the issued and outstanding TimberRock shares. The acquisition of TimberRock has been accounted for as a business combination under IFRS 3.

The acquisition of TimberRock has contributed revenues of $43.9 million and $146.8 million and operating income of $30.2 million and $107.9 million for the three and nine months ended September 30, 2022, respectively.

Net assets acquired ($000s):	
Working capital	**26,246**
Petroleum and natural gas properties	**344,264**
Exploration and evaluation	**2,764**
Risk management contracts	**75**
Decommissioning liability	**(2,105)**
Deferred income tax	**(66,196)**
Total identifiable net assets acquired	**305,048**

Consideration:	
Cash consideration	**205,767**
Share consideration	**99,281**
Total consideration	**305,048**

7. PROPERTY, PLANT AND EQUIPMENT

a) Net Carrying Amount

Net book value ($000s)	**September 30, 2022**	December 31, 2021
Petroleum and natural gas properties	**13,620,327**	11,233,957
Other assets	**14,212**	9,731
Property, plant and equipment, at cost	**13,634,539**	11,243,688
Less: accumulated depletion, depreciation, amortization and impairment	**(4,808,965)**	(4,861,430)
Total net carrying amount	**8,825,574**	6,382,258

b) Cost

Cost ($000s)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2021	11,233,957	9,731	11,243,688
Additions	509,186	4,481	513,667
Property acquisitions	6,837	-	6,837
Corporate acquisitions	2,243,200	-	2,243,200
Change in decommissioning costs	(353,321)	-	(353,321)
Transfer from evaluation and exploration assets	1,782	-	1,782
Disposals	(21,314)	-	(21,314)
Balance at September 30, 2022	**13,620,327**	**14,212**	**13,634,539**

c) 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, 2021	4,856,048	5,382	4,861,430
Depletion, depreciation and amortization	575,869	1,411	577,280
Impairment reversal	(629,745)	-	(629,745)
Balance at September 30, 2022	**4,802,172**	**6,793**	**4,808,965**

At September 30, 2022, $517.1 million of salvage value (September 30, 2021 – $413.2 million) was excluded from the depletion calculation. Future development costs of $7.4 billion (September 30, 2021 – $5.5 billion) were included in the depletion calculation. The Company capitalized $18.3 million (September 30, 2021 – $15.8 million) of administrative costs directly relating to development activities which includes $9.1 million (September 30, 2021 – $7.8 million) of stock-based compensation.

Impairment losses can be reversed in future periods if the estimated recoverable amount of the CGU exceeds its carrying value. The impairment recovery is limited to a maximum of the estimated depleted historical cost if the impairment had not been recognized.

d) Impairment Test of Property, Plant and Equipment

At September 30, 2022, there were no indicators of impairment or impairment reversal.

i) March 31, 2022 Impairment Reversal

At March 31, 2022, as a result of an increase in forward benchmark commodity prices compared to December 31, 2021, an impairment reversal test on the Company's PP&E assets was performed.

The impairment reversal test of PP&E at March 31, 2022 concluded that the fair value less cost of disposal ("**FVLCD**") of each of the Company's cash generating units ("**CGU**") with impairment losses recognized in prior periods that were not subsequently fully reversed exceeded their carrying amounts:

($000s)	FVLCD	Carrying Value	Reversal
Central Alberta	1,881,728	1,601,282	(280,446)
Western Saskatchewan	1,736,011	1,386,712	(349,299)
Total	3,617,739	2,987,994	(629,745)

The full amount of the impairment reversal was attributed to PP&E and, as a result, a total impairment reversal of $629.7 million was recorded in the Consolidated Statement of Comprehensive Income for the three months ended March 31, 2022. The impairment reversal was primarily a result of higher forecast benchmark commodity prices. At September 30, 2022, the impairment amounts that can be reversed in future periods for each CGU, net of depletion, had no impairment loss been recognized in prior periods, are $247.3 million for Central Alberta and $139.3 million for Western Saskatchewan.

ii) September 30, 2021 Impairment Reversal

At September 30, 2021, as a result of an increase in forward benchmark commodity prices compared to December 31, 2020, an impairment reversal test on the Company's PP&E assets was performed.

The impairment reversal test of PP&E at September 30, 2021 concluded that the FVLCD of each of the Company's CGUs with impairment losses recognized in prior periods that were not subsequently fully reversed exceeded their carrying amounts:

($000s)	FVLCD	Carrying Value	Reversal
Northwest Alberta & British Columbia	1,728,951	1,265,814	(463,137)
Eastern Saskatchewan	2,288,406	2,067,188	(221,218)
Central Alberta	1,326,508	903,160	(423,348)
Western Saskatchewan	1,380,253	636,740	(743,513)
Total	6,724,118	4,872,902	(1,851,216)

The full amount of the impairment reversal was attributed to PP&E and, as a result, a total impairment reversal of $1.9 billion was recorded in the Consolidated Statement of Comprehensive Income (Loss). The impairment reversal was primarily a result of higher forecast benchmark commodity prices and increases to proved plus probable reserves within certain CGUs.

8. EXPLORATION AND EVALUATION ASSETS

a) Net Carrying Amount

($000s)	**September 30, 2022**	December 31, 2021
Exploration and evaluation assets	**217,023**	94,465
Less: accumulated land expiries and write-offs	**(42,854)**	(38,392)
Total net carrying amount	**174,169**	56,073

b) Cost

($000s)	Undeveloped Land
Balance at December 31, 2021	94,465
Additions	2,997
Corporate acquisitions	121,698
Transfer to property, plant and equipment	(1,782)
Disposals	(355)
Balance at September 30, 2022	**217,023**

c) Accumulated Land Expiries and Write-Offs

($000s)	Accumulated land expiries and write-offs
Balance at December 31, 2021	38,392
Land expiries and write-offs	4,462
Balance at September 30, 2022	**42,854**

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 year.

d) Impairment Test of Exploration and Evaluation Assets

At September 30, 2022, there were no indicators of impairment or impairment reversal for E&E assets.

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 11 – "Lease Liabilities" for additional information regarding the Company's leases.

a) Net Carrying Amount

($000s)	Offices	Other	Total
Right-of-use assets	35,706	8,662	44,368
Less: accumulated depreciation	(13,590)	(5,130)	(18,720)
Balance at September 30, 2022	**22,116**	**3,532**	**25,648**

b) Cost

($000s)	Offices	Other	Total
Balance at December 31, 2021	35,521	6,038	41,559
Additions	185	2,624	2,809
Balance at September 30, 2022	**35,706**	**8,662**	**44,368**

c) Accumulated Depreciation

($000s)	Offices	Other	Total
Balance at December 31, 2021	10,020	3,803	13,823
Depreciation	3,570	1,327	4,897
Balance at September 30, 2022	**13,590**	**5,130**	**18,720**

10. LONG-TERM DEBT

($000s)	**September 30, 2022**	December 31, 2021
Credit facility	**945,663**	460,808
Term loan	**705,000**	-
Senior secured notes	**394,887**	594,854
Long-term debt	**2,045,550**	1,055,662

a) Credit Facility

At September 30, 2022, the Company had a $2.0 billion credit facility with a syndicate of banks. The credit facility consists of a $1.93 billion revolving syndicated facility and a $75 million revolving operating facility, with a maturity date of May 31, 2026. The credit facility increased by $395 million from $1.53 billion at June 30, 2022 to $1.93 billion at September 30, 2022 concurrent with the closing of the XTO transaction. At September 30, 2022, the amount drawn on the credit facilities was $945.7 million. 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. The following table lists Whitecap's financial covenants as at September 30, 2022:

Covenant Description		**September 30, 2022**
Debt to EBITDA [1] [2]	Maximum Ratio 4.00	**0.83**
EBITDA to interest expense [1]	Minimum Ratio 3.50	**55.18**

Notes:
[1] 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.
[2] The debt used in the covenant calculation includes bank indebtedness, letters of credit, and dividends declared.

At September 30, 2022, the Company was compliant with all covenants provided for in the lending agreement. Copies of the Company's credit agreements and amendments may be accessed through the SEDAR website (www.sedar.com).

b) Term Loan

On August 31, 2022, the Company obtained a $705 million term loan in conjunction with the closing of the XTO acquisition. The term loan has a maturity date of May 31, 2026 and is repayable at any time with no penalty. At September 30, 2022, the amount of the term loan outstanding was $705 million. The term loan provides that advances may be made by way of direct advances or banker's acceptances. The term loan 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 EBITDA ratio for the most recent quarter.

The term loan is subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. At September 30, 2022, the Company was compliant with all covenants provided for in the term loan agreement. A copy of the Company's term loan agreement may be accessed through the SEDAR website (www.sedar.com).

c) Senior Secured Notes

At September 30, 2022, the Company had issued $395 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility and term loan. 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
May 31, 2017	May 31, 2024	3.54%	200,000	199,955	167,527
December 20, 2017	December 20, 2026	3.90%	195,000	194,932	156,713
Balance at September 30, 2022			**395,000**	**394,887**	**324,240**

The senior secured notes are subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. At September 30, 2022, the Company was compliant with all covenants provided for in the note agreements. Copies of the Company's note agreements and amendments may be accessed through the SEDAR website (www.sedar.com).

d) Interest and Financing Expenses

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

	Three months ended September 30,		Nine months ended September 30,	
($000s)	**2022**	2021	**2022**	2021
Interest expenses	**14,945**	10,736	**33,743**	31,961
Interest expenses, lease liabilities (Note 11)	**332**	371	**989**	1,541
Realized (gains) losses on interest rate contracts (Note 5(d))	**(1,567)**	982	**(794)**	2,380
Unrealized gains on interest rate contracts (Note 5(d))	**(3,056)**	(1,359)	**(19,374)**	(5,111)
Interest and financing expenses	**10,654**	10,730	**14,564**	30,771

11. 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 include the assessment of the appropriate durations for the related leased assets.

($000s)	**September 30, 2022**	December 31, 2021
Current portion	**6,523**	3,498
Non-current portion	**23,551**	26,170
Lease liabilities	**30,074**	29,668

For the three and nine months ended September 30, 2022, interest expense of $0.3 million and $1.0 million, respectively, ($0.4 million and $1.5 million for the three and nine months ended September 30, 2021, respectively) and total cash outflows of $1.9 million and $3.4 million, respectively, ($1.7 million and $7.0 million for the three and nine months ended September 30, 2021, respectively) were recognized relating to lease liabilities.

12. DECOMMISSIONING LIABILITY

($000s)	
Balance at December 31, 2021	1,455,767
Liabilities incurred	6,581
Liabilities acquired	32,111
Liabilities settled	(9,127)
Liabilities disposed	(4,086)
Revaluation of liabilities acquired (1)	31,647
Change in estimate	(391,549)
Accretion expense	26,304
Balance at September 30, 2022	**1,147,648**

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 3.1 percent (1.7 percent at December 31, 2021) and inflation rate of 2.0 percent (2.0 percent at December 31, 2021). At September 30, 2022, the total undiscounted amount of the estimated cash flows required to settle the obligations was $2.6 billion (December 31, 2021 – $2.5 billion). The expected timing of payment of the cash flows required for settling the obligations extends up to 68 years.

13. DEFERRED GAIN

In 2021, the Company sold a five percent gross overriding royalty interest on Whitecap's working interest in the Weyburn Unit ("**Weyburn GORR**") for cash proceeds of $186.0 million, net of transaction costs. The Company applied judgment in concluding that the proceeds for the sale of the Weyburn GORR comprised two components: (1) a payment for partial disposal of an interest in property, plant and equipment, which resulted in a $17.6 million gain on asset disposition recognized in the fourth quarter of 2021; and (2) an upfront payment received for future extraction services that will generate future royalties, which resulted in $57.6 million being recorded as a deferred gain in the fourth quarter of 2021.

The deferred gain is being recognized as a gain on asset disposition over the reserve life of the Weyburn Unit (as this is estimated to approximate the efforts we will incur towards the implied extraction performance obligation).

Changes to deferred gain were as follows:

($000s)	**September 30, 2022**	December 31, 2021
Deferred gain, beginning of the year	**57,058**	-
Sale of Weyburn GORR	**-**	57,634
Deferred gain amortization	**(1,728)**	(576)
Deferred gain, end of period	**55,330**	57,058
Less current portion of deferred gain	**(2,306)**	(2,306)
Non-current portion of deferred gain	**53,024**	54,752

14. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value. The Company is also authorized to issue an unlimited number of preferred shares without nominal or par value provided that, if the authorized preferred shares are to be assigned voting or conversion rights, the number of preferred shares to be issued may not exceed twenty percent of the number of issued and outstanding common shares at the time of issuance of any such preferred shares.

b) Issued and outstanding

(000s)	Shares	$
Balance at December 31, 2021	615,824	4,961,257
Issued on the acquisition of TimberRock [1]	12,364	99,281
Share issue costs, net of deferred income tax	-	(133)
Issued on share award vesting	2,510	-
Common shares repurchased	(20,088)	(161,950)
Contributed surplus adjustment on vesting of share awards	-	10,379
Balance at September 30, 2022	**610,610**	**4,908,834**

Note:
[1] As part of the acquisition of TimberRock, 12.4 million Whitecap shares were issued to TimberRock shareholders. The common shares issued were valued using the share price of Whitecap on January 10, 2022 of $8.03.

c) Normal Course Issuer Bid

On May 16, 2022, the Company announced the approval of its renewed NCIB by the TSX (the "**2022 NCIB**"). The 2022 NCIB allows the Company to purchase up to 58,341,984 common shares over a period of twelve months commencing on May 21, 2022.

On May 17, 2021, the Company announced the approval of its renewed NCIB by the TSX (the "**2021 NCIB**"). The 2021 NCIB allowed the Company to purchase up to 29,894,096 common shares over a period of twelve months commencing on May 21, 2021. On March 22, 2022, the Company amended its 2021 NCIB to increase the number of common shares that it may purchase to 58,947,076 during the twelve month period commencing on May 21, 2021. No other terms of the NCIB changed.

On May 14, 2020, the Company announced the approval of its renewed NCIB by the TSX (the "**2020 NCIB**"). The 2020 NCIB allowed the Company to purchase up to 20,406,799 common shares over a period of twelve months commencing on May 21, 2020.

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 periods:

	Three months ended September 30,		Nine months ended September 30,	
(000s except per share amounts)	**2022**	2021	**2022**	2021
Shares repurchased	**8,364**	3,097	**20,088**	5,099
Average cost ($/share)	**8.45**	6.24	**9.53**	5.98
Amounts charged to:				
Share capital ($)	**67,192**	19,336	**161,950**	30,486
Deficit ($)	**3,484**	-	**29,532**	-
Share repurchase cost ($)	**70,676**	19,336	**191,482**	30,486

d) Award Incentive Plan

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. Independent outside directors receive only time-based awards as the primary form of long-term compensation. At September 30, 2022, 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. Time-based awards and performance awards issued to employees of the Company and independent outside directors have vesting periods ranging from 1 to 3 years.

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. 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 four 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. Copies of the Company's Award Incentive Plan may be accessed through the SEDAR website (www.sedar.com).

(000s)	Number of Time-based Awards	Number of Performance Awards [1]	Total Awards
Balance at December 31, 2021	2,121	5,923	8,044
Granted	864	2,116	2,980
Forfeited	(71)	(86)	(157)
Vested	(863)	(2,063)	(2,926)
Balance at September 30, 2022	**2,051**	**5,890**	**7,941**

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

e) Contributed Surplus

($000s)	
Balance at December 31, 2021	11,022
Stock-based compensation	11,483
Share award vesting	(10,379)
Balance at September 30, 2022	**12,126**

f) Dividends

Dividends declared were $0.11 and $0.28 per common share in the three and nine months ended September 30, 2022, respectively ($0.05 and $0.14 per common share in the three and nine months ended September 30, 2021, respectively).

On October 14, 2022, the Board of Directors declared a monthly dividend of $0.0367 per common share designated as an eligible dividend, payable in cash to shareholders of record on October 31, 2022. The dividend payment date is November 15, 2022.

15. 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 on or about the 25th day of the month following production.

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

	Three months ended September 30,		Nine months ended September 30,	
($000s)	**2022**	2021	**2022**	2021
Crude oil	**874,422**	575,367	**2,751,485**	1,491,081
NGLs	**84,877**	43,161	**237,968**	105,737
Natural gas	**111,210**	59,587	**346,922**	143,709
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 revenue	**80,903**	45,704	**224,946**	106,915
Petroleum and natural gas sales	**1,156,039**	728,095	**3,568,793**	1,858,130

Substantially all of the petroleum and natural gas revenues for the three and nine months ended September 30, 2022 are derived from variable price contracts based on index prices.

Included in accounts receivable at September 30, 2022 is $393.7 million (September 30, 2021 – $243.8 million) of accrued petroleum and natural gas revenues related to September 2022 production.

16. PER SHARE RESULTS

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Per share income ($/share)				
Basic	**0.53**	2.40	**2.19**	2.64
Diluted	**0.53**	2.37	**2.17**	2.62
Weighted average shares outstanding (000s)				
Basic	**611,904**	632,101	**618,471**	588,750
Diluted [1]	**617,911**	638,060	**624,504**	593,407

Note:
[1] For the three and nine months ended September 30, 2022, 0.4 and nil share awards, respectively, (1.7 million share awards for the three and nine months ended September 30, 2021) were excluded from the diluted weighted average shares calculation as they were anti-dilutive.

17. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in Non-Cash Working Capital

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

($000s)	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Accounts receivable	**54,793**	(8,672)	**(129,858)**	(48,663)
Deposits and prepaid expenses	**185,868**	5,408	**(1,328)**	23,320
Accounts payable and accrued liabilities	**33,702**	36,707	**131,661**	109,808
Share awards liability – current	**8,466**	8,902	**7,428**	14,799
Dividend payable	**3,850**	11	**8,553**	4,438
Share awards liability	**1,973**	3,491	**2,605**	3,909
Change in non-cash working capital	**288,652**	45,847	**19,061**	107,611
Related to:				
Operating activities	**13,094**	(137)	**(101,910)**	46,658
Financing activities	**3,850**	11	**8,553**	4,438
Investing activities	**269,570**	43,399	**106,131**	51,050
Items not impacting cash	**2,138**	2,574	**6,287**	5,465

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, 2021	1,055,662	29,668	13,856
Additions	-	2,808	-
Cash flows	993,152	(2,402)	-
Amortization of debt issuance costs	(3,264)	-	-
Dividends paid	-	-	(13,856)
Dividends payable	-	-	22,409
Balance at September 30, 2022	**2,045,550**	**30,074**	**22,409**

18. COMMITMENTS

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

($000s)	2022	2023	2024	2025+	Total
Lease liabilities [(1)] (Note 11)	2,019	7,491	6,856	35,159	51,525
Service agreements	1,148	4,257	4,237	27,004	36,646
Transportation agreements	23,822	87,253	71,823	456,893	639,791
CO_2 purchase commitments	10,030	40,588	23,300	37,453	111,371
Long-term debt [(1)]	3,701	14,685	210,534	1,860,532	2,089,452
Total	**40,720**	**154,274**	**316,750**	**2,417,041**	**2,928,785**

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

19. 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 nine months ended September 30, 2022, the Company incurred $0.2 million and $0.8 million for legal fees and disbursements, respectively ($0.6 million and $1.5 million for the three and nine months ended September 30, 2021, respectively). These amounts have been recorded at the amounts that have been agreed upon by the two parties. The Company expects to retain the services of BD&P from time to time. At September 30, 2022, no payable balance ($nil – September 30, 2021) was outstanding.

20. INVESTMENTS IN SUBSIDIARIES

The Company has the following material subsidiaries, each owned 100% directly or indirectly, at September 30, 2022:

Name of Subsidiary	Jurisdiction of Incorporation or Formation
Whitecap Energy Canada ULC	Alberta
Whitecap Energy Canada	Alberta