NEWS RELEASE

July 26, 2023

WHITECAP RESOURCES INC. ANNOUNCES SECOND QUARTER RESULTS

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to report its operating and unaudited financial results for the three and six months ended June 30, 2023.

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 six months ended June 30, 2023 which are available at www.sedar.com and on our website at www.wcap.ca.

Financial ($ millions except for share amounts and percentages)	Three months ended June 30 2023	2022	Six months ended June 30 2023	2022
Petroleum and natural gas revenues	797.9	1,262.0	1,681.6	2,265.9
Net income	175.4	380.7	438.0	1,033.0
Basic ($/share)	0.29	0.62	0.72	1.66
Diluted ($/share)	0.29	0.61	0.72	1.65
Funds flow [1]	415.1	676.6	863.1	1,182.3
Basic ($/share) [1]	0.69	1.09	1.43	1.90
Diluted ($/share) [1]	0.68	1.08	1.41	1.88
Dividends declared	87.7	55.6	175.4	102.8
Per share	0.15	0.09	0.29	0.17
Expenditures on property, plant and equipment [2]	217.8	87.9	471.4	299.4
Total payout ratio (%) [1]	74	21	75	34
Net Debt [1]	1,361.2	673.8	1,361.2	673.8
Operating				
Average daily production				
Crude oil (bbls/d)	82,649	85,657	84,452	84,326
NGLs (bbls/d)	15,448	13,465	16,048	14,025
Natural gas (Mcf/d)	294,412	199,026	303,734	204,841
Total (boe/d) [3]	147,166	132,293	151,122	132,491
Average realized Price [1,4]				
Crude oil ($/bbl)	90.59	133.57	91.17	122.98
NGLs ($/bbl)	33.58	66.38	40.76	60.31
Natural gas ($/Mcf)	2.59	7.70	3.08	6.36
Petroleum and natural gas revenues ($/boe) [1]	59.58	104.83	61.48	94.49
Operating Netback ($/boe) [1]				
Petroleum and natural gas revenues	59.58	104.83	61.48	94.49
Tariffs [1]	(0.50)	(0.43)	(0.52)	(0.47)
Processing & other income [1]	1.08	0.61	0.96	0.59
Marketing revenues [1]	5.06	7.09	4.84	6.01
Petroleum and natural gas sales [1]	65.22	112.10	66.76	100.62
Realized gain/(loss) on commodity contracts [1]	0.89	(9.66)	0.77	(8.09)
Royalties [1]	(9.57)	(20.08)	(10.56)	(18.31)
Operating expenses [1]	(15.16)	(15.50)	(14.55)	(14.63)
Transportation expenses [1]	(2.23)	(2.25)	(2.18)	(2.16)
Marketing expenses [1]	(5.08)	(7.02)	(4.83)	(5.95)
Operating netbacks	34.07	57.59	35.41	51.48
Share information (millions)				
Common shares outstanding, end of period	605.8	618.6	605.8	618.6
Weighted average basic shares outstanding	605.2	618.4	605.6	621.8
Weighted average diluted shares outstanding	609.2	625.1	610.1	627.5

MESSAGE TO SHAREHOLDERS

Whitecap benefitted from strong crude oil prices in the second quarter with our high quality oil-weighted assets, generating $415 million of funds flow and $197 million of free funds flow[1] after $218 million of capital expenditures.

Return of capital to shareholders consisted of $88 million of base dividends ($0.15 per share), resulting in 45% of free funds flow being returned to shareholders. Through the first six months of 2023, Whitecap has generated $392 million of free funds flow and returned 53% ($208 million) to shareholders by way of base dividends plus share repurchases.

Second quarter production of 147,166 boe/d included 98,097 bbls/d of total liquids production (oil, condensate and NGLs) and 294,412 mcf/d of natural gas production. Production per share[5] increased 14% compared to the same quarter in 2022. The Alberta wildfires impacted production and operations during the quarter, resulting in assets being shut-in at various times throughout the month of May and into June. There was no significant damage to our assets and all production impacted by the wildfires is now back online. We would like to acknowledge our field personnel and their families as well as the first responders and emergency response agencies for their efforts in the affected communities over the past several months.

We spud a total of 43 (41.6 net) wells during the second quarter, 34 (32.6 net) wells in our East Division (formerly the Central Alberta and Saskatchewan business units), and 9 (9.0 net) wells in our West Division (formerly the Northern Alberta business unit) including our first 3-well Duvernay pad at Kaybob as well as a 3-well Montney pad at Kakwa. Break up conditions subsided early, allowing our East Division operations team to resume our capital program in June. Second quarter capital expenditures of $218 million included $177 million of drilling capital and $37 million of facilities expenditures.

We continue to fortify the balance sheet, further reducing net debt by $110 million to $1.36 billion at the end of the quarter which results in a debt to EBITDA ratio[6] of 0.6 times and $1.74 billion of unused capacity.

We provide the following second quarter 2023 financial and operating highlights:

- **Funds Flow.** Whitecap's second quarter funds flow of $415 million, or $0.68 per share, continued to benefit from stronger liquids production than internally forecasted. Second quarter WTI prices in Canadian dollars averaged almost $100 per barrel, with differentials on our sour and medium grades of crude oil production narrowing towards historical averages and contributing to our crude oil realized price of over $90 per barrel.

- **Strong Liquids Production.** Production of 147,166 boe/d was higher than internal expectations, after giving effect to the wildfire impact, with higher liquids production contributing to the strong second quarter funds flow. Our Southeast Saskatchewan conventional and Central Alberta Glauconite assets were the main drivers of the liquids outperformance during the quarter.

- **Return of Capital Focus.** Whitecap's second quarter dividends of $0.15 per share ($0.58 per share annualized) totalled $88 million, with year-to-date dividends plus share repurchases under our normal course issuer bid ("NCIB") equating to $208 million, or $0.34 per share. During the second quarter, we renewed our NCIB which allows for the purchase of up to 59.7 million shares, or 10% of the public float, to May 22, 2024.

- **Balance Sheet Strength.** Quarter end net debt of $1.36 billion equated to a debt to EBITDA ratio of 0.6 times and an EBITDA to interest expense ratio[6] of 28.8 times, both well within our debt covenants of not greater than 4.0 times and not less than 3.5 times, respectively. Over 60% of our long-term debt is not exposed to interest rate fluctuations, keeping our interest and financing costs low at just over $1.00 per boe in the second quarter.

OUTLOOK

Our 2023 capital budget of $900 – $950 million is unchanged, while our production guidance of 157,000 – 159,000 boe/d has been adjusted from 160,000 – 162,000 boe/d to reflect the impact of the Alberta wildfires during the second quarter.

Whitecap has an extensive inventory of high quality unconventional drilling opportunities in the liquids-rich Alberta Montney and Duvernay, supplemented by oil-weighted conventional opportunities in the Peace River Arch, Central Alberta and Saskatchewan. For the full year 2023, we plan to drill 187 (160.0 net) wells in our East Division, from the 3,562 (2,974 net) wells in inventory[7] and 32 (28.9 net) wells in our West Division, from the 3,022 (2,701 net) wells in inventory[7]. Our balanced portfolio of opportunities allows us to generate significant free funds flow while growing sustainably at 3% – 8% production per share[5].

Since entering the Montney resource play at Kakwa in mid-2021, we have drilled 24 wells of which 17 wells have more than 3 months of production history. Of these 17 wells, 82% have achieved or are expected to achieve capital payout in less than 12 months. The economics of this play continue to rank top quartile within Whitecap's portfolio and, in addition, we have identified multiple opportunities to further enhance our capital efficiencies in this play. For the second half of 2023, we plan to spud 15 (15.0 net) Montney wells and bring 8 (8.0 net) wells on production prior to the end of the year.

Commencement of our Duvernay program occurred during the second quarter with completions operations on our first 3-well pad recently concluding while the drilling on our second pad (4 wells) started in late June. Capital execution on our Duvernay program has been strong and we are encouraged by progress to-date, with the first pad expected to be on production through permanent facilities later in the third quarter and the second pad expected to be tied-in and on production in the fourth quarter.

As a result of the operational and financial impacts of the Alberta wildfires, we now expect to reach our $1.3 billion net debt milestone in the second half of 2023 at current strip prices[8]. We remain committed to our return of capital framework which will result in 75% of free funds flow being returned to shareholders upon reaching our $1.3 billion net debt milestone, including the targeted 26% dividend increase to $0.73 per share annually.

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 throughout the remainder of the year.

NOTES

1. Funds flow, funds flow basic ($/share), funds flow diluted ($/share) and net debt are capital management measures. Total payout ratio, average realized price and per boe disclosure figures are supplementary financial measures. Operating netback and free funds flow are non-GAAP financial measures. 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" and "capital spending".
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 and Product Type Information in this press release for additional disclosure.
4. Prior to the impact of risk management activities and tariffs.
5. 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.
6. 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.
7. Disclosure of drilling locations in this press release consists of proved, probable, and unbooked locations and their respective quantities on a gross and net basis as disclosed herein. Refer to Drilling Locations in this press release for additional disclosure.
8. Based on the following strip commodity pricing and exchange rate assumptions for the second half of 2023: US$78.25/bbl WTI, $2.73/GJ AECO, USD/CAD of $1.32.

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, July 27, 2023.

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

A live 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 approximately 14 days.

For further information:

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or
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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: our forecasts for average daily production (including by product type) and capital expenditures for 2023; our belief that we have a deep inventory of high-quality unconventional drilling opportunities supplemented by oil weighted conventional opportunities; our expectation to drill 187 (160.0 net) wells in our East Division in 2023; our belief that we have 3,562 (2,974 net) wells in inventory in our East Division; our expectation to drill 32 (28.9 net) wells in our West Division in 2023; our belief that we have 3,022 (2,701 net) wells in inventory in our West Division; our belief that our drilling opportunities allow us to generate significant free funds flow while growing sustainably at 3% to 8% production per share; the number of Montney wells at Kakwa that are expected to achieve capital payout in less than 12 months; our belief that the economics of the Montney play at Kakwa ranks top quartile within Whitecap's portfolio; our expectation to spud 15 (15.0 net) Montney wells in the second half of 2023 and bring 8 (8.0 net) Montney wells on production prior to the end of the year; our expectation that the first Duvernay pad will be on production through permanent facilities later in the third quarter; our expectation that the second Duvernay pad will come on production in the fourth quarter of 2023; our expectation to reach the $1.3 billion net debt milestone in the second half of 2023 at current strip prices; and, that we remain committed to our return of capital framework which will result in 75% of free funds flow being returned to shareholders upon reaching our $1.3 billion net debt milestone, which includes our targeted $0.73 per share annual dividend.

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; that going forward the COVID-19 pandemic will not have a material impact 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 or asset exchange transactions; ability to market oil and natural gas successfully; our ability to access capital and the cost and terms thereof; that we will not be forced to shut-in production due to weather events such as wildfires, floods or extreme hot or cold temperatures; and that we will be successful in defending against previously disclosed and ongoing reassessments received from the Canada Revenue Agency.

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, and by its very nature it involves inherent risks and uncertainties. These include, but are not limited to: the risk that the funds that we ultimately return to shareholders through dividends and/or share repurchases 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 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, including the risk that weather events such as wildfires, flooding or extreme hot or cold temperatures forces us to shut-in production or otherwise adversely affects our operations; 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; the risk that we do not successfully defend against previously disclosed and ongoing reassessments received from the Canada Revenue Agency and are required to pay additional taxes, interest and penalties as a result; 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 our forecast 2023 capital expenditures, our forecast for reaching capital payout in less than 12 months on 82% of our Montney wells at Kakwa, our forecast for reaching our net debt milestone of $1.3 billion in the second half of 2023 at current strip prices, our targeted annual base dividend level of $0.73 per share, and the percent of free funds flow to be returned to shareholders upon reaching our net debt target of $1.3 billion 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.

Drilling Locations

This press release discloses drilling inventory in two categories: (i) booked locations (proved and probable); and (ii) unbooked locations. Booked locations represent the summation of proved and probable locations, which are derived from McDaniel's reserves evaluation effective December 31, 2022 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources.

- Of the 3,562 (2,974 net) East Division drilling locations identified herein, 1,078 (917 net) are proved locations, 155 (123 net) are probable locations, and 2,329 (1,934 net) are unbooked locations.
- Of the 3,022 (2,701 net) West Division drilling locations identified herein, 362 (321 net) are proved locations, 154 (131 net) are probable locations, and 2,506 (2,249 net) are unbooked locations.

Unbooked locations consist of drilling locations that have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all of these drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Production & 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"), except as noted below.

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.

The Company's average daily production for the three and six months ended June 30, 2023 and 2022, and the forecast average daily production for 2023 (mid-point) disclosed in this press release consists of the following product types, as defined in NI 51-101 (other than as noted above with respect to condensate) and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

Whitecap Corporate	Q2/2023	Q2/2022	1H/2023	1H/2022
Light and medium oil (bbls/d)	72,896	82,401	74,895	80,912
Tight oil (bbls/d)	9,753	3,256	9,557	3,414
Crude oil (bbls/d)	82,649	85,657	84,452	84,326
NGLs (bbls/d)	15,448	13,465	16,048	14,025
Shale gas (Mcf/d)	157,329	50,250	157,675	50,924
Conventional natural gas (Mcf/d)	137,083	148,776	146,059	153,918
Natural gas (Mcf/d)	294,412	199,026	303,734	204,841
Total (boe/d)	147,166	132,293	151,122	132,491

Whitecap Corporate	2023 Guidance (Previous – Mid-Point)	2023 Guidance (Mid-point)
Light and medium oil (bbls/d)	72,500	75,000
Tight oil (bbls/d)	13,000	10,750
Crude oil (bbls/d)	85,500	85,750
NGLs (bbls/d)	17,000	17,250
Shale gas (Mcf/d)	207,000	192,400
Conventional natural gas (Mcf/d)	144,000	137,600
Natural gas (Mcf/d)	351,000	330,000
Total (boe/d)	161,000	158,000

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.

"Average realized prices" for crude oil, NGLs and natural gas are supplementary financial measures calculated by dividing each of these components of petroleum and natural gas revenues, disclosed in Note 15 "Revenue" to the Company's unaudited interim consolidated financial statements for the three and six months ended June 30, 2023, by their respective production volumes for the period.

"Free funds flow" is a non-GAAP financial measure calculated as funds flow less expenditures on property, plant and equipment ("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 six months ended June 30, 2023 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 Jun. 30,		Six months ended Jun. 30,	
($ millions)	2023	2022	2023	2022
Cash flow from operating activities	414.9	676.8	883.5	1,067.3
Net change in non-cash working capital items	0.2	(0.1)	(20.4)	115.0
Funds flow	415.1	676.6	863.1	1,182.3
Expenditures on PP&E	217.8	87.9	471.4	299.4
Free funds flow	197.3	588.7	391.7	882.9
Total payout ratio (%)	74	21	75	34
Funds flow per share, basic	0.69	1.09	1.43	1.90
Funds flow per share, diluted	0.68	1.08	1.41	1.88

"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 normal course issuer bid. 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 six months ended June 30, 2023 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 six months ended June 30, 2023 for additional disclosures. The following table reconciles the Company's long-term debt to net debt:

Net Debt ($ millions)	Jun. 30, 2023	Dec. 31, 2022
Long-term debt	1,259.5	1,844.6
Accounts receivable	(357.5)	(480.2)
Deposits and prepaid expenses	(28.1)	(22.7)
Accounts payable and accrued liabilities	458.1	549.1
Dividends payable	29.2	22.3
Net Debt	1,361.2	1,913.1

"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 six months ended June 30, 2023, 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:

	Three months ended Jun. 30,		Six months ended Jun. 30,	
Operating Netbacks ($ millions)	2023	2022	2023	2022
Petroleum and natural gas revenues	797.9	1,262.0	1,681.6	2,265.9
Tariffs	(6.7)	(5.1)	(14.3)	(11.4)
Processing & other income	14.4	7.4	26.2	14.2
Marketing revenues	67.8	85.4	132.5	144.1
Petroleum and natural gas sales	873.4	1,349.6	1,826.0	2,412.8
Realized gain (loss) on commodity contracts	11.9	(116.3)	21.0	(194.1)
Royalties	(128.2)	(241.7)	(288.9)	(439.1)
Operating expenses	(203.0)	(186.6)	(398.1)	(350.9)
Transportation expenses	(29.8)	(27.0)	(59.6)	(51.9)
Marketing expenses	(68.0)	(84.5)	(132.2)	(142.8)
Operating netbacks	456.3	693.6	968.2	1,234.0

"Operating netback ($/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.

"Petroleum and natural gas revenues ($/boe)", "Tariffs ($/boe)", "Processing and other income ($/boe)" and "Marketing revenues ($/boe)" are supplementary financial measures calculated by dividing each of these components of petroleum and natural gas sales, disclosed in Note 15 "Revenue" to the Company's unaudited interim consolidated financial statements for the three and six months ended June 30, 2023, by the Company's total production volumes for the period.

"Per boe" or "($/boe)" disclosures for petroleum and natural gas sales, royalties, operating expenses, transportation expenses, marketing expenses and interest and financing costs are supplementary financial measures that are calculated by dividing each of these respective GAAP measures by the Company's total production volumes for the period.

"Realized gain (loss) on commodity contracts ($/boe)" is a supplementary financial measure calculated by dividing realized gain (loss) on commodity contracts, disclosed in Note 5(d) "Financial Instruments and Risk Management – Market Risk" to the Company's unaudited interim consolidated financial statements for the three and six months ended June 30, 2023, by the Company's total production volumes for the period.

"Total payout ratio" is a supplementary financial measure calculated as dividends 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 unless noted otherwise.