INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Third Quarter 2023

WHITECAP RESOURCES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(unaudited)

As at (CAD $ millions)	Note	**September 30, 2023**	December 31, 2022
Assets			
Current Assets			
Accounts receivable		**452.3**	480.2
Deposits and prepaid expenses		**44.9**	22.7
Assets held for sale	6	**-**	426.4
Risk management contracts	4 & 5	**27.0**	43.1
Total current assets		**524.2**	972.4
Non-current deposit	20	**65.3**	-
Property, plant and equipment	6 & 7	**8,428.6**	8,357.8
Exploration and evaluation	8	**160.1**	162.9
Right-of-use assets	9	**22.6**	24.6
Risk management contracts	4 & 5	**6.3**	12.1
Total assets		**9,207.1**	9,529.8
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		**616.4**	549.1
Share awards liability	14	**22.7**	16.1
Dividends payable		**29.2**	22.3
Deferred gain	13	**2.3**	2.3
Lease liabilities	11	**7.3**	6.6
Liabilities associated with assets held for sale	6	**-**	110.9
Risk management contracts	4 & 5	**40.1**	46.9
Total current liabilities		**718.0**	754.2
Risk management contracts	4 & 5	**3.6**	2.4
Long-term debt	10	**1,177.1**	1,844.6
Lease liabilities	11	**19.7**	22.4
Decommissioning liability	12	**900.6**	1,000.4
Share awards liability	14	**8.3**	5.2
Deferred gain	13	**50.7**	52.4
Deferred income tax	20	**954.4**	798.5
Total liabilities		**3,832.4**	4,480.1
Shareholders' Equity			
Share capital	14	**4,871.4**	4,872.8
Contributed surplus	14	**16.5**	12.2
Retained earnings		**486.8**	164.7
Total shareholders' equity		**5,374.7**	5,049.7
Total liabilities and shareholders' equity		**9,207.1**	9,529.8

See accompanying notes to the interim 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.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three and nine months ended September 30
(unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
(CAD $ millions, except per share amounts)	Note	**2023**	2022	**2023**	2022
Revenue					
Petroleum and natural gas sales	15	**1,032.9**	1,156.0	**2,858.9**	3,568.8
Royalties		**(166.6)**	(218.5)	**(455.5)**	(657.6)
Petroleum and natural gas sales, net of royalties		**866.3**	937.6	**2,403.4**	2,911.2
Other income (loss)					
Net gain (loss) on commodity contracts	5	**(80.9)**	75.0	**14.3**	(175.3)
Total revenue and other income		**785.4**	1,012.5	**2,417.7**	2,736.0
Expenses					
Operating		**201.8**	199.2	**599.9**	550.0
Transportation		**32.1**	30.5	**91.7**	82.3
Marketing		**72.1**	80.5	**204.3**	223.3
General and administrative		**14.4**	13.4	**41.7**	37.3
Stock-based compensation	5 & 14	**13.0**	12.3	**35.6**	25.0
Transaction costs		**-**	11.1	**-**	11.1
Interest and financing	5 & 10	**19.7**	10.6	**58.9**	14.6
Accretion of decommissioning liabilities	12	**9.7**	9.9	**25.8**	26.3
Depletion, depreciation, and amortization	7 & 9	**220.0**	208.0	**643.3**	582.2
Impairment reversal	7	**-**	-	**-**	(629.7)
Exploration and evaluation	8	**0.7**	1.5	**5.9**	4.5
Net gain on asset dispositions	6 & 13	**(0.5)**	(0.6)	**(77.4)**	(1.7)
Total expenses		**583.0**	576.3	**1,629.7**	925.1
Income before income taxes		**202.4**	436.2	**788.0**	1,810.8
Taxes					
Current income tax expense	20	**43.8**	-	**61.0**	-
Deferred income tax expense	20	**5.9**	111.8	**136.3**	453.4
Net income and other comprehensive income		**152.7**	324.5	**590.7**	1,357.5
Net Income Per Share ($/share)	16				
Basic		**0.25**	0.53	**0.98**	2.19
Diluted		**0.25**	0.53	**0.97**	2.17

See accompanying notes to the interim consolidated financial statements

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

(CAD $ millions)	Note	2023	2022
Share Capital	14(b)		
Balance, beginning of year		**4,872.8**	4,961.2
Common shares repurchased	14(c)	**(27.6)**	(162.0)
Issued on the acquisition of TimberRock		**-**	99.3
Share award vesting, non-insider	14(d)	**10.4**	10.4
Share award vesting, insider	14(d)	**15.8**	-
Share issue costs, net of deferred income tax		**-**	(0.1)
Balance, end of period		**4,871.4**	4,908.8
Contributed Surplus	14(e)		
Balance, beginning of year		**12.2**	11.0
Stock-based compensation		**14.7**	11.5
Share award vesting, non-insider	14(d)	**(10.4)**	(10.4)
Balance, end of period		**16.5**	12.1
Retained Earnings (Deficit)			
Balance, beginning of year		**164.7**	(1,232.8)
Net income and other comprehensive income		**590.7**	1,357.5
Common shares repurchased	14(c)	**(5.4)**	(29.5)
Dividends		**(263.2)**	(170.0)
Balance, end of period		**486.8**	(74.8)

See accompanying notes to the interim consolidated financial statements

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

(CAD $ millions)	Note	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating Activities					
Net income and other comprehensive income		**152.7**	324.5	**590.7**	1,357.5
Items not affecting cash:					
Depletion, depreciation, and amortization	7	**220.0**	208.0	**643.3**	582.2
Impairment reversal	7	**-**	-	**-**	(629.7)
Exploration and evaluation	8	**0.7**	1.5	**5.9**	4.5
Deferred income tax expense	20	**5.9**	111.8	**136.3**	453.4
Stock-based compensation	5 & 14	**3.6**	2.7	**11.5**	8.6
Accretion expense	12	**9.7**	9.9	**25.8**	26.3
Unrealized loss (gain) on risk management contracts	5	**83.2**	(107.1)	**16.3**	(62.7)
Net gain on asset dispositions	6 & 13	**(0.5)**	(0.6)	**(78.2)**	(1.7)
Settlement of decommissioning liabilities	12	**(9.3)**	(3.8)	**(22.5)**	(9.1)
Net change in non-cash working capital	17	**(83.2)**	13.1	**(62.8)**	(101.9)
Cash flow from operating activities		**382.8**	559.9	**1,266.3**	1,627.2
Financing Activities					
Increase (decrease) in long-term debt		**(82.4)**	1,200.6	**(667.5)**	989.9
Common shares repurchased	14(c)	**-**	(70.7)	**(33.0)**	(191.5)
Share issue costs		**-**	-	**-**	(0.2)
Dividends		**(87.8)**	(67.2)	**(263.2)**	(170.0)
Principal portion of lease payments		**(1.7)**	(1.6)	**(5.3)**	(2.4)
Net change in non-cash working capital	17	**-**	3.9	**6.9**	8.6
Cash flow from (used in) financing activities		**(171.9)**	1,064.9	**(962.1)**	634.4
Investing Activities					
Expenditures on property, plant and equipment		**(281.9)**	(208.0)	**(753.3)**	(507.5)
Expenditures on property acquisitions		**(1.0)**	0.2	**(1.0)**	(6.3)
Cash from property dispositions	6	**(1.3)**	3.9	**359.2**	17.0
Expenditures on corporate acquisitions, net of cash acquired		**-**	(1,690.4)	**6.6**	(1,871.0)
Net change in non-cash working capital	17	**73.3**	269.6	**84.3**	106.1
Cash flow used in investing activities		**(210.9)**	(1,624.8)	**(304.2)**	(2,261.6)
Change in cash, during the period		**-**	-	**-**	-
Cash, beginning of period		**-**	-	**-**	-
Cash, end of period		**-**	-	**-**	-
Cash Interest Paid		**13.2**	10.5	**50.7**	32.9

See accompanying notes to the interim 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, 2022.

The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("**IFRS**") issued and outstanding as at October 24, 2023, 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, 2022.

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, prepaid expenses, 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 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 prepared by qualified individuals. 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, Prepaid Expenses, Accounts Receivable, Long-term Debt, Dividends Payable, Accounts Payable and Accrued Liabilities

The fair value of deposits, prepaid expenses, accounts receivable, bank debt, senior notes, dividends payable, accounts payable and accrued liabilities is estimated as the present value of future net cash flows, discounted at the market rate of interest at the reporting date. As at September 30, 2023 and December 31, 2022, the fair value of these balances, other than senior notes, approximated their carrying value. The fair value of the bank debt is equal to its carrying amount as the bank debt bears interest at floating rates and credit spreads within the facility are indicative of market rates.

c) Derivatives

The fair value of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward 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 techniques used have 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.

	September 30, 2023			December 31, 2022		
($ millions)	**Asset**	**Liability**	**Net**	Asset	Liability	Net
Gross amount	**34.2**	**(44.6)**	**(10.4)**	55.2	(49.3)	5.9
Amount offset	**(0.9)**	**0.9**	**-**	-	-	-
Net amount [1]	**33.3**	**(43.7)**	**(10.4)**	55.2	(49.3)	5.9

Note:
(1) Gross asset and liability positions by counterparty that are offset on the balance sheet as at September 30, 2023 and December 31, 2022.

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:

($ millions)	**September 30, 2023**	December 31, 2022
Accounts receivable	**452.3**	480.2
Risk management contracts	**33.3**	55.2
Total exposure	**485.6**	535.4

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, 2023 pertains to accrued revenue for September 2023 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, 2023, two Commodity Purchasers accounted for 27 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.

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, 2023, there was $9.8 million (December 31, 2022 – $9.4 million) of receivables aged over 90 days. Subsequent to September 30, 2023, approximately $0.7 million (December 31, 2022 – $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, 2023:

($ millions)	**<1 year**	**1 - 2 years**	**2+ years**	**Total**
Accounts payable and accrued liabilities	**616.4**	**-**	**-**	**616.4**
Dividends payable	**29.2**	**-**	**-**	**29.2**
Long-term debt [(1)]	**212.3**	**7.6**	**1,068.8**	**1,288.7**
Lease liabilities [(1)]	**8.5**	**7.9**	**33.4**	**49.8**
Share awards liability	**22.7**	**6.2**	**2.1**	**31.0**
Risk management contracts [(2)]	**40.1**	**3.6**	**-**	**43.7**
Total financial liabilities	**929.2**	**25.3**	**1,104.3**	**2,058.8**

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, 2022:

($ millions)	<1 year	1 - 2 years	2+ years	Total
Accounts payable and accrued liabilities	549.1	-	-	549.1
Dividends payable	22.3	-	-	22.3
Liabilities associated with assets held for sale	110.9	-	-	110.9
Long-term debt [(1)]	14.7	210.5	1,659.6	1,884.8
Lease liabilities [(1)]	7.9	7.3	35.9	51.1
Share awards liability	16.1	4.3	0.9	21.3
Risk management contracts [(2)]	46.9	2.4	-	49.3
Total financial liabilities	767.9	224.5	1,696.4	2,688.8

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:

($ millions)	September 30, 2023	December 31, 2022
Current Assets		
Natural gas	**8.5**	20.7
Interest	**15.5**	13.8
Equity	**3.0**	8.6
Total current assets	**27.0**	43.1
Long-term Assets		
Crude oil	**1.2**	1.5
Natural gas	**0.8**	1.2
Interest	**4.3**	9.4
Total long-term assets	**6.3**	12.1
Total fair value	**33.3**	55.2

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

($ millions)	September 30, 2023	December 31, 2022
Current Liabilities		
Crude oil	**39.3**	46.9
Power	**0.8**	-
Total current liabilities	**40.1**	46.9
Long-term Liabilities		
Crude oil	**2.6**	2.4
Natural gas	**0.1**	-
Power	**0.9**	-
Total long-term liabilities	**3.6**	2.4
Total fair value	**43.7**	49.3

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,	
($ millions)	**2023**	2022	**2023**	2022
Realized gain (loss) on commodity contracts	**0.6**	(29.5)	**21.6**	(223.6)
Unrealized gain (loss) on commodity contracts	**(81.5)**	104.5	**(7.3)**	48.3
Net gain (loss) on commodity contracts	**(80.9)**	75.0	**14.3**	(175.3)
Realized gain on interest rate contracts (1)	**4.0**	1.6	**11.0**	0.8
Unrealized gain (loss) on interest rate contracts (1)	**(2.4)**	3.1	**(3.4)**	19.4
Realized gain on equity contracts (2)	**-**	0.2	**5.6**	15.2
Unrealized gain (loss) on equity contracts (2)	**0.7**	(0.4)	**(5.6)**	(5.0)
Net gain (loss) on risk management contracts	**(78.6)**	79.4	**21.9**	(145.0)

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, and 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 commodity risk management contracts and net income before tax:

($ millions)	September 30, 2023	
	Increase 10%	**Decrease 10%**
Commodity Price		
Crude oil	(75.0)	72.5
Natural gas	(4.4)	4.4
Power	(1.3)	1.3

At September 30, 2023, the following commodity risk management contracts were outstanding with an asset fair market value of $10.5 million and liability fair market value of $43.7 million (December 31, 2022 – asset of $23.4 million and liability of $49.3 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 2023	7,000			101.88
Swap	Jan - Jun 2024	4,000			99.26
Swap	Jul - Dec 2024	3,000			98.33
Swap	Jan - Dec 2024	4,000			109.57
Swap	Jan - Jun 2025	3,000			102.18
Swap	Jul - Dec 2025	1,000			100.05
Swap	Jan - Dec 2025	4,000			101.08
Collar	Oct - Dec 2023	6,000	74.17	101.03	
Collar	Jan - Dec 2024	5,000	82.00	116.98	

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

2) 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 2023	70,000			3.88
Swap	Nov 2023 - Mar 2024	5,000			3.51
Swap	Jan - Dec 2024	10,000			4.02
Swap	Apr - Oct 2024	15,000			2.50
Swap	Nov 2024 - Mar 2025	10,000			3.58
Swap	Jan - Dec 2025	10,000			3.53
Collar	Oct - Dec 2023	14,000	3.32	6.13	

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

3) Power Derivative Contracts

Type	Remaining Term	Volume (MWh)	Fixed Rate ($/MWh) [1]
Swap	Oct - Dec 2023	11,040	124.00
Swap	Oct 2023 - Dec 2024	54,324	115.00
Swap	Jan - Dec 2024	43,920	99.00
Swap	Jan - Dec 2025	43,800	71.75

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

4) Contracts Entered into Subsequent to September 30, 2023

WTI Crude Oil Derivative Contracts

Type	Remaining Term	Volume (bbls/d)	Swap Price (C$/bbl) [1]
Swap	Jan - Dec 2024	2,000	111.25
Swap	Jan - Dec 2025	2,000	102.60

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

Natural Gas Derivative Contracts

Type	Remaining Term	Volume (GJ/d)	Swap Price (C$/GJ) [1]
Swap	Nov 2023 - Mar 2024	15,000	3.01
Swap	Jan 2024 - Dec 2025	10,000	3.30
Swap	Apr - Oct 2024	10,000	2.65
Swap	Jan - Dec 2025	10,000	3.50

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

ii) Interest Rate Risk

The Company is exposed to interest rate risk on its credit facility and $705 million term loan. The credit facility consists of a $1.93 billion revolving syndicated facility and a $75.0 million revolving operating facility. The revolving syndicated facility and 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, 2023 were to have increased or decreased by 100 basis points, it is estimated that the Company's income before tax would change by approximately $2.0 million and $5.9 million for the three and nine months ended September 30, 2023, respectively ($4.1 million and $12.4 million for the three and nine months ended September 30, 2022, 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 the amount outstanding at September 30, 2023.

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 interest rate risk management contracts and net income before tax:

($ millions)	September 30, 2023	
	Increase 1.0%	Decrease 1.0%
Interest rate swaps	4.8	(4.8)

At September 30, 2023, the following interest rate risk management contracts were outstanding with an asset fair market value of $19.8 million (December 31, 2022 – asset of $23.2 million):

1) Interest Rate Contracts

Type	Term		Amount ($ millions)	Fixed Rate (%) (1)	Index (2)
Swap	Aug 6, 2019	Aug 6, 2024	200.0	1.5540	CDOR
Swap	May 5, 2021	May 5, 2025	200.0	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 Whitecap pays to cash settle 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 equity risk management contracts and net income before tax:

($ millions)	September 30, 2023	
	Increase 10%	**Decrease 10%**
Total return swaps	0.1	(0.1)

At September 30, 2023, the following equity risk management contracts were outstanding with an asset fair market value of $3.0 million (December 31, 2022 – asset of $8.6 million):

1) Equity Derivative Contracts

Type	Remaining Term	Notional Amount ($ millions) (1)	Share Volume (millions)
Swap	Oct 1, 2023	0.7	0.3

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, 2023, 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:

($ millions)	**September 30, 2023**	December 31, 2022
Long-term debt	**1,177.1**	1,844.6
Accounts receivable	**(452.3)**	(480.2)
Deposits and prepaid expenses	**(44.9)**	(22.7)
Non-current deposit	**(65.3)**	-
Accounts payable and accrued liabilities	**616.4**	549.1
Dividends payable	**29.2**	22.3
Net debt	**1,260.2**	1,913.1
Shareholders' equity	**5,374.7**	5,049.7
Total capitalization	**6,634.9**	6,962.8

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, 2023 and 2022 is calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
($ millions, except per share amounts)	**2023**	2022	**2023**	2022
Cash flow from operating activities	**382.8**	559.9	**1,266.3**	1,627.2
Net change in non-cash working capital	**83.2**	(13.1)	**62.8**	101.9
Funds flow	**466.0**	546.8	**1,329.1**	1,729.1
Funds flow per share, basic	**0.77**	0.89	**2.19**	2.80
Funds flow per share, diluted	**0.76**	0.88	**2.18**	2.77

6. DISPOSITIONS

Non-core Asset Dispositions

In the first quarter of 2023, the Company closed the previously announced dispositions of non-core assets for total consideration of $389.5 million. These assets were previously classified as held for sale at December 31, 2022 and upon closing of the transactions, a net gain on asset disposition of $68.7 million was recorded as the proceeds less cost of disposal exceeded their carrying amount.

7. PROPERTY, PLANT AND EQUIPMENT

a) Net Carrying Amount

Net book value ($ millions)	**September 30, 2023**	December 31, 2022
Petroleum and natural gas properties	**13,598.5**	12,890.7
Other assets	**16.0**	15.1
Property, plant and equipment, at cost	**13,614.5**	12,905.8
Less: accumulated depletion, depreciation, amortization and impairment	**(5,185.9)**	(4,548.0)
Total net carrying amount	**8,428.6**	8,357.8

b) Cost

Cost ($ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	12,890.7	15.1	12,905.8
Additions	760.0	0.9	760.9
Property acquisitions	30.4	-	30.4
Corporate acquisitions [1]	19.5	-	19.5
Change in decommissioning costs	(103.1)	-	(103.1)
Transfer from evaluation and exploration assets	1.3	-	1.3
Disposals	(0.3)	-	(0.3)
Balance at September 30, 2023	**13,598.5**	**16.0**	**13,614.5**

Note:
(1) Revision to initially recognized amounts within the measurement period.

c) Accumulated Depletion, Depreciation, Amortization and Impairment

Accumulated depletion, depreciation, amortization and impairment ($ millions)	Petroleum and natural gas properties	Other assets	Total
Balance at December 31, 2022	4,540.5	7.5	4,548.0
Depletion, depreciation and amortization	636.3	1.6	637.9
Balance at September 30, 2023	**5,176.8**	**9.1**	**5,185.9**

Future development costs of $8.3 billion (September 30, 2022 – $7.4 billion) were included in the depletion calculation. The Company capitalized $19.3 million (September 30, 2022 – $18.3 million) of administrative costs directly relating to development activities which includes $8.3 million (September 30, 2022 – $9.1 million) of stock-based compensation.

d) Impairment Expense (Reversal)

i) September 30, 2023 Impairment and Impairment Reversal

At September 30, 2023, there were no indicators of impairment or impairment reversal for PP&E assets.

ii) 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 with impairment losses recognized in prior periods that were not subsequently fully reversed exceeded their carrying amounts.

($ millions)	FVLCD	Carrying Value	Reversal (1)
Central Alberta	1,881.7	1,601.3	(280.4)
Western Saskatchewan	1,736.0	1,386.7	(349.3)
Total	3,617.7	2,988.0	(629.7)

Note:
(1) The impairment recovery is limited to a maximum of the estimated depleted historical cost if the impairment had not been recognized.

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.

8. EXPLORATION AND EVALUATION ASSETS

a) Net Carrying Amount

($ millions)	**September 30, 2023**	December 31, 2022
Exploration and evaluation assets	**210.7**	207.6
Less: accumulated land expiries and write-offs	**(50.6)**	(44.7)
Total net carrying amount	**160.1**	162.9

b) Cost

($ millions)	Undeveloped Land
Balance at December 31, 2022	207.6
Additions	5.3
Transfer to property, plant and equipment	(1.3)
Disposals	(0.9)
Balance at September 30, 2023	**210.7**

c) Accumulated Land Expiries and Write-Offs

($ millions)	Accumulated land expiries and write-offs
Balance at December 31, 2022	44.7
Land expiries and write-offs	5.9
Balance at September 30, 2023	**50.6**

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

At September 30, 2023, there were no indicators of impairment 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

($ millions)	Offices	Other	Total
Right-of-use assets	36.2	12.2	48.4
Less: accumulated depreciation	(18.4)	(7.4)	(25.8)
Balance at September 30, 2023	**17.8**	**4.8**	**22.6**

b) Cost

($ millions)	Offices	Other	Total
Balance at December 31, 2022	35.7	9.3	45.0
Additions	0.6	2.9	3.5
Disposals and other	(0.1)	-	(0.1)
Balance at September 30, 2023	**36.2**	**12.2**	**48.4**

c) Accumulated Depreciation

($ millions)	Offices	Other	Total
Balance at December 31, 2022	14.8	5.6	20.4
Depreciation	3.6	1.8	5.4
Balance at September 30, 2023	**18.4**	**7.4**	**25.8**

10. LONG-TERM DEBT

($ millions)	**September 30, 2023**	December 31, 2022
Credit facility	**77.1**	744.7
Term loan	**705.0**	705.0
Senior secured notes	**395.0**	394.9
Long-term debt	**1,177.1**	1,844.6

At September 30, 2023, the Company had a total credit capacity of $3.1 billion which consisted of a $2.0 billion credit facility, a $705 million term loan facility, and $395 million in senior secured notes.

a) Credit Facility

As at September 30, 2023, 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 $75.0 million revolving operating facility, with a maturity date of May 31, 2026. As at September 30, 2023, the amount drawn on the credit facilities was $77.1 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, 2023:

Covenant Description		**September 30, 2023**
Debt to EBITDA [(1)] [(2)]	Maximum Ratio 4.00	**0.57**
EBITDA to interest expense [(1)]	Minimum Ratio 3.50	**26.23**

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, senior secured notes, letters of credit, and dividends declared.

At September 30, 2023, 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.sedarplus.ca).

b) Term Loan

At September 30, 2023, the Company had a $705 million term loan facility which was obtained 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, 2023, 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, 2023, 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.sedarplus.ca).

c) Senior Secured Notes

At September 30, 2023, 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:

($ millions)

Issue Date	Maturity Date	Coupon Rate	Principal	Carrying Value	Fair Value
May 31, 2017	May 31, 2024	3.54%	200.0	200.0	167.4
December 20, 2017	December 20, 2026	3.90%	195.0	195.0	159.7
Balance at September 30, 2023			**395.0**	**395.0**	**327.1**

The Company expects, has the discretion, and has sufficient capacity to refinance its senior notes maturing on May 31, 2024 under its existing credit facility. As none of the facilities mature within the next year, all liabilities related to Company's debt are considered to be non-current.

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, 2023, 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.sedarplus.ca).

d) Interest and Financing Expenses

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

($ millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Interest expenses	**21.0**	15.0	**65.5**	33.7
Interest expenses, lease liabilities (1)	**0.3**	0.3	**1.0**	1.0
Realized gains on interest rate contracts (2)	**(4.0)**	(1.6)	**(11.0)**	(0.8)
Unrealized (gains) losses on interest rate contracts (2)	**2.4**	(3.1)	**3.4**	(19.4)
Interest and financing expenses	**19.7**	10.6	**58.9**	14.5

Notes:
(1) Refer to Note 11.
(2) Refer to Note 5(d).

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.

($ millions)	**September 30, 2023**	December 31, 2022
Current portion	**7.3**	6.6
Non-current portion	**19.7**	22.4
Lease liabilities	**27.0**	29.0

For the three and nine months ended September 30, 2023, interest expense of $0.3 million and $1.0 million, respectively ($0.3 million and $1.0 million for the three and nine months ended September 30, 2022, respectively) and total cash outflows of $2.0 million and $6.0 million, respectively ($1.9 million and $3.4 million for the three and nine months ended September 30, 2022, respectively) were recognized relating to lease liabilities.

12. DECOMMISSIONING LIABILITY

($ millions)	
Balance at December 31, 2022	1,000.4
Liabilities incurred	6.9
Liabilities settled	(22.5)
Change in estimate	(110.0)
Accretion expense	25.8
Balance at September 30, 2023	**900.6**

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 3.8 percent (3.3 percent at December 31, 2022) and inflation rate of 2.0 percent (2.0 percent at December 31, 2022). At September 30, 2023, the total undiscounted amount of the estimated cash flows required to settle the obligations was $2.2 billion (December 31, 2022 – $2.6 billion, including cash flows associated with liabilities that were previously classified as held for sale). The expected timing of payment of the cash flows required for settling the obligations extends up to 64 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; and (2) an upfront payment received for future extraction services that will generate future royalties.

The Company used the discounted future cash flows of future development and operating costs multiplied by the five percent royalty rate to derive the upfront payment received for future extraction services of $57.6 million, which was initially recorded as deferred gain and is afterwards being recognized as 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).

The remaining proceeds were compared to the carrying value attributable to the partial disposal of property, plant and equipment, which resulted in a $17.6 million gain on asset disposition recognized in the fourth quarter of 2021. The Company applied judgment in determining the carrying value of property, plant and equipment to be disposed, which was derived based on the proportion of proved and probable reserve value given up on the Company's working interest in the Weyburn Unit. Changes to deferred gain were as follows:

($ millions)	**September 30, 2023**	December 31, 2022
Deferred gain, beginning of the period	**54.7**	57.0
Deferred gain amortization	**(1.7)**	(2.3)
Deferred gain, end of period	**53.0**	54.7
Less current portion of deferred gain	**(2.3)**	(2.3)
Non-current portion of deferred gain	**50.7**	52.4

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

($ millions)	Shares	$
Balance at December 31, 2022	608.7	4,872.8
Issued on share award vesting	3.2	-
Common shares repurchased [1]	(5.7)	(27.6)
Contributed surplus adjustment on vesting of share awards	-	10.4
Share award liability adjustment on equity settlement of insider awards	-	15.8
Balance at September 30, 2023	**606.2**	**4,871.4**

Note:
(1) At December 31, 2022, 2.2 million common shares repurchased under the NCIB were held in treasury. Subsequent to year end, all of the common shares held in treasury were cancelled.

c) Normal Course Issuer Bid

On May 17, 2023, the Company announced the approval of its renewed NCIB by the TSX (the "**2023 NCIB**"). The 2023 NCIB allows the Company to purchase up to 59,724,590 common shares over a period of twelve months commencing on May 23, 2023.

On May 16, 2022, the Company announced the approval of its renewed NCIB by the TSX (the "**2022 NCIB**"). The 2022 NCIB allowed 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 2021 NCIB changed.

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 repurchases for the three and nine months ended September 30, 2023 and 2022.

	Three months ended September 30,		Nine months ended September 30,	
(millions except per share amounts)	**2023**	2022	**2023**	2022
Shares repurchased	**-**	8.4	**3.5**	20.1
Average cost ($/share)	**-**	8.45	**9.56**	9.53
Amounts charged to:				
Share capital ($)	**-**	67.2	**27.6**	162.0
Retained earnings ($)	**-**	3.5	**5.4**	29.5
Share repurchase cost ($)	**-**	70.7	**33.0**	191.5

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. As at September 30, 2023, 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. Awards granted to insiders are currently accounted for as cash-settled, and awards granted to non-insiders are currently accounted for as equity-settled. 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. A copy of the Company's Award Incentive Plan may be accessed through the SEDAR+ website (www.sedarplus.ca).

(millions)	Number of Time-based Awards	Number of Performance Awards [1]	Total Awards
Balance at December 31, 2022	1.7	4.5	6.2
Granted	0.9	2.2	3.1
Forfeited	(0.1)	(0.1)	(0.2)
Vested	(0.6)	(1.3)	(1.9)
Balance at September 30, 2023	**1.9**	**5.3**	**7.2**

Note:
[1] Based on underlying awards before performance multiplier and dividends accrued.

e) Contributed Surplus

($ millions)	
Balance at December 31, 2022	12.2
Stock-based compensation	14.7
Share award vesting	(10.4)
Balance at September 30, 2023	**16.5**

f) Dividends

Dividends declared were $0.15 and $0.44 per common share in the three and nine months ended September 30, 2023, respectively ($0.11 and $0.28 per common share in the three and nine months ended September 30, 2022, respectively).

On October 16, 2023, the Board of Directors declared a monthly dividend of $0.0608 per common share designated as an eligible dividend, payable in cash to shareholders of record on October 31, 2023. The dividend payment date is November 15, 2023.

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,	
($ millions)	**2023**	2022	**2023**	2022
Crude oil	**813.4**	874.4	**2,207.0**	2,751.5
NGLs	**60.2**	84.9	**178.6**	238.0
Natural gas	**82.3**	111.2	**251.9**	346.9
Petroleum and natural gas revenues	**955.9**	1,070.5	**2,637.5**	3,336.4
Tariffs	**(7.2)**	(5.2)	**(21.5)**	(16.6)
Processing & other income	**11.4**	9.9	**37.6**	24.1
Marketing revenue	**72.8**	80.9	**205.3**	225.0
Petroleum and natural gas sales	**1,032.9**	1,156.0	**2,858.9**	3,568.8

Substantially all of the petroleum and natural gas revenues for the three and nine months ended September 30, 2023 are derived from variable price contracts based on index prices.

Included in accounts receivable at September 30, 2023 is $371.9 million (September 30, 2022 – $393.7 million) of accrued petroleum and natural gas revenues related to September 2023 production.

16. PER SHARE RESULTS

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Per share income ($/share)				
Basic	**0.25**	0.53	**0.98**	2.19
Diluted	**0.25**	0.53	**0.97**	2.17
Weighted average shares outstanding (millions)				
Basic	**606.0**	611.9	**605.8**	618.5
Diluted (1)	**610.0**	617.9	**609.5**	624.5

Note:
(1) For the three and nine months ended September 30, 2023, nil and 0.1 million share awards, respectively (0.4 million and nil share awards for the three and nine months ended September 30, 2022) 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:

	Three months ended September 30,		Nine months ended September 30,	
($ millions)	**2023**	2022	**2023**	2022
Accounts receivable	**(94.8)**	54.8	**27.9**	(129.9)
Deposits and prepaid expenses	**(82.1)**	185.9	**(87.5)**	(1.3)
Accounts payable and accrued liabilities	**158.5**	33.7	**60.8**	131.7
Share awards liability – current	**7.5**	8.5	**6.6**	7.4
Dividend payable	**-**	3.9	**6.9**	8.6
Share awards liability	**3.6**	2.0	**3.1**	2.6
Change in non-cash working capital	**(7.3)**	288.7	**17.8**	19.1
Related to:				
Operating activities	**(83.2)**	13.1	**(62.8)**	(101.9)
Financing activities	**-**	3.9	**6.9**	8.6
Investing activities	**73.3**	269.6	**84.3**	106.1
Items not impacting cash	**2.6**	2.1	**(10.6)**	6.3

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:

($ millions)	Long-term debt	Lease liabilities	Dividends payable
Balance at December 31, 2022	1,844.6	29.0	22.3
Additions	-	3.3	-
Cash flows	(668.6)	(5.3)	-
Amortization of debt issuance costs	1.1	-	-
Dividends paid	-	-	(22.3)
Dividends payable	-	-	29.2
Balance at September 30, 2023	**1,177.1**	**27.0**	**29.2**

18. COMMITMENTS

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

($ millions)	2023	2024	2025	2026+	Total
Long-term debt (1)	3.7	210.5	7.6	1,066.9	1,288.7
Transportation agreements	30.8	106.1	90.7	466.4	694.0
CO2 Purchase Commitments	9.1	37.1	37.7	217.6	301.5
Lease liabilities (1) (Note 11)	2.2	8.4	7.7	31.5	49.8
Service agreements	1.1	4.7	4.0	25.0	34.8
Total	**46.9**	**366.8**	**147.7**	**1,807.4**	**2,368.8**

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, 2023, the Company incurred $0.4 million and $1.8 million, respectively for legal fees and disbursements ($0.2 million and $0.8 million for the three and nine months ended September 30, 2022, 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, 2023, the payable balance was nil (nil – September 30, 2022).

20. INCOME TAXES

In 2023, Whitecap received reassessments from the Canada Revenue Agency (the "**CRA**") and the Alberta Tax and Revenue Administration ("**ATRA**") for a former subsidiary that deny non-capital loss deductions relevant to the calculation of income taxes for the years 2018 and 2019.

Whitecap has received advice from its tax advisors that it should be entitled to deduct the non-capital losses and is of the opinion that its tax filings to date are correct. As such, Whitecap has not recognized any provision in its unaudited interim consolidated financial statements with respect to the reassessments.

Whitecap has filed a notice of objection for each CRA notice of reassessment which required the Company to concurrently pay 50 percent of the reassessed taxes, interest, and penalties as a deposit to the CRA ($65.3 million). Whitecap will file a notice of objection for each ATRA notice of reassessment in the fourth quarter of 2023 and will be required to concurrently pay 50 percent of the reassessed taxes, interest, and penalties as a deposit to the ATRA ($17.7 million). If the CRA is not in agreement with Whitecap's notice of objection, within a prescribed period, Whitecap would have a right to appeal to the Tax Court of Canada. Whitecap currently estimates that the ultimate resolution of the matter may take two to four years. If Whitecap is ultimately successful in defending its position, then any taxes, interest and penalties paid to the CRA would be refunded plus interest, and if the CRA is successful then any remaining taxes payable plus interest and any penalties would have to be remitted by Whitecap.

By way of background, Whitecap acquired a private entity in 2014 that held an interest in certain oil and natural gas assets and which had accrued non-capital losses in its business. The reassessments seek to disallow the deduction of approximately $494 million of these non-capital losses under the Income Tax Act (Canada) for the years 2018 and 2019.

21. INVESTMENTS IN SUBSIDIARIES

The Company has the following material subsidiaries, each owned 100% directly or indirectly, at September 30, 2023:

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