



Whitecap Corporate Acquisition
December 15, 2011

**BUILDING LIGHT OIL
VALUE AND GROWTH**



Transaction Summary

- **Total acquisition cost - \$97.8 MM**
 - Compass shareholders receive 80% WCP equity and 20% cash
 - WCP assumes ~\$4 MM of positive working capital
- **Establishes Dodsland Viking footprint**
 - 1,400 boe/d Viking production (74% Oil + NGLs)
 - 5,556 Mboe of P+P reserves (75% Oil + NGLs)
 - 134 (128 net) development drilling inventory
 - \$48.00/boe current operating netback⁽¹⁾
- **Acquisition Metrics⁽²⁾**

– Current production (\$/boe/d)	\$61,000
– P+P Reserves (\$/boe)	\$15.40
– Recycle ratio ⁽³⁾	3.1x

(1) Operating netback based on \$90.00 WTI, \$3.50/GJ natural gas, C\$/US\$0.98

(2) Net of \$12.2 MM undeveloped land value

(3) Based on current operating netback



- **Adds light oil, high netback assets with significant upside**
- **Increases low-risk, oil growth drilling inventory by 134 wells**
- **Accretive on per share basis to cash flow, production, reserves and NAV**
- **Continuation of acquire and exploit strategy – similar to Valhalla and Pembina Cardium**
- **Footprint into the Saskatchewan light oil Viking resource play**



The Resulting Whitecap



	Pre-Acq	Pro Forma	% Increase
Production (boe/d)			
• Current	8,300	9,700	17%
• % Oil + NGLs	66%	67%	2%
Operating netback (\$/boe)	\$47.00	\$48.50	3%
Reserves (MMboe)			
• Proved	23 (76% Oil + NGLs)	26.8 (76% Oil + NGLs)	16%
• P+P	34 (76% Oil & NGLs)	39.6 (76% Oil & NGLs)	16%
• P+P RLI (years)	11.2	11.2	0%
Total undrilled inventory (wells)	373	507	36%
• Oil development	340	474	39%
Tax pools (\$MM)	353	423	21%

Whitecap Acquisition History



- **Sept 17, 2009**
 - Acquired Valhalla North asset for \$58 MM
 - 850 boe/d; 4.8 MMboe⁽¹⁾ (50% Oil + NGLs)
- **June 25, 2010**
 - Acquired Fosterton pool through RTO transaction of Spitfire Energy Ltd.
 - 360 boe/d; 2.2 MMboe⁽¹⁾ (85% oil)
- **July 12, 2010**
 - Acquisition of Onyx \$52 MM
 - Entrance into Pembina Hz Cardium
 - 600 boe/d; 4.5 MMboe⁽¹⁾ (50% Oil + NGLs)
- **January 14, 2011**
 - Acquisition of a partner interest for \$25 MM
 - Consolidates Valhalla pool
 - 280 boe/d; 1.6 MMboe⁽¹⁾ (65% Oil + NGLs)
- **April 20, 2011**
 - Acquisition of Spry \$223 MM
 - Expand Pembina Cardium oil resource play
 - 2,500 boe/d; 9.9 MMboe⁽¹⁾ (89% Oil + NGLs)
- **December 15, 2011**
 - Acquisition of Compass \$97.8 MM
 - Entrance into Viking oil resource play
 - 1,400 boe/d; 5.6 MMboe⁽¹⁾ (74% Oil + NGLs)



(1) All reserves are referenced as P+P



- **Trading symbol / exchange** **WCP – TSX**
 - Corporate start date (September 2009)
- **Shares outstanding (MM)**
 - Basic **72.2**
 - Fully diluted **77.8**
- **Total market capitalization (\$MM)** **~\$660**
- **Management, employees and directors ownership (fd)**
 - Basic **11%**
 - Fully Diluted **17%**
- **Average daily trading volume (shares)** **~300,000**
- **Key attributes:**
 - Light oil focused high netback producer
 - Shallow decline, predictable production profile
 - Large drilling inventory for growth upside

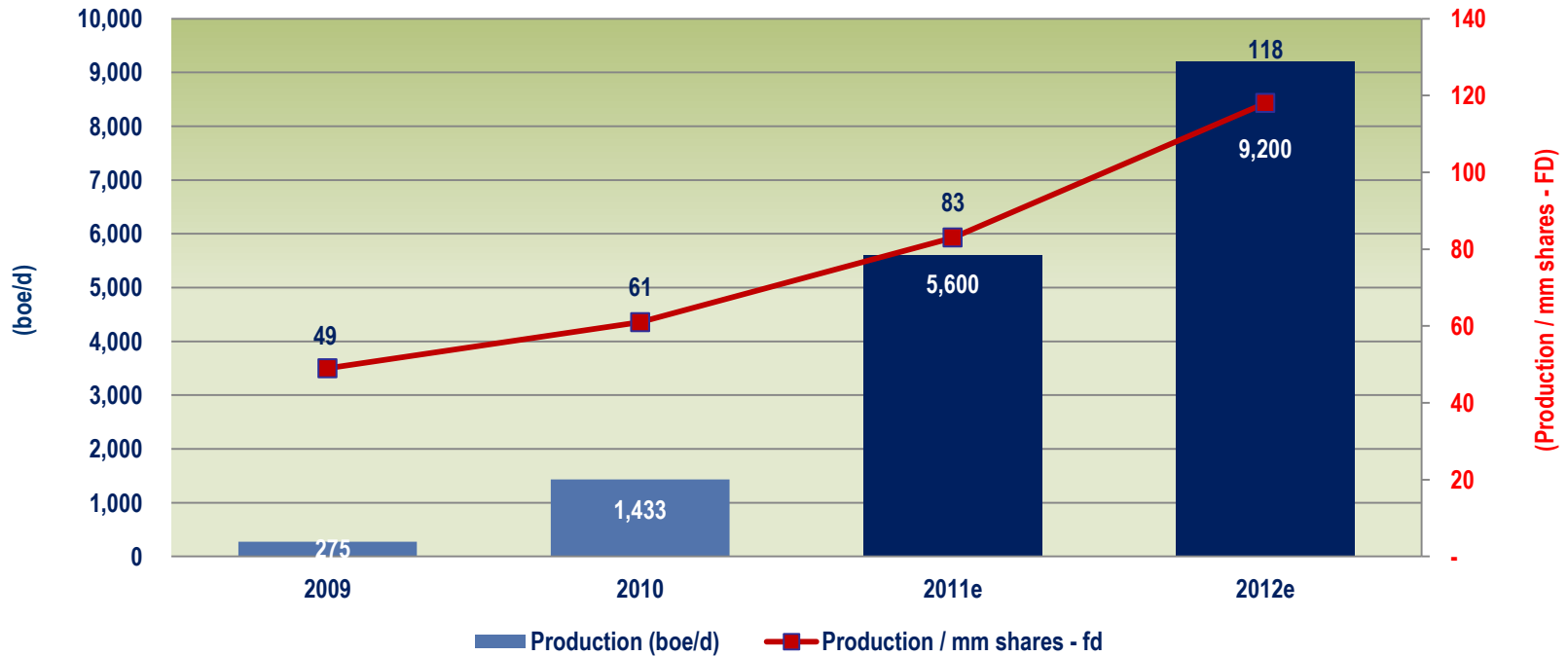


Motivated people + quality assets + focus = SUCCESS

- **Founding Principles**
 - All employees are shareholders
 - Light oil focus (\$80 to \$100 WTI platform)
 - Per share growth (cash flow, production, reserves and NAV)
- **Execution Strategy**
 - Acquire assets with growth potential
 - large oil in place with low current recovery factors
 - efficient capital expenditure program
- **Results**
 - Effective per share long term growth
 - Share price appreciation



Production Growth

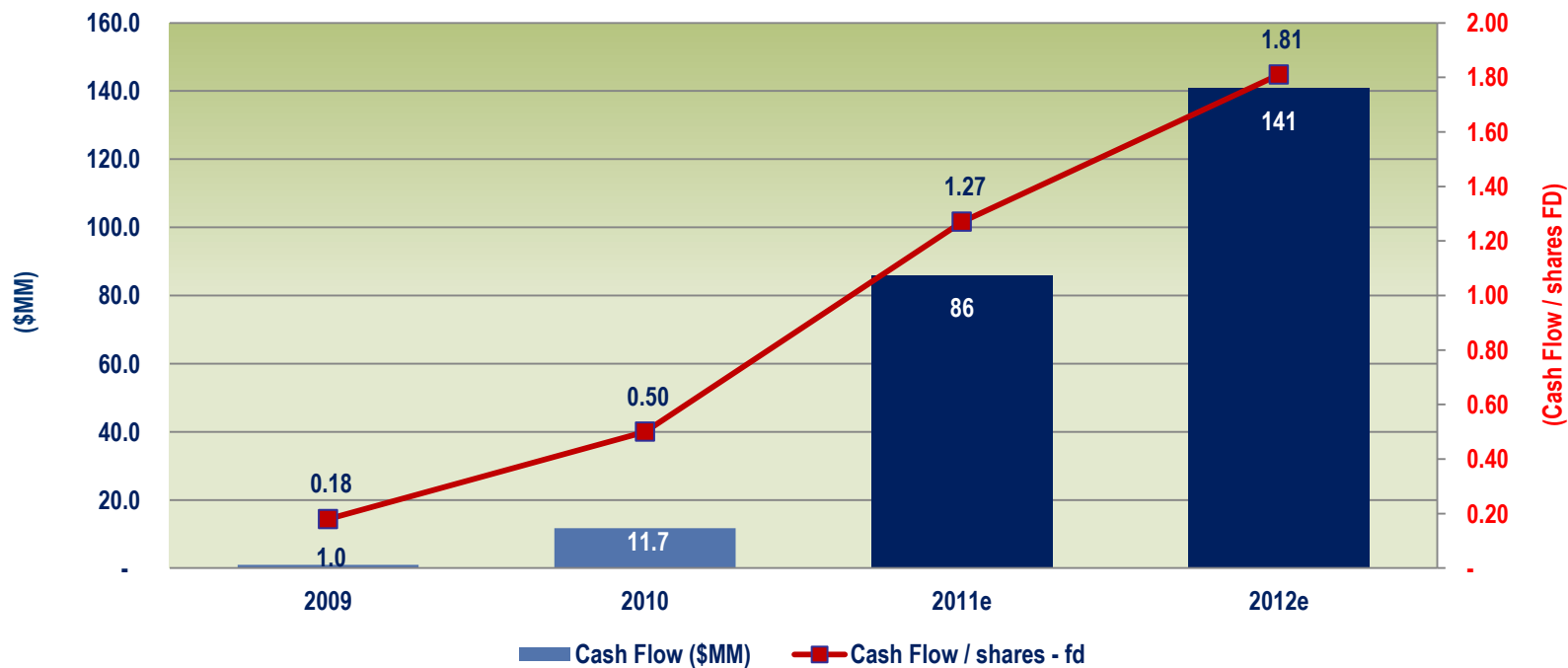


Production Growth Per Share (fd)

24%	2009 – 2010
36%	2010 – 2011
42%	2011 – 2012



Cash Flow Growth

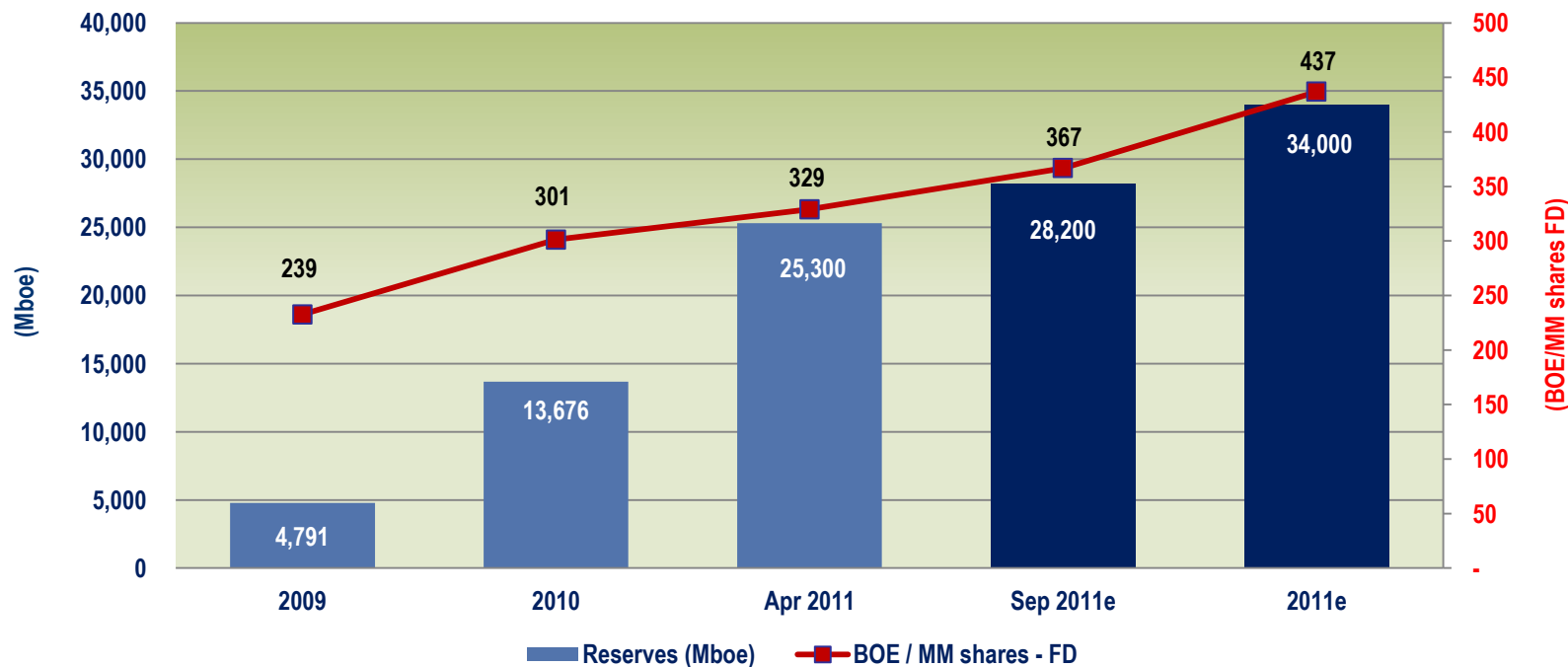


Cash Flow Growth Per Share (fd)

178%	2009 – 2010
154%	2010 – 2011
43%	2011 – 2012



Reserves Growth



Reserves Growth Per Share (fd)

26%	2009 - 2010
45%	2010 - 2011

Value Added – Rate of Return of 36%



Area	Purchase Price (\$MM)	Capital Spent (\$MM) ⁽¹⁾	Total Cost (\$MM) ⁽¹⁾	Total Cash Flow (\$MM) ⁽²⁾	Net Present Value (\$MM) ⁽²⁾	Total Cash Flow plus NPV (\$MM) ⁽²⁾	Total Rate of Return (%)
Peace River Arch	89.4	38.2	127.5	30.4	158.3	188.7	48%
West Central Alberta	219.0	65.9	284.8	32.4	339.0	371.4	30%
SW Saskatchewan	27.2	4.6	31.8	4.0	38.1	42.2	32%
Total ⁽³⁾⁽⁴⁾	\$335.5	\$108.7	\$444.2	\$66.9	\$535.4	\$602.2	36%

Value Created Since September 2009

\$158MM value added to date

36% total rate of return

(1) Estimated as of September 1, 2011

(2) Internally estimated Total Proved plus Probable NPV BT_{10} at September 1, 2011 utilizing McDaniels Oct. 1, 2011 price forecast

(3) The table represents 89% of Whitecap's properties based on Total Proved plus Probable reserves

(4) Numbers may not add due to rounding

Core Areas of Operation - Expanded



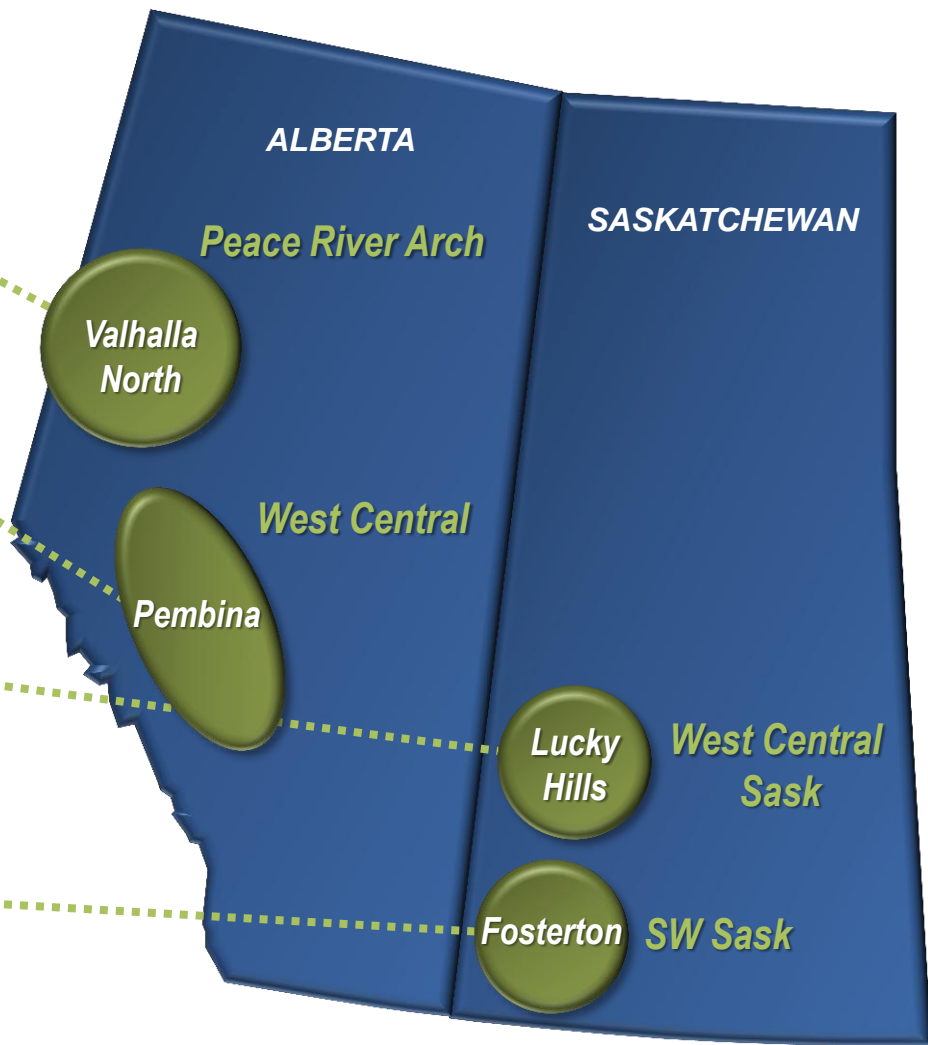
Visible Oil Growth expanded from 14,000 to 18,000 boe/d

Oil drilling inventory	88
Operating netback (\$/boe) ⁽¹⁾	
– current / new wells	\$40 / \$60

Oil drilling inventory	176
Operating netback (\$/boe) ⁽¹⁾	
– current / new wells	\$55 / \$70

Oil drilling inventory	134
Operating netback (\$/boe) ⁽¹⁾	
– current / new wells	\$48 / \$59

Oil drilling inventory	31
Operating netback (\$/boe) ⁽¹⁾	
– current / new wells	\$32 / \$48



⁽¹⁾ Based on US\$90/bbl WTI, C\$3.50/GJ, 0.98 US\$/C\$

West Central Saskatchewan – Viking Oil

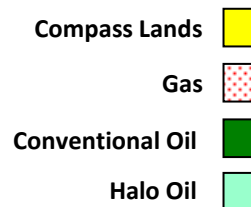
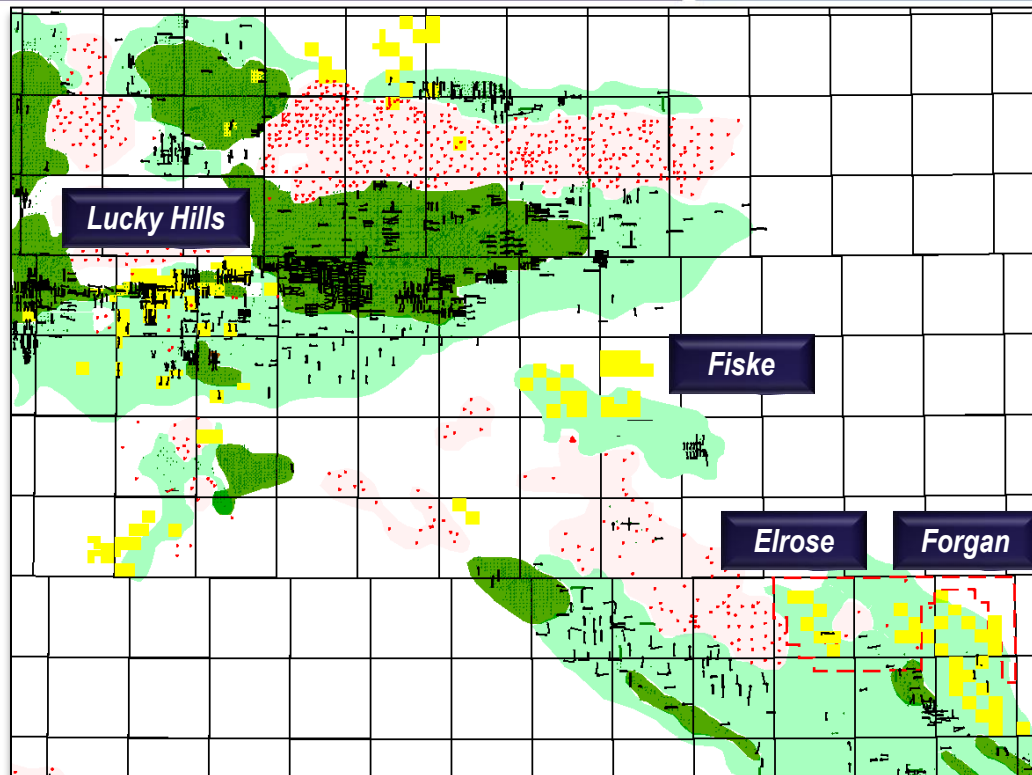


Sask Viking Summary

- OOIP 6 Billion Barrels+, 200 MMbbls recovered (3% RF)
- 865 producing horizontal wells, 400+ licensed wells
- True resource play, aerially extensive and results can be statistically quantified
- Numerous additional consolidation opportunities exist

Compass Viking Summary

- Concentrated 96% WI base production at Lucky Hills
- Viking rights on 92 net sections (83 net undeveloped)
- 270 (140 net) potential locations provide a multi-year inventory at 8 wells/sec
- Strategic operated infrastructure – 2 oil batteries, gas compression, water disposal and extensive gathering system



Viking HZ wells

Lucky Hills Core – Develop and Enhance



- **Concentrated Major Asset to Optimize**

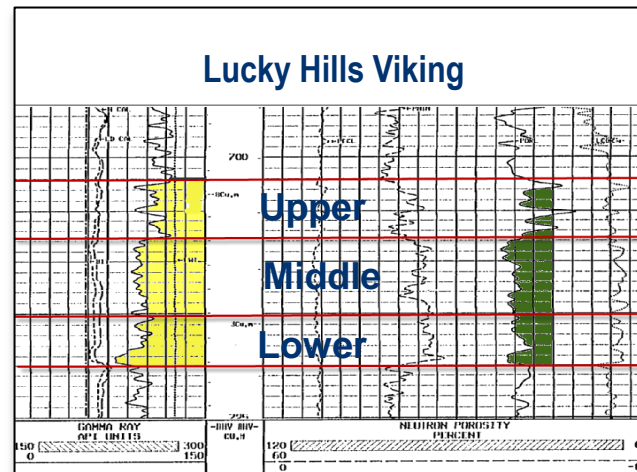
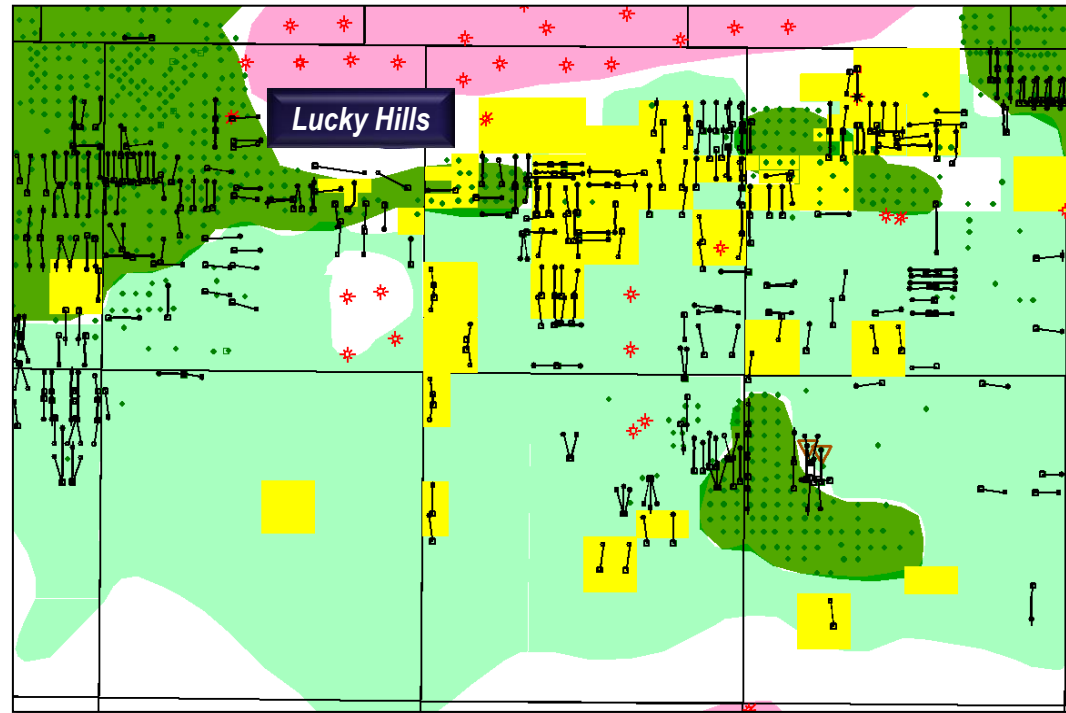
- Similar to Spry transaction, de-risked asset with development upside
- Contiguous land base
- Large capital program allows optimization of drilling and completion techniques
- Proprietary 3D seismic over the lands

- **Operated Facilities**

- Newly constructed, operated facilities drive lower operating costs
- 2 crude oil batteries (5000 b/d capacity) and 5 MMcfd compression facility
- 3rd party processing revenue with room to grow

- **Low Risk Development to Add Production and Cash Flow**

- Current production (Boe/d) 1400
- Producing Hz wells 49
- 2012 budgeted Hz drills 34
- Net sections (avg 96% WI) 23
- Net DPIIP (MMboe) 125
- Hz locations (gross/net) 134 / 128
- Hz locations booked (gross/net) 46 / 44



- Compass Lands
- Gas
- Conventional Oil
- Halo Oil
- Viking HZ wells

Reservoir Thickness 5-15 m
Porosity 15-27%
OOIP 5-13 MMbbls / Section

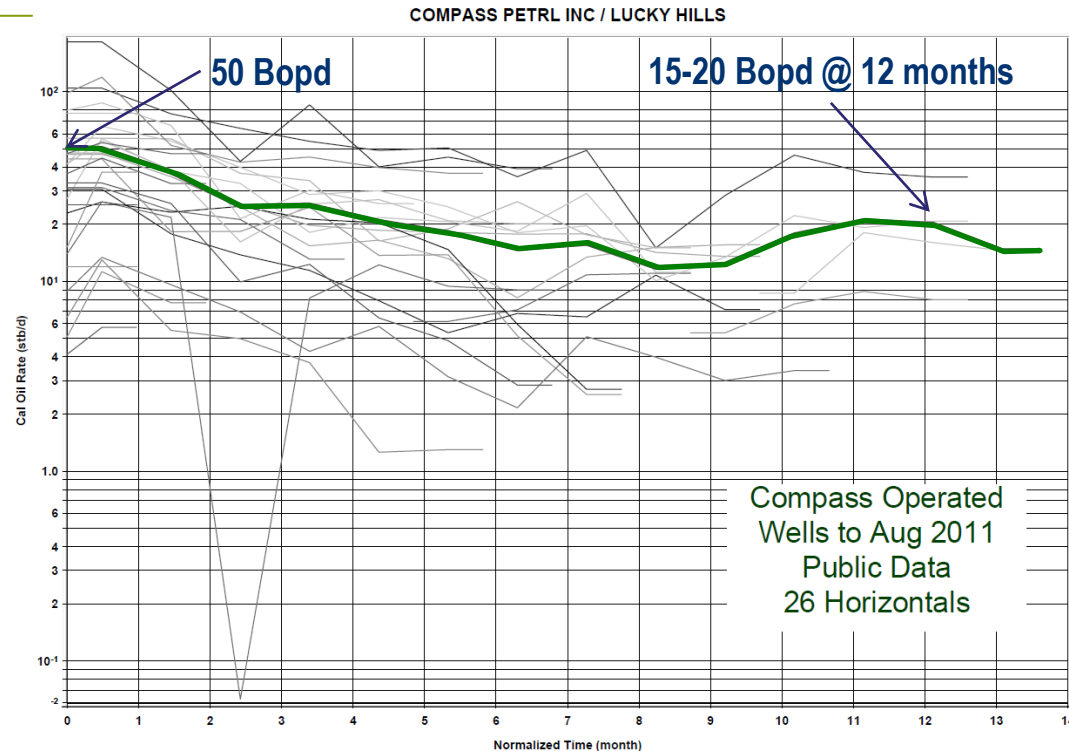
Dodsland Viking Oil – Strong Economics



Capital Sensitivity: Completion Technique Used

	Ported Collar Completion	Limited Entry Completion
DCE&T (\$MM)	\$1.2	\$1.0
Production, IP 3 months (boe/d)	65	65
Reserves (Mboe)	68	68
Oil (%)	80%	80%
NPV BT ₁₀ (\$MM)	\$1.34	\$1.59
Profit to investment ratio	1.1	1.6
Rate of return (%)	60%	99%
Payout (years)	1.7	1.2
Reserve cost (\$/boe)	\$17.65	\$14.00
Production efficiency (\$/boe/d)	\$21,000	\$17,000
Initial operating netback (\$/boe/d)	\$60.70	\$60.70

Viking Horizontal Type Curve – Compass Lucky Hills



- Compass has been using the Ported Collar Completion system
- Other Operators have had success with a Limited Entry system

Assumes McDaniel Price Forecast – 2012 \$92/bbl WTI
Compass Crown / Freehold split of 55%/45%

Valhalla North – An Oil Foundation



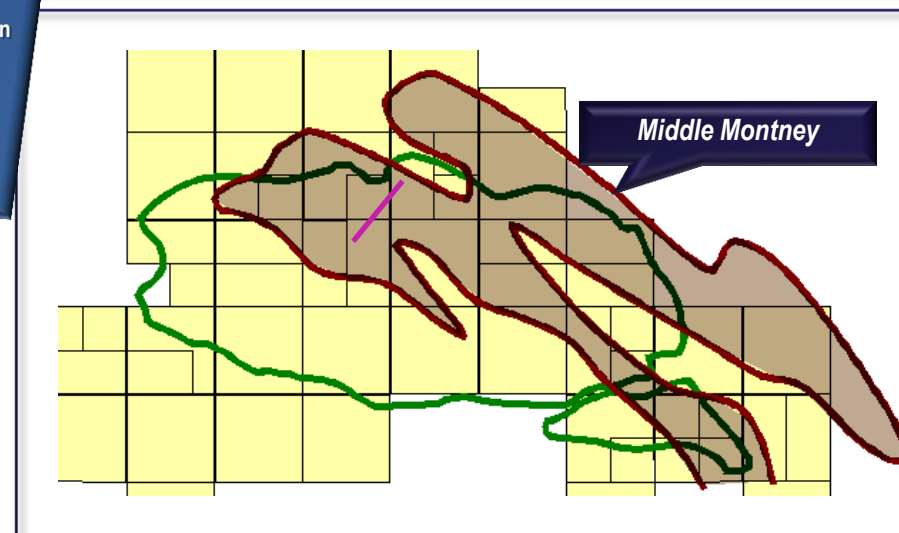
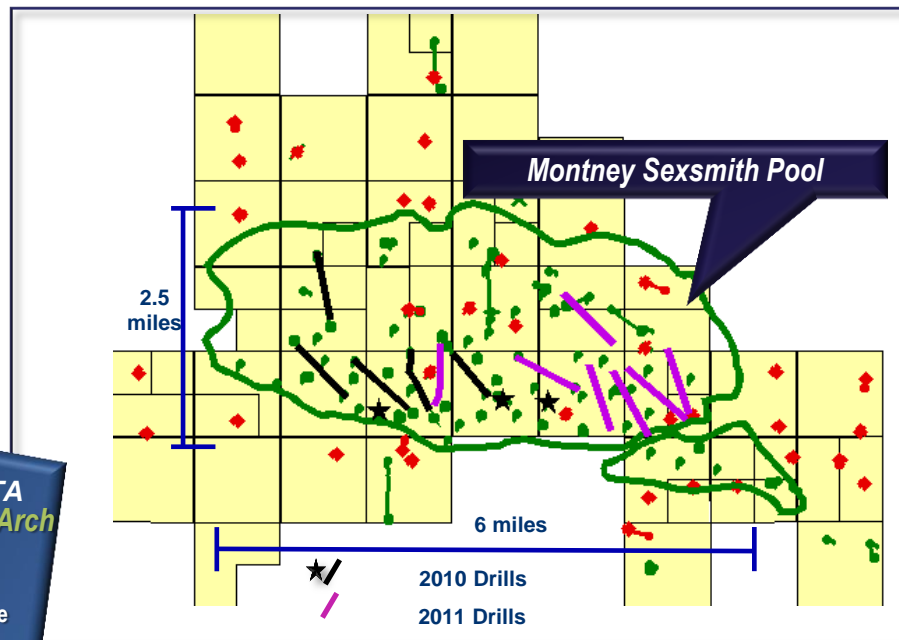
- **Montney Oil – Underpins Whitecap’s value**

- **Montney Sexsmith**

- Large DPIIP – 83 MMbbls in place
- Recovered to date 9% (7.6 MMbbls)
- Light oil (36° API) – strong netback
- Low decline – predictable production base
- Successful waterflood currently being expanded
- Reserve base growth potential (250+%)

- **Middle Montney**

- DPIIP 38 MMbbls in place
- Recovered to date 2.1% (0.8 MMbbls)
- Historically a secondary target
- Waterflood synergy with Sexsmith
- First Hz well planned for Q4 2011



DPIIP 121 MMbbls – 7% recovered to date

- **Multi-zone oil and gas growth potential**

- 4 uphole oil zones provide material growth opportunities
- 12 uphole natural gas zones provide commodity price optionality

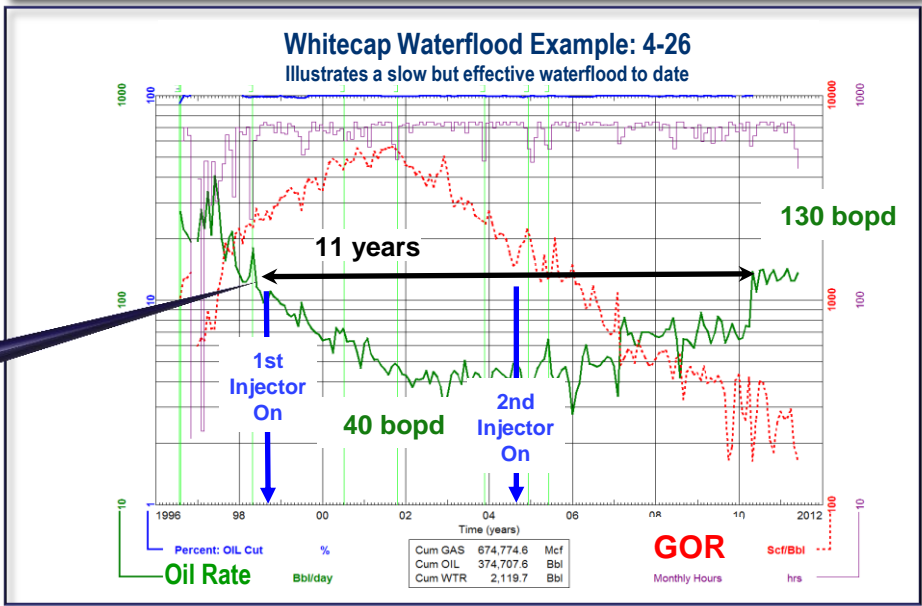
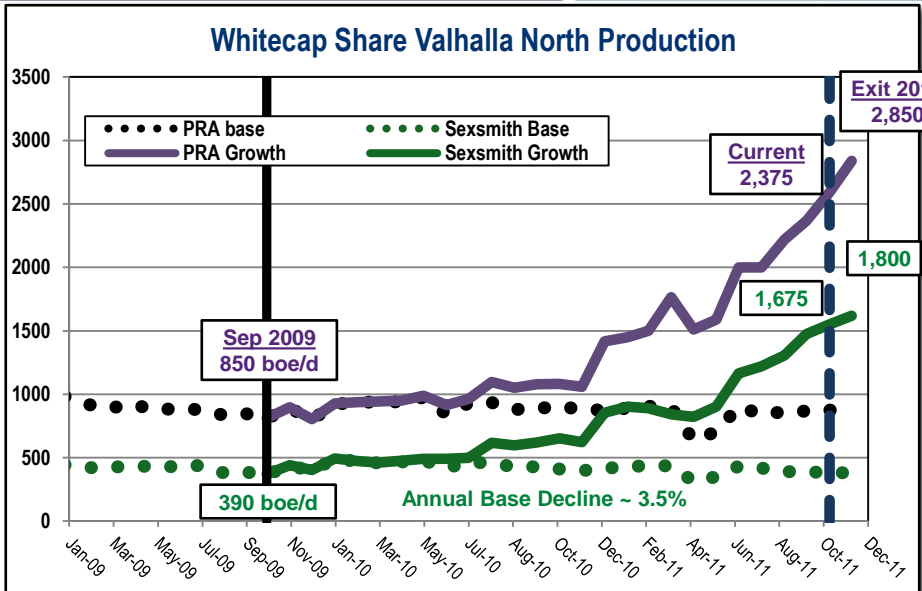
Montney Waterflood - Value Growth Project



- Provides a balance between production and reserves growth
- Production growth – drilling and waterflood
 - 179% increase in total production since Sept 2009
 - 84% share of growth from Montney Sexsmith
 - 16% share of growth from secondary targets
 - Forecast net production of 2,850 boe/d by year end
 - increase of 235% from Sept 2009
- Value growth – waterflood optimization
 - Existing waterflood performance exceptional
 - Accelerate & expand the flood to the entire pool

Optimize waterflood economics by accelerating production response with more injection

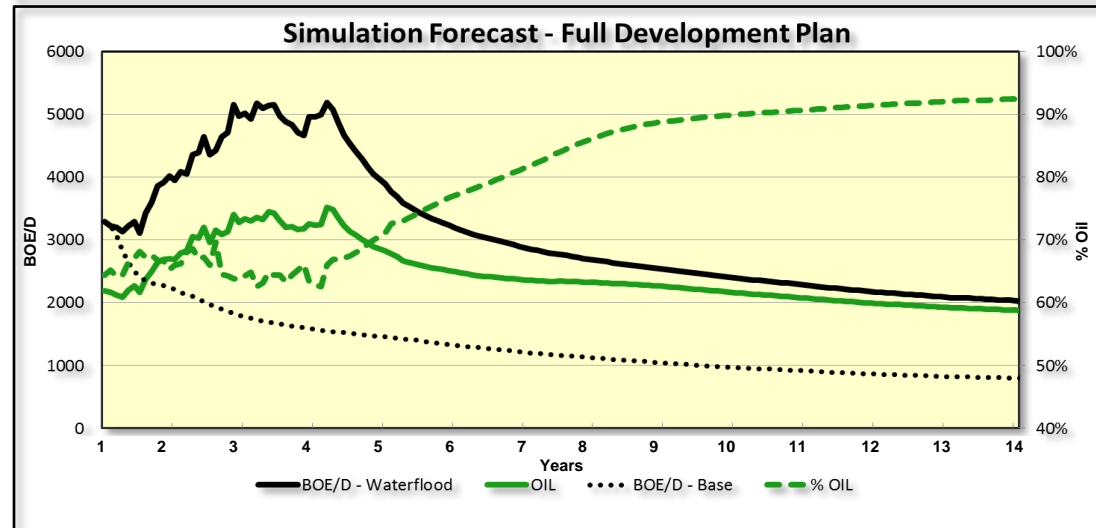
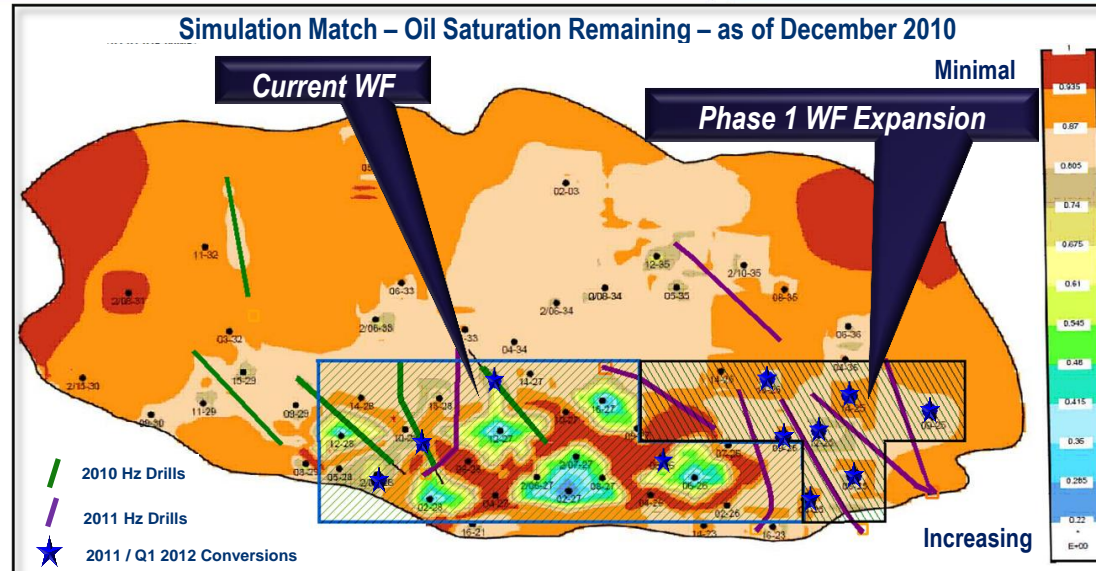
**After 11 years still increasing oil rate!
Add more injectors to speed up the response to entire pool.**



Valhalla Montney Waterflood Plan



- **Large oil in place, minimal recovery**
 - Less than 1/2 of recoverable oil being accessed under current development
 - Only 25% of pool under waterflood
 - 53 producers with 7 injectors
- **Expansion of waterflood underway**
 - Phased approach to waterflood
 - Increasing number of injectors from 7 to 17 by Q1 2012
 - Full development by 2014 - 2015
 - 57 producers (27 Hz), 37 injectors (11 Hz)
 - 5,000 to 6,000 boe/d current forecast
- **DPIIP 83 MMbbls**
 - Recovered to date 9% (7.6 MMbbls)
 - Expected ultimate recovery ~40% (33 MMbbls)
 - 80% risk on recovery



Net unbooked reserve value \$260 MM

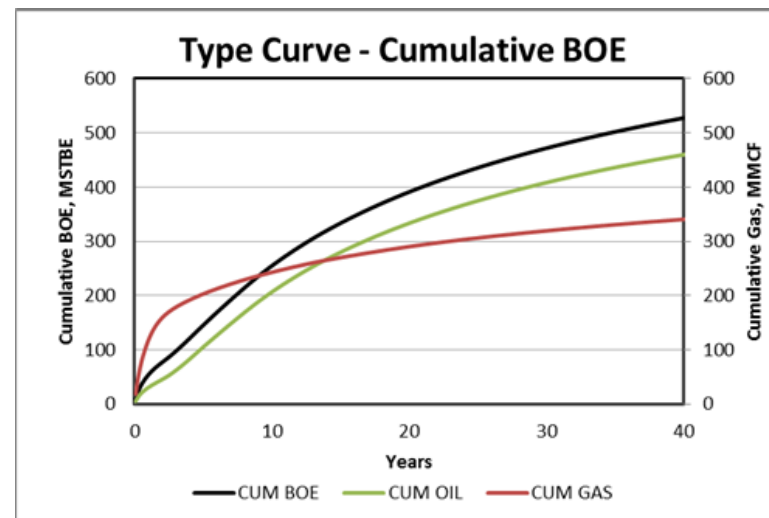
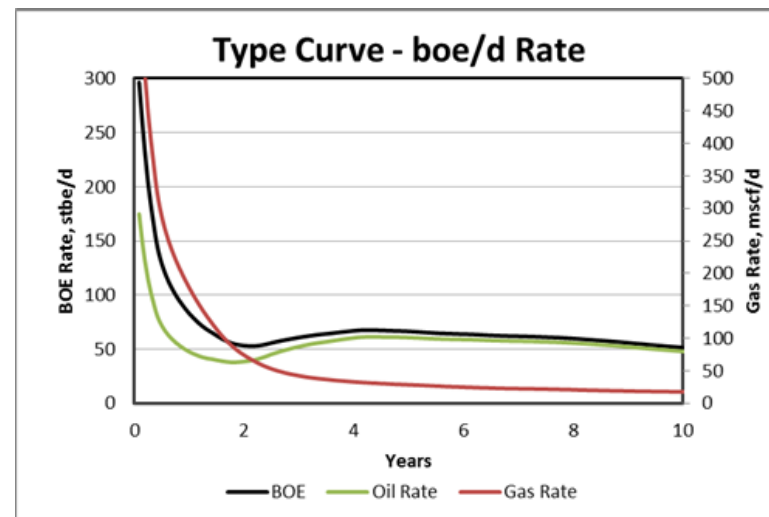
Scenario	Ultimate Recovery
Base development	14.5 MMbbls
Full development - oil	33 MMbbls

Valhalla North Economics and Type Curves



Average Well

	WTI \$US/bbl	\$80.00	\$90.00	\$100.00
DCE&T (\$MM)		\$4.80	\$4.80	\$4.80
Production, IP 3 months (boe/d)		230	230	230
Reserves (Mboe)		550	550	550
Oil (%)		80%	80%	80%
NPV BT ₁₀ (\$MM)		\$4.80	\$6.36	\$7.77
Profit to investment ratio		1.0	1.3	1.6
Rate of return (%)		32%	41%	50%
Payout (years)		3.3	2.7	2.3
Reserve cost (\$/boe)		\$8.73	\$8.73	\$8.73
Production efficiency (\$/boe/d)		\$20,870	\$20,870	\$20,870
Initial operating netback (\$/boe/d)		\$51.00	\$59.00	\$64.00



Type curve reflects "average well" including injection wells

Valhalla Montney Upside Summary



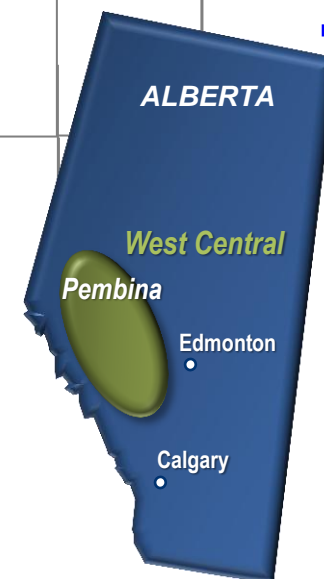
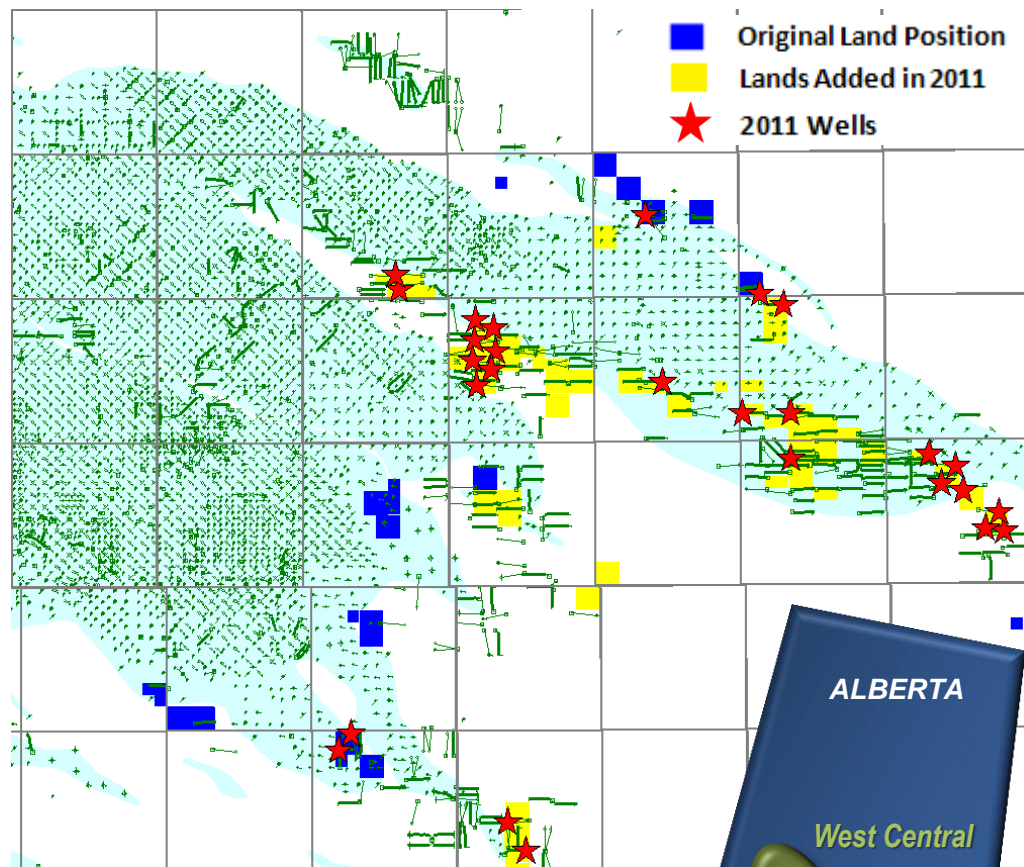
	Montney Sexsmith	Middle Montney	Total
Gross			
DPIIP (MMbbbls)	83	38	121
Total – unbooked (MMboe)	26	14	40
Incremental FDC ⁽¹⁾ (\$MM)	\$56	\$37	\$93
Risk on recovery (COS%)	80%	70%	–
Net			
Incremental reserves upside (MMboe)	13	6	19
WCP potential risked value upside (\$MM)	\$260	\$116	\$376
WCP per share risked upside (\$/basic share)	\$3.60	\$1.61	\$5.21

(1) FDC = future development capital

Pembina Cardium Light Oil Growth Potential



- **Strong concentration in East Pembina**
 - Light sweet oil (41° API)
 - High netbacks
 - **Contiguous land base and infrastructure**
 - Lower DCE&T costs
 - Improved drill to onstream times
 - Low operating costs (\$8.60/boe)
 - Consistent, good results
 - **Experience with horizontal Cardium wells**
 - Currently have 75 horizontal producers
 - Majority of wells above expectations
 - New Cardium Hz wells \$68/boe netback⁽¹⁾
- **Cardium growth potential is substantial**
 - **Current identified net DPIIP (210 MMbbls)**
 - Expected recovery factor at 10 – 15%
 - Current Hz well inventory of 166 wells (based on 4 wells/section)
 - Drilling 14 Hz wells in Q4 2011, 36-38 in 2012
 - Production growth to 5,400 boe/d in 2012



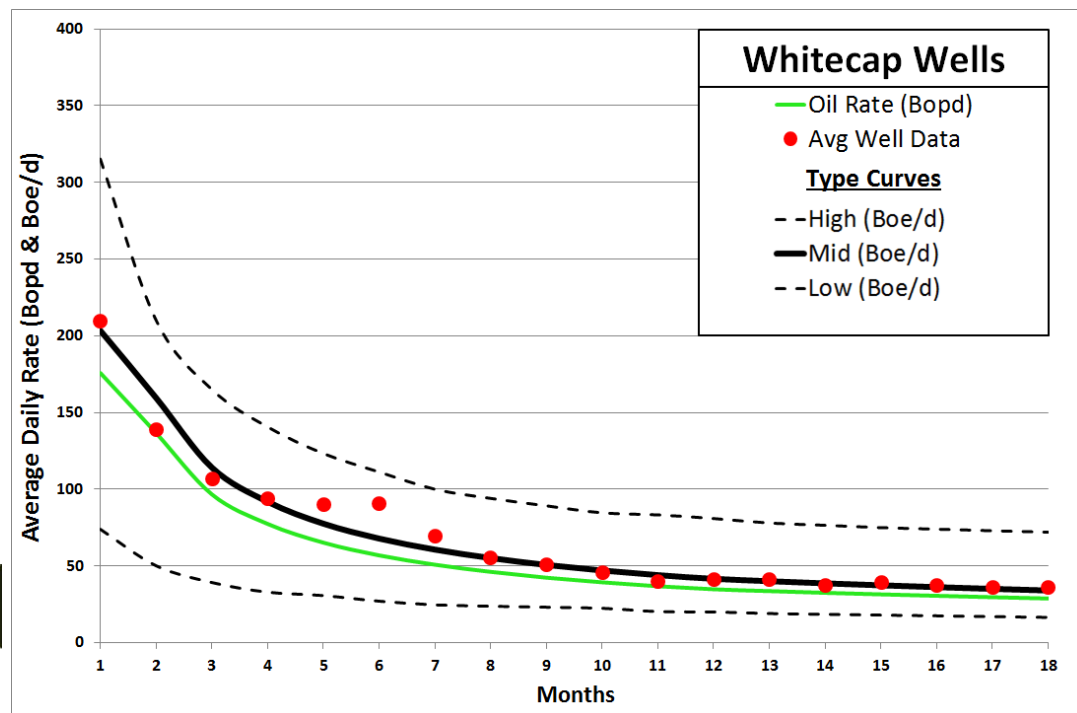
(1) Based on US\$90/bbl WTI, C\$3.50/GJ, 0.98 US\$/C\$

Pembina – Excellent Results to Date



- Rapidly climbing the learning curve
 - Using 18 frac stages per well
 - Using foamed water frac
 - \$2.2MM drill & complete cost per well (\$2.5MM including tie-in)
 - Expect 150+ Mbbbls per well on average; 35% higher than current booking
- Apply learning to large resource base DPIIP 210 MMbbls
 - Recovered to date 0.4% (0.81 MMbbls)
 - Primary EUR ~12% (24.7 MMbbls) ⁽¹⁾
 - 80% risk on recovery

Cardium Horizontal Type Curves



Net unbooked reserve value \$314MM

- Waterflood initial scoping is underway
 - Contiguous land base and infrastructure will allow low cost secondary recovery program
 - Potential recovery factor increase from 12 to 20+%
 - 2012 pilot program planned

(1) Based on US\$90/bbl WTI, C\$3.50/GJ, 0.98 US\$/C\$



East Pembina Cardium Horizontals

WTI \$US/bbl	\$80.00	\$90.00	\$100.00
DCE&T (\$MM)	\$2.5	\$2.5	\$2.5
Production, IP 3 months (boe/d)	150	150	150
Reserves (Mboe)	150	150	150
Oil (%)	90%	90%	90%
NPV BT ₁₀ (\$MM)	\$2.37	\$3.11	\$3.74
Profit to investment ratio	0.9	1.2	1.5
Rate of return (%)	52%	74%	98%
Payout (years)	1.8	1.4	1.1
Reserve cost (\$/boe)	\$16.70	\$16.70	\$16.70
Production efficiency (\$/boe/d)	\$16,700	\$16,700	\$16,700
Initial operating netback (\$/boe/d)	\$59.00	\$68.40	\$76.50

Fosterton South – Oil Recovery Optimization



- **Whitecap Roseray – DPIIP 21 MMbbls**

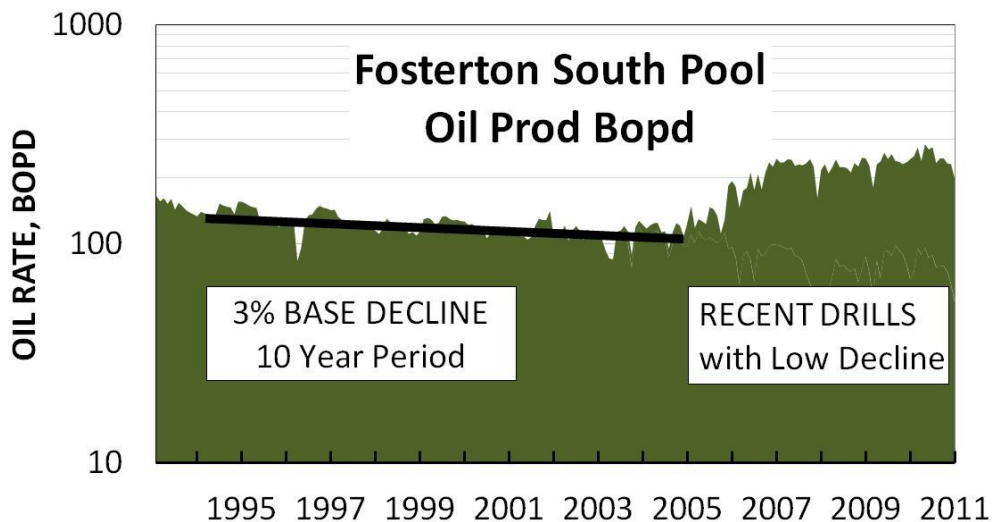
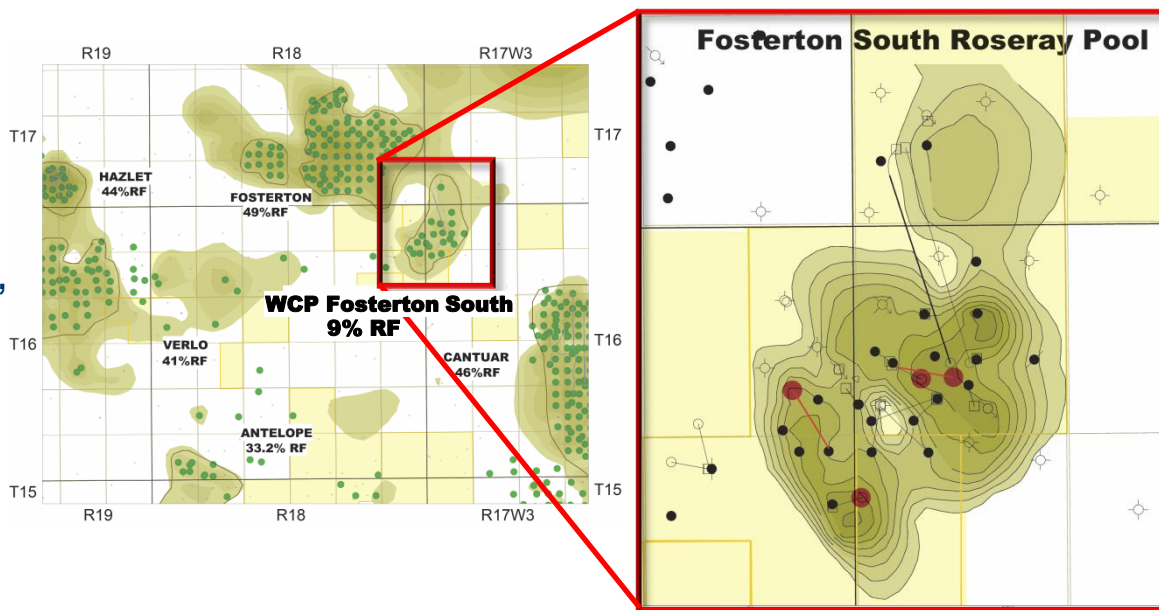
- Shallow decline
 - Low recovery to date 9% (1.9 MMbbls)
 - Expected Ultimate Recovery ~40% (8.4 MMbbls)
- Optimize oil recovery through downspacing, horizontal drilling and waterflood
- Facility and infrastructure expansion

- **Exceptional oil economics**

	<u>Vertical</u>	<u>Horizontal</u>
DCE&T (\$MM)	\$0.7	\$1.2
Reserves (Mboe)	76	128
NPV BT ₁₀ (\$MM)	\$1.47	\$3.42
Profit to investment ratio	2.1	2.9
Rate of return (%)	81%	200%

Net unbooked reserve value \$80 MM

- **Additional oil upside zones: Success and Cantuar**



Whitecap Stand Alone



	2010	2011e	% Change
Operational			
Average production (boe/d)	1,433	5,600	291%
Per MM share – basic	62	89	44%
Exit production (boe/d)	3,200	8,300	159%
% oil + NGLs	55%	67%	12%
E&D capital (\$MM)	\$42	\$135	221%
Wells drilled (gross #)	17	58	241%
Financial			
Operating netback (\$/boe)	29.50	\$45.50	54%
Cash flow (\$MM)	\$12	\$86 ⁽¹⁾	617%
Per share – basic	\$0.51	\$1.36	167%
Year end net debt (\$MM) ⁽²⁾	\$30	\$154	

(1) Q4 2011 US\$90/bbl WTI, AECO C\$3.50/GJ, 0.98 US\$/C\$

(2) Current borrowing base at \$190MM



Q4 2011 Hedging Summary

Type	Volume (bbls/d)	Price (C\$/bbl WTI)
Q4 swaps	2,000	\$104
Q4 collars	800	\$82 / \$107
Q4 swaps	4,200 mcf/d	\$4.13/mcf
<i>45% of Q4 production hedged</i>		

2012 Hedging Summary

Type	Volume (bbls/d)	Price (C\$/bbl WTI)
1H swap	2,200	\$98
1H collar	750	\$82 / \$107
<i>33% of 1H production hedged</i>		
2H swap	1,000	\$103
2H collar	600	\$80 / \$108
<i>17% of 2H production hedged</i>		

Increased 2012 Pro Forma Guidance



	WCP	Pro Forma	% Increase
Operational			
Average production (boe/d)	9,000 - 9,200	10,600 - 11,000	20%
Per MM share – basic	127	135	6%
Exit production (boe/d)	9,900 - 10,100	11,800 - 12,200	21%
E&D capital (\$MM)	\$150	\$185	23%
Wells drilled (gross #)	65	95	46%
Financial			
Operating netback (\$/boe)	\$47.00	\$48.50	3%
Cash flow (\$MM) ⁽¹⁾	\$142 - \$145	\$173 - \$179	23%
Per share – basic	\$1.97 - \$2.01	\$2.13 - \$2.20	9%
Year end net debt (\$MM) ⁽²⁾	\$161 - \$164	167 - 173	7%

(1) US\$90/bbl WTI, AECO C\$3.50/GJ, 0.98 US\$/C\$

(2) Current borrowing base at \$190 MM. Anticipated pro forma borrowing base of \$250 MM.

The Whitecap Investment Opportunity



Experienced & Motivated Team

- Track record of success – knowledgeable, determined and care

Sound Capital Structure

- Objective: per share growth combined with prudent debt management

Strong Balance of Value & Cash Flow Growth Potential

- Stable production base with 507 low risk drilling inventory for organic growth
- Secondary oil recovery upside potential on majority of reserves base

The Investment Opportunity

- Low decline, high netback, light oil weighted growth company
- Significant component of unrealized upside value





Current Price Targets

- **AltaCorp Capital** **\$9.75**
- **Casimir Capital** **\$11.25**
- **Cormark Securities** **\$11.00**
- **Desjardins Capital Markets** **\$11.00**
- **Dundee Securities Ltd.** **\$10.25**
- **FirstEnergy Capital** **\$10.00**
- **GMP Securities** **\$11.00**
- **Haywood Securities** **\$11.75**
- **Macquarie Equity Research** **\$11.00**
- **National Bank Financial** **\$10.50**

Note Regarding Forward-Looking Statements



Special Note Regarding Forward-Looking Statements and Forward-Looking Information

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Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this presentation are made as of the date hereof and Whitecap undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Barrels of Oil Equivalent

"Boe" means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.





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