



SUSTAINABLE LIGHT OIL  
GROWTH + INCOME PLATFORM



	TSX: WCP
• Shares outstanding (MM)	
– Basic	298.2
– Fully diluted	303.1
• Market capitalization (\$B)	\$4.2
• Annual dividend (\$/share)	\$0.75
• 2015 average production (boe/d)	39,700
– % oil + NGLs	76%
• 2015 netback (\$/boe)	
– Operating	\$36.80
– Cash flow	\$32.60
• Reserves (MMboe) <sup>(1)</sup>	
– Proved	182.2
– P+P	250.7
– RLI (years)	15.6
• Oil development inventory	3,066

Note: 2015 WTI US\$56.00/bbl, C\$/US\$0.82, Edmonton Par Differential (US\$6.25/bbl) and AECO C\$2.50/GJ.

# Whitecap Acquisition Rationale – Beaumont (Kerrobert Viking)

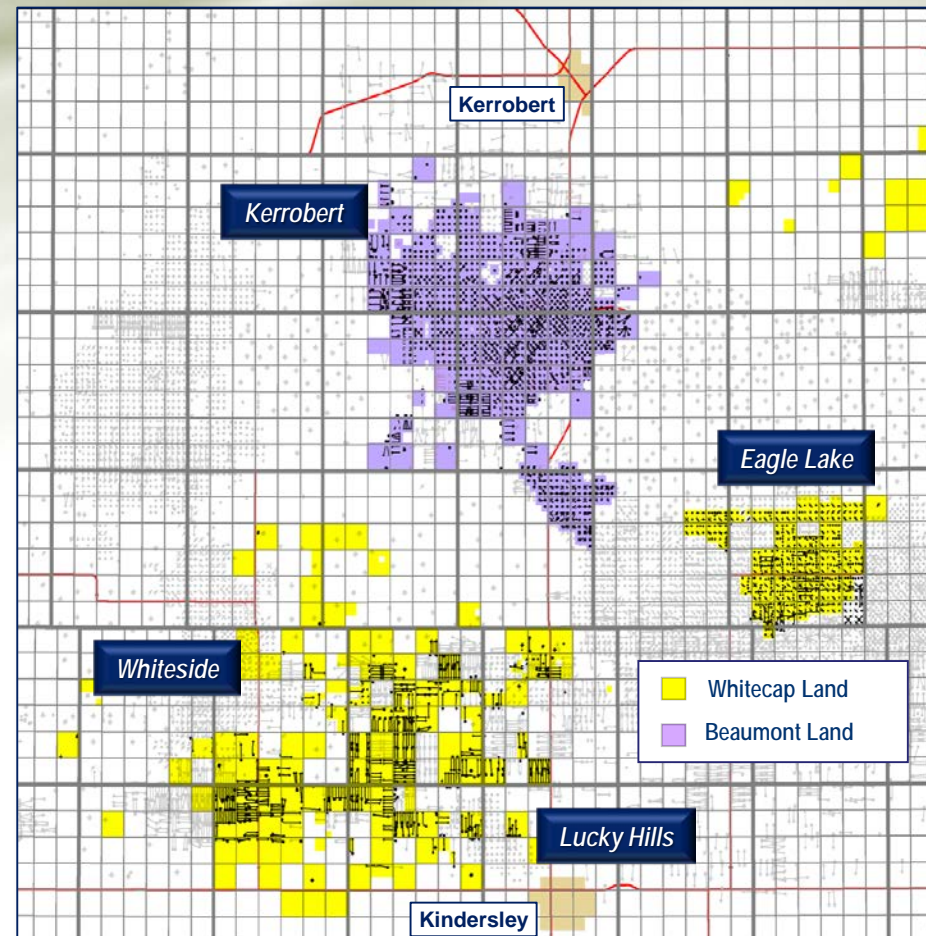


## Overview

- Adds another active waterflood to production base
- Increases light oil weighting to 76% from 75%
- Improves cash flow netback by 5% to \$32.20/boe
- Increases RLI to 15.6 years
- Adds significant high netback drilling inventory

## Qualities of a premier Viking asset

- Predictable type curve with exemplary economics
  - 10 years of drilling inventory
- High netback and recycle ratio
  - Avg royalty rate at 1.6%
- Large underexploited resource base (OOIP)
- Operated with a 98% WI
- Personnel synergies within 30km of current Viking assets
- Contiguous land base conducive to waterflood and ERH
- Waterflood potential proven and progressing
  - <3% of 2P reserves are attributed to waterflood



# Long Term HZ Drilling and Waterflood Resource



## • Beaumont

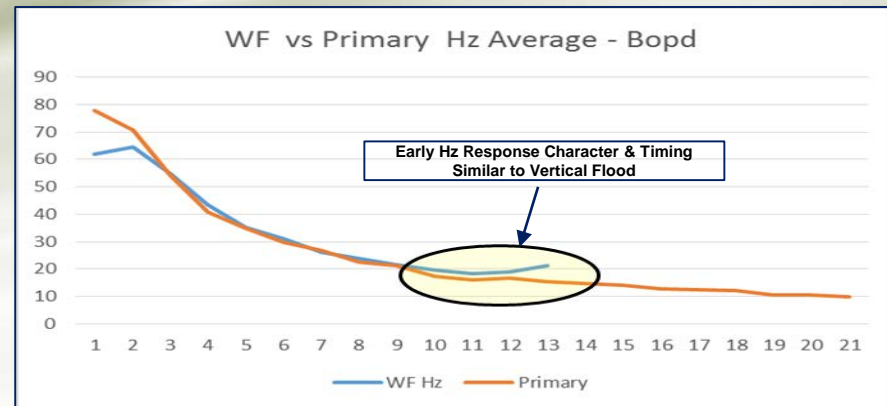
- 5,100 boe/d (97% oil + NGLs), 31.47 MMboe P+P
- 247 HZ producers, 2 oil batteries, pipeline connected
- 715 (700 net) HZ locations
- Contiguous land base of 70+ sections
- Close proximity to WCP Lucky Hills and Eagle Lake

## • Waterflood quantified and derisked

- 17 sections being flooded, 122 injectors
- Total of 37 approved for waterflood
- ~20,000 bwpd being injected
- Analog pools recovery to date 14-17%

## • Gross OOIP 684 MMbbls (670 MMbbls net)

- Current RF = 4.4%
- Possible oil RF<sup>(3)</sup> = 14%
  - 65.7 MMbbls (64.3 MMbbls net) upside



- Original vertical development from 1981 - 1986
- Waterflooded from 1986 - 2005 in 4 sections (4% of pool)
- Beaumont purchased in Dec 2012
- Drilled 229 HZ producers 2013 - 2015
- Increased production from 690 to 5,100 boe/d
- Re-established waterflood with 122 injectors in 17 sections (22%)
- Current injection 12,000 bwpd, increasing to 20,000 bwpd



- ✓ Balance Sheet Strength
  - ✓ Managing Production Growth Rate
    - ✓ Capital Discipline
      - ✓ Monitoring Cost of Services
        - ✓ Total Payout Ratio Focus
          - ✓ Long Term Sustainability Objective



**MOTIVATED PEOPLE + QUALITY ASSETS + FOCUS = SUCCESS**

- **Founding Principles**

- Employees are shareholders
- Light oil focus
- Per share growth (cash flow, production, reserves and NAV)

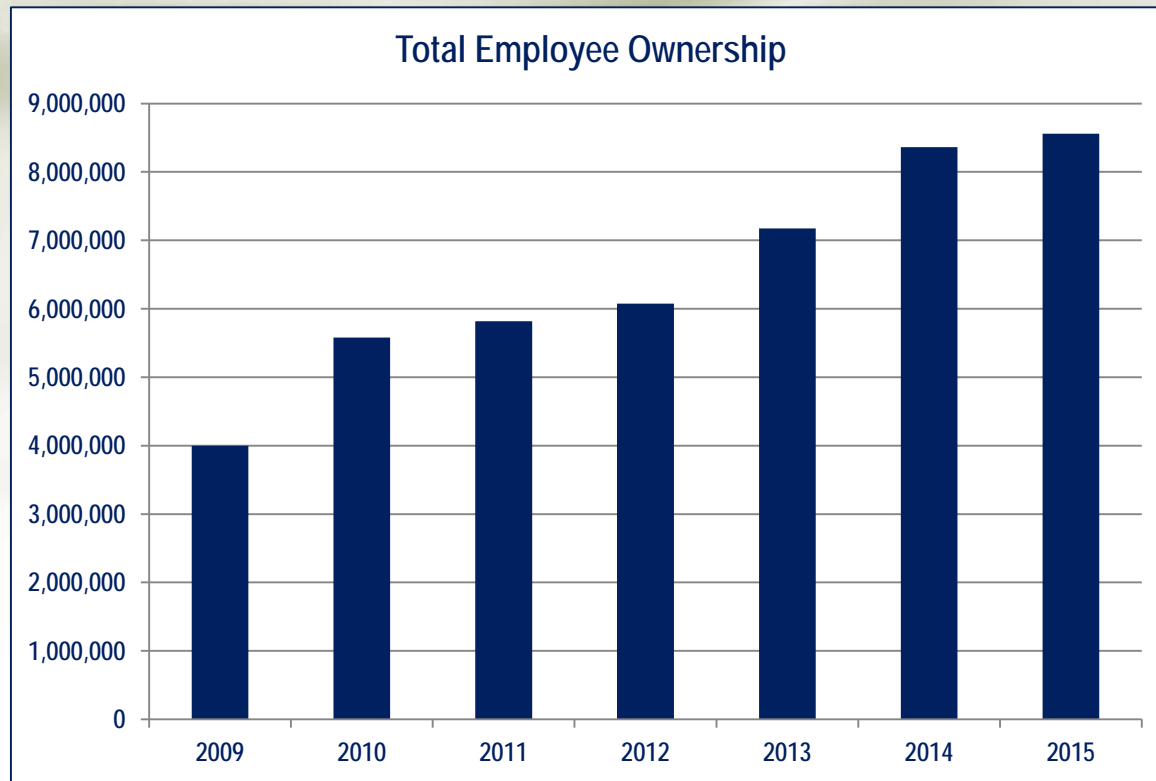
- **Execution Strategy**

- Accumulate sustainable assets with growth potential
  - large DOIIP with low current recovery factors
  - repeatable and expandable capital projects
- Develop and optimize acquired assets
  - optimize capital and operating efficiencies, enhance netbacks
  - stabilize production and suppress declines
- Expand core operating areas – increase recoverable resource
  - complementary “tuck-in” acquisitions for future growth



**Total Shareholder Return > 10% / annum**

# WCP Employee Share Ownership



- Since 2009 insiders increased common share ownership by 120%
- 8.6MM common shares owned by insiders and employees
- >\$125MM of capital at risk currently

# 2015 Outlook



	2014	2015	% Change
<b>Operational</b>			
Average production (boe/d)	32,458	39,700	22%
Development capital (\$MM)	\$324	\$235	(27%)
Wells drilled (gross)	169	129	(24%)
<b>Financial</b>			
Cash flow netback (\$/boe)	\$41.00	\$32.60	(20%)
Cash flow (\$MM)	\$487	\$472	(3%)
• per share	\$2.08	\$1.63	(22%)
Total dividend (\$MM)	\$170	\$213	25%
• annual per share	\$0.73	\$0.75	3%
Total payout ratio	101%	95%	(6%)
Debt/cash flow	1.7x	1.7x	-

Note: 2015 WTI US\$56.00/bbl, C\$/US\$0.82, Edmonton Par Differential (US\$6.25/bbl) and AECO C\$2.50/GJ.

# 2015 Whitecap Sustainability



Oil (US\$WTI)	\$56.00	\$65.00	\$75.00	\$85.00
Edm Par Diff (US\$WTI)	(\$6.25)	(\$6.25)	(\$6.25)	(\$6.25)
FX (C\$/US\$)	\$0.82	\$0.83	\$0.84	\$0.85
AECO (C\$)	\$2.50	\$2.50	\$2.50	\$2.50
CF netback (\$/boe)	\$32.60	\$36.70	\$40.45	\$44.15
Average production target	39,700	39,700	39,700	39,700
<b>\$MM</b>				
Cash flow	\$472	\$532	\$586	\$640
Development capital	(\$235)	(\$235)	(\$235)	(\$235)
Dividend	(\$213)	(\$213)	(\$213)	(\$213)
Free cash flow	\$24	\$84	\$138	\$192
<b>Total payout ratio</b>	<b>95%</b>	<b>84%</b>	<b>76%</b>	<b>70%</b>
<b>D/CF</b>	<b>1.7x</b>	<b>1.4x</b>	<b>1.2x</b>	<b>1.0x</b>



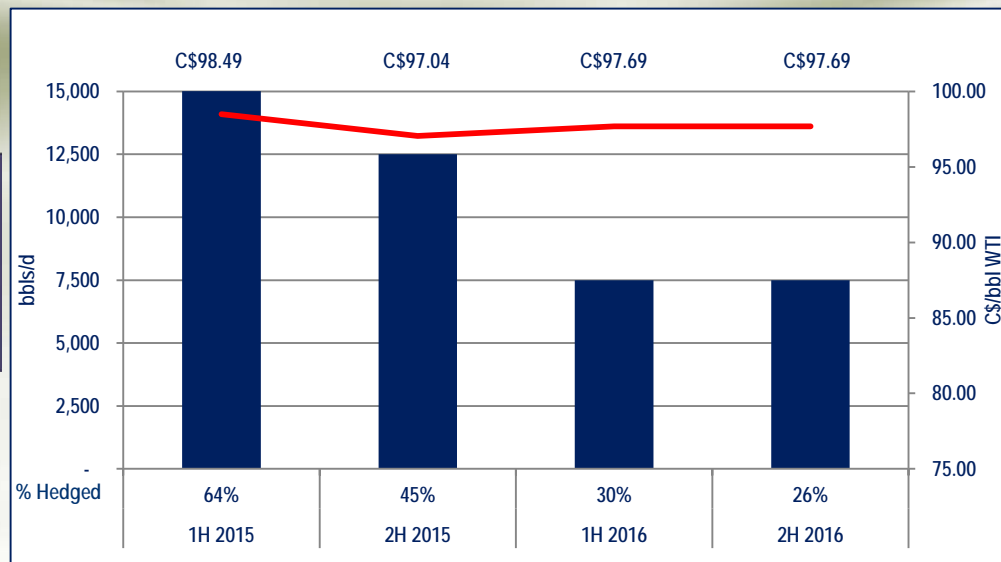
## 2015 Cash Flow Sensitivities and Assumptions

Parameter	Annual Base	Sensitivity	Impact (\$000s)
Oil price (US\$WTI)	\$56.00	+/- \$1.00	\$5,700
Gas price (C\$/GJ AECO)	\$2.50	+/- \$0.10	\$700
Production (boe/d)	39,700	+/- 100	\$1,200
Cash flow netback (\$/boe)	\$32.60	+/- \$0.10	\$1,500
Interest rate (%)	3.75	+/- 0.25	\$1,200
Exchange rate (CAD/USD)	\$0.82	+/- \$0.01	\$3,100

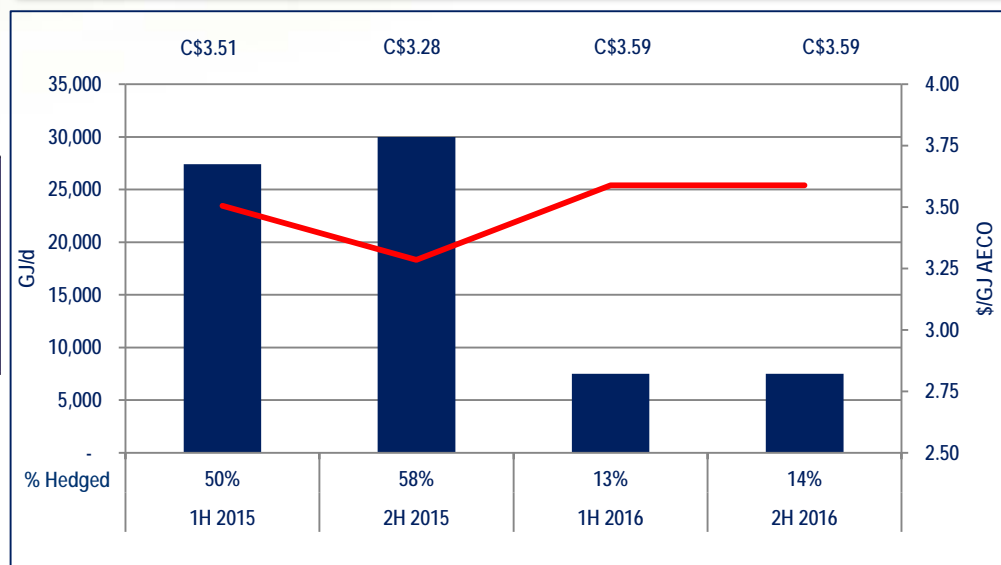
# Financial Prudence and Risk Management



## Oil Hedges



## Gas Hedges



### Objective:

- 1) Mitigate price volatility
- 2) Cash flow predictability for stable dividend payments and capital reinvestments
- 3) Hedge up to 75% for 3 years

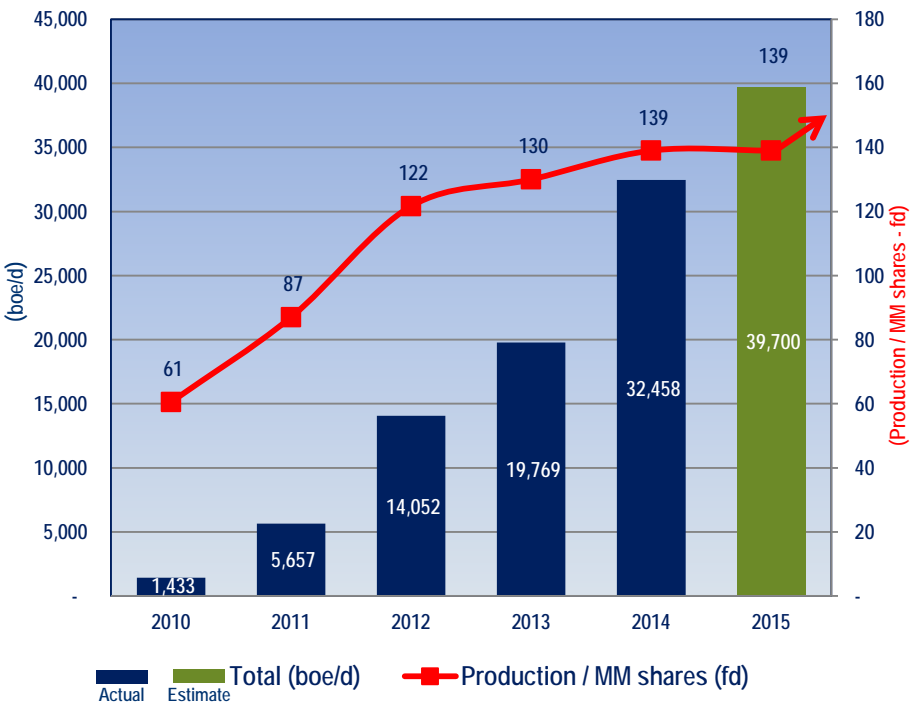


The 2015 crude oil hedges include 2,500 bbls/d based on current strip price of \$67.98 CDN WTI plus a locked in premium of \$29.27. The 2016 crude oil hedges include 1,500 bbls/d based on current strip price of \$74.81 CDN WTI plus a locked in premium of \$25.08.

# Results and Track Record

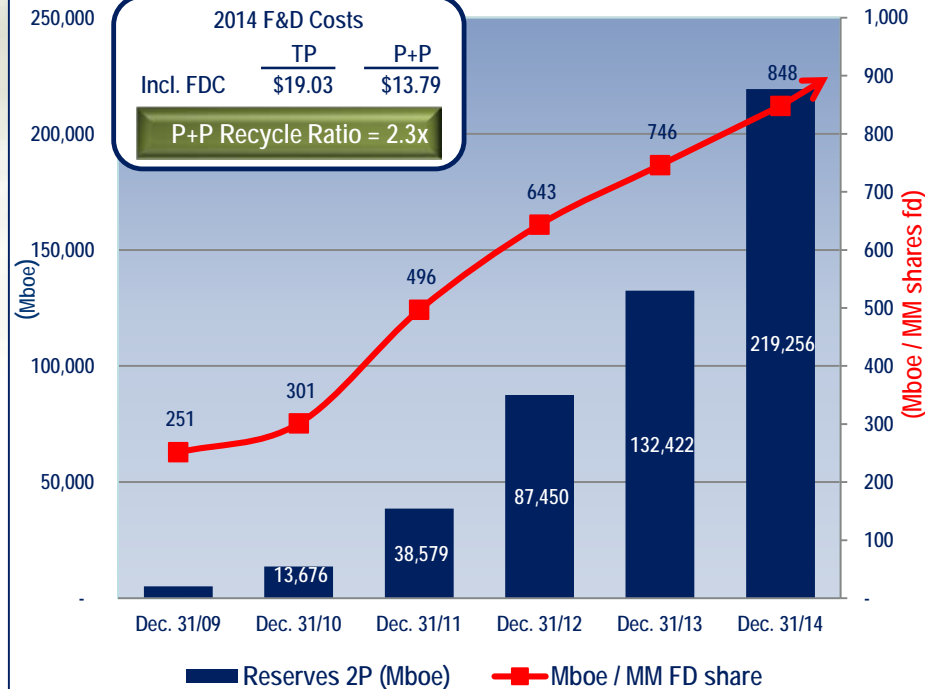


Production/Share Growth



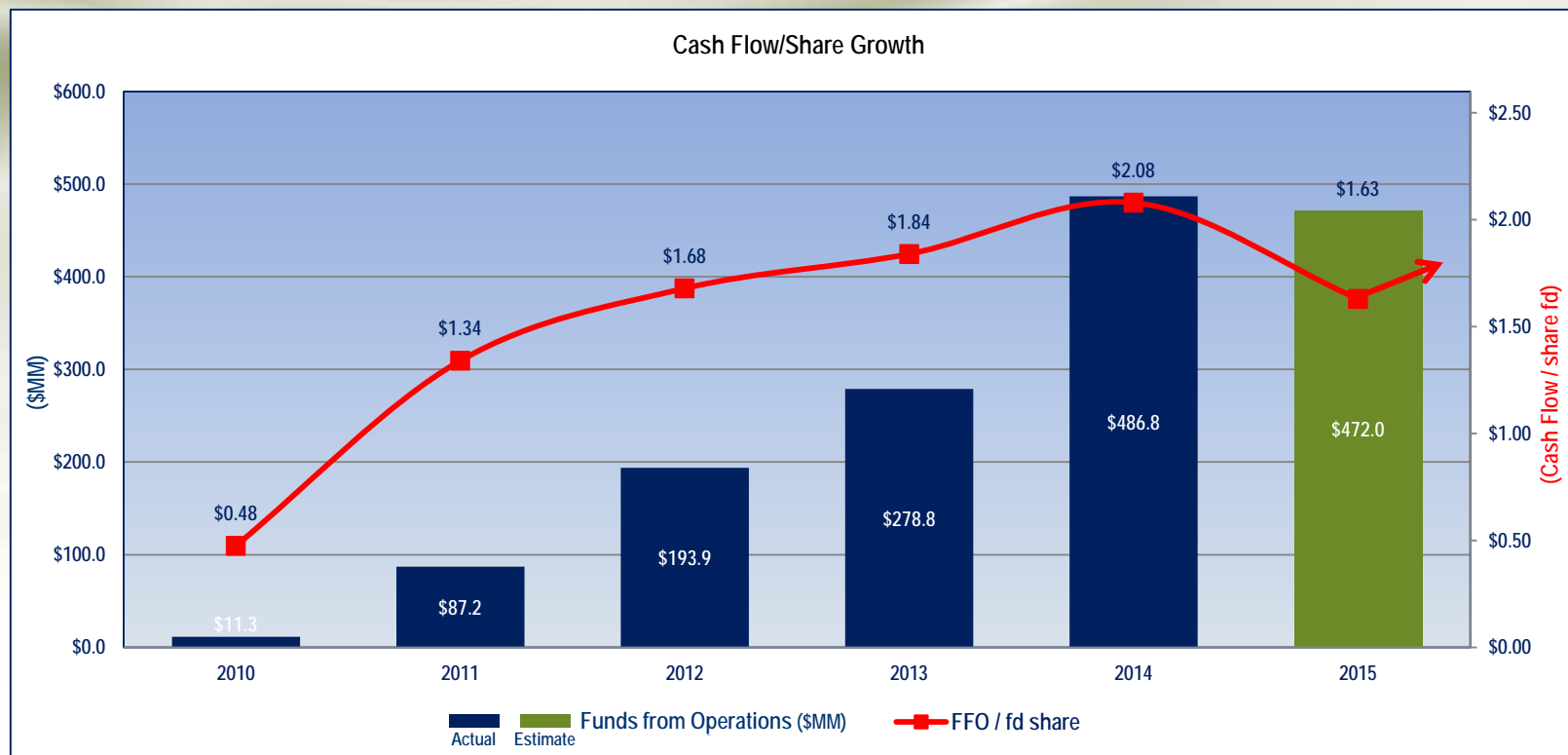
- 22% CAGR per share (2009 - 2014)
- 2014 increase of 7% per share
- Maintain production per share in 2015

2P Reserves/Share Growth



- 26% CAGR per share (2009 - 2014)
- 2013 increase of 16% per share
- 2014 increase of 14% per share

# Results and Track Record



- 34% CAGR per share (2010 – 2014)
- 2014 increase of 13% per share
- 2015e decrease of 22% per share
  - Avg WTI price decreasing 43% y/y from \$93.00/bbl

# \$1.8 Billion Value Created (September 2009 – December 2014)



Area	Purchase Price (\$MM) <sup>(1)</sup>	Capital Spent (\$MM) <sup>(2)</sup>	Total Cost (\$MM)	Total Cash Flow (\$MM)	Net Present Value (\$MM) <sup>(3)</sup>	Total Cash Flow plus NPV (\$MM)	Total Rate of Return (%)
NW Alberta	486.3	193.7	680.0	213.1	975.6	1,188.6	75%
Pembina	650.0	250.9	900.8	303.3	1,017.8	1,321.2	47%
Saskatchewan	623.9	201.8	825.7	311.4	1,099.4	1,410.8	71%
SW Alberta	972.0	253.6	1,225.6	330.7	1,221.0	1,551.7	27%
<b>Total<sup>(4)</sup></b>	<b>\$2,732.2</b>	<b>\$899.9</b>	<b>\$3,632.1</b>	<b>\$1,158.5</b>	<b>\$4,313.8</b>	<b>\$5,472.3</b>	<b>51%</b>

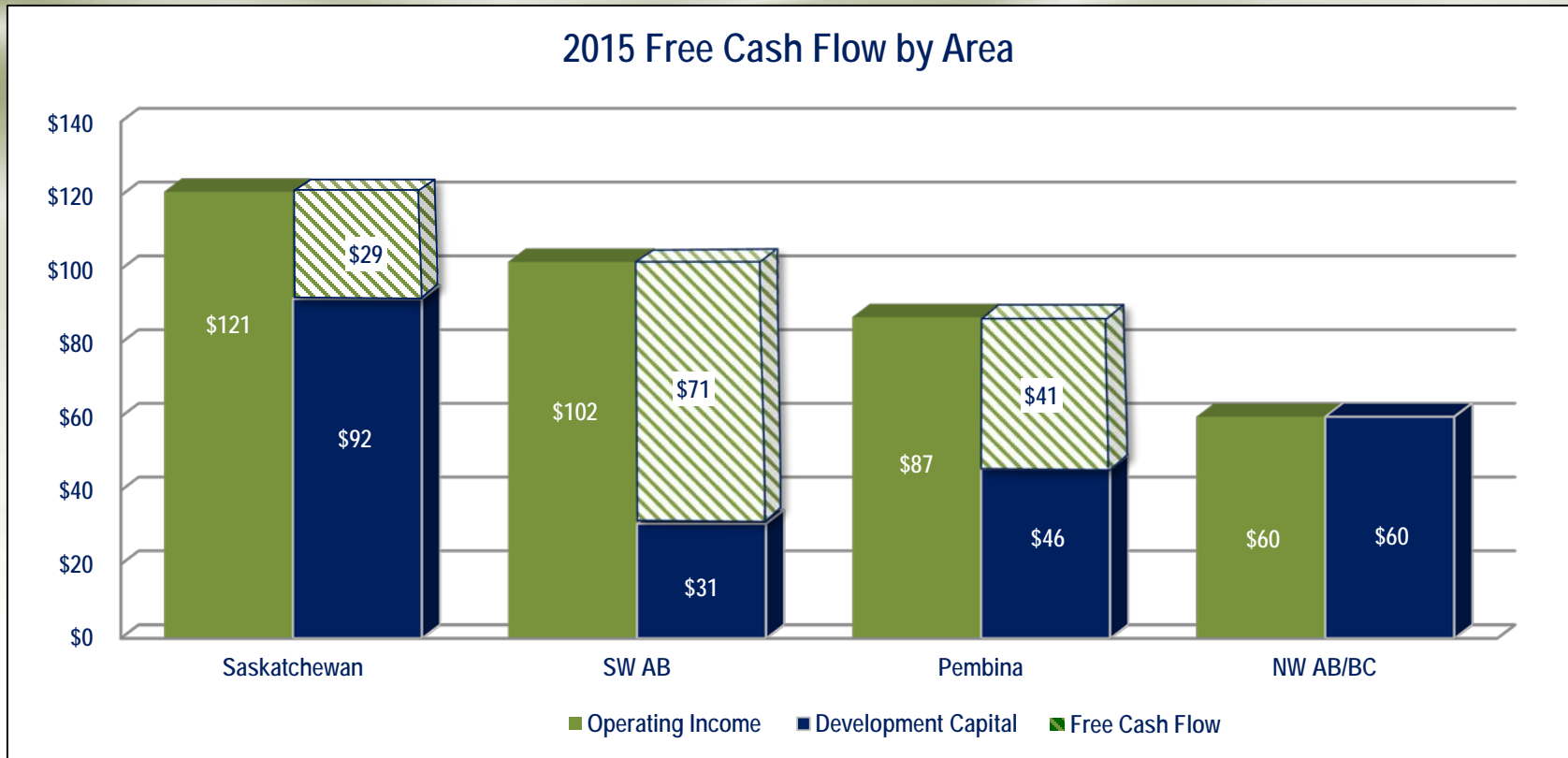
- *\$1.8 Billion Value Created*
- *51% Total Rate of Return*

# 7 Key Attributes to WCP Growth + Dividend Strategy



- Focus on organic per share growth (3 - 5% per year) within cash flow, supplement with accretive acquisitions
- Conservative total payout ratio and strong balance sheet
- Provide sustainable dividend without DRIP, increase prudently
- Maintain predictable and stable production base
- Strong capital efficiencies in concentrated areas
- Large light oil development drilling inventory
- Management focus on total shareholder return

# Growth Within Cash Flow – Sustainable Asset Base

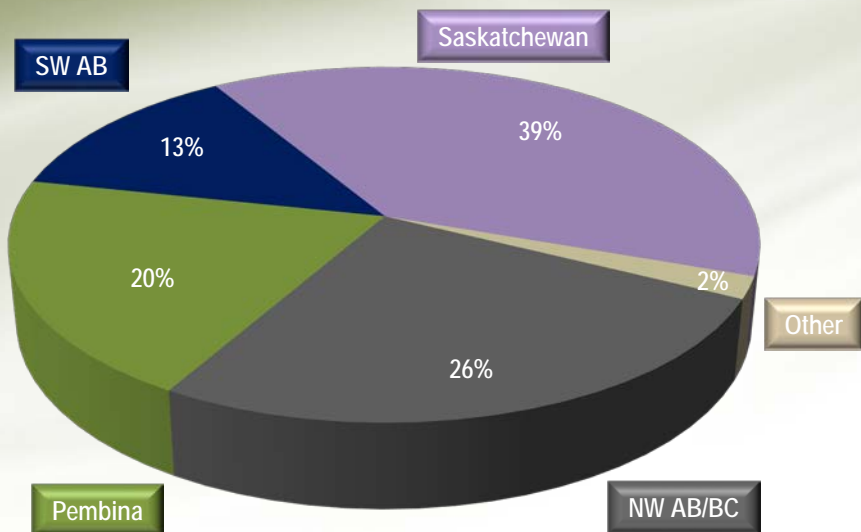


	\$MM	
Annual Forecast	2014	2015e
Cash Flow	\$487	\$472
Capex	(\$324)	(\$235)
Dividends	(\$170)	(\$213)
Total Payout Ratio	101%	95%

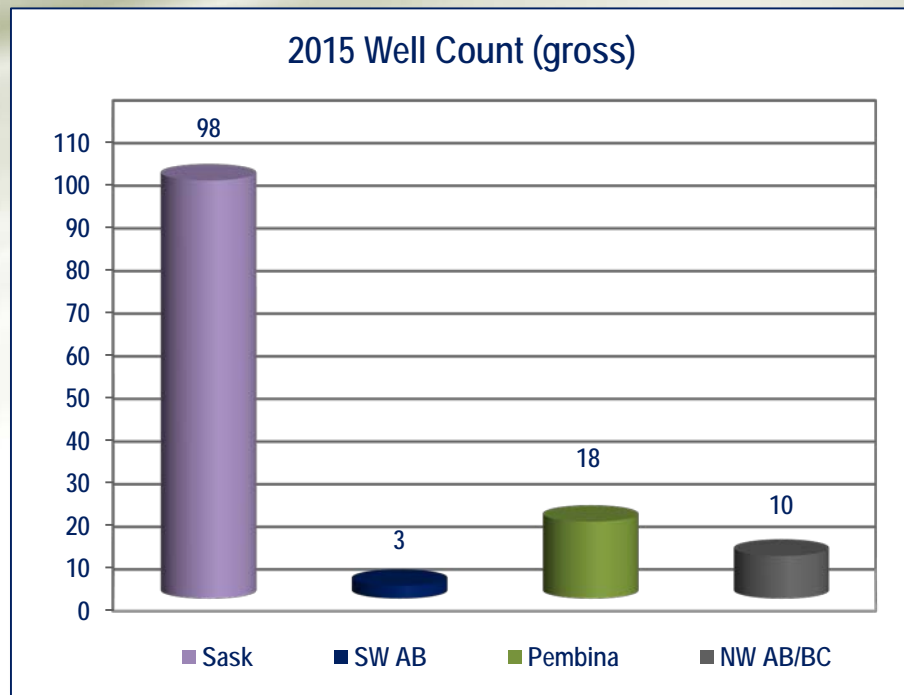
# 2015 Development Capital (Pro Forma)



2015 Capex by Area (%)



2015 Well Count (gross)



	2015
Development Capital (\$MM)	\$235
Wells (gross #)	129

# Core Areas of Operations



Boundary Oil	Drilling inventory	113
	2014/15 wells	0 / 3
	New well netback (\$/boe)	\$34

Montney Oil	Drilling inventory	61
	2014/15 wells	2 / 0
	New well netback (\$/boe)	\$29

Dunvegan Oil	Drilling inventory	125
	2014/15 wells	9 / 7
	New well netback (\$/boe)	\$26 - \$28

Cardium Oil	Drilling inventory	860
	2014/15 wells	41 / 21
	New well netback (\$/boe)	\$36 - \$40

Nisku Oil	New well netback (\$/boe)	\$27
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Viking Oil	Drilling inventory	1,855
	2014/15 wells	112 / 98
	New well netback (\$/boe)	\$36 - \$37

Development Inventory  $2,351 + 715 = 3,066$

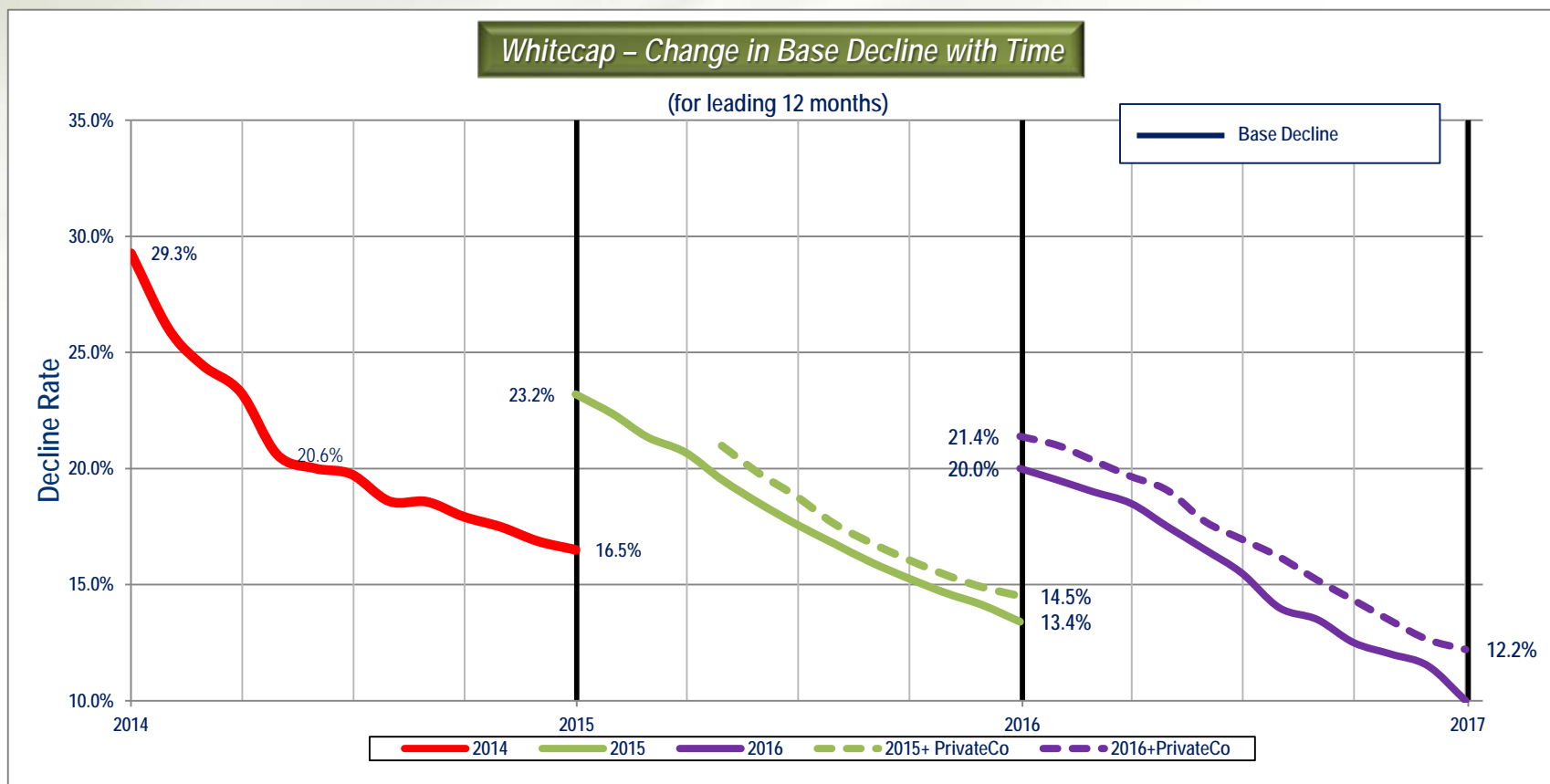
- 100% Light Oil
- 16+ Years inventory



# Predictable and Stable Production Base



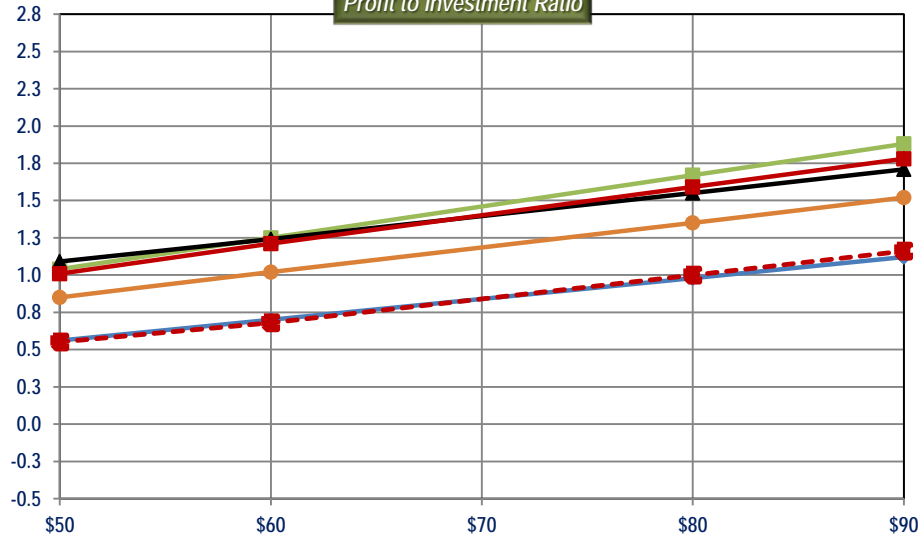
- Base and new well production is predictable and repeatable
- High level of certainty of achieving forecasted volumes
- Key characteristics:
  - Areally consistent reservoirs
  - Large resource in place, limited recovery to date
  - Statistically significant number of wells drilled and on production



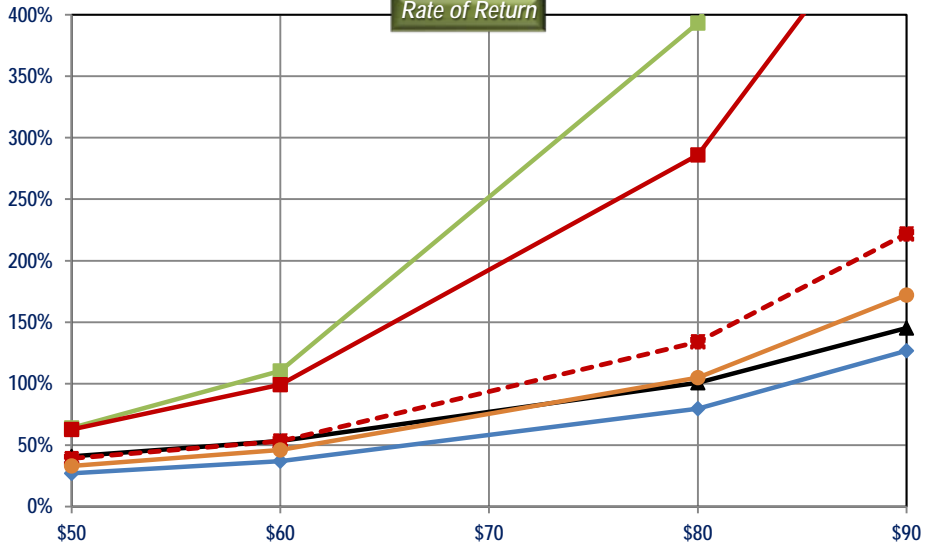
# Economic Sensitivities to WTI US\$/bbl



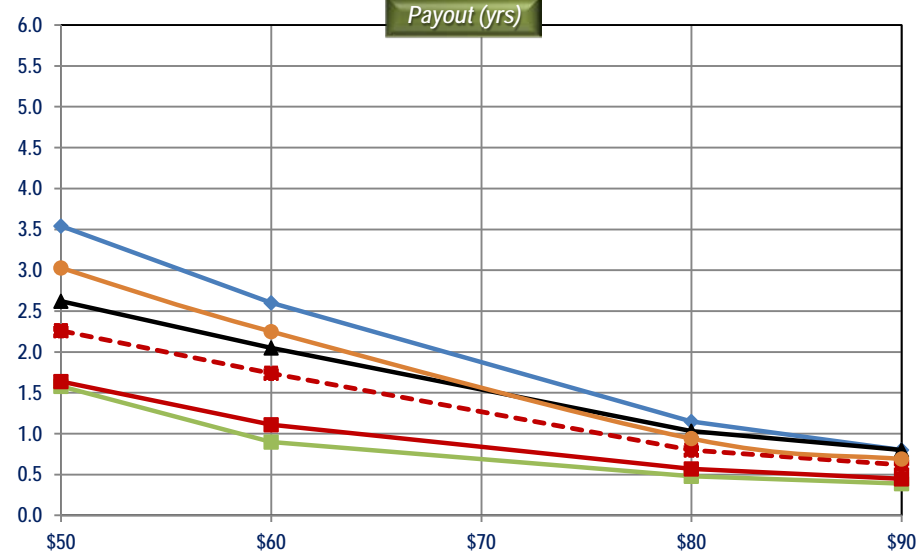
Profit to Investment Ratio



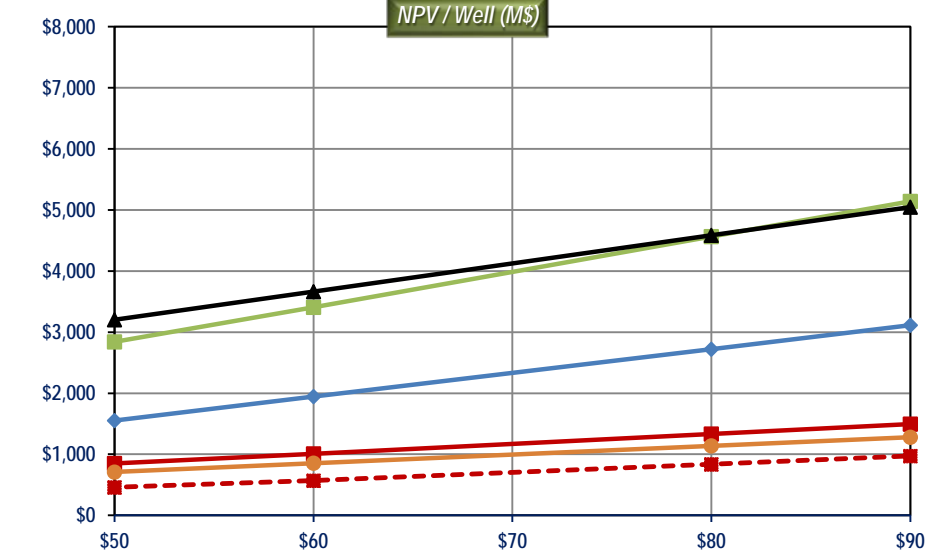
Rate of Return



Payout (yrs)



NPV / Well (M\$)



Note: Based on -US\$6.25 WTI/Edm Lt Diff, C\$2.50/GJ, CAD/USD 0.82

Legend: Garrington & East Pembina Cardium (blue diamond), West Pembina Cardium (green square), Viking - A (red square), Viking - B (dashed red square), Dunvegan (black triangle), Kerrobert WF (orange circle)

# Elnora Nisku Oil

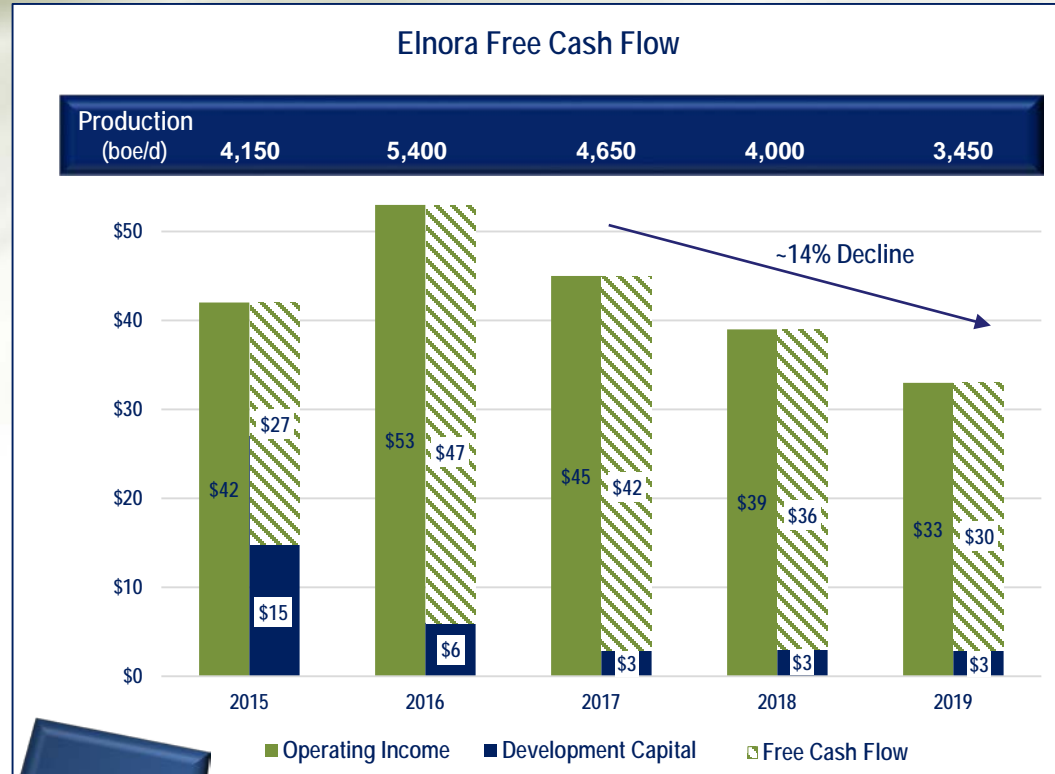


- Recently consolidated to 100% WI
- Operated, 35° API light sweet oil, focused asset
  - Largest Nisku oil discovery in the past 20 years
  - Nisku zone at 1,900m depth, 18 - 30m thick
  - \$27/boe netback (97% oil + NGLs), \$6/boe op cost
  - Conventional reservoir – 15 producing vertical wells
  - Waterflood – significant support provided by aquifer
- Low cost, low decline with controllable growth
  - Natural water drive supplemented with waterflood
  - Nearby analog pools with RF greater than 50%
  - Jan 2015 received waterflood approval
  - Increase production rate – reservoir testing
- Exceptional free cash flow

## Cumulative 5 Year (\$MM)

Cash Flow	\$212
Capital	<u>(\$30)</u>
FCF	\$182

- Gross DOIIP 30 MMbbls
  - Recovered to date = 5.5% (1.64 MMbbls)
  - Possible oil RF = 65% (3<sup>rd</sup> party simulation)



# Cardium Horizontal Resource Play



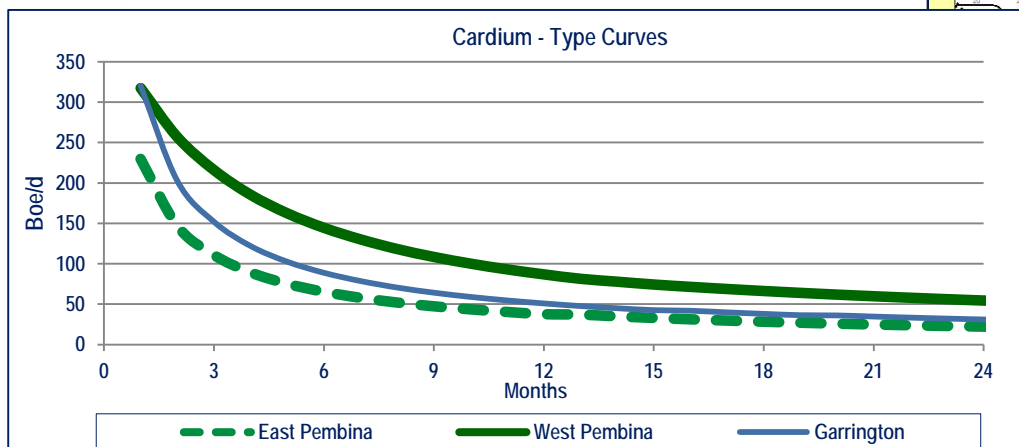
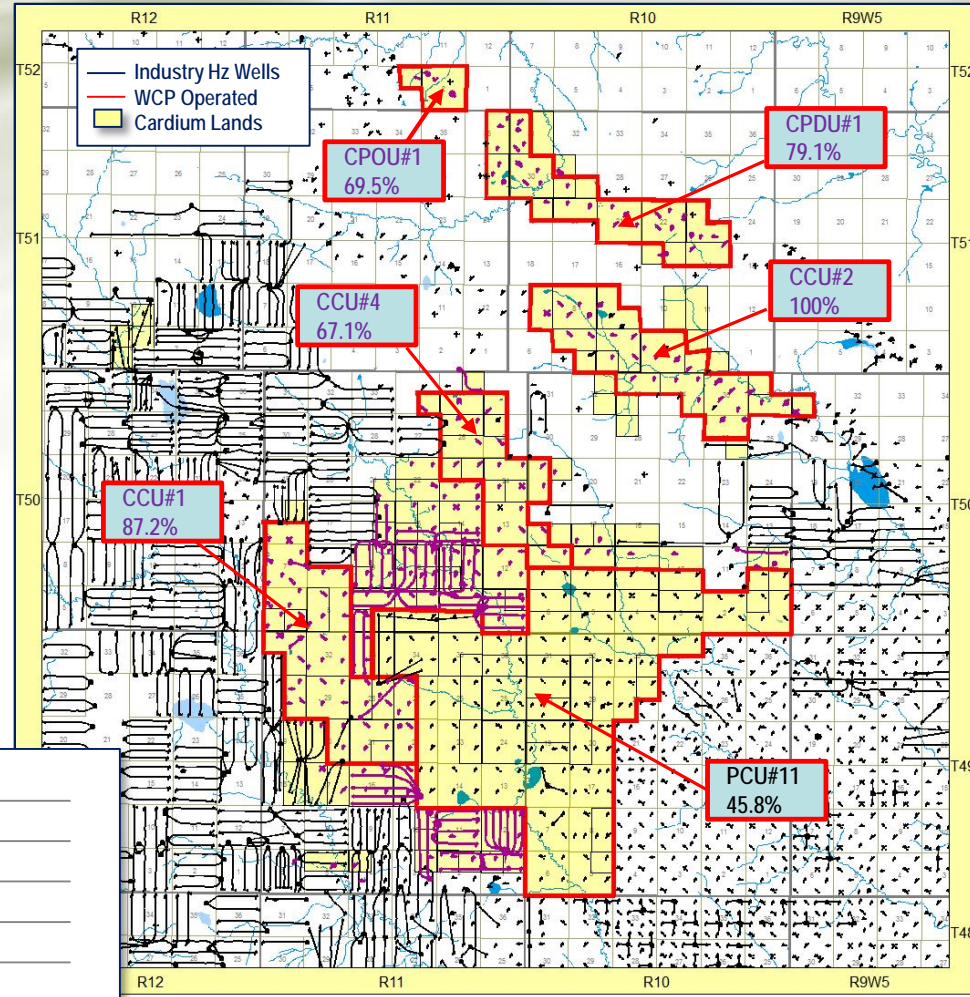
- Cardium oil resource play – repeatable and expandable
  - Light sweet oil (39° API)
  - Strong operating and cash flow netbacks (\$36 - \$40/boe)
  - Low risk optimization of 7 legacy Cardium oil waterfloods
- Industry leading capital efficiencies (2011 to current)
  - Focus on improving capital efficiencies through:
    - ERH drilling
    - Advancing frac designs and efficiencies
    - Optimizing recovery downspacing & waterflood
- Drilling program
  - 2014: 41 wells (9 ERH)
  - 2015: 21 wells (7 ERH)
- Cardium Gross DOIP 1,690 MMbbls (1,245 net)
  - Recovered to date 4.4% (73.7 MMbbls)
  - Possible oil RF = 14%



# West Pembina Cardium Legacy Characteristics



- Unitized waterfloods, 38° API light oil, 1,700m depth
  - 6 Units (46 – 100% WI)
  - 83% oil + NGLs
  - Average base decline of 5%
- Non-unitized lands offsetting waterfloods
  - 94% avg WI
  - 91% oil + NGLs
- Upside evaluation to date
  - 291 (176.4 net) locations identified
    - 203 (114.7 net) un-booked
    - 145 (86.9 net) downspaced locations
- Gross DOIIP 640 MMbbls (68% Unit, 32% Non-Unit)
  - Recovered to date 7.3% (46.5 MMbbls)
  - Possible oil RF = 20 - 25%



# Exceptional Type Curve Economics

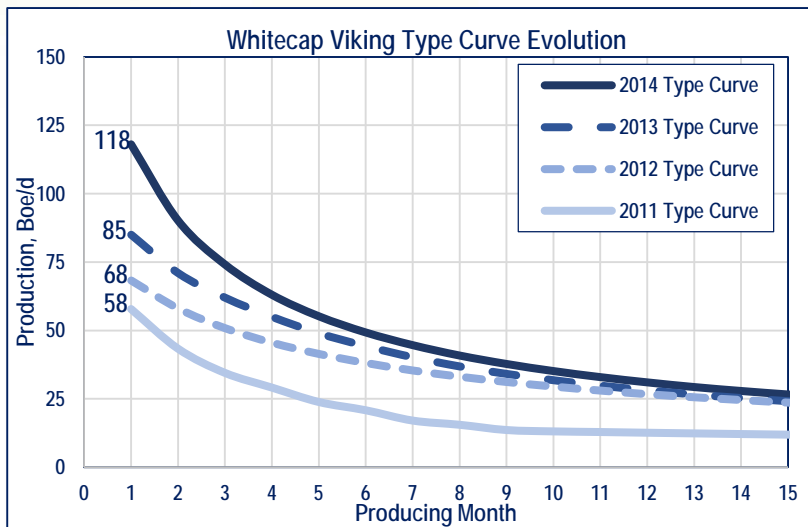


Type Well Economics	East Pembina Cardium	Garrington Cardium (Standard)	Garrington Cardium (ERH)	West Pembina Cardium
DCE&T (\$MM)	\$2.23	\$2.77	\$3.41	\$2.73
Production, IP30 (boe/d)	239	311	466	317
Production, IP365 (boe/d)	85	113	164	159
P+P <sub>A</sub> Reserves (Mboe)	169	197	296	222
Year 1 Oil + NGLs (%)	89%	85%	84%	92%
NPV BT <sub>10</sub> (\$MM)	\$1.45	\$1.72	\$3.03	\$3.07
Profit to investment ratio	0.7	0.6	0.9	1.1
Rate of return (%)	30%	31%	45%	80%
Payout (years)	3.20	2.98	2.22	1.29
Reserve cost (\$/boe)	\$13.21	\$14.06	\$11.51	\$12.28
Production efficiency (\$/boe/d – IP365)	\$26,328	\$24,607	\$20,753	\$17,124
Initial operating netback (\$/boe/d)	\$41.04	\$38.79	\$39.17	\$42.25
Recycle ratio	3.1	2.8	3.4	3.4

# Western Saskatchewan Viking Oil



- Light oil (36° API) Viking resource play
  - Strong capital efficiencies, short payout periods
  - Decline mitigation via waterflood
- Improving capital efficiencies
  - Drill & complete costs continue to improve
    - decreased 29% from 2011 to current
  - Type curve improvements since 2011
- Drilling program
  - 2014: 112 Hz wells
  - 2015: 98 wells (6+ ERH)
- Gross DOIIP 1,998 MMbbls (1,803 MMbbls net)
  - Recovered to date 2.9% (57.5 MMbbls)
  - Possible oil RF = 11%



## Type Well Economics

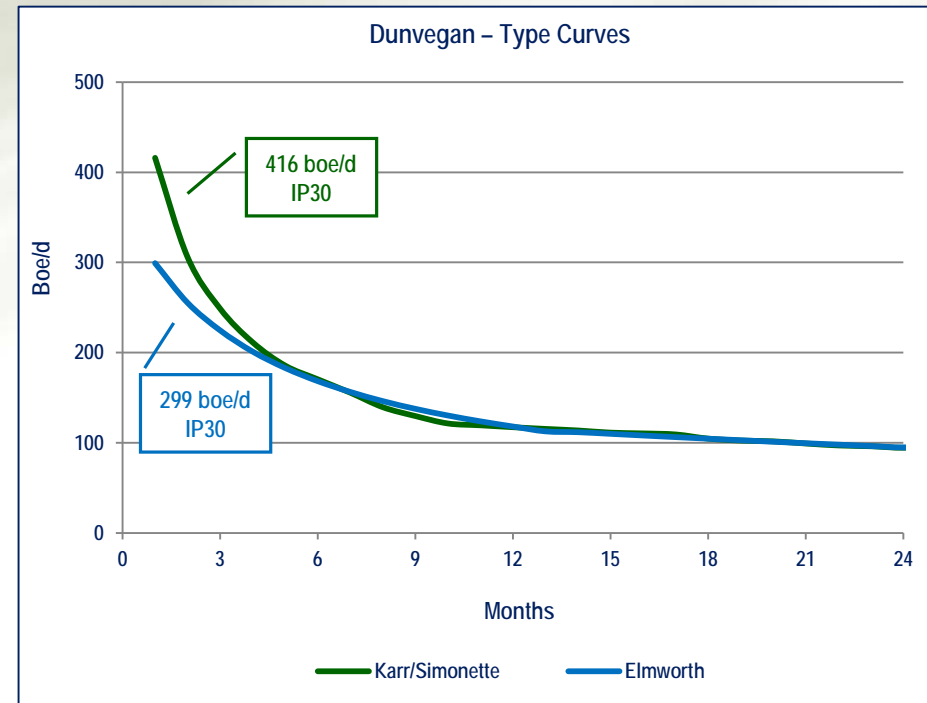
## Lucky Hills/Viking

	Type A	Type B
DCE&T (\$MM)	\$0.84	\$0.84
Production, IP30 (boe/d)	118	104
Production, IP365 (boe/d)	52	43
P+P <sub>A</sub> Reserves (Mboe)	75	55
Year 1 Oil + NGLs (%)	78%	78%
NPV BT <sub>10</sub> (\$MM)	\$0.92	\$0.49
Profit to investment ratio	1.1	0.6
Rate of return (%)	78%	43%
Payout (years)	1.40	2.10
Reserve cost (\$/boe)	\$11.22	\$15.27
Production efficiency (\$/boe/d – IP365)	\$16,055	\$19,333
Initial operating netback (\$/boe/d)	\$36.16	\$35.75
Recycle ratio	3.2	2.3

# Deep Basin – Dunvegan Oil



- Dunvegan light oil (39° - 42° API)
  - Recently expanded opportunity base
- Play characteristics
  - Large OOIP of 6 to 15.5 MMboe/section
  - Exceptional reservoir quality: 2 - 3x thicker, more perm than Cardium
  - No formation water
  - Low declines and strong stabilized rates
  - Strong operating and cash flow netbacks (\$26 - \$28/boe)
- Established significant opportunity base
  - 125 (108.3 net) total drilling locations
  - Current production of 5,000 boe/d
- Drilling program
  - 2014: 9 Hz wells (exceeding type curves)
  - 2015: 7 Hz wells (2 ERH)



# Exceptional Type Curve Economics

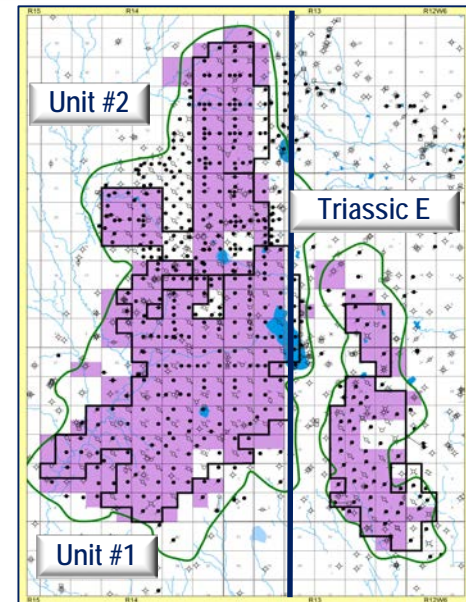
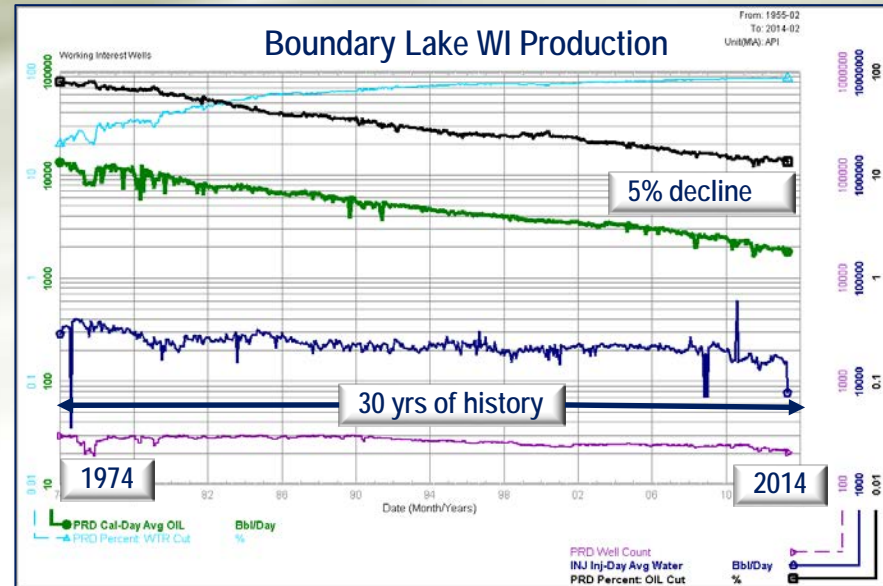


Type Well Economics	Elmworth Dunvegan	Karr/Simonette Dunvegan
DCE&T (\$MM)	\$2.95	\$3.56
Production, IP30 (boe/d)	293	544
Production, IP365 (boe/d)	174	264
P+P <sub>A</sub> Reserves (Mboe)	431	514
Year 1 Oil + NGLs (%)	76%	77%
NPV BT <sub>10</sub> (\$MM)	\$3.44	\$4.15
Profit to investment ratio	1.2	1.2
Rate of return (%)	46%	66%
Payout (years)	2.32	1.62
Reserve cost (\$/boe)	\$6.84	\$6.93
Production efficiency (\$/boe/d – IP365)	\$16,937	\$13,466
Initial operating netback (\$/boe/d)	\$25.92	\$29.41
Recycle ratio	3.8	4.2

# Boundary Lake Asset Characteristics



- Operated, 35° API light oil, focused land base
  - Avg 54% WI in 3 operated units
  - Boundary Lake zone at 1,300m depth
  - \$34/boe netback (91% oil + NGLs)
  - Current: 254 (138 net) producers, 88 (47 net) injectors
- Legacy oil pool under a pattern waterflood
  - No development capital since 1998
  - Consistent decline of 5% over the past 30 years
  - Re-established production to pre-2013 levels
    - Production optimization and processing optionality
- Upside evaluation to date
  - 113 (63.9 net) locations identified (78 Hz wells)
- Drilling program
  - 2014: 0 wells
  - 2015: 3 wells (2 Hz, 1 vertical)
- Gross DOIIP 600 MMbbls (335 MMbbls net)
  - Recovered to date = 37.5% (225 MMbbls)
  - Possible oil RF = 45%



# Exceptional Type Curve Economics



Type Well Economics	Boundary Vertical	Boundary Horizontal
DCE&T (\$MM)	\$1.12	\$1.66
Production, IP30 (boe/d)	32	80
Production, IP365 (boe/d)	30	75
P+P <sub>A</sub> Reserves (Mboe)	107	214
Year 1 Oil + NGLs (%)	94%	94%
NPV BT <sub>10</sub> (\$MM)	\$1.88	\$4.66
Profit to investment ratio	1.7	2.8
Rate of return (%)	48%	82%
Payout (years)	2.47	1.71
Reserve cost (\$/boe)	\$10.49	\$7.77
Production efficiency (\$/boe/d – IP365)	\$36,794	\$22,124
Initial operating netback (\$/boe/d)	\$35.59	\$33.38
Recycle ratio	3.4	4.3



## *Growth*

- Visible growth per share; CF, production, reserves, NAV
- 10+ years high netback light oil development drilling locations

## *Income*

- Meaningful and consistent monthly dividends without DRIP
- Potential for prudent dividend-growth longer term

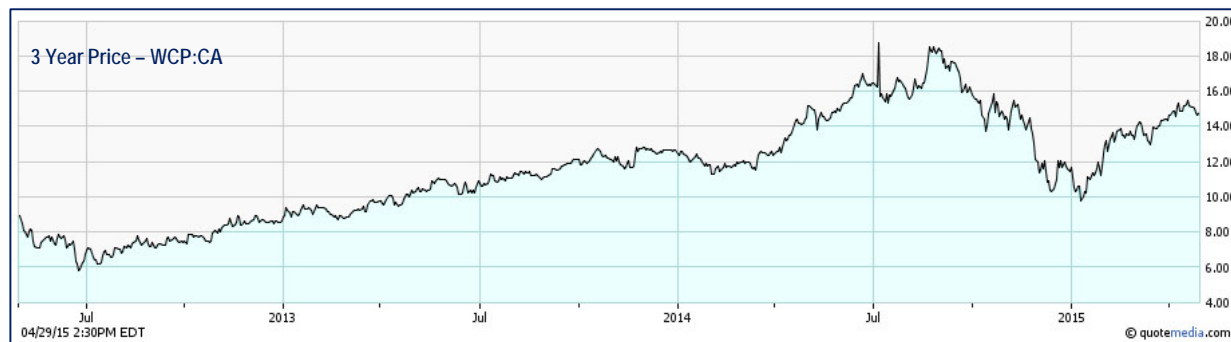
## *Total Return*

- Management focus on annual Total Shareholder Return
- Disciplined approach to capital and risk management (debt & hedging)



## Current Price Targets

• AltaCorp Capital Inc.	\$16.00	• Haywood Securities	\$17.50
• BMO	\$16.50	• Macquarie Equity Research	\$19.00
• CIBC World Markets Inc.	\$18.50	• Mackie Research	\$16.00
• Cormark Securities	\$18.50	• National Bank Financial	\$18.50
• Desjardins Capital Markets	\$15.00	• Peters & Co.	\$17.00
• Dundee Securities Ltd.	\$18.00	• RBC Capital Markets	\$18.00
• FirstEnergy Capital	\$18.00	• Scotiabank Global	\$18.00
• GMP Securities	\$16.00	• TD Securities	\$18.50





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*May 8, 2015*



Average commodity price assumptions used throughout the presentation for 2015 are WTI US\$56.00/bbl, C\$/US\$0.82, Edmonton Par Differential (US\$6.25) and AECO C\$2.50/GJ.

- Slide 2: (1) Whitecap's reserves based on McDaniel & Associates Ltd.'s (McDaniel) reserve report effective December 31, 2014 plus internal reserve evaluation for Beaumont Energy Inc. acquisition effective May 1, 2015.
- Slide 12: (1) F&D calculations are done in accordance with NI 51-101. Refer to Whitecap's 2015 press release dated January 27, 2015 for F&D performance for the past three years and additional disclosures.
- Slide 14: (1) The purchase price includes the announced purchase price of corporate acquisitions including any working capital surplus or deficit, rather than the amounts allocated to property, plant, and equipment for accounting purposes.  
(2) Estimated as of December 31, 2014.  
(3) Total proved plus probable NPV BT<sub>8</sub> at December 31, 2014.  
(4) The table represents 99% of Whitecap's properties based on total proved plus probable reserves.
- Slides 21-23, 25, 26, 28: (1) Refer to the Oil and Gas Advisory section of this presentation for additional information on DOIIP.  
(2) Reserves are based on McDaniel's reserve report effective March 1, 2014.  
(3) Booked P+P oil RF calculated as (proven + probable reserves + current production) / DOIIP (all as of March 1, 2014 effective date).  
(4) Possible oil RF calculated as (proven + probable + possible reserves + current production) / DOIIP (all as of March 1, 2014 effective date).
- Slide 25: (1) Lucky Hills Viking assumes 70% Crown, 30% Freehold economics and for comparison purposes Viking IP's included flared gas volumes. Whiteside Viking assumes 80% Crown, 20% Freehold economics.

# Forward-Looking Statements



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

This presentation contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this presentation includes forward-looking information and statements about our strategy, plans and focus, future dividends and dividend policy, forecast annual growth rates, the source of funding of dividend payments, planned capital expenditures and the source of funding of our capital program, projected payout ratios and dividend yields, expected future production and product mix, anticipated tax horizon, the quantity and estimated value of reserves, waterflood expansion plans and the results to be obtained therefrom, forecast operating and financial results including funds from operations, free cash flow, and operating and cash flow netbacks, future decline rates, drilling inventories and drilling plans, hedging plans and the benefits to be obtained from our hedging program, anticipated debt levels and our debt to cash flow ratio, forecasted commodity prices and differentials, forecasted exchange rates, anticipated production costs and capital efficiencies and the benefits to be obtained from recent acquisitions.

This presentation contains certain information relating to economics for drilling opportunities in the areas that Whitecap has an interest. Such information includes, but is not limited to, anticipated production rates, anticipated reserves, anticipated capital costs, anticipated finding and development costs, anticipated ultimate reserves recoverable and recycle ratios. Certain of the drilling opportunities identified have no associated reserves or resources which can presently be classified as recoverable. As such the information presented with respect to such drilling opportunities do not represent estimates of future production or estimates of reserves or future net revenue associated with the drilling opportunities. No resources may ultimately be recovered from the drilling opportunities identified herein which have no associated reserves. In addition, references in this presentation to initial production ("IP") rates and production type curves and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Whitecap.

Additionally, readers are advised that historical results, growth and acquisitions described in this presentation may not be reflective of future results, growth and acquisitions with respect to Whitecap.

The forward-looking statements and information are based on certain key expectations and assumptions made by Whitecap and its management, including expectations and assumptions concerning general economic conditions in Canada, the United States and elsewhere, and oil and gas industry conditions, including applicable royalty rates and environmental and tax laws and regulations. Although Whitecap believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable as of the date hereof, undue reliance should not be placed on the forward-looking statements and information because Whitecap can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks including, but not limited to the risks associated with the oil and gas industry in general.

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.



"Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6: 1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

The estimated values of the future net reserves of the reserves disclosed in this presentation do not represent the market value of such reserves. The estimates of reserves and future net reserve for individual properties may not reflect the same confidence level as estimates of reserves and future net reserve for all properties due to the effects of aggregation.

This presentation contains references to estimates of oil classified as Discovered Oil Initially In Place ("DOIIP") which are not, and should not be confused with, oil reserves. DOIIP is defined in the Canadian Oil and Gas Evaluation Handbook as the quantity of oil that is estimated to be in place within a known accumulation prior to production. DOIIP is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources and the remainder as at evaluation date is by definition classified as unrecoverable. The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. The size of the resource estimate could be positively impacted, potentially in a material amount, if additional delineation wells determine that the aerial extent, reservoir quality and/or the thickness of the reservoir is larger than what is currently estimated based on the interpretation of seismic and well control. The size of the resource estimate could be negatively impacted, potentially in a material amount, if additional delineation wells determine that the aerial extent, reservoir quality and/or the thickness of the reservoir are less than what is currently estimated based on the interpretation of the seismic and well control.

Contingent resources are those quantities of oil estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. All contingent resources represented in this document are considered Economic Contingent Resources based on the McDaniel & Associates Consultants Ltd. January 1 Price Forecast and an economic hurdle rate of the before tax net present value at a discount rate of 10% being greater than 0 (i.e. ROR  $\geq$  10%). The primary contingency which prevents the classification of Whitecap's contingent resources as reserves is capital budgeting restraints that allow the resources to be developed within a reasonable time frame. This time frame can be defined as 3 – 4 years. As additional drilling and/or development takes place, it is expected that some or all of the contingent resources will be booked as reserves.

The best estimate of the contingent resources is determined on the basis that it is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will be equal or exceed the best estimate. The remainder of the DOIIP beyond what has been cumulatively produced, classified as proved plus probable plus possible reserves, or classified as contingent resource is currently considered to be the unrecoverable portion.

Estimates of DOIIP and contingent resources described herein are estimates only; the actual resources may be higher or lower than those calculated in the independent evaluation. *There is no certainty that it will be economically viable to produce any portion of the resources.* The estimates of COOIP and Economic Contingent Resources have been prepared internally by a qualified reserves evaluator in accordance with NI 51-101 and the COGEH handbook and are effective as of January 1, 2013. The estimates of Reserves presented herein have been prepared by McDaniel & Associates Consultants Ltd., Whitecap's independent qualified reserves evaluator.

# Non-GAAP Financial Measures



## NON-GAAP MEASURES

This presentation includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies.

"Basic payout ratio" is calculated as cash dividends declared divided by funds from operations.

"Cash dividends per share" represents cash dividends declared per share by Whitecap.

"Cash netbacks" are determined by deducting cash general and administrative and interest expense from Operating netbacks.

"Funds from operations" represents cash flow from operating activities adjusted for changes in non-cash working capital, transaction costs and asset retirement settlements. Management considers funds from operations and funds from operations per share to be key measures as they demonstrate Whitecap's ability to generate the cash necessary to pay dividends, repay debt, fund asset retirement obligations and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds from operations 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. Refer to the "Funds from Operations, Payout Ratio and Dividends" section of this report for the reconciliation of cash flow from operating activities to funds from operations.

"Net debt" is calculated as bank debt plus working capital deficiency adjusted for risk management contracts. Net debt is used by management to analyze the financial position and leverage of Whitecap.

"Operating netbacks" are determined by deducting royalties, production expenses and transportation and selling expenses from oil and gas revenue. Operating netbacks are per boe measures used in operational and capital allocation decisions.

"Total Payout Ratio" is calculated as development capital plus cash dividends declared divided by funds from operations.