

**AMENDMENT NO. 4 TO NOTE PURCHASE
AGREEMENT**

THIS AMENDMENT NO. 4 dated as of May 28, 2019 (this “**Fourth Amendment**”) to the Note Purchase Agreement dated as of May 31, 2017 among Whitecap Resources Inc. (the “**Company**” and the purchasers listed in Schedule “A” thereto as holders (the “**holders**”) of the existing 3.54% Senior Secured Notes (the “**Notes**”) of the Company issued thereunder (as amended to the date hereof, the “**Note Agreement**”).

RECITALS:

The Company and the holders wish to effect certain amendments to the Note Agreement as provided herein.

Capitalized terms used herein shall have the respective meanings ascribed thereto in the Note Agreement unless defined herein or the context shall otherwise require.

NOW THEREFORE, upon the satisfaction of the conditions precedent to the effectiveness of this Fourth Amendment set forth in Section 2 hereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

1. **Amendments to Note Agreement**

- (a) ARO Reporting Requirements. Section 7.1 of the Note Agreement (Financial and Business Information) is amended (i) by deleting the word “and” after the semi-colon in clause (p) thereof, (ii) by deleting the period at the end of clause (q) thereof and replacing it with “, and”, and (iii) by adding thereafter the following new clause (r):

- (r) ARO Reporting --
- (i) within 90 calendar days of each fiscal year, an annual Abandonment and Reclamation Report, together with a summary of all letters of credit and other forms of security provided to each applicable Energy Regulator related to abandonment and reclamation obligations and liabilities of any one or more of the Note Parties (excluding any security which is mandatorily required to be provided by producers without regard to any Liability Management Rating deficiency or similar abandonment and reclamation obligation deficiency construct);
 - (ii) promptly following receipt thereof by it or any other Note Party, copies of any Abandonment/Reclamation Orders (and any amendments, supplements or other modifications thereto) or other material notices or communications

related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of any Material Jurisdiction to any one or more of Note Parties or otherwise affecting any of the assets of any of them relating to any non-compliance by any Note Party with any applicable Environmental Laws in respect of any Material Jurisdiction, including liability assessments, potential or designated problem site notices, requirement to post security deposits and operator insolvency notices; provided that the aggregate estimated cost of compliance with all such orders, notices or communications would reasonably be expected to exceed the Threshold Amount; and

- (iii) promptly following delivery of such letters of credit or security, notice if any letters of credit or other forms of security are issued on its or any Material Subsidiary's behalf to any applicable Energy Regulator in respect of any Material Jurisdiction if the Liability Management Rating of any Note Party is less than 2.0 in any Material Jurisdiction (or if such Liability Management Rating would have been below any such threshold absent such letter of credit or security having been delivered to the applicable Energy Regulator).
- (b) LMR Certification. Section 7.2 of the Note Agreement (Officer's Certificate) is amended (i) by deleting the word "and" after the semi-colon in clause (b) thereof, (ii) by deleting the period at the end of clause (c) thereof and replacing it with ", and", and (iii) by adding thereafter the following new clause (d):
- (d) Liability Management Rating – certifying the Liability Management Rating of the Company and, where applicable, its Material Subsidiaries in each Material Jurisdiction as at the date of such certification.
- (c) LMR/ARO Events of Default. Section 11 of the Note Agreement (Events of Default) is amended (i) by deleting the period at the end of clause (q) thereof and replacing it with ", or"; and (ii) by adding thereafter the following new clauses (r) and (s):
- “(r) the Liability Management Rating of any Note Party which owns or operates any LMR Assets in any Material Jurisdiction becomes less than 1.25 in such Material Jurisdiction and remains below such threshold for a period of 90 days after written notice thereof is given by the Required Holders to the Company; or

- (s) if (i) any one or more of the Note Parties becomes subject to any Abandonment/Reclamation Orders issued by any Energy Regulator, (ii) the aggregate estimated cost of compliance with all such orders would reasonably be expected to exceed the Threshold Amount (provided that, for the purpose of determining any such estimated cost, the Company shall provide the holders with a reasonable and factually supportable estimate of such costs within 10 Business Days of its receipt of the applicable order and shall deliver to each holder all such other relevant information related to such estimate as may be reasonably required by any such holder) and (iii) such orders are not withdrawn or satisfied (as such order(s) may be amended, supplemented or otherwise modified by the issuing Energy Regulator) within the relevant timelines set out in such orders and any applicable appeal periods in respect thereof have expired.
- (d) IFRS 16 Lease Accounting. Section 23.2 of the Note Agreement (Accounting Terms) is amended by adding the following new paragraph at the end of clause (b) thereof:

For the purposes of this Agreement, including clause (s) of the definition of Permitted Encumbrances and the definition of Debt as well as all Relevant Amount calculations required to be made hereunder, any lease which would have been accounted for as an operating lease under GAAP as in effect on December 31, 2018 shall, notwithstanding any subsequent change in GAAP, not constitute a capital lease (or Financing Lease) hereunder (whether such lease is entered into or assumed before or after December 31, 2018).

- (e) Changes in LMR Determination. Section 23 of the Note Agreement (Miscellaneous) is amended by adding the following new section after Section 23.2:

Section 23.2A Changes in Liability Management Rating System.

If:

- (a) as a result of any change in any applicable law, rule, policy, regulation, order or directive (or in the interpretation of any thereof):
- (i) any applicable Energy Regulator ceases to use a Liability Management Rating as a means of

determining whether a Person is in compliance with such Energy Regulator's abandonment and reclamation rules, policies, regulations, orders or directives in any Material Jurisdiction,

- (ii) a material change occurs in the methodology used in calculating the Liability Management Rating in any Material Jurisdiction (including any changes in the factors used to calculate such rating which would have a material effect upon the calculation of such rating),
 - (iii) a material change is made to the minimum Liability Management Rating thresholds in any Material Jurisdiction which are used to determine whether any licenses for wells, facilities, pipelines and other physical assets relevant to the determination of the Liability Management Rating can be transferred or whether any security deposits will be required to be provided to the applicable Energy Regulator (the "**Minimum Statutory LMR**"), or
 - (iv) for the purposes of adjusting Section 11(r) only, either (A) there is a material increase or decrease in the assumed netback values (or equivalent) used by the applicable Energy Regulator in any Material Jurisdiction in determining "deemed assets" (or the equivalent) for the purposes of calculating the Liability Management Rating or (B) there is a material increase or decrease in the assumed reclamation and abandonment costs (or the equivalent) used by the applicable Energy Regulator in any Material Jurisdiction in determining "deemed liabilities" (or the equivalent) for the purposes of calculating the Liability Management Rating in such Material Jurisdiction; or
- (b) except for the purposes of adjusting Section 11(r), any "force majeure" event or similar circumstance occurs which materially reduces the cash flow derived from oil and gas production of the Note Parties for an extended period of time, and as a consequence thereof, the "deemed assets" component of the Liability Management Rating for such Person in any Material Jurisdiction is materially reduced;

then, in any such case, at the written request of the Required Holders to the Company, or of the Company to the holders, the

Company and the holders shall enter into good faith discussions with a view to determining a comparable rating system, calculation or threshold, as applicable, to amend or replace the concept or usage of Liability Management Rating as set forth herein (or, in the case of clause (b) above, to adjust for such force majeure event or circumstance for so long as it is continuing), with the objective of having the respective positions of the holders and the Company after such change(s) conform as nearly as possible to their respective positions immediately prior to such change(s) (subject to ensuring that the threshold in Section 11(r) at least equals the Minimum Statutory LMR and, to the extent practicable, exceeds the Minimum Statutory LMR by an equitable amount); *provided* that, until any such agreement is reached, the Liability Management Rating and all related calculations and thresholds hereunder shall continue to be calculated by the Company as if no such change had occurred.

Upon the Company and the Required Holders agreeing on such a comparable rating system, calculation or threshold, as applicable, the Company and the holders shall enter into documentation to amend the provisions hereof to give effect to such agreement and to make all other adjustments incidental thereto. The Company and the holders agree that such amendment shall require the consent of the Required Holders, such consent not to be unreasonably withheld, notwithstanding anything to the contrary set out herein.

- (f) *Related Definitions.* Schedule B to the Note Agreement (Defined Terms) is amended by adding the following definitions in alphabetical order:

“Abandonment/Reclamation Order” means any abandonment, reclamation and/or non-compliance order or directive issued by an Energy Regulator which relates to any assets of any one or more of the Note Parties.

“Abandonment and Reclamation Report” means an annual report pertaining to the abandonment and reclamation obligations of the Note Parties in respect of upstream oil and gas wells, facilities and pipelines located in Canada, such report to be substantially in the form attached hereto as Exhibit 7.1(r)(i).

“Energy Regulator” means (a) with respect to Alberta, the Alberta Energy Regulator, (b) with respect to British Columbia, means the BC Oil and Gas Commission, (c) with respect to Saskatchewan, means the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Material Jurisdiction, the regulatory body with responsibility for the oversight of

environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor agency, department, ministry or commission thereto.

“**Liability Management Rating**” means, for any Material Jurisdiction, the environmental liability management rating (or equivalent) relating to the upstream oil and gas wells, facilities and pipelines located within such jurisdiction, as determined in accordance with the rules and regulations of each applicable Material Jurisdiction and its Energy Regulator for the then relevant period (and, for certainty, after adjusting the “deemed assets” (or the equivalent) to include any security deposits provided to the applicable Energy Regulator if such security deposits are so included by the applicable Energy Regulator).

“**LMR Assets**” means, for any province or similar jurisdiction in Canada, all of the upstream oil and gas wells, facilities, pipelines and other physical assets relevant to the determination of the Liability Management Rating in such jurisdiction.

“**Material Jurisdiction**” means any province or similar jurisdiction in Canada where (a) the Note Parties, in aggregate, directly own or operate any LMR Assets and (b) the aggregate associated undiscounted and uninflated abandonment and reclamation liabilities (expressed in nominal dollars) of such LMR Assets in such jurisdiction, as shown in the most recent Abandonment and Reclamation Report delivered to the holders, are in excess of the Threshold Amount.

“**Undiscounted Non-Producing ARO**” means the aggregate uninflated and undiscounted abandonment and reclamation obligations of the Note Parties for all LMR Assets in the applicable Material Jurisdiction(s) which are inactive (non-producing), suspended or abandoned.

- (g) Addition of ARO to Debt. The definition of “Debt” in Schedule B to the Note Agreement (Defined Terms) is amended (i) by deleting the word “and” after the semi-colon in clause (i) thereof, (ii) by deleting the period at the end of clause (j) thereof and replacing it with a comma, and (iii) by adding the following as a new paragraph at the end of the definition:

provided that, if the Liability Management Rating of any Note Party which owns or operates any LMR Assets in any Material Jurisdiction is less than 2.00 at any the end of any fiscal quarter of the Company (an “Affected Note Party”), an aggregate amount equal to the Undiscounted Non-Producing ARO of each such

Affected Note Party in such Material Jurisdiction shall be included as Debt at such date.

- (h) Form of Abandonment and Reclamation Report. The Note Agreement is amended by adding as an Exhibit thereto the “Form of Abandonment and Reclamation Report” appended to this Fourth Amendment as Schedule A, thereby forming Exhibit 7.1(r)(i) to the Note Agreement.

2. **Conditions Precedent**

The amendments provided for herein shall not be effective until the date upon which (the “**Effective Date**”):

- (a) the holders shall have received a fully executed copy of this Fourth Amendment;
- (b) the Material Subsidiaries shall have executed and delivered the Consent and Acknowledgement of Subsidiary Guarantors substantially in the form attached hereto as Schedule B (it being agreed that direct execution of the form attached hereto shall suffice for such purpose);
- (c) the Company shall have paid the fees, charges and disbursements of the Purchasers’ special counsel as reflected in a statement of such counsel rendered to the Company prior to such Effective Date; and
- (d) the holders shall have received a fully executed copy of the Credit Agreement (as amended to the Effective Date) which (i) effects substantially the same changes as those set out in Section 1 of this Fourth Amendment, and (ii) effects no other changes that would be the subject of Section 10.14 of the Note Agreement (Most Favoured Lender Status).

3. **Representations, Covenants and Warranties**

To induce the holders to execute and deliver this Fourth Amendment, the Company represents, covenants and warrants to each holder (which representations, covenants and warranties shall survive the execution and delivery of this Fourth Amendment) that as of the Effective Date:

- (a) this Fourth Amendment has been duly authorized, executed and delivered by the Company;
- (b) the Note Agreement, as amended by this Fourth Amendment, constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors’ rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) ;

- (c) the execution, delivery and performance of this Fourth Amendment (i) are within the corporate powers of the Company; (ii) do not require the authorization, consent or approval of any governmental authority or regulatory body or any agency, department or division of any thereof; (iii) do not and will not (A) contravene or conflict with (1) any law, statute, rule or regulation, (2) any provision of its articles or by-laws, (3) any judgment, order or decree of any court, tribunal or arbitrator, or any public, governmental or regulatory agency, authority or body to which it or any of its material assets is subject, or (4) any term, condition or provision of any indenture, agreement or other instrument to which it or its Subsidiaries is a party or by which it or any of its Subsidiaries' properties or assets are or may be bound (including the Intercreditor Agreement); or (B) result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument referred to in clause (iii)(A)(4) of this clause (c);
- (d) neither the Company nor any Material Subsidiary has entered into, assumed or otherwise become bound or obligated by any amendment to the Credit Agreement that would be prohibited by Section 10.14 of the Note Agreement (Most Favoured Lender Status), other than the changes set out in Section 1 of this Fourth Amendment; and
- (e) no Default or Event of Default has occurred and is continuing or existed immediately prior to this Fourth Amendment or will exist immediately after.

4. **Fourth Amendment Part of Note Agreement**

This Fourth Amendment shall be construed in connection with and as part of the Note Agreement, and except as modified and expressly amended by this Fourth Amendment, all terms, conditions and covenants contained in the Note Agreement and the Notes are hereby ratified and shall be and remain in full force and effect. Nothing herein shall be construed as a novation of the Notes or the indebtedness or obligations represented thereby or by the Note Agreement as amended by this Fourth Amendment, and the terms of the Notes shall not be and shall not be deemed to be, rescinded, converted or substituted.

5. **Notices**

Any and all notices, certificates and other instruments executed and delivered after the execution and delivery of this Fourth Amendment may refer to the Note Agreement without making specific reference to this Fourth Amendment but nevertheless all such references shall include this Fourth Amendment unless the context otherwise requires.

6. **Governing Law**

This Fourth Amendment shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the Province of Alberta and the law of Canada applicable therein.

7. **Counterparts**

This Fourth Amendment may be executed in any number of counterparts, and by facsimile and pdf, all of which together shall constitute one instrument.

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Agreed as of the date first above written.

WHITECAP RESOURCES INC.

By: ("Signed")
Name: Thanh C. Kang
Title: Chief Financial Officer

The foregoing Agreement is hereby accepted by the undersigned Holders as of the date first above written.

**THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA**

By: ("Signed")
Vice President

**PRUDENTIAL RETIREMENT INSURANCE
AND ANNUITY COMPANY**

By: PGIM, Inc., as investment manager

By: ("Signed")
Vice President

**MASSACHUSETTS MUTUAL LIFE INSURANCE
COMPANY**

**By: Barings LLC
As Its Investment Advisor**

By: ("Signed") _____
Its:

C.M. LIFE INSURANCE COMPANY

**By: Barings LLC
As Its Investment Advisor**

By: ("Signed") _____
Its:

THE MANUFACTURERS LIFE INSURANCE COMPANY

By: _____ (*Signed*) _____

Name:

Title:

MANULIFE CANADIAN PRIVATE DEBT FUND

By: _____ (*Signed*) _____

Name:

Title:

**HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA by its Agent, ALBERTA INVESTMENT
MANAGEMENT CORPORATION**

By: ("Signed")

Name:

Title:

By: ("Signed")

Name:

Title:

SCHEDULE A TO AMENDMENT NO. 4

Exhibit 7.1(r)(i) to Note Purchase Agreement

FORM OF ABANDONMENT AND RECLAMATION REPORT

FORM OF ABANDONMENT AND RECLAMATION REPORT

WHITECAP RESOURCES INC.
Abandonment and Reclamation Information Summary
As at ●, 20●

LIABILITY SUMMARY

| | Well Summary (# of Wells) | | | | Abandonment & Reclamation Liability | | | |
|---|----------------------------------|-----|---------------------|-----|--|-----|---------------------|-----|
| | Operated | | Non-Operated | | Operated | | Non-Operated | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Active (producing) wells | | | | | | | | |
| Inactive (non-producing) wells | | | | | | | | |
| Total wells | | | | | | | | |
| Active facilities/pipelines | | | | | | | | |
| Inactive facilities/pipelines | | | | | | | | |
| Total facilities/pipelines | | | | | | | | |
| Sites requiring reclamation only | | | | | | | | |
| Total liabilities | | | | | | | | |

[Schedule A to Fourth Amendment to Note Purchase Agreement]

SCHEDULE B TO AMENDMENT NO. 4

CONSENT AND ACKNOWLEDGEMENT OF SUBSIDIARY GUARANTORS

(Amendment No. 4 to Note Purchase Agreement)

The undersigned Material Subsidiaries hereby consent to the terms of the above Amendment No. 4 and the transactions contemplated thereby and confirm that the guarantees and other security documents granted by each of the undersigned to or for the benefit of the holders of Notes are in full force and effect after giving effect to such Amendment No. 4 and such transactions, and are ratified hereby. Without limiting the generality of the foregoing, the undersigned acknowledge that the "Guaranteed Obligations" guaranteed by the undersigned pursuant to the Subsidiary Guarantee include, without limitation, all obligations of the Company to the holders of Notes under the Note Agreement and all Notes now outstanding or hereafter issued under the Note Agreement.

Dated as of May 28, 2019.

WHITECAP ENERGY INC.

By: ("Signed")

Name: Thanh C. Kang

Title: Chief Financial Officer

**WHITECAP RESOURCES PARTNERSHIP, by its
Managing Partner, WHITECAP RESOURCES INC.**

By: ("Signed")

Name: Thanh C. Kang

Title: Chief Financial Officer