

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Whitecap Resources Inc. ("**Whitecap**" or the "**Company**")
3800, 525 – 8 Avenue S.W.
Calgary, Alberta T2P 1G1

2. **Date of Material Change**

August 31, 2020

3. **News Release**

On August 31, 2020, at Calgary, Alberta, a press release was issued and disseminated through the facilities of a recognized newswire service.

4. **Summary of Material Change**

On August 31, 2020, Whitecap announced that it had entered into an agreement with NAL Resources Limited ("**NAL**") and a privately held wholly owned subsidiary of Manulife Financial Corporation ("**Manulife**") pursuant to which Whitecap will issue approximately 58.3 million Whitecap common shares ("**Whitecap Shares**") valued at approximately \$155 million in exchange for all the issued and outstanding NAL shares.

5. **Full Description of Material Change**

5.1 Full Description of Material Change:

On August 31, 2020, Whitecap announced that it had entered into an agreement with NAL and Manulife pursuant to which Whitecap will issue approximately 58.3 million Whitecap Shares valued at approximately \$155 million in exchange for all the issued and outstanding NAL shares. Manulife will hold approximately 12.5% of the outstanding Whitecap Shares after giving effect to the Transaction.

NAL is also a privately held wholly owned subsidiary of Manulife Financial Corporation and has oil and gas operations in Alberta and Saskatchewan and is currently producing approximately 27,000 boe/d (55% oil and NGLs). Effective on the expected closing date (the "**Closing Date**") of January 4, 2021, NAL will have no debt outstanding.

Summary of NAL

- Current production is approximately 27,000 boe/d and production in 2021 is expected to average 22,000 boe/d (55% oil and NGLs) with a stable production decline rate of 19%.
- 2021 net operating income of \$100 million based on a net operating netback of \$12.50 per boe and a WTI price of US\$45.00 per barrel and AECO at \$2.50/GJ.

- Proved developed producing ("**PDP**") reserves of 51.6 Mboe, total proved ("**TP**") reserves of 54.4 Mboe and total proved plus probable ("**TPP**") reserves of 68.5 Mboe based on Whitecap's internal evaluation.
- PDP future net revenue discounted at 10 percent ("**NPV10**") of \$254 million, TP NPV10 of \$271 million and 2P NPV10 of \$379 million inclusive of \$66.5 million (NPV10) of asset retirement obligations.

Whitecap has also granted Manulife participation rights in future equity issuances and at closing, the parties will enter into an investor rights agreement and a registration rights agreement which will provide Manulife with certain board observer rights, continued pro rata participation rights in future equity issuances and future registration rights

The transaction is expected to close on January 4, 2021, subject to customary conditions, including the receipt of necessary regulatory approvals, including the approval of the Toronto Stock Exchange.

5.2 Disclosure for Restructuring Transactions:

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, contact Mr. Thanh Kang, Chief Financial Officer, by telephone at (403) 266-0767.

9. Date of Report

September 9, 2020.

Note Regarding Forward-Looking Statements and Other Advisories

This document contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Transaction and NAL, including without limitation forward-looking information with respect to NAL's outstanding debt as of September 1, 2020, NAL's average 2021 production, production mix and production decline rate, NAL's 2021 operating income and operating netback and the anticipated Closing Date. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; the impact (and the duration thereof) that the COVID-19 pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, and (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas; the ability of OPEC+ nations and other major producers of crude oil to reduce crude oil production and thereby arrest

and reverse the steep decline in world crude oil prices; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully; our ability to access capital; and the timing of completion of the Transaction and receipt of applicable regulatory approvals and on the timing contemplated.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; pandemics and epidemics; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; and changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental regulations. Actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date of this document and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This document contains future-oriented financial information and financial outlook information (collectively, "FOFI") about operating income and operating netback, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Whitecap and the resulting financial results will likely vary from the amounts set forth in this document and such variation may be material. Whitecap and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Oil and Gas Advisories

References to crude oil or natural gas production in this document refer to the light and medium crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

"Boe" means barrel of oil equivalent based on 6 mcf of natural gas to 1 bbl of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6:1 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.

Production

	Crude oil (bbls/d)	NGLs (bbls/d)	Natural gas (Mcf/d)	Total (boe/d) ⁽¹⁾
NAL - current	10,000	3,750	67,500	25,000
NAL Base Case -2021	8,800	3,300	59,400	22,000

Note:

⁽¹⁾ Disclosure of production on a per boe basis of amounts in the above table in this document consists of the constituent product types and their respective quantities disclosed in this table.

Reserves

Reserves estimates in this document are based on Whitecap's internal evaluation and were prepared by a member of Whitecap's management who is a qualified reserves evaluator in accordance with NI 51-101 effective December 31, 2019. Such estimates are based on values that Whitecap's management believes to be reasonable and are subject to the same limitations discussed above under "Note Regarding Forward-Looking Statements". The reserves estimates were prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook.

	Crude oil (Mbbbl)	NGLs (Mbbbl)	Natural gas (MMcf)	Total (Mboe) ^{(1) (2)}
NAL – PDP	17,909	8,779	149,433	51,594
NAL – TP	18,998	9,164	157,515	54,415
NAL – TPP	24,078	11,470	197,761	68,507

Notes:

- ⁽¹⁾ Disclosure of reserves on a per boe basis of amounts in the above table in this document consists of the constituent product types and their respective quantities disclosed in this table.
- ⁽²⁾ Gross reserves are the assets total working interest reserves before the deduction of any royalties and including any royalty interests receivable on the assets.

The estimates of the net present value of the future net revenue of the NAL reserves do not represent the fair market value of such reserves.

The reserves evaluation was based on the average forecast pricing of McDaniel's, GLJ Petroleum Consultants and Sproule Associates Limited and foreign exchange rates at July 1, 2020 which is available on McDaniel's website at www.mcdan.com.

Non-GAAP Measures

This document 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. See the Company's Management's Discussion and Analysis of financial condition and results of operation for the period ended June 30, 2020 for a reconciliation of the non-GAAP measures.

"Net operating income" is determined by deducting royalties and operating costs from petroleum and natural gas revenues. Net operating income is used in operational and capital allocation decisions.

"Net operating netbacks" are determined by deducting royalties and operating costs from petroleum and natural gas revenues. Net operating netbacks are per boe measures used in operational and capital allocation decisions. Presenting net operating netbacks on a per boe basis allows management to better analyze performance on a comparative basis

The assumptions used in net operating netbacks this document as follows:

<i>(\$/boe)</i>	<i>NAL 2021</i>
<i>Petroleum and natural gas revenues</i>	<i>28.03</i>
<i>Royalties</i>	<i>(2.77)</i>
<i>Operating costs</i>	<i>(12.76)</i>
<i>Net operating netback</i>	<i>12.50</i>