



NEWS RELEASE

October 21, 2021

WHITECAP RESOURCES INC. PARTNERS WITH FEDERATED CO-OPERATIVES LIMITED TO REDUCE CO₂ EMISSIONS IN SASKATCHEWAN

CALGARY, ALBERTA – Whitecap Resources Inc. ("Whitecap" or the "Company") (TSX: WCP) is pleased to announce that it has signed a memorandum of understanding ("MOU") with Federated Co-operatives Limited ("FCL") to use Whitecap's expertise in carbon capture utilization and storage ("CCUS") to assist FCL in achieving their emissions targets in Saskatchewan.

The MOU contemplates the capture of CO₂ by FCL from the Co-op Refinery Complex in Regina and the Co-op Ethanol Complex near Belle Plaine, Saskatchewan, which would then be compressed, transported and sequestered by Whitecap (the "FCL Project"). Carbon dioxide sequestration will be performed by Whitecap as part of the Weyburn unit CO₂ Enhanced Oil Recovery ("EOR") operations or by injecting into a new saline storage facility.

The resulting infrastructure and CO₂ supply handling capability would support Weyburn unit expansions as well as enable other operators to pursue greenfield CO₂ EOR operations in Southeast Saskatchewan. Further, this project enables the potential for significant investment in carbon capture at other industrial sites in the Belle Plaine, Moose Jaw and Regina areas.

As operator, Whitecap currently sequesters 2 million tonnes of CO₂ annually in the Weyburn unit, and the FCL Project supports the capture of nearly 500,000 tonnes of additional industrial CO₂ emissions per year. The Weyburn unit is the world's largest anthropogenic carbon sequestration project, having stored over 36 million tonnes of CO₂ since its first injection in the year 2000.

"The pathway to a lower carbon economy is through carbon capture and we are excited to partner with FCL to support their plans for decarbonization" said Whitecap CEO Grant Fagerheim. "The Government of Saskatchewan has taken a leadership role for CCUS, most recently with its announcement on September 7, 2021, and their support, along with that of the Petroleum Technology Research Centre, CCS Knowledge Centre and the Saskatchewan Ministry of Energy and Resources, will allow the FCL Project to meet its environmental goals and provide significant economic benefits to the Province of Saskatchewan."

"The transition to a low-carbon economy is one of the largest, but most necessary, shifts we'll have to make in our long history," said FCL CEO Scott Banda. "Carbon capture and the work we're doing with Whitecap is just one of multiple paths we're exploring as part of a strategic plan to integrate sustainable solutions into our operations to improve environmental performance."

"Today's announcement firmly positions Saskatchewan as a world leader in innovative carbon capture technology and is just the beginning of significant private investment opportunities in the CO₂ sequestration value chain," Energy and Resources Minister Bronwyn Eyre said. "This proposed project will include CO₂ enhanced oil recovery, which lowers GHG emissions by 82 per cent compared to traditional extraction methods while increasing production. This is good news for the environment and the economy."

Whitecap's New Energy team will be initiating a Front-End Engineering and Design ("FEED") study to provide centralized compression, transportation and sequestration for the FCL Project. The presence of large scale CO₂ injection capacity for EOR at Weyburn creates a unique opportunity to minimize up front sequestration costs and to improve the economics of future carbon capture projects for our industrial partners. FCL expects carbon capture facilities to be completed at the Co-op Ethanol Complex in 2024 and the Co-op Refinery Complex in 2026.

For further information:

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Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the FCL Project and the Company's plans and other aspects of our anticipated future operations, management focus, priorities, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", "potential", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, focus, objectives, priorities and position. In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to: plans with respect to the capture of CO₂ by FCL and the sequestration and use of the captured CO₂ by the Company; that the resulting infrastructure and CO₂ supply handling capability from the FCL Project will support Weyburn expansion and will enable other operators to pursue greenfield CO₂ opportunities; that the FCL Project will enable the Company to capture nearly 500,000 tonnes of additional CO₂ per year; that the support from the Petroleum Technology Research Centre, CCS Knowledge Centre and the Saskatchewan Ministry of Energy and Resources will allow the FCL Project to meet its environmental goals; that the FCL Project will provide significant economic benefits to Saskatchewan; that the FCL Project will enable the potential for significant carbon capture investment; that the Company's New Energy team will initiate a FEED study to provide centralized compression, transportation and sequestration for the FCL Project; EOR using CO₂ having capacity at Weyburn will minimize up front sequestration costs; the improvement in economics by utilizing sequestration for EOR; and that FCL will complete carbon capture at its Ethanol Complex in 2024 and at its Refinery Complex in 2026.

The forward-looking information is based on certain key expectations and assumptions made by our management, including that the parties will enter into binding commitments with respect to the FCL Project on the terms and timing presently contemplated and that the various approvals and government incentives required to complete the FCL Project will be obtained. 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 that the parties will not enter into binding commitments with respect to the FCL Project on the terms presently contemplated or at all; that the various approvals and government incentives required to complete the FCL Project will not be obtained on the terms presently contemplated or at all; and that the anticipated benefits of the FCL Project will not be realized.

Our 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 press release 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 press release 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.