

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations for Whitecap Resources Inc. (the "Company" or "Whitecap") is dated April 27, 2021 and should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes for the period ended March 31, 2021, as well as the audited annual consolidated financial statements and related notes for the year ended December 31, 2020. These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, in Canadian dollars, except where indicated otherwise. Accounting policies adopted by the Company are set out in the notes to the audited annual consolidated financial statements for the year ended December 31, 2020 and Note 3 of the unaudited interim consolidated financial statements for the period ended March 31, 2021. The unaudited interim consolidated financial statements of Whitecap have been prepared by management and approved by the Company's Board of Directors. The MD&A should also be read in conjunction with Whitecap's disclosure under "Non-GAAP Measures" and "Forward-Looking Information and Statements" below. Additional information respecting Whitecap, is available on the SEDAR website (www.sedar.com) and on our website (www.wcap.ca).

DESCRIPTION OF BUSINESS

Whitecap is a Calgary based oil and gas company that is engaged in the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets. Whitecap's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol WCP.

2021 FIRST QUARTER FINANCIAL AND OPERATIONAL RESULTS

Production

Whitecap's average production volumes and commodity splits were as follows:

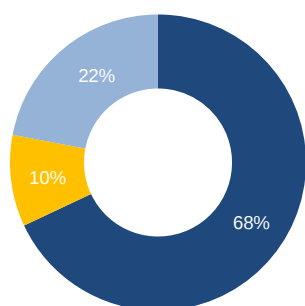
	Three months ended March 31	
	2021	2020
Crude oil (bbls/d) ⁽¹⁾	64,795	56,631
NGLs (bbls/d)	9,508	5,077
Natural gas (Mcf/d) ⁽¹⁾	129,151	70,466
Total (boe/d) ⁽²⁾	95,828	73,452

Notes:

- (1) References to crude oil or natural gas production in the above table and elsewhere in this MD&A refer to the light crude oil 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.
- (2) Disclosure of production on a per boe basis in this MD&A consists of the constituent product types and their respective quantities disclosed in this table.

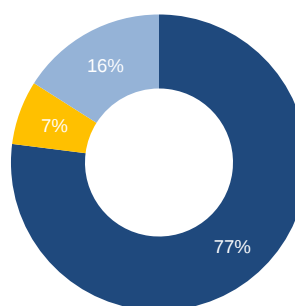
Exhibit 1

Production Split
Three Months Ended March 31, 2021



■ Crude oil ■ NGLs ■ Natural gas

Production Split
Three Months Ended March 31, 2020



■ Crude oil ■ NGLs ■ Natural gas

Average production volumes increased 30 percent to 95,828 boe/d in the first quarter of 2021 from 73,452 boe/d in the first quarter of 2020. The increase in production was primarily due to the strategic combinations with NAL Resources Limited (“NAL”) which closed on January 4, 2021 (the “NAL Strategic Combination”) and TORC Oil and Gas Ltd. (“TORC”) which closed on February 24, 2021 (the “TORC Strategic Combination”) (collectively, the “Strategic Combinations”), partially offset by natural declines.

Our crude oil and NGLs weighting in the first quarter of 2021 was 78 percent compared to 84 percent in the first quarter of 2020. The lower crude oil and NGLs weighting was primarily due to the NAL Strategic Combination, which had a higher natural gas weighting than the Company average.

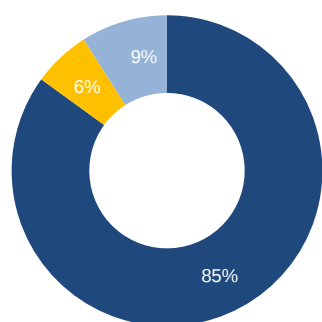
Petroleum and Natural Gas Sales

A breakdown of petroleum and natural gas sales is as follows:

(\$000s)	Three months ended March 31	
	2021	2020
Crude oil	379,672	244,659
NGLs	30,378	5,682
Natural gas	38,842	13,976
Petroleum and natural gas revenues	448,892	264,317
Tariffs	(3,922)	(3,086)
Processing & other income	7,685	2,200
Marketing revenue	18,994	8,671
Petroleum and natural gas sales	471,649	272,102

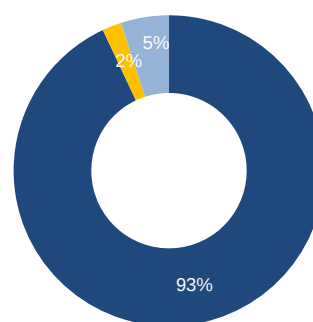
Exhibit 2

Petroleum and Natural Gas Revenues
Three Months Ended March 31, 2021



■ Crude oil ■ NGLs ■ Natural gas

Petroleum and Natural Gas Revenues
Three Months Ended March 31, 2020



■ Crude oil ■ NGLs ■ Natural gas

Petroleum and natural gas revenues in the first quarter of 2021 increased 70 percent to \$448.9 million from \$264.3 million in the first quarter of 2020. The \$184.6 million increase consists of \$133.3 million related to higher realized prices for all products and \$51.3 million related to higher production.

Benchmark and Realized Prices

Average benchmark and realized prices are as follows:

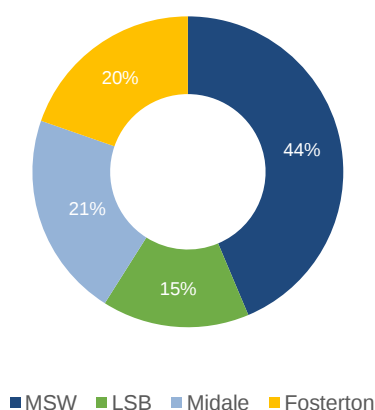
	Three months ended March 31	
	2021	2020
Average benchmark prices		
WTI (US\$/bbl) ⁽¹⁾	57.84	46.17
Exchange rate (US\$/C\$)	1.27	1.34
WTI (C\$/bbl)	73.22	61.65
MSW Par at Edmonton (\$/bbl) ⁽²⁾	66.45	51.62
Fosterton Par at Regina (\$/bbl)	63.30	45.32
Midale Par at Cromer (\$/bbl)	71.78	55.34
LSB Par at Cromer (\$/bbl) ⁽³⁾	67.96	52.55
AECO natural gas (\$/Mcf) ⁽⁴⁾	3.15	2.03
Average realized prices ⁽⁵⁾		
Crude oil (\$/bbl)	65.11	47.48
NGLs (\$/bbl)	35.50	12.30
Natural gas (\$/Mcf)	3.34	2.18
Combined (\$/boe)	52.05	39.54

Notes:

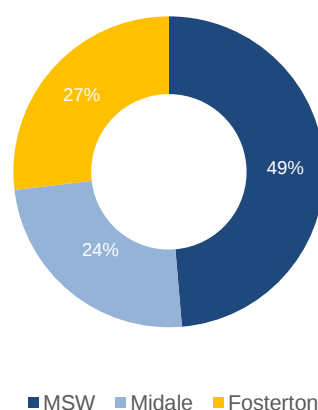
- (1) WTI represents the calendar month average of West Texas Intermediate oil.
- (2) Mixed Sweet Blend ("MSW").
- (3) Light Sour Blend ("LSB").
- (4) AECO represents the AECO 5A Daily Index price.
- (5) Prior to the impact of hedging activities and tariffs.

Exhibit 3

Crude Oil Volume Sales by Index
Three Months Ended March 31, 2021



Crude Oil Volume Sales by Index
Three Months Ended March 31, 2020



Whitecap's weighted average realized price prior to the impact of hedging activities and tariffs increased 32 percent to \$52.05 per boe in the first quarter of 2021 compared to \$39.54 per boe in the first quarter of 2020.

Crude Oil

The WTI price increased by 25 percent to average US\$57.84 per barrel in the first quarter of 2021 compared to US\$46.17 per barrel in the first quarter of 2020. The increase is primarily due to global and North American crude oil demand increasing in response to continued recovery from the COVID-19 pandemic. Specifically, the March 2021 WTI price increased 105 percent compared to March 2020 which marked the beginning of the Saudi Arabia and Russia price war and the start of global lockdowns due to COVID-19.

Northern Alberta & British Columbia and Central Alberta

The Company's realized crude oil price in Northern Alberta & British Columbia and Central Alberta is based on the MSW Par at Edmonton. The MSW par oil price increased by 29 percent to average \$66.45 per barrel in the first quarter of 2021 compared to \$51.62 per barrel in the first quarter of 2020. The increase is primarily due to reduced drilling activity of conventional crude oil in the Western Canadian Sedimentary Basin ("WCSB") and the resulting decrease in production of approximately 14 percent.

Western Saskatchewan

The Company's realized crude oil price in the West Central Saskatchewan region is based on the MSW Par at Edmonton.

The Company's realized crude oil price in the Southwest Saskatchewan region is based on the Fosterton par price at Regina. The Fosterton oil price increased 40 percent to average \$63.30 per barrel in the first quarter of 2021 compared to \$45.32 per barrel in the first quarter of 2020. The increase is primarily due to the narrowing of the underlying Western Canadian Select price differential and increased North American refinery demand strength as a result of the COVID-19 recovery and reduced pipeline constraints.

Eastern Saskatchewan

The Company's realized crude oil price in the Weyburn region is based on the Midale par price at Cromer. The Midale par price increased 30 percent to average \$71.78 per barrel in the first quarter of 2021 compared to \$55.34 per barrel in the first quarter of 2020. The increase is primarily due to the drop in conventional supply within the WCSB and the increase in WTI prices.

The Company's realized crude oil price the South Central Saskatchewan and South East Saskatchewan regions is based on the LSB par price at Cromer. The LSB oil price increased 29 percent to average \$67.96 per barrel in the first quarter of 2021 compared to \$52.55 per barrel in the first quarter of 2020. The increase is also primarily due to the drop in conventional supply within the WCSB and the increase in WTI prices.

Natural Gas Liquids

The natural gas liquids realized price increased 189 percent to average \$35.50 per barrel in the first quarter of 2021 compared to \$12.30 per barrel in the first quarter of 2020. The increase is primarily due to higher benchmark base pricing for propane and butane and better price differentials at Edmonton.

Natural Gas

The AECO daily spot price increased 55 percent to average \$3.15 per Mcf in the first quarter of 2021 compared to an average of \$2.03 per Mcf in the first quarter of 2020. The increase is primarily due to higher export demand as well as increased storage withdrawals throughout the period. The increase was further caused by the February 2021 polar vortex, which resulted in production freeze offs and increased heating demand, translating into the February 2021 pricing increase of \$2.14 per Mcf compared to February 2020.

Risk Management and Hedging Activities

Whitecap maintains an ongoing risk management program to reduce the volatility of revenues in order to fund capital expenditures and pay cash dividends to shareholders.

The Company realized a loss of \$29.3 million on its commodity risk management contracts for the three months ended March 31, 2021. The unrealized gains and losses are a result of the non-cash change in the mark-to-market values period over period. The significant assumptions made in determining the fair value of financial instruments are disclosed in Note 4 to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021.

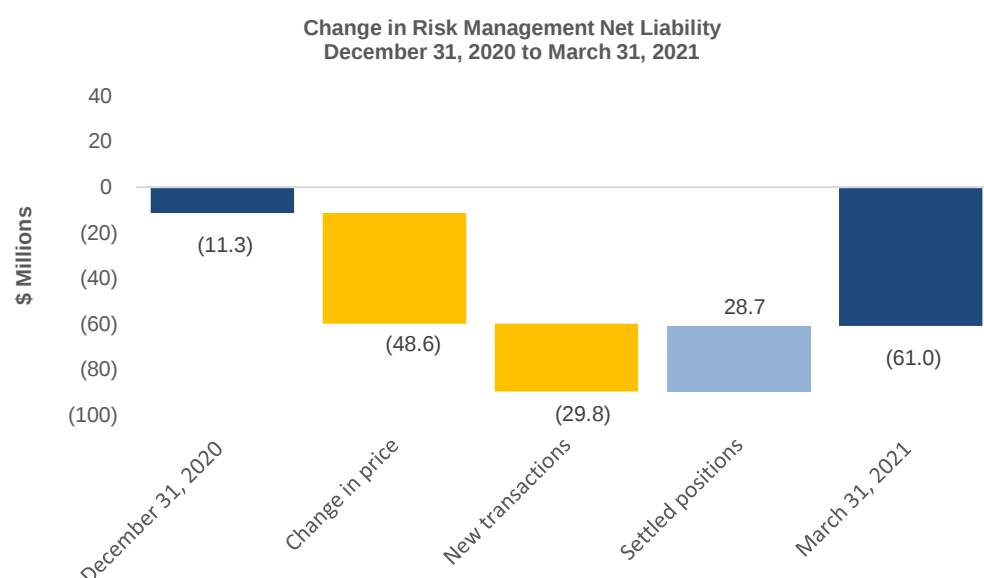
	Three months ended March 31	
Risk Management Contracts (\$000s)	2021	2020
Realized gain (loss) on commodity contracts	(29,254)	19,789
Unrealized gain (loss) on commodity contracts	(48,936)	149,384
Net gain (loss) on commodity contracts	(78,190)	169,173
Realized gain (loss) on interest rate contracts ⁽¹⁾	(555)	141
Unrealized gain (loss) on interest rate contracts ⁽¹⁾	2,776	(9,717)
Realized gain on equity contracts ⁽²⁾	1,086	292
Unrealized gain (loss) on equity contracts ⁽²⁾	3,972	(29,958)
Net gain (loss) on risk management contracts	(70,911)	129,931

Notes:

(1) The gain (loss) on interest rate risk management contracts is included in interest and financing expenses.

(2) The gain (loss) on equity contracts is included in stock-based compensation expenses.

Exhibit 4



At March 31, 2021, the following risk management contracts were outstanding with an asset fair market value of \$11.3 million and a liability fair market value of \$72.3 million:

WTI Crude Oil Derivative Contracts

Type	Term	Volume (bbls/d)	Bought Put Price (C\$/bbl) ⁽¹⁾	Sold Call Price (C\$/bbl) ⁽¹⁾	Swap Price (C\$/bbl) ⁽¹⁾
Swap	2021 Apr - Jun	20,500			65.73
Swap	2021 Jul - Sept	8,000			74.88
Swap ⁽²⁾	2021 Jul - Dec	14,000			65.18
Swap	2021 Oct - Dec	2,000			75.00
Swap	2022 Jan - Jun	6,000			67.01
Collar ⁽³⁾	2021 Apr - Jun	10,000	53.20	67.09	
Collar	2021 Apr - Dec	1,500	45.00	67.32	
Collar	2021 Jul - Dec	2,000	52.00	65.00	
Collar	2021 Oct - Dec	2,000	65.00	87.13	
Collar	2022 Jan - Jun	1,000	65.00	81.05	

Notes:

(1) Prices reported are the weighted average prices for the period.

(2) 2,000 bbls/d are extendable through the first half of 2022, as a swap, with a price of C\$68.00/bbl at the option of the counterparties through the exercise of a one-time option on December 31, 2021.

(3) 4,000 bbls/d are extendable through the second half of 2021, as a swap, with a weighted average price of C\$64.55/bbl at the option of the counterparties through the exercise of a one-time option on June 30, 2021.

WTI Crude Oil Differential Derivative Contracts

Type	Term	Volume (bbls/d)	Basis ⁽¹⁾⁽²⁾	Swap Price (C\$/bbl) ⁽³⁾
Swap	2021 Apr - Jun	10,000	MSW	5.01
Swap	2021 Apr - Dec	4,000	MSW	6.25
Swap	2021 Jul - Sept	5,000	MSW	5.11
Swap	2021 Jul - Dec	3,000	MSW	6.15
Swap	2021 Oct - Dec	2,000	MSW	6.00
Swap	2021 Apr - Jun	4,000	WCS	15.65
Swap	2021 Jul - Sept	2,000	WCS	17.85
Swap	2021 Oct - Dec	4,000	WCS	16.74
Swap	2022 Jan - Dec	3,000	WCS	15.32

Notes:

(1) Mixed Sweet Blend ("MSW").

(2) Western Canadian Select ("WCS").

(3) Prices reported are the weighted average prices for the period.

Natural Gas Derivative Contracts

Type	Term	Volume (GJ/d)	Swap Price (C\$/GJ) ⁽¹⁾
Swap	2021 Apr - Sept	9,000	2.61
Swap	2021 Apr - Oct	26,000	2.39
Swap	2021 Apr - Dec	20,000	2.26
Swap	2021 Nov - 2022 Mar	12,000	2.89

Note:

(1) Prices reported are the weighted average prices for the period.

Interest Rate Contracts

Type	Term	Amount (\$000s)	Fixed Rate (%) ⁽¹⁾	Index ⁽²⁾
Swap	Aug 6, 2019 Aug 6, 2024	200,000	1.554	CDOR

Notes:

(1) Rates reported are the weighted average rates for the period.

(2) Canadian Dollar Offered Rate ("CDOR").

Equity Derivative Contracts

Type	Term	Notional Amount (\$000s) ⁽¹⁾	Share Volume
Swap	Apr 1, 2021 Oct 1, 2021	11,366	2,530,600
Swap	Apr 1, 2021 Oct 1, 2022	15,338	3,467,300
Swap	Apr 1, 2021 Oct 1, 2023	2,083	997,300

Note:

(1) Notional amount is calculated as the share volume for the period multiplied by the weighted average prices for the period.

Contracts entered into subsequent to March 31, 2021

WTI Crude Oil Derivative Contracts

Type	Term	Volume (bbls/d)	Bought Put Price (C\$/bbl) ⁽¹⁾	Sold Call Price (C\$/bbl) ⁽¹⁾	Swap Price (C\$/bbl) ⁽¹⁾
Swap	2021 Jul - Sep	1,000			78.00
Collar	2022 Jan - Jun	4,000	62.50	80.41	
Collar	2022 Jul - Dec	2,000	60.00	80.55	

Note:

(1) Prices reported are the weighted average prices for the period.

Natural Gas Derivative Contracts

Type	Term	Volume (GJ/d)	Swap Price (C\$/GJ) ⁽¹⁾
Swap	2022 Jan - Mar	2,000	2.82

Note:

(1) Prices reported are the weighted average prices for the period.

Royalties

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Royalties	65,214	39,007
As a % of petroleum and natural gas revenues	14.5	14.8
\$ per boe	7.56	5.84

Royalties as a percentage of revenues were 14.5 percent in the first quarter of 2021 compared to 14.8 percent in the first quarter of 2020. The decrease in royalty rate was primarily attributable to lower royalty rates related to production from the Strategic Combinations, as well as favorable prior period adjustments. The decrease was partially offset by the impact of higher prices in the current quarter compared to the same period in 2020.

Whitecap pays royalties to the provincial governments and mineral owners in Alberta, Saskatchewan and British Columbia. Each province has separate royalty regimes which impact Whitecap's overall corporate royalty rate.

Operating Expenses

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Operating expenses	115,188	81,564
\$ per boe	13.36	12.20

Operating expenses per boe increased 10 percent to \$13.36 per boe in the first quarter of 2021 compared to \$12.20 per boe in the first quarter of 2020. The increase is primarily due to higher operating expenses related to the Strategic Combinations, which had higher operating expenses per boe than the Company average, as well as higher per boe fixed expenses as a result of lower production volumes.

Transportation Expenses

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Transportation expenses	17,663	15,573
\$ per boe	2.05	2.33

Transportation expenses per boe in the first quarter of 2021 decreased 12 percent to \$2.05 per boe compared to \$2.33 per boe in the first quarter of 2020. The decrease is primarily due to lower transportation costs associated with the additional production from the Strategic Combinations, which had lower transportation expenses per boe than the corporate Company average, as well as lower volumes being trucked to rail compared to the first quarter of 2020.

Transportation expenses per boe will fluctuate quarterly based on pipeline connectivity or downtime, weather, shipper status and pipeline shipping arrangements. When Whitecap has shipper status, pipeline tariffs incurred by the Company are included in transportation expenses. When Whitecap does not have shipper status, pipeline tariffs incurred by commodity purchasers subsequent to the delivery of the Company's product are charged back to Whitecap and are netted against petroleum and natural gas sales.

Operating Netbacks

The components of operating netbacks are shown below:

Netbacks (\$/boe)	Three months ended March 31	
	2021	2020
Petroleum and natural gas revenues	52.05	39.54
Tariffs	(0.45)	(0.46)
Processing & other income	0.89	0.33
Marketing revenue	2.20	1.30
Petroleum and natural gas sales	54.69	40.71
Realized hedging gain (loss)	(3.39)	2.96
Royalties	(7.56)	(5.84)
Operating expenses	(13.36)	(12.20)
Transportation expenses	(2.05)	(2.33)
Marketing expenses	(2.21)	(1.19)
Operating netbacks ⁽¹⁾	26.12	22.11

Note:

⁽¹⁾ Operating netbacks are a non-GAAP measure which is defined under the Non-GAAP Measures section of this MD&A.

General and Administrative (“G&A”) Expenses

(\$000s, except per boe amounts)	Three months ended March 31	
	2021	2020
Gross G&A costs	16,104	12,143
Recoveries	(3,899)	(4,751)
Capitalized G&A	(3,546)	(1,409)
G&A expenses	8,659	5,983
\$ per boe	1.00	0.90

The increase in gross G&A costs in the first quarter of 2021 compared to the same period in 2020 is primarily attributed to the higher salaries due to the additional personnel related to the Strategic Combinations. The increase was partially offset by the Company's continued cost reduction initiatives in response to the collapse of global commodity prices in early 2020.

The decrease in recoveries for first quarter of 2021 compared to the same period in 2020 is primarily due to lower capital recoveries, as there were lower capital expenditures in the first quarter of 2021 compared to the same period in 2020.

The increase to capitalized G&A in the first quarter of 2021 compared to the same period in 2020 is primarily attributed to higher gross G&A costs and timing of the annual incentive programs, which are capitalized when paid.

G&A expenses per boe in the first quarter of 2021 increased 11 percent to \$1.00 per boe compared to \$0.90 per boe in the first quarter of 2020. The increase is primarily attributable to higher gross G&A costs, partially offset by higher capitalized G&A and higher production volumes in the first quarter of 2021 compared to the same period in 2020.

Share-based Awards

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Stock-based compensation	11,028	(2,299)
Realized gain on equity contracts	(1,086)	(292)
Unrealized (gain) loss on equity contracts	(3,972)	29,958
Capitalized stock-based compensation	(2,556)	(29)
Stock-based compensation expenses	3,414	27,338
\$ per boe	0.40	4.09

In the first quarter of 2021, the Company recorded stock-based compensation of \$11.0 million. The increase in stock-based compensation and capitalized stock-based compensation for the three months ended March 31, 2021, compared to the same period in 2020, is primarily attributable to an increase in the fair value of cash-settled awards, resulting from a higher Whitecap share price in the first quarter of 2021.

Stock-based compensation will fluctuate with changes to the expected payout multipliers associated with the performance awards, vesting of existing grants, additional grants under the Award Incentive Plan, as well as changes in fair value for awards that are accounted for as cash-settled.

The unrealized gains on equity contracts in the first quarter of 2021 resulted from increases in the fair value of the total return contracts, which were also due to the higher share price in the first quarter of 2021.

Award Incentive Plan

The Company implemented an Award Incentive Plan effective April 30, 2013. The Award Incentive Plan has time-based awards and performance awards which may be granted to directors, officers, employees of the Company and other service providers. Effective January 1, 2017, independent outside directors will receive only time-based awards as the primary form of long-term compensation. As at March 31, 2021, the maximum number of common shares issuable under the plan shall not at any time exceed 3.755 percent of the total common shares outstanding. Vesting is determined by the Company's Board of Directors. Time-based awards and performance awards issued to employees of the Company and independent outside directors have vesting periods ranging from 1 to 3 years. In the year the awards vest for insiders, the awards vest in two tranches with one half of such awards vesting February 1 and one half vesting October 1.

Each time-based award may in the Company's sole discretion, entitle the holder to be issued the number of common shares designated in the time-based award plus dividend equivalents or payment in cash. Decisions regarding settlement method for insider and non-insider awards are mutually exclusive. On October 1, 2018, consistent with the terms of the Award Incentive Plan, awards vesting for insiders were settled in cash. As a result, the remaining insider awards were accounted for as cash-settled, resulting in the recognition of share award liabilities on the consolidated balance sheet. Performance awards are also subject to a performance multiplier. This multiplier, ranging from zero to two, will be applied on vesting and is dependent on the performance of the Company relative to predefined corporate performance measures set by the Board of Directors for the associated period.

A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of awards that vest. Based on the terms of the Award Incentive Plan, the fair value of share awards is equal to the underlying share price on grant date. The fair value of awards that are accounted for as cash-settled transactions are subsequently adjusted to the underlying share price at each period end. Performance awards are also adjusted by an estimated payout multiplier. The resulting stock-based compensation expense is recognized on a straight-line basis over the vesting period, with a corresponding increase to contributed surplus in the case of awards accounted for as equity-settled, or accounts payable and share-based compensation liability in the case of awards accounted for as cash-settled. Upon the vesting of the awards that are accounted for as equity-settled, the associated amount in contributed surplus is recorded as an increase to share capital.

At March 31, 2021, the Company had 7.0 million awards outstanding.

Interest and Financing Expenses

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Interest	10,398	12,407
Realized (gain) loss on interest rate contracts	555	(141)
Unrealized (gain) loss on interest rate contracts	(2,776)	9,717
Interest and financing expenses	8,177	21,983
\$ per boe	0.95	3.29

Interest and financing expenses per boe decreased 71 percent to \$0.95 per boe in the first quarter of 2021 compared to \$3.29 per boe in the first quarter of 2020. The decrease on a per boe basis was primarily attributable to an unrealized gain on interest rate contracts in the first quarter of 2021 compared to an unrealized loss in the first quarter of 2020, lower interest rates compared to the same period in 2020, and higher production volumes due to the Strategic Combinations. These were partially offset by higher debt balances in the first quarter of 2021.

Depletion, Depreciation and Amortization ("DD&A")

	Three months ended March 31	
(\$000s, except per boe amounts)	2021	2020
Depletion, Depreciation and Amortization	112,229	125,118
\$ per boe	13.01	18.72

DD&A per boe decreased 31 percent to \$13.01 per boe in the first quarter of 2021 compared to \$18.72 per boe in the first quarter of 2020. The decrease on a per boe basis is primarily attributed to the net impairment to property, plant and equipment ("PP&E") recognized in 2020.

DD&A per boe will fluctuate from one period to the next depending on the amount and type of capital spending, the recognition or reversal of impairments, the amount of reserves added and production volumes. The depletion rates are calculated on proved and probable oil and natural gas reserves, taking into account the future development costs to produce the reserves.

Impairment Expense

	Three months ended March 31	
(\$000s)	2021	2020
PP&E impairment	-	2,801,593
Goodwill impairment	-	122,682
Impairment expense	-	2,924,275

PP&E Impairment

There were no indicators of impairment at March 31, 2021.

At March 31, 2020, the carrying amounts of each of the Company's cash generating units exceeded their fair value less cost of disposal ("FVLCD"). The full amount of the impairment was attributed to PP&E and, as a result, a total impairment loss of \$2.8 billion was recorded in impairment expense. The impairment expense in 2020 was primarily a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019. Additionally, as a result of increased volatility in the market, the after-tax discount rate used to determine the FVLCD increased from 10 percent as at December 31, 2019 to 13 percent as at March 31, 2020. The three percent increase in the after-tax discount rate resulted in the recognition of an additional \$908.3 million in PP&E impairment, included in the total impairment loss of \$2.8 billion above.

Goodwill Impairment

In the quarter ended March 31, 2020, the Company determined that the corporate carrying amount, consisting of PP&E and goodwill net of associated deferred income tax, of \$2.5 billion exceeded the recoverable amount of \$2.4 billion. The full amount of the impairment was attributed to goodwill and, as a result, an impairment loss of \$122.7 million was recorded in impairment expense. The impairment expense in 2020 was primarily a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019.

Taxes

During the three months ended March 31, 2021, the Company recognized a deferred income tax expense of \$10.6 million compared to a deferred income tax recovery of \$670.0 million for the same period in 2020. The deferred income tax recovery in the three months ended March 31, 2020 was primarily due to impairments recognized in the period.

The following gross deductions are available for deferred income tax purposes:

(\$000s)	March 31 2021	December 31 2020	Annual Deductibility
Undepreciated capital cost	803,643	486,932	Various rates, primarily 25% declining balance
Canadian exploration expense	36,309	-	100%
Canadian development expense	795,984	569,499	30% declining balance
Canadian oil & gas property expense	2,151,912	1,508,070	10% declining balance
Non-capital loss carryforward	1,701,114	974,051	100%
Share issue costs	2,207	2,911	20% straight line
Total	5,491,169	3,541,463	

Net Income (Loss)

For the three months ended March 31, 2021, the Company recognized net income of \$19.6 million compared to a net loss of \$2.1 billion for the same period in 2020. The following changes impacted the net income (loss):

(\$000s)	Three months ended March 31
2020 Net Loss	(2,111,474)
Change in deferred income tax expense / recovery	(680,606)
Change in risk management contracts	(247,363)
Increase in operating expenses	(33,624)
Decrease in gain on acquisition	(28,131)
Increase in royalties	(26,207)
Increase in marketing expenses	(11,145)
Increase in transaction costs	(10,179)
Decrease in impairment expenses	2,924,275
Increase in petroleum and natural gas sales	199,547
Decrease in stock-based compensation	23,924
Decrease in interest and financing expense	13,806
Decrease in depletion, depreciation and amortization	12,889
Other net changes	(6,077)
2021 Net Income	19,635

The factors causing these changes are discussed in the preceding sections.

Cash Flow from Operating Activities, Funds Flow and Payout Ratios

Management considers funds flow to be a key measure of operating performance as it demonstrates Whitecap's ability to generate the cash necessary to pay dividends, repay debt, make capital investments, and/or to repurchase common shares under the Company's normal course issuer bid ("NCIB").

Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow 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. Funds flow is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Whitecap reports funds flow in total and on a per share basis. Refer to Note 5(e) "Capital Management" in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021.

The following table reconciles cash flow from operating activities to funds flow and free funds flow:

(\$000s)	Three months ended	
	2021	March 31 2020
Cash flow from operating activities	217,145	160,495
Changes in non-cash working capital	(29,378)	(28,718)
Funds flow ⁽¹⁾	187,767	131,777
Expenditures on PP&E	118,862	138,797
Free funds flow ⁽²⁾	68,905	(7,020)
Dividends paid or declared	24,181	34,906
Basic payout ratio (%) ⁽²⁾	13	26
Total payout ratio (%) ⁽²⁾	76	132
Funds flow per share, basic	0.36	0.32
Funds flow per share, diluted	0.36	0.32
Dividends paid or declared per share	0.04	0.09

Notes:

(1) Refer to Note 5(e) "Capital Management" in the unaudited interim consolidated financial statements.

(2) Free funds flow, basic payout ratio and total payout ratio are non-GAAP measures which are defined under the Non-GAAP Measures section of this MD&A.

Dividends are only declared once they are approved by the Company's Board of Directors. The Board of Directors reviews Whitecap's ability to pay dividends on a monthly basis.

Cash flow from operating activities for the three months ended March 31, 2021, was \$217.1 million compared to \$160.5 million for the same period in 2020.

The following changes impacted cash flow from operating activities:

(\$000s)	Three months ended	
	2021	March 31 2020
2020 Cash flow from operating activities		160,495
Change in impairment		(2,924,275)
Change in depletion, depreciation and amortization		(12,889)
Change in net income/loss		2,131,109
Change in deferred income tax expense/recovery		680,606
Change in unrealized risk management contracts		151,897
Change in gain on acquisition		28,131
Other net changes		2,071
2021 Cash flow from operating activities		217,145

Funds flow for the three months ended March 31, 2021 was \$187.8 million compared to \$131.8 million for the same period in 2020. The increase in funds flow is primarily attributed to higher commodity prices combined with increased production volumes.

Free funds flow for the three months ended March 31, 2021 was \$68.9 million compared to negative \$7.0 million for the same period in 2020. The increase in free funds flow is attributed to higher funds flow and lower capital expenditures in 2021.

Capital Expenditures

(\$000s)	Three months ended March 31	
	2021	2020
Land and geological	455	270
Drilling and completions	95,848	124,089
Investment in facilities	18,325	12,818
Capitalized administration	3,546	1,409
Corporate and other assets	688	211
Expenditures on PP&E	118,862	138,797
Property acquisitions	72,178	76
Property dispositions	(20)	-
Corporate acquisitions	1,407,382	18,149
Total capital expenditures	1,598,402	157,022

For the three months ended March 31, 2021, expenditures on PP&E totaled \$118.9 million with 96 percent spent on drilling, completions and facilities.

For the three months ended March 31, 2021, Whitecap's drilling activity was as follows:

	Three months ended March 31, 2021	
	Gross	Net
Central Alberta ⁽¹⁾	6	4.8
Eastern Saskatchewan	-	-
Northwest Alberta & British Columbia	9	6.1
Western Saskatchewan ⁽²⁾	38	33.0
Total	53	43.9

Notes:

(1) Includes 1 (0.9 net) injection wells in the three months ended March 31, 2021.

(2) Includes 1 (0.5 net) injection wells in the three months ended March 31, 2021.

For the three months ended March 31, 2020, Whitecap's drilling activity was as follows:

	Three months ended March 31, 2020	
	Gross	Net
Central Alberta ⁽¹⁾	6	5.2
Eastern Saskatchewan ⁽²⁾	7	4.3
Northwest Alberta & British Columbia	12	7.2
Western Saskatchewan ⁽³⁾	52	39.0
Total	77	55.7

Notes:

(1) Includes 1 (0.9 net) injection wells in the three months ended March 31, 2020.

(2) Includes 2 (1.2 net) injection wells in the three months ended March 31, 2020.

(3) Includes 5 (4.8 net) injection wells in the three months ended March 31, 2020.

Strategic Combinations

NAL Strategic Combination

On January 4, 2021, the Company closed the previously announced NAL Strategic Combination. Whitecap issued approximately 58.3 million Whitecap common shares in exchange for all the issued and outstanding NAL shares to the Manufacturers Life Insurance Company. Refer to Note 6 in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021 for more information.

TORC Strategic Combination

On February 24, 2021, the Company closed the previously announced TORC Strategic Combination. Whitecap issued approximately 129.8 million Whitecap common shares to former TORC shareholders in exchange for all the issued and outstanding TORC shares and the assumption of net debt.

Refer to Note 6 in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021 for more information.

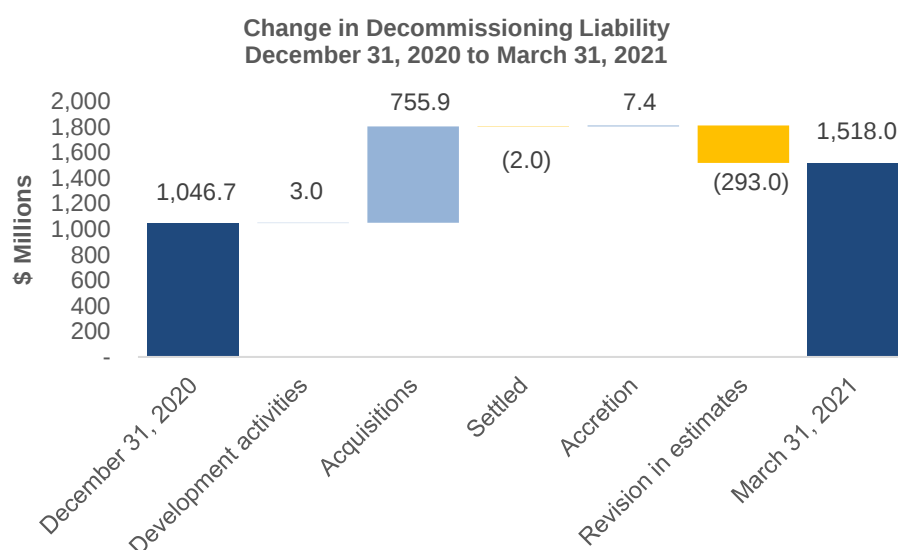
Other Acquisitions

In the three months ended March 31, 2021, the Company acquired certain production facilities in the Central Alberta and Western Saskatchewan cash generating units for total cash consideration of \$72.2 million that were previously leased. See Note 9 – “Right-Of-Use Assets” and Note 11 – “Lease Liabilities” to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021 for additional information regarding the Company's leases.

Decommissioning Liability

At March 31, 2021, the Company's decommissioning liability balance was \$1.5 billion (\$1.0 billion at December 31, 2020) for future abandonment and reclamation of the Company's properties. The increase in the decommissioning liability at March 31, 2021 compared to December 31, 2020 is primarily attributed to the addition of decommissioning liabilities related to the Strategic Combinations, partially offset by an increase in the risk-free rate from 1.2 percent at December 31, 2020 to 2.0 percent at March 31, 2021. Estimates are based on both operational knowledge of the properties and updated industry guidance provided by the Alberta Energy Regulator, the Saskatchewan Ministry of the Economy and the BC Oil and Gas Commission. The estimates are reviewed quarterly and adjusted as new information regarding the liability is determined.

Exhibit 5



Capital Resources and Liquidity

Credit Facilities

At March 31, 2021, the Company had a \$1.405 billion credit facility with a syndicate of banks. The credit facility consists of a \$1.33 billion revolving syndicated facility and a \$75 million revolving operating facility, with a maturity date of May 31, 2025. As at March 31, 2021 the amount drawn on the credit facilities was \$782.4 million. Prior to any anniversary date, being May 31 of each year, Whitecap may request an extension of the then current maturity date, subject to approval by the banks. Following the granting of such extension, the term to maturity of the credit facilities shall not exceed four years. The credit facility provides that advances may be made by way of direct advances, banker's acceptances or letters of credit/guarantees. The credit facility bears interest at the bank's prime lending or bankers' acceptance rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio for the most recent quarter. The bankers' acceptances bear interest at the applicable banker's acceptance rate plus an explicit stamping fee based upon the Company's debt to EBITDA ratio. The credit facilities are secured by a floating charge debenture on the assets of the Company.

The following table lists Whitecap's financial covenants as at March 31, 2021:

Covenant Description		March 31, 2021
Debt to EBITDA ^{(1) (2)}	Maximum Ratio 4.00	1.84
EBITDA to interest expense ⁽¹⁾	Minimum Ratio 3.50	17.32

Notes:

(1) The EBITDA used in the covenant calculation is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items such as material acquisitions or dispositions.

(2) The debt used in the covenant calculation includes bank indebtedness, letters of credit, and dividends declared.

At March 31, 2021, the Company was compliant with all covenants provided for in the credit agreement. Copies of the Company's credit agreements may be accessed through the SEDAR website (www.sedar.com).

Senior Secured Notes

At March 31, 2021, the Company had issued \$595 million senior secured notes. The notes rank equally with Whitecap's obligations under its credit facility.

The terms, rates and principals of the Company's outstanding senior notes are detailed below:

(\$000s)			
Issue Date	Maturity Date	Coupon Rate	Principal
January 5, 2017	January 5, 2022	3.46%	200,000
May 31, 2017	May 31, 2024	3.54%	200,000
December 20, 2017	December 20, 2026	3.90%	195,000
Balance at March 31, 2021			595,000

The senior secured notes are subject to the same debt to EBITDA ratio and EBITDA to interest expense ratio described under the credit facility. At March 31, 2021, the Company was compliant with all covenants provided for in the lending agreements.

Equity

On May 14, 2020, the Company announced the approval of its renewed NCIB by the TSX (the "2020 NCIB"). The 2020 NCIB allows the Company to purchase up to 20,406,799 common shares over a period of twelve months commencing on May 21, 2020.

On May 16, 2019, the Company announced the approval of its renewed NCIB by the TSX (the "2019 NCIB"). The 2019 NCIB allowed the Company to purchase up to 20,657,914 common shares over a period of twelve months commencing on May 21, 2019.

Purchases are made on the open market through the TSX or alternative platforms at the market price of such common shares. All common shares purchased under the NCIB are cancelled. The total cost paid, including commissions and fees, is first charged to share capital to the extent of the average carrying value of Whitecap's common shares and the excess is charged to contributed surplus.

The following table summarizes the share repurchase activities during the period:

	Three months ended	
		March 31
(000s except per share amounts)	2021	2020
Shares repurchased	-	1,634
Average cost (\$/share)	-	4.83
Amounts charged to		
Share capital	-	7,895
Share repurchase cost	-	7,895

The Company is authorized to issue an unlimited number of common shares. At April 27, 2021, there were 597.6 million common shares and 6.7 million share awards outstanding.

Liquidity

The Company generally relies on funds flow, equity issuances and its credit facility to fund its capital requirements, dividend payments and provide liquidity. From time to time, the Company accesses capital markets to meet its additional financing needs and to maintain flexibility in funding its capital programs. Future liquidity depends primarily on funds flow, existing credit facilities and the ability to access debt and equity markets. All repayments on the revolving production and operating facilities are due at the term maturity date. The Company expects, has the discretion, and has sufficient capacity to refinance its senior notes maturing on January 5, 2022 under its existing credit facility. As none of the facilities mature within the next year, all liabilities related to Company's debt are considered to be non-current. At March 31, 2021, the Company had \$621.3 million of unutilized credit to cover any working capital deficiencies. The Company believes that available credit facilities combined with anticipated funds flow will be sufficient to satisfy Whitecap's 2021 development capital program and dividend payments for the 2021 fiscal year.

Contractual Obligations

Whitecap has contractual obligations in the normal course of business which may include purchase of assets and services, operating agreements, transportation commitments, sales commitments, royalty obligations, lease rental obligations, employee agreements and debt. These obligations are of a recurring, consistent nature and impact Whitecap's cash flows in an ongoing manner. The Company is committed to future payments under the following agreements:

(\$000s)	2021	2022	2023	2024+	Total
Lease liabilities ⁽¹⁾	4,127	5,798	6,424	22,536	38,885
Service agreements	3,695	5,276	4,473	14,876	28,320
Transportation agreements	38,236	45,787	36,467	142,609	263,099
CO ₂ purchase commitments	29,392	39,791	40,588	60,753	170,524
Long-term debt ⁽¹⁾	16,278	214,761	14,685	1,202,729	1,448,453
Total	91,728	311,413	102,637	1,443,503	1,949,281

Note:

⁽¹⁾ These amounts include the notional principal and interest payments.

Related Party Transactions

The Company has retained the law firm of Burnet, Duckworth & Palmer LLP ("BD&P") to provide Whitecap with legal services. A director of Whitecap is a partner of this firm. During the three months ended March 31, 2021, the Company incurred \$0.8 million for legal fees and disbursements (\$0.2 million for the three months ended March 31, 2020). These amounts have been recorded at the amounts that have been agreed upon by the two parties. The Company expects to retain the services of BD&P from time to time. At March 31, 2021 a \$0.8 million payable balance (nil – March 31, 2020) was outstanding.

Subsequent Event

Kicking Horse Oil & Gas Ltd. ("Kicking Horse") Acquisition

On April 5, 2021, the Company announced it had entered into an arrangement agreement (the "Arrangement") to indirectly acquire all the issued and outstanding shares of Kicking Horse, a privately held indirect subsidiary of Quantum Energy Partners. The aggregate consideration consists of 34.5 million

Whitecap common shares (determined based on the five-day volume weighted average share prices of Whitecap's shares on the TSX prior to the signing of the Arrangement), \$56.0 million in cash and the assumption of net debt (the "Acquisition") estimated at \$54.0 million as at February 28, 2021. The Acquisition is expected to close on or before May 31, 2021. A copy of the press release may be accessed through the SEDAR website (www.sedar.com).

Changes in Accounting Policies Including Initial Adoption

There were no changes that had a material effect on the reported income (loss) or net assets of the Company.

Standards Issued but not yet Effective

There are no other standards or interpretations issued, but not yet adopted, that are anticipated to have a material effect on the reported net income (loss) or net assets of the Company.

Off Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet other than commitments disclosed in Note 17 to the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2021.

Critical Accounting Estimates

Whitecap's financial and operating results may incorporate certain estimates including:

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated capital expenditures on projects that are in progress;
- estimated depletion, depreciation and accretion that are based on estimates of oil and gas reserves that the Company expects to recover in the future, commodity prices, estimated future salvage values and estimated future capital costs;
- estimated fair values of derivative contracts that are subject to fluctuation depending upon the underlying commodity prices and foreign exchange rates;
- estimated value of decommissioning liabilities that are dependent upon estimates of future costs, timing of expenditures and the risk-free rate;
- estimated income and other tax liabilities requiring interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time;
- estimated stock-based compensation expense using the Black-Scholes option pricing model;
- estimated fair value of business combinations and goodwill requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and exploration and evaluation assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates; and
- estimated recoverable amounts are based on estimated proved plus probable reserves, production rates, oil and gas prices, future costs, discount rates and other relevant assumptions.

The Company has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Furthermore, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

Business Risks

Whitecap's exploration and production activities are concentrated in the WCSB, where activity is highly competitive and includes a variety of different-sized companies. Whitecap is subject to a number of risks that are also common to other organizations involved in the oil and gas industry. Such risks include finding and developing oil and gas reserves at economic costs, estimating amounts of recoverable reserves, production of oil and gas in commercial quantities, marketability of oil and gas produced, fluctuations in commodity prices, stock market volatility, debt service which may limit timing or amount of dividends as well as market price of shares, financial and liquidity risks and environmental and safety risks.

In order to reduce exploration risk, Whitecap employs or contracts highly qualified and motivated professionals who have demonstrated the ability to generate quality proprietary geological and geophysical prospects. Whitecap has retained an independent engineering consulting firm that assists the Company in evaluating recoverable amounts of oil and gas reserves. Values of recoverable reserves are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and government regulations. Such estimates may vary from actual results.

The Company mitigates its risk related to producing hydrocarbons through the utilization of current technology and information systems. In addition, Whitecap strives to operate the majority of its prospects, thereby maintaining operational control. When the Company does not operate, it relies on its partners in jointly owned properties to maintain operational control.

Whitecap is exposed to market risk to the extent that the demand for oil and gas produced by the Company exists within Canada and the United States. External factors beyond the Company's control may affect the marketability of oil and gas produced. These factors include commodity prices and variations in the Canada–United States currency exchange rate which, in turn, responds to economic and political circumstances throughout the world. Oil prices are affected by worldwide supply and demand fundamentals while natural gas prices are affected by North American supply and demand fundamentals. Whitecap uses futures and options contracts to hedge its exposure to the potential adverse impact of commodity price volatility. The primary objective of the risk management program is to provide a measure of stability to Whitecap dividends and its capital development program.

Exploration and production for oil and gas is capital intensive. In addition to funds flow, the Company accesses the equity markets as a source of new capital. In addition, Whitecap utilizes bank financing to support ongoing capital investments which exposes the Company to fluctuations in interest rates on its bank debt. Funds flow also fluctuates with changing commodity prices. Equity and debt capital are subject to market conditions, and availability may increase or decrease from time to time.

The Company's business, operations and financial condition have been significantly adversely affected by COVID-19. Actions taken to reduce the spread of COVID-19 have resulted in volatility and disruptions in regular business operations, supply chains and financial markets, as well as declining trade and market sentiment. COVID-19, as well as other factors, has resulted in the deepest drop in crude oil prices that global markets have seen since 1991. With the rapid spread of COVID-19 and additional oil supply that came on-stream in 2020, oil prices and global equity markets deteriorated significantly in 2020 and are expected to remain volatile. The extreme supply / demand imbalance caused a reduction in industry spending in 2020. COVID-19 also poses a risk on the financial capacity of Whitecap's contract counterparties and potentially their ability to perform contractual obligations. These difficulties have been exacerbated in Canada and recently in the United States by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. The extent to which Whitecap's operational and financial results are affected by COVID-19 will also depend on additional actions taken by business and governments in response to the pandemic and the speed and effectiveness of responses to combat the virus.

Additional information regarding risk factors including, but not limited to, business risks is available in our Annual Information Form, a copy of which may be accessed through the SEDAR website (www.sedar.com).

Environmental Risks

General Risks

Oil and gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include the pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. The Company works hard to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Company conducts its operations with high standards in order to protect the environment, its employees and consultants, and the general public. Whitecap maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes

subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Company has available and result in financial distress.

Climate Change Risks

Our exploration and production facilities and other operations and activities emit greenhouse gasses ("GHG") which may require us to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate our effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on our business, financial condition, results of operations and prospects. Some of our significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. In addition, climate change has been linked to long-term shifts in climate patterns and extreme weather conditions both of which pose the risk of causing operational difficulties.

Additional information regarding risk factors including, but not limited to, business risks is available in our Annual Information Form for the year ended December 31, 2020, a copy of which may be accessed through the SEDAR website (www.sedar.com).

Summary of Quarterly Results

	2021	2020				2019		
(\$000s, except as noted)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial								
Petroleum and natural gas revenues	448,892	238,489	248,283	150,467	264,317	369,190	331,317	374,730
Funds flow ⁽¹⁾	187,767	104,650	119,320	78,134	131,777	184,546	154,306	175,537
Basic (\$/share) ⁽¹⁾	0.36	0.26	0.29	0.19	0.32	0.45	0.37	0.42
Diluted (\$/share) ⁽¹⁾	0.36	0.25	0.29	0.19	0.32	0.45	0.37	0.42
Net income (loss)	19,635	331,951	12,835	(78,285)	(2,111,474)	(203,946)	42,277	58,357
Basic (\$/share)	0.04	0.81	0.03	(0.19)	(5.17)	(0.50)	0.10	0.14
Diluted (\$/share)	0.04	0.81	0.03	(0.19)	(5.17)	(0.50)	0.10	0.14
Expenditures on PP&E	118,862	21,713	14,075	21,301	138,797	98,762	153,848	26,463
Property acquisitions	72,178	26	71	5,208	76	410	2,020	196
Property dispositions	(20)	-	-	-	-	(266)	(89)	44
Corporate acquisition	1,407,382	-	268	-	18,149	-	-	-
Total assets	5,387,739	3,381,410	3,122,924	3,114,151	3,220,706	5,358,465	6,075,973	5,968,862
Net debt	1,451,841	1,083,029	1,151,409	1,238,956	1,271,014	1,193,267	1,241,579	1,189,750
Common shares outstanding (000s)	597,332	409,234	408,286	408,181	408,000	409,619	410,562	412,907
Dividends paid or declared per share	0.04	0.04	0.04	0.04	0.09	0.09	0.09	0.08
Operational								
Average daily production								
Crude oil (bbls/d)	64,795	48,527	51,456	54,067	56,631	58,044	53,245	55,155
NGLs (bbls/d)	9,508	4,874	4,693	5,288	5,077	4,805	4,399	4,417
Natural gas (Mcf/d)	129,151	62,289	63,191	68,712	70,466	70,811	63,663	66,231
Total (boe/d)	95,828	63,783	66,681	70,807	73,452	74,651	68,255	70,611

Note:

(1) Refer to Note 5(e) "Capital Management" in the financial statements and to the section entitled "Cash Flow from Operating Activities, Funds Flow and Payout Ratios" contained within this MD&A.

Over the past eight quarters, fluctuations in production volumes and realized commodity prices have impacted the Company's petroleum and natural gas revenues and funds flow. Net income (loss) has fluctuated due to changes in funds flow, impairment expense, impairment reversals and unrealized derivative gains and losses which fluctuate with the changes in forward commodity prices and exchange rates. Capital expenditures and production volumes have fluctuated over time as a result of the timing of acquisitions and the impact of market conditions on the Company's development capital expenditures.

The following outlines the significant events over the past eight quarters:

In the first quarter of 2021, the Company closed the Strategic Combinations. Concurrent with the closing of the TORC Strategic Combination, Whitecap's credit facility was increased by \$230 million to \$1.405 billion from \$1.175 billion. The credit facility consists of a \$1.33 billion revolving syndicated facility and a \$75 million revolving operating facility, with a maturity date of May 31, 2023. Effective March 26, 2021, the credit facility was further extended to a maturity date of May 31, 2025.

In connection with the TORC Strategic Combination, Whitecap's Board of Directors has approved an increase the Company's monthly dividend from \$0.01425 per common share to \$0.01508 per common share (\$0.18096 per common share annualized). The dividend increase was effective for the March 2021 dividend payable in April 2021.

Production in the first quarter of 2021 was higher than the preceding quarters primarily due to the Strategic Combinations.

In the first quarter of 2020, due to the weak crude oil prices, the Company reduced its expected 2020 capital spending program from \$350 - \$370 million to \$200 - \$210 million and reduced its monthly dividend per share from \$0.0285 to \$0.01425, in order to strengthen its financial position. Additionally, as a result of lower forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019, the Company recognized impairments of \$2.9 billion, of which \$2.8 billion was attributed to PP&E and \$0.1 billion was attributed to goodwill.

In 2019, the Company reduced capital spending compared to the prior year with the focus on further strengthening the balance sheet by reducing net debt. As a result of the decreased capital program, production volumes were slightly lower than the prior year.

In the fourth quarter of 2019, the Company recognized an impairment of \$296.9 million attributed to PP&E. The impairment expense in 2019 was primarily a result of lower forecast benchmark commodity prices at December 31, 2019 compared to December 31, 2018.

INTERNAL CONTROLS UPDATE

Whitecap is required to comply with National Instrument 52-109 Certification of Disclosure on Issuers' Annual and Interim Filings ("NI 52-109"). NI 52-109 requires that Whitecap disclose in its interim MD&A any material weaknesses in Whitecap's internal control over financial reporting and/or any changes in Whitecap's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, Whitecap's internal controls over financial reporting. Whitecap confirms that no material weaknesses or such changes were identified in Whitecap's internal controls over financial reporting during the first quarter of 2021.

NON-GAAP MEASURES

This MD&A includes non-GAAP measures as further described herein. These non-GAAP measures do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures by other companies. Management believes that the presentation of these non-GAAP measures provides useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

"Basic payout ratio" is calculated as dividends paid or declared divided by funds flow. Management believes that basic payout ratio provides a useful measure of Whitecap's dividend policy and the amount of funds flow retained by the Company for capital reinvestment.

"Free funds flow" represents funds flow less expenditures on PP&E. Management believes that free funds flow provides a useful measure of Whitecap's ability to increase returns to shareholders and to grow the Company's business. See "Cash Flow from Operating Activities, Funds Flow and Payout Ratios" for a reconciliation of cash flow from operating activities to free funds flow.

"Operating netbacks" are determined by adding marketing revenue and processing & other income, deducting realized hedging losses or adding realized hedging gains and deducting tariffs, royalties,

operating expenses, transportation expenses and marketing expenses from petroleum and natural gas revenues. Operating netbacks are per boe measures used in operational and capital allocation decisions. Presenting operating netbacks on a per boe basis allows management to better analyze performance against prior periods on a comparable basis.

“Total payout ratio” is calculated as dividends paid or declared plus expenditures on PP&E, divided by funds flow. Management believes that total payout ratio provides a useful measure of Whitecap's capital reinvestment and dividend policy, as a percentage of the amount of funds flow.

BOE PRESENTATION

Boe means barrel of oil equivalent. All boe conversions in this MD&A are derived by converting gas to oil at the ratio of six thousand cubic feet (“Mcf”) of natural gas to one barrel (“Bbl”) of oil. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl : 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and are based on Whitecap's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "estimate", "objective", "ongoing", "may", "will", "project", "believe", "measure", "stability", "depends", "could", "sustainability" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: the expected closing date of the Kicking Horse Acquisition; Whitecap's focus and strategy; Whitecap's commodity risk management program and the benefits to be derived therefrom; terms of the Company's risk management contracts; management's belief that funds flow is a useful measure; the amount of future decommissioning liabilities; future liquidity and financial capacity; sources of funding the Company's capital program; transportation expenses, stock-based compensation expenses; belief that available credit facilities combined with anticipated funds flow will be sufficient to satisfy Whitecap's 2021 development capital program and dividend payments for the 2021 fiscal year; the Company's expectation that it will have sufficient capacity to refinance its senior notes maturing on January 5, 2022; Whitecap's deductions available for deferred income tax purposes and the terms of Whitecap's future contractual obligations.

The forward-looking information and statements contained in this MD&A reflect several material factors and expectations and assumptions of Whitecap including, without limitation: that Whitecap will continue to conduct its operations in a manner consistent with past operations; the general continuance or improvement in current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; 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; the accuracy of the estimates of Whitecap's reserve volumes; the impact of increasing competition; the general stability of the economic and political environment in which Whitecap operates; the ability of Whitecap to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of Whitecap to efficiently integrate assets and employees acquired through acquisitions; the timing of the completion of the Kicking Horse Acquisition and receipt of applicable regulatory approvals and on terms contemplated; drilling results; the ability of the operator of the projects which the Company has an interest in to operate in a safe, efficient and effective manner; field production and decline rates; the ability to reduce operating costs; the ability to replace and expand oil and natural gas reserves through acquisition,

development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future petroleum and natural gas prices; currency, exchange and interest rates; the continued availability of adequate debt and equity financing and cash flow to fund Whitecap's planned expenditures; and the ability to maintain dividends. Whitecap believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Whitecap's products; impact of the COVID-19 pandemic and the ability of the Company to carry on operations as contemplated in light of the COVID-19 pandemic; determinations by OPEC and other countries as to production levels; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in Whitecap's development plans or by third party operators of Whitecap's properties; competition from other producers; inability to retain drilling rigs and other services; failure to realize the anticipated benefits of acquisitions; incorrect assessment of the value of acquisitions; delays resulting from or inability to obtain required regulatory approvals; increased debt levels or debt service requirements; inaccurate estimation of Whitecap's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Whitecap's public disclosure documents (including, without limitation, those risks identified in this MD&A) and may be accessed through the SEDAR website (www.sedar.com).

The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A, and Whitecap does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.