

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

1. **Name and Address of Company**

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

2. **Date of Material Change**

June 28, 2022

3. **News Release**

On June 28, 2022, a press release was issued and disseminated through the facilities of a recognized newswire service.

4. **Summary of Material Change**

On June 28, 2022, Whitecap announced that it had entered into a purchase and sale agreement to acquire XTO Energy Canada for total cash consideration of approximately \$1.9 billion and the assumption of estimated positive working capital on closing for a net purchase price of approximately \$1.7 billion (the "**Acquisition**"). The Acquisition is expected to close before the end of the third quarter, subject to customary closing conditions, including the receipt of necessary regulatory approvals. Whitecap has the capacity to fund the Acquisition through existing credit facilities and a commitment obtained for a new term loan. In addition, effective with the July dividend payable in August, our Board of Directors has approved a 22% increase to our monthly dividend to \$0.0367 per share.

5. **Full Description of Material Change**

**5.1 Full Description of Material Change**

*Overview*

On June 28, 2022, Whitecap announced that it had entered into a purchase and sale agreement to acquire XTO Energy Canada for total cash consideration of approximately \$1.9 billion and the assumption of estimated positive working capital on closing for a net purchase price of approximately \$1.7 billion. The Acquisition is expected to close before the end of the third quarter, subject to customary closing conditions, including the receipt of necessary regulatory approvals.

*Financing Arrangements*

Whitecap has the capacity to fund the Acquisition through existing credit facilities and a commitment obtained for a new term loan. In connection with the Acquisition, Whitecap obtained a financing commitment for a new \$1.1 billion 4-year term loan which results in total credit capacity of \$3.1 billion.

*Dividend Increase*

Effective with the July dividend payable in August, our Board of Directors has approved a 22% increase to our monthly dividend to \$0.0367 per share, from \$0.03 per share previously, which equates to \$0.44 per share on an annual basis.

### *Asset Details*

- The acquired assets are currently producing approximately 32,000 boe/d<sup>1</sup> (30% condensate and NGLs) from the Duvernay and Montney formations in Northwest Alberta, and include 672,000 (639,000 net) acres of land containing over 20 years of tier one drilling locations, and an operated 165 mmcf/d shallow cut gas processing facility servicing owned and third-party Duvernay volumes.
- Montney lands acquired total 598,000 (567,000 net) acres, which increases Whitecap's total acreage in the Montney by over 500%. Additionally, the Acquisition consolidates certain working interests at Kakwa, Alberta, from an average of 66% to 100% on approximately 22,000 gross acres. The Acquisition represents Whitecap's entry into the prolific liquids-rich Duvernay play at Kaybob including 74,000 (72,000 net) acres.
- The acquired assets are characterized by high production rates and reserves, efficient and highly economic liquids-rich assets with significant tier one drilling locations across the entire 672,000 (639,000 net) acres land position.
- The reserves attributed to the Acquisition were evaluated by McDaniel & Associates Consultants Ltd. ("McDaniel") in a report effective as at May 1, 2022 (the "**McDaniel Reserves Report**") using the three consultant average price deck as at April 1, 2022 with WTI averaging US\$80.78/bbl and AECO averaging C\$3.70/GJ (2022 – 2026), which is lower than current strip prices.<sup>2</sup>

	<b>Proven Developed Producing</b>	<b>Total Proven</b>	<b>Total Proven plus Probable</b>
Reserves (MMboe - % liquids)	49.7 (28%)	226.0 (35%)	403.2 (35%)
Net Present Value (\$ million - 10% Discount)	\$822	\$2,452	\$3,829

### *Montney Asset Details*

- The Acquisition consolidates certain working interests at Kakwa where recent wells drilled and completed by Whitecap have outperformed internal expectations. Whitecap has optimized its completion design on recent wells, and there will be no change to capital spending plans in this area as Whitecap already controls the pace of development.
- Whitecap's total Montney acreage is now 683,000 (638,000 net) acres.
- Montney production utilizes owned gathering and compression along with third-party gas processing in the area that has significant spare capacity. This provides ample room for production growth in the area.
- Liquids are currently trucked to processing facilities; however, the majority of these volumes will be transferred to a third-party pipeline, scheduled to be in service in the first half of 2023. Natural gas volumes will be transported to end markets via firm service on the Nova Gas Transmission Line.

<sup>1</sup> Disclosure of production on a per boe basis herein consists of the constituent product types and their respective quantities disclosed elsewhere herein. See "Barrel of Oil Equivalency" and "Production and Product Type Information".

<sup>2</sup> See "Oil and Gas Advisories – Reserves".

### ***Duvernay Asset Details***

- The Acquisition includes 100% ownership of the 15-07 gas processing facility which is a shallow cut facility with 165 mmcf/d of capacity. The facility currently processes the acquired Duvernay volumes along with third-party volumes from area producers. Ownership of this facility provides the Company with development optionality for future exploitation of the assets.
- Industry has made significant strides to improve the economics of the Duvernay over the past several years through refined drilling and completion techniques, quicker drilling times and improving production rates. We intend on utilizing these refined methods along with recent learnings from our Montney program to further improve the economics and free funds flow potential of the asset.
- Firm service for both liquids handling as well as natural gas egress is in place and will be utilized by Whitecap.

### **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, Senior Vice President and Chief Financial Officer, by telephone at (403) 266-0767.

#### **9. Date of Report**

July 8, 2022

### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities, including relating to the Acquisition and the Company after completing the Acquisition. 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 document contains forward-looking information with respect to: the estimated amount of working capital that we will assume on closing of the Acquisition and the estimated net purchase price for the Acquisition; that the Acquisition is expected to close before the end of the third quarter; our plans for how the purchase price will be funded; approximate production in total and by product type from the Acquisition; the acquired lands have over 20 years of tier one drilling locations; the characteristics of the acquired assets including high production rates and reserves, efficient and highly economic liquids-rich assets with significant tier one drilling locations; the reserves and net present value estimates in the McDaniel Reserves Report by reserves category and related forecast commodity price assumptions; that there will be no change to our capital spending plans in the Kakwa area; that there is ample room for Montney production growth based on the significant spare capacity of existing third-party infrastructure; that Montney liquids volumes will be transferred to a

third-party pipeline, scheduled to be in service in the first half of 2023, and our plans for transporting natural gas volumes; that ownership of the 15-07 gas processing facility provides the Company with development optionality for future exploitation of the Duvernay assets; and our intention to utilize refined drilling and completion methods along with recent learning from our Montney program to further improve the economics and free funds flow potential of the Duvernay asset. 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: that the parties will be able to satisfy all conditions precedent to closing the Acquisition, including the receipt of all applicable regulatory approvals, and that the Acquisition will be completed on the terms and timing contemplated herein; that we will be able to satisfy all conditions precedent to obtaining our new committed 4-year term loan, and that the term loan financing will be completed on the terms and timing contemplated herein; that we will continue to conduct our operations in a manner consistent with past operations, except as specifically noted herein; 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; expectations and assumptions concerning prevailing and forecast commodity prices, exchange rates, interest rates, inflation rates, applicable royalty rates and tax laws, including the assumptions specifically set forth herein; 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 adjust crude oil production levels and thereby manage world crude oil prices; the impact (and the duration thereof) of the ongoing military actions between Russia and Ukraine and related sanctions on crude oil, NGLs and natural gas prices; the impact of rising inflation rates and interest rates on the North American and world economies and the corresponding impact on our costs, our profitability, and on crude oil, NGLs and natural gas prices; future production rates and estimates of operating costs and development capital, including as specifically set forth herein; performance of existing and future wells; reserve volumes and net present values thereof, including as set forth in the McDaniel Reserves Report; anticipated timing and results of capital expenditures / development capital, including as specifically set forth herein; 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, including our assumptions regarding the number of drilling locations obtained through the Acquisition; 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; future dividend levels; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, including the Acquisition; ability to market oil and natural gas successfully; and our ability to access capital and the cost and terms thereof, including as specifically contemplated herein. In addition, this document contains various assumptions regarding future commodity prices and other matters that are located proximate to the aforementioned forward-looking information.

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 risk that the Acquisition is not completed on the terms and/or on the timing contemplated herein; the risk that our new term loan is not obtained on the terms and/or on the timing contemplated herein; the risk that we do not realize some or all of the anticipated benefits of the Acquisition; the risk that any of our material assumptions prove to be materially inaccurate; 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; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; inflation rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions, including the Acquisition; failure to complete or realize the anticipated benefits of acquisitions or dispositions, including the Acquisition; ability to access sufficient capital from internal and external sources on acceptable terms or at all; 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. 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 herein 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](http://www.sedar.com)). These forward-looking statements are made as of the date

hereof 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 our estimates for the assumption of positive working capital on closing of the Acquisition and resulting net purchase price, 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 herein 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 hereof and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Readers are cautioned that the FOFI contained herein should not be used for purposes other than for which it is disclosed herein.

## OIL AND GAS ADVISORIES

### Reserves

Reserves estimates in this document in respect of the Acquisition are based on the evaluation prepared by McDaniel as set out in the McDaniel Reserves Report effective as at May 1, 2022, which was prepared in accordance with National Instrument 51-101 ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook. The McDaniel Reserves Report was based on the average forecast pricing of McDaniel, GLJ Ltd. and Sproule Associates Limited and inflation rates and foreign exchange rates as at April 1, 2022, which is available on McDaniel's website at [www.mcdan.com](http://www.mcdan.com).

<b>Acquisition</b>	<b>Tight Oil / Condensate (MMbbl)</b>	<b>NGLs (MMbbl)</b>	<b>Shale Gas (MMcf)</b>	<b>Total (MMboe)<sup>(1)(2)</sup></b>
Proven Developed Producing	7.8	6.1	214.9	49.7
Total Proven	49.8	28.3	887.6	226.0
Total Proven plus Probable	89.8	49.7	1,582.3	403.2

Notes:

- (1) Disclosure of reserves on a per boe basis in this document consists of the constituent product types and their respective quantities disclosed in this table.
- (2) All reserves information in this document in respect of the Acquisition are "Company share reserves". Company share reserves are the total working interest reserves before the deduction of any royalties and including any royalty interests receivable on the assets comprising the Acquisition.

It should not be assumed that the present worth of estimated future net revenues presented herein represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of the crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

### Barrel of Oil Equivalency

"Boe" means barrel of oil equivalent. All boe conversions in this document 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.

### Production and Product Type Information

References to petroleum, crude oil, natural gas liquids ("**NGLs**"), natural gas and average daily production in this document refer to the light and medium crude oil, tight crude oil, conventional natural gas, shale gas and NGLs product types, as applicable, as defined in NI 51-101.

NI 51-101 includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher, and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, tight oil and condensate. NGLs refers to ethane, propane, butane and pentane combined. Natural gas refers to conventional natural gas and shale gas combined.

The current approximate average daily production for the Acquisition disclosed herein consists of the following product types, as defined in NI 51-101 and using a conversion ratio of 1 Bbl : 6 Mcf where applicable:

<b>Acquisition</b>	<b>Current 2022</b>
Light and medium oil (bbls/d)	-
Tight oil/condensate (bbls/d)	7,100
Crude oil (bbls/d)	7,100
NGLs (bbls/d)	2,700
Shale gas (Mcf/d)	133,200
Conventional natural gas (Mcf/d)	-
Natural gas (Mcf/d)	133,200
<b>Total (boe/d)</b>	<b>32,000</b>