

# Whitecap Resources Inc. and Compass Petroleum Ltd. Announce Completion of Arrangement and Production Now Exceeding 10,400 boe/d

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CALGARY, ALBERTA -- ([Marketwire](#) - Feb. 10, 2012) - [Whitecap Resources Inc.](#) ("Whitecap") (TSX: WCP) and [Compass Petroleum Ltd.](#) ("Compass") (TSX VENTURE: CPO) are pleased to announce that Whitecap has completed the previously announced acquisition of Compass pursuant to a plan of arrangement (the "Arrangement") under the provisions of the Business Corporations Act (Alberta). The closing of the Arrangement provides Whitecap with an initial entry into the Viking light oil resource play in West Central Saskatchewan and complements our existing oil weighted assets. Whitecap has acquired all of the issued and outstanding common shares of Compass for \$14.0 million in cash and the issuance of an aggregate of 10.9 million common shares of Whitecap. Whitecap also assumed the positive working capital of Compass, estimated at \$1.3 million as at November 30, 2011 (after accounting for costs and severance associated with the Arrangement). Whitecap's current production is now in excess of 10,400 boe/d (65% oil, 3% NGL's) and has 83.1 million common shares issued and outstanding.

Whitecap is also pleased to announce that in connection with closing of the Arrangement, the borrowing base under Whitecap's syndicated credit facility has been increased from \$190 million to \$250 million, a 32% increase. The next borrowing base re-determination is scheduled on or prior to May 31, 2012.

Whitecap now has four oil weighted, high netback areas of operations that include Montney in the Peace River Arch, Cardium in West Central Alberta, Viking in West Central Saskatchewan and the Roseray and Cantuar in Southwest Saskatchewan. Our operated and focused production base combined with our strong balance sheet with a debt to estimated 2012 cash flow of less than 1.1 times positions us to continue to generate strong organic per share growth in cash flow, production and reserves in 2012 and beyond.

Prudent debt and cash flow management continue to be an integral component of our overall business strategy. Whitecap manages the risk associated with fluctuations in commodity prices and foreign exchange by entering into a variety of commodity hedges denominated in Canadian dollars. The following summarizes our commodity hedges outstanding:

| 2012 Contracts | Term            | Volume       | Price                                                 |
|----------------|-----------------|--------------|-------------------------------------------------------|
| Swap           | Jan to Jun 2012 | 3,181 bbls/d | C\$98.77/bbl WTI                                      |
| Swap           | Jul to Dec 2012 | 2,200 bbls/d | C\$101.90/bbl WTI                                     |
| Collar         | Jan to Jun 2012 | 750 bbls/d   | C\$82.00/bbl WTI floor x<br>C\$107.40/bbl WTI ceiling |
| Collar         | Jul to Dec 2012 | 600 bbls/d   | C\$80.00/bbl WTI floor x<br>C\$108.00/bbl WTI ceiling |
| Swap           | Feb to Dec 2012 | 4,949 GJ/d   | C\$2.83/GJ AECO                                       |
| 2013 Contracts | Term            | Volume       | Price                                                 |
| Swap           | Jan to Jun 2013 | 500 bbls/d   | C\$102.52/bbl WTI                                     |
| Swap           | Jan to Dec 2013 | 2,500 GJ/d   | C\$2.77/GJ AECO                                       |

Whitecap's risk management policy allows it to hedge up to 65% of its production volumes (after royalties). We will continue to monitor the commodity price environment and layer on additional hedges as appropriate.

## Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to Whitecap's plans and other aspects of Whitecap's anticipated future operations. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding Whitecap's anticipated

date for a borrowing base review under its syndicated credit facility, estimated debt to 2012 cash flow of less than 1.1 times, and the ability to grow cash flow, production and reserves on a per share basis.

Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by Whitecap's management, including expectations and assumptions concerning Whitecap's lenders assessment of it reserves and operations, prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to market oil and natural gas successfully, Whitecap's ability to access capital.

Although Whitecap believes 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. Whitecap's 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 Whitecap will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on Whitecap's 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 of this press release and Whitecap disclaims 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.

Note: "Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl 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 the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio at 6:1 may be misleading as an indication of value.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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