

Tourmaline Announces Strong Q1 2020 Results, Reduces 2020 Budget to Maintenance Capital, Reconfirms 2020 Dividend

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CALGARY, May 6, 2020 - [Tourmaline Oil Corp.](#) (TSX:TOU) ("Tourmaline" or the "Company") is pleased to release financial operating results for the first quarter of 2020 and provide updates regarding 2020 budget and dividend.

HIGHLIGHTS

- Q1 2020 cash flow⁽¹⁾ was \$283.7 million (\$1.05/diluted share) on Q1 E&P capital spending of \$306.2 million.
- Q1 2020 production averaged a record 308,349 boepd, a 5% increase over Q1 2019 (1,475 mmcfpd natural gas, 62,569 bpd oil, condensate, NGLs).
- Full-year average production of 305,000 – 310,000 boepd is now forecast (representing 6% year-over-year growth), yielding estimated full-year cash flow of \$1.0 billion based on strip pricing⁽²⁾.
- Reduced full-year 2020 EP capital budget from the originally-planned \$925 million to a maintenance capital budget of \$800 million with approximately \$400 million available for the second half of 2020 – facilitating a forecast 2020 production rate of 315,000 – 320,000 boepd.
- Q1 2020 operating costs of \$2.97/boe, down 15% from Q1 2019 and 9% from average 2019 operating costs of \$3.26/boe.

2020 EP CAPITAL PROGRAM AND GUIDANCE

- Tourmaline has reduced its 2020 EP capital expenditure budget from the originally-planned \$925 million to a maintenance capital level of \$800 million.
- Full-year average production of 305,000 – 310,000 boepd is now forecast (representing 6% year-over-year growth), yielding estimated full-year cash flow of \$1.0 billion based on strip pricing.
- Q1 2020 EP spending was \$306.2 million, less than originally planned. The Company plans Q2 EP spending of approximately \$100 million, also less than originally planned, yielding 1H 2020 EP spending of approximately \$400 million, providing considerable capital flexibility for the 2H of 2020.
- The 2020 Tourmaline aggregate dividends of \$130 million and the net Topaz aggregate dividends of \$17 million will be paid from the estimated 2020 free cash flow⁽³⁾ of \$173 million.
- 2021 average production of 320,000 boepd is now anticipated on EP spending of \$900 million yielding cash flow of \$1.0 billion (\$4.70/diluted share) and estimated free cash flow of \$337 million.
- Tourmaline estimates that it will have \$1.1 billion of available liquidity at December 31, 2020 on aggregate credit facilities of \$2.875 billion including a revolver and term loan with a maturity of June 2024.
- Estimated 2020 exit net debt⁽⁴⁾-to-cash flow of 1.8 times based on 2020 forecast cash flow.
- Tourmaline's cash flow is most sensitive to natural gas prices and Cdn/US dollar differential. The Company believes the significant capital spending reductions which have been announced by most oil and gas producers in the past few weeks will result in a decreased supply of natural gas, strengthening prices in 2021. A CAD \$0.10/mcf increase in annual NYMEX natural gas price increases annual cash flow by approximately \$50 million.
- Tourmaline has an estimated up to \$1.0 billion of Topaz equity that can be realized to fund 2020-2021 acquisition activity as well as reduce short-term debt. A second-half 2020 Topaz public liquidity event is anticipated as the Company believes market conditions will be favourable to such a transaction once stability returns to the global financial markets.

PRODUCTION UPDATE AND OUTLOOK

- Q1 2020 production averaged a record 308,349 boepd, a 5% increase over Q1 2019 (1,475 mmcfpd natural gas, 62,569 bpd oil, condensate, NGLs).
- Tourmaline's maintenance EP capital budget of \$800 million, along with the two corporate acquisitions completed is expected to yield 2020 average production of 305,000 - 310,000 boepd.
- The Company has deferred a subset of the originally-planned Q2 EP activity until 2H 2020 and is also planning to add natural gas storage positions in California and Dawn (6,000 boepd in Q2). This will yield anticipated Q2 average production volumes of 295,000 - 300,000 boepd. Injected storage volumes will be recovered in Q4 2020 and if prices are expected to be higher, thus not affecting overall full-year 2020 average production levels.
- 2020 EP activity will be phased so as to yield strong Q4 and exit 2020 production volumes. Current Q4 2020 average production estimates are 310,000 - 315,000 boepd with a 2020 anticipated exit of 315,000 - 320,000 boepd. The Company will be positioned to deliver strong year-over-year cash flow and production growth in 2021.
- Given the very low NGL prices, Tourmaline has reduced liquids recovery at several operated plants thus far in Q2, reducing NGL liquids production volumes by approximately 2,000 bpd; the associated gas volume increase is 4.2%.
- Should weak liquid prices and stronger-than-forecast natural gas prices continue, the Company can evolve the production mix from the current 80:20 gas:liquid split to 83:17 by late 2020/early 2021.

Q1 2020 FINANCIAL RESULTS

- Q1 2020 cash flow was \$283.7 million (\$1.05/diluted share) on Q1 E&P capital spending of \$306.2 million.
- Given the very low oil prices prevailing at the end of Q1 2020, Tourmaline has incurred a \$250 million non-cash impairment for the Peace River High complex. The two gas-weighted core complexes, NEBC and the Alberta DeWitt did not incur any impairments.
- Q1 operating costs were \$2.97/boe, below new 2020 forecast costs of \$3.30/boe and were down 15% from Q1 2019 and 9% from average 2019 operating costs of \$3.28/boe.

ACQUISITION UPDATE

- Tourmaline acquired Polar Star Canadian Oil and Gas Inc. ("Polar Star") on February 14, 2020, for total cash consideration of \$12 million, including the assumption of working capital. The acquired British Columbia assets include approximately 2,500 boepd of production; 2P reserves of 80.7 million boe; 106,000 net acres of Montney land; and a compressor station.
- Tourmaline closed the acquisition of Chinook Energy Inc. ("Chinook") on April 21, 2020, for total cash consideration of approximately \$24.4 million, including assumed net debt. The Chinook NEBC assets include: approximately 3,500 boepd of production; 35.6 mmmboe of 2P reserves; 54,000 acres of Montney land; a gas plant; a compressor station; and a mmcfpd regional 12-inch pipeline.
- Tourmaline will initially focus on optimizing production and reducing field costs, with the expectation that the Chinook Star assets will generate approximately \$10 million to \$12 million of cash flow annually at current gas prices. Tourmaline has reduced the operating costs of the acquired assets by approximately 45% to date. Minimal development of the assets is expected in the next two years, while Tourmaline assembles a regional facility plan as a key aspect of the future development of these assets, including a Gundy-scale, deep cut facility (200 mmcfpd, 15,000 bopd condensate and natural gas liquids).

MARKETING UPDATE

- Tourmaline is Canada's largest natural gas producer with forecast total average 2020 natural gas production of 1.1 bcf/day, including 530 mmcfpd transported and sold at six NYMEX-priced hubs.
- Currently, Tourmaline has an average of 336 mmcfpd hedged for Q2 to Q4 of 2020 at a weighted-average fixed price of CAD \$2.38/mcf; an average of 158 mmcfpd hedged at a basis to NYMEX of \$(0.12) USD/mcf; and an average of 100 mmcfpd incremental volume exposed to export markets, including Dawn, Chicago, Ventura, Sumas, Malin and PO.

- Natural gas fundamentals for 2021 are steadily improving. Tourmaline has been able to execute hedges above the AECO gas price assumption of CAD \$2.62 /mcf and will continue to benefit from the strength in the forward natural gas price curve.
- Tourmaline has diversification to the US and other hubs amounting to 615 mmcfpd in exit 2022 and 660 mmcfpd in 2023.
- At present, Tourmaline has NYMEX WTI hedges of 13,611 bbls/d in place for the period April 2020 – December 2020 at a weighted-average price of USD \$46.47/bbl and 4,500 bbls/d for calendar year 2021 at a weighted-average price of USD \$51.23/bbl.
- For the period of April 2020 – December 2020, Tourmaline also has sold forward physical and financial contracts on a basis differentials of 10,000 bbls/d at a weighted-average price of WTI less USD \$(7.32)/bbl.
- Tourmaline has 210,000 bbls of oil and condensate storage across the three operated core complexes providing additional flexibility in a very volatile liquid-pricing environment.

EP UPDATE

- Tourmaline is currently operating three drilling rigs and plans to operate 8 to 10 drilling rigs during the second half of 2020.
- Timing of 2H 2020 frac activity is flexible and will be controlled in part by Q3 and Q4 2020 commodity prices. The Company will maximize gas volumes in conjunction with anticipated improving winter 2020/21 natural gas prices.
- Tourmaline drilled a total of 39.7 net wells during the first quarter.
- The Company set new pacesetter drill-and-complete capital cost records in all three core-operated complexes, reducing average completed well costs by approximately 5% thus far in 2020. Tourmaline expects further capital cost reductions in 2H 2020.
- Tourmaline is on track to realize record EP capital efficiencies in 2020 of \$6,500 - \$7,000/boepd.
- Tourmaline drilled one of the first pads in Western Canada utilizing high line power in the Peace River High completion initiative completely eliminates diesel from the lease - the next step in emissions reduction beyond bi-fuel. Approximately 5,400 litres/day of diesel equivalent were eliminated, significantly reducing CO₂, NO_x and SO₂ emissions as well as leading to a monthly per-pad cost saving of \$70,000. Tourmaline will continue to employ this methodology in future operations as part of the Company's plan to reduce overall emissions intensity by a further 25%.

OPERATING ENVIRONMENT AND THE COVID-19 PANDEMIC

- Since December 31, 2019, the outbreak of the COVID-19 pandemic has had a significantly negative impact on economic conditions around the world. During this period of uncertainty, the Company is committed to maintaining its strong balance sheet and financial liquidity. At March 31, 2020, the Company has \$1.3 billion in unutilized borrowing capacity on its facilities, all of which is covenant based and not directly tied to changes in the Company's oil and gas reserves, in addition to the Company's borrowing capacity against large swings in commodity price decks used to calculate reserve value. As of March 31, 2020, the Company was not in breach of any covenants and has room under those covenants to allow for an increase in future borrowings to navigate through these uncertain times, if required. The Company has been actively monitoring all Government announcements to determine its eligibility for any relief that is being provided through various programs during this highly volatile and challenging period. The Company currently believes it has sufficient liquidity through cash flow to execute the remainder of the 2020 capital budget.
- In response to the COVID-19 pandemic, the Company is following all rules and regulations as set out by the relevant health authorities and has implemented many health and safety protocols into its operations. Tourmaline and its subsidiaries have been able to adapt to the new work environment without significant disruptions at any operated facility or in day-to-day operations.
- For more details on how Tourmaline has responded to the COVID-19 pandemic please see 'Operating Environment and the Covid-19 Pandemic' in the Company's Q1 2020 Management's Discussion and Analysis available on Tourmaline's website and on SEDAR.

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- (1) "Cash flow" is defined as cash provided by operations before changes in non-cash operating working capital. See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2020 Management's Discussion and Analysis.
 - (2) Based on oil and gas commodity strip pricing at April 23, 2020.
 - (3) "Free cash flow" is defined as cash flow less total net capital expenditures. Total net capital expenditures is defined as total capital spending before acquisitions and non-core dispositions. Free cash flow is prior to dividend payments. See "Non-GAAP Financial Measures" in this news release and the Company's Q1 2020 Management's Discussion and Analysis.
 - (4) "Net debt" is defined as bank debt plus working capital (adjusted for the fair value of financial instruments and lease liabilities). See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2020 Management's Discussion and Analysis.

CORPORATE SUMMARY – FIRST QUARTER 2020

	Three Months Ended March 31,		
	2020	2019	Change
OPERATIONS			
Production			
Natural gas (mcf/d)	1,474,681	1,439,212	2%
Crude oil, condensate and NGL (bbl/d)	62,569	53,565	17%
Oil equivalent (boe/d)	308,349	293,434	5%
Product prices ⁽¹⁾			
Natural gas (\$/mcf)	\$ 2.45	\$ 3.59	(32)%
Crude oil, condensate and NGL (\$/bbl)	\$ 34.54	\$ 41.43	(17)%
Operating expenses (\$/boe)	\$ 2.97	\$ 3.49	(15)%
Transportation costs (\$/boe)	\$ 4.35	\$ 3.81	14%
Operating netback ⁽³⁾ (\$/boe)	\$ 10.79	\$ 16.65	(35)%
Cash general and administrative expenses (\$/boe) ⁽²⁾	\$ 0.58	\$ 0.46	26%
FINANCIAL (\$000, except share and per share)			
Total revenue from commodity sales and realized gains	524,915	664,301	(21)%
Royalties	16,929	31,623	(46)%
Cash flow ⁽³⁾	283,718	419,242	(32)%
Cash flow per share (diluted) ⁽³⁾	\$ 1.05	\$ 1.54	(32)%
Net earnings (loss)	(35,812)	87,710	(141)%
Net earnings (loss) per share (diluted)	\$ (0.13)	\$ 0.32	(141)%
Capital expenditures (net of dispositions)	317,614	384,384	(17)%
Weighted average shares outstanding (diluted)	270,940,484	272,043,159	-%
Net debt ⁽³⁾	(1,838,128)	(1,713,032)	7%

(1) Product prices include realized gains and losses on risk management and financial instrument contracts.

(2) Excluding interest and financing charges.

(3) See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2020 Management's Discussion and Analysis.

Conference Call Tomorrow at 9:00 a.m. MT (11:00 a.m. ET)

Tourmaline will host a conference call tomorrow, May 7, 2020 starting at 9:00 a.m. MT (11:00 a.m. ET). To participate, please dial 1-888-231-8191 (toll-free in North America), or international dial-in 647-427-7450, a few minutes prior to the conference call.

Conference ID is 9696365.

Reader Advisories

CURRENCY

All amounts in this news release are stated in Canadian dollars unless otherwise specified.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "on track", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: anticipated petroleum and natural gas production and production for various periods including estimated production levels for 2020 and 2021 and 2020 exit production; capital expenditure budgets for various periods including 2020 and 2021; estimated cash flow for various periods including 2020 and 2021; estimated free cash flow for 2020 and 2021; estimated available liquidity and credit capacity at December 31, 2020; estimated 2020 exit net debt-to-cash flow; expectations for future natural gas price increases; expectations for a Topaz liquidity event and the timing and proceeds that could be realized therefrom; future capital efficiencies to be realized; the future declaration and payment of dividends and the timing and amount thereof including the aggregate amount of dividends to be paid in 2020 and the availability of free cash flow to fund such dividends; cost reduction initiatives; projected operating and drilling costs including anticipated reductions in operating costs; the timing for facility expansions and facility start-up dates; the benefits to be derived from the Chinook and Polar Star acquisitions and annual cash flow to be generated from such acquired assets; the benefits to be derived from high line power in drilling operations including reductions in CO₂, NO_x and SO₂ emissions and monthly per-pad cost savings; the Company's plan to reduce overall emissions intensity; as well as Tourmaline's future drilling prospects and plans, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning the following: prevailing and future commodity prices and currency exchange rates including in the case of 2020 production estimates, commodity price assumptions for natural gas (NYMEX (US) - \$2.15/mcf and \$2.71/mcf for 2020 and 2021, respectively, AECO - \$2.24/mcf and \$2.62/mcf for 2020 and 2021, respectively), and crude oil (WTI (US) - \$31.04/bbl and \$32.29 for 2020 and 2021, respectively) and an exchange rate assumption of \$0.72 and 0.71 (US/CAD) for 2020 and 2021, respectively; the degree to which Tourmaline's operations and production will be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic; applicable royalty rates and tax laws; interest rates; future well production rates and reserve volumes; operating costs, the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the benefits to be derived from acquisitions; the state of the economy and the exploration and production business including the impacts of the COVID-19 pandemic and the responses of governments and the public to the pandemic thereon; the availability and cost of financing, labour and services; and ability to market crude oil, natural gas and NGL successfully. Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tourmaline to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit

facility.

Statements relating to "reserves" are also deemed to be forward looking information, 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.

Although Tourmaline 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 Tourmaline can give no assurances that it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertain impacts of COVID-19 on Tourmaline's business, and the societal, economic and governmental response to COVID-19; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; uncertainties associated with counterparty credit risk; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect Tourmaline, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Tourmaline's website (www.tourmalineoil.com).

The forward-looking information contained in this news release is made as of the date hereof and Tourmaline undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

FINANCIAL OUTLOOK

Also included in this news release are estimates of Tourmaline's 2020 exit net debt-to-cash flow ratio as well as 2020 and 2021 free cash flow, which are based on, among other things, the various assumptions as to production levels, capital expenditures, annual cash flows and other assumptions disclosed in this news release and including Tourmaline's estimated average production of 305,000 – 310,000 boepd for 2020 and 320,000 for 2021. Commodity price assumptions for natural gas (NYMEX (US) - \$2.15/mcf and \$2.71/mcf for 2020 and 2021, respectively, AECO - \$2.24/mcf and \$2.62/mcf for 2020 and 2021, respectively), and crude oil (WTI (US) - \$31.04/bbl and \$32.29 for 2020 and 2021, respectively) and an exchange rate assumption of \$0.72 and 0.71 (US/CAD) for 2020 and 2021, respectively. To the extent such estimates constitute financial outlooks, they were approved by management and the board of directors of Tourmaline on May 6, 2020 and are included to provide readers with an understanding of Tourmaline's anticipated 2020 exit net debt-to-cash flow ratio and cash flow and free cash flow based on the capital expenditure, production and other assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes. In particular, readers are cautioned that estimates for 2021 are provided for illustration only as budgets and forecasts beyond 2020 have not been finalized and are subject to a variety of factors including prior year's results.

NON-GAAP FINANCIAL MEASURES

This news release includes references to "free cash flow", "cash flow", "net debt" and "net capital expenditures" which are financial measures commonly used in the oil and gas industry and do not have a standardized meaning prescribed by International Financial Reporting Standards ("GAAP"). Accordingly, the Company's use of these terms may not be comparable to similarly defined financial measures presented by other companies. Management uses the term "free cash flow", "cash flow", "net debt" and "net capital

expenditures" for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund a portion of its future growth expenditures, to pay dividends or to repay debt. Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative to net income or cash from operating activities determined in accordance with GAAP as an indication of the Company's performance. Free cash flow is calculated as cash flow less total net capital expenditures and is prior to dividend payments. Cash flow is defined as cash provided by operations before changes in non-cash operating working capital. Net debt is defined as bank debt plus working capital (adjusted for the fair value of financial instruments and lease liabilities). Net capital expenditures is defined as the sum of E&P capital program and other corporate expenditures, net of non-core dispositions. See "Non-GAAP Financial Measures" in the most recently filed Management's Discussion and Analysis for additional information regarding these non-GAAP financial measures including reconciliations to the most directly comparable GAAP financial measures.

OIL AND GAS METRICS

This news release contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the Company's performance in previous periods and therefore such metrics should not be unduly relied upon.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to Tourmaline's 2020 and 2021, 2020 exit rate, Q1, Q2 and Q4 2020 average daily production and average daily production from recently completed acquisitions. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Light and Medium Crude Oil ⁽¹⁾	Conventional Natural Gas	Shale Natural Gas	Natural Gas Liquids ⁽¹⁾	Oil Equivalent Total
	Company Gross (Bbls)	Company Gross (Mcf)	Company Gross (Mcf)	Company Gross (Bbls)	Company Gross (Boe)
2020 Average Production	29,340	888,227	567,630	35,517	307,500
Q1 2020 Average Daily Production	27,870	934,363	540,318	34,699	308,349
Q2 2020 Average Daily Production	28,983	880,827	527,857	33,736	297,500
Q4 2020 Average Daily Production	29,793	860,009	612,297	37,323	312,500
2020 Exit Rate Production	30,270	873,769	622,094	37,920	317,500
2021 Average Daily Production	28,792	879,658	635,980	38,602	320,000
Polar Star Production	229	-	12,328	216	2,500
Chinook Production	218	-	17,973	287	3,500

(1) For the purposes of this disclosure, condensate has been combined with Light and Medium Crude Oil as the associated revenues and certain costs of condensate are similar to Light and Medium Crude Oil. Accordingly, NGLs in this disclosure exclude condensate.

RESERVES DATA

Reserves have been evaluated by independent reserve evaluators as at December 31, 2018 as follows: Polar Star 2P reserves of 80.7 mmmboe by Sproule Associates Ltd. and Chinook 2P reserves of 35.6 mmmboe by McDaniel & Associates Consultants Ltd. for a combined 2P reserves total of 116.3 mmmboe. Reserves are working interest gross reserves before deduction of royalties payable to others and without including any royalty interests.

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to effects of aggregations. The estimated values of future net revenue disclosed in this news release do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

BOE EQUIVALENCY

Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). Barrel of oil equivalents (boe) 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. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

INITIAL PRODUCTION RATES

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

GENERAL

See also "Forward-Looking Statements", and "Non-GAAP Financial Measures" in the most recently filed Management's Discussion and Analysis.

CERTAIN DEFINITIONS:

bbl	barrel
bbls/day	barrels per day
bbl/mmcf	barrels per million cubic feet
bcf	billion cubic feet
bcfe	billion cubic feet equivalent
bpd or bbl/d	barrels per day
boe	barrel of oil equivalent
boepd or boe/d	barrel of oil equivalent per day
bopd or bbl/d	barrel of oil, condensate or liquids per day
CO ₂	carbon dioxide
gj	gigajoule
gjs/d	gigajoules per day
mbls	thousand barrels
mmbbls	million barrels
mboe	thousand barrels of oil equivalent
mboepd	thousand barrels of oil equivalent per day
mcf	thousand cubic feet
mcfpd or mcf/d	thousand cubic feet per day
mcfe	thousand cubic feet equivalent
mmboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmbtu/d	million British thermal units per day
mmcf	million cubic feet
mmcfpd or mmcf/d	million cubic feet per day
MPa	megapascal
mstb	thousand stock tank barrels
NGL or NGLs	natural gas liquids
NO _x	nitrogen oxide
SO ₂	sulphur dioxide
tcf	trillion cubic feet

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended March 31, 2020 and 2019, please refer to SEDAR (www.sedar.com) or Tourmaline's website at www.tourmalineoil.com.

ABOUT TOURMALINE OIL CORP.

Tourmaline is a Canadian senior crude oil and natural gas exploration and production company focused on long-term growth through an aggressive exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin.

SOURCE [Tourmaline Oil Corp.](#)

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