

# **Tourmaline Delivers Strong Free Cash Flow In The Third Quarter, Updates Five-year Ep Plan And Declares A Special Dividend**

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CALGARY, Nov. 6, 2024 - [Tourmaline Oil Corp.](#) (TSX:TOU) ("Tourmaline" or the "Company") is pleased to release financial operating results for the third quarter of 2024 and declare a special dividend.

## HIGHLIGHTS

- Third quarter cash flow<sup>(1)(2)</sup> of \$741.9 million (\$2.09 per diluted share<sup>(3)</sup>), underpinned by Tourmaline's average raw natural gas price of \$3.19/mcf.
- Q3 2024 net earnings of \$355.2 million (\$1.00 per diluted share).
- The Company is declaring a special dividend of \$0.50 per common share to be paid on November 26, 2024 to hold record on November 15, 2024. Tourmaline has distributed total dividends of \$3.25 per share (inclusive of this November 2024 special dividend) since December 1, 2023, an implied 5% trailing yield<sup>(4)</sup>.
- Closed the previously announced transaction with Topaz Energy Corp. ("Topaz") on November 1, 2024, whereby the Company received consideration of \$278.2 million.
- Closed the corporate acquisition of Crew Energy Inc. ("Crew") on October 1, 2024, and anticipates 2024 exit volume over 30,000 boepd from the acquired assets.
- Deep Basin well productivity in 2024 has improved by 20% on raw gas (IP90) and 40% on condensate/C5+ (IP90) compared to 2020-2023. This excellent overall Deep Basin well performance can be attributed to multiple Tier 1 plays across several of Tourmaline's strike areas.

## PRODUCTION UPDATE

- Q3 2024 average production was 557,365 boepd, an 11% increase over third quarter 2023 average production of 501,000 boepd and at the high end of the previously announced average production guidance range of 550,000-560,000 boepd.
- Third quarter production was reduced by unplanned third-party outages (~5,200 boepd) as well as low gas price-related and production startup deferrals. Third quarter average production also reflects reduced natural gas volumes resulting from planned storage injections (2,566 boepd) which are expected to be withdrawn from storage and subsequently sold in winter months.
- A fourth quarter average production range of 600,000 to 620,000 boepd is currently anticipated. Given low western Canadian natural gas prices, the Company scheduled an extensive turnaround of both phases of the Gundy c-60 complex in October 2024 and has also concentrated frac activity in the latter half of the quarter to deliver incremental unhedged gas volumes into Q1 2025, a period of expected higher pricing.
- Tourmaline expects to exit 2024 with production of 630,000 to 640,000 boepd, inclusive of the acquired Crew volume.
- The Company currently anticipates a 2025 average production range between 635,000 and 665,000 boepd (650,000 at the midpoint). The broad range allows for both price-related EP activity deferrals and/or shut-ins in the event of anticipated 2025 natural gas prices or increased EP activity in a more robust pricing environment.
- 2025 forecast average liquids production (oil, condensate, and NGLs) of 162,000 bpd is expected as the Company continues to increase liquids production towards the 200,000 bpd level by the end of the decade.

## FINANCIAL RESULTS

- Third quarter 2024 cash flow was \$741.9 million (\$2.09 per diluted share) on total capital expenditures<sup>(5)</sup> of \$590.0 million (EP expenditures<sup>(6)</sup> of \$574.7 million in Q3), generating free cash flow<sup>(7)</sup> ("FCF") of \$152.5 million for the quarter (per diluted share).
- Tourmaline generated Q3 2024 net earnings of \$355.2 million (\$1.00 per diluted share), underscoring the profitability of the business even in an extremely weak natural gas pricing environment.
- Exit Q3 2024 net debt<sup>(8)</sup> was \$1.7 billion. The Company has adjusted the long-term net debt target to \$1.5 billion (1.5 times net debt to 2025 cash flow), given the material growth in the underlying business over the past year. In addition, as of September 30, 2024, Tourmaline's 45.1 million shares of Topaz had a market value of \$1.2 billion<sup>(9)</sup>.
- Tourmaline closed the previously announced transaction with Topaz on November 1, 2024, whereby the Company received consideration of \$278.2 million in exchange for a gross overriding royalty on lands primarily acquired over the past several years including the acquired Crew and [Bonavista Energy Corp.](#) lands.

## 2025 CAPITAL BUDGET

- Tourmaline's Board of Directors has approved a full year 2025 EP capital budget range of \$2.60 billion to \$2.85 billion. This range provides flexibility in the current volatile and uncertain commodity price environment. The Company expects to be improving natural gas prices in 2025; should the recovery materialize in the second half of 2025, the capital program will be sequenced accordingly. Optimizing annual free cash flow remains the Company's top priority and the Company anticipates generating over \$1.1 billion in FCF in every year of the five-year EP Plan at current strip pricing<sup>(10)</sup>.
- The Company plans to drill approximately 365 net wells in 2025 across all three core EP complexes. The DUC inventory may be increased in the first half of the year contingent upon commodity prices.

- Facility and pipeline expenditures of \$295.0 million are included in the total 2025 EP capital budget. The ongoing North Montney Phase 1 infrastructure buildout will continue in 2025, as well as electrification pre-builds for the Groundbirch and West Doe gas plant projects.
- The North Montney Phase 1 project is the only development project fully included in the updated five-year EP Plan expected to add approximately 50,000 boepd over the next three years. The Groundbirch, West Doe, and North Montney Phase 2 development projects are expected to be fully integrated into the five-year EP Plan during 2025.

## MARKETING UPDATE

- Tourmaline's average realized natural gas price was C\$3.19/mcf in Q3 2024, significantly higher than the AECO benchmark price of C\$0.70/mcf over the same period, as the Company benefited from its multi-year diversification and hedging strategy.
- Tourmaline expects to exit 2024 with a total of 1.27 bcfpd of natural gas going to export markets.
- For November 2024 - December 2024, Tourmaline has an average of 1,014 mmcfpd hedged at a weighted average price of CAD \$4.01/mcf, and an average of 145 mmcfpd hedged at a basis to NYMEX of USD -\$0.15/mcf.
- Tourmaline has an average of 1,085 mmcfpd of unhedged volumes exposed to export markets in November 2024 - December 2024, of which 60% is exposed to premium export markets (US Gulf Coast, Sumas, Malin, PGE and Jaramila).
- For 2025, Tourmaline has an average of 947 mmcfpd hedged at a weighted average price of CAD \$4.58/mcf. Tourmaline also has an average of 1,036 mmcfpd of unhedged volumes exposed to export markets, of which 61% is exposed to premium export markets.

## EP UPDATE

- Tourmaline drilled a total of 76.8 net wells and completed 75.9 net wells during Q3 2024 and had an inventory of 107.1 DUCs entering Q4 2024.
- Tourmaline is currently operating 16 drilling rigs across its three core EP complexes and anticipates full year 2024 spending of \$2.1 billion.
- Deep Basin well productivity in 2024 has improved by 20% on raw gas (IP90) and 40% on condensate/C5+ (IP90) compared to 2020-2023. This excellent overall Deep Basin well performance can be attributed to multiple Tier 1 projects across several of Tourmaline's strike areas, including liquids rich Garrington Glauconite and Resthaven Dunvegan as Ansell Wilrich/Notikewin and the Kakwa-Smoky-Resthaven Falher/Wilrich development.
- As of September 30, 2024, Tourmaline's exploration program has added an estimated 986 Tier 1 and Tier 2 drilling locations to an existing drilling inventory of over 23,000 locations. Due to the ongoing success of the exploration program, Tourmaline plans to allocate up to \$150 million of free cash flow to exploration activities in 2025.

## ENVIRONMENTAL PERFORMANCE IMPROVEMENT

- As part of Tourmaline's ongoing joint venture with Clean Energy Fuels, new compressed natural gas ("CNG") fueling stations for long haul trucks were recently opened in Calgary and Grande Prairie, Alberta. The partnership expects seven CNG fueling stations operational by the end of 2025. The joint venture is a continuation of the Company's natural gas diesel displacement initiative utilizing abundant, lower emission natural gas.
- Tourmaline plans to construct 3 new water facilities across the three operated complexes in 2025-2026 as the Company strives to systematically eliminate fresh water in well stimulation operations. The 2025-2026 projects will bring the total number of Company-operated water facilities to nine. Similar to the diesel displacement initiative, the Company-operated water infrastructure improves both environmental performance and reduces costs.

## SPECIAL DIVIDEND

- The Board of Directors of Tourmaline are pleased to announce a special dividend of \$0.50/share payable on November 15, 2024, to shareholders of record at the close of business on November 15, 2024. The special dividend is designated as a non-eligible dividend for Canadian income tax purposes. Tourmaline's ability to continue to pay special dividends, as well as increase its base dividend three times this year, reflects the ongoing financial strength and profitability of the Company, even through the bottom of the gas price cycle.

## BOARD UPDATE

- Tourmaline is pleased to announce that Travis Toews has been appointed to the Board of Directors effective November 15, 2024. Mr. Toews is a Chartered Professional Accountant and cattle rancher who served as a Member of the Alberta Provincial Legislature from 2019 to 2023. During that time, he acted as the Minister of Finance, a member of the Executive Council and served as President of the Treasury Board for the Province of Alberta. Mr. Toews brings a wealth of experience in the areas of finance, business, and an in-depth knowledge of government affairs.

- (1) This news release contains certain specified financial measures consisting of non-GAAP financial measures, non-GAAP financial ratios, capital management measures and supplementary financial measures. See "Non-GAAP and Other Financial Measures" in this news release for information regarding the following specified financial measures: "cash flow", "capital expenditures", "free cash flow", "operating netback", "operating netback per boe", "cash flow per diluted share", "free cash flow per diluted share", "adjusted working capital" and "net debt". Since these specified financial measures do not have standardized meanings under International Financial Reporting Standards ("GAAP"), securities regulations require that, among other things, they be identified, defined, qualified and, where required, reconciled with their nearest GAAP measure and compared to the prior period. See "Non-GAAP and Other Financial Measures" in this news release and in the Company's most recently filed Management's Discussion and Analysis (the "Q3 MD&A"), which information is incorporated by reference into this news release, for further information on the composition of and, where required, reconciliation of these measures.
  - (2) "Cash flow" is a non-GAAP financial measure defined as cash flow from operating activities adjusted for the change in non-cash working capital (deficit) and current income taxes. See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.
  - (3) "Cash flow per diluted share" is a non-GAAP financial ratio. Cash flow, a non-GAAP financial measure, is used as a component of the non-GAAP financial ratio. See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.
  - (4) Calculated as the dividend per common share for the stated period divided by the closing stock price of \$63.26 on October 15, 2024.
  - (5) "Capital Expenditures" is a non-GAAP financial measure defined as Cash flow used in investing activities adjusted for the change in non-cash working capital (deficit). See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.
  - (6) EP expenditures" is defined as Capital Expenditures, excluding acquisitions, dispositions, and other corporate expenditures..
  - (7) "Free cash flow" is a non-GAAP financial measure defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payments. See "Non-GAAP and Other Financial Measures" in this news release.
  - (8) "Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.
- CORPORATE SUMMARY - THIRD QUARTER 2024
- (9) Based on the Topaz closing share price at September 30, 2024 of \$25.85/share.
  - (10) Based on oil and gas commodity strip pricing at October 15, 2024.

	Three Months Ended			Nine Months Ended		
	September 30,		Change	September 30,		Change
	2024	2023		2024	2023	
<b>OPERATIONS</b>						
Production						
Natural gas (mcf/d)	2,554,383	2,318,316	10 %	2,591,208	2,364,246	10 %
Crude oil, condensate and NGL (bbl/d)	131,634	116,138	13 %	138,494	113,993	21 %
Oil equivalent (boe/d)	557,365	502,524	11 %	570,362	508,034	12 %
Product prices <sup>(1)</sup>						
Natural gas (\$/mcf)	\$ 3.19	\$ 4.56	(30) %	\$ 3.34	\$ 5.04	(34) %
Crude oil, condensate and NGL (\$/bbl)	\$ 52.16	\$ 57.69	(10) %	\$ 54.04	\$ 57.78	(6) %
Operating expenses (\$/boe)	\$ 4.87	\$ 4.60	6 %	\$ 4.83	\$ 4.62	5 %
Transportation costs (\$/boe)	\$ 5.27	\$ 5.12	3 %	\$ 5.16	\$ 5.22	(1) %
Operating netback (\$/boe) <sup>(2)</sup>	\$ 14.75	\$ 21.61	(32) %	\$ 15.85	\$ 23.04	(31) %
Cash general and administrative expenses (\$/boe) <sup>(3)</sup>	\$ 0.73	\$ 0.73	- %	\$ 0.76	\$ 0.71	7 %
<b>FINANCIAL</b>						
(\$000, except share and per share)						
Commodity sales from production	935,402	1,311,167	(29) %	3,514,721	3,985,213	(12) %
Total revenue from commodity sales and realized gains	1,382,093	1,587,929	(13) %	4,420,954	5,048,114	(12) %
Royalties	105,616	139,601	(24) %	383,553	487,953	(21) %
Cash flow	741,900	878,532	(16) %	2,368,161	2,789,675	(15) %
Cash flow per share (diluted)	\$ 2.09	\$ 2.55	(18) %	\$ 6.67	\$ 8.11	(18) %
Net earnings	355,193	274,687	29 %	856,664	1,035,678	(17) %
Net earnings per share (diluted)	\$ 1.00	\$ 0.80	25 %	\$ 2.41	\$ 3.01	(20) %
Capital expenditures (net of dispositions) <sup>(2)</sup>	590,918	565,448	5 %	1,441,268	1,437,262	- %
Weighted average shares outstanding (diluted)	355,401,435	344,510,350	3 %	355,246,760	343,892,727	3 %
Net debt				(1,705,129)	(879,799)	94 %

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

(2) See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.

(3) Excluding interest and financing charges.

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

Tourmaline will host a conference call tomorrow, November 7, 2024 starting at 9:00 a.m. MT (11:00 a.m. ET)

ET).

To participate without operator assistance, you may register and enter your phone number at <https://emportal.ink/4emJJzd> to receive an instant automated call back.

To participate using an operator, please dial 1-888-510-2154 (toll-free in North America), or 1-437-900-0527 (international dial-in), a few minutes prior to the conference call.

## REPLAY DETAILS

If you are unable to dial into the live conference call on November 7<sup>th</sup>, a replay will be available by dialing 1-888-660-6345 (international 1-289-819-1450), referencing Encore Replay Code 14679. The recording will expire on November 21, 2024.

## 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: the anticipated benefits and production growth to be derived from recent acquisitions; anticipated petroleum and natural gas production and production growth for various periods including full year, fourth quarter and exit 2024 production estimates as well as 2025 average production estimates (including 2025 average liquids production); anticipated natural gas volume to be withdrawn from storage and subsequently sold during winter months; anticipated improvement in 2025 of natural gas prices; anticipated free cash flow estimate for each year of the Company's five-year EP Plan; the number of net wells that the Company plans to drill in 2025; the expectation that the DUC inventory may be increased in the first half of 2025; the expectation that the North Montney Phase 1 infrastructure buildout, as well as the electrification pre-builds for the Groundbirch and West Doe gas plants, will continue in 2025; anticipated level of natural gas exports at exit 2024; 2025 EP capital spending levels; the benefits to be derived from the EP program and anticipated cash flow associated therewith; the benefits to be derived from the updated five-year EP plan; the anticipated production growth over the next three years expected to result from the North Montney Phase 1 Conroy project; the expectation that the Groundbirch, West Doe and North Montney Phase 2 development projects will be fully integrated into the Company's five year EP Plan during 2025; the plans to allocated up to \$150 million of free cash flow to exploration activities in 2025; the expectation that the Company and Clean Energy Fuels will have seven CNG fueling stations operational by the end of 2025; the plans to construct three new water facilities across the three operated complexes in 2025-2026; target net debt and net debt to cash flow ratios; the future declaration and payment of base and special dividends and the timing and amount thereof including any future increase; the timing of future growth and developments projects; cost reduction initiatives; projected operating and drilling costs and drilling times; anticipated future commodity prices; the ability to generate, and the amount of, anticipated free cash flow over various periods; as well as Tourmaline's future drilling locations, 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 and interest rates; applicable royalty rates and tax laws; future well production rates and reserve volumes; operating costs, the timing of receipt of regulatory approvals; the performance of existing and future 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 successful completion of acquisitions and dispositions and the benefits to be derived therefrom; the state of

the economy and the exploration and production business; the availability and cost of financing, labour and services; ability to maintain its investment grade credit rating; 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 is 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 natural 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 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; failure to obtain required regulatory and other approvals; climate change risks; severe weather (including forest fires and droughts); risks of wars or other hostilities or geopolitical events, civil insurrection and pandemics; risks relating to Indigenous land claims and duty to consult; data breaches and cyber attacks; risks relating to the use of artificial intelligence; changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)) and general economic and business conditions and markets. Readers are cautioned that the foregoing list of factors is not exhaustive.

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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.sedarplus.ca](http://www.sedarplus.ca)) or Tourmaline's website ([www.tourmalineoil.com](http://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.

#### BOE EQUIVALENCY

In this news release, production and reserves information may be presented on a "barrel of oil equivalent" or "BOE" basis. BOEs 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.

#### FINANCIAL OUTLOOKS

Also included in this news release are estimates of Tourmaline's 2025 to 2029 free cash flow, which are based on, among other things, the various assumptions as to production levels, capital expenditures and other assumptions disclosed in this news release and including Tourmaline's estimated average 2025 to 2029 annual production of 650,000 boepd, 690,000 boepd, 735,000 boepd, 745,000 boepd and 750,000 boepd, respectively, commodity price assumptions for natural gas (\$3.18/mcf 2025 NYMEX US, \$3.58/mcf 2026 NYMEX US, \$3.65/mcf 2027 NYMEX US, \$3.61/mcf 2028 NYMEX US, \$3.55/mcf 2029 NYMEX US; \$2.50/mcf 2025 AECO 5A, \$3.12/mcf 2026 AECO 5A, \$3.19/mcf 2027 AECO 5A, \$3.27/mcf 2028 AECO 5A, \$3.36/mcf 2029 AECO 5A; \$13.58/mcf 2025 JKM US, \$11.98/mcf 2026 JKM US, \$10.19/mcf 2027 JKM US, \$8.86/mcf 2028 JKM US, \$8.57/mcf 2029 JKM US), crude oil (\$68.16/bbl 2025 WTI US, \$66.57/bbl 2026 WTI US, \$65.76/bbl 2027 WTI US, \$65.38/bbl 2028 WTI US, \$65.13/bbl 2029 WTI US) and an exchange rate assumption of \$0.73 for 2025 (CAD/US), 0.74 for 2026 and 2027 and 0.75 for 2028 and 2029. To the extent such estimates constitute financial outlooks, they were approved by management and the Board of Directors of Tourmaline on November 6, 2024, and are included to provide readers with an understanding of Tourmaline's anticipated 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.

## NON-GAAP AND OTHER FINANCIAL MEASURES

This news release contains the terms "cash flow", "capital expenditures", "EP expenditures", "free cash flow", and "operating netback", which are considered "non-GAAP financial measures" and the terms "cash flow per diluted share", "free cash flow per diluted share", "operating netback per boe", and "cash flow per boe", which are considered "non-GAAP financial ratios". These terms do not have a standardized meaning prescribed by GAAP. In addition, this news release contains the terms "adjusted working capital" and "net debt", which are considered "capital management measures" and do not have standardized meanings prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that these measures should not be construed as an alternative to or more meaningful than the most directly comparable GAAP measures in evaluating the Company's performance. See "Non-GAAP and Other Financial Measures" in the most recent Management's Discussion and Analysis for more information on the definition and description of these terms.

### Non-GAAP Financial Measures

#### Cash Flow

Management uses the term "cash flow" for its own performance measure and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash (net of current income taxes) necessary to fund its future growth expenditures, to repay debt or to pay dividends. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. A summary of the reconciliation of cash flow from operating activities to cash flow, is set forth below:

(000s)	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
Cash flow from operating activities (per GAAP)	\$ 727,042	\$ 882,814	\$ 2,063,670	\$ 3,393,273
Current income (taxes) recovery	16,699	(102,669)	(28,508)	(355,629)
Current income taxes paid	39,259	5,261	526,802	34,497
Change in non-cash working capital	(41,100)	93,126	(193,803)	(282,466)
Cash flow	\$ 741,900	\$ 878,532	\$ 2,368,161	\$ 2,789,675
Capital Expenditures				

Management uses the term "capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures, is set forth below:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash flow used in investing activities (per GAAP)	\$ 415,764	\$ 319,106	\$ 1,515,075	\$ 1,406,341
Change in non-cash working capital	175,154	246,342	(73,807)	30,921
Capital expenditures EP Expenditures	\$ 590,918	\$ 565,448	\$ 1,441,268	\$ 1,437,262

Management uses the term "EP expenditures" or exploration and production expenditures as a measure of capital investment in exploration and production activity, and such spending is compared to the Company's annual budgeted exploration and production expenditures. The most directly comparable GAAP measure for exploration and production spending is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to exploration and development expenditures, is set forth below:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash flow used in investing activities (per GAAP)	\$ 415,764	\$ 319,106	\$ 1,515,075	\$ 1,406,341
Change in non-cash working capital	175,154	246,342	(73,807)	30,921
Property acquisitions	(2,123)	(19,242)	(25,704)	(58,536)
Proceeds from divestitures	609	-	56,834	7,789
Other	(14,659)	(12,818)	(42,351)	(38,555)
EP Expenditures Free Cash Flow	\$ 574,745	\$ 533,388	\$ 1,430,047	\$ 1,347,960

Management uses the term "free cash flow" for its own performance measure 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 its future growth expenditures, to repay debt and provide shareholder returns. Free cash flow is defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payment. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. See "Non-GAAP Financial Measures - Cash Flow" and " Non-GAAP Financial Measures - Capital Expenditures" above.

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash flow	\$ 741,900	\$ 878,532	\$ 2,368,161	\$ 2,789,675
Capital expenditures	(590,918)	(565,448)	(1,441,268)	(1,437,262)
Property acquisitions	2,123	19,242	25,704	58,536
Proceeds from divestitures (609)	-	-	(56,834)	(7,789)
Free Cash Flow Operating Netback	\$ 152,496	\$ 332,326	\$ 895,763	\$ 1,403,160

Management uses the term "operating netback" as a key performance indicator and one that is commonly presented by other oil and natural gas producers. Operating netback is defined as the sum of commodity

sales from production, premium (loss) on risk management activities and realized gains (loss) on financial instruments less the sum of royalties, transportation costs and operating expenses. A summary of the reconciliation of operating netback from commodity sales from production, which is a GAAP measure, is set forth below:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Commodity sales from production	\$ 935,402	\$ 1,311,167	\$ 3,514,721	\$ 3,985,213
Premium on risk management activities	300,705	119,103	547,677	620,027
Realized gain on financial instruments	145,986	157,659	358,556	442,874
Royalties	(105,616)	(139,601)	(383,553)	(487,953)
Transportation costs	(270,327)	(236,892)	(805,990)	(723,579)
Operating expenses	(249,471)	(212,616)	(754,947)	(640,711)
Operating netback	\$ 756,679	\$ 998,820	\$ 2,476,464	\$ 3,195,871

#### Non-GAAP Financial Ratios

##### Operating Netback per-boe

Management calculates "operating netback per-boe" as operating netback divided by total production for the period. Netback per-boe is a key performance indicator and measure of operational efficiency and one that is commonly presented by other oil and natural gas producers. A summary of the calculation of operating netback per boe, is set forth below:

(\$/boe)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue, excluding processing income	\$ 26.95	\$ 34.35	\$ 28.29	\$ 36.40
Royalties	(2.06)	(3.02)	(2.45)	(3.52)
Transportation costs	(5.27)	(5.12)	(5.16)	(5.22)
Operating expenses	(4.87)	(4.60)	(4.83)	(4.62)
Operating netback	\$ 14.75	\$ 21.61	\$ 15.85	\$ 23.04

#### Capital Management Measures

##### Adjusted Working Capital

Management uses the term "adjusted working capital" for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's liquidity. A summary of the reconciliation of working capital (deficit) to adjusted working capital (deficit), is set forth below:

(000s)	As at September 30, 2024	As at December 31, 2023
Working capital (deficit)	\$ 13,370	\$ (298,280)
Fair value of financial instruments - short-term asset	(384,209)	(437,535)
Lease liabilities - short-term	8,164	5,796
Decommissioning obligations - short-term	60,000	45,000
Unrealized foreign exchange in working capital - liability (asset)	(4,046)	5,524
Adjusted working capital (deficit)	\$ (306,721)	\$ (679,495)
Net Debt		

Management uses the term "net debt", as a key measure for evaluating its capital structure and to provide shareholders and potential investors with a measurement of the Company's total indebtedness. A summary of the reconciliation of bank debt and senior unsecured notes to net debt, is set forth below:

(000s)	As at September 30, 2024	As at December 31, 2023
Bank debt	\$ (700,101)	\$ (651,594)
Senior unsecured notes	(698,307)	(448,643)
Adjusted working capital (deficit)	(306,721)	(679,495)
Net debt	\$ (1,705,129)	\$ (1,779,732)

#### Supplementary Financial Measures

The following measures are supplementary financial measures: cash flow per diluted share, free cash flow per diluted share, operating expenses (\$/boe), cash general and administrative expenses (\$/boe) and transportation costs (\$/boe). These measures are calculated by dividing the numerator by a diluted share count or by total production for the period, depending on the financial measure discussed.

#### ESTIMATES OF DRILLING LOCATIONS

Of the over 23,000 drilling locations disclosed in this news release approximately 19,821 are unbooked drilling locations. Unbooked drilling locations are the internal estimates of Tourmaline based on Tourmaline's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by Tourmaline's management as an estimation of Tourmaline's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Tourmaline will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which Tourmaline will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by Tourmaline drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Tourmaline has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

#### 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 Q3 2024 average daily production, forecast Q4 2024 average daily production and forecast 2025 average daily production. 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 <sup>(1)</sup>	Conventional Natural Gas	Shale Natural Gas	Natural Gas Liquids <sup>(1)</sup>	Other Total
	Company Gross (bbls)	Company Gross (mcf)	Company Gross (mcf)	Company Gross (bbls)	Company Gross (bbls)
Q3 2024 Average Daily Production	43,485	1,426,133	1,128,250	88,149	55,017
Q4 2024 Forecast Average Daily Production	51,200	1,554,200	1,250,000	91,400	61,800
2025 Forecast Average Daily Production	58,100	1,582,500	1,347,500	103,550	65,150

(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.

#### 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 and Other Financial Measures" in the most recently filed Management's Discussion and Analysis.

#### CERTAIN DEFINITIONS:

1H	first half
2H	second half
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
CNG	compressed natural gas
DUC	drilled but uncompleted wells
EP	exploration and production
EP Plan	five-year exploration and production plan
gj	gigajoule
gjs/d	gigajoules per day
JKM	Japan Korea Marker
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
natural gas	conventional natural gas and shale gas

## MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended September 30, 2024 and 2023, please refer to SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) or Tourmaline's website at [www.tourmalineoil.com](http://www.tourmalineoil.com).

About Tourmaline Oil Corp.  
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Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest-cost natural gas in North America. We are an investment grade exploration and production company providing

strong and predictable operating and financial performance through the development of our three core areas in the Western Canadian Sedimentary Basin. With our existing large reserve base, decades-long drilling inventory, relentless focus on execution and cost management, and industry-leading environmental performance, we are excited to provide shareholders an excellent return on capital, and an attractive source of income through our base dividend and surplus free cash flow distribution strategies.

SOURCE Tourmaline Oil Corp.

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