

Tourmaline Achieves Record Production In The First Quarter And Forecasts Higher Free Cash Flow For 2026 And 2027

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[Tourmaline Oil Corp.](#) (TSX: TOU) ("Tourmaline" or the "Company") is pleased to release financial and operating results for the first quarter of 2026.

HIGHLIGHTS

- Continued new well outperformance in both gas complexes, the Alberta Deep Basin and the NEBC Montney gas complex, leading to production at the mid-point of guidance despite Q1 capital deferrals.
- The first two major facility projects in the NEBC infrastructure buildout remain on schedule with the Aitken expansion expected in Q4 2026 and the Groundbirch deep cut plant start-up expected in Q4 2027.
- Due to strong global liquids prices, optimized ethane extraction and Tourmaline's access to Pacific propane export realizations are anticipated to increase by approximately 30% over 2025.
- Q1 2026 cash flow ("CF")⁽¹⁾⁽²⁾ was \$862.2 million (\$2.21 per fully diluted share), generating \$202.0 million of free cash flow ("FCF")⁽³⁾ in the quarter. Q1 2026 net earnings were \$657.6 million.
- Improved 2026 and 2027 full year FCF outlook, through higher condensate, propane, and international LNG pricing is anticipated at \$0.9 billion in each year⁽⁴⁾.
- Net debt⁽⁵⁾ at March 31, 2026 of \$1.5 billion, below the long-term debt target of \$1.75 billion, approximately 0.4x net debt to FCF.

PRODUCTION UPDATE

- First quarter 2026 average production was 666,089 boepd, within the guidance range of 660,000 - 670,000 boepd.
- Full year 2026 average production of 620,000 to 640,000 boepd is anticipated, which includes the impact of the previously disclosed Peace River High asset sale, the expiry of discretionary Alberta Deep Basin ethane extraction contracts and the 2026 million 2026 EP capital budget reduction.
- The Company intends to maximize the use of its new Dimsdale, Alberta storage capacity, as well as existing long-term California storage facility positions, along with potential in-basin production curtailment during periods of low prices. Taking these activities into account, second quarter 2026 average production of 595,000 to 605,000 boepd is currently anticipated.

FINANCIAL RESULTS AND CAPITAL BUDGET

- Q1 2026 CF was \$862.2 million (\$2.21 per fully diluted share), generating \$202.0 million of FCF in the quarter.
- Net debt as of March 31, 2026 was \$1.5 billion, below the Company's long term debt target of \$1.75 billion, approximately 0.4x net debt to FCF.
- First quarter operating costs were \$4.75/boe, down 8% from Q1 2025. Full year 2026 opex of \$4.50/boe is expected from full year 2025. Given considerable progress to date, Tourmaline has set an aggregate operating and transportation target of \$1.50/boe by 2031 relative to the first half 2025 levels.
- The full year 2026 EP capital budget remains at \$2.55 billion following the \$350 million reduction announced on March 10, 2025. The Company has identified an additional \$200 million of primarily drilling and completion-related capital that could be funded from the 2026 EP capital program should western North American natural gas prices remain weak through the year.
- Tourmaline's exposure to international LNG prices and increasing liquids pricing has improved current 2026 FCF to approximately \$0.9 billion. The FCF benefit from the Company's exposure to JKM and TTF pricing via LNG export contracts will begin to be realized in Q2, due to the timing of the LNG cargoes. Given the volatility of commodity prices from current geopolitical events, Tourmaline will announce potential allocations for this anticipated excess FCF, in the coming quarters following the realization of the anticipated FCF.
- During the first quarter, the Company issued \$250 million of senior unsecured notes with an interest rate of 3.934% for five years, providing further diversification and flexibility in the Company's capital structure at attractive fixed interest rates. This recent note issuance, Tourmaline's aggregate borrowing capacity is now \$3.7 billion.

MARKETING UPDATE

- Tourmaline's average realized natural gas price in Q1 2026 was CAD \$3.59/mcf, significantly (CAD \$1.54/mcf) above the Waha 5A benchmark price of CAD \$2.05/mcf over the same period, as the Company continues to benefit from its diversified portfolio and strategic hedging program.
- Tourmaline has an average of 930 mmcfpd of natural gas hedged for the remainder of 2026 at a weighted average price of CAD \$5.13/mcf. This includes 99 mmcfpd hedged at a weighted average price of CAD \$16.06/mcf in international markets and 128 mmcfpd at a weighted average price of CAD \$6.81/mcf in Western U.S. markets.
- Tourmaline has an average of 220,000 mmbtu/d exposed to international pricing (TTF/JKM) in 2026. This will grow to 250,000 mmbtu/d by exit 2027 and 333,000 mmbtu/d by exit 2028. For the balance of 2026, JKM and TTF are trading over \$15/mmbtu⁽⁶⁾ which represents a 62% price appreciation for the same strip as at the beginning of January 2026. Tourmaline's costs are fixed under LNG supply agreements, enabling the Company to capture this pricing upside.
- Tourmaline has increased its Midwest exposure for winter 2026-27 by 30 mmcfpd. Winter 2026-27 Chicago is trading at \$4.00/mmbtu⁽⁶⁾.

- The Company intends to leverage its new capacity at the AltaGas Dimsdale storage facility in Alberta by injecting during periods of weaker summer pricing at AECO. This will enable the deferral of physical sales until market fundamentals strengthen, such as during the winter season or times of heightened demand. This storage capacity enhances the Company's overall gas marketing flexibility and supports its broader risk management strategy.
- Tourmaline is amongst Canada's largest propane producers and, similar to its natural gas business, the Company has a long-standing propane marketing diversification strategy in place. Currently, approximately 45% of the Company's propane production receives Argus Far East Index (AFEI) propane pricing, which is provided through multiple long-term licensing and handling agreements and includes large volumes from the Gundy and Aitken processing regions in NEBC. Through December 2026 AFEI forward curve is trading 25% higher than February 27 2026 (pre-Iran conflict), resulting in higher expected propane netbacks⁽⁶⁾. With the benefits of improved NGL pricing and reduced ethane production, 2026 NGL realizations are forecasted to average close to 30% higher year over year on current 2026 strip.

EP UPDATE

- Tourmaline drilled 70 new wells in Q1 2026 and completed 68 wells.
- The Company is planning to drill and complete a total of approximately 280 net wells in 2026. Depending on the price of western North American natural gas markets the Company may carry a higher proportion of DUCs this summer and next years.
- The 2026 EP capital budget reduction is not expected to impact the initial anticipated start-up timing of the Aitken and Gundy gas plant projects in NEBC. The Aitken expansion is on schedule for Q4 2026 completion, with the Groundbirch gas plant completion expected in Q4 2027.
- Well outperformance compared to prior five-year averages has continued in both gas complexes. In the NEBC Montney 2025 well performance (gas) was up 22% over the 2020 - 2024 period based on IP90 rates. In Q4 2025 and Q1 2026 Montney well performance (gas) is up 13% over the 2020 - 2025 time period, and in the Alberta Deep Basin is up 10% over the same time period, based on IP 30 rates.
- During Q1 2026 in the NEBC North Montney, strong pad performance was delivered in all three sub-complexes.
 - In the Aitken complex, the five well Birch d-16-I pad averaged per well IP90 rates of 3.4 mmcfpd and 419 bbls/d of C5+ per well.
 - At Gundy, the eleven well d-4-G pad tested at average peak rates of 25 mmcfpd and 130 bpd of C5+ per well. Due to weak gas prices, the Company elected to run down-hole chokes in all of the wells on this pad when they were first put on production. IP90 rates have averaged 6.8 mmcfpd and 67 bbls/day of C5+ with the chokes in place.
 - Further north in Conroy, the eight well Laprise a-39-E pad averaged per well IP90 rates of 4.8 mmcfpd and 112 bbls/d of C5+ per well.
- The Alberta Deep Basin continued to deliver strong well results across the complex throughout the first quarter.
 - The Resthaven 06-20 three well Wilrich A pad, which came on production in March, has an average IP30 of 11.2 mmcfpd and 112 bbls/d of C5+ per well under restricted flow conditions.
 - The Horse 11-23 three well Wilrich A/C pad, which came on production in January, has an average IP30 of 10.7 mmcfpd and 72 bbls/d of C5+ per well under restricted flow conditions.
 - The Ansell 08-11 three well Wilrich pad, which came on production in February, has an average IP30 of 11.2 mmcfpd and 217 bbls/d of C5+ per well.
 - The Ferrier 02-20 two-well Glaucosite pad, which came on production in March, produced at average per well IP30 of 11.2 mmcfpd and 217 bbls/d of C5+ and 2.7mmcf/d on a 127 hour flow test.
- Tourmaline's year end 2025 2P natural gas reserves of 27.7 TCF, with only 15.4% of drilling inventories booked to date, in the Company well in an environment of anticipated increasing worldwide natural gas demand across key markets and international developments render sizeable economic reserves in stable jurisdictions increasingly attractive.

ENVIRONMENTAL PERFORMANCE IMPROVEMENT

- Tourmaline has achieved Grade 'A' certification for methane performance across its NEBC assets under MiQ's global standard. Tourmaline is the first Canadian company to be certified under MiQ and the first company in the world to have certified integrated gas production and processing facilities. This certification applies to the Company's full production base and positions Tourmaline to access differentiated markets where verified methane intensity influences procurement decisions.
- Tourmaline continues to progress the multi-year diesel displacement strategy. Through utilization of natural gas-powered rigs and frac spreads the Company has displaced over 250 million litres of diesel and saved over \$245 million to date from the cost of the natural gas fuel replacement. The Company's new 10-year target is \$565 million of total savings through the expansion of this initiative.

DIVIDEND

- Tourmaline's Board of Directors intends to declare a quarterly base dividend of \$0.50 per share in early June, which will be payable on June 30, 2026 to shareholders of record at the close of business on June 15, 2026. The quarterly base dividend will be designated as an eligible dividend for Canadian income tax purposes.

- (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", "EP expenditures", "free cash flow", "operating netback", "operating netback per boe", "cash flow per diluted share", "free cash flow per diluted share", "adjusted working capital", "net debt", "reserve value per diluted share", "operating expenses per boe", "cash general and administrative expenses per boe" and "transportation costs per boe". 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 as at March 31, 2026 (the "Q1 2026 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 taxes. See "Non-GAAP and Other Financial Measures" in this news release and in the Q1 2026 MD&A.
- (3) "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 and in the Q1 2026 MD&A.
- (4) As per strip pricing as of April 27, 2026.
- (5) "Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q1 2026 MD&A.

(6) CORPORATE SUMMARY APRIL 2026

	Three Months Ended		
	March 31,		
	2026	2025	Change
OPERATIONS			
Production			
Natural gas (mcf/d)	3,134,536	2,942,574	7 %
Crude oil, condensate and NGL (bbl/d)	143,666	147,438	(3) %
Oil equivalent (boe/d)	666,089	637,867	4 %
Product prices ⁽¹⁾			
Natural gas (\$/mcf)	\$ 3.59	\$ 4.30	(17) %
Crude oil, condensate and NGL (\$/bbl)	\$ 52.59	\$ 56.75	(7) %
Operating expenses (\$/boe)	\$ 4.75	\$ 5.15	(8) %
Transportation costs (\$/boe)	\$ 5.37	\$ 5.53	(3) %
Operating netback (\$/boe) ⁽²⁾	\$ 15.32	\$ 19.15	(20) %
Cash general and administrative expenses (\$/boe) ⁽³⁾	\$ 0.84	\$ 0.82	2 %
FINANCIAL			
(\$000, except share and per share)			
Commodity sales from production	1,447,049	1,457,567	(1) %
Total revenue from commodity sales and realized gains	1,693,890	1,891,593	(10) %
Royalties	168,836	179,159	(6) %
Cash flow	862,155	963,046	(10) %
Cash flow per share (diluted)	\$ 2.21	\$ 2.56	(14) %
Net earnings	657,560	212,678	209 %
Net earnings per share (diluted)	\$ 1.69	\$ 0.56	202 %
Capital expenditures (net of dispositions) ⁽²⁾	(91,284)	825,018	(111) %
Weighted average shares outstanding (diluted)	389,355,896	376,842,319	3 %
Net debt	(1,486,525)	(1,842,439)	(19) %

Notes:

(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 Q1 2026 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, May 7, 2026 starting at 9:00 a.m. MT (11:00 a.m. ET).

To participate without operator assistance, you may register and enter your phone number at <https://emportal.ink/4uYuiWx> 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 May 7, 2026, a replay will be available by dialing 1-888-660-6345 (international 1-289-819-1450), referencing Replay Code 02055. The recording will expire on May 21, 2026.

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 growth for various periods including estimated average production levels for Q2 2026 and full-year 2026; the anticipated increase in 2026 NGL realizations as a result of strong global liquids prices, optimized ethane extraction and Tourmaline's access to Pacific propane exports; the Company's long-term net debt target; the anticipated 2026 full year EP capital program and the reduction thereto, including the impact on production guidance resulting from such reduction; anticipated commodity price improvement; the 2026 EP capital program; 2026 and 2027 FCF; 2026 and 2027 condensate, propane and international LNG pricing; the use of the Company's storage capacity at the Dimsdale facility, as well as at Dawn and California storage facilities and in basin curtailments; production levels, CF, FCF and other information included in the Company's EP Plan; average production volumes exposed to international pricing in 2026 (JKM/TTF); the timing of the FCF benefit that the Company expects to realize from exposure to JKM and TTF pricing; expected total operating and transportation cost reductions that the Company expects to realize by 2031; the number of net wells that the Company plans to drill and complete in 2026; the expectation that the EP capital budget reduction will not impact the original start-up timing of the Aitken and Groundbirch gas plant projects in NEBC; the expected start-up timing of the Aitken and Groundbirch gas plant projects; potential future drilling and completion-related capital deferrals, should North American gas prices remain weak; the future declaration and payment of base and special dividends and the timing, cadence and amount thereof; the timing of announcements relating to potential allocations for anticipated excess FCF, including increased shareholder returns; the timing and scale of future growth and developments projects, including the NEBC infrastructure build out; projected operating and drilling costs and drilling times; anticipated future commodity prices; anticipated increasing worldwide natural gas demand across key markets; the belief that recent international developments render sizeable economic reserves in stable jurisdictions increasingly valuable; the 10-year target for total savings through the expansion of the diesel displacement initiative; 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, FCF, 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 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; supply chain disruptions; 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; changes in rates of inflation; 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; hazards such as fire, explosion, blowouts, cratering, and spills, any of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; stock market volatility; ability to access sufficient capital from internal and external sources; uncertainties associated with counterparty credit risk; failure to obtain required regulatory and other approvals including drilling permits and the impact of not receiving such approvals on the Company's long-term planning; climate change risks; severe weather (including wildfires, floods and drought); 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 and impact of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)); trade policy, barriers, disputes or wars (including new tariffs or changes to existing international trade arrangements); and general economic and business conditions and markets. 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.sedarplus.ca) 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.

RESERVES DATA

The reserves data set forth above is based upon the reports of GLJ Ltd. ("GLJ") and Deloitte LLP, each dated effective December 31, 2025, which have been consolidated into one report by GLJ and adjusted to apply certain of GLJ's assumptions and methodologies and pricing and cost assumptions (the "Independent Reserve Evaluations"). The price forecast used in the Independent Reserve Evaluations is an average of

forecast prices published by Sproule Associates Ltd. as at December 31, 2025 and GLJ and McDaniel & Associates Consultants Ltd. as at January 1, 2026 (each of which is available on their respective websites at www.sproule.com, www.gljpc.com, and www.mcdan.com), and are contained in the Company's Annual Information Form for the year ended December 31, 2025.

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 information set forth above is an estimate 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.

All evaluations and reviews of future net revenue are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. The after-tax net present value of the Company's oil and gas properties reflects the tax burden on the properties on a stand-alone basis and utilizes the Company's tax pools. It does not consider the corporate tax situation, or tax planning. It does not provide an estimate of the after-tax value of the Company, which may be significantly different. The Company's financial statements and the management's discussion and analysis should be consulted for information at the level of the Company.

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.

The reserve data provided in this news release presents only a portion of the disclosure required under National Instrument 51-101. All of the required information is contained in the Company's Annual Information Form for the year ended December 31, 2025, which has been filed on SEDAR+ accessible at www.sedarplus.ca.

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 2026 and 2027 FCF, which are based on, among other things, the various assumptions as to production levels, receipt of drilling permits, capital expenditures and other assumptions disclosed in this news release and, with respect to 2026 and 2027 FCF, Tourmaline's estimated average production of 620,000 - 640,000 boepd for 2026 and 675,000 boepd for 2027, commodity price assumptions for natural gas (2026 - \$3.63/mmbtu US, \$1.68/mcf AECO, \$2.32/mmbtu PG&E Citygate U.S., \$15.71/mcf JKM U.S.; 2027 - \$3.55/mmbtu US, \$2.33/mcf AECO, \$3.36/mmbtu PG&E Citygate U.S., \$13.30/mcf JKM U.S.), crude oil (2026 - \$81.83/bbl WTI U.S.; 2027 - \$72.91/bbl WTI U.S.) and an exchange rate assumption (USD/CAD) of \$0.73 for 2026 and 0.74 for 2027. In addition, such estimates are provided for illustration only and are based on budgets and forecasts as of the date hereof that are subject to change and a variety of contingencies including prior years' results. To the extent such estimates constitute a financial outlook, they are included to provide readers with an understanding of Tourmaline's anticipated FCF based on the capital expenditure, production, pricing,

exchange rate 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 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 March 31,	
	2026	2025
Cash flow from operating activities (per GAAP)	\$ 942,627	\$ 1,088,311
Current tax (expenses) recovery	5,188	(37,882)
Current taxes paid	4,800	-
Change in non-cash working capital	(90,460)	(87,383)
Cash flow	\$ 862,155	\$ 963,046

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 March 31,	
	2026	2025
Cash flow used in investing activities (per GAAP)	\$ 34,257	\$ 714,079
Change in non-cash working capital	(125,541)	110,939
Capital expenditures	\$ (91,284)	\$ 825,018
EP Expenditures		

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 production expenditures is set forth below:

(000s)	Three Months Ended March 31,	
	2026	2025
Cash flow used in investing activities (per GAAP)	\$ 34,257	\$ 714,079
Change in non-cash working capital	(125,541)	110,939
Property acquisitions	(1,829)	(12,143)
Proceeds from divestitures	753,275	1,023
Other	(16,710)	(16,166)
EP Expenditures	\$ 643,452	\$ 797,732
Free Cash Flow		

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 March 31,	
	2026	2025
Cash flow	\$ 862,155	\$ 963,046
Capital expenditures	91,284	(825,018)
Property acquisitions	1,829	12,143
Proceeds from divestitures	(753,275)	(1,023)
Free Cash Flow	\$ 201,993	\$ 149,148

Operating Netback

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 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 March 31,	
	2026	2025
Commodity sales from production	\$ 1,447,049	\$ 1,457,567
Premium on risk management activities	257,897	337,609
Realized gain (loss) on financial instruments	(11,056)	96,417
Royalties	(168,836)	(179,159)
Operating expenses	(285,015)	(295,661)
Transportation expenses	(321,684)	(317,197)
Operating netback	\$ 918,355	\$ 1,099,576

Non-GAAP Financial Ratios

Operating Netback per-boe

Management calculates "operating netback per-boe" as operating netback divided by total production for the period. Operating 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 March 31,	
	2026	2025
Revenue, excluding processing income	\$ 28.26	\$ 32.95
Royalties	(2.82)	(3.12)
Operating expenses	(4.75)	(5.15)
Transportation expenses	(5.37)	(5.53)
Operating netback	\$ 15.32	\$ 19.15

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 March 31, 2026	As at December 31, 2025
Working capital (deficit)	\$ (232,167)	\$ (419,306)
Fair value of financial instruments - short-term (asset)	(379,216)	(135,676)
Lease liabilities - short-term	7,406	8,034
Decommissioning obligations - short-term	64,000	75,000
Unrealized foreign exchange in working capital - liability	1,116	991
Adjusted working capital (deficit)	\$ (538,861)	\$ (470,957)

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 composition of net debt, is set forth below:

(000s)	As at March 31, 2026	As at December 31, 2025
Long-term debt	\$ (947,664)	\$ (1,052,914)
Adjusted working capital (deficit)	(538,861)	(470,957)
Net debt	\$ (1,486,525)	\$ (1,523,871)

Supplementary Financial Measures

The following measures are supplementary financial measures: 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.

ESTIMATED DRILLING INVENTORY

This news release discloses an estimate of the percentages of the Company's total drilling locations that are booked and derived from the Company's Independent Reserve Evaluations. Drilling locations are categorized as follows: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and (iv) an aggregate total of (i), (ii) and (iii). Proved producing wells, proved undeveloped locations, including drilled-uncompleted locations, and probable undeveloped locations are booked and derived from the Company's Independent Reserve Evaluations, and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on the Company'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 management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company 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 derisked by 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 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.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to Q1 2026 average daily production, Q2 2026 forecast average daily production and 2026 forecast 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 Conventional Crude Oil ⁽¹⁾	Shale Natural Gas	Natural Gas Liquids ⁽¹⁾	Oil Equiv Total	
	Company Gross (Bbls)	Company Gross (Mcf)	Company Gross (Mcf)	Company Gross (Bbls)	Company (Boe)
Q1 2026 Average Daily Production	46,896	1,593,942	1,540,594	96,770	666,089
Q2 2026 Forecast Average Daily Production	45,500	1,425,000	1,470,000	72,000	600,000
2026 Forecast Average Daily Production	48,450	1,515,125	1,500,385	78,965	630,000

(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.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

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
AECO	Alberta Energy Company and is the Canadian benchmark price for natural gas
AECO basis	the price differential between AECO and NYMEX Henry Hub
bbl	barrel
bbls/day	barrels per day
bbl/mmcft	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
C2+	a hydrocarbon mixture consisting of ethane and heavier hydrocarbons.
CNG	compressed natural gas
DUC	drilled but uncompleted wells
Dutch TTF or TTF	a natural gas pricing location within the Netherlands
EP	exploration and production
FERC	Federal Energy Regulatory Commission
gj	gigajoule
gjs/d	gigajoules per day
JKM	Japan Korea Marker
LPG	Liquefied Petroleum Gas
mbbls	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
NEBC	Northeast British Columbia
NGL or NGLs	natural gas liquids

NYMEX Henry Hub the benchmark pricing point for U.S. natural gas futures contracts traded on the New York Mercantile Exchange

MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

PGE Pacific Gas & Electric

To view Tourmaline's Management's Discussion and Analysis and Consolidated Financial Statements for the periods ended March 31, 2026 and 2025, please refer to SEDAR+ (www.sedarplus.ca) or Tourmaline's website at www.tourmalineoil.com.

Tcf trillion cubic feet

ABOUT TOURMALINE OIL CORP.

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest-development-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 two core areas in the Western Canadian Sedimentary Basin. With our existing large reserve base, decades-long drilling inventory, relentless focus on execution, cost management, safety and environmental performance improvement, 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.

Contact

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