

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(000s) (unaudited)</i>	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Accounts receivable	\$ 811,664	\$ 652,246
Prepaid expenses and deposits	51,021	26,275
Fair value of financial instruments <i>(note 3)</i>	8,924	11,202
Total current assets	871,609	689,723
Long-term asset	3,281	3,773
Fair value of financial instruments <i>(note 3)</i>	11,743	8,388
Exploration and evaluation assets <i>(note 4)</i>	324,142	369,882
Property, plant and equipment <i>(note 5)</i>	13,746,478	13,463,578
Right-of-use asset <i>(note 6)</i>	10,471	10,825
Investment in Topaz <i>(note 10)</i>	749,989	745,924
Total Assets	\$ 15,717,713	\$ 15,292,093
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 830,436	\$ 775,485
Fair value of financial instruments <i>(note 3)</i>	541,701	252,172
Lease liabilities <i>(note 6)</i>	2,888	2,997
Decommissioning obligations <i>(note 7)</i>	30,000	20,103
Total current liabilities	1,405,025	1,050,757
Fair value of financial instruments <i>(note 3)</i>	230,624	91,924
Lease liabilities <i>(note 6)</i>	7,966	8,172
Decommissioning obligations <i>(note 7)</i>	465,291	628,039
Bank debt <i>(note 8)</i>	11,074	421,539
Senior unsecured notes <i>(note 9)</i>	448,187	448,035
Deferred taxes	1,372,819	1,037,275
Shareholders' equity:		
Share capital <i>(note 11)</i>	7,644,008	7,482,534
Contributed surplus	267,896	284,289
Retained earnings	3,864,823	3,839,529
Total shareholders' equity	11,776,727	11,606,352
Total Liabilities and Shareholders' Equity	\$ 15,717,713	\$ 15,292,093

Commitments (note 14).

Subsequent events (notes 3 and 17).

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(000s) except per-share amounts (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Commodity sales from production (note 15)	\$ 2,605,781	\$ 1,025,310	\$ 4,500,952	\$ 2,021,345
Premium (loss) on risk management activities (note 15)	(203,919)	(60,000)	(226,883)	(22,939)
Marketing revenue (note 15)	17,018	9,952	28,869	27,335
Royalties	(325,211)	(56,547)	(528,945)	(110,323)
Other income	8,681	12,815	21,036	26,792
Realized (loss) on financial instruments	(293,028)	(44,032)	(451,551)	(71,864)
Unrealized gain (loss) on financial instruments (note 3)	9,871	(164,231)	(427,152)	(196,485)
	1,819,193	723,267	2,916,326	1,673,861
Expenses:				
Operating	194,018	138,238	385,936	273,078
Transportation	230,118	148,958	453,286	310,057
Marketing purchases (note 15)	14,258	9,112	24,512	26,237
General and administration	25,922	20,741	52,703	44,129
Share-based payments	5,615	2,855	10,917	5,551
Depletion, depreciation and amortization (notes 4, 5 and 6)	297,673	254,460	591,354	518,993
(Income) loss from investment in Topaz (note 10)	(17,767)	359	(21,951)	359
(Gain) on loss of control of Topaz	–	(321,189)	–	(321,189)
(Gain) on acquisitions and divestitures	(8,437)	–	(8,437)	–
Realized foreign exchange (gain)	(6,319)	(1,552)	(11,829)	(1,027)
Unrealized foreign exchange (gain) loss	(1,856)	1,497	(2,749)	3,463
Total expenses	733,225	253,479	1,473,742	859,651
Income from operations	1,085,968	469,788	1,442,584	814,210
Finance expenses	12,230	15,986	22,812	30,310
Income before taxes	1,073,738	453,802	1,419,772	783,900
Deferred tax expense	250,794	32,122	335,544	111,797
Net income and comprehensive income before non-controlling interest	822,944	421,680	1,084,228	672,103
Net income and comprehensive income attributable to:				
Shareholders of the Company	822,944	420,849	1,084,228	668,686
Non-controlling interest	–	831	–	3,417
	\$ 822,944	\$ 421,680	\$ 1,084,228	\$ 672,103
Net income per share attributable to common shareholders (note 12)				
Basic	\$ 2.46	\$ 1.41	\$ 3.25	\$ 2.25
Diluted	\$ 2.40	\$ 1.40	\$ 3.18	\$ 2.23

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(000s) (unaudited)</i>	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling Interest	Total Equity
Balance at December 31, 2021	\$ 7,482,534	\$ 284,289	\$ 3,839,529	\$ –	\$11,606,352
Share-based payments	–	10,917	–	–	10,917
Capitalized share-based payments	–	8,583	–	–	8,583
Options exercised (<i>note 11</i>)	161,474	(35,893)	–	–	125,581
Dividends paid (<i>note 11</i>)	–	–	(1,058,934)	–	(1,058,934)
Income attributable to common shareholders	–	–	1,084,228	–	1,084,228
Balance at June 30, 2022	\$ 7,644,008	\$ 267,896	\$ 3,864,823	\$ –	\$ 11,776,727

<i>(000s) (unaudited)</i>	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling Interest	Total Equity
Balance at December 31, 2020	\$ 6,328,115	\$ 307,152	\$ 2,173,828	\$ 467,443	\$ 9,276,538
Issue of Topaz common shares to NCI	–	–	21,421	210,423	231,844
Share issue costs, net of tax on issuance of Topaz common shares	–	–	(2,962)	(3,593)	(6,555)
Share-based payments	–	5,551	–	–	5,551
Capitalized share-based payments	–	3,801	–	–	3,801
Options exercised (<i>note 11</i>)	49,001	(10,369)	–	–	38,632
Dividends paid (<i>note 11</i>)	–	–	(95,159)	(10,892)	(106,051)
Income attributable to common shareholders	–	–	668,686	–	668,686
Income attributable to non-controlling interest	–	–	–	3,417	3,417
Loss of control of Topaz	–	(1,458)	78,914	(666,798)	(589,342)
Balance at June 30, 2021	\$ 6,377,116	\$ 304,677	\$ 2,844,728	\$ –	\$ 9,526,521

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Three Months Ended June 30,		Six Months Ended June 30,	
<i>(000s) (unaudited)</i>	2022	2021	2022	2021
Cash provided by (used in):				
Operations:				
Net income	\$ 822,944	\$ 420,849	\$ 1,084,228	\$ 668,686
Items not involving cash:				
Depletion, depreciation and amortization	297,673	254,460	591,354	518,993
Accretion <i>(note 7)</i>	5,065	2,748	8,754	5,553
Lease interest expense <i>(note 6)</i>	77	90	155	180
Share-based payments <i>(note 13)</i>	5,615	2,855	10,917	5,551
Deferred tax expense	250,794	32,122	335,544	111,797
Unrealized (gain) loss on financial instruments <i>(note 3)</i>	(9,871)	164,231	427,152	196,485
(Gain) on loss of control of Topaz <i>(note 10)</i>	–	(321,189)	–	(321,189)
(Gain) on acquisitions and divestitures	(8,437)	–	(8,437)	–
Amortization on long-term asset	246	246	492	492
Non-controlling interest	–	831	–	3,417
Unrealized foreign exchange (gain) loss	(1,856)	1,497	(2,749)	3,463
(Income) loss from investment in Topaz <i>(note 10)</i>	(17,767)	359	(21,951)	359
Decommissioning expenditures <i>(note 7)</i>	(3,856)	(497)	(22,154)	(5,860)
Dividends received from Topaz <i>(note 10)</i>	13,299	11,630	26,597	11,630
Changes in non-cash operating working capital	(2,445)	(75,559)	35,228	45,245
Total cash flow from operating activities	1,351,481	494,673	2,465,130	1,244,802
Financing:				
Issue of common shares	42,663	33,547	125,581	38,632
Issuance of Topaz common shares to NCI	–	195,753	–	197,336
Lease payments <i>(note 6)</i>	(862)	(1,000)	(1,854)	(1,984)
Dividends paid <i>(note 11)</i>	(577,854)	(47,656)	(1,058,934)	(106,051)
(Decrease) in cash on loss of control of Topaz	–	(177,357)	–	(177,357)
Increase (decrease) in bank debt	(155,341)	194,954	(410,465)	(529,481)
Increase in senior unsecured notes	76	30	152	248,832
Total cash flow from (used) in financing activities	(691,318)	198,271	(1,345,520)	(330,073)
Investing:				
Property, plant and equipment <i>(note 5)</i>	(242,214)	(226,532)	(699,963)	(622,940)
Property acquisitions <i>(note 5)</i>	(236,755)	(438,364)	(261,676)	(464,658)
Proceeds from divestitures <i>(note 5)</i>	424	200	3,721	796
Changes in non-cash investing working capital	(181,618)	(99,830)	(161,692)	(48,095)
Total cash flow used in investing activities	(660,163)	(764,526)	(1,119,610)	(1,134,897)
Changes in cash	–	(71,582)	–	(220,168)
Cash, beginning of period	–	71,582	–	220,168
Cash, end of period	\$ –	\$ –	\$ –	\$ –

Cash is defined as cash and cash equivalents.

See accompanying notes to the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2022 AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(tabular amounts in thousands of dollars, unless otherwise noted) (unaudited)

Corporate Information:

Tourmaline Oil Corp. (the "Company") was incorporated under the laws of the Province of Alberta on July 21, 2008. The Company is engaged in the acquisition, exploration, development and production of petroleum and natural gas properties.

These unaudited interim condensed consolidated financial statements reflect only the Company's proportionate interest in such activities. The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2022.

The Company's registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, Canada T2P 1G1.

OPERATING ENVIRONMENT

The COVID-19 pandemic had a significant negative impact on global economic conditions in 2020 which included a large decrease in oil demand which combined with other macro-economic conditions resulted in significant volatility of commodity prices as well as increased economic uncertainty. In response to the COVID-19 pandemic, the Company is following all applicable rules and regulations as set out by the relevant health authorities and has implemented many health and safety protocols into its operations.

Throughout 2021 and 2022, there has been an economic recovery providing for more positive outlooks on commodity prices and general market and industry conditions as COVID-19 vaccination rates continue to increase and government restrictions are slowly eased. Additionally, in 2022, Russia's invasion of Ukraine has raised global concerns over oil and natural gas supply and significantly increased benchmark commodity prices resulting in inflationary pressures on governments, businesses, and communities.

Due to the uncertainty surrounding the magnitude, duration and potential outcomes of the COVID-19 pandemic and Russia's invasion of Ukraine, the Company is unable, at this time, to predict its long-term impact on its operations, liquidity, financial condition and results, but the impact may be material.

See "Business Risks and Uncertainties" in this MD&A for additional information regarding certain risks relating to the COVID-19 pandemic which Tourmaline and its business and operations are subject to.

CLIMATE CHANGE AND ENVIRONMENTAL REGULATION

Climate-related considerations are integrated into key business planning and risk management processes throughout the Company.

Regulatory Update

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social, governance (ESG) and climate reporting, the International Sustainability Standards Board ("ISSB") has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators ("CSA") published for comment Proposed National Instrument 51-107 – *Disclosure of Climate Related Matters*, intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. The comment period for the proposed National Instrument has closed and the Company is awaiting further guidance from the ISSB and CSA.

If the Company is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licenses, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified. The Company continues to monitor the evolving ESG regulations and its potential impact on the Company.

Sustainability Reporting

The Company publishes an annual Sustainability Report containing comprehensive information relating to ESG performance which can be found on the Company's website at www.tourmalineoil.com.

The Sustainability Report was developed using the Global Reporting Initiative standards as a baseline for the sustainability factors significant to Tourmaline stakeholders. The Company has also included recommendations from the Task Force on Climate Related Disclosures and incorporated discussion points and metrics outlined by the Sustainability Accounting Standards Board.

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". These unaudited interim condensed consolidated financial statements do not include all of the information and disclosure required in the annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2021.

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars and include the accounts of Tourmaline Oil Corp. and its 100% owned subsidiary Tourmaline Oil Marketing Corp., which has a functional currency of US dollars.

The accounting policies and significant accounting judgments, estimates, and assumptions used in these unaudited interim condensed consolidated financial statements are consistent with those described in Notes 1 and 2 of the Company's consolidated financial statements for the year ended December 31, 2021.

2. DETERMINATION OF FAIR VALUE

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Tourmaline classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature. Bank debt bears interest at a floating market rate with applicable variable margins, and accordingly the fair market value approximates the carrying amount. The senior unsecured notes are carried at amortized cost. The Company's derivative financial instruments have been assessed on the fair value hierarchy described above and classified as Level 2.

3. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company's financial risks are consistent with those discussed in note 4 of the Company's consolidated financial statements for the year ended December 31, 2021.

Market Risk:

As at June 30, 2022, the Company has entered into certain financial derivative contracts in order to manage commodity price and foreign exchange risk. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, even though the Company considers all commodity and foreign exchange contracts to be effective economic hedges. As a result, all such contracts are recorded on the interim consolidated statement of financial position at fair value, with changes in the fair value being recognized as an unrealized gain or loss on the interim consolidated statement of income and comprehensive income.

The Company has the following financial derivative contracts in place as at June 30, 2022 ⁽¹⁾:

		2022	2023	2024	2025	2026	Fair Value (000s)
Gas							
AECO swaps ⁽²⁾	<i>mmbtu/d</i>	76,624	44,262	18,917	—	—	\$ (92,454)
	<i>CAD\$/mmbtu</i>	\$ 2.16	\$ 2.27	\$ 2.26			
NYMEX swaps	<i>mmbtu/d</i>	214,065	198,329	80,000	60,000	60,000	\$ (267,898)
	<i>USD\$/mmbtu</i>	\$ 3.19	\$ 3.35	\$ 3.94	\$ 4.14	\$ 4.14	
Swaps - other	<i>mmbtu/d</i>	5,000	—	—	—	—	\$ (3,861)
	<i>USD\$/mmbtu</i>	\$ 3.69					
AECO basis swaps	<i>mmbtu/d</i>	11,750	—	—	—	—	\$ 1,725
	<i>CAD\$/mmbtu</i>	\$ (1.23)					
International swaps	<i>mmbtu/d</i>	—	11,726	—	—	—	\$ (37,267)
	<i>USD\$/mmbtu</i>		\$ 20.00				
Basis differentials – other	<i>mmbtu/d</i>	37,500	37,500	27,500	—	—	\$ (28,111)
	<i>USD\$/mmbtu</i>	\$ 0.29	\$ 0.29	\$ 0.28			
AECO financial collars	<i>mmbtu/d</i>	32,375	16,087	3,535	—	—	\$ (31,826)
	<i>CAD\$/mmbtu</i>	\$2.10-2.52	\$2.27-2.73	\$2.41-2.85			
Call options (writer) ⁽³⁾	<i>mmbtu/d</i>	71,685	34,932	20,000	10,000	10,000	\$ (46,817)
	<i>USD\$/mmbtu</i>	\$ 4.25	\$ 8.43	\$ 8.00	\$ 9.00	\$ 9.00	
Oil							
Financial swaps	<i>bbls/d</i>	12,584	6,240	1,000	—	—	\$ (127,713)
	<i>USD\$/bbl</i>	\$ 66.39	\$ 76.00	\$ 78.20			
Financial swaps	<i>bbls/d</i>	650	650	249	—	—	\$ (21,790)
	<i>CAD\$/bbl</i>	\$ 63.65	\$ 64.09	\$ 63.95			
Financial collars	<i>bbls/d</i>	1,350	400	—	—	—	\$ (22,223)
	<i>CAD\$/bbl</i>	\$ 51.96 - \$ 61.57	\$ 58.25 - \$ 70.24				
NYMEX call options	<i>bbls/d</i>	3,000	2,581	—	—	—	\$ (41,528)
	<i>USD\$/bbl</i>	\$ 91.67	\$ 68.67				
Propane Financial Swaps ⁽⁴⁾	<i>bbls/d</i>	4,005	493	—	—	—	\$ (4,081)
	<i>USD\$/bbl</i>	\$ 48.88	\$ 55.96				
Total fair value							\$ (723,844)

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

(2) These deals are 7A underlying.

(3) These are European calls whereby the counterparty can exercise the option monthly on a particular day to purchase NYMEX at a specified price.

(4) Propane financial swaps include OPIS Conway, Argus FEI, and Baltic LPG Freight financial swap transactions.

The Company has entered into the following financial commodity derivative contracts subsequent to June 30, 2022:

Type of Contract	Quantity	Time Period	Contract Price
International swap- gas	50,000 mmbtu/mo	April 2023 – October 2023	\$32.50 USD/mmbtu
International swap- gas	10,000 mmbtu/d	February 2023 – March 2023	\$41.80 USD/mmbtu

The Company has the following financial foreign currency derivative contracts in place at June 30, 2022:

		2022	2023	2024	Fair Value (000s)
Costless collar ⁽¹⁾	<i>USD(000s) Monthly</i>	\$ 57,000	\$ 75,000	\$ 20,000	\$ (28,635)
		\$ 1.232 –	\$ 1.254 –	\$ 1.253 –	
	<i>CAD/USD</i>	\$ 1.324	\$ 1.366	\$ 1.385	
Average rate forward	<i>USD(000s) Monthly</i>	\$ 33,000	\$ 28,917	\$ 11,000	\$ 1,500
	<i>CAD/USD</i>	\$ 1.271	\$ 1.288	\$ 1.29	
Average rate puts	<i>USD(000s) Monthly</i>	\$ 7,667	–	–	\$ (679)
	<i>CAD/USD</i>	\$ 1.209	–	–	
Total fair value					\$ (27,814)

(1) A portion of these financial collars have a European call writer option at period end that if called would result in an average rate forward for the following year in the following amounts, \$25.5 million/month at \$1.318 for 2023, \$47.5 million/month at \$1.376 for 2024 and \$14.0 million/month at \$1.395 for 2025.

The Company has not entered into any foreign currency derivative contracts subsequent to June 30, 2022.

The following table is a summary of the fair value of financial instruments as at June 30, 2022:

(000s)	Financial derivative contracts	Foreign currency derivative contracts	Total
Current asset	\$ 4,132	\$ 4,792	\$ 8,924
Long-term asset	6,170	5,573	11,743
Current liability	(517,797)	(23,904)	(541,701)
Long-term liability	(216,349)	(14,275)	(230,624)
Total fair value of financial instruments	\$ (723,844)	\$ (27,814)	\$ (751,658)

The following table provides a summary of the unrealized gains (losses) on financial instruments recorded in the interim consolidated statements of income and comprehensive income for the three and six months ended June 30, 2022 and 2021:

(000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Unrealized gain (loss) on financial instruments – commodity contracts	\$ 43,503	\$ (162,866)	\$ (412,666)	\$ (207,348)
Unrealized gain on financial instruments – interest rate swaps	–	3,621	–	12,344
Unrealized (loss) on financial instruments – foreign currency	(33,632)	(4,986)	(14,486)	(1,481)
Total unrealized gain (loss) on financial instruments	\$ 9,871	\$ (164,231)	\$ (427,152)	\$ (196,485)

In addition to the financial commodity contracts discussed above, the Company has entered into physical delivery sales contracts to manage commodity risk. These contracts are considered normal sales contracts and are not recorded at fair value in the unaudited interim condensed consolidated financial statements.

The Company has the following physical commodity contracts in place at June 30, 2022 ⁽¹⁾⁽⁹⁾:

		2022	2023	2024	2025	2026
Gas						
Fixed price ⁽²⁾	<i>mmbtu/d</i>	590,788	357,052	103,133	52,130	33,174
	<i>CAD\$/mmbtu</i>	\$ 4.22	\$ 4.33	\$ 4.37	\$ 4.38	\$ 4.23
Basis differentials - AECO ⁽³⁾	<i>mmbtu/d</i>	234,185	203,247	120,833	81,726	63,452
	<i>USD\$/mmbtu</i>	\$ (0.70)	\$ (0.74)	\$ (0.69)	\$ (0.67)	\$ (0.63)
Basis differentials - Dawn	<i>mmbtu/d</i>	20,000	20,000	16,667	10,000	10,000
	<i>USD\$/mmbtu</i>	\$ (0.10)	\$ (0.08)	\$ (0.06)	\$ (0.04)	\$ (0.04)
Basis differentials – Stn 2 ⁽⁴⁾	<i>mmbtu/d</i>	15,840	–	–	–	–
	<i>CAD\$/mmbtu</i>	\$ 0.02				
Basis differentials – Hunt ⁽⁵⁾	<i>mmbtu/d</i>	20,000	16,658	–	–	–
	<i>USD\$/mmbtu</i>	\$ (0.50)	\$ (0.50)			
Basis differentials – Other ⁽⁶⁾	<i>mmbtu/d</i>	50,000	47,514	62,500	30,000	–
	<i>USD\$/mmbtu</i>	\$ 0.30	\$ 0.16	\$ (0.09)	\$ (0.24)	
Oil						
Basis differentials ⁽⁷⁾	<i>bbls/d</i>	1,539	–	–	–	–
	<i>USD\$/bbl</i>	\$ (4.67)				
Condensate differentials ⁽⁸⁾	<i>bbls/d</i>	3,078	–	–	–	–
	<i>USD\$/bbl</i>	\$ (1.83)				

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

(2) These include AECO, Dawn, Stn 2, Hunt, PGE, Malin and Iroquois.

(3) A portion of these basis deals have a cap on NYMEX, 45.2 mmcf/d at USD\$4.48/mcf for 2022-2024.

(4) These volumes are priced at a basis to 7A.

(5) A portion of these basis deals have a cap on Hunt of USD\$3.00/mmbtu, delivered at Stn 2.

(6) These are basis differentials for non-AECO markets.

(7) Tourmaline sells physical crude at a fixed differential to NYMEX.

(8) Tourmaline sells physical condensate at a fixed differential to NYMEX.

(9) Tourmaline also has entered into deals to sell 20,000 mmbtu/d priced off Chicago GDD that extends into 2030; 5,000 mmbtu/d priced off Chicago GDD that extends to 2023; and 30,000 mmbtu/d priced off Chicago GDD that extends into 2027. Tourmaline reserves the right to periodically fix the price or lock in the basis in each market.

The Company has not entered into any physical contracts subsequent to June 30, 2022.

Capital Management:

The Company's policy is to maintain a strong capital base to preserve investor, creditor and market confidence and to sustain the future development of the business. The Company considers its capital structure to include shareholders' equity, bank debt, senior unsecured notes and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue or buyback shares, issue debt, adjust its dividend policy and adjust its capital spending to manage current and projected debt levels. The annual and updated budgets are approved by the Board of Directors.

The key measure that the Company utilizes in evaluating its capital structure is net debt to annualized cash flow, which is defined as bank debt and senior unsecured notes plus working capital (adjusted for the fair value of short term financial instrument liabilities, short term lease liabilities, short term decommissioning obligations and

unrealized foreign exchange), to annualized cash flow (based on the most recent quarter), defined as cash flow from operating activities before changes in non-cash working capital. Net debt to annualized cash flow represents a measure of the time it is expected to take to pay off the debt if no further capital expenditures were incurred and if cash flow in the next year were equal to the amount in the most recent quarter annualized.

As shown below, as at June 30, 2022, the Company's ratio of net debt to annualized cash flow was 0.08 to 1.00 (December 31, 2021 – 0.25 to 1.00).

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Net debt:		
Working capital (deficit)	\$ (533,416)	\$ (361,034)
Fair value of financial instruments – short-term liability	532,777	240,970
Lease liabilities – short-term	2,888	2,997
Decommissioning obligations – short-term	30,000	20,103
Unrealized foreign exchange in working capital – (asset) liability	(2,749)	(6,441)
Adjusted working capital	\$ 29,500	\$ (103,405)
Bank debt	(11,074)	(421,539)
Senior unsecured notes	(448,187)	(448,035)
Net debt	\$ (429,761)	\$ (972,979)
Annualized cash flow:		
Cash flow from operating activities for the quarter	\$ 1,351,481	\$ 1,058,460
Change in non-cash working capital	2,445	(90,224)
Cash flow	\$ 1,353,926	\$ 968,236
Annualized cash flow (based on most recent quarter annualized)	\$ 5,415,704	\$ 3,872,944
Net debt to annualized cash flow	0.08	0.25

For the six months ended June 30, 2022, the Company has increased its quarterly dividend from \$0.18 per share to \$0.225 per share and paid special dividends of \$1.25 and \$1.50 per share.

4. EXPLORATION AND EVALUATION ASSETS

<i>(000s)</i>	
As at December 31, 2020	\$ 509,533
Transfers to property, plant and equipment (<i>note 5</i>)	(52,267)
Divestitures	(6,901)
Expired mineral leases	(48,007)
Loss of control of Topaz	(32,476)
As at December 31, 2021	\$ 369,882
Transfers to property, plant and equipment (<i>note 5</i>)	(18,182)
Expired mineral leases	(27,558)
As at June 30, 2022	\$ 324,142

Exploration and evaluation ("E&E") assets consist of the Company's exploration projects which are pending the determination of proved and/or probable reserves. Expired mineral lease expenses have been included in the "Depletion, Depreciation and Amortization" line item on the interim statements of income and comprehensive income.

Impairment Assessment

In accordance with IFRS, an impairment test is performed if the Company identifies an indicator of impairment. At June 30, 2022 and December 31, 2021, the Company determined that no internal or external indicators of impairment existed on its E&E assets; therefore, an impairment test was not performed.

5. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

Cost

(000s)

As at January 1, 2021	\$ 17,555,185
Capital expenditures	1,449,080
Transfers from exploration and evaluation (note 4)	52,267
Change in decommissioning liabilities (note 7)	22,946
Corporate acquisitions	1,438,462
Property acquisitions	662,584
Divestitures	(179,708)
Loss of control of Topaz	(1,618,413)
As at December 31, 2021	\$ 19,382,403
Capital expenditures	708,546
Transfers from exploration and evaluation (note 4)	18,182
Change in decommissioning liabilities (note 7)	(157,484)
Property acquisitions	279,709
Divestitures	(3,995)
As at June 30, 2022	\$ 20,227,361

Accumulated Depletion, Depreciation, Amortization and Impairment

(000s)

As at January 1, 2021	\$ 5,923,152
Depletion, depreciation and amortization	1,031,428
Impairment (reversal)	(236,810)
Divestitures	(15,529)
Loss of control of Topaz	(783,416)
As at December 31, 2021	5,918,825
Depletion, depreciation and amortization	562,058
As at June 30, 2022	\$ 6,480,883

Net Book Value

(000s)

As at December 31, 2021	\$ 13,463,578
As at June 30, 2022	\$ 13,746,478

Future development costs of \$12.0 billion were included in the depletion calculation at June 30, 2022 (December 31, 2021 – \$11.0 billion).

Capitalization of G&A and Share-Based Payments

A total of \$25.2 million in G&A expenditures have been capitalized and included in PP&E for the six months ended June 30, 2022 (December 31, 2021 – \$38.4 million). Also included in PP&E are non-cash share-based payments of \$8.6 million (December 31, 2021 - \$12.0 million).

Impairment Assessment

In accordance with IFRS, an impairment test is performed on a CGU if the Company identifies an indicator of impairment or reversal of impairment. At June 30, 2022, the Company did not identify indicators of impairment on any of its CGUs and therefore, an impairment test was not performed.

At December 31, 2021, the Company did not identify indicators of impairment on any of its CGUs; therefore, an impairment test was not performed. The Company did however identify indicators of impairment reversal on the Spirit River CGU due to the increase in expected future cash flows and the sustained improvement in forecasted oil and gas commodity prices.

The Company determined that there was a reversal of impairment to PP&E at December 31, 2021 and reversed the full amount of the impairment loss of \$250.0 million, net of DD&A, that would have been recorded had no impairment been recorded. The net impairment reversal recorded in the Company's consolidated statement of income and comprehensive income for the year ended December 31, 2021 was \$236.8 million. At December 31, 2021, after the reversal of impairment in the Spirit River CGU, there are no historical impairment charges that have not been reversed.

Acquisitions and Dispositions of Oil and Natural Gas Properties

On April 12, 2022, the Company acquired the remaining interest in two gas processing facilities in NEBC in which the Company was already a working interest owner for cash consideration of \$235.3 million, before customary closing adjustments. The acquisition resulted in an increase in PP&E of approximately \$236.2 million and the assumption of \$0.9 million in decommissioning liabilities.

On February 15, 2022, the Company acquired land in NEBC for cash consideration of \$20.0 million, before customary closing adjustments. The acquisition resulted in an increase in PP&E of approximately \$20.0 million and the assumption of nil in decommissioning liabilities.

The Company applied the optional IFRS 3 concentration test to the above acquisitions which resulted in the acquisitions being accounted for as asset acquisitions.

In total, for the six months ended June 30, 2022, the Company completed property acquisitions for cash consideration of \$261.7 million, including the acquisitions discussed above (December 31, 2021 - \$545.9 million) and nil in acquisitions involving non-cash consideration (December 31, 2021 - \$89.4 million). The Company assumed \$18.0 million in decommissioning liabilities as a result of these acquisitions (December 31, 2021 - \$27.3 million).

The Company also completed property dispositions, for the six months ended June 30, 2022, for total cash consideration of \$3.7 million (December 31, 2021 - \$392.6 million) and non-cash consideration of \$0.3 million (December 31, 2021 – \$21.5 million). The Company removed nil in decommissioning liabilities as a result of these dispositions (December 31, 2021 - \$0.9 million).

6. LEASES

Right-of-Use Assets

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Balance, beginning of period	\$ 10,825	\$ 12,018
Additions	802	1,717
Modifications	582	(334)
Right-of-use assets acquired from corporate acquisitions	–	1,343
Depreciation	(1,738)	(3,919)
Balance, end of period	\$ 10,471	\$ 10,825

Lease Liabilities

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Balance, beginning of period	\$ 11,169	\$ 12,175
Additions	802	1,717
Modifications	582	(334)
Lease liabilities acquired from corporate acquisitions	–	1,343
Lease interest expense	155	349
Lease payments	(1,854)	(4,081)
Balance, end of period	\$ 10,854	\$ 11,169
Current lease liabilities	\$ 2,888	\$ 2,997
Long-term lease liabilities	\$ 7,966	\$ 8,172

The Company leases office space, vehicles and IT equipment. The lease payments are discounted using the Company's incremental borrowing rate at the inception of the lease to calculate the lease liability.

7. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company estimates the total inflated but undiscounted amount of cash flow required to settle its decommissioning obligations is approximately \$1.2 billion (December 31, 2021 – \$1.0 billion). A risk-free rate of 3.14% (December 31, 2021 – 1.68%) and an inflation rate of 1.78% (December 31, 2021 – 1.82%) were used to calculate the decommissioning obligations. The decommissioning obligations at June 30, 2022 have been reduced by approximately \$166.6 million reflecting the change in the risk-free rate.

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Balance, beginning of period	\$ 648,142	\$ 595,432
Obligation incurred	9,105	30,703
Obligation incurred on corporate acquisitions	–	10,333
Obligation incurred on property acquisitions (<i>note 5</i>)	18,033	27,291
Obligation divested	–	(871)
Obligation settled	(22,154)	(14,172)
Accretion expense	8,754	11,857
Change in future estimated cash outlays	(166,589)	(7,757)
Loss of control of Topaz	–	(4,674)
Balance, end of period	\$ 495,291	\$ 648,142
Current decommissioning obligations	\$ 30,000	\$ 20,103
Long-term decommissioning obligation	\$ 465,291	\$ 628,039

8. BANK DEBT

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Revolving credit facility	\$ –	\$ 422,763
Operating credit facility	12,583	–
Debt issue costs	(1,509)	(1,224)
Bank debt	\$ 11,074	\$ 421,539

The Company has a covenant-based, unsecured, five-year extendible revolving credit facility in place with a syndicate of banks, in the amount of \$2.55 billion. In June 2022, the Company extended the maturity date of the revolving credit facility to June 2027. With the exception of the change in maturity date, the revolving credit facility was renewed under the same terms and conditions as those described in note 9 of the Company's consolidated financial statements for the year ended December 31, 2021. The maturity date may, at the request of the Company and with consent of the lenders, be extended on an annual basis. The revolving credit facility includes an expansion feature ("accordion") which allows the Company, upon approval from the lenders, to increase the facility amount by up to \$500 million by adding a new financial institution or by increasing the commitment of its existing lenders. The revolving credit facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank's prime lending rate, banker's acceptance rates or LIBOR/SOFR (for U.S. borrowings), plus applicable margins.

U.S. dollar LIBOR benchmarks were phased out beginning December 31, 2021, and replaced with the SOFR, an alternative that will apply to our U.S. dollar borrowings to be used at our option. We do not expect this change to have a material impact to the Company.

The Company also has a covenant-based, unsecured, operating credit facility with a Canadian bank in the amount of \$50.0 million. In June 2022, the Company extended the maturity date of the operating credit facility to June 2024. With the exception of the change in maturity date, the operating credit facility was renewed under the same terms and conditions as those described in note 9 of the Company's consolidated financial statements for the year ended December 31, 2021. The maturity date may, at the request of the Company and with consent of the lender, be extended on an annual basis. The covenants are the same as the revolving credit facility.

Additionally, the Company has a letter of credit facility payable on demand in the amount of \$50.0 million with a Canadian bank. Tourmaline has outstanding letters of credit in the amount of \$25.7 million (December 31, 2021 - \$22.5 million), which reduces the credit available on this facility.

The Company's aggregate borrowing capacity is \$3.1 billion at June 30, 2022, including the senior unsecured notes (note 9). As at, and for the quarter ending June 30, 2022, the Company is in compliance with all debt covenants.

As at June 30, 2022, the Company had \$11.1 million drawn against the operating credit facility and \$448.2 million of senior unsecured notes for total bank debt and senior unsecured notes of \$459.3 million (net of debt issue costs) (December 31, 2021 - \$869.6 million). The effective interest rate for the six months ended June 30, 2022, was 2.23% (six months ended June 30, 2021 – 1.67%).

9. SENIOR UNSECURED NOTES

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Senior unsecured notes	\$ 450,000	\$ 450,000
Debt issue costs	(1,813)	(1,965)
Senior unsecured notes	\$ 448,187	\$ 448,035

On January 25, 2021, the Company issued \$250.0 million of senior unsecured notes. The notes bear interest at a fixed rate of 2.077%, payable semi-annually, with a maturity date of January 25, 2028, and rank equally with all other present unsecured and subordinated debt of the Company. There are no financial covenants on these senior unsecured notes.

On August 9, 2021, the Company issued \$200.0 million of senior unsecured notes. The notes bear interest at a fixed rate of 2.529%, payable semi-annually commencing on February 12, 2022, with a maturity date of February 12, 2029, and rank equally with all other present unsecured and subordinated debt of the Company. There are no financial covenants on these senior unsecured notes.

10. INVESTMENT IN TOPAZ

At June 30, 2022, the Company owned 35.6% of the outstanding common shares of its associate, Topaz Energy Corp. ("Topaz"). A reconciliation of the investment in Topaz is provided below:

<i>(000s)</i>	As at June 30, 2022	As at December 31, 2021
Balance, beginning of period	\$ 745,924	\$ –
Fair value of investment in Topaz recognized on loss of control	–	870,498
Income from investment in Topaz	21,951	7,998
Dividends received from Topaz	(26,597)	(36,117)
Divestitures of Topaz common shares	–	(103,347)
Gain on dilution of investment in Topaz	8,711	6,892
Balance, end of period	\$ 749,989	\$ 745,924

For the six months ended June 30, 2022, Topaz paid a cash dividend of \$0.52 per common share and Tourmaline received \$26.6 million, which was recorded as a reduction to the investment in Topaz.

On April 29, 2022, Topaz completed the acquisition of Keystone Royalty Corp. which resulted in the issuance of 4.2 million Topaz common shares and a reduction in Tourmaline's ownership interest from 36.6% to 35.6%. The dilution of Tourmaline's ownership in Topaz resulted in a gain of \$8.7 million as the transaction was completed at a higher valuation of the Topaz shares when compared to Tourmaline's carrying value of its Topaz investment.

11. SHARE CAPITAL

(a) Authorized

Unlimited number of Common Shares without par value.

Unlimited number of non-voting Preferred Shares, issuable in series.

(b) Common Shares Issued

	As at June 30, 2022		As at December 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
<i>(000s) except share amounts</i>				
Balance, beginning of period	330,860,313	\$ 7,482,534	296,571,516	\$ 6,328,115
Issued on corporate acquisitions	–	–	27,250,000	939,580
Purchase of common shares under NCIB	–	–	(200,000)	(4,493)
For cash on exercise of stock options	5,054,024	125,581	7,238,797	171,517
Contributed surplus on exercise of stock options	–	35,893	–	47,815
Balance, end of period	335,914,337	\$ 7,644,008	330,860,313	\$ 7,482,534

Normal course issuer bid

On July 27, 2022, the Company renewed its normal course issuer bid ("NCIB") with the Toronto Stock Exchange ("TSX"). The NCIB allows the Company to purchase up to 16,800,668 common shares, representing 5% of its common shares outstanding at July 19, 2022, over a period of twelve months commencing on August 2, 2022. Under the NCIB, common shares may be repurchased at prevailing market prices and any common shares that are purchased under the NCIB will be cancelled upon their purchase by the Company. For the six months ended June 30, 2022, the Company did not purchase any common shares for cancellation.

Dividends

During the three and six months ended June 30, 2022, the Company paid a cash dividend of \$0.225 and \$0.425 per common share totalling \$75.5 million and \$142.1 million, respectively, compared to \$0.16 and \$0.32 per common share totalling \$47.7 million and \$95.2 million, respectively, for the same periods of the prior year.

On February 1, 2022, the Company paid a special dividend of \$1.25 per common share totalling \$414.5 million.

On May 19, 2022, the Company paid a special dividend of \$1.50 per common share totalling \$502.3 million.

12. EARNINGS PER SHARE

Basic earnings-per-share attributed to common shareholders was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income and comprehensive income attributable to shareholders of the Company for the period (000s)	\$ 822,944	\$ 420,849	\$ 1,084,228	\$ 668,686
Weighted average number of common shares – basic	335,159,697	297,481,513	333,693,751	297,133,918
Earnings per share – basic	\$ 2.46	\$ 1.41	\$ 3.25	\$ 2.25

Diluted earnings-per-share attributed to common shareholders was calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income and comprehensive income attributable to shareholders of the Company for the period (000s)	\$ 822,944	\$ 420,849	\$ 1,084,228	\$ 668,686
Weighted average number of common shares – diluted	342,537,340	301,506,797	340,985,975	299,967,134
Earnings per share – diluted	\$ 2.40	\$ 1.40	\$ 3.18	\$ 2.23

There were 288,000 and 522,500 options excluded from the weighted-average share calculations for the three and six months ended June 30, 2022, respectively, because they were anti-dilutive (three and six months ended June 30, 2021 – 7,591,675 and 9,984,725, respectively, options were anti-dilutive).

13. SHARE-BASED PAYMENTS

The Company has a rolling stock option plan. Under the employee stock option plan, the Company may grant options to its employees up to 28,552,718 shares of common stock, which represents 8.5% of the current outstanding common shares. The exercise price of each option equals the volume-weighted average market price for the five days preceding the issue date of the Company's stock on the date of grant and the option's maximum term is seven years. Options are granted throughout the year and vest 1/3 on each of the first, second and third anniversaries from the date of grant.

	2022		Six Months Ended June 30, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Stock options outstanding, beginning of period	16,372,528	\$ 24.83	18,324,711	\$ 22.11
Granted	585,500	57.52	4,806,275	31.07
Exercised	(5,054,024)	24.85	(1,880,350)	20.55
Expired	–	–	(135,800)	27.43
Forfeited	(32,375)	33.10	(214,165)	28.22
Stock options outstanding, end of period	11,871,629	\$ 26.42	20,900,671	\$ 24.21

The average trading price of the Company's common shares was \$58.76 during the six months ended June 30, 2022 (six months ended June 30, 2021 – \$25.31).

The following table summarizes stock options outstanding and exercisable at June 30, 2022:

Range of Exercise Price	Number Outstanding at Period End	Weighted Average Contractual Life	Weighted Average Exercise Price	Number Exercisable at Period End	Weighted Average Exercise Price
\$9.39 - \$17.38	1,942,943	4.22	\$ 12.95	606,378	\$ 13.10
\$17.39 - \$17.84	2,573,672	5.12	17.57	363,647	17.57
\$17.85 - \$31.90	1,584,138	3.49	23.37	1,211,809	23.39
\$31.91 - \$32.11	4,102,842	5.94	31.96	1,275,327	31.96
\$32.12 - \$74.92	1,668,034	5.73	45.03	236,484	34.29
	11,871,629	5.13	\$ 26.42	3,693,645	\$ 24.79

The fair value of options granted during the six-month period ended June 30, 2022, was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions and resulting values:

	June 30,	
	2022	2021
Fair value of options granted (weighted average)	\$ 19.62	\$ 8.90
Risk-free interest rate	2.26%	0.9%
Estimated hold period prior to exercise	4.3 years	4.6 years
Expected volatility	41%	40%
Forfeiture rate	1.8%	1.9%
Dividend per share	\$ 0.76	\$ 0.61

14. COMMITMENTS

In the normal course of business, the Company is obligated to make future payments. These obligations represent contracts and other commitments that are known and non-cancellable.

PAYMENTS DUE BY YEAR

(000s)	1 Year	2-3 Years	4-5 Years	>5 Years	Total
Operating commitments ⁽¹⁾	\$ 2,813	\$ 5,474	\$ 4,790	\$ –	\$ 13,077
Firm transportation agreements	814,683	1,560,137	1,267,550	4,427,462	8,069,832
Processing commitments ⁽²⁾	149,081	275,549	250,750	511,300	1,186,680
Capital commitments ⁽³⁾	74,250	77,954	–	–	152,204
Operating credit facility ⁽⁴⁾	–	12,621	–	–	12,621
Senior unsecured notes ⁽⁵⁾	10,378	20,757	20,757	461,342	513,234
	\$1,051,205	\$ 1,952,492	\$ 1,543,847	\$5,400,104	\$ 9,947,648

(1) Operating commitments includes variable operating costs related to the Company's office leases.

(2) Includes processing commitments and power commitments.

(3) Includes drilling commitments.

(4) Includes interest expense at an annual rate of 3.70% being the rate applicable to outstanding debt on the operating credit facility at June 30, 2022.

(5) Includes interest expense at an annual rate of 2.31% being the fixed rate on the senior unsecured notes.

15. REVENUE

The Company sells its production pursuant to fixed and variable priced contracts. The transaction price for variable priced contracts is based on the commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under the contracts, the Company is required to deliver a fixed volume of crude oil, NGLs or natural gas to the contract counterparty. Revenue is recognized when a unit of production is delivered to the contract counterparty. The amount of revenue recognized is based on the agreed transaction price, whereby any variability in revenue related specifically to the Company's efforts to deliver production, and therefore the resulting revenue is allocated to the production delivered in the period during which the variability occurs. As a result, none of the variable revenue is considered constrained.

The sales of produced commodities are under contracts of varying terms of up to nine years. Revenues are typically collected on the 25th day of the month following production.

The following table presents the Company's oil, gas and NGL sales disaggregated by revenue source:

(000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Natural gas				
Sales from production	\$ 1,740,132	\$ 637,717	\$ 2,885,048	\$ 1,272,270
(Loss) on risk management activities	(206,116)	(59,934)	(228,564)	(23,626)
	1,534,016	577,783	2,656,484	1,248,644
Oil				
Sales from production	132,899	65,662	240,788	127,299
Premium on risk management activities	3,326	1,662	5,649	3,589
	136,225	67,324	246,437	130,888
Condensate				
Sales from production	403,092	189,014	763,558	346,158
(Loss) on risk management activities	(1,129)	(1,728)	(3,968)	(2,902)
	401,963	187,286	759,590	343,256
NGL				
Sales from production	329,658	132,917	611,558	275,618
	17,018	9,952	28,869	27,335
Marketing revenue ⁽¹⁾				
	17,018	9,952	28,869	27,335
Total				
Commodity sales from production	2,605,781	1,025,310	4,500,952	2,021,345
Premium (loss) on risk management activities	(203,919)	(60,000)	(226,883)	(22,939)
Marketing revenue	17,018	9,952	28,869	27,335
Revenue from contracts with customers	\$ 2,418,880	\$ 975,262	\$ 4,302,938	\$ 2,025,741

(1) Marketing revenue represents the sale of commodities purchased from third parties. For the three and six months ended June 30, 2022, the Company had marketing purchases from third parties of \$14.3 million and \$24.5 million, respectively (three and six months ended June 30, 2021 - \$9.1 million and \$26.2 million, respectively).

16. RELATED PARTY

The Company has entered into a number of agreements with Topaz, relating to both royalty and infrastructure assets. From January 1, 2022, to June 30, 2022, gross overriding royalties of \$105.9 million and processing fees of \$19.2 million were payable to Topaz and are included in the Company's consolidated statement of income and comprehensive income as royalties and operating expenses. At June 30, 2022, \$49.7 million of the Company's accounts payable balance was due to Topaz.

From January 1, 2021, to June 8, 2021, transactions between Tourmaline and Topaz were eliminated on consolidation while Topaz was a subsidiary of Tourmaline. Subsequent to June 8, 2021, Topaz became an associate of Tourmaline and was deconsolidated, and as a result, transactions between Tourmaline and Topaz were no longer eliminated.

17. SUBSEQUENT EVENTS

On July 14, 2022, the Company entered into a binding agreement to acquire all of the issued and outstanding shares of Rising Star Resources Ltd. The total consideration of \$194.3 million will be paid using 6.0 million Topaz shares currently held by Tourmaline and the remainder will be in cash. The transaction is expected to close around August 10, 2022.

On July 27, 2022, the Company declared a special dividend of \$2.00 per common share totalling approximately \$672.0 million. The dividend is expected to be paid in August 2022.