



NEWS RELEASE

AUGUST 2, 2023

TOURMALINE DELIVERS STRONG FREE CASH FLOW AND DECLARES A SPECIAL DIVIDEND

Calgary, Alberta - Tourmaline Oil Corp. (TSX:TOU) ("**Tourmaline**" or the "**Company**") is pleased to release financial and operating results for the second quarter of 2023 and declare a special dividend.

HIGHLIGHTS

- Second quarter cash flow⁽¹⁾⁽²⁾ of \$784.0 million (\$2.28 per diluted share⁽³⁾).
- Generated quarterly free cash flow⁽⁴⁾ ("**FCF**") of \$545.5 million (\$1.59 per diluted share) enabling the Company to declare a special dividend of \$1.00 per common share to be paid on August 22, 2023 to holders of record on August 14, 2023. Tourmaline has distributed total dividends of \$7.74 per share (inclusive of this August 22, 2023 special dividend) since September 1, 2022, an implied 12% trailing yield⁽⁵⁾.
- Full-year 2023 free cash flow forecast of \$1.8 billion⁽⁶⁾ coupled with quarterly special dividends for the balance of 2023 (2022 free cash flow - \$3.2 billion).
- Tourmaline realized Q2 2023 net earnings of \$510.7 million (\$1.49 per diluted share).
- June 30, 2023 net debt⁽⁷⁾ of \$791.1 million or 0.2 times 2023 full-year forecast cash flow of \$3.62 billion, based on commodity strip pricing at July 14, 2023.
- Continued strong results from the North Montney delineation program with pad payouts in as little as three months.

(1) This news release contains certain specified financial measures consisting of non-GAAP financial measures, non-GAAP financial ratios, capital management measures and supplementary financial measures. See "Non-GAAP and Other Financial Measures" in this news release for information regarding the following specified financial measures: "cash flow", "capital expenditures", "free cash flow", "operating netback", "operating netback per boe", "cash flow per diluted share", "free cash flow per diluted share", "adjusted working capital" and "net debt". Since these specified financial measures do not have standardized meanings under International Financial Reporting Standards ("GAAP"), securities regulations require that, among other things, they be identified, defined, qualified and, where required, reconciled with their nearest GAAP measure and compared to the prior period. See "Non-GAAP and Other Financial Measures" in this news release and in the Company's most recently filed Management's Discussion and Analysis (the "Q2 MD&A"), which information is incorporated by reference into this news release, for further information on the composition of and, where required, reconciliation of these measures.

(2) "Cash flow" is a non-GAAP financial measure defined as cash flow from operating activities adjusted for the change in non-cash working capital (deficit) and current income taxes. See "Non-GAAP and Other Financial Measures" in this news release.

(3) "Cash flow per diluted share" is a non-GAAP financial ratio. Cash flow, a non-GAAP financial measure, is used as a component of the non-GAAP financial ratio. See "Non-GAAP and Other Financial Measures" in this news release and in the Q2 MD&A.

(4) "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.

(5) Calculated as the dividend per common share for the stated period divided by the closing stock price of \$64.30 on July 14, 2023.

(6) Based on oil and gas commodity strip pricing at July 14, 2023.

(7) "Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q2 MD&A.

PRODUCTION UPDATE

- Second quarter 2023 production averaged 495,918 boepd and, as previously disclosed, was impacted by wildfires in both the Alberta Deep Basin and in the NEBC Montney gas complex. The total Q2 fire related production impact was 17,000 boepd or approximately 3%. Second quarter production was also reduced by 6,213 boepd due to seasonal storage injections at Dawn and in California.
- All Tourmaline-operated production facilities in both complexes were returned to normal operations by the second half of June 2023. A portion of the Company production accessing third-party facilities in the North Montney, adjacent to the Donnie Creek fire area, remains slightly below expected levels (2,000 – 3,000 boepd reduction during July).
- The multiple wildfire outbreaks in both gas complexes delayed the startup of post spring breakup drilling and completion activities and will reduce Q3 production volumes. Q3 2023 average production of 495,000 – 505,000 boepd is now anticipated. Tourmaline continues to expect 2023 exit production levels in excess of 550,000 boepd and the 2024 average production guidance of 550,000 boepd remains unchanged. The Company is now operating the full 13 rig drilling fleet but does not believe it to be prudent to add additional rigs and capital to the second half 2023 program in order to offset the fire related activity and production deferral. 2023 full year average production is now anticipated to be 520,000 boepd, at the low end of original 2023 production guidance range of 520,000 – 540,000 boepd.

FINANCIAL RESULTS

- Second quarter 2023 cash flow was \$784.0 million (\$2.28 per diluted share) on total capital expenditures⁽⁸⁾ of \$277.3 million (EP spending⁽⁹⁾ of \$225.4 million in Q2), generating free cash flow of \$545.5 million for the quarter (\$1.59 per diluted share).
- Tourmaline realized Q2 2023 net earnings of \$510.7 million (\$1.49 per diluted share).
- Exit Q2 2023 net debt was \$791.1 million, well below the Company's long-term net debt target of \$1.0 – 1.2 billion. Tourmaline is in a surplus position when including the value of its 45.1 million shares of Topaz Energy Corp (valued at \$931.4 million using the closing price of the Topaz common shares on June 30, 2023, of \$20.63/share).
- The continued strong free cash flow generation in Q2 allows the Company to declare and pay a special dividend of \$1.00/share on August 22, 2023 to shareholders of record on August 14, 2023. This special cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.

MARKETING UPDATE

- Average realized natural gas price was C\$4.31/mcf in Q2 2023, significantly higher than the AECO 5A benchmark price of C\$2.46/mcf over the period.
- Tourmaline has an average of 779 mmcfpd hedged at a weighted average fixed price of C\$5.32/mcf, an average of 142 mmcfpd hedged at a basis to NYMEX of US\$0.44/mcf, and an average of

⁽⁸⁾ "Capital Expenditures" is a non-GAAP financial measure defined as Cash flow used in investing activities adjusted for the change in non-cash working capital (deficit). See "Non-GAAP and Other Financial Measures" in this news release.

⁽⁹⁾ "EP spending" is defined as Capital Expenditures, excluding acquisitions, dispositions, and other corporate expenditures.

776 mmcfpd of unhedged volumes exposed to export markets in the second half of 2023. Of this 776 mmcfpd, 69% is exposed to premium markets such as the U.S. Gulf Coast, JKM, Malin, PGE, and Sumas.

- Tourmaline has an average of 582 mmcfpd hedged at a weighted average fixed price of C\$5.27/mcf, an average of 129 mmcfpd hedged at a basis to NYMEX of US\$-0.10/mcf, and an average of 863 mmcfpd of unhedged volumes exposed to export markets in 2024. Of this 863 mmcfpd, 66% is exposed to premium markets such as the U.S. Gulf Coast, JKM, Malin, PGE, and Sumas.
- In Q2 2023, Tourmaline entered into an incremental 106 mmcfpd in export contracts, increasing total exports to 1.03 bcf/d of natural gas by exit 2023.
- Tourmaline has joined Rockies LNG Partners and is excited to assist in moving the Ksi Lisims LNG project forward. The Company will continue to expand the size and breadth of its LNG business, both short and long term.

EP UPDATE

- Tourmaline is currently operating 13 drilling rigs and four frac spreads across the three EP complexes.
- The Company drilled 105.4 net wells, completed 95.5 net wells during 1H 2023, and has an inventory of 43 net DUCs entering into Q3 2023.
- Tourmaline has successfully drilled two additional new pool wildcats in July 2023, bringing the total exploration new pool/new zone successes to 17 over the past three years.

SOUTH MONTNEY UPDATE

- Tourmaline is evolving a new growth project in the South Montney complex in addition to the planned major North Montney development. The Company will decide on ultimate project timing and scale over the next few quarters.
- As part of the project, the Company has acquired 28 gross sections (15 net) of additional land for \$25 million, with 135 internally estimated, incremental Montney drilling locations. Tourmaline also completed a complementary acquisition for \$32.5 million in Q2 2023 that facilitates future expansions of operated gas and liquid processing capacity in the South Montney complex.

NORTH MONTNEY UPDATE

- Tourmaline continues to prepare the execution plan for the 100,000 boepd Conroy North Montney development project in the 2025-2027 time frame. Initial expenditures will commence in 2024 on newly acquired permits in the project area.
- A total of 18 Conroy-Aitken delineation pads have been drilled and completed over the past two years in advance of the major facility-filling development program as the Company refines gas and liquid performance curves and optimum completion designs.
- The b-10-B pad at Aitken underscores the very strong economic returns in the general North Montney area. The six-well pad was drilled, completed, and brought onstream in late Q4 2021. Average per

well IP 365 was 5.3 mmcf/d of natural gas and 224 bbls/d of condensate. Average per well recovery after 18 months onstream is 2.6 bcf of natural gas and 99 mbbbls of condensate, and estimated average 2P reserves per well are 12.6 bcf of natural gas and 260 mbbbls of condensate.

Total capital investment in construction, drilling, completions, equipping, and pipeline tie-in for the six-well pad was \$30.6 million. The income earned to date (revenue, net of royalties and directly attributable operating expenses) on the six-well pad is in excess of \$130 million (before tax) resulting in a payout period of three months. The forecasted internal rate of return of the pad is well in excess of 1000%, making it one of the most economic projects in the Company's history.

- The Company has received 97 new permits in the area to date in 2023, including a significant portion of new surface disturbance permits.

NORMAL COURSE ISSUER BID

- Tourmaline is also pleased to announce that the Toronto Stock Exchange (the "**TSX**") has approved the renewal of Tourmaline's normal course issuer bid (the "**NCIB**").
- The NCIB allows Tourmaline to purchase up to 16,989,041 common shares (representing 5% of its issued and outstanding common shares as of July 25, 2023) over a period of twelve months commencing on August 8, 2023. The NCIB will expire no later than August 7, 2024. Under the NCIB, common shares may be repurchased in open market transactions on the TSX and other alternative trading platforms in Canada and in accordance with the rules of the TSX governing NCIBs. The total number of common shares Tourmaline is permitted to purchase is subject to a daily purchase limit of 662,120 common shares, representing 25% of the average daily trading volume of 2,648,482 common shares on the TSX calculated for the six-month period ended July 31, 2023; however, Tourmaline may make one block purchase per calendar week which exceeds the daily repurchase restrictions. Any common shares that are purchased under the NCIB will be cancelled upon their purchase by Tourmaline.
- Under its most recent normal course issuer bid, Tourmaline obtained approval to purchase up to 16,800,668 of its common shares, of which Tourmaline purchased no common shares.
- Tourmaline believes that at times, the prevailing share price does not reflect the underlying value of the common shares and the repurchase of its common shares for cancellation represents an attractive opportunity to enhance Tourmaline's per share metrics and thereby increase the underlying value of its common shares to its shareholders. Tourmaline will use the NCIB as another tool to enhance total long-term shareholder returns and it will be used in conjunction with management's disciplined free cash flow capital allocation strategy.

CORPORATE SUMMARY – SECOND QUARTER 2023

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	2023	2022	Change
OPERATIONS						
Production						
Natural gas (<i>mcf/d</i>)	2,306,340	2,343,704	(2)%	2,387,592	2,352,275	2%
Crude oil, condensate and NGL (<i>bbl/d</i>)	111,528	112,320	(1)%	112,902	112,941	–%
Oil equivalent (<i>boe/d</i>)	495,918	502,937	(1)%	510,834	504,987	1%
Product prices ⁽¹⁾						
Natural gas (<i>\$/mcf</i>)	\$ 4.31	\$ 6.31	(32)%	\$ 5.27	\$ 5.59	(6)%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 52.42	\$ 74.63	(30)%	\$ 57.83	\$ 70.58	(18)%
Operating expenses (<i>\$/boe</i>)	\$ 4.63	\$ 4.24	9%	\$ 4.63	\$ 4.22	10%
Transportation costs (<i>\$/boe</i>)	\$ 5.15	\$ 5.03	2%	\$ 5.26	\$ 4.96	6%
Operating netback (<i>\$/boe</i>) ⁽²⁾	\$ 19.23	\$ 29.70	(35)%	\$ 23.76	\$ 26.85	(12)%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽³⁾	\$ 0.73	\$ 0.57	28%	\$ 0.70	\$ 0.58	21%
FINANCIAL						
<i>(\$000, except share and per share)</i>						
Commodity sales from production	1,158,766	2,605,781	(56)%	2,674,046	4,500,952	(41)%
Total revenue from commodity sales and realized gains	1,436,601	2,108,834	(32)%	3,460,185	3,822,518	(9)%
Royalties	127,140	325,211	(61)%	348,352	528,945	(34)%
Cash flow	784,008	1,353,926	(42)%	1,911,143	2,429,902	(21)%
Cash flow per share (<i>diluted</i>)	\$ 2.28	\$ 3.95	(42)%	\$ 5.56	\$ 7.13	(22)%
Net earnings	510,671	1,743,547	(71)%	760,991	2,419,486	(69)%
Net earnings per share (<i>diluted</i>)	\$ 1.49	\$ 5.09	(71)%	\$ 2.22	\$ 7.10	(69)%
Capital expenditures (<i>net of dispositions</i>) ⁽²⁾	277,317	478,545	(42)%	871,814	957,918	(9)%
Weighted average shares outstanding (<i>diluted</i>)				343,559,982	340,985,975	1%
Net debt				(791,131)	(429,761)	84%

(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 Q2 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, August 3, 2023 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/44vchRF> to receive an instant automated call back.

To participate using an operator, please dial 1-888-664-6383 (toll-free in North America), or 1-416-764-8650 (international dial-in), a few minutes prior to the conference call.

Conference ID is 33950131.

REPLAY DETAILS

If you are unable to dial into the live conference call on August 3rd, a replay will be available by dialing 1-888-390-0541 (international 1-416-764-8677), referencing Encore Replay Code 950131. The recording will expire on August 17, 2023.

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 production levels for Q3, full-year and exit 2023; expected free cash flow for 2023; the future declaration and payment of base and special dividends and the timing and amount thereof including any future increase; the use of the NCIB; the expansion of Tourmaline's LNG business and core areas; the timing of future growth and developments projects; cost reduction initiatives; projected operating and drilling costs and drilling times; the forecasted internal rate of return of the b-10-B pad at Aitken; anticipated future commodity prices; the ability to generate, and the amount of, anticipated free cash flow including in 2023; as well as Tourmaline's future drilling locations, prospects and plans, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning the following: prevailing and future commodity prices and currency exchange and interest rates; applicable royalty rates and tax laws; future well production rates and reserve volumes; operating costs, the timing of receipt of regulatory approvals; the performance of existing and future wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future

drilling operations; the successful completion of acquisitions and dispositions and the benefits to be derived therefrom; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; ability to maintain its investment grade credit rating; and ability to market crude oil, natural gas and NGL successfully. Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tourmaline to pay dividends is subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

Statements relating to "reserves" are also deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although Tourmaline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Tourmaline can give no assurances that it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and natural gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; climate change risks; severe weather (including forest fires); inflation; supply chain risks; the impact of wars or other hostilities (including the current war in Ukraine) and pandemics (including COVID-19); and changes in legislation, including but not limited to tax laws, royalties and environmental regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive.

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

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 2023 cash flow and free cash flow, which are based on, among other things, the various assumptions as to production levels, capital expenditures and other assumptions disclosed in this news release and including Tourmaline's estimated average 2023 production of 520,000 boepd, 2023 commodity price assumptions for natural gas (\$2.79/mcf NYMEX US; \$2.77/mcf AECO 5A; \$14.57/mcf JKM US), crude oil (\$74.84/bbl WTI US) and an exchange rate assumption of \$0.75 (US/CAD). To the extent such estimates constitute financial outlooks, they were approved by management and the Board of Directors of Tourmaline on August 2, 2023 and are included to provide readers with an understanding of Tourmaline's anticipated cash flow and free cash flow based on the capital expenditure, production and other assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

NON-GAAP AND OTHER FINANCIAL MEASURES

This news release contains the terms "cash flow", "capital expenditures", "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", and "operating netback 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 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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cash flow from operating activities (per GAAP)	\$ 972,384	\$1,351,481	\$ 2,510,459	\$ 2,465,130
Current income taxes	(54,602)	–	(252,960)	–
Current income taxes paid	4,207	–	29,236	–
Change in non-cash working capital	(137,981)	2,445	(375,592)	(35,228)
Cash flow	\$ 784,008	\$1,353,926	\$ 1,911,143	\$ 2,429,902

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, and such spending is compared to the Company's annual budgeted capital expenditures. 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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cash flow used in investing activities (per GAAP)	\$ 585,637	\$ 660,163	\$ 1,087,235	\$ 1,119,610
Change in non-cash working capital	(308,320)	(181,618)	(215,421)	(161,692)
Capital expenditures	\$ 277,317	\$ 478,545	\$ 871,814	\$ 957,918

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cash flow	\$ 784,008	\$ 1,353,926	\$ 1,911,143	\$ 2,429,902
Capital expenditures	(277,317)	(478,545)	(871,814)	(957,918)
Property acquisitions	39,279	236,755	39,294	261,676
Proceeds from divestitures	(498)	(424)	(7,789)	(3,721)
Free Cash Flow	\$ 545,472	\$ 1,111,712	\$ 1,070,834	\$ 1,729,939

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

(000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Commodity sales from production	\$ 1,158,766	\$ 2,605,781	\$ 2,674,046	\$ 4,500,952
Premium (loss) on risk management activities	102,576	(203,919)	500,924	(226,883)
Realized gain (loss) on financial instruments	175,259	(293,028)	285,215	(451,551)
Royalties	(127,140)	(325,211)	(348,352)	(528,945)
Transportation costs	(232,617)	(230,118)	(486,687)	(453,286)
Operating expenses	(209,093)	(194,018)	(428,095)	(385,936)
Operating netback	\$ 867,751	\$ 1,359,487	\$ 2,197,051	\$ 2,454,351

Non-GAAP Financial Ratios

Operating Netback per-boe

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

(\$/boe)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue, excluding processing income	\$ 31.83	\$ 46.08	\$ 37.42	\$ 41.82
Royalties	(2.82)	(7.11)	(3.77)	(5.79)
Transportation costs	(5.15)	(5.03)	(5.26)	(4.96)
Operating expenses	(4.63)	(4.24)	(4.63)	(4.22)
Operating netback	\$ 19.23	\$ 29.70	\$ 23.76	\$ 26.85

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	As at
	June 30, 2023	December 31, 2022
Working capital (deficit)	\$ 223,317	\$ 809,449
Fair value of financial instruments – short-term liability (asset)	(466,497)	(709,286)
Lease liabilities – short-term	4,056	3,109
Decommissioning obligations – short-term	31,900	30,000
Unrealized foreign exchange in working capital – liability (asset)	3,153	(8,605)
Adjusted working capital (deficit)	\$ (204,071)	\$ 124,667

Net Debt

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

<i>(000s)</i>	As at June 30, 2023	As at December 31, 2022
Bank debt	\$ (138,568)	\$ (170,767)
Senior unsecured notes	(448,492)	(448,342)
Adjusted working capital (deficit)	(204,071)	124,667
Net debt	\$ (791,131)	\$ (494,442)

Supplementary Financial Measures

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

ESTIMATES OF DRILLING LOCATIONS

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

OIL AND GAS METRICS

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

metrics should not be unduly relied upon. In addition, the estimated 2P reserves per well from the b-10-B pad at Aitken referenced in this news release are an internal estimate prepared by a Qualified Reserves Evaluator ("QRE") in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook. The information in this news release pertaining to this estimate is based solely on internal estimates made by the QRE and such estimates have not been reflected in any independent reserve or resource evaluations prepared pursuant to NI 51-101. There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves. The reserve information referenced in this news release are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves 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 and classification of such reserves based on risk of recovery 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.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to Q2 2023 average daily production, forecast Q3 2023 average daily production and forecast 2023 and 2024 average daily production. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Light and Medium Crude Oil ⁽¹⁾	Conventional Natural Gas	Shale Natural Gas	Natural Gas Liquids ⁽¹⁾	Oil Equivalent Total
	Company Gross (bbls)	Company Gross (mcf)	Company Gross (mcf)	Company Gross (bbls)	Company Gross (boe)
Q2 2023 Average Daily Production	42,547	1,200,025	1,106,315	68,981	495,918
Q3 2023 Forecast Average Daily Production	44,000	1,226,000	1,090,000	70,000	500,000
2023 Forecast Average Daily Production.....	46,000	1,310,000	1,114,000	70,000	520,000
2024 Forecast Average Daily Production.....	52,000	1,332,000	1,200,000	76,000	550,000

(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.

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 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:

<i>1H</i>	first half
<i>2H</i>	second half
<i>bbl</i>	barrel
<i>bbls/day</i>	barrels per day
<i>bbl/mmcf</i>	barrels per million cubic feet
<i>bcf</i>	billion cubic feet
<i>bcfe</i>	billion cubic feet equivalent
<i>bpd or bbl/d</i>	barrels per day
<i>boe</i>	barrel of oil equivalent
<i>boepd or boe/d</i>	barrel of oil equivalent per day
<i>bopd or bbl/d</i>	barrel of oil, condensate or liquids per day
<i>CNG</i>	compressed natural gas
<i>DUC</i>	drilled but uncompleted wells
<i>EP</i>	exploration and production
<i>gj</i>	gigajoule
<i>gjs/d</i>	gigajoules per day
<i>JKM</i>	Japan Korea Marker
<i>mbbls</i>	thousand barrels
<i>mmbbls</i>	million barrels
<i>mboe</i>	thousand barrels of oil equivalent
<i>mboepd</i>	thousand barrels of oil equivalent per day
<i>mcf</i>	thousand cubic feet
<i>mcfpd or mcf/d</i>	thousand cubic feet per day
<i>mcfe</i>	thousand cubic feet equivalent
<i>mmboe</i>	million barrels of oil equivalent
<i>mmbtu</i>	million British thermal units
<i>mmbtu/d</i>	million British thermal units per day
<i>mmcf</i>	million cubic feet
<i>mmcfpd or mmcf/d</i>	million cubic feet per day
<i>MPa</i>	megapascal
<i>mstb</i>	thousand stock tank barrels
<i>natural gas</i>	conventional natural gas and shale gas
<i>NCIB</i>	normal course issuer bid
<i>NGL or NGLs</i>	natural gas liquids
<i>TCF</i>	trillion cubic feet
<i>TCFe</i>	trillion cubic feet equivalent

MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended June 30, 2023 and 2022, please refer to SEDAR+ (www.sedarplus.ca) or Tourmaline's website at www.tourmalineoil.com.

ABOUT TOURMALINE OIL CORP.

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest-emission and lowest-cost natural gas in North America. We are an investment grade exploration and production company providing strong and predictable operating and financial performance through the development of our three core areas in the Western Canadian Sedimentary Basin. With our existing large reserve base, decades-long drilling inventory, relentless focus on execution and cost management, and industry-leading environmental performance, we are excited to provide shareholders an excellent return on capital, and an attractive source of income through our base dividend and surplus free cash flow distribution strategies.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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