



NEWS RELEASE

JULY 31, 2024

TOURMALINE DELIVERS STRONG FREE CASH FLOW IN Q2 2024, REDUCES NET DEBT, ANNOUNCES AN INCREASE TO QUARTERLY BASE DIVIDEND 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 2024, announce an increase to its quarterly base dividend and declare a special dividend.

HIGHLIGHTS

- Second quarter average production was 561,787 boepd, a 13% increase over second quarter 2023 average production of 495,918 boepd and within the second quarter 2024 average production guidance range of 560,000-570,000 boepd, announced on May 1, 2024.
- Second quarter cash flow⁽¹⁾⁽²⁾ ("**CF**") of \$755.1 million (\$2.12 per diluted share⁽³⁾) on total cash capital expenditures⁽⁴⁾ of \$294.1 million (EP expenditures⁽⁵⁾ of \$306.6 million in Q2 2024), generating free cash flow⁽⁶⁾ ("**FCF**") of \$433.5 million for the quarter (\$1.22 per diluted share).
- In 2024, the Company expects to generate CF of \$3.4 billion⁽⁷⁾ (\$9.62 per diluted share) and FCF of \$1.3 billion (\$3.63 per diluted share) on EP expenditures of \$2.0 billion.
- Given the continued strong FCF generation in Q2 2024 and the full year financial outlook, the Company has elected to increase the quarterly base dividend effective Q3 2024 by 3% to \$0.33/share (\$1.32 per share on an annualized basis) from the current \$0.32/share, as well as declare and pay a special

(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" 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 and in the Q2 MD&A.

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

(4) "Capital expenditures" is a non-GAAP financial measure defined as cash flow used in investing activities adjusted for the change in non-cash working capital (deficit). See "Non-GAAP and Other Financial Measures" in this news release and in the Q2 MD&A.

(5) "EP expenditures" is defined as capital expenditures, excluding acquisitions, dispositions, and other corporate expenditures. See "Non-GAAP and Other Financial Measures" in this news release and in the Q2 MD&A.

(6) "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.

(7) Based on oil and gas commodity strip pricing at July 15, 2024.

dividend of \$0.50/share on August 21, 2024 to shareholders of record on August 9, 2024. This special cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.

- The Company reduced net debt⁽⁸⁾ by \$136.6 million during Q2 2024, while also returning \$288.5 million in dividends to shareholders.

PRODUCTION UPDATE

- Second quarter 2024 average production was 561,787 boepd, a 13% increase over second quarter 2023 average production of 495,918 boepd and within the previously announced second quarter 2024 average production guidance range of 560,000-570,000 boepd.
- During this quarter of low natural gas prices, the Company completed multiple planned facility maintenance turnarounds and maximized injection into gas storage reservoirs in California and at Dawn, Ontario. These storage injections reduced Q2 average production volumes by 4,778 boepd and are expected to be withdrawn from storage during the fourth quarter of 2024 and first quarter of 2025.
- Second quarter average production was impacted by an unplanned outage on the Pembina Pipeline Corporation-operated liquids pipeline system (1,800 boepd reduction to the quarterly average) and at the Company-operated A-21 gas processing facility in Laprise, B.C. (1,700 boepd reduction to the quarterly average). Production has returned to normal levels in both cases.
- The full year 2024 average production guidance range has been revised to 575,000-585,000 from the previously announced range of 580,000- 590,000 boepd. This revision is to account for select Q3 frac deferrals into Q4, to ultimately shift production into an environment of stronger anticipated winter gas prices. This production (<1%) deferral is expected to have minimal impact on 2024 cash flow and a positive impact on 2025 cash flow and free cash flow, based on current strip prices. Third quarter 2024 average production of 550,000 - 560,000 boepd is currently anticipated.

FINANCIAL RESULTS

- Second quarter 2024 CF was \$755.1 million (\$2.12 per diluted share) on total cash capital expenditures of \$294.1 million (EP expenditures of \$306.6 million in Q2 2024), generating FCF of \$433.5 million for the quarter (\$1.22 per diluted share).
- Tourmaline realized Q2 2024 net earnings of \$256.6 million (\$0.72 per diluted share), underscoring the profitability of the business even in an extremely weak natural gas pricing environment.
- In 2024, using strip pricing on July 15, 2024, the Company expects to generate CF of \$3.4 billion (\$9.62 per diluted share) and FCF of \$1.3 billion (\$3.63 per diluted share) on EP expenditures of \$2.0 billion and anticipates generating over \$1.0 billion in FCF in every year of the five-year EP Plan.
- Exit Q2 2024 net debt was \$1.6 billion. As previously announced, the Company remains committed to a long-term net debt target of \$1.2-\$1.4 billion and intends to continue to make progress toward that target throughout 2024. The Company reduced net debt by \$136.6 million during Q2 2024. In addition,

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

as of June 30, 2024, Tourmaline's 45.1 million shares of Topaz Energy Corp. had a market value of \$1.1 billion⁽⁹⁾.

MARKETING UPDATE

- Tourmaline's average realized natural gas price in Q2 2024 was CAD \$3.03/mcf, significantly higher than the AECO 5A index price of CAD \$1.20/mcf over the same period, as the Company benefited from its multi-year diversification portfolio.
- With the addition of new short-term transportation service (June 2024 to March 2025) and the addition of Great Lakes transportation capacity starting November 2024, Tourmaline expects to exit 2024 with a total of 1.26 bcfpd of natural gas going to export markets.
- For the remainder of 2024, Tourmaline has an average of 1,032 mmcfpd hedged at a weighted average fixed price of CAD \$4.66/mcf, including an average of 161 mmcfpd in premium markets including Sumas, Malin, PG&E and JKM at a fixed price of USD \$8.57/mcf. Tourmaline also has an average of 188 mmcfpd hedged at a basis to NYMEX of USD \$0.32/mcf and an average of 996 mmcfpd of unhedged volumes exposed to export markets in 2024, of which 56% is exposed to premium markets.
- Tourmaline has continued to mitigate downside price risk in local markets and has been successful at reducing both AECO and Station 2 exposure for the second half of 2024 to approximately 9% of the Company's total natural gas portfolio.

EP UPDATE

- Tourmaline drilled a total of 47.06 net wells during Q2 2024, completed 38 net wells in the quarter, and had an inventory of 35.5 DUCs entering Q3 2024.
- Tourmaline is currently operating fourteen drilling rigs and expects to increase to fifteen rigs in the fourth quarter and through to 2025 spring break-up, drilling more multi-well pads than is currently included in the EP plan for 2H 2024-1H 2025. The Company believes it is a good time to capitalize on lower drilling costs and continuously improving drill times, while being positioned to deliver production above currently estimated 2025 levels as it enters a period of stronger anticipated commodity prices. Due to realized efficiencies and savings, the 2024 EP capital budget remains unchanged at \$2.0 billion.
- As mentioned, given the continued weak natural gas prices, the Company has shifted some originally planned well-stimulation activity from the third quarter to the fourth quarter of 2024 but does not expect 2024 exit volumes to be affected. The Company plans to match production growth to the natural gas price curve and deliver flush production volumes into a stronger price environment. Tourmaline previously removed planned 2024 natural gas growth from the EP plan in March 2024, in response to weak AECO pricing (approximately 100 mmcfpd deferral until 2025 or later). Over the past three years, the Company has consistently matched growth in natural gas production to incremental egress out of the Western Canadian Sedimentary Basin and will continue with this market diversification strategy.

⁽⁹⁾ Based on the closing price of Topaz Energy Corp. shares on the TSX on June 28, 2024 of \$24.00 per share.

NORTH MONTNEY UPDATE

- Tourmaline continues to execute the Conroy/North Montney Phase 1 development, with two important facility components being completed during 2024. The liquids/condensate hub, which commenced construction in 2023 and will service both Phase 1 and 2 developments, provides 20,000 bbls/d of condensate mercaptan treating and 70,000 bbls of condensate storage with regional pipeline interconnection. The total capital cost for the liquids/condensate hub is approximately \$70.0 million. In addition, the Birch a-44-I compressor station is expected to be completed during the third quarter of 2024 and is expected to add 6,000 boepd (net) to North Montney production levels in 2025.
- Other facility components in the overall Conroy/North Montney development include the Aitken sales compressor addition (completed in 2023), the Gundy a-21-I compressor expansion which is expected to be completed in September 2024, and both the Aitken regional gathering line and the Aitken plant expansion for which construction is currently anticipated to commence in 2025.
- The Company expects to add 10,000 - 15,000 boepd (net) in 2025 through completion of the ongoing 2024 Conroy/North Montney facility additions. The total Conroy/North Montney Phase 1 development is expected to ultimately add approximately 50,000 boepd (net) over the next three years (inclusive of the 10,000 – 15,000 boepd described above), followed by the Phase 2 development in 2029/2030.
- Tourmaline has received an additional 63 new permits in Q2 2024 for a total of 315 new drilling permits in NEBC since January 1, 2023.

ENVIRONMENTAL PERFORMANCE IMPROVEMENTS

- Tourmaline's diesel displacement initiative in drilling and completion operations has displaced 151.8 million litres of diesel by replacing with natural gas and has saved approximately \$149.4 million since June 2017. Drilling and completions operations powered using natural gas result in lower emissions of carbon dioxide, nitrogen oxides, sulphur dioxide and particulate matter compared to traditional diesel-powered drilling and completions operations.
- Tourmaline's joint venture with Clean Energy Fuels for CNG in long haul trucks continues with one station fully operational in Edmonton and four other stations under construction and expected to be completed by Q1 2025. The initiative represents a further significant diesel displacement opportunity.
- Methane technologies continue to be advanced at the NGIF Emissions Testing Centre ("ETC"). Tourmaline operates field testing for the ETC with the hub for testing located at the Tourmaline West Wolf gas plant in the Alberta Deep Basin. The ETC recently received a \$15 million grant (\$3 million per year over 5 years) from the Alberta Government to enable acceleration of these technology initiatives.

DIVIDEND

- In addition to the announced special dividend of \$0.50/share payable on August 21, 2024, to shareholders of record at the close of business on August 9, 2024, the Company's Board of Directors has approved an increase to the quarterly base dividend effective Q3 2024 to \$0.33/share (\$1.32/share on an annualized basis), representing an increase of 3% over the previous quarterly base dividend. The base dividend has been increased three times this year which reflects the ongoing financial

strength and profitability of the Company even through the bottom of the gas price cycle. The quarterly dividend is expected to be declared in early September and payable on September 27, 2024, to shareholders of record at the close of business on September 13, 2024. The special dividend is, and the quarterly base dividend will be, designated as an eligible dividend for Canadian income tax purposes.

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 17,621,578 common shares (representing 5% of its issued and outstanding common shares as of July 25, 2024) over a period of twelve months commencing on August 8, 2024. The NCIB will expire on August 7, 2025. 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 555,792 common shares, representing 25% of the average daily trading volume of 2,223,169 common shares on the TSX calculated for the six-month period ended June 30, 2024; 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 16,989,041 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 2024

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
OPERATIONS						
Production						
Natural gas (<i>mcf/d</i>)	2,537,283	2,306,340	10%	2,609,823	2,387,592	9%
Crude oil, condensate and NGL (<i>bbl/d</i>)	138,906	111,528	25%	141,962	112,902	26%
Oil equivalent (<i>boe/d</i>)	561,787	495,918	13%	576,933	510,834	13%
Product prices ⁽¹⁾						
Natural gas (<i>\$/mcf</i>)	\$ 3.03	\$ 4.31	(30)%	\$ 3.41	\$ 5.27	(35)%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 56.36	\$ 52.42	8%	\$ 54.91	\$ 57.83	(5)%
Operating expenses (<i>\$/boe</i>)	\$ 4.82	\$ 4.63	4%	\$ 4.81	\$ 4.63	4%
Transportation costs (<i>\$/boe</i>)	\$ 4.96	\$ 5.15	(4)%	\$ 5.10	\$ 5.26	(3)%
Operating netback (<i>\$/boe</i>) ⁽²⁾	\$ 15.36	\$ 19.23	(20)%	\$ 16.38	\$ 23.76	(31)%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽³⁾						
	\$ 0.79	\$ 0.73	8%	\$ 0.77	\$ 0.70	10%
FINANCIAL						
(\$000, except share and per share)						
Commodity sales from production	1,104,940	1,158,766	(5)%	2,579,319	2,674,046	(4)%
Total revenue from commodity sales and realized gains	1,412,692	1,436,601	(2)%	3,038,861	3,460,185	(12)%
Royalties	127,466	127,140	-%	277,937	348,352	(20)%
Cash flow	755,117	784,008	(4)%	1,626,261	1,911,143	(15)%
Cash flow per share (<i>diluted</i>)	\$ 2.12	\$ 2.28	(7)%	\$ 4.58	\$ 5.56	(18)%
Net earnings	256,597	510,671	(50)%	501,471	760,991	(34)%
Net earnings per share (<i>diluted</i>)	\$ 0.72	\$ 1.49	(52)%	\$ 1.41	\$ 2.22	(36)%
Capital expenditures (<i>net of dispositions</i>) ⁽²⁾	294,105	277,317	6%	850,350	871,814	(2)%
Weighted average shares outstanding (<i>diluted</i>)				355,164,206	343,559,982	3%
Net debt				(1,558,287)	(791,131)	97%

(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 1, 2024 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://empportal.ink/4byxKfv> 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.

REPLAY DETAILS

If you are unable to dial into the live conference call on August 1st, a replay will be available by dialing 1-888-390-0541 (international 1-416-764-8677), referencing Replay Code 570032. The recording will expire on August 15, 2024.

Reader Advisories

CURRENCY

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

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "on track", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: anticipated petroleum and natural gas production and production growth for various periods including estimated average production levels for Q3, full-year and exit 2024; expected free cash flow for 2024 and each year of the Company's five year EP growth plan; long-term net debt targets; EP expenditures; the timing of withdrawals of natural gas from storage; diesel reduction initiatives; the timing for the completion of various facilities; 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 market diversification portfolio; the timing and scale of future growth and developments projects, including the Conroy/North Montney development; projected operating and drilling costs and drilling times; anticipated future commodity prices; the ability to generate, and the amount of, anticipated free cash flow in 2024 and beyond; 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 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; 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 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 of omnibus Bill C-59 and the related amendments to the *Competition Act* (Canada)) and general economic and business conditions and markets. Readers are cautioned that the foregoing list of factors is not exhaustive.

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 2024 cash flow and free cash flow, free cash flow per year of the five-year plan and long-term net debt targets, 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 including Tourmaline's estimated average production of 580,000 boepd for 2024, 620,000 boepd for 2025, 660,000 boepd for 2026, 705,000 boepd for 2027 and 715,000 boepd for 2028, commodity price assumptions for natural gas (\$2.31/mmbtu 2024 NYMEX US, \$3.33/mmbtu 2025 NYMEX US, \$3.71/mmbtu 2026 NYMEX US, \$3.78/mmbtu 2027 NYMEX US, \$3.72/mmbtu 2028 NYMEX US, \$1.62/mcf 2024 AECO, \$2.62/mcf 2025 AECO, \$3.07/mcf 2026 AECO, \$3.24/mcf 2027 AECO, \$3.32/mcf 2028 AECO, \$11.54/mcf 2024 JKM US, \$12.83/mcf 2025 JKM US, \$11.57/mcf 2026 JKM US, \$10.10/mcf 2027 JKM US, \$9.02/mcf 2028 JKM US), crude oil (\$79.27/bbl 2024 WTI US, \$74.40/bbl 2025 WTI US, \$70.47/bbl 2026 WTI US, \$67.98/bbl 2027 WTI US, \$66.41/bbl 2028 WTI US) and an exchange rate assumption (CAD/USD) of \$0.73 for 2024, 0.74 for 2025 and 2026 and 0.75 for 2027 and 2028. In addition, in the case of the years other than 2024, such estimates are provided for illustration only and are based on budgets and forecasts that have not been finalized or approved by the Board of Directors and are subject to a variety of contingencies including prior years' results. To the extent such estimates constitute a financial outlook, it was approved by management and the Board of Directors of Tourmaline on July 31, 2024 and is included to provide readers with an understanding of Tourmaline's anticipated cash flow, free cash flow and net debt levels 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 income taxes) necessary to fund its future growth expenditures, to repay debt or to pay dividends. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. A summary of the reconciliation of cash flow from operating activities to cash flow, is set forth below:

<i>(000s)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash flow from operating activities (per GAAP)	\$ 696,011	\$ 972,384	\$ 1,336,628	\$ 2,510,459
Current income taxes	(13,549)	(54,602)	(45,207)	(252,960)
Current income taxes paid	38,368	4,207	487,543	29,236
Change in non-cash working capital	34,287	(137,981)	(152,703)	(375,592)
Cash flow	\$ 755,117	\$ 784,008	\$ 1,626,261	\$ 1,911,143

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 dispositions, 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:

<i>(000s)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash flow used in investing activities (per GAAP)	\$ 515,082	\$ 585,637	\$ 1,099,311	\$ 1,087,235
Change in non-cash working capital	(220,977)	(308,320)	(248,961)	(215,421)
Capital expenditures	\$ 294,105	\$ 277,317	\$ 850,350	\$ 871,814

EP Expenditures

Management uses the term "EP expenditures" or exploration and production expenditures as a measure of capital investment in exploration and production activity which is defined as Capital Expenditures (a Non-GAAP Financial Measure), excluding property acquisitions and dispositions and other corporate expenditures. The most directly comparable GAAP measure for EP expenditures is cash flow used in investing activities. See "Non-GAAP Financial Measures – Capital Expenditures" above. A summary of the reconciliation of Capital Expenditures to EP expenditures, is set forth below:

(000s)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Capital expenditures	\$ 294,105	\$ 277,317	\$ 850,350	\$ 871,814
Property acquisitions	(23,169)	(39,279)	(23,581)	(39,294)
Proceeds from divestitures	50,728	498	56,225	7,789
Other	(15,061)	(13,185)	(27,692)	(25,737)
EP Expenditures	\$ 306,603	\$ 225,351	\$ 855,302	\$ 814,572

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,	
	2024	2023	2024	2023
Cash flow	\$ 755,117	\$ 784,008	\$ 1,626,261	\$ 1,911,143
Capital expenditures	(294,105)	(277,317)	(850,350)	(871,814)
Property acquisitions	23,169	39,279	23,581	39,294
Proceeds from divestitures	(50,728)	(498)	(56,225)	(7,789)
Free Cash Flow	\$ 433,453	\$ 545,472	\$ 743,267	\$ 1,070,834

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,	
	2024	2023	2024	2023
Commodity sales from production	\$ 1,104,940	\$ 1,158,766	\$ 2,579,319	\$ 2,674,046
Premium on risk management activities	179,627	102,576	246,972	500,924
Realized gain on financial instruments	128,125	175,259	212,570	285,215
Royalties	(127,466)	(127,140)	(277,937)	(348,352)
Transportation costs	(253,610)	(232,617)	(535,663)	(486,687)
Operating expenses	(246,243)	(209,093)	(505,476)	(428,095)
Operating netback	\$ 785,373	\$ 867,751	\$ 1,719,785	\$ 2,197,051

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,	
	2024	2023	2024	2023
Revenue, excluding processing income	\$ 27.63	\$ 31.83	\$ 28.94	\$ 37.42
Royalties	(2.49)	(2.82)	(2.65)	(3.77)
Transportation costs	(4.96)	(5.15)	(5.10)	(5.26)
Operating expenses	(4.82)	(4.63)	(4.81)	(4.63)
Operating netback	\$ 15.36	\$ 19.23	\$ 16.38	\$ 23.76

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 June 30, 2024	As at December 31, 2023
Working capital (deficit)	\$ 112,002	\$ (298,280)
Fair value of financial instruments – short-term (asset)	(305,339)	(437,535)
Lease liabilities – short-term	6,357	5,796
Decommissioning obligations – short-term	45,000	45,000
Unrealized foreign exchange in working capital – liability (asset)	(4,445)	5,524
Adjusted working capital (deficit)	\$ (146,425)	\$ (679,495)

Net Debt

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

(000s)	As at June 30, 2024	As at December 31, 2023
Bank debt	\$ (713,685)	\$ (651,594)
Senior unsecured notes	(698,177)	(448,643)
Adjusted working capital (deficit)	(146,425)	(679,495)
Net debt	\$ (1,558,287)	\$ (1,779,732)

Supplementary Financial Measures

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

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 2024 average daily production, forecast Q3 2024 average daily production and forecast 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 2024 Average Daily Production	45,986	1,426,180	1,111,103	92,920	561,787
Q3 2024 Forecast Average Daily Production	47,170	1,410,130	1,100,000	89,475	555,000
2024 Forecast Average Daily Production.....	48,785	1,483,770	1,140,000	93,920	580,000

(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.

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>Dutch TTF</i>	Dutch Title Transfer Facility, a natural gas pricing location within the Netherlands
<i>EP</i>	exploration and production
<i>FERC</i>	Federal Energy Regulatory Commission
<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>NGL or NGLs</i>	natural gas liquids
<i>PGE</i>	Pacific Gas & Electric
<i>Tcf</i>	trillion cubic feet

ABOUT TOURMALINE OIL CORP.

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

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