



NEWS RELEASE

MAY 1, 2024

TOURMALINE DELIVERS RECORD PRODUCTION IN Q1 2024, 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 first quarter of 2024, announce an increase to its quarterly base dividend and declare a special dividend.

HIGHLIGHTS

- First quarter 2024 average production was 592,077 boepd, a 13% increase over first quarter 2023 average production of 525,916 boepd and within the 590,000 – 595,000 boepd first quarter 2024 range announced on March 6, 2024.
- First quarter cash flow⁽¹⁾ ("CF") was \$871.1 million (\$2.45 per diluted share⁽²⁾) on total capital expenditures⁽³⁾ of \$556.2 million (EP spending⁽⁴⁾ of \$548.7 million in Q1 2024) generating free cash flow⁽⁵⁾ ("FCF") of \$309.8 million for the quarter (\$0.87 per diluted share⁽⁶⁾).

(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 spending", "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 "Q1 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 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 Q1 MD&A.

(3) "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 Q1 MD&A.

(4) "EP spending" (or "Exploration and production expenditures") is a non-GAAP financial measure defined as Capital Expenditures, excluding property acquisitions and dispositions and other expenditures. See "Non-GAAP and Other Financial Measures" in this news release.

(5) "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.

(6) "Free cash flow per diluted share" is a non-GAAP financial ratio. Free 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 Q1 MD&A.

- In 2024, at strip pricing⁽⁷⁾ on April 15, 2024, the Company expects to generate CF of \$3.52 billion (\$9.92 per diluted share) and FCF of \$1.40 billion (\$3.93 per diluted share) on EP spending of \$2.0 billion.
- As a result of improved strip pricing, Tourmaline's cash flow forecasts, compared to the five-year EP plan released on March 6, 2024, have improved by \$200 to \$500 million in every year of the Company's updated five-year EP plan. Over the next five years, Tourmaline forecasts that it will generate \$8.6 billion in FCF (approximately 37% of the Company's current market capitalization) while growing average production approximately 22%.
- Given the strong FCF generation in Q1 2024 and the full year financial outlook, the Company has elected to increase the quarterly base dividend effective Q2 2024 by 7% to \$0.32/share (\$1.28/share on an annualized basis) from the current \$0.30/share, as well as declare and pay a special dividend of \$0.50/share on May 16, 2024 to shareholders of record on May 9, 2024. This special cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.
- The Company reduced net debt⁽⁸⁾ by approximately \$85.0 million during Q1 2024.

PRODUCTION UPDATE

- First quarter 2024 average production was 592,077 boepd, a 13% increase over first quarter 2023 average production of 525,916 boepd and within the 590,000 – 595,000 boepd first quarter 2024 range announced on March 6, 2024.
- First quarter 2024 average liquids production (oil, condensate, NGLs) was a record 145,016 bpd, up 27% over first quarter 2023 average liquids production of 114,291 bpd.
- Full year 2024 average production guidance remains at 580,000 – 590,000 boepd with the capital budget reduction announced on March 6, 2024. Second quarter 2024 average production of 560,000 – 570,000 boepd is currently anticipated, including the impacts of planned plant maintenance and approximately 7,000 boepd of planned natural gas injections to take advantage of the large difference between current and winter pricing for natural gas.

FINANCIAL RESULTS

- First quarter 2024 CF was \$871.1 million (\$2.45 per diluted share) on total capital expenditures of \$556.2 million (EP spending of \$548.7 million in Q1 2024), generating FCF of \$309.8 million for the quarter (\$0.87 per diluted share).
- Tourmaline realized Q1 2024 net earnings of \$244.9 million (\$0.69 per diluted share), underscoring the profitability of the business even in an extremely weak natural gas pricing environment.

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

(8) "Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q1 MD&A.

- In 2024, using strip pricing on April 15, 2024, the Company expects to generate CF of \$3.52 billion (\$9.92 per diluted share) and FCF of \$1.40 billion (\$3.93 per diluted share) on EP spending of \$2.0 billion.
- Exit Q1 2024 net debt was \$1.69 billion. As previously announced, the Company remains committed to a long-term net debt target of \$1.2-1.4 billion and intends to progress towards that target throughout 2024. The Company reduced net debt by approximately \$85.0 million during Q1 2024. In addition, Tourmaline's 45.1 million shares of Topaz Energy Corp. had a market value of approximately \$1.0 billion as at March 31, 2024.
- As a result of improved strip pricing, Tourmaline's cash flow forecasts, compared to the five-year EP plan released on March 6, 2024, have improved by \$200 to \$500 million in every year of the Company's updated five-year EP plan. Over the next five years, Tourmaline forecasts that it will generate approximately \$8.6 billion in free cash flow (37% of current market cap) while growing average production approximately 22%.

MARKETING UPDATE

- Tourmaline's average realized natural gas price in Q1 2024 was \$3.77/mcf, significantly higher than the AECO 5A index price of \$2.55/mcf over the period, as the Company benefited from its multi-year diversification portfolio.
- Tourmaline expects to exit 2024 with a total of 1.22 bcfpd of natural gas going to export markets.
- For 2024, Tourmaline has an average of 737 mmcfpd hedged at a weighted average fixed price of \$5.43/mcf, including an average of 135 mmcfpd in premium markets at a fixed price of US\$9.47/mcf. Tourmaline also has an average of 196 mmcfpd hedged at a basis to NYMEX of US -\$0.33/mcf and an average of 980 mmcfpd of unhedged volumes exposed to export markets in 2024. Of this 980 mmcfpd, 59% is exposed to premium markets such as the US Gulf Coast, JKM (Japan Korea Marker), Dutch TTF, Malin, PGE and Sumas.
- As of March 31, 2024, Tourmaline's realized value above AECO (including financial hedges and less associated deductions) on its first liquified natural gas ("LNG") deal with Cheniere Energy was \$648.4 million since January 1, 2023. Tourmaline has 37 mmcfpd hedged at a weighted average fixed JKM price of US\$20.34/mcf in 2024 and 22 mmcfpd hedged at a weighted average fixed JKM price of US\$17.53/mcf in 2025.
- In Q1 2024, Tourmaline completed its second LNG agreement, increasing its exposure to JKM, by entering into a netback agreement with Trafigura Pte Limited based on 62,500 mmbtu/d for a seven-year term starting January 2027, with the potential for extension to December 2039. The agreement is not dependent upon incremental FERC approvals.
- In March 2024, Tourmaline commenced its third LNG agreement, delivering 50,000 mmbtu/d indexed to Dutch TTF (less associated deductions).

- The Company has now entered into four natural gas-to-power agreements providing exposure to the AESO power market. In 2023, the first agreement realized a natural gas equivalent price of \$7.57/mcf, which represents a \$4.89/mcf premium to the AECO index for the year, generating \$16.7 million in realized revenue above the AECO 5A index.

EP UPDATE

- Tourmaline operated, on average, between 13 and 15 drilling rigs during Q1 2024. The Company is currently operating 5 rigs.
- Tourmaline drilled a total of 59.3 net wells during Q1 2024, completed 71.6 net wells in the quarter, and has an inventory of 27 DUCs (net) entering Q2 2024.
- Strong well performance on the Glauconite trend continues in the southern Deep Basin with all the recent down-dip wells significantly outperforming historical trends.
- Tourmaline continues to systematically grow the Deep Basin complex through small acquisitions and Crown land sales. During the first four months of 2024, the Company has added 35.6 net sections of land through 17 separate transactions or land sales. This has added an estimated 49.1 Tier 1 drilling locations (net) and 600 boepd of average production associated with one of the transactions, for total cash expenditures of \$18.9 million.
- The Company has completed the sale of the Duvernay assets in the Westeros area, which were acquired pursuant to the acquisition of Bonavista Energy Corporation completed by the Company in November 2023, for \$53.1 million. Current average production from the assets is ranging between 1,600-1,800 boepd. Proceeds from the sale will be used to reduce bank debt.
- Improving EP execution continues in the BC North Montney sub complex. The Company drilled the 8 well C-54-H North Montney/Laprise pad in 44.5 days, 12 days ahead of schedule. The 8 wells, with average horizontal length of 1930m, were drilled for a total pad cost of \$13.4 million, 19% under the anticipated total pad budget.

DIVIDEND

- In addition to the announced special dividend of \$0.50/share payable on May 16, 2024 to shareholders of record at the close of business on May 9, 2024, the Company's Board of Directors has approved an increase to the quarterly base dividend effective Q2 2024 to \$0.32/share (\$1.28/share on an annualized basis), representing an increase of 7% over the previous quarterly base dividend. The increased base dividend reflects the ongoing financial strength and profitability of the Company. The quarterly dividend is expected to be declared in early June and payable on June 28, 2024, to shareholders of record at the close of business on June 14, 2024. The special dividend is, and the quarterly base dividend will be, designated as an eligible dividend for Canadian income tax purposes.

CORPORATE SUMMARY – FIRST QUARTER 2024

	Three Months Ended March 31,		
	2024	2023	Change
OPERATIONS			
Production			
Natural gas (<i>mcf/d</i>)	2,682,364	2,469,747	9%
Crude oil, condensate and NGL (<i>bbl/d</i>)	145,016	114,291	27%
Oil equivalent (<i>boe/d</i>)	592,077	525,916	13%
Product prices ⁽¹⁾			
Natural gas (<i>\$/mcf</i>)	\$ 3.77	\$ 6.18	(39)%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 53.53	\$ 63.16	(15)%
Operating expenses (<i>\$/boe</i>)	\$ 4.81	\$ 4.63	4%
Transportation costs (<i>\$/boe</i>)	\$ 5.23	\$ 5.37	(3)%
Operating netback (<i>\$/boe</i>) ⁽²⁾	\$ 17.35	\$ 28.08	(38)%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽³⁾	\$ 0.76	\$ 0.67	13%
FINANCIAL			
<i>(\$000, except share and per share)</i>			
Commodity sales from production	1,474,379	1,515,280	(3)%
Total revenue from commodity sales and realized gains	1,626,169	2,023,584	(20)%
Royalties	150,471	221,212	(32)%
Cash flow	871,144	1,127,135	(23)%
Cash flow per share (<i>diluted</i>)	\$ 2.45	\$ 3.28	(25)%
Net earnings	244,874	250,320	(2)%
Net earnings per share (<i>diluted</i>)	\$ 0.69	\$ 0.73	(5)%
Capital expenditures (<i>net of dispositions</i>) ⁽²⁾	556,245	594,497	(6)%
Weighted average shares outstanding (<i>diluted</i>)	354,893,800	343,514,860	3%
Net debt	(1,694,906)	(709,003)	139%

Notes:

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

(2) See "Non-GAAP and Other Financial Measures" in this news release and in the Q1 MD&A.

(3) Excluding interest and financing charges.

Conference Call Tomorrow at 11:00 a.m. MT (1:00 p.m. ET)

Tourmaline will host a conference call tomorrow, May 2, 2024, starting at 11:00 a.m. MT (1:00 p.m. ET).

To participate without operator assistance, you may register and enter your phone number at <https://empportal.ink/3PJkuww> 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.

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, business opportunities and shareholder return plan, including the following: the future declaration and payment of base and special dividends and the timing and amount thereof which assumes, among other things, the availability of free cash flow to fund such dividends; anticipated 2024 cash flow and free cash flow; long-term net debt targets and the Company's expectation that it will deleverage throughout 2024; anticipated cash flow and free cash flow in each year of the Company's five year EP growth plan; anticipated liquids and natural gas production and production growth for various periods including estimated production levels for the second quarter of 2024, full-year 2024 and each year of the Company's five year EP growth plan; expected full-year 2024 EP capital budget; anticipated natural gas prices; anticipated natural gas volumes to targeted premium export markets at the end of 2024; as well as Tourmaline's future drilling 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 rates; the degree to which Tourmaline's operations and production may be disrupted or by circumstances attributable to supply chain disruptions; applicable royalty rates and tax laws; interest rates; inflation rates; future well production rates and reserve volumes; operating costs, receipt of regulatory approvals and the timing thereof; 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 benefits to be derived from acquisitions; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; ability to maintain investment grade credit rating; and ability to market crude oil, natural gas and natural gas liquids 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 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 which 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, cumulative five-year free cash flow 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 585,000 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 (\$2.32/mmbtu 2024 NYMEX US, \$3.50/mmbtu 2025 NYMEX US, \$3.97/mmbtu 2026 NYMEX US, \$4.06/mmbtu 2027 NYMEX US, \$4.00/mmbtu 2028 NYMEX US, \$1.94/mcf 2024 AECO, \$3.35/mcf 2025 AECO, \$3.90/mcf 2026 AECO, \$3.93/mcf 2027 AECO, \$3.87/mcf 2028 AECO, \$11.01/mcf 2024 JKM US, \$12.36/mcf 2025 JKM US, \$11.15/mcf 2026 JKM US, \$9.88/mcf 2027 JKM US, \$8.83/mcf 2028 JKM US), crude oil (\$81.15/bbl 2024 WTI US, \$75.82/bbl 2025 WTI US, \$71.26/bbl 2026 WTI US, \$68.13/bbl 2027 WTI US, \$65.99/bbl 2028 WTI US) and an exchange rate assumption (CAD/USD) of \$0.73 for 2024 and 2025, 0.74 for 2026 and 2027 and 0.75 for 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 May 1, 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 spending", "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 March 31,	
	2024	2023
Cash flow from operating activities (per GAAP)	\$ 640,617	\$ 1,538,075
Current income taxes	(31,658)	(198,358)
Current income taxes paid	449,175	25,029
Change in non-cash working capital	(186,990)	(237,611)
Cash flow	\$ 871,144	\$ 1,127,135

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 March 31,	
	2024	2023
Cash flow used in investing activities (per GAAP)	\$ 584,229	\$ 501,598
Change in non-cash working capital	(27,984)	92,899
Capital expenditures	\$ 556,245	\$ 594,497

EP Spending

Management uses the term "EP spending" 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 spending 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 spending, is set forth below:

(000s)	Three Months Ended March 31,	
	2024	2023
Capital expenditures	\$ 556,245	\$ 594,497
Property acquisitions	(412)	(15)
Proceeds from divestitures	5,497	7,291
Other	(12,631)	(12,552)
EP Spending	\$ 548,699	\$ 589,221

Free Cash Flow

Management uses the term "free cash flow" for its own performance measure and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt and provide shareholder returns. Free cash flow is defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payment. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. See "Non-GAAP Financial Measures – Cash Flow" and " Non-GAAP Financial Measures – Capital Expenditures" above.

(000s)	Three Months Ended March 31,	
	2024	2023
Cash flow	\$ 871,144	\$ 1,127,135
Capital expenditures	(556,245)	(594,497)
Property acquisitions	412	15
Proceeds from divestitures	(5,497)	(7,291)
Free Cash Flow	\$ 309,814	\$ 525,362

Operating Netback

Management uses the term "operating netback" as a key performance indicator and one that is commonly presented by other oil and natural gas producers. Operating netback is defined as the sum of commodity sales from production, premium on risk management activities and realized (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:

<i>(000s)</i>	Three Months Ended March 31,	
	2024	2023
Commodity sales from production	\$ 1,474,379	\$ 1,515,280
Premium on risk management activities	67,345	398,348
Realized gain on financial instruments	84,445	109,956
Royalties	(150,471)	(221,212)
Transportation costs	(282,053)	(254,070)
Operating expenses	(259,233)	(219,002)
Operating netback	\$ 934,412	\$ 1,329,300

Non-GAAP Financial Ratios

Operating Netback per-boe

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

<i>(\$/boe)</i>	Three Months Ended March 31,	
	2024	2023
Revenue, excluding processing income	\$ 30.18	\$ 42.75
Royalties	(2.79)	(4.67)
Transportation costs	(5.23)	(5.37)
Operating expenses	(4.81)	(4.63)
Operating netback	\$ 17.35	\$ 28.08

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:

<i>(000s)</i>	As at March 31, 2024	As at December 31, 2023
Working capital (deficit)	\$ (134,559)	\$ (298,280)
Fair value of financial instruments – short-term (asset)	(286,897)	(437,535)
Lease liabilities – short-term	6,048	5,796
Decommissioning obligations – short-term	45,000	45,000
Unrealized foreign exchange in working capital – liability (asset)	(3,100)	5,524
Adjusted working capital (deficit)	\$ (373,508)	\$ (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 composition of net debt, is set forth below:

<i>(000s)</i>	As at March 31, 2024	As at December 31, 2023
Bank debt	\$ (872,677)	\$ (651,594)
Senior unsecured notes	(448,721)	(448,643)
Adjusted working capital (deficit)	(373,508)	(679,495)
Net debt	\$ (1,694,906)	\$ (1,779,732)

Supplementary Financial Measures

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

ESTIMATED DRILLING INVENTORY

This press release discloses drilling locations. Drilling locations are categorized as follows: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and (iv) an aggregate total of (i), (ii) and (iii). Of the 49.1 (net) locations disclosed in this press release, 0.6 are proved undeveloped locations, 0.0 are proved non-producing locations, 1.8 are probable undeveloped locations, and 46.7 are unbooked. Proved producing wells, proved undeveloped locations, proved non-producing locations, probable undeveloped locations and probable non-producing locations are based on internal estimates and account for drilling locations that have associated proved and/or probable reserves, as applicable, and

expected to be booked in the Company's 2024 reserve report. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to Q1 2024 average daily production, Q2 2024 forecast average daily production and 2024 forecast average daily production. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Light and Medium 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)
Q1 2024 Average Daily Production	49,307	1,531,475	1,150,889	95,709	592,077
Q2 2024 Forecast Average Daily Production	49,165	1,410,210	1,140,000	90,800	565,000
2024 Forecast Average Daily Production.....	50,325	1,486,150	1,160,000	93,650	585,000

(1) For the purposes of this disclosure, condensate has been combined with Light and Medium Crude Oil as the associated revenues and certain costs of condensate are similar to Light and Medium Crude Oil. Accordingly, NGLs in this disclosure exclude condensate.

CREDIT RATINGS

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

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>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 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.

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