

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(000s) (unaudited)</i>	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Accounts receivable	\$ 689,509	\$ 792,072
Prepaid expenses and deposits	123,785	83,032
Fair value of financial instruments <i>(note 3)</i>	233,097	437,739
Income tax receivable	45,866	39,919
Total current assets	1,092,257	1,352,762
Long-term asset	18,378	8,527
Fair value of financial instruments <i>(note 3)</i>	700,660	667,359
Exploration and evaluation assets <i>(note 4)</i>	149,360	191,081
Property, plant and equipment <i>(note 5)</i>	21,339,289	19,633,286
Right-of-use asset <i>(note 6)</i>	37,292	30,056
Investment in Topaz <i>(note 9)</i>	406,444	428,472
Total Assets	\$ 23,743,680	\$ 22,311,543
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,383,160	\$ 1,329,626
Fair value of financial instruments <i>(note 3)</i>	27,718	122,374
Lease liabilities <i>(note 6)</i>	8,529	8,385
Decommissioning obligations <i>(note 7)</i>	75,000	60,000
Current debt <i>(note 8)</i>	800,000	–
Total current liabilities	2,294,407	1,520,385
Fair value of financial instruments <i>(note 3)</i>	31,998	141,538
Lease liabilities <i>(note 6)</i>	30,570	23,004
Decommissioning obligations <i>(note 7)</i>	894,252	950,459
Long-term debt <i>(note 8)</i>	937,623	1,272,775
Deferred taxes	3,179,677	2,859,818
Shareholders' equity:		
Share capital <i>(note 10)</i>	10,670,726	9,856,122
Contributed surplus	497,755	426,902
Retained earnings	5,206,672	5,260,540
Total shareholders' equity	16,375,153	15,543,564
Total Liabilities and Shareholders' Equity	\$ 23,743,680	\$ 22,311,543

Commitments (note 13).

Subsequent events (notes 3 and 9).

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(000s) except per-share amounts (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Commodity sales from production (note 14)	\$ 924,974	\$ 935,402	\$ 3,517,007	\$ 3,514,721
Premium on risk management activities (note 14)	427,209	300,705	1,027,464	547,677
Marketing revenue (note 14)	45,917	36,009	96,710	70,155
Royalties	(109,271)	(105,616)	(378,758)	(383,553)
Other income	8,158	8,454	24,849	33,374
Realized gain on financial instruments	126,814	145,986	332,168	358,556
Unrealized gain (loss) on financial instruments (note 3)	(33,558)	144,969	31,819	(61,451)
	1,390,243	1,465,909	4,651,259	4,079,479
Expenses:				
Operating	280,524	249,471	865,652	754,947
Transportation	291,260	270,327	891,260	805,990
Marketing purchases (note 14)	40,521	25,540	84,375	49,412
General and administration	47,272	37,290	140,355	118,419
Share-based payments	17,977	15,680	52,587	47,986
Depletion, depreciation and amortization (notes 4, 5 and 6)	460,075	383,319	1,302,788	1,143,953
Realized foreign exchange (gain) loss	(3,318)	(5,128)	33,488	(38,846)
Unrealized foreign exchange (gain) loss	(2,867)	399	(144)	(4,046)
Income on investment in Topaz (note 9)	(2,848)	(5,620)	(11,029)	(13,075)
Gain on acquisitions and divestitures	(20,356)	–	(20,356)	(4,826)
Total expenses	1,108,240	971,278	3,338,976	2,859,914
Income from operations	282,003	494,631	1,312,283	1,219,565
Finance expenses	27,566	28,512	80,014	84,104
Income before taxes	254,437	466,119	1,232,269	1,135,461
Current tax expense (recovery)	27,240	(16,699)	22,189	28,508
Deferred tax expense	36,792	127,625	292,406	250,289
Net income and comprehensive income	\$ 190,405	\$ 355,193	\$ 917,674	\$ 856,664
Net income per share (note 11)				
Basic	\$ 0.49	\$ 1.01	\$ 2.42	\$ 2.43
Diluted	\$ 0.49	\$ 1.00	\$ 2.40	\$ 2.41

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(000s) (unaudited)</i>	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance at December 31, 2024	\$ 9,856,122	\$ 426,902	\$ 5,260,540	\$15,543,564
Issue of common shares on corporate and property acquisitions (<i>note 5</i>)	767,186	–	–	767,186
Share-based payments	–	52,587	–	52,587
Capitalized share-based payments (<i>note 5</i>)	–	31,258	–	31,258
Options exercised (<i>note 10</i>)	47,418	(10,809)	–	36,609
Restricted share units settled (<i>note 12</i>)	–	(891)	–	(891)
Share-based payments – other	–	(1,292)	–	(1,292)
Dividends paid (<i>note 10</i>)	–	–	(971,542)	(971,542)
Income attributable to common shareholders	–	–	917,674	917,674
Balance at September 30, 2025	\$10,670,726	\$ 497,755	\$ 5,206,672	\$16,375,153

<i>(000s) (unaudited)</i>	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance at December 31, 2023	\$ 8,487,838	\$ 345,570	\$ 5,182,343	\$14,015,751
Share-based payments	–	47,986	–	47,986
Capitalized share-based payments (<i>note 5</i>)	–	29,363	–	29,363
Options exercised (<i>note 10</i>)	36,943	(8,042)	–	28,901
Restricted share units settled (<i>note 12</i>)	–	(396)	–	(396)
Share-based payments – other	–	17,936	–	17,936
Dividends paid (<i>note 10</i>)	–	–	(869,348)	(869,348)
Income attributable to common shareholders	–	–	856,664	856,664
Balance at September 30, 2024	\$ 8,524,781	\$ 432,417	\$ 5,169,659	\$14,126,857

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

(000s) (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operations:				
Net income	\$ 190,405	\$ 355,193	\$ 917,674	\$ 856,664
Items not involving cash:				
Depletion, depreciation, and amortization (notes 4, 5 and 6)	460,075	383,319	1,302,788	1,143,953
Accretion (note 7)	9,462	6,974	25,984	22,106
Lease interest expense (note 6)	482	457	1,418	1,263
Share-based payments (note 12)	17,977	15,680	52,587	47,986
Current tax expense (recovery)	27,240	(16,699)	22,189	28,508
Deferred tax expense	36,792	127,625	292,406	250,289
Unrealized (gain) loss on financial instruments (note 3)	33,558	(144,969)	(31,819)	61,451
Amortization on long-term asset	846	551	1,949	1,510
(Gain) on acquisitions and divestitures	(20,356)	–	(20,356)	(4,826)
Income from investment in Topaz (note 9)	(2,848)	(5,620)	(11,029)	(13,075)
Unrealized foreign exchange (gain) loss	(2,867)	399	(144)	(4,046)
Decommissioning expenditures (note 7)	(14,749)	(12,578)	(58,171)	(38,511)
Cash taxes paid	(9,204)	(39,259)	(28,136)	(526,802)
Cash paid on restricted share units settled	(329)	(30)	(891)	(396)
Dividends received from Topaz (note 9)	11,128	14,899	33,057	43,793
Changes in non-cash operating working capital	115,935	41,100	187,401	193,803
Total cash flow from operating activities	853,547	727,042	2,686,907	2,063,670
Financing:				
Issue of common shares	3,382	4,059	36,609	28,901
Lease payments (note 6)	(2,950)	(2,277)	(8,632)	(6,319)
Dividends paid (note 10)	(328,885)	(299,606)	(971,542)	(869,348)
Increase in current debt	500,000	–	800,000	–
Increase (decrease) in long-term debt	(332,720)	(13,454)	(333,669)	298,171
Total cash flow used in financing activities	(161,173)	(311,278)	(477,234)	(548,595)
Investing:				
Property, plant and equipment (note 5)	(841,971)	(589,404)	(2,161,832)	(1,472,398)
Property acquisitions (note 5)	(5,140)	(2,123)	(17,283)	(25,704)
Proceeds from divestitures (note 5)	73,074	609	74,821	56,834
Investment in long-term asset	(11,800)	–	(11,800)	–
Changes in non-cash investing working capital	93,463	175,154	(93,579)	(73,807)
Total cash flow used in investing activities	(692,374)	(415,764)	(2,209,673)	(1,515,075)
Changes in cash	–	–	–	–
Cash, beginning of period	–	–	–	–
Cash, end of period	\$ –	\$ –	\$ –	\$ –

Cash is defined as cash and cash equivalents.

See accompanying notes to the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2025 AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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

Corporate Information:

Tourmaline Oil Corp. (the "Company") was incorporated under the laws of the Province of Alberta on July 21, 2008. The Company's registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, Canada T2P 1G1.

The Company is engaged in the acquisition, exploration, development and production of petroleum and natural gas properties. These unaudited interim condensed consolidated financial statements reflect only the Company's proportionate interest in such activities. The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 5, 2025.

OPERATING ENVIRONMENT

Numerous factors beyond the Company's control affect the marketability and price of crude oil, condensate, NGL and natural gas which may be volatile for a number of reasons including uncertainties over the supply and demand of these commodities due to government policies (including trade policy), the current state of the world economies, sanctions or import bans, the imposition of tariffs, reshuffling of global trade flows, global macro-economic concerns, actions of OPEC+, political and geopolitical uncertainties and conditions and legal and regulatory changes and uncertainties, ongoing wars and hostilities or other adverse economic or political development in the United States, Europe, Asia or the Middle East. Further, weakening global economic activity, inflation and corresponding higher interest rates, and the potential for a recession remain a risk to the pace of economic growth. Weather will continue to be a key driver of demand and impact natural gas prices.

Due to the uncertainty surrounding the magnitude, duration and potential outcomes of the above noted factors, the Company is unable, at this time, to predict its long-term impact on its operations, liquidity, financial condition and results, but the impact may be material.

CLIMATE CHANGE AND ENVIRONMENTAL REGULATION

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

Sustainability Reporting

The Company publishes an annual Sustainability Report containing comprehensive information relating to ESG performance which can be found on the Company's website at <https://sustainability.tourmaline.com/>.

The Sustainability Report was developed by integrating guidance from the Greenhouse Gas Protocol, the Sustainability Accounting Standards Board Oil & Gas – Exploration & Production Standard and the Global Reporting Initiative. The Company has also included recommendations from the Task Force on Climate Related Disclosures and incorporated discussion points and metrics outlined by the ISSB.

1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". These unaudited interim condensed consolidated financial statements do not include all of the information and disclosure required in the annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024.

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

On January 1, 2025, the Company's subsidiaries, Crew Energy Inc. ("Crew") and Todd Energy Canada Limited ("Todd"), were amalgamated with Tourmaline.

On June 6, 2025, the Company's newly acquired subsidiary, Saguaro Resources Ltd. ("Saguaro"), was amalgamated with Tourmaline.

The accounting policies and significant accounting judgments, estimates, and assumptions used in these unaudited interim condensed consolidated financial statements are consistent with those described in notes 1 and 2 of the Company's consolidated financial statements for the year ended December 31, 2024.

2. DETERMINATION OF FAIR VALUE

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

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

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

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

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

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

Company's natural gas embedded derivatives have been assessed on the fair value hierarchy described above and classified as Level 3.

3. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company's financial risks are consistent with those discussed in note 4 of the Company's consolidated financial statements for the year ended December 31, 2024.

Market Risk:

As at September 30, 2025, the Company has entered into certain financial derivative contracts in order to manage commodity price and foreign exchange risk. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, even though the Company considers all commodity contracts to be effective economic hedges. As a result, all such contracts are recorded on the interim consolidated statement of financial position at fair value, with changes in the fair value being recognized as an unrealized gain or loss on the interim consolidated statement of income and comprehensive income.

The Company has the following financial derivative contracts in place as at September 30, 2025 ⁽¹⁾:

		2025	2026	2027	2028	2029	Fair Value (000s)
Gas							
AECO swaps ⁽²⁾	<i>mmbtu/d</i>	7,109	–	–	–	–	\$ 1,250
	<i>CAD\$/mmbtu</i>	\$ 3.64					
NYMEX swaps	<i>mmbtu/d</i>	70,000	60,000	20,000	–	–	\$ 17,767
	<i>USD\$/mmbtu</i>	\$ 4.12	\$ 4.14	\$ 4.36			
International swaps ⁽³⁾	<i>mmbtu/d</i>	56,793	30,000	35,863	30,000	–	\$ 139,793
	<i>USD\$/mmbtu</i>	\$ 14.47	\$ 11.08	\$ 10.83	\$ 10.30		
Station 2 swaps	<i>mmbtu/d</i>	–	16,587	–	–	–	\$ 1,407
	<i>CAD\$/mmbtu</i>		\$ 2.73				
Swaps - other	<i>mmbtu/d</i>	–	10,000	–	–	–	\$ 3,071
	<i>USD\$/mmbtu</i>		\$ 4.25				
AECO financial collars	<i>mmbtu/d</i>	14,217	–	–	–	–	\$ 1,030
	<i>CAD\$/mmbtu</i>	\$2.94-3.46					
NYMEX financial collars	<i>mmbtu/d</i>	9,946	3,699	–	–	–	\$ 1,691
	<i>USD\$/mmbtu</i>	\$4.00-7.55	\$4.00-7.55				
AECO call options ⁽⁴⁾	<i>mmbtu/d</i>	–	15,165	–	–	–	\$ (243)
	<i>CAD\$/mmbtu</i>		\$ 3.59				
NYMEX call options ⁽⁵⁾	<i>mmbtu/d</i>	73,261	74,932	80,000	62,500	52,500	\$ (16,269)
	<i>USD\$/mmbtu</i>	\$ 5.95	\$ 8.07	\$ 8.25	\$ 8.56	\$ 8.86	

Oil							
Oil financial swaps	<i>bbls/d</i>	17,000	13,734	–	–	–	\$ 54,367
	<i>USD\$/bbl</i>	\$ 69.60	\$ 66.43				
Oil financial swaps	<i>bbls/d</i>	1,500	–	–	–	–	\$ 1,607
	<i>CAD\$/bbl</i>	\$ 95.29					
NYMEX call options	<i>bbls/d</i>	5,000	4,247	–	–	–	\$ (7,108)
	<i>USD\$/bbl</i>	\$ 72.91	\$ 68.20				
Condensate financial swaps	<i>bbls/d</i>	250	–	–	–	–	\$ 474
	<i>CAD\$/bbl</i>	\$ 100.00					
Oil differential swaps	<i>bbls/d</i>	2,000	–	–	–	–	\$ 5
	<i>USD\$/bbl</i>	\$ (4.28)					
Propane financial swaps ⁽⁶⁾	<i>bbls/d</i>	10,000	4,986	–	–	–	\$ 10,225
	<i>USD\$/bbl</i>	\$ 34.96	\$ 32.18				
Total fair value							\$ 209,067

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

(2) These deals are 5A underlying.

(3) Includes international swaps (JKM and TTF).

(4) These are European calls whereby the counterparty can exercise the option to extend a gas swaption into the period subsequent to the calls date. These are one-time European swaptions.

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

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

The Company has not entered into any financial commodity derivative contracts subsequent to September 30, 2025.

The Company has the following financial foreign currency derivative contracts in place at September 30, 2025:

Type of Contract ⁽¹⁾		2025	2026	Fair Value (000s)
Costless collar ⁽²⁾	<i>USD\$(000s)/month</i>	\$ 47,500	\$ 62,500	\$ (17,438)
	<i>CAD\$/USD\$</i>	\$1.34 - 1.43	\$1.36 - 1.41	
Call options sold ⁽³⁾	<i>USD\$(000s)/month</i>	\$ 7,500	\$ 7,500	\$ 223
	<i>CAD\$/USD\$</i>	\$ 1.44	\$ 1.44	
Average rate forward	<i>USD\$(000s)/month</i>	\$ 5,000	–	\$ (129)
	<i>CAD\$/USD\$</i>	\$ 1.37		
Total fair value				\$ (17,344)

(1) All foreign currency derivative contracts are denominated in US dollars and represent a monthly transacted amount. Total fair value is translated into Canadian dollars for financial statement purposes.

(2) A portion of these financial collars have a European call writer option that, if called, would result in an average rate forward in the following amounts: USD\$30.0 million/month at CAD\$/USD\$ 1.434 for 2026 and USD\$90.0 million/month at CAD\$/USD\$ 1.414 for 2027.

(3) If the spot rate exceeds CAD\$/USD\$ 1.440, the Company will be required to settle the monthly amount at a rate of CAD\$/USD\$ 1.440. If the spot exchange rate is less than or equal to CAD\$/USD\$ 1.440, the Company will settle the monthly amount at the spot rate and receive \$75,000.

The Company has not entered into any foreign currency derivative contracts subsequent to September 30, 2025.

The Company has a 15-year natural gas supply agreement, under which Tourmaline will deliver 140,000 mmbtu/d, which commenced in January 2023. Under the terms of the agreement, Tourmaline will deliver natural gas to its counterparty at a delivery point in Louisiana, USA and receive a Japan Korea Marker ("JKM") index price less deductions for transport and liquefaction. Due to the fact that the volumes are delivered to a counterparty in the United States but Tourmaline ultimately receives a JKM index price, it was determined that the agreement also contained an embedded derivative as a result of the pricing spread between JKM and NYMEX. The Company defined the host contract as a natural gas sales contract with an underlying natural gas price of NYMEX.

The Company determines the fair value of the natural gas embedded derivative, at the end of each period, through the use of internal models which incorporate significant unobservable inputs (Level 3 inputs). In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks, such as future prices of energy for unobservable periods, volatility, foreign exchange and contract duration. When determining fair value estimates the Company attempts to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company will have unrealized gains (losses) on the natural gas embedded derivative based on the movements in the JKM and NYMEX price forecasts. For the three and nine months ended September 30, 2025, the natural gas embedded derivative resulted in an unrealized loss of \$46.6 million and \$270.1 million, respectively, as a result of the weakening of the forecast JKM price relative to the forecast NYMEX price.

The following table includes quantitative information for the unobservable inputs for the Level 3 natural gas embedded derivative as at September 30, 2025.

Net fair value asset (millions)	Valuation Approach	Significant unobservable input	Range of significant unobservable inputs/weighted average (\$USD/mmbtu)
Natural gas embedded derivative	Market approach incorporating present value techniques	JKM index pricing spread relative to NYMEX	\$7.01 – \$8.63 / \$7.89

The Level 3 fair value measurements of the natural gas embedded derivative could be materially impacted by a change in the discount rate and significant price movements in natural gas, including international LNG prices. At September 30, 2025, a change in the discount rate or a change in the price of the JKM index over the remainder of the contract would have the following impact on the fair value of the embedded derivative:

(000s)	Discount rate		JKM Price	
	1% Increase	1% decrease	5% Increase	5% decrease
Fair value – increase (decrease)	\$ (16,988)	\$ 18,017	\$ 138,240	\$ (137,989)

The Company has a 34-month physical netback agreement, under which Tourmaline will deliver 50,000 mmbtu/d of natural gas at AB-NIT and receive a Dutch TTF index price (less associated deductions) which commenced in March 2024. Due to the fact that the volumes are delivered to a counterparty in Alberta, but Tourmaline ultimately receives a Dutch TTF index price, it was determined that the agreement contained an embedded derivative as a result of the pricing spread between Dutch TTF and AECO. The Company defined the host contract as a natural gas sales contract with an underlying natural gas price of AECO. The fair value liability of the contract at September 30, 2025 was \$11.2 million (December 31, 2024 - \$23.4 million fair value asset).

In June 2025, the Company entered into an 8-year natural gas supply agreement, under which Tourmaline will deliver 80,000 mmbtu/d of natural gas to its counterparty at a delivery point in Louisiana, USA and receive a Dutch TTF index price less deductions for transport and liquefaction which will commence in November 2028. Due to the fact that the volumes are delivered to a counterparty in the United States, but Tourmaline ultimately receives a Dutch TTF index price, it was determined that the agreement contained an embedded derivative as a result of the pricing spread between Dutch TTF and NYMEX. The Company defined the host contract as a natural gas sales contract with an underlying natural gas price of NYMEX. The fair value of the contract at September 30, 2025 was \$73.7 million (December 31, 2024 - nil).

In August 2025, the Company entered into a 19-month natural gas supply agreement, under which Tourmaline will deliver 50,000 mmbtu/d of natural gas to its counterparty at a delivery point in Louisiana, USA and receive a Dutch TTF index price less associated deductions which will commence in April 2027. Due to the fact that the volumes are delivered to a counterparty in the United States, but Tourmaline ultimately receives a Dutch TTF index price, it was determined that the agreement contained an embedded derivative as a result of the pricing spread between Dutch TTF and NYMEX. The Company defined the host contract as a natural gas sales contract with an underlying natural gas price of NYMEX. The fair value of the contract at September 30, 2025 was \$19.4 million (December 31, 2024 - nil).

On October 2, 2025, the Company entered into a 1-year natural gas supply agreement, commencing in April 2026, under which Tourmaline will deliver 30,000 mmbtu/d and receive a Dutch TTF index price less associated deductions.

On October 24, 2025, the Company entered into a 10-year natural gas supply agreement, commencing in April 2028, under which Tourmaline will deliver 50,000 mmbtu/d and receive a Dutch TTF index price less associated deductions.

The following table is a summary of the fair value of financial instruments as at September 30, 2025:

<i>(000s)</i>	Financial derivative contracts	Foreign currency derivative contracts	Natural gas embedded derivatives ⁽¹⁾	Total
Current asset	\$ 99,368	\$ 416	\$ 133,313	\$ 233,097
Long-term asset	139,036	612	561,012	700,660
Current liability	(10,041)	(5,670)	(12,007)	(27,718)
Long-term liability	(19,296)	(12,702)	–	(31,998)
Total fair value of financial instruments	\$ 209,067	\$ (17,344)	\$ 682,318	\$ 874,041

(1) Includes natural gas supply agreement embedded derivatives and natural gas to power supply agreement embedded derivatives.

The following table provides a summary of the unrealized gains (losses) on financial instruments recorded in the interim condensed consolidated statements of income and comprehensive income for the three and nine months ended September 30, 2025 and 2024:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Unrealized gain (loss) on financial instruments – commodity contracts	\$ 42,032	\$ 52,467	\$ 66,199	\$ (49,752)
Unrealized gain (loss) on financial instruments – foreign currency	(16,076)	16,634	168,503	10,244
Unrealized gain (loss) on financial instruments – natural gas embedded derivative ⁽¹⁾	(59,514)	75,868	(202,883)	(21,943)
Total unrealized gain (loss) on financial instruments	\$ (33,558)	\$ 144,969	\$ 31,819	\$ (61,451)

(1) Includes natural gas supply agreement embedded derivatives and natural gas to power supply agreement embedded derivatives.

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

The Company has the following physical commodity contracts in place at September 30, 2025 ⁽¹⁾⁽⁵⁾:

		2025	2026	2027	2028	2029
Gas						
Fixed price ⁽²⁾	<i>mmbtu/d</i>	1,057,597	505,282	144,782	77,391	48,956
	<i>CAD\$/mmbtu</i>	\$ 3.57	\$ 3.93	\$ 4.34	\$ 4.03	\$ 4.52
Basis differentials - AECO	<i>mmbtu/d</i>	76,739	103,452	70,000	62,500	52,500
	<i>USD\$/mmbtu</i>	\$ (0.67)	\$ (0.64)	\$ (0.64)	\$ (0.64)	\$ (0.63)
Basis differentials - Dawn	<i>mmbtu/d</i>	13,315	12,041	8,329	–	–
	<i>USD\$/mmbtu</i>	\$ (0.04)	\$ (0.03)	\$ (0.04)		
Basis differentials – Other ⁽³⁾	<i>mmbtu/d</i>	35,000	–	–	–	–
	<i>USD\$/mmbtu</i>	\$ (0.24)				
Geographic spreads ⁽⁴⁾	<i>mmbtu/d</i>	30,000	24,986	–	–	–
	<i>USD\$/mmbtu</i>	\$ 1.81	\$ 1.81			
Monthly calls	<i>mmbtu/d</i>	6,387	–	–	–	–
	<i>CAD\$/mmbtu</i>	\$ 2.16				
European calls	<i>mmbtu/d</i>	–	9,478	–	–	–
	<i>CAD\$/mmbtu</i>		\$ 3.61			
Oil						
Basis differentials - Oil	<i>bbls/d</i>	2,052	–	–	–	–
	<i>USD\$/bbl</i>	\$ (2.75)				
Basis differentials - Condensate	<i>bbls/d</i>	2,052	–	–	–	–
	<i>USD\$/bbl</i>	\$ (3.93)				

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

(2) These include AECO, Stn 2, PG&E, and Malin.

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

(4) These are the locked-in spread between two markets.

(5) Tourmaline has third-party natural gas netback arrangements in the following markets: Chicago, Ventura Dawn, and Henry Hub. The average for 2025 - 2029 is 99 mmcf/d.

The Company has entered into the following physical contracts subsequent to September 30, 2025:

Type of Contract	Quantity	Time Period	Contract Price
Fixed price - Gas	30,000 GJ/d	October 2025	\$0.725 CAD/GJ
Fixed price - Gas	20,000 GJ/d	October 2025 – November 2025	\$1.500 CAD/GJ
Fixed price - Gas	5,000 GJ/d	November 2025	\$2.440 CAD/GJ
Fixed price - Gas	35,000 GJ/d	April 2026 – October 2026	\$2.633 CAD/GJ

Capital Management:

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

The key measure that the Company utilizes in evaluating its capital structure is net debt to annualized cash flow, which is defined as long-term debt (including credit facilities and senior unsecured notes) and working capital (deficit) (adjusted for the fair value of short-term financial instruments, short-term lease liabilities, short-term decommissioning obligations and unrealized foreign exchange), to annualized cash flow (based on the most recent quarter), defined as cash flow from operating activities before changes in non-cash working capital (adjusted for current tax expense (recovery) and cash taxes paid). Net debt to annualized cash flow represents a measure of the time it is expected to take to pay off the debt if no further capital expenditures were incurred and if cash flow in the next year were equal to the amount in the most recent quarter annualized.

As shown below, as at September 30, 2025, the Company's ratio of net debt to annualized cash flow was 0.79 to 1.00 (December 31, 2024 – 0.50 to 1.00).

	As at September 30, 2025	As at December 31, 2024
<i>(000s)</i>		
Net debt:		
Working capital (deficit)	\$(1,202,150)	\$ (167,623)
Fair value of financial instruments – short-term (asset)	(205,379)	(315,365)
Lease liabilities – short-term	8,529	8,385
Decommissioning obligations – short-term	75,000	60,000
Unrealized foreign exchange in working capital – (asset)	(144)	(15,354)
Adjusted working capital (deficit)	\$(1,324,144)	\$ (429,957)
Long-term debt	(937,623)	(1,272,775)
Net debt	\$(2,261,767)	\$(1,702,732)
Annualized cash flow:		
Cash flow from operating activities for the quarter	\$ 853,547	\$ 666,110
Current income tax	(27,240)	(36,665)
Current taxes paid (recovered)	9,204	(34)
Change in non-cash working capital	(115,935)	220,919
Cash flow	\$ 719,576	\$ 850,330
Annualized cash flow (based on most recent quarter annualized)	\$ 2,878,304	\$ 3,401,320
Net debt to annualized cash flow	0.79	0.50

For the nine months ended September 30, 2025, the Company maintained its quarterly base dividend at \$0.50 per share, totaling a \$1.50 per share and paid three special dividends of \$0.35 per share, totaling a \$1.05 per share.

4. EXPLORATION AND EVALUATION ASSETS

(000s)

As at January 1, 2024	\$ 231,904
Transfers to property, plant and equipment (<i>note 5</i>)	(23,190)
Divestitures	(6,922)
Expired mineral leases	(10,711)
As at December 31, 2024	\$ 191,081
Transfers to property, plant and equipment (<i>note 5</i>)	(17,393)
Divestitures	(3,627)
Expired mineral leases	(20,701)
As at September 30, 2025	\$ 149,360

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

Impairment Assessment

At September 30, 2025, and December 31, 2024, the Company determined that no internal or external indicators of impairment existed on its E&E assets; therefore, an impairment test was not performed.

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

Cost

(000s)

As at January 1, 2024	\$ 25,562,139
Capital expenditures	2,264,688
Transfers from exploration and evaluation (<i>note 4</i>)	23,190
Change in decommissioning liabilities (<i>note 7</i>)	44,306
Corporate acquisitions	1,859,267
Property acquisitions	42,108
Divestitures	(287,470)
As at December 31, 2024	\$ 29,508,228
Capital expenditures	2,193,090
Transfers from exploration and evaluation (<i>note 4</i>)	17,393
Change in decommissioning liabilities (<i>note 7</i>)	(23,430)
Corporate acquisitions	531,126
Property acquisitions	316,214
Divestitures	(54,353)
As at September 30, 2025	\$ 32,488,268

Accumulated Depletion, Depreciation, Amortization and Impairment

(000s)

As at January 1, 2024	\$ 8,347,507
Depletion, depreciation and amortization	1,533,038
Divestitures	(5,603)
As at December 31, 2024	\$ 9,874,942
Depletion, depreciation and amortization	1,274,399
Divestitures	(362)
As at September 30, 2025	\$ 11,148,979

Net Book Value

(000s)

As at December 31, 2024	\$ 19,633,286
As at September 30, 2025	\$ 21,339,289

Future development costs of \$20.2 billion were included in the depletion calculation at September 30, 2025 (December 31, 2024 – \$18.4 billion).

Capitalization of G&A and Share-Based Payments

A total of \$40.0 million in G&A expenditures have been capitalized and included in PP&E for the nine months ended September 30, 2025 (December 31, 2024 – \$45.2 million). Also included in PP&E are non-cash share-based payments of \$31.3 million (December 31, 2024 - \$38.6 million).

Impairment Assessment

At September 30, 2025, and December 31, 2024, the Company did not identify indicators of impairment on any of its CGUs and therefore, an impairment test was not performed. The Company has no CGUs with historical impairment that have not been fully reversed.

Corporate Acquisition

On June 6, 2025, the Company acquired all the issued and outstanding shares of Saguaro. The Company issued 7,546,785 Tourmaline common shares at a price of \$63.80 per share for share consideration of \$481.5 million. Total transaction costs incurred by the Company of \$0.8 million associated with this acquisition were expensed in the unaudited interim consolidated statement of income and comprehensive income. The acquisition represents an important component of the Company's continuing NEBC consolidation strategy that builds on its long-term organic growth plan. Prior to the acquisition, Tourmaline was a 50% owner in the Saguaro assets and the acquisition consolidates this ownership and provides for an increase in drilling inventory, developed lands, production and infrastructure.

This transaction has been accounted for as a business combination and results from operations for Saguaro are included in the Company's unaudited interim consolidated financial statements from the closing date of the transaction. The estimated acquisition date fair value attributed to the PP&E was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared at December 31, 2024 by independent third-party reserve evaluators and updated by internal reserve evaluators to reflect activity up to June 6, 2025. The estimated proved and probable oil and gas reserves and the related cash flows were discounted at a rate based on what a market participant would have paid, as well as market metrics in the prevailing area at that time. The acquisition has been accounted for using the purchase method based on estimated fair values as follows:

<i>(000s)</i>	Saguaro
Fair value of net assets acquired:	
Cash	\$ 21,483
Working capital (deficit)	(21,666)
Property, plant and equipment	531,126
Financial instruments (net)	1,036
Bank debt	(20,000)
Decommissioning obligations	(4,333)
Deferred income taxes	(26,161)
Total	\$ 481,485
Consideration:	
Shares issued	\$ 481,485

Property Acquisition

On June 1, 2025, the Company acquired assets in the Groundbirch area from Strathcona Resources Ltd. ("Strathcona"). The Company issued 4,578,542 common shares at a price of \$62.40 for share consideration of \$285.7 million. Total transaction costs incurred by the Company of \$0.5 million associated with this acquisition were expensed in the unaudited interim consolidated statement of income and comprehensive income. This acquisition provides for an increase in drilling inventory, developed lands, production and infrastructure.

This transaction has been accounted for as a business combination and the results from operations for Strathcona are included in the Company's unaudited interim consolidated financial statements from the closing date of the transaction. The estimated acquisition date fair value attributed to the PP&E was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared by internal reserve evaluators as at June 1, 2025. The estimated proved and probable oil and gas reserves and the related cash flows were discounted at a rate based on what a market participant would have paid, as well as market metrics in the prevailing area at that time. The acquisition has been accounted for using the purchase method based on estimated fair values as follows:

<i>(000s)</i>	Strathcona
Fair value of net assets acquired:	
Property, plant and equipment	\$ 288,169
Decommissioning obligations	(2,468)
Total	\$ 285,701
Consideration:	
Shares issued	\$ 285,701

Disposition of Oil and Natural Gas Properties

On September 30, 2025, the Company sold a royalty interest on the acquired Saguaro and Strathcona lands to Topaz Energy Corp. ("Topaz") for cash consideration of \$71.7 million, before customary adjustments. The transaction resulted in a gain on disposition of \$20.4 million which was recorded in the Company's consolidated income statement for the period ended September 30, 2025.

Total Acquisitions and Dispositions of Oil and Natural Gas Properties

In total, for the nine months ended September 30, 2025, the Company completed property acquisitions for cash consideration of \$17.3 million (December 31, 2024 – \$33.1 million) and \$290.8 million in property acquisitions (including Strathcona) for non-cash consideration (December 31, 2024 - \$7.8 million). The Company assumed \$10.6 million in decommissioning liabilities as a result of these acquisitions (December 31, 2024 – \$1.2 million).

For the nine months ended September 30, 2025, the Company also completed property dispositions for total cash consideration of \$74.8 million (including the royalty interest sale) (December 31, 2024 – \$357.7 million) and non-cash consideration of \$2.7 million (December 31, 2024 – \$7.8 million). The Company disposed of \$0.5 million in decommissioning liabilities as a result of these dispositions (December 31, 2024 – \$1.5 million).

6. LEASES

Right-of-Use Assets

<i>(000s)</i>	As at September 30, 2025	As at December 31, 2024
Balance, beginning of period	\$ 30,056	\$ 25,760
Additions	15,116	11,533
Modifications	(192)	(396)
Right-of-use assets acquired from corporate acquisitions	–	1,373
Depreciation	(7,688)	(8,214)
Balance, end of period	\$ 37,292	\$ 30,056

Lease Liabilities

<i>(000s)</i>	As at September 30, 2025	As at December 31, 2024
Balance, beginning of period	\$ 31,389	\$ 26,305
Additions	15,116	11,533
Modifications	(192)	(396)
Lease liabilities acquired from corporate acquisitions	–	1,373
Lease interest expense	1,418	1,766
Lease payments	(8,632)	(9,192)
Balance, end of period	\$ 39,099	\$ 31,389
Current lease liabilities	\$ 8,529	\$ 8,385
Long-term lease liabilities	\$ 30,570	\$ 23,004

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

7. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company estimates the total inflated but undiscounted amount of cash flow required to settle its decommissioning obligations is approximately \$2.9 billion (December 31, 2024 – \$2.8 billion). A risk-free rate of 3.61% (December 31, 2024 – 3.33%) and an inflation rate of 1.95% (December 31, 2024 – 1.82%) were used to calculate the decommissioning obligations. The decommissioning obligations at September 30, 2025 have been reduced by approximately \$44.2 million predominantly related to an increase in the risk-free rate.

<i>(000s)</i>	As at September 30, 2025	As at December 31, 2024
Balance, beginning of period	\$1,010,459	\$ 967,041
Obligation incurred	20,802	23,559
Obligation incurred on corporate acquisition	4,333	24,884
Obligation incurred on property acquisitions (<i>note 5</i>)	10,570	1,237
Obligation divested (<i>note 5</i>)	(493)	(1,504)
Obligation settled	(58,171)	(55,476)
Accretion expense	25,984	29,971
Change in future estimated cash outlays	(44,232)	20,747
Balance, end of period	\$ 969,252	\$ 1,010,459
Current decommissioning obligations	\$ 75,000	\$ 60,000
Long-term decommissioning obligation	\$ 894,252	\$ 950,459

8. DEBT

<i>(000s)</i>	As at September 30, 2025	As at December 31, 2024
Commercial paper	\$ 800,000	\$ –
Revolving credit facility	239,980	534,646
Operating credit facility	–	40,731
Senior unsecured notes	700,000	700,000
Debt issue costs	(2,357)	(2,602)
Total debt	\$1,737,623	\$ 1,272,775
Current debt	\$ 800,000	\$ –
Long-term debt	\$ 937,623	\$ 1,272,775

Commercial paper

During the second quarter of 2025, the Company established a commercial paper (“CP”) program, authorizing the Company to borrow up to \$800.0 million of CP at any given time. As at September 30, 2025, the Company had \$800.0 million of CP outstanding with an average term of 31 days and an average interest rate of 3.05%. The CP program is supported by the Company’s revolving credit facility and the Company reserves capacity under its revolving credit facility for any CP amounts outstanding.

Credit facilities

The Company has a covenant-based, unsecured, five-year extendible revolving credit facility in place with a syndicate of banks in the amount of \$2.55 billion. In June 2025, the Company extended the maturity date of the revolving credit facility to June 2030. With the exception of the change in maturity date and the expansion feature ("accordion"), the revolving credit facility was renewed under the same key terms and conditions as those described in note 9 of the Company's consolidated financial statements for the year ended December 31, 2024. The maturity date may, at the request of the Company and with consent of the lenders, be extended on an annual basis. The revolving credit facility includes an accordion feature, which increased from \$500.0 million to \$1.0 billion during the second quarter of 2025. The accordion allows the Company, upon approval from the lenders, to increase the facility amount by up to \$1.0 billion by adding a new financial institution or by increasing the commitment of its existing lenders. The revolving credit facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank's prime lending rate, CORRA or SOFR (for U.S. borrowings), plus applicable margins.

The Company also has a covenant-based, unsecured, operating credit facility with a Canadian bank. On February 3, 2025, the Company increased the operating credit facility from \$50.0 million to \$75.0 million. In June 2025, the Company extended the maturity date of the operating credit facility to June 2027. With the exception of the change in amount and maturity date, the operating credit facility was renewed under the same key terms and conditions as those described in note 9 of the Company's consolidated financial statements for the year ended December 31, 2024. The maturity date may, at the request of the Company and with consent of the lender, be extended on an annual basis. The covenants are the same as the revolving credit facility.

Additionally, the Company has an unsecured demand letter of credit facility with a Canadian bank. On February 3, 2025, the Company increased the demand letter of credit facility from \$50.0 million to \$75.0 million. At September 30, 2025 and December 31, 2024, the demand letter of credit facility was undrawn.

Tourmaline has outstanding letters of credit in the amount of \$62.0 million at September 30, 2025 (December 31, 2024 - \$64.9 million) which are secured by the operating credit facility and the demand facility.

Senior unsecured notes

As at September 30, 2025, the Company has issued \$700.0 million of senior unsecured notes, which are summarized below:

Issue Date	Maturity Date	Interest Rate	Principal
January 25, 2021	January 25, 2028	2.077%	\$250.0 million
August 9, 2021	February 12, 2029	2.529%	\$200.0 million
May 28, 2024	May 30, 2027	4.856%	\$250.0 million

The unsecured notes rank equally with all other present unsecured and subordinated debt of the Company. There are no financial covenants on these senior unsecured notes.

The Company's aggregate borrowing capacity is \$3.4 billion at September 30, 2025 including the credit facilities and senior unsecured notes. As at, and for the quarter ending September 30, 2025, the Company is in compliance with all debt covenants.

The effective interest rate for the nine months ended September 30, 2025 was 4.01% (nine months ended September 30, 2024 – 4.82%).

9. INVESTMENT IN TOPAZ

At September 30, 2025, the Company owned 21.3% of the outstanding common shares of its associate, Topaz. A reconciliation of the investment in Topaz is provided below:

<i>(000s)</i>	As at September 30, 2025	As at December 31, 2024
Balance, beginning of period	\$ 428,472	\$ 608,028
Income from investment in Topaz	11,029	14,315
Dividends received from Topaz	(33,057)	(54,594)
Divestitures of Topaz common shares	–	(166,611)
Gain on dilution of Investment in Topaz	–	27,334
Balance, end of period	\$ 406,444	\$ 428,472

For the nine months ended September 30, 2025, Topaz paid cash dividends totalling \$1.01 per common share and Tourmaline received \$33.1 million, which was recorded as a reduction to the investment in Topaz.

On October 28, 2025, Tourmaline sold a portion of its investment in Topaz through a secondary offering of Topaz common shares for gross consideration of \$230.9 million which resulted in the Company selling 9.2 million Topaz common shares. Following the closing of the offering, Tourmaline's ownership interest in Topaz has been reduced from 21.3% to 15.3%.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of Common Shares without par value.

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

(b) Common Shares Issued

<i>(000s) except share amounts</i>	As at September 30, 2025		As at December 31, 2024	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	373,684,018	\$ 9,856,122	351,350,749	\$ 8,487,838
Issued on corporate and property acquisitions	12,125,327	767,186	20,707,008	1,315,552
For cash on exercise of stock options	1,169,345	36,609	1,626,261	41,185
Contributed surplus on exercise of stock options	–	10,809	–	11,547
Balance, end of period	386,978,690	\$10,670,726	373,684,018	\$ 9,856,122

Normal course issuer bid

The Company has a normal course issuer bid ("NCIB") in place. On August 6, 2025, the Company renewed its NCIB allowing up to 19,342,343 common shares, representing 5% of its common shares outstanding at July 31, 2025, to be purchased over a period of twelve months commencing on August 8, 2025 and expiring on August 7, 2026. Under the NCIB, common shares may be repurchased at prevailing market prices and any common shares that are purchased under the NCIB will be cancelled upon their purchase by the Company. For the three and nine months ended September 30, 2025, the Company did not purchase any common shares for cancellation.

Dividends

During the three and nine months ended September 30, 2025, the Company paid base quarterly cash dividends of \$0.50 and \$1.50 per common share totalling \$193.5 million and \$574.0 million, respectively, compared to \$0.35 and \$0.97 per common share totalling \$123.4 million and \$341.5 million, respectively, for the same periods of the prior year.

On March 25, 2025, the Company paid a special dividend of \$0.35 per common share totalling \$131.0 million (March 21, 2024 - \$0.50 per common share totalling \$175.7 million).

On May 26, 2025, the Company paid a special dividend of \$0.35 per common share totalling \$131.1 million (May 16, 2024 - \$0.50 per common share totalling \$175.9 million).

On August 20, 2025, the Company paid a special dividend of \$0.35 per common share totalling \$135.4 million (August 21, 2024 - \$0.50 per common share totalling \$176.2 million).

11. EARNINGS PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income and comprehensive income for the period (000s)	\$ 190,405	\$ 355,193	\$ 917,674	\$ 856,664
Weighted average number of common shares – basic	386,898,078	352,473,716	379,773,686	351,926,798
Earnings per share – basic	\$ 0.49	\$ 1.01	\$ 2.42	\$ 2.43

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income and comprehensive income for the period (000s)	\$ 190,405	\$ 355,193	\$ 917,674	\$ 856,664
Weighted average number of common shares – diluted	389,037,495	355,401,435	382,176,389	355,246,760
Earnings per share – diluted	\$ 0.49	\$ 1.00	\$ 2.40	\$ 2.41

There were 13,353,335 and 12,385,479 options excluded from the weighted-average share calculations for the three and nine months ended September 30, 2025 because they were anti-dilutive (three and nine months ended September 30, 2024 – 8,808,543 and 8,344,029 options, respectively, were anti-dilutive).

12. SHARE-BASED PAYMENTS

STOCK OPTION PLAN

The Company has a rolling stock option plan. Under the employee stock option plan, the Company may grant options to its employees up to 29,023,402 shares of common stock, which represents 7.5% of the current outstanding common shares. The exercise price of each option equals the volume-weighted average market price for the five days preceding the issue date of the Company's stock on the date of grant and the option's maximum term is seven years. Options are granted throughout the year and vest 1/3 on each of the first, second and third anniversaries from the date of grant.

	Nine Months Ended September 30,			
	2025		2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Stock options outstanding, beginning of period	17,417,581	\$ 57.14	14,224,264	\$ 50.69
Granted	1,598,000	63.80	1,428,600	62.78
Exercised	(1,169,345)	31.31	(1,191,412)	24.26
Forfeited	(193,066)	67.30	(273,856)	68.96
Stock options outstanding, end of period	17,653,170	\$ 59.34	14,187,596	\$ 53.78

The average trading price of the Company's common shares was \$63.68 during the nine months ended September 30, 2025 (nine months ended September 30, 2024 – \$61.81).

The following table summarizes stock options outstanding and exercisable at September 30, 2025:

Range of Exercise Price	Number Outstanding at Period End	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at Period End	Weighted Average Exercise Price
\$12.57 – 42.59	3,528,021	2.27	\$ 25.94	3,528,021	\$ 25.94
\$42.60 – 65.95	3,474,469	5.55	60.43	1,078,550	57.09
\$65.96 – 66.82	3,394,005	5.08	66.15	1,121,769	66.15
\$66.83 – 68.37	3,530,800	5.96	67.19	145,000	68.19
\$68.38 – 80.06	3,725,875	4.12	76.32	3,248,145	77.32
	17,653,170	4.59	\$ 59.34	9,121,485	\$ 53.53

The fair value of options granted during the nine-month period ended September 30, 2025 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions and resulting values:

	Nine months ended September 30,	
	2025	2024
Fair value of options granted (weighted average)	\$ 15.03	\$ 18.96
Risk-free interest rate	2.77%	3.62%
Estimated hold period prior to exercise	4.2 Years	4.1 Years
Expected volatility	34%	38%
Forfeiture rate	1.9%	1.8%
Dividend per share	\$ 1.88	\$ 1.25

RESTRICTED SHARE UNIT ("RSU") PLAN

The Company has a non-treasury based RSU plan whereby the Company may grant RSUs to officers, employees, and consultants of the Company. The RSUs can be granted throughout the year and vest 1/3 on each of the first, second and third anniversaries from the date of grant. The RSUs will be settled on the vesting date in common shares purchased by an independent third-party service provider in the open market.

The following table summarizes the RSUs outstanding at September 30, 2025:

	Nine months ended September 30,	
	2025	2024
RSUs outstanding, beginning of period	728,321	502,548
Granted	4,780	3,490
Settled	(14,250)	(5,345)
Forfeited	(15,428)	(22,614)
Dividends reinvested	28,840	19,641
RSUs outstanding, end of period	732,263	497,720

The expense related to RSUs is calculated using the fair value method based on the Company's share price at the grant date and is recorded in share-based payments with a portion being capitalized.

13. COMMITMENTS

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

PAYMENTS DUE BY YEAR

(000s)	1 Year	2-3 Years	4-5 Years	>5 Years	Total
Operating commitments ⁽¹⁾	\$ 6,196	\$ 11,696	\$ 11,190	\$ 19,325	\$ 48,407
Firm transportation agreements	1,209,053	1,948,836	1,516,715	6,427,042	11,101,646
Processing commitments ⁽²⁾	251,296	397,708	259,134	420,329	1,328,467
Capital commitments ⁽³⁾	11,721	19,993	6,417	–	38,131
Commercial paper ⁽⁴⁾	800,000	–	–	–	800,000
Bank debt ⁽⁵⁾	–	–	291,656	–	291,656
Senior unsecured notes ⁽⁶⁾	22,391	526,067	201,860	–	750,318
	\$2,300,657	\$ 2,904,300	\$ 2,286,972	\$6,866,696	\$14,358,625

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

(2) Includes processing and power commitments.

(3) Includes drilling commitments.

(4) Includes interest expense at 3.05% being the rate applicable to outstanding CP at September 30, 2025.

(5) Includes interest expense at 4.18% being the rate applicable to outstanding bank debt at September 30, 2025 and interest paid at the maturity of the facility.

(6) Includes interest expense at 3.20% being the average rate applicable on the senior unsecured notes at September 30, 2025 with interest payments made semi-annually.

14. REVENUE

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

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

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

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Natural gas				
Sales from production	\$ 283,419	\$ 298,433	\$ 1,517,864	\$ 1,461,689
Premium on risk management activities	434,544	309,677	1,033,532	543,129
	717,963	608,110	2,551,396	2,004,818
Oil				
Sales from production	103,104	88,069	303,204	318,210
Premium on risk management activities	2,070	3,598	5,089	11,764
	105,174	91,667	308,293	329,974
Condensate				
Sales from production	310,931	294,716	962,664	917,387
(Loss) on risk management activities	(559)	(119)	(792)	(742)
	310,372	294,597	961,872	916,645
NGL				
Sales from production	227,520	254,184	733,275	817,435
(Loss) on risk management activities	(8,846)	(12,451)	(10,365)	(6,474)
	218,674	241,733	722,910	810,961
Marketing revenue ⁽¹⁾				
	45,917	36,009	96,710	70,155
Total				
Commodity sales from production	924,974	935,402	3,517,007	3,514,721
Premium on risk management activities	427,209	300,705	1,027,464	547,677
Marketing revenue	45,917	36,009	96,710	70,155
Revenue from contracts with customers	\$ 1,398,100	\$ 1,272,116	\$ 4,641,181	\$ 4,132,553

(1) Marketing revenue represents the sale of commodities purchased from third parties. For the three and nine months ended September 30, 2025, the Company had marketing purchases from third parties of \$40.5 million and \$84.4 million, respectively (three and nine months ended September 30, 2024 - \$25.5 million and \$49.4 million, respectively).

15. RELATED PARTY

The Company has entered into a number of agreements with Topaz, relating to both royalty and infrastructure assets. From January 1, 2025, to September 30, 2025, gross overriding royalties of \$69.9 million and processing fees of \$29.3 million were payable to Topaz and are included in the Company's consolidated statement of income and comprehensive income as royalties and operating expenses. At September 30, 2025, \$18.6 million of the Company's accounts payable balance was due to Topaz. The Company's accounts receivable as at September 30, 2025, includes \$71.7 million due from Topaz in respect of the September 30, 2025 royalty acquisition (note 9), which was paid on October 1, 2025.