

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(000s) (unaudited)</i>	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Accounts receivable	\$ 784,196	\$ 792,072
Prepaid expenses and deposits	91,668	83,032
Fair value of financial instruments <i>(note 3)</i>	258,461	437,739
Income tax receivable	2,037	39,919
Total current assets	1,136,362	1,352,762
Long-term asset		
Fair value of financial instruments <i>(note 3)</i>	7,976	8,527
Exploration and evaluation assets <i>(note 4)</i>	519,082	667,359
Property, plant and equipment <i>(note 5)</i>	184,584	191,081
Right-of-use asset <i>(note 6)</i>	20,112,690	19,633,286
Investment in Topaz <i>(note 10)</i>	28,781	30,056
Total Assets	\$22,409,333	\$22,311,543
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,525,811	\$ 1,329,626
Fair value of financial instruments <i>(note 3)</i>	109,628	122,374
Lease liabilities <i>(note 6)</i>	7,888	8,385
Decommissioning obligations <i>(note 7)</i>	60,000	60,000
Total current liabilities	1,703,327	1,520,385
Fair value of financial instruments <i>(note 3)</i>		
Lease liabilities <i>(note 6)</i>	127,195	141,538
Decommissioning obligations <i>(note 7)</i>	22,506	23,004
Bank debt <i>(note 8)</i>	980,733	950,459
Senior unsecured notes <i>(note 9)</i>	493,066	574,339
Deferred taxes	698,566	698,436
Shareholders' equity:	2,889,593	2,859,818
Share capital <i>(note 11)</i>	9,892,290	9,856,122
Contributed surplus	446,980	426,902
Retained earnings	5,155,077	5,260,540
Total shareholders' equity	15,494,347	15,543,564
Total Liabilities and Shareholders' Equity	\$22,409,333	\$22,311,543

Commitments (note 14).

Subsequent events (notes 3 and 17).

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

<i>(000s) except per-share amounts (unaudited)</i>	Three Months Ended March 31,	
	2025	2024
Commodity sales from production <i>(note 15)</i>	\$ 1,457,567	\$ 1,474,379
Premium on risk management activities <i>(note 15)</i>	337,609	67,345
Marketing revenue <i>(note 15)</i>	17,791	12,014
Royalties	(179,159)	(150,471)
Other income	9,419	9,963
Realized gain on financial instruments	96,417	84,445
Unrealized (loss) on financial instruments <i>(note 3)</i>	(300,466)	(190,393)
	1,439,178	1,307,282
Expenses:		
Operating	295,661	259,233
Transportation	317,197	282,053
Marketing purchases <i>(note 15)</i>	16,302	10,200
General and administration	46,862	40,879
Share-based payments	17,066	15,495
Depletion, depreciation and amortization <i>(notes 4, 5 and 6)</i>	422,038	386,971
Realized foreign exchange (gain) loss	22,842	(19,373)
Unrealized foreign exchange (gain)	(2,897)	(3,100)
Income on investment in Topaz <i>(note 10)</i>	(2,187)	(1,933)
Gain on acquisitions and divestitures	-	(4,826)
Total expenses	1,132,884	965,599
Income from operations	306,294	341,683
Finance expenses	24,776	25,877
Income before taxes	281,518	315,806
Current tax expense	37,882	31,658
Deferred tax expense	30,958	39,274
Net income and comprehensive income	\$ 212,678	\$ 244,874
Net income per share <i>(note 12)</i>		
Basic	\$ 0.57	\$ 0.70
Diluted	\$ 0.56	\$ 0.69

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
Share-based payments	–	17,066	–	17,066
Capitalized share-based payments (<i>note 5</i>)	–	10,162	–	10,162
Options exercised (<i>note 11</i>)	36,168	(8,327)	–	27,841
Restricted share units settled (<i>note 13</i>)	–	(6)	–	(6)
Share-based payments – other	–	1,183	–	1,183
Dividends paid (<i>note 11</i>)	–	–	(318,141)	(318,141)
Income attributable to common shareholders	–	–	212,678	212,678
Balance at March 31, 2025	\$ 9,892,290	\$ 446,980	\$ 5,155,077	\$15,494,347

<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	–	15,495	–	15,495
Capitalized share-based payments (<i>note 5</i>)	–	10,368	–	10,368
Options exercised (<i>note 11</i>)	7,263	(1,635)	–	5,628
Restricted share units settled (<i>note 13</i>)	–	(153)	–	(153)
Share-based payments – other	–	6,699	–	6,699
Dividends paid (<i>note 11</i>)	–	–	(281,195)	(281,195)
Income attributable to common shareholders	–	–	244,874	244,874
Balance at March 31, 2024	\$ 8,495,101	\$ 376,344	\$ 5,146,022	\$14,017,467

See accompanying notes to the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Three Months Ended March 31,	
<i>(000s) (unaudited)</i>	2025	2024
Cash provided by (used in):		
Operations:		
Net income	\$ 212,678	\$ 244,874
Items not involving cash:		
Depletion, depreciation, and amortization (<i>notes 4, 5 and 6</i>)	422,038	386,971
Accretion (<i>note 7</i>)	7,285	7,645
Lease interest expense (<i>note 6</i>)	474	403
Share-based payments (<i>note 13</i>)	17,066	15,495
Current tax expense	37,882	31,658
Deferred tax expense	30,958	39,274
Unrealized loss on financial instruments (<i>note 3</i>)	300,466	190,393
Amortization on long-term asset	551	120
Gain on acquisitions and divestitures	–	(4,826)
Income from investment in Topaz (<i>note 10</i>)	(2,187)	(1,933)
Unrealized foreign exchange (gain)	(2,897)	(3,100)
Decommissioning expenditures (<i>note 7</i>)	(34,181)	(18,467)
Cash taxes paid	–	(449,175)
Cash paid on restricted share units settled	(6)	(153)
Dividends received from Topaz (<i>note 10</i>)	10,801	14,448
Changes in non-cash operating working capital	87,383	186,990
Total cash flow from operating activities	1,088,311	640,617
Financing:		
Issue of common shares	27,841	5,628
Lease payments (<i>note 6</i>)	(2,789)	(1,982)
Dividends paid (<i>note 11</i>)	(318,141)	(281,195)
Increase (decrease) in bank debt	(81,273)	221,083
Increase in senior unsecured notes	130	78
Total cash flow used in financing activities	(374,232)	(56,388)
Investing:		
Property, plant and equipment (<i>note 5</i>)	(813,898)	(561,330)
Property acquisitions (<i>note 5</i>)	(12,143)	(412)
Proceeds from divestitures (<i>note 5</i>)	1,023	5,497
Changes in non-cash investing working capital	110,939	(27,984)
Total cash flow used in investing activities	(714,079)	(584,229)
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 MARCH 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 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 May 7, 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.

Regulatory Update

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social, governance (“ESG”) and climate reporting, the International Sustainability Standards Board (“ISSB”) has issued its first two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (together, the ISSB Standards). The ISSB Standards aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. Mandatory application of the ISSB Standards depends on each jurisdiction’s endorsement or regulatory processes. In the Company’s case, the Canadian Securities Administrators (“CSA”) is responsible for developing climate-related disclosure requirements for reporting issuers in Canada. The CSA published Proposed National Instrument 51-107 – Disclosure of Climate Related Matters which is intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. The Canadian Sustainability Standards Board (“CSSB”) has finalized and issued CSDS 1 - General Requirements for Disclosure of Sustainability-related Financial Information and CSDS 2 – Climate-related Disclosures, in December 2024. These standards are effective for reporting periods beginning on or after January 1, 2025. However, they remain voluntary unless mandated by the CSA. On April 23, 2025, the CSA announced that it has paused the work it had previously undertaken to develop new climate and diversity-related disclosure requirements for Canadian issuers. The Company will continue to monitor any new developments as information is released.

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

Sustainability Reporting

The Company publishes an annual Sustainability Report containing comprehensive information relating to ESG performance which can be found on the Company’s website at <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 (“SASB EM-EP”) 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.

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 and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature. Bank debt bears interest at a floating market rate with applicable variable margins, and accordingly the fair market value approximates the carrying amount. The senior unsecured notes are carried at amortized cost. The Company's derivative financial instruments have been assessed on the fair value hierarchy described above and classified as Level 2. 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 March 31, 2025, the Company has entered into certain financial derivative contracts in order to manage commodity 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 March 31, 2025 ⁽¹⁾:

		2025	2026	2027	2028	2029	Fair Value (000s)
Gas							
AECO swaps ⁽²⁾	<i>mmbtu/d</i>	7,109	–	–	–	–	\$ 873
	<i>CAD\$/mmbtu</i>	\$ 3.27					
NYMEX swaps	<i>mmbtu/d</i>	70,000	60,000	20,000	–	–	\$ (13,652)
	<i>USD\$/mmbtu</i>	\$ 4.12	\$ 4.14	\$ 4.36			
International swaps ⁽³⁾	<i>mmbtu/d</i>	72,236	30,000	35,863	30,000	–	\$ 125,853
	<i>USD\$/mmbtu</i>	\$ 14.44	\$ 11.08	\$ 10.83	\$ 10.30		
AECO financial collars	<i>mmbtu/d</i>	14,217	–	–	–	–	\$ 1,188
	<i>CAD\$/mmbtu</i>	\$2.94-3.46					
AECO call options ⁽⁴⁾	<i>mmbtu/d</i>	–	24,643	–	–	–	\$ (1,460)
	<i>CAD\$/mmbtu</i>		\$ 3.60				
NYMEX call options ⁽⁵⁾	<i>mmbtu/d</i>	60,000	70,000	80,000	62,500	52,500	\$ (29,388)
	<i>USD\$/mmbtu</i>	\$ 6.17	\$ 8.29	\$ 8.25	\$ 8.56	\$ 8.86	
Oil							
Oil financial swaps	<i>bbls/d</i>	14,985	3,992	–	–	–	\$ 22,614
	<i>USD\$/bbl</i>	\$ 72.23	\$ 67.19				
NYMEX call options	<i>bbls/d</i>	3,665	–	–	–	–	\$ (1,046)
	<i>USD\$/bbl</i>	\$ 80.93					
Condensate financial swaps	<i>bbls/d</i>	415	–	–	–	–	\$ 628
	<i>CAD\$/bbl</i>	\$ 100.36					
Oil differential swaps	<i>bbls/d</i>	1,782	–	–	–	–	\$ (331)
	<i>USD\$/bbl</i>	\$ (4.28)					
Propane financial swaps ⁽⁶⁾	<i>bbls/d</i>	8,665	2,493	–	–	–	\$ (8,892)
	<i>USD\$/bbl</i>	\$ 35.42	\$ 32.43				
Total fair value							\$ 96,387

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

(2) These contracts 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 entered into the following financial commodity derivative contracts subsequent to March 31, 2025:

Type of Contract	Quantity	Time Period	Contract Price
NYMEX collar - Gas	15,000 mmbtu/d	November 2025 – March 2026	\$4.00 - \$7.55 USD/mmbtu
Financial swap – Oil	1,000 bbls/d	July 2025 – December 2025	\$67.00 USD/bbl
Financial swap – Oil	2,496 bbls/d	January 2026 – December 2026	\$67.86 USD/bbl
Call options – Oil	1,000 bbls/d	January 2026 – December 2026	\$70.55 USD/bbl

The Company has the following financial foreign currency derivative contracts in place at March 31, 2025:

Type of Contract ⁽¹⁾		2025	2026	2027	Fair Value (000s)
Costless collar ⁽²⁾	USD\$(000s)/month	\$ 47,500	\$ 7,500	–	\$ (60,654)
	CAD\$/USD\$	\$1.34 - 1.43	\$1.34 - 1.44		
Target redemption forward ("TARF") ⁽³⁾	USD\$(000s)/month	\$ 60,000	\$ 60,000	\$ 60,000	\$ (78,745)
	CAD\$/USD\$	\$ 1.43	\$ 1.43	\$ 1.43	
Call options sold ⁽⁴⁾	USD\$(000s)/month	\$ 7,500	\$ 7,500	–	\$ (2,733)
	CAD\$/USD\$	\$ 1.44	\$ 1.44		
Average rate forward	USD\$(000s)/month	\$ 5,000	–	–	\$ (2,532)
	CAD\$/USD\$	\$ 1.37			
Total fair value					\$ (144,664)

(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 at period end that, if called, would result in an average rate forward in the following amounts: USD\$45.0 million/month at CAD\$/USD\$ 1.437 for 2026 and USD\$60.0 million/month at CAD\$/USD\$ 1.423 for 2027.

(3) If the spot rate exceeds CAD\$/USD\$ 1.429 on a specified day of the week for each contract, the Company will be required to settle the monthly amount at a rate of CAD\$/USD\$ 1.397. If the spot rate is below CAD\$/USD\$ 1.429 on the specific date, the Company will settle the monthly amount at the spot rate. The TARF may be terminated subject to other specific targets being met.

(4) 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 March 31, 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 months ended March 31, 2025, the natural gas embedded derivative resulted in an unrealized (loss) of \$257.5 million 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 March 31, 2025.

	Net fair value asset (millions)	Valuation Approach	Significant unobservable input	Range of significant unobservable inputs/weighted average (\$USD/mmbtu)
Natural gas embedded derivative	\$599.5	Market approach incorporating present value techniques	JKM index pricing spread relative to NYMEX	\$6.82 – \$9.25 / \$7.85

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 March 31, 2025, a change in the discount rate or a change in the price of the JKM index over the 15-year 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)	\$ (16,835)	\$ 17,894	\$ 144,531	\$ (144,303)

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 March 31, 2025 was \$19.4 million (December 31, 2024 - \$23.4 million fair value asset).

The following table is a summary of the fair value of financial instruments as at March 31, 2025:

(000s)	Financial derivative contracts	Foreign currency derivative contracts	Natural gas embedded derivatives ⁽¹⁾	Total
Current asset	\$ 76,252	\$ –	\$ 182,209	\$ 258,461
Long-term asset	92,013	–	427,069	519,082
Current liability	(39,064)	(56,830)	(13,734)	(109,628)
Long-term liability	(32,814)	(87,834)	(6,547)	(127,195)
Total fair value of financial instruments	\$ 96,387	\$ (144,664)	\$ 588,997	\$ 540,720

(1) Includes the JKM natural gas supply agreement embedded derivative, a TTF natural gas supply agreement embedded derivative 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 months ended March 31, 2025 and 2024:

(000s)	Three Months Ended March 31,	
	2025	2024
Unrealized gain (loss) on financial instruments – commodity contracts	\$ (45,445)	\$ 14,278
Unrealized gain (loss) on financial instruments – foreign currency	41,183	(3,197)
Unrealized (loss) on financial instruments – natural gas embedded derivative ⁽¹⁾	(296,204)	(201,474)
Total unrealized (loss) on financial instruments	\$ (300,466)	\$ (190,393)

(1) Includes the JKM natural gas supply agreement embedded derivative, a TTF natural gas supply agreement embedded derivative 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 March 31, 2025 ⁽¹⁾⁽⁵⁾:

		2025	2026	2027	2028	2029
Gas						
Fixed price ⁽²⁾	<i>mmbtu/d</i>	981,338	242,323	66,347	47,391	18,956
	<i>CAD\$/mmbtu</i>	\$ 3.87	\$ 4.61	\$ 3.54	\$ 3.27	\$ 3.43
Basis differentials - AECO	<i>mmbtu/d</i>	85,564	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>	10,000	10,000	8,329	–	–
	<i>USD\$/mmbtu</i>	\$ (0.04)	\$ (0.04)	\$ (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>	14,751	–	–	–	–
	<i>CAD\$/mmbtu</i>	\$ 2.16				

(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 netback arrangements in the following markets: Chicago, Ventura, Dawn, and Henry Hub. The average for 2025 - 2029 is 99.6 mmcf/d.

The Company has entered into the following physical contracts subsequent to March 31, 2025:

Type of Contract	Quantity	Time Period	Contract Price
Fixed price - Gas	20,000 GJ/d	April 2026 – October 2026	\$2.875 CAD/GJ
Basis differentials - Oil	1,026 bbls/d	July 2025 – December 2025	\$(4.00) USD/bbl
Basis differentials - Condensate	2,052 bbls/d	July 2025 – December 2025	\$(2.75) USD/bbl

Capital Management:

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

The key measure that the Company utilizes in evaluating its capital structure is net debt to annualized cash flow, which is defined as bank debt and senior unsecured notes plus working capital (adjusted for the fair value of short-term financial 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 income tax and current 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 March 31, 2025, the Company's ratio of net debt to annualized cash flow was 0.48 to 1.00 (December 31, 2024 – 0.50 to 1.00).

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Net debt:		
Working capital (deficit)	\$ (566,965)	\$ (167,623)
Fair value of financial instruments – short-term (asset)	(148,833)	(315,365)
Lease liabilities – short-term	7,888	8,385
Decommissioning obligations – short-term	60,000	60,000
Unrealized foreign exchange in working capital – (asset)	(2,897)	(15,354)
Adjusted working capital (deficit)	\$ (650,807)	\$ (429,957)
Bank debt	(493,066)	(574,339)
Senior unsecured notes	(698,566)	(698,436)
Net debt	\$(1,842,439)	\$(1,702,732)
Annualized cash flow:		
Cash flow from operating activities for the quarter	\$ 1,088,311	\$ 666,110
Current income tax	(37,882)	(36,665)
Current taxes paid	–	(34)
Change in non-cash working capital	(87,383)	220,919
Cash flow	\$ 963,046	\$ 850,330
Annualized cash flow (based on most recent quarter annualized)	\$ 3,852,184	\$ 3,401,320
Net debt to annualized cash flow	0.48	0.50

During the quarter ended March 31, 2025, the Company paid a quarterly dividend of \$0.50 per share and paid a \$0.35 per share special dividend.

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>)	(5,798)
Divestitures	(307)
Expired mineral leases	(392)
As at March 31, 2025	\$ 184,584

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 March 31, 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	824,060
Transfers from exploration and evaluation (<i>note 4</i>)	5,798
Change in decommissioning liabilities (<i>note 7</i>)	55,264
Property acquisitions	14,356
Divestitures	(1,023)
As at March 31, 2025	\$ 30,406,683

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	419,051
As at March 31, 2025	\$ 10,293,993

Net Book Value

(000s)

As at December 31, 2024	\$ 19,633,286
As at March 31, 2025	\$ 20,112,690

Future development costs of \$18.3 billion were included in the depletion calculation at March 31, 2025 (December 31, 2024 – \$18.4 billion).

Capitalization of G&A and Share-Based Payments

A total of \$13.0 million in G&A expenditures have been capitalized and included in PP&E for the three months ended March 31, 2025 (December 31, 2024 - \$45.2 million). Also included in PP&E are non-cash share-based payments of \$10.2 million (December 31, 2024 - \$38.6 million).

Impairment Assessment

At March 31, 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.

Total Acquisitions and Dispositions of Oil and Natural Gas Properties

In total, for the three months ended March 31, 2025, the Company completed property acquisitions for cash consideration of \$12.1 million (December 31, 2024 - \$33.1 million) and \$0.3 million in acquisitions for non-cash consideration (December 31, 2024 - \$7.8 million). The Company assumed \$1.9 million in decommissioning liabilities as a result of these acquisitions (December 31, 2024 - \$1.2 million).

For the three months ended March 31, 2025, the Company also completed property dispositions, for total cash consideration of \$1.0 million (December 31, 2024 - \$357.7 million) and non-cash consideration of \$0.3 million (December 31, 2024 – \$7.8 million). The Company disposed of nil 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 March 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 30,056	\$ 25,760
Additions	1,512	11,533
Modifications	(192)	(396)
Right-of-use assets acquired from corporate acquisitions	–	1,373
Depreciation	(2,595)	(8,214)
Balance, end of period	\$ 28,781	\$ 30,056

Lease Liabilities

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 31,389	\$ 26,305
Additions	1,512	11,533
Modifications	(192)	(396)
Lease liabilities acquired from corporate acquisitions	–	1,373
Lease interest expense	474	1,766
Lease payments	(2,789)	(9,192)
Balance, end of period	\$ 30,394	\$ 31,389
Current lease liabilities	\$ 7,888	\$ 8,385
Long-term lease liabilities	\$ 22,506	\$ 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 \$2.8 billion (December 31, 2024 – \$2.8 billion). A risk-free rate of 3.23% (December 31, 2024 – 3.33%) and an inflation rate of 1.86% (December 31, 2024 – 1.82%) were used to calculate the decommissioning obligations. The decommissioning obligations at March 31, 2025 have been increased by approximately \$46.0 million predominantly related to a decrease in the risk-free rate.

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 1,010,459	\$ 967,041
Obligation incurred	9,302	23,559
Obligation incurred on corporate acquisitions	–	24,884
Obligation incurred on property acquisitions (<i>note 5</i>)	1,906	1,237
Obligation divested	–	(1,504)
Obligation settled	(34,181)	(55,476)
Accretion expense	7,285	29,971
Change in future estimated cash outlays	45,962	20,747
Balance, end of period	\$ 1,040,733	\$ 1,010,459
Current decommissioning obligations	\$ 60,000	\$ 60,000
Long-term decommissioning obligation	\$ 980,733	\$ 950,459

8. BANK DEBT

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Revolving credit facility	\$ 440,000	\$ 534,646
Operating credit facility	53,585	40,731
Debt issue costs	(519)	(1,038)
Bank debt	\$ 493,066	\$ 574,339

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 maturing in June 2029. The maturity date may, at the request of the Company and with consent of the lenders, be extended on an annual basis. The revolving credit facility includes an expansion feature ("accordion") which allows the Company, upon approval from the lenders, to increase the facility amount by up to \$500.0 million by adding a new financial institution or by increasing the commitment of its existing lenders. The revolving credit facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank's prime lending rate, CORRA or SOFR (for U.S. borrowings), plus applicable margins.

For the three months ended March 31, 2025, the Company drew from the credit facility in U.S. dollars, as permitted under the credit facility which, when repaid, created a foreign exchange gain due to the strengthening of the Canadian dollar. Concurrent with the draw of U.S. dollar denominated borrowings, the Company entered into cross-currency swaps to offset the foreign currency risk resulting from holding U.S. dollar denominated borrowings. This transaction allows the Company to take advantage of the interest rate spread between CORRA and SOFR without taking on any foreign exchange risk.

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. The operating credit facility has a maturity date of June 2026, which may, at the request of the Company and with consent of the lender, be extended on an annual basis. At March 31, 2025, \$53.6 million was drawn against the operating facility (December 31, 2024 - \$40.7 million).

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 March 31, 2025 and December 31, 2024, the demand letter of credit facility was undrawn.

Tourmaline has outstanding letters of credit in the amount of \$62.2 million at March 31, 2025 (December 31, 2024 - \$64.9 million) which are secured by the demand letter of credit facility.

The Company's aggregate borrowing capacity is \$3.4 billion at March 31, 2025 including the bank debt and senior unsecured notes (note 9). As at, and for the quarter ending March 31, 2025, the Company is in compliance with all debt covenants.

As at March 31, 2025, the Company had \$493.1 million of bank debt and \$698.6 million of senior unsecured notes for total bank debt and senior unsecured notes of \$1.2 billion (net of debt issue costs) (December 31, 2024 - \$1.3 billion). The effective interest rate for the three months ended March 31, 2025 was 4.45% (three months ended March 31, 2024 - 4.89%).

9. SENIOR UNSECURED NOTES

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Senior unsecured notes	\$ 700,000	\$ 700,000
Debt issue costs	(1,434)	(1,564)
Senior unsecured notes	\$ 698,566	\$ 698,436

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

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

On May 28, 2024, the Company issued \$250.0 million of unsecured notes. The notes bear interest at a fixed rate of 4.856%, payable semi-annually, commencing November 30, 2024, with a maturity date of May 30, 2027, and rank equally with all other present unsecured and subordinated debt of the Company. There are no financial covenants on these senior unsecured notes.

10. INVESTMENT IN TOPAZ

At March 31, 2025, the Company owned 21.3% of the outstanding common shares of its associate, Topaz Energy Corp. ("Topaz"). A reconciliation of the investment in Topaz is provided below:

<i>(000s)</i>	As at March 31, 2025	As at December 31, 2024
Balance, beginning of period	\$ 428,472	\$ 608,028
Income on investment in Topaz	2,187	14,315
Dividends received from Topaz	(10,801)	(54,594)
Divestitures of Topaz common shares	–	(166,611)
Gain on dilution of investment in Topaz	–	27,334
Balance, end of period	\$ 419,858	\$ 428,472

For the three months ended March 31, 2025, Topaz paid a cash dividend of \$0.33 per common share and Tourmaline received \$10.8 million, which was recorded as a reduction to the investment in Topaz.

11. SHARE CAPITAL

(a) Authorized

Unlimited number of Common Shares without par value.

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

(b) Common Shares Issued

<i>(000s) except share amounts</i>	As at March 31, 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 acquisitions	–	–	20,707,008	1,315,552
For cash on exercise of stock options	839,130	27,841	1,626,261	41,185
Contributed surplus on exercise of stock options	–	8,327	–	11,547
Balance, end of period	374,523,148	\$ 9,892,290	373,684,018	\$ 9,856,122

Normal course issuer bid

Company has a normal course issuer bid ("NCIB") in place. On July 31, 2024, the Company renewed its NCIB allowing up to 17,621,578 common shares, representing 5% of its common shares outstanding at July 25, 2024, to be purchased over a period of twelve months commencing on August 8, 2024. 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 period ended March 31, 2025, the Company did not purchase any common shares for cancellation.

Dividends

During the three months ended March 31, 2025, the Company paid its quarterly cash dividend of \$0.50 per common share totalling \$187.1 million, compared to \$0.30 per common share totalling \$105.5 million for the same period 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).

12. EARNINGS PER SHARE

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

	Three Months Ended March 31,	
	2025	2024
Net income and comprehensive income for the period (000s)	\$ 212,678	\$ 244,874
Weighted average number of common shares – basic	374,114,476	351,439,358
Earnings per share – basic	\$ 0.57	\$ 0.70

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

	Three Months Ended March 31,	
	2025	2024
Net income and comprehensive income for the period (000s)	\$ 212,678	\$ 244,874
Weighted average number of common shares – diluted	376,842,319	354,893,800
Earnings per share – diluted	\$ 0.56	\$ 0.69

There were 11,673,268 options excluded from the weighted-average share calculations for the three-month period ended March 31, 2025 because they were anti-dilutive (three months ended March 31, 2024 - 8,103,874 options were anti-dilutive).

13. 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 28,089,236 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.

	Three Months Ended March 31,			
	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	472,200	67.83	386,350	57.34
Exercised	(839,130)	33.18	(201,242)	27.97
Forfeited	(123,232)	67.72	(49,015)	71.65
Stock options outstanding, end of period	16,927,419	\$ 58.55	14,360,357	\$ 51.12

The average trading price of the Company's common shares was \$67.39 during the three months ended March 31, 2025 (three months ended March 31, 2024 – \$59.44).

The following table summarizes stock options outstanding and exercisable at March 31, 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 – 32.11	3,660,725	2.64	\$ 25.21	3,660,725	\$ 25.21
\$32.12 – 65.95	2,560,846	5.39	58.16	927,226	51.56
\$65.96 – 66.82	3,433,839	5.65	66.15	961,178	66.13
\$66.83 – 68.37	3,537,800	6.53	67.19	103,336	68.21
\$68.38 – 80.06	3,734,209	4.65	76.32	2,200,677	77.34
	16,927,419	4.92	\$ 58.55	7,853,142	\$ 48.50

The fair value of options granted during the three-month period ended March 31, 2025 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions and resulting values:

	Three Months Ended March 31,	
	2025	2024
Fair value of options granted (weighted average)	\$ 17.30	\$ 18.08
Risk-free interest rate	2.78%	3.76%
Estimated hold period prior to exercise	4.2 Years	4.1 Years
Expected volatility	34%	40%
Forfeiture rate	1.9%	1.8%
Dividend per share	\$ 1.54	\$ 1.13

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 March 31, 2025:

	Three Months Ended March 31,	
	2025	2024
RSUs outstanding, beginning of period	728,321	502,548
Settled	(94)	(2,451)
Forfeited	(4,607)	(9,462)
Dividends reinvested	9,013	6,488
RSUs outstanding, end of period	732,633	497,123

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.

14. COMMITMENTS

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

PAYMENTS DUE BY YEAR

(000s)	1 Year	2-3 Years	4-5 Years	>5 Years	Total
Operating commitments ⁽¹⁾	\$ 5,311	\$ 8,803	\$ 8,840	\$ 17,669	\$ 40,623
Firm transportation agreements	1,209,025	2,015,530	1,489,913	6,277,914	10,992,382
Processing commitments ⁽²⁾	205,094	346,705	209,755	352,864	1,114,418
Capital commitments ⁽³⁾	8,948	10,763	1,425	–	21,136
Bank debt ⁽⁴⁾	–	–	588,622	–	588,622
Senior unsecured notes ⁽⁵⁾	22,391	533,722	204,389	–	760,502
	\$1,450,769	\$ 2,915,523	\$ 2,502,944	\$6,648,447	\$13,517,683

(1) 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 4.22% being the rate applicable to outstanding bank debt at March 31, 2025 and interest paid at maturity.

(5) Includes interest expense at 3.20% being the average rate applicable on the senior unsecured notes at March 31, 2025 with interest payments made semi-annually.

15. REVENUE

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

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

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

(000s)	Three Months Ended March 31,	
	2025	2024
Natural gas		
Sales from production	\$ 712,522	\$ 768,664
Premium on risk management activities	329,227	64,611
	1,041,749	833,275
Oil		
Sales from production	96,819	108,664
Premium on risk management activities	2,184	4,301
	99,003	112,965
Condensate		
Sales from production	360,740	314,839
(Loss) on risk management activities	(142)	(401)
	360,598	314,438
NGL		
Sales from production	287,486	282,212
Premium (loss) on risk management activities	6,340	(1,166)
	293,826	281,046
Marketing revenue ⁽¹⁾	17,791	12,014
Total		
Commodity sales from production	1,457,567	1,474,379
Premium on risk management activities	337,609	67,345
Marketing revenue	17,791	12,014
Revenue from contracts with customers	\$ 1,812,967	\$ 1,553,738

(1) Marketing revenue represents the sale of commodities purchased from third parties. For the three months ended March 31, 2025, the Company had marketing purchases from third parties of \$16.3 million (three months ended March 31, 2024 - \$10.2 million).

16. 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 March 31, 2025, gross overriding royalties of \$30.9 million and processing fees of \$9.8 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 March 31, 2025, \$28.8 million of the Company's accounts payable balance was due to Topaz.

17. SUBSEQUENT EVENTS

In the North Montney, the Company has entered into an agreement to acquire the balance of the jointly-owned Laprise-Conroy assets through the acquisition of Saguaro Resources Ltd. In addition, Tourmaline has entered into an agreement to acquire assets located in the Greater Septimus area of the South Montney. The Company expects these acquisitions to close in Q2 2025. The Company will issue approximately 13 million common shares as consideration for the two transactions, to be finalized leading up to the respective closing dates.