

Improving Our Economy and Creating Opportunities with Natural Gas

2023 SUSTAINABILITY REPORT



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CEO Message

The world needs more energy — let’s share ours.

Global energy demand is rising. Energy, of all kinds, will be required to meet the growing need for reliable, affordable and responsibly produced energy both at home and abroad.

Canadian Natural Gas Offers a Solution

The global demand for natural gas presents an incredible opportunity. As energy consumption at home and abroad continues to grow, we believe there is no better supplier than Canada. Our resource sectors are capital-efficient, technologically advanced, and environmentally responsible. Now is the time to develop our natural gas assets and pursue Canada’s opportunity.

Canada’s LNG industry has the opportunity to create significant wins. Not only is Canada’s geographic position beneficial for exports to international markets, but we also have an abundant supply of lower-carbon-intensity natural gas to share. When we export Canada’s natural gas, we can create wins for the global environment and the Canadian economy.

As the West Coast’s first LNG projects begin exporting and the industry begins to thrive, so will our economy. Canada’s LNG projects offer the opportunity to create jobs, revenues, and taxes that can benefit the country from coast to coast for generations. First Nations communities will also benefit in the form of equity ownership, more contracts for Indigenous businesses, and high-quality employment with energy producers.

In short, sharing more of our nation’s natural gas can help advance Canadian’s prosperity and well-being, reduce global emissions, and improve our economy. We must not let these incredible benefits slip away.

Source: IEA Global Gas Security Review 2024.

We Are Proud of the Energy We Produce

At Tourmaline, our energy meets the needs and wants of global demand as we are dedicated to producing the lowest-cost natural gas in North America while continuously improving our environmental performance. Tourmaline is proud to produce energy many Canadians use daily, be it to heat their homes and businesses or back up renewable energy sources when the wind doesn’t blow, or the sun doesn’t shine.

“

As global demand for natural gas continues to rise and the energy landscape transforms, **Canadian natural gas stands ready to play a crucial role in the years ahead.**

MICHAEL ROSE

PRESIDENT, CHIEF EXECUTIVE
OFFICER & CHAIRMAN



OVER
6 YEARS

of consecutive increases in
recycled water volumes

57% ↓

reduction in serious recordable
incidents from 2020

\$38 MILLION

invested in environmental
performance improvement
initiatives in 2023



CEO Message

Given Tourmaline’s commitment to responsibly developing Canada’s world-class and cost-competitive assets, we are poised to be the ideal producer for the growing natural gas and LNG market. We also hold the largest inventory of future Tier 1 natural gas drilling inventory amongst North American producers¹, which speaks to our ability to economically produce our assets in a lower price environment.

Tourmaline is Leading the Way in Natural Gas Production

We are Canada’s largest natural gas producer, and we are proud to pioneer emission reduction initiatives across our operations and for the industry, such as our partnership with the Natural Gas Innovation Fund’s Emissions Testing Centre. Tourmaline is at the forefront of Canada’s energy future, leveraging innovation, transparency, and responsibility to lead the way in natural gas development. In this report, you’ll read about how all three are helping us drive the energy transformation and achieve our ambitious targets to reduce impacts on air, land and water.

We could not achieve everything we’ve accomplished alone. As we continue to partner with Canadian companies developing innovative cleantech solutions, communities

in which we live and operate, and the Indigenous peoples we work with, we empower our futures together. Natural gas represents a massive opportunity to bolster Canadians’ economic well-being, provide reliable energy for our international allies, and ensure we have access to responsibly produced energy that can power our lives daily.

We Are Excited About the Future

In the coming pages, you’ll read about Tourmaline’s recent progress and commitment to improving our environmental, social and governance performance. All of this is possible thanks to our dedicated team. Since day one, we’ve empowered our people to enact innovative solutions — and I could not be prouder of everyone for working hard to create positive outcomes and drive results. Thank you to all our dedicated employees, consultants, contractors, the Indigenous peoples we work with, and the members of every community where we live and operate. We value you. And as we look ahead, we are excited to empower our futures together by harnessing natural gas’s myriad of possibilities.

Michael Rose

PRESIDENT, CHIEF EXECUTIVE OFFICER & CHAIRMAN

“

Tourmaline is at the forefront of Canada’s energy future, leveraging innovation, transparency, and responsibility to lead the way in natural gas development.

MICHAEL ROSE, PRESIDENT, CHIEF EXECUTIVE OFFICER & CHAIRMAN

¹Tier 1 inventory defined as <US\$3.00/mcf breakeven. Source: Enervus, BMO Capital Markets, Tourmaline Corporate Presentation.

Sharing Our Recent Highlights

Tourmaline strives to minimize impacts on the environment while maximizing benefits for our stakeholders. On these fronts, I am pleased to share some highlights and other achievements from 2023:

54% ↓

reduction in methane emissions intensity since 2018

WHILE NEARLY

100% ↑

increase in production over the same period

166 MILLION

litres of diesel displaced in our operations to date

12% ↓

reduction in scope 1 emissions intensity since 2018

OVER

\$6.9 MILLION

donated to local communities and charities over the last 5 years



Our Natural Gas Opportunity

World economies are calling for natural gas supply to support their energy demands and displace higher-emitting fuels.

The Role of Natural Gas in the Global Energy Mix

Natural gas plays a significant role in the global energy mix today, representing around 23% of global primary energy consumption¹. Its importance has surged over the past few decades due to its versatility, relative affordability, and lower carbon emissions when combusted to produce an equal amount of energy as compared to other fossil fuels such as coal and oil.²

The global demand for natural gas is expected to continue rising, particularly in emerging markets. According to the Energy Information Administration, (EIA), global natural gas consumption is projected to increase by ~30% by 2050³.

This demand will be driven by:

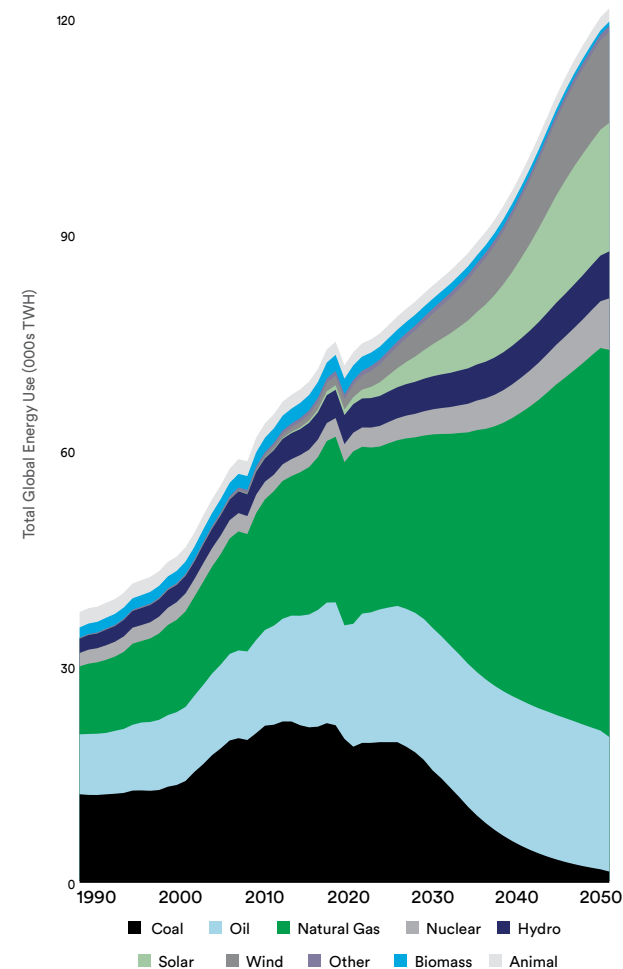
- **Growing populations and urbanization:** As more people move to cities, the demand for reliable electricity and heating will rise, particularly in developing countries.
- **Energy security concerns:** As nations work to ensure their energy supply is resilient to disruptions, natural gas remains an attractive option due to its reliability and availability.
- **Emission reduction efforts:** Natural gas can play a role in reducing carbon emissions when used as a substitute for displacing higher emitting energy sources².
- **Technological advancements:** Improvements in liquefied natural gas (LNG) technology and the ability to transport

gas over long distances has made natural gas more accessible to countries that do not have domestic production capabilities.

In many regions, natural gas is used for electricity generation, heating, and as an industrial fuel. It is also a critical component of the energy transformation as it acts as a reliable and flexible backup for renewable power sources such as wind and solar.

Natural gas is the great enabler in the energy stack. While renewables are growing rapidly, the intermittency of sources like wind and solar, along with challenges in energy storage, make natural gas a critical component in maintaining a stable and reliable energy grid. As renewable capacity grows, natural gas will continue to be a necessary complement to mitigate the variability of renewable energy production. The US, for example, has continued to bring on significant renewable capacity with some natural gas capacity, while continually utilizing a significantly higher market share of natural gas. Reliable backup power sources, such as natural gas, are necessary to prevent energy shortages and ensure a stable supply during peak demand periods. Natural gas will play a critical role in avoiding outages during extreme weather events and supporting economic activity, especially in regions where energy infrastructure is still developing. A balanced approach to energy transformation — one that incorporates all forms of energy — is essential.

NATURAL GAS: THE TRANSFORMATIONAL ENERGY SOURCE THE WORLD DEMANDS NOW AND IN THE FUTURE⁴



A balanced approach to energy transformation — one that incorporates all forms of energy — is essential.

¹Source: IEA World Energy Balances: Overview.

²Source: US Energy Information Administration (EIA).

³Source: US Energy Information Administration (EIA), World Energy Projections System (2023) and Annual Energy Outlook (2023).

⁴Source: Thunder Said Energy.



Our Natural Gas Opportunity

Canada is poised to be the ideal provider of natural gas for meeting the world’s energy demands.

Canada’s Strategic Role in Global Energy Transformation

As global demand for natural gas rises, Canada is well-positioned to be a key supplier. Canada is the world’s fifth-largest producer¹ of natural gas and holds long-life reserves in a number of key basins. Canadian natural gas production is known for its high efficiency, affordability, and reliability, making it a strategic resource in meeting both domestic and international energy needs.

Canada’s ability to meet the growing global demand for natural gas aligns with its broader goals of fostering a balanced energy transformation. As the world seeks to continually move to lower-carbon energy systems, Canada’s vast natural gas resources, coupled with its commitment to reducing emissions, present an opportunity to contribute to both global energy security and climate goals.

International operators are looking to leverage Canada’s strong regulatory environment and industry’s focus on continual environmental improvement and innovation as they look to access lower-carbon-intensity gas molecules. Canada’s abundant natural gas reserves, combined with its stable and predictable energy production, ensure long-term supply security. With vast untapped natural gas reserves, particularly in Alberta and British Columbia, Canada has the capacity to significantly ramp up production to meet growing global demand. This energy security is not only critical to meeting domestic needs but also allows Canada to export surplus energy to other countries, strengthening global energy security. Canada’s top-tier assets offer an highly reliable supply of natural gas for many decades to come. The Montney, for example, has only produced 30 TCF of an estimated 645 TCF² of ultimate recoverable natural gas resource. Not only does Canada have an immense, low-cost resource base, but our energy industry is committed to continually improving environmental performance.

Canada is uniquely positioned to support the growing global demand for natural gas while maintaining its commitment to environmental performance. Asian LNG demand, for example, is expected to grow over 300 mtpa towards 2050, representing 73% of global consumption, and Western Canadian LNG’s geographic position is ideal for supplying the main Asian demand centres³.

By leveraging its abundant natural gas resources, strong ESG framework, and strategic geographic location, Canada can play a leading role in both the global energy transformation and in ensuring energy security for nations worldwide. Balancing the need for reliable, affordable energy with the imperative to reduce emissions will require a thoughtful, multifaceted approach, and Canada’s contribution to this effort will be vital for years to come.

GLOBAL DEMAND

With vast untapped natural gas resource, particularly in Alberta and British Columbia, Canada has the capacity to significantly ramp up production to meet growing global demand.

CANADA IS THE

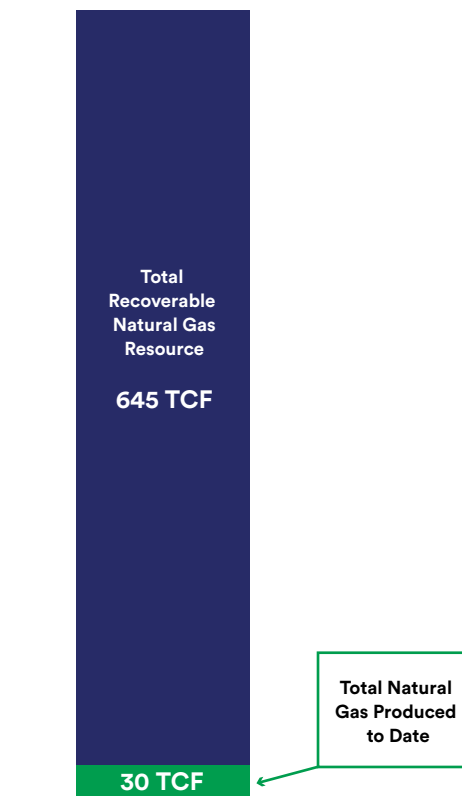
5th LARGEST

producer of natural gas in the world¹

96%

remaining Montney recoverable natural gas resource²

THE MONTNEY: IMMENSE RESOURCE BASE EARLY IN ITS PRODUCING LIFE²



¹Source: Energy Institute Statistical Review of World Energy (2024).

²Source: Publicly available Accumap data; and Canadian Energy Regulator.

³The Role of Canadian LNG in Asia, Canadian Energy Centre and Wood Mackenzie, 2022



Our Natural Gas Opportunity

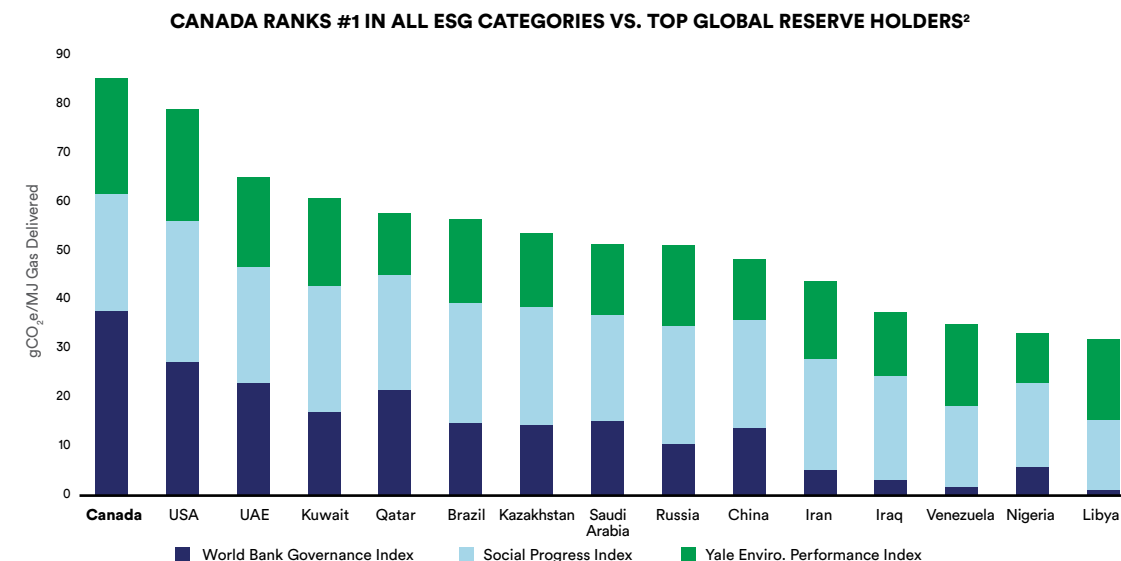
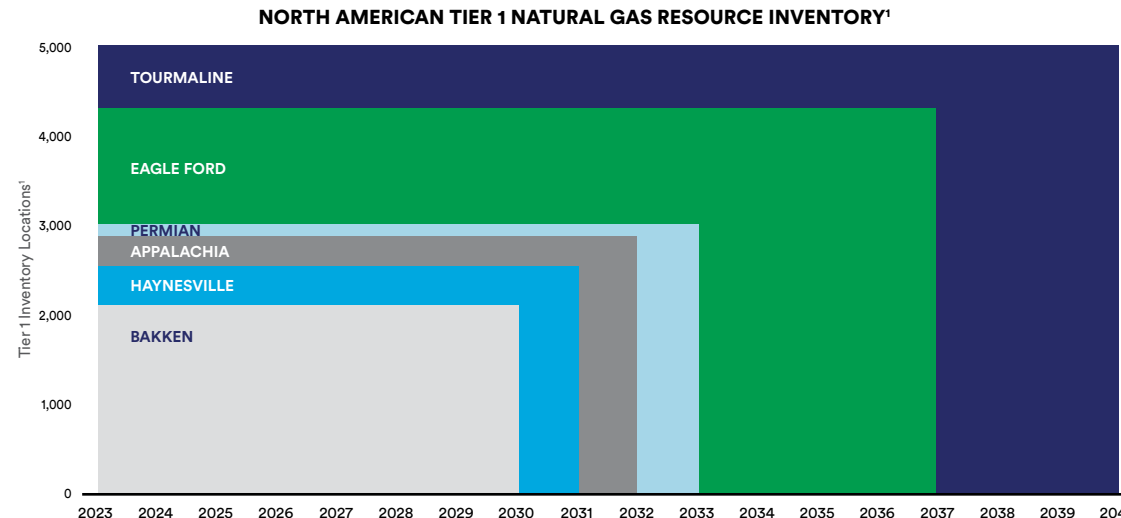
Canada is an ESG Leader Amongst Natural Gas Producing Countries

The efforts that Tourmaline and our peers have been making to produce environmentally and socially responsible natural gas has catapulted Canada into the top-tier of climate sustainability rankings. Canada, when compared to other top global oil and gas reserve holding countries, receives the highest ranking in all three areas of environmental policy, social progress, and governance as published by third-party assessments from Yale, Columbia University, and the World Bank². Canada is also home to the Natural Gas Innovation Fund Emissions Testing Centre (NGIF ETC), a first-of-its-kind initiative in Canada providing cleantech start-ups the ability to test and validate emissions measurement and emission-reducing technologies for the energy industry. Tourmaline is proud to be the lead operator of the ETC, advancing emissions reduction in our operations and helping the industry as a whole.

 To learn more about the ETC, please go to [page 37](#).

Building Prosperity with Indigenous Communities

Canada is a leader in pursuing reconciliation with Indigenous peoples. From production to export, Indigenous involvement in all natural gas initiatives is a priority. Our industry is committed to improving prosperity and working hand in hand with Indigenous communities to ensure Canada's energy opportunity benefits everyone for years to come. For these reasons and more, Canada is the ideal partner for a secure energy future – and Tourmaline is the ideal producer for the growing, global natural gas and LNG market.



¹Tier 1 inventory defined as <US\$3.00/mcf breakeven. Source: Enervus, BMO Capital Markets, Tourmaline Corporate Presentation.

²Source: Yale Environmental Performance Index (EPI), Social Progress Imperative, World Bank Governance Indicators, BMO Capital Markets.

³Source: U.S. Energy Information Administration, Liquefaction Capacity File, and trade press.

A key resource owner in both the British Columbia Montney and the Alberta Deep Basin, Tourmaline holds the largest Tier 1 natural gas resource inventory in North America.¹

25 BCF/D
estimated North American LNG demand by 2029³

CANADA RANKS
First
in all ESG categories vs. top global reserve holders²



Our Natural Gas Opportunity

Unlocking opportunities for our natural gas resources.

We became the first Canadian exploration and production company to participate in the LNG business.

In January 2023, we commenced delivery of 140,000 mmbtu/d to the Cheniere Sabine Pass LNG facility in the Gulf Coast, transporting Canadian natural gas to markets beyond North America. This 15-year arrangement enables Tourmaline to send the equivalent of one LNG cargo per month from North America to both Asian and European markets, and supports Tourmaline's efforts to continue diversifying our gas markets and reducing emissions worldwide. Additionally, in January 2024, Tourmaline signed a long-term 62,500 mmbtu/d LNG netback agreement with Trafigura increasing our JKM exposure.

As part of our commitment to advancing natural gas and LNG opportunities for Canada, we are pleased to share that Tourmaline joined Rockies LNG Partners, a group of Western Canadian natural gas producers working together to develop West Coast LNG export opportunities for Canadian natural gas. The Ksi Lisims LNG project site was secured through a project partnership with local First Nations. We are excited to join a group of peers who, like Tourmaline, are dedicated to responsibly developing Canada's natural gas and sharing it with countries seeking reliable and secure energy.

? Learn more about the Ksi Lisims LNG project and the alliance between Rockies LNG Partners, Nisga'a Nation, and Western LNG [here](#).

In late 2023, Tourmaline was also pleased to announce that we joined the NeeStaNaN venture as an industry supporter. NeeStaNaN is an Indigenous led project that will create a multi-product utility corridor, including natural gas, connecting Alberta, Saskatchewan and Manitoba to Port Nelson, Manitoba on Hudson's Bay. The project involves a port for containers, potash and other prairie products and envisions an electrified LNG facility on Hudson's Bay. The proposed shipping route helps to shave thousands of kilometres from existing trade routes, generating more revenues, reducing emissions and bringing more Canadian natural resources to Canadians and world markets.

? Learn more about the NeeStaNaN [here](#).

OUR 4,800 KM JOURNEY

In January 2023, we commenced delivery of 140,000 mmbtu/d to the Cheniere Sabine Pass LNG facility in the Gulf Coast, transporting Canadian natural gas to markets beyond North America.

Rockies LNG Partners together represent:

1/2

of Canada's natural gas production

1/2

of Canada's proved natural gas reserves

12

 MILLION

tonnes of project capacity of LNG per year

Source: Rockies LNG Partners.





Company Overview

Who We Are

Tourmaline is Canada's largest natural gas producer. From our operations in British Columbia and Alberta, we are proud to send our natural gas across Canada, into the United States, and to international markets. Tourmaline sells its natural gas in Canada to British Columbia, Alberta and Ontario; within the United States to the West Coast and the Midwest; and at the start of 2023, we became the first Canadian producer to supply natural gas to Asian and European markets.

Our Goal

Our goal is to have the largest supply of lower-emission and low-development-cost natural gas in North America. To get there, we have set clear and aggressive targets to further reduce our emissions, recycle water and minimize our land impact. Tourmaline strives to continually improve and reduce our cost structure to remain competitive in the ever-changing landscape.

Our Focus

We focus on providing value for our stakeholders in many ways. We are committed to responsibly developing natural gas, fostering a technically strong and passionate work force, continuously improving our environmental performance, and creating strong relationships in the communities we call home.

Where We Operate

Tourmaline has significant resource ownership amongst Canada's world-class energy assets within Alberta and British Columbia.

Largest

natural gas producer
in Canada

77%

of our production
is natural gas

2.6

 BCF/D

of natural gas production

LARGEST

Tier 1

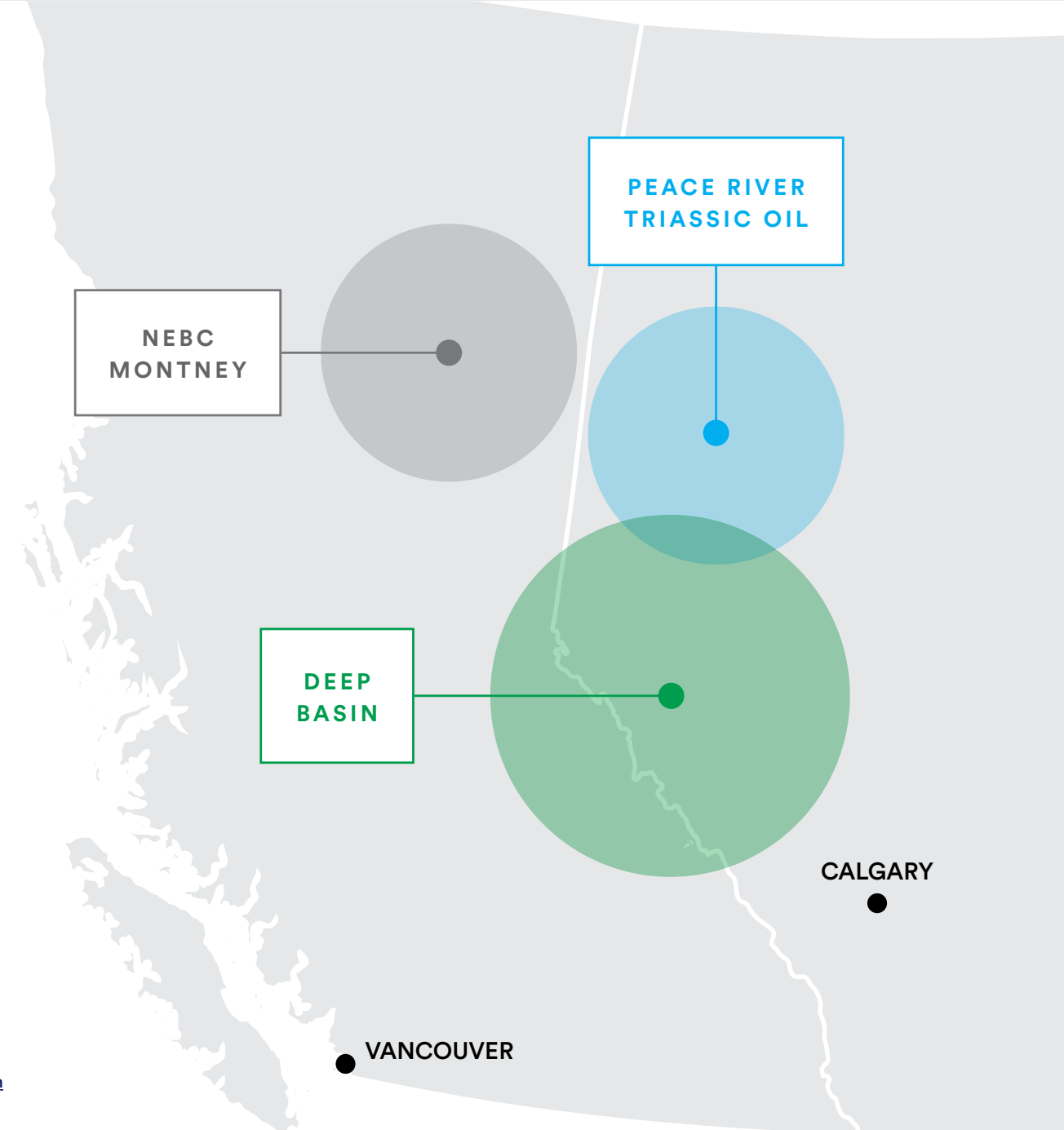
natural gas inventory
holder in North America¹

LOCATION & TSX

Tourmaline is headquartered in Calgary, Alberta and our shares are listed on the Toronto Stock Exchange (TSX) under the symbol TOU.



Refer to Tourmaline's [Corporate Presentation](#) for a detailed map of our operations



¹Tier 1 inventory defined as <US\$3.00/mcf breakeven. Source: Enervus, BMO Capital Markets, Tourmaline Corporate Presentation.



Our Unique Value Proposition

Our Assets

Tourmaline is proudly Canadian. We are based in Calgary, Alberta, and have significant positions in three of Western Canada's major resource plays: the Alberta Deep Basin, the northeast British Columbia Montney complex and the Peace River High complex.



Our People

Tourmaline values and respects its people. We believe each employee and contractor plays an important role in the success of our company and we strive to empower them to achieve their best potential. Our workforce has low turnover and high productivity per boe of production, reserves and cash flow amongst our peer group¹.



Our Future

We believe natural gas is one of the lower-carbon-intensity energy solutions the world seeks now and in the future. At Tourmaline, we are proud to do our part and help Canada and the world transform to a lower-emitting global energy environment.



Our Strategy

Tourmaline's business strategy is to maximize shareholder value by increasing reserves, production and cash flows through the exploration and development of a continually growing asset base. We believe in the power of technology and innovation to drive efficiency in operations, strong financial results and improved environmental performance.



Our Stakeholders

We are committed to building strong and lasting relationships with all our stakeholders. Through active dialogue and meaningful discussions, we prioritize stakeholder feedback and strive to ensure the benefits of our success are felt by many.



¹For further details on how we define Peer Group, please refer to the definition provided in our [Information Circular](#).



IN THIS SECTION:

CEO Message

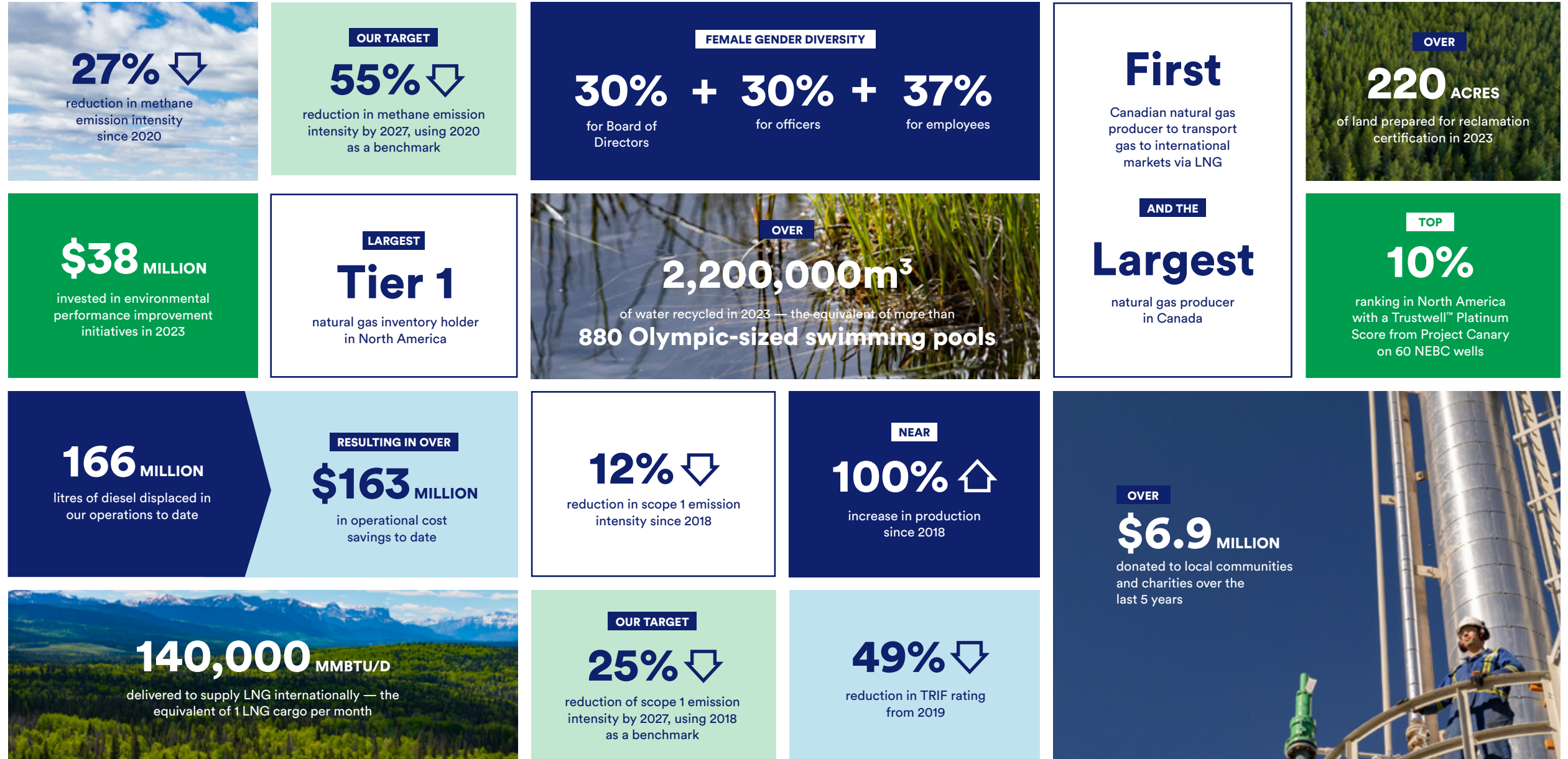
Our Natural Gas Opportunity

Company Overview

Our Unique Value Proposition

ESG Highlights

ESG Highlights



**IN THIS SECTION:**[Approach](#)[Materiality Assessment](#)[Guiding Principles](#)[ESG Strategy](#)**STRATEGY**

We are focused on what matters most to our stakeholders.

As a responsible producer, we are committed to transparent, annual reporting on our Environmental, Social and Governance (ESG) performance.



Approach

Our approach to sustainability reporting and assurance.

Scope

This report details our ESG performance for all businesses, assets, and partnerships that are owned and operated by Tourmaline for the period between January 1 to December 31, 2023, and includes reference to certain actions Tourmaline undertook in both 2023 and 2024. Unless otherwise stated, references to “dollars” or “\$” means Canadian dollars.

Tourmaline successfully acquired Bonavista Energy Corp. (“Bonavista”) on November 17, 2023, and amalgamated Bonavista on January 1, 2024. The performance data included in this report is pro-rated to reflect this business combination, unless otherwise stated. It only reflects performance data for Bonavista after November 17, 2023. We have not adjusted current targets or historical performance to reflect the impact of the Bonavista acquisition.

Standards and Frameworks

As an oil and gas producer, we are committed to transparent, annual reporting on our ESG performance. Within this report, we are pleased to share comprehensive information on the progress we made in 2023.

Our GHG emissions are measured and reported using the GHG Protocol Corporate Accounting and Reporting Standard and Scope 2 Guidance. We’ve included a section outlining how we are meeting recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), and we have incorporated discussion points and metrics outlined by SASB. The specific industry classification system is SASB EM-EP-Oil & Gas Exploration & Production.

Global Reporting Initiative (GRI) reporting framework has also been used to provide additional industry specific standards (GRI 305-2). We are continuing to integrate guidance released from the International Sustainability Standards Board (ISSB) as part of the International Financial Reporting Standards (IFRS) Foundation and preparing for all our data to have the same rigor as financial statement information.

Assurances

At Tourmaline, we track and report relevant data that is important to our stakeholders. To ensure we are sharing high quality information based on real-time data, we are constantly improving our processes and controls for data and measurement capture capability. Tourmaline’s greenhouse gas (GHG) Scope 1 and 2 emissions have been externally verified. GHD Limited has provided an assurance report on Tourmaline’s 2023 Scope 1 and Scope 2 emissions. The report includes a reasonable level of assurance for Scope 1 emissions submitted for regulatory compliance in Alberta (TIER) and British Columbia (GGIRCA) and a limited level of assurance for the remaining Scope 1 and Scope 2 emissions. This verification was carried out in accordance with the requirements of GHG Protocol and ISO Standard 14064-3. Ernst & Young LLP has provided a limited level of assurance, as defined by Canadian Standards on Assurance Engagements, to report on Tourmaline’s Scope 1 & 2 GHG emissions for the year ended December 31, 2023.



To download the GHD verification report click [here](#).
To view the Ernst & Young report see [page 87](#).



Our Standards

We have developed our sustainability report by integrating guidance from GHG Protocol, TCFD, SASB, GRI, and the ISSB.

Materiality Assessment

To develop our sustainability report, we review and highlight the most relevant sustainability priorities for our business and those that matter most to our stakeholders.

Tourmaline reviews and updates its materiality assessment biennially. Our latest review of material topics occurred in 2022. We believe the most important aspect of materiality assessment is ongoing engagement. Through continuous dialogue with our stakeholders, we better understand the material risks and opportunities of today and tomorrow. Our assessment also incorporates ESG factors that are of greatest significance to our industry.

ONGOING ENGAGEMENT

We believe the most important aspect of materiality assessment is ongoing engagement and dialogue with our stakeholders, which allows us to better understand our material risks and opportunities.

Based on our assessment, we have identified the following items as material:



Greenhouse Gas Emissions



Water



Business Ethics and Transparency



Governance



Indigenous Peoples' Rights



Health and Safety



Talent Attraction, Retention and Engagement

Target-Setting Process

We have set ambitious targets to guide Tourmaline's environmental performance improvement and help our business remain resilient and profitable as the world progresses the energy transformation. Our investors and stakeholders are seeking a balance between strong ESG performance and continued top-decile financial and operational results. We take time to research and develop our targets, ensuring that they are both realistic and achievable. We also believe that businesses in our sector should focus on near-term, quantifiable wins, as well as longer-term, significant improvements. We have set shorter-term, measurable targets because we want to demonstrate that we can make a significant difference today. Not only does this benefit our stakeholders immediately, but it also allows us to achieve aggressive long-term goals.

Our targets are developed using a scientific framework established by Tourmaline's engineering team, and we continue to monitor opportunities for third-party target validation. The Science-Based Targets Initiative (SBTi) has acknowledged that enabling science-based emissions reductions for oil and gas companies is complex and they are taking a cautious and deliberate approach in establishing their policy. Due to the developing status of this method, SBTi is unable to accept commitments or validate targets for companies in the oil and gas industry.

Continuous improvement is the pathway to a lower-emission-intensity energy world — and we are proud to do our part. We incorporate our environmental improvement goals within our business strategy and development plans. We remain focused on delivering strong returns to our shareholders while pursuing our ESG targets to bolster our long-term value proposition. We remain steadfast on becoming the lowest-cost natural gas producer in North America and we are committed to continuously lowering our emission intensity, which will provide business resiliency for our shareholders for decades to come.



To learn more about our targets, refer to our [Targets](#) and [TCFD](#) sections.

Continuous improvement is the pathway to a lower-emission world — and we are proud to do our part. We incorporate our environmental improvement goals within our business strategy and development plans.



Guiding Principles

We engage

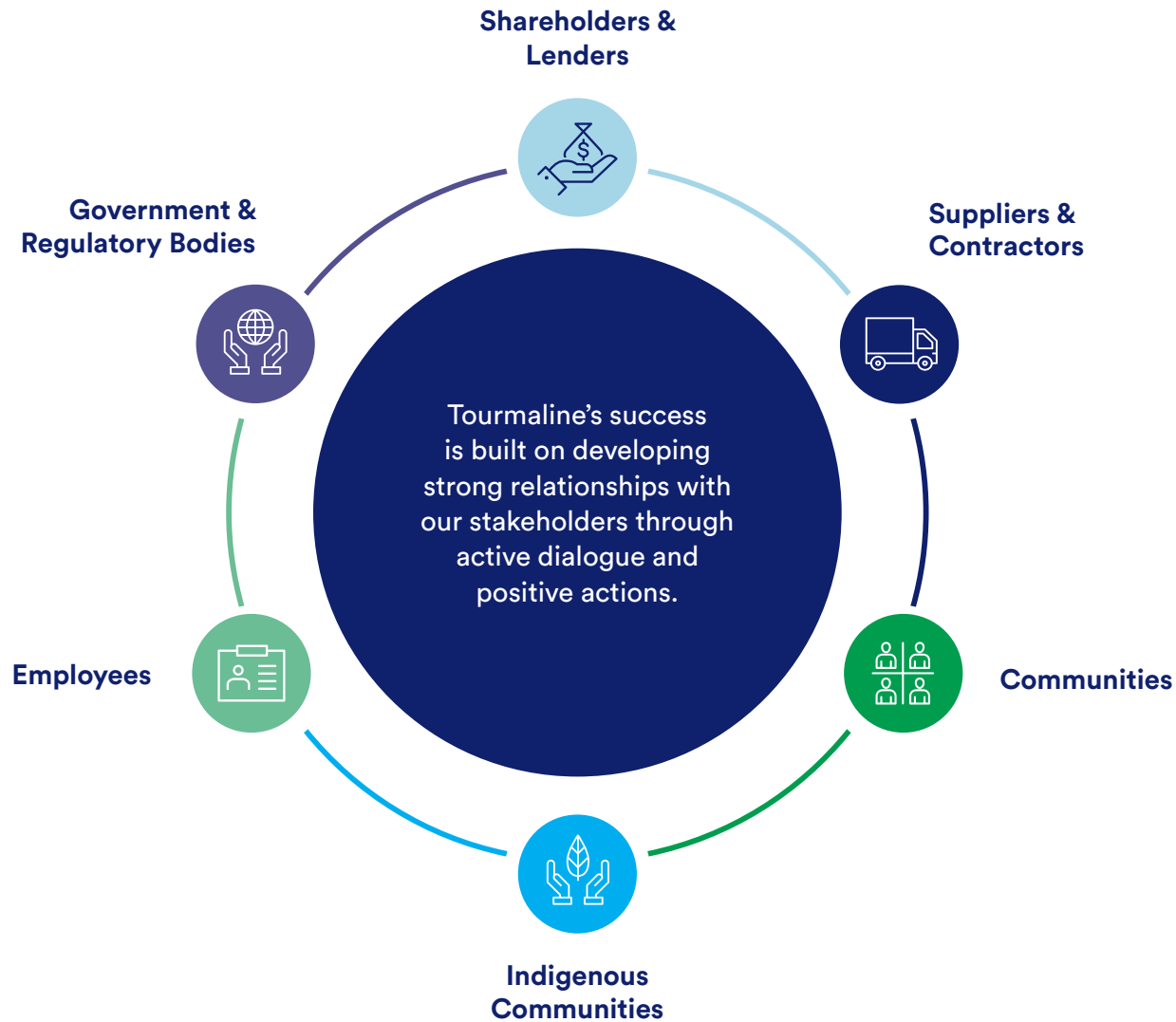
actively with local communities to ensure we are respectful members of the community and everyone benefits from our operations.

We operate

our business in a responsible manner that respects air, land and water. We strive to ensure future generations will enjoy a better standard of living through affordable, secure energy access.

We invest

capital in responsible, emission reducing, profitable projects to deliver long-term value to our shareholders. We are strong financial stewards for our investors.



We protect

our employees with a safe and respectful work environment. Our people drive our business, and we encourage their continued outstanding performance.

We ensure

our exceptional and loyal service providers benefit from Tourmaline's operations and receive fair compensation when working with us. We ensure high-quality information based on real-time data.

We exceed

and meet the requirements as established by regulators and the government to ensure we are the best at what we do, as is the case in all aspects of our business.



ESG Strategy

Pursuing our ESG strategy based on the following pillars:

High-Quality Reserves with Low-Supply Costs

Having vast high-quality, long-life reserves inventory and a low-cost structure allows Tourmaline to profitably provide low-cost and lower-emission natural gas to the world.



Investment in Innovation

The innovative application of technology is at the heart of everything we do. It's the force that fuels continuous improvement in our ESG performance and enables us to reduce costs.



Financial Sustainability

To provide low-cost natural gas to the world, we maintain a conservative leverage profile. This allows Tourmaline to successfully navigate volatile commodity cycles.



Environmental Excellence

We strive to continuously improve our environmental performance, reducing our impacts on air, land and water.



Market Diversification

We have diversified our natural gas markets to access multiple sales locations across North America and internationally, ensuring we receive the best pricing available in many locations for our products while reinforcing the stability of our business model.



Stakeholder Engagement

We continuously engage and listen to our stakeholders helping us to better ensure mutually beneficial outcomes for everyone involved.

**IN THIS SECTION:**[Environmental Performance Improvement](#)[Air](#)[Water](#)[Land](#)[Decommissioning & Reclamation](#)**ENVIRONMENT**

Tourmaline is proud to responsibly produce Canada's world-class natural gas assets.

At Tourmaline, we strive to continuously improve all aspects of our environmental performance, including the impact of our operations on air, water and land. To support our progress, we focus on technologies and innovative strategies that minimize our environmental footprint.





IN THIS SECTION:

Environmental Performance Improvement

Air

Water

Land

Decommissioning & Reclamation

Environmental Performance Improvement

Transforming investment into environmental progress and value creation.

We are dedicated to responsible and forward-thinking asset development that benefits both our financial strength and the environment. By focusing on three core areas — air, water, and land — our Environmental Performance Improvement (EPI) program is structured to ensure that our operational impact aligns with the highest standards of environmental stewardship. Leveraging innovative practices and advanced technologies, we have made significant strides in minimizing our footprint while achieving considerable cost efficiencies. In 2023, we invested \$38 million in EPI initiatives, focusing on solutions that not only reduce emissions and enhance water management but also protect and rehabilitate land impacted by our operations.

Looking ahead, we plan to allocate between \$30 million and \$60 million per year to further support environmental

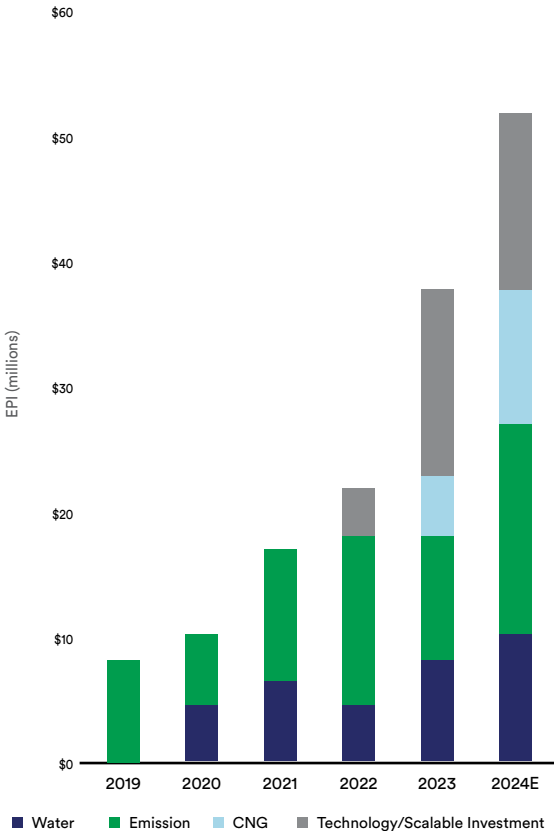
performance improvement, viewing these investments as critical to our long-term strategy. These funds will drive initiatives that deliver measurable environmental benefits and are expected to generate annual savings that will ultimately exceed the initial capital outlay, making EPI a source of free cash flow as well.

As we continue to develop lowest-cost natural gas, we see EPI as a foundation of our commitment to environmental resilience, supporting our operations while maximizing positive outcomes for our stakeholders and the environment. Through EPI, we aim to set new benchmarks for responsible development and create value across our business and the communities we serve.

\$38 MILLION
invested in EPI initiatives
in 2023

\$30-60 MILLION
investment allocated per year
for future years

ENVIRONMENTAL PERFORMANCE INVESTMENT



Emissions Management

Taking a comprehensive approach to emissions reduction across the natural gas lifecycle.

Emissions Management

We prioritize emissions management as part of our commitment to responsibly producing natural gas for both Canadians and the world to use. To effectively manage and, ultimately, reduce emissions across our operations, we must understand, monitor, identify and detect emission sources throughout the natural gas lifecycle. That's because emissions, whether carbon dioxide or methane, can occur at various stages of the production cycle, from extracting and processing natural gas to transporting it. Managing these emissions is vital for both environmental sustainability and operational excellence.

As our understanding of emissions improves, we can more accurately detect and measure them, helping us pinpoint the most significant areas for improvement. These insights allow us to set ambitious, near-term, reduction targets and implement strategies to meet them, such as applying proven emission-reduction techniques and adopting emerging technologies. We are committed to investing in solutions that reduce emissions at every stage of our

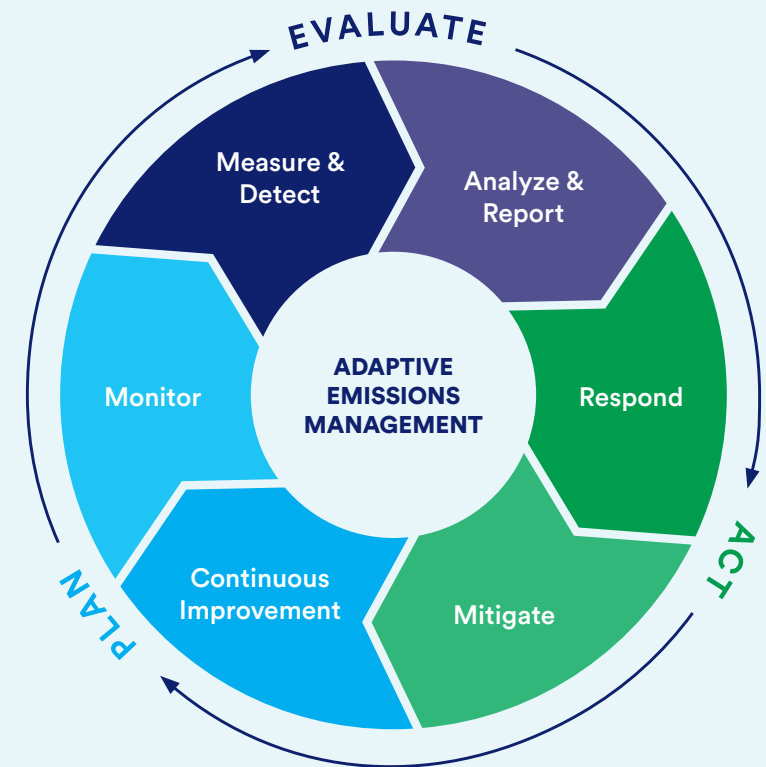
operations, and we continue to explore and validate new innovations, integrating them across our operations to further cut emissions and meet our targets.

At the earliest stage, our commitment to innovating begins with Tourmaline constructing state-of-the-art facilities and wells prioritizing emissions control and measurement. Accurate emissions measurement is central to our approach, ensuring transparency, accountability, and continuous improvement. Our real-time monitoring systems enable us to identify and resolve leaks or inefficiencies quickly. Additionally, we foster an innovation culture by investing in cutting-edge technologies and strategic initiatives that drive further reductions, continuously improving our environmental performance and operational efficiency.

PRIORITIZING EMISSIONS MANAGEMENT

We prioritize emissions management as part of our commitment to responsibly producing natural gas for both Canadians and the world to use.

Our Adaptive Monitoring & Mitigation Model for Emissions Management:





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Emissions Sources

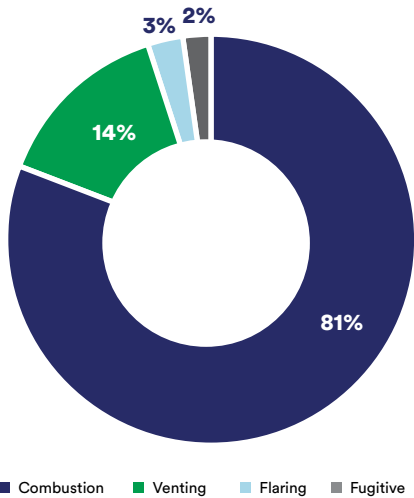
Understanding Our Emissions Sources

To effectively reduce emissions, it is essential to understand the specific sources contributing to them. Each stage of our operations — from extraction to processing and transportation — can generate different types of emissions. By first identifying and monitoring where and how emissions are occurring, we can prioritize the most significant sources and apply targeted reduction strategies. This understanding also ensures that we allocate resources efficiently, focusing on high-impact areas rather than applying broad, less effective measures. Additionally, having detailed knowledge of emissions sources enables better compliance with regulations and facilitates the implementation of innovative technologies designed to address challenges, making the reduction process more effective in the long term.

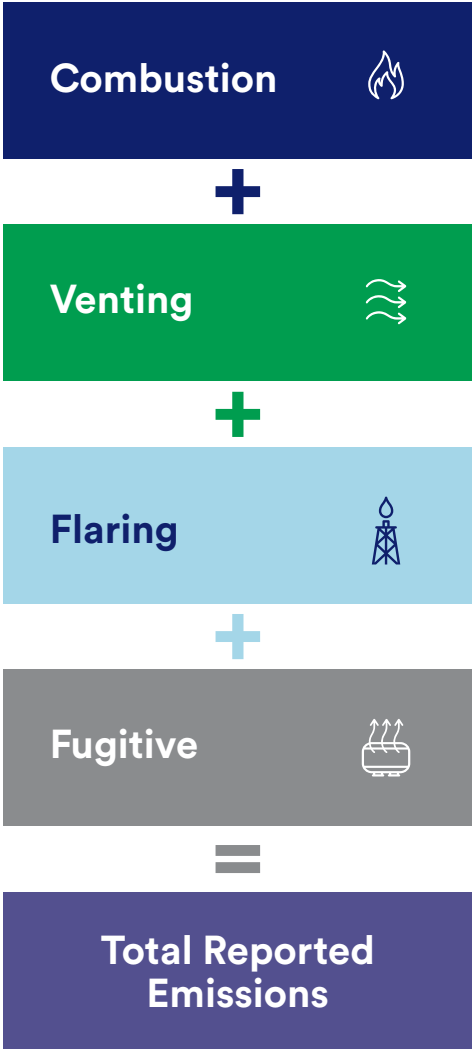
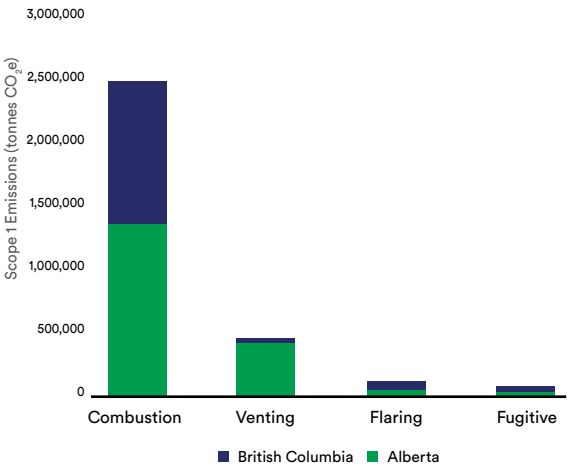
We have four emissions categories: **Combustion**, **Venting**, **Flaring**, and **Fugitive**. Each source point contributes to our overall emissions profile in distinct ways, and understanding their roles is essential for implementing effective reduction strategies.

 To learn more about how we are reducing emissions by implementing technologies at each of our emission source points, please go to [page 30](#).

TOURMALINE'S SCOPE 1 EMISSIONS BY SOURCE



2023 SCOPE 1 EMISSIONS BREAKDOWN BY PROVINCE AND SOURCE





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Emissions Sources

Combustion



EMISSION TYPE:
Methane, Nitrous Oxide, Carbon Dioxide

Combustion source emissions originate from burning fuels, often our own natural gas or other fuel sources, to power our gas plants, compressors, wells, and drilling and completions activities, including power generation from infrastructure electrification.

Over 80% of Tourmaline’s Scope 1 emissions are combustion source emissions. We actively leverage advanced technologies and innovative strategies to reduce combustion source emissions across our operations while improving efficiency. For instance, in the Peace River complex, we are among the few operators utilizing high-line grid electricity to power a drilling rig where feasible. Due to the limited access to electrical grids in many of our other operating areas, we are exploring and implementing alternative solutions to electrify our Tourmaline assets. Additionally, we are continually researching and evaluating emerging technologies — such as carbon capture, low-carbon fuels and waste heat recovery — to enhance our emissions reduction efforts further.

Venting



EMISSION TYPE:
Methane, Carbon Dioxide

During normal operations, vent source emissions from non-combusted gases can occur in our operations. These include emissions from storage tanks, pneumatically actuated devices, compressor and pipeline maintenance, well-test operations, and non-routine events such as over-pressurization activating safety devices.

Venting accounts for around 14% of our total Scope 1 emissions. Tourmaline is investing significant resources into reducing methane from our operations, including pneumatic device replacement and regular monitoring and inspection.

Flaring



EMISSION TYPE:
Methane, Carbon Dioxide, Nitrous Oxide

Emissions from flaring events can occur in our operations when we must burn natural gas or hydrocarbons under specific conditions: purging or igniting flare stack pilots, addressing critical safety concerns, managing unexpected operational disruptions such as pipeline issues, or when required for maintenance activities.

As a natural gas company, we prioritize gas conservation and eliminating routine flaring events. These controlled flaring practices are essential to maintain our operations’ safety, reliability, and efficiency while our broader conservation efforts continue to prioritize reducing emissions. When flares combust natural gas, most of the methane within converts to CO₂, but some methane remains uncombusted.

Flaring emissions account for slightly more than 3% of our Scope 1 emissions. Our advancements in facility design and use of in-line well testing have nearly eliminated our emissions from routine flaring. The remaining flaring that periodically occurs in our operations is when planned or unplanned facility maintenance is necessary, or emergencies arise.

Fugitive



EMISSION TYPE:
Methane, Carbon Dioxide

Fugitive emissions occur from unintended releases of gases, often at valves, seals, flanges, connectors, and other equipment components found on pipelines, storage tanks, and processing equipment.

Our fugitive emissions account for around 2% of our total Scope 1 emissions and are subject to stringent compliance monitoring involving site inspections using optical imaging cameras. In addition to the regulatory-required compliance, Tourmaline also uses various inspection methods at facilities, such as aerial, vehicle and continuous monitors. We believe employing a combination of inspection methods is the best way to understand and reduce fugitive emissions.



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Measurement & Detection

Measuring and detecting our emissions ensures accurate emissions tracking while driving continuous improvement.

Effective emissions measurement and detection are critical components of our environmental performance improvement strategy. By utilizing advanced monitoring systems and technologies, we ensure accurate emissions tracking across all stages of our operations.

The measurement and detection techniques for CO₂ and methane differ due to the distinct characteristics of these gases. Methane emissions are dispersed across multiple sources, unlike CO₂ emissions, which often concentrate at single points. Therefore, methane measurement methods are difficult to compare directly, as not all methods capture the same emissions observable on a site. Technologies used to measure methane typically do not capture emissions directly at their source. Instead, they rely on snapshot measurements of atmospheric concentration taken at specific points above or downwind from a facility or group of facilities.

There is often a trade-off between the volume of emissions a device can detect and the extent of the site it can cover.

Methane measurement is akin to photography: different lenses and camera qualities offer varying capabilities, but the further you are from the subject, the harder it is to discern details. Conversely, getting too close can mean missing activity just outside the frame.

All methane detection technologies grapple with this trade-off. As such, no single technology available today can completely dominate the field. Additionally, not all methane detection devices can sense all forms of methane, as the temperature of the methane can impact a device's detection capability; this complicates the evaluation of methane sources.

For example, regulatory-mandated Optical Gas Imaging (OGI) surveys cannot measure hot methane, making them less comparable to aerial light detection and ranging (LiDAR™) monitoring, which can detect methane from engines. However, OGI surveys can enter buildings and get close to fugitive emission sources, pinpointing precise locations for repairs, which aerial monitors cannot do. Perimeter monitors offer a compromise between these two, but environmental conditions greatly influence them. While they can localize emissions roughly, unlike OGI and aerial monitors, these monitors provide continuous monitoring, potentially improving repair response time.

Truck-mounted and drone-based monitoring offer similar continuous monitoring benefits but at reduced frequencies. Satellites provide substantial coverage benefits but cannot see through clouds, limiting visibility depending on the weather and only detecting large emission volumes. Lastly, point-source monitors offer continuous and accurate emission localization,

but covering an entire facility can be cost-prohibitive. However, they are excellent for known high-emission areas within a facility.

Integrating Monitoring Data with Detection Technologies

Tourmaline is taking steps to integrate monitoring data from a range of detection technologies. We do this across various temporal and spatial scales, and aim to use this data to analyze significant or persistent methane emissions that we can address through engineering and/or operational controls. We can effectively plan and execute targeted emission reduction projects by implementing continuous monitoring — such as fence-line monitoring and operational facility data collection — alongside discrete, source-level measurements. This approach also enables us to assess their effectiveness, driving continuous improvement or broader deployment at facilities facing similar challenges.

BEYOND COMPLIANCE

Tourmaline is testing multiple methane detection technologies as part of a hybrid approach to verify our methane reductions and provide advanced business analytics to help drive continuous and cost effective improvements in emission performance.



To learn more about Methane Emissions Detection Technologies, please go to [page 24](#).





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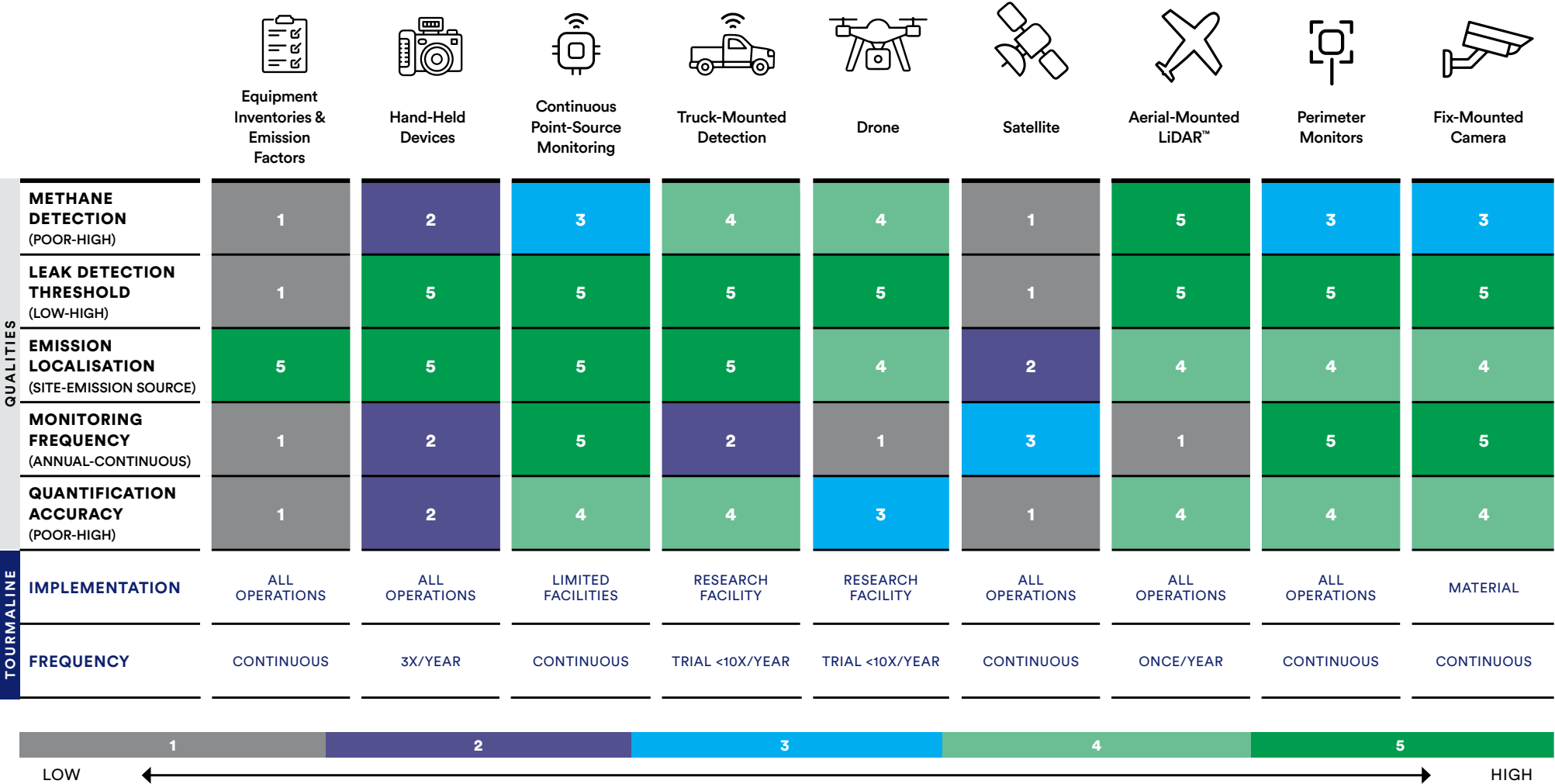
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Measurement & Detection

Our assessment of methane emissions detection technologies.



To learn more about Methane Emissions Detection Technologies, please go to [page 24](#).



Measurement & Detection

Methane measurement, in action.

Tourmaline is working with various technologies to directly measure, report, and verify our methane emissions, including:

Satellite

Satellite methane monitoring offers near continuous, full-spectrum methane detection over large areas. This technology provides real-time data, helping to identify methane emissions. The key benefits include broad coverage and the ability to monitor remote or inaccessible locations. This technology is more effective for high-rate methane releases and has difficulty seeing emissions when there is cloud cover. Satellite monitoring is not a current regulatory requirement. However, we have opted to subscribe to a satellite service offered by GHGSat, which is especially helpful for us because our assets are spread over a large geographical area and can also be in remote locations, allowing us to monitor all assets and detect methane.

Aerial

Aerial methane surveys use laser technology to detect and measure methane emissions from the air. The benefits include visual monitoring and the ability to cover large areas quickly, providing comprehensive data on methane levels. Every year, we have Bridger Photonics, a company specializing in aerial LiDAR™, survey all our wells and

facilities, even though it is not required by the regulator, to enhance our emission management efforts. We review the data internally, comparing bottom-up engineered estimates for emissions to the recorded Bridger values over the spread of multiple facilities to help gather insight into our methane emissions performance. Tourmaline also reviews these results yearly and uses the data to help prioritize focus areas. This data is also used to identify and correct fugitive emissions adding an additional survey annually that helps minimize emissions.

Drone

Drone-based methane monitoring uses advanced sensors to detect methane emissions. Their continuous monitoring and ability to access hard-to-reach areas provide detailed emission-source data. However, this technology is still in its infancy and has yet to be widely adopted. Currently, Tourmaline does not actively use drone-based surveys. However, we have begun trialing the technology.

Optical Gas Imaging Surveys

OGI measures infrared radiation to detect methane leaks, allowing operators to see what would otherwise be invisible using a traditional camera. Regulations in both Alberta and BC require us to use OGI. We complete OGI surveys at all our facilities and batteries. We are also trialing fixed mounted OGIs at sites for continuous measurement.

Perimeter Monitors

Methane perimeter monitors improve the detection of fugitive emissions around a facility. Their continuous monitoring system ensures we can quickly identify

and address unintended methane releases, preventing hazardous conditions and reducing greenhouse gas emissions. Perimeter monitors use triangulation to determine the origin of emissions. These monitors offer tangible benefits by identifying emissions and trends, which can inform operational optimizations. Tourmaline is using a variety of continuous emissions monitoring technologies to measure methane emissions at wellsites and facilities.

Point Source Monitors

Point source monitors represent an exciting advancement in emissions detection technology, with their first deployment in our operations this past year. These explosion-proof devices can be placed safely in hazardous areas or directly within methane plumes, enabling highly accurate detection and the ability to determine if an emission is intermittent or continuous.

While they excel in pinpointing specific emission sources, these monitors require widespread deployment across a facility, making them less practical for areas with minimal fugitive emissions. Additionally, their limited range means they cannot provide a comprehensive facility-wide inventory. Despite these limitations, point source monitors are a valuable tool for gaining insights into emission frequency at known sources, which then support the development of targeted corrective actions and process improvements to reduce overall emissions.

1

emission detection by satellite in 2022, 2023, and 2024

ALL

Assets

owned and operated by Tourmaline are monitored by satellite

118

Active Perimeter Monitors at Tourmaline sites

20

Wells and Facilities with Perimeter Monitors

20

Point Source Monitor Units Installed



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Measurement & Detection

Emissions Inventory

Emissions inventory is the collection and cataloging of emission sources and their associated emissions. An accurate emissions inventory is essential for understanding and managing greenhouse gas contributions across operations, enabling companies to identify emission sources, track progress, and set meaningful reduction goals. By systematically cataloging emissions, we can prioritize reduction efforts and it provides a clear basis for regulatory reporting and compliance.

Emission Factors

Emission factors serve as a standardized estimate of average emissions associated with a specific activity or equipment. It plays a crucial role in emissions reporting by providing a baseline for calculating greenhouse gas emissions. By combining emission factors with site-specific data, such as equipment inventory, logged operational parameters and metered fuel consumption, we can pinpoint the primary sources of emissions within our operations. This approach helps in understanding the environmental impact of industrial activities and informs strategies to reduce emissions effectively.

GOING BEYOND REGULATIONS

13

of our facilities are monitored with Qube metal oxide continuous emissions monitoring devices, mainly to monitor tanks and help determine root cause of fugitive emissions.

60

of our wells are monitored with Canary metal oxide continuous emissions monitoring devices, as part of the Project Canary/Trustwell™ project for verifying responsibly sourced gas with a low-verified methane content.

2,800+

of our well sites and facilities, representing nearly 100% of our operations, are scanned with Bridger LiDAR™ shortwave infrared cameras, an aerial methane detection technology.

Data does not include the recently acquired Bonavista assets, which were scanned in 2024.

INNOVATION AT WORK

Our West Wolf Lake Facility

The West Wolf Lake Gas Plant includes various direct measurement capabilities we can use to validate reported methane volumes. Metering instruments are in place to measure tank vents, compressor seal vents, and flare volumes. We currently have 27 continuous emission-monitoring devices around the plant. A permanent scaffolding system built between the tanks allows OGI and other third-party verification to be safely performed at height to evaluate tank fugitive emissions further.





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Verification & Certification

Verification through regulatory compliance reporting.

As an oil and gas operator in Alberta and British Columbia, we are obligated to report emissions annually. As part of that process, we are subjected to rigorous third-party verifications yearly. Under Alberta's Technology Innovation and Emissions Reduction (TIER) and BC Greenhouse Gas Emissions Reporting Regulation (GGERR), emission verification ensures accurate reporting and accountability for greenhouse gas emissions. The verification process involves working with third-party verifiers to assess and confirm the accuracy of our emissions data submitted under TIER and GGERR. Verifiers conduct a detailed review of our field data measurement and collection, emission quantification methodologies, and calculations to align with regulatory standards. By meeting these rigorous



verification requirements, we maintain compliance with TIER and GGERR, uphold transparency in our environmental reporting, and work toward our emissions reduction goals.

We combine our verified compliance reporting datasets to prepare our annual corporate emissions performance data. To normalize any differences in reporting or verification requirements between regulatory jurisdictions and to account for changes in operations that can occur mid-year due to acquisitions or divestitures, we voluntarily subject our corporate emissions data to additional third-party verification.

 [To download the GHD verification report click here.](#)
[To view the Ernst & Young limited assurance report see page 87.](#)

Verification Through Emissions Offset Projects

Regulated entities that can demonstrate they have reduced their emissions beyond what is required by regulation can generate credits, which can be sold on the open market. To generate tradeable offsets, companies must be evaluated using Alberta's quantification protocols, undergo a third-party verification process, and be registered in the Alberta Emission Offset Registry. Tourmaline administers several offset projects that require annual third-party verifications.

Verification Through Natural Gas Lifecycle Assessments

Lifecycle assessments (LCAs) evaluate emissions throughout the value chain — from production and processing to distribution and end-use. LCAs evaluate the carbon intensity of our natural gas molecules through each stage of their lifecycle journey. Tourmaline performed LCAs on our Sundown (NEBC) and Banshee (Deep Basin) natural gas production. The independent third party we enlisted studied operational data from the gas plants

and all the wells producing gas for them and applied the GHGenius 4.03c methodology to the LCA. GHGenius is a LCA model developed initially by the Federal Government of Canada that the BC Low Carbon Fuel Standard (BC-LCFS) now references for compliance. The default carbon intensity of natural gas in the BC LCFS is 6.808 gCO₂e/MJ. Additionally, the third-party LCA estimates an average annual cradle-to-gate GHG emissions intensity of 4.04 gCO₂e/MJ for gas produced and processed out of the Alberta Montney region.

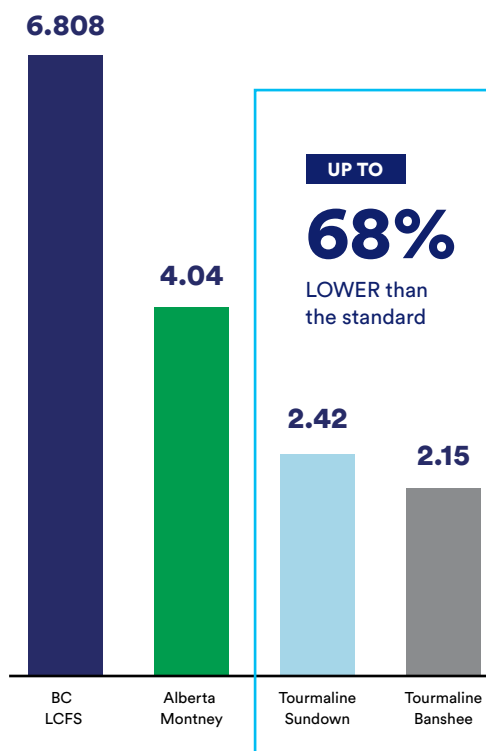
We are pleased to share that the carbon intensities of natural gas produced and processed at our gas plants are:

SUNDOWN
2.42 gCO₂e/MJ
BANSHEE
2.15 gCO₂e/MJ

Therefore, the carbon intensity of natural gas produced and processed at Tourmaline's Sundown gas plant is 64% lower than the GHGenius default and 68% lower for our Banshee gas plant.

 [To download Tourmaline's Sundown LCA report click here](#) and [Tourmaline's Banshee LCA report click here](#).

NATURAL GAS LIFECYCLE CARBON INTENSITY (gCO₂e/MJ)¹



¹GHGenius 4.03c methodology.



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Verification & Certification

Creating a pathway for certified natural gas.

Project Canary

Independent certification programs aim to help oil and natural gas operators and distributors establish practices and procedures that indicate their natural gas is produced and delivered through low-emission processes while being sourced responsibly. One such certification program is TrustWell™ by Project Canary, one of the programs we have enlisted to certify our natural gas through the energy value chain.

The Tourmaline assets in BC that Project Canary evaluated achieved silver or higher scores, with 95% receiving Platinum scores for environmental performance. Our scores stem from facility-level assessments and certification from TrustWell™ engineers, including verified environmental attributes for low-methane and freshwater use. Our Platinum rating is based on over 640 data points measured against the 4.5 million wells in Project Canary's database and demonstrates that Tourmaline's natural gas molecule is in the top 10% of all the natural gas production Project Canary has ranked.

Tourmaline's involvement with Project Canary allows us to measure ourselves against other North American producers

and monitor our performance as we continuously reduce our emissions. Receiving a trusted certification is critical as more customers, markets and countries are choosing to purchase and consume energy sources that are responsibly produced. Tourmaline is proud to produce amongst the lowest-emission certified natural gas in North America¹.

Methane Certification

Canada has ambitious methane reduction targets and stringent methane emission regulatory reporting requirements. For example, Alberta aims to reduce methane emissions from upstream oil and gas operations by 45% by 2025 (using 2014 as a base). Alberta met this goal three years early, utilizing a combination of regulatory requirements and economic instruments to incentivize companies to reduce emissions. Alberta's regulatory scheme requires companies to implement leak detection and repair (LDAR) programs, and sets limits on flaring and emissions from different types of equipment.

To better understand methane emissions from operations, we compare emissions that are calculated using equipment inventory and emission factors, called "bottom-up"

quantification, with those captured from methane monitoring programs, or "top-down" quantification. This hybrid approach is not currently a regulatory requirement in Canada. However, several partnerships offer guidance and voluntary certifications on the disclosure of methane emissions. For example, the Oil and Gas Methane Partnership (OGMP) 2.0 ("The Partnership") is a global multi-stakeholder partnership offering guidance to the oil and gas industry and its stakeholders on methane emission disclosure. The United Nations Environment Programme (UNEP) manages The Partnership.

Although we have not officially committed to OGMP 2.0, Tourmaline has placed considerable effort in understanding our source and site level methane emissions and believe our system already provides advanced business analytics to help drive continuous and cost-effective emission reductions.

 To learn more about our various methane emissions detection technologies please visit [page 24](#).

RECONCILING OUR METHANE EMISSIONS

We compare emissions that are calculated using equipment inventory and emission factors — "bottom-up" quantification — with those captured from methane monitoring programs — "top-down" quantification.

¹Per independent certification from TrustWell™ by Project Canary.

PLATINUM RATING

95%

of Tourmaline BC assets that Project Canary evaluated received Platinum scores for environmental performance

TOP

10%

ranking in North America with a Trustwell™ Platinum Score from Project Canary on 60 NEBC wells



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Targets

By identifying, measuring, detecting, and verifying emissions, we gain a comprehensive view of our emissions profile and the key sources contributing to it.

This detailed understanding is a vital step in assessing environmental impact and forms the foundation for developing an effective emissions reduction strategy. With accurate data, we can move forward to set meaningful, evidence-based targets to decrease emissions, aligning our efforts with broader sustainability goals and regulatory requirements.

Our Target-Setting Process

We take time to research and develop our targets, ensuring that they are both realistic and achievable. We also believe that businesses in our sector should focus on near-term, quantifiable wins and longer-term, significant improvements. We have set shorter, measurable targets rather than an aspirational net zero by 2050 goal because we want to demonstrate to the world that we can make meaningful improvements today. Not only does this benefit our stakeholders today, but it also allows us to be more resilient as carbon prices increase. Continuous improvement is the road to a lower-carbon-

intensity, lower-emission world – and we are proud to do our part. We incorporate our emission reduction goals within our business strategy and development plans. We remain focused on delivering strong returns to our shareholders while pursuing our environmental performance improvement targets to bolster our long-term value proposition. We remain steadfast on becoming North America's lowest-cost and lowest-emission natural gas producer, providing business resiliency for our shareholders for decades to come.

SETTING EVIDENCE-BASED TARGETS

Accurate emissions data allows us to move forward setting meaningful evidence-based targets to decrease emissions.

EMISSIONS TARGET

Achieve a 25% reduction in corporate emission intensity (scope 1) from 2018 reported levels by 2027.

METHANE TARGET

Reduce methane emission intensity by 55% from 2020 reported levels by 2027.

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Targets

As Tourmaline acquires other companies and assets, the acquired assets may impact our emission reduction targets.

The addition of new assets introduces previously unaccounted for emissions profiles. Although these new assets may impact our emission reduction targets, Tourmaline aims to invest time and capital to yield long-term environmental benefits.

We consider three key steps before strategizing to reduce the acquired company's emissions:

- **Integrate:** The acquired assets must be integrated within Tourmaline's operations, which can result in synergies.
- **Investigate:** Once integrated, we must evaluate the emission profile of those assets
- **Improve:** Once we have evaluated the emissions profile, we assess the risk and create a strategy to reduce those emissions.

These steps take time and capital and can impact previously set targets. For example, since acquiring Bonavista Energy in November 2023, we have been integrating their inventory and conducting a comprehensive risk ranking to prioritize areas for improvement. Although some acquired assets have a higher emissions profile, we see this as an opportunity to significantly reduce those emissions over time by bringing these wells and facilities up to our operational standards. Tourmaline has the scale and execution capability to more rapidly reduce those emissions from the acquired assets than the previous owner. Achieving these improvements will require time and capital investment, but we are confident this approach will yield long-term environmental benefits.

Our Strategy For Reducing Acquired Company's Emissions



Integrate



Investigate



Improve

We are committed to implementing various operational initiatives to achieve our emission reduction targets and will continue to:



Construct zero-emission electric or instrument air well-sites on new pads being drilled across our operating areas.



Monitor and mitigate fugitive emissions through aerial surveys, satellite detection, continuous fixed sensor monitoring, and ground level leak inspections.



Reduce compressor methane emissions by tying compressor seal vent lines into gas-conservation equipment.



Prioritize reducing existing pneumatic devices throughout our operations on legacy and recently acquired assets.



Install vapour recovery units for the purpose of capturing and reprocessing low-pressure gas that would otherwise be vented.



PURSUING OPPORTUNITIES TO REDUCE OUR CARBON INTENSITY

Pursuing Opportunities to Reduce Our Carbon Intensity

ESG STRATEGY IN ACTION

27% ↓
reduction in methane
emission intensity
since 2020

OVER
12% ↓
reduction in scope 1
emission intensity
since 2018

WHILE NEARLY
100% ↑
increase in production
over the same period

Identifying Opportunities

We continue to identify opportunities to reduce the carbon intensity of our natural gas development and focus on real-world solutions that immediately reduce our emissions, particularly methane intensity. Our key solutions include replacing methane-venting equipment with low-vent or electric devices, converting fuel gas pneumatic systems to electric devices or instrument air, installing Vapor Recovery Units (VRUs), and tying compressor seal vents to VRUs or flares. Simultaneously, we are developing roadmaps to deploy emerging technologies that will advance our emissions reduction efforts now and in the future. Some of these technologies include carbon capture, the deployment of lower-carbon-intensity fuels in our operations, process optimization, facility electrification, and hydrogen utilization, among others. These initiatives demonstrate our commitment to continuously improving our environmental performance.

Emissions Sources

In the following sections of our report, we will highlight a range of technologies currently deployed across our operations that are actively reducing emissions from four primary sources: Combustion, Venting, Flaring, and Fugitive. These technologies represent our commitment to minimizing environmental impact and demonstrate our approach to tackling each source of emissions with targeted solutions. By showcasing these innovations in action, we aim to provide a clear view of the progress we are making towards emissions reductions and responsible operations.

[COMBUSTION](#)[VENTING](#)[FLARING](#)[FUGITIVE](#)



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Mitigation & Response

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We are taking action by maximizing technology to minimize our emissions.

Converting Waste Heat Into Useful Power

Boilers are used to create heat, or process heat, in an oil and gas operation. The boiler converts fuel, often natural gas, into thermal energy. This generated heat is transferred to a heat medium, typically a fluid that can absorb and carry heat effectively. The heat medium flows in a continuous loop, moving through different parts of the facility where heat is needed. As the heat medium moves along the loop, waste heat recovery (WHR) units capture additional heat from other parts of the process, such as engine exhaust gases. This is often done using heat exchangers, which absorb waste heat and transfer it to the heat medium. The captured heat can be reused to lower the demand on the main boiler by prewarming the heat medium. This reduces the amount of fuel the boiler needs to burn, leading to fewer emissions and more efficient operation.

By integrating waste heat recovery, Tourmaline has enhanced its energy efficiency, lowered its operational costs and successfully reduced its emissions profile.

42

 WHR UNITS

installed on Tourmaline assets

10

gas plants with WHR units installed

INNOVATION AT WORK

Zero Emissions Energy Technology Inc. (ZEET)

Tourmaline is committed to supporting clean technology trials within our operations and has been working to scale waste heat recovery across our operations. In March 2024, we completed the commissioning of a waste heat recovery trial with ZEET at one of our gas processing plants in the Alberta Deep Basin. The technology proposed by ZEET is a novel, low-cost, and small-footprint heat recovery alternative to commercial solutions. Tourmaline has supported engineering work and installation costs and offered a host site for the pilot project. The project is estimated to eliminate 2,200 TCO₂e emissions annually by reducing the fuel gas combustion required for process heating.





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Mitigation & Response

- COMBUSTION
- VENTING
- FLARING
- FUGITIVE

Switching From Diesel to Natural Gas to Reduce Emissions and Costs

Natural gas engines are crucial for oil and gas operations due to their efficiency, cost-effectiveness, and compatibility with existing infrastructure. They provide reliable power for drilling rigs, pumps, and compressors in remote locations where grid power is limited or unavailable. While natural gas engines offer a lower-emission solution when compared to their diesel engine counterparts, they still produce emissions, primarily due to incomplete combustion of methane. The emissions from these engines include nitrogen oxides (NOx), carbon monoxide (CO), volatile organic compounds (VOCs), and particulate matter (PM). Managing and reducing these emissions is critical to mitigating environmental impacts and complying with industry regulations.

Over the past seven years, we have systematically displaced diesel with our own natural gas in the field. Tourmaline utilizes natural gas to operate our hybrid drilling rigs and fuel portable generators that generate on-site electricity for our completion's equipment. Displacing diesel with natural gas allows Tourmaline to reduce both our overall emissions and capital costs.

166 MILLION LITRES
of diesel displaced to date

AND OVER

\$163 MILLION
in operational savings

INNOVATION AT WORK

Advancing Drilling in the Deep Basin with the Launch of Bear 1

In December 2023, we proudly welcomed Bear 1, Bear Drilling Corp.'s inaugural natural gas- and battery powered drilling rig, to our fleet under a long-term operating agreement within our Deep Basin area. This innovative rig, developed with our support, represents a significant leap towards reducing emissions in our operations.

Bear 1's hybrid energy setup relies on natural gas and batteries instead of traditional diesel. During initial testing, Bear 1 demonstrated a fuel consumption rate of 7.1 e³m³ of natural gas, effectively displacing an estimated 8,350 litres of diesel. This reduction in diesel use highlights the rig's potential for emissions reductions and aligns with our commitment to operational emission reductions.

The successful deployment of Bear 1 is a pivotal step in advancing emission reductions in the drilling sector, directly impacting both environmental stewardship and operational efficiency in the Deep Basin.

Enhancing Efficiency with Innovative Energy Storage Solutions

Tourmaline has been exploring energy storage solutions to improve efficiency and offset fuel consumption. We currently utilize three drilling rigs equipped with batteries, one of which is operating fully on natural gas.

In July 2023, we commissioned a battery into the power generation system at one of our gas plants in Northern BC. Since installing the battery, we have been able to comfortably run the facility with less wasted power output from the generators, reducing the amount of fuel gas consumed. The battery has also helped prevent unplanned outages that might occur when generators trip under changing plant conditions. Initial results showed that we could run one less generator and save 2,350 e³m³ of fuel consumption annually. Given the success of the pilot project, we are moving forward with a similar project at a neighbouring plant.





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Driving Change in the Transportation Industry

Expanding our diesel displacement initiative beyond our core operations, we are proud to build Western Canada's first commercial-grade public compressed natural gas (CNG) fueling network in partnership with Clean Energy Fuels. In October 2024, we celebrated opening two new CNG stations in Calgary and Grande Prairie. Together with the Edmonton station that opened in April 2023, these new locations establish a crucial transportation corridor for trucking companies converting their fleets from diesel engines to CNG engines¹.

By making CNG more readily available to heavy-duty trucking companies, our expanding network will allow more transportation fleets to transition to CNG, a lower-carbon fuel alternative to gasoline and diesel.²

“

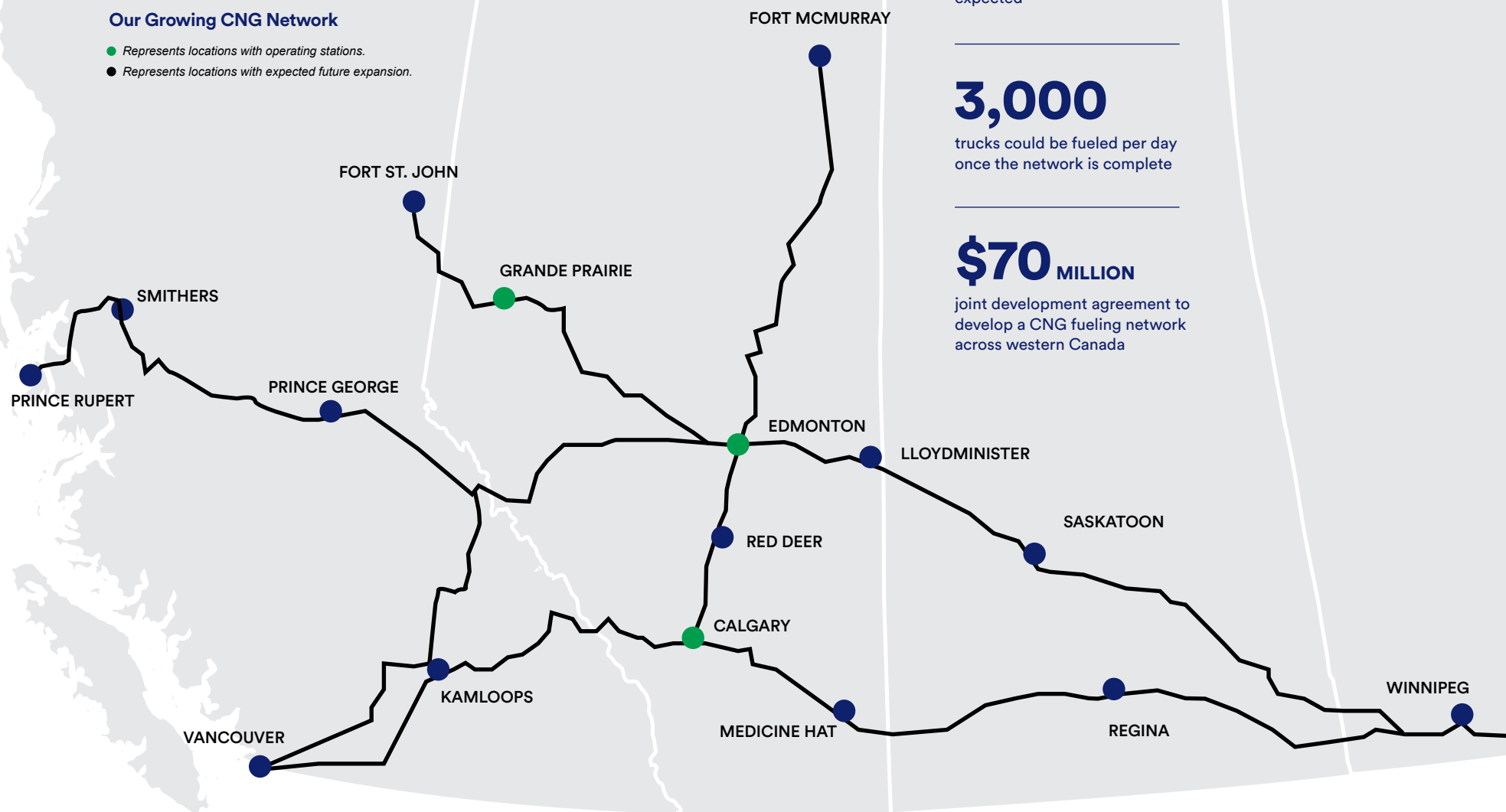
We are expanding our multi-year diesel displacement initiative by making CNG more readily available to heavy-duty trucking companies. Right here in Alberta, we have the technology, an abundance of natural gas, and now the infrastructure to help facilitate a transformative shift in the transportation sector.

MICHAEL ROSE

PRESIDENT, CHIEF EXECUTIVE,
OFFICER & CHAIRMAN

Our Growing CNG Network

- Represents locations with operating stations.
- Represents locations with expected future expansion.

**20**

Number of CNG stations expected

3,000

trucks could be fueled per day once the network is complete

\$70 MILLION

joint development agreement to develop a CNG fueling network across western Canada



To learn more about this initiative, please click [here](#).

¹To learn more about Cummin's X15N engine click [here](#).

²U.S. Department of Energy - Alternative Fuels Data Center.



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Mitigation & Response

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Upgrading Engine Performance to Reduce Emissions

Tourmaline has been actively improving engine performance and lowering emissions by installing Waukesha Series 5 (S5) upgrades across our compressor engine fleet. These engines minimize methane exhaust slip and reduce methane emissions.

The S5 upgrade includes:

- A new camshaft profile to improve the intake valve timing;
- Improved controls to maintain strict air-fuel ratio;
- New piston design that helps reduce the trapping of unburned hydrocarbons; and
- Cylinder heads with improved cooling and reliability.

We have upgraded 24 engines to date and will be continuing to upgrade these engines throughout our operations. S5 engines can deliver more power with greater efficiency than previous models. This results in fuel reductions and emissions savings while delivering the same amount of product.

24

Waukesha S5 engine upgrades performed to date to reduce methane emissions





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Replacing Pneumatic Pumps and Controllers to Reduce Vented Methane Emissions

Pumps and controllers are devices essential to natural gas production operation. These devices can be powered in several ways. Until recently, technologies did not exist for reliable energy sources at remote well sites. As a result, pneumatic pumps and controllers were frequently installed. These devices can vent small amounts of methane when in use.

Pneumatic pumps, for instance, inject chemicals to maintain pipeline integrity and prevent blockages. One critical application is the injection of methanol to prevent hydrate formation, which occurs when water left in the gas pipeline freezes under high pressure and low temperature. Hydrates can block pipelines and lead to equipment failures, increasing the risk of costly downtime or pipeline rupture. Traditionally, we have favoured pneumatic pumps at remote wellsites due to their reliance on wellhead pressure rather than external power sources. The well’s natural pressure powers the pump, making it a reliable solution in areas where electricity is unavailable.

Pneumatic controllers, on the other hand, regulate and control various processes such as pressure, temperature, and flow rates. They also use methane from the well to power valves and instruments that control critical parameters. We typically use these controllers at remote wellsites, as well, because natural gas is a convenient power source when electricity is not an option.

To significantly reduce methane venting across our operations, Tourmaline has been replacing traditional natural gas-powered pneumatic pumps and controllers with the following alternative systems:

- **Electric Pumps:** Replacing pneumatic pumps with electric pumps powered by solar panels, batteries, or thermoelectric generators eliminates methane emissions from chemical injection processes. These systems are becoming more viable as power generation technologies improve, even in remote areas. Their deployment is widespread for our new construction but still limited for legacy or newly acquired wells due to the cost sometimes being prohibitive for low producing wells. We commit substantial capital annually to broaden this deployment.
- **Instrument air systems:** These systems use compressed air instead of natural gas to operate valves and other control equipment. Instrument air systems can be particularly effective in larger, multi-well pad installations where the cost of installation can be justified by the scale of operations. These systems eliminate vented methane emissions by using air as the working medium.

OVER

3,700

methane-venting pneumatic devices replaced with low- or zero-bleed devices, generating significant offsets

INNOVATION AT WORK

Using Abandoned Pipelines for Emission Reduction

Over the past two years, we have successfully implemented four centralized air systems in Alberta by creatively repurposing old, abandoned pipelines. These pipelines now deliver compressed air to multiple wellsites, replacing methane-powered devices and significantly reducing emissions. The installation of these systems required extensive planning to ensure reliable airflow across the wellsites. This innovative approach leverages existing infrastructure while helping lower methane emissions.

Optimizing Pressure Controllers

In October 2023, we launched an extensive audit of all pressure controllers across our facilities to assess their functionality and optimize their use. By the time our audit concludes at the end of the first quarter of 2025, each controller will have been evaluated for removal, replacement, or necessity, with some becoming redundant due to changing flow conditions or fluid properties. In addition, throughout this process we have been exploring lower-emission alternatives and initiating projects to support our emissions reduction plan. This comprehensive initiative is a vital part of our ongoing commitment to meeting our emission reduction targets.

OVER

1,000

electric pumps installed

AND OVER

1,200

electric controllers installed to date



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Mitigation & Response

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Installing Vapor Recovery Units to Capture Gas and Reduce Vented Emissions

Understanding tank emissions can be problematic and difficult to control. Tourmaline conducted several testing campaigns to help mitigate methane emissions and understand the root causes for tank emissions. Our trials included:

- Testing a position-monitoring thief hatch and emergency relief valve to determine if they can help operators identify leaks quicker to reduce fugitive emissions.
- Deploying non-thermal infrared cameras at various facility tank farms to improve quantification models for continuous methane measurement.
- Installing position-monitoring pressure vacuum relief vents on controlled tanks to minimize fugitive emissions that occur from over pressuring tanks.
- Deploying continuous various emission monitoring sensors at controlled and uncontrolled tank farms to gather data, understand process changes, and track trends.
- Aerial surveying of tanks to look at point-in-time emissions that helped drive further investigation into potential mitigation projects.

Advancing Flare Management to Reduce Our Emissions

Flaring, the controlled burning of natural gas, is primarily used in our industry to ensure safety and manage operational disruptions. We are dedicated to minimizing flaring wherever possible, focusing on conservation efforts to reduce its environmental impact. Flaring is necessary,

under specific conditions: for purging or igniting flare stack pilots, addressing critical safety concerns, managing unexpected operational disruptions such as pipeline issues, or when required for maintenance activities. These controlled flaring practices are essential to maintain the safety, reliability, and efficiency of our operations, while our broader conservation efforts continue to prioritize reducing emissions.

Direct flare metering is an enhancement added to all new facilities to improve emissions tracking and response. Recent installations of direct flare meters have improved the response time for identifying unnecessary flaring events, understanding the causes and severity of emissions events, and determining whether process adjustments or early maintenance are needed.

Tourmaline's implementation of new flare measurement techniques has led to a better understanding of its emissions and reduced the frequency of upset events. Continuous flaring, also known as sweep gas volume, is essential for maintaining a functioning flare system. Sweep gas maintains the flare tip as the system's lowest pressure area, helping to keep oxygen out of the lines and reducing the risk of flashbacks or other safety hazards. Tourmaline has actively worked on reducing sweep gas volumes through applied technologies, successfully achieving reductions at its West Wolf Lake gas plant.

SOLUTION GAS FLARING

<1%

of our total flaring volumes^{1,2}

Lowest

flaring intensity of all Alberta producers²

¹Solution gas as defined by the [World Bank](#) - refers to the burning of natural gas associated with non-productive processes from oil extraction.

²Source: AER - ST60B-2023 Report.

INNOVATION AT WORK

Capture More, Waste Less: The Power of Vapor Recovery Units (VRUs)

Installing VRUs at our facilities offers both environmental and operational benefits. VRUs capture gas that would otherwise be vented or flared, reducing methane emissions and preventing valuable gas from being wasted. This not only helps us reduce emissions, but also increases revenue by capturing gas that can be reintegrated into production.

We prioritize conservation — the recovery and redirection of gas — that would otherwise be vented or flared.

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Investing in the Future

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Our world-class Emission Testing Centre is tackling methane.

Emission reduction through continuous advancements in technology is critical to driving down emissions. As new technologies emerge and existing solutions evolve, we become better equipped to quantify, monitor, and mitigate emissions from various sources.

The NGIF Emissions Testing Centre (ETC) Program is a collaborative initiative that unites industry, government, and academia to drive methane emission reduction through innovation. This program uniquely supports startups in developing, testing, and validating cutting-edge methane measurement, monitoring, and mitigation technologies. The ETC distinguishes itself by providing free-to-user access for technology innovators, facilitating the rapid scale-up of emerging solutions from early concept stages to commercial deployment.

The ETC offers technology developers two key environments for comprehensive testing and validation. The first is the ETC Lab at the University of Calgary, which enables companies to test and de-risk their technologies within a controlled setting. The second environment includes field-testing opportunities at our operational sites, where innovators can validate their technologies in real-world conditions. We, as a consortium member in the program, play a pivotal role in field-testing oversight.

Through this we are able to provide access to a multitude of sites including two primary facilities modified for technology validation: the West Wolf Lake (WWL) Gas Plant (co-owned with Perpetual Energy) and the Controlled Release East Edson Wellsite (CREEW).

The WWL facility focuses on testing methane detection technologies, while CREEW simulates wellsite emissions with controlled methane releases, making it ideal for methane quantification technology trials. Tourmaline's other facilities are also leveraged to validate methane mitigation technologies. Additionally, Tourmaline utilizes its mobile Continuous Emissions Monitoring System (CEMS) to measure methane emissions from combustion sources.

Established in 2021, the ETC has received funding from both federal and provincial sources, including Natural Resources Canada, PrairiesCan, and the current funders, Alberta Environment and Protected Areas and Alberta Innovates. The ETC actively collaborates with ecosystem partners to drive technological innovation, helping accelerate methane reduction technologies on their path to market.

 [For more information, please see the NGIF ETC video here.](#)

**37**

successful field trials completed

78

program participants

OVER**15**

Tourmaline facilities have hosted testing

The ETC helps innovators validate their technologies in real-world conditions.



Investing in the Future

COMBUSTION VENTING FLARING FUGITIVE

Building a resilient future through innovation and collaboration.

Committing to an Innovation Ecosystem for Technological Advancement

In our commitment to ecosystem development, we actively seek to stay informed on emerging challenges and opportunities within our industry, aiming to reduce risks and enhance operational advancement. By fostering collaboration and encouraging open knowledge exchange, we contribute to a collective understanding of new technologies, their impacts, and their potential benefits. This proactive approach not only minimizes risks associated with technological advancements but also strengthens the resilience and efficiency of the industry as a whole.

Avatar Innovations

Tourmaline recently joined Avatar Innovations, a network aimed at developing new technologies and services in the oil and gas industry. Tourmaline became a proud sponsor of the Methane stream, providing mentorship to startups to help turn innovative ideas into viable solutions. As a result of this mentorship, all but one team from the Methane stream advanced from the first to the second round of the competition. By participating, Tourmaline aims to support young professionals and foster a positive transformation within the industry.

Methane Emissions Research Collaborative (MERC)

Tourmaline participates in a consortium with the BC government, other producers, and environmental organizations to advance methane emissions research

and mitigation strategies. With representatives on both the steering and technical committees, Tourmaline actively supports MERC's initiatives to help meet BC's methane reduction targets. MERC's plan emphasizes the design and implementation of research deliverables to support methane reduction and assess regulatory effectiveness, aligning with both provincial and federal goals.

International Gas Union (IGU)

The IGU is an organization that helps bring together multiple global perspectives to promote international gas trade through non-discriminatory policies and supports technological advancements for environmental benefits, including natural and decarbonized gas, renewable gas, and hydrogen. It covers the entire gas value chain, from production to distribution and utilization, advocating for safe and efficient practices worldwide. Tourmaline actively participates in IGU's Research Development and Innovation Committee.

 [Learn more about the research featured through IGU here.](#)

NGIF Capital

NGIF Capital is an industry-driven capital fund that targets cleantech startups with solutions for emissions reduction across the natural gas value chain, including production, transmission, distribution, storage, and end-use applications. The fund de-risks startups, scales

them to market, and enables customer creation, accelerating technology development and commercialization. This investment benefits the business ecosystem by driving industrial innovation in energy transformative technologies. Tourmaline has contributed \$20MM to NGIF Fund I, which has invested in 10 companies to date.

NGIF Grants

NGIF grants is a non-dilutive funding initiative that incorporates 14 members covering the full value chain of the natural gas industry from producers, midstream and utilities. The initiative looks to accelerate the commercialization of cleantech products from a variety of areas such:

- Hydrogen
- Process optimization
- Fuel switching
- Methane mitigation
- Methane quantification
- CCUS
- Heat pumps

OVER

\$19 MILLION

has been awarded by
NGIF Grants to date



OF WHICH

\$2.3 MILLION

was contributed
by Tourmaline

We are committed to operational advancement by fostering collaboration and encouraging open knowledge exchange.



Investing in the Future

COMBUSTION VENTING FLARING FUGITIVE

As our industry continues to make meaningful strides in carbon capture and storage, Tourmaline is monitoring, evaluating and implementing opportunities to minimize our carbon footprint.

Why is it Important?

Currently there are hundreds of CCS facilities operating worldwide, including within Canada. We have an opportunity to further elevate Canada as the world's preferred provider of lower-carbon-intensity natural gas.

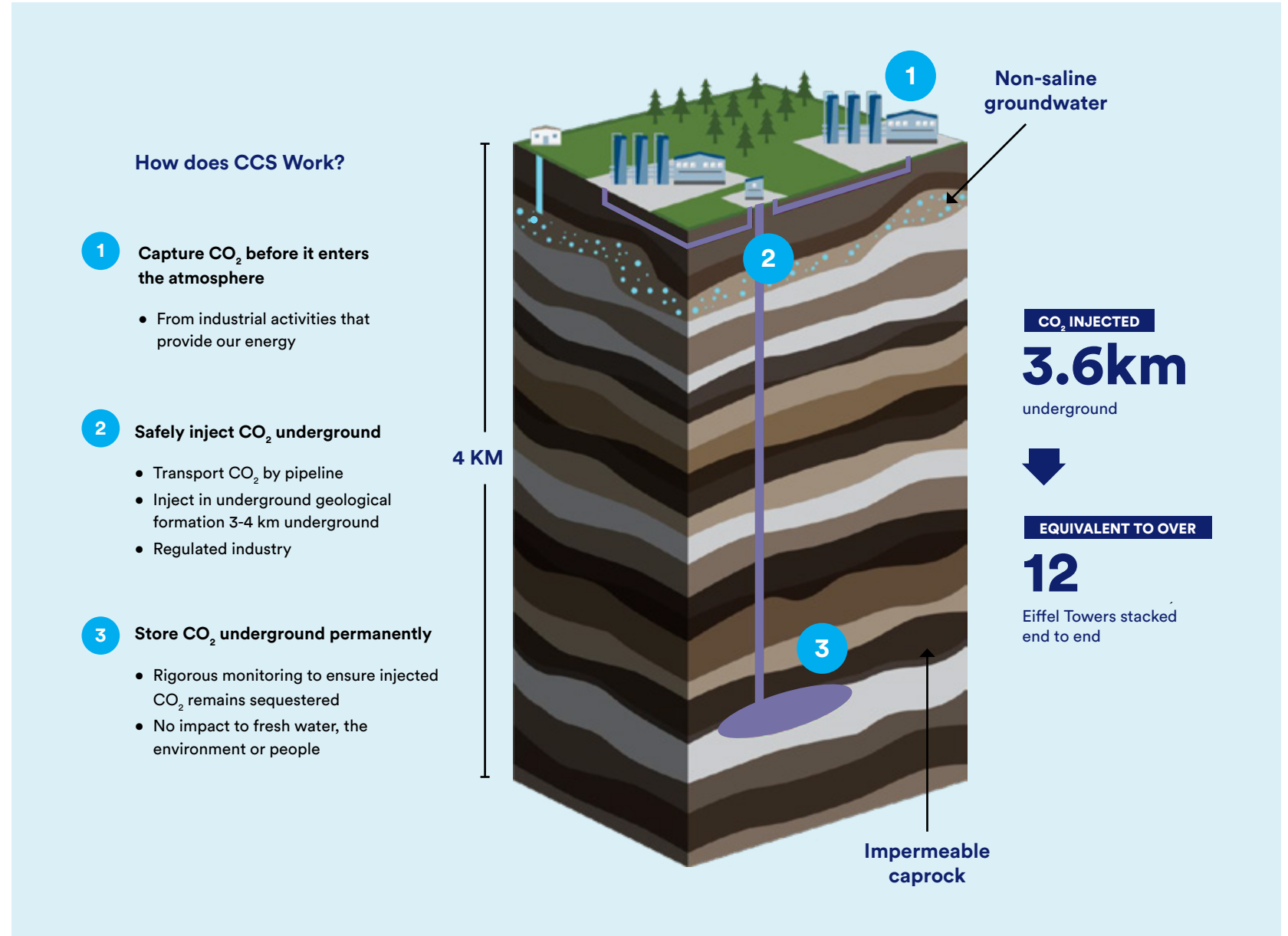
Why is it a Challenge?

CCS is a challenging endeavour because our operating areas have unique traits, in that our:

- Emissions are geographically spread out over AB and BC¹
- Emission site volumes are smaller
- Technology needs to be fit for purpose
- High cost to abate each tonne of CO₂

Source: Alberta Energy Regulator.

¹For a map area of our operations please refer to our [Corporate Presentation](#).



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Investing in the Future

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We are developing roadmaps to deploy emerging and evolving technologies. One of these technologies is carbon capture and storage.

Capturing CO₂ Before it Enters the Atmosphere

Tourmaline endeavors to continue to lead industry in emission management through the emerging CO₂ sequestration industry. We are exploring right-sized capture and associated monitoring requirements to find an industry solution for smaller point source emission sources in the 50,000 - 200,000 tonne/year range.

Our goal is to become the anchor tenant for a Tourmaline CCS Hub with available capacity for third parties. Tourmaline brings industry leading reservoir, drilling, completions and facility expertise to advance Alberta CCS.

It's responsibly regulated.

Three regulatory bodies oversee the activities in Alberta.

It's safe.

Geological mechanisms prevent impact on water, plants, or soil.

It's proven technology.

In use for more than 50 years. Roughly 300 million Tonnes of CO₂ have already been captured.¹

It's stored underground.

Fossil fuels have been trapped in similar deep geological formations for millions of years.

What is Carbon Capture Storage (CCS)?

Canada is a seasoned leader in CCS with hundreds of CCS facilities worldwide.

It's rigorously monitored.

Ensures injected CO₂ remains sequestered.

¹Source: Global CCS Institute.



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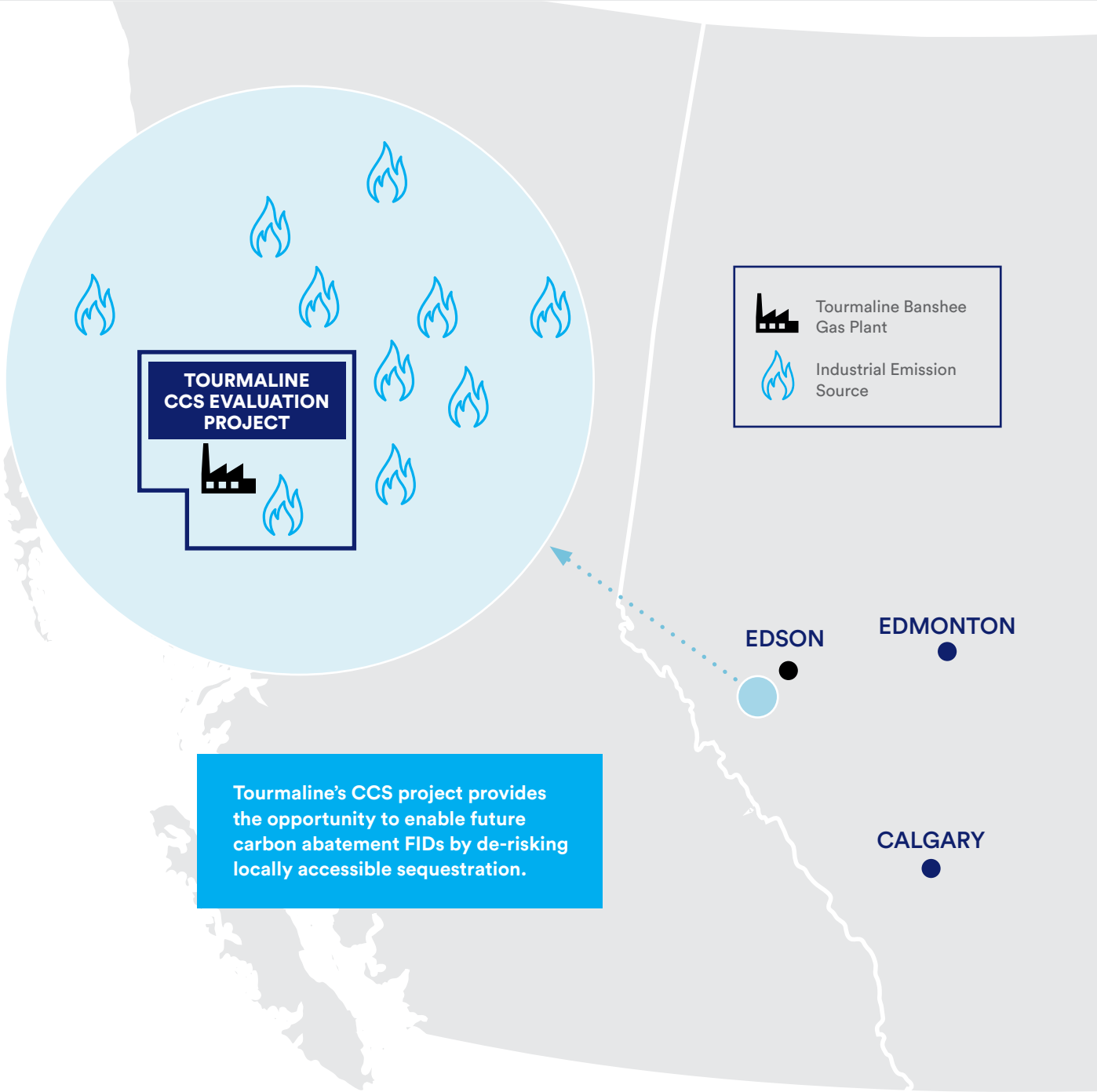
COMBUSTION VENTING FLARING FUGITIVE

Foundational CCS Project

We aim to capture CO₂ from natural gas fired compressor exhausts before it enters the atmosphere. We are working toward commercializing three unique technologies in Alberta, south of Edson, in Tourmaline’s pore space. We believe carbon capture and sequestration may become an important transformation tool that could play a role where low-carbon energy solutions, such as hydroelectricity, are not available.

Our CCS Evaluation Project:

- Carbon capture at Tourmaline’s Banshee gas plant.
- Additional industrial emissions adjacent to Tourmaline’s project.
- Technology developed can be implemented at other Tourmaline gas plants.



**Government of Canada: Regulatory Framework for Oil and Gas Emissions Cap.*



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Ongoing research, data transparency, and integration of new technologies are critical to achieving our emissions reduction goals.

Tourmaline’s Ongoing Commitment

We remain committed to reducing emissions as part of our broader environmental performance improvement strategy. Our continued efforts to develop and implement innovative technologies, alongside our strategic practices, reinforce our leadership in emissions management. By focusing on near-term actionable efforts, we are not only meeting our current goals but also setting new benchmarks for the industry.

Looking forward, the future of emissions management will rely heavily on ongoing research, greater data

transparency, and the integration of new, more sophisticated technologies. We recognize that achieving long-term emissions reduction goals will require a sustained commitment to innovation and collaboration with industry stakeholders. As we advance, our focus will remain on continuously improving our methods, embracing the latest technologies, and fostering an open dialogue around emissions data, ensuring that we are well-positioned to meet both current and future challenges in the journey towards a lower-carbon-intensity future.





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Water

We believe responsible water management is crucial to our long-term success.

Tourmaline strives to be an industry leader in water management. The investments we’ve made over the years to build an extensive network of water-recycling infrastructure allow us to recover and reuse most of the water we use for hydraulic fracturing. Our goal is to ultimately eliminate the use of any fresh water in completion activities throughout our core gas operations, as reducing our reliance on freshwater is not only better for the environment but provides water security as we continue to grow.

Tourmaline’s water usage is directly correlated with our drilling and completion activity, as water is the key medium in hydraulic fracturing. Water use in our operations increased by 84% in 2023 from 2017 levels, trending

with increased drilling activity and an increase in the number and intensity of fracs per well. Concurrently, our recycled water usage increased by 122%. As part of our ongoing effort to eliminate freshwater usage in well-stimulation activities, Tourmaline expects to invest approximately \$35 million over the next three years in water recycling and water management facilities.

Our industry-leading water-recycling infrastructure has helped us achieve six years of consecutive increases in recycled fluid use volumes. This also corresponds to a more than doubling of recycled water per well over a six-year time frame, from 2018-2023, a trend we forecast to continue to grow as we invest in additional recycling infrastructure.

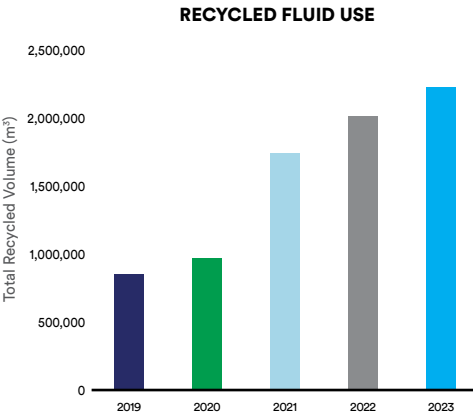
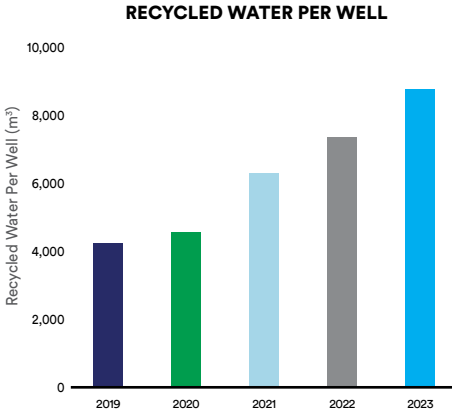
WATER TARGET

Eliminate the use of fresh water throughout our core gas operations.

OVER

6 YEARS

of consecutive increases in recycled water volumes



WE RECYCLED OVER

2,200,000m³

of water in 2023

EQUIVALENT TO

the annual water usage of around

13,880

Canadians

Source: Statistic Canada



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Water

Advancements In Water Management

Treatment practices in hydraulic fracturing technologies have allowed Tourmaline to minimize treatment and use recycled water for completion operations.

Tourmaline has successfully utilized friction reducers — fluid additives designed to reduce friction and increase pump efficiency — in pipeline water transfers. This has allowed us to increase produced water deliverability, while concurrently decreasing or eliminating all freshwater dependency for makeup volumes; this in addition to removing trucks from the road.

Tourmaline continues to monitor exciting emerging technology in the water space, including rare earth extraction, increased treatment of saline water to fresh water and others. We intend to spend over \$35 million in water management capital in the next three years, with additional capital expected to follow.

Tourmaline participates in multi-operator water-sharing associations, such as the British Columbia Montney Water Operators Group and Alberta Water Operators Group. Collaborating with other operators to share produced and flow-back water not only enhances the efficiency of our water use but further minimizes our reliance on fresh water for our hydraulic fracturing operations. We also prioritize consultation with various Indigenous communities to ensure projects are planned outside of hydrologically sensitive areas while protecting, conserving and reducing our water usage.

Protecting Our Water

We are proud of Tourmaline's water management program and the dedication our team shares to becoming industry leaders. Our initiatives to reduce, reuse and recycle water have allowed us to not only minimize our impact on the environment but to reduce operational costs. From day one, Tourmaline has believed responsible water management would be vital in reducing our impact on the environment.

Water is necessary for our drilling and completion operations. Because we recycle most of the water used in completion activities, access to fresh water is less critical than it otherwise would be in the absence of our extensive recycling program. This protects us from drought conditions and potential water scarcity. We operate in the Mackenzie water basin that, according to the World Wildlife Fund Water Risk Filter, is low risk for water scarcity. However, recycling produced water not only allows us to preserve the basin and water supply but it is the environmentally responsible course of action.

WATER-MANAGEMENT

Tourmaline's industry-leading water management practices increase our resiliency to drought conditions. Our extensive water-recycling infrastructure not only decreases the strain on the environment in low precipitation years by reducing our freshwater needs but help us maintain our corporate development goals.

We're reducing our impact

Recycling our water infrastructure liners allows us to reduce our impact. Once removed, these liners are packaged and shipped to a recycling facility where the liners are collected, cleaned, shredded and recycled. The reclaimed materials are processed into pellets which can then be used in a variety of applications including pipe manufacturing, sheet manufacturing and plastic lumber applications.

WE PLAN TO SPEND

~\$35 MILLION

on water recycling and management in the next 3 years, with additional capital following

\$50 MILLION

invested in water recycling facilities and infrastructure over the last 5 years

Most

of the water used for hydraulic fracturing is recovered and reused after completion



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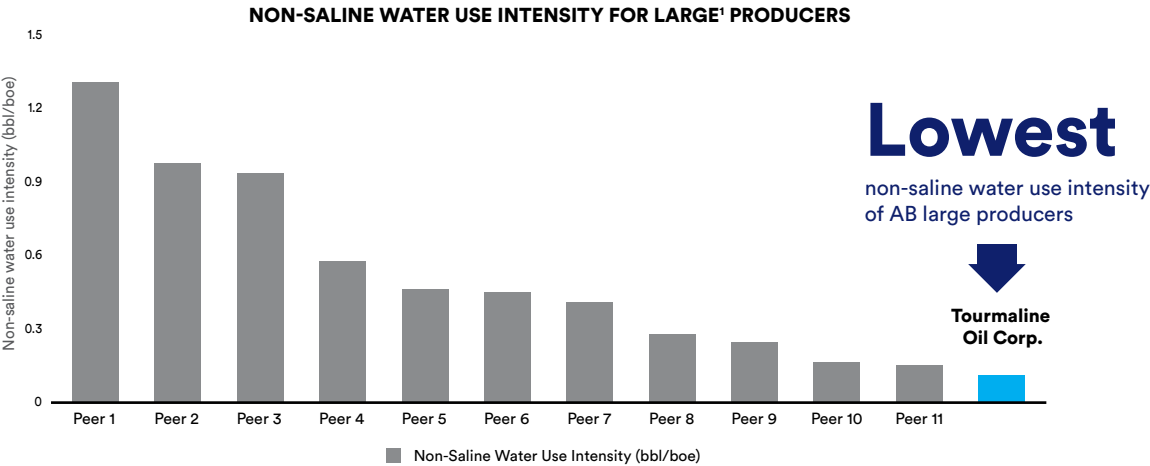
Our innovative water practices have made us a leader amongst our peers.

Based on the Alberta Energy Regulator’s (AER) annual reporting of fresh water (non-saline) usage, we are proud to report our efforts and investments have resulted in Tourmaline using the least amount of fresh water in Alberta operations as compared to our peers. We currently do not have peer data from the BC Energy Regulator but believe our performance in BC is even better than in Alberta due to our geographically concentrated operations and increased water treatment facilities.

Water Infrastructure

Tourmaline, through construction or acquisition, has over 588,500 m³ of treatment/storage capacity across 13 engineered containment ponds and 8 owned water source/recycling facilities. We were the first operator in Alberta to receive regulatory approval to construct and operate large-scale engineered containment ponds for recycled water storage, which enables us to use recycled fluid for hydraulic fracturing in the short term and to store produced fluids over the long term for future use. We have built over 120km of water pipeline infrastructure and have other multi-use pipelines that allow us to source our own recycled water for operations and reduce the number of water transportation trucks on the road. Not only are we removing trucks from the road, but we are generating lower operating costs, all while using less fresh water.

 For more information please visit the [AER's website](#).



¹Based on companies with ≥ to 20 million BOE/year. Source: AER.



120km

plus a network of multi-use pipelines used for water and other liquids

588,500m³

water treatment and storage capacity

EQUIVALENT TO OVER

235

Olympic-sized swimming pools



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Land

Tourmaline strives to conserve and protect the lands on which we operate.

While minimizing surface impact, we maintain high standards of safety and environmental stewardship. In addition to our many ongoing initiatives, such as pursuing plant expansions on existing sites rather than new standalone facilities and utilizing existing pipeline rights-of-way to minimize surface impact, we are pleased to report on the following activities:

Seismicity

Tourmaline places significant emphasis on monitoring, measuring, mitigating and communicating in seismically active areas related to completion operations. Tourmaline’s operating areas exhibit low degrees of seismicity relative to other basins. We manage seismic activity where it occurs with great care. To prepare for our hydraulic fracturing operations, Tourmaline conducts extensive research and complex modeling prior to undertaking any completion operation and we conduct extensive public consultation and communication with landowners and regulators. In the event seismic activity is observed during operations, we swiftly take appropriate measures to ensure minimal impacts to the land and our stakeholders. This comprehensive approach minimizes seismic impacts and allows us to exceed regulatory requirements.

FIRST COMPANY IN BRITISH COLUMBIA

To acquire a commercial 3D seismic dataset utilizing zero-cut receiver lines. This eliminates the need to create pathways for geophone deployment reducing the impact on the forest by over 50%

Well Pad Design

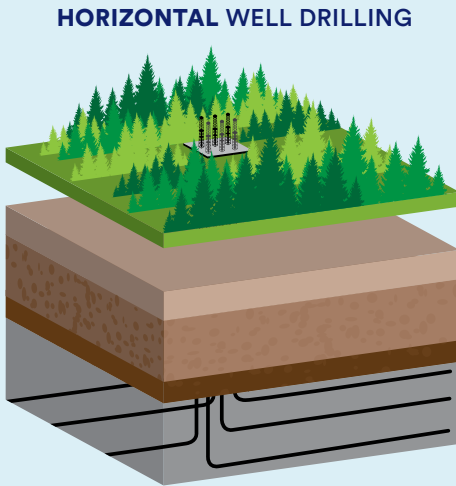
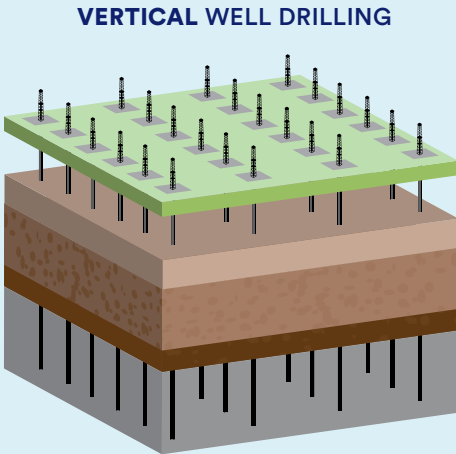
Throughout our operations in Western Canada, Tourmaline utilizes large, efficient multi-well pads. Multi-well pad drilling allows for shared infrastructure, which dramatically reduces land disturbance, reduces emissions, and minimizes road and vehicle use. As Tourmaline continues to develop steadily larger multi-well pads across our core operating areas, we are significantly reducing surface disturbance per producing well by around 75%.

To minimize and avoid such disturbances at every stage of resource development, our approach includes:

- Performing assessments during the planning and completion stages of each project.
- Consulting with Indigenous groups during the planning phase.
- Managing our construction and development activities to minimize the surface footprint.
- Implementing wildlife management plans.
- Supporting regional biodiversity programs.
- Monitoring continuously throughout the life cycle of the asset.
- Investing systematically in reclamation activities.

Conserving Land Through Pad Drilling

We’ve developed multi-well pads in our operating areas to **significantly reduce the surface area per producing well by 75%**. Pad drilling allows for shared infrastructure, which dramatically reduces surface impact, emissions, access roads and vehicle use.



75% LESS
land disturbance can occur with multi-well pad drilling

UP TO
48 WELLS
can be drilled on one well-pad site in BC



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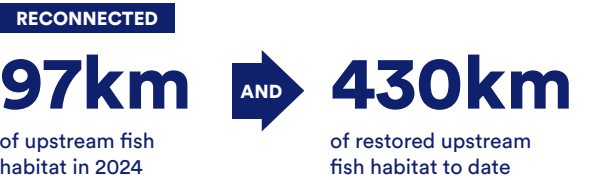
Wildlife Conservation

Wildlife conservation and management remains a priority at Tourmaline. In particular, the boreal woodland caribou is of main interest as these populations are listed as a threatened species both federally and provincially. Tourmaline continues to maintain representation on the Alberta Caribou Sub-Regional Task Forces. The Task Forces’ goal is to advise government, provincially and federally, on land-use planning, including caribou recovery actions. Each Task Force includes representatives from local municipalities, Indigenous communities and organizations, the energy sector, the forestry sector, recreational users, environmental non-government organizations, and other local stakeholders and knowledge holders. As stewards of the land, we are committed to collaborative efforts to recover sustainable caribou populations and reduce both land and wildlife disturbances.

Additionally, Tourmaline participates in the Watercourse Crossing Program, which works to correct fish habitat fragmentation caused by watercourse crossings in Alberta. With the remediation of these crossings, Tourmaline has reconnected over 430 kms of upstream habitat for Athabasca rainbow trout, bull trout, and other fish species to the Athabasca River drainage system in the Western foothills since 2019.

Tree Planting

We are currently investigating a variety of nature-based solutions to improve our land performance, including tree planting. By planting native tree species, we aim to promote biodiversity by restoring natural habitats and supporting wildlife, while also stabilizing soils and preventing erosion. Tourmaline intends to plant over 50,000 trees across Alberta and British Columbia each year.





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Restoring land is an ongoing commitment.

Managing asset retirement obligations is a crucial piece of our environmental stewardship and key in maintaining the social license to operate. Historically, Tourmaline's facilities and wells have been lower-risk and less costly to reclaim, as they are newer and better designed. As a result of recent corporate acquisitions, including Bonavista, Tourmaline has acquired some older, higher-risk sites and infrastructure in remote locations. We consider this an opportunity, as Tourmaline has the means and the will to properly reclaim and restore these sites. Since acquiring these older assets, we have been prioritizing, using a risk-based approach, reclamation of these sites and infrastructure over our newer, easier-to-access locations.

Collaboration with First Nations on Restoration Projects

In early 2023, Tourmaline established a framework for collaborating on restoration projects with our First Nations partners. Through early engagement, pre-planning, and meaningful collaboration, our process enables our First Nations partners to review Tourmaline sites and provide meaningful input to the planning and execution phases of our restoration programs, ensuring their valuable traditional knowledge is incorporated throughout. For example, we are currently collaborating with several First Nations in northeast BC to restore sites that are consistent with regulations and align with the First Nations cultural values like re-vegetation strategies on Tourmaline's sites, among other activities, and we look forward to continued collaboration with First Nations through meaningful relationships on restoration activities.

Our Approach



Responsible Operator

While minimizing surface impact, we maintain the highest standards of safety and environmental stewardship.



Young Asset Portfolio

By industry standards, Tourmaline is a relatively young company. This means most of our facilities and wells are younger and better designed, resulting in lower-risk and cost to reclaim.



Indigenous Collaboration

In early 2023, Tourmaline established a framework for collaborating on restoration projects with Indigenous partners. Through early engagement, pre-planning and meaningful collaboration, our process allows partners to review sites and provide meaningful input to the planning and execution phases of our restoration programs.

ALBERTA

We support the Inventory Reduction Program, which aims to increase the amount of closure work in Alberta through an industry-wide spend requirement and mandatory closure spend quotas for licensees. In turn, this will reduce the industry's total liability and increase the amount of land being returned to its original or alternative use.

Tourmaline also contributes to the industry-funded Orphan Well Association (OWA). The OWA aims to decommission orphan oil and gas infrastructure and reclaim the land to its original state.

221 ACRES

of land prepared for reclamation certification in 2023

EQUIVALENT TO OVER**110**

baseball fields

~55 SITES

per year are targeted for restoration

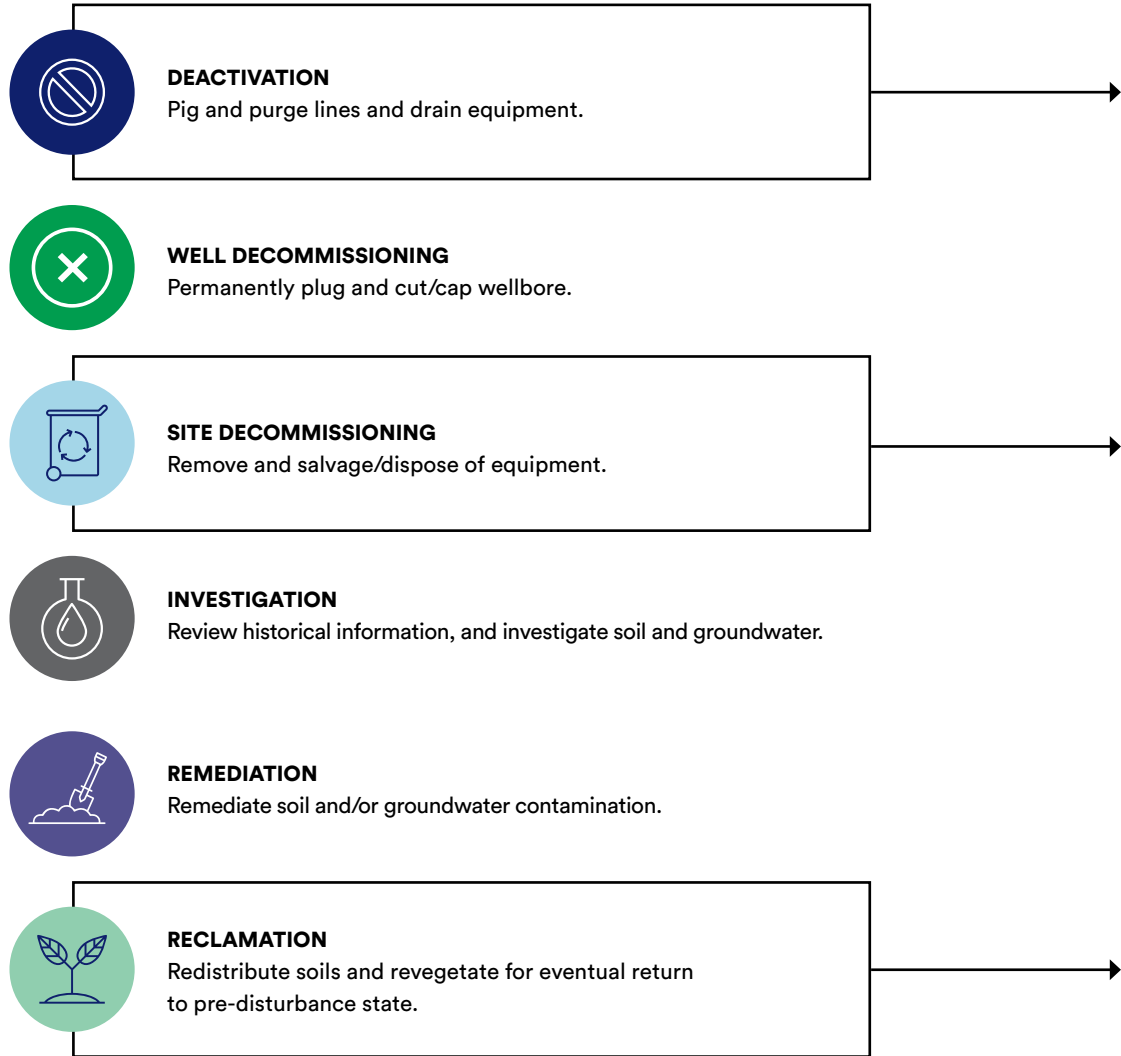
BRITISH COLUMBIA

We support the BC Energy Regulator Dormant Site Regulations, which specify timelines for decommissioning, assessing, and restoring inactive well sites, and any associated pipelines, facilities, and access roads. Tourmaline is targeting the decommissioning, assessment, and restoration of 45 to 50 sites per year in BC.

Tourmaline also contributes to the industry-funded Orphan Site Reclamation Fund. These funds are used to pay the cost of restoring BC orphan sites from companies that have declared bankruptcy or cannot be located. Orphan sites include wells, pipelines, facilities, and associated areas such as access roads.

Decommissioning & Reclamation

Our Site Restoration Process:



Source: BC Energy Regulator

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We are proud to invest in our team and the communities we call home.

Whether we're implementing our robust health-and-safety program, investing in community initiatives, or fostering our relationships with Indigenous peoples, at Tourmaline we prioritize people.





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Health & Safety

We prioritize the safety of our employees, contractors and the public above everything else.

At Tourmaline, safety is crucial to our business success. We ensure every employee and contractor is aware of, understands and complies with our health and safety policies, as well as all government regulations. Fostering a culture that prioritizes safety above all else is key to component of Tourmaline's business.

Our Program

Our Health, Safety and Environment program is based on hazard identification, assessment and control. To ensure utmost preparedness, we conduct regular inspections of all our facilities, equipment and infrastructure. Asset integrity and maintenance programs also ensure that we have safe and reliable equipment and facilities on site that meet or exceed the requirements of government regulations and industry best practices. Management ensures a continuous presence at all field sites and ongoing operations.

Emergency Response Plan

As part of our Emergency Management Program (EMP) we have a robust Emergency Response Plan (ERP) in place to ensure we can react immediately to any incident and reduce the risks involved for our people and the communities in which we operate. Our ERP sets out the safety precautions, emergency actions and procedures to

be implemented if an incident occurs during operations that creates a potentially hazardous situation. All Tourmaline field employees and contractors are familiar with our ERP, and we conduct regular training drills to ensure our readiness.

At Tourmaline, we continue to implement Energy Safety Canada's Life Saving Rules to support our current safety programs and policies, as safety is critical to our operations. These industry standards provide additional guidelines for our workers that contribute to the prevention of serious injuries, incidents, and fatalities.

Our commitment to implementing our guiding principles — standardization, support, accountability, continuous improvement, and shared learning — ensures a safe work environment for our employees on our worksites. These standards are fundamental to our common safety orientation and enforced at all Tourmaline worksites.

In 2023, we **increased field HSER advisors** in all our operating areas.

Prioritizing Safety Above All Else

Hazard identification, assessment and control

Regular tracking of safety statistics and reporting to Board and Management

Pre-qualification process for contractors

Comprehensive EMP training and exercise

Prompt and effective response to incidents



Enhancing Our Corporate Emergency Management Program

Revised ERP manuals that can be accessed digitally

Comprehensive training (both field and corporate levels)

Technology integration

Ongoing communications



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Training

At Tourmaline, training and education are critical in making sure all employees are prepared and informed within our operations. To ensure consistent performance is being maintained and monitored, our leaders participate in the Safety Excellence for Supervisors and Managers (SEFSM) training program through the Global Centre for Leadership and Safety Excellence. The fundamental SEFSM tools align safety leadership behaviours and provides a mechanism for improved safety and business culture. The SEFSM training provides strategies, tools, and concepts that will help our employees make smart and precise safety decisions. The program emphasizes the idea of explaining the intent behind requirements and highlights the big picture at the same time. It is essential that our leaders in the field and the office are conscious of safety leadership to help them lead their teams while maintaining a safe work environment.

365-DAY MINDSET

At Tourmaline, we believe safety is a 365-day mindset. Across our operations, safety is a priority every day of the year. Through continuous training and consistent reporting, safety remains top of mind in our daily work.

Energy Safety Canada's 10 Life Saving Rules



Confined Space



Working At Height



Work Authorization



Energy Isolation



Line of Fire



Bypass Safety Controls



Driving



Hot Work



Safe Mechanical Lifting



Fit for Duty



To learn more about Energy Safety Canada's life saving rules please go [here](#).



STOP

THINK

ACT

Our Safety Initiative

In 2023, we fully implemented our Take A Pause safety initiative across all our operations, with teams adopting and using the reminder stop, think and act when certain factors elevate risk or compromise safety. In doing so, our team can reduce risk and improve safety for all. We will continue to promote Take A Pause across Tourmaline's operations and encourage field staff to wear stickers with the slogan as a visual reminder to drive the message to the front-line. The initiative will continue to be weaved into our everyday business as the base mindset when working in our operations.





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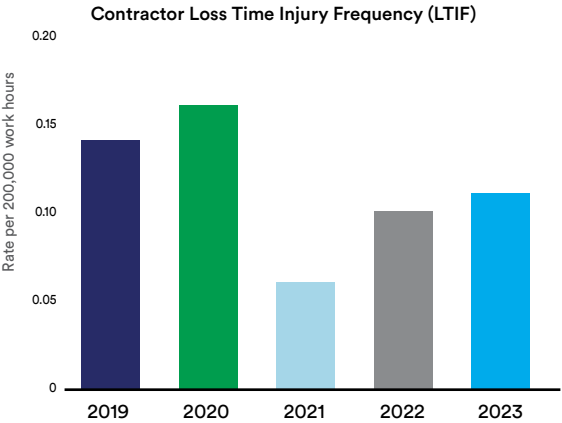
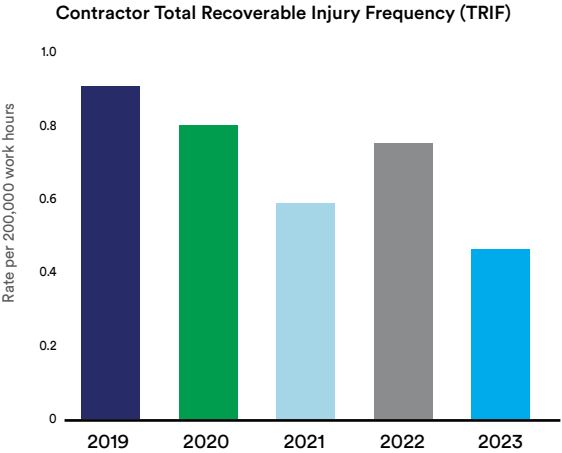
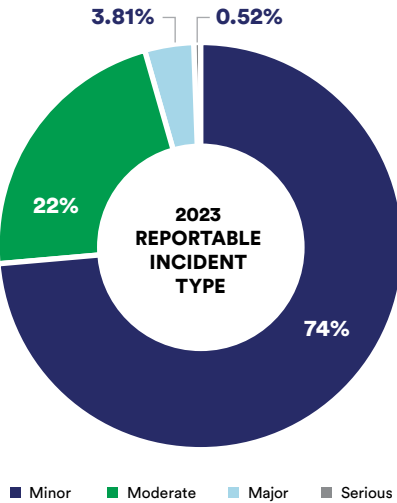
Reporting

Tourmaline aims to create accountability and foster collective learning through an extensive event-reporting system. Our events are tracked, and we can use data software to identify trends to provide corrective action to reduce injuries or lost time. We use an online tool to report potential risks and hazards. All supervising staff in the field have incident-investigation training to assist in obtaining the fulsome details from an incident and to determine if new procedures or policies are required. We have routine post-event communications and discuss learnings within our operations.

Data Tracking

We track and report comprehensive safety statistics, some of which include near misses, hazard identification reports, injuries, vehicle incidents, equipment-related damage, and environment-related releases. Tracking data allows for identification of incident trends and any potential weaknesses or risks associated with our health and safety procedures. While there has been an increase in the number of reported incidents, the severity of many of these incidents remains minor. Management reviews the data on a regular basis, with the goal of improving safety and working toward incident prevention.

We are pleased to share that our contractor Total Recordable Injury Frequency (TRIF) and Lost Time Injury Frequency (LTIF) have been continuing to decline since 2019. Our goal remains to strive for TRIF at zero, while developing robust procedures and hiring the best employees and contractors who make safety their top priority.



49%

reduction in TRIF rating from 2019

21%

reduction in LTIF rating from 2019

OVER THE LAST 5 YEARS

96%

of reportable incidents were minor to moderate severity

57% ↓

reduction in serious recordable incidents from 2020

OVER THE LAST 10 YEARS

Zero

employee injuries



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Asset Integrity and Maintenance Programs

Tourmaline is committed to maintaining the highest standards of asset integrity through ongoing investments in state-of-the-art facilities & infrastructure that enhance both reliability and operational integrity. Our asset integrity and maintenance programs address key elements such as procedures, equipment, technology, and site design, all focused on reducing the risk of releases and equipment failures. We ensure that all facilities are maintained in accordance with manufacturer’s specifications, and assets acquired through transactions are brought up to Tourmaline’s standards, often requiring significant investment in integrity and maintenance repairs upon initial acquisition. Managed by an internal Chief Inspector, Tourmaline’s facility integrity program operates under a comprehensive, in-house system approved by regulators and rigorously tested through numerous audits to ensure it meets or exceeds all regulatory requirements. Additionally, we use specialized software to monitor maintenance schedules and manage risk, while continuing to conduct ongoing inspections of our facilities and equipment to proactively identify and address any potential integrity concerns.

Continuous Compliance

In addition to our focus on safety performance and ensuring strict adherence to existing policies, all contractors and vendors providing services to Tourmaline must complete a pre-qualification process by submitting appropriate worker compensation, insurance, and safety program documentation for review. Our employees, contractors, and vendors are held accountable to ensure our policies are being followed. This accountability is achieved through effective communication and collaboration within all aspects of our business. It is a fundamental expectation that all aspects of our policies and industry practices are upheld while achieving our operational goals.

Vendor Certification

Certificate of Recognition (COR) and Small Employer Certificate of Recognition (SECOR)

It is vital that everyone who is involved in our operations is following continuous compliance and maintains safety as a number one priority. By hiring vendors that have a Certificate of Recognition (COR), Tourmaline can ensure that third party vendors are going through an ongoing review of their internal health and safety management system (HSMS). This allows for gaps to be identified and corrected in the vendors safety programs. COR provides vendors with a provincially issued certificate that recognizes their efforts in maintaining a safe workplace. For third party vendors with 10 employees or less, they will be recognized under Small Employer Certificate of Recognition (SECOR). Vendors with validated HSMS are better equipped to identify and assess their workplace safety risks. This further promotes continuous improvement and awareness for safety while also complying with provincial occupational health and safety regulations.

Governance and Oversight

Tourmaline’s Board of Directors has delegated authority to the Environment, Safety and Sustainability Committee (ESSC) to oversee policies relating to environment, health, safety, and sustainability. Employees and contractors are responsible for complying with policies and rules, maintaining their required level of training, and reporting unsafe conditions or activities.





TOURMALINE'S WILDFIRE EMERGENCY PREPAREDNESS, RESPONSE & STRATEGY

Ensuring Stakeholder Safety while Mitigating Impacts on Production

ESG STRATEGY IN ACTION

2023 WILDFIRE SEASON

The unprecedented 2023 wildfire season in northeast British Columbia created challenges for Tourmaline but also allowed us to enact our comprehensive emergency response and refine our strategies to handle future wildfire risks. Thanks to these efforts, we met our goal to mitigate the impact on production and ensure everyone's safety.

A Timeline of Events

The wildfire emergency began in early May 2023. On May 7, initial coordination calls were made, and decisions were made in concert with the provincial regulators to shut down production as necessary to keep personnel & infrastructure safe. By May 12, the Donnie Creek fire was reported near our Conroy station, leading to multiple station shutdowns and personnel evacuations. Key sites, including the Laprise camp and several gas plants, were protected by gravel areas separating our facilities and wellheads from tree edges, facility sprinkler systems and water containment systems.

Throughout the summer, we coordinated with government agencies, implemented access permits for our workers, and utilized internal resources for fire containment and safety management. All told, around 150 of our workers were displaced, damages occurred to our Laprise camp, and minor financial losses were incurred due to business interruption.

Looking Ahead

While Tourmaline successfully mitigated losses and damages, the 2023 wildfires highlighted areas for reflection and improvement to our emergency response and asset-protection strategies:

- **Incident Command System (ICS):** Tourmaline reinforced the use of ICS for a clear chain of command and effective communication between industry, government, and first responders. This system was crucial for coordinated efforts and decision-making during the wildfires.

- **Enhanced Information Systems:** We learned early on that more accurate and comprehensive mapping systems were needed. Tourmaline developed a specialized map integrating assets with wildfire data to improve situational awareness and response efficiency.
- **Risk Assessment and Asset Protection:** Building on our experience and knowledge gained in 2023, we have revised our internal risk assessment procedures to better evaluate the threat to facilities and projects. We also strategically placed fire trailers at various sites to provide immediate response capability for small spot fires.
- **Staffing and Resource Management:** Recognizing the intense resource demand during wildfire incidents, we are planning for fast establishment of Incident Command Posts and adequate staffing to ensure continuous and effective management throughout wildfire seasons.

Moving Forward

Our strategy includes ongoing refinement of emergency protocols, investment in protective infrastructure, and strengthened collaboration with government agencies to safeguard operations and personnel against future wildfire threats. As with every area of our business, Tourmaline will continue to adapt, evolve and implement best practices to mitigate wildfire risk.



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Supply Chain Management

A partnership with Tourmaline is a lasting one.

Regardless of commodity cycles, we always maintain strong relationships with our vendors and hire the best crews to operate our drilling and completions program. We have proven ourselves to be a reliable partner in the field, working hand in hand with suppliers and local businesses to deliver on our commitments.

Protecting Human Rights in Our Supply Chains

In response to Canada’s newly enacted Fighting Against Forced Labour and Child Labour in Supply Chains Act, we have prepared our first modern slavery report, outlining our efforts to address risks related to forced labour and child labor in our supply chain. We have developed a comprehensive roadmap to further enhance our processes in this area. As we move forward, we will continue to evolve our strategies, strengthening oversight and collaboration with stakeholders to ensure responsible supply chain practices.

To learn more and download our inaugural Modern Slavery Report click [here](#).

Contributing to Local Economies

Tourmaline’s exploration and production program is an important contributor to local economies. Our systematic and paced approach to growth provides our operating communities with more stable economies over longer periods, enabling local businesses to develop and providing resources to municipalities to invest in community-enhancing services. We contribute to local economies through property taxes paid, local jobs created, and spend on local supply chains.

Empowering Indigenous Communities through Strategic Procurement and Partnerships

Our procurement processes are designed to ensure competitive and fair practices while meeting technical and safety standards. We actively collaborate with Indigenous communities to increase their involvement in our business, supporting education and employment training programs and identifying potential contracting opportunities. By positively contributing to these communities, we focus on sourcing local materials and collaborating with local service providers, with an emphasis on prioritizing Indigenous-affiliated businesses, where possible. Through these efforts, we aim to foster long-term, mutually beneficial relationships that support economic growth and sustainability for Indigenous communities.

OUR STRATEGIC OBJECTIVES

We continue to **integrate sustainability** within our supply chain. We partner with suppliers who share our values and align with our strategic objectives to:



Contribute to economic growth



Reduce environmental impacts



Support the communities where we work and live

OVER

6,600

vendors, suppliers and contractors work with us

WE ENGAGE WITH OUR SUPPLIERS BY



Building collaborative relationships with like-minded suppliers to accelerate innovation and sustainability performance



Evaluating sustainability risks and opportunities in our supply chain



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Employees & Diversity

Our people are dedicated, engaged and highly productive. We hire the best of the best.

At Tourmaline, we are proud of our employees and believe our people set us apart. We continue to support them in many ways, including:

- Increasing our education and training expenses by over 175% since 2018.
- Fostering an inclusive and diverse culture, ensuring equal opportunity.
- Hiring talented new graduates to ensure our employee base is continually regenerating.
- Mentoring and developing younger employees.
- Encouraging employees to present and share their knowledge with groups such as universities and other stakeholders.

Employee Engagement

A highly motivated work force is crucial to our long-term success. Annually, we provide an anonymous survey to our employees to better understand their points of view. Our management team has received coaching to allow them to have better engagement with employees. We value feedback and actively try to keep our employees highly motivated and engaged.

Employee Retention

Tourmaline employees are the foundation of our success. Retaining our highly skilled, motivated and dedicated workforce remains a top priority by investing in employees

through training, leadership support, and internal career progression. Over the last five years, voluntary turnover at Tourmaline has been approximately 2%, which is exceptionally low relative to our peers and other sectors. We believe this is a testament to our culture.

Developing Future Energy Leaders

At Tourmaline, we're not just energizing the world — we're energizing progress. Our Energy Leaders of Tomorrow student program offer hands-on industry experience to jump start post-secondary students' careers. We focus on nurturing relationships, providing unique access to leadership, and offering a truly rewarding experience for growth.

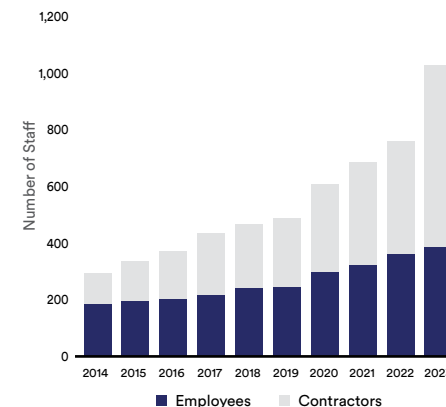
Diversity, Equity and Inclusion

A diverse workforce generates better decisions and makes a stronger company. We are committed to building a work environment where everyone belongs and is accepted, and where diversity of thought is a good thing.

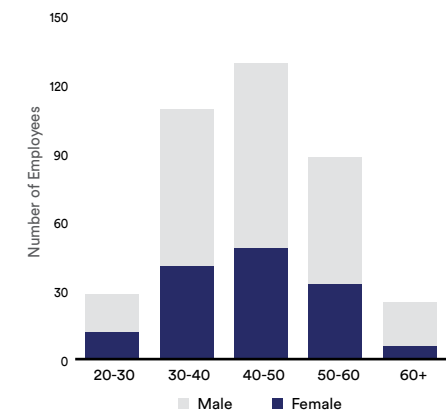
Our employees are also highly productive. Tourmaline's production per employee exceeds 1,390 boepd per employee – more than triple the industry average. Not once in our corporate history have we laid off employees because of economic conditions. We endeavour to provide stability to our employees through good times and bad.

 For more information please see our [Diversity Policy](#).

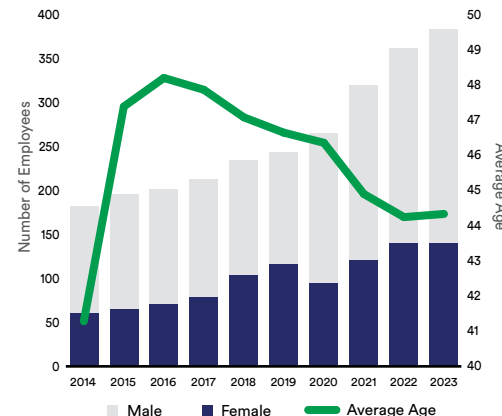
TOTAL STAFF COUNT



EMPLOYEE DEMOGRAPHICS BY AGE & GENDER



EMPLOYEE DEMOGRAPHICS BY YEAR

**37%**

of our employees are female

30%

of our Officers are female

38%

of our independent Board members are female

2%

voluntary turnover over the last five years

13%of independent directors represent a visible minority¹

¹A visible minority includes Indigenous peoples, persons with disabilities and members of visible minorities.

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Employees & Diversity

Here is what our future energy leaders had to say about our student program.

“

I had the privilege of working at Tourmaline for the past two summers, and I can genuinely say that this company truly values its employees and summer students. There were many opportunities to interact and work with people across the company, where everyone was eager to help me expand my knowledge of the oil and gas industry and beyond. The culture at Tourmaline is what truly strengthens the summer student program; from day one, we were encouraged to connect and spend time together, allowing me to forge incredible friendships and professional relationships. Working for an industry leader like Tourmaline offers endless opportunities for growth and continuous learning, which is what excites me most about being part of this company.

COLE GRAMLICH

2024 TOURMALINE SUMMER STUDENT

“

I am incredibly grateful for the opportunities I've had during my time at Tourmaline. Beginning in Finance and Accounting as a summer student, I transitioned to the Gas Marketing group as an intern. Through these roles, I gained valuable experience that enhanced my understanding of the industry. This journey has not only strengthened my skills but has also given me a chance to collaborate with innovative individuals who have supported my personal and professional growth. I take pride in having contributed to Tourmaline while learning from some of the most talented experts in the industry.”

JOSHUA COOKE

2024 TOURMALINE SUMMER STUDENT

“

Over the past two summers I have had the opportunity to work at Tourmaline, initially on the Accounting and Finance Team and later transitioning to the Sustainability Reporting Team. I have not only gained valuable work experience but have had the chance to work with amazing people. Through my experience on various teams I have been able to develop and deepen my knowledge of the industry. I am grateful to have created valuable connections and learn from knowledgeable role models. I am excited to take the skills I have learned at Tourmaline and apply them to the rest of my degree and throughout my career.

EMILY HAGEL

2024 TOURMALINE SUMMER STUDENT



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Indigenous Engagement

We are committed to developing positive and mutually beneficial relationships with Indigenous communities within our operating areas and creating long-term economic and social value through our activities.

Committed to Working With Indigenous Communities

We continuously engage with Indigenous groups whose traditional territories in Alberta and British Columbia may be impacted by Tourmaline's operations. Traditional territories are prescribed areas and dictated by the regulators in each province in consultation with the Indigenous groups. In Alberta, we engage with Indigenous communities as directed by the Aboriginal Consultation Office (ACO) of the Government of Alberta. In British Columbia, the energy regulator (BCER) is responsible for consultation. However, Tourmaline believes in early, meaningful engagement to build relationships and trust, prior to any regulatory requirements. This approach allows Tourmaline to have proactive and meaningful dialogue and help ensure Indigenous communities values are incorporated.

Engagement With Indigenous Communities

Our engagement with Indigenous communities is based on the following:

Regular, Consistent and Collaborative Communication

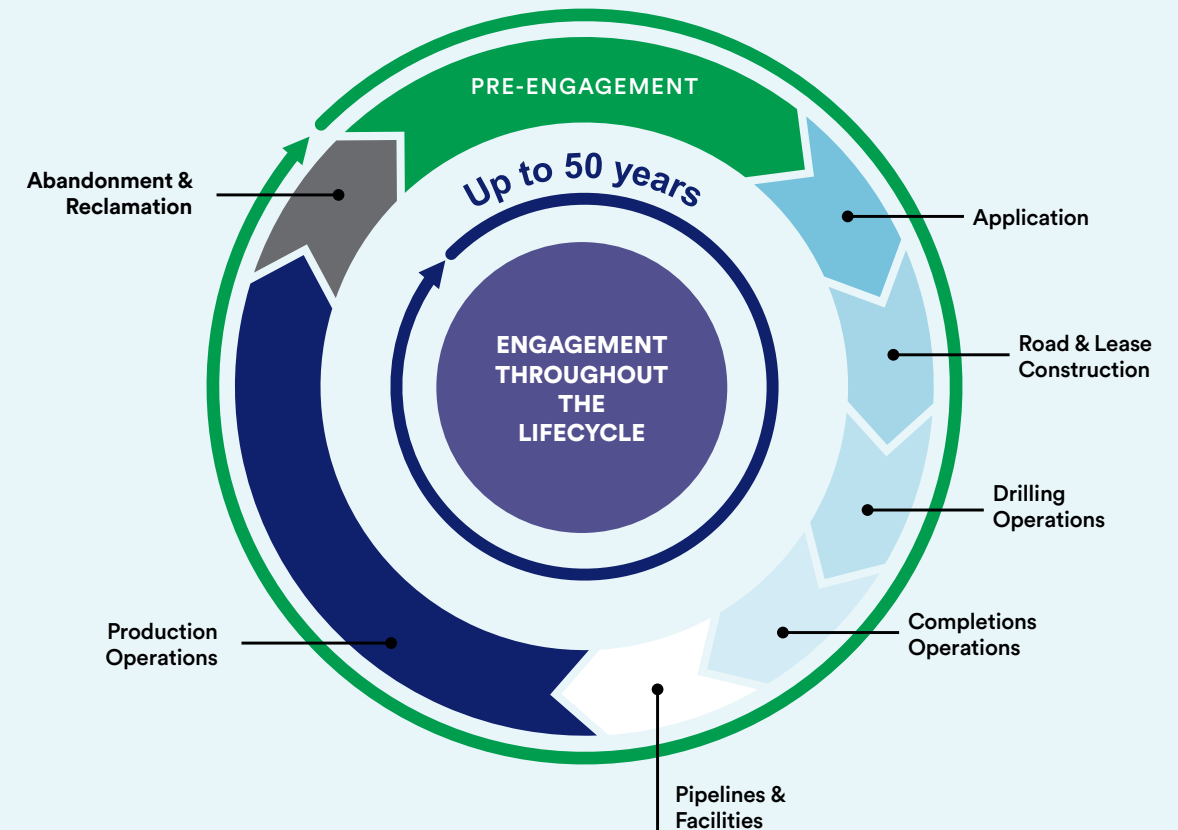
Communication and collaboration with Indigenous communities is crucial to our business. We are in

continuous conversations with Indigenous communities, allowing Tourmaline to understand and meet their unique needs while accomplishing our operational goals.

Ongoing Engagement Throughout Our Development Lifecycle

Our ongoing engagement occurs throughout the lifecycle of our development activities, including pre-engagement on future projects, planning and development, through ongoing operations, closures and reclamation.

We believe that our projects should be designed in collaboration with Indigenous communities and implemented to minimize impacts, generate shared value, and enhance our relationships and understanding. As part of our process, we encourage participation in site visits for community members and elders to review the proposed projects on the land. We have hired additional staff members to meet with the communities and to better facilitate a robust engagement process. We continue to build positive relationships with the Indigenous communities within our operating areas by meeting regularly with leaders and community members.



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Indigenous Engagement

Supporting Indigenous Businesses

Tourmaline believes in fostering strong and resilient Indigenous communities through economic opportunities. We endeavour to hire Indigenous vendors, contractors and partners who work in the communities in which we operate. We continue to hire and work with companies and contractors who meet our operational, technical and safety requirements. We incorporate Indigenous business throughout our development and operations and continue to have active dialogue to find business opportunities and build capacity with our Indigenous partners. Tourmaline is committed to developing relationships based on mutual understanding and inclusivity. All our employees and contractors continue to work towards this, one conversation at a time.



Please see [Deepening Our Relationships with First Nations](#) for more information on [page 64](#).

What some of the Indigenous businesses and First Nations leaders in our operating areas are saying:



Tourmaline sponsors youth and education in our community, they participate in cultural initiatives and look for opportunities to be there for us. They show up and support us. They restore the land which heals the people and by hiring our companies and being good corporate citizens, they are doing all the right things to foster positive relationships while making our community grow.

CHIEF TREVOR MAKADAHAY

DOIG RIVER FIRST NATION



Since Tourmaline expanded their Indigenous relations team over the years, we have really seen a level of engagement from them that Halfway River has become accustomed to for consultation to succeed. They continue to provide the necessary information and education on the proposed development of their projects. They regularly bring Tourmaline staff members to our community to also educate our First Nation members on key areas of their land development. I'm so used to repeating myself, but with Tourmaline I don't have to. They listen. We have instilled a culture, a plan, and various programs that I hope can stay in place regardless of which of our community team members are involved.

ROSLYN NOTSETA

HALFWAY RIVER FIRST NATION, LAND MANAGER



We have had an excellent relationship with Tourmaline for several years. Through providing our services to Tourmaline, we continue to demonstrate to our community that we are actively protecting our lands. Tourmaline listens and incorporates changes into their program to satisfy the needs of the nation through Úújɔ. Not only do they generate economic opportunities for our people, they build strong community relationships with our elders and members through engagement and community events such as BBQs, creating more opportunity to listen to our Nation's needs and wants. Tourmaline always asks, which is important to us. They work with us to ensure we can protect our land, animals and water.

CARL POUCE-COUBE

GENERAL MANAGER, ÚÚJɔ CONTRACTING,
A WHOLLY OWNED SUBSIDIARY OF DOIG RIVER FIRST NATION



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Indigenous Engagement

Indspire bursary program with Tourmaline.

Investing in the Future

In July 2021, we announced an exciting new program — Tourmaline Indigenous Student Bursaries — in partnership with Indspire, a national Indigenous registered charity that invests in the education of First Nations, Inuit and Métis peoples in Canada. We donated \$300,000 over three years to support Indigenous students from Alberta and British Columbia as they pursue post-secondary programs anywhere across the country. Every dollar that is invested to Indspire's Building Brighter Futures: Bursaries, Scholarships, and Awards program is matched by the Canadian government, allowing them to double their impact for students.

Our Ongoing Commitment to Indigenous Education

In May 2024, we announced the continued support to Indspire for our bursary program, with a 3-year extension and \$300,000 additional investment for Indigenous students to advance their education pursuits. By providing scholarships for students in Indigenous communities across Alberta and British Columbia, we seek to empower Indigenous youth with skills and job opportunities.



To learn more about the Tourmaline Indigenous Student Bursary in partnership with Indspire, please click [here](#).

\$600,000

commitment to Indspire over six years to support both the Tourmaline Indigenous Student Bursary program and Indspire's annual Soaring event

OVER

80

scholarships provided through Indspire since launching bursary program

THE IMPACT

~90%

of the recipients will graduate

89%

of graduates are employed

Source: Indspire



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Soaring: Indigenous youth empowerment gathering.

A portion of Tourmaline’s funding also supports Indspire’s Soaring event, which is held annually in different venues across the country to help high school students learn more about careers and post-secondary educational options. Tourmaline’s third commitment and second in-person attendance to Soaring was in April 2024 in Ottawa, Ontario. Over two days, participants engaged in immersive academic and career workshops, watched inspiring panels featuring young Indigenous leaders, and met some of Canada’s top employers.

This event was attended by over 1,500 Indigenous high school students both in person and virtually, seeking information on various career paths and opportunities enabling them to follow their dreams. Tourmaline hosted student workshops for aspiring students to learn about geology, energy and earth sciences, and was also a Soaring exhibitor in their Indspiration Zone. We engaged with students to answer questions about Tourmaline while discussing their future studies and broadening their knowledge of education paths, career paths and job opportunities in the energy industry. This year, Indspire also hosted its first Soaring Pep Rally, where participants enjoyed an afternoon of cultural performances and speakers. As part of Tourmaline’s announcement to extend their funding in May 2024, Tourmaline will continue to sponsor Soaring for another 3-year term.



STUDENT FEEDBACK

93%

would recommend Soaring to their peers

75%

said event content was useful for their education

71%

were excited about their education or career goals

58%

felt better prepared to make decisions about their education

Statistics reflect the feedback of post-event evaluation survey respondents only and may not be representative of the experiences of all Soaring attendees.

Source: Indspire

Student comments from attending Soaring 2023:

“

Soaring is genuinely a great event to attend. You meet people, you learn very helpful information, and best of all, you’re introduced to such a large community. You feel seen and it’s a great feeling.

“

Soaring was fun and exciting, and very beneficial. It helped me see more clearly what I want with my future and the opportunities I have.

“

Soaring is a great opportunity to meet new people and to learn new things about career support.



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Celebrating Indigenous achievements together and advancing Indigenous education

Indspire Awards

Every year Indspire hosts their annual Indspire Awards. The Awards recognize Indigenous professionals and youth who demonstrate outstanding career achievement. Indspire Award recipients are helpful to providing inspiration for young people and serve to educate all Canadians about the tremendous contributions that Indigenous peoples are making across the country. In 2024, Tourmaline was a proud sponsor of the awards, inviting previous Tourmaline Indigenous Student Bursary recipients to attend the awards gala. Taking a leadership role in inspiring Indigenous youth to reach their full potential and honour Indigenous achievement is important to Tourmaline, and we were excited to meet with and inspire some of our bursary recipients.

Education Programs for Indigenous Students

Education is a critical focus area of our social impact and our partnership with Indspire has been key in our efforts to advance Indigenous education. We believe all individuals can benefit from their desired education path, and we continue to work with educational institutions to advance key learning programs.

Tourmaline has partnered with Northern Lights College to revamp and relaunch the Oil and Gas Operators Training Program. The program will offer key training modules in key areas such as safety, data capture, drilling and completions, pipelines, land survey systems, production equipment, pumps and compression and many others. Included in the program is a 15-hr course: Business Plan for Contractors. The goal of this course is to provide students with the knowledge required to start a successful contracting/consulting business. The new program launched in September 2024 and Tourmaline sponsored a number of students to be part of the program launch. Approximately 30% of the students selected to participate in the program by Tourmaline are Indigenous students and we look forward to offering our support to these students as they pursue a career path in the oil and gas industry.



To learn more about this program and others offered by Northern Lights College, please visit their [website](#).

OUR PROGRAM WITH NORTHERN LIGHTS COLLEGE OFFERS

14

weeks of classroom theory with Northern Lights College.

2

field/facility shifts for 8 days, 10-12 hrs/day.

15

hour business plan course for contractors.



Source: Indspire



DEEPENING OUR RELATIONSHIPS WITH FIRST NATIONS

Connecting with Indigenous Peoples on Their Land

ESG STRATEGY IN ACTION

Building stronger relationships today through active participation in Indigenous Culture and Traditions

First Nations Cultural Days, Rodeos, and Camps

As part of our ongoing strategy to learn about Indigenous culture and wisdom, Tourmaline actively takes part and sponsors Indigenous Cultural Days. It's an opportunity for Tourmaline staff to connect with Indigenous people on their lands and learn more about their values and traditional way of life. We have participated and donated to most of the Cultural Days in our operating areas in NEBC including Fort Nelson First Nation Annual Celebration, Doig Days, West Mo days, Saulteau First Nation Pemmican Days, Halfway River Rodeo, Blueberry River Culture Camp, and Prophet River Cultural Days including the Prophet River Sikanni Ranch Culture Camp. These Cultural Days allow Tourmaline to experience the rich cultures, traditions and inner workings of First Nations in our operating areas and learn firsthand about Indigenous activities including stretching and scraping moosehide, beading, drumming, trapping and dry meat making, among others.

As we prioritize growing our awareness and understanding, we will continue collaborating with First Nations within our operating footprint to advance our common goals and interests, create mutually beneficial outcomes, and build a brighter future for everyone.

The Kema Camp Experience

In winter 2022, Tourmaline took part in our first Kema Camp Experience. As part of our commitment to learn more about Indigenous culture and foster positive relationships with First Nations, a team of Tourmaline leaders attended a cultural camp hosted by Doig River First Nation. Over four days and three nights, our team experienced life at a traditional winter camp on a sacred Kema site in northeast BC. Kema means “a good/ sacred place,” and the camp’s remote location — a small lake approximately 165 km north of Fort St. John — gave everyone the opportunity to reconnect with the environment and learn more about Beaver (Dane-zaa) culture. As part of our ongoing efforts to learn about Indigenous culture, Tourmaline will be taking part in another Kema Experience in spring 2025.



For more information on the Kema Camp Experience, please go [here](#).

PARTICIPATED IN

10

cultural days in our operating areas



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Health & Safety

Supply Chain Management

Employees & Diversity

Indigenous Engagement

Community Engagement

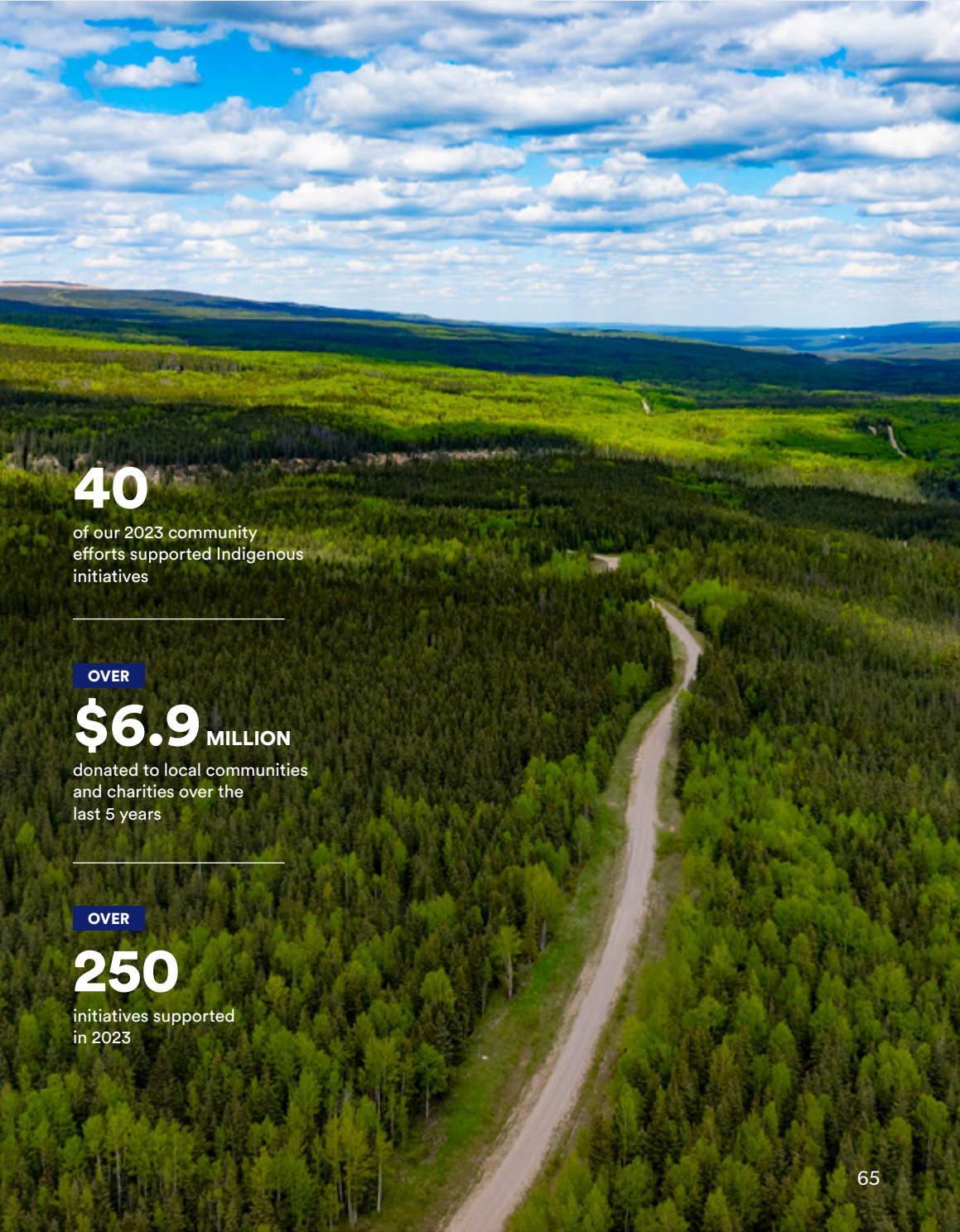
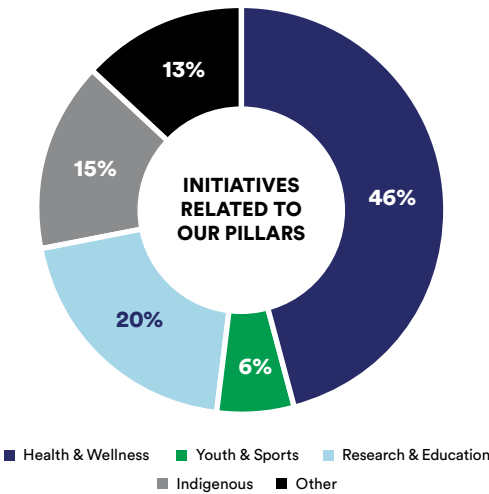
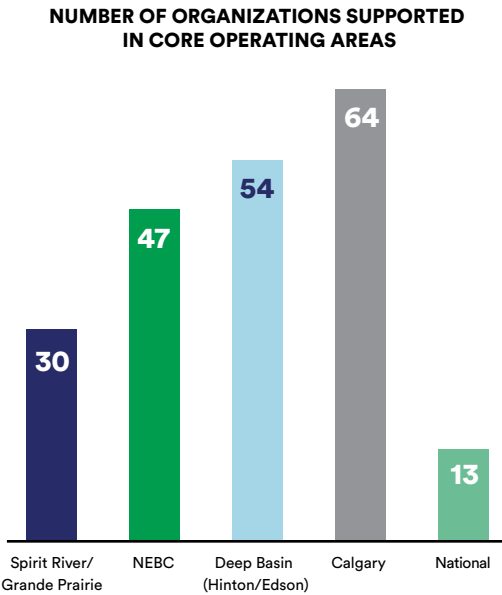
Community Engagement

Tourmaline is proud to be an active member in the communities of Alberta and British Columbia where we live, work and play.

Tourmaline brings energy to all that we do, and that includes our commitment to being an active member and responsible neighbour in the communities we operate in.

We focus our community investment and engagement activities around the vibrant organizations, people and causes in our core areas of operation, including Fort St. John, Spirit River, Grande Prairie, Edson, Hinton, and Calgary. We will be expanding our community investment to incorporate the communities in our newly acquired operating areas as a result of the Bonavista acquisition.

While our exploration and production program drives major contributions to job generation, tax revenues, and business for local suppliers and vendors in these areas, we are most proud of the initiatives Tourmaline can support through our community investment pillars: youth and sports, research and education, and health and wellness.



40

of our 2023 community efforts supported Indigenous initiatives

OVER

\$6.9 MILLION

donated to local communities and charities over the last 5 years

OVER

250

initiatives supported in 2023

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Community Engagement

Our community pillars.

Youth & Sports

Tourmaline is committed to supporting young people in the areas we operate to live active and healthy lives as they learn and grow. We believe it is important for young people to have access to the programs and places that help them safely develop healthy minds, lead active lives, and become responsible leaders.

Research & Education

Technology and innovation are key drivers of Tourmaline's success. We know the importance of research and education in enabling advancement, not only in our business but in all aspects of life. Through this pillar, we support the research and education that will lead to better health outcomes, foster new ideas, and build a better world for us all.

Health & Wellness

Health and wellness of our employees, contractors, and everyone who lives in and around our operations is paramount at Tourmaline. Under this pillar, we support programs and initiatives focused on providing communities and community members with the critical health and wellness services they need, including neighbouring Indigenous communities.

Tourmaline was the proud recipient of the
United Way 2023 Award of Excellence.

Here are a few of the many initiatives Tourmaline is proud to support:

Alberta Adolescent Recovery Centre (AARC)

Founded in 1992, the Alberta Adolescent Recovery Centre is a highly regarded, research-backed program designed to support youth and young adults aged 12-21 who struggle with alcohol or substance abuse, and their impacted family members. The unique AARC treatment model offers a community of care where young people, their parents and a specialized team work together to provide a solution to overcoming youth addiction. Tourmaline is proud to support the families and individuals taking courageous steps to undergo treatment and find help, and we commend all AARC graduates.

Youth Sports Teams Across Alberta and British Columbia

We believe in the transformative power of sports for kids. From baseball and hockey to swimming and dressage, Tourmaline is pleased to support numerous youth sports teams, programs, and events across Alberta and British Columbia. In 2023 alone, we proudly sponsored 80 organizations within our 7 key operating areas, enabling kids and families to benefit from programs and offerings in their communities.

United Way - Planet Youth

As a local social impact organization, United Way strategically invests in, partners with, and mobilizes local community agencies to solve complex social issues. Their work and investments support thousands of local people every year in their surrounding communities.

Recently, Tourmaline was the proud recipient of the United Way 2023 Award of Excellence. Recognized for embarking on an innovative journey in 2023, by launching its innovative inaugural @WORK campaign, marking a significant milestone in their partnership with Planet Youth Calgary. Tourmaline's campaign ethos resonates with vitality and inclusivity, building a culture of giving and connection. From raffles to creative initiatives like calendar sales, rock and roll trivia and silent auction, the campaign was lively, further enhanced by cross-divisional teamwork and a spirited scavenger hunt. Tourmaline's unwavering dedication to making a difference epitomizes the essence of community and collaboration.

**OVER****\$1.1** MILLION ➡ **83%**

was raised in Tourmaline's
2023 United Way campaign
for the local community

of which was
comprised of donations
from employees

OVER**\$7.5** MILLION

donated to United Way
to date

**IN THIS SECTION:**[Corporate Governance](#)[Risk Management](#)[Policies](#)[Advocacy](#)**GOVERNANCE**

Tourmaline's Management and Board of Directors are committed to high standards of corporate governance.

We believe that strong corporate governance is a key driver in long-term value creation for all stakeholders.



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Corporate Governance

We believe that strong corporate governance is a key driver in long-term value creation.

Our Board of Directors is committed to playing an active role in supporting the realization of Tourmaline’s strategy through upholding high standards of corporate governance and fulfilling its duties of stewardship and accountability.

The oversight role of Tourmaline’s Board of Directors encompasses strategic planning processes, risk management, communication with investors and other stakeholders, and standards of business conduct. The Board is also responsible for selecting, monitoring and evaluating executive leadership and aligning management’s decision-making with long-term shareholder interests.

Below is a list of our Directors and their respective committee representation.

DIRECTOR	ENVIRONMENT, SAFETY AND SUSTAINABILITY COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	RESERVES COMMITTEE	AUDIT COMMITTEE
MICHAEL L. ROSE CHAIRMAN, PRESIDENT & CEO					
BRIAN G. ROBINSON DIRECTOR & CHIEF FINANCIAL OFFICER					
JILL T. ANGEVINE INDEPENDENT DIRECTOR					
WILLIAM D. ARMSTRONG INDEPENDENT DIRECTOR					
LEE A. BAKER INDEPENDENT DIRECTOR					
CHRISTOPHER E. LEE INDEPENDENT DIRECTOR					
ANDREW B. MACDONALD LEAD INDEPENDENT DIRECTOR					
LUCY M. MILLER INDEPENDENT DIRECTOR					
JANET L. WEISS INDEPENDENT DIRECTOR					
TRAVIS TOEWS' INDEPENDENT DIRECTOR					

For more information please see the [Information Circular](#).

'Mr.Toews was appointed to the Board in November 2024, he has not yet been appointed to any committees.

100%

Board meeting attendance in 2023

6%

insider ownership

80%

of Directors are independent

38%

independent female members on the Board of Directors

13%

of independent directors represent a visible minority

CHAIR

INTERM CHAIR



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Board of Directors

Tourmaline's Board of Directors is committed to playing an active role in developing and supporting the execution of Tourmaline's strategy through upholding high standards of corporate governance and fulfilling its duties of stewardship and accountability. The Board's oversight encompasses strategic planning processes, risk management and communication with investors and other stakeholders, while ensuring appropriate standards of business conduct.

The Board is also responsible for selecting, monitoring and evaluating executive leadership and aligning management's decision-making with long-term shareholder interests. The Board assigns ESG and climate-related responsibilities to our Environment, Safety and Sustainability Committee.

Tourmaline's Board of Directors consists of 10 directors, 8 of whom are independent. The role of the Lead Director is assumed by an independent director and is separate from the role of Chairman and Chief Executive Officer. All Board committees are comprised entirely of independent directors.

Environment, Safety and Sustainability Committee

The ESSC has ultimate responsibility for oversight of the overall ESG strategy. The Chairman and CEO, along with the rest of Tourmaline's leadership team, are responsible for implementing Tourmaline's sustainability strategy. We believe that responsible development requires the input of many people in a respectful and collaborative way.

The ESSC supports the Board in fulfilling its oversight duties relating to the development, implementation and monitoring of the Company's policies and practices with respect to matters concerning the environment, climate-

related strategies, targets and risks, health and safety, and sustainability. In this regard, the Committee is responsible for reviewing the Company's fundamental policies and internal controls pertaining to environment, material climate-related risks and opportunities, health and safety, and sustainability as well as reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset values while mitigating such risks. The Committee is also responsible for verifying that management proactively identifies and monitors the impact of proposed legislation and other emerging issues in environment, safety and sustainability areas, as well as other emerging issues, trends and public opinion which could impact the Company's activities, plans, strategies or reputation and recommending, where appropriate, responses to the Board. In addition, the Committee is responsible for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Company works. All members of the ESSC are independent, and the Committee generally meets at least twice per year, with members of management reporting to the Committee on the foregoing subjects at each such meeting.

Management

All members of Tourmaline's management team are accountable for Tourmaline's ESG performance, while the CEO has ultimate accountability. In relation to climate-related matters, their responsibility includes implementing and monitoring initiatives, plans and strategies to enhance operational efficiencies, maintain compliance with evolving regulations, reduce emissions and the environmental impacts associated with our operations and integrate these matters while simultaneously creating long-term value for our stakeholders. Management discusses ESG items with the Board and ESSC on a quarterly basis.

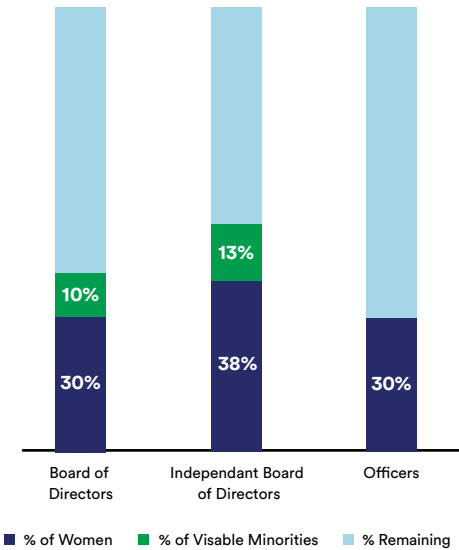
The execution, tracking, and reporting of emission reduction initiatives and climate risk management and mitigation measures are the responsibility of our employees. Regular meetings between employees and management facilitate the sharing of performance updates, discussing potential challenges, and exploring opportunities associated with our operations.

Audit Committee

The Audit Committee supports the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting; the adequacy and effectiveness of internal controls; the independence and performance of the Company's external auditor; oversight of specific risks; prevention and detection of fraudulent activities; oversight of cybersecurity matters; and general financial oversight. The Audit Committee is responsible for reviewing the nature and scope of the annual audit; providing oversight of management's reporting on internal accounting standards and practices; the review of financial information; accounting systems and procedures; financial reporting and financial statements. All members of the Audit Committee are independent and financially literate, as defined in National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators. The Audit Committee meets on a quarterly basis.

The Audit Committee receives regular, comprehensive updates from management on the Company's risk management framework. Among other things, the Company's Chief Legal Officer and External Affairs and its Corporate Secretary regularly update the Audit Committee on legal matters, fraud risk, information security and cybersecurity risks as well as Company initiatives implemented to mitigate those risks.

DIRECTORS & OFFICER DIVERSIFICATION



30%

of the Board of Directors are women

VS PEERS¹

34%

of the Board of Directors are women

30%

of Officers are women

VS PEERS¹

19%

of Officers are women

¹For further details on how we define Peer Group, please refer to the definition provided in our [Information Circular](#).

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Compensation Committee

The Compensation Committee supports the Board in fulfilling its oversight responsibilities regarding human resources policies, executive compensation and executive succession and development. In addition, the Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and for evaluating his performance in connection with determining his compensation, periodically reviewing, and administering the Option Plan, evaluating and recommending other incentive plans (including RSU Plan) as well as employee savings plans, monitoring risks relating to executive and employee compensation, and reviewing and approving bonuses paid to officers and employees of the Company. All members of the Compensation Committee are independent, and the Committee meets approximately one to two times per year.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee supports the Board in fulfilling its oversight responsibilities by developing and recommending a set of corporate governance principles, identifying and recommending director candidates and establishing and ensuring compliance with the Company's Code of Business Conduct and Ethics. The Committee monitors best governance practices with a view to maintaining the highest standards of corporate governance for the Company. It periodically reviews the composition of the Board and its Committees

to ensure appropriate composition and independence and it assesses the effectiveness of the Board as a whole. The Committee is responsible for assessing succession and resource planning risks facing the Company and identifying ways in which to mitigate any such risks to provide for timely and effective continuity of leadership for the Company. The Committee oversees the appropriate resolution of any conflict of interest involving officers, directors or shareholders that has been directed to the Committee. All members of the Corporate Governance and Nominating Committee are independent, and the Committee generally meets two to three times per year.

Reserves Committee

The Reserves Committee supports the Board in fulfilling its oversight duties relating to the disclosure of information with respect to oil and gas activities, reviewing procedures for providing information to the independent reserves evaluator, reviewing the appointment (and any change in appointment) of the independent evaluator, and generally reviewing all matters relating to the preparation and public disclosure of estimates of the Company's reserves. All members of the Reserves Committee are independent and have experience in interpreting oil and gas reserve reports. The Committee meets once per year, and certain members of the Committee regularly meet with key members of management in advance of this meeting.



For more information please visit the [Information Circular](#).

Governance Hierarchy

Board of Directors

Oversees Tourmaline's risk management framework, strategic plans, and business operations, which consider and incorporate climate-related risks and opportunities.

ESS Committee

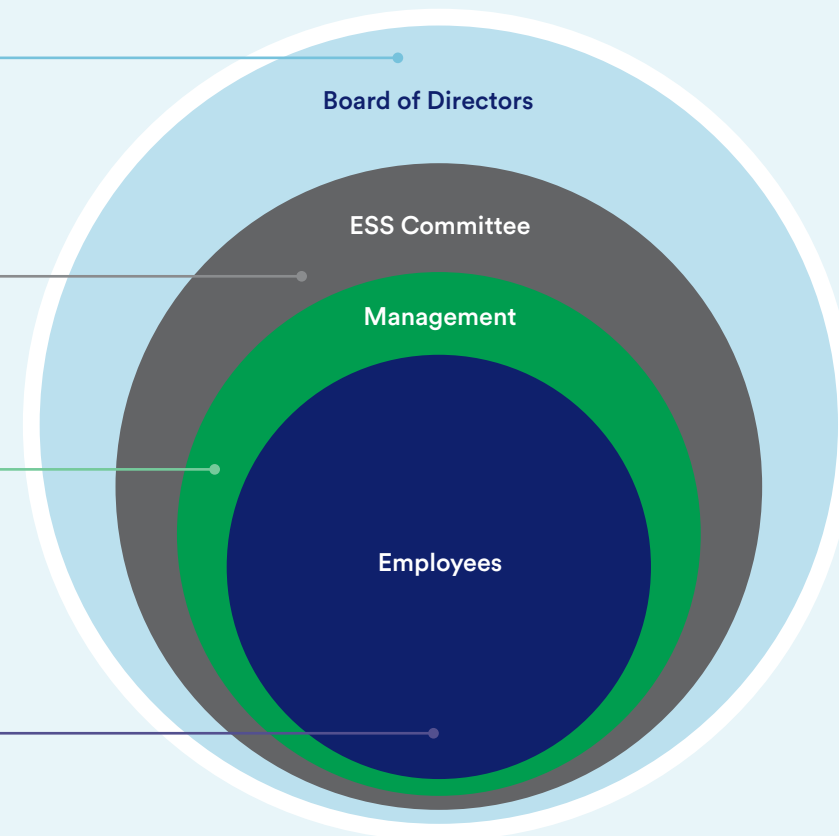
Provides ongoing oversight of corporate policies, practices, and programs, which encompass climate-related risks and environmental impact.

Management

Monitors Tourmaline's ESG performance and delegates execution tasks to the appropriate departments to enhance the Company's environmental stewardship and effectively manage and mitigate climate-related risks.

Employees

Executes, tracks, and reports progress regularly to management on Tourmaline's emission reduction and climate-related initiatives.





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Risk Management

Our risk management system is overseen by our senior management and the Board of Directors.

We believe many aspects of our business require the ability to react swiftly and precisely to any change or incident. As such, we must always be prepared to react to material risks. The table to the right sets out the risks that Management has deemed most material and the ways we are mitigating their potential impacts.



RISKS	POTENTIAL IMPACT	MITIGATION
Legislation	Tourmaline has operations impacted by provincial (Alberta and British Columbia) and federal government legislation. Legislation and policy determined by any level of government could have a material impact on our operations and financial performance.	- Engagement with industry, government, regulators and other stakeholders to understand potential changes. - Operate in low-risk jurisdictions.
Public Perception	Increased scrutiny from stakeholders about oil and gas production and its impact on the environment, which could reduce our ability to raise capital and alter our corporate image.	- ESG reporting to demonstrate to stakeholders our commitment in being a responsible and thoughtful company. - Increased public awareness regarding the benefit energy provides to Canadians and the world. - Consultation with our stakeholders.
Environmental Issues	Impacts Tourmaline’s operations in numerous ways, including legislation, perception, market access, operational risks associated to weather events to our operations and more.	- Prioritizing strategy to reduce our operational impact on the environment. - Design of infrastructure is crucial; we continue to use the best engineering firms to assist in our designs. - Insurance program to protect stakeholders from any unexpected impacts to our business. - Please refer to the TCFD disclosure for additional information relating to climate-related issues.
Material HSE Incident	The nature of Tourmaline’s operations involves operational and natural hazards that have the potential to harm the environment or people.	- HSE performance indicators reviewed regularly by management and Board of Directors. - Experienced staff. - Emergency Response Plan exercises. - Annual review of our Emergency Response Plan. - Asset integrity inspections.
Market Access	For Tourmaline to be profitable, it needs egress opportunities to receive an adequate price for its products.	- Diversification strategy through hedges and physical hubs. - Active member of multiple CAPP & EPAC committees regarding takeaway capacity. - Publicly advocating for pipelines and LNG opportunities for Canada.
Attracting/Retaining Key Staff	The loss of essential staff could negatively impact our operations.	- Maintain a market-competitive compensation package. - Advocate and promote a learning culture, including leadership development.
Cyber Security	Failure of any of our systems could disrupt regular operations.	- Regular back-ups. - End user education. - Proactive defense. - Insurance. - Investment in necessary infrastructure/software.

? For additional risks please refer to Tourmaline’s [Annual Information Form](#).



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Policies

Tourmaline’s policies uphold our values, ethics and integrity.

Ethical business practices are fundamental to Tourmaline’s operations to ensure we conduct business in a safe, fair, respectful and lawful manner. Our key policies are outlined below.

Code of Business Conduct and Ethics

Our focus on maintaining a strong ethical culture has allowed us to play a material role in Canada’s natural gas sector, and we strive to keep the trust we have worked hard to earn. All of Tourmaline’s directors, officers, employees and contractors must act in accordance with our Code of Business Conduct and Ethics.

Cybersecurity is embedded in our Code of Business Conduct and Ethics. We expect that all employees and contractors safeguard Tourmaline’s information systems and related technologies from theft, fraud, unauthorized access, alteration, or other damage.

Whistleblower Policy

Our Whistleblower Policy provides the opportunity for employees, contractors, consultants, and external stakeholders to raise concerns in a confidential manner. Employees are reminded to report any concerns or issues directly to management or to call our whistleblower hotline if anonymity is preferred. We encourage all our employees

to speak up and report any concerns. Details for our whistleblower line can be found within our Code of Business Conduct and Ethics, section II.

Human Rights Policy

Tourmaline has established a Human Rights Policy to supplement its existing Code of Business Conduct and Ethics, emphasizing the importance of ethical business practices for long-term sustainability. This policy aligns with the principles outlined in the UN Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms, and it is designed to ensure that all agents acting on behalf of Tourmaline adhere to these standards.

The policy is applicable to all Tourmaline affiliates, directors, officers, employees, and contractors, and it expects suppliers and service providers to align their practices with Tourmaline’s values. Key commitments include prohibiting discrimination, child labour, and forced labour, respecting individual freedoms and rights, ensuring safe working conditions, and engaging in good faith consultations with stakeholders, including indigenous and local communities.

In 2023, Tourmaline released a report in response to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act. The report details the measures we take to prevent and mitigate the risks of forced and child labour, along with the oversight mechanisms and controls we have implemented.

 [To learn more, please reference our report here.](#)

Environmental Policy

We integrate environmental considerations into our business plans, spending decisions, performance management, project development, operations, communications and stakeholder relations. We pursue measurable and meaningful targets that are achievable with current or emerging technology complementing our scientific approach to problem solving.

Tourmaline tracks and reports on a broad range of environmental metrics as part of its commitment to environmental stewardship and continuous improvement.

The Company is committed to limiting impact on the air, land and water by investing in technology and continuously improving its operating practices. We believe in collaborating with our peers, industry associations and entrepreneurs to find innovative solutions to minimize impact on the environment and maximize shareholder value. Before any major project is undertaken, Tourmaline conducts a comprehensive baseline assessment that includes biodiversity and wildlife species concerns. The mitigation hierarchy steps followed are:

- avoid impacts to high value biodiversity areas (such as wetlands or other areas with important wildlife habitat);
- minimize environmental effects; and
- restore/reclaim to an equivalent capability so the impact is temporary.

When possible, Tourmaline contributes to creating and restoring ecosystems, including fisheries lakes and wetlands, and takes an active involvement in managing

species of concern, such as caribou while focusing on habitat restoration.

Diversity Policy

Our Diversity Policy has been implemented to enhance both Board and corporate decision-making through diverse perspectives. This policy underscores the importance of a balanced and varied board composition, with the Corporate Governance and Nominating Committee responsible for recommending director candidates and ensuring the board’s diversity in terms of skills, experience, gender, age, ethnicity, and geographic location. The selection of board candidates will prioritize merit while also considering diverse backgrounds and expertise. Additionally, the Board is committed to promoting a diverse and inclusive culture across the organization, encouraging equality of opportunity and supporting initiatives to foster a collaborative workforce. In support of the objectives described above, the Board has adopted a formal diversity policy in which it seeks to achieve and maintain a target of 30% representation by women on its Board. This target has been achieved.

Disclosure, Confidentiality and Trading Policy

The objectives of the Disclosure, Confidentiality and Trading Policy are: (i) to ensure that the communications of Tourmaline with the public are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements; (ii) ensure that non-publicly disclosed information remains confidential; and (iii) ensure that trading of Tourmaline’s securities by directors, officers and employees of Tourmaline and its subsidiaries remains in compliance with applicable securities laws.



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Indigenous Peoples Policy

Tourmaline recognizes the importance of positive relationships with Indigenous peoples especially within our operational footprint. Tourmaline is committed to fostering mutually beneficial outcomes through collaboration and respect with Indigenous groups while focusing on common goals and interests.

We are committed to meaningful engagement with Indigenous people throughout the lifecycle of our development. This includes understanding and respecting traditional knowledge, cultural practices, and collaboration and contribution towards cultural restoration.

Through our leadership, employees, and contractors we are committed to learning and providing resources to further promote understanding of the history and culture of Indigenous peoples.

Tourmaline is committed to long-term benefits from development activities for Indigenous groups including opportunities for Indigenous employment and contracting, training and educational opportunities.

Commitment to Transparency

Tourmaline publishes its reportable payments to governments and Indigenous groups as required by the Extractive Sector Transparency Measures Act (ESTMA).

 For more information and to read our [policies](#) or [ESTMA reports](#), please visit our [website](#).

Commitment to Combating Modern Slavery

We take modern slavery practices and the corresponding reporting requirements seriously. We have outlined the steps we have taken to identify, prevent, and address forced labour and child labour in our supply chains and operations. As well as outline our policies, risk assessments, due diligence processes, and the measures implemented to combat forced labour and child labour in our latest report.

 To read more about our response to Canada's [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#), please reference our [report here](#).





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Tourmaline believes that balanced and informed conversations on public policy and regulatory matters are critical to achieving a stable, reliable, and productive business environment that responsibly delivers value to all stakeholders.

We are aware of our responsibility to represent Tourmaline's interests ethically and transparently as Canada's largest natural gas producer and first Canadian producer to provide significant shipments of gas overseas through LNG arrangements. All Tourmaline employees are required to conduct themselves in a manner aligned with our corporate Code of Business Conduct and Ethics. In addition, we provide transparent disclosure regarding our efforts through the appropriate lobbyist registries to ensure our advocacy balances the needs of the broad group of stakeholders that benefit from Canadian natural gas.

Policy Discussions and Disclosure

Tourmaline believes open communication and collaboration are crucial for optimal government policy development and decision-making, and, ultimately, for creating a business and operating environment that benefits all stakeholders. Tourmaline participates in an array of policy discussions relevant to our business. This engagement occurs in several ways, including direct engagement with governments, via contracted public affairs consultant firms, and through

the work of industry associations. Through these efforts we encourage the development of policies that provide certainty and consistency for the energy sector while balancing the social, environmental, financial, and other objectives of involved stakeholders.

Energy Transformation Policies

There is a growing body of public policy intending to shape Canada and the world's energy future. Among these policy areas is a focus on emission reductions both here in Canada and in international markets. Tourmaline engages with federal and provincial governments in Canada with respect to policy regarding carbon pricing, offset generation, benchmarking and other items. Tourmaline's positions on these policies are aligned with our corporate approach of leveraging leading technologies that are available today to produce natural gas while investing in innovation and technology for continual improvement. We believe carbon pricing and emission reduction policies must focus on achieving meaningful reductions in emissions, recognize international emission reductions enabled by domestic

production, and ensure the ongoing competitiveness of Canada's oil and gas sector.

Political Contributions

Tourmaline did not donate to any political organizations in 2023.

Industry Associations and Policy Groups

As part of our engagement with various levels of government across jurisdictions, Tourmaline works actively with numerous industry associations. Though Tourmaline may sometimes hold different positions than those ultimately adopted by associations, we believe industry associations are beneficial because they do, overall, work to ensure regulations and policies are mutually beneficial to our stakeholders.





PERFORMANCE DATA

Tracking our results is prudent to our progress.

We are a responsible producer that is committed to transparent, annual reporting on environment, social and governance matters.



Performance Data

	2019	2020	2021	2022	2023
PRODUCTION¹					
Sales gas (mmcf/d)	1,413,160	1,476,613	2,063,455	2,330,234	2,409,349
Liquids (bbl/d)	55,338	64,496	97,206	112,460	118,808
boe/d	290,865	310,598	441,115	500,832	520,366
ENERGY EFFICIENCY					
Direct energy consumption (GJ)	23,611,159	26,173,986	32,990,537	38,797,458	40,369,459
EMISSIONS²,³					
GHG emissions intensity - direct (tonnes CO₂e/boe)	0.0189	0.0182	0.0161	0.0160	0.0162
GHG emissions intensity - direct + indirect (tonnes CO₂e/boe)	0.0196	0.0189	0.0167	0.0165	0.0167
GHG emissions intensity - direct + indirect (tonnes CO₂e/m³OE)	0.1235	0.1189	0.1049	0.1037	0.1049
Combusted emissions (tonnes CO₂e)	1,509,666	1,600,322	1,998,014	2,361,628	2,477,436
Flaring emissions (tonnes CO₂e)	66,732	57,318	99,352	104,417	108,515
Venting emissions (tonnes CO₂e)	401,921	345,415	441,359	377,275	437,875
Fugitive emissions (tonnes CO₂e)	24,495	64,148	60,156	90,224	60,822
Direct GHG emissions⁴,⁷ (tonnes CO₂e)	2,002,814	2,067,202	2,598,881	2,933,544	3,084,648
Indirect GHG emissions⁵,⁶ (tonnes CO₂e)	81,849	82,317	86,122	79,230	83,001
Nitrogen oxides (NOx) (tonnes)	6,191	15,872	15,499	20,033	17,440
Sulphur dioxide (SO₂) (tonnes)	982	909	1,425	1,926	2,559
Carbon monoxide (CO) (tonnes)	-	10,286	11,087	14,597	12,889
Volatile organic compounds (VOC) (tonnes)	N/A	3,860	4,366	4,263	3,843
Particulate matter (PM10) (tonnes)	N/A	85	137	170	196
Methane⁷,⁸ emissions (tonnes CO₂e)	585,069	405,337	498,547	464,602	494,536
Methane emissions intensity (tonnes CO₂e/boe)	0.0055	0.0036	0.0031	0.0025	0.0026
Flared gas (1,000m³)	644	23,849	39,139	41,105	41,991
Vented gas (1,000m³)	75	23,161	31,175	27,002	28,752
Fugitives (1000m³)	-	4,137	4,026	6,114	3,638
SPILL PREVENTION					
Reportable spills (number)	10	13	40	40	61
Total volume of reportable spills (bbls)	492	314	1,264	1,064	1,133
Environmental fines and penalties (number)	-	-	-	-	-
Average reportable spill (bbls)	49	45	32	27	19



	2019	2020	2021	2022	2023
WATER MANAGEMENT					
Total water used for fracturing (m³)	1,402,698	1,484,218	2,728,045	3,065,845	3,228,819
Total recycled water used (m³)	859,369	976,624	1,748,435	2,018,463	2,032,982
Total fresh water used (m³)	543,329	507,594	979,610	1,047,382	1,195,837
Total number of water wells	203	215	278	275	256
Water per well (m³)	6,910	6,903	9,813	11,148	12,983
Fresh water per well (m³)	2,676	2,361	3,524	3,808	4,249
Total water per boe	0.0132	0.0131	0.0169	0.0168	0.0175
Percentage frac flowback water recycled (%)	95%	95%	95%	95%	95%
RECLAMATION					
Producing wells (gross)	2,541	3,694	4,207	4,597	7,367
Inactive wells (gross)	642	936	1,095	1,229	2,357
Abandoned (gross)	2	27	77	48	14
Reclamation certificate received	1	1	9	7	43
DIESEL DISPLACED					
Total diesel displaced (litres)	11,145,270	12,837,924	24,422,545	35,054,538	40,627,494
SAFETY					
Recordable injuries (number)					
Employee	-	-	-	-	-
Contractors	41	31	32	53	39
Recordable injury frequency - TRIF (injuries/200,000 work hours)					
Employee	-	-	-	-	-
Contractors	0.94	0.83	0.61	0.78	0.48
Lost time injuries (number)					
Employee	-	-	-	-	-
Contractors	6	6	2	7	9
Lost time injury frequency (injuries/200,000 work hours)					
Employee	-	-	-	-	-
Contractors	0.14	0.16	0.06	0.10	0.11
Fatalities ⁹ (injuries/200,000 work hours)					
Employee	-	-	-	-	-
Contractors	-	-	0.02	-	0.01

	2019	2020	2021	2022	2023
PEOPLE					
Total employees	243	296	318	360	383
Total staff (employees and contractors)	484	604	688	758	1025
Production per employee (boed/person)	1,197	1,049	1,387	1,391	1,359
Production per staff (employee and contractors) (boed/person)	601	514	641	661	508
Voluntary turnover ¹⁰ (number)	6	3	10	8	15
Gender diversity of employees (% women)	37%	36%	38%	39%	37%
Voluntary turnover ¹⁰ (%)	2%	1%	3%	2%	4%
Education and training ¹¹ (\$)	\$475,261	\$211,811	\$471,692	\$736,325	\$741,253
Education and training per employee (\$/person)	\$1,956	\$716	\$1,483	\$2,045	\$1,936
DONATIONS					
Total donations (\$)	\$1,086,517	\$1,086,145	\$1,704,996	\$1,294,547	\$1,781,445

¹Per barrel of oil equivalent (boe) amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). BOE may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

²Emissions are calculated using locally regulated methodology or locally recognized industry standards. Tourmaline utilizes reference GHG data primarily from emissions monitoring systems that are used to satisfy regulatory reporting requirements for both Scope 1 and 2 emissions, where available. When regulatory data is not available, we employ the best available data and fuel combustion emission factors to calculate relevant emissions. Methodologies used to collect activity data and calculate scope 1 and scope 2 emissions, include but are not limited to, IPCC Fourth Assessment Report, 2007, IPCC Fifth Assessment Report, 2013, Western Climate Initiative (WCI) Final Essential Requirements of Mandatory Reporting: Amended for Canadian Harmonization, 2013, Alberta Greenhouse Gas Quantification Methodologies (Technology Innovation and Emission Reduction Regulation) Version 2.2, ISO 14064-3, Alberta Greenhouse Gas Quantification Methodologies (AQM), Canada's Greenhouse Gas Quantification Requirements, AER Directives 060 and 017, ECCC Guide for reporting to the NPRI, and WRI/WBCSD GHG Protocol. Emissions data has been consolidated in alignment with operational-control. Tourmaline has noted that there would be immaterial differences in the emission data had it been consolidated using financial-control. Tourmaline has set 2018 as our base year for Scope 1 and 2 emissions. Emission reduction targets are benchmarked against a 2018 base year for Scope 1 emissions and 2020 for methane emissions.

³EY has provided limited assurance over Tourmaline's direct (scope 1) for the 2021-2023 period and indirect (scope 2) emissions for the 2021 and 2023 period.

⁴Direct (scope 1) GHG emissions are from sources that are owned or controlled by Tourmaline. Tourmaline's direct (scope 1) GHG emission target uses 2018 as the baseline year. At the time of setting the target, 2018 represented the most current and complete inventory available to benchmark Tourmaline's progress against. Our 2018 direct (scope 1) emissions were 1,790,024 tonnes CO₂e. Tourmaline will consider recalculating its base year or GHG emissions targets if there are significant structural changes such as mergers, acquisitions, divestitures or significant changes in emission calculation methodologies or improvements in data accuracy that would significantly impact comparability. If emissions data changes by more than 5% due to structural changes or improved data accuracy, a recalculation of the base year may be triggered.

⁵Indirect (scope 2) GHG emissions are reported as gross location-based emissions. Tourmaline has assessed that its location-based and market-based emissions are equivalent.

⁶Indirect (scope 2) GHG emissions are energy-related emissions that are the consequence of our operations, but occur at sources owned or controlled by another company (i.e. purchases of electricity).

⁷Methane emissions increased in 2023 due to a change in methodology. To align our reported metrics with recognized reporting frameworks, Tourmaline now reports methane emissions in tonnes of CO₂e using the Global Warming Potentials (GWPs) values from the IPCC's Fifth Assessment Report (AR5). Historical reported methane emissions were calculated using the IPCC's Fourth Assessment (AR4) GWP value. If the methodology had remained the same, our 2023 methane emissions would have been 5% lower than 2022. The same methodology change impacts our direct GHG emissions in tonnes of CO₂e, which would have been 0.1% lower than 2022.

⁸Methane emissions represents methane from venting and fugitive emissions. Methane associated with combustion and flaring is accounted for in their respective categories above. Methane emissions within the combustion and flaring categories is estimated using emission factors.

⁹A contractor was fatally injured in 2021 as a result of a motor vehicle accident. A contractor was fatally injured in 2023 as a result of a motor vehicle accident.

¹⁰Voluntary turnover is the number or percentage of employees who leave Tourmaline under any circumstance, including retirement, in the reporting year.

¹¹Education and training in 2018 was \$264,099.

**IN THIS SECTION:**[TCFD](#)[SASB](#)[Independent Practitioner's Assurance Report](#)[Forward-Looking Statements](#)**DISCLOSURES**

We continue to utilize standardized reporting frameworks to enhance our sustainability disclosures.

We provide transparent, reliable data that allows us to benchmark our performance to our industry peers.

TCFD

Task force on climate-related financial disclosures.

The Financial Stability Board established an industry-led task force, called the Task Force on Climate-Related Financial Disclosures (TCFD), to help identify the climate-related financial disclosures that would be insightful to investors, lenders and insurance underwriters. The TCFD developed four widely adoptable recommendations on climate-related financial disclosures: governance, strategy, risk management, and metrics and targets. Our climate-related reporting is structured in accordance with TCFD guidance. We continuously evolve our climate strategy as we plan for a transformation to lower carbon-intensity energy. We proudly believe that natural gas is part of the equation, and we strive to reduce the carbon intensity of the natural gas we produce for people to heat their homes, companies to generate electricity, and industry to manufacture and generate goods.

Tourmaline has conducted scenario analysis by incorporating emissions regulations and expected costs into the current and future economic evaluation of projects. All of Tourmaline’s operations are in jurisdictions that have

carbon pricing federally and provincially (Alberta and British Columbia). Governments at both levels have signaled carbon price escalation in order to reduce emissions over time. The federal government has dictated \$80/tCO₂e in 2024, escalating to \$170/tCO₂e in 2030. We believe that our short-term target setting versus ambiguous net-zero claims will allow us to reduce our tax liability as carbon prices escalate and to continue our journey of producing lower carbon-intensive natural gas in the world.

Our baseline view in scenario analysis is with the Stated Policies Scenario (STEPS). We believe that demand for responsibly sourced natural gas will continue to grow as non-responsibly sourced gas is excluded from international markets. We also believe there are significant growth opportunities due to increasing global energy demand.

In the scenario analyses that have demand for natural gas, we must note that significant amount of capital and investment is required, as such existing energy production that has low emissions will last for their useful life. We believe that energy security is also an important consideration – and that the world needs more Canadian natural gas. In 2023, Tourmaline became the first Canadian producer to supply natural gas internationally through its unique 15-year, cross-border agreement with Cheniere Energy. This deal allows us to have our gas reach Asian and European markets.

Tourmaline’s low-cost structure makes us unique relative to our peers. This is because we own the majority of our natural gas infrastructure and can generally avoid midstream processing fees. Our break-even price to fund maintenance production and our base dividend is USD \$1.50 Mcf. This low-cost structure allows us to remain viable in the most extreme case of our scenario analysis.

Tourmaline worked with an external consultant to prepare our scenario analysis. We believe natural gas demand will continue to increase in the future due to LNG exports displacing more carbon-intensive energy. Due to our robust infrastructure skeleton, over 75 years of drilling inventory, low-cost structure and our production profile being predominantly natural gas, in both scenarios our business model is resilient. We see opportunities emerging in increased demand due to LNG and our options of continuing to reduce the carbon-intensity of our gas molecule through technologies like carbon capture, electrification, RNG, and others. We are actively de-risking the future by investing in innovative and new technology; however, our goal is to continue to increase natural gas production as we believe the world needs ever-increasing quantities of all forms of energy.

Scenarios Used In Our Analysis

STATED POLICIES SCENARIO (STEPS)	ANNOUNCED PLEDGES SCENARIO (APS)
A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.	A scenario which assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time.
To provide a benchmark to assess the potential achievements (and limitations) of recent developments in energy and climate policy.	To show how close current pledges get the world towards the target of limiting global warming to 1.5 °C, it highlights the “ambition gap” that needs to be closed to achieve the goals agreed to in Paris in 2015. It also shows the gap between current targets and achieving universal energy access.
Natural gas demand rises by less than 5% between 2021 and 2030. It then remains flat from 2030.	Natural gas demand soon peaks and is 10% lower than 2021 levels by 2030.

TCFD

Climate-Related Risk Management

Climate-related considerations are integrated into key business planning and risk management processes throughout the Company. The Board and its committees are required to identify and oversee the management of significant risks to Tourmaline and ensure appropriate mitigation strategies are in place. Tourmaline uses the feedback from its materiality assessment to help identify macro and micro risks facing our company. Risks are assessed considering health and safety, operational, financial, environmental, regulatory and reputational impacts. In alignment with TCFD's recommendations, we have examined several climate-related risks and opportunities, as well as how Tourmaline mitigates the risks and focuses on the opportunities.

OUR STRATEGY

Tourmaline's strategy to develop and deliver low-cost and lower-emission natural gas to the world and allow all our stakeholders to benefit.





TCFD

Setting Realistic and Achievable Targets

We take time to research and develop our targets, ensuring that they are both realistic and achievable. We also believe that businesses in our sector should focus on near-term, quantifiable wins, as well as longer-term, significant improvements. We have set shorter, measurable targets rather than an aspirational net zero by 2050 target, because we want to demonstrate to the world that we can make improvements today. Not only does this benefit our stakeholders today, it allows us to be more resilient as carbon prices increase.

Continuous improvement is the road to a lower-carbon-intensity, lower-emission world – and we are proud to do our part. We incorporate our emission reduction goals within all our business strategy and development plans. We remain focused on delivering strong returns to our shareholders while pursuing our environmental performance improvement targets to bolster our long-term value proposition. We remain steadfast on becoming the lowest-cost and lower-emission natural gas producer in North America, which will provide business resiliency for our shareholders for decades to come.

Scope 3

Scope 3 emissions arise from production and consumption activities beyond our direct operations and encompass 15 categories, as outlined by the GHG Protocol. We are in the discovery phase of understanding and quantifying these emissions and have engaged a third party to help develop our Scope 3 emissions model. This chart presents our preliminary estimates of Scope 3 emissions by category, highlighting estimated emissions and our level of data accessibility and control over each category. These initial estimates serve as a foundation for further refinement. We plan to enhance this model and explore the potential for sharing our findings in a future sustainability report.

 To find out more about our Scope 3 emissions initial assessment please see [page 83](#).



EMISSIONS TARGET

Achieve a 25% reduction in corporate emission intensity (scope 1) from 2018 reported levels by 2027.

METHANE TARGET

Reduce methane emission intensity by 55% from 2020 reported levels by 2027.

WATER TARGET

Eliminate the use of fresh water throughout our core gas operations.

2050

We have set shorter, measurable targets over an aspirational net zero by 2050 target, because we want to demonstrate to the world that we can make improvements today.

TCFD

Tourmaline scope 3 GHG emissions overview.

	SCOPE 3 CATEGORY	ESTIMATED % OF TOTAL SCOPE 3	DATA ACCESSIBILITY	CATEGORY DEFINITIONS AND BOUNDARIES*	TOURMALINE CONTROL
UPSTREAM	1. Purchased goods and services	<1%	LOW	Emissions from the extraction, production, and transportation of goods and services purchased or acquired.	The proportion of emissions are considered insignificant.
	2. Capital goods	<1%	LOW	Emissions from the extraction, production, and transportation of capital goods purchased or acquired.	The proportion of emissions are considered insignificant.
	3. Fuel- and energy-related activities	<1%	HIGH	Emissions related to the production and distribution of fuels and energy used by Tourmaline not included in scope 1 or scope 2 emissions.	The proportion of emissions are considered insignificant.
	4. Transportation and distribution	<5%	MEDIUM	Mainly emissions from transportation and distribution services purchased by Tourmaline.	Tourmaline has limited influence on emissions in this category as transportation and distribution is dictated by market demand and availability of transportation services.
	5. Waste generated in operations	<1%	MEDIUM	Emissions due to the disposal or treatment of waste generated from Tourmaline operations.	The proportion of emissions are considered insignificant.
	6. Business travel	<1%	HIGH	Transportation of employees for business-related activities.	The proportion of emissions are considered insignificant.
	7. Employee commuting	<1%	MEDIUM	Transportation of employees between their homes and their worksites.	The proportion of emissions are considered insignificant.
	8. Leased assets	<1%	LOW	Emissions associated with the operation of leased assets not owned by Tourmaline.	The proportion of emissions are considered insignificant.
DOWNSTREAM	9. Transportation and distribution	<1%	MEDIUM	Emissions from the transportation and distribution of products sold, not paid for by, or in vehicles owned by, Tourmaline.	Not applicable at this time. All transportation is conducted through purchased transportation services, and therefore all transportation is included in Category 4 rather than Category 9.
	10. Processing of sold products	<5%	MEDIUM	Emissions from the processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale.	The majority of products sold by Tourmaline are final products with their associated emissions included within scope 1 and scope 2. Tourmaline has limited influence on the emissions of the third-party facilities that may process a portion of its products. However, these emissions are expected to decrease due to regulations and voluntary GHG reduction initiatives that are driving GHG reductions in Tourmaline's supply chain.
	11. Use of sold products	>90%	HIGH	Direct use-phase emissions of sold products over their expected lifetime.	Tourmaline has limited control over the emissions from the use of its products. Tourmaline can influence customers to manage use and increase efficiency.
	12. End-of-life treatment of sold products	-	-	Emissions from the waste disposal and treatment of sold products.	Not applicable as all products are combusted.
	13. Leased assets	<1%	LOW	Emissions from lessees during operation of assets owned by Tourmaline.	The proportion of emissions are considered insignificant.
	14. Franchises	-	-	Emissions from the operation of franchises.	Not applicable at this time as Tourmaline does not operate any franchises.
	15. Investments	<1%	LOW	Emissions associated with investments including equity and debt investments and project finance.	Tourmaline has control over the investments it makes.

*Definitions are sourced from the Greenhouse Gas Protocol



IN THIS SECTION:

TCFD

SASB

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TCFD

CATEGORY	DISCLOSURE	LOCATION IN REPORT
Governance (a)	Board oversight	69-70
Governance (b)	Management’s role	69-70
Strategy (a)	Identification of climate-related risks and opportunities	71, 80-81
Strategy (b)	Impact of climate-related risks and opportunities	80-81
Strategy (c)	Scenario analysis and strategy resilience	80
Risk Management (a)	Risk identification and assessment process	71
Risk Management (b)	Risk management process	71
Risk Management (c)	Risk integration	71
Metrics and Targets (a)	Metrics	20, 28-29
Metrics and Targets (b)	GHG emissions	28-29, 76
Metrics and Targets (c)	Targets and performance	28-29, 76



SASB

ACCOUNTING METRIC	UNIT OF MEASURE	CODE	2020	2021	2022	2023
GREENHOUSE GAS EMISSIONS¹						
Scope 1 emissions	Metric tonnes CO ₂ -e (t)	EM-EP-110a.1	2,067,202	2,598,881	2,933,544	3,084,648
%, methane²	Percentage (%)	EM-EP-110a.1	20%	19%	16%	16%
%, covered emissions-limiting regulations	Percentage (%)	EM-EP-110a.1	100%	100%	100%	100%
Amount of gross global scope 1 emissions from:						
Flared hydrocarbons	Metric tonnes CO ₂ -e (t)	EM-EP-110a.2	57,318	99,352	104,417	108,515
Combusted emissions	Metric tonnes CO ₂ -e (t)	EM-EP-110a.2	1,600,322	1,998,014	2,361,628	2,477,436
Venting emissions	Metric tonnes CO ₂ -e (t)	EM-EP-110a.2	345,415	441,359	377,275	437,875
Fugitive Emissions	Metric tonnes CO ₂ -e (t)	EM-EP-110a.2	64,270	60,156	90,224	60,822
Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and analysis of performance against those targets	Discussion	EM-EP-110a.3	PLEASE REFER TO THE TCFD DISCLOSURE.			
WATER MANAGEMENT						
Total fresh water withdrawn	Cubic metres (m³)	EM-EP-140a.1	507,594	979,610	1,047,382	1,195,837
% of total fresh water withdrawn in regions with high or extremely high baseline water stress	Percentage (%)	EM-EP-140a.1	-	-	-	-
Total fresh water consumed	Cubic metres (m³)	EM-EP-140a.1	507,594	979,610	1,047,382	1,195,837
% of fresh water consumed in regions with high or extremely high baseline water stress	Percentage (%)	EM-EP-140a.1	-	-	-	-
Volume of produced water and flowback generated						
% Discharged³	Percentage (%)	EM-EP-140a.2	-	-	-	-
% Injected³	Percentage (%)	EM-EP-140a.2	5%	5%	5%	5%
% Recycled³	Percentage (%)	EM-EP-140a.2	95%	95%	95%	95%
Hydrocarbon content discharged water	Metric tonnes (t)	EM-EP-140a.2	n/a	n/a	n/a	n/a
% of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.3	100%³	100%³	100%³	100%³
% of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	EM-EP-140a.4	-	-	-	-
BIODIVERSITY IMPACTS						
Description of environmental management policies and practices for active sites	Discussion	EM-EP-160a.1	ROBUST POLICIES TO ENSURE CONSULTATION, PRE-PLANNING AND RECLAMATION OF SITES. PLEASE REFER TO THE REPORT FOR A DETAILED ANALYSIS.			
Number of hydrocarbon spills	Number	EM-EP-140a.1	13	40	40	61
Volume of hydrocarbon spills	Barrels (bbls)	EM-EP-140a.1	314	1,264	1,064	1,133
Volume in the Arctic	Barrels (bbls)	EM-EP-140a.1	-	-	-	-
Volume impacting shorelines with ESI rankings 8-10	Barrels (bbls)	EM-EP-140a.2	-	-	-	-
Volume recovered	Barrels (bbls)	EM-EP-140a.2	Not measured	Not measured	Not measured	Not measured
% of proved and probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	EM-EP-140a.2	~24%	~24%	~24%	~24%

SASB

ACCOUNTING METRIC	UNIT OF MEASURE	CODE	2020	2021	2022	2023
WORKFORCE HEALTH & SAFETY						
Total Recordable Incident Rate (TRIR)	Rate per 200,000 work hours	EM-EP-320a.1	0.83	0.61	0.78	0.48
Fatality Rate	Rate per 200,000 work hours	EM-EP-320a.1	-	0.02	-	0.01
Near Miss Frequency Rate (NMFR) ⁵	Rate per 200,000 work hours	EM-EP-320a.1	0.35	0.62	1.00	0.67
Average hours of health, safety and emergency response training for:						
Employees	Hours (h)	EM-EP-320a.1	6	6	6	6
Contractors	Hours (h)	EM-EP-320a.1	20	20	20	20
Discussion of management systems used to integrate a culture of safety throughout the exploration and production life cycle	Discussion	EM-EP-320a.1	ALL EMPLOYEES AND CONTRACTORS HAVE TO COMPLETE TRAINING TO ACCESS OUR SITES. CONTRACTORS ARE REQUIRED TO USE COMPLY WORKS TO RECORD ALL OF THEIR CERTIFICATES. NUMEROUS EMERGENCY MANAGEMENT RESPONSE TRAINING SESSIONS. PLEASE REFER TO THE REPORT FOR MORE INFORMATION.			
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES ⁶						
Proved reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1	-	-	-	-
Probable reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1	-	-	-	-
Proved reserves in or near Indigenous land	Percentage (%)	EM-EP-210a.2	-	-	-	-
Probable reserves in or near Indigenous land	Percentage (%)	EM-EP-210a.2	-	-	-	-
Discussion of engagement processes and due diligence, practices with respect to human rights, Indigenous rights, and operation in areas of conflict			TOURLINE HAS ACTIVE ENGAGEMENT WITH OUR INDIGENOUS COMMUNITIES. PLEASE REFER TO THE INDIGENOUS ENGAGEMENT SECTION OF THE REPORT.			

¹Tourmaline has assessed that within our operational boundary only CO₂, CH₄, and N₂O are emitted. The other GHG’s covered under the GHG Protocol - SF₆, HFCs, PFCs, and NF₃ are not emitted from our operations in our boundaries as additionally verified by GHD Limited. N₂O has been deemed immaterial and is not disclosed.

²Refer to Performance Data table for definition of methane.

³Based on completion activities and excludes produced water.

⁴Please refer to [fracfocus.ca](#) for more details.

⁵Tourmaline combines total recordable incidents and near misses together.

⁶Tourmaline defines Indigenous lands as reserve lands as vested by the crown. While Tourmaline does not have operational assets, surface or mineral rights within Indigenous lands, we acknowledge that we do operate within the traditional territory occupied by Treaty 6, 7, and 8 First Nations and by the Métis people.



Independent Practitioner's Assurance Report



To the Management of Tourmaline Oil Corp.,

Scope

We have been engaged by Tourmaline Oil Corp. ("Tourmaline") to perform a 'limited assurance engagement', as defined by Canadian Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Tourmaline's Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions (the "Subject Matter") for the year ended December 31, 2023 contained in Tourmaline's 2023 Sustainability Report (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria Applied by Tourmaline

In preparing the Subject Matter, Tourmaline applied the Greenhouse Gas Protocol (the "GHG Protocol"): A Corporate Accounting and Reporting Standard and Scope 2 Guidance (the "Criteria").

Tourmaline's Responsibilities

Tourmaline's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and

making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard for Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("CSAE 3410"). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public

accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.





Independent Practitioner’s Assurance Report

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducting interviews with relevant personnel to obtain an understanding of the business and process for collecting, collating and reporting on the Subject Matter;
- Undertaking analytical procedures, making inquiries with relevant personnel, comparing data to underlying source information on a limited a sample basis, and reperformance of select calculations;
- Reviewing the presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the Criteria.

Chartered Professional Accountants

DECEMBER 5, 2024
CALGARY, CANADA

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2023:

PERFORMANCE INDICATOR	CRITERIA	REPORTED VALUE	UNIT OF MEASURE	REPORT PAGES
Scope 1 GHG Emissions	GHG Protocol	3,084,648	tonnes CO ₂ e	<u>76</u> , <u>85</u>
Scope 2 GHG Emissions	GHG Protocol	83,001	tonnes CO ₂ e	<u>76</u>



IN THIS SECTION:

TCFD

SASB

Independent Practitioner’s Assurance Report

Forward-Looking Statements

Forward-Looking Statements

Certain information regarding Tourmaline set forth in this document, including management’s assessment of the Company’s future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. Such statements represent Tourmaline’s internal projections, forecasts, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital investment or expenditures, production, cash flow and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Tourmaline believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Tourmaline’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Tourmaline.

In particular, forward-looking statements included in this document include, but are not limited to, forward-looking information with respect to Tourmaline’s plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: the size of, and future net revenues and cash flow from, crude oil, NGL (natural gas liquids) and natural gas reserves; future prospects; the focus of and timing of capital expenditures; the performance characteristics of the Company’s crude oil, NGL and natural gas properties; crude oil, NGL and natural gas production levels and product mix; Tourmaline’s future operating and financial results; natural gas demand growth, North American and global LNG growth, future environmental performance investment levels, environmental performance targets, CCUS initiatives, emissions intensity, water use (including targets), CNG fueling stations expected to be constructed, spills, site reclamation, the health, safety, and environment of our employees and contractors and the attraction and the retention of our employees, corporate governance practices, community

and stakeholder engagement and investment; indigenous engagement and procurement practices.

These forward-looking statements are subject to numerous risks and uncertainties, most of which are beyond the Company’s control. These include, but are not limited to: the risks associated with the oil and natural gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; environmental risks; competition; incorrect assessment of the benefits of acquisitions; the impact of general economic conditions; industry conditions; liabilities inherent in crude oil and natural gas operations; environmental risks; hazards such as fire, explosion, blowouts, cratering, and spills, any of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; failure to obtain required regulatory and other approvals; climate change risks; severe weather (including forest fires and droughts); risks of wars or other hostilities or geopolitical events, civil insurrection and pandemics; risks relating to Indigenous land claims and duty to consult; data breaches and cyber attacks; changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)) and general economic and business conditions and markets. Readers are cautioned that the foregoing list of factors is not exhaustive.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Tourmaline are included in the Company’s most recently filed Management’s Discussion and Analysis (see “Forward-Looking Statements” therein), Annual Information Form (see “Risk Factors” and “Forward-Looking Statements” therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca) or Tourmaline’s website (www.tourmaline.com)

Directors

Michael Rose
Chairman, President and Chief Executive Officer
Tourmaline Oil Corp., Calgary, Alberta

Brian Robinson
Chief Financial Officer Tourmaline Oil Corp.
Calgary, Alberta

Jill Angevine
Corporate Director and President, Brownstone Asset
Management, Calgary, Alberta

William Armstrong
President and Chief Executive Officer
Armstrong Oil & Gas Inc., Denver, Colorado

Lee Baker
Independent Businessman
Calgary, Alberta

Christopher Lee
Independent Businessman
Calgary, Alberta

Andrew MacDonald
Independent Businessman
Vancouver, British Columbia

Lucy Miller
Independent Businesswoman
Calgary, Alberta

Janet Weiss
Independent Businesswoman
Anchorage, Alaska

Travis Toews
Independent Businessman
Beaverlodge, Alberta

Officers

Michael Rose
Chairman, President and Chief Executive Officer

Brian Robinson
Chief Financial Officer

Scott Kirker
Chief Legal Officer and External Affairs

Earl McKinnon
Chief Operating Officer

Sherra Aspin
Vice President, Marketing

Katie Beck
Vice President, Legal
General Counsel and Corporate Secretary

Allan Bush
Vice President, Corporate Affairs

Colin Frostad
Vice President, Exploration

Jamie Heard
Vice President, Capital Markets

Sarah Tait
Vice President, Finance



2900, 250 6th Ave SW, Calgary, Alberta T2P 3H7

tourmaline.com