



Tourmaline Oil Corp. (TSE: TOU)

November 2025



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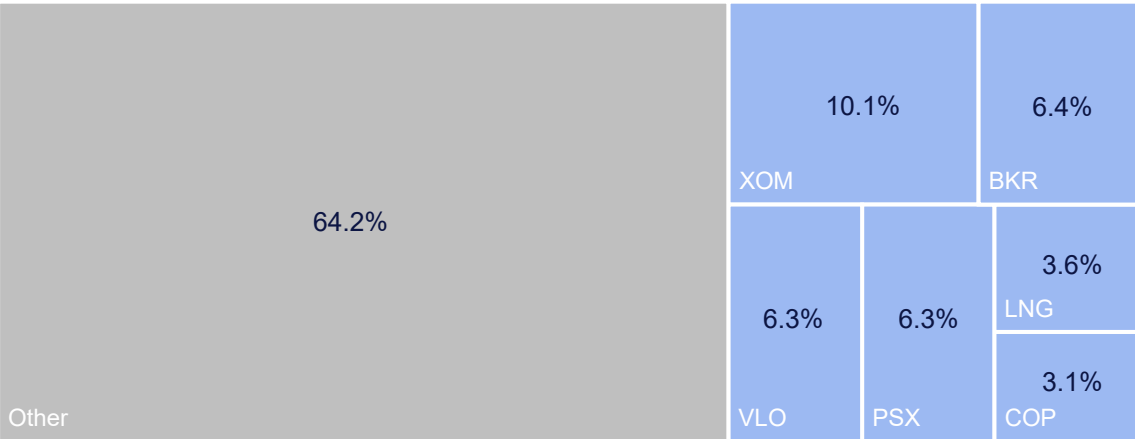
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Valuation overview including a Net Asset Valuation, Comparable Companies Analysis and Broker Outlook

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Investment Thesis and Rationale for the Purchase of Tourmaline

Current Fund Holdings with International Exposure¹



Spindletop lacks an operator with a direct focus on international operations

Notes:
Sources:
(1) Percentages are inclusive of Spindletop's cash balance

Canadian Regulatory Environment

Canadian regulatory changes favor continued expansion in both LNG and oil/gas infrastructure, poised to position Canada as a future “energy super-power”



New climate policy set to **scrap previous oil/gas emissions caps** aimed at reducing greenhouse gas emissions (GHG) **by 35pc**



Policy assumes that other technologies, including **Carbon Capture (CCS)**, continue to grow “at scale” into the future



Governing bodies have paused (and potentially reversed) previous mandate targeting 100% Electric-vehicles (EVs) nation-wide by 2035



Introductory law providing federal cabinet increased **power to override environmental assessments** for infrastructure projects



Government has provided fast-tracked approval to **expand LNG export plant in British Columbia** (i.e. LNG Canada facility)



I. Canadian O&G Environment



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Canadian Shale Overview

Canadian Shale plays are emerging as some of the most durable, cost-advantaged reservoirs in North America. Their scale and long-life inventories position them as a structural pillar of future supply

Montney Shale

The Montney Basin is positioned to become the **premier location** for high-quality front-end inventory as the Permian continues to rapidly deplete

- The Montney holds over **18 years** of **sub-\$2.50/Mcf** (PV-10 half-cycle, 20:1 basis) inventory based on current development pace, **~2x** that of the Permian
- Over the next **5-10 years** the Montney is anticipated to become the most efficient basin, **surpassing its U.S. Shale peers**

Avg. Recycle Ratios²

2029

1) Delaware, Montney, Marcellus, Duvernay, Uinta

2034

1) Montney, Uinta, Duvernay, Delaware, Marcellus

Inventory Duration: **22 Years** – Average Recycle Ratio: **2.79x¹**

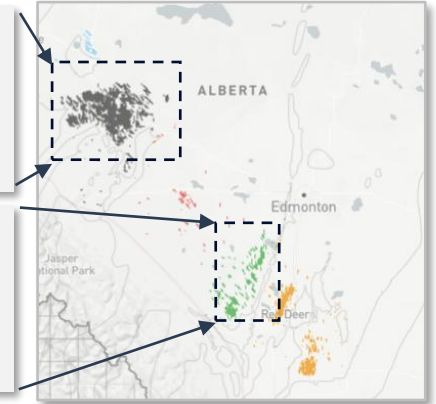
Duvernay

Greater Kaybob Region

Northern liquid rich assets that have been the historical growth engine in the Duvernay – Expected to maintain **economic superiority** in the Duvernay, although the Willesden Green is catching up.

Willesden Green

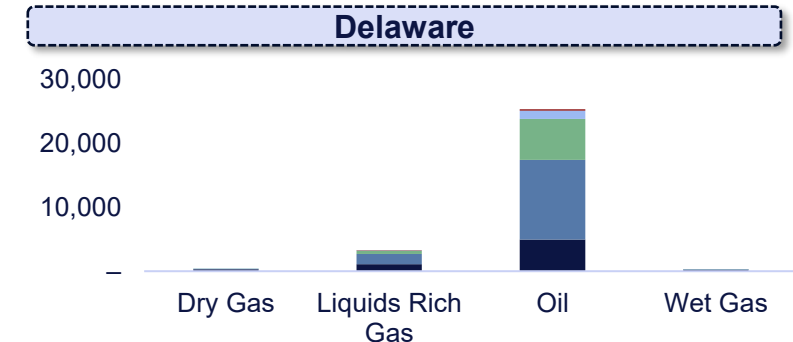
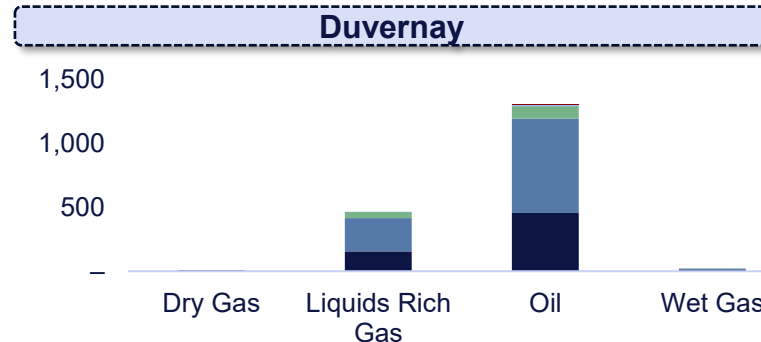
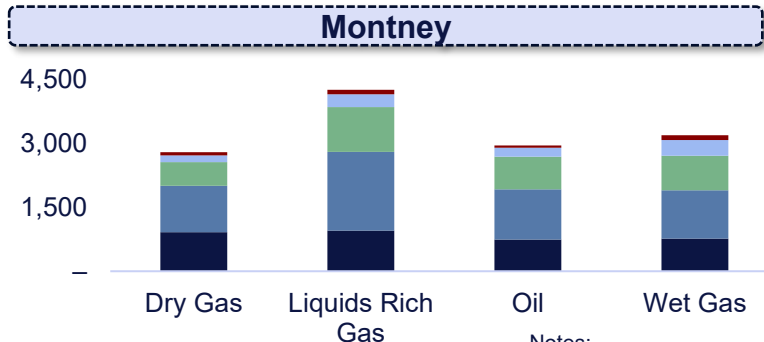
Sparsely developed liquids weighted assets in the South (~100 horizontal wells), **~50% of Duvernay wellhead liquids growth** is projected to come from this area. Economic feasibility will improve.



Inventory Duration: **15 Years** – Average Recycle Ratio: **2.45x¹**

Recycle Ratios per Producing Wells @ \$70 / \$3.50

0–2.0x 2.0–4.0x 4.0–6.0x 6.0–8.0x 8.0–10x













Notes:

Sources: Enverus, Company Filings

(1) Sourced from Kimmeridge Report, assumes 2023 development cadence until sub-average recycle ratio inventory is reached to calculate inventory life, (2) Kimmeridge Projection

Private Capital Entering Canada

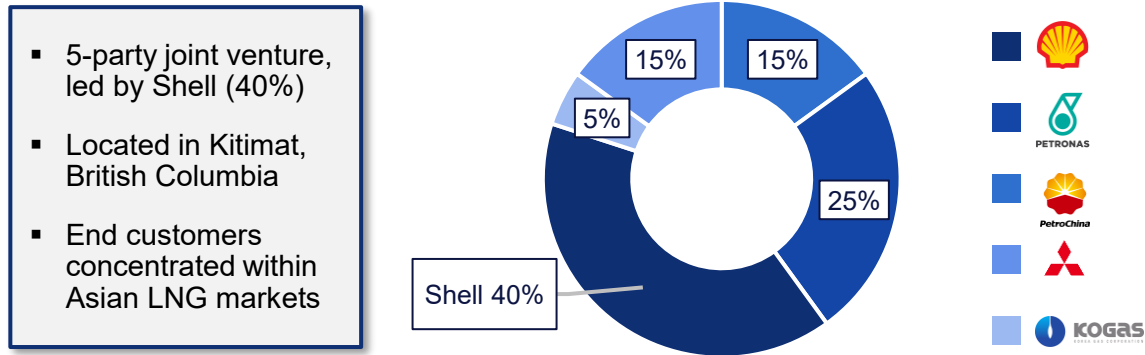
Cross-border private capital is accelerating resource development across major plays such as the Montney and Duvernay Shale

<u>Date</u>	<u>PE Sponsor</u>	<u>Portfolio Company / Dedicated Fund</u>	<u>Amount Raised / Deployed¹</u>	<u>Basin of Interest</u>
Sep-23			[Undisclosed]	Montney/Duvernay
Dec-23			[Undisclosed]	Montney/Duvernay
May-24			[Undisclosed]	Montney/Duvernay
Jan-25			[Undisclosed]	Montney/Duvernay
Mar-25		Waterous Energy Fund III	~\$1,000mm	Montney/Duvernay
Oct-25		Carnelian Acquisition and Development, L.P.	\$600mm	Montney/Duvernay

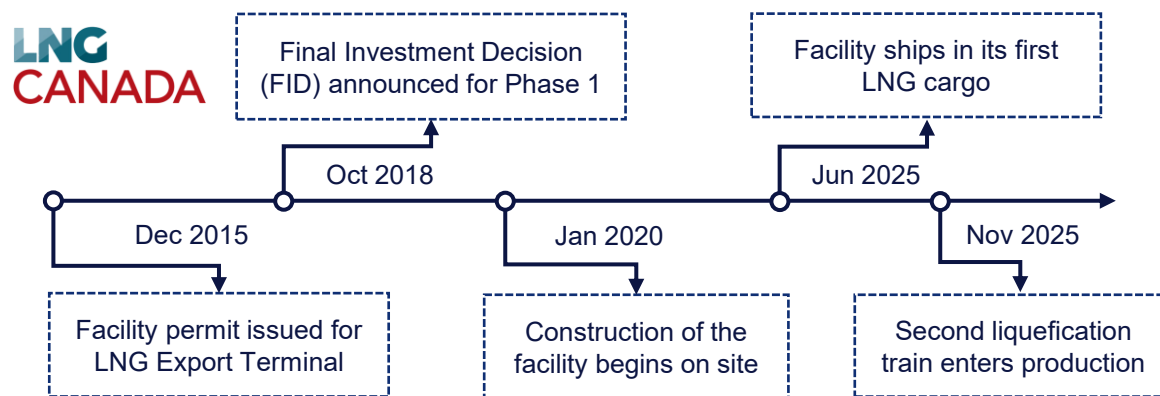
LNG Canada Overview

LNG Canada is a joint venture developing Canada's first large-scale LNG export facility, serving demand for reliable, low-carbon natural gas.

Share of Interest by Joint Partner (%)



Timeline and Phases



Notes:
Sources:
(1)

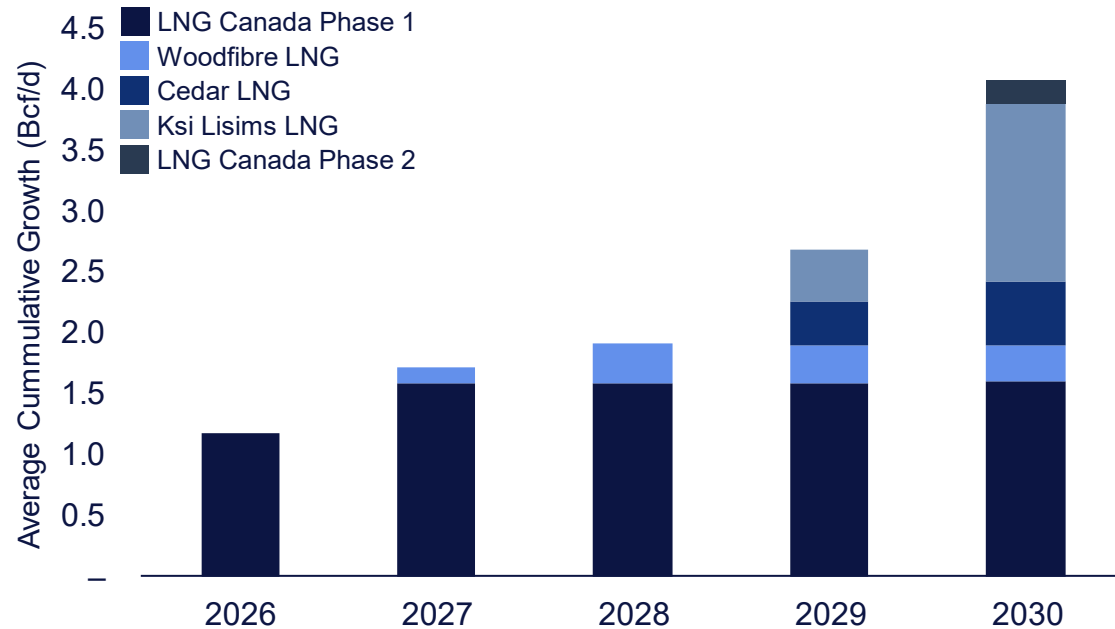
Facility Components

Liquefaction Trains	<ul style="list-style-type: none"> Comprised of two liquefaction trains with roughly ~14 mtpa in total capacity, processing natural gas at -162°C
Gas Processing & Pretreatment	<ul style="list-style-type: none"> Front-end units remove CO₂, water, mercury, and heavy hydrocarbons, conditioning natural gas before liquefaction
LNG Storage	<ul style="list-style-type: none"> Contains two full-containment LNG tanks (~225,000 m³ each) providing stable buffer storage ahead of marine loading
Marine Terminal	<ul style="list-style-type: none"> Features single LNG loading berth, cryogenic arms, and infrastructure to accommodate large-scale LNG carriers
Export Infrastructure	<ul style="list-style-type: none"> Cryogenic pipelines and boil-off gas recovery systems move LNG from trains to tanks and support efficient vessel loading
Site Footprint & Utilities	<ul style="list-style-type: none"> ~1,000-acre site with control facilities, flare systems, cooling towers, and expansion space reserved for future trains

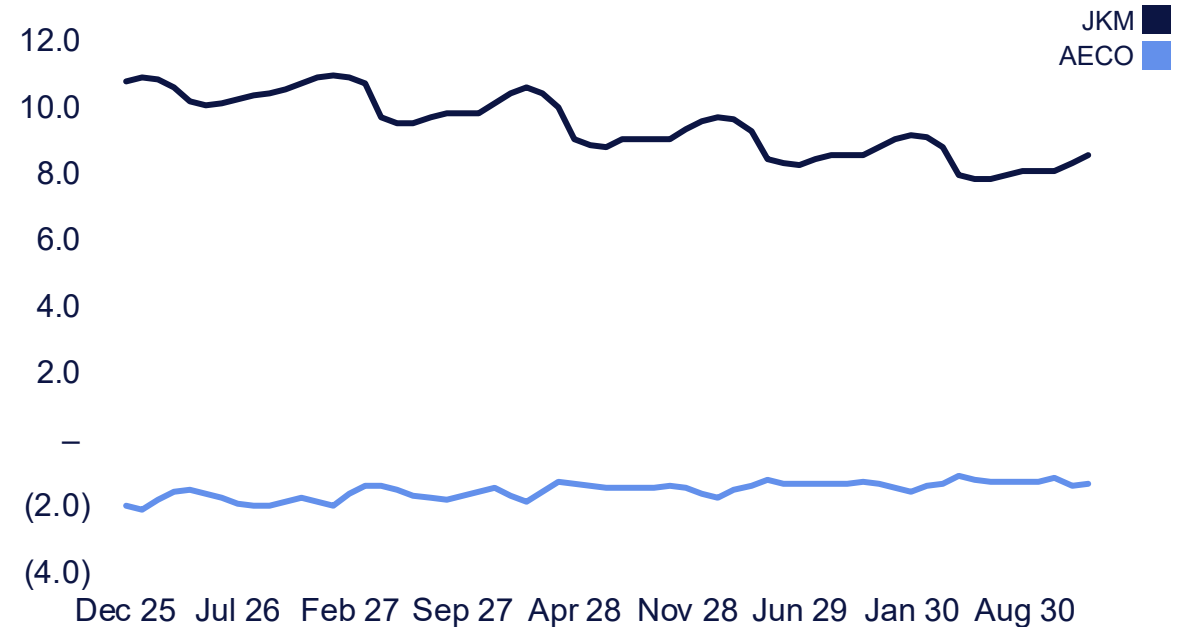
JKM & Key Markets

As LNG terminals increasingly use JKM-indexed pricing to capture value from Asian markets, the JKM–AECO differential has continued to close, improving netbacks for Western Canadian producers

Growing JKM Exposure in Western Canada



JKM/AECO Differential Analysis



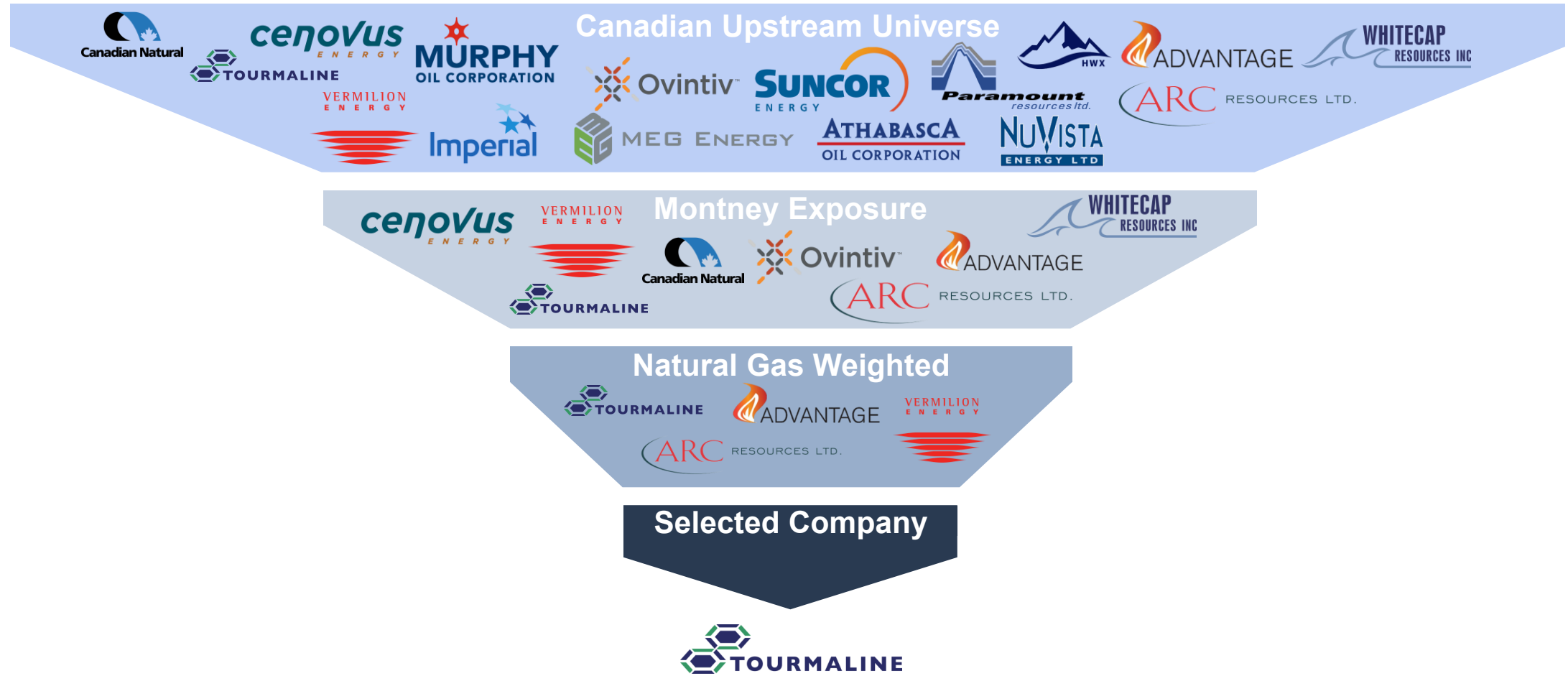
Select SPAs

- **Ksi Lisims LNG:** 20-years with Shell Eastern Trading, 2 mtpa
- **Woodfibre LNG:** 20-year agreement with ExxonMobil LNG Asia Pacific to supply 1.5 mtpa, pricing linked to JKM
- **Trafigura:** 7-year agreement with Tourmaline, off taking 0.5 mtpa with JKM linked pricing until 2034, with potential extension to 2039

- JKM continues to drive international LNG demand given limited domestic resources
- As the JKM market is supplied with LNG from places such as the United States, Qatar, Australia, & Canada the differential will shrink and uplift pricing at other hubs
- The JKM futures curve is in backwardation, while AECO futures are in contango signaling the market believes this demand will be met with incremental volumes

Investable Canadian Upstream Universe

Among independents in Montney region, Tourmaline is the greatest gas-weighted operator, with ~75-80% of production comprised of natural gas.





II. Tourmaline Overview



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Tourmaline Oil Corp. Overview

Tourmaline's scale in Canada's premium gas plays, production base and low-cost infrastructure, provide investors a suite of advantages with efficiency, profitability, growth, and return on (and of) capital unparalleled by peers

Overview

- Tourmaline Oil Corporation is the largest natural gas producer in Canada¹ and the 4th largest Canadian gas processing midstream operator
- 5.1mm net acres across the Montney, Peace River and Alberta Deep Basin hold 5.5 Billion Boe 2P Reserves; 24.8 Tcf Gas, 1,356 MMbbls liquids
- Tourmaline is the 4th largest producer of conventional liquids, 3rd largest condensate producer, and the largest producer of NGLs²
- Extensive midstream asset base and exposure to international pricing primes Tourmaline to realize value from growing Canadian LNG Export projects

Asset Highlights

Metric	Montney	Deep Basin	Peace River
Current Production	305,000 boepd	320,000 boepd	25,000 boepd
Current Reserves	3,279 mmboe	1,945 mmboe	272 mmboe
Drilling Inventory	7,857	14,794	2,428
Commentary	One of largest Montney producers in Western CA	Effectively Alberta's Largest Gas Field	Charlie Lake wells profitable @ \$30 WTI

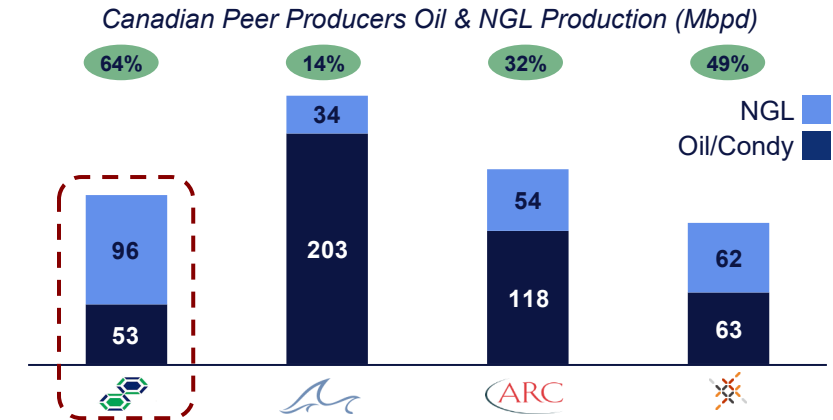
Notes:

(1) 5th largest gas focused producer in North America

(2) Selected peers include CNQ, WCP, ARX, OVV, SCR, BTE, TVE

NGL Summary – Robust High Margin Business

- TOU's diverse and profitable NGL business thrives with access to **all Canadian west coast export terminals**
- Diverse pricing, exposure to WTI, FSPL, Far East Index
- Liquids shipped via pipelines, the **most cost-efficient** transport method



LNG Exposure – Canadian Infrastructure Tailwinds

Rockies LNG

- Partnership of Western Canadian natural gas producers working together to supply new British Columbia LNG terminal
- Exposure to Asian markets, SPAs executed with Shell/Total

NeeStaNaN Utility Corridor (Hudson Bay LNG)

- Supporter of proposed LNG terminal on the Hudson Bay
- Project increases access to northern ports and interprovincial and international trade and higher-priced European markets
- Feasibility studies currently being funded, TOU is key advocate

Current Agreements

- Robust agreements with exporters³, growing daily MMBtu volumes to ~350,000 by 2029 to the United States Gulf Coast
- Cheniere agreement, 140 MMcf/d, JKM Exposure, 15 years

(3) Exporters include Cheniere, Trafigura, Hartree, EDF, Uniper, Centrica

Sources: Factset, public disclosure

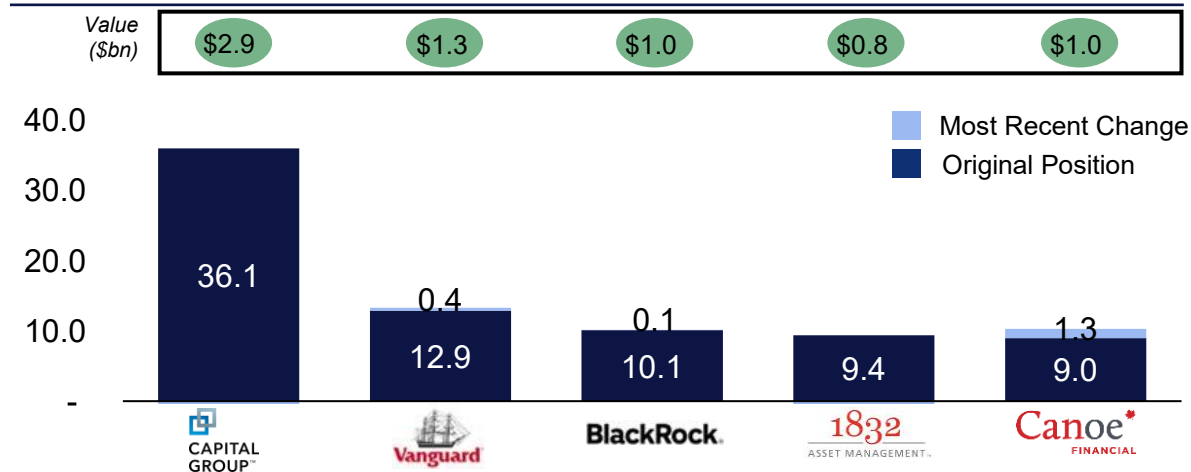
Financial Overview

Tourmaline maintains one of the strongest balance sheets in the sector, with minimal leverage, disciplined Capex allocation and a clear focus on sustainable free-cash-flow growth

Key Metrics

FY2024 EBITDA \$2.0bn	FY2024 Net Debt \$0.9bn	2024 Debt/EBITDA 0.5x
2024 ROIC 7.9%	LTM P/E 17.5x	2024 ROE 8.6%

Ownership Profile (\$mm)



Current Capitalization

\$ in Millions, except per share data

Share Price as of 11/17/2025	\$43.94
Memo: 52-Week Low/High	\$41.54 (4/9/25) / \$49.09 (2/21/25)
(x) Fully Diluted Shares Outstanding	390
Total Equity Value	17,138
Commercial Paper	800
Unsecured Extendible Revolving Credit Facility due 2030	240
2.077% Senior Notes Due 2028	250
2.529% Senior Notes Due 2029	200
4.856% Senior Notes Due 2027	250
Total Debt	1,740
(-) Investments in Unconsolidated Subs	(406)
Implied Enterprise Value	18,472

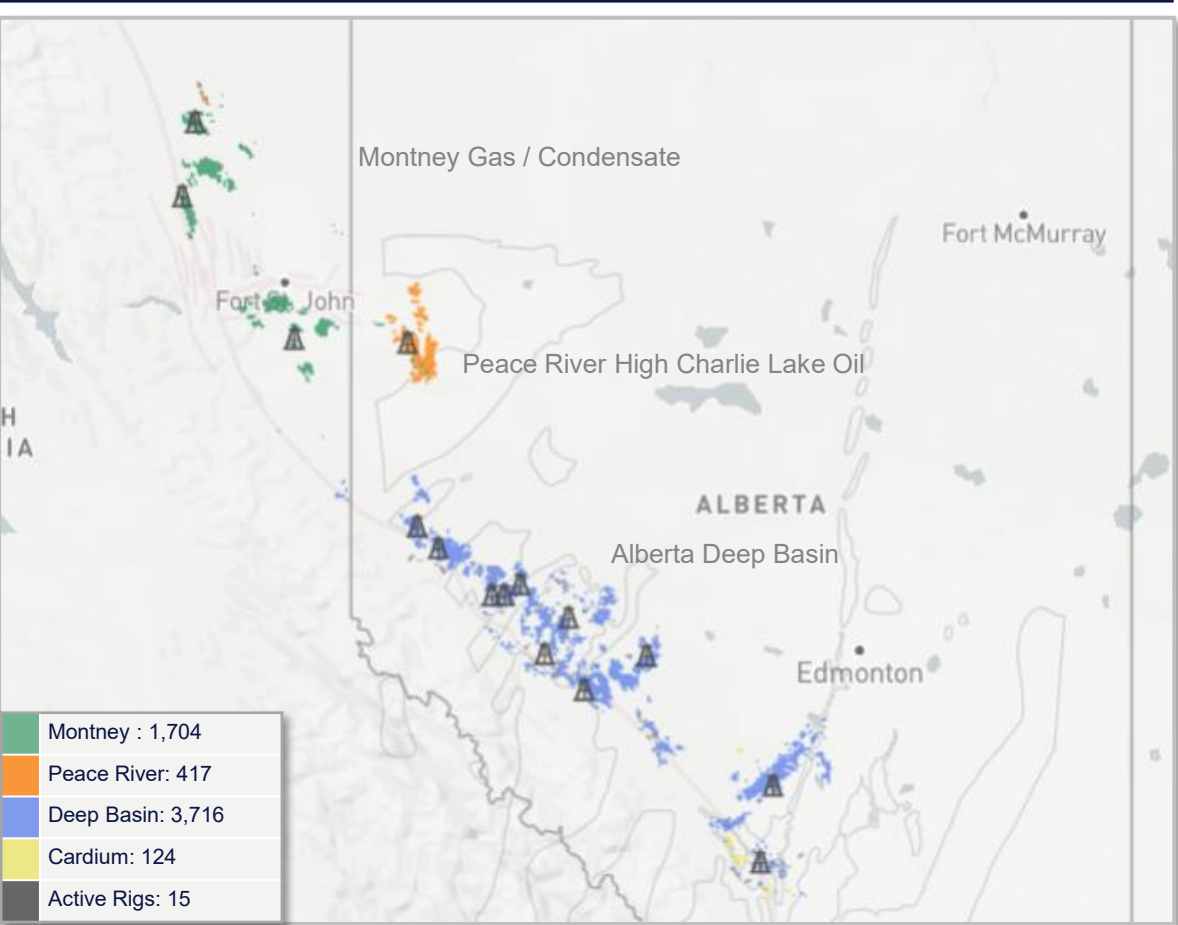
<u>Valuation Metrics</u>	<u>Metric</u>	
TEV / 2025E EBITDA (x)	2,570	7.2x
TEV / 2026E EBITDA (x)	3,183	5.8x
2024A Price / Free Cash Flow	5.53	8.8x
2024A Price / Earnings	1,264	17.9x

<u>Credit Metrics</u>		
Debt / 2025E EBITDA (x)	2,570	0.7x
Morningstar		BBB

Asset and Development Focus

Tourmaline’s strategy centers on advancing its core Montney position, allocating capital to its highest return corridors and lowest-cost inventory

Asset Map – Producing Wells



Recent Acquisitions & Divestures

Announced 5/07/2025

TOURMALINE Saguaro resources

USD \$362mm (CAD\$500mm)

Tourmaline purchases the remaining 50% non-op WI in Laprise-Conroy Assets (Montney). Tourmaline previously purchased 50% operated WI from Saguaro in 2021

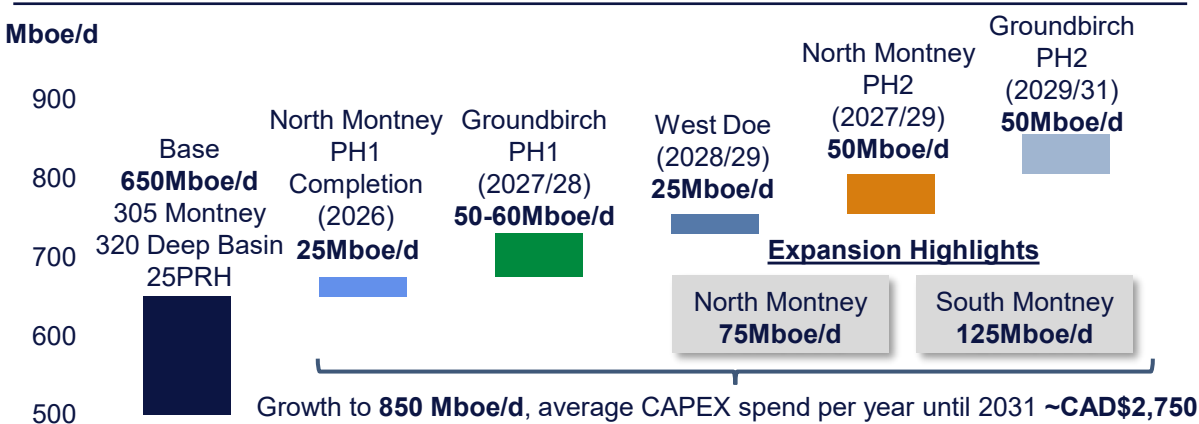
Announced 5/02/2025

TOURMALINE STRATHCONA RESOURCES LTD

USD \$209mm (CAD\$292mm)

Tourmaline purchases assets in the Montney and in the Alberta Deep Basin. 8.4 Mboe/d current production, ~48 Mmboe of gross 2P reserves, and ~54 net locations in Resthaven

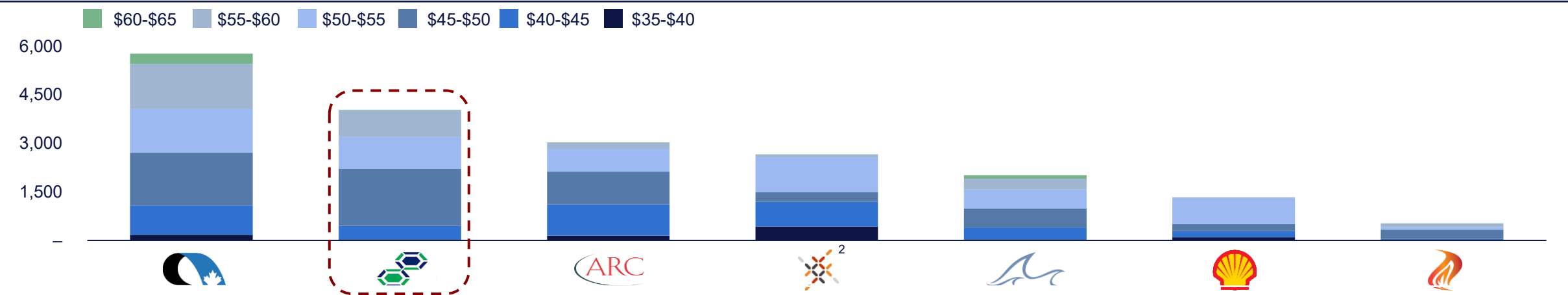
NEBC Buildout



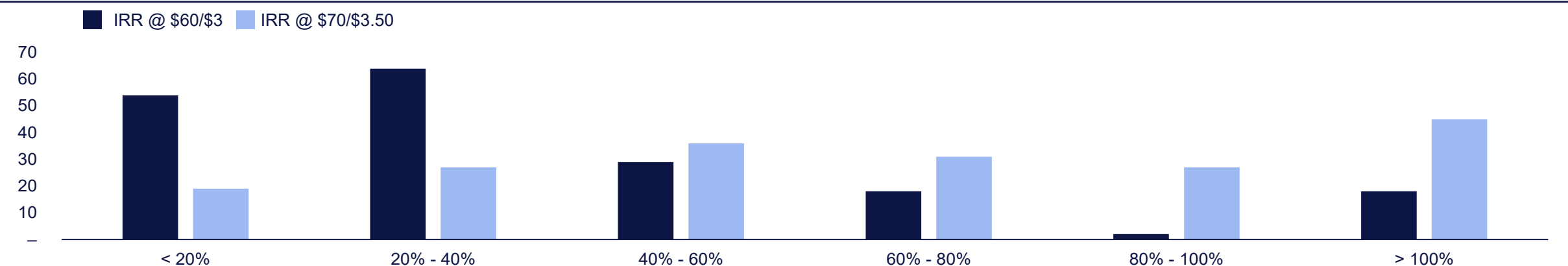
Inventory Overview

Tourmaline’s extensive inventory has longer runway than peers with attractive IRRs under higher price environments

Montney Net Locations by Breakeven¹



Tourmaline Montney Inventory Locations by IRR

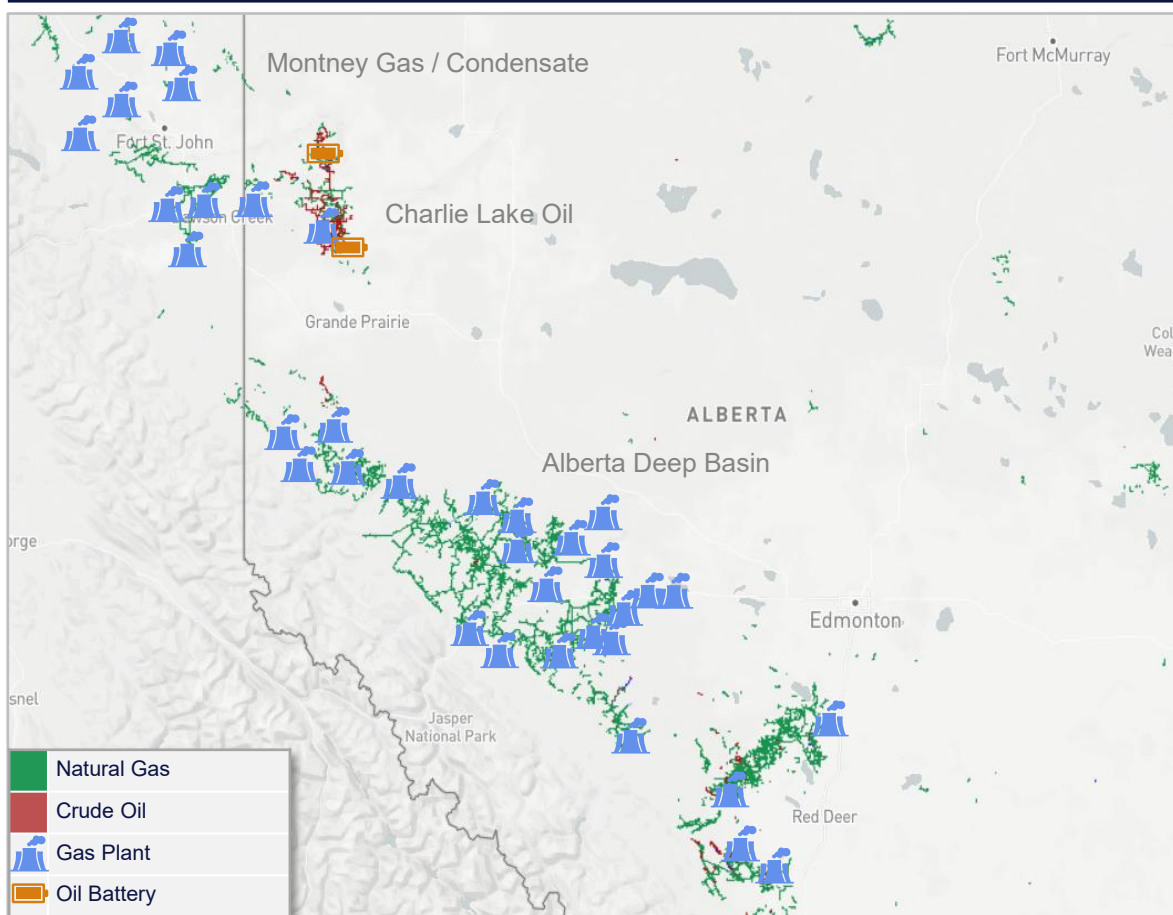


Sources: Enverus
 Notes:
 (1) 20:1 (\$/bbl) Breakevens Cited
 (2) Inclusive of NuVista Energy Inventory

Midstream & Processing Overview

Ownership of critical midstream and processing infrastructure drives structural cost advantages and ensures flow assurance across assets

Midstream Asset Map



Sources: Enverus, Company Filings
Notes:
(1) 33 plants with working interest greater than 20%

Gathering and Processing Capabilities

Tourmaline's infrastructure is essentially all new and in the **3 core** operated complexes positioned in the "growth" areas of the WCSB. Planned processing capacity growth of **~1.1Bcf/d** will be focused on the **NEBC Montney**

- I Gas Processing**
34¹ working interest gas plants – 19 are 100% owned and operated
Capacity of **3.3bcf/day (>2.9 bcf/day net)**
- II Oil Processing**
Two oil processing batteries located in the Charlie Lake Oil Play with combined processing capacity of **50,000bpd**
- III Pipelines and Storage**
Tourmaline currently has **15,500 km (~9,600 miles) of operated pipelines** and oil, condensate, and NGL storage of **330,000 bbls**
- IV Water Infrastructure**
8 facilities (13 ponds) of frac water source / recycling with **585,000m³** capacity
- V Cash Flow Savings**
By operating and owning their own infrastructure, Tourmaline preserves **>\$400MM per year in FCF**



III. Competitive Landscape

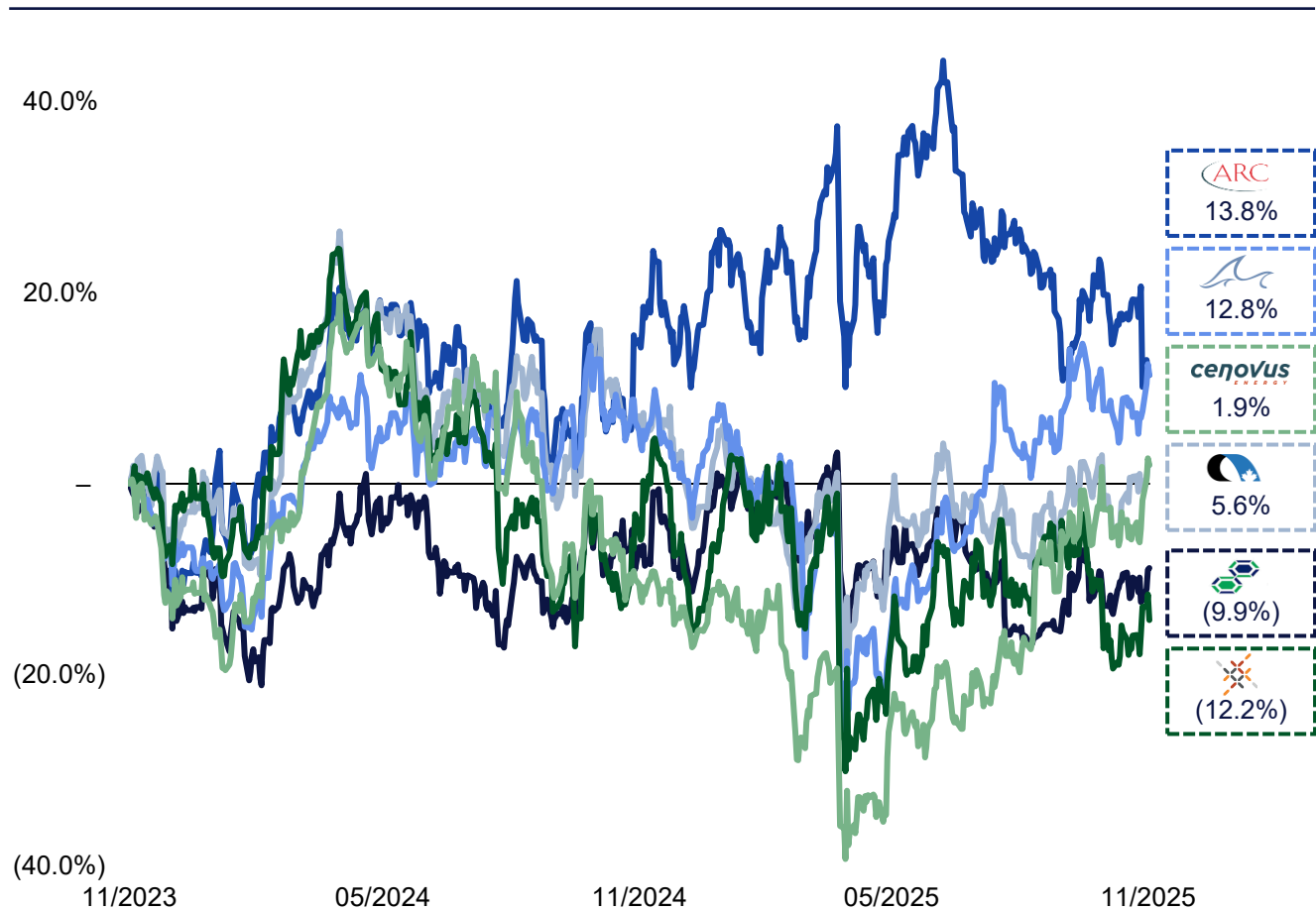


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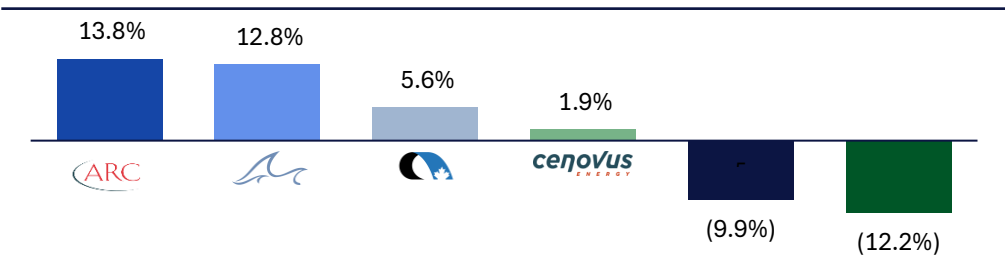
Two-Year Share Price Performance

Tourmaline’s peers have outperformed over the past two years signaling a good entry point

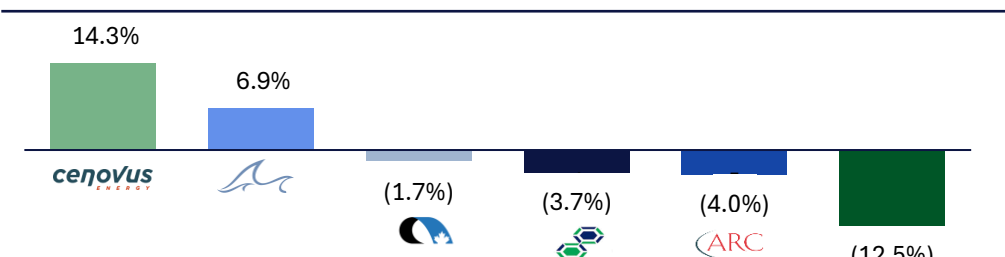
2-Year Performance



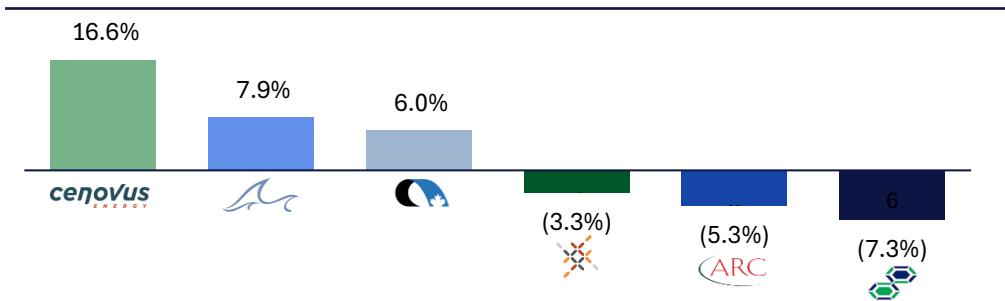
2-Year Returns



1-Year Returns









YTD Returns

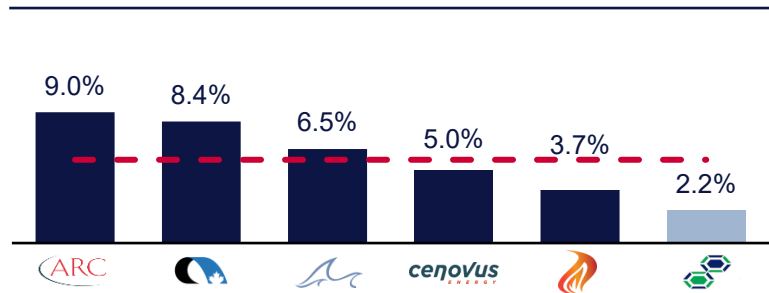


Comparable Companies Analysis

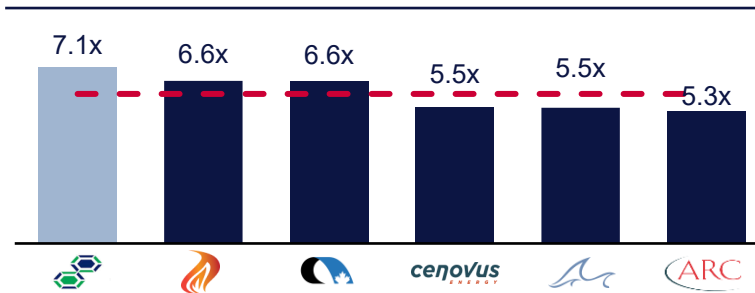
Tourmaline's best-in-class upstream operations and integrated gathering and processing capabilities leading to higher trading multiples relative to oil-weighted peers across Canada

Company	Share Price	% 52 Week High	Price/ Earnings	Market Capitalization	Enterprise Value	2025E EV/EBIT	2025E EV/EBITDA	2025E-2027E EBITDA CAGR	Dividend Yield	Leverage Ratio
 Canadian Natural	\$33.55	69%	14.8x	\$69,880	\$83,616	11.9x	6.6x	3%	5%	0.2x
 Cenovus Energy	18.11	70	14.7	31,981	38,393	11.7	5.5	7	3	0.2
 ARC Resources Ltd.	17.59	56	10.4	10,125	12,993	10.5	5.3	4	3	0.2
 Whitecap Resources Inc.	7.85	69	9.4	9,667	12,185	5.1	5.5	11	7	0.2
 Advantage Energy Ltd.	8.55	67	33.1	1,428	2,010	21.3	6.6	13	0	0.4
Median		68.6	14.7			11.7	30.3	6.7	3.1	0.2
Mean		66.1	16.5			12.1	5.9	7.6	3.5	0.2
 TOURMALINE	43.94	62	17.6	17,005	18,371	14.4	7.1	11	3	0.5

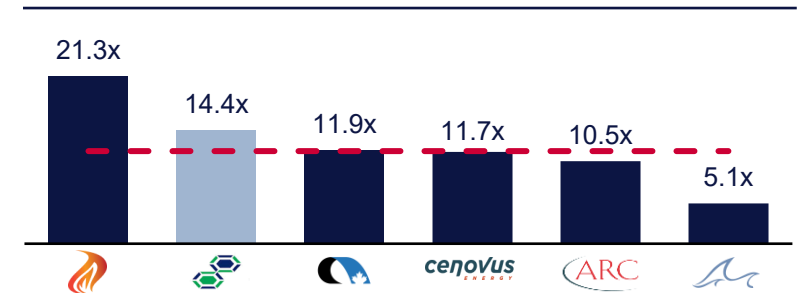
FCF Yield



2026E EV/EBITDA



2026E EV/EBIT







IV. Valuation & Football Field



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Tourmaline Broker Outlook

Broker consensus shows strong confidence in Tourmaline's performance, with a median price target of \$51.12 reflecting a ~16.3% upside

Broker	Rating	Price Target ¹	Valuation Price Target	Upside
 TD Securities	Hold	\$48.28		9.9%
 RBC Capital Markets	Outperform	\$51.12		16.3%
Jefferies	Buy	\$51.12		16.3%
 Veritas	Outperform	\$51.12		16.3%
 Goldman Sachs	Buy	\$51.83		18.0%
 BMO	Outperform	\$53.25		21.2%
 Scotiabank	Sector Outperform	\$56.80		29.3%
			<div> <div>Current Price: \$43.94</div> <div>Median Target Price: \$51.12</div> </div>	

Sources: Bloomberg as of 11/17/2025

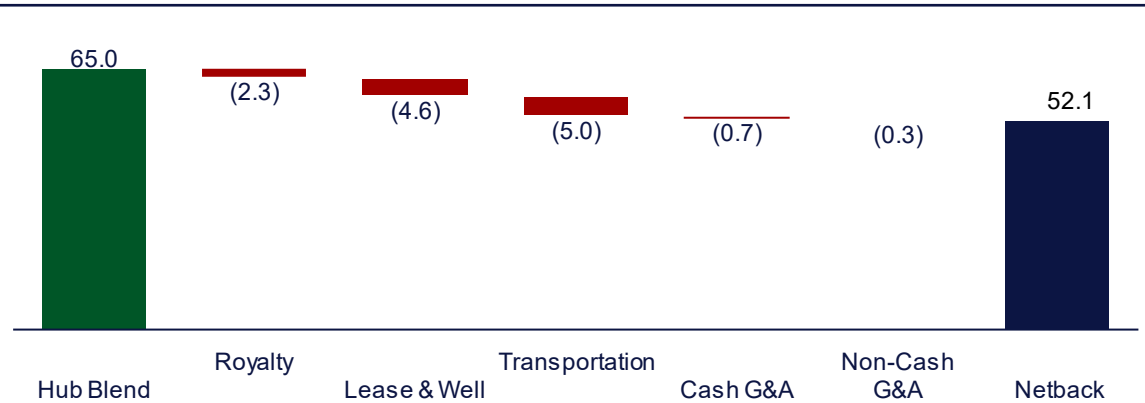
Notes:

(1) Analyst Price Targets converted from CAD to USD at prevailing rates

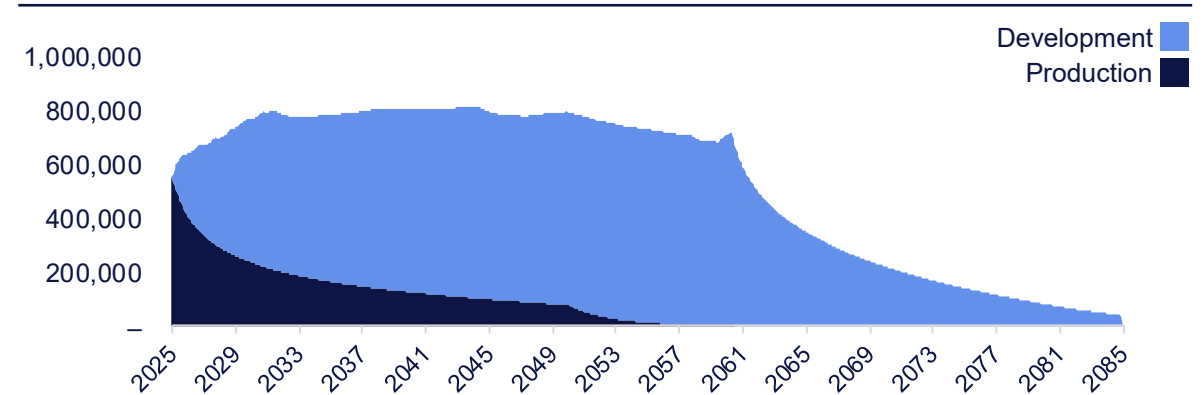
Net Asset Valuation

NAV valuation reflects the depth of Tourmaline's drilling inventory and the longevity of its production outlook, driving sustainable value creation for decades

Per Barrel Assumptions



Net Production



Base Case Valuation Breakdown

PUD Total (PV-15)	\$10,405
PDP Total (PV-10)	12,790
Total Implied NAV	23,195
Net Working Capital	(307)
Other Assets and Liabilities	(1,653)
Total Implied Equity Value	21,235
Fully Diluted Shares Outstanding	390
Implied Share Price	\$54.44
Implied Premium (Discount)	23%

Historically wide differentials are narrowing toward HH, enabling TOU to access upside it couldn't capture previously

Sensitivity Analysis

Discount Rate		Bear	Strip	Bull
	10%	\$60.53	\$74.07	\$76.28
	13%	52.60	58.75	66.84
	15%	46.37	48.21	59.39
	20%	37.20	34.91	48.38
	25%	30.79	26.99	40.63

Football Field

Methodology		Metric(s)	Reference Range	Implied Share Price		
	Net Asset Value	Sum of PUD and PDP	Discount Rate: 13% – 20% Strip Pricing Case	Median Share Price: \$50.77	\$34.91	\$58.75
	Trading Comparables ¹	2025E EBITDA \$3,605mm	5.9x – 6.6x		\$51.17	\$57.38
		2025E EBIT \$1,274mm	11.9x – 21.3x		\$35.41	\$66.13
Reference Only	Trading Range	52-Week Trading Range Low (4/9/25) – High (2/21/25)			\$41.54	\$49.09
	Wall Street Research	Share Price Target Range			\$48.28	\$56.80



V. Investment Recommendation



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Investment Thesis & Final Recommendation

Investment Thesis

I.

Supportive Tailwinds

Canadian activity is increasing due to attractive economics and access to new end markets through LNG exports. Private investment and M&A activity has picked up across the Montney and Duvernay shale signaling positive investor sentiment

II.

Inventory Positioning

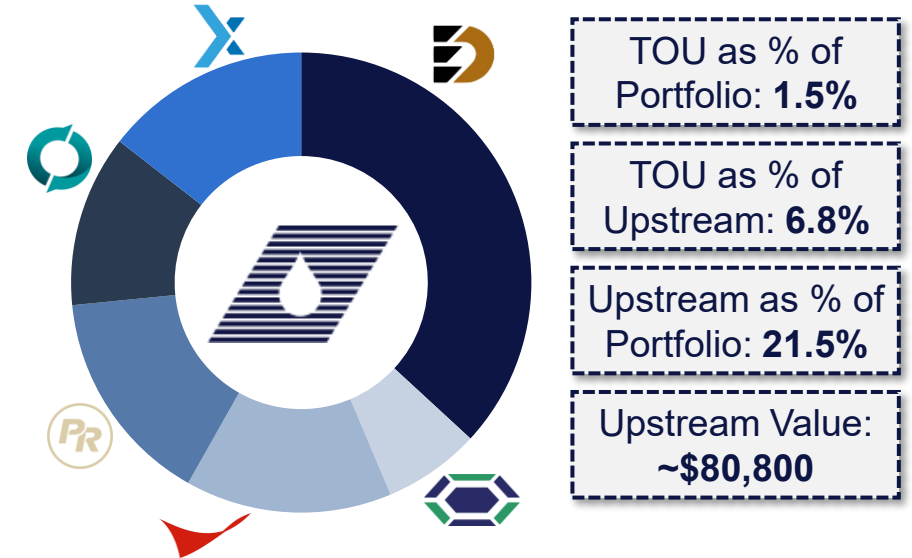
Canadian shale plays offer some of the most attractive economics and recycle ratios across all North America. Historical supply constraints pushed down pricing and led to under-investment. This resulted in preservation of Tier 1 acreage that has been degraded across U.S. shale


III.

Potential to Capture Upside

Spindletop's valuation methodologies suggest at ~15.5% upside with an additional 3% dividend yield. This valuation provides confidence that Tourmaline is the best positioned company to capture value from the positive tailwinds in Canadian shale

Pro-forma Holdings & Recommendation



We recommend Spindletop BUY 125 shares of  **TOURMALINE** at market, resulting in a pro-forma position of ~\$5,500



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VI. Appendix



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Appendix A – Management Team

Best-in-class Management

Michael Rose



President and CEO

Mr. Rose has been the President and CEO of Tourmaline since the company's foundation in 2008. Mr. Rose previously founded Berkely Petroleum and Duvernay Corp.

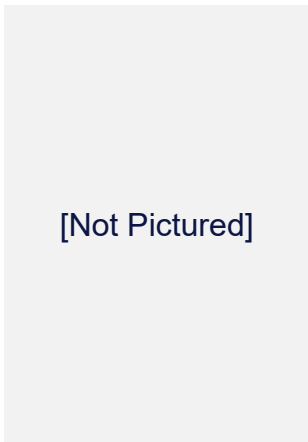
Brian Robinson



Chief Financial Officer

Prior to joining Tourmaline, Mr. Robinson was the CFO of Berkley. Mr. Robinson has over 37 years of experience in the oil and gas industry in positions focusing on finance and business development.

Earl McKinnon

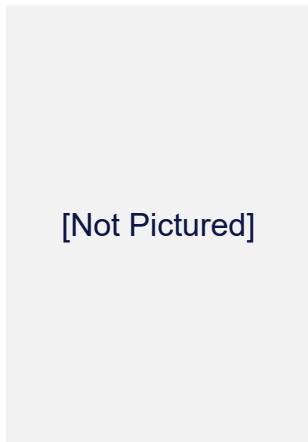


[Not Pictured]

Chief Operating Officer

Mr. McKinnon has served as the Chief Operating Officer of Tourmaline since 2023, prior to that, he served roles various roles at Tourmaline since 2013

Scott Kirker



[Not Pictured]

Chief Legal Officer

Mr. Kirker has been the Chief Legal Officer since 2022, prior to that, he was the General Counsel at Tourmaline since Inception. Mr. Kirker previously worked at Duvernay Corp.

Bill Armstrong



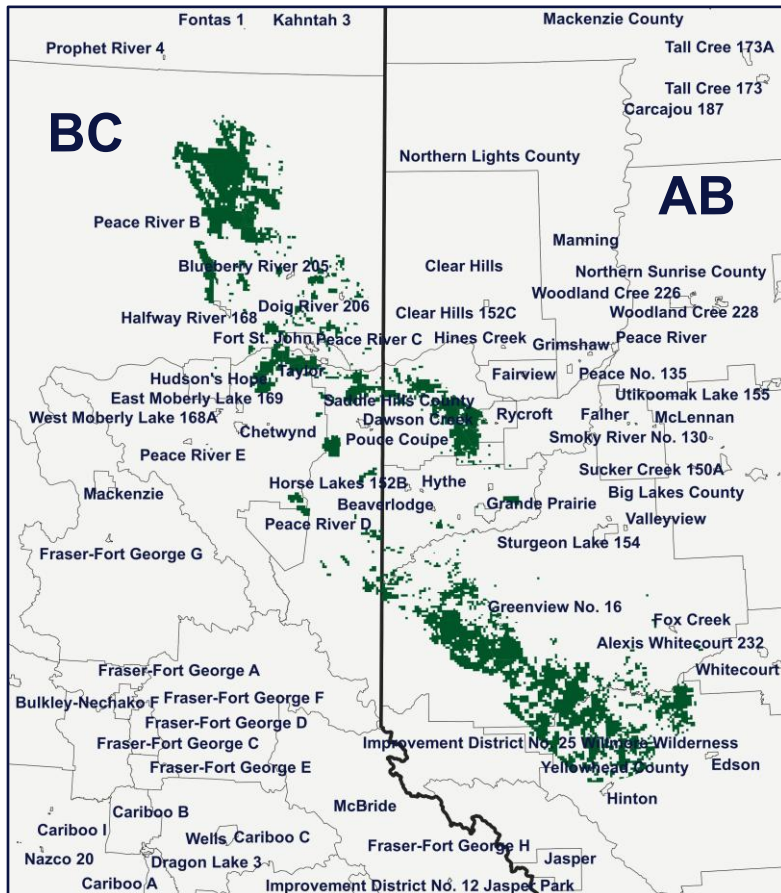
Director-Reserves Committee

Mr. Armstrong is the President and CEO of Armstrong Oil & Gas – Mr. Armstrong graduated from SMU in 1982 and current serves on **MEI Board**

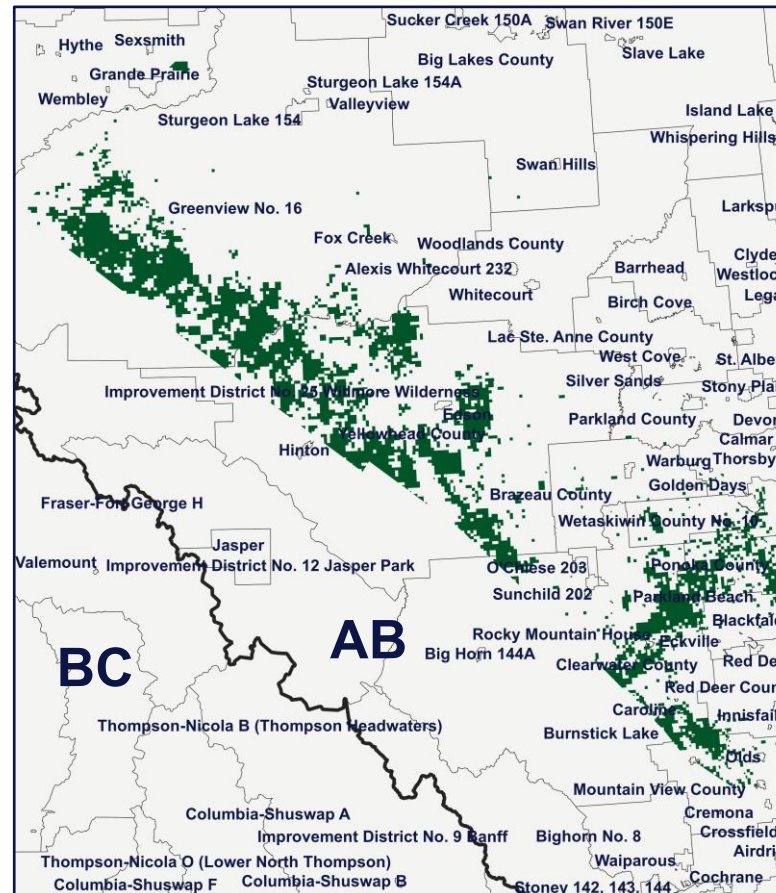
Appendix B – Asset Overview

Tourmaline possesses the scale, capital discipline, and fully owned infrastructure network needed to drive profitable growth throughout the Western Canada Sedimentary Basin, supporting strong margins, long-term inventory development and sustained returns to shareholders

NEBC Montney



Alberta Deep Basin



Peace River

