

# **PREMIUM, DIFFERENTIATED ENERGY INVESTMENT**

**HIGH-MARGIN, INFLATION-PROTECTED COMMODITY  
EXPOSURE, RELIABLE DIVIDEND AND GROWTH**

July 29, 2024



# TOPAZ ROYALTY AND ENERGY INFRASTRUCTURE INVESTMENT

Offering the best attributes  
of both the royalty and  
infrastructure energy  
market segments.

## Diversified portfolio

30% oil and liquids / 70% natural gas royalty production  
supported by stable, high-margin infrastructure revenue

## Reliable dividend with growth

Eight increases (65% per share growth) inception to date

## Embedded growth outlook

Strong, reliable development activity provides 5-year portfolio  
growth of 30-40% with no additional capital from Topaz<sup>(1)</sup>

## High-margin revenue streams

Royalties on gross commodity revenue and contracted  
infrastructure revenue with ~90% operating margin<sup>(1)</sup>

## Disciplined capital allocation

19% average return on capital since inception<sup>(2)</sup>

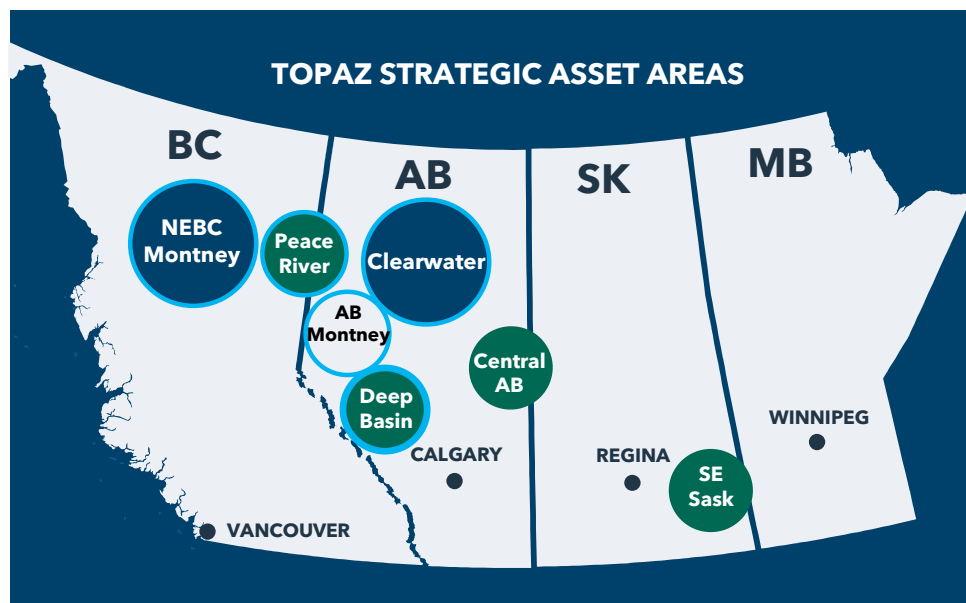
# Topaz Royalty and Energy Infrastructure Investment: Snapshot

**144.9 mm**  
Shares Outstanding<sup>(1)</sup>

**\$3.6 Bn**  
Market Capitalization<sup>(1)</sup>

**\$4.0 Bn**  
Enterprise Value<sup>(1)</sup>

**5.3%**  
Dividend Yield<sup>(1)</sup>



● High Growth Royalty Area
 ● Moderate Growth Royalty Area
 ○ High-Margin Infrastructure

## ROYALTY

**~70%**  
Liquids-rich natural gas  
**99%**  
Operating Margin<sup>(2)</sup>

## INFRASTRUCTURE

**80%**  
Fixed Take-or-Pay  
**~90%**  
Operating Margin<sup>(2)</sup>

## 2024e GUIDANCE

**18.8 - 19.6**  
Kboepd<sup>(2)</sup>

**\$69 - \$71mm**  
Infrastructure revenue<sup>(2)</sup>  
increased to  
**\$76 - \$78mm**  
pro forma AB Montney Acquisition<sup>(2)</sup>

## 2024 INFRASTRUCTURE ACQUISITIONS

Strategic acquisitions of high-margin, contracted infrastructure



### Alberta Montney Facility

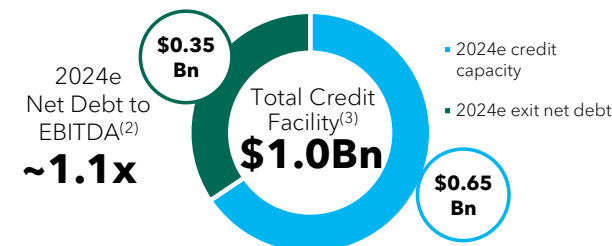
**\$100mm / 50% Interest**  
New natural gas/condensate facility,  
\$13 - \$14 mm annual revenue and  
no operating or capital costs



### Clearwater Natural Gas Gathering

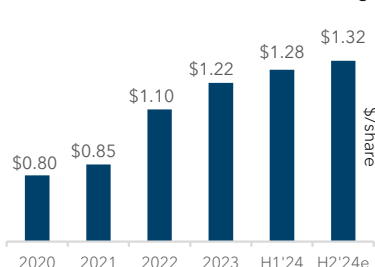
**\$22.5mm / 99% Interest**  
Natural gas pipeline,  
~\$3.7 mm annual revenue, onstream Q4 2024

## LEVERAGE & CREDIT CAPACITY<sup>(3)</sup>



## DIVIDEND GROWTH & RELIABILITY

8 dividend increases (65% growth) to date



**~45%**  
Dividend coverage by high-margin, reliable infrastructure revenue<sup>(4)</sup>  
**\$0.7 Bn**  
Dividends paid '20-'24e represents ~20% of current mkt cap

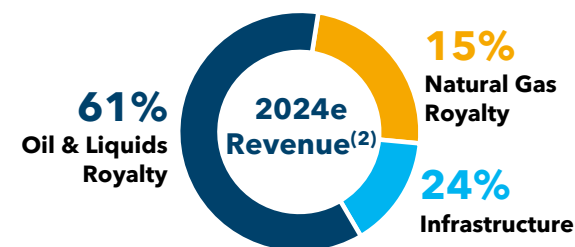
## RELATIVE TRADING VOLATILITY

Significantly lower commodity volatility vs. North American E&Ps<sup>(5)</sup>



## REVENUE DIVERSIFICATION

Significant diversification of commodity mix since IPO



# Why Own Topaz

Premium differentiated energy investment

## Un-Matched Producing and Undeveloped Royalty Acreage

**>60%**

undeveloped royalty acreage in top quartile North American plays<sup>(5)</sup>

**>21,000**

Drilling locations identified across Topaz's acreage **>3,500 locations** per million acres<sup>(2)</sup>

**~40%**

Peer-leading royalty share of Clearwater drilling activity and production<sup>(1)</sup>

**24%**

Peer-leading royalty share of total NEBC drilling activity<sup>(1)</sup>

**\$7.5 Bn**

Operator funded capital development across Topaz's royalty acreage 2020-2023<sup>(1)</sup>

## Embedded Upside at No Additional Cost

Free option value from operator funded exploration, technological innovation and enhanced recovery techniques including Clearwater waterflood that is expected to increase recovery rates, lower declines and extend resource life<sup>(2)</sup>

**30-40%**

Production growth by 2028 with no capital from Topaz<sup>(1)</sup>

**20%**

of Topaz's Clearwater royalty production is supported by waterflood and demonstrating improved recovery & stabilized production rates<sup>(9)</sup>

**17**

Recent new pool/zone successes from TOU exploration program<sup>(2)</sup>

**1.2x**

2020-2023 production replacement via operator drilling at no cost to Topaz<sup>(3)</sup>

## High-Margin, Lower Volatility Energy Investment

**99%**

2024e royalty operating margin<sup>(4)</sup>

**90%**

2024e infrastructure operating margin<sup>(4)</sup>

## Disciplined Capital Allocation and Dividend Growth

**65%**

Dividend per share growth

**46%**

Production per share growth<sup>(8)</sup>

**19%**

Return on invested capital '20-'24e<sup>(6)</sup>

**33%**

Of current market cap generated in FCF<sup>(4)</sup> (\$1.2 Bn) in first 4 years<sup>(7)</sup>



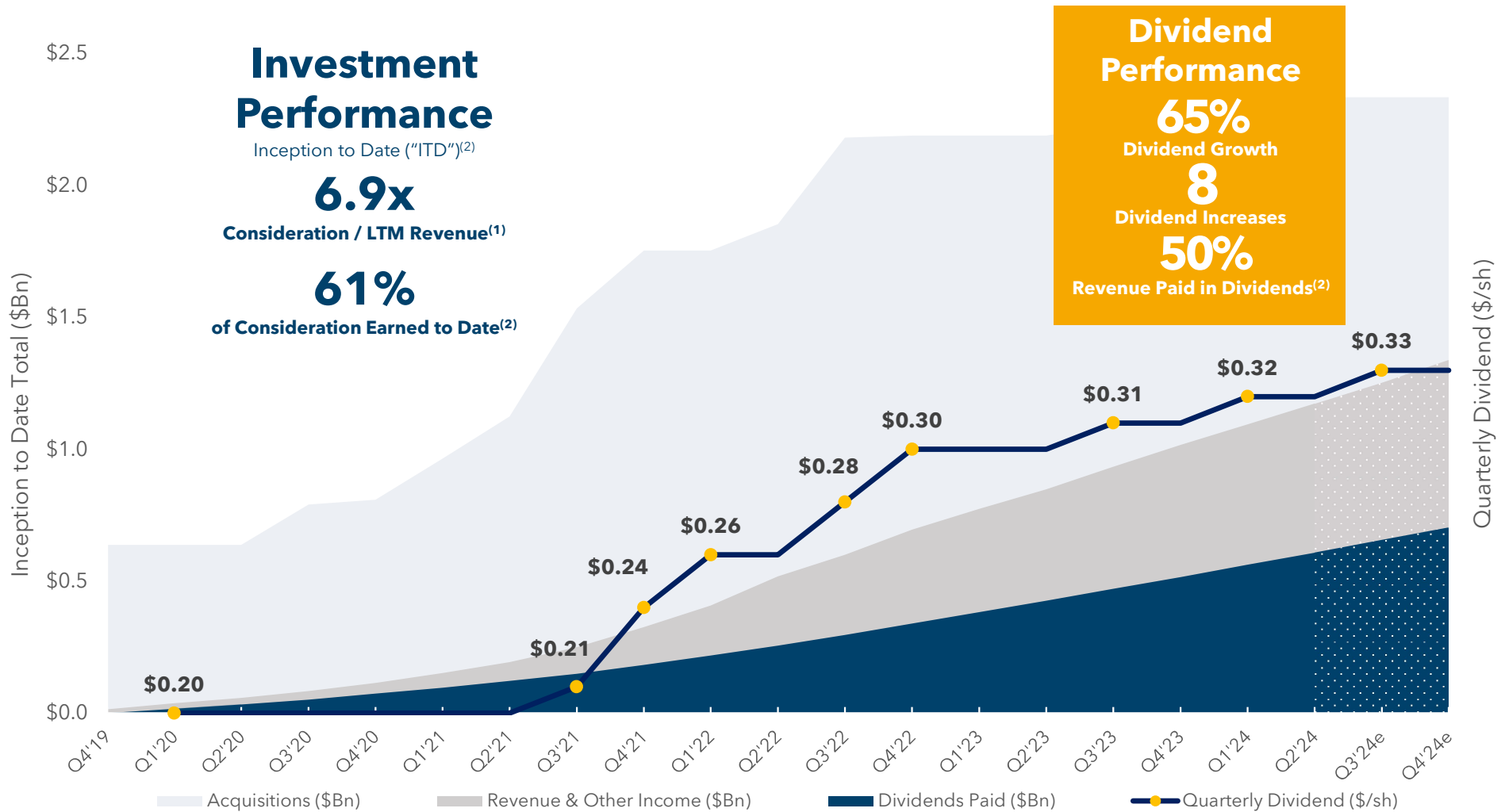
# Business Plan Execution

Disciplined investment strategy generates reliable, sustainable dividend growth

**\$2.3 Bn** Acquisitions

**\$1.4 Bn** Revenue<sup>(2)</sup>

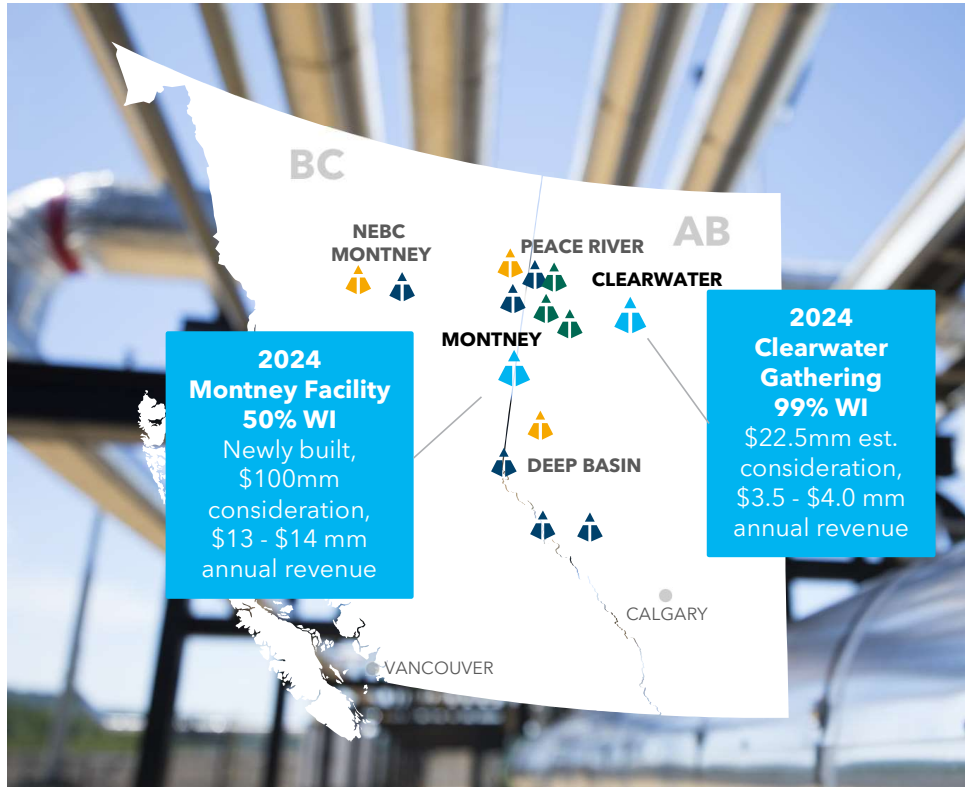
**\$0.7 Bn** Dividends Paid<sup>(2)</sup>







# Stable Infrastructure Supports a Reliable Dividend

High utilization and contractual income provide durable dividend coverage

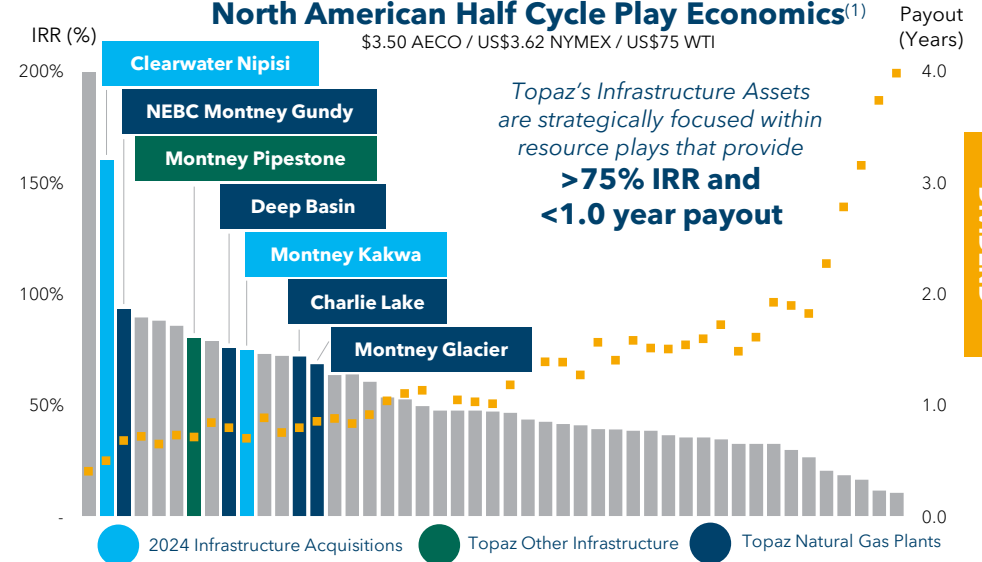
## Topaz Strategic Infrastructure Assets



-  **2024 Acquisitions**  
Clearwater natural gas pipeline and Alberta Montney natural gas/condensate facility
-  **Other Facilities**  
50% ownership in water and oil processing facilities. 100% fixed, 15 year contracts
-  **Third Party**  
Contracted interest in Tourmaline third party income
-  **Natural Gas Plants**  
246 mmcf/d net ownership in seven natural gas plants. 80% fixed, 10 to 15 year contracts

## North American Half Cycle Play Economics<sup>(1)</sup>

\$3.50 AEEO / US\$3.62 NYMEX / US\$75 WTI



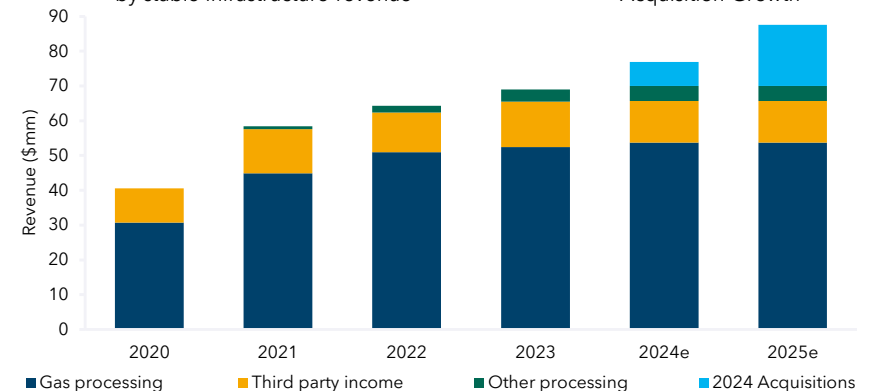
## Topaz Infrastructure Income<sup>(2)(3)</sup>

**~45%**

of Topaz's dividend is covered by stable infrastructure revenue<sup>(4)</sup>

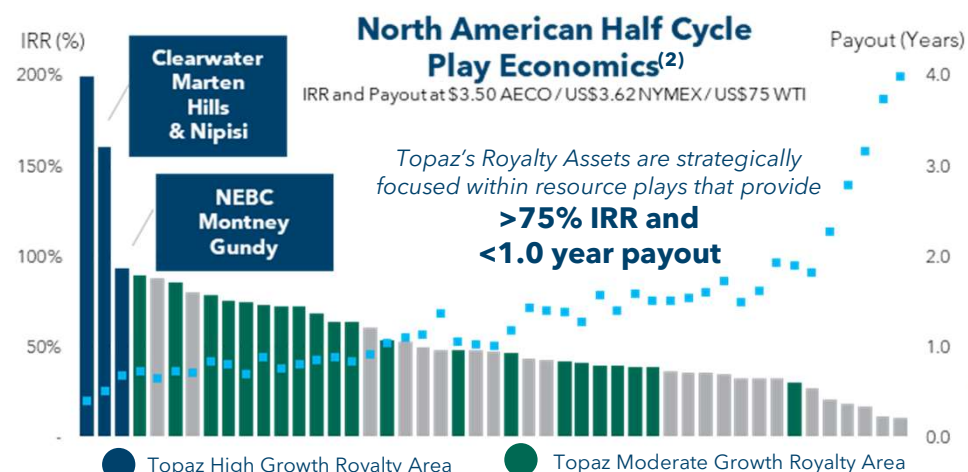
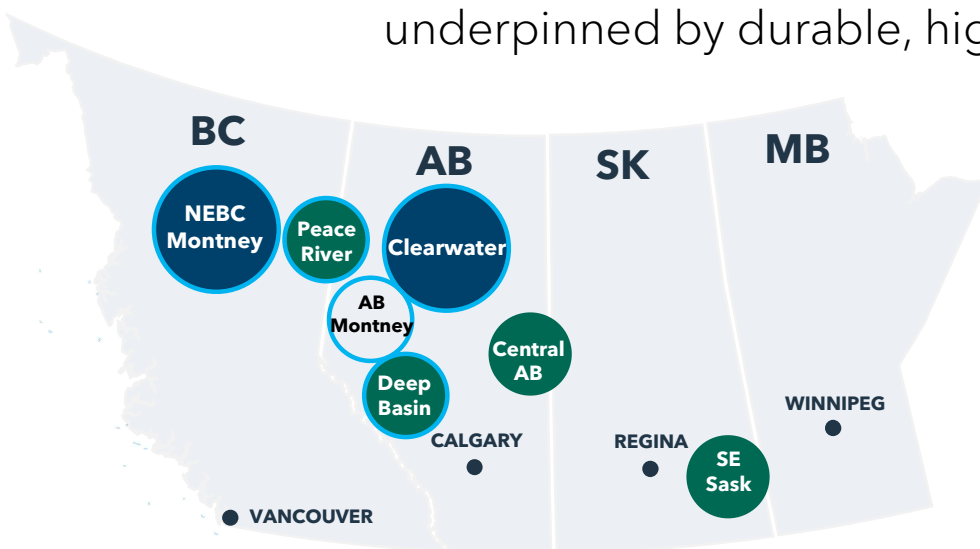
**25%**

2025e Infrastructure Income Acquisition Growth<sup>(5)</sup>



# Diversified Portfolio of High-Margin, Durable Revenue

Royalty portfolio that attracts commodity price-resilient capital development, underpinned by durable, high-margin, infrastructure revenue



## High Growth Royalty Areas



- Share of Topaz's total: acreage - 30%, drilling - 60%, production - 50%
- Peer-leading royalty share of activity (24% NEBC and 43% Clearwater<sup>(4)</sup>) across well-delineated acreage providing top N.A. half cycle economics
- 8% annual estimated growth by 3 public operators
- Poised to benefit from expanded egress (LNG & TMX), technological advancements & waterflood



## Moderate Growth Royalty Areas



- 50% of 2023 royalty production
- Stable to moderate annual growth
- Strong operator and commodity diversification

## High Margin Infrastructure



- Situated in premium plays
- Superior profit (>85% op. margin & 99% utilization)
- Underpinned by 80% fixed contracts & long-life reserves

## Topaz Outlook

4-7% annual portfolio growth yields<sup>(1)</sup>

**\$100M**

Higher 2028e revenue at no cost to Topaz<sup>(1)</sup>

Excluding M&A 2028 pricing  
\$3.00/mcf AEEO  
US\$75/bbl WTI

## Strategically Advantaged Royalty Portfolio

**Strong, reliable development activity**

**14%**

Of total WCSB spuds Q1 2023 - Q2 2024<sup>(3)</sup>

**\$7.5 Bn Operator Capital Spent (2020-2023)**

**122%**

Production replacement at no cost to Topaz<sup>(1)</sup>

**Peer leading share of location-rich acreage**

**>3,500**

Identified drilling locations per million gross royalty acres

**~40%**

Topaz share of Clearwater drilling activity and production<sup>(4)</sup>

**Mitigated Capital Allocation Risk**

**89%**

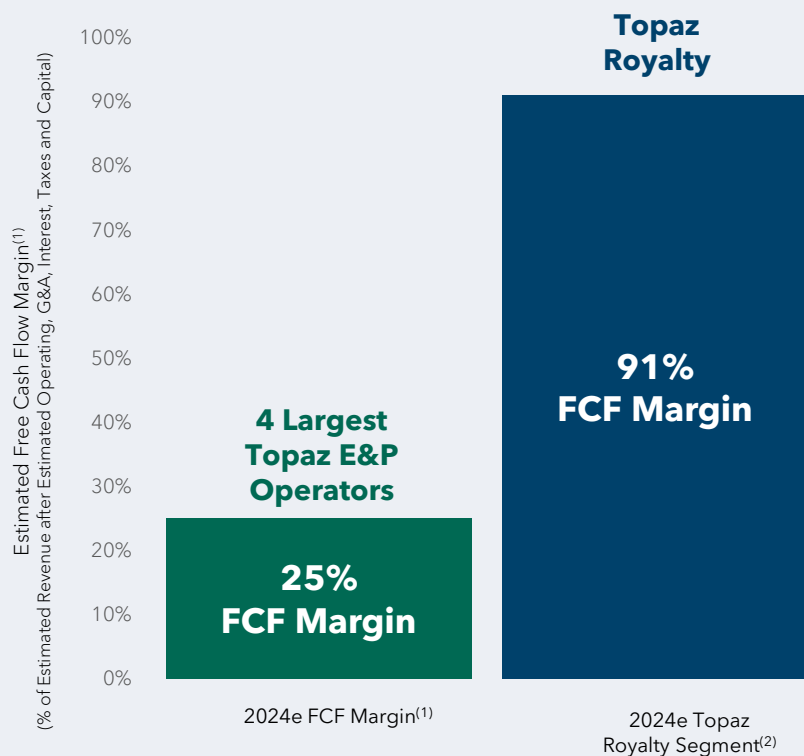
Of royalty production covers the majority of 3 public operators' acreage

# Unique, Hybrid Business Yields Superior Revenue Streams

Portfolio of high-margin, commodity-linked and fixed revenue streams

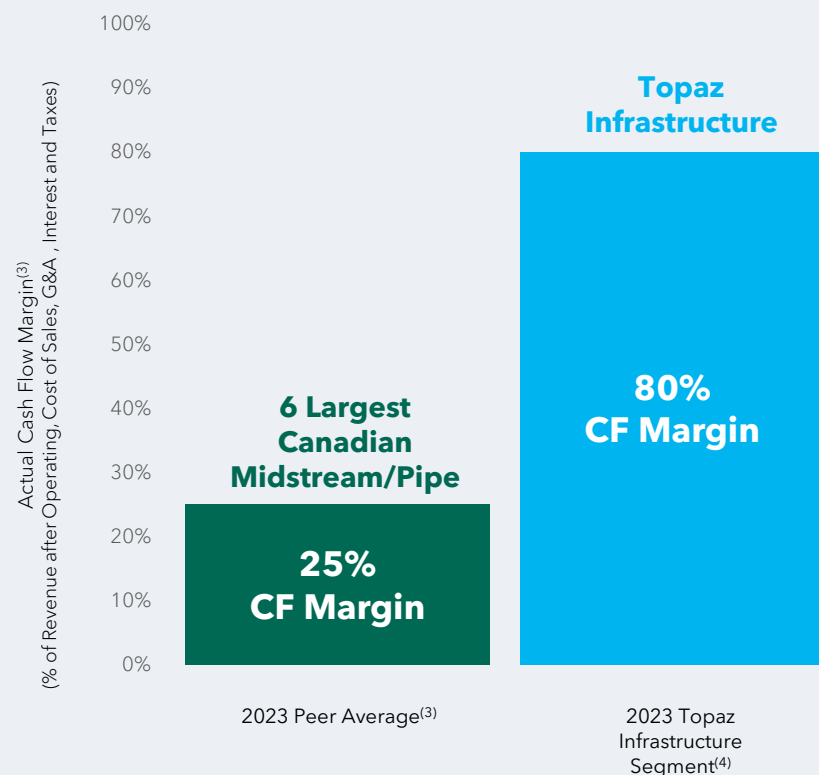
## Topaz Royalty vs. E&P FCF Margin

Topaz's royalty structure provides a commodity investment protected from operating, capital, and abandonment costs and generates superior margins relative to E&P businesses



## Topaz Infrastructure vs. Midstream CF Margin

Over 80% of Topaz's infrastructure capacity is fixed under long-term take-or-pay which emulates fixed royalty streams



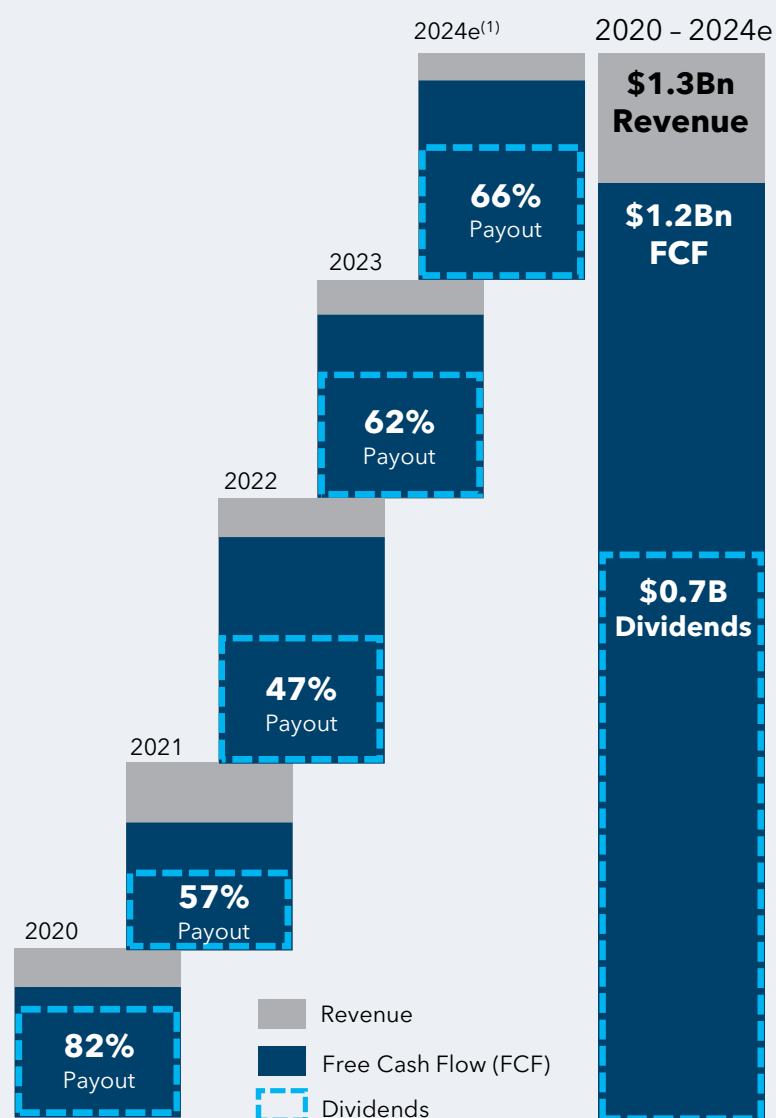
HIGH-MARGIN  
REVENUE STREAMS



# Financial Performance & Disciplined Investment Strategy

High-margin revenue streams provide significant financial flexibility

## Revenue, FCF & Payout Performance



**\$1.2 Bn**  
(**>85% Margin**)

**FCF**

generated in  
Topaz's first  
4 years  
represents

**33%**

of current  
market cap

## Disciplined Investment Strategy

### Capital Allocation

**60-90%**

Long-term payout ratio<sup>(4)</sup>

**\$100 - \$150mm<sup>(2)</sup>**

Annual Excess FCF allocated to  
strategic acquisitions, debt  
replenishment & dividend increases

### Hedging

**C\$0.00 AECO / US\$55 WTI**

2024e dividend coverage<sup>(1)</sup>

### Leverage

**\$2.3 Bn**

M&A completed inception to date  
while maintaining < 1.2x D:CF

**\$1.0 Bn**

Credit facility<sup>(3)</sup>

**Optimal Leverage**  
**0.5x - 1.5x D:CF<sup>(4)</sup>**

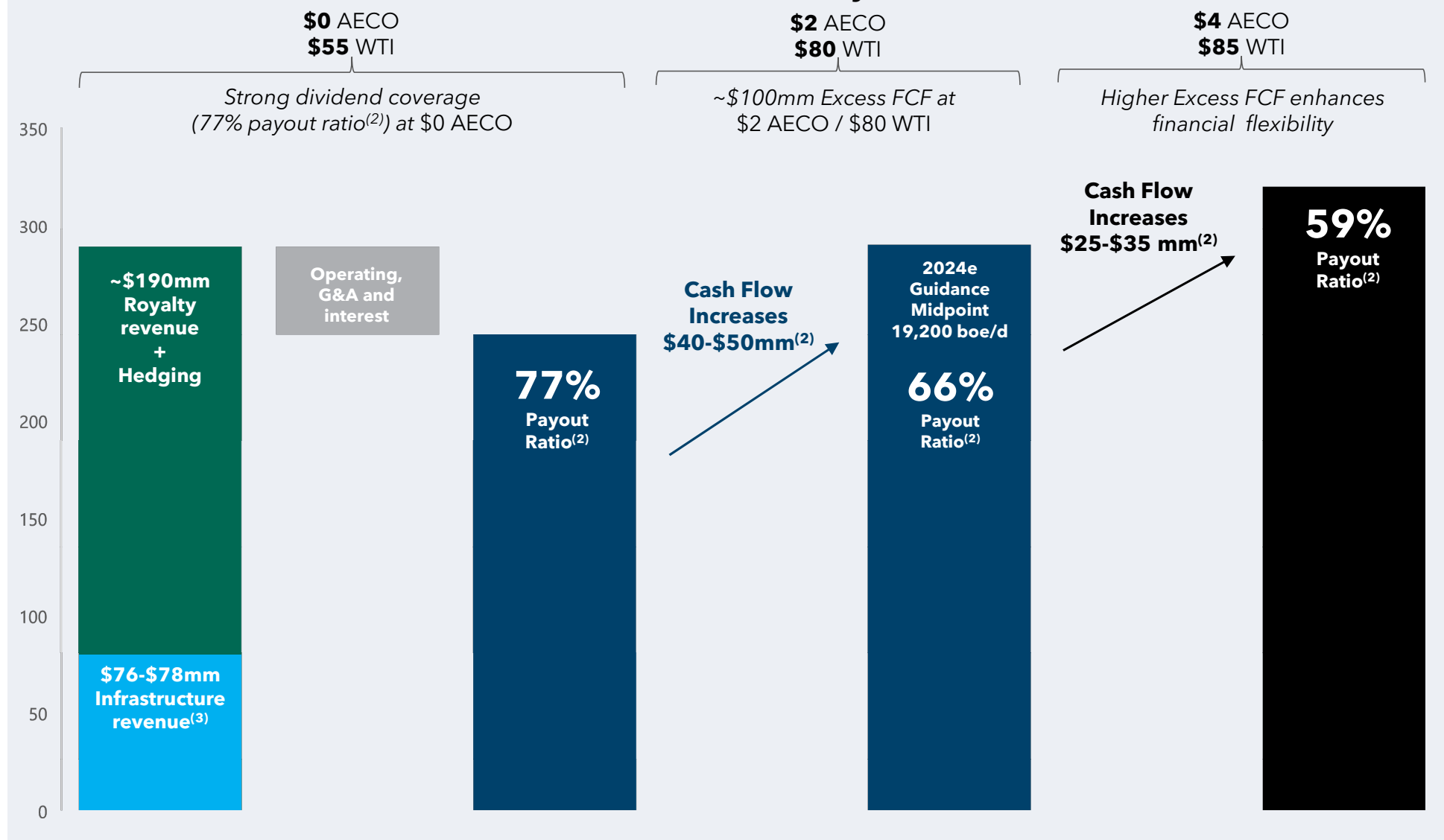
**1.1x D:EBITDA 2024e<sup>(1)</sup>**

RELIABLE  
DIVIDEND

# Durable Revenue Generates Reliable Dividends

## Shareholder Return Strategy

### Commodity Sensitivity 2024e Cash Flow and Payout Ratio<sup>(1)</sup>

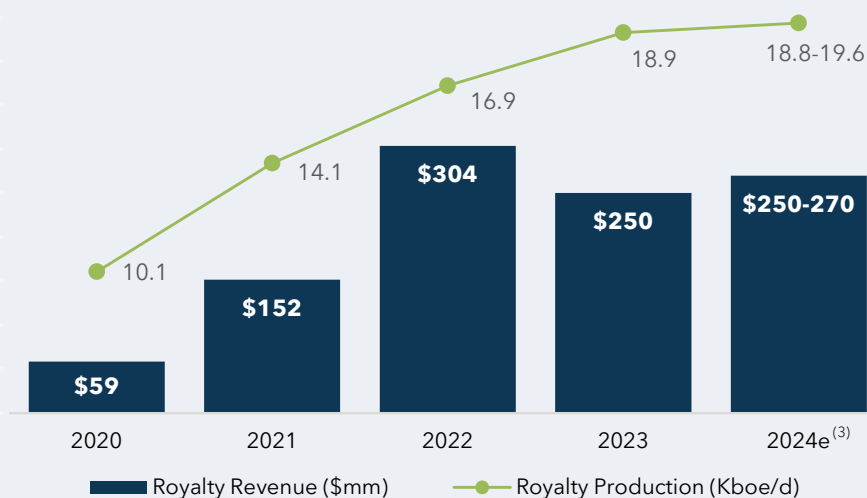


# Topaz Inception to Date Review

Peer leading reserve & operator quality, growth, efficiency and capital returns

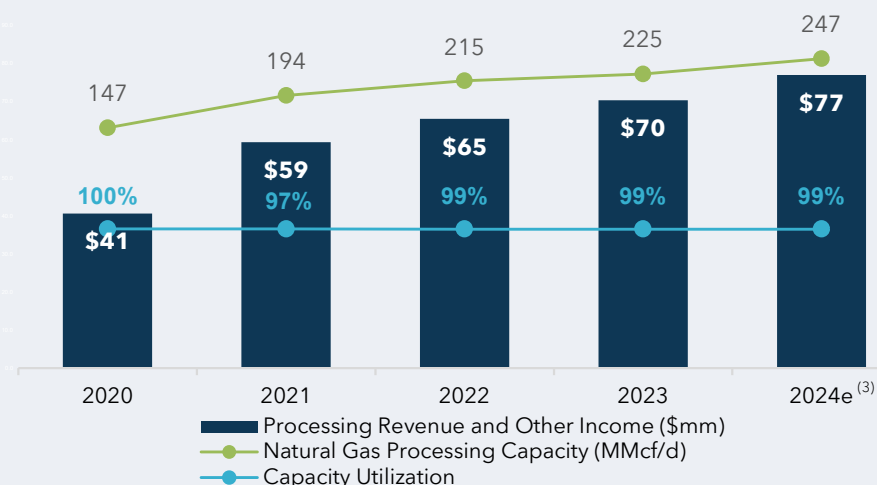
## Royalty Growth & Diversification<sup>(1)</sup>

Strategically investing in growing, long-life reserves underpinned by active capital development



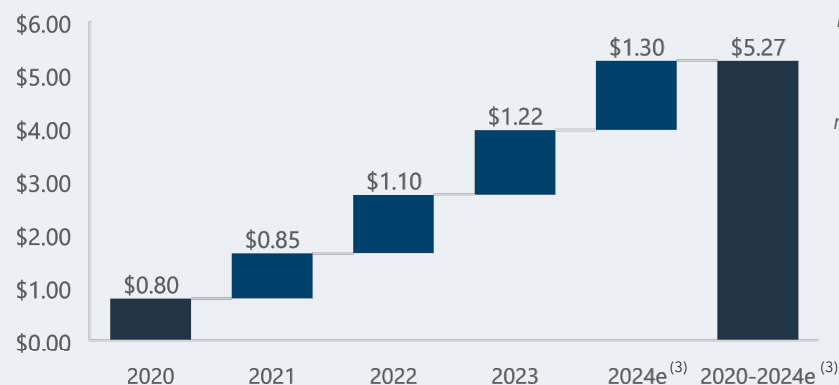
## Infrastructure Growth & Utilization<sup>(1)</sup>

Securing strong investment returns in world-class assets to fund reliable and sustainable distributions



## Shareholder Return<sup>(1)</sup>

8 dividend increases to date (65% growth) since inaugural dividend Q1 2020

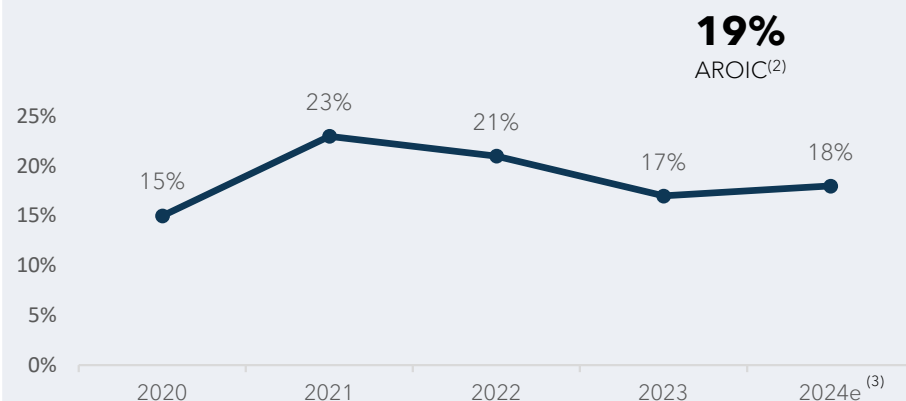


**\$0.7Bn**

Dividends 2020-2024e represents ~20% of Topaz's market cap

## Return on Invested Capital<sup>(1)</sup>

Disciplined capital allocation generating reliable investment returns



**19%**  
AROIC<sup>(2)</sup>

# Strategic Differentiation: Inventory Quality & Duration

Royalty acreage is concentrated in top quartile, commodity price-resilient, undeveloped plays

## Topaz Acreage Attracts Reliable Capital

**14%**

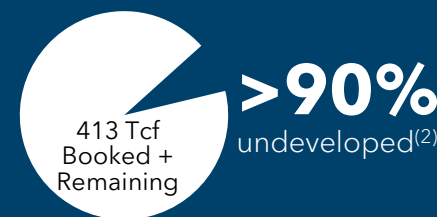
of total WCSB spuds  
Q1 2023 - Q1 2024<sup>(3)</sup>

**9%**

of development capital  
across WCSB in 2023

## Canadian Montney Reserves

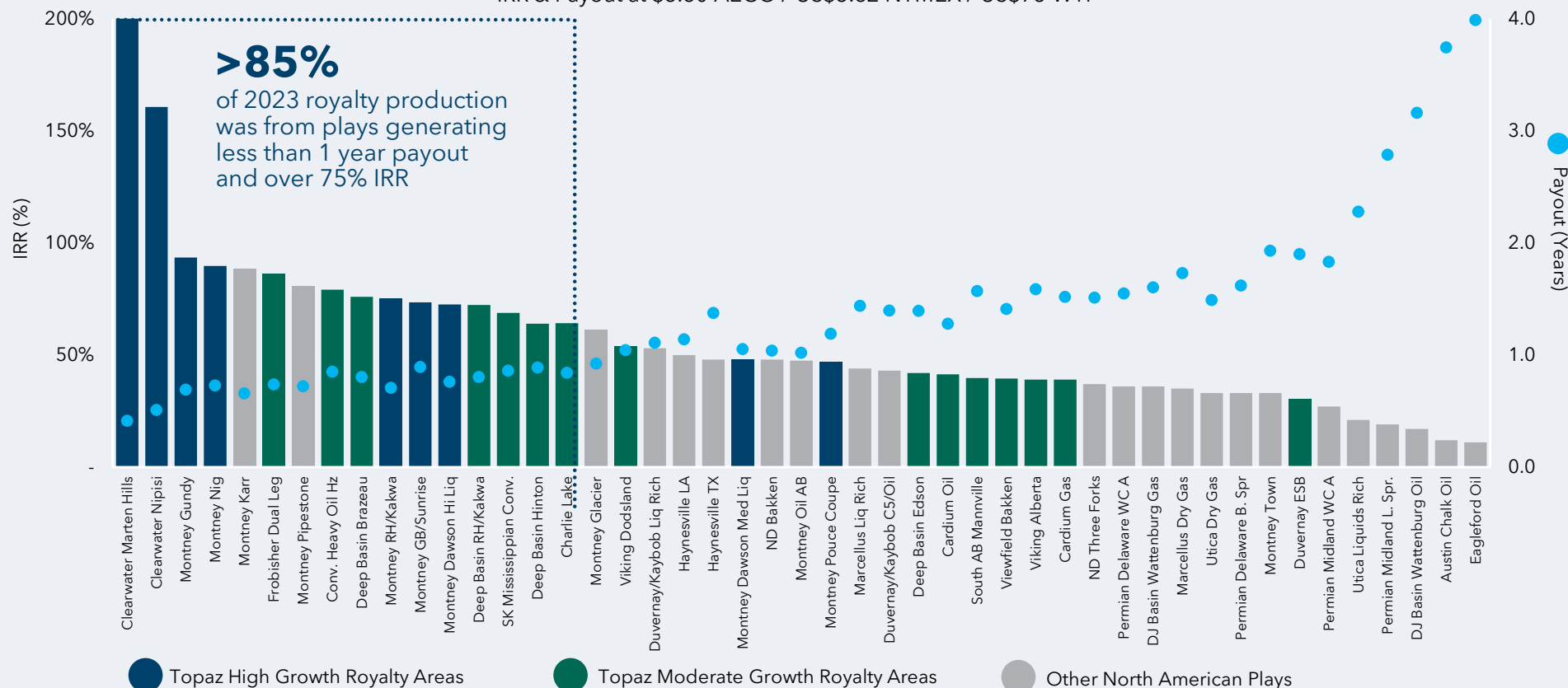
18% of Topaz's acreage is situated  
in the vastly undeveloped NEBC  
Montney



UN-MATCHED  
QUALITY

## North American Half Cycle Play Economics<sup>(1)</sup>

IRR & Payout at \$3.50 AECO / US\$3.62 NYMEX / US\$75 WTI



# NEBC Montney Royalty & Infrastructure Assets

Significant ownership in North America's most economic natural gas play

## Royalty & Infrastructure Assets

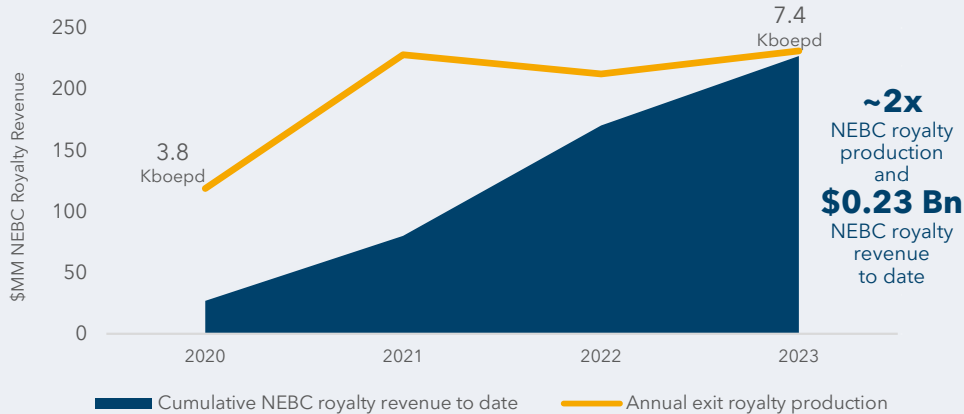
**~1.1 million**

gross acres (>60% undeveloped) across Tourmaline's NEBC Montney acreage (Canada's largest natural gas producer "BBB High")

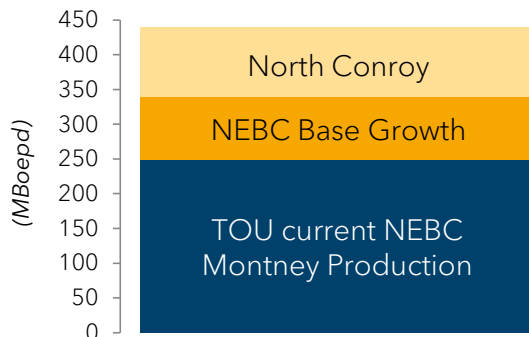
**10% ownership/ 10 year fixed revenue contract**

TOU's NEBC Gundy 400mmcf/d gas plant

### NEBC Montney Royalty Performance<sup>(1)</sup>

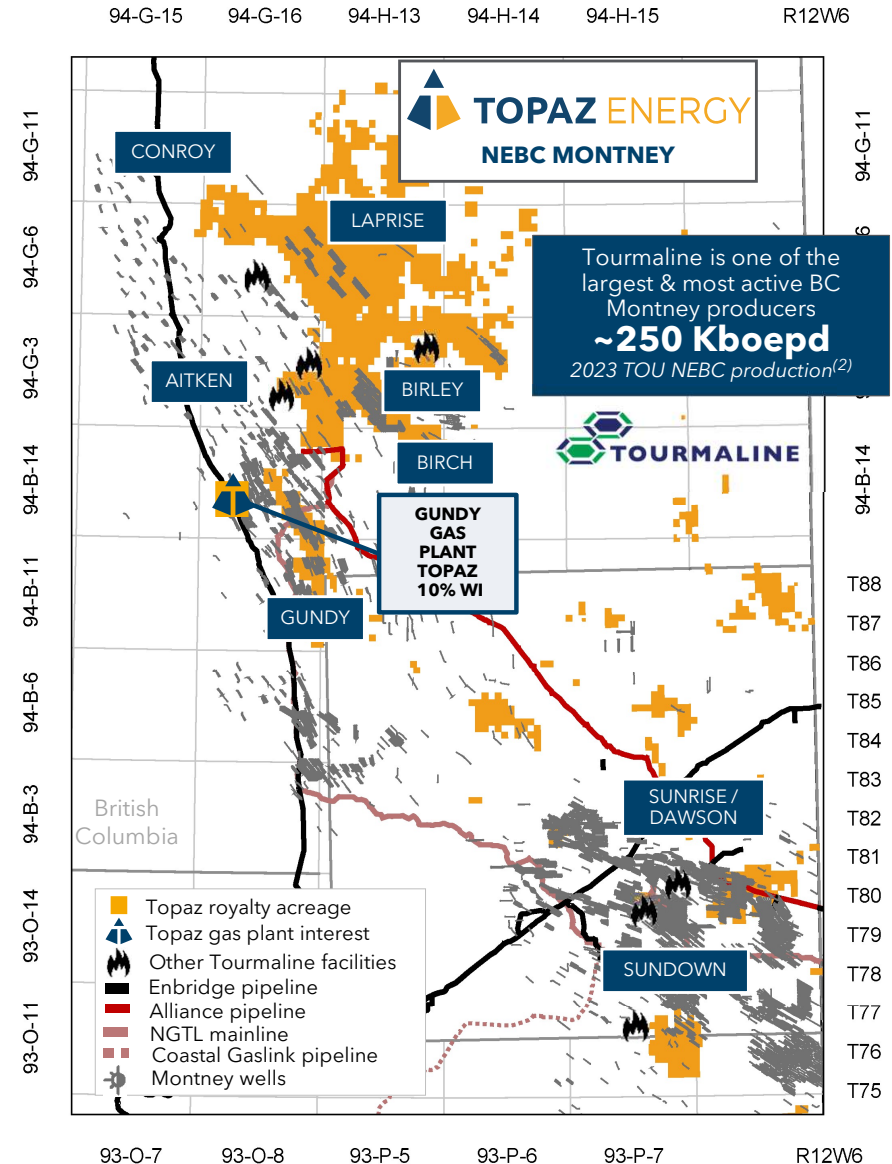


### Tourmaline NEBC Montney Growth<sup>(1)(2)</sup>



**80%**

Future growth potential<sup>(2)</sup>





# Clearwater Royalty & Infrastructure Assets

Peer-leading market share in the WCSB's most economic oil play providing production growth and free option value through enhanced recovery techniques

UN-MATCHED  
QUALITY

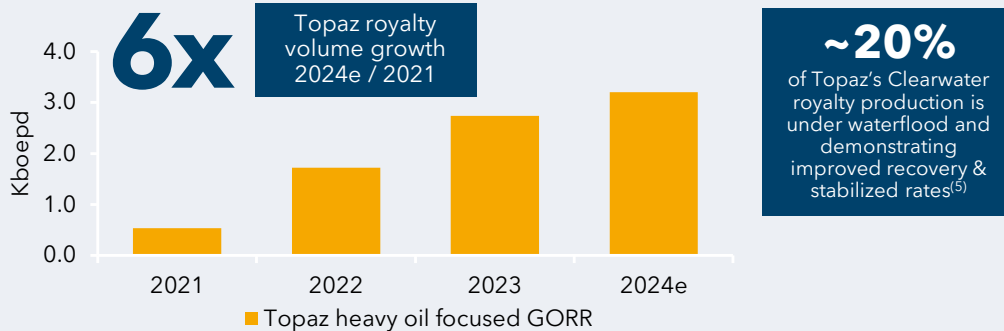
## Strategically Positioned Royalty Assets

**43%** of total Q2 2024 Clearwater spuds on Topaz acreage<sup>(4)</sup>

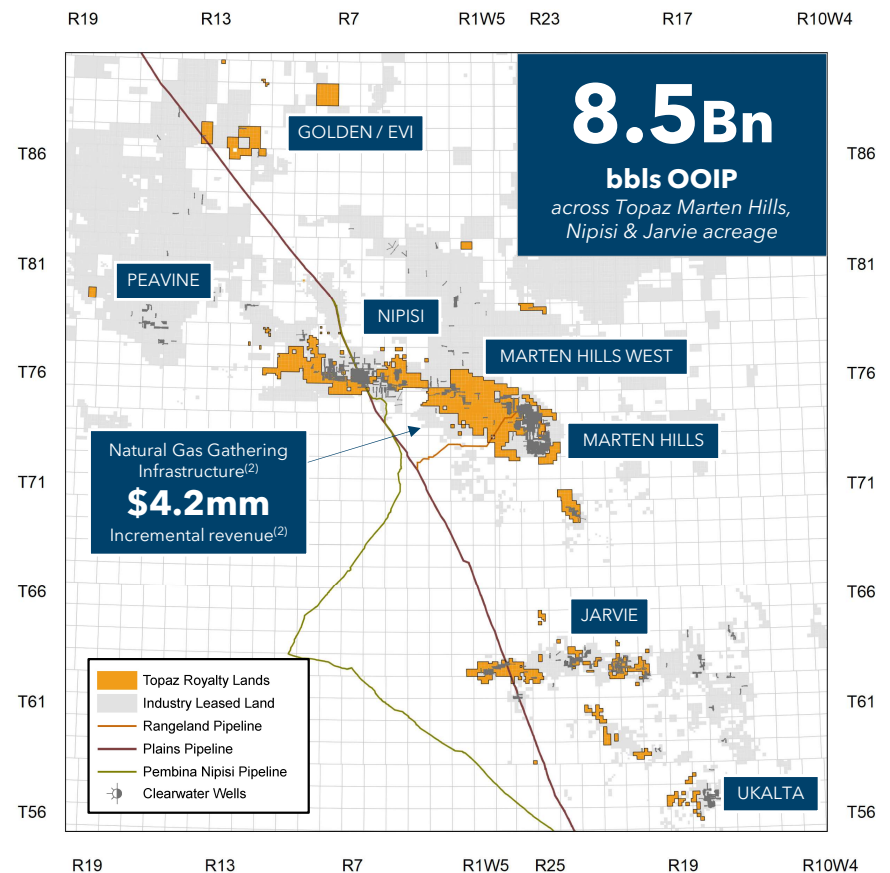
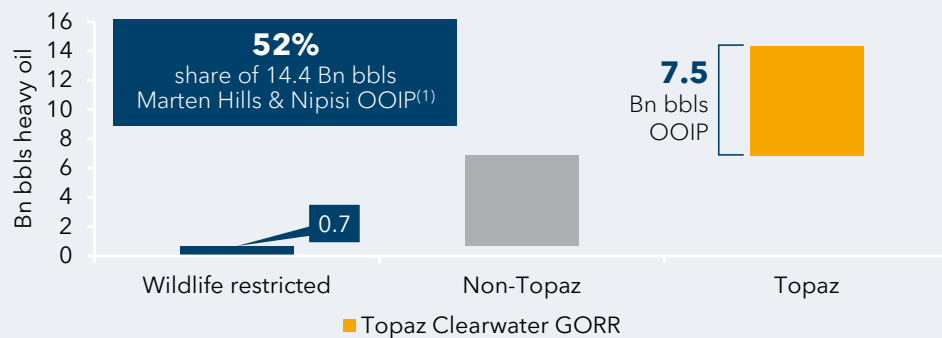
**40%** Topaz royalty share of total Q2 2024 Clearwater production<sup>(4)</sup>

**2x** Potential economic value upside from enhanced recovery techniques at no cost to Topaz<sup>(1)</sup>

### Topaz Heavy Oil Focused Royalty Production<sup>(3)</sup>



### Topaz Share of Estimated OOIP in Marten Hills & Nipisi<sup>(1)</sup>



# Deep Basin Royalty & Deep Basin / Alberta Montney Infrastructure Assets

Significant royalty and infrastructure ownership in Alberta's premium natural gas fields

## Royalty Assets



**2.2 million** gross acres of multiple-zone stacked pay & **>13,000** drilling locations<sup>(1)</sup>



## Infrastructure Assets

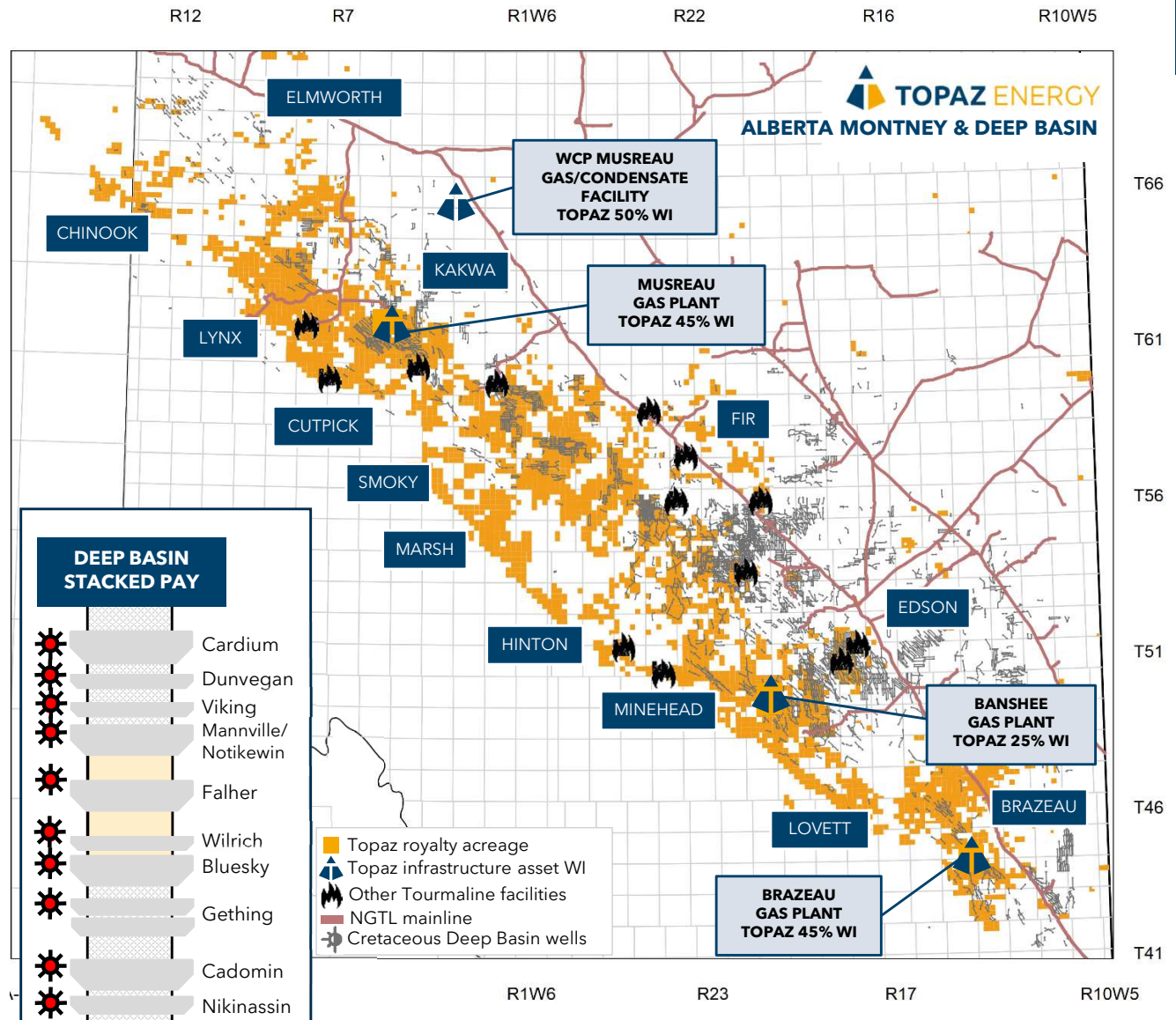


**Non-operated ownership interests / other income**

3 Tourmaline & 1 Whitecap operated facilities, each supported by long-term fixed take-or-pay commitments



**\$10-\$15mm/year third party income** from other TOU-owned assets



# Peace River High Royalty & Infrastructure Assets

Royalty and infrastructure assets in well-established Alberta light oil play

## Royalty Assets



**0.9 million** gross acres with strategic partnerships



## Infrastructure Assets



49.5% non-op interest in two water management facilities

**15 year, 100% fixed take-or-pay**



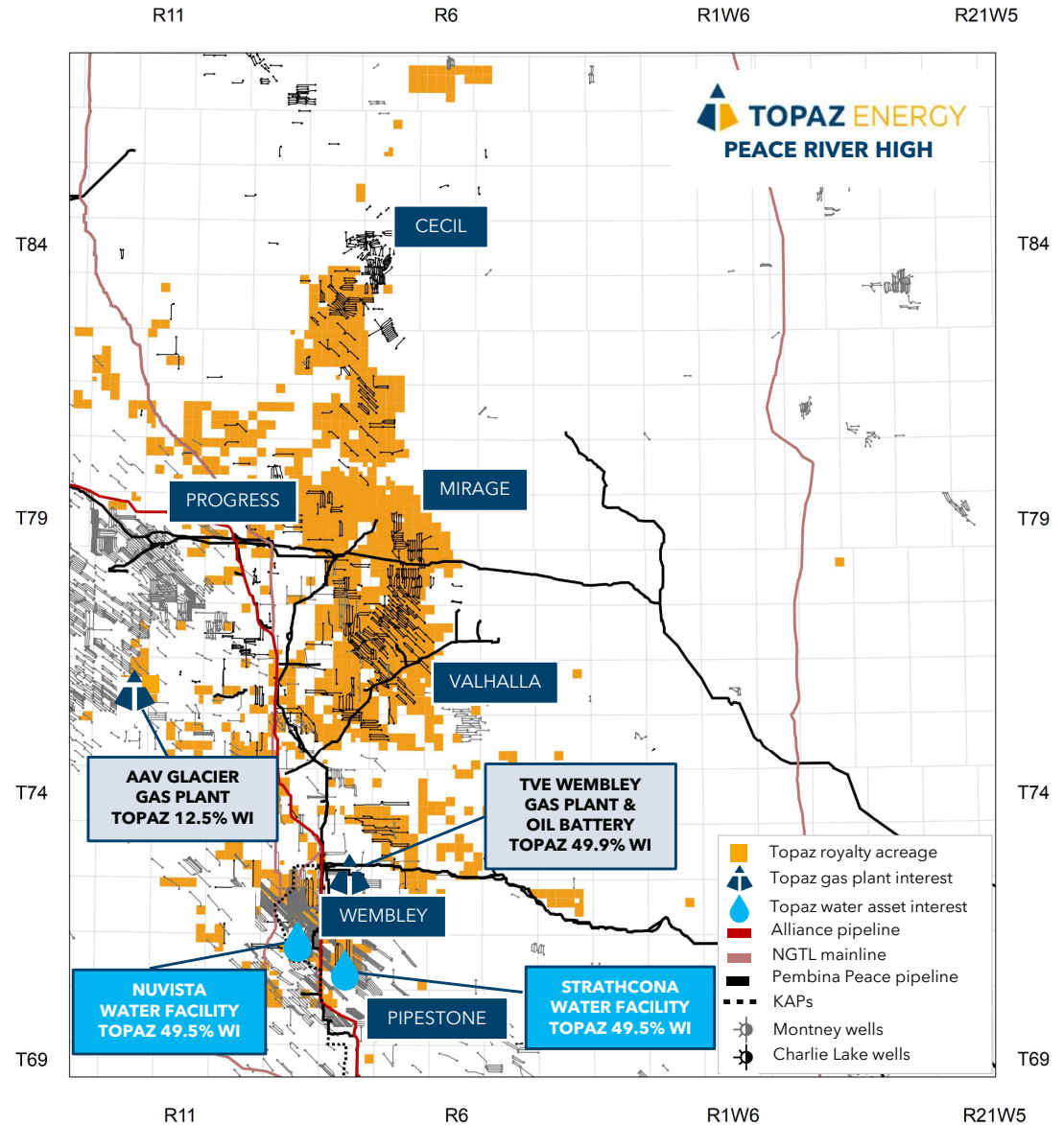
12.5% non-op interest in Advantage Glacier gas plant

**15 year, 100% fixed take-or-pay**



49.9% non-op interest in Tamarack Wembley gas plant & oil battery

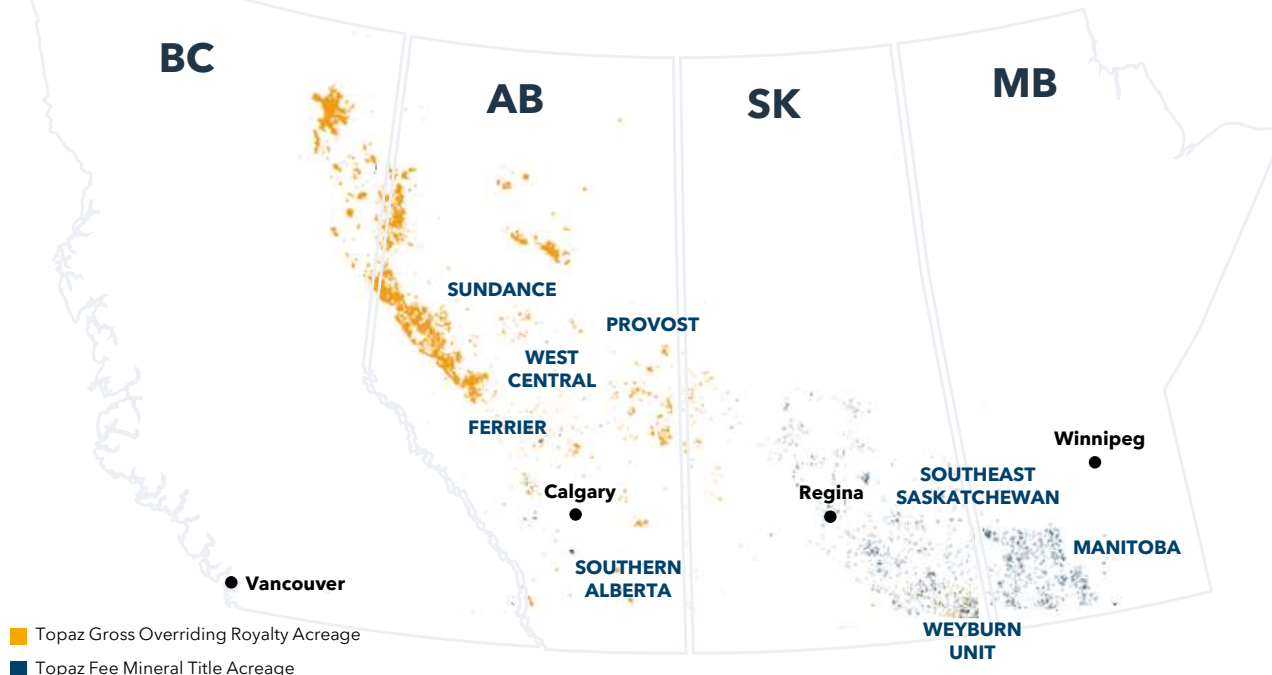
**15 year, 100% fixed take-or-pay**



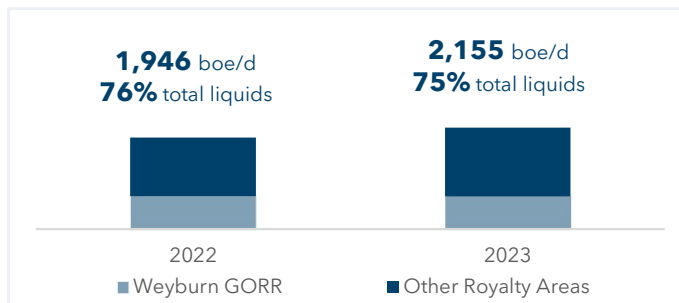
# Other Royalty Assets

Diversified royalty production underpinned by ultra-low decline Weyburn Unit

## Topaz Other Royalty Areas



## Topaz Other Areas' Royalty Production



## Portfolio of Gross Overriding & Fee Mineral Title Royalties

**1.4 million** gross acres

Alberta, SE Saskatchewan & Manitoba conventional resource plays

- 36% fee mineral title provides future option value through exploitation of other minerals
- 5% GORR on Whitecap's interest in the Weyburn CO<sub>2</sub> Unit<sup>(1)</sup>
- Conventional oil resources well suited for multi-lateral horizontal drilling technological advancements

## Weyburn Unit CO<sub>2</sub> Enhanced Oil Recovery

- Internationally recognized CO<sub>2</sub> sequestration project - stored >40 million tCO<sub>2</sub>e since 2019<sup>(1)</sup>
- Economically resilient to low oil pricing

**>70%** undeveloped

**2.3 Bn** bbls OOIP<sup>(1)(2)</sup>

**Ultra low decline**<sup>(1)</sup>

~700 boe/d reliable royalty production to Topaz

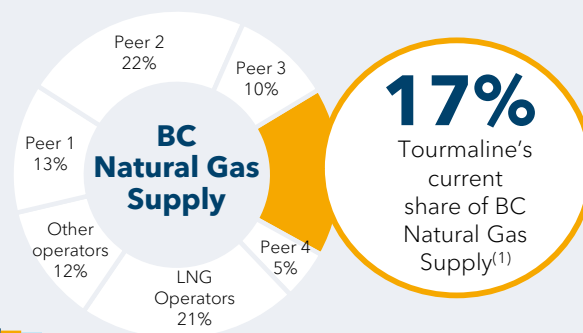
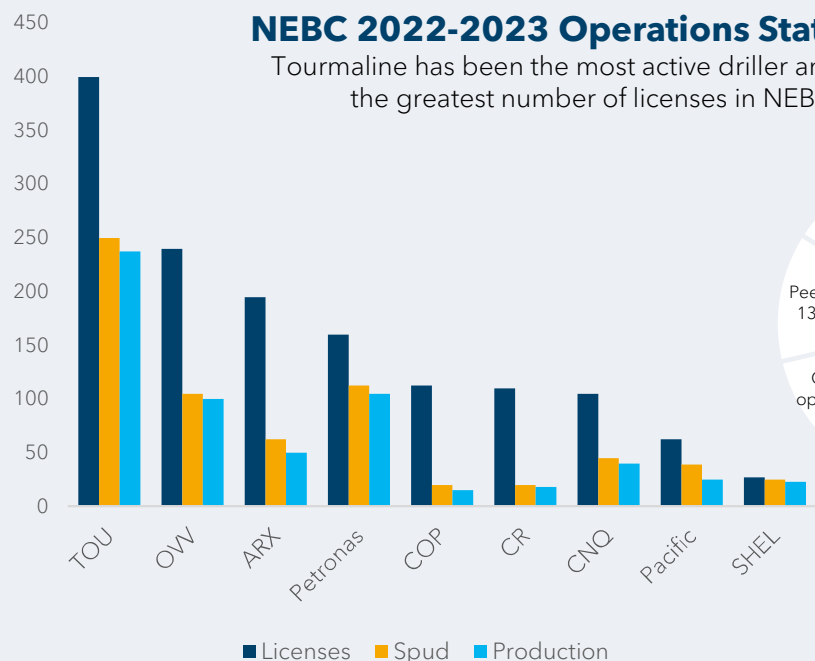


# Un-Matched Natural Gas Focused Acreage

Strategic relationship with Canada's largest natural gas producer

## NEBC 2022-2023 Operations Statistics<sup>(2)</sup>

Tourmaline has been the most active driller and holds the greatest number of licenses in NEBC



## Tourmaline Long-Term Growth

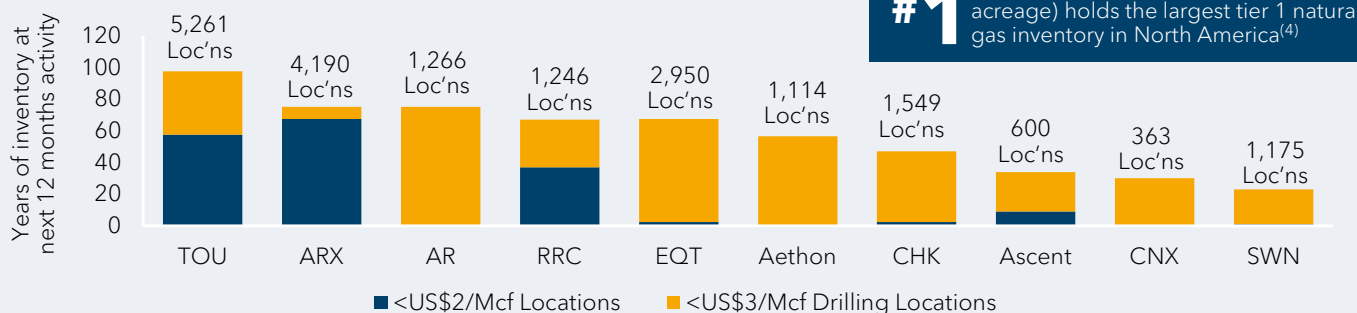
Conroy development and future North Aitken expansion alongside Canadian LNG egress expansion provides significant potential growth with no additional capital from Topaz

**36%**

NEBC natural gas volumes continue to increase, now making up 36% of combined Alberta and BC volume, up from 12% in 2000

## North American Gas-Focused Tier 1 Inventory

Enverus Intelligence Research<sup>(4)</sup>



**#1** Tourmaline (operates >60% of Topaz acreage) holds the largest tier 1 natural gas inventory in North America<sup>(4)</sup>

## Tourmaline Marketing Diversification

Tourmaline delivers natural gas to over 15 different North American pricing hubs which provides development certainty<sup>(3)</sup>

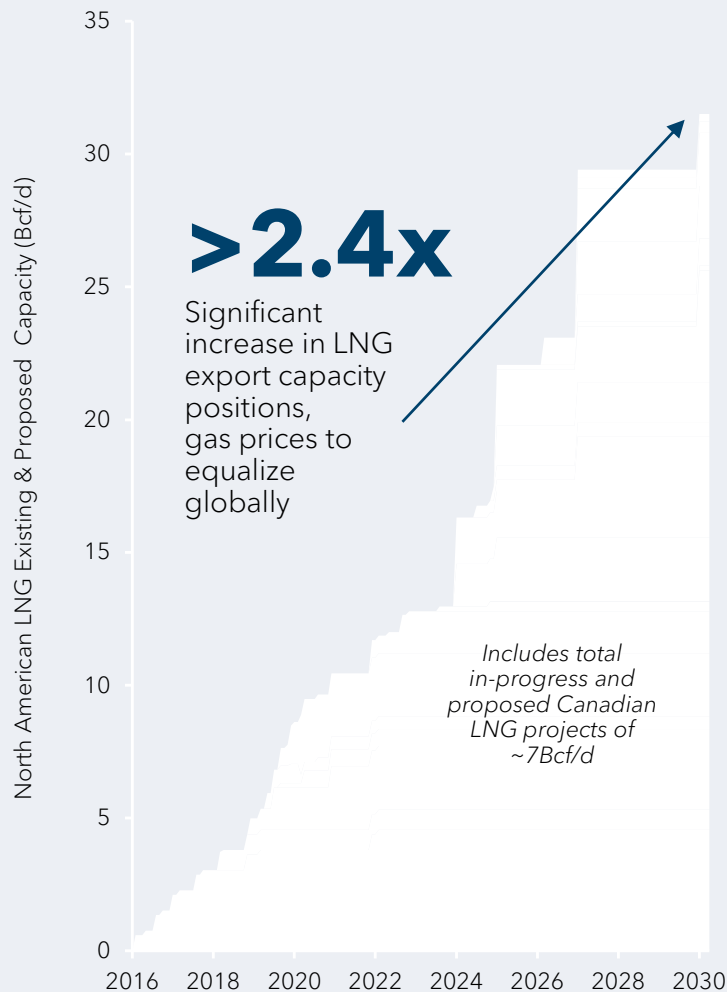
Tourmaline was the first Canadian producer to deliver directly to US LNG export<sup>(3)</sup>



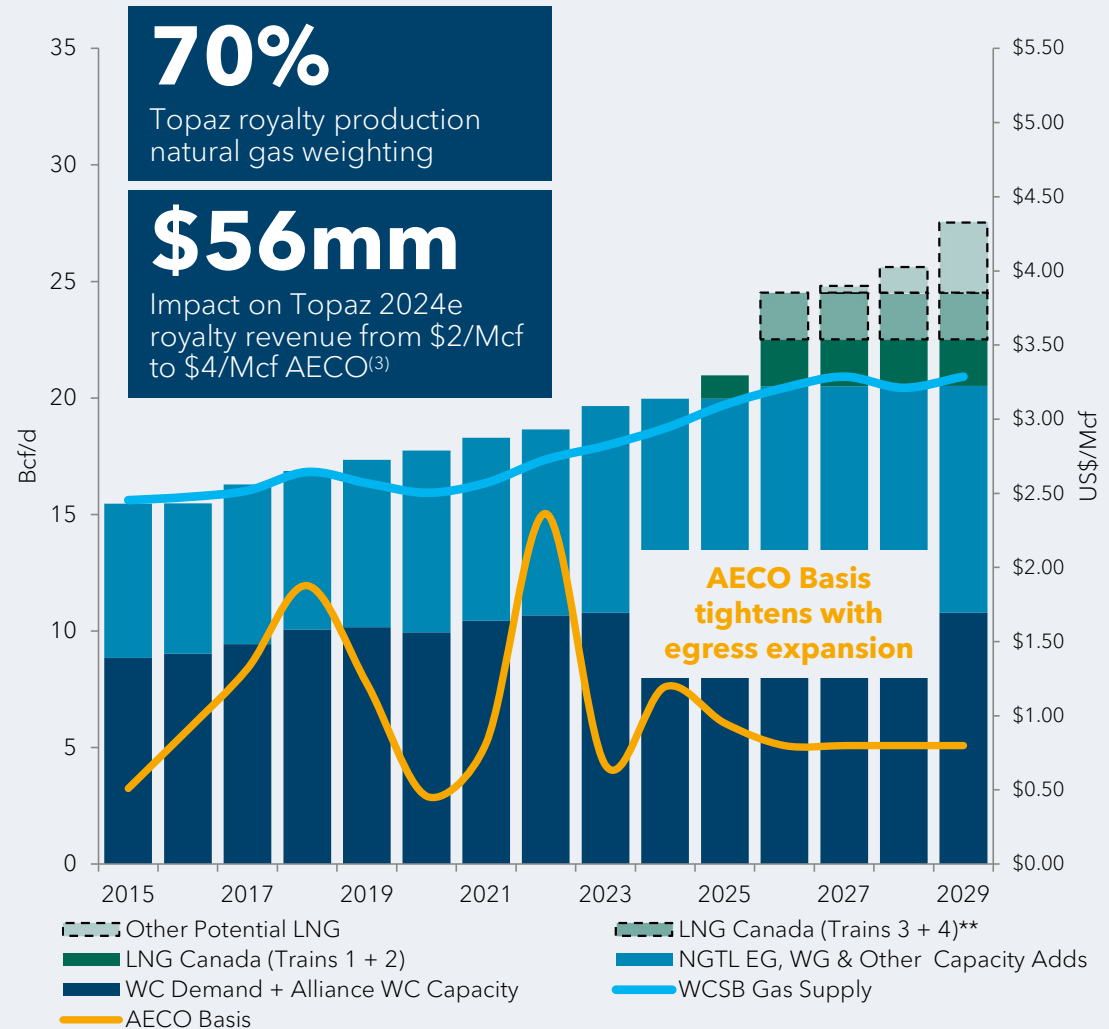
# Opportunistic Natural Gas Exposure

Unique upside leverage to globalized gas pricing and tightening AECO differentials

## North American LNG Export Capacity<sup>(1)</sup>



## WCSB Natural Gas Dynamics<sup>(2)</sup>



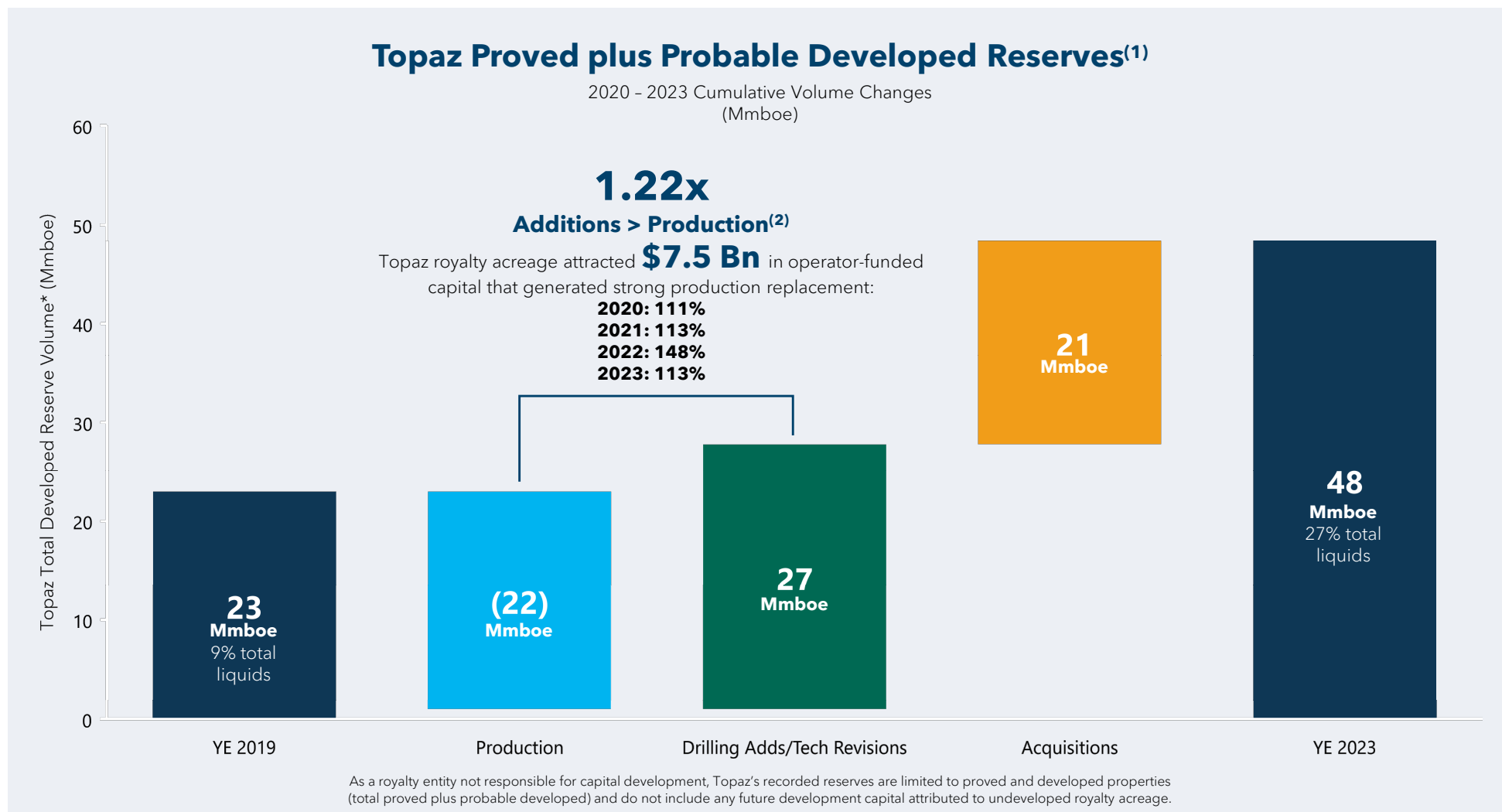
EMBEDDED  
GROWTH

# High-Margin Growth at No Cost to Topaz

Premium assets generate production replacement with no capital from Topaz

## Operator Funded & Acquisition Reserves Growth

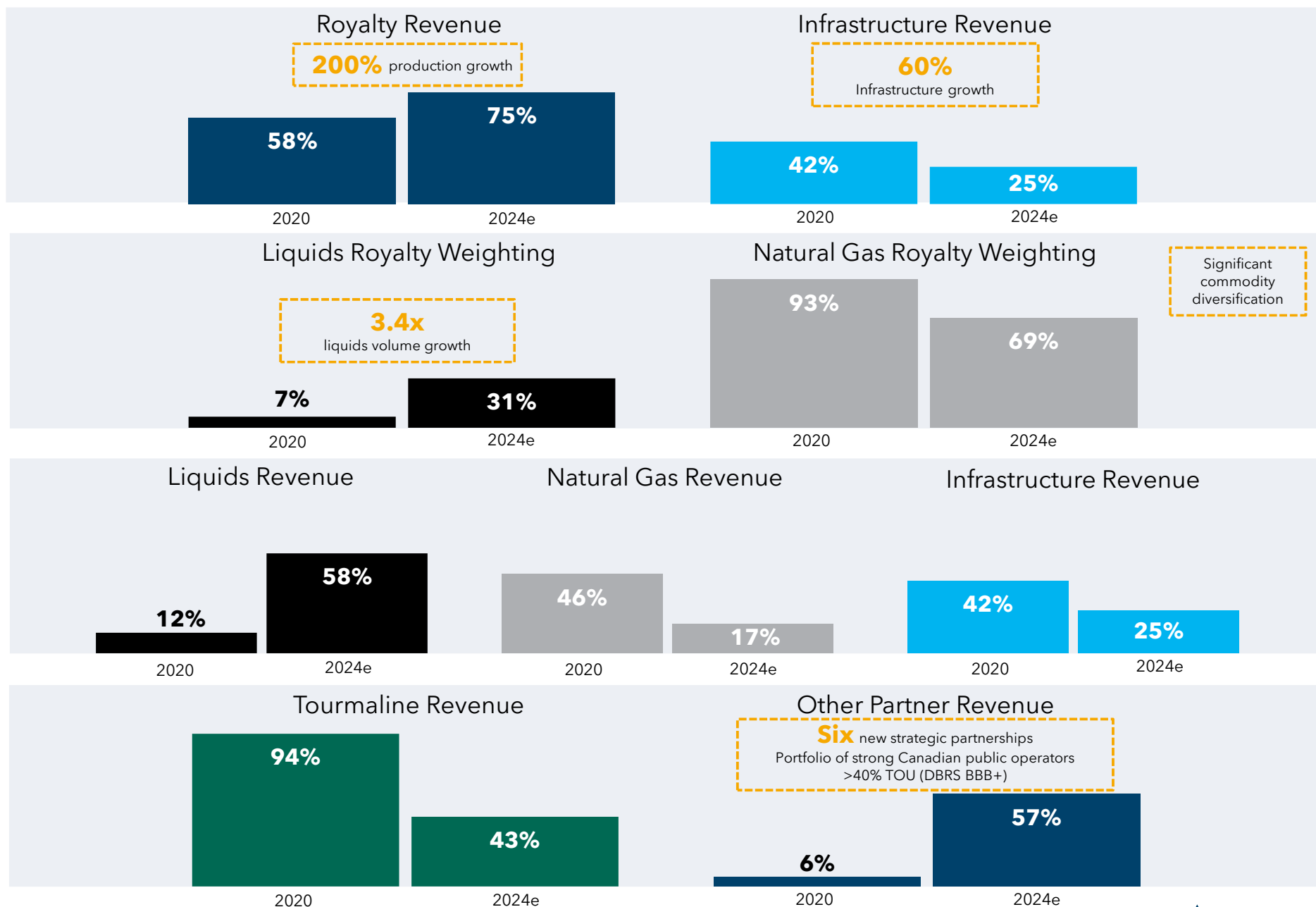
Since Inception



# Topaz 101: Strategic Diversification & Commodity Upside Scenario

## 2020 vs. 2024e<sup>(1)</sup> Portfolio Diversification

DIVERSIFIED  
PORTFOLIO



# Topaz Competitive Advantages

Unique characteristics  
strengthen an  
advantageous  
business model



**Diversified, High  
Quality Asset  
Portfolio**



**Financial Flexibility  
with Disciplined  
Investment Strategy**



**Inflation- Protected,  
High-Margin  
Revenue Streams**



**Transparent,  
Embedded  
Growth Outlook**



**Reliable, Sustainable  
Dividend Growth**

## **THE REWARDS OF OWNING TOPAZ**

How we deliver high-margin, inflation-protected commodity exposure and provide a reliable dividend plus growth

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# **APPENDIX**





# Topaz Executive Team and Board of Directors



**Marty Staples**  
President, CEO and Director

- President & CEO of Topaz since April 2020
- Instrumental in Topaz's accretive acquisition growth strategy, generating over \$2.3 Bn M&A since inception which has significantly increased and diversified Topaz's asset portfolio and generated >3.2x EBITDA growth
- 24 years of experience in the oil and gas industry: leadership, business development, exploration, land and evaluations



**Cheree Stephenson**  
VP Finance and CFO

- VP Finance & CFO of Topaz since April 2020
- Integral leadership through Topaz's start-up, transition to a public company, and execution of strategic M&A which has generated rapid revenue and 1.7x dividend growth for Topaz shareholders
- 24 years of experience in the oil and gas industry: executive leadership, financial reporting, corporate finance, governance, HR, and compliance

## Board of Directors

**Mike Rose**

Chairman, President and  
CEO of Tourmaline

**Steve Larke\*\***

Director of Vermilion Energy Inc. and  
Headwater Exploration Inc.

**Tanya Causgrove\***

CFO and Managing Director  
of ARC Financial

**Jim Davidson\***

Most recently Deputy Chairman  
of GMP FirstEnergy

**Marty Staples**

President, CEO and  
Director of Topaz

**John Gordon\***

Most recently Canadian Managing Partner,  
Risk Management at KPMG

**Darlene Harris\***

Most recently Senior Manager at Shell Canada

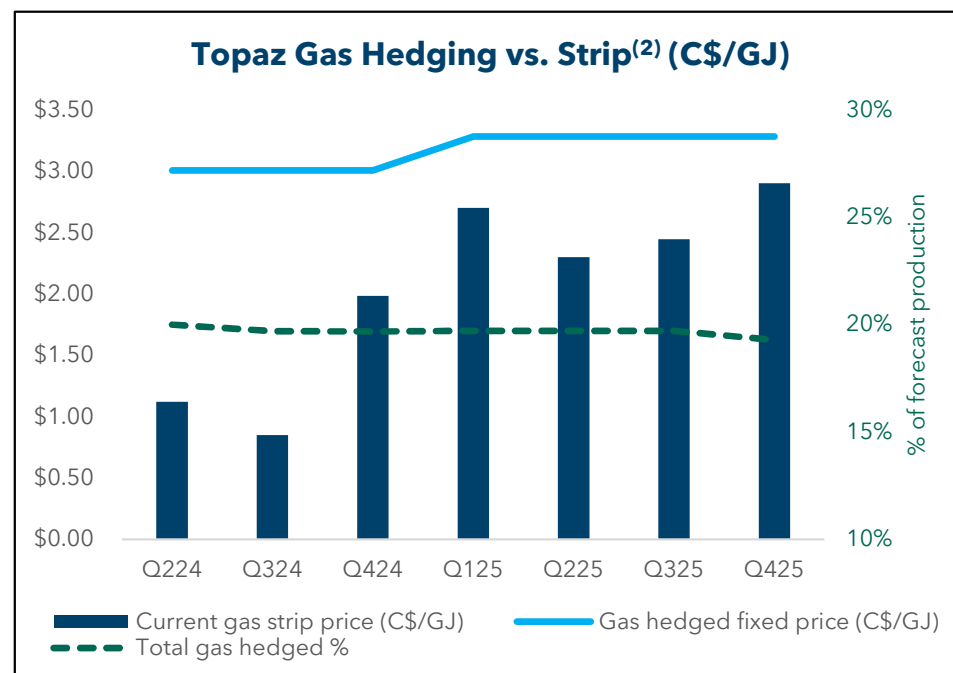
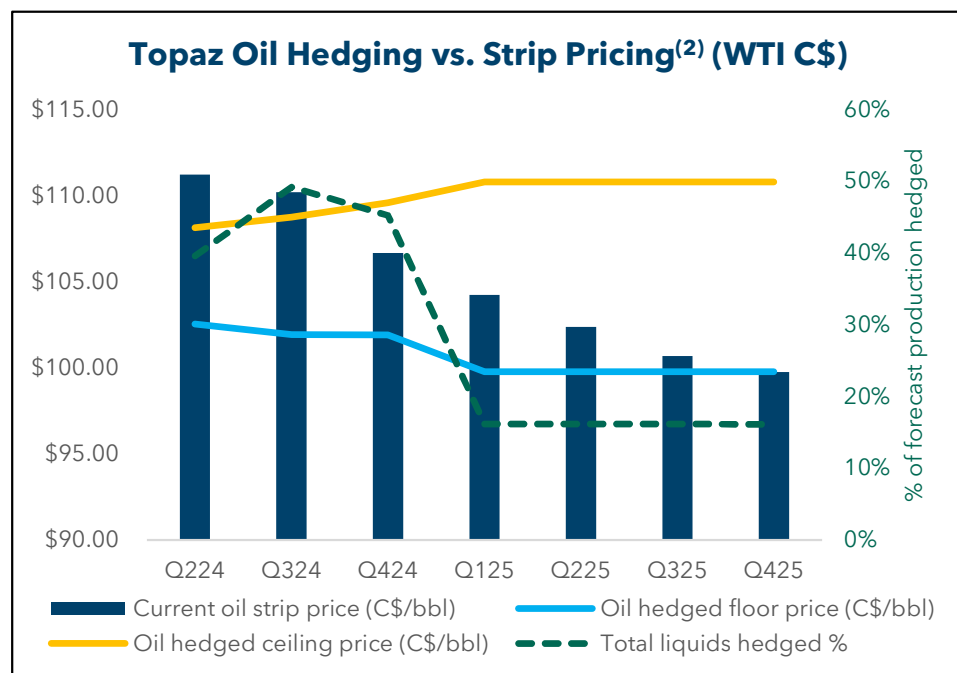
**Brian Robinson**

Director and VP, Finance & CFO of Tourmaline

\* Indicates independent director, \*\* Indicates lead independent director

# Financial Derivatives

Commodity Contracts Outstanding <sup>(1)</sup> (For subsequent year, as at July 29, 2024)		Three mos. ended Sep. 30, 2024	Three mos. ended Dec. 31, 2024	Three mos. ended Mar. 31, 2025	Three mos. ended Jun. 30, 2025
AECO (5A) fixed price contracts	Avg Vol (GJ/d)	12,500	12,500	15,000	15,000
	W.A. Price (C\$/GJ)	\$3.08	\$3.08	\$3.28	\$3.28
Station 2 fixed price contracts	Avg Vol (GJ/d)	2,500	2,500	-	-
	W.A. Price (C\$/GJ)	\$2.63	\$2.63	-	-
WTI CAD Fixed price contracts	Average Vol (bbl/d)	1,500	1,167	500	500
	W.A. Price (C\$/bbl)	\$102.85	\$103.09	\$104.54	\$104.54
WTI CAD Costless Collar	Average Vol (bbl/d)	1,500	1,500	500	500
	W.A. cap (C\$/bbl)	\$114.62	\$114.62	\$117.05	\$117.05
	W.A. floor (C\$/bbl)	\$101.00	\$101.00	\$95.00	\$95.00
AECO Basis Swap (7A)	Average Vol (mmbtu/d)	7,500	2,500	-	-
	W.A. Price (US\$/mmbtu)	(\$0.42)	(\$0.42)	-	-
AECO CAD Swap (5A to 7A)	Average Vol (GJ/d)	7,500	2,500	-	-



# Guidance Assumptions & Activity Disclosure

## 2024 Guidance Estimates<sup>(1)(5)</sup>

July 29, 2024

Updated Guidance Estimates to include June 2024 Facility Acquisition and H1 2024 Results

Annual average royalty production (boe/d) <sup>(3)(4)(5)</sup>	18,800 - 19,600
Royalty production natural gas weighting <sup>(3)(4)(5)</sup>	~70%
Infrastructure processing revenue and other income <sup>(7)</sup>	\$75.5 - \$78.0 million
Cash G&A expenses	\$7.0 - \$8.0mm
Infrastructure operating expenses	\$8.0 - \$9.0mm
Infrastructure capital expenditures and capitalized G&A (excluding Acquisitions)	\$4.0 - \$5.0mm
2024e dividend (\$1.30 per share) <sup>(2)</sup>	~\$188.3mm
Dividend payout ratio <sup>(1)</sup>	~66%
Year end net debt (before Acquisitions) <sup>(1)</sup>	\$345.0 - \$355.0mm
Year end net debt to 2024e EBITDA (before Acquisitions) <sup>(1)(5)</sup>	~1.1x
2024e commodity price assumptions (July 10, 2024 strip price forecast):	
AECO 5A (CAD\$/mcf)	\$1.67
NYMEX WTI (US\$/bbl)	\$79.27
US\$/CAD\$ foreign exchange	0.74

<b>Topaz Royalty Acreage Rig Activity</b> (number of gross wells) <sup>(6)</sup>	Three mos. ended Jun. 30, 2024	Three mos. ended Mar. 31, 2024	Three mos. ended Dec. 31, 2023	Three mos. ended Sep. 30, 2023	Three mos. ended Jun. 30, 2023	Three mos. ended Mar. 31, 2023	Three mos. ended Dec. 31, 2022	Three mos. ended Sep. 30, 2022
Spud on Topaz land	94	145	147	160	106	164	156	169
Spud and brought on production	22	50	60	68	38	76	81	82
Total brought on production <sup>(6)</sup>	117	122	169	175	96	183	173	169

<b>Topaz Infrastructure Throughput Activity</b> (net mcf/d)	Three mos. ended Jun. 30, 2024	Three mos. ended Mar. 31, 2024	Three mos. ended Dec. 31, 2023	Three mos. ended Sep. 30, 2023	Three mos. ended Jun. 30, 2023	Three mos. ended Mar. 31, 2023	Three mos. ended Dec. 31, 2022	Three mos. ended Sep. 30, 2022
Natural gas proc. (avg, net mcf/d)								
Ownership under fixed TOP	185,774	180,098	176,974	172,940	165,000	165,000	165,001	164,817
Variable ownership capacity	41,683	44,129	47,228	42,581	44,417	48,284	48,369	43,424
<b>Total ownership capacity</b>	<b>227,457</b>	<b>224,227</b>	<b>224,202</b>	<b>215,521</b>	<b>209,417</b>	<b>213,284</b>	<b>213,370</b>	<b>208,241</b>
Total throughput volume	227,440	222,616	224,165	213,171	204,539	212,928	212,167	205,870
<b>Total utilization (%)</b>	<b>100%</b>	<b>99%</b>	<b>100%</b>	<b>99%</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>

# Carbon Capture and Storage

Investing in lower emissions hydrocarbons to accelerate ESG performance

## How it works?

Carbon (CO<sub>2</sub>) is captured or separated from gases at an industrial facility. CO<sub>2</sub> is compressed for transportation in a pipeline. CO<sub>2</sub> can then be injected via a well into a suitable geological formation for storage or sequestration. The formation is monitored over time to ensure CO<sub>2</sub> is contained.

### Carbon Capture Asset Activity

#### Glacier Facility

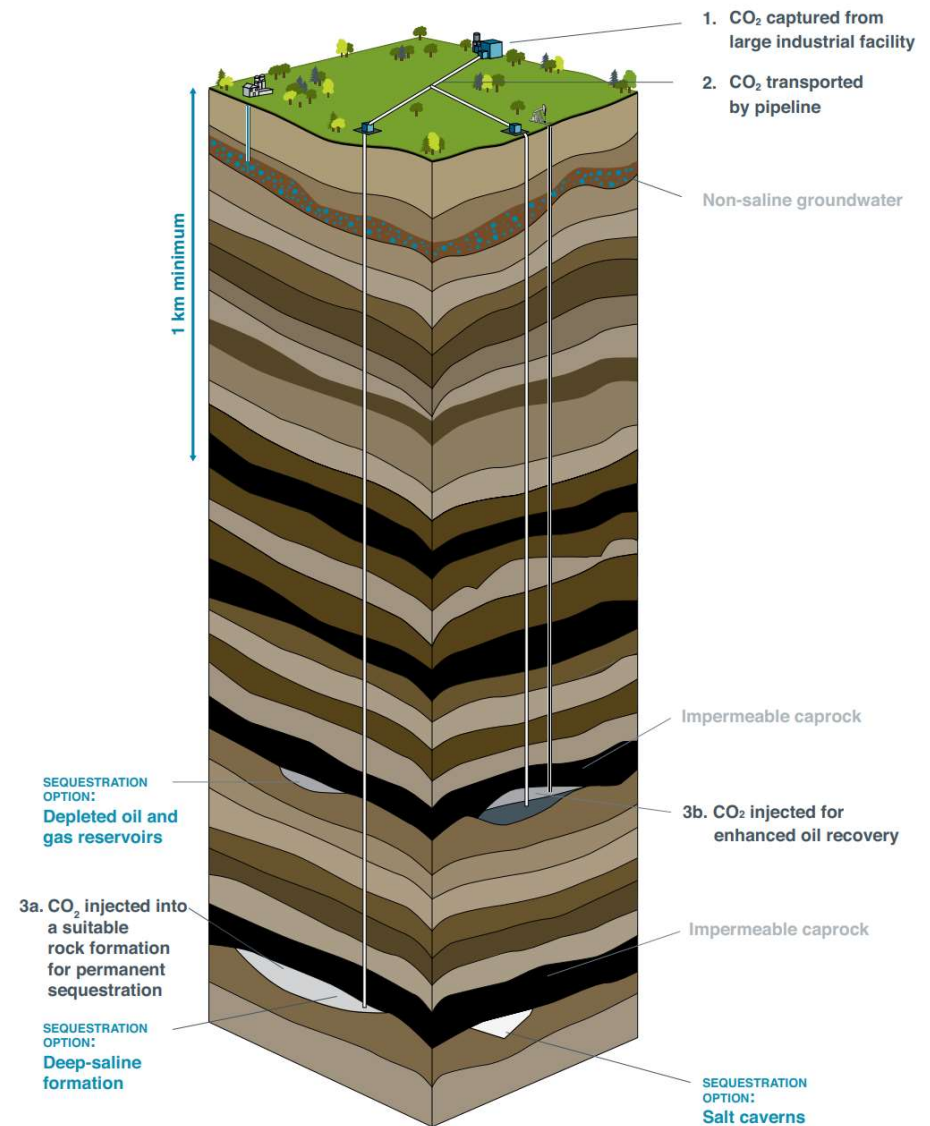
##### Topaz working interest: 12.5%

Glacier will be retrofitted in phases with Modular Carbon Capture and Storage (MCSS) technology. MCSS can be retrofitted to most point-source industrial emissions, including sectors that are difficult to decarbonize like oil and gas processing. Phase 1 is expected to capture, store and offset approximately 46,000 tonnes of CO<sub>2</sub>e/year<sup>(2)</sup>. Captured carbon will be permanently stored in a deep saline aquifer.

#### Weyburn GORR

##### Topaz royalty interest: 5%

Weyburn is a conventional oil field with active CO<sub>2</sub> enhanced oil recovery. The Unit is the largest anthropogenic carbon capture, utilization and storage ("CCUS") project in the world; is expected to continue to sequester carbon at a rate of approximately 2 million tonnes per year<sup>(3)</sup>; and is internationally recognized as one of the most successful developments of its kind from a technical, economic and environmental perspective



# Why Topaz?

Topaz capital enables value enhancing growth

## Topaz Strategy

## Producer Benefits

CARVE-OUT ROYALTIES	Correlated with commodity price	Strategic partnerships to enhance mutual growth	<p>Development growth capital correlated with commodity prices to mitigate risk</p> <p>Value for undeveloped resource; superior valuation to RBL provides attractive pricing arbitrage</p>
	Value for confident future growth	Top quartile resources that attract capital and innovation	
NON-OPERATED INFRASTRUCTURE	Limited to utilized capacity	Limit acquisition to utilized capacity supported by long-life underlying resource	<p>Asset divestitures at superior economics relative to E&amp;P valuation and crystallize lending value arbitrage</p> <p>Significantly lower risk than debt which introduces fixed payments, refinancing &amp; borrowing base risk</p> <p>Consideration via Topaz equity creates value-enhancing strategic alliance with liquidity optionality</p>
	Opportunities across entire energy value chain	Non-operated interests; producers retain expertise & control	
M&A GROWTH	Investors are seeking scale, relevance, conservative capital structure and return	Capital provided through strategic partnerships to enable M&A for mutually beneficial growth	<p>Topaz capital bridges value-enhancing M&amp;A to reduce leverage risk and dilution</p> <div> <pre> graph LR     A((Producer funding)) -- "+" --&gt; B((Topaz acquisition))     B -- "→" --&gt; C([M&amp;A growth achieved with less debt and/or dilution])                     </pre> </div>
	Reduce acquisition cost to enable M&A in capital constrained market	Focus on top quartile resource that attracts capital & innovation	



# Hierarchy of Oil and Gas Interest Ownership

DURATION OF OWNERSHIP

## Crown Royalties

- Corporations acquire leases and licenses through public auctions to explore for and develop mineral rights owned by the provincial government
- E&P companies pay crown royalties on producing wells as a proportion of production

## Fee Mineral Title Interest

- Corporations and individuals own mineral rights in perpetuity
- E&P companies pay lessor royalties on producing wells as a proportion of production
- Mineral rights owners do not pay operating or capital expenditures to develop the land

Topaz owns 0.5 million gross fee mineral title acres

## Gross Overriding Royalty Interest (GORR)

- Working interest owners pay GORR calculated as a contracted proportion of production
- GORR owners do not pay royalties, operating or capital costs
- Survive insolvency of working interest owner
- Expire with undeveloped land or once wells are decommissioned

Topaz owns GORR on ~5.4 million gross acres

## Volumetric Production Payment

- Negotiated contracts for a specific volume of production for a pre-determined period of time

## Net Profit Interest

- Royalty payments are paid based on profitability of a pre-determined area
- Royalty payee is exposed to operating and capital expenditures

## Working Interest

- Acreage is leased from the Crown or a mineral title owner
- Working interest owners bear capital, operating, royalty and decommissioning costs associated with development and production

The majority of Topaz's GORR revenue is generated from five high quality counterparties; peers have multiple, higher credit risk counterparties

Counterparty Quality Upgrades GORR Quality

RISK EXPOSURE

# Hierarchy of Infrastructure Ownership

VARIABILITY

## Owned and operated infrastructure

- Infrastructure company acquires or constructs "nameplate" infrastructure which can have long construction lead times during which no investment return is generated
- Revenue, overhead, expertise, operating & capital expenditures, legal & environmental obligations are the responsibility of the infrastructure company
- Long-term, fixed processing revenue contracts can be negotiated with any of the customers
- Risk exposure lies in any variable throughput component

## Non-operated jointly owned infrastructure

- Infrastructure company acquires a non-operated working interest in infrastructure assets
- Revenue, operating and capital expenditures, legal and environmental obligations are the responsibility of the infrastructure company according to their proportionate working interest however no overhead or expertise cost burdens are required
- Long-term, fixed fee/volume processing commitments can be negotiated with any user
- Volume variability on variable throughput component only

## Non-operated jointly owned infrastructure with long-term fixed commitment

- Infrastructure company acquires a non-operated working interest in infrastructure assets and negotiates a long-term, fixed fee/volume processing commitment; fees are paid irrespective of actual throughput volume. Commitments could apply to total or a portion of the proportionate capacity.
- Subsequent to the contract term, infrastructure company retains non-operated working interest ownership and can negotiate new fixed contracts or participate according to their proportionate share

Topaz owns non operated interests underpinned by long term fixed fee commitments

## Sale leaseback

- Infrastructure company acquires a producer's midstream asset and the producer leases it back for a fixed term; paying a fixed processing/financing fee
- Producer is responsible for operatorship including all overhead, expertise, operating and capital expenditures, legal and environmental obligations
- Upon lease termination, infrastructure company can sell it back or renegotiate a new lease

# Slide Notes

## Slide 2

1. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
2. Adjusted return on invested capital (AROIC) is calculated based on Q4 annualized EBITDA in order to take into consideration potential acquisition activity during the year, divided by average capital employed during the respective year (average net debt plus average share capital).

## Slide 3

1. As at July 26, 2024: \$3.6Bn market capitalization based on 144.88mm shares outstanding and Topaz closing share price on the TSX of \$24.93/sh. \$4.0Bn enterprise value is calculated as \$3.6Bn market capitalization plus June 30, 2024 net debt of \$0.4Bn. Dividend yield of 5.3% is based on Topaz's Q3/24 dividend of \$0.33/sh (\$1.32/sh annualized) and the July 26, 2024 closing price on the TSX of \$24.93/sh.
2. Refer to Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
3. Topaz's \$700mm syndicated credit facility includes a \$300mm accordion feature subject to agent consent. Credit capacity is total credit less est. 2024 exit net debt of approximately \$345 million (guidance midpoint).
4. Calculated based on Topaz's pro forma, annualized processing revenue and other income estimate of \$82.0 million to \$85.0 million and Topaz's 2024e estimated dividend payment of \$188.3 million (based on 144.88 million shares outstanding as at June 30, 2024 (\$1.30 per share). No amounts have been included in respect of the Clearwater Natural Gas Gathering Infrastructure, which is expected to be constructed and commissioned during the fourth quarter of 2024.
5. Source: Scotiabank Global Equity Research Report June 5, 2024 "Valuation versus Volatility: A Novel Way to Think About Commodity Price Change Implications."

## Slide 4

1. Refer to Slide 7 "Diversified Portfolio of High-Margin, Durable Revenue" and "Advisories & Cautionary Statements -Forward-Looking Information".
2. Source: Topaz's most significant operators' public disclosure and capital plans, and Topaz's internal estimates. Refer to "Advisories & Cautionary Statements - Forward-Looking Information".
3. Refer to Slide 20 "High-Margin Growth at no Cost to Topaz."
4. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
5. Refer to Slide 12 "Strategic Differentiation: Inventory Quality and Duration".
6. Refer to Slide 11 "Topaz Inception to Date Review."
7. Refer to Slide 9 "Financial Performance & Disciplined Investment Strategy."
8. Calculated as total royalty production (MMboe) divided by year-end shares outstanding (MM) for 2020 to 2024e.
9. Based on public disclosure by two primary operators of Topaz's Clearwater acreage, 610 bbl/d of heavy oil (Topaz net royalty interest) is supported by waterflood which represents approximately 20% of Q2 2024 heavy oil royalty production of 2,936 bbl/d.

## Slide 5

1. Consideration/LTM revenue metric is calculated using total consideration of inception to date Acquisitions (\$2.33Bn), divided by Topaz's last twelve month's revenue, Q3'23-Q2'24 of \$0.325Bn, plus the annualized processing guidance estimates for H2 2024. See "Advisories & Cautionary Statements -Forward-Looking Information". revenue estimate of \$0.135 Bn attributed to the Facility acquisition referenced in the July 2, 2024 news release.
2. Inception to date metrics referenced in slide 5 include actuals from Q4 2019 to Q2 2024, plus midpoint guidance estimates for H2 2024. See "Advisories & Cautionary Statements - Forward Looking Information"

## Slide 6

1. Source: Peters & Co. Ltd. "Canadian / US Half Cycle Play Economics", North American oil and natural gas plays half cycle payout period assuming US\$75/bbl WTI, US\$3.62/mmbtu NYMEX, C\$3.50/mcf AECO and USD/CAD 0.75.
2. Topaz Infrastructure Income includes processing revenue and other income. 2024e Revenue and FCF Margin are midpoint guidance estimates. Refer to Slide 26 "Guidance Assumptions and Activity Disclosure".
3. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".

4. Calculated based on Topaz's pro forma, annualized processing revenue and other income estimate of \$82.0 million to \$85.0 million and Topaz's 2024e estimated dividend payment of \$188.3 million (based on 144.88 million shares outstanding as at June 30, 2024 (\$1.30 per share). No amounts have been included in respect of the Clearwater Natural Gas Gathering Infrastructure, which is expected to be constructed and commissioned during the fourth quarter of 2024.
5. Calculated using the annualized processing revenue estimate of \$13.0 to \$14.0 million attributed to the Facility Acquisition referenced in the July 2, 2024 news release, plus the \$3.7 million annual processing revenue attributed to the clearwater natural gas infrastructure (expected on-stream Q4 2024), relative to Topaz's 2024e processing revenue and other income guidance estimate of \$69.0 million to \$71.0 million as provided in the Company's April 29, 2024 news release.

## Slide 7

1. Topaz estimated underlying production growth rates based on operators' public disclosure with respect to Topaz royalty acreage based on operator public disclosure/capital development plans comprised of: Clearwater production growth based on working interest owners' anticipated capital plans attributable to Topaz's undeveloped royalty lands; Tourmaline growth estimates per Tourmaline public disclosure (five-year E&P plan); and other royalty areas' production outlook is based on Topaz internal estimates assuming moderate capital development is undertaken by operators to maintain relatively consistent production based on 2023 average production. As a royalty holder Topaz is not responsible for capital costs or decommissioning obligations. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
2. Source: Peters & Co. Ltd. "Canadian / US Half Cycle Play Economics", North American oil and natural gas plays half cycle payout period assuming US\$75/bbl WTI, US\$3.62/mmbtu NYMEX, C\$3.50/mcf AECO and USD/CAD 0.75.
3. For Q1 2023 to Q2 2024, 816 gross wells spud across Topaz royalty acreage represents 14% of the 5,773 total gross wells spud across the WCSB (excluding oil sands/in situ). (Source: Rig Locator, geoSCOUT and Peters & Co. Limited).
4. The gross operated Clearwater production from Topaz's royalty acreage of 58.15 Kboepd represents approximately 40% of Q2 2024 Clearwater production of 145.79 Kboepd (Source: Geoscout). Across the Clearwater play from Q1 2023 to Q2 2024, 295 gross wells (43%) were spud on Topaz royalty acreage compared to 679 gross wells spud in total across the Clearwater. Across NEBC Q1 2023 to Q2 2024,, 207 gross wells spud (24%) of the 863 total NEBC gross wells spud. (Source: Rig Locator, geoSCOUT and Peters & Co. Limited).

## Slide 8

1. Source: Peters & Co. Ltd. "E&P Overview Tables April 25, 2024" and calculating the 2024 estimated free cash flow margin of Topaz's four largest public operators (TOU, WCP, TVE and HWX) , using estimated cash flow less capital expenditures, presented as a percentage of estimated revenue. Chart presents the weighted average of the estimated FCF margins based on the proportion each operator is expected to contribute to Topaz's production in 2024, resulting in 25%.
2. Refer to Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information". Calculated as estimated 2024 royalty revenue (guidance midpoint), less marketing expenses plus hedging gains less 80% of corporate expenses and capital costs, presented as a percentage of royalty revenue.
3. Average 2023 cash flow margin was calculated using the 2023 publicly disclosed financial results for the 6 largest Canadian public pipe/midstream companies (ENB, TRP, PPL, ALA, KEY and GEI) based on operating cash flow, presented as a percentage of revenue for the year ended December 31, 2023, that resulted in average margin of 25%.
4. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures" and "Topaz Energy Corp. 2023 Annual Report." Calculated as Topaz's processing revenue and other income less operating expenses and 20% of corporate expenses, presented as a percentage of infrastructure revenue and other income.

# Slide Notes

## Slide 9

1. Refer to Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
2. Topaz's 2024 Excess FCF per 2024 guidance estimate range. Refer to slide 26 and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
3. Topaz's \$700mm syndicated credit facility includes a \$300mm accordion feature subject to agent consent. Credit capacity is total credit less est. 2024 exit net debt of approximately \$350 million (guidance midpoint).
4. Refer to "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".

## Slide 10

1. Revenue, Cash flow and Payout Ratio sensitivities based on Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".
2. 2024e Payout Ratio sensitivities & cash flow sensitivities are calculated based on H1 2024 actual results, and H2 2024e guidance estimates.
3. Refer to Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".

## Slide 11

1. Refer to "Advisories & Cautionary Statements - Forward-Looking Information"
2. Adjusted return on invested capital (AROIC) is calculated based on Q4 annualized EBITDA in order to take into consideration potential acquisition activity during the year, divided by average capital employed during the respective year (average net debt plus average share capital). 19% AROIC represents the average for the years 2020-2024.
3. Refer to Slide 26 "Guidance Assumptions & Activity Disclosure" and "Advisories & Cautionary Statements - Non-GAAP and Other Financial Measures and Forward-Looking Information".

## Slide 12

1. Source: Peters & Co. Ltd. "Canadian / US Half Cycle Play Economics", North American oil and natural gas plays half cycle payout period assuming US\$75/bbl WTI, US\$3.62/mmbtu NYMEX, C\$3.50/mcf AECO and USD/CAD 0.75.
2. Source: RBC Capital Markets: Canadian Natural Gas: Going Global, October 2023.
3. Refer to Slide 7 "Diversified Portfolio of High-Margin, Durable Revenue" and "Advisories & Cautionary Statements - Forward-Looking Information".

## Slide 13

1. Topaz royalty production and revenue derived from actual results to December 31, 2023.
2. Source: Tourmaline public disclosure.

## Slide 14

1. Refer to "Advisories & Cautionary Statements - Forward-Looking Information". Original oil-in-place estimates were internally generated using geological analysis and publicly available data. Recovery factor enhancement from secondary recovery techniques obtained from Clearwater public operator disclosure.
2. Refer to Topaz's October 30, 2023 news release with respect to the definitive agreements for an investment in the Clearwater Natural Gas Gathering Infrastructure currently under construction with a targeted completion date during late 2024.
3. Refer to "Advisories & Cautionary Statements - Forward-Looking Information". Topaz's existing GORR estimated royalty production volumes are based on internal estimates, subject to operator pace and actual results of development activity.
4. The gross operated Clearwater production from Topaz's royalty acreage of 58.15 Kboepd represents 40% of Q2 2024 Clearwater production of 145.79 Kboepd (Source: Geoscout). Across the Clearwater play from Q1 2023 to Q2 2024, 295 gross wells (43%) were spud on Topaz royalty acreage compared to 679 gross wells spud in total across the Clearwater play. (Source: Rig Locator, geoSCOUT and Peters & Co. Limited).
5. Based on public disclosure by two primary operators of Topaz's Clearwater acreage, ~610 bbl/d of heavy oil (Topaz net royalty interest) is supported by waterflood which represents approximately 20% of Q2 2024 heavy oil royalty production of ~2,936 bbl/d.

## Slide 15

1. Per Tourmaline public disclosure. Refer to "Advisories & Cautionary Statements - Future Drilling Inventory, Third Party Information and Forward-Looking Information".

## Slide 17

1. Topaz 5% gross overriding royalty is on Whitecap Resources Inc.'s 65.3% working interest. Source: Whitecap Resources Inc. public disclosure. Refer to "Advisories & Cautionary Statements - Third Party Information and Forward-Looking Information".
2. Reserve estimates according to Whitecap's independent reserve evaluation by McDaniel & Associates ("McDaniel") effective December 31, 2020.

## Slide 18

1. Source: Raymond James Ltd. Canada Research report August 24, 2023.
2. Source: geoSCOUT, RBC Capital Markets April 2024.
3. Source: Tourmaline public disclosure.
4. Source: Enverus Intelligence Research: Montney Play Fundamentals, October 2023.

## Slide 19

1. Source: RBC Capital Markets: Canadian Natural Gas: Going Global, October 2023.
2. Source: Peters & Co. Ltd. Fall 2023 Energy Overview: WCSB Natural Gas Volumes versus Export Capacity, Demand and AECO Basis.
3. Based on the midpoint of 2024e guidance estimates on a full year 2024e basis. Refer to slide 26. Also refer to "Advisories & Cautionary Statements - Forward-Looking Information".

## Slide 20

1. Chart presents Topaz's cumulative changes in total proved plus probable developed reserves (Mmboe) from 2020 through 2023, as determined by Topaz's external reserve evaluators. Refer to Topaz's 2020, 2021, 2022 and 2023 Annual Information Form for additional information.
2. Additions to Production ratio represents the cumulative sum of drilling additions and net positive/negative technical revisions, divided by Topaz's total annual royalty production volume, for each respective year shown as well as on a cumulative basis (represented as a multiple of production for cumulative basis and as a percentage of total annual royalty production volume for each respective year).

## Slide 21

1. 2024e proforma: Guidance midpoint (19,200 boepd), 2024 Infrastructure Acquisitions annualized, \$2.00 AECO/US\$80 WTI/US\$16 WCS Diff.

## Slide 25

1. Financial derivative contracts outstanding over the subsequent year, as at July 29, 2024.
2. Strip pricing as at July 10, 2024.

# Slide Notes

## Slide 26

1. Refer to “*Advisories & Cautionary Statements – Non-GAAP and Other Financial Measures and Forward-Looking Information*”.
2. Estimated based on 144.88 million shares outstanding at July 29, 2024. The Company's dividend payments remain subject to Board approval.
3. Topaz's estimated royalty production is based on Topaz's estimated commodity mix; drilling location and corresponding royalty rate; and capital development activity on Topaz's royalty acreage by the working interest owners, all of which are outside of Topaz's control.
4. Refer to “*Supplemental Information Regarding Product Types*” in Topaz's July 29, 2024 news release.
5. Management's assumptions underlying the Company's 2024 guidance estimates include: the notes and assumptions referenced in Topaz's July 29, 2024 news release including the contractually scheduled royalty rate reduction effective January 1, 2024, from 4% to 3% on approximately 300 MMcf/d of gross natural gas production (approximately 500 boe/d to Topaz), and 2024 average commodity prices of: \$1.67/mcf (AECO 5A), US\$79.27/bbl (NYMEX WTI), US\$16.54/bbl (WCS oil differential), US\$4.35/bbl (MSW oil differential) and US\$/CAD\$ foreign exchange 0.74. Strip pricing forecasts for AECO & WTI reflects H1 2024 actuals, and H2 2024 strip as at July 10, 2024.
6. Includes wells drilled during the current and previous periods on Topaz royalty acreage however excludes 2019 when Topaz did not yet exist and also includes injection wells.
7. 2024e infrastructure processing revenue and other income is expected to increase from the previously announced range between \$69.0 and \$71.0 million, to a range of \$75.5 to \$78.0 million referenced in the July 2, 2024 news release. Topaz's 2024e guidance increase is based on estimated processing revenue of \$6.5 to \$7.0 million from the Facility Acquisition referenced in the July 2, 2024 news release for the period July 1, 2024 through December 31, 2024.

## Slide 27

1. Image source: Alberta Government – “*Carbon Capture and Storage: Summary Report of the Regulatory Framework*.”
2. Based on Advantage Energy's estimates.
3. Source: Whitecap Resources Inc. public disclosure. CO<sub>2</sub> sequestration annual volume represents gross operated estimates.

# Advisories and Cautionary Statements

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## Forward-Looking Information

Certain information contained in this Presentation constitutes forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. This information relates to future events or Topaz's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. This information speaks only as of the date of this Presentation or, if applicable, as of the date specified in those documents specifically referenced herein. In addition, this Presentation may contain forward-looking information attributed to third-party sources.

Without limitation of the foregoing, this Presentation contains forward-looking information pertaining to the following: expectations for Topaz's future financial and operational performance, growth and realization of future value from its assets including its GORR interests, working interests in natural gas processing plants,

contracted interests in certain third party processing revenues and other acquired or proposed to be acquired assets (collectively, the "Assets"); estimated future revenue, EBITDA and growth opportunities associated with the Assets including royalty production and royalty revenue, processing revenue and other income, free cash flow, excess free cash flow and free cash flow margin, EBITDA, estimated future dividends and dividend policy; growth outlooks and 2024 guidance and beyond; production estimates for 2024 and beyond; future demand for and prices of commodities including natural gas price outlook; business prospects; expected increases in production from recent acquisitions and counterparty capital plans; Tourmaline and other operators' planned production and cash flow through 2028; estimated future royalty production, royalty production revenue, EBITDA and growth from acquisitions completed since inception and beyond; other expected benefits from recent acquisitions including enhancing Topaz's future growth outlook and providing value enhancing assets that are accretive on a per share basis; the amount of Tourmaline's retained ownership in Topaz; the future scalability of Topaz's business model; ability to complete potential future acquisitions and other transactions including with Tourmaline; anticipated payout ratios, distribution yields, revenue accretion and financial performance and outlooks; potential for future tax planning transactions; future costs, capital expenditures and debt levels of Topaz; the reserve potential including original oil in place estimates of counterparty assets; the anticipated production from counterparty assets and anticipated future cash flows from such assets; counterparty growth strategies and opportunities including potential acquisitions; counterparty capital exploration and development programs and future capital requirements; the estimated quantity and value of counterparty proved and probable reserves; counterparty environmental considerations; assumptions regarding commodity prices and exposure to commodity price volatility; industry conditions pertaining to the oil and gas industry; potential for increased utilization and volumes and diversified sources of revenue; growth strategies and outlooks; corporate, environmental, sustainability, social and governance initiatives; the number of drilling rigs to be operated on royalty lands; expected production increases and capital commitments on the royalty lands; and the geological characteristics and resource potential of the Weyburn Unit including the CCUS, reserve life index, carbon emissions intensity and capital efficiencies.

Statements relating to "reserves" are also deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

With respect to forward-looking information contained in this Presentation, assumptions have been made regarding, among other things: future crude oil, heavy crude oil, NGL and natural gas prices; future interests rates and currency exchange rates; that Topaz's operations and production and those of its counterparties will not be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic or the war in Ukraine or crude oil supply decisions taken by OPEC members or others; Topaz's and its counterparties' ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters; the ability to market production of oil and natural gas successfully; counterparty future production levels and growth prospects; the applicability of technologies for recovery and production of counterparty reserves; future capital expenditures to be made by Topaz and its counterparties; future cash flows from production meeting the expectations stated in this Presentation; future sources of funding for counterparty capital programs; the impact of competition on Topaz and its counterparties; and Topaz and Tourmaline's ability to obtain financing (equity or debt) on acceptable terms.

The information in this Presentation, including Topaz's actual results, could differ materially from those anticipated in the forward-looking information due to a number of factors and risks, including the following: the amount of capital expenditures and the results of operations and development activities by the counterparties on Topaz's royalty interest lands; changes in laws or royalty regimes; credit and other third-party or counterparty risks; failure to complete or realize the benefits of recent acquisitions; the Assets not being developed by counterparties in the manner anticipated by Topaz; the continuance of third party processing and other fees at competitive market rates and current demand levels; volatility in the demand, supply and market prices for crude oil, natural gas and NGL; reliance on Tourmaline and other third parties with respect to annual revenue streams; the impacts of COVID-19 on Topaz's business, and the societal, economic and governmental response to COVID-19; supply and/or demand disruptions attributed to the Ukraine/Russia conflict; liabilities inherent in



# Advisories and Cautionary Statements

petroleum and natural gas operations; uncertainties associated with estimating crude oil, heavy crude oil, natural gas and NGL reserves and future production levels; competition for, among other things, third party capital and acquisitions of royalty interests and infrastructure or other assets; incorrect assessments of the value of the Assets or recent or future acquisitions; operational matters, including potential hazards inherent in Topaz's operations and the effectiveness of third-party health, safety, environmental and integrity programs; risks arising from co-ownership of facilities including reliance on third-party operators; risks related to the environment and changing environmental laws in relation to the operations conducted on or with respect to the Assets; claims made or legal actions brought or realized against Topaz or its properties or assets; a failure by Topaz to obtain or retain key personnel; a decrease or elimination of the payment of dividends by Topaz as a result of a board determination, financial constraints or restrictions under applicable agreements or corporate laws; general economic, market and business conditions; and changes in tax or environmental laws or royalty or incentive programs relating to the oil and natural gas industry; and the factors discussed under "Risk Factors" in Topaz's Annual Information Form dated March 4, 2024.

Included in this Presentation are estimates of Topaz's royalty and infrastructure revenue and other income and EBITDA, in aggregate and with respect to certain individual assets, for 2024 and future years, which are based on the various assumptions included herein and in Tourmaline's current five-year growth plan and operator development plans and assume, among other things, that third party processing fees and other revenue will continue at competitive market rates and at current volumes and other assumptions. These estimates are provided for illustration only and with respect to future periods are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior year results. Accordingly, these estimates are not to be unduly relied upon and are subject to changes which may be material. To the extent such estimates constitute a financial outlook, they were approved by management and the board of directors of Topaz on July 29, 2024 and are included to provide readers with an understanding of Topaz's anticipated royalty production, revenue and other income and EBITDA based on the assumptions described above and in "Topaz Royalty and Energy Infrastructure Investment: Snapshot", "Why Own Topaz", "Diversified Portfolio of High-Margin, Durable Revenue", "Financial Performance and Capital Allocation" and "NEBC Montney Royalty and Infrastructure Assets", "Reliable Operator=Funded Capital Activity" in the Presentation and "Guidance Assumptions & Activity Disclosure" in the Appendix including the commodity price and foreign currency assumptions set out therein and readers are cautioned that the information may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed herein or otherwise and neither Topaz nor Tourmaline nor any agent of Topaz or Tourmaline undertakes any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless specifically required to do so pursuant to applicable law.

## Oil and Gas Advisories

Certain crude oil and NGL volumes have been converted to millions of cubic feet equivalent ("mmcf") or thousands of cubic feet equivalent ("mcf") on the basis of one barrel ("bbl") of crude oil or NGLs to six thousand cubic feet ("mcf") of natural gas. Also, certain natural gas volumes have been converted to barrels of oil equivalent ("boe"), thousands of boe ("mboe") or millions of boe ("mmboe") using the same equivalency measure. Such equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

## Estimated Drilling Inventory

Any unbooked drilling locations are the internal estimates of Tourmaline based on Tourmaline's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal Tourmaline's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by Tourmaline's management as an estimation of

production and reserves information. There is no certainty that Tourmaline will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which Tourmaline will drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been derisked by number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information Tourmaline drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Tourmaline has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

## Third-Party Information

This Presentation includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Topaz to be true. Although Topaz believes it to be reliable, it has not independently verified any of the data from third-party sources referred to in this Presentation or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. Topaz believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Presentation are not guaranteed and Topaz makes no representation as to the accuracy of such information.

## General

See also "Forward-Looking Statements" and "Non-GAAP and Other Financial Measures" in the most recently filed Management's Discussion and Analysis and "Forward-Looking Statements" and "Risk Factors" in the Annual Information Form.

## Non-GAAP and Other Financial Measures

Refer to Topaz's most recently filed MD&A for tables providing reconciliation of Non-GAAP and Other Financial Measures to the nearest GAAP measure, as applicable.

Certain financial terms and measures contained in this presentation are "specified financial measures" (as such term is defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112")). The specified financial measures referred to in this presentation are comprised of "non-GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure below.

## Non-GAAP Measures and Ratios

The non-GAAP financial measures used herein do not have a standardized meaning prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures should not be considered in isolation nor as an alternative to net income (loss) or other financial information determined in accordance with GAAP, as an indication of the Company's performance.

## Non-GAAP Financial Measures

This Presentation makes reference to the terms "acquisitions, excluding decommissioning obligations", and "operating margin" which are considered non-GAAP financial measures under NI 52-112; defined as a financial measure disclosed by an issuer that depicts the historical or expected future financial performance, financial position, or cash flow of an entity, and is not disclosed in the financial statements of the issuer.

# Advisories and Cautionary Statements

## Other Financial Measures

### Capital management measures

Capital management measures are defined as financial measures disclosed by an issuer that are intended to enable an individual to evaluate the entity's objectives, policies and processes for managing the entity's capital, are not a component of a line item or a line item on the primary financial statements, and which are disclosed in the notes to the financial statements. The Company's capital management measures disclosed in the Company's most recently filed MD&A (as at and for the three and six months ended June 30, 2024) include adjusted working capital, net debt (cash), free cash flow (FCF) and Excess FCF.

### Supplementary financial measures

This Presentation makes reference to the terms "FCF per basic or diluted share", "Excess FCF per basic or diluted share", "EBITDA per basic or diluted share", "FCF margin" "operating margin percentage", "payout ratio" and "adjusted return on invested capital (AROIC)" which are all considered supplementary financial measures under NI 52-112; defined as a financial measure disclosed by an issuer that is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity, is not disclosed in the financial statements of the issuer, and is not a non-GAAP financial measure or non-GAAP financial ratio.

The following terms are financial measures as defined under the Company's Syndicated Credit Facility, presented in note 8 to the Company's consolidated financial statements as at and for the three and six months ended June 30, 2024 (i) consolidated senior debt, (ii) total debt, (iii) EBITDA and (iv) capitalization.

### Cash flow, FCF, FCF margin, and Excess FCF

Management uses cash flow, FCF, FCF margin and Excess FCF for its own performance measures and to provide investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund or increase dividends, fund future growth opportunities and/or to repay debt; and furthermore, uses per share metrics to provide investors with a measure of the proportion attributable to the basic or diluted weighted average common shares outstanding.

Cash flow is a GAAP measure which is derived of cash from operating activities excluding the change in non-cash working capital and is presented in the consolidated statements of cash flows. FCF is a capital management measure presented in the notes to the consolidated financial statements and is defined as cash flow, less capital expenditures. The supplementary financial measure "FCF margin", is defined as FCF divided by total revenue and other income (expressed as a percentage of total revenue and other income). The non-GAAP financial measure "Excess FCF", is defined as FCF less dividends paid. The supplementary financial measures "cash flow per basic or diluted share" and "FCF per basic or diluted share" are calculated by dividing cash flow and FCF, respectively, by the basic or diluted weighted average common shares outstanding during the period.

### Operating margin and operating margin percentage

Operating margin (infrastructure assets) is a non-GAAP financial measure derived from processing revenue and other income, less operating expenses. Operating margin percentage (infrastructure assets) is a supplemental financial measure, calculated as operating margin (infrastructure assets), expressed as a percentage of total processing revenue and other income. Operating margin (royalty assets) is a non-GAAP financial measure derived from royalty production revenue, less marketing expenses. Operating margin percentage (royalty assets) is a supplemental financial measure, calculated as operating margin (royalty assets), expressed as a percentage of total royalty production revenue. Operating margin and operating margin percentage are used by management to analyze the profitability of its infrastructure assets and royalty assets.

### Adjusted working capital and net debt (cash)

Management uses the terms "adjusted working capital" and "net debt (cash)" to measure the Company's liquidity position and capital flexibility, as such these terms are considered capital management measures. "Adjusted working capital" is calculated as current assets less current liabilities, adjusted for financial instruments and work in progress capital costs. "Net debt (cash)" is calculated as total debt outstanding less adjusted working capital.

### EBITDA and EBITDA per basic or diluted share

EBITDA, as defined under the Company's Syndicated Credit Facility and disclosed in the notes to the Company's consolidated financial statements as at and for the three and six months ended June 30, 2024, is considered by the Company as a capital management measure which is used to evaluate the Company's operating performance and provides investors with a measurement of the Company's cash generated from its operations, before consideration of interest income or expense. "EBITDA" is calculated as consolidated net income or loss from continuing operations, excluding extraordinary items, plus interest expense, income taxes, and adjusted for non-cash items and gains or losses on dispositions.

EBITDA per basic or diluted share is a supplementary financial measure that is calculated by dividing EBITDA by the basic or diluted weighted average common shares outstanding during the period and provides investors with a measure of the proportion of EBITDA attributed to the basic or diluted weighted average common shares outstanding.

### Payout Ratio

"Payout ratio", a supplementary financial measure, represents dividends paid, expressed as a percentage of cash flow and provides investors with a measure of the percentage of cash flow that was used during the period to fund dividend payments. Payout ratio is calculated as cash flow divided by dividends paid.

### Acquisitions, excluding decommissioning obligations

"Acquisitions, excluding decommissioning obligations", is considered a non-GAAP financial measure, and is calculated as: acquisitions (per the consolidated statements of cash flows) plus non-cash acquisitions but excluding non-cash decommissioning obligations.

### Adjusted return on invested capital (AROIC)

AROIC is considered a supplementary financial measure and is calculated as: fourth quarter annualized EBITDA, divided by average capital employed during the respective year (average net debt plus average share capital).

### Credit Ratings

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

### Initial production (IP) rates

Any references in this Presentation to initial production (IP) rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production. Such rates are based on field estimates and may be based on limited data available at this time.

Topaz's estimated royalty production is based on the estimated commodity mix; drilling location and corresponding royalty rate; and capital development activity on Topaz's royalty acreage by the working interest owners, all of which are outside of Topaz's control.

# Advisories and Cautionary Statements

## Oil and Gas Metrics

This Presentation contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the Company's performance in previous periods and therefore such metrics should not be unduly relied upon. Original oil in place ("OOIP") means discovered petroleum initially in place ("DPIIP"). DPIIP is derived by Whitecap's independent qualified reserve evaluators ("QRE") and prepared in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP, as defined in COGEH, is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and resources other than reserves (ROTR). OOIP/DPIIP and potential recovery rate estimates are based on current recovery technologies. There is significant uncertainty as to the ultimate recoverability and commercial viability of any of the resource associated with OOIP/DPIIP, and as such a recovery project cannot be defined for a volume of OOIP/DPIIP at this time.

In particular, this presentation makes reference to original oil in place ("OOIP") which means discovered petroleum initially in place ("DPIIP"). DPIIP is derived by Topaz's and Deltastream Energy Corporation's internal Qualified Reserve Evaluators ("QRE") and prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP, as defined in COGEH, is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and resources other than reserves (ROTR). OOIP/DPIIP and potential recovery rate estimates are based on current recovery technologies. There is significant uncertainty as to the ultimate recoverability and commercial viability of any

of the resource associated with OOIP/DPIIP, and as such a recovery project cannot be defined for a volume of OOIP/DPIIP at this time. "Internally estimated" means an estimate that is derived by Topaz's and Deltastream's internal QRE's and prepared in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. All internal estimates contained in this presentation have been prepared effective as of July 29, 2024.

## Information Regarding Public Issuer Counterparties

Certain information contained in this Presentation relating to the Company's public issuer counterparties which include Tourmaline, Whitecap Resources, Advantage, Headwater, Tamarack Valley and NuVista and the nature of their respective businesses is taken from and based solely upon information published by such issuers. The Company has not independently verified the accuracy or completeness of any such information.

## Market, Independent Third-party And Industry Data

Certain market, independent third-party and industry data contained in this news release is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This news release also includes certain data, including production, well count estimates, capital expenditures and other operational results, derived from public filings made by independent third parties. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from independent third-party sources referred to in this news release or ascertained the underlying assumptions relied upon by such sources.



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