



NEWS RELEASE

JANUARY 15, 2019

TOURMALINE REAFFIRMS 2019 GUIDANCE AND REDUCES CAPITAL SPENDING

Calgary, Alberta – Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to update 2019 guidance and ongoing EP activities.

PRODUCTION UPDATE

- 2019 average production guidance of 300,000 boepd, representing 12% year-over-year growth, remains unchanged. A 1H 2019 average production range of 290,000-300,000 boepd and a 2H 2019 average production range of 310,000-320,000 boepd are forecast.
- Current production is within the 1H 2019 guidance range of 290,000-300,000 boepd. Tourmaline expects production levels above 300,000 boepd in late January when the Company's volumes that flow to the Enbridge McMahon plant (approximately 4,500 boepd) come back on-stream when plant repairs are completed.
- Total liquid production has reached a record high of between 56,000 and 57,000 bpd (oil, condensate, NGLs).
- 2019 forecast average production of 300,000 boepd includes a 9% unscheduled downtime provision, up from the 5% used historically, providing considerable flexibility and upside.
- Construction of the 50,000 boepd Gundy deep cut facility remains on schedule for a June 2019 start-up. The plant will add between 35,000 and 50,000 boepd of net new production depending upon the levels of existing volumes that the Company elects to continue flowing to third-party facilities.
- The Company will have approximately 125 new wells available to be brought on production between January 15 and June 30, 2019.

FINANCIAL, CAPITAL BUDGET UPDATE

- The 2019 EP capital program has been reduced to \$1.225 billion from the \$1.3 billion announced on November 7, 2018⁽¹⁾. The Company had reduced 2019 capital by 4% and increased 2019 production guidance by 3% at that time.
- The \$75.0 million program reduction includes fewer delineation wells in two complexes and lower completed well costs across all three core complexes. These capital reductions will have no impact on 2019 production guidance. The Company has identified a further \$30-50 million in potential program reductions that won't

⁽¹⁾ The capital reduction has not been reflected in the Company's current formal guidance. The Company intends to update formal guidance, including these capital reductions, along with the year-end financial results in March 2019.

affect 2019 production but may affect 2020 growth plans. The Company will monitor commodity prices during the first half of the year prior to implementing any further budget changes.

- Full-year 2019 cash flow⁽²⁾ of \$1.67 billion is anticipated, yielding approximately \$330 million of free cash flow⁽³⁾. The current full-year dividend is \$109 million providing the opportunity for potential modest dividend increases in 2019.
- The Q4 2018 cash flow estimate remains in the \$380-410 million range.
- The average Q4 2018 NYMEX price of U.S.\$3.80/mcf vs the U.S. \$3.30/mcf utilized in the Q4 2018 cash flow estimate results in higher netbacks at the U.S. hubs where Tourmaline currently has 440 mmcfpd of long-term firm transport arrangements accessing six gas sales hubs. The Company currently has approximately 315 mmcfpd of NYMEX differential deals (including physical and financial) with an average differential of \$(0.43)/mcf.
- The Company will have another 100 mmcfpd of long-term transport to the West Coast U.S. market when the TransCanada GTN expansion is completed in the 2nd half of 2019. This will be timed to provide a higher-priced market for a significant portion of the additional 200 mmcfpd of gas volumes derived from the commissioning of the N.E.B.C. Gundy facility.
- Oil differentials have returned to normal levels more closely aligned to what the Company had forecast for 2019.
- A year-end 2019 net debt⁽⁴⁾ to cash flow ratio of 0.8 is anticipated as the Company continues to maintain a very strong balance sheet.

EP PROGRAM UPDATE

- The Q4 2018 EP program yielded successful, large scope, liquid rich, new pool wildcat discoveries in the Alberta Deep Basin and NEBC Montney operated complexes. Tourmaline will continue to exploit profitable new horizons with the ongoing EP program in all three core complexes; approximately five new exploitation/exploration wells are planned in 2019.
- The Company is pursuing multiple new technologies to allow for delivery of the 2019/2020 EP programs for significantly less total capital than currently budgeted. Several of these new cost reduction opportunities were successfully trialed in 2018 and will be implemented on a broader scale with the 2019 program.
- Tourmaline is planning to conduct all of the scheduled 2019 fracturing operations with Canadian service providers.

(2) "Cash flow" is defined as cash provided by operations before changes in non-cash operating working capital. See "Non-GAAP Financial Measures" in the Company's Q3 2018 Management's Discussion and Analysis.

(3) "Free cash flow" is defined as cash flow less Total Net Capital Expenditures. Total Net Capital Expenditures is defined as total capital spending before acquisitions and non-core dispositions. Free cash flow is prior to dividend payments. See "Non-GAAP Financial Measures" in the Company's Q3 2018 Management's Discussion and Analysis.

(4) "Net debt" is defined as bank debt plus working capital (adjusted for the fair value of financial instruments). See "Non-GAAP Financial Measures" in the Company's Q3 2018 Management's Discussion and Analysis.

READER ADVISORIES

CURRENCY

All amounts in this news release are stated in Canadian dollars unless otherwise specified.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "on track", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: anticipated petroleum and natural gas production and production growth for various periods; potential for modest dividend increases; projected operating and drilling costs and the benefits of utilizing new technology in connection therewith; the timing for facility expansions and facility start-up dates; the ability to generate, and the amount of anticipated free cash flow; the potential for delivery of the 2019/2020 EP programs for significantly less total capital than currently budgeted; as well as Tourmaline's future drilling prospects and plans, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning the following: prevailing and future commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve volumes; operating costs the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; and ability to market crude oil, natural gas and NGL successfully.

Statements relating to "reserves" are also deemed to be forward looking statements, 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.

Although Tourmaline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Tourmaline can give no assurances that it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of

acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect Tourmaline, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Tourmaline's website (www.tourmalineoil.com).

The forward-looking information contained in this news release is made as of the date hereof and Tourmaline undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

FINANCIAL OUTLOOK

Also included in this news release are estimates of Tourmaline's fourth quarter 2018 cash flow and 2019 annual cash flow, free cash flow and net debt as well as 2019 production levels, which are based on, among other things, the various assumptions as to production levels, capital expenditures, annual cash flows and other assumptions disclosed in this news release and including Tourmaline's estimated average production of 265,000-270,000 boepd for 2018 and 300,000 boepd for 2019 and commodity price assumptions for natural gas (NYMEX (US) - \$3.05/mcf for 2018 and \$3.10/mcf for 2019; AECO - \$1.65/mcf for 2018 and \$2.25/mcf for 2019), and crude oil (WTI (US) - \$67.65/bbl for 2018 and \$60.00/bbl for 2019) and an exchange rate assumption of \$0.78 (US/CAD) for 2018 and \$0.80 for 2019. To the extent such estimates constitute a financial outlook, they were approved by management and the Board of Directors of Tourmaline on November 7, 2018 and are included to provide readers with an understanding of Tourmaline's anticipated cash flow based on the capital expenditure, production and other assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

NON-GAAP FINANCIAL MEASURES

This press release includes references to financial measures commonly used in the oil and gas industry, such as "free cash flow", which does not have a standardized meaning prescribed by International Financial Reporting Standards ("GAAP"). Accordingly, the Company's use of this term may not be comparable to similarly defined measures presented by other companies. "Free cash flow" is defined as cash flow less capital expenditures. Readers are cautioned that the non-GAAP measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of the Company's performance.

BOE EQUIVALENCY

In this news release, production and reserves information may be presented on a "barrel of oil equivalent" or "boe" basis. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on 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.

CERTAIN DEFINITIONS:

<i>bbl</i>	barrel
<i>bbls/day</i>	barrels per day
<i>bbl/mmcft</i>	barrels per million cubic feet
<i>bcf</i>	billion cubic feet
<i>bcfe</i>	billion cubic feet equivalent
<i>bpd or bbl/d</i>	barrels per day
<i>boe</i>	barrel of oil equivalent
<i>boepd or boe/d</i>	barrel of oil equivalent per day
<i>bopd or bbl/d</i>	barrel of oil, condensate or liquids per day
<i>DUC</i>	drilled but uncompleted wells
<i>EUR</i>	estimated ultimate recovery
<i>FCP</i>	final circulating pressure
<i>gj</i>	gigajoule
<i>gjs/d</i>	gigajoules per day
<i>mbbls</i>	thousand barrels
<i>mmbbls</i>	million barrels
<i>mboe</i>	thousand barrels of oil equivalent
<i>mcf</i>	thousand cubic feet
<i>mcfpd or mcf/d</i>	thousand cubic feet per day
<i>mcfe</i>	thousand cubic feet equivalent
<i>mmboe</i>	million barrels of oil equivalent
<i>mmbtu</i>	million British thermal units
<i>mmbtu/d</i>	million British thermal units per day
<i>mmcf</i>	million cubic feet
<i>mmcfpd or mmcf/d</i>	million cubic feet per day
<i>MPa</i>	megapascal
<i>mstboe</i>	thousand stock tank barrels of oil equivalent
<i>NGL or NGLs</i>	natural gas liquids

ABOUT TOURMALINE OIL CORP.

Tourmaline is a Canadian senior crude oil and natural gas exploration and production company focused on long-term growth through an aggressive exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin.

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