



NEWS RELEASE

MAY 8, 2019

TOURMALINE REALIZES RECORD PRODUCTION AND INCREASES DIVIDEND

Calgary, Alberta - Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to release financial and operating results for the first quarter of 2019.

HIGHLIGHTS

- Q1 2019 production averaged 293,434 boepd, a 9% increase over Q1 2018 and a 6% increase over the prior quarter. March 2019 production averaged 301,336 boepd.
- Q1 2019 cash flow⁽¹⁾ was \$419.2 million (\$1.54/fully-diluted share) compared to Q1 2019 capital spending of \$384.4 million.
- Q1 2019 net earnings were \$87.7 million (\$0.32/fully-diluted share).
- The Company has decided to increase the quarterly cash dividend by 20% to \$0.12 per common share from \$0.10 per common share.
- Construction of the C-60-A Gundy deep-cut gas plant is complete, and the Company has received the necessary approvals from the B.C. Oil and Gas Commission to commence production.

PRODUCTION UPDATE

- Q1 2019 production averaged 293,434 boepd, a 9% increase over Q1 2018 and a 6% increase over the prior quarter. March 2019 production averaged 301,336 boepd.
- Full-year 2019 average production guidance remains unchanged at 300,000 boepd (290,000 – 300,000 boepd for first half 2019 and 310,000 – 320,000 boepd for 2H 2019).
- March 2019 liquids production was 55,010 bpd. January and February liquids production was impacted by weather-related outages and unplanned facility interruptions in the Peace River High complex. The Company is on track to reach the full-year liquid production forecast average of 66,000 bpd with the new Gundy deep cut facility providing significant growth for the final seven months of the year.

Q1 2019 FINANCIAL RESULTS

- Q1 2019 cash flow was \$419.2 million (\$1.54/fully-diluted share) compared to Q1 2019 capital spending of \$384.4 million.

(1) "Cash flow" is defined as cash provided by operations before changes in non-cash operating working capital. See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2019 Management's Discussion and Analysis.

- Q1 2019 net earnings were \$87.7 million (\$0.32/fully-diluted share).
- Q1 2019 operating netback⁽²⁾ was \$16.65/boe.
- Tourmaline's natural gas diversification and hedging strategies provided an average realized natural gas price of \$3.59/mcf, a 36% premium over the Q1 average AECO index price of \$2.64/mcf.
- Q1 2019 operating costs were \$3.49/boe. The start-up of the Company-operated Gundy deep-cut plant is expected to drop overall corporate operating costs by \$0.10 - \$0.15/boe incorporated in full-year 2019 guidance of \$3.45/boe.
- Free cash flow⁽³⁾ of \$34.8 million from Q1 was the result of record production levels, strong realized natural gas prices and capital discipline during a high-activity quarter.
- G&A expenses⁽⁴⁾ of \$0.46/boe in Q1 2019 are amongst the lowest in the sector.
- Net debt⁽⁵⁾ was reduced by \$5.1 million in the first quarter of 2019 to \$1.713 billion after the dividend payment of \$27.2 million.

2019 CAPITAL PROGRAM

- Q1 2019 capital spending of \$384.4 million compared to Q1 cash flow of \$419.2 million provided \$34.8 million of free cash flow in the first quarter. The first quarter is typically the period of heaviest capital investment during the year.
- Tourmaline anticipates total Q2 2019 EP capital expenditures of \$200.0 - \$210.0 million.
- With the early start-up of the Gundy plant providing a modest production cushion and continued reduction of per-well capital costs, the Company has decided to reduce the full-year 2019 capital program by a further \$25.0 million to \$1.2 billion. Average production guidance remains unchanged at 300,000 boepd.

DIVIDEND

- The Company has decided to increase the quarterly cash dividend to \$0.12 per common share from \$0.10 per share and the Board of Directors has declared a quarterly cash dividend on the common shares of \$0.12 per share for the second quarter of 2019. The dividend will be payable June 28, 2019 to shareholders of record at the close of business on June 14, 2019. This quarterly cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.

(2) "See "Non-GAAP Financial Measures" in this news release and the Company's Q1 2019 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 this news release and the Company's Q1 2019 Management's Discussion and Analysis.

(4) "General and administrative expenses" ("G&A") exclude interest and financing charges.

(5) "Net debt" is defined as bank debt plus working capital (adjusted for the fair value of financial instruments and lease liabilities). See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2019 Management's Discussion and Analysis.

COST MANAGEMENT

- Tourmaline continues to employ multiple new technologies and field approaches to reduce drill-and-complete capital costs. The Company has reduced capital costs to drill, complete and stimulate horizontal wells by between 40% and 50% over the last six years in all three operated complexes. Tourmaline is seeking a further 10% capital cost reduction over the next two years.
- One of the new technical approaches to reduce capital costs is monobore drilling in the Alberta Deep Basin. The Company has trialed fifteen monobore wells to date, realizing an average \$550k capital reduction per well thus far (25% drilling cost reduction). As the Company more broadly implements this technology, per-well cost reduction is expected to reach \$650k/well.

GUNDY B.C. PROJECT UPDATE

- The large Gundy Montney development project is the only significant EP project for the Company in Q2 2019. Tourmaline is currently operating two drilling rigs as well as constructing a 200 mmcfpd deep-cut facility. The combination of high-deliverability liquid-rich natural gas (50 – 100 bbls/mmcf of condensate and NGLs), continuously-dropping drill/complete costs, and very low operating costs due to the sweet natural gas composition ($\$ < 3.00/\text{boe}$) make Gundy one of the most profitable Montney sub-plays in the entire Basin.
- Construction of the C-60-A Gundy deep-cut natural gas plant is complete, and the Company has received the necessary approvals from the B.C. Oil and Gas Commission to commence production. Tourmaline will begin circulating hydrocarbons through the plant during the next two weeks with steadily-increasing natural gas and liquid sales volumes expected later this month. From the driving of the first pile, the entire 200 mmcfpd gas and liquids processing facility took six months and one day to complete and came in on budget.
- Tourmaline currently has 68 completed Montney natural gas/condensate wells available for production with an expected additional 22 wells available in July through completion operations on two existing pads. The Company-operated deep-cut plant and available third-party processing options could be full at that point.
- The Company will continue to operate two drilling rigs in the Gundy complex and expects to have a total of 115 completed Montney wells by year-end.
- Tourmaline continues to reduce completed and stimulated well costs. The most recent Gundy pacesetter well was drilled in 6.8 days for \$1.27 million (measured depth - 3,682m), resulting in a completed/stimulated well cost of less than \$2.5 million. The Company is currently budgeting \$3.3 - \$3.5 million for completed natural gas wells in the Gundy complex.

SUNRISE-DOE COMPLEX

- Strong production rates have been realized from the Montney turbidite horizon in the Sunrise-Doe complex during April 2019. The C4-6 well averaged 11.7 mmcfpd of natural gas and 994 bbls/day of condensate (85 bbls/mmcf) on a six-day test. The 4-6 well averaged 12.9 mmcfpd of natural gas and 944 bbls/day of condensate (73.2 bbls/mmcf) on a three-day test.

CORPORATE SUMMARY – FIRST QUARTER 2019

	Three Months Ended March 31,		
	2019	2018	Change
OPERATIONS			
Production			
Natural gas (<i>mcf/d</i>)	1,439,212	1,328,733	8%
Crude oil, condensate and NGL (<i>bbl/d</i>)	53,565	47,070	14%
Oil equivalent (<i>boe/d</i>)	293,434	268,526	9%
Product prices ⁽¹⁾			
Natural gas (<i>\$/mcf</i>)	\$ 3.59	\$ 2.97	21%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 41.43	\$ 46.08	(10)%
Operating expenses (<i>\$/boe</i>)	\$ 3.49	\$ 3.36	4%
Transportation costs (<i>\$/boe</i>)	\$ 3.81	\$ 3.32	15%
Operating netback ⁽³⁾ (<i>\$/boe</i>)	\$ 16.65	\$ 15.25	9%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽²⁾	\$ 0.46	\$ 0.48	(4)%
FINANCIAL			
<i>(\$000, except share and per share)</i>			
Total revenue from commodity sales and realized gains	664,301	550,166	21%
Royalties	31,623	20,119	57%
Cash flow ⁽³⁾	419,242	352,248	19%
Cash flow per share (<i>diluted</i>) ⁽³⁾	\$ 1.54	\$ 1.30	18%
Net earnings	87,710	129,588	(32)%
Net earnings per share (<i>diluted</i>)	\$ 0.32	\$ 0.48	(33)%
Capital expenditures (<i>net of dispositions</i>)	384,384	217,551	77%
Weighted average shares outstanding (<i>diluted</i>)	272,043,159	271,083,946	–%
Net debt ⁽³⁾	(1,713,032)	(1,623,620)	6%

(1) Product prices include realized gains and losses on risk management and financial instrument contracts.

(2) Excluding interest and financing charges.

(3) See "Non-GAAP Financial Measures" in this news release and in the Company's Q1 2019 Management's Discussion and Analysis.

Conference Call Tomorrow at 9:00 a.m. MT (11:00 a.m. ET)

Tourmaline will host a conference call tomorrow, May 9, 2019 starting at 9:00 a.m. MT (11:00 a.m. ET). To participate, please dial 1-888-231-8191 (toll-free in North America), or international dial-in 647-427-7450, a few minutes prior to the conference call.

Conference ID is 2877142.

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 including estimated production levels for 2019; the future declaration and payment of dividends and the timing and amount thereof including any future increase; cash flow; cash flow per share; free cash flow; net debt-to-cash flow levels; production levels supported by certain of the Company's reserves and drilling inventory; capital spending; cost reduction initiatives; projected operating and drilling costs including anticipated reductions in operating costs per boe; the timing for facility expansions and facility start-up dates; 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 including in the case of 2019 production estimates, commodity price assumptions for natural gas (NYMEX (US) - \$3.00/mcf for 2019, AECO - \$1.80/mcf for 2019), and crude oil (WTI (US) - \$60.00/bbl for 2019) and an exchange rate assumption of \$0.77 (US/CAD) for 2019; 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. Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors

beyond the Company's control. Further, the ability of Tourmaline to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

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.

NON-GAAP FINANCIAL MEASURES

This news release includes references to "free cash flow", "cash flow", "net debt" and "net capital expenditures" which are financial measures commonly used in the oil and gas industry and do not have a standardized meaning prescribed by International Financial Reporting Standards ("GAAP"). Accordingly, the Company's use of these terms may not be comparable to similarly defined financial measures presented by other companies.

Management uses the term "free cash flow", "cash flow", "net debt" and "net capital expenditures" for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund a portion of its future growth expenditures, to pay dividends or to repay debt. Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative to net income or cash from operating activities determined in accordance with GAAP as an indication of the Company's performance. Free cash flow is calculated as cash flow

less total net capital expenditures and is prior to dividend payments. Cash flow is defined as cash provided by operations before changes in non-cash operating working capital. Net debt is defined as bank debt plus working capital (adjusted for the fair value of financial instruments and lease liabilities). Net capital expenditures is defined as the sum of E&P capital program and other corporate expenditures, net of non-core dispositions. See "Non-GAAP Financial Measures" in the most recently filed Management's Discussion and Analysis for additional information regarding these non-GAAP financial measures including reconciliations to the most directly comparable GAAP financial measures.

BOE EQUIVALENCY

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

INITIAL PRODUCTION RATES

Any references in this news release to initial production 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 for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

GENERAL

See also "Forward-Looking Statements", and "Non-GAAP Financial Measures" in the most recently filed Management's Discussion and Analysis.

CERTAIN DEFINITIONS:

<i>bbbl</i>	barrel
<i>bbls/day</i>	barrels per day
<i>bbl/mmcfc</i>	barrels per million cubic feet
<i>bcfc</i>	billion cubic feet
<i>bcfc</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>gc</i>	gigajoule
<i>gcs/d</i>	gigajoules per day
<i>mbbls</i>	thousand barrels
<i>mmbbls</i>	million barrels
<i>mboe</i>	thousand barrels of oil equivalent
<i>mboepd</i>	thousand barrels of oil equivalent per day
<i>mcf</i>	thousand cubic feet
<i>mcfpd or mcf/d</i>	thousand cubic feet per day
<i>mcfc</i>	thousand cubic feet equivalent
<i>mmboc</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>mstb</i>	thousand stock tank barrels
<i>NGL or NGLs</i>	natural gas liquids
<i>tcf</i>	trillion cubic feet

MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended March 31, 2019 and 2018, please refer to SEDAR (www.sedar.com) or Tourmaline's website at www.tourmalineoil.com.

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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