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Topaz Energy Corp. Files Preliminary Prospectus for Initial Public Offering and Secondary Offering of Common Shares

September 25, 2020

Topaz Energy Corp. ("Topaz" or the "Company"), a unique royalty and energy infrastructure company that is majority owned by Tourmaline Oil Corp. ("Tourmaline"), is pleased to announce that it has filed, and obtained a receipt for, a preliminary long form prospectus (the "Preliminary Prospectus") with the securities regulatory authorities in each of the provinces of Canada for a proposed initial public offering (the "Treasury Offering") by Topaz and secondary offering by Tourmaline (the "Secondary Offering" and together with the Treasury Offering, the "Offering") of Topaz common shares (the "Common Shares").

The gross proceeds of the Offering are expected to be \$252.5 million, comprised of \$217.5 million from the Treasury Offering and \$35.0 million from the Secondary Offering. The offering price is expected to be between \$13 and \$15 per Common Share with pricing and closing anticipated to occur in the later part of October.

The Offering is being made on a fully marketed underwritten basis through a syndicate of underwriters co-led by Peters & Co. Limited and Scotiabank.

The Preliminary Prospectus has not yet become final for purposes of a distribution of securities to the public. The Preliminary Prospectus contains important information relating to the Offering and is still subject to completion or amendment. The Preliminary Prospectus is available on SEDAR at www.sedar.com under the Company's profile or may be obtained from any of the underwriters listed above. There will not be any sale or any acceptance of an offer to buy the Common Shares until a receipt for the final prospectus has been issued.

No securities regulatory authority has either approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the time of receipt for the final long-form prospectus or other authorization is obtained from the securities regulatory authority in such province.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.

Completion of the Offering is subject to the receipt of customary approvals, including regulatory approvals.

ABOUT THE COMPANY

Topaz is a unique royalty and energy infrastructure company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with Canada's largest natural gas producer, Tourmaline, an investment grade senior Canadian E&P company, and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies, while maintaining its commitment to environmental, social and governance best practices.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to the Company's current expectations and views of future events. These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. In particular and without limitation, this news release contains forward-looking statements pertaining to the Company's business as described under the heading "About the Company" above, the size of the Offering and anticipated offering price per share and timing for closing of the Offering. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, failure to complete the Offering, and the factors discussed under "Notice to Investors – Forward-Looking Information" and "Risk Factors" in the Preliminary Prospectus. Topaz does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

NON-GAAP FINANCIAL MEASURES

This news release makes reference to the term "free cash flow" and "cash flow", which are measures that do not have standardized meanings as prescribed by international financial reporting standards ("**IFRS**" or "**GAAP**"). Management uses these terms 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 dividends and a portion of its future growth expenditures or to repay debt. Accordingly, investors are cautioned that these non-GAAP financial measures may not be comparable to similarly defined measures presented by other entities and should not be considered in isolation nor as an alternative to net income (loss) from continuing operations or other financial information determined in accordance with GAAP as an indication of the Company's performance. "Free cash flow" is defined as "cash flow" less capital expenditures. "Cash flow" is defined as cash from (used in) operations before changes in non-cash working capital and references to "free cash flow" are to the amount of cash estimated to be available for dividends to shareholders in accordance with the dividend policy of the Company.

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