



NEWS RELEASE

JUNE 11, 2021

TOURMALINE CONTINUES NORTH MONTNEY CONSOLIDATION WITH THE ACQUISITION OF BLACK SWAN ENERGY

Calgary, Alberta - Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to announce that it has entered into a definitive agreement to acquire privately owned Black Swan Energy Ltd. ("Black Swan") for a total consideration of approximately \$1.1 billion Cdn, consisting of 26 million Tourmaline common shares and the assumption of net debt⁽¹⁾ up to a maximum of \$350 million, including all transaction costs. The transaction is expected to close in the second half of July 2021, subject to regulatory approvals.

The acquisition represents a further important component of the Company's ongoing North Montney consolidation strategy. Tourmaline envisions the North Montney as the key sub-basin for supplying Canadian LNG, as the Company expects the North Montney to be the primary growth driver in the entire Western Canadian Sedimentary Basin for the next decade. The Black Swan acquisition complements Tourmaline's core Gundy development and, along with the more recent Polar Star, Chinook, and Saguaro transactions, will establish Tourmaline as the largest current North Montney producer with the most extensive future drilling and project inventory. As a Senior Canadian producer, Tourmaline now expects to average approximately 500,000 boepd of production by mid-2022.

BLACK SWAN ACQUISITION OVERVIEW

- Tourmaline will acquire expected average production of over 50,000 boepd at close, post the first phase of the Nig Creek expansion, which expands again to 60,000 boepd in 1H 2022 upon completion of the deep cut installation.
- Tourmaline acquires existing 2P reserves of 491.9 million boe (GLJ - December 31, 2020), 1,600 Montney horizontal internally estimated drilling locations (237 booked in GLJ 2P Reserve category), and 230,000 net acres of Montney rights. All the acquired reserves are in the Aitken core development area.
- The acquisition includes material Montney land positions at Laprise, Beg, Jedney and Sojer that complement extensive existing Tourmaline North Montney acreage positions. Black Swan had not booked material reserves on these additional, highly prospective, acreage positions.
- Significant key gas processing and transportation infrastructure including operatorship and 50% working interest in the two new Black Swan gas plants at greater Aitken, with existing capacity of 265 mmcfpd, which can be expanded to 360 mmcfpd. These plants and pipelines represent important components of

(1) "Net debt" is defined as bank debt, and senior notes plus working capital (adjusted for the fair value of financial instrument and excludes commodity hedging) and includes all transaction costs.

Tourmaline's planned North Montney regional gas and liquid processing and transportation infrastructure complex.

- The existing Black Swan developed block at Aitken features amongst the highest performance Tier 1 Montney subsurface assets with per well EUR of 8-10 bcf and strong initial liquid yields (40-70 bbl/mmcf, 50-60% C5(+)). As of 2020YE, there were 99 producing Upper Montney horizontals and an additional 220 Upper Montney 2P undeveloped locations currently at Aitken (GLJ – December 31, 2020).
- Existing Black Swan cash costs⁽²⁾ are top quartile at under \$10.00/boe. Tourmaline envisages considerable cost synergies on a go forward basis.
- Black Swan's three largest shareholders as well as all directors and officers have entered into agreements with Tourmaline in support of the transaction representing, in aggregate, over 98.5% of Black Swan's outstanding common shares.
- The board of directors of each Black Swan and Tourmaline have unanimously approved the transaction.
- Scotia and Stifel FirstEnergy acted as financial advisors to Tourmaline and Peters & Co. Limited acted as financial advisor to Black Swan.

TOURMALINE PLANS AND OUTLOOK

- The Black Swan acquisition will facilitate Tourmaline evolving into a 500,000 boepd company during 2022, with anticipated mid-2022 gas production of 2.25-2.30 bcf/day and total liquid production of 115,000 bpd (oil, condensate, NGLs).
- The acquisition is expected to grow Tourmaline's North Montney production to approximately 175,000 boepd during 2022, inclusive of the Gundy Phase 2 expansion commencing production in January 2022.
- The Company's envisioned North Conroy expansion is expected to increase Tourmaline North Montney production by an additional 100,000 boepd post 2025.
- Tourmaline expects the Black Swan assets to generate a \$150-200 million/year in free cash flow ("FCF")⁽³⁾ at strip pricing⁽⁴⁾ in 2022 and beyond. The FCF accelerates in 2023 after existing Black Swan natural gas hedges expire.
- Tourmaline will complete the Nig Creek Phase 2 plant expansion growing production to 60,000 boepd in 1H 2022 and plans to maintain production at those levels. There is a current available drilling inventory in the core Aitken development to maintain production at these levels for approximately 15 years. Annual maintenance capital is estimated at \$65 - 70 million (16-18 wells/year).
- An expansion of the North Aitken plant, with deep cut capability installation, is currently scheduled in the 2024-2025 timeframe, adding an incremental 15,000 boepd to the Black Swan production base. Tourmaline

(2) Cash costs are defined as operating, transportation, general and administrative and financing costs.

(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 2021 Management's Discussion and Analysis.

(4) Based on oil and gas commodity strip pricing at June 4, 2021.

will match this incremental project to the timing of incremental Basin egress capacity that the Company secures.

- Tourmaline expects to be able to reduce cash and capital costs for the Black Swan assets, improving margins/FCF generation commencing in 2022.

DIVIDEND INCREASE

- Given the magnitude of the sustainable FCF generated from the Black Swan assets, as well as Tourmaline's low-cost structure, the Board of Directors of Tourmaline has approved a 1 cent/share per quarter dividend increase (6.25% increase) effective in Q3 2021.

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: the benefits of the Black Swan acquisition including the anticipated FCF to be generated from the Black Swan assets; future dividend increases and levels; anticipated petroleum and natural gas production and production growth for various periods including estimated production levels for 2022 and beyond; the timing for the completion of the Gundy Phase 2 expansion; the shift to greater Conroy area over the next five years to develop a separate operated complex in the North Montney; the benefits to be derived from the startup of LNG Canada and the growth prospects of the North Montney; targeted future drill/complete capital costs in the North Montney play area; the timing for the completion of the transaction with Topaz; the statements contained under the heading "Tourmaline Plans and Outlook"; 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; 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 (including the Black Swan acquisition) and dispositions and the benefits to be derived therefrom; 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 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.

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 natural 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; pandemics (including COVID-19); 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 (including the Black Swan acquisition) 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.

RESERVES DATA

The reserves data set forth in this new release is based upon internal estimates. There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

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.

FINANCIAL OUTLOOKS

Also included in this news release are estimates of 2022 cash flow and free cash flow, 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 estimated average production related to the acquired assets of 50,000 boepd at close and growing to 60,000 boepd in 2022 as well as total Tourmaline production of 500,000 boepd during 2022. Commodity price assumptions for natural gas (NYMEX (US) - \$2.96/mcf, \$2.92/mcf, \$2.72/mcf, \$2.70/mcf and \$2.69/mcf for 2021 – 2025, respectively; AECO - \$3.13/mcf, \$2.77/mcf, \$2.49/mcf, \$2.51/mcf and \$2.52/mcf for 2021 – 2025, respectively), and crude oil (WTI (US) - \$64.64/bbl, \$63.07/bbl, \$58.76/bbl, \$55.94/bbl and \$54.25/bbl for 2021 – 2025, respectively) and an exchange rate assumption of \$0.82 (US/CAD) for 2021, \$0.83 for 2022 and \$0.82 for 2023 – 2025. Further, in the case of years subsequent to 2021, readers are cautioned that such estimates are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of additional factors and contingencies including prior years' results. To the extent such estimates constitute financial outlooks, they were approved by management and the Board of Directors of Tourmaline on June 11, 2021 and are included to provide readers with an understanding of Tourmaline's anticipated cash flow and free 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 news release includes references to "free cash flow", "cash flow", and "net debt" 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 measures presented by other companies. Management uses the term "free cash flow", "cash flow", and "net debt" 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 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. 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 December 31, 2020 Management's Discussion and Analysis for the definition and description of these terms.

OIL AND GAS METRICS

This news release 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.

ESTIMATES OF DRILLING LOCATIONS

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 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 Tourmaline's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, 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 natural gas reserves, resources or production. The drilling locations on which Tourmaline will actually 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 de-risked by 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.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to expected acquired average daily production, Q1 2022 average daily production from the acquired assets, Tourmaline's total mid-2022 production levels and Tourmaline's overall North Montney production. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Light and Medium Crude Oil ⁽¹⁾	Conventional Natural Gas	Shale Natural Gas	Natural Gas Liquids ⁽¹⁾	Oil Equivalent Total
	Company Gross (Bbls)	Company Gross (Mcf)	Company Gross (Mcf)	Company Gross (Bbls)	Company Gross (Boe)
Acquired Average Daily Production at close	2,500	-	231,000	9,000	50,000
Q1 2022 Average Daily Production from acquired assets	3,125	-	275,000	11,040	60,000
Mid-2022 Average Daily Production assets	40,500	1,261,650	1,048,350	74,500	500,000
Total North Montney Average Daily Production	16,200	-	768,000	30,800	175,000

(1) For the purposes of this disclosure, condensate has been combined with Light and Medium Crude Oil as the associated revenues and certain costs of condensate are similar to Light and Medium Crude Oil. Accordingly, NGLs in this disclosure exclude condensate.

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>bpcd 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>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>mcfpcd or mcf/d</i>	thousand cubic feet per day
<i>mcfc</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>mmcfpcd or mmcf/d</i>	million cubic feet per day
<i>MPa</i>	megapascal
<i>mstb</i>	thousand stock tank barrels
<i>natural gas</i>	conventional natural gas and shale gas
<i>NGL or NGLs</i>	natural gas liquids
<i>tcf</i>	trillion cubic feet

ABOUT TOURMALINE OIL CORP.

Tourmaline is an investment grade Canadian senior crude oil and natural gas exploration and production company focused on providing strong and predictable long-term growth and a steady return to shareholders through an aggressive exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin by building its extensive asset base in its three core exploration and production areas and exploiting and developing these areas to increase reserves, production and cash flows at an attractive return on invested capital.

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