



NEWS RELEASE

AUGUST 9, 2021

TOURMALINE OIL CORP. ANNOUNCES ISSUANCE OF SENIOR UNSECURED NOTES

Calgary, Alberta - Tourmaline Oil Corp. (TSX - TOU) ("**Tourmaline**" or the "**Company**") is pleased to announce that it has agreed to issue \$200 million aggregate principal amount of senior unsecured notes due February 12, 2029 (the "**Notes**"). The Notes will be issued at par for aggregate gross proceeds of \$200 million and will bear interest at a fixed rate of 2.529% per annum, payable semi-annually on the 12th day of February and August of each year, commencing on February 12, 2022.

Tourmaline continues its strategy of diversifying its sources of low-cost capital and continuing its progression as one of the largest, most efficient producers of oil and gas in Canada. The Notes have been assigned a provisional rating of BBB (High), with a stable trend, by DBRS Limited (DBRS Morningstar).

The Notes will be direct, unsecured obligations of Tourmaline and will rank equally with all other present and future unsecured and unsubordinated indebtedness of the Company. The Notes are being offered in Canada on a private-placement basis in reliance upon exemptions from the prospectus requirements under applicable securities legislation (the "**Offering**").

The Notes, offered on a best-efforts basis through a syndicate of agents co-led by Scotiabank, CIBC Capital Markets and National Bank Financial, are expected to be issued on or about August 11, 2021, subject to customary closing conditions. The net proceeds of the Offering will be used to repay existing indebtedness and for general corporate purposes. The Company continues to forecast year end 2021 net debt⁽¹⁾ to cash flow⁽²⁾ of 0.4 times.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any of the Notes in any jurisdiction. The Notes have not been approved or disapproved by any regulatory authority. The Notes 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, and may not be offered or sold within the United States unless an exemption from the registration requirements of the U.S. Securities Act is available.

(1) "Net debt" is defined as bank debt and senior unsecured notes plus working capital deficit (adjusted for the fair value of financial instruments, short-term lease liabilities, short-term decommissioning obligations and unrealized foreign exchange in working capital deficit). See "Non-GAAP Financial Measures" in this news release and in the Company's Q2 2021 Management's Discussion and Analysis.

(2) "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 Q2 2021 Management's Discussion and Analysis.

Reader Advisories

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of 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.

CURRENCY

All financial figures are in Canadian dollars.

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: the anticipated timing and closing of the Offering, and there can be no assurance that the Offering will be completed within anticipated timeframe or at all; the size and terms of the Offering; the expected use of the net proceeds of the Offering; the forecast 2021 exit net debt to cash flow ratio; and any other future events or developments described herein including the Company's business as described under the heading "About Tourmaline Oil Corp." below. 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; the degree to which Tourmaline's operations and production will be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic; the ability to maintain an investment grade credit rating; 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 benefits to be derived from acquisitions; the state of the economy and the exploration and production business including the impacts of the COVID-19 pandemic and the responses of governments and the public to the pandemic thereon; the availability and cost of financing, labour and services; and ability to market crude oil, natural gas and natural gas liquids 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.

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 uncertain impacts of COVID-19 on Tourmaline's business, and the societal, economic and governmental response to COVID-19; 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; uncertainties associated with counterparty credit risk; 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 OUTLOOKS

Also included in this news release are estimates of Tourmaline's 2021 exit net debt to cash flow ratio which is 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 435,000 boepd for 2021. Commodity price assumptions for natural gas (NYMEX (US) - \$3.21/mcf for 2021; AECO - \$3.47/mcf for 2021), and crude oil (WTI (US) - \$66.02/bbl for 2021) and an exchange rate assumption of \$0.80 (CAD/US) for 2021. To the extent such estimate constitutes a financial outlook, it was approved by management and the Board of Directors of Tourmaline on August 9, 2021 and is included to provide readers with an understanding of Tourmaline's anticipated net debt to cash flow ratio 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 "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 "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. Cash flow is defined as cash provided by operations before changes in non-cash operating working capital. Net debt is defined as bank debt and senior unsecured notes plus working capital deficit (adjusted for the fair value of financial instruments, short-term lease liabilities, short-term decommissioning obligations and unrealized foreign exchange in working capital deficit). See "Non-GAAP Financial Measures" in the most recent Management's Discussion and Analysis for the definition and description of these terms.

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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