



NEWS RELEASE

JANUARY 10, 2018

TOURMALINE PROVIDES MARKET UPDATE

Calgary, Alberta – Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to provide a market update.

PRODUCTION UPDATE

- Tourmaline achieved the 2017 exit target of 270,000-280,000 boepd, averaging approximately 274,000 boepd in December.
- The Company achieved year-over-year production growth of 30% in 2017, also on target. Q4 2017 average production was approximately 263,000 boepd.
- Total Q4 2017 liquids production (oil, condensate, NGLs) grew by approximately 60% over Q4 2016, and liquids production is anticipated to grow to 70,000-75,000 bpd by Q4 2019, ahead of the current 2019 forecast. Tourmaline expects to be a top ten Canadian liquids producer by 2019, as well as the second largest producer of Canadian natural gas.
- Current production is ranging between 270,000 and 275,000 boepd; current total liquids production is approximately 48,000 bpd. Production is expected to ramp up further during the first quarter via planned tie-ins in all three core areas. Full-year 2018 production growth of approximately 10% is currently forecast from a capital program that is expected to generate significant free cash flow⁽¹⁾.
- Although there is upside to both the 2018 and 2019 total production and liquids production estimates, the Company has elected to leave the five year plan guidance unchanged at this time.

EP UPDATE

- Tourmaline is currently operating 14 drilling rigs and expects to drill approximately 67 new wells during the first quarter across all three core operated complexes. The Company continues to forecast an average 12 drilling rig fleet for the full year 2018 EP program.
- The Company will tie-in approximately 58 wells in the first quarter of 2018 including 18 new oil wells on the Peace River High.
- Tourmaline will have approximately 47 drilled uncompleted wells (DUCs) entering Q2 2018.

⁽¹⁾ "Free cash flow" is defined as cash flow less capital expenditures.

- The Company continues to drill the lowest cost-per-stage completed horizontals across all three complexes (Alberta Deep Basin, NEBC Montney and Peace River High Charlie Lake/Montney oil).
- Tourmaline entered 2018 with approximately 42,500 boepd of behind pipe production volumes awaiting facility access.
- The Lower Montney oil play on the Peace River High continues to outperform Company expectation. The most recent four wells have average IP 30 production rates of 1,450 boepd (662 bpd oil, 4.75 mmcfpd gas). Tourmaline is drilling and completing these horizontals for \$3.1-\$3.2 million on average, making this oil play one of the most profitable in North America. Tourmaline has the necessary infrastructure in place to accommodate growing Montney and Charlie Lake light oil volumes.
- The 1-30 Lambert Cardium horizontal Q4 2017 step-out to the 16-25 discovery well has a 30-day IP of 18.0 mmcfpd gas and 684 bpd condensate and liquids. Drill and complete costs are \$3.5-\$4.0 million per horizontal, making the Deep Basin Cardium gas/condensate play one of the most profitable liquid-rich gas plays in North America.

FINANCIAL AND MARKETING UPDATE

- The Company's long term gas marketing and transportation strategy allowed Tourmaline to realize strong regional gas pricing at multiple hubs in late December and January (Dawn, Chicago, Ventura, San Francisco). For 2018, Tourmaline currently has 790 mmcfpd of daily gas production that is transported to NYMEX-based hubs or priced away from AECO and Station 2 day prices.
- The Company has also increased its oil hedges for 2018 to 8,663 bpd at an average fixed price of \$53.87 US/bbl.
- Tourmaline has outperformed the annual AECO price every year for the last seven years. In Q3 2017, the average AECO index price was \$1.45/mcf. Tourmaline's overall realized gas price for the quarter was \$2.52/mcf, a result of the overall marketing and transportation strategy implemented during the past five years.
- Approximately 34% of 2018 budgeted corporate revenue is generated by the Company's rapidly-growing liquids portfolio.
- The Company expects to achieve top-tier growth and generate free cash flow in 2018. Over the next five years, Tourmaline expects to generate approximately \$1.6 billion in free cash flow based on the current five-year plan.
- Net debt⁽²⁾ is expected to drop from Q3 2017 levels sequentially both at year end 2017 and in Q1 2018. Exit 2018 debt-to-cash flow of 1.1 times is anticipated.

⁽²⁾ See "Non-GAAP Financial Measures" in the Company's most recently filed 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; projected operating and drilling costs; the timing for facility expansions and facility start-up dates; the ability to generate, and the amount of anticipated free cash flow; 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 free cash flow for the next five years, which is based on, among other things, the various assumptions as to production levels, capital expenditures, and other assumptions disclosed in this news release and including Tourmaline's estimated 2018 average production of 270,000-280,000 boepd and commodity price assumptions for natural gas (AECO – \$2.50/mcf for 2018), and crude oil (WTI (US) – \$52.00 /bbl for 2018) and an exchange rate assumption of \$0.80 (US/CAD) for 2018. To the extent such estimate constitutes a financial outlook, it was approved by management and the Board of Directors of Tourmaline on January 10, 2018 and is included to provide readers with an understanding of Tourmaline's anticipated 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 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.

INITIAL PRODUCTION (IP) RATES

Any references in this news release to IP 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.

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>bbbl</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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Tourmaline Oil Corp.

Michael Rose

Chairman, President and Chief Executive Officer

(403) 266-5992

OR

Tourmaline Oil Corp.

Brian Robinson

Vice President, Finance and Chief Financial Officer

(403) 767-3587; robinson@tourmalineoil.com

OR

Tourmaline Oil Corp.

Scott Kirker

Secretary and General Counsel

(403) 767-3593; kirker@tourmalineoil.com

OR

Tourmaline Oil Corp.

Suite 3700, 250 – 6th Avenue S.W.

Calgary, Alberta T2P 3H7

Phone: (403) 266-5992

Facsimile: (403) 266-5952

E-mail: info@tourmalineoil.com

Website: www.tourmalineoil.com