



NEWS RELEASE

DECEMBER 11, 2017

## TOURMALINE ACHIEVES 2017 EXIT PRODUCTION TARGET EARLY AND ANNOUNCES MULTIPLE STRONG WELL RESULTS FROM ALL THREE OPERATED COMPLEXES

**Calgary, Alberta** – Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to provide an update on 2017 exit production and EP results.

### PRODUCTION UPDATE

- Tourmaline achieved its 2017 exit production target of 270,000 boepd on December 1. Current production is 277,000 boepd; further EP activities in December are expected to grow production to levels in excess of 280,000 boepd by the end of the month.
- The Company continues to forecast 2018 full-year average production of 270,000 boepd despite the stronger than anticipated exit volumes.
- Total liquids production has now reached 47,000 bpd (oil, condensate, NGLs). Tourmaline has grown total liquids production by approximately 68% over Q4 2016 (a net 19,000 bpd increase during the year).
- Tourmaline has approximately 42,500 boepd of behind-pipe volumes awaiting facility access and an additional 41 DUC wells to be completed in 1H 2018.

### EP UPDATE

Tourmaline has delivered a series of industry-leading well results across all three operated complexes.

- In the Peace River High Complex, the Company has drilled and/or completed eleven follow-up horizontal wells to the Progress 1-4 Lower Montney discovery which was brought on-production in Q1 2017. The initial well on the first four well pad is currently flowing 905 bbls/day of oil and 5.9 mmcfpd of gas (1,888 boepd) at a flowing tubing pressure of 1,173 psi after 26 days of production (cumulative 22,450 bbls of oil). The second well on the pad is flowing 532 bbls/day of oil and 5.1 mmcfpd of gas (1,382 boepd) at a flowing tubing pressure of 1,450 psi after seven days of production. The balance of the eleven wells will be brought on-production over the next two months. Average drill and complete costs of Tourmaline's Peace River High Lower Montney horizontal oil wells are \$3.1-\$3.2 million.
- The Q4 2017 step-out to the Anderson 16-25-50-23W5M Deep Basin Cardium gas condensate discovery in Q1 2017 is flowing at 20.6 mmcfpd of gas and 606 bbls/day of condensate at a tubing pressure of 10.8 MPa after six days on-production. The 1-30-50-22W5M well is approximately 1.5 miles from the 16-25 discovery, and proves up multiple follow-up locations. The original 16-25 well has produced 3.4 bcf of gas and 102

mstb of condensate in 315 days of production, and has an estimated EUR of 10.0-10.5 bcf and 280,000-300,000 bbls of condensate (Company estimate).

- The most recent liquids-rich Falher D three well pad in the Deep Basin is flowing at 35.7 mmcfpd of gas and 807 bbls/day of free wellhead condensate after 21 days of production. Total liquids production from the pad including deep cut recoveries is approximately 2,600 bbls/day.
- Tourmaline's NEBC Montney gas/condensate Complex continues to yield very strong results. The Doe A13-6 Turbidite horizontal, brought on-production in the fourth quarter, has an IP 30 of 4.6 mmcfpd of natural gas and 642 bbls/day of condensate and liquids (140 bbls/mmcfpd). At Gundy, the C-c21-I well averaged 10.5 mmcfpd and 421 bbls/day of condensate at an average tubing pressure of 500 psi on a nine-day test. The well was only flowing up tubing and was restricted on a 48/64 inch choke.

## 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; 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](http://www.sedar.com)) or Tourmaline's website ([www.tourmalineoil.com](http://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.

### **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.

### **INDUSTRY METRICS**

The term EUR, while commonly used in the oil and gas industry, does not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. This metric has been included to provide readers with an additional measure to evaluate the Company's performance; however, such measure is not a reliable indicator of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore this metric should not be unduly relied upon. EUR is calculated as estimated ultimate recovery of oil from a typical well in the area. EUR was determined internally by the Company by a non-independent qualified reserves evaluator incorporating current well results and historical well performance from the Company's analogous pools in the nearby area.

**CERTAIN DEFINITIONS:**

|                         |   |
|-------------------------|---|
| <i>bbl</i>              | barrel  |
| <i>bbls/day</i>         | barrels per day                               |
| <i>bbl/mmcf</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.

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