



NEWS RELEASE

NOVEMBER 7, 2018

TOURMALINE DELIVERS STRONG Q3 EARNINGS AND CASH FLOW GROWTH, INCREASES 2018 EXIT AND 2019 PRODUCTION ESTIMATES AND REDUCES 2019 CAPITAL PROGRAM

Calgary, Alberta - Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to release financial and operating results for the third quarter of 2018.

HIGHLIGHTS

- 2018 exit production estimate increased from 290,000 to 300,000 boepd driven primarily by stronger than forecast well performance.
- Q3 2018 average production was 254,185 boepd, up 7% from Q3 2017.
- 2019 average production forecast increased from 291,000 to 300,000 boepd on a reduced EP capital program of \$1.30 billion.
- Gundy BC Phase 1 deep cut plant start-up accelerated to Q2 2019.
- Q3 2018 earnings of \$55.3 million, continuing the strong earnings performance despite low natural gas prices.
- The four 2H 2018 liquids-focused facility projects have all been completed and are on-stream providing very strong Q4 2018 production growth.
- Strong well performance and increased condensate production rates from the new 2018 Montney horizontal wells at Gundy Ck (70-135 bbls/mmcf of condensate) are anticipated to yield a significant corresponding increase in recoverable natural gas and condensate reserves (EUR).

PRODUCTION UPDATE

- The Company anticipates achieving the originally-targeted 290,000 boepd 2018 exit volume in mid-November and now expects to exit 2018 at approximately 300,000 boepd, driven primarily by stronger than forecast well performance.
- For the nine months ending September 30, 2018, production has averaged 261,161 boepd compared to 235,255 boepd for the same period in 2017, an increase of 11%.

- Q3 2018 production was 3% lower than Q2 2018 as the Company re-scheduled annual facility turnarounds into July (a period of weaker gas prices) in all three operated complexes and continued to experience unscheduled third-party transportation interruptions and restrictions.
- Unusually wet weather conditions deferred start-up of four large pads from September to October, reducing Q3 2018 average production by approximately 3,500 boepd.
- A third-party turnaround at the Saturn deep cut complex in the Deep Basin reduced third quarter liquids volumes by approximately 2,000 bpd.
- Given the impact of the Enbridge 36 inch pipeline interruption during October, and uncertainty surrounding pipeline capacity after repairs are completed, Tourmaline now expects Q4 production to range between 281,000-287,000 boepd, and full year average production in the 265,000-270,000 boepd range.
- As a result of the higher 2018 exit rate due to improved well performance, the 2019 average production forecast has been increased from 291,000 boepd to 300,000 boepd (11.0-13.0% annual growth). The increased 2019 production levels also include a significantly increased downtime provision of 9%, up from the 5% utilized previously in 2017/2018. The 2019 EP capital has also decreased from \$1.35 billion to \$1.30 billion reflecting stronger well performance and continuously-improving capital efficiencies.

FINANCIAL UPDATE

- Q3 cash flow⁽¹⁾ of \$287.4 million was up 14% from Q3 2017 cash flow of \$251.3 million (14% per diluted share) and up 6% from the previous quarter.
- For the nine months ending September 30, 2018, cash flow was \$911.9 million, a 6% increase from \$857.5 million for the comparable period in 2017.
- Q3 2018 earnings were \$55.3 million, up 9% from Q3 2017. Tourmaline continues to focus on full cycle profitability for the overall EP business.
- Very strong Q4 2018 production growth and stronger natural gas prices are expected to yield Q4 2018 cash flow of \$380-410 million.
- Tourmaline now expects to generate full-year 2018 cash flow of \$1.32 billion with total capital spending of \$1.15 billion, generating \$168.7 million in free cash flow⁽²⁾ for the year.
- As previously disclosed, Q3 2018 EP capital spending was increased to provide maximum production volumes by November to take advantage of anticipated higher winter 2019 gas prices.
- For the nine months ending September 30, 2018, total capital expenditures, including A&D, were \$819.2 million down 22% from \$1,054.4 million during the same period in 2017.

(1) "Cash flow" is defined as cash provided by operations before changes in non-cash operating working capital. See "Non-GAAP Financial Measures" in the Company's Q3 2018 Management's Discussion and Analysis.

(2) "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".

- Q3 2018 EP capital spending of \$402.3 million included \$28.1 million for the ongoing construction of the Gundy C-60-A gas plant anticipated to start up in late Q2 2019. To date, \$102.2 million of the projected \$180 million total installed plant cost has been spent.
- The quarterly dividend for Q4 2018 will remain at \$0.10/common share.
- Tourmaline continues to maintain a very strong balance sheet. The exit 2018 net debt to cash flow ratio is expected to be 1.2 times and the 2019 net debt to cash flow ratio is forecast to be 0.8 times.

2019 CAPITAL PROGRAM

- The Board-approved 2019 EP capital program has been set at \$1.3 billion while average 2019 production has been increased by 3% to 300,000 boepd. The program consists of approximately 264 new wells (net) with drill/complete/equip/tie-in capital of \$1.1 billion.
- 2019 cash flow of \$1.67 billion is anticipated on EP capital spending of \$1.3 billion, yielding approximately \$330 million of free cash flow.

GAS MARKETING AND TRANSPORTATION UPDATE

- Tourmaline's gas market diversification strategy, formulated over six years ago, continues to provide upside to realized natural gas pricing every quarter. Tourmaline's realized Q3 2018 gas price was \$2.54/mcf, compared to the AECO quarterly index price of \$1.20 /mcf.
- Tourmaline currently has 205 mmcfpd of AECO gas indexed to NYMEX and approximately 187 mmcfpd hedged at a fixed price.
- Tourmaline now has approximately 440 mmcfpd that is sold at six hubs with gas prices indexed to the prevailing NYMEX gas price. These daily NYMEX priced volumes will grow to 540 mmcfpd in mid-2019 via additional long-term firm transportation taking effect.

EP UPDATE

- The EP program was ramped up significantly from Q2 levels as planned. Tourmaline is currently operating 15 drilling rigs and two to three frac spreads across the three core complexes.
- A total of 150 new wells will be brought on-stream in the 2H 2018, the majority of which will commence production in Q4 2018.
- The Company continues to pursue a number of new technologies aimed at continuing to realize drill/complete capital cost reductions in all three operated core complexes. Horizontal drilling costs in certain areas within the Alberta Deep Basin have been reduced from an average of \$2.5 million in 2016/2017 to \$1.6 million in 2018.

LIQUIDS BUSINESS UPDATE

- Four previously disclosed 2H 2018 liquids-focused facility projects for 2H 2018 were completed between September 25 and November 5 and are all on-stream. These include the Doe 2-11 Montney sweetening and debottlenecking facility, the Wroe expansion and Cecilia pipeline loop in the Alberta Deep Basin, the south Gundy BC liquids-rich Montney tie-in and the Spirit River West compression and pipeline loop project.
- Tourmaline will exit 2018 with liquids production in excess of 60,000 bpd.
- The accelerated start-up of Gundy phase 1 and the stronger liquids production rates will yield increased 2019 total liquid production of 66,000 bpd, up from 64,500 bpd previously.
- The Company has not had any production curtailed as a result of recent pipeline apportionments and does not anticipate constraints in Q4 2018.
- Tourmaline's realized oil differential in Q3 was approximately 20% better than the differential on the index price. For Q4 2018, the Company expects to realize approximately 32% better than the current index price.
- Tourmaline's condensate differential in Q3 was 59% better than the Peace condensate differential index price. For Q4 2018, the Company expects to realize approximately 11.5% better than the current condensate differential index.

NEBC MONTNEY GAS CONDENSATE COMPLEX

- The Doe 2-11 sweetening/liquids debottlenecking facility was commissioned during the last week of September adding approximately 3,000 bbls/day of condensate and NGLs. The facility allows over 20 Montney turbidite wells to come on-stream as facility capacity allows.
- The Gundy 200 mmcfpd deep cut gas plant is under construction and a June 2019 start-up is now anticipated - approximately three months ahead of the original schedule. The plant will also bring 15,000-17,500 bpd of condensate and NGLs on-stream.
- Tourmaline has now drilled 36 Montney horizontals over the past two years at Gundy completing 33 of these wells thus far. Production has already reached the targeted 15,000 boepd Q4 2018 level through third-party processing options, and with the start-up of the Tourmaline facility in Q2 2019, production is expected to exceed 50,000 boepd at Gundy (200 mmcfpd, 15,000-17,000 bpd condensate and NGL).
- Well performance and liquids rates at Gundy continue to improve, the 16 Tourmaline wells that have over 300 days of production history are tracking an 8.5 bcf performance curve, up from 4.5 bcf curve in 2016. Average condensate recoveries of 290-300 mstb and deep cut NGL recoveries of 300-315 mstb are now estimated, yielding total EUR per well of 1,850 mstboe (Company estimate). Current well costs (drill, frac, complete) are averaging \$3.3-3.5 million. The gas and liquids at Gundy are sweet which will drive operating costs into the \$3.00-\$3.25/boe range with start-up of the new Tourmaline operated plant. The increased per-well gas and condensate recoveries, the low capital costs and the very low operating cost structure in Company operated facilities render the Gundy complex one of the most economic Montney developments in the WCSB.

- Very high gas and condensate production rates have been realized from the most recent Gundy pads. The 11 well b-93-I pad has a combined capability of 88 mmcfpd and 6,173 bbls/day of condensate (average 71 bbls/mmcf of condensate) based on three weeks of production. The 6 well C-42-I pad has a combined capability of 57.6 mmcfpd and 6,890 bbls/day of condensate (133 bbls/mmcfpd condensate) based on one week of production. The Gundy horizontals are expected to average 50 bbls/mmcf of C3(+) of NGL recovery in addition to the condensate recovered once directed through the Tourmaline deep cut.
- The current Gundy development in the five year corporate development plan consists of the 200 mmcfpd 100% working interest C-60-A deep cut plant commencing production by mid-2019 and remaining at full capacity through the balance of the plan. Annual cash flow of approximately \$300 million from the Phase 1 development is expected utilizing commodity prices embedded in the current plan, with annual maintenance capital of approximately \$100 million required to keep the plant full. The Phase 1 \$180 million deep cut plant is being constructed to facilitate the planned Phase 2, 200 mmcfpd expansion. The Company has not as yet made the Phase 2 investment decision/expansion, and as such, the 50,000 boepd production increment and development capital associated with the Phase 2 expansion are not captured in the current five year growth plan. Estimated capital cost of the Phase 2 expansion is \$150 million.

CORPORATE SUMMARY – THIRD QUARTER 2018

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Change	2018	2017	Change
OPERATIONS						
Production						
Natural gas (<i>mcf/d</i>)	1,253,490	1,187,462	6%	1,290,611	1,192,748	8%
Crude oil and NGL (<i>bbl/d</i>)	45,270	38,995	16%	46,059	36,464	26%
Oil equivalent (<i>boe/d</i>)	254,185	236,905	7%	261,161	235,255	11%
Product prices ⁽¹⁾						
Natural gas (<i>\$/mcf</i>)	\$ 2.54	\$ 2.52	1%	\$ 2.59	\$ 2.95	(12)%
Crude oil and NGL (<i>\$/bbl</i>)	\$ 48.91	\$ 37.63	30%	\$ 47.63	\$ 39.69	20%
Operating expenses (<i>\$/boe</i>)	\$ 3.44	\$ 3.00	15%	\$ 3.33	\$ 3.24	3%
Transportation costs (<i>\$/boe</i>)	\$ 3.71	\$ 3.01	23%	\$ 3.48	\$ 2.90	20%
Operating netback ⁽³⁾ (<i>\$/boe</i>)	\$ 13.15	\$ 12.27	7%	\$ 13.51	\$ 14.06	(4)%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽²⁾	\$ 0.54	\$ 0.46	17%	\$ 0.51	\$ 0.47	9%
FINANCIAL						
<i>(\$000, except share and per share)</i>						
Revenue	496,711	410,591	21%	1,510,722	1,356,505	11%
Royalties	21,880	12,265	78%	61,989	59,525	4%
Cash flow ⁽³⁾	287,421	251,327	14%	911,930	857,531	6%
Cash flow per share (<i>diluted</i>) ⁽³⁾	\$ 1.06	\$ 0.93	14%	\$ 3.36	\$ 3.18	6%
Net earnings	55,296	50,580	9%	210,523	258,694	(19)%
Net earnings per share (<i>diluted</i>)	\$ 0.20	\$ 0.19	5%	\$ 0.78	\$ 0.96	(19)%
Capital expenditures (<i>net of dispositions</i>)	409,919	465,466	(12)%	819,243	1,054,383	(22)%
Weighted average shares outstanding (<i>diluted</i>)				271,588,415	269,439,702	1%
Net debt ⁽³⁾				(1,688,854)	(1,772,158)	(5)%

(1) Product prices include realized gains and losses on financial instrument contracts.

(2) Excluding interest and financing charges.

(3) See "Non-GAAP Financial Measures" in the Company's Q3 2018 Management's Discussion and Analysis.

Conference Call Tomorrow at 9:00 a.m. MT (11:00 a.m. ET)

Tourmaline will host a conference call tomorrow, November 8, 2018 starting at 9:00 a.m. MT (11:00 a.m. ET). To participate, please dial 1-888-231-8191 (toll-free in North America), or international dial-in 647-427-7450, a few minutes prior to the conference call.

Conference ID is 1157818.

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; the future declaration and payment of dividends and the timing and amount thereof including any future increase; drilling inventory or locations; cash flow; cash flow per share; free cash flow; net debt-to-cash flow levels; production levels supported by certain of the Company's reserves and drilling inventory; capital spending; cost reduction initiatives; projected operating and drilling costs; the timing for facility expansions and facility start-up dates; EUR levels: 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. 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 will be 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 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.

NON-GAAP FINANCIAL MEASURES

This news release includes references to "free cash flow", "cash flow", "net debt" and "net capital expenditures" 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", "net debt" and "net capital expenditures" 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 most recently filed Management's Discussion and Analysis for the definition and description of "cash flow" and "net debt".

FINANCIAL OUTLOOK

Also included in this news release are estimates of Tourmaline's 2018 cash flow, free cash flow and net debt as well as 2018 and 2019 production levels, 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 Tourmaline's estimated average production of 265,000-270,000 boepd for 2018 and 300,000 boepd for 2019 and commodity price assumptions for natural gas (NYMEX (US) - \$3.05/mcf for 2018 and \$3.10/mcf for 2019; AECO - \$1.65/mcf for 2018 and \$2.25/mcf for 2019), and crude oil (WTI (US) - \$67.65/bbl for 2018 and \$60.00/bbl for 2019) and an exchange rate assumption of \$0.78 (US/CAD) for 2018 and \$0.80 for 2019. To the extent such estimates constitute a financial outlook, they were approved by management and the Board of Directors of Tourmaline on November 7, 2018 and are included to provide readers with an understanding of Tourmaline's anticipated 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.

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.

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.

ESTIMATED ULTIMATE RECOVERY (EUR)

This news release contains a metric commonly used in the oil and natural gas industry, "estimated ultimate recovery" (EUR). The term EUR is the estimated quantity petroleum that is potentially recoverable or has already been recovered from a well. EUR does not have a standardized meaning and may not be comparable to similar measures presented by other companies. As such, it should not be used to make comparisons. Management uses EUR for its own performance measurements and to provide shareholders with measures to compare the Company's performance over time; however, such measure is not a reliable indicator of the Company's future performance and future performance may not compare to the performance in previous periods and therefore should not be unduly relied upon. 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.

GENERAL

See also "Forward-Looking Statements", "Boe Conversions" 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/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>EP</i>	exploration and production
<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>mcftpd 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>mmcftpd or mmcf/d</i>	million cubic feet per day
<i>mstb</i>	thousand stock tank barrels
<i>mstboe</i>	thousand stock tank barrels of oil equivalent
<i>NGL or NGLs</i>	natural gas liquids

MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended September 30, 2018 and 2017, please refer to SEDAR (www.sedar.com) as well as Tourmaline's website at www.tourmalineoil.com.

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; brian.robinson@tourmalineoil.com

OR

Tourmaline Oil Corp.

Scott Kirker

Secretary and General Counsel

(403) 767-3593; scott.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