

2019 INFORMATION CIRCULAR



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NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

The annual meeting (the "**Meeting**") of the shareholders of Tourmaline Oil Corp. ("**Tourmaline**" or the "**Company**") will be held in the Ballroom at the Metropolitan Centre, 333 - 4th Avenue S.W., Calgary, Alberta on the 5th day of June, 2019 at 3:00 p.m. (Calgary time) to:

1. receive and consider the financial statements of the Company for the year ended December 31, 2018 together with the notes thereto and the auditors' report thereon;
2. elect the directors of the Company;
3. appoint the auditor of the Company; and
4. transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular – Proxy Statement, which accompanies and forms part of this Notice.

Shareholders registered at the close of business on April 18, 2019 will be entitled to receive notice of and vote at the Meeting.

As a shareholder, it is important that you vote. Shareholders are encouraged to return their proxy or voting instruction form as soon as possible. A postage-paid, pre-addressed envelope is provided. As an alternative, shareholders may choose to vote by telephone or on the internet as provided for on the proxy or voting instruction form. Proxies must be received prior to 3:00 p.m. (Calgary time) on Monday, June 3, 2019, or if the Meeting is adjourned, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting.

Shareholders who have any questions with respect to the accompanying materials or the Meeting should contact Tourmaline's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by e-mail at contactus@kingsdaleadvisors.com.

DATED at Calgary, Alberta, this 18th day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

Signed "*Michael L. Rose*"

Michael L. Rose

President and Chief Executive Officer

INFORMATION CIRCULAR – PROXY STATEMENT

for the Annual Meeting
to be held on **June 5, 2019**
Dated: **April 18, 2019**

Solicitation of Proxies and Record Date

This Information Circular – Proxy Statement (this "**Circular**") is furnished in connection with the solicitation of proxies by the management of Tourmaline Oil Corp. ("**Tourmaline**" or the "**Company**") for use at the annual meeting of the shareholders of the Company (the "**Meeting**") to be held on the 5th day of June, 2019 at 3:00 p.m. (Calgary time) in the Ballroom at the Metropolitan Centre, 333 - 4th Avenue S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting.

You have received a proxy or voting instruction form. The solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the proxy or voting instruction form, Notice of Annual Meeting and this Circular will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone, email, facsimile or other means of communication and by directors, officers and employees of the Company, who will not be specifically remunerated therefor. Tourmaline has engaged Kingsdale Advisors as its strategic advisor and proxy solicitation agent and will pay fees of approximately \$55,000 to Kingsdale Advisors for the advisory and proxy solicitation services in addition to certain out-of-pocket expenses. Tourmaline may also reimburse brokers and other persons holding shares in their name or in the name of their nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

Shareholders who have any questions with respect to the accompanying materials or the Meeting should contact Tourmaline's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by e-mail at contactus@kingsdaleadvisors.com.

The Board of Directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on April 18, 2019 (the "**Record Date**"). Shareholders of the Company of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Unless otherwise stated, the information contained in this Circular is given as at the Record Date.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed proxy or voting instruction form are directors and/or officers of the Company. Each shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

Notice-and-Access

Canadian securities rules ("**Notice and Access**") permit Tourmaline to provide you with electronic access to this Circular for the Meeting instead of sending you a paper copy. Tourmaline is sending materials for the Meeting to beneficial shareholders using Notice and Access. This approach is environmentally friendly as it helps reduce paper use. The notice you received includes instructions on how to access and review an electronic copy of the materials for the Meeting or how to request a paper copy. The notice also provides instructions on voting by proxy at the Meeting. If you would like to receive a paper copy of the materials for the Meeting, please follow the instructions in the notice.

This Circular is available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com and at www.meetingdocuments.com/astca/tou.

How to Vote Your Shares

The voting process is different depending on whether you are a registered Shareholder, Non-Objecting Beneficial Owner ("**NOBO**") or Objecting Beneficial Owner ("**OBO**").

If you have shares registered in your own name, you are a registered Shareholder. If you do not hold shares in your own name, you are a beneficial or non-registered owner. If your shares are listed in an account statement provided to you by a broker, then it is likely that those shares will not be registered in your name, but under the broker's name or under the name of an agent of the broker such as CDS Clearing and Depository Services Inc., the nominee for many Canadian brokerage firms, or its nominee.

There are two kinds of beneficial owners: (i) OBOs – those who object to their name being made known to the issuers of shares which they own and (ii) NOBOs – those who do not object to their name being made known to the issuers of the shares which they own. Non-Objecting Beneficial Owners will receive a voting instruction form from Tourmaline's registrar and transfer agent, AST Trust Company (Canada) ("**AST**"). This is to be completed and returned to AST in the envelope provided. In addition, AST provides both telephone voting and internet voting as described on the voting instruction form.

Securities regulation requires brokers or agents to seek voting instructions from OBOs in advance of the Meeting. OBOs should be aware that brokers or agents can only vote shares if instructed to do so by the OBO. Your broker or agent (or their agent Broadridge) will have provided you with a voting instruction form or form of proxy for the purpose of obtaining your voting instructions. Every broker has its own mailing procedures and provides instructions for voting. You must follow those instructions carefully to ensure your shares are voted at the Meeting.

If you are an OBO receiving a voting instruction form or proxy from a broker or agent, you cannot use that proxy to vote in person at the Meeting. To vote your shares at the Meeting, the voting instruction form or proxy must be returned as instructed by the broker well in advance of the Meeting. If you wish to attend and vote your shares in person at the Meeting, follow the instructions for doing so provided by your broker or agent.

A registered shareholder or NOBO can vote in the following ways:

Internet	www.ASTvotemyproxy.com
Phone	1-888-489-5760 (toll-free in North America) and enter the 13-digit control number printed on the proxy or voting instruction form
Fax	1-416-368-2502 or 1-866-781-3111 (toll-free in North America)
Mail	AST Trust Company (Canada) Attention: Proxy Department P.O. Box 721 Agincourt, Ontario M1S 0A1
Email	proxyvote@astfinancial.com
Questions?	Call Kingsdale Advisors at 1-855-682-8085 (toll-free within North America) or 416-867-2272 (collect call outside North America) or by e-mail at contactus@kingsdaleadvisors.com

AST must receive your proxy or voting instruction form by 3:00 p.m. (Calgary time) on Monday, June 3, 2019. If the Meeting is postponed or adjourned, AST must receive your proxy or voting instruction form at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting. The time limit for the deposit of proxies can be waived or extended by the chair of the Meeting at his discretion without notice.

Revocability of Proxy

A Shareholder who has submitted a proxy or voting instruction form may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a registered Shareholder who has given an instrument of proxy may revoke it by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing, deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked. A registered Shareholder attending the Meeting has the right to vote in person, and if the registered Shareholder does so, any proxy previously given is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting.

Exercise of Discretion by Proxy

The shares represented by proxy in favour of management nominees shall be voted on any matter at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any matter in accordance with the specification so made.

In the absence of such specification, the shares will be voted in favour of the matters to be acted upon. The persons appointed under the proxy or voting instruction form furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy or voting instruction form and Notice of Annual Meeting. At the time of printing this Circular, management of the Company knows of no such amendment, variation or other matter.

INFORMATION CONCERNING THE COMPANY

Voting Shares and Principal Holders Thereof

As at April 18, 2019, there were 272,050,159 Common Shares of the Company issued and outstanding, each such share carrying the right to one vote on any poll or ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two persons present at the Meeting holding or representing by proxy not less than 25% of the shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at April 18, 2019, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

At the Meeting, Shareholders will be asked to elect nine (9) directors to hold office until the next annual meeting or until their successors are elected or appointed. There are currently ten (10) directors of the Company, each of whom retires from office at the Meeting. Mr. Phil Lamoreaux has decided to retire from the Board and will not stand for re-election. Mr. Lamoreaux has been a director of the Company since 2010 and the Company thanks him for his continuous support of, and contributions to, Tourmaline. In accordance with the Company's by-laws (the "**By-Laws**"), the Board has determined that nine (9) directors will be elected at the Meeting, each of whom will serve until the next annual meeting of shareholders or until their respective successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of each of the nine (9) nominees hereinafter set forth:

Michael L. Rose	John W. Elick
Brian G. Robinson	Andrew B. MacDonald
Jill T. Angevine	Lucy M. Miller
William D. Armstrong	Ronald C. Wigham
Lee A. Baker	

As described below under "*Majority Voting for Directors*", the election of each individual director of the Company will be effected by an ordinary resolution requiring the approval of more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting. It is the intention of the persons named in the enclosed proxy or voting instruction form, if named as proxy and not expressly directed to the contrary in the proxy or voting instruction form, to vote those proxies FOR the election of each of the persons specified above.

Management does not contemplate that any of the nominees will be unable to serve as a director but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed proxy or voting instruction form reserve the right to vote for another nominee at their discretion.

See "*Information Regarding Proposed Directors*" in this Circular for additional information on the director nominees.

The Company's By-Laws incorporate advance notice provisions with respect to director nominations. The By-Laws set forth a procedure requiring advance notice to the Company by any shareholder who intends to nominate any person for election as a director of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**"); or (ii) a Shareholder proposal made pursuant to the provisions of the ABCA.

Among other things, the advance notice provisions set a deadline by which such shareholders must notify the Company in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and set forth the information that the shareholder must include in the notice for it to be valid. The advance notice provisions of the By-Laws provide a reasonable time frame for shareholders to notify the Company of their intention to nominate directors and require shareholders to disclose information concerning the proposed nominees that is mandated by applicable securities laws. The Board will be able to evaluate the proposed nominees' qualifications and suitability as directors and respond as appropriate in the best interests of the Company.

The advance notice provisions also ensure an orderly and efficient meeting process by providing a structured and transparent framework for nominating directors.

No person nominated by a shareholder will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Company's By-laws. A copy of the By-laws are available on SEDAR (www.sedar.com).

Majority Voting for Directors

The Board has adopted a majority voting policy for directors that requires individual voting by ballot for each director. Pursuant to this policy, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "**majority withhold vote**") then promptly following a majority withhold vote such nominee will tender his or her resignation for consideration by the Board to the Chairman of the Corporate Governance and Nominating Committee. This resignation will be effective upon acceptance by the Board. Also, if the Chairman of the Corporate Governance and Nominating Committee receives a majority withhold vote, then he or she will tender his or her resignation to the Chairman of Tourmaline.

The Corporate Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. In determining whether to recommend acceptance or rejection of the tendered resignation, the Corporate Governance and Nominating Committee will consider all factors it deems relevant including, without limitation, the reasons, if known, why shareholders "withheld" or were requested to "withhold" votes from the director. In particular, the Corporate Governance and Nominating Committee will consider if shareholders "withheld" or were requested to "withhold" votes from the director for reasons other than the qualifications or individual actions of the director; the director's length of service and qualifications; the director's share ownership; the director's contributions to Tourmaline; the current mix of skills and attributes of the directors on the Board; the impact with respect to covenants in agreements or plans, if any; and legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications.

The Board will consider the Corporate Governance and Nominating Committee's recommendation not later than 90 days following the date of the shareholders' meeting at which the election occurred. In deciding whether to accept or reject the tendered resignation, the Board will consider the factors considered by the Corporate Governance and Nominating Committee and any additional information and factors the Board believes to be relevant. Generally, it is expected that the Board will accept a resignation absent exceptional circumstances.

Promptly following the Board's decision, Tourmaline will disclose that decision, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in a press release and provide a copy of the press release to the Toronto Stock Exchange. If the Board decides to accept the director's resignation, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill the resulting vacancy or to continue with the reduced size of the Board.

Any director who tenders his or her resignation pursuant to the majority voting policy will not participate in the Corporate Governance and Nominating Committee recommendation or the Board consideration whether to accept or reject the tendered resignation. If a majority of the members of the Corporate Governance and Nominating Committee have received a majority withhold vote at the same election, then the directors who have not received a majority withhold vote will appoint a Board committee among themselves solely for the purpose of considering the tendered resignations and such special

committee will recommend to the Board whether to accept or reject them within the 90 day period. If a sufficient number of directors have received a majority withhold vote and have tendered a resignation in accordance with the majority voting policy, such that the Board would no longer have a quorum if all resignations were accepted, then such directors who have tendered a resignation in accordance with the majority voting policy shall not vote in any meeting of the Board at which his or her resignation is considered. However, in that case, each such director present at a meeting of the Board may be counted for the purpose of determining whether the Board has quorum at the particular meeting. Except as set forth in this paragraph, a director who tenders his or her resignation pursuant to the majority voting policy will continue to participate in all meetings of the Board and any applicable committees of the Board on which such director serves until such time, if applicable, as the Board decides to accept the director's tendered resignation.

In the event that any director who received a majority withhold vote does not tender his or her resignation in accordance with the majority voting policy, he or she shall not be re-nominated by the Board and shall not be entitled to any benefits (financial or otherwise) of a director or past director of Tourmaline.

The Board and the Corporate Governance and Nominating Committee may adopt such procedures as they see fit to assist in their determinations under the majority voting policy.

Tourmaline's majority voting policy applies only to uncontested elections. An "**uncontested election**" means any election of directors where the election does not involve the circulation of proxy material required by applicable securities legislation in support of one or more nominees who are not part of the slate supported by the Board.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Professional Accountants ("**KPMG LLP**"), to serve as auditors of the Company until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP has been the Company's auditor since the formation of the Company.

See "*Audit Committee Information*" for additional information including information regarding the Audit Committee's review of KPMG LLP and its recommendation to the Board that the Board recommend to shareholders the re-appointment of KPMG LLP as Tourmaline's auditor.

INFORMATION REGARDING PROPOSED DIRECTORS

The following pages set out information regarding each of the director nominees, including a brief summary of their experience and qualifications, provinces or states and countries of residence, age, the number of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, and the monetary value of such voting securities, the period served as director and the principal occupation, business or employment of each as well as the Committees on which they serve. The information as to shares beneficially owned or controlled or directed, directly or indirectly, as well as the monetary value thereof is based upon information furnished to the Company by the nominees as of April 18, 2019.

The Board of Directors has determined that all of the director nominees with the exception of Michael L. Rose and Brian G. Robinson are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators ("**NI 58-101**").

MICHAEL L. ROSE*Chairman, President and Chief Executive Officer***Alberta, Canada**Director since: **August 6, 2008**2018 Votes for: **95.9%**Age: **61**

Mr. Rose has been the Chairman, President and Chief Executive Officer of Tourmaline since he founded the Company in August 2008. Prior thereto, he was Chairman, President and Chief Executive Officer of Duvernay Oil Corp. ("**Duvernay**"), a publicly traded oil and gas company (2004-2008). Mr. Rose has 40 years of experience in the oil and gas industry and has held various exploration and production positions including managing exploration and petroleum engineering research for a large E&P company before founding Berkley Petroleum Corp. ("**Berkley**") in 1993. After the sale of Berkley in 2001, Mr. Rose founded Duvernay, which was sold in August 2008.

Mr. Rose was educated at Queen's University, graduating with an honours degree in Geology. Mr. Rose is a member of the Association of Professional Engineers and Geoscientists of Alberta and the Canadian Society of Petroleum Geologists. Among other awards, Mr. Rose is the recipient of the Stanley Slipper Gold Medal from the Canadian Society of Petroleum Geologists (2009).

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽¹⁾
16,779,783	\$358,751,761
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
2276%	N/A

BRIAN G. ROBINSON*Vice President, Finance and Chief Financial Officer***Alberta, Canada**Director since: **August 6, 2008**2018 Votes for: **95.6%**Age: **62**

Mr. Robinson is a director and Vice President, Finance and Chief Financial Officer of Tourmaline. Prior thereto, Mr. Robinson was Vice President, Finance and Chief Financial Officer of Duvernay and prior to that was Vice President, Finance and Chief Financial Officer of Berkley. Previously, Mr. Robinson held numerous positions in finance and accounting with intermediate and senior oil and gas companies, commencing his career with a large public accounting firm. Mr. Robinson has more than 38 years of experience in the oil and gas industry in the disciplines of finance, financial reporting, budgeting, accounting, management, treasury, tax, and business development. Mr. Robinson is also a Trustee of Boardwalk Real Estate Investment Trust, a publicly traded R.E.I.T on the TSX.

Mr. Robinson holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Accountant.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
1,200,237	\$25,661,067
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
2138%	N/A

JILL T. ANGEVINE
Independent Director

Alberta, Canada

Director since: **November 4, 2015**

2018 Votes for: **99.7%**

Age: **51**

Ms. Angevine has been a director of Tourmaline since November 4, 2015. Ms. Angevine is a Managing Director at Palisade Capital with over 20 years of investment and research experience. Ms. Angevine also serves on the boards of Chinook Energy Inc. and Advantage Oil and Gas Ltd. Prior to joining Palisade, Ms. Angevine was a Portfolio Manager at Matco Financial, and prior thereto, was Vice President and Director, Institutional Research at FirstEnergy Capital Corp.

Ms. Angevine has a Bachelor of Commerce degree from the University of Calgary and has earned the Chartered Accountant (CA), the Chartered Financial Analyst (CFA), and the Institute of Corporate Directors (ICD.D) designations.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Audit Committee	4/4 - 100%
Corporate Governance and Nominating Committee	3/3 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
39,000	\$1,115,442
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
555%	N/A

WILLIAM D. ARMSTRONG
Independent Director

Texas, U.S.A.

Director since: **October 27, 2008**

2018 Votes for: **99.93%**

Age: **59**

Mr. Armstrong is President and Chief Executive Officer of Armstrong Oil & Gas Inc. ("AOG"), an oil and gas exploration and production company headquartered in Denver, Colorado. Mr. Armstrong founded AOG in 1985 and has grown the business by generating and drilling large impact wildcat exploration opportunities. Over the last 25 years, AOG has been involved in the discovery of over a dozen new fields with recent areas of activity in the North Slope and Cook Inlet Basins of Alaska, the Gulf of Mexico, the San Joaquin Valley, the Williston Basin, the Michigan Basin, and the Wyoming/Utah Overthrust Belt. Mr. Armstrong is also the Chairman of All-American Wildcatters Association.

Mr. Armstrong graduated Phi Beta Kappa from Southern Methodist University with a degree in Geology in 1982, is active in numerous business ventures, investments and philanthropies, and is on the board of Southern Methodist University.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Reserves Committee	1/1 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
400,000	\$8,552,000
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
4255%	N/A

LEE A. BAKER*Independent Director***Alberta, Canada**Director since: **March 22, 2011**2018 Votes for: **99.65%**Age: **63**

Mr. Baker has been an independent businessman since June 2016. Prior thereto, Mr. Baker was President and Chief Executive Officer of Nordegg Resources Inc., a private oil and gas company which he co-founded in March 2008. Prior to 2008, Mr. Baker was President and Chief Executive Officer of RSX Energy Inc., a publicly listed oil and gas company. Mr. Baker has over 38 years of experience in the oil and gas industry and has held various positions as geologist, district geologist, Vice President, and President and Chief Operating Officer of a publicly traded oil and gas exploration company.

Mr. Baker was educated at McMaster University, graduating with an Honours degree in Geology. Mr. Baker is a member of the Association of Professional Engineers and Geoscientists of Alberta.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Reserves Committee	1/1 - 100%
Corporate Governance and Nominating Committee	3/3 - 100%
Environmental, Sustainability and Safety Committee	3/3 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
10,700	\$228,766
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
114%	N/A

JOHN W. ELICK*Independent Director***Alberta, Canada**Director since: **March 19, 2013**2018 Votes for: **99.92%**Age: **76**

Mr. Elick was the founder and Chief Executive Officer of Cinch Energy Corp., a public oil and natural gas company from November 2001 to November 2009 and the Non-Executive Chairman from November 2009 to July 2011. Prior thereto, Mr. Elick occupied the position of Vice President of Land at Pan East Petroleum Corp., a public oil and natural gas company that he co-founded, from July 1993 to November 1998. Prior to that he spent 23 years at Amoco Canada Petroleum Company Ltd., ending his time there as Division Landman.

Mr. Elick holds a degree from the College of the Sequoias.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Reserves Committee	1/1 - 100%
Environmental, Sustainability and Safety Committee	3/3 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
16,420	\$389,464
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
194%	N/A

ANDREW B. MACDONALD
Independent Director

British Columbia, Canada

Director since: **March 22, 2011**

2018 Votes for: **96.12%**

Age: **59**

Mr. MacDonald has been an independent businessman since January 2009. Prior thereto, he was Co-Head of Canadian Equities and Portfolio Manager with Phillips, Hager & North Investment Management, where he was responsible for client investments in the energy sector. He began his career as a well site geologist and has worked in the investment business for over 30 years. He worked for 23 years as an investment/portfolio manager and has extensive experience in financial statement analysis, corporate governance, and compensation. He has served on the boards of various charitable organizations including the John Howard Society of Toronto.

Mr. MacDonald graduated with a Bachelor of Arts in Geology from Princeton University.

Board and Committee Membership	2018 Attendance
Board of Directors (Lead)	6/6 - 100%
Audit Committee	4/4 - 100%
Corporate Governance and Nominating Committee	3/3 - 100%
Compensation Committee	2/2 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
72,000	\$1,539,360
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
766%	N/A

LUCY M. MILLER
Independent Director

Alberta, Canada

Director since: **June 7, 2017**

2018 Votes for: **98.10%**

Age: **67**

Dr. Miller, currently an independent businesswoman, retired as the President and Chief Executive Officer of United Way of Calgary and Area, a position she held from 2012 to 2016. Prior thereto, she was Chief Superintendent of the Calgary Catholic School District.

Dr. Miller has served on a number of boards throughout her career, including St. Mary's University (2007-2011), the Calgary Homeless Foundation, Advisory Council for the Haskayne School of Business and the Calgary Poverty Reduction Initiative. Dr. Miller is currently a director of Chandos Construction. Throughout her career, Dr. Miller has also developed significant expertise in the area of social responsibility, helping organizations have a positive impact in areas of social development, ethical, economic and environmental issues.

In 2013, the Women's Executive Network named Dr. Miller as one of Canada's 100 Most Powerful Women and Alberta Venture Magazine named her as one of Alberta's 50 Most Influential People. Dr. Miller was named Calgary's 2016 Citizen of the Year by the City of Calgary.

Dr. Miller received a Doctor of Education degree from the University of Toronto in 2006 and a Master of Education degree from Dalhousie University in 1983.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Corporate Governance and Nominating Committee	3/3 - 100%
Compensation Committee	2/2 - 100%
Environmental, Sustainability and Safety Committee	3/3 - 100%
Number of Common Shares Owned	Value of Common Shares Owned⁽²⁾
6,800	\$199,988
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
99.5%	2022

RONALD C. WIGHAM
Independent Director

Alberta, Canada

Director since: **March 7, 2016**

2018 Votes for: **99.81%**

Age: **62**

Mr. Wigham has been an independent businessman since 2014, when he retired as Vice-Chairman of Peters & Co. Limited (“**Peters**”), a boutique Calgary investment dealer specializing in oil and gas and oilfield services equities. Before joining Peters in 1998, Mr. Wigham had been: Vice President, Finance and Corporate Development at Pan East Petroleum Corp., a natural gas exploration company; Oil and gas analyst at First Marathon Securities; and Commercial litigation partner at Milner Fenerty LLP (now Dentons Canada LLP). From 2012 until its sale in January 2017, Mr. Wigham served as a director of Spur Resources Ltd., a private oil and gas company. He is currently a director of Zargon Oil & Gas Ltd., a publicly traded company on the TSX and of Spur Petroleum Ltd., a private oil and gas company (since January 2017).

Mr. Wigham received a Bachelor of Arts in Finance in 1978 from the Honors College, University of Oregon, and an LLB from the University of Victoria in 1981.

Board and Committee Membership	2018 Attendance
Board of Directors	6/6 - 100%
Audit Committee	4/4 - 100%
Compensation Committee	2/2 - 100%
Reserves Committee	1/1 - 100%
Number of Common Shares Owned	Value of Common Shares Owned ⁽²⁾
422,566	\$9,034,461
Compliance with Share Ownership Requirements	Target Date for Share Ownership Requirement Compliance
4495%	N/A

(1) Monetary value of Common Shares for the CEO is based on the closing price of the Common Shares of \$21.38 on April 18, 2019.

(2) Monetary value of Common Shares for Directors other than the CEO is based on the greater of: (i) the closing price of the Common Shares of \$21.38 on April 18, 2019; and (ii) the initial price paid for the Common Shares by such Director.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To Tourmaline’s knowledge, other than as disclosed below, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including Tourmaline) that: (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; (b) was subject to an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, which resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (c) while that person was acting in the capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Baker, a director of Tourmaline, served as President and Chief Executive Officer of Nordegg Resources Inc. (“Nordegg”), a private company, until June 10, 2016 and Mr. Rose, the President and Chief Executive Officer and a director of Tourmaline, served as a director of Nordegg until June 10, 2016. On June 16, 2016, a secured creditor of Nordegg was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession and exercise control over all of Nordegg’s current and future assets.

CORPORATE GOVERNANCE DISCLOSURE

Tourmaline’s Board of Directors is committed to high standards of corporate governance and believes that sustainable value creation for all shareholders is fostered through a board that is informed and engaged and that functions independently of management.

NI 58-101 requires that the Company include the corporate governance disclosure prescribed by Form 58-101F1 in this Circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure prescribed by NI 58-101. Set out below is a description of certain corporate governance practices and principles as adopted by the Company, and the roles and responsibilities of the Board.

About the Board

The Board is responsible for overseeing management of the Company, as well as the Company’s strategy and business affairs with the objective of ensuring that the Company operates as a successful business, optimizing financial returns while effectively managing risk. The Board encourages open dialogue and works within a climate of respect and transparency. The Board’s duties are described in the Board Mandate, which is set out in “*Schedule A: Mandate of the Board of Directors*”.

The Board carries out its responsibilities directly and through its five committees. This supports appropriate oversight and accountability for specific aspects of governance, risk and Tourmaline’s business activities, and frees up the Board to focus more on strategy, risk management and other matters. The Board and its committees meet in camera without management present at all meetings. For more information regarding the committees, please see “*Director Committees*” below.

The Board holds regularly scheduled meetings at least quarterly to carry out its responsibilities. In addition, the Board and members of management hold annual strategic planning sessions and revisit strategic planning at each meeting of the Board.

Independence

The Board has determined that all of the director nominees with the exception of Michael L. Rose and Brian G. Robinson are independent within the meaning of NI 58-101. As such, of the Company’s nine (9) directors standing for re-election at the Meeting, seven (7) are independent and two (2) are not independent. Michael L. Rose is not independent as he also occupies the position of President and Chief Executive Officer. Brian G. Robinson is not independent as he also occupies the position of Vice President, Finance and Chief Financial Officer. Although Messrs. Rose and Robinson are not independent, the Board is of the view that it functions, and will continue to function, independently of management and that the Board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Board.

Chairman and Lead Independent Director

The Chairman of the Board is Michael L. Rose. The Chairman of the Board is not an independent director as he is the President and Chief Executive Officer of the Company. The Board has a Lead Director, Andrew B. MacDonald, who is an independent director. The Lead Director provides independent leadership to the Board to facilitate the functioning of the Board independently of management of the Company and other non-independent Board members. The Lead Director may

consult and meet with any or all of the independent Board members, at the discretion of the members and with or without the attendance of the Chairman, and, as appropriate and without inhibiting direct communication, represent such Board members in discussions with the Chairman on corporate governance and other matters. The Lead Director may also assist in the process of conducting director evaluations. The Lead Director ensures that reasonable procedures are in place for directors to consult outside advisors at the expense of the Company in appropriate circumstances, subject to its prior approval, and is to meet annually with independent directors to obtain insight as to where they believe the Board and its committees could operate more effectively.

The Board has developed written position descriptions for both the Chairman of the Board and the Lead Director. The Board, with the input of the Chief Executive Officer, has also developed a written position description for the Chief Executive Officer. These position descriptions are available on the Company's website at www.tourmalineoil.com.

Board Skills Matrix

The Board and the Corporate Governance and Nominating Committee use a skills matrix to assess Board composition and ensure it has an appropriate mix of skills and competencies to govern effectively and be a strategic resource for Tourmaline.

The following skills matrix outlines the experience and background of the individual director nominees based on information provided by such individuals.

Directors	Industry Expertise	Global Experience	Executive Leadership	Accounting/ Finance	Public Company Board/ Corporate Governance	Mergers and Acquisitions/ Investments	Relevant Academic Experience
Michael L. Rose	✓	✓	✓	–	✓	✓	✓
Brian G. Robinson	✓	✓	✓	✓	✓	✓	✓
Jill T. Angevine	✓	–	✓	✓	✓	✓	✓
William D. Armstrong	✓	✓	✓	–	✓	✓	✓
Lee A. Baker	✓	–	✓	–	✓	✓	✓
John W. Elick	✓	✓	✓	–	✓	✓	✓
Andrew B. MacDonald	✓	✓	✓	✓	✓	✓	✓
Lucy M. Miller	–	✓	✓	–	✓	–	✓
Ronald C. Wigham	✓	✓	✓	✓	✓	✓	✓

Director Committees

The Board carries out its duties and responsibilities directly and through its five standing Committees. All of the Board's Committees are comprised exclusively of independent directors. Messrs. Rose, the CEO, and Robinson, the CFO, do not sit on any of the Board Committees but may attend Committee meetings by invitation. An in-camera session of only independent directors is held at every Board and Committee meeting.

The following summarizes the current Committee composition of the Board Committees:

Directors	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee	Environment, Sustainability and Safety Committee
Jill T. Angevine	Chair	–	✓	–	–
William D. Armstrong	–	–	–	✓	–
Lee A. Baker	–	–	✓	Chair	✓
John W. Elick	–	–	–	✓	✓
Andrew B. MacDonald	✓	✓	Chair	–	–
Lucy M. Miller	–	✓	✓	–	Chair
Ronald C. Wigham	✓	Chair	–	✓	–
Non-Independent Directors					
Michael L. Rose (Chairman of the Board)	–	–	–	–	–
Brian G. Robinson	–	–	–	–	–

The Committees were formed based on the need for detailed oversight in key areas. Each Committee has a mandate outlining the responsibilities and duties of the Committee, which are reviewed on an annual basis. Copies of these mandates are available on the Company's website at www.tourmalineoil.com. Each Committee Chair is responsible for determining the meeting agenda, how often the Committee will meet, the conduct of each meeting, and for chairing their Committee meetings, as set out in each Committee mandate.

Committee membership is reviewed annually and when changes are appropriate. The Company strives for periodic rotation of Committee members but it is not mandated because there may be reasons to keep an individual director on a certain Committee for a longer period. Changes are based on the recommendations of the Corporate Governance and Nominating Committee.

The key duties and responsibilities of each Committee are described below:

Audit Committee

The Audit Committee supports the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting; the adequacy and effectiveness of internal controls; the independence and performance of the Company's external auditors; oversight of specific risks; prevention and detection of fraudulent activities and general financial oversight. The Audit Committee is responsible for reviewing the nature and scope of the annual audit; providing oversight of management's reporting on internal accounting standards and practices; the review of financial information, accounting systems and procedures, financial reporting and financial statements. All members of the Audit Committee are independent and financially literate, as defined in National Instrument 52-110 – *Audit Committees*. The Audit Committee meets on a quarterly basis. See "*Audit Committee Information*" in this document.

Compensation Committee

The Compensation Committee supports the Board in fulfilling its oversight responsibilities regarding human resources policies, executive compensation and executive succession and development. In addition, the Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and for evaluating his performance in connection with determining his compensation, periodically reviewing and administering the stock option plan and other incentive plans as well as employee savings plans, monitoring risks relating to executive and employee compensation, and reviewing and approving bonuses paid to officers and employees of the Company. All members of the Compensation Committee are independent, and the Committee meets approximately twice per year.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee supports the Board in fulfilling its oversight responsibilities by developing and recommending a set of corporate governance principles, identifying and recommending director candidates and establishing and ensuring compliance with the Company's Code of Business Conduct and Ethics. The Committee monitors best governance practices with a view to maintaining the highest standards of corporate governance for the Company. It periodically reviews the composition of the Board and its Committees to ensure appropriate composition and independence and it assesses the effectiveness of the Board as a whole. The Committee is responsible for conducting an assessment of succession and resource planning risks facing the Company and identifying ways in which to mitigate any such risks to provide for timely and effective continuity of leadership for the Company. The Committee oversees the appropriate resolution of any conflict of interest involving officers, directors or shareholders that has been directed to the Committee. All members of the Corporate Governance and Nominating Committee are independent, and the Committee meets at least twice per year.

Reserves Committee

The Reserves Committee supports the Board in fulfilling its oversight duties relating to the disclosure of information with respect to oil and gas activities, reviewing procedures for providing information to the independent reserves evaluator, reviewing the appointment (and any change in appointment) of the independent evaluator, and generally reviewing all matters relating to the preparation and public disclosure of estimates of the Company's reserves. All members of the Reserves Committee are independent and have experience in interpreting oil and gas reserve reports. The Committee generally meets once per year.

Environment, Sustainability and Safety Committee

The Environment, Sustainability and Safety Committee supports the Board in fulfilling its oversight duties relating to the development, implementation and monitoring of the Company's policies and practices with respect to matters concerning the environment, safety and sustainability. In this regard, the Committee is responsible for reviewing the Company's fundamental policies and internal controls pertaining to environment, health and safety, and sustainability and reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset value and mitigate such risks. The Committee is also responsible for verifying that management proactively identifies and monitors the impact of proposed legislation and other emerging issues in environment, safety and sustainability areas, as well as other emerging issues, trends and public opinion which could impact the Company's activities, plans, strategies or reputation and recommending, where significant, appropriate responses to the Board. In addition, the Committee is responsible for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Company works. All members of the Environment, Sustainability and Safety Committee are independent, and the Committee meets at least twice per year.

Director Meeting Attendance

In 2018, the Board and Committee meeting attendance rate was 100% with the exception of Phillip A. Lamoreaux, who attended six of six Board meetings (100%) and five of six Committee meetings (83.3%). The attendance of the Board members at Board and Committee meetings in 2018 are set forth under each proposed director's biography.

Meetings of Independent Directors

At the end of or during each meeting of the Board, the members of management of the Company and the non-independent directors of the Company who are present at such meeting leave the meeting in order for the independent directors to meet separately. Five (5) such meetings of the independent directors have been held since the beginning of the Company's most recently completed financial year. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors each take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors at the expense of the Company in appropriate circumstances, subject to the approval of the Board, and have complete access to appropriate personnel of the Company in order to secure all information necessary to fulfill their duties.

Orientation and Continuing Education

As new directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general responsibilities entailed in carrying out their duties. The Board believes that these procedures are a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, and the experience and expertise of the directors. New members of the Board are invited to meet with each of the directors as well as the officers of the Company to familiarize themselves with the nature and operations of the business.

The Company regularly provides the directors with updates on business, operations and affairs of the Company, including new and ongoing prospects, the Company's performance relative to its peers, market outlooks and related developments that could impact the Company's operations and financial results. Updates are conducted at least quarterly by senior management with responsibility in the relevant areas. In June 2018, the Board also had a one-day strategy session where the Board as well as certain members of management met to discuss the above noted topics along with an increased focus on long-term strategies for the Company including growth profiles versus sustainability modeling, continued market diversification strategies, update on liquefied natural gas (LNG) in North America with a greater focus on how Canada could benefit as well as an overview of the challenges in the current macro environment, technical presentations on new discoveries, discussions on new technologies and how to further increase operational and capital efficiencies, as well as updates on potential strategic acquisitions and dispositions under consideration. In addition, from time to time, presentations and seminars are provided to the Board or its Committees on recent accounting developments as well as other topics receiving increased focus in the industry. Recent examples include presentations from the Company's external consultants on the effectiveness of the Company's internal controls, discussions on new accounting pronouncements and their potential impact on the Company's financial statements, updates on new regulatory filings and disclosures required by the Company, updates on regulatory and legal matters that could impact the Company, updates on the Company's long-term commitments and the Company's performance relative to its North American peers.

The Company also encourages directors to attend, enrol or participate in courses and/or seminars dealing with, but not limited to, industry specific topics, financial literacy, corporate governance, environmental and social responsibility and other related matters. Each director of the Company has the responsibility for ensuring that he or she maintains the skills and knowledge necessary to meet his or her obligations as a director.

During 2018, the directors attended internal and external continuing education opportunities as follows:

EVENT/TOPIC	HOST/PRESENTER	MONTH	LENGTH	ATTENDEES
Cyber Disrupters	Institute of Corporate Directors	January	2 hrs	Jill T. Angevine
Whistler Institutional Investor Conference	CIBC	January	12 hrs	Michael L. Rose Brian G. Robinson Jill T. Angevine
Canadian Energy Conference	Peters & Co. Limited	January	4 days	Michael L. Rose Brian G. Robinson Ronald C. Wigham
Canadian Energy Landscape	Tudor, Pickering & Holt	January	1 hr	Ronald C. Wigham
Continuous Disclosure and Oil and Gas Reporting	Alberta Securities Commission	January	1.5 hrs	Brian G. Robinson
National Bank Energy Conference	National Bank Financial Markets	January	8 hrs	Michael L. Rose Brian G. Robinson
Oil and Gas Symposium	Queen's University	January	2 days	Michael L. Rose
Small Cap Advisory Group Meeting	CPA Canada	February	4 hrs	Jill T. Angevine
Environment, Sustainability, and Safety - Best Practices and Legislative Changes	Tourmaline E, S & S Committee Chair	March	1 hr	Lucy M. Miller Lee A. Baker John W. Elick
Market, Economic and Business Disruption	Institute of Corporate Directors	March	2 hrs	Jill T. Angevine
Toward Rational Climate Change	Haskayne School of Business	March	1 hr	Lucy M. Miller
Blockchains, Crypto-currencies and the Future	Andreas Park, Rotman School of Management	March	1 hr	Ronald C. Wigham
Scotia/CAPP Energy Symposium	Scotiabank/Canadian Association of Petroleum Producers	April	20 hrs	Michael L. Rose Brian G. Robinson
Commodity Update	PIRA Energy Group	April	1.5 hrs	Brian G. Robinson
Construction Leadership Conference: The Role of Directors	Chandos Construction	April	12 hrs	Lucy M. Miller
West Coast Energy Conference	Raymond James	May	7 hrs	Michael L. Rose Brian G. Robinson
Annual Conference	Institute of Corporate Directors	May	10 hrs	Jill T. Angevine
Developing a New Mission and Vision	Haskayne School of Business	May	6 hrs	Lucy M. Miller
Canada Assembly (Speaker/Attendee)	Oil & Gas Council	May	1 hr	Jill T. Angevine
Impact of a Trade War in Today's Service-Based Economy	H.W. Brock, Strategic Economic Decisions, Inc.	May	1.5 hr	Ronald C. Wigham
AAPG Annual Convention (Keynote Speaker)	American Association of Petroleum Geologists	May	1 hr	William D. Armstrong
AAPG Annual Convention (Attendee)	American Association of Petroleum Geologists	May	1 day	William D. Armstrong
Board Governance Meeting	Ontario Teachers' Pension Plan	May	1 hr	Andrew B. Macdonald
Tourmaline Strategy Session	Tourmaline Executives	June	1 day	All board members
Stampede Energy Conference	TD Securities	July	6 hrs	Michael L. Rose Brian G. Robinson

EVENT/TOPIC	HOST/PRESENTER	MONTH	LENGTH	ATTENDEES
Peters & Co. Energy Conference	Peters & Co. Limited	September	2 days	Michael L. Rose Brian G. Robinson
Peters & Co. Energy Conference	Peters & Co. Limited	September	1 day	Andrew B. Macdonald
Small Cap Advisory Group Meeting	CPA Canada	September	4 hrs	Jill T. Angevine
ED/Lloyd's of London Insurance Update	ED/Lloyd's of London	September	12 hrs	Brian G. Robinson
Schachter Energy Conference	Schachter Energy Report	September	6 hrs	Michael L. Rose Brian G. Robinson
Views of Governance	Institute of Corporate Directors	September	2 hrs	Jill T. Angevine
GBF-18 Seizing Opportunities while Navigating Risks	Global Business Forum	September	1 day	Michael L. Rose
North American Energy Forum	Raymond James	October	12 hrs	Michael L. Rose Brian G. Robinson
S&P Global Platts Analytics Seminar	S&P Global Platts	October	16 hrs	Brian G. Robinson
Leading Effective CEO Succession	Institute of Corporate Directors	October	2 hrs	Jill T. Angevine
CPAB Audit Quality Insights	Ernst & Young	November	1 hr	Ronald C. Wigham
Environment, Sustainability, and Safety - Best Practices and Legislative Changes	Tourmaline E, S & S Committee Chair	November	1 hr	Lucy M. Miller Lee A. Baker John W. Elick
GMP Toronto Energy Symposium	GMP FirstEnergy	November	10 hrs	Michael L. Rose Brian G. Robinson
IFRS 15 & Non-GAAP Presentation	PricewaterhouseCoopers	December	2 hrs	Jill T. Angevine
Social Procurement in Infrastructure	Fort McMurray Construction Association	December	5 hrs	Lucy M. Miller
Small Cap Advisory Group	CPA Canada	Ongoing	N/A	Jill T. Angevine
Industry and Competitive Landscape	Extensive reading of research and discussions with analysts, traders, investment bankers and fund managers	Ongoing	N/A	Michael L. Rose Brian G. Robinson Jill T. Angevine William D. Armstrong Ronald C. Wigham

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the “Code”). In addition, the Company has adopted a separate Code of Business Conduct and Ethics for Senior Officers. The Code reflects the Company’s commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. The Company recognizes that each employee’s cooperation and commitment is necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen.

The Code also addresses a number of important topics, including conflicts of interest, corporate opportunities, confidentiality, protection and proper use of company assets, insider trading, fair dealing, compliance with laws, rules and regulations, compliance with environmental laws, discrimination and harassment, safety and health, accuracy of company records and reporting, use of email and internet services, political activities and contributions, illicit payments, payments to officials, directors role in the code of business conduct and ethics, and compliance procedures.

The Board monitors compliance with the Code by requiring that each of the officers, employees and consultants of the Company affirm in writing his or her agreement to abide by the Code when commencing employment. Compliance is also reaffirmed annually by all individuals. In addition, management provides reports on compliance with the Code to the Board on an annual basis.

A copy of the Code may be obtained from the Secretary of the Company, 403-266-5992 and is also available on the Company's website at www.tourmalineoil.com.

In addition to the Code, the Board has adopted a "Whistleblower Policy" which provides employees and consultants of the Company with a mechanism by which they may raise concerns including (but not limited to) falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

Board Assessments

The Corporate Governance and Nominating Committee is responsible for evaluating the effectiveness of the Board, committees and individual directors. The Committee engages in a formal evaluation process whereby all directors are to complete a formal board evaluation questionnaire, for the board as a whole, on an annual basis. In 2019, the non-executive board members also participated in a formal peer-to-peer evaluation process whereby each director was evaluated by his or her peers on the Board. The results of these evaluations will be reviewed and analyzed by the Lead Director and will be discussed at the May 8, 2019 Board meeting with the entire Board as well as with individual directors, if required. The results will then be used to identify ways to continuously improve the effectiveness of the Board.

Term Limits and Board Renewal

The Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of the Company and as such, it has not specifically adopted term limits or other mechanisms for board renewal.

However, when considering nominees for the Board, the Corporate Governance and Nominating Committee reviews the skills and experience of the current directors with the objective of recommending a group of directors that can best perpetuate the Company's success and represent shareholder interests through the exercise of sound judgment and the application of its diversity of experience. The Corporate Governance and Nominating Committee also considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Company. In addition, the Corporate Governance and Nominating Committee also assesses the knowledge, experience and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Board also considers whether the individual will enhance the diversity of views and experiences available to the Board in its deliberations.

The Board has experienced some turnover during the past few years. In the last four years, three (3) directors have retired and three (3) new directors have been elected, each of whom bring valuable skills and experience to the Company and the Board. This demonstrates the effectiveness of the Company's board renewal approach. The Board's tenure profile balances experience, diversity and the need for Board renewal. Thirty-three percent (33%) of director nominees have a tenure of five years or less.

Nomination of New Directors

The Corporate Governance and Nominating Committee is responsible for recommending suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Corporate Governance and Nominating Committee takes into account: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competencies and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the Board; and (iv) whether each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

When potential candidates are identified, they are screened to ensure that they possess the requisite qualities of integrity, business and professional experience, independence considerations and other skills. The potential candidate's other time commitments are also considered to ensure that the candidate is able to fulfill his or her obligations as a director. Potential candidates are identified through suggestions by members of the Board, industry contacts and, in certain cases, professional search agencies.

The Corporate Governance and Nominating Committee believes that the Board should be comprised of directors with a broad range of skills, experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively. See the Company's "Board Skills Matrix" in the previous section.

The Corporate Governance and Nominating Committee also reviews on a periodic basis the composition of the Board, and analyzes the needs of the Board and recommends nominees who meet such needs.

Diversity – Board and Executive Officers

Tourmaline is committed to diversity on its Board and in executive officer positions. The Board recognizes that diversity among its directors will support balanced decision and debate which, in turn, will enhance decision making by the Board while considering the different perspectives of the members of the Board. The Board adopted a formal written diversity policy in 2018.

The Corporate Governance and Nominating Committee reviews Board composition each year, and in reviewing such composition, it considers the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board. The selection of candidates for appointment to the Board will be based on merit. Within that overriding emphasis on merit, the Corporate Governance and Nominating Committee seeks to fill Board vacancies by considering candidates that bring a diversity of background and industry or related expertise and experience to the Board. The Corporate Governance and Nominating Committee reviews the Company's progress in achieving these objectives and also refers to the objectives when selecting new director candidates and as part of the annual evaluations of board and committee performance and effectiveness. The Company has not imposed quotas or targets regarding the representation of women on the Board or in executive officer positions. The Board believes that imposing quotas or targets regarding the representation of women in board or executive officer positions would compromise the principles of meritocracy and its overall philosophy of equal opportunity and diversity. However, the Board does understand and appreciate the importance of gender equality and diversification and considers this when recruiting for a Board appointment or executive officer position.

The Board and the Company are committed to ensuring a diverse and inclusive culture across the organization, including at the executive level, by promoting equality of opportunity. The Board encourages and supports the Company in its efforts, including seeking external independent advisory services as appropriate, to foster a collaborative and innovative workforce. The Board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

The table below provides a breakdown of women representation at varying levels at Tourmaline as well as a comparison to the Peer Group (see "Compensation Discussion and Analysis" section for a list of the Company's Peer Group). Presently, there are two women on the Board, resulting in a 20% representation of women on the Board compared to the Company's Peer Group, which has an 19% representation. Two of the proposed nine director nominees are women, resulting in a 22% representation of women amongst the director nominees.

CATEGORY	TOTAL	NUMBER OF WOMEN	TOU - % OF WOMEN	PEERS - % OF WOMEN
Board of Directors (standing for re-election)	9	2	22%	19%
Officers	8	2	25%	15%
Managers	16	2	13%	24%

Board Interlocks

While the Board's mandate does not expressly prohibit interlocking board positions, the Board's approach to board interlocks is aligned with the Canadian Coalition of Good Governance principles limiting the number of the same public companies two board members may sit on. The Board considers board interlocks and material relationships which may affect independence when considering new candidates and approving requests to join additional boards. There are currently no board interlocks among the director nominees.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Jill T. Angevine	Chinook Energy Inc. Advantage Oil & Gas Ltd.
Ronald C. Wigham	Zargon Oil & Gas Ltd.
Brian G. Robinson	Boardwalk Real Estate Investment Trust

Risk Oversight

The Board believes that risk oversight is one of its primary responsibilities. The Board has demonstrated this by dedicating time at Board and Committee meetings to overseeing risk including the identification, management, reporting and mitigation of risk. The Board oversees management in developing plans to mitigate risks as part of the strategic planning process. Specific risks are assigned to the Board Committees for ongoing oversight pursuant to each Committee's mandate. The table below illustrates how the Board and its Committees monitor risk across the Company.

COMMITTEE AREA OF RISK RESPONSIBILITY				
Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Reserves Committee	Environmental, Sustainability and Safety Committee
Oversees financial risks and exposures, including commodity price, hedging, insurance coverage as well as disclosure risk	Oversees risks relating to employee and executive compensation and human resources	Oversees risks relating to governance, succession and resource planning	Oversees risks relating to the reporting of the Company's oil and gas reserves and producing activities	Oversees risks relating to safety, health, environmental, sustainability and corporate social responsibility

Environmental and Sustainability Oversight

Tourmaline and its Board are committed to conducting business in an environmentally responsible manner and to protecting the health and safety of employees, contractors, stakeholders and the public. Management continually monitors and reviews performance in these areas relative to corporate objectives and regulatory requirements and strives for continual improvement.

Recognizing the more prominent role that environmental and sustainability factors are playing in the Company's business, in 2017, the Board modified its structure to create a new Environment, Sustainability and Safety Committee. This Committee is responsible for, among other things, reviewing the Company's fundamental policies and internal controls pertaining to environment, health and safety, and sustainability and reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset value and mitigate such risks. It is also responsible for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Company works.

In December 2017, Tourmaline published its inaugural Sustainability Report which outlines Tourmaline's activities and performance in areas including environment, health and safety and community engagement. A copy of this Sustainability

Report can be obtained on the Company's website at www.tourmalineoil.com/sustainability. The website will also get updated as new data becomes available.

Shareholder Engagement

The Company and the Board believe in the importance of regular and open dialogue with its shareholders. To that end, the Company's executive team engages with both institutional and retail shareholders, sell-side research and sales representatives, government officials and other interested stakeholders throughout the year. This is achieved through in-person meetings, participation in industry-based institutional conferences, through the hosting of quarterly conference calls and an annual meeting both with open question and answer sessions, and by providing investor relations contact information and responding to inquiries from stakeholders in a timely manner. In addition, any shareholders or other stakeholders who wish to communicate with the Board or any member thereof directly may do so by emailing the Board at board@tourmalineoil.com. In 2017, the Company enhanced its stakeholder engagement program by hosting an investor day and by publishing a Sustainability Report in addition to regulatory filings. In 2018, members of the Company's senior management team, including the President and CEO, the CFO and the General Counsel met with shareholders on the following occasions:

EVENT	TOURMALINE ENGAGEMENT	STAKEHOLDERS AND SUBJECT OF DISCUSSION	NUMBER OF ENGAGEMENTS IN 2018
Non-deal roadshows, in-person meetings, calls and discussions	Senior management	Engage with Institutional investors to provide public information on the Company's business, operations, financial outlook and environmental and sustainability initiatives.	126
Quarterly conference calls	Senior management	Engage with the broader investment community to review the most recently released financial and operating results and to provide opportunities for questions and answers.	4
News releases	Senior management	Released to the media throughout the year to report on any material changes with respect to the Company.	10
Broker-sponsored conferences	Senior management	Engage with investors and industry peers to provide public information on the Company's business, operations and financial outlook.	9
Annual Meeting	Senior management	Engage with shareholders and provide an overview of the Company's operational and financial results as well as updates on strategy and to provide opportunities for questions and answers.	1

Strategic Planning

The Board is actively involved in the strategic planning process and oversees the development and achievement of the Company's strategic goals. In June 2018, the Board and members of management held a one-day strategic planning session during which they developed both short-term and long-term strategic plans. A significant portion of time is set aside at each Board meeting to revisit strategic planning. During these strategy updates, management presents a review of exploration and production activities, financial forecasts, cost-reduction initiatives, market and commodity price outlooks, long-term budgeting, acquisition and divestment opportunities, human resource initiatives, and environmental performance and objectives. The Board also discusses any potential adjustments to the strategic plan in light of the current business environment.

Conflicts of Interest

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction with the Company, or a proposed material contract or proposed material transaction with the Company, are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

COMPENSATION DISCUSSION AND ANALYSIS

The following describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the three (3) highest compensated executive officers other than the CEO and the CFO (collectively with the CEO and the CFO, the "Named Executive Officers" or "NEOs") and the directors for the financial year ended December 31, 2018. The NEOs based on 2018 compensation levels are as follows:

Michael L. Rose, Chairman, President and CEO;
Brian G. Robinson, Vice President, Finance and CFO;
Al Bush, Vice President, Operations and COO;
Earl McKinnon, Vice President, Drilling and Completion Operations; and
Sherra Aspin, Vice President, Marketing.

General

Based on recommendations made by the Compensation Committee, the Board makes decisions regarding salaries, annual bonuses and equity incentive compensation for the executive officers, and approves corporate goals and objectives relevant to the compensation of the CEO and the other executive officers. The Board solicits input from the CEO and the Compensation Committee regarding the performance of the Company's other executive officers. The Board also administers the Share Option Plan with the assistance of the Compensation Committee.

Compensation Governance

Composition of the Compensation Committee

The Compensation Committee is currently comprised of Ronald C. Wigham (Chair), Phillip A. Lamoreaux (retiring), Andrew B. MacDonald and Lucy Miller, all of whom are "independent" directors for the purposes of National Policy 58-201 – *Corporate Governance Guidelines*. The relevant education and experience of each member of the Compensation Committee that enables such member to make decisions on the suitability of the Company's compensation policies and practice is set forth under the heading "*Information Regarding Proposed Directors*" in this document.

Committee Mandate

The Board has adopted a mandate for the Compensation Committee, which provides that it is the Committee's responsibility to formulate and make recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Company. See "*Corporate Governance Disclosure – Compensation Committee*" for more information regarding the duties of the Compensation Committee.

The Compensation Committee is required to be comprised of at least three directors, or such greater number as the Board may determine from time to time. The members of the Compensation Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Committee, meetings of the Committee are to take place at least one time per year and at such other times as the Chair of the Committee may determine.

Key Compensation-Related Governance Practices

The following table summarizes the key features of the Company's compensation structure, which are important individually, and when taken together, demonstrate the Committee's commitment to strong governance, risk management, shareholder alignment and pay for performance philosophy.

KEY GOVERNANCE PRACTICES	OBJECTIVES		
	Risk Mitigation	Retention	Shareholder Alignment
<p>Compensation Structure Reflects Responsibilities and Compensation Risk of Executive Officers The compensation structure for the executive officers, which provides more at-risk compensation, reflects their responsibilities and overall impact on Company performance.</p>	✓	✓	✓
<p>Dedicated Compensation Committee The Board has created a separate, independent and engaged Compensation Committee with the necessary skills, knowledge and experience to make methodical and sound decisions as they relate to compensation. The Compensation Committee's risk management practices ensure that the Company's compensation plan encourages and rewards the right behaviors.</p>	✓		✓
<p>Share Ownership Guidelines All officers and directors of the Company are required to maintain certain minimum holdings of Common Shares.</p>	✓		✓
<p>Hedging Prohibited The Disclosure, Confidentiality and Trading Policy provides that directors, officers and employees of the Company are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Company's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for) and engaging in hedging activities of any kind.</p>	✓		✓
<p>Policy Compliance Like all employees, on an annual basis, the executive officers sign the Company's Code of Business Conduct and Ethics that guides the behavior that the Company expects of all staff members.</p>	✓		
<p>Change of Control Agreements None of the Executives of the Company has a Change of Control contract as it relates to severance payments.</p>	✓		✓
<p>Overlap of Board Committees Overlap of Board Committee members helps to provide context in terms of compensation risk management; Board members who are not part of the Compensation Committee are invited to provide input when needed as well as attend committee meetings to which they are not members of.</p>	✓		
<p>Clawback Provision Compensation paid to Officers of the Company is subject to repayment if financial results, which were the basis for the payment of the compensation, were subsequently restated or where the officer has engaged in misconduct.</p>	✓		✓

Compensation Objectives and Principles

The Board recognizes that the Company's success is dependent on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if the Company has an appropriately structured and executed compensation program. The Company's compensation policies are founded on the principle that executive and employee compensation should be aligned with the Company's objectives as well as with shareholders' interests. The Company's compensation plans are therefore intended to encourage decisions and actions that will result in the Company's growth and in the creation of long-term shareholder value. In determining the compensation to be paid to the NEOs, the Compensation Committee takes into account corporate and individual achievements, comparative market data and other relevant information supplied by management of the Company.

The principal objectives of the Company's executive compensation plans are as follows:

- to align the executives' interests with those of the Company's shareholders and with the execution of the Company's business strategy;
- to reward the demonstration of both leadership and performance;
- to attract and retain qualified executive officers; and
- to have a compensation package that is competitive within the marketplace.

The Compensation Committee's objective is to ensure that the compensation of the NEOs provides a competitive package that reflects both base expectations to attract and retain the appropriate level of individuals, as well as provide a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of goals and objectives and to be competitive with comparable companies in the market with which the Company competes for talent.

In order to ensure that the Company's overall compensation package is competitive, the Compensation Committee reviewed the most recent publicly available compensation information from other companies considered to be within the Company's peer group (the "**Peer Group**"). The Peer Group consists of similar-sized oil and natural gas companies, based on different factors such as production, reserves and market capitalization. For the purposes of benchmarking executive compensation, the Committee and the Board do recognize that market data can be imperfect due to factors such as the peer group used, individual levels of responsibility as well as the timeliness of the information. This can cause some discrepancies in the data especially for the most senior positions (i.e. CEO, CFO, COO) and therefore judgement is applied to interpret the information. This involves analyzing various data points to ensure the reasonability of the data being used. In 2018, the Board reviewed and considered several sources of information such as proxy data from the Peer Group as well as the Mercer survey data which the Company participated in for the second year.

The Peer Group consisted of the following companies whose average oil and natural gas production ranged between 69,000 – 1,080,000 barrels of oil equivalent per day ("**boe/d**"). Tourmaline's 2019 average production is forecast to be 300,000 boe/d.

PEER GROUP	
ARC Resources Ltd.	Encana Corporation
Birchcliff Energy Ltd.	Enerplus Corporation
Bonavista Energy Corporation	Paramount Resources Ltd.
Canadian Natural Resources Limited (" CNRL ")	Peyto Exploration & Development Corp.
Crescent Point Energy Corp.	Seven Generations Energy Ltd.

Compensation Structure: Simple and Transparent

Tourmaline's compensation model is basic and easy for shareholders to understand when compared to some of the compensation models of the Peer Group. Given the current market conditions and significant difficulties that oil and gas companies throughout the industry are facing, the Company believes it is especially important to have a compensation model that not only aligns itself directly with shareholder value but is also easy to understand, transparent and requires minimal administration. Generally, the simplicity and transparency of the Company's compensation model is in stark contrast to the compensation plans currently being used by the Peer Group and other intermediate and large oil and gas companies. Examples of other plans used include Restricted Share Unit Plans, Performance Share Unit Plans, Deferred Share Unit Plans, Share Award Plans, Stock Appreciation Rights Plans, Pension plans, etc. The introduction and implementation of compensation plans that involve multiple, and sometimes conflicting goals, requires a significant investment in time and resources which can take away from focusing on the primary goal of value creation for the shareholders. Although these types of plans can be beneficial, they can also detract from both performance and efficiency as they can be time consuming to administer and require a significant amount of resources to monitor and oversee. Adopting such plans needs to be weighed against the additional administrative complexities, the resulting increase in costs, and the potential decrease in execution efficiency caused by increasing the administrative load on executives, management, as well as staff members.

In 2017, the Company implemented a stock matching plan whereby employee contributions of up to 5% of an employee's base salary are matched by employer contributions on a 2:1 basis (see "*Employee Share Purchase Plan*" section for more information). This type of plan is administered by an independent third-party and was selected because it requires less administrative time and resources than most other plans contemplated. The plan is easy to understand for both staff, as well as shareholders, and does not result in any stock dilution as the Common Shares are purchased on behalf of participants in the open market. Additionally, the plan also promotes increased ownership in the Company's stock and continues to provide a high degree of alignment with shareholders' interest. The Company continues to believe that in this current environment, and under conditions where balance sheet preservation and strength is crucial, it is preferable to keep Company executives focused on executing a sound business plan and to provide a better overall return on shareholder investment. The Company continues to maintain a very low staff count compared to its Peer Group with 238 employees versus an average of 573 employees for the Peer Group, excluding CNRL (average of 1,486 employees including CNRL). This low staff count has proven to be very important in periods of depressed market environments (see "*Staff Count*" section in this document for further discussion).

Components of Compensation

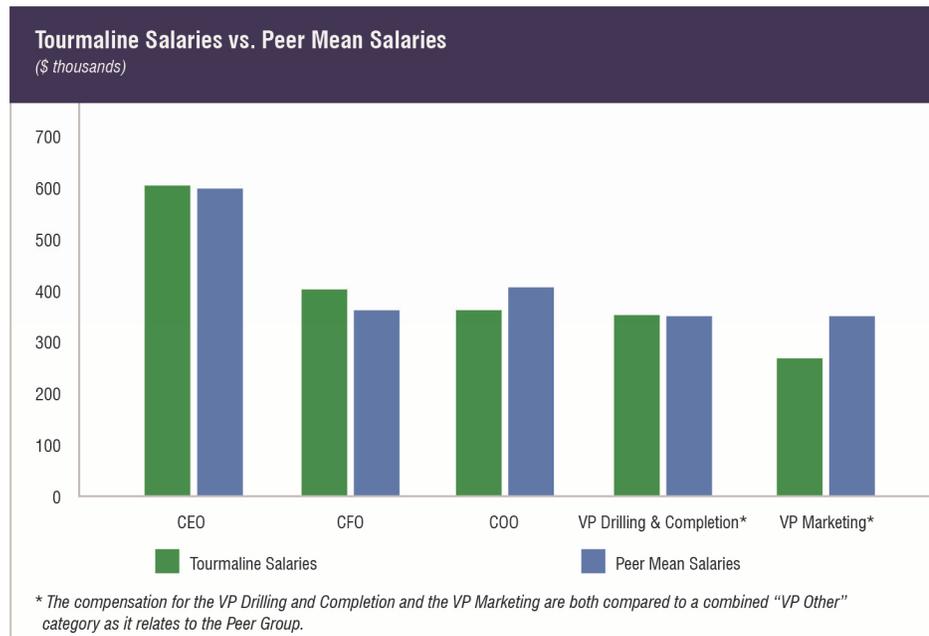
For the year ended December 31, 2018, the compensation package for the NEOs were comprised of both base salary and two forms of at-risk remuneration: 1) annual short-term incentive – cash bonuses and 2) participation in the Company's long-term equity compensation plan, the Share Option Plan. The aggregate value of these components and related benefits is used as a basis for assessing the overall competitiveness of an NEO's total compensation package. Salary increases, cash bonuses and option-based compensation for the NEOs are reviewed and approved by the Compensation Committee and ultimately the Board.

Decisions concerning salary levels are made, in most respects, independently from decisions concerning other elements of compensation, because the purpose of the base salary is to provide a fixed level of competitive pay that reflects an NEO's primary duties and responsibilities. It is the Board's view that decisions concerning the determination of annual bonuses and long-term incentives also involve different factors and, therefore, those decisions are generally made independently of other compensation components. The Board recognizes that the Company operates in a cyclical industry, and at times, the Company needs to adjust its short and medium-term strategy to deal with rapid changes. The Board may apply judgment to assess the performance of the Company and its executives in their ability to leverage unexpected opportunities or mitigate unexpected risks while continuing to deliver on corporate goals.

Base Salary

The base salary is intended to provide a fixed level of compensation that reflects an NEO's primary duties and responsibilities. It also provides a foundation upon which incentive opportunities and benefit levels can be established. The Board considers a number of factors in the determination of base salaries for executive officers, including Tourmaline's long-term interests, individual leadership expectations and ability, level of responsibility, individual performance, years of relevant experience and salaries paid by comparable companies in the industry. Salaries of the NEOs and all other executive officers are reviewed annually based upon corporate and personal performance and by taking into account individual levels of responsibility. In the first 8 years of the Company's life, the CEO's remuneration was focused primarily on year-over-year performance and growth; and as such his compensation was limited to both short-term cash incentive compensation (on the same principles as other NEOs) and options to purchase Common Shares ("**Options**") and therefore the CEO had never drawn a salary prior to 2017. The Board and Compensation Committee has historically concurred with this approach but as Tourmaline gradually transitioned from a growth-oriented company to one with an increased focus on balancing growth and sustainability, in 2017, the Board and Compensation Committee revisited the CEO's compensation structure and concluded that it was appropriate to start paying the CEO a salary. The CEO continues to be largely exposed to any movement in stock price given his significant holdings in Tourmaline common shares.

The graph below highlights base salary for the NEOs in comparison to the Peer Group:



At-Risk Components of Compensation

Executive officers have fixed and variable at-risk components of compensation. The program is intentionally designed to be more heavily weighted towards variable elements of compensation, as illustrated in the section "*Significant Pay at Risk – NEO Pay Mix*". The variable compensation is at-risk either in the current year based on Company performance or at the time of award or any time prior to being exercised, reinforcing accountability for corporate and personal performance.

Annual Short-Term Incentive Compensation – Cash Bonuses

The Company has a discretionary bonus plan under which cash bonuses, if declared, are paid annually. The payment of bonuses is ultimately subject to the final approval of the Board and the Board has the discretion to amend or suspend the bonus plan at any time. All employees and executive officers of the Company are eligible to participate in the bonus plan. The bonus plan is designed to reward on the basis of both Company and individual performance. For the NEOs, excluding

the CEO, the cash bonuses paid are determined by considering both the Company's overall performance and each NEO's individual contribution to the Company's performance, as recommended by the CEO and approved by the Compensation Committee. Under the discretionary bonus plan, there are no guarantees that any employee or executive officer will receive a bonus.

The Company measures corporate performance by considering the following categories:

Financial	Continued balance sheet strength, hedging strategy, cash flow management and efficient allocation of capital.
Strategic	Allocation of capital and resources, mid and long-term opportunities, corporate acquisitions, as well as asset acquisitions and/or dispositions.
Operational	Production growth and maximization, operating and capital efficiencies, cost reductions in all aspects of the business, monitoring and use of technological advancements.
Safety, Asset Integrity and Environmental Performance	Frequency of injury and occurrence of environmental incidences, and positive environmental actions taken by the Company during the year.

In assessing corporate performance, the Company also considers the following specific indicators: (a) growth in production and reserves on an absolute and per share basis; (b) cash flow on an absolute and per share basis; (c) total operating costs and total general and administrative costs, on an absolute and per barrel of oil equivalent basis; (d) annual finding, development and acquisitions costs; and (e) the Company's performance for all of the above indicators when compared to the Peer Group based on the most recent publicly available information. Specific targets as well as general targets were included in the 2018 budget presented to and approved by the Board and disseminated to officers and employees. Once the Company's performance targets have been established, approved and communicated, specific and general goals are highlighted for executives, managers and departments as a whole in the Company's internal E&P strategic updates which are prepared by the CEO with input from the executive team. Bonuses paid to managers and officers (except the CEO) are determined by considering their achievement of the short and medium-term goals as set out at the beginning of, and throughout the year. In determining the bonus amount for NEOs, the following factors are considered:

- Achievement of individual priorities and accountabilities;
- Leadership and commitment;
- Extraordinary contributions to the Company over the past year;
- Additional value added to the Company's operating and financial results attributable to the individual performance of the NEO; and
- Behaviours that support the Company's corporate culture.

The CEO's cash bonus is determined solely by the Compensation Committee by taking into account numerous factors, including the broad categories, as well as performance indicators and factors discussed above. For 2018, after taking into account the Company's performance over numerous years and recognizing Mr. Rose's commitment and dedication to maintaining a strong balance sheet in a difficult, low and volatile commodity price environment, as well as his ability to navigate through a challenging regulatory and macro environment, the Compensation Committee recommended to the Board, and the Board approved, a cash bonus to be paid to Mr. Rose. The Board also acknowledged that Mr. Rose has shown excellent leadership in a time of change for the Company where it continues to strategically move from a growth-oriented company to a sustainable, lower-growth, free cash flow generating, dividend paying model.

Some of the Company's accomplishments in 2018 under Mr. Rose's leadership include:

- Increased 2018 annual average production to 265,044 boe/d, adding 22,719 boe/d over 2017 average production.
- Grew 2018 average liquids production by 23% over 2017 to 47,540 bbls/d (oil, condensate, NGLs).
- Delivered full-year 2018 earnings of \$401.4 million (\$1.48/diluted share) underscoring the inherent profitability of the core EP business.
- Increased 2018 proved plus probable reserves ("2P") by 241.2 mmmboe to 2.46 billion boe, an 11% increase over 2017 year-end reserves of 2.22 billion boe and a 15% increase of 337.9 mmmboe after adding back annual production of 96.7 million boe.
- After ten years of operation, at December 31, 2018, the Company has 2P natural gas reserves of 11.7 tcf and 2P liquid reserves of 505.2 mmmboe of oil, condensate and liquids; resulting in the largest publicly-reported, independently-assessed, 2P natural gas reserves in Canada.
- Maintained top quartile 2018 cash costs of \$7.87/boe.
- Achieved record Q4 2018 cash flow of \$391.5 million (\$1.44/diluted share) which was 12% higher than cash flow for the fourth quarter of 2017 (\$1.29/diluted share).
- Generated 2018 full-year cash flow of \$1.30 billion with full-year capital spending of \$1.21 billion resulting in \$89.0 million of free cash flow in 2018. The Company's low cash costs and industry-leading capital execution costs allow for cash flow per share growth, the generation of free cash flow, and for the payment of a dividend.
- The Company continued with its transition from a growth-oriented Company to a reduced growth, profitable, sustainable, free cash flow generating and dividend paying Company.

(The above noted metrics have been referred to in prior Company public disclosures. Refer to "Reader Advisories" in this Circular, the Company's Annual Information Form, the Company's 2018 earnings release dated March 5, 2019 and "Non-GAAP Financial Measures" in the most recent Management's Discussion and Analysis, for further details.)

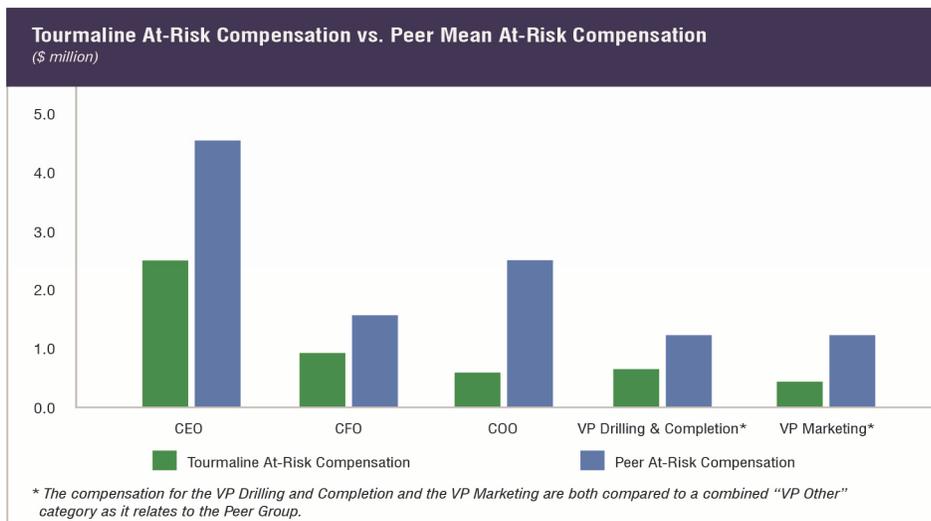
Long-Term Compensation – Share Option Plan

The Company's long-term compensation program is comprised of the Share Option Plan, which is intended to encourage participants to focus on creating and improving the Company's long-term financial success by providing participants an opportunity to increase their ownership interests in the Company as well as to encourage participants to work towards long-term share price appreciation. The purpose of the Share Option Plan is to align the interests of both shareholders and management. The Board believes that long-term incentive compensation plays an essential role in maximizing shareholder value by attracting and retaining senior executives in a competitive global oil and gas market.

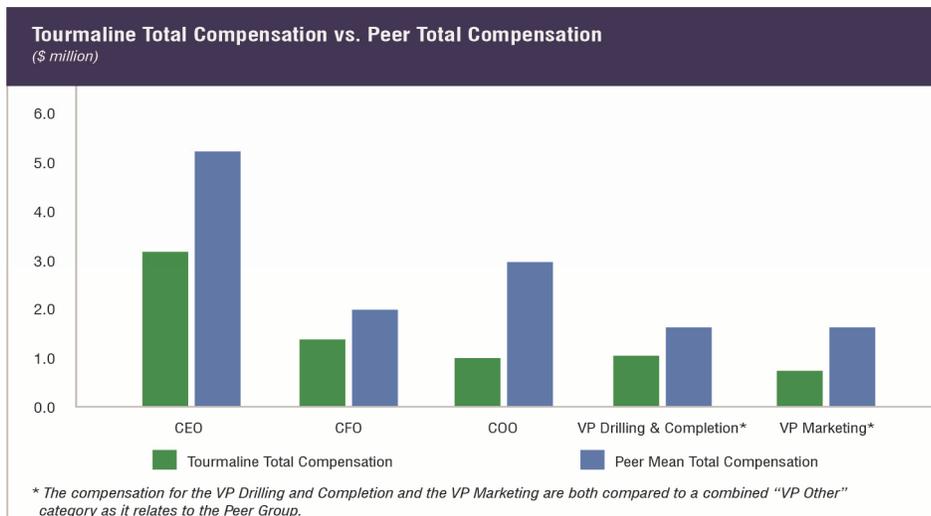
Officers, managers, and all staff members are awarded Options based upon their relative contribution in achieving the longer-term goals of the department in which they work, as well as their contribution to the overall performance of the Company. Individual contribution to Company performance is as recommended by the CEO and approved by the Compensation Committee. The CEO performance is assessed by the Compensation Committee as well as the Board. It is through the judicious use of the Share Option Plan that the Company is able to attract and maintain high-performing and motivated individuals that allow the organization to operate more efficiently and with a significantly lower staff count compared to its Peer Group. The speed and frequency at which operational and strategic decisions must be made in order to effectively and efficiently achieve the Company's goals in a constantly changing environment requires that each and every employee understands the larger picture of performance and their role in it, which is something that universal participation in the Share Option Plan provides. Previous Option grants are taken into account by the Board when granting additional Options. See "Schedule B – Summary of Share Option Plan" for additional information regarding the Share Option Plan.

The Committee recognizes that other companies in the Peer Group offer multiple medium to long-term plans as part of their overall compensation packages. In 2016, the Company made changes to the Share Option Plan whereby the maximum

term of any new options to be granted under the Share Option Plan was increased from five (5) to seven (7) years, offering a longer-term incentive to the employees. As the Company determines its grant of options based on a total expected fair value using the Black–Scholes Option Pricing Model, increasing the term of an option granted under the Share Option Plan, with all other assumptions being equal, results in a reduction to the total number of options to be granted to individuals in order to achieve the same expected fair value. The above change improves cash flow per share by reducing the dilutive impact of future option grants as well as by reducing the Company’s overall burn rate. In conjunction with the increase to the maximum term of new options granted, the Company also decreased the maximum number of options available for issue under the Share Option Plan from 10% to a maximum limit of 8.5% of outstanding Common Shares, further reducing the dilutive impact of the Share Option Plan. In an effort to continue to reduce the Company’s burn rate as it relates to Options, over the past three years, the Company has systematically reduced the number of Options issued to employees and NEOs as a percentage of total Common Shares outstanding and as such the lower attributed compensation received by employees through Options is taken into account when determining cash bonuses to be paid. The Options continue to be the Company’s preferred choice for longer-term compensation and continue to provide for a strong correlation between the compensation ultimately earned by an individual and Common Share performance. The graph below shows the total at-risk compensation paid to NEOs when compared to the average for the Peer Group:

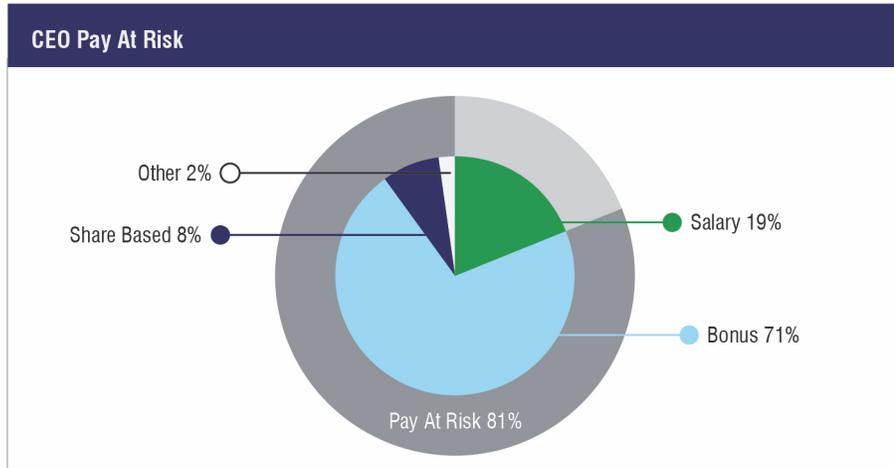


The following graph shows the total compensation paid to NEOs when compared to the average for the Peer Group:



Significant Pay at Risk – NEO Pay Mix

In an effort to align pay levels for NEOs with the Company's performance and the interests of shareholders, the Company places the greatest emphasis on performance-based annual and long-term incentives rather than base salary. 81% of the CEO's total compensation and approximately 66% of other NEOs' compensation is performance-based and is dependent on Company and individual performance. The following charts show the allocation of total compensation across the various categories for the CEO and NEOs:



Employee Share Purchase Plan

Effective April 1, 2017, the Company established an Employee Share Purchase Plan (“**ESPP**”) to encourage long-term ownership of Tourmaline shares without increasing stock dilution, as the shares are purchased in the open market. The plan not only enhances employee retention but also provides for a compensation package that is more in-line with peer companies and further promotes alignment with longer-term interests between employees and shareholders.

The ESPP is administered by a third-party firm and allows employees to purchase Tourmaline common shares (“**Common Shares**”) in the open market and hold them in a non-registered savings plan. The Company will match employee contributions on a 2 to 1 basis up to an employer contribution maximum of 10% of base salary. Employees that contribute to the ESPP will have Common Shares purchased for them, as beneficial shareholders, by the administrator of the ESPP who will hold the Common Shares on the employees' behalf. Common Shares purchased using the employer's contribution are subject to a one-year hold period from the contribution date. For 2018, the ESPP had an employee

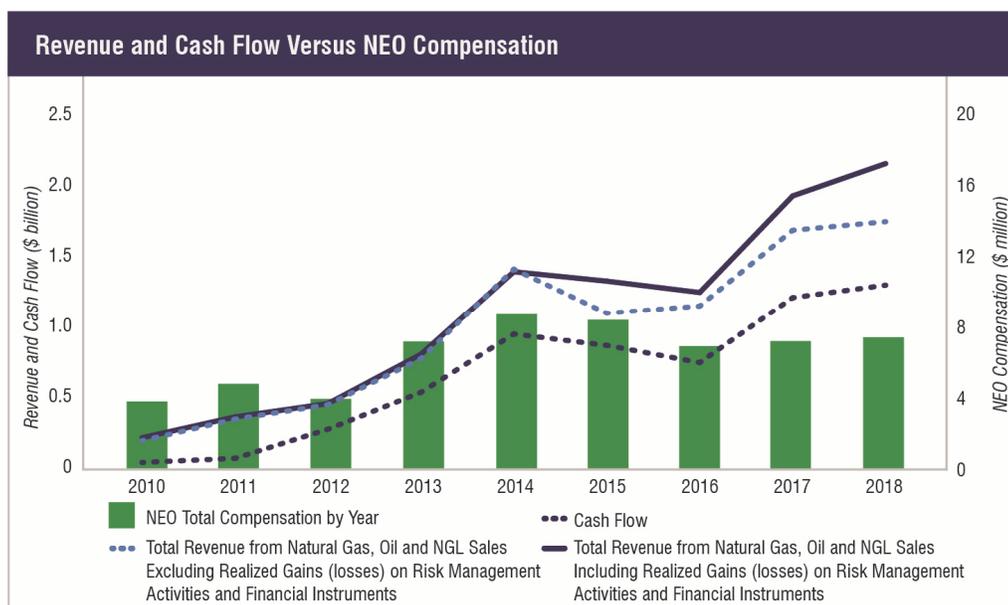
participation rate of over 95%. The Company's executives are eligible to participate in the same ESPP as employees, which further promotes share ownership. The independent directors are not eligible for participation in the ESPP.

Compensation Consultant or Advisor

In 2018, the Company participated for the second year in the Mercer Total Compensation Study, administered by Mercer (Canada) Limited, for purposes of benchmarking executive and employee compensation. The compensation consultant fees paid in 2018 were \$3,700.

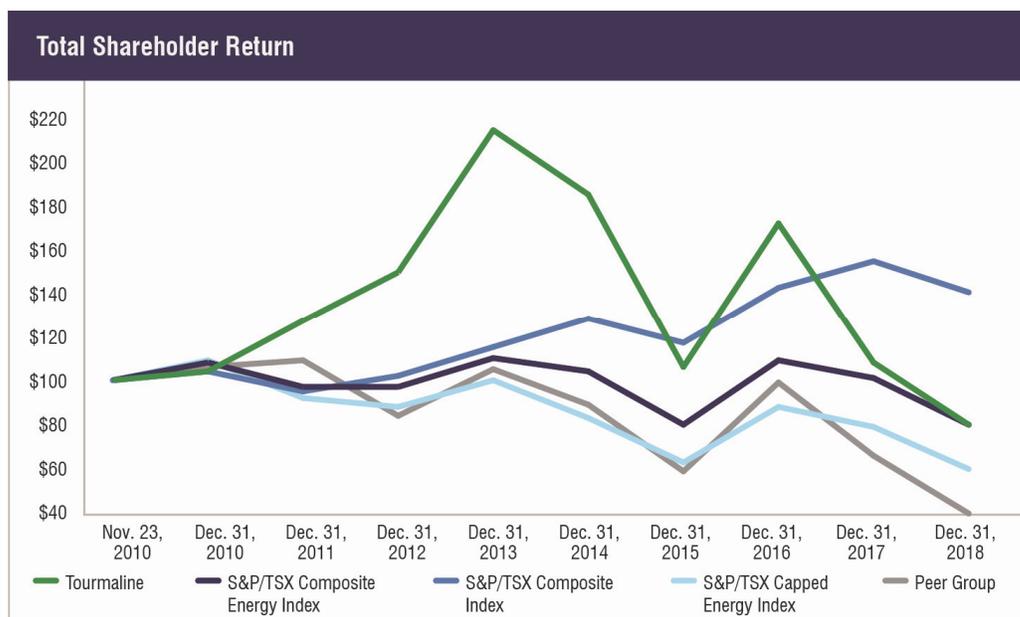
Summary

Based on the information available at the time compensation was determined, the total compensation for the Company's executive officers for 2018 was in the low-to-mid range when compared to the Company's Peer Group and the information provided in the Mercer report. General targets for total cash compensation for all employees are set at the median for solid performance and closer to the 75th percentile or higher for exceptional corporate and individual performance. The Company's compensation policies have allowed the Company to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing long-term shareholder value. The Compensation Committee and the Board continue to review and, at times, amend compensation policies to ensure that they are competitive within the oil and gas industry, consistent with the overall performance of the Company, and aligned with shareholder interest. The graph below provides a comparison of the movement in total annual NEO compensation since 2010 to the Company's total annual Revenue from Natural Gas, Oil and NGL Sales (both including and excluding realized gains (losses) on risk management activities and financial instruments) as well as annual Cash Flow. Although total annual Revenue and Cash Flow have generally increased over the past 8 years, the total NEO compensation has remained relatively flat, especially over the past 6 years, highlighting the effectiveness of the Share Option Plan which essentially takes into account share price performance ensuring that the NEO compensation is not just tied to Company performance or financial metrics but also aligns with shareholder interest.



SHARE PRICE PERFORMANCE ANALYSIS

The following graph compares the change in the cumulative total shareholder return since November 23, 2010 (the date the Common Shares commenced trading on the Toronto Stock Exchange (the “TSX”)), of a \$100 investment in the Common Shares, with the cumulative total return of the S&P/TSX Composite Energy Index, the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index for the comparable period.



Since completion of its initial public offering on November 23, 2010, the Company, on average, has outperformed both S&P/TSX Energy Indices shown above as well as its Peer Group. The sharp decline in the Company’s share price from December 31, 2013 to December 31, 2015 is consistent with the drop in both the S&P/TSX Capped Energy Index, the S&P/TSX Composite Energy Index, as well as the overall decline in oil and natural gas prices, and the oil and gas industry as a whole throughout the period, including a more drastic decline in the second half of 2015. The Company’s share price, the three S&P/TSX indices depicted above, and the share prices of the Company’s Peer Group all experienced a strengthening throughout 2016, with Tourmaline’s share price increasing at a faster rate than all three indices. In 2017, the Company’s share price decreased at a faster rate than the energy indices after having benefited from the spike in 2016. In 2018, the share price decreased from 2017 commensurate with all three indices as well as the Peer Group. Total return on the Company’s common shares from November 23, 2010 to December 31, 2018 was -17.6%, compared to -55.6% for the Peer Group’s common shares and an average of -29.6% on the energy indices (-6.2%, if the S&P/TSX Composite Index is included). Total return assumes that all dividends are reinvested in the same security.

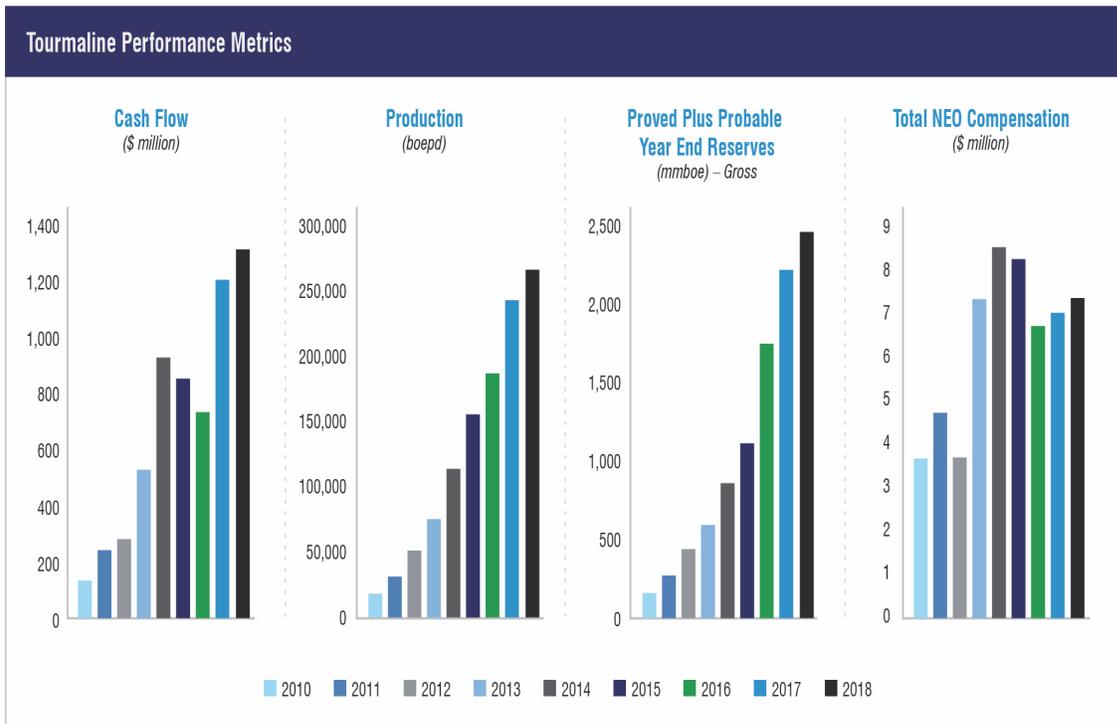


The above graph highlights the Company's share price performance against the total NEO compensation for each of the nine years ended December 31 since completion of the Company's initial public offering in November 2010. From 2010 through to 2015, the trend in total NEO compensation aligns generally with the share price whereby when the share price trends higher, total NEO compensation is also higher. Total NEO compensation in these early years reflects below-market compensation, consistent with a junior start-up company, and subsequently increased as the Company grew towards its current status as a senior producer. This fundamental change in Company size has resulted in a 99% increase in total NEO compensation since December 31, 2010. Since December 31, 2015, the share price has decreased from \$22.35 to a low of \$16.98 on December 31, 2018 and closed at \$21.38 on April 18, 2019. The share price drop since 2015 is also reflected in the lower total NEO Compensation which has decreased by 12%. The Share Option Plan's ability to ensure alignment between NEOs and shareholders is evident in the stock option grants made to NEOs since June 2013 (and included as compensation in the relevant years), where all of the grant prices are higher than the December 31, 2018 common share price and thus the Options have no realizable value at December 31, 2018. This is explicitly shown in the "Outstanding Option-Based Awards" table in this document. By comparing the total compensation in the above graph to the "Outstanding Option-Based Awards" table, it is apparent that there is a disconnect between the value attributed to an actual option grant at the date of grant (which is included in an NEO's compensation for the year) and the actual value that will be realized from that grant when and if the options are actually exercised. All of the options held by NEOs at December 31, 2018 were out of the money. Furthermore, all NEO options that vested during 2018 were also out of the money and therefore there was no actual value received in 2018 from any of those previous grants. The Company believes that the Share Option Plan allows for the NEOs and all other staff to align their interest with those of the shareholders of the Company. The ownership guidelines for both executives and directors also help ensure that all interests are properly aligned.

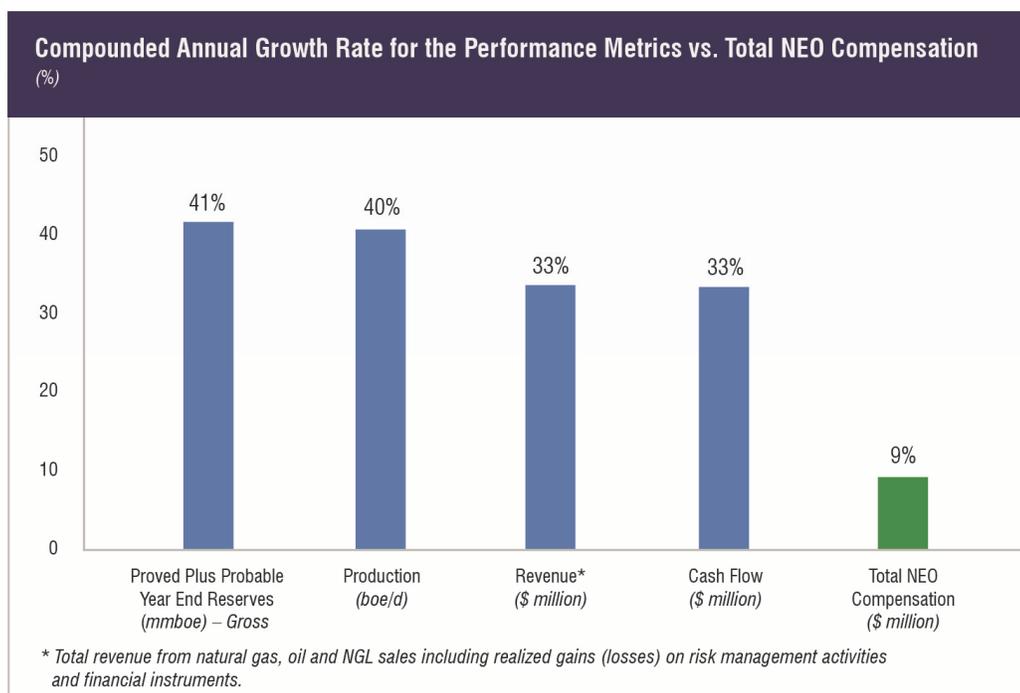
PERFORMANCE METRICS

Performance metrics compared to NEO compensation

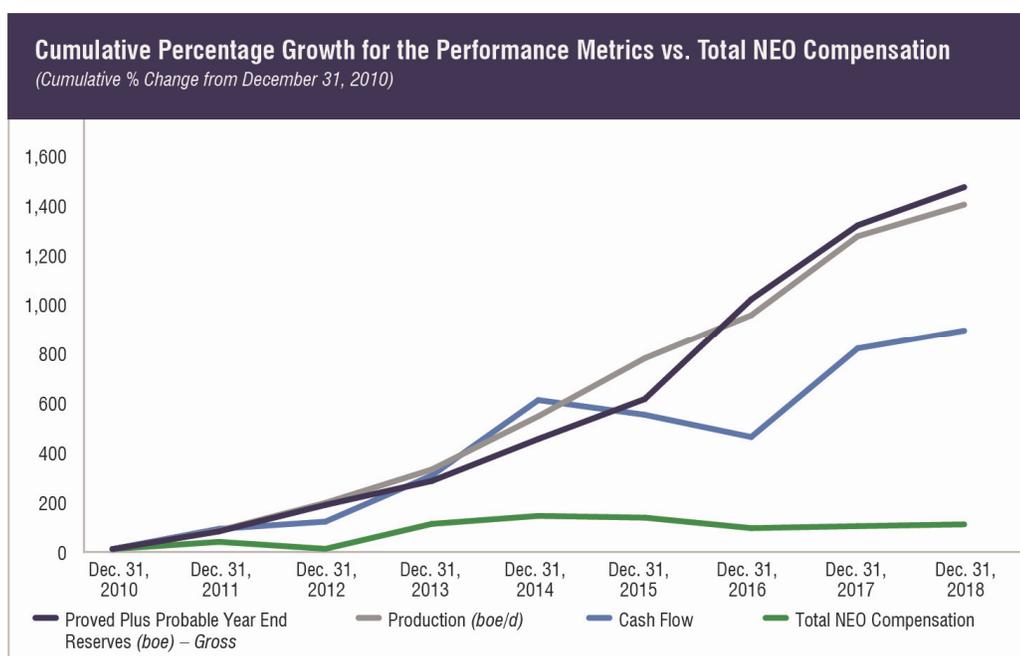
When determining the appropriate amount of short and long-term incentive pay, the Compensation Committee will consider the Company's performance relative to the goals that were set out during the year as well as the Company's Peer Group performance. The following three graphs detail the Company's performance over the past nine years and the bar graph on the right provides total NEO compensation over the same period. The overall trend in NEO compensation since 2010 is generally consistent with the significant annual increases in year-end proved plus probable reserves, average production per day, as well as the trend in cash flows; however, the NEO Compensation has not experienced the same growth and has dropped in some years as a result of the Options which are tied to the Company share price.



The graph below provides the compounded annual growth rate, a useful measure assuming compounding growth over multiple time periods, for revenue and all three performance metrics discussed above from 2010 to 2018 (growth between 33% and 41%). The compounded annual growth rate for total NEO compensation over the same period was 9%.



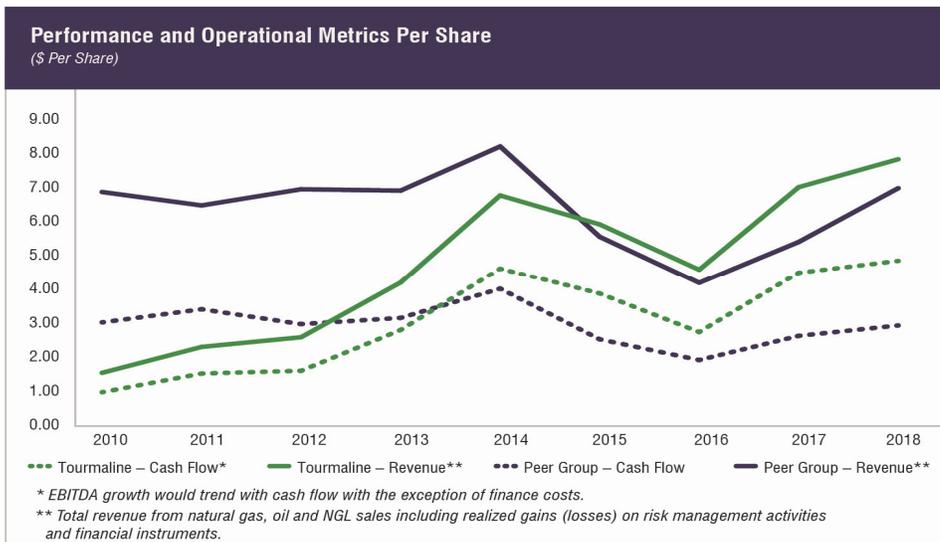
Considering the performance metrics from the previous table and focusing on the total cumulative percentage growth from December 31, 2010 to December 31, 2018, the total cumulative growth for the different categories was: year-end 2P reserves (1454%); average daily production for the year (1384%); and annual cash flow (878%). These growth rates are significantly greater than the percentage growth in total NEO compensation of 99%.



Performance and Operational Metrics Compared to the Peer Group

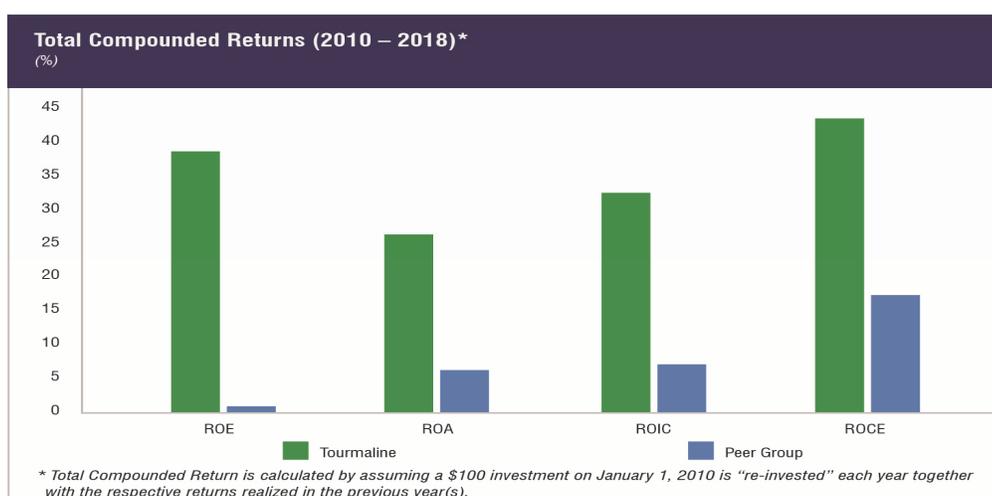
When determining the Company's financial and operational performance, a wide range of metrics are analyzed. Specifically, growth rates, rates of return and other specific metrics are key indicators when measuring the Company's achievements. Furthermore, how the Company's performance compares to that of its peers is a critical piece of information when determining compensation. The following graphs compare the Company's growth for both revenue and cash flow to the growth realized in the same categories by the Peer Group.

As shown in the charts below, despite Tourmaline's relative youth compared to its Peer Group (Tourmaline was founded in 2008 compared to the companies in the Peer Group, which were established between the years 1973 and 2008), the Company has outperformed the Peer Group in revenue and cash flow per share, as well as total cumulative percentage growth for both metrics on an absolute basis, since 2014. When compared to 2010, Tourmaline's revenue per share and cash flow per share have grown by 402% and 391%, respectively, as the Company has grown average production from less than 17,856 barrels of oil equivalent per day in 2010 to over 265,000 barrels of oil equivalent per day in 2018. This is in stark contrast to the growth rates realized by the Peer Group since 2010 of 2% and -3%, respectively. For the same period, Tourmaline's revenue and cash flow have a cumulative growth of 902% and 878%, respectively, compared to 34% and 16% for its Peer Group.

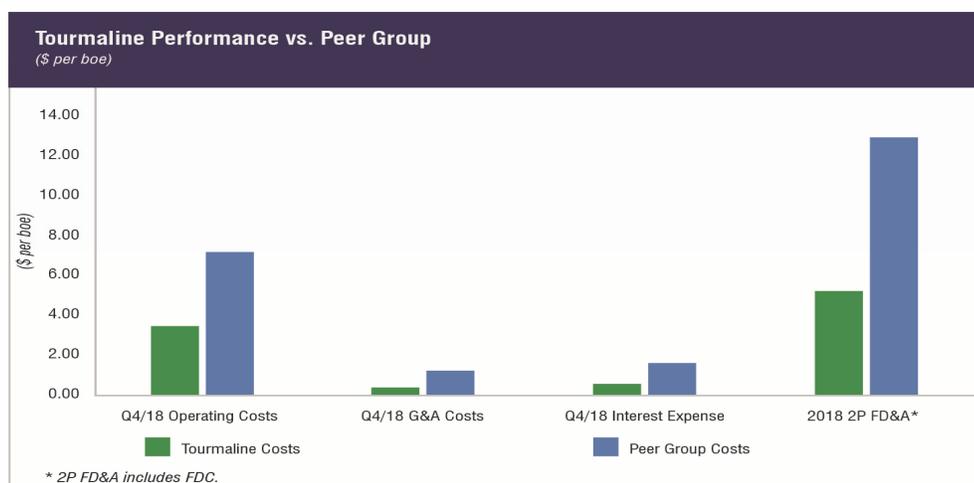


Return on Equity, Assets and Invested Capital

The Company has proven its ability to generate significant returns since 2010 compared to the returns realized by the Peer Group. Specifically, Return on Equity, calculated by dividing net income by shareholders' equity, measures the return a company generates with the money shareholders have invested; Return on Assets, calculated by dividing net income by total assets, measures the return a company generates using the assets under its control; Return on Invested Capital, calculated by dividing net income by the total of bank debt and shareholders' equity, measures the return a company generates with the total capital under its control; and Return on Capital Employed, calculated by dividing earnings before interest and taxes by the capital employed (defined as total assets less current liabilities), measures the profitability of the company based on capital employed. When analyzing total compounded returns over the last 8-year period, Tourmaline continues to outperform the Peer Group. In recent years, as the oil and gas industry, as a whole, has experienced sharp declines in commodity prices, the average income generated by the Peer Group was reduced as a result of lower revenues and, in many cases, impairment write-downs. Tourmaline has never recognized an impairment to its asset base. Additionally, Tourmaline's full-cycle profitability is evidenced by its ability to continue to generate earnings and continuously outperform the Peer Group during this depressed commodity price environment by diligently focusing on cost control and cost reduction and at the same time continuing to achieve record growth.

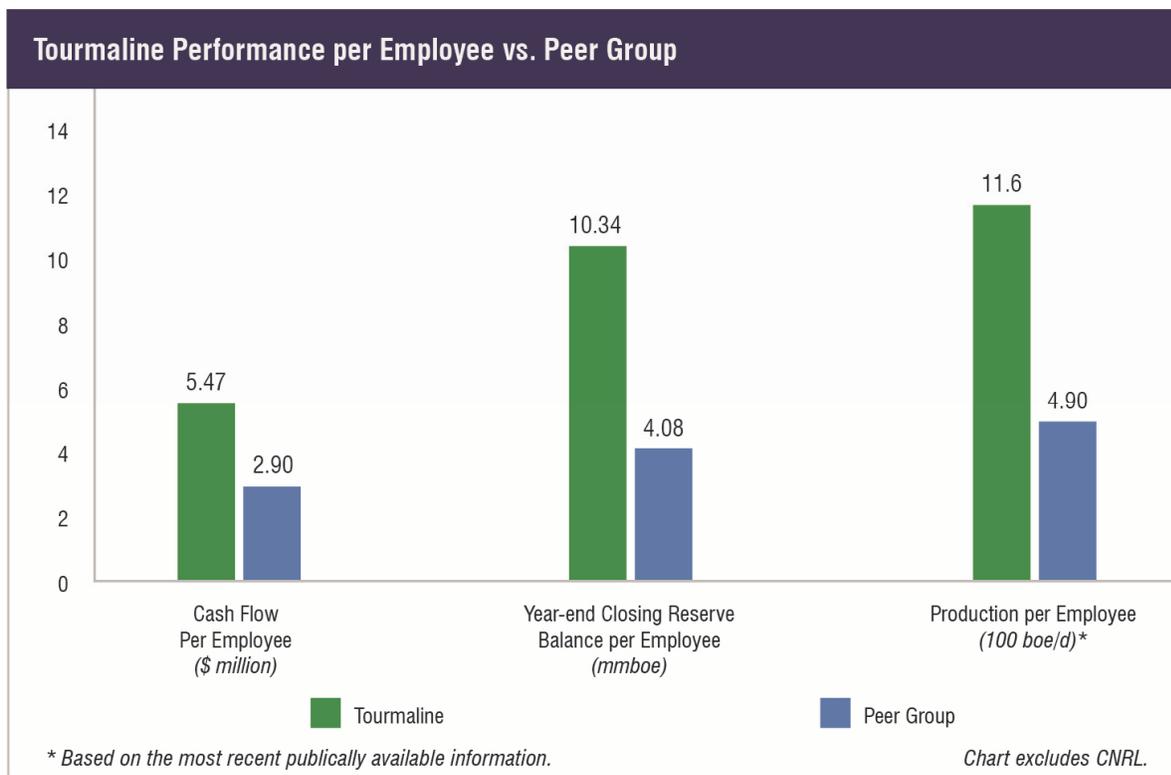


The following graph highlights certain performance metrics considered when comparing Company performance to the Company's Peer Group. The metrics highlighted in this graph are all impacted by compensation costs: G&A costs, operating costs, and FD&A costs (including future development costs).



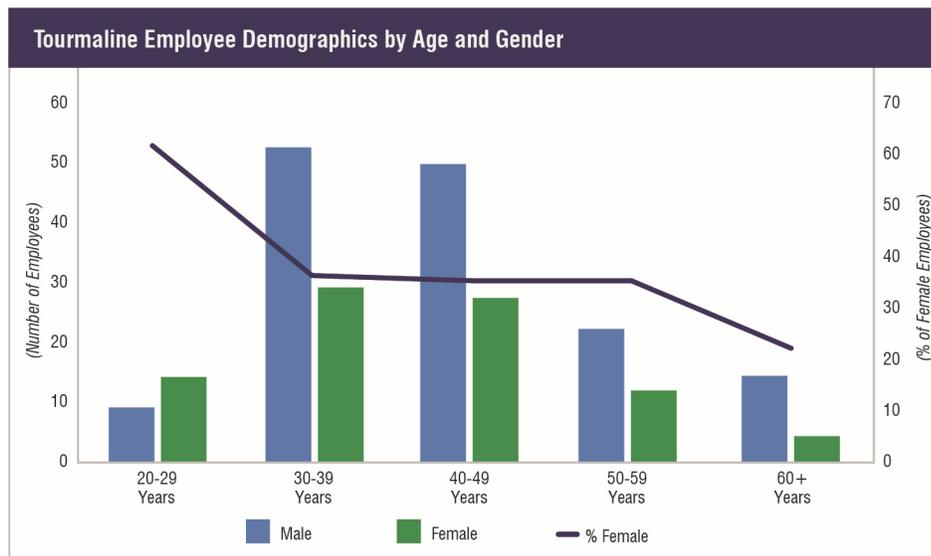
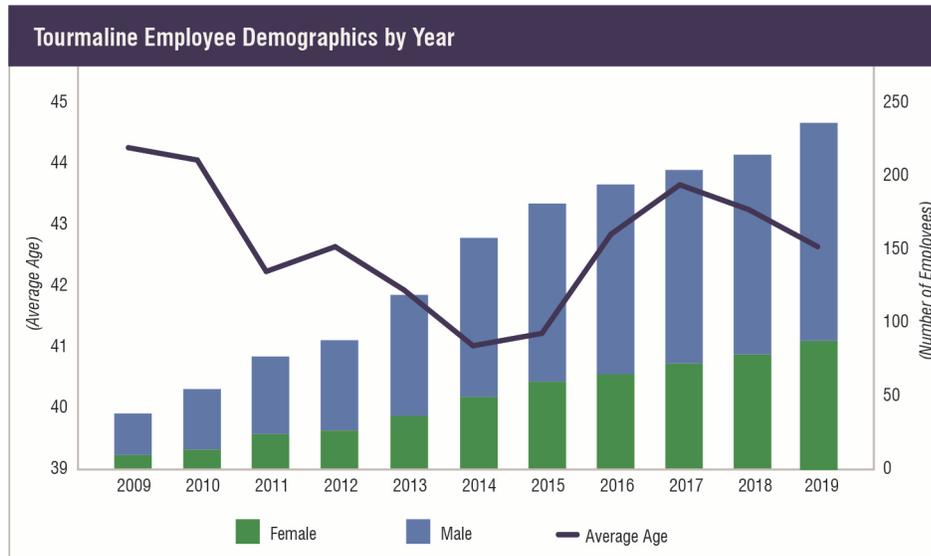
Staff Count

The Company has a much lower staff count than other companies of the same relative size. The Company currently has 238 employees (including field staff) compared to the Peer Group with an average of 573 employees, excluding CNRL and an average of 1,486 employees including CNRL. The graph below depicts cash flow, year-end closing 2P reserves and average production per day on a per-employee basis for 2018 for both Tourmaline and the Peer Group, excluding CNRL. The lower staff count results in substantially more value created on a per-employee basis when compared to the Peer Group average. The Company believes in motivating and empowering each employee to achieve their most efficient and effective performance. In return, the Company believes in rewarding employees, as well as management (including NEOs) with a long-term incentive plan, which is directly tied to overall Company performance. The lower staff count requires the Company to have only one key focus: the maintenance and execution of its core E&P business. Adding staff, office space and using executive time to devise, assess and maintain plans beyond this focus, which may or may not assist in the actual execution of the core business, can result in less efficient and more expensive G&A costs. In an environment where cost control and efficiency continue to be essential, the Company believes its staffing levels are appropriate.



Staff Demographics

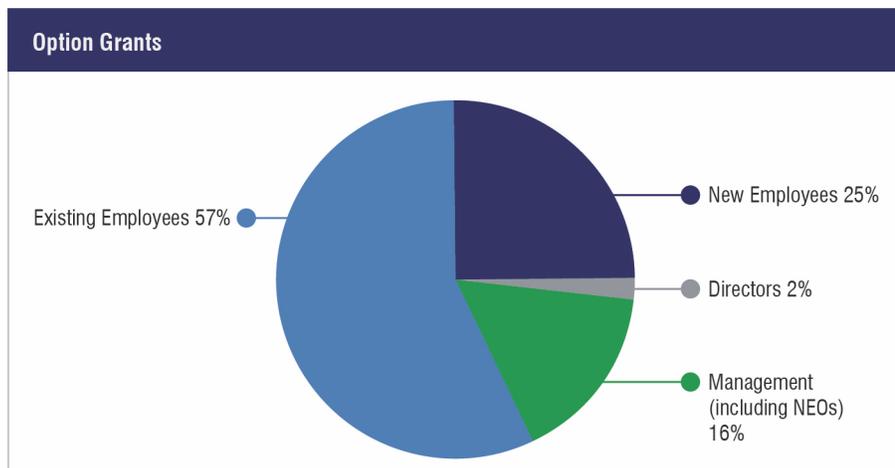
As previously discussed in the “*Corporate Governance Disclosure*” section of this document, Tourmaline is committed to diversity, not only at the Executive and Board levels, but also at all levels throughout the organization. The graphs below outline Tourmaline employee demographics by age, gender and year.



Option Grants

In 2018, 4,291,000 Options were issued and allocated to the following categories:

New Employees	1,056,100	25%
Existing Employees	2,450,000	57%
Management (including NEOs)	705,000	16%
Directors	80,000	2%
	4,291,000	100%



As the Company continues to focus on the dilutive impact of its Share Option Plan, the Company has reduced its 3-year burn rate from 2.5% in 2015 to 1.5% in 2018. The burn rate for the years 2016, 2017 and 2018 was 1.5%, 1.5% and 1.6%, respectively. Of the total Options granted in 2018, 25% were granted to new employees. As the Company continues to grow, the number of Options granted to new employees may continue to be sizeable when compared to total Options granted. The initial award to a new employee is typically larger than subsequent grants to compensate for the absence of other types of long-term compensation plans when compared to the Peer Group. In 2018, existing employees were granted 57% of the Options issued while management and NEOs were granted 16%. Directors were allocated a total of 2% of the Options issued. Grants for non-executive directors have been limited to a maximum value of \$100,000 per director per year when using the Black Scholes option pricing model. (See “*Director Compensation*” for further discussion).

Executive Share Ownership Guidelines

The Board encourages share ownership for officers and has developed guidelines to align the long-term interests of the executive team with those of shareholders. Guidelines for all officers of the Company require that they own at least an amount equal to their base salary in equivalent shares (valued using the greater of the market value of the shares or the initial price paid for the shares) except for the COO and CFO who must hold three times their base salary (valued using the greater of the market value of the shares or the initial price paid for the shares). The CEO must hold five times his total annual compensation in equivalent shares (valued using the market value of the shares). Vested and unexercised options are not included in the calculation – only Common Share ownership. Any new officers will have up to five years to accumulate the required ownership and they must show an increase in holdings every year until the requirement is met. In the event a participant’s target is increased, a further two-year period is provided to meet the new share ownership target. Incorporating the provisions noted above, all of the executive officers conform to the guidelines.

Risks Associated with the Company's Policies and Practices

The Compensation Committee and the Board has considered the implications of the risks associated with the Company's compensation policies and practices and has determined that there are no significant areas of risk given the nature of the compensation provided. The reasons for this determination include, without limitation, the following: components of the compensation are awarded on a discretionary basis; the compensation package for NEOs is reviewed and assessed annually by the Compensation Committee and the Board; the compensation program consists of fixed (base salary) and variable compensation (annual cash bonuses and long-term Option grants), which is designed to balance the level of risk-taking while also focussing on generating long-term and sustainable value for shareholders; Options vest over a period of three years, which acts to further mitigate against the potential for inappropriate short-term risk-taking; and there are no compensation policies and practices that are significantly different for any of the NEOs. The Compensation Committee and the Board will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that the Company's compensation program is appropriately structured.

The Company's Disclosure, Confidentiality and Trading Policy provides that directors, officers and employees of the Company are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Company's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for) and engaging in hedging activities of any kind.

Directors Compensation

For 2018, the annual retainer fee for independent directors was set at \$67,000 per annum.

Options

Non-executive directors participate in the Share Option Plan and the Company feels that this allows for an appropriate alignment of interests with both the directors and the shareholders of the Company. For 2018, each non-executive director has been restricted to receiving no more than \$100,000 of Option value using the Black Scholes option pricing model, in accordance with the limits of the Share Option Plan, fixing their annual remuneration to a maximum of \$100,000 as it relates to the Options.

Director Share Ownership Guidelines

Non-executive Board members are encouraged to own shares to align the long-term financial interests of the Board with those of shareholders. The Company has established guidelines for non-executive directors of the Company whereby they are required to hold at least three times their annual retainer fee in equivalent shares (valued using the greater of the market value of the shares or the initial price paid for the shares). Vested unexercised options are not included in the calculation – only Common Share ownership. Any new non-executive board members have up to five years to accumulate the required ownership and must show an increase in holdings every year until the requirement is met. In the event a retainer fee is increased, a further two-year period is provided to meet the new share ownership target. Incorporating the provisions noted above, all of the directors conform to the guidelines.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid by the Company to the Named Executive Officers during the years ended December 31, 2018, 2017 and 2016.

NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)							
Name and Principal Position	Year	Salary	Option-Based Awards ⁽¹⁾	Annual Incentive Plan	Long-Term Incentive Plan ⁽²⁾	All Other Compensation ⁽³⁾	Total Compensation
Michael L. Rose ⁽⁴⁾ Chairman, President and Chief Executive Officer	2018	600,000	242,198	2,250,000	–	60,000	3,152,198
	2017	450,000	214,666	2,250,000	–	45,000	2,959,666
	2016	–	320,232	2,500,000	–	–	2,820,232
Brian G. Robinson ⁽⁴⁾ Director and Vice President, Finance and Chief Financial Officer	2018	400,000	242,198	675,000	–	40,000	1,357,198
	2017	370,000	214,666	675,000	–	27,750	1,287,416
	2016	350,000	320,232	650,000	–	–	1,320,232
Al Bush Vice President, Operations and Chief Operating Officer	2018	360,000	181,649	400,000	–	36,000	977,649
	2017	340,000	214,666	400,000	–	7,083	961,749
	2016	325,000	320,232	375,000	–	–	1,020,232
Earl McKinnon Vice President, Drilling and Completion Operations	2018	350,000	242,198	400,000	–	35,000	1,027,198
	2017	310,000	357,777	400,000	–	23,250	1,091,027
	2016	275,000	320,232	275,000	–	–	870,232
Sherra Aspin Vice President, Marketing ⁽⁵⁾	2018	265,000	181,649	250,000	–	26,500	723,149

(1) Based on the grant date fair value of the applicable awards and does not reflect what was actually paid to the NEO in the calendar year. The fair value of Options granted are estimated at the date of grant using a Black-Scholes Option Pricing Model with the following assumptions for the years ended December 31, 2018, 2017 and 2016: weighted average risk-free interest rate of 2.15% for 2018, 1.63% for 2017 and 0.96% for 2016; dividend yield of 1.69% for 2018, 1.2% for 2017 and nil for 2016; volatility factors of the market price of the Common Shares of 33.35% for 2018, 32.01% for 2017 and 33.8% for 2016; and an average expected life of the Options of five years. This methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.

(2) The Company does not have any cash-based long-term incentive plans.

(3) These amounts include contributions that the Company made to the ESPP on the NEO's behalf. The value of other perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year and therefore not included in the table above. The value of perquisites is based on the actual cost to the Company for items including health and dental care, life insurance and parking costs.

(4) Messrs. Rose and Robinson received no additional compensation in their capacity as directors of the Company.

(5) Ms. Aspin was appointed Vice President, Marketing in September 2017 and became a Named Executive Officer in 2018.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer all option-based awards outstanding at December 31, 2018.

OPTION-BASED AWARDS ⁽³⁾					
Name	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽²⁾	
Michael L. Rose	40,000	22.05	Aug.31, 2025	—	
	30,000	26.41	Nov. 15, 2024	—	
	30,000	34.29	Nov. 15, 2023	—	
	50,000	26.39	Nov. 15, 2020	—	
	60,000	39.53	June 3, 2020	—	
	100,000	53.80	June 4, 2019	—	
Brian G. Robinson	40,000	22.05	Aug. 31, 2025	—	
	30,000	26.41	Nov. 15, 2024	—	
	30,000	34.29	Nov. 15, 2023	—	
	40,000	26.39	Nov. 15, 2020	—	
	40,000	39.53	June 3, 2020	—	
	50,000	53.80	June 4, 2019	—	
Al Bush	30,000	22.05	Aug 31, 2025	—	
	30,000	26.41	Nov. 15, 2024	—	
	30,000	34.29	Nov. 15, 2023	—	
	40,000	26.39	Nov. 15, 2020	—	
	40,000	39.53	June 3, 2020	—	
	50,000	53.80	June 4, 2019	—	
Earl McKinnon	40,000	22.05	Aug. 31, 2025	—	
	50,000	26.41	Nov. 15, 2024	—	
	30,000	34.29	Nov. 15, 2023	—	
	30,000	26.39	Nov. 15, 2020	—	
	40,000	39.53	June 3, 2020	—	
	30,000	42.78	Nov. 15, 2019	—	
	20,000	53.80	June 4, 2019	—	
Sherra Aspin	30,000	22.05	Aug. 31, 2025	—	
	30,000	26.41	Nov. 15, 2024	—	
	20,000	34.29	Nov. 15, 2023	—	
	20,000	26.39	Nov. 15, 2020	—	
	30,000	39.53	June 3, 2020	—	
	20,000	53.80	June 4, 2019	—	

(1) Common Shares underlying unexercised Options. See "Schedule B - Summary of Share Option Plan".

(2) Calculated based on the difference between the closing price of the Common Shares on December 31, 2018 of \$16.98, and the exercise price of the Options. At December 31, 2018, all options were out of the money.

(3) The Company did not grant any share-based awards in the last completed financial year nor are there any share-based awards outstanding.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards which vested during the year ended December 31, 2018 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2018.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael L. Rose	–	2,250,000
Brian G. Robinson	–	675,000
Al Bush	–	400,000
Earl McKinnon	–	400,000
Sherra Aspin	–	250,000

(1) The Company did not have any share-based awards outstanding during the year ended December 31, 2018.

(2) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the options multiplied by the options vested on the vesting date. For 2018, all options which vested during the year were out of the money.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Except for the accelerated vesting of Options upon a Change of Control (as defined in the Share Option Plan), Tourmaline has not entered into or adopted any contract, agreement, plan or arrangement that provides for payments to an NEO at, following, or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Tourmaline or change in an NEO's responsibilities. This decision was made by the Board to ensure that in the event an outside party is interested in acquiring the Company, there are no negative hindrances associated with change of control severance contracts for NEOs which could potentially alter a decision that is ultimately in the best interest of the Company.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth information concerning the compensation, excluding reimbursement to directors for expenses incurred in attending Board and committee meetings, paid to each of the Company's directors who was a director at any time in 2018, other than directors who are also NEOs, during the years ended December 31, 2018, 2017 and 2016.

Name	Year	Fees Earned (\$)	Option-Based Awards ⁽¹⁾ (\$)	Annual Incentive Plan (\$)	Long-Term Incentive Plan (\$)	All Other Compensation (\$)	Total (\$)
Jill T. Angevine	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
William D. Armstrong	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
Lee A. Baker	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
Robert W. Blakely ⁽²⁾	2018	33,500	–	–	–	–	33,500
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
John W. Elick	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
Phillip A. Lamoreaux	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
Andrew B. MacDonald	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870
Lucy M. Miller ⁽³⁾	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	72,157	–	–	–	135,157
Ronald C. Wigham	2018	67,000	58,702	–	–	–	125,702
	2017	63,000	68,024	–	–	–	131,024
	2016	60,000	94,870	–	–	–	154,870

(1) Based on the grant date fair value of the applicable awards and does not reflect what was actually paid to the director in the calendar year. The fair value of Options granted are estimated at the date of grant using a Black-Scholes Option Pricing Model with the following assumptions for the years ended December 31, 2018, 2017 and 2016 (except for Ms. Miller's Option grant in July 2017 which is described in note 3): risk-free interest rate of 2.11% for 2018; 1.57% for 2017 and 0.85% for 2016; dividend yield of 1.69% for 2018; 1.2% for 2017 and nil for 2016; volatility factors of the market price of the Common Shares of 35.68% for 2018; 33.81% for 2017 and 33.73% for 2016; and an average expected life of the Options of four years for each year. This methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.

(2) Mr. Blakely did not stand for re-election at the June 6, 2018 meeting.

(3) Ms. Miller was appointed to the Board on June 7, 2017. On July 15, 2017, Ms. Miller was granted 10,000 options. The fair value of the Options granted was estimated at the date of grant using a Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.51%, dividend yield of nil; volatility factor of the market price of the Common Shares of 31.99%; and an average expected life of the Options of four years.

Directors' Outstanding Option-Based Awards

The following table sets forth for each of the directors who was a director at any time in 2018, other than directors who are also NEOs, all option-based awards and share-based awards outstanding at December 31, 2018.

OPTION-BASED AWARDS ⁽¹⁾					
Name	Number of Securities Underlying Unexercised Options ⁽²⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽³⁾ (\$)	
Jill T. Angevine	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	10,000	26.39	Nov. 15, 2020	—	
William D. Armstrong	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
Lee A. Baker	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
Robert W. Blakely ⁽⁴⁾	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
John W. Elick	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
Phillip A. Lamoreaux	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
Andrew B. MacDonald	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	
	5,000	39.53	June 3, 2020	—	
	5,000	53.80	June 4, 2019	—	
Lucy M. Miller	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.34	July 15, 2022	—	
Ronald C. Wigham	10,000	22.05	Aug. 31, 2023	—	
	10,000	26.41	Nov. 15, 2022	—	
	10,000	34.29	Nov. 15, 2021	—	

(1) The Company did not grant any share-based awards in the last completed financial year nor are there any share-based awards outstanding.

(2) Common Shares underlying unexercised Options. See "Schedule B - Summary of Share Option Plan".

(3) Calculated based on the difference between the closing price of the Common Shares on December 31, 2018 of \$16.98 and the exercise price of the Options. At December 31, 2018, all options were out of the money.

(4) Mr. Blakely did not stand for re-election at the June 6, 2018 Annual and Special General Meeting.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the directors who was a director at any time in 2018, other than directors who are also NEOs, the value of option-based awards and share-based awards which vested during the year ended December 31, 2018 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2018.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽¹⁾
Jill T. Angevine	–	–
William D. Armstrong	–	–
Lee A. Baker	–	–
Robert W. Blakely	–	–
John W. Elick	–	–
Phillip A. Lamoreaux	–	–
Andrew B. MacDonald	–	–
Lucy M. Miller	–	–
Ronald C. Wigham	–	–

(1) The Company did not have any share-based awards outstanding during the year ended December 31, 2018 and the Company did not pay any cash-based long-term incentives to directors in 2018.

(2) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the options multiplied by the options vested on the vesting date. For 2018, all options which vested during the year were out of the money.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as at December 31, 2018 and April 18, 2019.

Plan Category ⁽¹⁾	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders – December 31, 2018 ⁽²⁾	20,452,467	\$32.27	2,671,159
<i>Percent of Outstanding shares</i>	<i>7.5%</i>		<i>1.0%</i>
Equity compensation plans approved by securityholders – April 18, 2019 ⁽³⁾	20,327,251	\$31.84	2,797,012
<i>Percent of Outstanding shares</i>	<i>7.5%</i>		<i>1.0%</i>

(1) The Company's only equity compensation plan is the Share Option Plan. See "Schedule B – Summary of Share Option Plan".

(2) During the year ended December 31, 2018, the Company granted 4,291,000 Options pursuant to the Share Option Plan which represents 1.6% of the Common Shares outstanding at December 31, 2018. There were no options exercised and 4,787,015 were cancelled or expired during the year ended December 31, 2018.

(3) During the period from January 1, 2019 to April 18, 2019, the Company granted 336,000 Options pursuant to the Share Option Plan which represents 0.1% of the Common Shares outstanding at April 18, 2019. There were 7,500 options exercised and 453,716 options were cancelled or expired during the period from January 1, 2019 to April 18, 2019.

Indebtedness of Directors and Executive Officers

The Company is not aware of any individuals who are either current or former executive officers, directors or employees of the Company or any of its subsidiaries and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Company or otherwise) that is owing to: (i) the Company or any of its subsidiaries; or (ii) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Circular; and (ii) "routine indebtedness" (as defined in Form 51-102F5 of the Canadian Securities Administrators), the Company is not aware of any individuals who are, or who at any time during 2018 were, a director or executive officer of the Company, a proposed nominee for election as a director or an associate of any of those directors, executive officers or proposed nominees who are, or have been at any time since January 1, 2018, indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since January 1, 2018 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Audit Committee Information

The information required by *Form 52-110F1 of National Instrument 52-110 – Audit Committees* of the Canadian Securities Administrators, including information regarding the fees billed to Tourmaline by KPMG LLP, Chartered Professional Accountants, Calgary, Alberta, is contained in Tourmaline's Annual Information Form for the year ended December 31, 2018, under the heading "*Audit Committee Information*", an electronic copy of which is available on Tourmaline's SEDAR profile at www.sedar.com.

Comprehensive review of the external auditor

Audit committees are integral to the audit process and it is the Audit Committee's responsibility to oversee the work of the external auditor. To fulfill this responsibility, during the year-end 2018 Audit Committee meeting, the Audit Committee conducted a comprehensive review of KPMG LLP's performance and effectiveness considering factors such as the:

- a) quality of services provided by KPMG LLP's engagement team during the audit period;
- b) relevant qualifications, and experience;
- c) quality of communications received from KPMG LLP; and
- d) KPMG LLP's independence, objectivity and professional skepticism.

The Comprehensive Review of the External Auditor performed by the Audit Committee was also undertaken as part of the reappointment process. The Audit Committee assessed KPMG LLP's performance, by obtaining input from Company personnel, input from KPMG LLP relating to quality and regulatory inspections, and through discussions with the Board. The Audit Committee also considered the institutional familiarity threats created by audit firm tenure, focusing on the Audit Committee's assessment of the auditor's objectivity and their application of professional skepticism, the quality of the engagement team the audit firm has provided, including technical and industry expertise and its rotation plan for key partner roles established to mitigate the familiarity threat.

The Audit Committee also:

- (i) oversaw the annual work of the auditor;
- (ii) reviewed the integrated audit plan and assessed the reasonableness of audit fees;
- (iii) monitored the execution of the integrated audit plan;
- (iv) reviewed and evaluated the external auditor's findings;

- (v) pre-approved all engagements with KPMG LLP including non-audit services;
- (vi) received written confirmation from KPMG LLP of its independence and discussed the potential effects of any relationships that may reasonably be thought to bear on independence;
- (vii) met in camera with the auditors at every Audit Committee meeting; and
- (viii) conducted a comprehensive assessment of the external auditors.

Based on the comprehensive review performed in the current year and after considering findings from the annual reviews performed in prior years, the Audit Committee concluded that it was satisfied with KPMG LLP's performance and approved and recommended that the Board recommend to shareholders the appointment of KPMG LLP as auditor of Tourmaline.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any informed persons (as defined in National Instrument 51-102) of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Company or anyone who has held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Financial information in respect of the Company and its affairs is provided in the Company's annual audited comparative financial statements for the years ended December 31, 2018 and 2017 and the related Management's Discussion and Analysis. Copies of the Company's Financial Statements and related Management's Discussion and Analysis are available on the Company's website at www.tourmalineoil.com as well as upon request from the Vice President, Finance and Chief Financial Officer of the Company, 403-266-5992 or brian.robinson@tourmalineoil.com.

READER ADVISORIES

Currency

All amounts in this Circular are stated in Canadian dollars unless otherwise specified.

Website References

Information contained in or otherwise accessible through Tourmaline's website and other websites, though referenced herein, does not form part of this Management Proxy Circular and is not incorporated by reference into this Management Proxy Circular.

Forward-Looking Information

This Circular 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", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this Circular contains forward-looking information concerning: the business of and procedure for the Meeting; the composition of the Board following the Meeting; the belief that electronic delivery will save paper, reduce our impact on the environment and reduce costs; management's expectation that none of the nominees for director will be unable to serve as director; the intended aims of compensation for directors and NEOs; the belief that an effective senior leadership team and dedicated employees will allow Tourmaline to execute its strategy and deliver strong results; Tourmaline's belief that the key executive compensation governance practices are consistent with best practices, support Tourmaline's business objectives and align with shareholder interests; estimated values of compensation components and those of the Peer Group; that the Company's compensation policies and programs do not encourage excessive risk that could have a material adverse effect on Tourmaline; the determination that it does not believe that there are any identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse impact on the Company; Tourmaline's belief that it provides the right balance in its overall rewards program to attract, engage and retain talented, capable executives; Tourmaline's belief that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace which improves overall business performance; the belief that the most effective way to achieve Tourmaline's goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within the Company and acquire the experience and have the opportunities necessary to become effective leaders; references to Tourmaline's social goal and the strategies to achieve such goal; the anticipated effects of Tourmaline's corporate governance practices and those of the Board; the anticipated timing of the retirement of directors from the Board; Tourmaline's belief in diversity amongst Board members and its workforce and plans with respect to diversity; 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; cash flow, cash flow per share, free cash flow, and net debt to cash flow levels; capital spending; the timing for facility expansions and facility start-up dates; benefits to be obtained from liquids handling and processing agreements; 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: 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 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 they 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; political and social policy and regulatory 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 Circular 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 Circular is based upon the reports of GLJ Petroleum Consultants Ltd. ("**GLJ**") and Deloitte LLP, each dated effective December 31, 2018, which have been consolidated into one report by GLJ and adjusted to apply certain of GLJ's assumptions and methodologies and pricing and cost assumptions. The consolidated report includes 100% of the reserves and future net revenue attributable to the properties of Exshaw Oil Corp., a subsidiary of the Company, without reduction to reflect the 9.4% third-party minority interest in Exshaw. The price forecast used in the reserve evaluations is an average of the January 1, 2019 price forecasts for GLJ, Sproule Associates Ltd. and McDaniel & Associates Consultants Ltd., each of which is available on their respective websites, www.gljpc.com, www.sroule.com and www.mcdan.com, and will be contained in the Company's Annual Information Form for the year ended December 31, 2018, which is available for review on SEDAR.

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and natural gas liquids ("**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.

All evaluations and reviews of future net revenue are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. The after-tax net present value of the Company's oil and gas properties reflects the tax burden on the properties on a stand-alone basis and utilizes the Company's tax pools. It does not consider the corporate tax situation, or tax planning. It does not provide an estimate of the after-tax value of the Company, which may be significantly different. The

Company's financial statements and the management's discussion and analysis should be consulted for information at the level of the Company.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to effects of aggregations. The estimated values of future net revenue disclosed in this Circular do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

BOE Equivalency

In this Circular, 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

This Circular contains metrics commonly used in the oil and natural gas industry. Each of these metrics is determined by the Company as set out elsewhere in this Circular. These metrics do not have standardized meanings and may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Company's performance over time, however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the performance in previous periods.

Non-GAAP Financial Measures

This Circular includes references to "free cash flow" and "cash flow" 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" and "cash flow" 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, 2018 Management's Discussion and Analysis for the definition and description of these terms.

Certain Definitions

<i>bbl</i>	barrel
<i>bbls/d</i>	barrels per day
<i>bbl/d</i>	barrels per day
<i>boe</i>	barrel of oil equivalent
<i>boe/d</i>	barrel of oil equivalent per day
<i>mboe</i>	thousand barrels of oil equivalent
<i>mcf</i>	thousand cubic feet
<i>mmboe</i>	million barrels of oil equivalent
<i>NGL or NGLs</i>	natural gas liquids
<i>tcf</i>	trillion cubic feet

SCHEDULE A – MANDATE OF THE BOARD OF DIRECTORS

General

The Board of Directors (the “**Board**”) of Tourmaline Oil Corp. (the “**Company**” or “**Tourmaline**”) is responsible for the stewardship of the Company. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Tourmaline. In general terms, the Board will:

- in consultation with the chief executive officer of the Company (the “**CEO**”), define the principal objectives of Tourmaline;
- supervise the management of the business and affairs of Tourmaline with the goal of achieving Tourmaline's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Specific

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Establish processes as required that adequately provide for succession planning, including the appointing, training and monitoring of senior management. The Board's goal is to have a long-term and continuing program for effective senior leadership development and succession. The Board also considers contingency plans in place for emergencies involving the CEO or other executive officers.
- Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of Tourmaline's strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Establish or cause to be established systems to identify the principal risks to Tourmaline and that the best practical procedures are in place to monitor and mitigate the risks.
- Establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.
- Establish or cause to be established an adequate system of internal control.
- Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Tourmaline's financial and other disclosure.
- Review and approve Tourmaline's financial statements and oversee Tourmaline's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.

- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Company and that the CEO and other executive officers create a culture of integrity throughout Tourmaline.

Board Process/Effectiveness

- A quorum for meetings of the Board will be at least 50% of its members.
- Attempt to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Engage in the process of determining Board member qualifications with the Corporate Governance and Nominating Committee including ensuring that a majority of directors qualify as independent directors pursuant to *National Instrument 58-101 Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of Tourmaline's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Tourmaline operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Company, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Company's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

Delegation

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of Tourmaline, the Chairman of the Board will act as a liaison between stakeholders of Tourmaline and the Board (including independent members of the Board).

SCHEDULE B – SUMMARY OF SHARE OPTION PLAN

The following is a summary of the material terms of the share option plan, as amended by Tourmaline (the “**Option Plan**”). This summary is qualified in its entirety by reference to the full text of the Option Plan, a copy of which can be obtained from the Company’s Secretary.

Purpose and Administration of the Option Plan

The purpose of the Option Plan is to develop the interest of existing or proposed officers, directors, employees and Service Providers (as defined below) of the Company and its subsidiaries and other persons who provide or are proposed to provide ongoing management or consulting services to the Company or its subsidiaries in the growth and development of the Company by providing them with the opportunity through Options to acquire an increased proprietary interest in the Company. For the purposes of the Option Plan, “**Service Provider**” means a person or company engaged, or proposed to be engaged, by the Company to provide services for an initial, renewable or extended period of 12 months or more.

The Option Plan is administered by the Board, or if appointed, by a committee of directors appointed from time to time by the Board (such committee, or if no such committee is appointed, the Board is hereinafter referred to as the “**Committee**”) pursuant to rules of procedure fixed by the Board.

Granting of Options

The Committee has the authority to designate existing or proposed directors, officers, employees and Service Providers of the Company or its subsidiaries (collectively, the “**Optionees**”) to whom Options to purchase Common Shares may be granted and the number of Common Shares to be optioned to each and may grant such Options, subject to the provisions of the Option Plan as summarized below.

The Option Plan provides that:

- a) the number of Common Shares reserved for issuance on exercise of all Options outstanding under the Option Plan at any time shall not exceed 8.5% of the Outstanding Common Shares (as defined in the Option Plan) at the time in question (the “**Common Share Maximum**”) subject to adjustment as set forth in the Option Plan;
- b) the number of Common Shares reserved for issuance under the Option Plan to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- c) the number of Common Shares issuable to Insiders (as defined in the Option Plan), at any time, under all Share Compensation Arrangements (as defined in the Option Plan), shall not exceed 10% of the Outstanding Common Shares;
- d) the number of Common Shares issued to Insiders, within any one-year period, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares; and
- e) the value of Options granted to any one director of the Company who is not an officer or employee of the Company or its subsidiaries during a calendar year, as calculated on the date of grant, shall not exceed \$100,000.

Any increase in the Outstanding Common Shares (whether as a result of the exercise of Options or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of Options outstanding at any time and any decrease in the number of Options outstanding, due to the exercise of Options, will make new grants available under the Option Plan.

The Common Shares that are reserved for issuance on exercise of Options granted pursuant to the Option Plan that are cancelled, terminated or expire prior to the exercise of all or a portion thereof are available for a subsequent grant of Options pursuant to the Option Plan to the extent that any Common Shares issuable thereunder are not issued under such cancelled, terminated or expired Options.

Vesting

In the absence of any determination otherwise at the time of grant, vesting of Options shall be as to one third of the number of Options granted on the first anniversary of the date of grant and as to one third of the number of Options granted on the anniversary of the date of grant on each of the next two (2) succeeding years thereafter. Notwithstanding the foregoing, vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a Change of Control takes place and as otherwise provided herein. Further, the Committee may accelerate, or provide for the acceleration of, vesting of Options previously granted where exceptional circumstances exist as determined by the Committee and confirmed by the Board.

Exercise Price

The exercise price (the “**Exercise Price**”) of any Option will be fixed by the Committee when such Option is granted, provided that from and after the date that the Common Shares are listed on a stock exchange (the “**Exchange**”), such price shall not be less than the Current Market Price. For this purpose, “**Current Market Price**” means the volume weighted average trading price of the Common Shares on the Exchange (or if the Common Shares are listed on more than one stock exchange, on such stock exchange as may be designated by the Committee for such purpose) for the five (5) trading days immediately preceding the date of the grant of Options and, for this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period; or, if the Common Shares are not listed on any Exchange, a price determined by the Committee.

Option Terms

The period during which an Option is exercisable (the “**Exercise Period**”) shall, subject to the provisions of the Option Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant provided that no Option may be exercised beyond the maximum term of the Options. The maximum term of the Options was increased from five to seven years from the date of grant, with respect to Options granted subsequent to such increase. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- (i) **Termination for Cause** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of termination for cause, effective at the date on which notice is given to the Optionee of such termination, all Options held by the Optionee, whether vested at such date or unvested, shall terminate and become null and void;
- (ii) **Termination not for Cause** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of termination other than termination for cause, effective at the earlier of the date which is thirty (30) days following the date on which notice is given in respect of such termination and the end of the Exercise Period, all Options held by the Optionee which have not vested at such date shall terminate and become null and void, unless determined otherwise by the Committee in its sole discretion. With respect to the portion of the outstanding Options which are held by such Optionee and which have vested at the expiration of such period, unless determined otherwise by the Committee in its sole discretion, the Optionee shall have until the earlier of:
 - i) three (3) months from the date on which notice is given in respect of such termination; or
 - ii) the end of the Exercise Period;to exercise any Options which have vested as aforesaid and any vested Options which have not been so exercised shall terminate and become null and void;
- (iii) **Voluntary Resignation** – if the Optionee voluntarily ceases to be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company other than as a result of such

Optionee's disability, retirement or death, effective at the earlier of the last day of any notice period applicable in respect of such voluntary resignation and the date on which the Optionee ceases to be a Service Provider, all Options held by the Optionee, whether vested at such date or unvested, shall terminate and become null and void;

- (iv) **Disability** – if an Optionee ceases to be an officer of or be in the employ of, or a consultant or other Service Provider to either the Company or a subsidiary of the Company as a result of such Optionee's disability as defined in the Option Plan, all Options granted to such Optionee shall not change as a result of such Optionee's disability;
- (v) **Retirement** – if an Optionee ceases to be an officer of or be in the employ of, or a consultant or other Service Provider to either the Company or a subsidiary of the Company as a result of such Optionee's retirement as defined in the Option Plan, if on the date of such Optionee's retirement, the Optionee has provided services to the Company or a subsidiary of the Company for a period of five (5) years or such other period as may be determined by the Committee, the Optionee shall only have until the earlier of:
 - i) thirty-six (36) months from the date of such Optionee's retirement or such other date as may be determined by the Committee; or
 - ii) the end of the Exercise Period;
to exercise any Options which have vested at the date of exercise, and at the expiration of such period any Options which have not been exercised shall terminate and become null and void.

Furthermore, the Committee shall have the discretion, if it feels that it is appropriate, to alter the consequences of the retirement of an Optionee on such Optionee's outstanding Options; and

- (vi) **Death** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of the death of the Optionee, all Options which have not vested at such date shall immediately vest and the executor, administrator or personal representative of such Optionee shall have until the earlier of:
 - i) twelve (12) months from the date of death of such Optionee; or
 - ii) the end of the Exercise Period;
to exercise any outstanding Options, and at the expiration of such period, any Options which have not been exercised shall terminate and become null and void.

For the purposes of the Option Plan and any Options granted pursuant to the Option Plan, the Optionee shall be deemed to have ceased to be an employee or Service Provider of the Company or any subsidiary of the Company, as applicable, and the Optionee shall be deemed to have terminated or resigned from employment or other service arrangement with the Company for the purposes hereof or for the purposes of any Option issued pursuant to the terms hereof on the first to occur of such termination or resignation or the date (as determined by the Committee) that the Optionee ceases in the active performance of all of the regular duties of the Optionee's job, which includes the carrying on of all of the usual and customary day-to-day duties of the job for the normal and scheduled number of hours in each working day, or the Optionee ceases to provide services pursuant to the services arrangement, as applicable; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Company in respect of such termination of employment or other service arrangement.

The Option Plan does not confer upon an Optionee any right with respect to continuation of employment by the Company or any subsidiary thereof, nor does it interfere in any way with the right of the Optionee, the Company or a subsidiary thereof to terminate the Optionee's employment or service provision at any time.

If the normal expiry date of any Options fall within any Blackout Period (as defined in the Option Plan) or within ten (10) business days following the end of any Blackout Period ("**Blackout Options**"), then the Expiry Date of such Blackout Options shall, without any further action, be extended to the date that is ten (10) business days following the end of such

Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options.

Cashless Exercise

Subject to the provisions of the Option Plan, if permitted by the Board, an Optionee may elect to exercise an Option by surrendering such Option in exchange for the issuance of Common Shares equal to the number determined by multiplying the number of Common Shares which the Optionee is entitled to purchase pursuant to the Options being surrendered by a fraction of which the numerator is the difference between the Current Market Price (calculated as at the date of exercise) and the exercise price of such Option and of which the denominator is the Current Market Price (calculated as at the date of exercise). An Option may be exercised pursuant to this Section from time to time by delivery to the Company at its head office in Calgary, Alberta or such other place as may be specified by the Company, of a written notice of exercise specifying that the Optionee has elected a cashless exercise of such Option and the number of Options to be exercised. The Company will not be required, upon the exercise of any Options pursuant to this Section, to issue fractions of Common Shares. There will be paid to the Optionee by the Company upon the exercise of such Options pursuant to this Section within ten (10) business days after the exercise date, an amount in lawful money of Canada to the then fair market value of such fractional interest (as determined by the Board), provided that the Company will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon exercise of the foregoing, the number of Common Shares actually issued shall be deducted from the number of Common Shares reserved with the Exchange for future issuance under the Option Plan and the balance of the Common Shares that were issuable pursuant to the Options so surrendered shall be considered to have been cancelled and available for further issuance.

Mergers, Amalgamation and Sale

If the Company becomes merged (whether by plan of arrangement or otherwise) or amalgamated in or with another company or entity or sells the whole or substantially the whole of its assets and undertakings for shares or securities of another company or other entity, the Company will, subject to the Option Plan, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee will receive such number of shares of the continuing successor company or other entity in such merger or amalgamation or the securities or shares of the purchasing company or other entity as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Company immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Company to the Optionee in respect of the Common Shares subject to the Option will terminate and be at an end and the Optionee will cease to have any further rights in respect thereof. Alternatively, and in lieu of making such provision, in the event of such merger, amalgamation or sale, the Company may satisfy any obligations to an Optionee by paying to the Optionee, in cash, the difference between the Exercise Price of all unexercised Options held by the Optionee and the fair market value of the securities to which the Optionee would be entitled upon exercise of all unexercised Options. Adjustments under the Option Plan or any determinations as to fair market value of any securities will be made by the Committee, and any reasonable determination made by the Committee will be binding and conclusive.

Acceleration of Vesting and Termination of Option in the Event of Take-Over Bid

In the event of a Take-Over Bid (as defined in the Option Plan), Optionees have the right to exercise Options granted pursuant to the Option Plan to purchase all of the Common Shares which have not been previously purchased under such Options, but any such Common Shares not otherwise vested and exercisable may only be purchased for tender pursuant to such Take-Over Bid. If for any reason such Common Shares are not so tendered or, if tendered, are not for any reason taken up and paid for by the offeree pursuant to such Take-Over Bid, any such Common Shares so purchased by an Optionee will be and be deemed to be cancelled and returned to treasury of the Company, will be added back to the number of Common Shares, if any, remaining unexercised under the applicable Option and, upon presentation to the

Company of share certificates representing such shares properly endorsed for transfer back to the Company, the Company will refund to the Optionee all consideration paid on the exercise thereof. In the event a Take-Over Bid is made and Common Shares are taken up and paid for pursuant to such Take-Over Bid, the Company will have the right to satisfy any obligations to an Optionee in respect of any Options not exercised by paying to the Optionee, in cash, the difference between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value will be conclusively made by the Committee. Upon payment as aforesaid, the Options will terminate and be at an end and the Optionee will cease to have any further rights in respect thereof.

Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Company shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted or the Company shall pay a dividend (other than in the ordinary course) upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, securities or other assets, or other relevant changes in the share capital of the Company shall occur, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision, stock dividend or other change shall be proportionately adjusted (including as to the number of Common Shares subject to the Option and the exercise price thereof, as applicable) so that the Optionee will from time to time, upon the exercise of an Option, be entitled to receive the number of shares, securities or other property of the Company he or she would have held following such consolidation, subdivision, stock dividend or other change if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision, stock dividend or other change. Upon any such adjustments being made, the Optionee will be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

For greater certainty, and anything above to the contrary notwithstanding, no adjustment will be made in accordance with the Option Plan with respect to the issue of Common Shares being made pursuant to or in connection with:

- (i) any stock option plan or stock purchase plan, including the Option Plan, in force from time to time for existing or proposed officers, directors, employees or Service Providers of the Company; or
- (ii) the issuance of additional Common Shares pursuant to a public offering or private placement by the Company or a take-over bid made by the Company for the securities of another entity.

Option Agreements

A written agreement will be entered into between the Company and each Optionee to whom an Option is granted pursuant to the Option Plan, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of the Option Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Company to enter into and may contain such terms as may be considered necessary in order that the Option will comply with the Option Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Company.

Regulatory Authorities Approvals

The Option Plan and the Company's obligation to issue and deliver Common Shares under any Option is subject to the approval, if required, of any Exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval, if required, is conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

Amendment or Discontinuance of the Option Plan

The Committee may amend or discontinue the Option Plan and Options granted thereunder at any time without shareholder approval; provided any amendment to the Option Plan that requires approval of any Exchange on which the Common Shares are listed for trading may not be made without approval of such Exchange. Without the prior approval of the shareholders, or such approval as may be required by the Exchange, the Committee may not:

- (i) make any amendment to the Option Plan to increase the Common Share Maximum;
- (ii) reduce the exercise price of any outstanding Options;
- (iii) cancel an Option and subsequently issue the holder of such Option a new Option or other entitlements in replacement thereof;
- (iv) extend the term of any outstanding Option beyond the original expiry date of such Option;
- (v) make an amendment to increase the maximum limit on the number of securities that may be issued to insiders;
- (vi) make an amendment to increase the value of Options issuable to directors who are not officers or employees of the Company or its subsidiaries;
- (vii) make any amendment to the Option Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or
- (viii) make an amendment to amend the amendment provisions of the Option Plan.

The Committee may amend or terminate the Option Plan or any outstanding Option granted thereunder at any time without the approval of the Company, the shareholders of the Company or any Optionee whose Option is amended or terminated, in order to conform the Option Plan or such Option, as the case may be, to applicable law or regulation or the requirements of any relevant Exchange or regulatory authority, whether or not that amendment or termination would affect any accrued rights, subject to the approval of that Exchange or regulatory authority.

In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Option Plan.

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