



NEWS RELEASE

NOVEMBER 2, 2022

TOURMALINE DELIVERS STRONG CASH FLOW AND FREE CASH FLOW IN Q3 2022, ANNOUNCES INCREASED BASE DIVIDEND AND DECLARES SPECIAL DIVIDEND

Calgary, Alberta - Tourmaline Oil Corp. (TSX:TOU) ("Tourmaline" or the "Company") is pleased to release financial and operating results for the third quarter ("Q3") of 2022, increase the quarterly base dividend and declare a special dividend.

HIGHLIGHTS

- Third quarter 2022 before tax cash flow⁽¹⁾⁽²⁾ ("CF") was \$1.056 billion and \$1.051 billion after tax (\$3.06 per diluted share⁽³⁾), a 38% increase over third quarter 2021 CF.
- Third quarter 2022 free cash flow⁽⁴⁾ ("FCF") was \$568.3 million (\$1.65 per diluted share).
- The Company will pay a special dividend of \$2.25/share on November 18 to shareholders of record on November 9 and beginning in Q4, will increase the quarterly base dividend by 11% to \$0.25/share providing for an annualized dividend of \$1.00/share. Including the payments of both the Q4 special dividend and base dividend, the Company will pay a total of \$7.90/share in dividends in 2022, resulting in approximately a 10% yield based on an October 14, 2022 closing share price of \$76.51.
- Third quarter 2022 EP capital spending was \$468.8 million, within previous guidance.
- Net debt⁽⁵⁾ at September 30, 2022, was \$564.6 million, well below the long-term net debt target of \$1.0-\$1.2 billion.

(1) *This news release contains certain specified financial measures consisting of non-GAAP financial measures, non-GAAP financial ratios, capital management measures and supplementary financial measures. See "Non-GAAP and Other Financial Measures" in this news release for information regarding the following non-GAAP financial measures, non-GAAP financial ratios, capital management measures and supplementary financial measures used in this news release: "cash flow", "capital expenditures", "free cash flow", "operating netback", "operating netback per boe", "cash flow per diluted share", "free cash flow per diluted share", "adjusted working capital", and "net debt". Since these specified financial measures do not have standardized meanings under International Financial Reporting Standards ("GAAP"), securities regulations require that, among other things, they be identified, defined, qualified and, where required, reconciled with their nearest GAAP measure and compared to the prior period. See "Non-GAAP and Other Financial Measures" in this news release and in the Company's most recently filed Management's Discussion and Analysis (the "Q3 MD&A"), which information is incorporated by reference into this news release, for further information on the composition of and, where required, reconciliation of these measures.*

(2) *"Cash flow" is a non-GAAP financial measure defined as cash flow from operating activities adjusted for the change in non-cash working capital (deficit) and current income taxes. See "Non-GAAP and Other Financial Measures" in this news release.*

(3) *"Cash flow per diluted share" is a non-GAAP financial ratio. Cash flow, a non-GAAP financial measure, is used as a component of the non-GAAP financial ratio. See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A*

(4) *"Free cash flow" is a non-GAAP financial measure defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payments. See "Non-GAAP and Other Financial Measures" in this news release.*

(5) *"Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.*

- At current strip pricing, full-year 2022 CF of \$4.76 billion⁽⁶⁾ is now anticipated (\$13.90 per diluted share).
- Tourmaline's 2023 EP capital program is estimated at \$1.6 billion. The 2023 EP program is expected to deliver an annual average production of 545,000 boepd, and CF at strip pricing of \$5.4 billion, yielding FCF of \$3.7 billion in 2023.

PRODUCTION UPDATE

- Q3 2022 production was 481,897 boepd, within the guidance range of 480,000-485,000 boepd.
- The Company is executing its Q4 2022 production plan with anticipated November average production between 520,000-530,000 boepd and anticipated December average production between 530,000-540,000 boepd.
- 2023 average production guidance remains at 545,000 boepd (2,500 mmcfpd of natural gas and over 125,000 bpd of oil, condensate, and NGLs).
- Consistent with the previously released EP growth plan, production is expected to average 700,000 boepd in 2028 after completion of both phases of the North Montney Conroy BC development in the 2025-2028 time frame.

FINANCIAL RESULTS

- Q3 2022 before tax CF was \$1.056 billion and \$1.051 billion after tax (\$3.06/diluted share after tax), a 38% increase over Q3 2021.
- Tourmaline generated FCF of \$568.3 million in the third quarter of 2022.
- Q3 2022 net earnings were \$2,097.9 million (\$6.11/fully diluted share).
- Net debt at Sept 30, 2022 was \$564.6 million, well below the long-term net debt target of \$1.0 billion to \$1.2 billion.

MARKETING UPDATE

- Average realized natural gas price in Q3 2022 was \$5.37/mcf as the Company continued to benefit from rising natural gas prices when compared to Q3 2021.
- Tourmaline currently has 754 mmcfpd accessing US markets through long-term firm transport agreements, increasing to 854 mmcfpd in Q2 2023, and to 926 mmcfpd at exit 2023. Tourmaline is amongst the most diversified of all North American large gas producers from a market access standpoint.

⁽⁶⁾ Based on oil and gas commodity strip pricing at October 14, 2022.

- Tourmaline has 20 mmcfpd of February/March 2023 JKM hedged at USD \$54.78/mcf, 40 mmcfpd of Summer 2023 at USD \$31.26/mcf, and 20 mmcfpd of Summer 2024 at USD \$27.13/mcf. This provides fixed price protection on a portion of Tourmaline's 140 mmcfpd Gulf Coast LNG deal for which physical gas deliveries will commence on January 1, 2023. The 2023 JKM strip price was USD \$35.01/mmbtu as of October 28, 2022.
- Tourmaline has an average of 711 mmcfpd hedged for 2023 at a weighted average fixed price of CAD \$5.77/mcf, an average of 110 mmcfpd hedged at a basis to NYMEX of USD \$0.12/mcf, and an average of 754 mmcfpd of unhedged volumes exposed to export markets in 2023, including Dawn, Iroquois, Empress, Chicago, Ventura, Sumas, US Gulf Coast, JKM, Malin, and PG&E.
- Realized NGL prices averaged \$43.48/bbl in Q3 2022, up 28% from Q3 2021. Tourmaline is the largest NGL producer in Canada.
- The Company is pursuing multiple additional market diversification opportunities for both natural gas and natural gas liquids.

CAPITAL BUDGET AND FINANCIAL OUTLOOK

- Q3 2022 EP capital spending was \$468.8 million, forecast full year 2022 EP capital spending remains at approximately \$1.5 billion.
- Full year 2023 EP capital budget remains at approximately \$1.6 billion. The Company updated its EP plan in its July 27, 2022 press release which included additional capital in 2022 and 2023 to account for inflationary pressures.
- Tourmaline expects 2023 CF of \$5.4 billion and FCF of \$3.7 billion at strip pricing as of October 14, 2022. The current 7-year EP growth plan is expected to deliver estimated FCF of \$19.4 billion on total capital spending (excluding acquisitions and dispositions) of \$13.4 billion.

BASE DIVIDEND INCREASE AND SPECIAL DIVIDEND

- Commencing in Q4 2022, Tourmaline will increase the quarterly base dividend by 11% to \$0.25/share providing for an annualized dividend of \$1.00/share. The Q4 base dividend is expected to be paid on December 30, 2022 to shareholders of record on December 15, 2022.
- Tourmaline has also elected to declare and pay a Q4 2022 special dividend of \$2.25/share on November 18, 2022 to shareholders of record on November 9, 2022. This special cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.
- Including the payments of both the Q4 special dividend and base dividend, the Company will pay a total of \$7.90/share in dividends in 2022, resulting in approximately a 10% yield based on an October 14, 2022 closing share price of \$76.51.

- The Company continues to focus on returning the majority of FCF to shareholders through base dividend increases, special dividends, and share buybacks. The magnitude of the special dividends will be a function of commodity prices and available quarterly FCF. The Company now anticipates returning greater than 75% of FCF in 2022, achieving a year end net debt to cash flow ratio of approximately 0.1x, which positions the Company to return 50-90% of FCF in 2023 while also growing production by approximately 7%. A component of FCF will also be used for modest incremental EP investments, including new pool/new zone exploration opportunities, asset acquisitions within existing core complexes, and select margin improving infrastructure investments.

RISING STAR TRANSACTION

- Tourmaline completed the previously announced Rising Star Resources Ltd. ("Rising Star") acquisition during the third quarter of 2022, for \$67.8 million in cash and \$123.4 million in Topaz Energy Corp. ("Topaz") shares owned by Tourmaline.
- In September 2022, the Company also sold a royalty interest in developed and undeveloped lands, including some Rising Star lands, to Topaz for cash consideration of \$51.0 million, net of customary closing adjustments.
- Subsequent to closing the Rising Star acquisition, Tourmaline sold non-core assets acquired from Rising Star for cash consideration of \$16.7 million plus certain undeveloped lands. Net production from the Rising Star assets after the non-core dispositions is approximately 3,500-4,000 boepd.

EP UPDATE

- Tourmaline is currently operating 13 rigs across the three EP complexes. The Company drilled 86 net wells and completed 75 net wells in the third quarter of 2022.
- The Company expects to tie in, and bring on production, a total of approximately 75 net wells in November and December with approximately 24 DUCs carried over into 2023.
- Tourmaline is operating eight rigs in the Alberta Deep Basin, four rigs in the NEBC Montney complex, and one rig in the Peace River High.
- Continuous improvement in new technology applications and drilling methodologies has resulted in a 37% improvement in meters drilled per day (from April 2020 to July 2022) in the Company's BC Montney area.
- The Q4 2022 and 2023 EP programs include multiple new zone and new pool exploration tests across the three operated complexes as the Company expands the highly successful, and somewhat unique, exploration effort.

MODIFIED ACCOUNTING TREATMENT OF GAS SUPPLY AGREEMENT

- In July 2021, the Company entered into a 15-year natural gas supply agreement ("Agreement"), under which it will deliver 140,000 mmbtu per day (approximately 140 mmcfpd) commencing in January 2023. Under the terms of the Agreement, Tourmaline will deliver natural gas to its counterparty at a delivery point in Louisiana, USA and receive a Japan Korea Marker ("JKM") index price less deductions for transport and liquefaction. This transaction is viewed by the Company as another way to continue to expand its sophisticated market diversification strategy.
- During the third quarter of 2022, the Company identified that, although it had previously accounted for the Agreement in a manner that was consistent with the convention in the oil and gas industry for executory physical delivery sales contract, after further review of this complex accounting issue, the Agreement was determined to contain an embedded derivative. The embedded derivative arises as a result of the volumes being delivered to a counterparty in the United States while Tourmaline ultimately receives a JKM index price. It was further determined that this embedded derivative should be accounted for separately based on the forecast pricing spread between JKM and NYMEX, as these markets were deemed to not be closely related.
- As a result of this review, a natural gas embedded derivative is being recognized at its fair value at each reporting period over the life of the Agreement. Refer to note 4 of the Q3 interim condensed consolidated financial statements for further details of the natural gas embedded derivative and the determination of its fair value. The embedded derivative will result in the Company recording unrealized gains (losses) based on the relative movements in the JKM and NYMEX price forecasts. The Company will not record realized gains (losses) in its financial statements until it begins delivering natural gas under the contract.
- Accordingly, the Company's Q3 2022 interim condensed consolidated financial statements and MD&A include restated values for the first and second quarters of 2022 reflecting higher earnings than those contained in the financial statements previously issued for those periods. This change does not affect cash flow, cash-related items, net debt or production volumes, and impacts only non-cash earnings on the Company's consolidated income statements as well as the fair value of the financial instruments on the Company's balance sheet. A description of these changes is contained under the heading "Accounting Restatement" in the Q3 MD&A and note 2 of the interim condensed consolidated financial statements for Q3 2022. Other than the change in accounting treatment for the Agreement, there are no other changes to the previously filed 2022 interim financial reports, which are available under the Company's SEDAR profile at www.sedar.com.

ENVIRONMENTAL PERFORMANCE IMPROVEMENT

Tourmaline plans to release the Company's latest sustainability report in December 2022.

Highlights over the past 12 months include:

- Tourmaline achieved its net 25% methane reduction target in 2021, three years earlier than targeted in the Company's five-year environmental performance improvement plan, despite growing production by 17% from 265,044 boepd in 2018 to 310,598 boepd in 2020.
- In 2021, the Company's Emission Testing Centre ("ETC"), the first of its kind in the world, at the West Wolf gas plant, became fully operational. The ETC is critical in evolving new technology and methodologies to continue materially reducing methane and other emissions over the entire EP business
- Tourmaline has received preliminary platinum ratings from the Project Canary (Trustwell) assessment of a series of Company-operated NEBC assets, with an average score of 131 achieved. Tourmaline is the first Canadian gas company with a Trustwell score and ranks in the top 10% in North America.
- All of the Tourmaline-contracted rig fleet is displacing diesel with natural gas or running fully electric. Tourmaline was operating three Cat Tier 4 DGB natural gas powered frac spreads in Western Canada in July 2022. The evolving diesel displacement initiative continues to reduce both emissions and costs for the Company.
- Tourmaline has invested approximately \$25 million over the past 5 years in water recycling and water management facilities as part of an ongoing effort to ultimately eliminate fresh water in well-stimulation activities. In September 2022, over 70% of the Company's completions-related water usage was recycled water.
- Tourmaline is a major participant in the Natural Gas Innovation Fund (NGIF), an effort to produce lower emission natural gas across the whole spectrum of natural gas operations. The Company is sponsoring emerging cleantech companies in the areas of diesel displacement, methane emission monitoring and reduction, waste heat recovery, carbon capture, and water recycling.

CORPORATE SUMMARY – THIRD QUARTER 2022

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
OPERATIONS						
Production						
Natural gas (<i>mcf/d</i>)	2,240,641	2,146,477	4%	2,314,655	1,994,091	16%
Crude oil, condensate and NGL (<i>bbl/d</i>)	108,457	98,743	10%	111,430	93,951	19%
Oil equivalent (<i>boe/d</i>)	481,897	456,489	6%	497,206	426,300	17%
Product prices ⁽¹⁾						
Natural gas (<i>\$/mcf</i>)	\$ 5.37	\$ 3.88	38%	\$ 5.52	\$ 3.67	50%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 63.77	\$ 49.21	30%	\$ 68.35	\$ 44.52	54%
Operating expenses (<i>\$/boe</i>)	\$ 4.36	\$ 3.76	16%	\$ 4.27	\$ 3.70	15%
Transportation costs (<i>\$/boe</i>)	\$ 4.66	\$ 4.17	12%	\$ 4.86	\$ 4.17	17%
Operating netback ⁽³⁾ (<i>\$/boe</i>)	\$ 23.68	\$ 18.35	29%	\$ 25.82	\$ 17.22	50%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽²⁾	\$ 0.55	\$ 0.51	8%	\$ 0.57	\$ 0.56	2%
FINANCIAL						
<i>(\$000, except share and per share)</i>						
Total revenue from commodity sales and realized gains	1,743,856	1,213,376	44%	5,566,374	3,139,918	77%
Royalties	293,820	109,423	169%	822,765	219,746	274%
Cash flow ⁽³⁾	1,051,400	761,333	38%	3,481,302	1,960,890	78%
Cash flow per share (<i>diluted</i>) ⁽³⁾	\$ 3.06	\$ 2.32	32%	\$ 10.18	\$ 6.33	61%
Net earnings ⁽⁴⁾	2,097,929	361,057	4,81%	4,517,415	1,029,743	339%
Net earnings per share (<i>diluted</i>)	\$ 6.11	\$ 1.10	455%	\$ 13.21	\$ 3.32	298%
Capital expenditures (<i>net of dispositions</i>)	415,447	56,108	640%	1,373,365	1,142,910	20%
Weighted average shares outstanding (<i>diluted</i>)				341,926,025	309,744,281	10%
Net debt ⁽³⁾				(564,633)	(1,465,090)	(61)%

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

(2) See "Non-GAAP and Other Financial Measures" in this news release and in the Q3 MD&A.

(3) Excluding interest and financing charges.

(4) The first and second quarters of 2022 have been restated. See the "Accounting Restatement" section and note 2 of the interim condensed consolidated financial statements for Q3 2022.

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

Tourmaline will host a conference call tomorrow, November 3, 2022 starting at 9:00 a.m. MT (11:00 a.m. ET). To participate, please dial 1-888-664-6383 (toll-free in North America), or international dial-in 1-416-764-8650, a few minutes prior to the conference call.

Conference ID is 55076708.

REPLAY DETAILS

If you are unable to dial into the live conference call on November 3rd, a replay will be available (usually by that afternoon) by dialing 1-888-390-0541 (international 1-416-764-8677), referencing Encore Replay Code 076708. The recording will expire on November 17, 2022.

Reader Advisories

CURRENCY

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

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "on track", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: anticipated petroleum and natural gas production and production growth for various periods; forecast full year 2022 and 2023 EP capital spending; 2023 and long range cash flow and FCF levels; the increase in the quarterly base dividend; the timing for the payment of the Q4 special dividend and base dividend; the focus on returning the majority of FCF to shareholders through base dividend increases, special dividends, and share buybacks; the levels of FCF returns in 2023; the projected year end net debt to cash flow level in 2023; the additional uses of FCF for EP investments, including new pool/new zone exploration opportunities, asset acquisitions within existing core complexes, and select margin improving infrastructure investment; the future declaration and payment of base and special dividends and the timing and amounts thereof including any future increase; the level of free cash flow to be returned to shareholders through base dividend increases, special dividends and share buybacks; capital expenditures over various periods; the number of drilling rigs to be operated; as well as Tourmaline's future drilling prospects and plans, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning the following: prevailing and future commodity prices and currency exchange and interest rates; applicable royalty rates and tax laws; future well production rates

and reserve volumes; operating costs, the timing of receipt of regulatory approvals; the performance of existing and future 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 and the benefits to be derived therefrom; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; ability to maintain its investment grade credit rating; 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 is dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tourmaline to pay dividends is 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 it will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and natural gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; climate change risks; inflation; supply chain risks and changes in legislation, including but not limited to tax laws, royalties and environmental regulations.

In addition, wars (including the war in Ukraine), hostilities, civil insurrections, pandemics, epidemics or outbreaks of an infectious disease in Canada or worldwide, including COVID-19 or other illnesses could have an adverse impact on the Company's results, business, financial condition or liquidity. Ongoing military actions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the actions between these nations remains uncertain. If the pandemic is further prolonged, including through subsequent waves, or if additional variants of COVID-19 emerge

which are more transmissible or cause more severe disease, or if other diseases emerge with similar effects, the adverse impact on the economy could worsen. It remains uncertain how the macroeconomic environment, and societal and business norms will be impacted following the COVID-19 pandemic. In addition, in 2022, industry has been impacted by significant cost inflation, rising interest rates, labour shortages and supply constraints, and the Company expects these pressures will continue through the balance of the year and into next year. The Company will continue to actively monitor inflationary pressures and supply chain constraints and their impact on the Company's business.

Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect Tourmaline, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Tourmaline's website (www.tourmalineoil.com).

The forward-looking information contained in this news release is made as of the date hereof and Tourmaline undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

BOE EQUIVALENCY

In this news release, production and reserves information may be presented on a "barrel of oil equivalent" or "BOE" basis. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

FINANCIAL OUTLOOKS

Also included in this news release are estimates of Tourmaline's long-range cash flow and free cash flow, which are based on, among other things, the various assumptions as to production levels, capital expenditures, annual cash flows and other assumptions disclosed in this news release and including Tourmaline's estimated average daily production for 2023 - 2028 of 545,000 boepd, 565,000 boepd, 585,000 boepd, 620,000 boepd, 670,000 boepd and 700,000 boepd, respectively, 2023 - 2028 commodity price assumptions for natural gas (\$5.60/mmbtu 2023 NYMEX US, \$4.76/mmbtu 2024 NYMEX US, \$4.54/mmbtu 2025 NYMEX US, \$4.47/mmbtu 2026 NYMEX US, \$4.39/mmbtu 2027 NYMEX US, \$4.37/mmbtu 2028 NYMEX US, \$5.24/mcf 2023 AECO, \$4.60/mcf 2024 AECO, \$4.66/mcf 2025 AECO, \$4.91/mcf 2026 AECO, \$4.97/mcf 2027 AECO, \$5.09/mcf 2028 AECO, \$37.11/mmbtu 2023 JKM US, \$28.82/mmbtu 2024 JKM US, \$22.63/mmbtu 2025 JKM US, \$15.09/mmbtu 2026 JKM US, \$7.55/mmbtu

2027 JKM US, \$7.55/mmbtu 2028 JKM US) crude oil (\$77.18/bbl 2023 WTI US, \$70.46/bbl 2024 WTI US, \$66.14/bbl 2025 WTI US, \$63.02/bbl 2026 WTI US, \$60.45/bbl 2027 WTI US, \$58.15/bbl 2028 WTI US) and an exchange rate assumption of \$0.72 (US/CAD) for 2023 and \$0.73 for years 2024 – 2028. Further, readers are cautioned that such estimates are provided for illustration only and are based on budgets and forecasts that have not been finalized or approved by the Board of Directors and are subject to a variety of additional factors and contingencies including prior years' results. To the extent such estimates constitute financial outlooks, they were approved by management and the Board of Directors of Tourmaline on November 2, 2022 and are included to provide readers with an understanding of Tourmaline's anticipated cash flow and free cash flow based on the capital expenditure, production and other assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

NON-GAAP AND OTHER FINANCIAL MEASURES

This news release contains the terms cash flow, capital expenditures, free cash flow, and operating netback which are considered "non-GAAP financial measures", operating netback per boe, cash flow per diluted share, and free cash flow per diluted share which are considered "non-GAAP financial ratios" . These terms do not have a standardized meaning prescribed by GAAP. In addition, this news release contains the terms adjusted working capital and net debt, which are considered "capital management measures" and do not have standardized meanings prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that these measures should not be construed as an alternative to net income determined in accordance with GAAP and these measures should not be considered to be more meaningful than GAAP measures in evaluating the Company's performance.

Non-GAAP Financial Measures

Cash Flow

Management uses the term "cash flow" for its own performance measure 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 its future growth expenditures, to repay debt or to pay dividends. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. A summary of the reconciliation of cash flow from operating activities to cash flow, is set forth below:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash flow from operating activities (per GAAP)	\$ 1,112,202	\$ 543,855	\$ 3,577,332	\$ 1,788,657
Current income taxes	(4,335)	–	(4,335)	–
Change in non-cash working capital (deficit)	(56,467)	217,478	(91,695)	172,233
Cash flow	\$ 1,051,400	\$ 761,333	\$ 3,481,302	\$ 1,960,890

Capital Expenditures

Management uses the term "capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures, is set forth below:

(000s)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash flow used in investing activities (per GAAP)	\$ 303,048	\$(223,170)	\$ 1,422,658	\$ 911,727
Corporate acquisitions	(67,770)	–	(67,770)	–
Proceeds from sale of investments	–	103,824	–	103,824
Change in non-cash working capital	180,169	175,454	18,477	127,359
Capital expenditures	\$ 415,447	\$ 56,108	\$ 1,373,365	\$ 1,142,910

Free Cash Flow

Management uses the term "free cash flow" for its own performance measure 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 its future growth expenditures, to repay debt and provide shareholder returns. Free cash flow is defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payment. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. See "Non-GAAP Financial Measures – Cash Flow" and " Non-GAAP Financial Measures – Capital Expenditures" above.

Operating Netback

Management uses the term "operating netback" as a key performance indicator and one that is commonly presented by other oil and natural gas producers. Operating netback is defined as the sum of commodity sales from production, premium (loss) on risk management activities and realized gains (loss) on financial instruments less the sum of royalties, transportation costs and operating expenses. A summary of the reconciliation of operating netback from commodity sales from production, which is a GAAP measure, is set forth below:

(\$/boe)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Commodity sales from production	\$ 1,677,370	\$1,323,203	\$ 6,178,322	\$ 3,344,548
Premium (loss) on risk management activities	334,751	15,303	107,868	(7,636)
Realized (loss) on financial instruments	(268,265)	(125,130)	(719,816)	(196,994)
Royalties	(293,820)	(109,423)	(822,765)	(219,746)
Transportation costs	(206,648)	(175,143)	(659,934)	(485,200)
Operating expenses	(193,331)	(157,854)	(579,267)	(430,932)
Operating netback	\$1,050,057	\$ 770,956	\$ 3,504,408	\$ 2,004,040

Non-GAAP Financial Ratios

Operating Netback per-boe

Management calculates "operating netback per-boe" as operating netback divided by total production for the period. Netback per-boe is a key performance indicator and measure of operational efficiency and one that is commonly presented by other oil and natural gas producers. A summary of the calculation of operating netback per boe, is set forth below:

(\$/boe)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue, excluding processing income	\$ 39.33	\$ 28.89	\$ 41.01	\$ 26.98
Royalties	(6.63)	(2.61)	(6.06)	(1.89)
Transportation costs	(4.66)	(4.17)	(4.86)	(4.17)
Operating expenses	(4.36)	(3.76)	(4.27)	(3.70)
Operating netback	\$ 23.68	\$ 18.35	\$ 25.82	\$ 17.22

Cash Flow per diluted share

Management uses cash flow per diluted share as a measurement of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt or to pay dividends on a per diluted share basis. Cash flow per diluted share is calculated using cash flow divided by the weighted average diluted shares outstanding.

Free Cash Flow per diluted share

Management uses free cash flow per diluted share as a measure of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt and provide shareholder returns on a per diluted share basis. Free cash flow per diluted share is calculated using free cash flow divided by the weighted average diluted shares outstanding.

Capital Management Measures

Adjusted Working Capital

Management uses the term "adjusted working capital" for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's liquidity. A summary of the composition of adjusted working capital (deficit), is set forth below:

	As at September 30,	As at December 31,
(000s)	2022	2021
Working capital (deficit)	\$ 513,115	\$ (361,034)
Fair value of financial instruments – short-term liability, net of short-term asset	(656,281)	240,970
Lease liabilities – short-term	3,101	2,997
Decommissioning obligations – short-term	30,000	20,103
Unrealized foreign exchange in working capital - asset	(6,306)	(6,441)
Adjusted working capital (deficit)	\$(116,371)	\$ (103,405)

Net Debt

Management uses the term "net debt", as a key measure for evaluating its capital structure and to provide shareholders and potential investors with a measurement of the Company's total indebtedness. A summary of the composition of net debt, is set forth below:

	As at September 30,	As at December 31,
(000s)	2022	2021
Bank debt	\$ –	\$ (421,539)
Senior unsecured notes	(448,262)	(448,035)
Adjusted working capital (deficit)	(116,371)	(103,405)
Net debt	\$ (564,633)	\$ (972,979)

OIL AND GAS METRICS

This news release contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the Company's performance;

however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the Company's performance in previous periods and therefore such metrics should not be unduly relied upon.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to Q3 2022 average daily production and estimated November and December 2022 average daily production as well as estimated full years 2023 and 2028 average daily production. The following table is intended to provide supplemental information about the product type composition for each of the production figures that are provided in this news release:

	Light and Medium Crude Oil⁽¹⁾	Conventional Natural Gas	Shale Natural Gas	Natural Gas Liquids⁽¹⁾	Oil Equivalent Total
	Company Gross (Bbls)	Company Gross (Mcf)	Company Gross (Mcf)	Company Gross (Bbls)	Company Gross (Boe)
Q3 2022 Average Daily Production	40,728	1,241,440	999,200	67,729	481,897
November 2022 Average Daily Production.....	47,000	1,325,000	1,105,000	73,000	525,000
December 2022 Average Daily Production.....	47,500	1,374,000	1,107,000	74,000	535,000
2023 Average Daily Production	47,900	1,349,200	1,162,400	78,500	545,000
2028 Average Daily Production.....	56,720	1,339,340	1,884,400	105,990	700,000

(1) For the purposes of this disclosure, condensate has been combined with Light and Medium Crude Oil as the associated revenues and certain costs of condensate are similar to Light and Medium Crude Oil. Accordingly, NGLs in this disclosure exclude condensate.

GENERAL

See also "Forward-Looking Statements", and "Non-GAAP and Other Financial Measures" in the most recently filed Management's Discussion and Analysis.

CERTAIN DEFINITIONS:

<i>1H</i>	first half
<i>2H</i>	second half
<i>bbbl</i>	barrel
<i>bbls/day</i>	barrels per day
<i>bbl/mmcft</i>	barrels per million cubic feet
<i>bcf</i>	billion cubic feet
<i>bcfe</i>	billion cubic feet equivalent
<i>bpd or bbl/d</i>	barrels per day
<i>boe</i>	barrel of oil equivalent
<i>boepd or boe/d</i>	barrel of oil equivalent per day
<i>bopd or bbl/d</i>	barrel of oil, condensate or liquids per day
<i>CCUS</i>	carbon capture, usage and storage
<i>DUC</i>	drilled but uncompleted wells
<i>EP</i>	exploration and production
<i>gj</i>	gigajoule
<i>gjs/d</i>	gigajoules per day
<i>mbbls</i>	thousand barrels
<i>mmbbls</i>	million barrels
<i>mboe</i>	thousand barrels of oil equivalent
<i>mboepd</i>	thousand barrels of oil equivalent per day
<i>mcf</i>	thousand cubic feet
<i>mcfpd or mcf/d</i>	thousand cubic feet per day
<i>mcfe</i>	thousand cubic feet equivalent
<i>mmboe</i>	million barrels of oil equivalent
<i>mmbtu</i>	million British thermal units
<i>mmbtu/d</i>	million British thermal units per day
<i>mmcf</i>	million cubic feet
<i>mmcfpd or mmcf/d</i>	million cubic feet per day
<i>MPa</i>	megapascal
<i>mstb</i>	thousand stock tank barrels
<i>natural gas</i>	conventional natural gas and shale gas
<i>NCIB</i>	normal course issuer bid
<i>NGL or NGLs</i>	natural gas liquids
<i>tcf</i>	trillion cubic feet

MANAGEMENT'S DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS

To view Tourmaline's Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements for the periods ended September 30, 2022 and 2021, please refer to SEDAR (www.sedar.com) or Tourmaline's website at www.tourmalineoil.com.

ABOUT TOURMALINE OIL CORP.

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest-emission and lowest-cost natural gas in North America. We are an investment grade exploration and production company providing strong and predictable operating and financial performance through the development of our three core areas in the Western Canadian Sedimentary Basin. With our existing large reserve base, decades-long drilling inventory, relentless focus on execution and cost management, and industry-leading environmental performance, we are excited to provide shareholders an excellent return on capital, and an attractive source of income through our base dividend and surplus free cash flow distribution strategies.

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