



NEWS RELEASE

MAY 4, 2022

TOURMALINE DELIVERS RECORD CASH FLOW AND FREE CASH FLOW IN Q1 2022 AND ANNOUNCES SPECIAL DIVIDEND

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

HIGHLIGHTS

- Record quarterly cash flow⁽¹⁾⁽²⁾ of \$1,076.0 million (\$3.18 per diluted share⁽³⁾).
- Record quarterly free cash flow⁽⁴⁾ ("FCF") of \$618.2 million (\$1.82 per diluted share) enabling the Company to declare a special dividend of \$1.50 per common share to be paid May 19, 2022. Tourmaline's trailing 12 months of distributed dividends now total \$4.21 per share (inclusive of this May 2022 special dividend), an implied 7% trailing yield⁽⁵⁾.
- Full-year 2022 free cash flow forecast of \$3.9 billion⁽⁶⁾ coupled with quarterly special dividends for the balance of 2022.
- Gulf Coast Cheniere LNG arrangement of 140 mmcfpd begins January 1, 2023. The 2023 JKM ("Japan Korea Marker") strip price as of April 21, 2022 was \$26.07 US/mmbtu.
- First quarter 2022 average production was a record 507,059 boepd, including liquids production of 113,569 bpd.
- March 31, 2022 net debt⁽⁷⁾ of \$769.1 million or 0.15 times 2022 full-year forecast cash flow of \$5,215.0 million.

(1) This news release contains certain specified financial measures consisting of non-GAAP financial measures, non-GAAP financial ratios and capital management 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 and capital management measures used in this news release: "cash flow", "capital expenditures", "free cash flow", "operating netback", "operating netback per boe", "cash flow 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 "Q1 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). 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 Q1 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) Calculated as the dividend per common share for the 12 month period divided by the closing stock price of \$63.96 on April 14, 2022.

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

(7) "Net debt" is a capital management measure. See "Non-GAAP and Other Financial Measures" in this news release and in the Q1 MD&A.

PRODUCTION UPDATE

- First quarter 2022 production average was a record 507,059 boepd, within the guidance range of 500,000-510,000 boepd and above full-year guidance of 500,000 boepd. Record first quarter liquids production was 113,569 bpd (oil, condensate, NGLs), up 23% from Q1 2021.
- The Company exited the first quarter of 2022 at average production levels of 515,000-520,000 boepd, ahead of expectation, driven by modestly higher activity levels during Q1 and strong well performance in all three operated complexes. Record daily production achieved to date was 526,500 boepd on April 7, 2022, well ahead of current 2023 average production guidance of 515,000 boepd.
- Q2 2022 average production of 500,000-505,000 boepd is anticipated after adjusting for storage injections at Dawn and California and Q2 facility turnarounds.

FINANCIAL RESULTS

- First quarter 2022 cash flow was a record \$1.08 billion (\$3.18 per diluted share).
- First quarter free cash flow was \$618.2 million.
- Full-year 2022 cash flow of \$5.22 billion is now anticipated (\$15.34 per diluted share), up 29% from the Company's previous forecast, and full-year 2022 FCF of \$3.92 billion is now expected (\$11.53 per diluted share).
- First quarter 2022 net earnings were \$261.3 million (\$0.77 per diluted share).
- Since achieving the long-term net debt target in Q4 2021, the Company has committed to return the majority of free cash flow to shareholders through base dividend increases, special dividends and share buybacks. A component of free cash flow will also be used for asset acquisition opportunities within existing core complexes and select, margin-improving, infrastructure investments.
- Given the record FCF outlook in 2022, the Company is pleased to announce quarterly special dividends for the remaining three quarters of 2022. The Q2 2022 special dividend of \$1.50 per common share will be paid May 19, 2022 to shareholders of record on May 12, 2022. The magnitude of the special dividends in the third and fourth quarters will be a function of commodity prices and resultant available quarterly free cash flow. Special dividends are designated as "eligible dividends" for Canadian income tax purposes.
- Additional sustainable base dividend increases are also planned in 2022, as well as tactical share buybacks.

CAPITAL SPENDING AND FINANCIAL OUTLOOK

- First quarter 2022 EP capital spending was \$442.3 million. Total capital expenditures in the quarter, including acquisitions, were \$479.4 million. The acquisitions of property and land are funded by available annual free cash flow and are not included in the Company's base EP budget.
- The Company operated a larger proportion of the drilling rig fleet and completion spreads through March, compared to previous years, given the continued strong commodity price outlook. This will allow for stronger

Q2 production volumes than the typical annual production profile. The incremental activity in March added approximately \$20.0 million to the original Q1 EP capital estimates.

- Full-year 2022 EP capital spending of \$1.225 billion is now anticipated, up from \$1.125 billion. The increase reflects an incremental \$75.0 million related to a 6.7% full-year cost inflation provision as well as \$25.0 million to be allocated to the Company's successful new zone/new pool exploration program.
- First quarter 2022 exit net debt was \$769.1 million, well below the long-term net debt target of \$1.0 billion. Net debt was 0.15 times 2022 forecast cash flow, an all-time low for the Company. Including the Company's Topaz Energy Corp. investment of \$1,069.0 million⁽⁸⁾, the Company's net debt would decrease from \$769.1 million to a surplus of \$299.9 million.

MARKETING UPDATE

- Average realized natural gas price in Q1 2022 was \$4.86/mcf as the Company continued to benefit from rising natural gas prices.
- Tourmaline currently has 625 mmcfpd accessing US markets through long-term firm transport agreements. This volume will grow to 905 mmcfpd by exit 2023.
- The Company's 140 mmcfpd Gulf Coast LNG deal with Cheniere commences January 1, 2023 and provides exposure to JKM pricing over the 15-year term of the deal. The 2023 JKM strip price was \$26.07 US/mmbtu as of April 21, 2022.
- Approximately 60% of the current lower-priced hedges assumed by Tourmaline when acquiring Jupiter Resources Ltd., Modern Resources Inc., and Black Swan Energy Ltd., will roll off and these production volumes will benefit from the much higher current strip pricing for winter 2022/23. Furthermore, 82% of these current lower-priced hedges will expire by the end of 2023.
- Tourmaline has an average of 922 mmcfpd hedged for 2022 at a weighted average fixed price of CAD \$3.55/mcf, an average of 137 mmcfpd hedged at a basis to NYMEX of USD \$(0.03)/mcf, and an average of 613 mmcfpd of unhedged volumes exposed to export markets in 2022, including Dawn, Iroquois, Empress/McNeil, Chicago, Ventura, Sumas, US Gulf Coast, Malin, and PG&E.
- Realized NGL prices averaged \$44.82/bbl in Q1 2022, up 63% from Q1 2021. The Company expects further strengthening of realized NGL prices through the balance of 2022. Tourmaline is the largest NGL producer in Canada.

⁽⁸⁾ Based on closing stock price of Topaz Energy Corp. of \$20.90 on March 31, 2022.

EP UPDATE

- Tourmaline drilled 66.4 net wells and completed 72.17 net wells in Q1 2022.
- 84.7 new net wells were brought on production in the first quarter of 2022.
- The Company anticipates 44.4 net wells to come on production in Q2.
- The Company achieved new record horizontal well lengths with associated record low drilling times in all three EP complexes during the first quarter. Pacesetter wells include the Progress 13-09-77-08W6, a 3,509 metre Lower Charlie Lake horizontal well, drilled to total depth (“TD”) with completion assembly run in 11.7 days, the Nig D-B77-B/94-H-04, NEBC Montney 2,010 metre horizontal well drilled to TD with assembly run in 4.9 days and the Leland 12-27-59-26W5, 1,951 metre horizontal well, in the Alberta Deep Basin, drilled to TD with the completion assembly in place in 11.3 days. These continually improving drill times will help to reduce the impact of inflationary pressures.
- Conducting EP operations well into spring breakup in 2022 will allow the Company to bring approximately 25 net wells on production in NEBC in the second quarter, as well as 16.4 (net) production turnovers in the Alberta Deep Basin, and three additional wells on production in the Peace River High. This will allow for continued strong production volumes in Q2 and Q3 of 2022.

NORTH MONTNEY DEVELOPMENT PROJECT

- Tourmaline continues to plan for the Conroy North Montney development. This expected 100,000 boepd liquids-rich gas project represents one of the largest upcoming single conventional developments in the Western Canadian Sedimentary Basin.
- Current timing is in the 2025-2026 time frame, coinciding with the startup of LNG Canada, which the Company expects to be structurally positive for Western Canadian supply/demand dynamics and natural gas pricing. This full development has not yet been included in the Company’s current five-year plan.
- The Company has drilled several delineation pads in the overall Laprise-Conroy-Aitken areas over the past nine months to define liquid content, well performance profiles and capital costs in advance of full development.
- As part of the long term associated Conroy facilities plan, on April 12, 2022, Tourmaline acquired the remaining 50% non-operated interest in the two Aitken area gas plants from AltaGas Ltd. for \$224.0 million (net of closing adjustments). The first operated 50% interest in these facilities was originally acquired through the Black Swan Energy acquisition. The plants, including the deep cut expansion, have a combined processing capacity of 290 mmcfpd and are both operating at full capacity. Annual opex savings resulting from this transaction are estimated at approximately \$27 million.
- Tourmaline is also developing a comprehensive liquids processing and transportation strategy as part of the overall North Montney development and will provide updates on this aspect of the project over the next several months.

ENVIRONMENTAL PERFORMANCE IMPROVEMENT

- After achieving the net 25% methane emission 2023 reduction target three years ahead of schedule, Tourmaline is actively working on establishing new goals, which are expected to be disclosed in the Company's next published sustainability report in 2H 2022. Technology initiatives currently being developed and pursued include continued pneumatic pump retrofits and installation of solar electric pumps, conversion of separators to full solar electric and the pursuit of zero emission wellsite technology.
- Tourmaline has now successfully transitioned all of its drilling rigs under contract from diesel to natural gas, achieving both a material emissions reduction and a net cost savings. The diesel displacement initiative has been extended into the Company's stimulation operations as Tourmaline and Trican are trialing the first Tier 4 natural gas-powered engines in Canada. To date, in aggregate, the Company has displaced approximately 69 million litres of diesel, saving approximately \$57 million in total.
- The Company continued to evolve several CCUS initiatives within its three operated complexes and plans to implement these material emission reduction opportunities at Tourmaline gas plants in the 2025-2030 time frame.

CORPORATE SUMMARY – FIRST QUARTER 2022

	Three Months Ended March 31,		
	2022	2021	Change
OPERATIONS			
Production			
Natural gas (<i>mcf/d</i>)	2,360,941	1,917,648	23%
Crude oil, condensate and NGL (<i>bbl/d</i>)	113,569	91,971	23%
Oil equivalent (<i>boe/d</i>)	507,059	411,579	23%
Product prices ⁽¹⁾			
Natural gas (<i>\$/mcf</i>)	\$ 4.86	\$ 3.86	26%
Crude oil, condensate and NGL (<i>\$/bbl</i>)	\$ 66.54	\$ 41.06	62%
Operating expenses (<i>\$/boe</i>)	\$ 4.21	\$ 3.64	16%
Transportation costs (<i>\$/boe</i>)	\$ 4.89	\$ 4.35	12%
Operating netback (<i>\$/boe</i>) ⁽²⁾	\$ 23.99	\$ 17.70	36%
Cash general and administrative expenses (<i>\$/boe</i>) ⁽³⁾	\$ 0.59	\$ 0.63	(6)%
FINANCIAL			
(\$000, except share and per share)			
Total revenue from commodity sales and realized gains	1,713,684	1,005,264	70%
Royalties	203,734	53,776	279%
Cash flow	1,075,976	629,325	71%
Cash flow per share (<i>diluted</i>)	\$ 3.18	\$ 2.11	51%
Net earnings	261,284	247,837	5%
Net earnings per share (<i>diluted</i>)	\$ 0.77	\$ 0.83	(7)%
Capital expenditures (<i>net of dispositions</i>) ⁽²⁾	479,373	422,106	14%
Weighted average shares outstanding (<i>diluted</i>)	338,842,592	298,394,813	14%
Net debt	(769,089)	(1,631,862)	(53)%

(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 Q1 MD&A.

(3) Excluding interest and financing charges.

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

Tourmaline will host a conference call tomorrow, May 5, 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 97230562.

REPLAY DETAILS

If you are unable to dial into the live conference call on May 5th, a replay will be available (usually by that afternoon) by dialing 1-888-390-0541 (international 1-416-764-8677), referencing Encore Replay Code 230562. The recording will expire on May 19, 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 including estimated production levels for Q2 2022 and full-year 2022 and 2023; expected free cash flow and cash flow levels for 2022 and 2023; the future declaration and payment of base and special dividends and the timing and amount thereof including any future increase; that the Company will return the majority free cash flow to shareholders through base dividend increases, special dividends and share buybacks; capital expenditures over various periods; cost reduction initiatives; improvements in capital efficiency; projected operating and drilling costs and drilling times; the timing for facility expansions and facility start-up dates; sustainability and environmental improvement initiatives; anticipated future commodity prices; the ability to generate, and the amount of, anticipated cash flow and free cash flow including in 2022, 2023 and over the five year development plan; expectations that in 2023 Tourmaline will have exposure to JKM pricing; 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.

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 2022 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 2022 production of 500,000 boepd, 2022 commodity price assumptions for natural gas (NYMEX (US) - \$6.68/mcf; AECO - \$6.56/mcf) crude oil (WTI (US) - \$100.14/bbl) and an exchange rate assumption of \$0.79 (US/CAD). To the extent such estimates constitute financial outlooks, they were approved by management and the Board of Directors of Tourmaline on May 4, 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" and cash flow per diluted share, free cash flow per diluted share, operating netback per boe, and cash flow per boe, 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:

	Three Months Ended March 31,	
<i>(000s)</i>	2022	2021
Cash flow from operating activities (per GAAP)	\$ 1,113,649	\$ 750,129
Change in non-cash working capital (deficit)	(37,673)	(120,804)
Cash flow	\$ 1,075,976	\$ 629,325

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:

	Three Months Ended March 31,	
<i>(000s)</i>	2022	2021
Cash flow used in investing activities (per GAAP)	\$ 459,447	\$ 370,371
Change in non-cash working capital (deficit)	19,926	51,735
Capital expenditures	\$ 479,373	\$ 422,106

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:

	Three Months Ended March 31,	
(000s)	2022	2021
Commodity sales from production	\$ 1,895,171	\$ 996,035
Premium (loss) on risk management activities	(22,964)	37,061
Realized (loss) on financial instruments	(158,523)	(27,832)
Royalties	(203,734)	(53,776)
Transportation costs	(223,168)	(161,099)
Operating expenses	(191,918)	(134,840)
Operating netback	\$ 1,094,864	\$ 655,549

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:

	Three Months Ended March 31,	
(\$/boe)	2022	2021
Revenue, excluding processing income	\$ 37.55	\$ 27.14
Royalties	(4.46)	(1.45)
Transportation costs	(4.89)	(4.35)
Operating expenses	(4.21)	(3.64)
Operating netback	\$ 23.99	\$ 17.70

Cash Flow per-boe

Management uses cash flow per boe to highlight how much cash flow is generated by each boe produced. The ratio is calculated by dividing cash flow by total production for the period. See “Non-GAAP Financial Measures – Cash Flow”.

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 reconciliation of working capital (deficit) to adjusted working capital (deficit), is set forth below:

	As at March 31, 2022	As at December 31, 2021
(000s)		
Working capital (deficit)	\$ (764,301)	\$ (361,034)
Fair value of financial instruments – short-term liability	582,683	240,970
Lease liabilities – short-term	2,948	2,997
Decommissioning obligations – short-term	25,000	20,103
Unrealized foreign exchange in working capital - liability	(893)	(6,441)
Adjusted working capital (deficit)	\$ (154,563)	\$ (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 reconciliation of bank debt and senior unsecured notes to net debt, is set forth below:

	As at March 31, 2022	As at December 31, 2021
(000s)		
Bank debt	\$ (166,415)	\$ (421,539)
Senior unsecured notes	(448,111)	(448,035)
Adjusted working capital (deficit)	(154,563)	(103,405)
Net debt	\$ (769,089)	\$ (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 Q1 2022 average daily production, forecast 2022 average daily production, forecast 2023 average daily production and forecast Q2 2022 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)
Q1 2022 Average Daily Production	44,045	1,312,095	1,048,845	69,525	507,059
2022 Average Daily Production	42,600	1,225,000	1,084,000	72,600	500,000
2023 Average Daily Production	44,000	1,250,000	1,119,000	76,200	515,000
Q2 2022 Average Daily Production	43,000	1,275,000	1,040,000	73,670	502,500

(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.

INITIAL PRODUCTION RATES

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

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>bbl</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>mcftpd or mcf/d</i>	thousand cubic feet per day
<i>mcfe</i>	thousand cubic feet equivalent
<i>mmboe</i>	million barrels of oil equivalent
<i>mmbtu</i>	million British thermal units
<i>mmbtu/d</i>	million British thermal units per day
<i>mmcf</i>	million cubic feet
<i>mmcftpd or mmcf/d</i>	million cubic feet per day
<i>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 March 31, 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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