CALGARY, AB--(Marketwired - January 04, 2016) - Tourmaline Oil Corp. (TSX: TOU) ("Tourmaline" or the "Company") is pleased to update fourth quarter 2015 operating and financial performance. The Company has further reduced the 1H 2016 capital spending program.

PRODUCTION UPDATE

- The Company achieved target 2015 exit guidance of 190,000-200,000 boepd (1.005 bcf/day, 27,700 bpd oil, condensate and NGLs) during the last week of November, well ahead of schedule.
- A significant further production increase was realized when the new Edson 4-17 gas plant began producing to the new TCPL Minnow Lake meter station during the second week of December allowing the 200,000 boepd production threshold to be achieved.
- Several additional new well tie-ins are anticipated throughout the EP portfolio during the first quarter of 2016.
- Tourmaline currently has approximately 21,000 boepd of additional production awaiting tie-in or facility access.

Q4 2015 PERFORMANCE

- Tourmaline experienced strong Q4 2015 operational and financial performance, with significant quarter-over-quarter improvements and continued growth, on reduced capital spending.
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    - Estimated production growth in excess of 20% over Q3 2015, with over 50,000 boepd of new production brought on-stream during the fourth quarter.
    - Estimated cash flow growth of approximately 20% over Q3 2015.
    - Significant reduction in Q4 capital spending from Q3 2015 levels.
    - Continued reductions in quarterly operating and transportation costs.
- Tourmaline operated an average of 4 drilling rigs during December and no frac spreads after December 10 yielding much lower quarterly capital spending. Continued new well out-performance in all three core areas generated considerable excess productive capability providing the operational flexibility to reduce operations with minimal impact on production. The Company will operate an 11-12 rig drilling program during January and February of 2016, down from the original 14 rig Q1 2016 plan, and down materially from the 19 rig program operated during Q3 2015. Second half 2016 drilling plans and pace of activity will be finalized during Q2 2016 and will be contingent upon the commodity price outlook at that time.

LIQUIDS BUSINESS GROWTH

- Tourmaline is now the second largest producer of Canadian natural gas at over 1.0 bcf/day. The Company has also realized significant growth in its liquids business during 2015, with daily oil, condensate and NGL volumes reaching 27,700 bpd in November. The Peace River High Charlie Lake light oil complex in Alberta and the condensate-rich Lower Montney Turbidite in NEBC have driven the majority of this recent liquids growth.
- Second half 2015 drilling results for the Charlie Lake have consistently exceeded type curve production performance. The two most recent Upper Charlie Lake horizontals averaged 1,150 bpd oil with 2 mmcfpd of gas during the first 10 days on-stream, and 1,025 bpd oil with 1.1 mmcfpd of gas on a 3-day production test, respectively. Tourmaline has over 1,500 Upper Charlie Lake locations in the defined future drilling inventory. Drill, complete, and frac costs for the Charlie Lake horizontals have been reduced to the $3.0-3.25 million range.
- The first horizontal well into the Lower Charlie Lake flowed 463 bbls/day of 38 API oil and 1.25 mmcfpd of gas on a 6-day production test in early December. The second horizontal well, 8 miles from the first well, flowed 825 bbls/day of 37.5 API oil and 1.4 mmcfpd of gas on a 4-day test. The Lower Charlie Lake is a significant new regional oil pool and a material new development opportunity within reach of existing Tourmaline infrastructure. The top quartile Upper Charlie Lake horizontals and the Lower Charlie Lake horizontals are economic at below $30/bbl oil prices.
- The most recent Lower Montney Turbidite horizontal in NEBC averaged 11.0 mmcfpd gas with 450 bpd of condensate at the well head during the first 7 days on-stream. The Company has an estimated 234 additional Lower Montney Turbidite locations in the future drilling inventory. Tourmaline is now drilling and completing 28-30 stage Montney horizontals in NEBC for between $3.0 and 3.25 million.

2016 EP CAPITAL PROGRAM

- The Company is in a fully-funded position from cash flow for 2016 and 2017 capital programs. The Company currently intends to execute the base case 2016 EP program, spending approximately $350-375 million of the full-year $1.1 billion EP program in the first half of 2016, less than the originally-planned $450 million 1H budget and less than currently-anticipated 1H 2016 cash flow. This reduction will have no impact on the planned 200,000 boepd 2016 average production guidance. The Company currently has approximately $625 million of available capacity on its bank facility, which is committed to June 2019.

ENVIRONMENTAL PERFORMANCE

- Tourmaline is one of Canada's largest natural gas companies, producing through a series of new state-of-the-art, low-emission intensity sweet gas plants, constructed during the past 5 years. The Company is an industry leader in low-emission gas plant design, in fresh water conservation, and in natural gas fired cogeneration for electricity requirements.

Reader Advisories

CURRENCY

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

FORWARD-LOOKING INFORMATION

This press release contains 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," "could," "believe," "plans," "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this press 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 as at and for various future periods, anticipated petroleum and natural gas production, cash flows, capital spending, projected operating and drilling costs, drilling programs and the number of rigs to be operated for such purpose, the timing for facility expansions and facility start-up dates, tie-in of production, as well as Tourmaline's future drilling prospects and plans, including the quantity of future drilling locations in inventory, business strategy, future development and growth opportunities and 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 availability and cost of labour and services; the state of the economy and the exploration and production business; the availability and cost of financing; and ability to market and transport oil and natural gas successfully.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although Tourmaline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Tourmaline can give no assurances that 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, 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; reliance on third parties; 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.

Also included in this press release are estimates of Tourmaline's 2016 capital spending and minimum cash flow levels, which are based on the various assumptions as to production levels, including estimated average production of 200,000 boepd for 2016, capital expenditures, and other assumptions disclosed in this press release and including commodity price assumptions for natural gas (AECO -- $3.25/mcf for 2016), and crude oil (WTI (US) -- $62.50/bbl for 2016) and an exchange rate assumption of (US/CAD -- $0.80 for 2016). To the extent any such estimate constitutes a financial outlook, it was approved by management and the Board of Directors of Tourmaline on January 4, 2016 and is included to provide readers with an understanding of the funding of Tourmaline's capital expenditure program in 2016 and readers are cautioned that the information may not be appropriate for other purposes.

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 press 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.

Additional Reader Advisories

BOE CONVERSIONS

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. 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 6:1 conversion basis may be misleading as an indication of value.

PRODUCTION TESTS

Any references in this 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 to produce 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.

NON-GAAP FINANCIAL MEASURES

This press release includes references to a financial measure commonly used in the oil and gas industry, "cash flow," which does not have a standardized meaning prescribed by International Financial Reporting Standards ("GAAP"). Accordingly, the Company's use of this term may not be comparable to similarly defined measures presented by other companies. Management uses the term "cash flow" for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's ability to generate the cash necessary to fund a portion of its future growth expenditures or to repay debt. Readers are cautioned that the non-GAAP measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of the Company's performance. See "Non-GAAP Financial Measures" in the Company's most recently-filed Management's Discussion and Analysis for the definition and description of this term.

ESTIMATED DRILLING INVENTORY

This press release discloses drilling locations which are unbooked. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and, if drilled, there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

CERTAIN DEFINITIONS:

bbl	barrel
bbls/day	barrels per day
bbl/mmcf	barrels per million cubic feet
bcf	billion cubic feet
bpd or bbl/d	barrels per day
boe	barrel of oil equivalent
boepd or boe/d	barrel of oil equivalent per day
bopd or bbl/d	barrel of oil, condensate or liquids per day
gj	gigajoule
gjs/d	gigajoules per day
mbbls	thousand barrels
mboe	thousand barrels of oil equivalent
mcf	thousand cubic feet
mcfpd or mcf/d	thousand cubic feet per day
mcfe	thousand cubic feet equivalent
mmboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmbtu/d	million British thermal units per day
mmcf	million cubic feet
mmcfpd or mmcf/d	million cubic feet per day
MPa	megapascal

mstboe	thousand stock tank barrels of oil equivalent
NGL	natural gas liquids

ABOUT TOURMALINE OIL CORP.

Tourmaline is a Canadian intermediate crude oil and natural gas exploration and production company focused on long-term growth through an aggressive exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin.

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