

CALGARY, AB--(Marketwired - June 15, 2016) - [Tourmaline Oil Corp.](#) (TSX: TOU) ("Tourmaline" or the "Company") is pleased to provide an operations and financial update.

## EP UPDATE

During the third quarter, Tourmaline plans to run five to six rigs in the Alberta Deep Basin, two to three rigs for the Peace River Charlie Lake oil play and one rig in the B.C Montney gas-condensate complex. Third quarter EP activity will focus primarily on drilling the longer lead time multi-well pads with the shorter duration pad completions largely deferred until the fourth quarter. The Company has already achieved a 10% reduction in drilling and completion costs in 2016 vs 2015 and is seeking a further 5-10% per well capital cost reduction with the 2H 2016 drilling program. Record low costs were established on pacesetter wells in all three core-operated complexes during the first quarter of 2016. The Company has now drilled and completed 30 stage Montney horizontals in NEBC for \$2.9 million, 26 stage Charlie Lake horizontals for \$2.5 million and 25 stage Deep Basin horizontals for \$3.9 million. The Company will seek to establish new pacesetter metrics with the second half 2016 EP Program.

The current 2017 EP capital program assumes a 12 rig program. Tourmaline has the capability to effectively operate 22 rigs, and due to its strong current financial position, the Company can respond very quickly to a sharp improvement in commodity prices.

The new Doe BC plant remains on schedule for a late Q1 2017 start-up, and will add approximately 10,000 boepd of incremental production, primarily from the liquid-rich lower Montney turbidite that the Company is currently developing. The D05-5 discovery well has produced 2.12 bcf of gas and 164,000 bbls of condensate in two years and is forecast to ultimately recover 5.0 bcf of raw gas and 1.035 mmbbl of condensate and NGL. The A05-5 well has produced 1.37 bcf of gas and 102,000 bbls of condensate in 1.8 years and is forecast to ultimately recover 3.5 bcf of raw gas and 744,000 bbls of condensate and NGL. The recently-drilled 09-10 well has produced 0.57 bcf of gas and 41,000 bbls of condensate in 3.5 months and is forecast to ultimately recover 4.5 bcf of raw gas and 847,000 bbls of condensate and NGL. (Ref. GLJ, Jan.01, 2016) At drill-and-complete costs of \$2.9 million per 30-stage completed horizontal, these Montney wells are among the most profitable in NEBC. The Company has identified 290 Montney turbidite locations on existing working interest lands.

## Finance and Capital Spending Update

The Company's existing total credit capacity remains at \$2.1 billion, while the term of the \$1.80 billion syndicated facility has been extended from June 2019 to June 2020. The senior debt to EBITDA financial covenant ratio has also been increased from 3.0 to 3.75 times allowing for greater overall flexibility. In addition, the \$250 million term loan was previously extended by one year from November 2019 to November 2020. The term loan covenants remain consistent with those of the credit facility. The Company's effective interest rate on all of its outstanding debt for the first quarter of 2016 was 2.45% or \$0.61 per boe. The facility is currently drawn to approximately \$1.4 billion leaving \$700 million of unutilized credit capacity. Tourmaline is spending considerably less than cash flow during the second quarter and expects net debt to continue to drop in the second quarter over the first quarter. The Company continues to follow a cash flow based capital budget for full year 2016 and 2017. Approximately 64% in Q2 2016 and 88% in Q3 2016 of Tourmaline's total gas production is not exposed to AECO pricing due to firm transportation service to multiple alternate gas hubs or differential transactions that allow for price settings based on these alternate hubs.

## Production Guidance

The Company has elected to defer the start-up of the majority of new Q2 and Q3 2016 wells until the fourth quarter to avoid selling high-rate, initial flush production into a particularly weak natural gas price environment as the Company is expecting stronger natural gas prices in late 2016 and in 2017. There have also been significant unplanned firm service restrictions on the TCPL system during the second quarter (80-85% of firm transport for several weeks), as well as an expanded scheduled maintenance program in Q2/Q3 2016 on the Spectra system in B.C. On May 17, 2016, a fire at the Pembina Saturn 2 facility resulted in a production interruption, effectively reducing Q2 NGL production by approximately 2,500 bpd. As a result, the Company is forecasting second and third quarter 2016 production volumes to range between 187,000 and 193,000 boepd. Due to the unscheduled transportation interruptions, the fire at Saturn 2 and to these Q2/Q3 changes in production start-up scheduling, the full year 2016 production guidance will be reduced to 190,000-195,000 boepd from 200,000 boepd, representing 25% year-over-year production growth. April 2016 production was approximately 196,000 boepd, with the interruptions and restrictions described above reducing May and June to date production levels by approximately 9,000 boepd. Anticipated fourth quarter 2016 production currently remains unchanged at 200,000-210,000 boepd with a 2016 exit target of 210,000-215,000 boepd, 2017 base case production guidance remains unchanged at 215,000 boepd.

## 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 anticipated petroleum and natural gas production for various periods, anticipated future reduction of net debt, cash flows, capital spending, projected operating and drilling costs, the timing for facility expansions and facility start-up dates, timing and duration of third-party system maintenance, service restrictions and interruptions and their effect on the Company's anticipated petroleum and natural gas production, as well as Tourmaline's future drilling prospects and plans, including the quantity of drilling locations in inventory, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning: prevailing 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, labour and services; and ability to market and transport oil and natural gas successfully.

Although Tourmaline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Tourmaline can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; 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.

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](http://www.sedar.com)) or Tourmaline's website ([www.tourmalineoil.com](http://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

#### Estimated Drilling Locations

This press release discloses Company identified Montney turbidite 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.

#### 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.

#### 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
FCP	final circulating pressure
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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