

Corporate Presentation March 2020

A A AND IN THE STATE

and the state

The Scale, Resource, and Infrastructure Required to Profitably Grow in the WCSB and Provide Returns to Shareholders Mar 2020

Tourmaline Overview

Largest natural gas producer in Canada⁽²⁾

TOURMALINE

5th largest Canadian gas processing midstream operator

OIL CORP.

- 2.6 Billion Boe 2P Reserves, 12.3 Tcf Gas and 552.8 MMbbls
- Lowest capital cost operator in the basin
- Lowest net emissions and intensity of Canadian senior producers
 - 46% reduction between 2013 and 2018
- Free cash flow positive with peer-leading cash flow growth
- Largest insider ownership amongst Seniors, 4x peer average

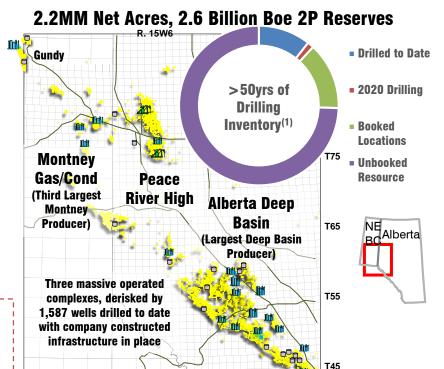
Tourmaline's scale in Canada's premium gas plays, production base and low cost infrastructure, provide investors a suite of advantages with efficiency, profitability, growth, and return on (and of) capital unparalleled by peers

Current Production

- Current corporate production 310,500 boepd
- 2020 average production forecast of 315,000 320,000 boepd

Financial Position⁽²⁾

Market Capitalization (Feb 26 th 2020)	\$3.2B
Net Debt (December 31 st)	\$1.8B
Enterprise Value	\$5.0B
Net Debt to Cash Flow (LTM)	1.5x
2020 Cash Flow (Guidance)	\$1.3B



2020 Investment Proposition⁽²⁾

Debt Adj. Cash Flow Per Share Growth (Y/Y)	17%
Liquids Growth (Y/Y)	>20%
2020 Free Cash Flow Growth (Y/Y)	>2x
Free Cash Flow Yield	~11%
Dividend Yield	~4%

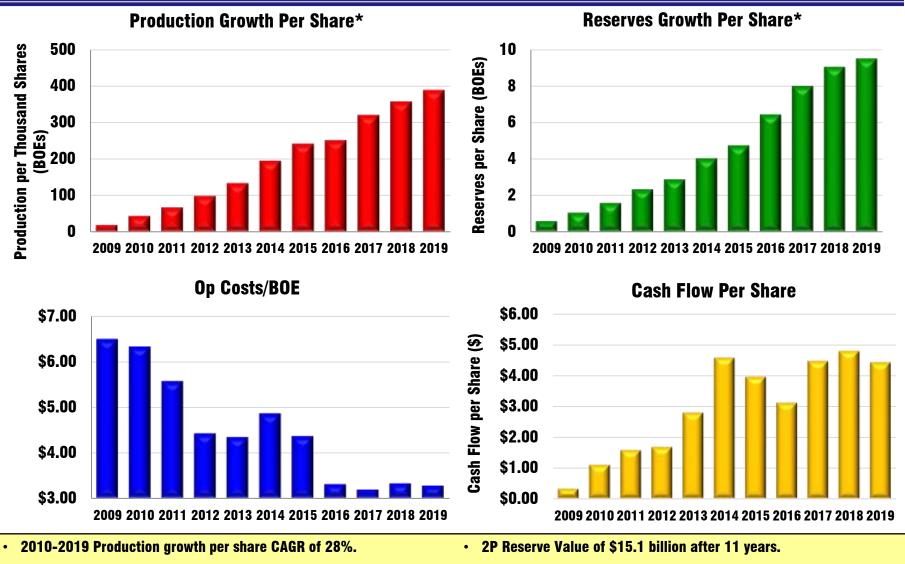
See schedule A in corporate presentation appendix; inventory life at 2020 pace of development (1)

(2) Prod. rank per Bloomberg consensus; DACFPS, liquids growth and FCF per five year plan, see current five year plan slide for definition of FCF, all market data as per Feb 26th, 2020



Historical EP Performance

Mar 2020



• Lowest capital costs and low cash costs allow Tourmaline to grow profitably on a full cycle basis at natural gas prices above CAD\$1.80/mcf.

* Debt adjusted

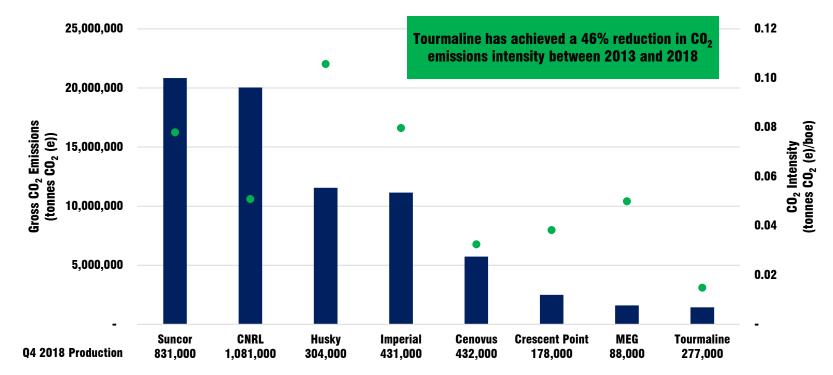


Gross CO2 Emissions

CO2 Intensity

Δ

Tourmaline has the lowest GHG emissions intensity (CO_2 /boe) among Canadian Senior E&P peers



Canadian E&P GHG Emissions 2018

Notes:

1. Based on CDP (Carbon Disclosure Project) data and includes Scope 1 and 2 emissions.

2. Represents 2018 data.

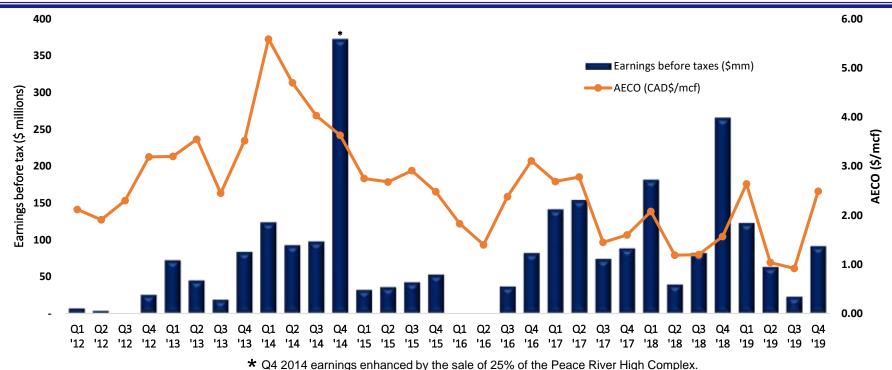
3. Encana excluded since Encana does not disclose Scope 2 emissions, so figures are not comparable.

4. Emission intensity derived by Gross $\rm CO_2$ Emissions divided by total production for the year.



A History of Full Cycle Profitability

Mar 2020

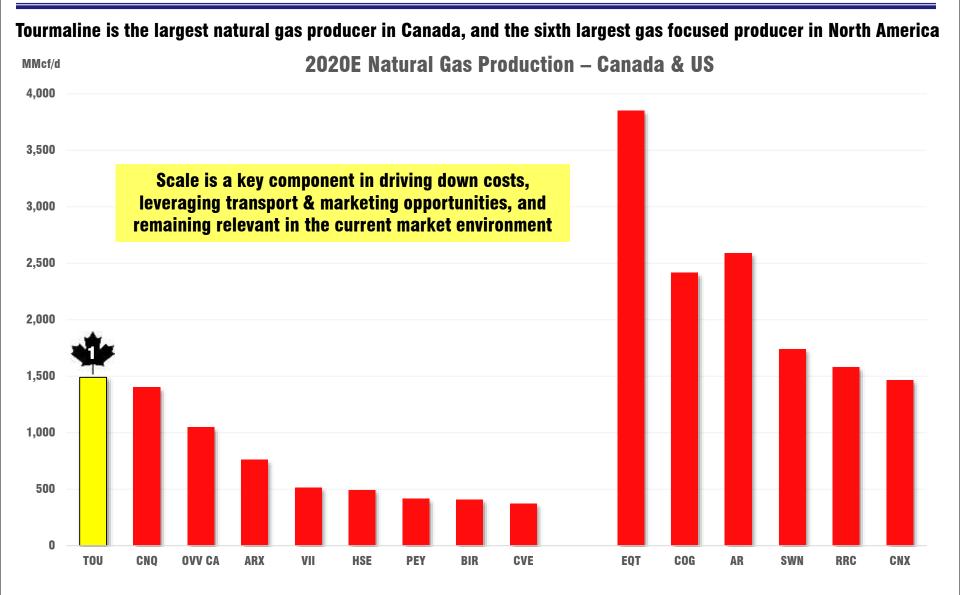


- Tourmaline focusses on generating earnings and full cycle profitability/returns.
- Tourmaline has increased cash flow by >300% per share since the November 2010 IPO.
- The EP strategy focusses on selecting premium subsurface targets and continually reducing capital and cash costs as the development plans are executed.
- The focus on <u>economic sweet spots</u> will yield superior returns.
- Tourmaline can generate full cycle returns at gas prices above CAD\$1.80/mcf.



Largest North American Natural Gas Producers

Mar 2020



All data as per Bloomberg consensus February 19, 2020. OVV Canada 2020 assumes Q3/19 CA/US proportions



450,000

Current 5 Year Plan⁽¹⁾

	-								
400,000									
350,000									
300,000									0 · · · D'
250,000									Spirit River
250,000 200,000)								NEBC
150,000)								Deep Basir
100,000	D								
50,000									
-	2016	2017	2018	2019	2020 E&P	2021 2022	2023	2024	Ending Surplus
		P rod'n	After-tax Cash Flow	After-tax CFPS -	Capital Program ⁽⁴⁾	Free Cash	Topaz Dividend ⁽⁶⁾	Tourmaline Dividend	(Ne Debt)
		BOEPD	\$MM ⁽²⁾⁽³⁾	Diluted	\$MM		\$MM	\$MM	-
2020E						\$MM			\$MI
2020E 2021E		BOEPD	\$MM ⁽²⁾⁽³⁾	Diluted	\$MM	\$MM \$361	\$MM	\$MM	\$MI (\$1,542
	I	BOEPD 320,000	\$MM ⁽²⁾⁽³⁾ \$1,321	Diluted \$4.87	\$MM \$925	\$MM \$361 \$216	\$MM (\$17)	\$MM (\$130)	\$Mi (\$1,542 (\$1,472
2021E	:	BOEPD 320,000 333,000	\$MM ⁽²⁾⁽³⁾ \$1,321 \$1,330	Diluted \$4.87 \$4.91	\$MM \$925 \$1,077	\$MM \$361 \$216 \$340	\$MM (\$17) (\$17)	\$MM (\$130) (\$130)	\$MI (\$1,542 (\$1,472 (\$1,279 (\$1,074

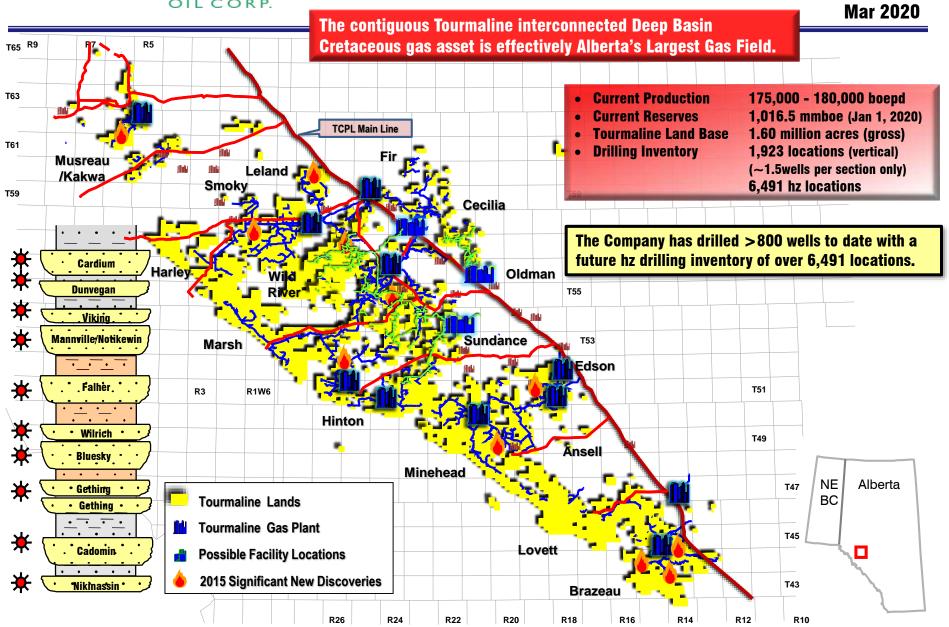
(1) 5 year plan derived by utilizing, among other assumptions, historical Tourmaline production performance and current cost assumptions inflated at 2.5% annually after 2020. 2021 and beyond provided for illustration only. Budgets and forecast beyond 2020 have not been finalized and are subject to a variety of factors including prior year's results. 5 year plan assumes Topaz Energy Corp. ("Topaz") is a fully consolidated subsidiary of Tourmaline Oil Corp. and excludes any impact of the expected Initial Public Offering of Topaz. 5 Year plan excludes the impact of the Chinook Energy and Polar Star acquisitions described in the Company's News Release dated February 24, 2020. These acquisitions will be incorporated in the Company's next 5 year plan update.

(2) Price assumptions: Gas price - \$2.29 2020 NYMEX US, \$2.46 2021-2022 NYMEX US, \$2.49 2023 NYMEX US, \$2.54 2024 NYMEX US, \$1.92 2020 AECO, \$2.08 2021 AECO, \$2.10 2022 AECO, \$2.13 2023 AECO, \$2.27 2024 AECO. Oil price - \$57.30/bbl 2020 WTI US, \$53.51/bbl 2021 WTI US, \$51.81/bbl 2022 WTI US, \$51.19/bbl 2023 WTI US, \$51.19/bbl 2024 WTI US.

- (3) See "Non-GAAP Measures" in Forward Looking Statement Advisories.
- (4) E&P Capital Program is defined as total capital spending before acquisitions, dispositions and other corporate expenditures.
- (5) Free Cash Flow is defined as Cash Flow less Total Net Capital Expenditures. Total Net Capital Expenditures is defined as the sum of E&P Capital Program and other corporate expenditures, net of non-core dispositions. Free Cash Flow is prior to dividend payments made by Tournaline and Topaz.
- (6) Topaz Dividend includes dividends paid out by Topaz, excluding dividends paid to Tourmaline Oil Corp.



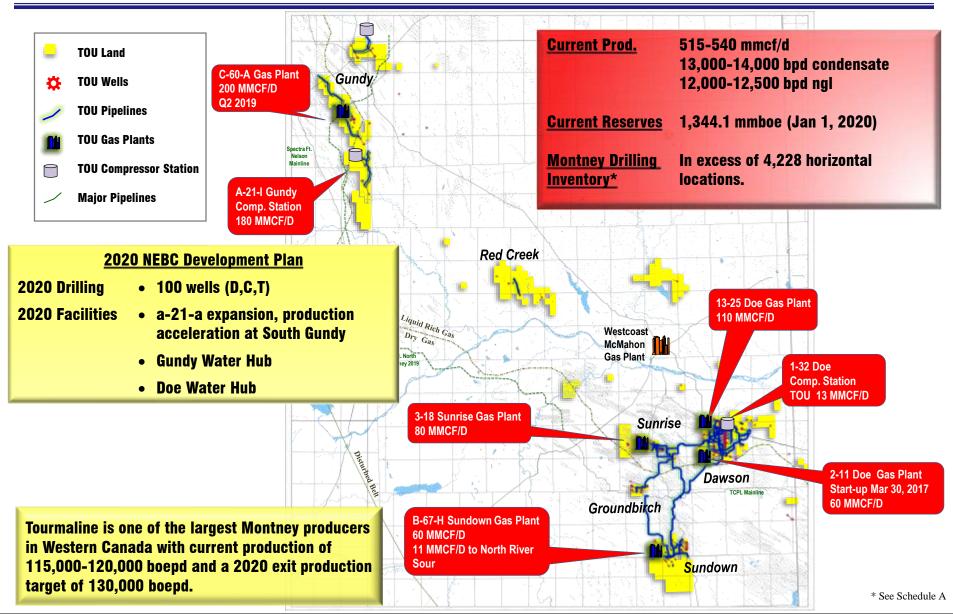
Alberta Deep Basin





NEBC Montney Gas/Condensate Complex

Mar 2020

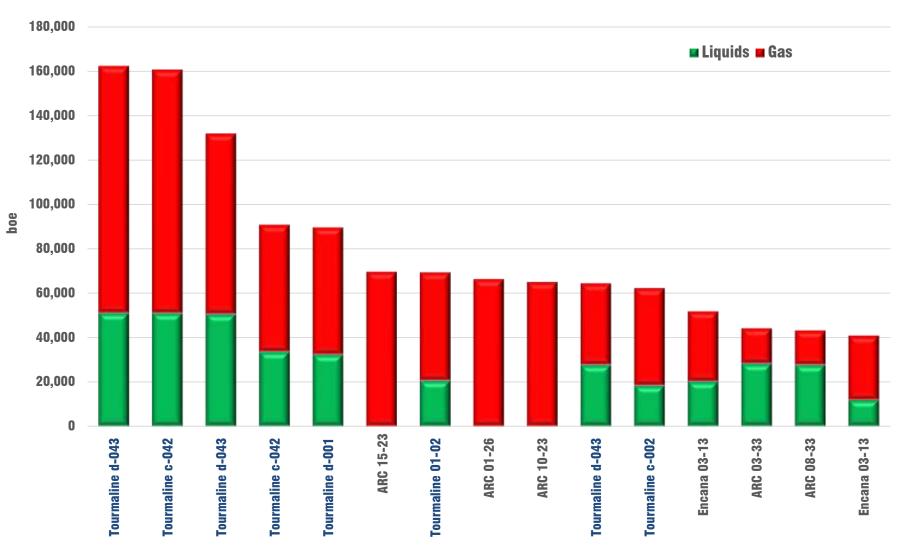




Top BC Montney Wells

(On-stream between Sept - Nov 2019)

Jan 2020



Source: Peer data as per National Bank of Canada, Tourmaline liquids data as per internal data



Gundy Creek Phase 1 – Deep Cut Plant

Plant Start-up in May 2019, constructed in 6 months, 200 mmcfpd/13,500 bpd capacity, on budget and ahead of schedule





NEBC Montney Consolidation

Mar 2020

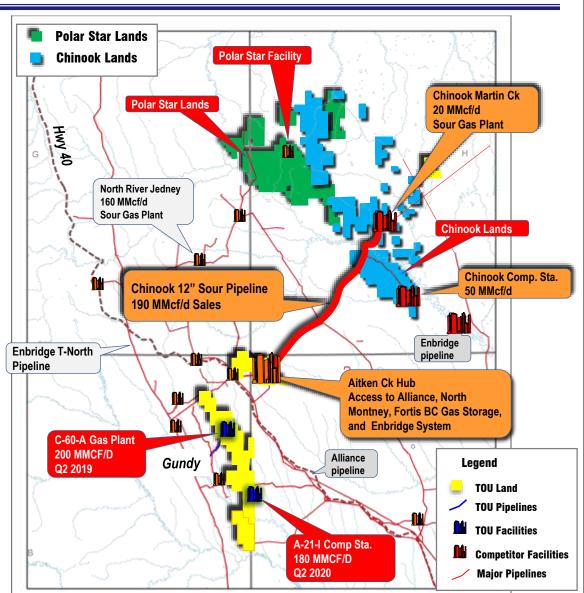
13

Polar Star Canadian Oil and Gas Inc.

- ~ 2,500 boe/d
- ~ 19% Liquids
- ~ 106,000 Net acres of Montney Rights
- 80,767 Mboe 2018YE 2P Reserves
- 20 MMcf/d Compression Station, 30 MMcf/d DEHY
- Flows to North River Jedney Sour Gas Plant

Chinook Energy Inc.¹

- ~ 3,500 boe/d
- ~ 14% Liquids
- ~ 54,000 acres of Montney Rights at Birley/ Martin Creek
- 35.6 MMboe 2018YE 2P Reserves
- 20 MMcf/d Martin Creek Sour Gas Plant
- 50 MMcf/d Compressor Station
- 12 " Sour Gas Pipeline which ties into Aitken Creek Hub;
 - Access to Alliance to Chicago
 - North Montney (NGTL System) to Alberta Markets
 - •Enbridge System to Station 2 and Western USA
 - Fortis BC Gas Storage

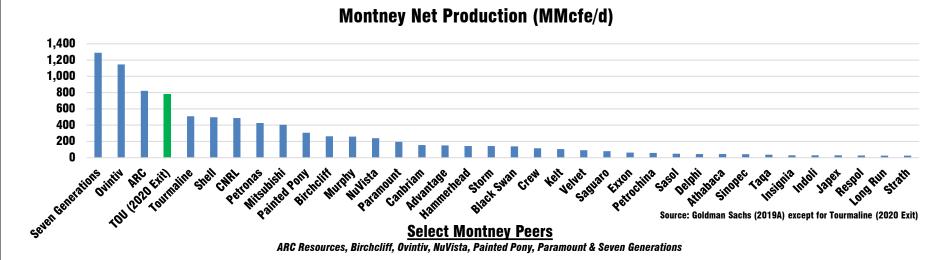




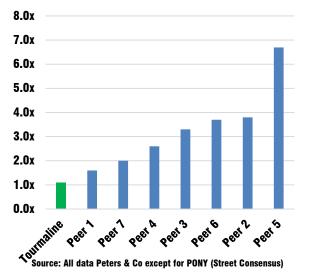
Tourmaline Montney

Efficiency + Execution

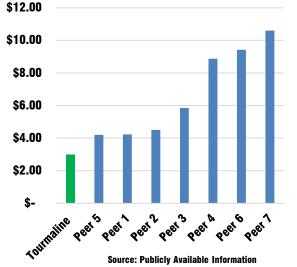
Mar 2020



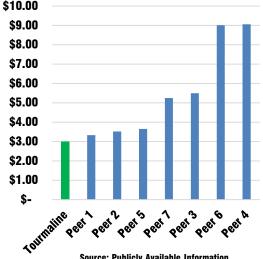




Montney D&C Costs (\$MM)







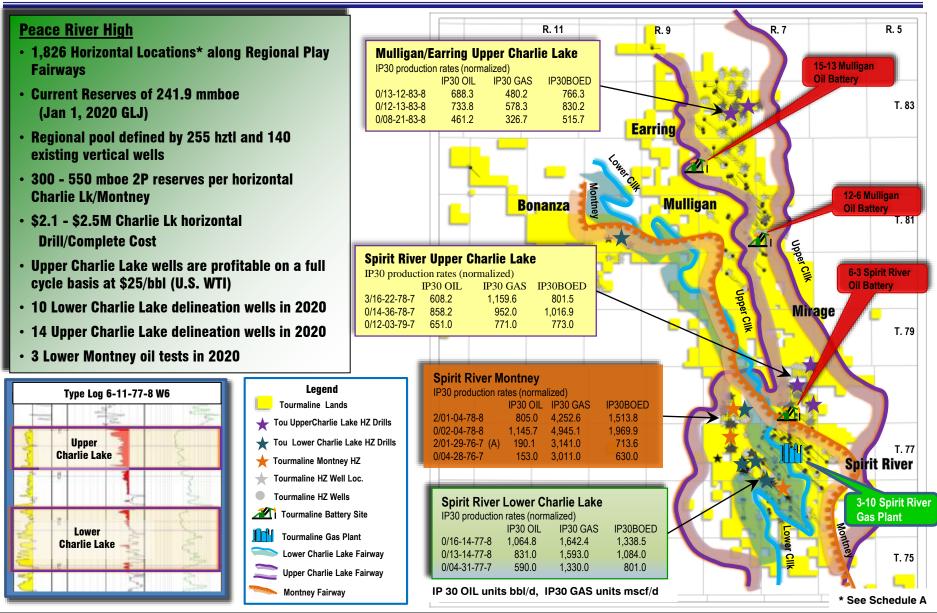
Source: Publicly Available Information Ovintiv Operating costs converted to CAD + \$0.80 incremental cost per MCF for processing



Peace River High Complex Triassic Oil Charlie Lake and Montney Plays

Mar 2020

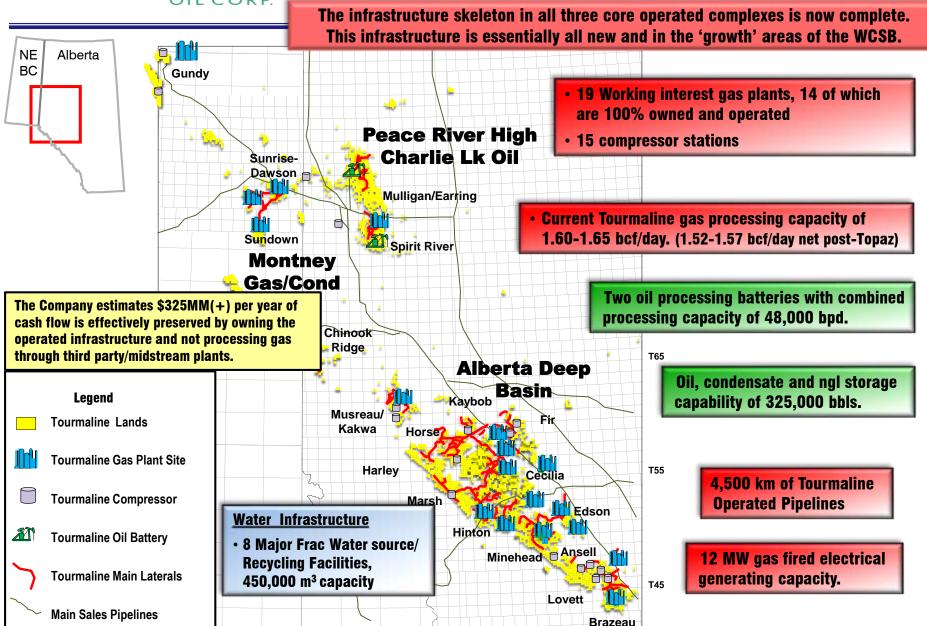
14





Tourmaline Mid-Stream Assets

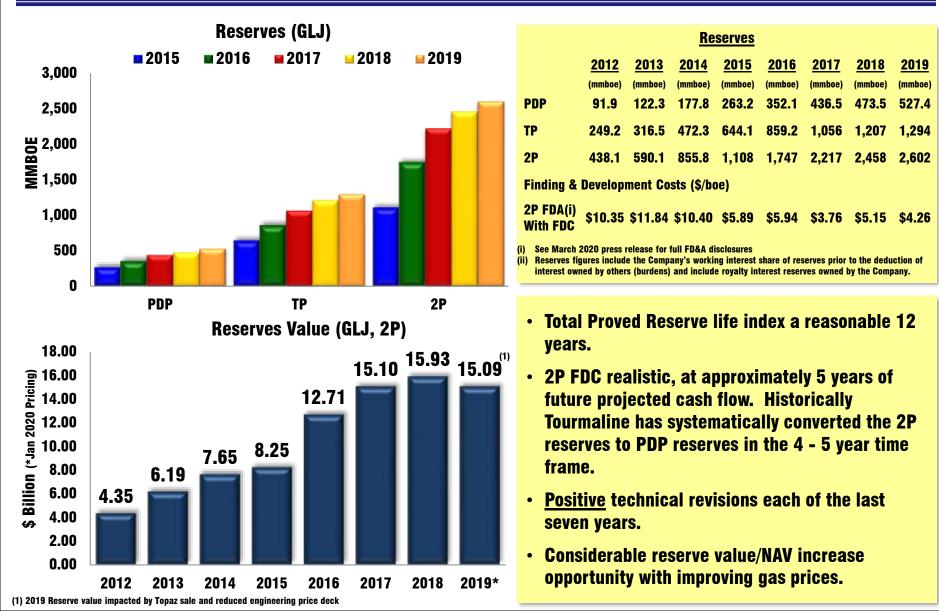
15





Historical Reserves Summary

Mar 2020





Gas Development Location Inventory and Economics

10.75

Mar 2020

3.50
4.8
412 boepd
\$4.38
\$7.75
\$4,556
61%
19
\$1.90
634
4. 412 b \$4. \$7. \$4, 61 1! \$1.

Notes:

(1) Average operating expenses over the initial five years of production.

(2) Internal Rate of Return calculation is based on monthly cash flows.

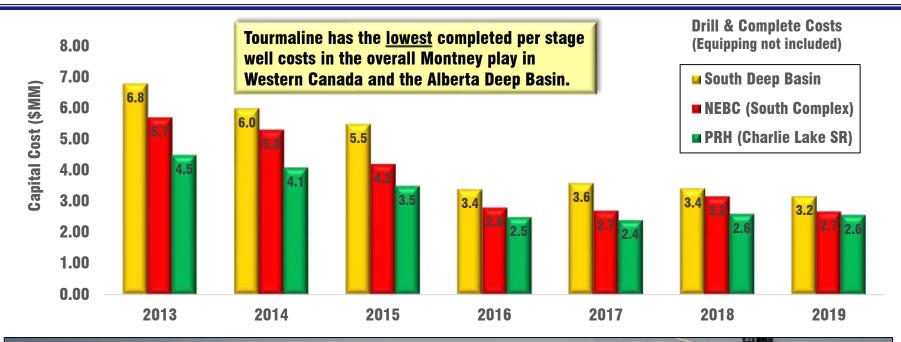
(3) Independent Reserve Engineer Jan 1, 2020 escalated price forecast, adjusted for transportation, quality and heat content.

(4) See Schedule A.



The TOU Engineering Execution Machine

Mar 2020



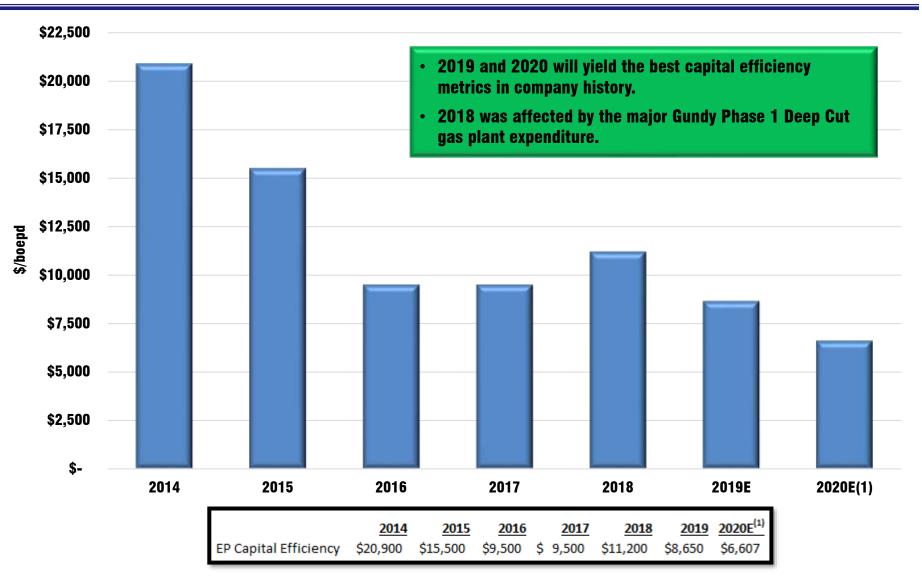
- Since Feb 2009, Tourmaline has drilled 1,587 wells across all three core operated complexes. (Deep Basin 804 wells, NEBC 443 wells, PRH oil 340 wells)
- Through continuous engineering design improvements in all aspects of drilling and completions operations, Tourmaline has realized a cost reduction of over 50% in all 3 complexes since 2012.
- Tourmaline has the internal staff capability to efficiently operate 22(+) drilling rigs, the current 5 year financial outlook assumes a 11/15 rig program.



Continuous Capital Efficiency Improvements

Mar 2020

19





Continuous Cost Reduction Strategy

Mar 2020



General and Administrative Costs



Tourmaline has the <u>lowest</u> effective interest rate/borrowing costs in the North American energy sector.

• The staff required to effectively operate a 300,000 boepd company growing to 350,000 boepd has already been assembled.



the second second	<u>2020</u> ⁽¹⁾
Production – Boe/d	320,000
Cash Flow ⁽ⁱ⁾ - \$MM	\$1,321
CFPS - Diluted ⁽ⁱ⁾	\$4.87
E&P Capital Program ⁽ⁱⁱ⁾ - \$MM	\$925
Free Cash Flow ⁽ⁱⁱⁱ⁾ - \$MM	\$361
Exit Net Debt ⁽ⁱ⁾ - \$MM	\$1,542
Debt to CF	1.2x

Price Assumptions: Gas price - \$2.29/mmbtu 2020 NYMEX US, \$1.92/mcf 2020 AECO; 2020 Oil price - \$57.30/bbl WTI US.
 See "Non-GAAP Measures" in the Forward Looking Statement Advisories section of this presentation.
 E&P Capital Program is defined as total capital spending before acquisitions, dispositions and other corporate expenditures.
 Free Cash Flow is defined as Cash Flow less Total Net Capital Expenditures. Total Net Capital Expenditures is defined as the sum of E&P Capital Program and other corporate expenditures, net of non-core dispositions. Free Cash Flow is prior to dividend payments made by Tourmaline and Topaz.

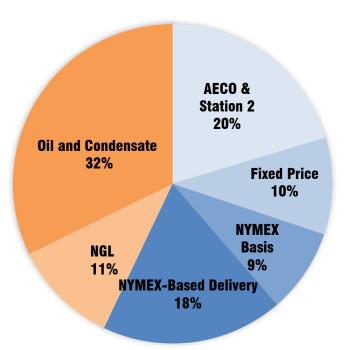


Balanced Revenue and Cash Flow Streams

Through Product, Marketing and Transportation Diversification

March 2020

2020 BUDGETED REVENUE



- Tourmaline consistently outperforms the quarterly AECO index price (every year for seven years)
- Tourmaline's transportation diversification strategy allows for direct participation in natural gas price rallies at multiple hubs (Dawn, Chicago, Ventura, San Francisco, etc)
- Oil, condensate and NGLs now generate over 1/3 of the Company's revenue.



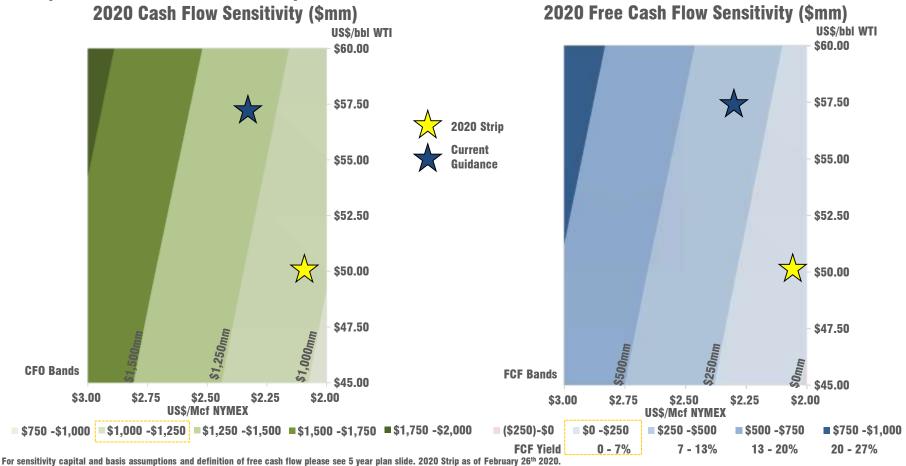
2020 Cash Flow & Free Cash Flow Sensitivity

Mar 2020

23

Tourmaline has excellent free cash flow resiliency in 2020, with significant positive free cash flow expected, even well below the current strip

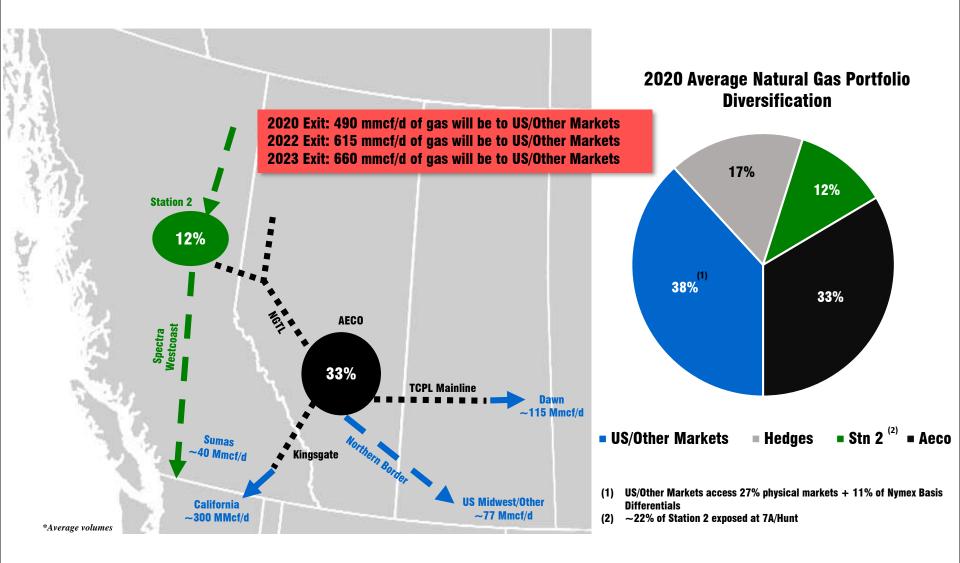
- Tourmaline's budget is free cash flow positive down to approximately US\$2.00/Mcf NYMEX and US\$45/bbl WTI
- Maintenance capital of approximately \$825mm provides a \$100mm buffer to the 2020 capital budget without
 production declines from 2019 production levels





2020 Natural Gas Transportation and Marketing Overview

March 2020





Tourmaline/Topaz Transaction

- Tourmaline crystallizes a portion of the unrealized intrinsic value in the Company's extensive infrastructure complex and utilizes the very low cost EP business to create a new hybrid royalty/infrastructure company.
- Tourmaline maintains overall producing infrastructure at the 95% working interest level, 2020(E) Tourmaline cash flow reduced minimally, by 1%.
- Tourmaline creates an 'acquisition line' of \$800 million \$1.2 billion (plus) to take advantage of the current generational low valuation opportunity in the Sector and not increase debt.
 - Topaz initiated with a significant Market capitalization (approximately \$1.0 billion), meaningful cash flow (in excess of \$1.00/share), stable strong dividend (\$0.80/share/year), extensive tax coverage (approaching 10 years), low costs (<3% of initial revenue), and no debt.
 - Topaz has multiple, well defined, future drilling and growth opportunities, including exposure to future Tourmaline production growth.
 - Topaz has a scalable business model with potential for additional transactions with Tourmaline and other industry participants.



Nov 2019

- More than ever, size matters in the Canadian energy sector.
- Tourmaline needs to screen as a top three Canadian Senior energy investment choice.
- Our goal is to be the most efficient, profitable North American natural gas company, as well as (one of) the largest.
- Tourmaline will utilize the Topaz transaction to participate in this 'generational' low valuation acquisition opportunity in the Canadian energy sector. The Company has essentially a \$1.0 billion (+) acquisition budget to employ without increasing debt.
- The base EP strategy/budget will remain unchanged, the BC Montney gas/condensate complex will grow, the Alberta Deep Basin and Peace River High complexes will remain on maintenance capital budgets.
- Tourmaline will more rapidly control a larger portion of the Canadian natural gas supply without growing the overall Basin volumes. The Company will let the constructive supply /demand rebalancing process continue.
- Tourmaline anticipates participation in an LNG supply agreement within the next two years, as part of the ongoing gas marketing and transportation diversification strategy.



•

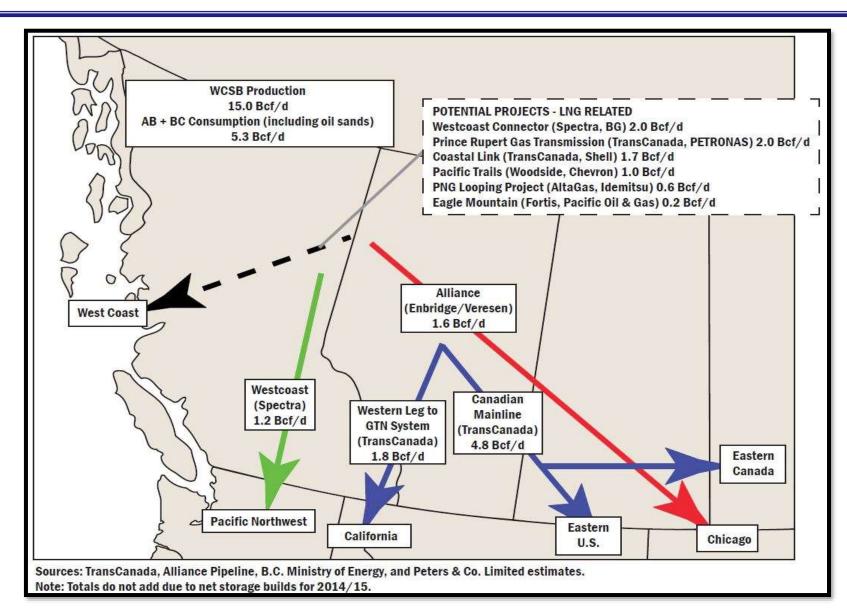
•

- Tourmaline now a Senior with production exceeding 300,000 boepd.
- Tourmaline is the largest producer of Canadian natural gas and is a top ten Canadian liquids producer (excluding oil sands/thermal).
- Three expansive resource plays, completely derisked, with Tourmaline infrastructure in place and 85% of drilling inventory currently unbooked in the reserve report.
- Tourmaline can provide growth, pay a dividend, and continue to grow annual free cash flow. (2020 vs 2019 FCF growth rate of over 100%)
- Continued strong earnings as the Company focuses on full cycle profitability and returns.
- Continued top tier reserve growth with Company reserves of 2.46 billion boe (Jan 1, 2019) (11.7 tcf of natural gas and 505.2 mmboe of liquids oil, condensate, ngl).
- Tourmaline has a diversified revenue base resulting from rapidly growing liquids volumes and a highly diversified gas transportation and marketing portfolio that provides multiple pricing points at hubs across North America (540 mmcfpd sold at 6 Nymex based hubs, 400 mmcfpd of winter 2020 AECO exposure).
 - Achieved 50% well cost reductions over the last 6 years, the further 10% reduction target in 2019/2020 already achieved yielding 2019 EP capital efficiencies of <\$8,000/boepd.
 - The list of industry-leading Tourmaline operated 'top' wells continues in all 3 core areas.





Natural Gas Flows From Western Canada

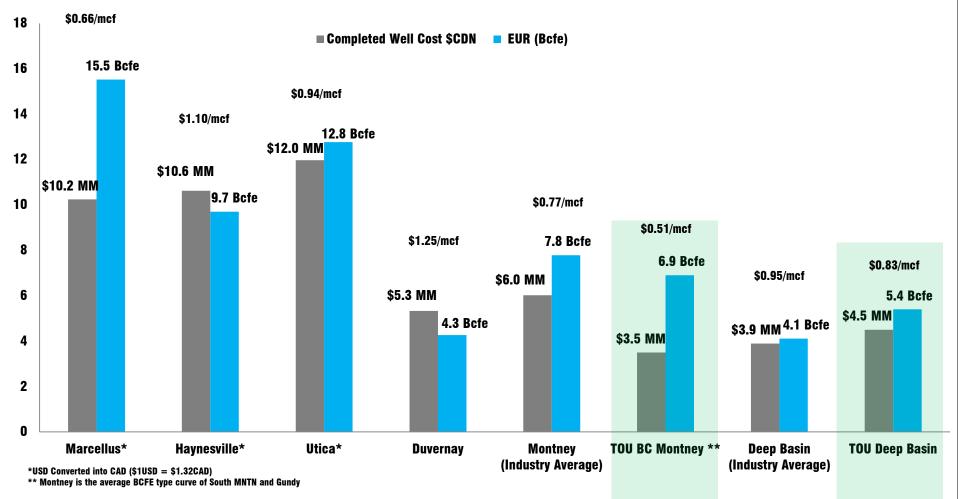




Completed Well Costs and EUR By N. American Play Type

Mar 2019

Well Costs DC,T (CAD) Vs. EUR by Play Type

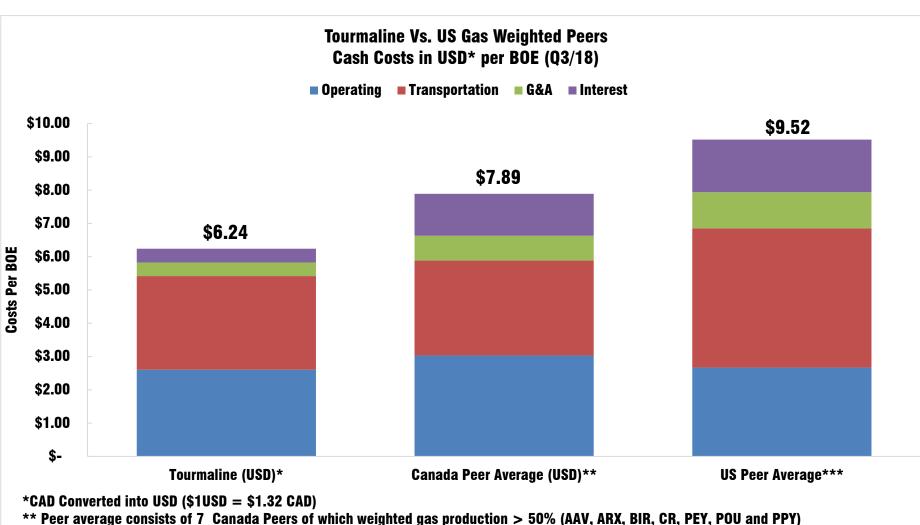


Source: Scotiabank "September 2018 - The Playbook" except for Tourmaline Figures



Tourmaline vs Natural Gas Peers Cash Costs Per BOE

Mar 2019



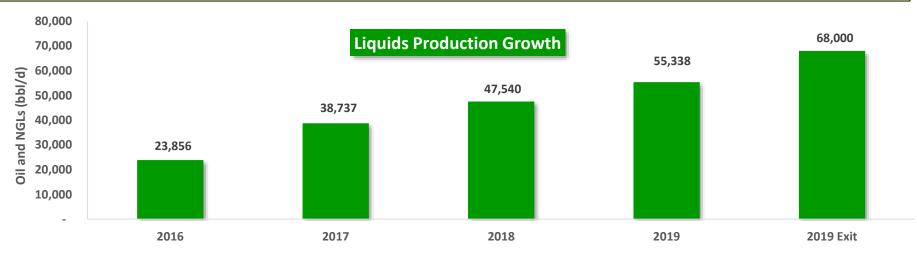
***Peer average consists of 7 United States Peers weighted gas Production > 50% (ARV, ARX, DIR, CO, EQT, RRC and SWN)



A Significant Liquids Producer

Mar 2020

Tourmaline has doubled liquids production over the past 2 years with strong liquids growth across all three operated complexes. The 2020 liquid production growth rate of >20% is amongst the highest in the Canadian oil and gas sector.



Deep Basin



Increased volumes accessing Saturn deep cut and acceleration of new liquid rich targets (Cardium, Viking, Falher D). NEBC



Acceleration of Montney Turbidite development, Gundy liquids rich development continues to ramp.

Peace River High

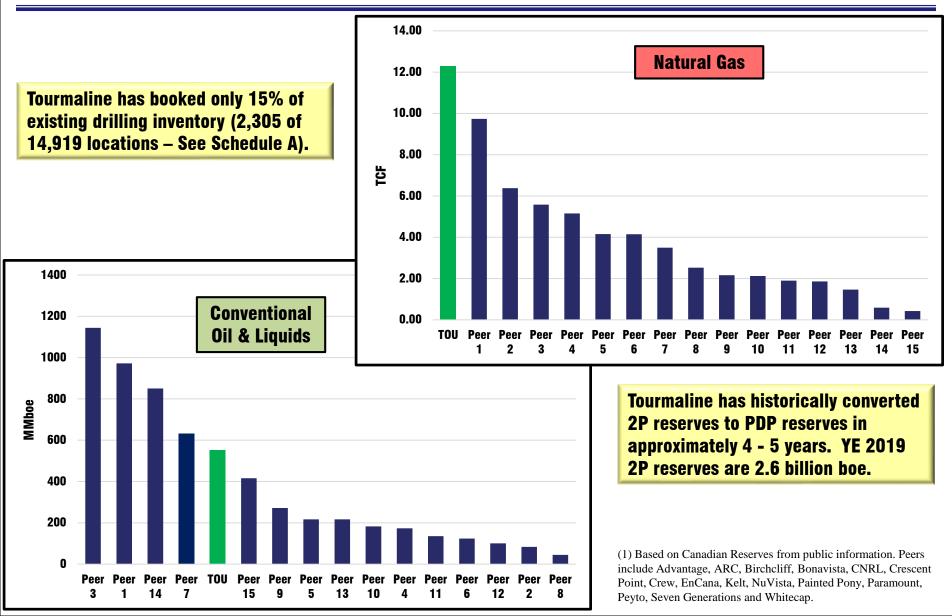


2-3 active rigs on the Peace River High yielding record oil volumes for the overall complex.



Independently Recognized Canadian 2P Reserves⁽¹⁾

Mar 2020





PRH Complex Asset Acquisition Overview

Nov 2019

	<u>25 % SI</u>	hare of Complex	
	Dec 2014 Sale	Aug 2019 Acquisition (Reserves, Reserve Value Jan 1, 2019)	
Production	3,000 boepd	5,600 boepd	
PDP Reserves Value (PV10)	3.7 mmboe \$76M	9.8 mmboe \$180M	
TP Reserves Value (PV10)	12.0 mmboe \$154M	29.5 mmboe \$394M	
2P Reserves Value (PV10)	24.0 mmboe \$294M	62.0 mmboe \$675M	
Sale/Acquisition Price	\$420M	\$175M	
Free Cash Flow Yield (2	2020)	14%	

Additional Considerations

- Estimated net annual cash flow of \$40.0-45.0 million acquired⁽¹⁾.
- Consolidation of growing PRH third party revenue generation capability (marketing terminal, power generation complex, water handling and disposal business).
- Tourmaline acquires an additional net 125 booked (GLJ Jan 1, 2019) and 328 un-booked locations.



EP Growth Plan (Original Business Plan)

Sept 2008

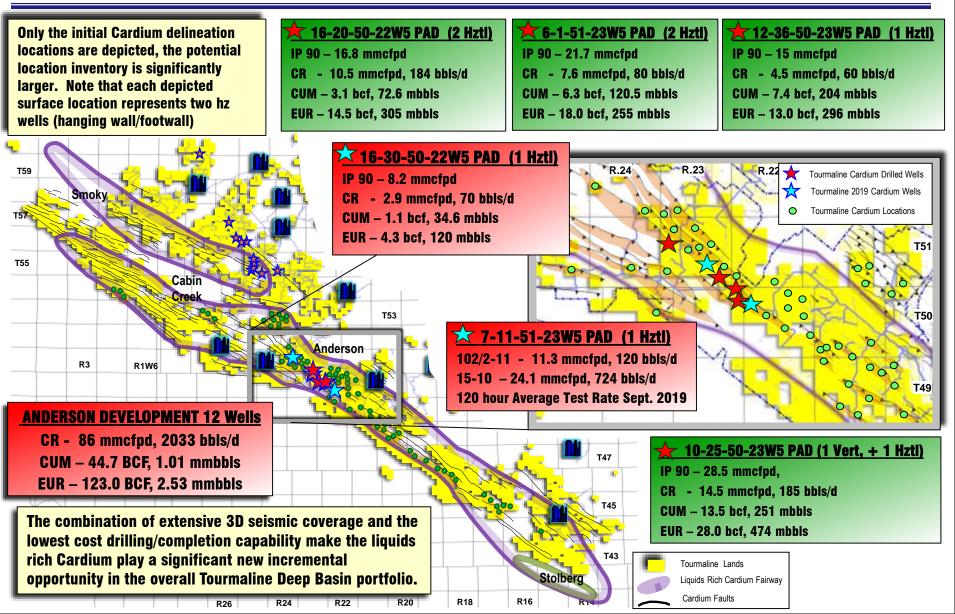
This is essentially the same business plan that was executed for Duvernay Oil Corp. (2001-2008)

- Primary growth mechanism will be a conventional EP Program (including Resource plays).
- **Build 2-3 core EP areas during initial three years of operations.**
- Strive for large land positions, operatorship and infrastructure control in those core areas.
- Achieve profitable annual growth via low operating cost/high netback properties.
- Operate with a relatively small, technically strong staff.
- Dispose of non-core assets on a continuous basis, as appropriate.



Alberta Deep Basin Liquids Rich Cardium Fairway

Nov 2019





Banshee Alberta Gas Plant

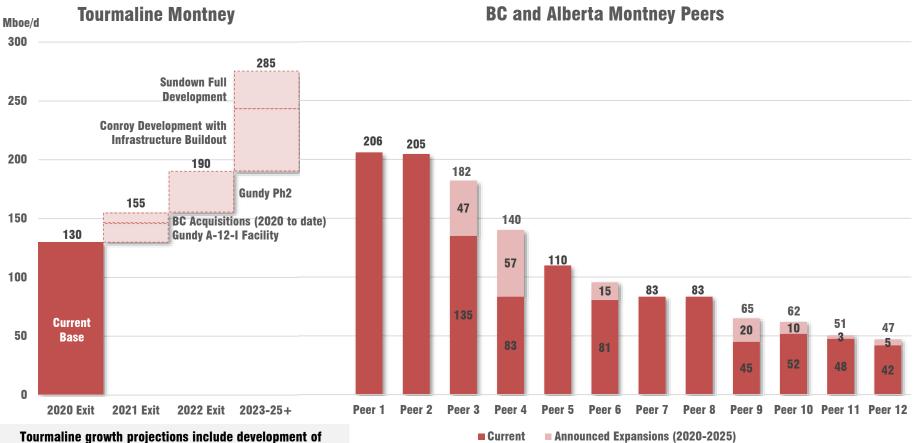




Evolving into Canada's Largest Montney Producer

Mar 2020

Tourmaline to become the largest Montney producer through fully delineated assets that are economic on current strip. Tourmaline is already the largest Alberta Deep Basin producer (175,000 boepd)



Tourmaline growth projections include development of existing assets, all are fully delineated and are economic / full cycle profitable on current strip pricing. This analysis excludes Red Creek / Attachie, Noel, Tupper, new pool delineation, and potential additional acquisitions

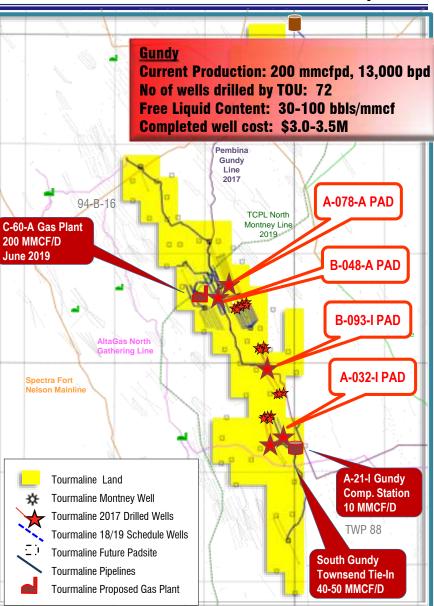
Acquisition volumes subject to close. Peer data as per most recent disclosure; accumap, GS research. Expansions include publicly announced growth, and/or 2020 budgeted volume growth. Peers include AAV, ARX, BIR, CNQ, Mitsubishi (Diamond Gas), MUR, NVA, OVV, Petronas JV, PONY, Shell Canada, VII



Gundy Ck Montney Development

Sept 2019

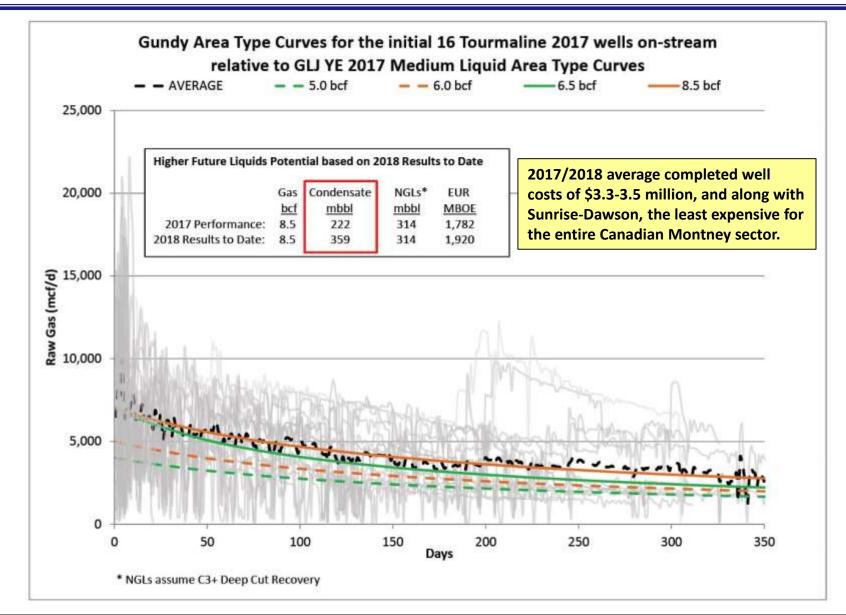
A-078-A PAD	Avg Rate	Number	Avg Free	Avg Total
9 wells	to Date	of Days	Cond Yield	Liquid Yield
Rig Released June 2017	(mmcf/d)		(bbl/mmcf)	(bbl/mmcf)
Upper Montney Lobe	4.6	640	30.3	60.9
Middle Montney Lobe	3.2	646	32.5	60.8
Lower Montney Lobe	2.6	543	29.9	57.2
B-093-I PAD	Avg Rate	Number	Avg Free	Avg Total
11 wells	to Date	of Days	Cond Yield	Liquid Yield
Rig Released Nov 2017	(mmcf/d)		(bbl/mmcf)	(bbl/mmcf)
Upper Montney Lobe	7.6	206	40.8	74.5
Upper Middle Montney Lobe	3.1	327	44.5	78.3
Middle Montney Lobe	4.3	285	35.6	68.9
Lower Montney Lobe	3.3	257	35.4	68.2
A-032-1 PAD	Avg Rate	Number	Avg Free	Avg Total
6 wells	to Date	of Days	Cond Yield	Liquid Yield
Rig Released Sept 2018	(mmcf/d)		(bbl/mmcf)	(bbl/mmcf)
Upper Montney Lobe	7.6	311	67.2	110.3
Upper Middle Montney Lobe	6.0	291	61.7	96.1
Middle Montney Lobe	2.8	317	69.2	106.4
Lower Montney Lobe	1.7	194	88.7	143.1
B-048-A PAD	Avg Rate	Number	Avg Free	Avg Total
9 wells	to Date	of Days	Cond Yield	Liquid Yield
Rig Released June 2019	(mmcf/d)		(bbl/mmcf)	(bbl/mmcf)
Upper Montney Lobe	9.8	53	77.1	101.8
Upper Middle Montney Lobe	5.2	52	66.1	91.3
Middle Montney Lobe	4.4	51	68.0	89.0
Lower Montney Lobe	5.2	53	61.5	82.5





Gundy Horizontal Well Performance

Nov 2018



FOURMALINE Tourmaline Environmental Performance

 Tourmaline strives to continually improve all aspects of environmental performance including the impact of its operations on air, land and water.

OILCORP

- Tourmaline ranks as a 'top decile' performer under the new Ab Government carbon emission framework and despite the Company's size and extensive facility capacity has zero 'large emitter' sites.
- Tourmaline is Canada's largest natural gas producer, by far the 'cleanest' of the fossil fuel group, and has constructed a network of <u>new</u>, state of the art facilities to process and transport this gas.
- Tourmaline is at the forefront of multi-well pad drilling in Western Canada, dramatically reducing the surface impact of full cycle resource play development in all three core operated areas.
- Tourmaline has dramatically reduced CO₂ and CH₄ emissions by conducting all well testing in-line , utilizing low emission controllers, employing waste heat recovery.
- Tourmaline is steadily expanding the use of CNG for drilling operations, reducing diesel usage.
- Tourmaline is an industry leader in non-potable frac water sourcing with six frac water source/recycling facilities (>450,000 m³ capacity) avoiding the use of fresh water in frac operations. Tourmaline is one of the first operators in B.C to utilize produced water in frac operations and is the first company in Alberta to employ this practice.

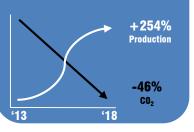


Sustainability Performance Highlights

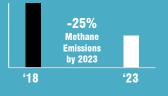
Feb 2020

Tourmaline has been aggressively and successfully pursuing a comprehensive environmental performance improvement strategy for over six years. The Company is systematically improving its performance and reducing the impact of all aspects of the Company's activities upon air, land and water.

Achievements







Initiatives

Work Towards Diesel rigs in PRH Diesel Turbines Venting in field ops

- 46% reduction in CO2 emission intensity since 2013
- Near elimination of fresh water use in NEBC well stimulation operations
- Initiation of methane reduction retrofit compliance plan in 2019; 3,400 controllers replaced
- A 50% reduction in the surface area per producing well in the Company's operating areas
- Broad replacement of diesel in Tourmaline's drilling and completion operations with natural gas

- Targeting a 25% reduction in total methane emissions from 2018 levels by 2023
- Reduce corporate emissions intensity by 25% by 2027⁽¹⁾, through the application of new, innovative technologies including the electrification of assets
- Targeting elimination of fresh water usage in well stimulation operations (NEBC \checkmark)

- Trial full electric (zero diesel) drilling rig in the Peace River High complex in 1H/2020
- Migrate completion fleet to natural gas turbine technology
- Migrate all field operations towards low bleed, zero venting three phase technology devices that reduces fugitive methane emissions



Continuous Environmental Performance Improvement⁴³ **Through Innovative Application of New Technologies**

- Massive reduction in flaring
- Water recycling for fracs
- Gas fired drilling rigs/fracs
- Methane leakage elimination across all operating regimes



Basic Research



Smart pipelines/wellsites







- **COSIA & NGIF industry technology** development alliances
- Surface footprint reduction/pad drilling
- Widespread electrification.
- Multiple CO₂ mitigation strategies/CCS



Tourmaline Environmental Performance Improvement Highlights

June 2019

BC Water Management



- 95-100% of all water sourced for stimulation operations is recycled
- 100% of all water flowed back from completion operations is recycled

Drilling/Completion Emissions Reductions

- 30% lower CO_2 , 75% lower No_{x_1} 99% lower SO_x emissions
- 90% lower particulate emissions
- Drilling Rigs achieving ~60-70% displacement of diesel



Alberta Water Management



- 1st, and only, company in Alberta to be licenced to store and recycle produced water from an in-ground storage pit
- 50-75% of water sourced for stimulation operations is recycled and is growing

Methane Emissions Reduction

- 487 Tonnes of methane removed due to modifications to facility controls on our dehys/refridge units
- 326 controllers replaced to low emission models NOTE: Program continues in 2019 to inventory all natural gas pneumatic controllers
- In 2019 waste heat recovery technology was incorporated into our plant design





Tourmaline Technology Curve/Future Concepts, Requirements & Opportunities

- Cost saving via novel frac water sourcing/recycling
- Alternative hz frac programs/processes – Concurrent pairs, delayed flow-backs etc.
- Novel drilling technology to reduce time/cost in drilling builds
- Refine drilling techniques/cost savings for frontal foothills Wilrich/Notikewin hz drlg
- Ball drop/sliding sleeve completion technique in vertical wells

- New Waste heat recovery technology
 - Utilizing gas fired turbines to reduce costs for drilling, completions, facilities
 - New mud systems to reduce drilling times
- Improved horizontal stimulation techniques, new approaches to maximize deliverability and recovery
- Sour frac water sweetening technology
- Develop predictive reservoir/reserve tools for horizontal clastic gas wells
- Improved Wilrich seismic imaging in strat settings and Outer Foothills settings
- Paleozoic/New Deep Play concepts
- Al applications in geophysical interpretation, reservoir prediction and predictive drilling problem identification.
- Understanding controls on Wilrich deliverability/develop predictive tools
- New shale/source rock plays
- Pasquia Hills oil shale recovery mechanisms





DRILLING LOCATIONS

Estimated Drilling Inventory

Statement Statements

This presentation discloses drilling locations in four categories: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and (iv) an aggregate total of (i), (ii) and (iii). Of the 14,919 (gross) locations disclosed in this presentation, 1,208 are proved undeveloped locations, 39 are proved non-producing locations, 1,058 are probable undeveloped locations, 0 are probable non-producing and 12,614 are unbooked. Proved producing wells, proved undeveloped locations, proved non-producing locations, probable undeveloped locations and probable non-producing locations are booked and derived from the Company's most recent independent reserves evaluation as prepared by GLJ and Deloitte LLP as of December 31, 2019 and account for drilling locations that have associated proved and/or probable reserves, as applicable. 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 a certain number 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.

The following provides additional information on the Company's estimation of unbooked locations.





Deep Basin Vertical well count :

Approximately 2,499 gross prospective sections at approximately 1.5 wells per section minus 10% for areas that are inaccessible or limited by spacing requirements minus approximately 1,000 existing wells. Includes 450 locations in the Outer Foothills area.

Total Vertical Locations ~ 2,373

Deep Basin Horizontal well count :

Approximately 2,499 gross prospective sections in the Deep Basin at approximately 3 wells per section in multiple horizons i.e. the Wilrich, Falher, Notikewin, Cardium, Dunvegan, Viking, Bluesky, Gething, Cadomin, or Nikanassin. Less existing horizontals, less 20% of existing vertical producers. In some instances there will be less than 3 wells per section at full development and in other cases there will be more than 3.5 wells per section due to the fact that there are multiple horizons. Total Horizontal Locations ~ 6,491

NE BC Well count :

Approx. 450 gross sections in NE BC at 12-16 wells per sections in multiple lobes (2-5 depending upon location) in the West Montney yielding 3,763 locations and approximately 3 wells per section in the East Montney yielding 465 locations. TOTAL NE BC = 4,228 locations

Spirit River well count:

602 gross sections within the Charlie Lake/Montney Fairway x 2-4 wells per section = 2,188 wells Minus approximately 362 existing wells Total Spirit River ~ 1,826 wells

Total gross locations ~ 14,919



Schedule B

Prospective locations are unbooked locations that are not included in inventory. 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.



Forward Looking Information

Certain information contained in this presentation constitutes forward-looking information within the meaning of applicable securities laws. This information relates to future events or the Company's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. This information speaks only as of the date of this presentation or, if applicable, as of the date specified in those documents specifically referenced herein. In addition, this presentation may contain forward-looking information attributed to third-party sources.

Without limitation of the foregoing, this presentation contains forward-looking information pertaining to the following: the reserve potential of the Company's assets; the anticipated production from the Company's assets and anticipated future cash flows from such assets; the Company's growth strategy and opportunities; the Company's capital exploration and development programs and future capital requirements; the estimated quantity and value of the Company's proved and probable reserves; expectations regarding the ability to raise capital and to continually add to reserves; the Company's estimates of future interest and foreign exchange rates; the Company's environmental considerations; the Company's assumptions regarding commodity prices; the Company's expectations regarding reduction in its operating costs; the timing of commencement of certain of the Company's operations and the level of production anticipated by the Company's access to adequate pipeline and other gathering, transportation and processing capacity; the Company's access to third-party infrastructure; the Company's drilling and recompletion plans; the Company's expected capital expenditures; expected debt levels and credit facilities; industry conditions pertaining to the oil and gas industry; the Company's plans for, and results of, exploration and development activities; the planned construction of the Company's grathering, transportation and processing facilities and related infrastructure; the timing for receipt of regulatory approvals; the Company's treatment under governmental regulatory regimes and tax laws and potential changes in such regimes and laws; the Company's future general and administrative expenses; and the Company's expectations regarding having adequate human resource staffing.

-48, 15



Forward Looking Information

With respect to forward-looking information contained in this presentation, assumptions have been made regarding, among other things: future crude oil and natural gas prices; future interests rates and currency exchange rates; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters; the Company's ability to market production of oil and natural gas successfully; the Company's future production levels; the applicability of technologies for recovery and production of the Company's reserves; the recoverability of the Company's reserves; future capital expenditures to be made by the Company; future cash flows from production meeting the expectations stated in this presentation; future sources of funding for the Company's capital program; the Company's future debt levels; geological and engineering estimates in respect of the Company's reserves; the geography of the areas in which the Company is conducting exploration and development activities; the impact of competition on the Company; and the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in this forward-looking information as a result of a number of factors including the risk factors set forth in the Company's reports and documents on file with Canadian securities regulatory authorities at www.sedar.com or the Company's website at <u>www.tourmalineoil.com</u>, which risk factors should not be construed as exhaustive. See specifically "Forward-Looking Statements" and "Risk Factors" in the Company's most recently filed Annual Information Form and "Forward-Looking Statements" in the Company's most recently filed Management's Discussion and Analysis.

Included in this presentation are estimates of the Company's 2020-2024 cash flow and cash flow per share which are based on various assumptions as to production levels, commodity prices and other assumptions and in the case of the years other than 2020 are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior years' results. To the extent such estimates constitute a financial outlook, they were approved by management of the Company in July 2020 and are included to provide readers with an understanding of the Company's anticipated cash flow based on the capital expenditures and other assumptions described and readers are cautioned that the information may not be appropriate for other purposes.

In addition, information relating to "reserves" is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and that the reserves described can be profitably produced in the future. See also "Statement of Reserves Data and Other Oil and Gas Information" and "Certain Reserves Data Information" in the Company's Annual Information Form.

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed herein or otherwise and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless specifically required to do so pursuant to applicable law.



Forward Looking Statement Advisories

Oil and Gas Advisories

Certain crude oil and natural gas liquids ("NGLs") volumes have been converted to millions of cubic feet equivalent ("mmcfe") or thousands of cubic feet equivalent ("mcfe") on the basis of one barrel ("bbl" of crude oil or NGLs to six thousand cubic feet ("mcf") of natural gas. Also, certain natural gas volumes have been converted to barrels of oil equivalent ("boe"), thousands of boe ("mboe") or millions of boe ("mmboe") using the same equivalency measure. Such equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six mcf 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 conversion on a 6:1 basis may be misleading as an indication of value.

This presentation contains disclosure regarding finding and development costs. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

The estimated net present values disclosed in this presentation do not represent fair market value.

Unless otherwise expressly stated, the information in this presentation pertaining to future drilling locations or drilling inventories is based solely on internal estimates made by management and such locations have not been reflected in any independent reserve or resource evaluations and have not been recognized as reserves or resources as defined in NI 51-101. See Schedule A - Drilling Locations. Similarly, unless otherwise expressly stated, the information in this presentation pertaining to targeted reserve volumes from future drilling is intended to indicate that in making its internal drilling decisions, the Company seeks to target drilling locations that, based on previous drilling results and its own internal assessments, it believes will on average ultimately generate the indicated volumes. Non-GAAP Measures

This presentation includes references to financial measures commonly used in the oil and gas industry such as "cash flow" and "net debt", which do not have standardized meaning prescribed by Generally Accepted Accounting Standards ("GAAP"). Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Management uses the terms "cash flow", and "net debt", for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund a portion of its future growth expenditures or to repay debt. However, investors are cautioned that these measures should not be construed as an alternative to net income determined in accordance with IFRS as an indication of the Company's performance. For these purposes, "cash flow" is defined as cash provided by operations before changes in non-cash working capital and "net debt" is defined as bank debt plus working capital (adjusted for the fair value of financial instruments and lease liabilities). Additional information on these terms are included in the Company's most recently filed Management's Discussion and Analysis (See "Non-GAAP Financial Measures" 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).