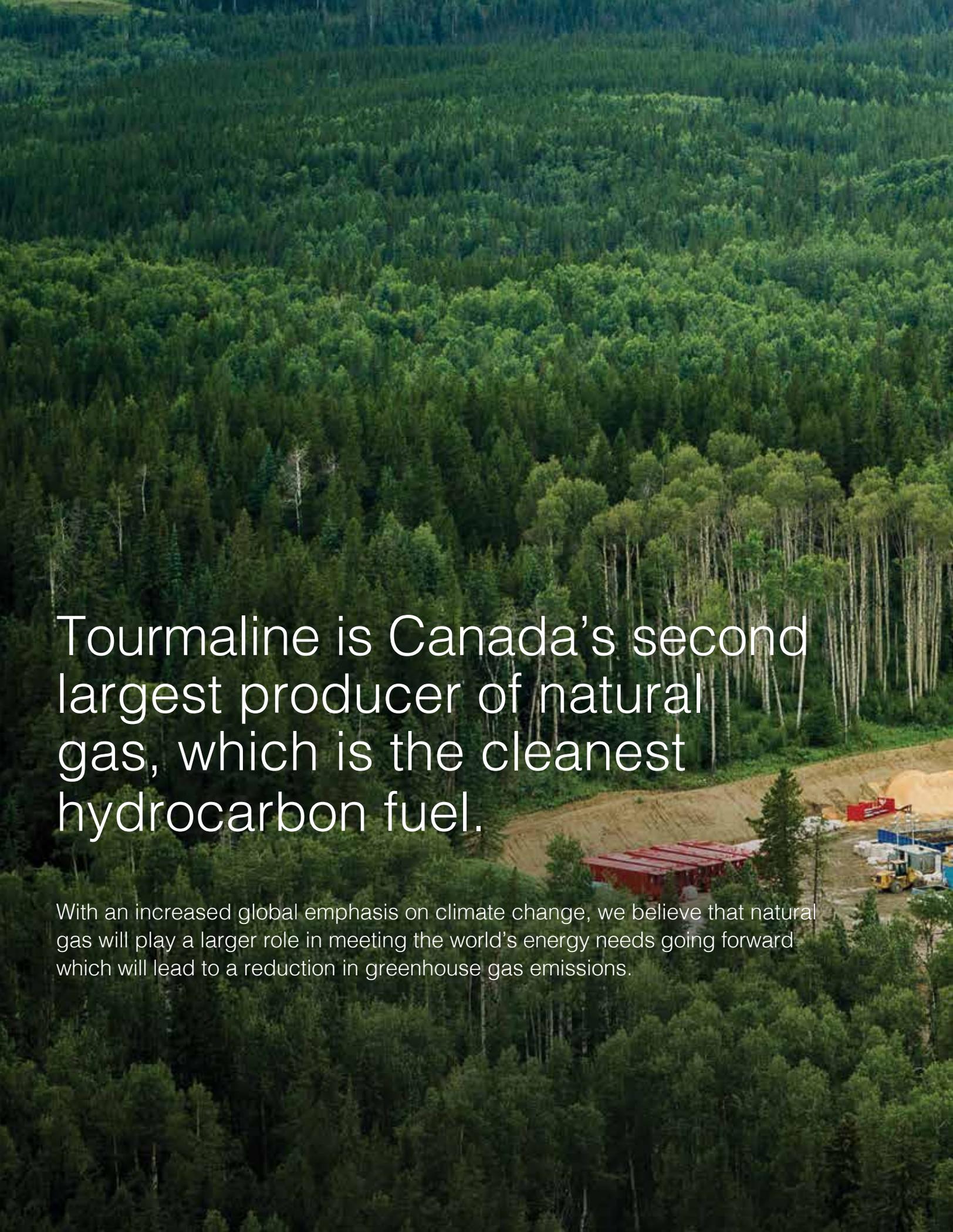


2017

SUSTAINABILITY REPORT



An aerial photograph showing a vast, dense green forest covering a large area. In the lower right foreground, there is a small industrial or construction site with several red metal structures, a yellow excavator, and other equipment. The forest extends to the top of the frame, with a slight change in tree density or color in the upper portion.

Tourmaline is Canada's second largest producer of natural gas, which is the cleanest hydrocarbon fuel.

With an increased global emphasis on climate change, we believe that natural gas will play a larger role in meeting the world's energy needs going forward which will lead to a reduction in greenhouse gas emissions.



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Since its inception, Tourmaline Oil Corp. (“Tourmaline” or the “Company”) has sought to build a sustainable business that creates long term value for its stakeholders. As a leader in the natural gas industry, Tourmaline is committed to operating with integrity and transparency, and fostering a culture of responsibility.

Our vision of sustainability encompasses not only respect for the environment, but also building positive and constructive relationships with the communities in which we operate, and providing a safe work environment for our employees and service providers. This Sustainability Report seeks to provide information relating to our approach, activities and performance in areas relating to the environment, health and safety, community engagement and related matters.

Tourmaline is Canada’s second largest producer of natural gas, which is the cleanest burning hydrocarbon fuel. With an increased global emphasis on climate change and associated regulation, we believe that natural gas will play a larger role in meeting the world’s energy needs going forward, which in turn is expected to lead to a reduction in greenhouse gas (GHG) emissions. The substitution towards the use of natural gas as an energy source assists governments in meeting their commitments to reduce GHG emissions while ensuring reliable energy and a robust economy. Natural gas comprises approximately 85% of Tourmaline’s current production, positioning the Company to benefit from the movement towards cleaner fossil fuels. Our corporate strategy is thereby linked to sustainable development as we continue to grow into a senior, industry leader in natural gas production.

Tourmaline consistently leverages technological innovations, including artificial intelligence, to gain efficiencies and optimize our operations for long term success. This includes adopting leading edge

technology and innovative strategies to minimize our environmental impact in all areas. In this regard, we have developed robust and integrated air emissions, water and land use strategies designed to reduce the impact of our operations on the environment.

In addition, our commitment to safe operations, in all aspects of our business, is at the core of our guiding principles. We prioritize the safety of our workers and our neighbours above all else. Our success in this area is evidenced by our achievement of zero lost time and recordable injuries by our employees during the past year and declining contractor injuries year over year.

Our ability to operate efficiently and responsibly is dependent upon the relationships that we maintain with our stakeholders. Tourmaline actively engages with the communities in which we operate while building strong relationships with landowners, local businesses, and Aboriginal communities. Management provides charitable support to community programs including schools and sports facilities, as well as health research initiatives. Our approach to community engagement ensures strong and prosperous relationships that will last for generations to come.

Signed “Michael Rose”

Michael Rose
President, Chief Executive Officer & Chairman

ABOUT TOURMALINE

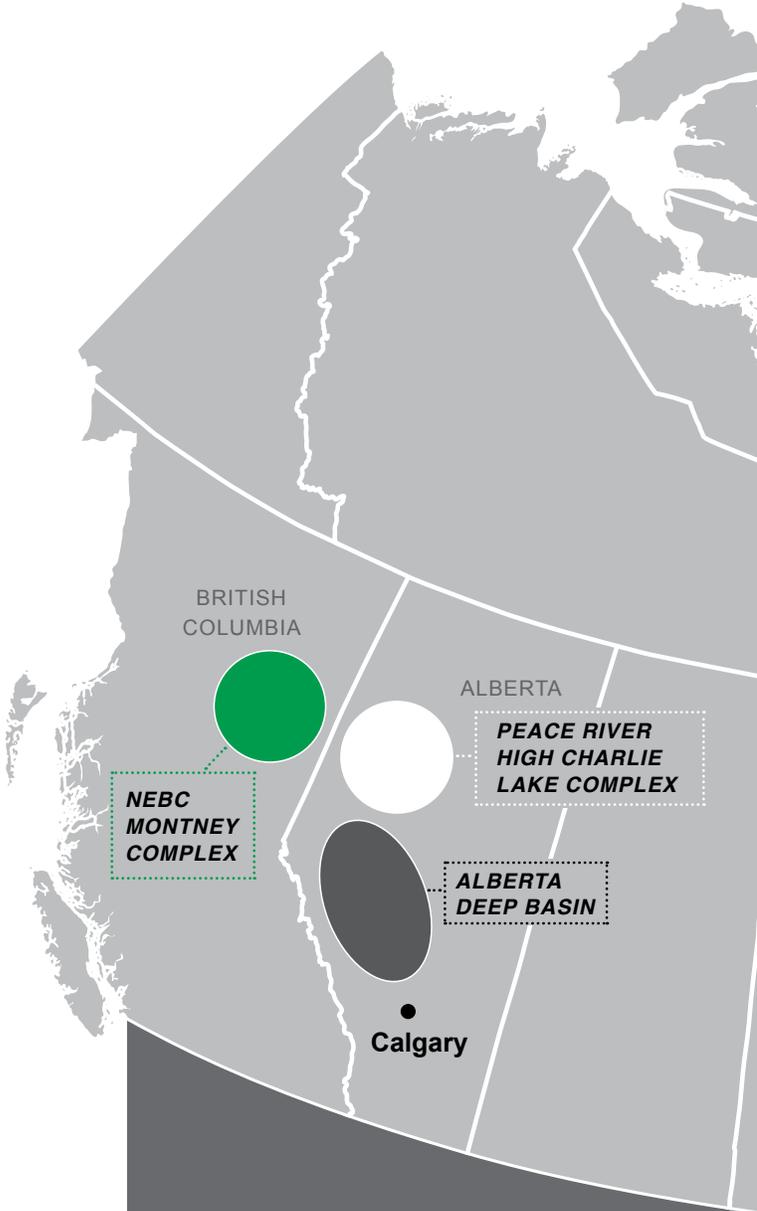
Tourmaline is a Canadian senior natural gas and crude oil exploration and production company headquartered in Calgary, Alberta.

We are focused on long-term growth through an exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin.

Tourmaline’s business strategy is to maximize shareholder value by increasing reserves, production and cash flows through the exploitation and development of a continually growing asset base. We do this all in a responsible manner that not only respects people and the environment but also complies with stringent government regulations.

Our operations are focused on three core areas: the Alberta Deep Basin, the northeast B.C. Montney complex and the Peace River High Charlie Lake complex.

Tourmaline’s common shares are listed on the Toronto Stock Exchange (TSX) under the symbol TOU.



REDUCING GLOBAL EMISSIONS

Canadian natural gas can provide a global net environmental benefit: exporting Canadian natural gas can displace fuels with a higher greenhouse gas emission profile and can reduce global pollution.

Sustainability Highlights

FINANCIAL AND OPERATIONAL MILESTONES

~85%

OF CURRENT (2017)
PRODUCTION IS NATURAL
GAS – THE CLEANEST
FOSSIL FUEL

325%

INCREASE IN CASH FLOW
PER SHARE SINCE IPO
2010 TO DATE

20%

INCREASE IN PRODUCTION
(2015-2016)

185,000boe/d

PRODUCTION IN 2016

\$1.22Billion

ANNUAL REVENUE (2016)

34%

FEMALE REPRESENTATION
ACROSS EMPLOYEES

363Staff

BOTH EMPLOYEES AND
CONTRACTORS

2ND

LARGEST NATURAL GAS
PRODUCER IN CANADA

ENVIRONMENTAL AND SAFETY MILESTONES

500,000m³

TOTAL RECYCLED WATER
USED IN HYDRAULIC
FRACTURING

56,000m³

TOTAL PRODUCED WATER
STORAGE CAPACITY IN
ALBERTA

187,000m³

TOTAL PRODUCED WATER
STORAGE CAPACITY IN BC

33%

REDUCTION IN REPORTABLE
RELEASES (2015-2016)

62%

REDUCTION IN CONTRACTOR
RECORDABLE INJURIES
(2015-2016)

46kms

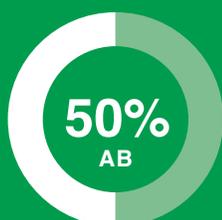
OF WATER PIPELINE
INFRASTRUCTURE
CONSTRUCTED IN BC

0

EMPLOYEE INJURIES

1ST

PRODUCER IN ALBERTA APPROVED TO CONSTRUCT
ENGINEERED CONTAINMENT POND FOR WATER RECYCLING



RECYCLED WATER USED IN GAS OPERATIONS



FRAC FLOWBACK WATER RECYCLED
IN GAS OPERATIONS

Why Natural Gas?



CLEAN

Natural gas is the cleanest-burning hydrocarbon with a wide variety of uses in our communities. Electricity generated from natural gas helps reduce GHG emissions, as it emits about half the greenhouse gases that coal does, when used in electricity generation.

Natural gas has the potential to play an important role in reducing Canada's GHG emissions. For example, the electricity sector's emissions dropped from 118 megatonnes in 2000 to 70 megatonnes in 2014 as plants switched from coal to natural gas.

The expanded use of natural gas as a fuel for vehicles also reduces GHG emissions between 17% and 19% when compared to diesel fuel vehicles (Source: Canadian Natural Gas Vehicle Alliance).

50%

CLEANER THAN COAL FOR ELECTRICITY PRODUCTION

17% - 19%

REDUCTION IN GHG EMISSIONS FROM SWITCHING TO NATURAL GAS AS VEHICLE FUEL

33%

APPROXIMATE PERCENTAGE OF CANADA'S ENTIRE ENERGY NEEDS THAT ARE MET BY NATURAL GAS



RELIABLE

Natural gas plays an important role in advancing renewable energy in Canada and globally. Natural gas can be used to supply the electrical grid to fill the gap when intermittent renewables, such as wind and solar, are not available.



AFFORDABLE

Natural gas is abundant, easy to transport through pipelines and burns more cleanly than other hydrocarbons. Today about one third of Canada's entire energy needs are met by natural gas.



ECONOMIC

Natural gas development is an important part of Canada's economy. The industry contributes to Canada's economy through jobs, taxes and royalties paid to the provincial and federal governments.

Tourmaline's approach to environmental management is to understand the areas in which we work and to minimize our impacts upon them. We strive to continually improve all aspects of environmental performance, including the impact of our operations on air, land and water. To support continuous improvement, we focus on technologies and innovative strategies that minimize our environmental footprint.

Tourmaline is a Leader in Canadian Natural Gas Production

As the cleanest-burning hydrocarbon fuel, natural gas reduces greenhouse gas and other emissions when it is used as a substitute for other fossil fuels (such as coal, oil and gasoline), as a necessary source of energy for electrical power generation, heating and transportation. Reductions in greenhouse gas emissions in North America over the past decade are widely attributed to using natural gas as a replacement for coal in electrical power generation plants in North America. Gas is a particularly clean fuel, emitting about half of the greenhouse gas emissions of coal-generated power, with low levels of nitrous oxides (NO_x) and nearly no particulate matter or sulphur dioxide. Increased use of gas-fired power therefore presents an opportunity for those countries with climate change commitments and priorities. We believe that natural gas will play a larger role in meeting the world's energy needs going forward, which in turn is expected to lead to a reduction in greenhouse gas emissions. We are proud that our business is contributing towards this shift.

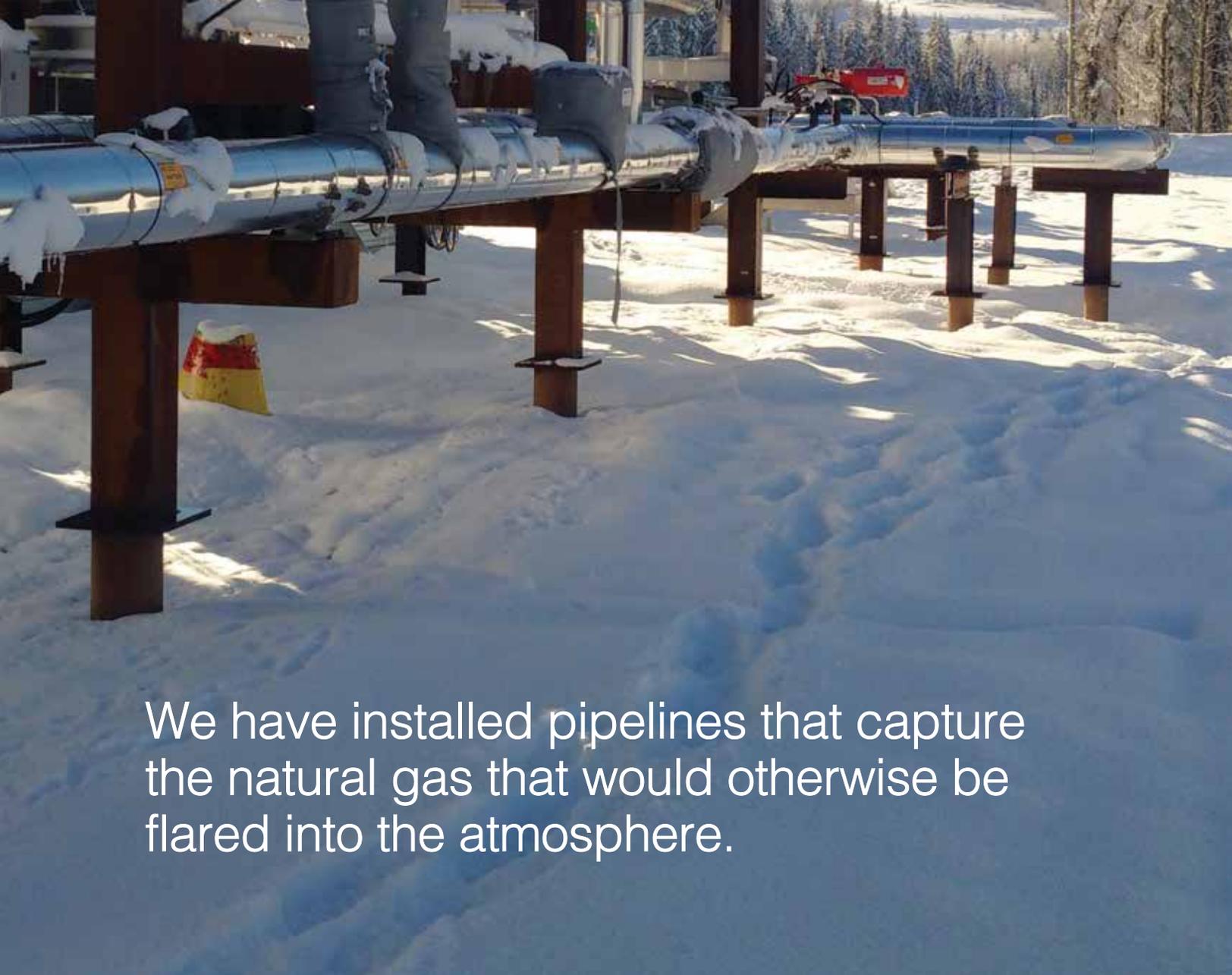
We believe that natural gas will play a larger role in meeting the world's energy needs going forward, which in turn is expected to lead to a reduction in greenhouse gas emissions. We are proud that our business is contributing towards this shift.

Improving Our Emissions Performance

As a producer of natural gas and oil, Tourmaline's operations generate GHG emissions. These emissions result primarily from drilling and completions operations and the operation of our gas processing facilities.

Tourmaline has undertaken several initiatives to reduce its emissions, primarily through innovation and employing new technologies. In particular, the Company has dramatically reduced GHG emissions associated with drilling and completions through the use of in-line well testing. Traditionally, when a new well is drilled and completed, associated gas is produced and flared at the well site. The flaring, or burning, of this associated gas releases greenhouse gases (primarily carbon dioxide and methane) into the atmosphere. However, Tourmaline has installed pipelines that capture the natural gas that would otherwise be flared during completion and directs this gas to processing facilities. This ensures that Tourmaline does not engage in continuous flaring at the well pad while systematically reducing our emissions footprint.

Tourmaline also uses vapour recovery units to capture small amounts of natural gas that escape from facilities or storage tanks in the normal course of operations. During storage, light hydrocarbons dissolved in crude oil or condensate including methane and natural gas liquids (NGLs), vaporize or "flash out" and collect in the space between the liquid and the fixed roof



We have installed pipelines that capture the natural gas that would otherwise be flared into the atmosphere.

of the tank. As the liquid level in the tank fluctuates, these vapors are often vented to the atmosphere. To prevent emissions of these light hydrocarbon vapours, Tourmaline uses vapour recovery units on its storage tanks. This reduces emissions into the atmosphere and also results in economic benefits, along with these environmental benefits. Vapour recovery units can capture about 95 percent of these vapours for sale or for use onsite as fuel.

In a further effort to reduce emissions, Tourmaline has constructed fuel gas lines that deliver compressed natural gas from facilities and plants to drilling rigs, thereby reducing diesel usage and its associated emissions. In addition to reducing GHG emissions,

this practice provides social benefits by reducing noise and provides economic benefits in the form of cost reductions.

Tourmaline complies with all applicable regulatory requirements relating to emission reporting and reduction in the jurisdictions in which we operate. We are also actively monitoring regulatory changes in our operating areas to ensure that we are in a position to comply with future requirements. Tourmaline is a participant in the Carbon Disclosure Project (CDP), a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Leading The Way In Water Management

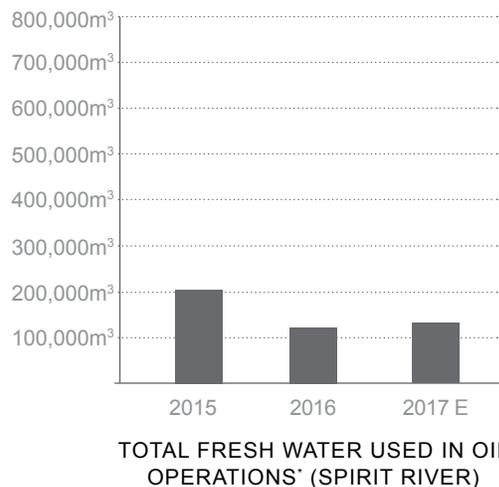
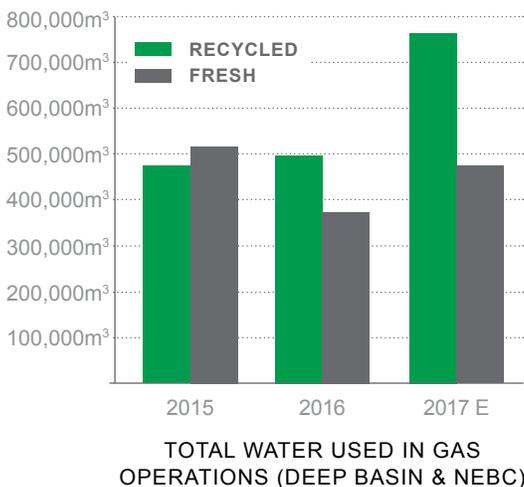
Tourmaline uses and produces water in the course of its drilling and hydraulic fracturing (“fracking”) activities and processing operations. Traditionally in the oil and gas industry, water for use in drilling and hydraulic fracturing operations has been obtained from fresh water sources and disposed of by injecting it underground through the use of disposal wells. Tourmaline has been an industry leader in water management, and has been at the forefront of technology-driven changes that reduce consumption of fresh water and the volume of flowback water that must be injected into disposal wells. Tourmaline was one of the first operators in B.C. to utilize recycled water in hydraulic fracturing operations and was the first operator in Alberta to receive regulatory approval to use recycled water in hydraulic fracturing operations by constructing an engineered containment pond for the secure and controlled storage of produced water and hydraulic fracturing flow back fluids, at its Banshee facility.

A significant portion of water used in Tourmaline’s operations is recycled. The majority of water used in the Company’s natural gas fracking operations is recycled. In addition, over 95% of frac flowback water from gas operations is recycled. Tourmaline sources non-potable water for use in drilling and hydraulic fracturing from five Tourmaline-owned and operated water source/recycling facilities with over 200,000 m³ of capacity. This dramatically minimizes the use of fresh

water in our drilling and hydraulic fracturing operations. Currently, we have 187,000 m³ of produced/flowback water storage in B.C. across four engineered containment ponds. In Alberta, Tourmaline has approximately 21,000 m³ of permanent produced/flow-back water storage. In addition to this, Tourmaline uses containment rings (c-rings) to temporarily and safely store flowback water, providing approximately 35,000 m³ of additional storage. Tourmaline was the first producer in Alberta to receive regulatory approval to use temporary on-site storage containment rings with a capacity greater than 3,000 m³.

Tourmaline has also constructed and currently operates produced water pipeline infrastructure that facilitates our extensive water recycling program. In B.C., Tourmaline owns and operates over 46 km of water pipeline infrastructure. In addition to reducing demands on fresh water sources, this infrastructure results in a reduction in the number of trucks on the road carrying water for oil and gas operations. For each pad that we complete with water pipeline infrastructure, approximately 1600 truckloads of produced water are taken off the road, resulting in fewer road safety hazards and a smaller environmental footprint through a reduction in vehicle air emissions.

By using alternative sources of water, including recycled water and produced water, Tourmaline is an industry leader in reducing demand on fresh water resources.



* Due to sulphur content, Spirit River oil operations are not amenable to recycling.



We are leading the industry in reducing demand on fresh water resources through an extensive water recycling program.

35,000m³

TOTAL C-RING CAPACITY IN ALBERTA

56,000m³

TOTAL PRODUCED WATER STORAGE CAPACITY IN ALBERTA

46kms

OF WATER PIPELINE INFRASTRUCTURE CONSTRUCTED IN BC

187,000m³

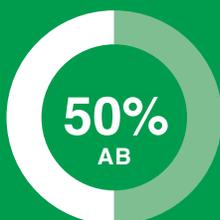
TOTAL PRODUCED WATER STORAGE CAPACITY IN BC

~1,600

TRUCKLOADS OF WATER TAKEN OFF ROADS FOR EVERY 6-WELL PAD COMPLETED WITH WATER PIPELINE INFRASTRUCTURE

> 60%

OF WATER USED IN NATURAL GAS FRAC OPERATIONS IS RECYCLED WATER



RECYCLED WATER USED IN GAS OPERATIONS



FRAC FLOWBACK WATER RECYCLED IN GAS OPERATIONS

Reducing Our Land And Surface Disturbance

Minimizing surface impact is a top priority for Tourmaline. Our movement in recent years towards the use of multi-well pads has reduced surface disturbance dramatically by consolidating wells on a single pad, as compared to the traditional practice of single wells located variably in the field. The result is that a single pad, which occupies no more surface area than half of a football field, can support up to 10 or more wells. Tourmaline is at the forefront of multi-well pad drilling in Western Canada, in all three of its core operated areas.

Tourmaline takes the same approach to the design of its processing facilities. Rather than constructing new facilities, Tourmaline looks for opportunities to expand existing facilities, reducing the surface impact of additional processing capacity. When new plants are required, they are designed in a compact but expandable manner, thereby providing the ability to increase capacity with minimal impacts on the land.

In addition, Tourmaline optimizes its selection of pipeline right-of-ways to minimize surface impact. For example, when possible, pipelines are constructed concurrently and in the same ditch, and often follow routes that will cause the least disturbance for landowners, roads and other infrastructure.

Preventing Hydrocarbon Release

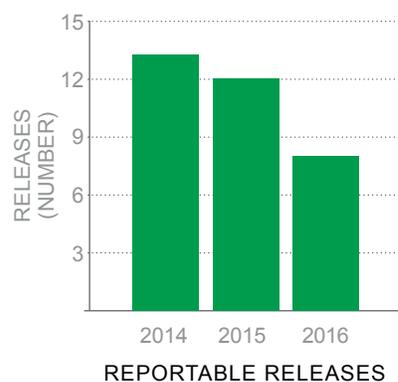
Preventing the release of hydrocarbon substances is paramount to Tourmaline's objectives of minimizing our footprint and impact on the environment and maintaining the highest standards of safety and environmental stewardship. Our facility integrity program addresses procedures, equipment, technology and site design that reduces the risk of releases. Tourmaline has invested in new, state of the art facilities that increase reliability and integrity, thereby reducing the risk of releases.

Specifically, Tourmaline conducts ongoing risk assessments of its pipelines, storage tanks and vessels to identify any potential weaknesses or integrity concerns. Our comprehensive pipeline integrity program guides our practices with respect to spill management. We run in-line inspection tools on our pipelines to evaluate the integrity and

reliability of our pipelines to ensure we are aware of weaknesses before they result in ruptures, leaks or spills. In addition, we perform depth of cover surveys on pipelines, including those that cross bodies of water, to get ahead of any exposures and ensure appropriate depth of cover remains. Tourmaline uses equipment and technology, including SCADA (supervisory control and data acquisition) systems, automated gauges, pressure alarms, and emergency shutdown controls and valves which alert our team, or immediately shut down equipment, in the events of an operational issue that could result in a release of product. This reduces the chance of a release and minimizes the potential environmental impact, should an incident occur.

Tourmaline has also established a risk assessment process using specialized software that allows us to manage the risk of all pipelines at any point in time. In essence, it provides us with a snapshot of the pipeline system and its characteristics. The system integrity is reviewed using an annual line by line review process which assesses the risk and any changes in the system production characteristics. Water crossings are assessed using specialized software and are inspected on a more frequent basis.

In addition, where possible, Tourmaline transports oil, natural gas liquids and water using pipeline connections and seeks to minimize trucking of these substances, thereby reducing the risk of a release during the transfer from tank to truck as well as in the course of an automobile accident.





Minimizing surface impact is a top priority for Tourmaline. Our movement in recent years towards the use of multi-well pads has reduced surface disturbance dramatically.

Responsibly Managing Seismicity

Tourmaline uses hydraulic fracturing in its well completions operations. Hydraulic fracturing, or “fracking”, involves the high-pressure injection of fluid (primarily water containing sand or other proppants) into a wellbore at significant depths to create cracks in geological formations to release natural gas and associated liquids and allow them to flow more freely. The process has been in use for decades and has garnered increased attention in recent years due to concerns regarding the potential for increased seismic activity, an unusual but predictable occurrence.

Tourmaline believes that the impacts of hydraulic fracturing relating to seismic activity can be managed through a conservative approach to the practice. Prior to well completions, Tourmaline conducts extensive research and undertakes complex modeling to determine the optimal parameters, including depth, and geological hazards such as pre-existing faults to achieve the objectives of the operation and ensure fractures are confined to the target area while minimizing seismic impacts and ensuring compliance with regulations. During the course of operations, we use sophisticated technology to monitor seismic activity in real time and to respond immediately by shutting down or modifying operations if activity levels approach regulatory limits.

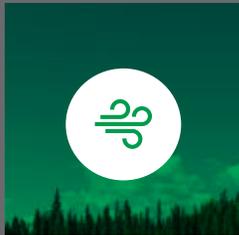
Current regulations in both B.C. and Alberta require that fracking operations are ceased upon the occurrence of events that register a magnitude of 4.0 or greater. Both B.C. and Alberta have also classified areas that are more prone to induced seismicity. In these areas, Tourmaline uses real time monitoring during completion operations to properly monitor and mitigate the induced seismicity.

Tourmaline believes that the impacts of hydraulic fracturing relating to seismic activity can be managed through a conservative approach to the practice.

Tourmaline undertakes extensive public consultation and communication with landowners, both prior to the development of new projects involving fracking as well as throughout active operations. Through this communication, Tourmaline seeks to identify and remedy any issues that may arise. We also work closely with the regulatory authorities in both B.C. and Alberta during fracking operations.



Tourmaline's Approach to Environmental Sustainability



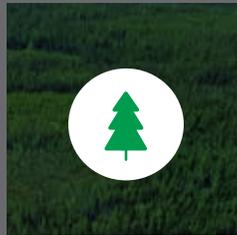
AIR

Inline well testing to eliminate flaring

Vapour recovery units to capture up to 95% of fugitive emissions

Fuel gas lines to deliver compressed natural gas to facilities and reduce the use of diesel

Participation in the carbon disclosure project (CDP)



LAND

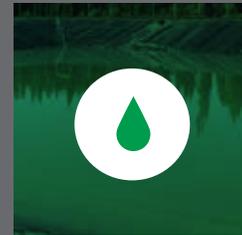
Creating compact and expandable facilities

Utilizing multi-well pads

Optimizing pipeline right-of-ways to minimize surface impact

State of the art facilities to reduce risk of releases

Comprehensive pipeline integrity program



WATER

Utilizing recycled water in operations

Sourcing non-potable water to minimize freshwater usage

Owning and operating water pipeline infrastructure to facilitate extensive water recycling program

First operator in Alberta to receive regulatory approval of containment ponds



Tourmaline is committed to public safety and understands that responsible operations are critical to corporate success and social acceptance.

Fostering a culture that prioritizes health and safety

Tourmaline conducts our activities in a manner that protects the health and safety of our workers and the public. Fostering a culture that prioritizes safety above all else is key to a sustainable future for our business. Employees and contractors at every level and in every area of our organization are required to be aware of and to comply with all of our health and safety policies and applicable government regulations.

Hazard identification, assessment and control form the cornerstone of our loss prevention program. As such, we conduct regular and formal inspections of our facilities and equipment. Our asset integrity and maintenance programs also serve to ensure that we have safe and reliable equipment and facilities on site that meet the requirements of provincial and federal regulations.

The prevention of incidents and accidents through effective hazard management, including incident and accident reporting, is paramount. Tracking safety statistics allows us to identify incident trends and any potential weaknesses or risks associated with our health and safety procedures. We regularly track key data, including worker near misses, hazard identification reports, injuries, vehicle incidents, equipment-related damage and environment releases. Management reviews this information on a regular basis with a focus on how to improve and work towards future prevention. We monitor operations and facilities and will respond promptly and effectively to safety and environmental

emergencies in order to minimize the impact on employees, the public, the environment and property.

In addition, all contractors providing services to Tourmaline go through a pre-qualification process which requires them to submit appropriate worker compensation, insurance and safety program documentation for review. As part of our responsibility and accountability process, employees, contractors and subcontractors who violate our safety, health, environmental and regulatory rules and guidelines may face disciplinary action, dismissal or legal action.

Tracking safety statistics allows us to identify incident trends and identify any potential weaknesses or risks associated with our health and safety procedures. We regularly track key data, including worker near misses, hazard identification reports, injuries, vehicle incidents, equipment-related damage and environment releases.

Our Emergency Response Plan (ERP) and procedures ensure that we are ready to respond immediately in the event of an incident to reduce risk of injury to people and the environment. Our ERP sets out the safety precautions, emergency actions and procedures that will be implemented if an incident occurs during operations that causes or creates the potential for a hazardous situation. The preparation of a comprehensive ERP has been established by the regulatory agencies as



PRIORITIZING SAFETY ABOVE ALL ELSE

- Hazard identification, assessment and control are cornerstone of loss prevention program
- Asset integrity and maintenance programs ensure safe and reliable equipment
- Regular tracking of safety statistics
- Prompt and effective responses to environmental emergencies to minimize effects
- Pre-qualification process for contractors
- Comprehensive emergency response plan (ERP) in place

a key element in oil and gas safety programs. Tourmaline ensures that employees and contractors are familiar with our ERP and we conduct drills for training purposes to ensure smooth execution in the event of an incident.

Everyone employed by Tourmaline is responsible for maintaining our safety, health, environment and regulatory management system. Tourmaline's board of directors has delegated authority to the Environment, Safety and Sustainability Committee of the board to oversee policies relating to environment, health, safety and sustainability matters. Employees and contractors are responsible for obeying safety, health and environmental rules, maintaining their required level of training and reporting unsafe conditions or activities.

We see ourselves as members of the communities in which we work, as well as the residing communities of our employees, contractors, shareholders and other stakeholders. By protecting our employees we are also protecting their friends, families, fellow workers, management, the public and the environment from the potential effects of incidents and accidents.



COMMUNITY ENGAGEMENT

Tourmaline is proud to be a responsible and contributing member of the communities in which we operate, including the Edson, Grande Prairie, Fort St. John and Calgary areas in Alberta and British Columbia. We contribute to these communities primarily through our capital program, which benefits local suppliers and vendors, creates jobs and generates tax revenue for regional municipalities. We are a significant employer in the region.

Tourmaline is committed to being a good member of the community through our support of local causes. In 2017, Tourmaline's President and CEO, Michael Rose, donated \$26 million to multiple ongoing local charitable initiatives in Alberta and B.C., supporting youth education, health and sports, including funding of an expansion project for a Calgary school, funding for medical research at the University of Calgary, funding for construction of a fieldhouse and baseball stadium at the University of British Columbia, funding for the rebuilding of a little league baseball stadium in Calgary, as well as funding for the United Way of Calgary and Area. Tourmaline's management are significant donors to local charitable causes.

Employees in our offices also participate in volunteer initiatives to raise money and awareness for local causes. The dedication of our management and employees, across all of our operating areas, has contributed to Tourmaline's successful fundraising. For example, every year we hold a campaign to fundraise for the United Way of Calgary and Area

and over the last three years, our employees raised over \$1.3 million for this cause. We also support Inn from the Cold, an organization that offers shelter to assist homeless children and their families, where our employees serve meals. In addition, we host an annual charity golf tournament for employees, suppliers and business partners in support of local charities. In 2017, this golf tournament raised over \$400,000 in support of local charities including Ronald McDonald House of Southern Alberta, Alberta Children's Hospital foundation and the Tourmaline Oil Chair in Parkinson's Research at the University of Calgary.

Tourmaline seeks to support and sustain the growth of local businesses in our operating areas. Tourmaline is committed to ensuring opportunities are created in a manner that awards potential service vendors that are competitive, technically proficient and meet our high level of safety standards.



Tourmaline employees at the United Way plane pull fundraising event.

\$75.3million

GOVERNMENT PAYMENTS
IN 2016

\$400,000

RAISED AT TOURMALINE'S
ANNUAL GOLF TOURNAMENT

\$26million

DONATED BY CEO IN 2017

\$1.3million

RAISED BY EMPLOYEES
FOR UNITED WAY OVER
THE LAST 3 YEARS



Building long lasting relationships with Aboriginal communities

Tourmaline is committed to working with Aboriginal communities in the areas in which we operate. We recognize the unique rights that such communities hold in the land, and we seek to build strong, long lasting and mutually beneficial relationships. To ensure this, Tourmaline seeks to integrate community needs into project design and implementation to ensure open communication with all stakeholders, including Aboriginal communities. Additionally, Tourmaline engages with our Aboriginal communities to share information about our projects and activities while appreciating and responding to concerns in a respectful and comprehensive manner.

Aboriginal consultation is a vital part of our corporate success and our policy on stakeholder relations.

We consult in a respectful, timely and culturally appropriate manner, and we recognize that our projects may have impacts on lands that have been traditionally utilized by Aboriginal peoples for generations. Tourmaline understands the importance of local culture and knowledge. We strive to ensure that the highest level of mitigation is applied to our projects to minimize impacts to Aboriginal communities and the environment. Respectful, cooperative, sincere and responsive engagement is an integral component to the success of our business.

Tourmaline is a member of CAPP's Aboriginal Relations Committee.

PERFORMANCE METRICS

Tourmaline Sustainability Performance Metrics

	2014	2015	2016
PRODUCTION			
Sales gas (MMcfd)	586,456	807,888	972,513
Liquids (bbl/d)	15,186	19,755	23,586
boe/d	112,929	154,403	185,672
EMISSIONS⁽¹⁾			
GHG emissions intensity (direct + indirect) (tonnes CO ₂ e/boe)	0.019	0.018	0.018
Direct GHG emissions (tonnes CO ₂ e)	721,263	927,234	1,054,602
Indirect GHG emissions (tonnes CO ₂ e)	54,690	70,231	137,733
Nitrogen oxides (NO _x) (tonnes)	3,644	5,686	6,012
Sulphur dioxide (SO ₂) (tonnes)	312	538	364
Flared gas (1000m ³)	NR ⁽²⁾	NR	5,513
Vented gas (1000m ³)	NR	NR	1,183
RELEASE PREVENTION			
Reportable releases (number)	13	12	8
<i>*All reported releases were less than 60m³.</i>			
WATER MANAGEMENT			
Total water used for fracturing (m ³)	NR	1,197,079	998,280
Total recycled water used (m ³)	NR	473,373	500,857
Total fresh water used (m ³)	NR	723,706	497,424
Total number of wells	NR	184	149
Water per well (m ³)	NR	19,604	19,612
Frac flowback water produced (m ³) ⁽³⁾	NR	247,704	217,868
Frac flowback water recycled (m ³) ⁽³⁾	NR	235,318	206,974
Frac flowback water disposed (m ³) ⁽³⁾	NR	12,385	10,893
Percentage frac flowback water recycled (%)	NR	95%	95%

NOTES:

1. Emissions are calculated using locally regulated methodology or locally recognized industry standards
2. NR means that the data was either not recorded or that the methodology changed year over year
3. Frac flowback data excludes oil operations and is estimated based on industry standard recovery rates
4. Employee salaries and benefits include amounts paid to governments on behalf of employees

	2014	2015	2016
SAFETY			
Recordable injuries (number)			
Employee	0	0	0
Contractor	52	39	15
Recordable injury frequency (injuries/200,000 work hours)			
Employee	0.00	0.00	0.00
Contractor	0.88	0.53	0.53
Lost time injuries (number)			
Employee	0	0	0
Contractor	14	5	2
Lost time injury frequency (injuries/200,000 work hours)			
Employee	0	0	0
Contractor	0.24	0.08	0.08
Fatalities (employee and contractor) (number)	0	0	0

PEOPLE			
Total employees	174	186	194
Total contractors	110	141	169
Total staff (employees and contractors)	284	327	363
Production per employee (boed/person)	649	830	957
Production per staff (employee and contractors) (boed/person)	398	472	511
Voluntary turnover (number)	4	3	1
Gender diversity (% women)	32%	33%	34%

ECONOMIC			
Capital Expenditures	\$1,563,566,000	\$1,536,139,000	\$1,933,289,000
Total Revenue	\$1,362,116,000	\$1,297,461,000	\$1,219,160,000
Operating expenses	\$200,636,000	\$246,467,000	\$224,800,000
Payments to providers of capital (Interest on loans)	\$24,632,000	\$36,683,000	\$40,550,000
Royalties	\$111,265,000	\$46,626,000	\$48,857,000
Employee salaries and benefits ⁽⁴⁾	\$33,603,000	\$49,793,000	\$47,406,000
Payments to government			
Taxes	\$13,851,000	\$17,340,000	\$20,641,000
Royalties	\$111,265,000	\$41,300,000	\$43,073,000
Crown surface & mineral lease rentals	\$2,775,000	\$3,604,000	\$4,189,000
Other/Fees	\$7,649,000	\$4,280,000	\$7,378,000
TOTAL	\$135,540,000	\$66,524,000	\$75,281,000

ABOUT THIS REPORT

While Tourmaline has placed sustainability and responsible development at the core of our strategy since we began operations, this is the Company's inaugural Sustainability Report. This report includes specific data from 2016, 2015 and 2014, as well as certain data current to 2017.

We used selected standards from the Global Reporting Initiative G4 Sustainability Reporting Standards ("GRI Standards"), including the GRI Oil and Gas Sector Supplement, to assist in determining the content of this report. We have included Standard Disclosures and have referenced Specific Disclosures from the GRI Standards; however, the report has not been prepared "in accordance with" the GRI Standards. Final content of this report was determined through collaboration of internal subject matter experts including input from our Health and Safety, Environment, Water Management, Operations, Geology and Geophysics, Finance, Legal and Executive teams.

This report has not received third party assurance; however, all content has been reviewed by senior

management and internal subject matter experts and has been approved by Tourmaline's senior management.

Unless otherwise noted, this report covers performance for Tourmaline Oil Corp. and its subsidiaries, including data for joint ventures for which Tourmaline is the operator.

Financial data is in Canadian dollars and environmental data is in metric units, unless otherwise noted. Please refer to Tourmaline's Annual Report for full details on the Company's financial performance.

For questions regarding this report, please contact info@tourmalineoil.com.

This document is dated December 22, 2017.



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FUTURE VISION

We consistently deliver strong operational and financial results, while operating in a manner that prioritizes and respects the environment, the safety of our people and the communities in which we operate. We believe this approach positions us to deliver long term value to our shareholders and a safe, prosperous future for our communities and stakeholders.



FORWARD LOOKING STATEMENTS

Certain information regarding Tourmaline set forth in this document, including management's assessment of the Company's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such statements represent Tourmaline's internal projections, forecasts, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital investment or expenditures, production, cash flow and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Tourmaline believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Tourmaline's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Tourmaline.

In particular, forward-looking statements included in this document include, but are not limited to, statements with respect to: the size of, and future net revenues and cash flow from, crude oil, NGL (natural gas liquids) and natural gas reserves; future prospects; the focus of and timing of capital expenditures; the performance characteristics of the Company's crude oil, NGL and natural gas properties; crude oil, NGL and natural gas production levels and product mix; Tourmaline's future operating and financial results; emissions intensity, water use, spills, site reclamation, the health, safety, and environment of our employees and contractors

and the attraction and the retention of our employees; community and stakeholder engagement and investment; Aboriginal relations and procurement practices.

These forward-looking statements are subject to numerous risks and uncertainties, most of which are beyond the Company's control, including the impact of general economic conditions; industry conditions; liabilities inherent in crude oil and natural gas operations; environmental risks; hazards such as fire, explosion, blowouts, cratering, and spills, any of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and the other risks considered under "Risk Factors" in Tourmaline's most recent annual information form available at www.sedar.com.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide shareholders with an understanding of Tourmaline's future operations and such information may not be appropriate for other purposes. Tourmaline's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive.

These forward-looking statements are made as of the date of this document and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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Chairman, President and
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Likrilyn Capital Corporation
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Denver, Colorado, U.S.A.

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Independent Businessman
Calgary, Alberta

John Elick

Independent Businessman
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Independent Businessman
Napa, California, U.S.A.

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Independent Businessman
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Allan Bush

Vice President, Operations and
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Ronald Hill

Vice President, Exploration

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Scott Kirker

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Sherra Aspin

Vice President, Marketing

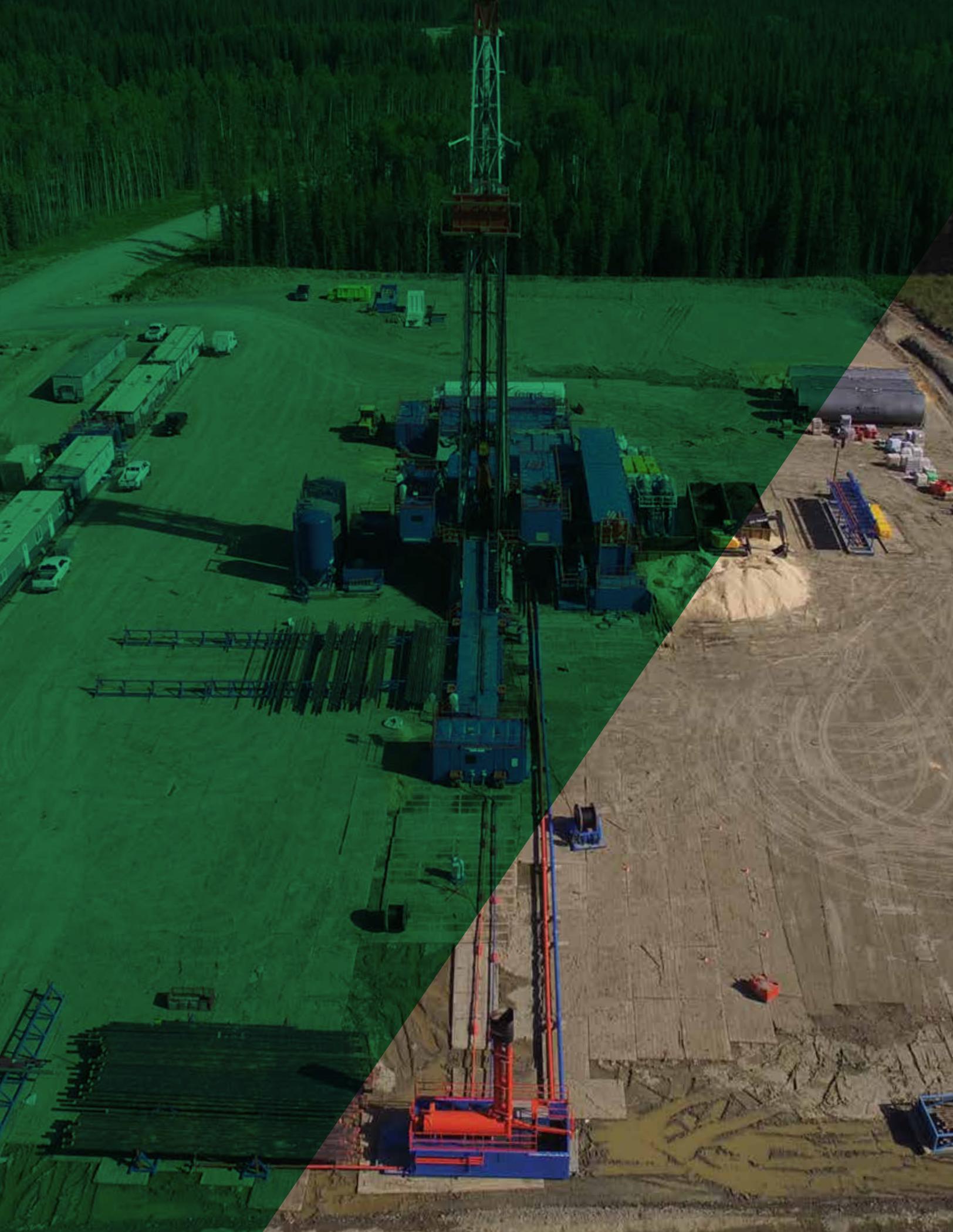
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