

**PRESS RELEASE**

September 9, 2013

**TORC OIL & GAS LTD. ANNOUNCES CLOSING OF ACQUISITION AND STRATEGIC TRANSITION TO A SUSTAINABLE DIVIDEND PLUS GROWTH COMPANY**

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Calgary, Alberta - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX:TOG) is pleased to announce the closing of the acquisition of low decline, high netback, light oil producing assets in southeast Saskatchewan and the strategic transition of the Company's business model to an intermediate light oil producer paying sustainable dividends while also delivering disciplined per share production growth. The acquired assets are complementary to TORC's current light oil platform in the Cardium trend and the emerging play at Monarch and position TORC for sustainable dividends to shareholders while providing a balanced approach to disciplined growth.

In conjunction with the acquisition, TORC secured a cornerstone equity investment by the Canada Pension Plan Investment Board ("CPPIB") for \$170 million through a private placement of subscription receipts (the "CPPIB Investment") and completed a \$242 million bought deal prospectus offering of subscription receipts. All subscription receipts issued pursuant to the CPPIB Investment and the prospectus offering have been converted to TORC common shares effective as of today's date.

TORC has received the requisite shareholder and regulatory approval to effect a share consolidation on a 1 for 5 basis effective on the close of acquisition. TORC intends to effect the consolidation on September 10, 2013, and Letters of Transmittal will be mailed to TORC registered shareholders concurrently with the consolidation. It is anticipated that the TORC common shares will trade on a post consolidated basis on the Toronto Stock Exchange shortly thereafter.

The dividend will initially be set at \$0.50 per share per annum (post share consolidation), payable monthly. TORC expects to pay the first dividend to shareholders of record as at September 30, 2013 on October 15, 2013. To the extent permitted by the *Income Tax Act* (Canada) ("Tax Act"), the Company intends to designate all dividends as "eligible dividends" for the purposes of the Tax Act.

TORC is positioned to deliver a sustainable dividend to shareholders and is well capitalized to pursue future disciplined growth. Future growth per share will be driven by the acquired assets, TORC's existing large portfolio of low risk Cardium light oil development locations, exposure to the emerging Monarch light oil resource play and through strategic acquisitions.

**OUTLOOK:**

As a result of successful execution of management's strategy and the strategic repositioning of the Company, TORC has the following key operational and financial attributes:

High Netback Production	2013E Exit: greater than 9,500 boe/d (greater than 85 percent light oil & NGLs)
Reserves <sup>(1)</sup>	25.9 mmboe (85 percent light oil & NGLs) Total Proved 40.3 mmboe (84 percent light oil & NGLs) Total Proved plus Probable
Southeast Saskatchewan Light Oil Development Inventory	Greater than 130 net undrilled locations
Cardium Light Oil Development Inventory	Greater than 300 net undrilled locations
Emerging Light Oil Resource Exposure	Greater than 150 net sections at Monarch
Sustainability Assumptions	Corporate decline ~25 percent Light Oil Full Cycle Capital Efficiency ~\$40,000/boe/d (IP 365) \$45 per boe cash netback (\$90 Edm light)
Run Rate Cash Flow <sup>(2)</sup>	~\$155 million
Maintenance Capex	~\$95 million
Annual Dividend (paid monthly)	\$0.50 per share \$46 million \$35 million (net of CPPIB DRIP participation)
Run Rate Free Cash Flow <sup>(2)</sup>	~\$25 million
Targeted Growth	>5 percent (\$90 Edm light)
Targeted All-in Payout Ratio	Less than 100%
Net Debt/Bank Line	Estimated Net Debt of less than \$150 million at year end Bank line of \$350 million, greater than 55 percent undrawn at year-end
Debt/Cash Flow	Less than 1.0x (year-end 2013)
Pro Forma Shares Outstanding	91 million (basic) (post consolidation) 96 million (fully-diluted) (post consolidation)
Tax Pools	Greater than \$1 billion

Notes:

(1) Company gross reserves being pro forma TORC's working interest share before deduction of royalties and without including any royalty interests of pro forma TORC. Based on the respective independent reserve reports of the acquired assets and TORC, prepared by GLJ Petroleum Consultants and Sproule Associates Limited, respectively, and each effective as of December 31, 2012 and prepared in accordance with NI 51-101 and the COGE Handbook.

(2) Based on \$90 Edmonton Light and \$3.00 AECO.

TORC Oil & Gas Ltd. is a Calgary based company active in the acquisition, exploration, development and production of crude oil and natural gas in Western Canada.

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**Note Regarding Forward Looking Statements**

This press release contains forward-looking statements. More particularly, this press release contains statements concerning anticipated: (i) potential development opportunities and drilling locations associated with the acquisition, expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the successful application of technology and the geological characteristics of the acquisition, (ii) the timing, amount and sustainability of future dividend payments, (iii) oil & natural gas exit production and production growth during 2013, (iv) debt and bank facilities, (v) cash flow and debt to cash flow ratio, (vi) capital expenditures (vii) potential acquisitions, and (viii) realization of anticipated benefits of acquisitions.

The forward-looking statements are based on certain key expectations and assumptions made by TORC, including expectations and assumptions concerning the performance of existing wells and success obtained in drilling new wells, anticipated expenses, cash flow and capital expenditures and the application of regulatory and royalty regimes.

Although TORC believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TORC can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in TORC's Annual Information Form which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this press release are made as of the date hereof and TORC undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This press release contains Future Oriented Financial Information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by management of TORC to provide an outlook of TORC's anticipated cash flows following completion of the acquisition and the financings and readers are cautioned that this information may not be appropriate for any other purpose. The FOFI has been prepared based on a number of assumptions including the assumptions discussed under the Note Regarding Forward Looking Statements and assumptions with respect to the operating costs to be incurred by the TORC, capital expenditures, general and administrative expenses, production levels, commodity prices, royalty rates and finding and development costs. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. The actual results of operations of TORC and the resulting financial results will likely vary from the amounts set forth in this presentation, and such variation may be material.

TORC and its management believe that the FOFI has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, TORC's expected expenditures and results of operations following completion of the acquisition and the financings. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the Note Regarding Forward Looking Statements, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, TORC undertakes no obligation to update this information.

Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boe/d means barrel of oil equivalent per day.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.