PRESS RELEASE

December 10, 2013

TORC OIL & GAS LTD. ANNOUNCES 2014 DISCIPLINED GROWTH BUDGET AND SUSTAINABLE INCREASE TO DIVIDEND

CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX: TOG) is pleased to announce that its Board of Directors has approved a 2014 capital budget of $125 million. TORC's strategic objectives associated with the 2014 capital budget are consistent with the Company's long term objectives of delivering disciplined growth in combination with a sustainable and growing dividend.

TORC's 2014 capital budget is specifically focused on:

- Investing in high rate of return light oil opportunities across the Company's deep development drilling inventory;
- Improving capital efficiencies through development program cost reductions achieved by pad drilling, rig efficiencies, and drilling and completion advancements;
- Achieving per share production growth through an efficient capital program focused on high graded drilling opportunities;
- Maintaining the Company's 25% production decline rate by managing the pace of development drilling; and
- Maintaining TORC's strong financial position and flexibility to take advantage of additional growth opportunities as they arise.

TORC's $125 million capital program in 2014 is focused on light oil development projects with the majority of the capital directed to drilling, completions and tie-ins (approximately 90%). The capital program is concentrated on the Company's three primary core areas of the Cardium in central Alberta, Monarch in southern Alberta and southeast Saskatchewan.

2014 Budget Highlights

In the Cardium, TORC plans to drill 29 gross (17.9 net) wells across the Company's land position. The Company has identified over 90 net light oil focused development sections in the Cardium with over 300 net undrilled locations. The 2014 budget represents less than 6% of this high quality development inventory. TORC's development plans for the Cardium trend represent approximately 55% of the Company's 2014 budget.

At Monarch, TORC plans to drill 3 gross (3.0 net) development wells in addition to completing the Company's first development well which is currently being drilled. This initial development project is focused on demonstrating repeatability of results and cost reductions to further enhance economics of this large scale light oil play. The Company has identified over 20 net sections that will be the focus of the initial development project. TORC continues to have exposure to over 150 net prospective sections in the Monarch play. Monarch will comprise approximately 25% of the Company's 2014 budget.

In southeast Saskatchewan, TORC plans to drill 14 net wells in 2014. These 14 net wells will all be focused on the Company's conventional assets in southeast Saskatchewan. This represents approximately 10% of the Company's currently identified conventional development drilling inventory of over 130 net locations. These wells are characterized by their lower risk nature and high rates of return driven by their lower capital costs, high netbacks and the favourable royalty regime in southeast Saskatchewan. Southeast Saskatchewan activity will comprise approximately 20% of the Company's 2014 budget.

Production Guidance

2013 exit guidance is for production to exceed 9,800 boepd (85% light oil and liquids). TORC anticipates that the 2014 budget will result in 2014 average production of greater than 10,100 boepd (85% light oil and liquids). TORC expects to exit 2014 at greater than 10,450 boepd (85% light oil and liquids) representing a 7% growth rate over exit 2013. The Company continues to maintain its outlook of a steady 25% decline profile even with the projected growth in production. This steady and predictable decline profile continues to provide TORC with the production base to achieve disciplined growth and a sustainable dividend.

Dividend Increase

Commensurate with increasing production per share, TORC's Board of Directors has approved an 8% increase to the Company's annual dividend. Accordingly, effective December 16, 2013, TORC's annual dividend will be increased from \$0.50 per year (\$0.0417 per month) to \$0.54 per year (\$0.045 per month). On this basis, TORC shareholders of record on December 31, 2013 will receive the increased dividend for the month of December payable January 15, 2014.

Financing Disciplined Growth Budget and Increased Dividend

Annual cash flow for 2014 is anticipated to be approximately \$165 million based on average production of 10,100 boepd and C\$90 Edmonton light oil and C\$3.00 per mcf AECO pricing. TORC's cash requirement in 2014 to fund the \$125 million capital program plus \$38 million in cash dividends is approximately \$163 million, which is expected to provide a payout ratio of less than a 100% while achieving 7% production growth.

TORC's net debt to cash flow continues to be below one times, as year-end 2013 net debt is estimated to be less than \$150 million relative to a \$350 million credit facility providing significant financial strength and flexibility.

To provide additional certainty around its guidance, TORC has undertaken an active commodity hedging program to further protect core capital spending requirements and dividend policy. TORC currently has 5,000 bbls/d of oil production hedged through the remainder of 2013 and an average of 3,000 bbls/d currently hedged in 2014.

OUTLOOK

TORC has built a sustainable growth platform of light oil focused assets. The stability of the high quality, low decline, light oil assets in southeast Saskatchewan combined with the low risk Cardium development inventory in central Alberta and exposure to the emerging light oil resource play at Monarch in southern Alberta positions TORC to provide a sustainable dividend along with value creation through a disciplined growth strategy.

TORC has the following key operational and financial attributes:

High Netback Production	2013E Exit: greater than 9,800 boepd (~85% light oil & NGLs) 2014E Avg: greater than 10,100 boepd (~85% light oil & NGLs) 2014E Exit: greater than 10,450 boepd (~85% light oil & NGLs)
Reserves [1]	25.9 mmboe (85% light oil & NGLs) Total Proved 40.3 mmboe (84% 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% Light Oil Full Cycle Capital Efficiency ~\$40,000/boe/d (IP 365) \$45 per boe cash netback (\$90 Edm light)
2014E Cash Flow [2]	~\$165 million
2014 Maintenence Capex	~\$100 million

2014 Growth Capex	~$25 million
2014 Total Capex	$125 million
Annual Dividend (paid monthly)	$0.54 per share $50 million $38 million (net of CPPIB share dividend participation)
Targeted Growth	7% ($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 2013 Bank line of $350 million, greater than 55% undrawn at year-end
Debt/Cash Flow	<1.0x (year-end 2013)
Pro Forma Shares Outstanding	91 million (basic) 99 million (fully-diluted)
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 independent reserves reports effective as of December 31, 2012 of the southeast Saskatchewan acquisition and TORC , respectively, prepared by GLJ Petroleum Consultants and Sproule Associates Limited, respectively, prepared in accordance with NI 51-101 and the COGE Handbook.

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

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READER ADVISORIES

Forward Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of TORC's 2014 capital budget, strategic objectives, anticipated future operations, dividend increases, financial, operating and production results, including expected 2013 exit production, net debt and debt to cash flow and 2014 average production, exit production, cash flow, netbacks, decline rates, net debt to cash flow, capital expenditure program, commodity pricing, dividends, targeted growth, tax pools and drilling and development plans and the timing thereof. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: the Company's long term objectives; the Company's expectation of being able to reduce costs and enhance economics; the focus and allocation of TORC's 2014 capital budget; management's view of the characteristics and quality of TORC's assets, including the high quality, low-risk, light oil, high netback, development nature of TOC's properties, the magnitude of opportunities available to the Company on its assets, the production profile and decline rates on the Company's assets, the Company's exposure to large scale resource plays, the repeatability of operations and the drilling inventory available to the Company; production, debt, dividend and payout ratio guidance for 2013 and 2014; anticipated CPPIB share dividend participation; anticipated maintenance capital expenditures and growth capital expenditures in 2014; targeted growth rates; and other matters ancillary or incidental to the foregoing.

Forward-looking information typically uses words such as "anticipate", "believe", "project", "target", "guidance", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by TORC's management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; capital efficiencies; decline rates; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to market oil and natural gas successfully and TORC's ability to access capital.

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

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because TORC can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on TORC's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect TORC's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

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

Dividends

The payment and the amount of dividends declared in any month will be subject to the discretion of the board of directors and will depend on the board of director's assessment of TORC's outlook for growth, capital expenditure requirements, funds from operations, potential acquisition opportunities, debt position and other conditions that the board of directors may consider relevant at such future time. The amount of future cash dividends, if any, may also vary depending on a variety of factors, including fluctuations in commodity prices and differentials, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens and foreign exchange rates.

Non-GAAP Measures

This document contains the term "cash flow" and "netbacks", which do not have a standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. TORC uses cash flow and netbacks to analyze financial and operating performance. TORC feels these benchmarks are key measures of profitability and overall sustainability for TORC. Both of these terms are commonly used in the oil and gas industry. Cash flow and operating netbacks are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with GAAP. Cash flows are calculated as cash flows from operating activities less changes in non-cash working capital. Netbacks are determined by deducting royalties, production expenses and transportation and selling expenses from oil and gas revenue. TORC calculates cash flow per share using the same method and shares outstanding that are used in the determination of earnings per share.

Reserves Information

All information in respect of the crude oil, natural gas liquids and natural gas reserves in this news release is based upon evaluations by GLJ Petroleum Consultants and Sproule Associates, respectively, each for the year ended December 31, 2012 (the "Reserves Reports"), unless otherwise stated. The Reserves Reports have been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in National Instrument 51-101 and CSA 51 324. Certain values in the Reserves Reports are derived using the price decks for the year ended December 31, 2012 which are publicly available.

Barrels of Oil Equivalent

The term "BOE" or barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.