



PRESS RELEASE

May 20, 2015

TORC OIL & GAS ANNOUNCES CLOSING OF FINANCINGS AND REITERATES \$125 MILLION CAPITAL BUDGET AND PRODUCTION GUIDANCE

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CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX:TOG) is pleased to announce the closing today of its previously announced bought deal prospectus offering of subscription receipts (the "Bought Deal Financing") and its previously announced private placement of subscription receipts (the "CPPIB Investment") to the Canada Pension Plan Investment Board ("CPPIB").

Pursuant to the Bought Deal Financing, TORC issued 28,520,000 subscription receipts at a price of \$10.10 per subscription receipt for aggregate gross proceeds of \$288,052,000, which includes the exercise in full of the over-allotment option granted to the underwriters. The Bought Deal Financing was conducted by a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd., and including TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Cormark Securities Inc., FirstEnergy Capital Corp., GMP Securities L.P., RBC Dominion Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Peters & Co. Limited and Scotia Capital Inc. It is anticipated that the subscription receipts issued pursuant to the Bought Deal Financing will be listed and posted for trading on the Toronto Stock Exchange ("TSX") under the symbol TOG.R at the open of markets today.

Pursuant to the CPPIB Investment, TORC issued 14,850,000 subscription receipts at a price of \$10.10 per subscription receipt to CPPIB on a private placement basis for aggregate gross proceeds of \$149,985,000.

The Bought Deal Financing and the CPPIB Investment were completed in connection with TORC's proposed acquisition of light oil and liquids weighted assets in southeast Saskatchewan (the "Acquired Assets") that was announced on April 27, 2015 (the "Acquisition"). The gross proceeds from the sale of the subscription receipts issued pursuant to the Bought Deal Financing and the CPPIB Investment are being held in escrow pending the satisfaction of all conditions to the completion of the Acquisition, which is expected to close on June 15, 2015.

If all conditions to closing of the Acquisition are satisfied on or before July 31, 2015, the proceeds from the Bought Deal Financing and CPPIB Investment will be released to TORC to partially fund the purchase price of the Acquisition, and the holders of subscription receipts will receive, for no additional consideration, one common share of TORC and a cash payment equal to \$0.045 per subscription receipt for each dividend payment made to common shareholders between May 20, 2015 and the closing date of the Acquisition. If the Acquisition is not completed on or before July 31, 2015, if the Acquisition is terminated at an earlier time, or certain other escrow release conditions are not satisfied, holders of the subscription receipts will receive a cash payment equal to the offering price of the subscription receipts and any interest that was earned thereon during the time of escrow. Closing of the Acquisition is subject to satisfaction of all conditions to closing, including the receipt of required regulatory approvals.

CAPITAL BUDGET

Following the closing of the Acquisition, TORC intends to maintain the previously announced 2015 budget of \$125 million, which TORC estimates will result in a go forward payout ratio of approximately 100% at current strip pricing. Pro forma the Acquisition, the capital budget will be reallocated to include the drilling of a number of high quality locations on the Acquired Assets that we believe are highly economic in the current oil price environment. The addition of these locations is expected to improve TORC's overall estimated normalized corporate capital efficiency to approximately \$37,000 per boepd from \$38,000 per boepd.

Service cost savings experienced early in 2015 range between 5-10%. As the low oil price environment continues to persist, it is now anticipated that service cost reductions of 10-15% can reasonably be expected for the remainder of 2015. It is anticipated that TORC's normalized capital efficiency of \$37,000 per boepd will improve as a result of these reductions in service costs.

With the volatility of commodity prices, TORC will continue to actively monitor 2015 capital expenditure plans in the context of expected cash flow, additional potential service cost adjustments and portfolio allocation in order to prudently manage TORC's payout ratio and maintain financial flexibility.

TORC's net debt, pro forma the Acquisition, is estimated to be approximately \$275 million on an anticipated pro forma bank line of \$550 million positioning TORC with financial flexibility and a strong balance sheet.

TORC currently has an average of 1,750 bbls/d hedged in the second half of 2015.

TORC's 2015 capital budget demonstrates a measured approach to the current uncertainty in the world oil price environment and reflects a balance between managing long term organic production growth, protecting the Company's strong financial position and sustaining the dividend.

Production Guidance

TORC anticipates that the 2015 budget, pro forma the Acquisition, will now result in 2015 average production of greater than 15,400 boepd (88% light oil and liquids) with an exit rate of greater than 18,200 boepd (89% light oil and liquids).

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 and the low risk Cardium development inventory in central Alberta, combined with exposure to the emerging light oil resource plays at Monarch in southern Alberta and in the Torquay/Three Forks in southeast Saskatchewan, positions TORC to provide a sustainable dividend along with value creation through a disciplined growth strategy.

Pro forma the Acquisition, TORC has the following key operational and financial attributes:

High Netback Production ⁽¹⁾	2015E Avg: greater than 15,400 boepd 2015E Exit: greater than 18,200 boepd
Reserves ⁽²⁾	Greater than 87 mmboe (86% light oil & liquids) Total Proved plus Probable
Cardium Light Oil Development Inventory	~290 net undrilled locations
Emerging Light Oil Resource Exposure	25 net development sections at Monarch ~ 85 net sections of Torquay/Three Forks exposure

Southeast Saskatchewan Light Oil Development Inventory	~360 net undrilled locations
Sustainability Assumptions	Corporate decline ~23% Normalized Full Cycle Capital Efficiency ~\$37,000/boepd (IP 365)
2015 Capital Program	\$125 million
Annual Dividend (paid monthly)	\$0.54 per share \$85 million \$64 million (net of 25% share dividend participation)
Net Debt & Bank Line	Estimated pro forma net debt of ~\$275 million Anticipated pro forma bank line of ~\$550 million
Shares Outstanding	157 million (basic)
Tax Pools	Approximately \$1.5 billion

Notes:

1. >88% and 89% light oil & NGLs for the average and exit rates respectively.
2. The reserve information in the foregoing table is derived (i) in respect of our reserves as at December 31, 2014, from the independent engineering report dated March 5, 2015 and effective December 31, 2014 prepared by Sproule & Associates ("Sproule") evaluating the oil, NGL and natural gas reserves attributable to all of our properties (the "TORC Reserve Report"); (ii) in respect of the reserves associated with the Acquired Assets as at April 30, 2015, from the reports prepared by Sproule and McDaniel & Associates Ltd., respectively, which are mechanical updates of the reserves associated with the Acquired Assets as of December 31, 2014; and (iii) includes reserves estimates effective November 1, 2014 internally prepared by a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook attributable to certain assets acquired by us pursuant to an acquisition completed on February 25, 2015. Since the reserves reflected in the above table were estimated as at different dates, they have been generated based on different assumptions in respect of commodity pricing among other metrics. As a result, the presentation of our reserves on a consolidated pro forma basis for the Acquisition would not reflect the actual combined estimated of our reserves and those of the Acquired Assets at December 31, 2014 and should not necessarily be viewed as predictive of our reserves and future production once the Acquisition is completed.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. 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, unless an exemption from such registration is available.

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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READER ADVISORIES

Note regarding 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 2015 capital budget, strategic objectives, anticipated future operations, dividend payments, financial, operating and production results, including expected 2015 average production and exit production, cash flow,

netbacks, decline rates, net debt, capital expenditure program, commodity pricing, the sources of funding of the capital program and dividend payments, 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 focus and allocation of TORC's 2015 capital budget; management's view of the characteristics and quality of TORC's assets and the Acquired Assets, including the high quality, low-risk, light oil, high netback, development nature of these properties, the magnitude of opportunities available to the Company on its assets, the production profile and decline rates on the Company's assets, the drilling inventory available to the Company; capital efficiencies, netbacks, service cost reductions and payout ratio guidance for 2015; matters pertaining to the 2015 hedging plans of TORC; TORC's subjective views of initial well results; the anticipated benefits from CPPIB's involvement with TORC; participation in the Share Dividend Plan; anticipated growth and maintenance capital expenditures in 2015; the timing of closing of the Acquisition; 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; the 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 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 to provide securityholders with a more complete perspective on TORC's future operations and such information may not be appropriate for other purposes.

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.

Information Regarding Disclosure on Oil and Gas Reserves and Operational Information:

Our oil and gas reserves statement for the year ended December 31, 2014, which includes complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, is contained within our Annual Information Form available on our SEDAR profile at www.sedar.com. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In relation to the disclosure of estimates for individual properties, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed above under the heading "Note regarding forward looking statements".

Drilling Locations

This press release discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Company's most recent independent reserves evaluation as prepared by Sproule as of December 31, 2014 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on TORC'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. Of the 650 drilling locations identified herein in the Company's Cardium and southeast Saskatchewan conventional core areas, 149 are proved locations, 81 are probable locations and 420 are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that TORC will drill all unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, 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, some 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 or production.

Meaning of Boe and Boepd:

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.

Analogous Information:

Certain information in this news release may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to the areas in geographical proximity to lands held or to be held by TORC. TORC believes this information is relevant as it helps to define the reservoir characteristics in which TORC may hold an interest. TORC is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by TORC and there is no certainty that the reservoir data and economics information for the lands held or to be held by TORC will be similar to the information presented herein. The reader is cautioned that the data relied upon by TORC may be in error and/or may not be analogous to such lands to be held by TORC.