



PRESS RELEASE

February 16, 2016

TORC OIL & GAS LTD. ANNOUNCES REVISED DIVIDEND AND UPDATED CAPITAL PROGRAM

CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX: TOG) announces that the Board of Directors has approved a monthly dividend of \$0.02 per common share, to be paid on March 15, 2016 to common shareholders of record on February 29, 2016. The ex-dividend date is February 25, 2016 with payment to be made in cash or common shares at the election of the shareholder.

The approved monthly dividend of \$0.02 per common share (\$0.24 per common share annually) has been reduced from the previous monthly level of \$0.045 per common share (\$0.54 per common share annually) as a result of continued volatility and uncertainty in commodity prices. The reduction of the dividend results in a decrease in TORC's funding requirements of \$48 million on an annualized basis, \$30 million net of TORC's Share Dividend Program.

CAPITAL PROGRAM

TORC's 2016 \$90 million capital budget exhibits a measured approach to the current uncertainty in the world oil price environment and reflects a balance between managing long term organic growth and protecting the Company's strong financial position.

TORC continues to focus on initiatives to preserve financial flexibility and improve capital efficiencies and operating costs. Service costs in early 2016 are trending approximately 5-10% lower than what TORC experienced during the second half of 2015. Further cost savings coupled with operational efficiencies are expected to continue during 2016. TORC will incorporate these savings into the budgeted capital program as they are realized during the year.

In addition to the expected improved capital efficiency realizations due to a combination of operational efficiencies and capital cost reductions, TORC's underlying asset base continues to exhibit a strong decline profile while the initial 2016 drill program along with the 2015 program has exhibited initial outperformance of type curve expectations. With the Company's improved operational efficiencies realized to date in 2016, TORC is shifting approximately \$10 million from the first half budget to the second half of 2016. TORC now expects to spend approximately \$25 million in the first half of 2016 with the remaining \$65 million, which represents more than 70% of TORC's capital budget, to be spent in the second half of 2016.

The 2016 capital program remains concentrated on the Company's primary core areas in southeast Saskatchewan, focused on both conventional opportunities and the emerging Torquay/Three Forks play, and the Cardium play in central Alberta. TORC has the operational flexibility to adjust the current 2016 budget to continue to prudently protect the Company's financial flexibility in a sustained low price environment but also take advantage of a potentially increasing commodity price environment.

PRODUCTION GUIDANCE

With the capital program more than 70% second half weighted and the continued strong performance of the Company's underlying asset base, the Company remains positioned to achieve the previously announced 2016 average and exit production guidance of approximately 18,200 boepd while maintaining a corporate decline profile of approximately 23%.

OUTLOOK

TORC is committed to maintaining a disciplined approach in all commodity price cycles. The reduction of the dividend along with both the deferral of capital into the second half of 2016 and the continued improvement of capital efficiencies preserves TORC's flexibility to maintain a strong balance sheet in the current environment. A continued position of strength will allow the Company to capitalize on acquisition and growth opportunities as they arise in this volatile environment to enhance the Company's core asset base.

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 play in the Torquay/Three Forks in southeast Saskatchewan, positions TORC to provide value creation through a disciplined long term focused growth strategy.

Share Dividend Program

Any common shareholder choosing to receive common shares rather than cash must submit his or her share dividend authorization form no later than 4:30 p.m. (Calgary time) on the fourth business day immediately prior to the record date for the declared dividend payment, being February 23, 2016. This dividend has been designated as an "eligible dividend" for Canadian income tax purposes.

TORC's Share Dividend Program enables common shareholders to elect to receive dividends in common shares calculated at 95% of the weighted average trading price, for the five days immediately prior to the payment date. Participation in the Share Dividend Program is optional and all fees associated with the Share Dividend Program will be paid by TORC.

For further information regarding the Share Dividend Program, please contact Computershare Investor Services at 1-800-564-6253 (toll free in Canada and the United States) or 514-982-7555 (international direct dial).

An updated corporate presentation can be found at www.torcoil.com.

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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, strategy, business model, focus, objectives and other aspects of TORC's anticipated future operations and financial, operating and drilling and development results, including, expected future production, production mix, decline rate and decline profile, product mix, capital expenditure program, capital efficiencies, commodity prices, operating, 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: anticipated cost reductions; improved operational efficiencies; the focus and allocation of TORC's 2016 capital budget; anticipated average and exit production rates, management's view of the characteristics and quality of the opportunities available to the Company; TORC's dividend policy and plans; 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 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; expected future SDP participation; 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.

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.

Oil and Gas Disclosures

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 which is 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 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.