PRESS RELEASE

March 3, 2016

TORC OIL & GAS LTD. ANNOUNCES 2015 FOURTH QUARTER AND YEAR-END FINANCIAL & OPERATING RESULTS AND 2015 YEAR-END RESERVES

CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX: TOG) is pleased to announce financial and operating results for the three month periods and years ending December 31, 2015 and 2014, and to provide 2015 year-end reserves information as evaluated by Sproule Associates Limited ("Sproule").

The associated Management's Discussion and Analysis ("MD&A") dated March 3, 2016 and audited financial statements as at and for the year ended December 31, 2015 can be found at www.sedar.com and www.torcoil.com.

Highlights	Three months ended			Year ended	
(in thousands, except per share data)	**December 31 2015**	September 30 2015	December 31 2014	**December 31 2015**	December 31 2014
Financial					
Funds flow from operations, including transaction related costs [(1)]	**$33,961**	$35,220	$41,710	**$128,128**	$188,577
Per share basic	**$0.21**	$0.22	$0.43	**$0.94**	$2.02
Per share diluted	**$0.21**	$0.22	$0.43	**$0.93**	$1.97
Funds flow from operations, excluding transaction related costs [(1)]	**$33,961**	$35,220	$41,748	**$132,983**	$188,719
Per share basic	**$0.21**	$0.22	$0.43	**$0.98**	$2.02
Per share diluted	**$0.21**	$0.22	$0.43	**$0.96**	$1.97
Net income (loss)	**($89,590)**	($52,882)	($30,411)	**($172,655)**	$6,258
Per share basic	**($0.56)**	($0.33)	($0.32)	**($1.27)**	$0.07
Per share diluted	**($0.56)**	($0.33)	($0.32)	**($1.27)**	$0.07
Exploration and development expenditures	**$25,383**	$27,198	$35,189	**$99,278**	$135,389
Property acquisitions, net of dispositions [(2)]	**$4,863**	$8,002	$44,907	**$590,598**	$137,037
Net debt [(3)]	**$297,080**	$285,681	$244,658	**$297,080**	$244,658
Common shares					
Shares outstanding, end of period	**161,242**	159,790	96,765	**161,242**	96,765
Weighted average shares (basic)	**160,472**	157,857	96,087	**135,727**	93,320
Weighted average shares (diluted)	**162,124**	159,191	97,815	**137,836**	95,824
Operations					
Production					
Crude oil (Bbls per day)	**15,641**	15,181	9,690	**13,206**	9,051
NGL (Bbls per day)	**447**	466	428	**472**	442
Natural gas (Mcf per day)	**12,118**	12,371	11,033	**11,461**	10,626
Barrels of oil equivalent (Boepd, 6:1)	**18,108**	17,709	11,957	**15,588**	11,264
Average realized price					
Crude oil ($ per Bbl)	**$47.84**	$50.88	$73.31	**$51.67**	$89.25
NGL ($ per Bbl)	**$15.36**	$12.31	$40.99	**$17.21**	$53.06
Natural gas ($ per Mcf)	**$2.21**	$2.47	$3.83	**$2.52**	$4.62
Barrels of oil equivalent ($ per Boe, 6:1)	**$43.18**	$45.67	$64.41	**$46.15**	$78.16

Operating netback per Boe (6:1)					
Operating netback [1]	**$23.26**	$24.60	$42.01	**$26.82**	$49.79
Operating netback (prior to hedging) [1]	**$19.99**	$21.71	$38.07	**$22.26**	$49.83
Funds flow netback per Boe (6:1)					
Including transaction related costs [1]	**$20.39**	$21.62	$37.92	**$22.52**	$45.87
Excluding transaction related costs [1]	**$20.39**	$21.62	$37.95	**$23.37**	$45.90
Wells drilled:					
Gross	**8**	19	14	**36**	47
Net	**7.4**	14.4	8.5	**29.8**	30.7
Success (%)	**100**	100	100	**100**	100

(1) *See "Non-GAAP Measures".*

(2) *Included in property acquisitions, net of dispositions for the year ended December 31, 2015 is $146.7 million of non-cash consideration paid for the February Acquisition (defined in the MD&A for the three months and year ended December 31, 2015), which comprises the issuance of 16,000,000 common shares valued at $9.17 per share.*

(3) *Net debt is calculated as current assets (excluding financial derivative assets) less: i) current liabilities (excluding financial derivative liabilities), ii) bank debt, and iii) non-current deferred lease incentives.*

PRESIDENT'S MESSAGE

TORC consistently focuses on the Company's long term objectives of delivering disciplined growth in combination with maintaining financial flexibility and delivering a sustainable dividend. 2015 was another strong year for TORC in executing this strategy for shareholders.

During 2015, TORC completed two significant complementary light oil asset acquisitions in the Company's southeast Saskatchewan core area. The strategic acquisitions included more than 6,000 boepd (~98% light oil) of operated, low decline, high netback, light oil producing assets, growing the Company's asset base by 50% and doubling the Company's position in southeast Saskatchewan. In addition to these two acquisitions, TORC also completed a strategic swap of assets in southeast Saskatchewan to increase operatorship and further mitigate the Company's decline profile. The Company also executed numerous on-strategy, opportunistic tuck-in acquisitions to further increase the Company's drilling inventory. In the aggregate, these strategic transactions improved the Company's decline profile, strengthened the Company's operating netback and added high quality light oil drilling inventory to further enhance the Company's disciplined growth plus dividend business model.

TORC also achieved several strategic objectives through the successful execution of the Company's $100 million capital expenditure program. In southeast Saskatchewan, TORC was successful in maintaining production levels and maximizing free cash flow while further delineating the emerging Torquay/Three Forks light oil resource play. In Alberta, the Company continued advancing the Cardium play in central Alberta into a long term free cash flow engine. These objectives were accomplished while maintaining conservative debt levels, managing the decline profile and enhancing the Company's undrilled location inventory, all with a focus on operating a long term sustainable and growing company.

During 2015, TORC continued to focus on long term initiatives to preserve financial flexibility and drive capital and operational efficiencies while also being proactive on acquisition opportunities to enhance the Company's asset base. Through the successful execution of this strategy, TORC continues to be well positioned to take advantage of opportunities as they arise in the current environment to grow and enhance the Company's asset base.

HIGHLIGHTS

The Company's achievements in the fourth quarter and year ended 2015 include the following:

- Achieved record production of 18,108 boepd in the fourth quarter of 2015, up from 11,957 boepd in the fourth quarter of 2014 representing TORC's 14th consecutive quarter of production growth;
- Achieved average production of 15,588 boepd in 2015, up from 11,264 boepd in 2014;
- Achieved significant production growth while improving the Company's decline rate from 25% at the beginning of 2015 to approximately 23%;
- Generated cash flow of $34.0 million in the fourth quarter and $133.0 million for 2015;
- Cash flow per share was $0.21 per share in the fourth quarter and $0.98 per share for 2015 relative to $0.43 in the fourth quarter of 2014 and $2.02 in 2014;

- Successfully drilled 8 (7.4 net) wells in the fourth quarter; in 2015, the Company successfully drilled 36 (29.8 net) wells;
- Ended 2015 with a strong balance sheet with net debt of $297.1 million ($230.1 million drawn on an available credit facility of $450 million); net debt to fourth quarter run rate cash flow was 2.2 times;
- Paid dividends of $0.135 per share in the fourth quarter; paid dividends of $0.54 per share in 2015;
- Proved Developed Producing reserves increased to 38.1 mmboe from 24.4 mmboe at year-end 2015, representing growth of 57% (3% per debt adjusted share);
- Proved reserves increased to 59.9 mmboe from 39.1 mmboe at year-end 2015, representing growth of 53% (1% per debt adjusted share);
- Proved plus Probable reserves increased to 90.5 mmboe from 59.3 mmboe at year-end 2015, including 3.7 mmboe of positive technical revisions, representing growth of 53% (1% per debt adjusted share);
- Proved reserve life index increased from 9.0 years to 9.1 years at year-end 2015 based on annualized fourth quarter 2015 production;
- Proved plus probable reserve life index increased from 13.6 years to 13.7 years at year-end 2015;
- Generated a Proved plus Probable reserve replacement ratio on production of approximately 176%, excluding the effects of acquisitions;
- Increased the Company's high quality development light oil drilling inventory through organic delineation and strategic acquisitions, and
- Significantly increased the Company's southeast Saskatchewan footprint through two strategic acquisitions adding over 6,000 boepd (98% light oil), improving the corporate decline profile, operating netbacks and light oil drilling inventory.

TORC demonstrated cost effective reserves growth while focusing on a combination of development drilling along with the continued strategic delineation of the Company's asset base. In 2015, TORC's capital spending was focused on development operations in the southeast Saskatchewan conventional core area while also further delineating and developing the Torquay/Three Forks resource play in southeast Saskatchewan and the Cardium play in Alberta. TORC's capital spending program in 2015 resulted in the following:

- Proved plus probable F&D (including future development costs) of $10.55/boe resulting in a recycle ratio of 2.5x (2015 operating netback); and
- Proved plus Probable FD&A (including future development costs) of $22.07/boe resulting in a recycle ratio of 1.2x (2015 operating netback).

RESERVES

In this press release, all references to reserves are to gross Company reserves, meaning TORC's working interest reserves before deductions of royalties and before consideration of TORC's royalty interests. The reserves were evaluated by Sproule in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") effective December 31, 2015. TORC's annual information form for the year ended December 31, 2015 (the "AIF") will contain TORC's reserves data and other oil and natural gas information as mandated by NI 51-101. TORC expects to file the AIF on SEDAR by March 30, 2016.

The following tables are a summary of TORC's petroleum and natural gas reserves, as evaluated by Sproule, effective December 31, 2015, using Sproule's forecast prices and costs. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. It is important to note that the recovery and reserves estimates provided herein are estimates only. Actual reserves may be greater or less than the estimates provided herein. Reserves information may not add due to rounding.

Reserves Summary

	Light and Medium Crude Oil (mbbl)	Conventional Natural Gas (mmcf)	NGLs (mbbl)	Total Oil Equivalent (mboe)
Proved				
Developed Producing	31,226	30,531	1,834	38,149
Developed Non-Producing	1,121	2,782	133	1,718
Undeveloped	14,749	24,983	1,101	20,014
Total Proved	47,097	58,296	3,067	59,880
Probable	23,497	33,190	1,581	30,610
Total Proved plus Probable	70,594	91,487	4,648	90,490

Net Present Value of Future Net Revenue

	Before Future Income Tax Expenses and Discounted at				
	0% ($000s)	5% ($000s)	10% ($000s)	15% ($000s)	20% ($000s)
Proved					
Developed Producing	1,267,845	971,505	783,340	656,361	565,794
Developed Non-Producing	50,177	38,461	30,680	25,292	21,392
Undeveloped	524,937	359,186	255,013	186,122	138,376
Total Proved	1,842,960	1,369,152	1,069,033	867,775	725,562
Probable	1,163,952	684,858	453,682	324,678	244,713
Total Proved plus Probable	3,006,911	2,054,010	1,522,715	1,192,453	970,275

Future Development Costs

	Proved Reserves ($000s)	Proved Plus Probable Reserves ($000s)
2016	70,960	94,170
2017	100,214	158,680
2018	126,486	165,568
2019	52,470	110,678
Total Undiscounted	350,985	529,979

Capital Expenditures and Finding, Development, and Acquisition Costs

		Reserves Additions		F&D and FD&A	
Excluding Change in Future Development Costs	**Capital Expenditures** ($mm)	**Total Proved** (mmboe)	**Proved Plus Probable** (mmboe)	**Total Proved** ($/boe)	**Proved Plus Probable** ($/boe)
Exploration & Development[1]	$92.2	6.2	7.1	$14.90	$12.94
Acquisitions (net)[2]	$597.7	20.3	29.7	$29.49	$20.10
Total	$689.9	26.5	36.9	$26.07	$18.72

Including Change in Future Development Costs	Capital Expenditures Total Proved ($mm)	Capital Expenditures Proved Plus Probable ($mm)	Reserves Additions Total Proved (mmboe)	Reserves Additions Proved Plus Probable (mmboe)	F&D and FD&A Total Proved ($/boe)	F&D and FD&A Proved Plus Probable ($/boe)
Exploration & Development[1]	$55.9	$75.2	6.2	7.1	$9.02	$10.55
Acquisitions (net)[2]	$699.8	$738.3	20.3	29.7	$34.52	$24.83
Total	$755.6	$813.5	26.5	36.9	$28.56	$22.07

1. Excludes Capitalized G&A of $6.2mm; excludes capital of $7.1mm spent on acquired properties.
2. Includes $7.1mm of capital spent on acquired properties from the date of acquisition to period end.

Net Asset Value per Share as at December 31, 2015

($thousands except share and per share amounts)	
Proved Plus Probable Reserve Value NPV10 BT	$1,523
Undeveloped Land and Seismic [1]	$146
Net Debt	($297)
Total Net Assets (basic)	$1,372
Basic Common Share Outstanding (mm)	161
Estimated NAV per Basic Common Share	$8.51

1. Includes management estimates of $122.5mm of the value of approximately 450,000 net acres of undeveloped land and $23.6mm to seismic.

OPERATIONAL UPDATE

Operational efficiency improvements and cost reductions across all areas of TORC's asset base was a major theme during 2015 with siginificant capital savings realized. In 2015, TORC's capital expenditure program totaled $99 million comprised of drilling a total of 36 (29.8 net) wells in TORC's southeast Saskatchewan conventional light oil plays with further delineation and development drilling in the emerging Torquay/Three Forks play and in the well-established Cardium trend in Alberta.

SOUTHEAST SASKATCHEWAN

TORC's southeast Saskatchewan conventional assets are characterized by their lower risk nature and high rates of return driven by lower capital costs, high netbacks and the favorable royalty regime in Saskatchewan. With a long term decline profile of less than 20% and strong operating netbacks, the southeast Saskatchewan assets yield significant free cash flow.

TORC drilled 18 (13.8 net) southeast Saskatchewan conventional wells in 2015, with 5 (4.9 net) wells drilled in the fourth quarter. In 2015, TORC has been successful in reducing drilling, completion and equipping costs on conventional wells by more than 20% through both operational efficiencies and reductions in service costs. This decrease in costs further improves the economics of TORC's conventional asset base. In addition to the realized cost improvements, outperformance of wells relative to budgeted expectations has further enhanced the already attractive capital efficiencies and economics.

TORC has identified more than 360 net undrilled conventional locations in southeast Saskatchewan providing numerous years of high quality drilling inventory. In 2016, TORC plans to drill 31 (23.2 net) conventional wells. The focus in TORC's southeast Saskatchewan conventional properties is to maintain a flat production profile and maximize free cash flow from the assets.

Also in southeast Saskatchewan, TORC drilled 8 (6.0 net) wells in the Torquay/Three Forks geological zone in 2015, with 2 (1.5 net) drilled in the fourth quarter. Including the 2015 program, TORC has drilled a total of 14 (9.5 net) wells to delineate and test the Torquay/Three Forks concept on the Company's prospective acreage over the last two years. With the encouraging results to date, TORC has shifted into a development program in 2016 with plans to drill 6 (5.0 net) development wells.

CARDIUM

TORC has greater than 95 net light oil sections in the Cardium trend where the Company has identified more than 290 net undrilled locations. During 2015, the Cardium continued to deliver solid results in this established light oil resource play. With a continued focus on well cost efficiencies and completion optimization, TORC successfully grew production in the Cardium to exit at more than 5,500 boepd from approximately 5,000 boepd in the fourth quarter of 2014. Notwithstanding this growth, the underlying Cardium base production continues to mature, resulting in TORC's decline profile in the Cardium improving from approximately 35% at year-end 2014 to approximately 30% at year-end 2015.

In 2015, TORC drilled a total of 10 (10.0 net) Cardium wells which includes the Company drilling 1 (1.0 net) Cardium well in the fourth quarter. Consistent with operations in Saskatchewan, costs of drilling, completing and equipping wells in the Cardium have been reduced through operational efficiencies and service cost reductions by up to 25%. These cost reductions have served to preserve the economics of this attractive lower risk, light oil development play in the current oil price environment. Further, continued outperformance of the Cardium drilling program relative to budgeted expectations has further enhanced the realized capital efficiencies in the Cardium play during 2015.

In 2016, TORC plans to drill 10 gross (9.1 net) wells across the Company's land position in the Cardium.

CAPITAL PROGRAM AND PRODUCTION GUIDANCE

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 cost savings in early 2016 are trending between 5-10% below 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 to 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 have exhibited initial outperformance of budgeted expectations. With the Company's improved operational efficiencies realized to date in 2016, TORC has shifted approximately $10 million from the first half budget to the second half of the 2016. TORC expects to spend approximately $25 million in the first half of 2016 with the remaining $65 million, representing 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 improving commodity price environment.

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%.

DIVIDEND

TORC's dividend is reviewed regularly with the Board of Directors and is an important component of TORC's overall strategy. TORC paid dividends of $0.54 per share in 2015, of which $0.135 was paid in the fourth quarter of 2015.

During 2015, TORC declared dividends of $74.9 million of which $24.4 million was paid under the share dividend program (SDP).

On February 16, 2016 the Board of Directors of TORC approved a monthly dividend of $0.02 per common share ($0.24 per common share annually) which was reduced from the previous monthly level of $0.045 per common share ($0.54 per common share annually) as a result of the continued volatility and uncertainty in commodity prices. The reduction of the dividend results in a decrease of TORC's funding requirements of $48 million on an annualized basis, $30 million net of TORC's SDP.

The Board of Directors has confirmed a dividend of $0.02 per common share will be paid on March 15, 2016 to shareholders of record on February 29, 2016.

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

TORC has the following key operational and financial attributes:

High Netback Production [(1)]	2016E Average and Exit: >18,200 boepd
Reserves [(2)]	90.5 mmboe (83% light oil & liquids) Total Proved plus Probable
Cardium Light Oil Development Inventory	~290 net undrilled locations
Southeast Saskatchewan Light Oil Development Inventory	~360 net undrilled locations
Sustainability Assumptions	Corporate decline ~23% Capital Efficiency ~$22,000/boepd (IP 365) [(3)]
2016 Capital Program	$90 million
Annual Dividend (paid monthly)	$0.02 per share $39 million $25 million (net of assumed 35% SDP participation)
Net Debt & Bank Line	$297 million $230 million drawn on a bank line of $450 million
Shares Outstanding	162 million (basic)
Tax Pools	Approximately $1.5 billion

Notes:

1. ~87% light oil & NGLs.
2. Company gross reserves being TORC's working interest share before deduction of royalties and without including any royalty interests. Based on the independent reserve report, effective as of December 31, 2015, prepared by Sproule Associates Limited.
3. Full cycle capital efficiency refers to the all-in corporate capital budget divided by the IP365 of the associated wells.

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

For further information please contact:

Brett Herman
President and Chief Executive Officer
TORC Oil & Gas Ltd.
Telephone: (403) 930-4120
Facsimile: (403) 930-4159

Jason J. Zabinsky
Vice President, Finance and Chief Financial Officer
TORC Oil & Gas Ltd.
Telephone: (403) 930-4120
Facsimile: (403) 930-4159

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 plans and results, including, expected future production, production mix, reserves, drilling inventory, net debt, cash flow, operating netbacks, decline rate and decline profile, product mix, capital expenditure program, capital efficiencies, commodity prices, targeted growth, tax pools, operating, drilling and development plans and the timing thereof, and expected SDP participation. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: anticipated cost savings and operational efficiencies; anticipated capital cost reductions; 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; 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 terms "funds flow from operations, including transaction related costs", "funds flow from operations, excluding transaction costs", "net debt" , "operating netback", "operating netback (prior to hedging"), "funds flow netback, including transaction related costs" and "funds flow netback, excluding transaction related costs" which are defined in the Company's Management's Discussion and Analysis ("the MD&A") for the three months and year ended December 31, 2015. Management uses these financial measures to analyze operating performance and leverage. These measures do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures for other companies.

This press release also contains the terms "cash flow", "net debt", "net debt to fourth quarter run rate cash flow" and "payout ratio", which do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. TORC uses cash flow and net debt to analyze financial, operating performance, and liquidity and leverage. 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 net debt 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. Net debt is calculated as bank debt plus working capital deficiency or minus working capital surplus (adjusted for fair value of financial instruments and the current portion of decommissioning obligation). TORC calculates cash flow per share using the same method and shares *outstanding that are used in the determination of earnings per share. Payout ratio is a non-GAAP measure and is calculated as cash dividends plus development capital, divided by funds flow. The Company considers this to be a key measure of sustainability.*

Oil and Gas Disclosures

Our oil and gas reserves statement for the year ended December 31, 2015, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be 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.

This press release contains metrics commonly used in the oil and natural gas industry, such as "recycle ratio", "finding and development costs" or "F&D", "finding, development and acquisition costs" or "FD&A"", recycle ratio", "reserve replacement ratio", "reserve life index", "finding, development and acquisition costs", "operating netbacks", "reserves replacement", "net asset value" and "reserve life index". These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon.

Both F&D and FD&A costs take into account reserves revisions during the year on a per boe basis. The aggregate of the costs incurred in the financial year and changes during that year in estimated FDC may not reflect total F&D costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in this press release because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of our cost structure.

Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare TORC's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

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.

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 reserves evaluation prepared by Sproule as of December 31, 2015 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, 185 are proved locations, 76 are probable locations and 389 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.