**PRESS RELEASE**

**September 1, 2016**

# TORC OIL & GAS ANNOUNCES CLOSING OF STRATEGIC ACQUISITION IN SOUTHEAST SASKATCHEWAN

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CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX:TOG) is pleased to announce the closing of the previously announced complementary asset acquisition in southeast Saskatchewan. The strategic acquisition includes 1,120 boepd (~95% light oil and liquids) of low decline, high netback, light oil producing assets.

In conjunction with the acquisition, TORC completed an $86 million bought deal public offering and a $25 million private placement with its cornerstone investor, the Canada Pension Plan Investment Board, which both closed on August 16, 2016.

## DISCIPLINED BUDGET

With the closing of the acquisition, TORC will maintain the previously announced 2016 capital budget of $90 million. The 2016 planned 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. The capital budget remains approximately 70% weighted to the second half of the year providing 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 potential improvement in crude oil prices. Further cost savings combined with operational efficiencies are expected to continue during 2016 and TORC will incorporate these savings into the budget as they are realized during the year.

TORC's consistent 2016 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 is pleased to reiterate 2016 exit production of greater than 19,400 boepd (88% 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 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.

After giving effect to the acquisitions and the financings, TORC will have the following key operational and financial attributes:

| | |
|---|---|
| High Netback Production [1] | 2016E Average: 18,500 boepd<br>2016E Exit: 19,400 boepd |
| Total Proved plus Probable Reserves [2] | Greater than 96 mmboe (~84% light oil & liquids) |

| | |
|---|---|
| Cardium Light Oil Development Inventory | Greater than 290 net undrilled locations |
| Southeast Saskatchewan Light Oil Development Inventory | Greater than 400 net undrilled locations |
| Sustainability Assumptions (3) | Corporate decline ~23%<br>Capital Efficiency ~$22,000/boepd (IP 365) |
| 2016 Capital Program | $90 million |
| Annual Dividend (paid monthly) | $0.02 per share<br>$43.0 million<br>$26.0 million (net of assumed 40% SDP participation) |
| Net Debt & Bank Debt (4) | Less than $300 million |
| Shares Outstanding | 179.6 million (basic) |
| Tax Pools | Approximately $1.6 billion |

Notes:

(1) ~88% light oil & NGLs.

(2) All reserves information in this press release are gross reserves. The reserve information in the foregoing table is derived (i) in respect of our reserves as at December 31, 2015, from the independent engineering report effective December 31, 2015 prepared by Sproule & Associates Limited ("Sproule") evaluating the oil, NGL and natural gas reserves attributable to all of our properties (the "TORC Reserve Report"); and (ii) in respect of the reserves associated with the acquired assets (and certain assets acquired pursuant to tuck-in acquisitions completed by TORC in the second quarter of 2016) as at May 31, 2016 based on TORC's internal evaluation prepared by a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook. 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 acquisitions would not reflect the actual combined estimated of our reserves and those of the assets acquired at December 31, 2015 and should not necessarily be viewed as predictive of our reserves and future production.

(3) Refers to full cycle capital efficiency which is the all-in corporate capital budget divided by the IP365 of the associated wells. Corporate decline refers to TORC's estimated oil and gas production decline rate in the normal life cycle of a well.

(4) See "Non-GAAP Measures". Represents net debt and bank debt as at June 30, 2016 after giving effect to the financings.

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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 plans and results, including, expected future production, production mix, reserves, drilling inventory, net debt, operating netbacks, cost savings, operational efficiencies, decline rate and decline profile, capital expenditure program, capital efficiencies, commodity prices, targeted growth, tax pools, operating, drilling and development plans and the timing thereof, expected SDP participation, expectations regarding the future results from the acquired assets, 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 press release contains the term "net debt" which does not have a standardized meaning as prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable with the calculation of similar measures presented by other issuers. 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. Management utilizes net debt as a key measure to assess the leverage and liquidity of TORC.*

***Oil and Gas Advisories***

*The reserves information contained in this press release are based on the TORC Reserve Report and in respect of the reserves associated with the acquired assets (and certain assets acquired pursuant to tuck-in acquisitions completed by TORC in the second quarter of 2016) as at May 31, 2016 based on TORC's internal evaluation prepared by a member of TORC's management who is a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook. Such estimates are based on values that TORC's management believes to be reasonable and are subject to the same limitations discussed above under "Forward-Looking Statements".*

*This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the TORC Reserve Report and in respect of the reserves associated with the acquired assets* (and certain assets acquired pursuant to tuck-in acquisitions completed by TORC in the second quarter of 2016) *as at May 31, 2016 based on TORC's internal evaluation prepared by a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our 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 or resources. Of the 690 total net drilling locations identified within TORC's Cardium light oil development inventory and pro forma southeast Saskatchewan light oil development inventory, 208 are net proved locations, 74 are net probable locations and 408 are net 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 the Company will drill all unbooked drilling locations and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources 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 de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, 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, resources or production.*

*Boe means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 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. In addition, 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, using a conversion on a 6: 1 basis may be misleading as an indication of value.*