

PRESS RELEASE

August 16, 2016

TORC OIL & GAS LTD. ANNOUNCES CLOSING OF BOUGHT DEAL FINANCING AND CONCURRENT PRIVATE PLACEMENT TO CORNERSTONE INVESTOR

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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 public offering of 12,236,000 common shares (the “Bought Deal Financing”) through a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd. for gross proceeds of \$86.3 million (including the full exercise of over-allotment option). TORC is also pleased to announce that it has completed a concurrent private placement of 3,546,100 common shares to its cornerstone investor, the Canada Pension Plan Investment Board for proceeds of approximately \$25.0 million (together with the Bought Deal Financing, the “Financings”). The aggregate gross proceeds raised under the Financings is approximately \$111.3 million.

The net proceeds from the Financings will initially be used to reduce indebtedness under the Company's credit facility, which will subsequently be re-drawn to fund the purchase price of the previously announced acquisition of complementary light oil assets in southeast Saskatchewan (the “SE Saskatchewan Acquisition”).

The SE Saskatchewan Acquisition is expected to close on September 1, 2016, at which time TORC plans to reiterate previously disclosed guidance of 2016 exit production of greater than 19,400 boepd (88% light oil and liquids) from 18,200 boepd (87% light oil and liquids).

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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. Without limiting the generality of the foregoing, this press release contains forward-looking information regarding the use of proceeds from the Financings, the expected closing date of the SE Saskatchewan Acquisition, TORC's future disclosure 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. 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.