TORC OIL & GAS LTD.

Notice of
Annual and Special Meeting of Shareholders
to be held on Thursday, May 15, 2014

The annual and special meeting of the shareholders of TORC Oil & Gas Ltd. will be held at Eighth Avenue Place, Conference Centre, 4th Floor, 525 – 8th Avenue S.W., Calgary, Alberta on Thursday, May 15, 2014 at 10:00 a.m. (Calgary time) to:

1. receive and consider our financial statements for the year ended December 31, 2013, together with the report of the auditors;

2. fix the number of directors to be elected at the meeting at eight members;

3. elect eight directors;

4. appoint the auditors and to authorize the directors to fix their remuneration as such;

5. consider a special resolution to reduce the stated capital of our common shares; and

6. transact such other business as may properly be brought before the meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the meeting are set forth in the information circular - proxy statement accompanying this notice.

Registered shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and return it to Olympia Trust Company, Attention: Proxy Department, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, or deliver it by fax to (403) 265-1455, or email it to proxygroup@olympiatrust.com at least 48 hours, excluding Saturdays, Sundays and holidays, before the meeting or any adjournment thereof. Registered shareholders may also vote via the internet at *https://secure.olympiatrust.com/proxy/*. Votes by internet must be received by 10:00 a.m. (Calgary time) on May 13, 2014 or at least 48 hours prior to the time of any adjournment of the meeting. See the information circular - proxy statement for further instructions on internet voting. If a shareholder receives more than one proxy form because such shareholder owns our common shares registered in different names or addresses, each proxy form should be completed and returned.

Only shareholders of record at the close of business on April 8, 2014 will be entitled to vote at the meeting, unless that shareholder has transferred any common shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of such shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

DATED at Calgary, Alberta this 11th day of April, 2014.

By order of the Board of Directors of
TORC Oil & Gas Ltd.

(signed) Brett Herman
President and Chief Executive Officer

TORC OIL & GAS LTD.

Information Circular - Proxy Statement
for the Annual and Special Meeting to be held on Thursday, May 15, 2014

PROXIES

Solicitation of Proxies

This information circular - proxy statement is furnished in connection with the solicitation of proxies for use at our annual and special meeting to be held on Thursday, May 15, 2014 at 10:00 a.m. (Calgary time), at Eighth Avenue Place, Conference Centre, 4th Floor, 525 – 8th Avenue S.W., Calgary, Alberta, and at any adjournment thereof. Forms of proxy must be addressed to and reach Olympia Trust Company, at 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, or deliver it by fax to (403) 265-1455**,** or email it to proxygroup@olympiatrust.com, not less than 48 hours, excluding Saturdays, Sundays and holidays, before the time for holding the meeting or any adjournment thereof. Registered shareholders may also use the internet at *https://secure.olympiatrust.com/proxy/* to vote their shares. Shareholders will be prompted to enter the control number which is located on the form of proxy. Votes by internet must be received by 10:00 a.m. (Calgary time) on May 13, 2014 or at least 48 hours prior to the time of any adjournment of the meeting. The website may also be used to appoint a proxy holder to attend and vote at the meeting on the shareholder's behalf and to convey a shareholder's voting instructions.

Only shareholders of record at the close of business on April 8, 2014 will be entitled to vote at the meeting, unless that shareholder has transferred any common shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of such shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are our officers. **As a shareholder, you have the right to appoint a person or company, who need not be a shareholder, to represent you at the meeting.** To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold your common shares in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of such shares can be recognized and acted upon at the meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name on our records. Such shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares. We do not know for whose benefit the shares registered in the name of CDS & Co. are held. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications, Canada, which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the meeting. If you receive a voting instruction form from Broadridge Investor Communications, Canada it cannot be used as a proxy to vote shares directly at the meeting as the proxy must be returned to them well in advance of the meeting in order to have the shares voted.

Although you may not be recognized directly at the meeting for the purposes of voting shares registered in the name of your broker, you may attend the meeting as a proxyholder for the registered holder and vote your shares in that capacity. If you wish to attend the meeting and vote your own shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the meeting.

We will be delivering proxy-related materials to non-objecting beneficial owners of our common shares directly with the assistance of Broadridge Investor Communications, Canada. We intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our common shares.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you give your proxy to attend personally at the meeting, you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective, the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the meeting on the day of the meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual and special meeting and this information circular – proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The shares represented by proxy in favour of management nominees will be voted on any matter at the meeting. Where you specify a choice with respect to any matter to be acted upon, the shares will be voted or withheld from voting on any matter in accordance with the specification so made. If you do not provide instructions, your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual and special meeting and with respect to any other matters which may properly be brought before the meeting or any adjournment thereof. At the time of printing this information circular – proxy statement, we know of no such amendment, variation or other matter.

NOTE ON SHARE REFERENCES

On November 19, 2012, our predecessor, TORC Oil & Gas Ltd. completed a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta) (the "**Arrangement**") with Vero Energy Inc. ("**Vero**") and 1688763 Alberta Ltd. pursuant to which, TORC Oil & Gas Ltd., Vero and 1688763 Alberta Ltd. amalgamated to form us. In connection with the Arrangement all of the issued and outstanding shares of our predecessor were converted and exchanged on a 1 to 0.87 basis for our common shares.

On September 10, 2013, we consolidated our common shares on the basis of one common share for every five pre-consolidated shares.

Unless otherwise noted, all references to our common shares in this information circular – proxy statement are to our common shares as presently constituted after giving effect to the Arrangement and the consolidation. Where applicable, our common shares, securities convertible into common shares and the exercise prices of such convertible securities disclosed herein have been adjusted to show such securities as if they were issued after the completion of the Arrangement and the consolidation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

We are authorized to issue an unlimited number of common shares and an unlimited number of first preferred shares issuable in series. As of the record date of April 8, 2014, there were 91,824,907 common shares and no preferred shares issued and outstanding. Holders of common shares are entitled to one vote for each common share held.

To the best of the knowledge of our directors and officers, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the common shares, other than as set forth below:

Name	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of Issued and Outstanding Common Shares
Canada Pension Plan Investment Board ("**CPPIB**") (1)	22,501,557	24.5%

Note:
(1) Based on information provided to us from CPPIB dated April 8, 2014.

As at April 8, 2014, our directors and officers, as a group, beneficially owned or controlled or directed, directly or indirectly, 5.3 million common shares or approximately 5.8% of our issued and outstanding shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditors' Report

At the meeting, shareholders will receive and consider our financial statements for the year ended December 31, 2013, together with the report of the auditors and the report of our board of directors. No formal action is required or proposed to be taken at the meeting with respect to the financial statements.

Fixing the Number of Directors

At the meeting, it is proposed that the number of directors to be elected at the meeting be set at eight, as may be adjusted between shareholders' meetings by way of resolution of the board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the meeting at eight.

Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the election as directors of the eight nominees set forth below.

David Johnson	Brett Herman
John Brussa	R. Scott Lawrence
Raymond Chan	Dale Shwed
M. Bruce Chernoff	Hank Swartout

Voting and Majority Voting Policy

Voting for the election of directors will be conducted on an individual, and not a slate, basis.

Our board of directors has adopted a majority voting policy which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director shall submit his or her resignation to the Chairman of our board forthwith following the applicable shareholders' meeting. Our Corporate Governance & Compensation Committee will consider the resignation and make a recommendation to our board whether or not to accept it. After receiving the recommendation of the Corporate Governance & Compensation Committee, our board will determine whether to accept the resignation within 90 days of the applicable shareholders' meeting and we will issue a press release announcing the board's determination. Any director who tenders his or her resignation shall not participate in any meetings to consider whether the resignation will be accepted. The majority voting policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected.

It is the intention of our management designees, if named as proxy, to vote for the election of the above mentioned persons to our board unless otherwise directed. Management does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the shareholder has specified in his or her proxy that his or her common shares are to be withheld from voting on the election of directors. Each director so elected will hold office until the next annual meeting of our shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with our articles or by-laws.

Biographies of Directors

The following table provides the names and cities and provinces of residence of all persons proposed to be nominated by management for election as directors, the position each currently holds with us, the principal occupations of such persons for the prior five years and the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each nominee as at April 8, 2014.

Name, City and Province of Residence	Position (6)	Principal Occupation During Previous Five Years	Common Shares Beneficially Owned, Controlled or Directed (7)
David Johnson (2) (3) Calgary, Alberta	Chairman and Director	Mr. Johnson is an independent businessman with over thirty-five years of diverse experience in the oil & gas industry. Mr. Johnson was the Chairman of Progress Energy Resources Corp. from July 2004 until its sale to PETRONAS in 2012.	158,166
John Brussa (3) Calgary, Alberta	Director	Mr. Brussa is Vice Chairman of the law firm Burnet, Duckworth & Palmer LLP and has been a partner at the firm since 1987.	247,026
Raymond Chan (1)(3) Calgary, Alberta	Director	Mr. Chan was appointed Executive Chairman of Baytex Energy Corp. in December 2010 and held the same position with Baytex Energy Ltd. ("**Baytex**") since January 2009. Prior to that, Mr. Chan was the Chief Executive Officer of Baytex (November 2007 to December 2008) and the President and Chief Executive Officer of Baytex (September 2003 to November 2007). Mr. Chan has been a director of Baytex since October 1998.	184,389
M. Bruce Chernoff (1) Calgary, Alberta	Director	Mr. Chernoff has been the President and a Director of Caribou Capital Corp. (a private investment management company) since June 1999 and is the Executive Chairman and Chief Executive Officer and a Director of PetroShale Inc. Mr. Chernoff was the Chairman of Harvest Energy Trust from 2002 until its sale in December 2009. Mr. Chernoff has been a Director of Maxim Power Corp. since January 2005 and serves as its Chairman of the Board.	472,190
Brett Herman Calgary, Alberta	Director, President and Chief Executive Officer	Mr. Herman is our President & Chief Executive Officer and a Director. Mr. Herman was the President & Chief Executive Officer and a Director of Result Energy Inc. from November 2009 to April 2010 and the President & Chief Executive Officer and a Director of TriStar Oil & Gas Ltd. from August 2007 to October 2009.	764,452
R. Scott Lawrence (1)(4)(5) Toronto, Ontario	Director	Mr. Lawrence has been Vice President – Head of Relationship Investments at CPPIB since March 2009. Prior to this, Mr. Lawrence was Senior Principal – Private Investments Infrastructure at CPPIB from 2005 to 2009, and a Director of Progress Energy Resources Corp. from 2010 to 2012. Prior thereto he held increasingly senior roles at Onex Corporation, GE Capital Real Estate and GE Plastics.	-
Dale Shwed (2) Calgary, Alberta	Director	Mr. Shwed has been the President & Chief Executive Officer and a Director of Crew Energy Inc. since June 2003.	128,940

Name, City and Province of Residence	Position (6)	Principal Occupation During Previous Five Years	Common Shares Beneficially Owned, Controlled or Directed (7)
Hank Swartout (2) Calgary, Alberta	Director	Mr. Swartout is an independent businessman with over thirty years of experience in the oilfield services industry.	982,255

Notes:

(1) Member of our Audit Committee.

(2) Member of our Reserves Committee.

(3) Member of our Corporate Governance & Compensation Committee. In 2013, we revised the mandate of our Compensation Committee and renamed it as our Corporate Governance & Compensation Committee.

(4) Mr. Lawrence is Vice President, Head of Relationship Investments of CPPIB, which held 22,501,557 common shares as at April 8, 2014.

(5) Pursuant to a subscription agreement between us and CPPIB dated July 16, 2013, for so long as CPPIB owns more than 20% of our outstanding common shares, CPPIB has the right to nominate two representatives to our board and for so long as CPPIB owns more than 10% of our outstanding common shares, CPPIB has the right to nominate one representative to our board, provided, in each case, that such nominees are acceptable to our board, acting reasonably. A complete copy of the subscription agreement has been filed by us on SEDAR and can be viewed under our profile on the SEDAR website at www.sedar.com.

(6) Each of the nominees has been a director of us since November 19, 2012, other than Mr. Lawrence who joined our board in September 2013.

(7) The information as to common shares beneficially owned, directly or indirectly, is based upon information furnished to us by the nominees.

Additional Disclosure Relating to Proposed Directors

Except as otherwise disclosed herein, none of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including us), that was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as otherwise disclosed herein, none of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets other than Mr. Swartout who was formerly a director of the Resort at Copper Point Ltd. (a private real estate development company) which was placed in receivership in February 2009. Mr. Swartout resigned as a director of the Resort at Copper Point Ltd. effective March 4, 2009.

None of our directors (nor any personal holding company of any of such persons) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of KPMG LLP, Chartered Accountants, as our auditors, to hold office until the next annual meeting of our shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP, Chartered Accountants has been our auditor since January 24, 2011. See "*Auditor's Fees*" in our Annual Information Form for information on the fees billed to us for professional services rendered by KPMG LLP in the past two years.

Reduction of Stated Capital

At the meeting, holders of our common shares will be asked to consider and, if deemed advisable, to approve by way of special resolution, a reduction of the stated capital account of our common shares by $150 million (the "**Stated Capital Reduction**"). If approved, the Stated Capital Reduction will be effective as of May 15, 2014.

Our board of directors believes that the Stated Capital Reduction will benefit us on a go-forward basis by providing us more flexibility in managing our capital structure, including our ability to pay dividends on our common shares. Accordingly, at the meeting, holders of common shares will be asked to consider and, if deemed appropriate, to approve a special resolution, with or without variation, as follows:

> "**BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT**:
>
> 1. the stated capital account of the common shares of TORC Oil & Gas Ltd. (the "**Corporation**") be reduced by $150 million, all as more particularly described in the Corporation's information circular-proxy statement dated April 11, 2014;
>
> 2. any one director or officer of the Corporation be and is hereby authorized and empowered on behalf of the Corporation to do and perform all such acts and things and to execute and deliver or cause to be executed and delivered for, in the name of and on behalf of the Corporation (whether under corporate seal or otherwise), all such deeds, documents or other instruments as in his opinion may be necessary and desirable in order to perform the terms of this resolution; and
>
> 3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized to and empowered to revoke this resolution, without any further approval of the Corporation's shareholders, at any time if such revocation is considered necessary or desirable by the directors."

Pursuant to the provisions of the *Business Corporations Act* (Alberta), the foregoing resolution must be approved by not less than two-thirds of the votes cast by the holders of our common shares at the meeting, in person or by proxy, on the resolution.

The Stated Capital Reduction will have no immediate income tax consequences to a holder of common shares. The Stated Capital Reduction may have an effect in the future, in certain circumstances, if we are wound up or make a distribution to our shareholders, or if we redeem, cancel or acquire our common shares. As a general rule, upon such transactions, a holder of common shares will be deemed to have received a dividend to the extent that the amount paid or distributed exceeds the stated capital of the common shares.

Our board of directors recommends that holders of our common shares vote in favour of the Stated Capital Reduction. Unless otherwise directed, our management nominees in the enclosed form of proxy will vote FOR the foregoing special resolution approving the Stated Capital Reduction.

DIRECTORS' COMPENSATION

General

Our board of directors, through the Corporate Governance & Compensation Committee, is responsible for the development and implementation of a compensation plan for our directors who are not also officers. We do not pay any compensation to officers for acting as a director. For information concerning the compensation paid to Mr. Herman who is also our President and Chief Executive Officer, see "*Executive Compensation*".

The main objectives of our compensation plan for directors are to attract and retain the services of the most qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at a level that is similar to the compensation paid to directors of a peer group of oil and gas companies. In addition, our philosophy of using compensation to foster a culture of ownership also extends to our director compensation policies. Our board of directors believes it is important that directors demonstrate their commitment to our stewardship through share ownership.

Following the closing of the significant acquisition of producing assets in southeast Saskatchewan on September 9, 2013, we strategically transitioned our business model from a growth orientated junior exploration and production company to an intermediate light oil producer paying dividends while also pursuing cost-effective per share growth in reserves, production and funds flow in western Canada. As part of this transition, we reviewed our compensation plan for our directors and effective October 1, 2013, we implemented a policy of paying our outside directors annual retainers for their roles on our board and board committees. Previously, our outside directors were not paid any retainers for acting as a director of us.

The following table sets forth the principal elements of our current directors' compensation plan.

Compensation Element	Amount ($)
Board Retainer – Annual	30,000
Board Retainer – Chair	40,000
Additional Chair Retainers – Annual:	
Audit	7,500
Corporate Governance & Compensation	5,000
Reserves	5,000

We do not pay meeting attendance fees. Outside directors are also reimbursed for their out-of-pocket expenses incurred in carrying out their duties as directors. Directors' fees are paid on a quarterly basis.

Long-Term Incentive Compensation

Prior to completion of the Arrangement with Vero, we provided long term incentive compensation to our directors, officers, employees and certain consultants through a stock option plan (the "**TORC Option Plan**") and a stock incentive plan (the "**TORC Incentive Share Plan**").

Upon completion of the Arrangement, the stock option plan of Vero continued as our stock option plan (the "**Option Plan**") and the TORC Option Plan and TORC Incentive Share Plan were discontinued. As a result, no new stock options ("**Predecessor Options**") or incentive shares ("**Predecessor Incentive Shares**") were granted following the Arrangement but the TORC Option Plan and the TORC Incentive Share Plan will remain in place until such time as all outstanding Predecessor Options and Predecessor Incentive Shares have been exercised, cancelled or expired.

Non-management directors were not eligible participants under the Option Plan. For further information, see "*Executive Compensation – Option Plan*".

Effective September 9, 2013, we adopted a full-value award plan (the "**Share Award Incentive Plan**") as our primary long-term incentive compensation program pursuant to which restricted awards and performance awards may be granted to our directors, officers, employees and consultants and our affiliates. The participation of non-management directors under the Share Award Incentive Plan is limited to the maximum of 0.50% of our issued and outstanding common shares and the value of all restricted awards and performance awards granted to any one non-management director during a calendar year, as calculated on the date of grant, cannot exceed $100,000. For further information, see "*Executive Compensation – Share Award Incentive Plan*".

Our directors have each been granted 2,162 restricted awards and 8,648 performance awards under the Share Award Incentive Plan. Mr. Lawrence is Vice President, Head of Relationship Investments of CPPIB and his compensation is paid directly to CPPIB. These grants were the first grants to our directors under our Share Award Incentive Plan and represent three years of vesting.

Summary Compensation Table

The following table outlines, for the year ended December 31, 2013, information concerning the compensation paid to our outside directors.

Name	Fees Earned ($)	Share-Based Awards [(1)] ($)	Option-Based Awards ($)	All Other Compensation ($)	Total ($)
David Johnson	10,000	99,993	-	-	109,993
John Brussa [(2)]	8,750	99,993	-	-	108,743
Raymond Chan	9,375	99,993	-	-	109,368
M. Bruce Chernoff	7,500	99,993	-	-	107,493
R. Scott Lawrence [(3)]	7,500	99,993	-	-	107,493
Dale Shwed	8,750	99,993	-	-	108,743
Hank Swartout	7,500	99,993	-	-	107,493

Notes:

(1) This column shows the total compensation value that was awarded as restricted awards and performance awards. **These grants were the first grants to our directors under our Share Award Incentive Plan and represent three years of vesting.** The awards vest as to one-third per year for a period of three years commencing on September 30, 2014. **The actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.** The grant date fair value has been calculated as the closing market price of our common shares on the date of grant in accordance with IFRS 2. This calculation assumes a payout multiplier of 1x for the performance awards and does not include the value of the dividend equivalents received on the awards.

(2) Mr. Brussa is a partner at the law firm of Burnet, Duckworth & Palmer LLP, which receives fees for the provision of legal services to us.

(3) Mr. Lawrence is Vice President, Head of Relationship Investments of CPPIB and his compensation is paid directly to CPPIB.

Outstanding Share-Based Awards and Option-Based Awards Held by Directors

The following table outlines, for each of our outside directors, all option-based and share-based awards outstanding for the year ended December 31, 2013.

	Option-Based Awards				Share-Based Awards	
Name	Number of Securities Underlying Unexercised Predecessor Options [(1)] (#)	Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money Predecessor Options [(2)]	Number of Share-Based Awards that have not Vested (#)	Market or payout value of Share-Based Awards that have not Vested ($)
David Johnson	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(3)] 19,114 [(4)] 8,818 [(4)]
John Brussa	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(3)] 19,114 [(4)] 8,818 [(4)]
Raymond Chan	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(3)] 19,114 [(4)] 8,818 [(4)]
M. Bruce Chernoff	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(3)] 19,114 [(4)] 8,818 [(4)]
R. Scott Lawrence	Nil	Nil	Nil	Nil	10,810	114,154 [(3)]
Dale Shwed	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(3)] 19,114 [(4)] 8,818 [(4)]
Hank Swartout	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	10,810 1,810 835	114,154 [(4)] 19,114 [(4)] 8,818 [(4)]

Notes:

(1) Represents Predecessor Options granted in April 2011 and September 2012.

(2) Calculated based on the difference between the closing price of our common shares on December 31, 2013 of $10.56 and the exercise price of the Predecessor Options.

(3) Represents performance awards and restricted awards granted pursuant to the Share Award Incentive Plan. Values have been calculated based on the closing price of our common shares on December 31, 2013 of $10.56 multiplied by the number of share-based awards. A payout multiplier of 1x has been assumed for the performance awards and does not include the value of the dividend equivalents received on the awards. The awards vest as to one-third per year for a period of three years commencing on September 30, 2014. **The actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.**

(4) Represents Predecessor Incentive Shares granted in April 2011 and September 2012. Values have been calculated based on the closing price on December 31, 2013 of $10.56 multiplied by the number of awards not vested on that date.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our outside directors, the value of option-based and share-based awards, which vested during the year ended December 31, 2013. We did not have a non-equity incentive compensation plan in 2013 for our outside directors.

Name	Option-Based awards – Value vested during the year (1) ($)	Share-Based awards – Value vested during the year (2) ($)
David Johnson	Nil	7,240
John Brussa	Nil	7,240
Raymond Chan	Nil	7,240
M. Bruce Chernoff	Nil	7,240
R. Scott Lawrence	Nil	7,240
Dale Shwed	Nil	7,240
Hank Swartout	Nil	7,240

Notes:

(1) The amounts shown reflect the aggregate dollar value that would have been realized if the Predecessor Options had been exercised on the applicable vesting date. The values are calculated as the difference between the closing price of our common shares on the vesting date and the exercise price of the Predecessor Options multiplied by the number of common shares vesting on that date.

(2) The amounts shown reflect the aggregate dollar value realized upon the vesting of the Predecessor Incentive Shares. Values have been calculated based on the volume weighted average market price for the five trading days preceding the 2013 vesting date multiplied by the number of Predecessor Incentive Shares vested on that date.

Please note that the values in this table for option-based and share-based awards differ from the values shown in the "*Summary Compensation Table*" above. The values reported in this table represent the value of those awards that vested during the year. The values reported in the "*Summary Compensation Table*" represent an estimate of the fair value of awards that were granted during the year.

COMPENSATION DISCUSSION AND ANALYSIS

Our Corporate Governance & Compensation Committee is responsible for reviewing matters relating to our human resource policies and compensation programs. The Corporate Governance & Compensation Committee has established the following objectives for our compensation program: (1) to award compensation that is commensurate with performance; (2) to align the interests of our management with our shareholders; and (3) to attract and retain highly capable individuals.

Our compensation philosophy and program objectives are directed primarily by two guiding principles. First, our program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented employees. Second, our program is intended to create an alignment of interest between our employees and shareholders so that a significant portion of compensation is linked to maximizing shareholder value. In support of this philosophy, the compensation program is designed to reward performance that is directly relevant to our short-term and long-term success. We attempt to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

Our compensation program has been designed to accomplish the following long-term objectives:

(a) create a proper balance between building shareholder wealth and competitive employee compensation, while maintaining good corporate governance;

(b) produce long-term, positive results for shareholders;

(c) align compensation with corporate performance and appropriate peer group comparisons; and

(d) provide market-competitive compensation and benefits that will enable us to recruit, retain and motivate the talent necessary to be successful.

Compensation Governance

During the year ended December 31, 2013, our Corporate Governance & Compensation Committee was comprised of John Brussa (Chair), Raymond Chan and David Johnson. The Corporate Governance & Compensation Committee is comprised solely of independent directors.

All of the Corporate Governance & Compensation Committee members have direct experience in establishing and/or operating executive and corporate compensation programs. A description of the relevant experience of each member of the Corporate Governance & Compensation Committee is provided below:

John Brussa (Chair) holds a Bachelor of Laws degree and a Bachelor of Arts, History and Economics degree from the University of Windsor. Mr. Brussa is the Vice Chairman of Burnet, Duckworth & Palmer LLP as well as a partner, and focuses on tax law. Mr. Brussa was admitted to the Alberta bar in 1982. Mr. Brussa is a director of the following public companies: Argent Energy Ltd. (the administrator of Argent Energy Trust); Baytex Energy Corp., Calmena Energy Services Inc., Cardinal Energy Ltd., Crew Energy Inc.; Enseco Energy Services Corp.; Just Energy Group Inc.; Long Run Exploration Ltd.; Pinecrest Energy Inc.; RMP Energy Inc.; Storm Resources Ltd.; Twin Butte Energy Ltd.; and Yoho Resources Inc.

Raymond Chan holds a Bachelor of Commerce degree from the University of Saskatchewan and is a Chartered Accountant. Mr. Chan currently serves as Executive Chairman of Baytex Energy Corp. Mr. Chan has extensive financial and accounting experience obtained through senior executive positions in the Canadian oil and gas industry since 1982, including: Chief Financial Officer of Baytex Energy Ltd.; Tarragon Oil and Gas Limited; American Eagle Petroleum Ltd.; and Gane Energy Corporation. Mr. Chan has served on the board of a number of public companies over the last 15 years, including The TMX Group Inc. from 2006 to 2012.

David Johnson has over thirty five years of diverse experience in the oil and natural gas industry, including a background in production, reservoir evaluation and operations. Mr. Johnson has a B.Sc. in Petroleum Engineering, is a member of the Association of Engineers, Geoscientists of Alberta and has served twice as a Governor of the Canadian Association of Petroleum Producers. Mr. Johnson currently serves as a director of Cardinal Energy Ltd., Pinecrest Energy Inc. and Secure Energy Services Inc.

Under its written mandate, the primary compensation function of the Corporate Governance & Compensation Committee is to assist our board of directors in carrying out its responsibilities by reviewing compensation and human resources issues and making recommendations to the board as appropriate. Among other things, the Corporate Governance & Compensation Committee: (i) recommends human resources and compensation policies and guidelines to the to the board and oversees the administration of such policies and guidelines as are approved by our board; (ii) ensures that we have in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management; (iii) reviews the performance of our Chief Executive Officer relative to our goals and objectives for the purpose of determining the compensation of our Chief Executive Officer to be recommended to the board of directors for approval; (iv) recommends to the board for approval the annual salary, bonus and other benefits, direct and indirect, of our Chief Executive Officer, and approves compensation for all of our other designated officers after considering the recommendations of our Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by our board of directors; (v) periodically reviews with our Chief Executive Officer our policies on compensation for all employees and overall human resources matters; and (vi) periodically reviews the adequacy and form of compensation of directors to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and reports and makes recommendations to the board of directors accordingly.

Other than participation in an annual energy industry compensation survey conducted by Mercer Human Resources Consulting (an independent compensation consultant), a compensation consultant or advisor has not, at any time during the year ended December 31, 2013, been retained to assist in determining compensation for any of our directors and officers.

Compensation Risks

Our Corporate Governance & Compensation Committee considers the risks that may be associated with our compensation policies and practices as part of its broader mandate of understanding the principal risks associated with our business. There is a risk with any compensation policy that provides for the payment of a cash bonus or, as in the case of long-term incentives, provides for compensation that is linked to the price of the company's shares that an executive officer or other employee will attempt to maximize the personal return from these elements of compensation by taking excessive risks that are not in the best interests of the company or its shareholders. We attempt to identify and mitigate these risks through the implementation and monitoring of internal controls and procedures respecting, among other matters, the maintenance of records, reporting and required authorizations for expenditures, acquisitions, dispositions and other corporate actions.

Financial Instruments

We do not have a policy restricting directors and officers from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. Any transactions of this nature would be subject to insider reporting requirements and be reported on the System for Electronic Disclosure by Insiders (SEDI).

Identification of Named Executive Officers

We are required to disclose the compensation paid to our Chief Executive Officer, Chief Financial Officer and each of the three other most highly compensated executive officers whose total annual compensation was more than $150,000 (each a "**Named Executive Officer**" and collectively, the "**Named Executive Officers**"). For the year ended December 31, 2013 our Named Executive Officers or NEO's were Brett Herman, our President & CEO, Jason Zabinsky, our Vice President, Finance & CFO, Eric Strachan, our Vice President, Exploration, Jeremy Wallis, our Vice President, Land and Mike Wihak, our Vice President, Production.

Compensation Review Process

In establishing overall compensation levels, our Corporate Governance & Compensation Committee first assesses performance at the corporate level. Measures commonly used by the Corporate Governance & Compensation Committee to assess our overall corporate performance include total shareholder return, recycle ratio, annual production, strategy execution, and health, safety and environment.

Our Corporate Governance & Compensation Committee then assesses the individual performance of the President and Chief Executive Officer and each of our other officers. Our President and Chief Executive Officer assists the Corporate Governance & Compensation Committee with the performance assessment of the other officers. As part of the comparative compensation analysis, the Corporate Governance & Compensation Committee is provided with (i) the results of an annual energy industry compensation survey conducted by Mercer Human Resources Consulting, an independent compensation consultant; and (ii) a summary (based on publicly available information) of the compensation paid to officers of an industry-specific peer group prepared by our President and Chief Executive Officer at the direction of the Corporate Governance & Compensation Committee.

Following the closing of the significant acquisition of producing assets in southeast Saskatchewan on September 9, 2013, we strategically transitioned our business model from a growth orientated junior exploration and production company to an intermediate light oil producer paying dividends while also pursuing cost-effective per share growth in reserves, production and funds flow in western Canada. As part of this transition, we reviewed our compensation plan for our executive officers including our peer comparison group. The selected peer group, amongst others, includes a mixture of both growth and dividend companies.

For 2013 the dividend paying members, amongst others, of our peer group were:

Bonterra Energy Corp.	Lightstream Resources Ltd.	Long Run Exploration Ltd.
Longview Oil Corp.	Renegade Petroleum Ltd.	Spyglass Resources Corp.
Surge Energy Inc.	Twin Butte Energy Ltd.	Whitecap Resources Inc.
Zargon Oil & Gas Ltd.		

Compensation Program Components

Our compensation program is structured into three main components: (i) base salary, (2) cash bonuses; and (3) long term incentives. In establishing the executive compensation program, we believe that:

(a) base salaries provide an immediate cash incentive and should be at levels competitive with peer companies that compete with us for business opportunities and executive talent;

(b) a cash bonus which depends on our success and achievement of goals and the respective employee's contribution to achieving these goals motivates immediate employee performance; and

(c) share awards ensure that employees are motivated to achieve our long term growth and continuing increases in shareholder value and provide capital accumulation linked directly to our performance.

We place equal emphasis on (i) base salary/bonus and (ii) share awards as short term and long term incentives, respectively.

Each of these compensation components is summarized in the following sections.

Base Salaries

Base salaries are an important component of the overall compensation package for officers as they are usually the largest portion of annual cash compensation. The base salaries of our Named Executive Officers are reviewed annually to ensure they reflect a balance of market conditions, the levels of responsibility and accountability of each role, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance.

Base salaries of the Named Executive Officers are set by our board on the basis of the applicable executive officer's responsibilities, experience and past performance. This is measured against the Corporate Governance & Compensation Committee's assessment of the amounts paid by companies in our peer group to persons performing similar duties. In making such an assessment, the board considers the objectives set forth in our business plan and the performance of executive officers and employees in executing the plan in combination with the overall result of the activities undertaken.

Bonuses

An annual bonus may be paid based on the Corporate Governance & Compensation Committee's subjective assessment of our general performance and each officer's contribution to such performance.

The total amount of the annual bonus pool is approved by our board and is based on our performance with respect to bonus performance metrics, current market conditions and other factors considered relevant by our board. The final determination of the annual bonus is not based on a prescriptive formula and weighting as our board and the Corporate Governance & Compensation Committee are of the view that this may lead to unintended consequences and potentially foster "single minded" behaviors to the overall detriment of sustainable performance.

Long-Term Incentive Compensation

Our Share Award Incentive Plan forms the primary basis of our long-term incentive compensation program. This plan is a full-value award plan pursuant to which restricted awards and performance awards may be granted to our directors, officers, employees and consultants and our affiliates. For further information, see "*Executive Compensation – Share Award Incentive Plan*".

Each restricted award entitles the holder to be issued the number of common shares designated in the restricted award with such common shares to be issued on dates determined by our Corporate Governance & Compensation Committee. The number of common shares to be issued on the applicable issue date for a restricted award is adjusted to account for the payment of dividends from the grant date to the applicable issue date.

Each performance award entitles the holder to be issued the number of common shares designated in the performance award multiplied by a payout multiplier, with such common shares to be issued on dates determined by our Corporate Governance & Compensation Committee. The payout multiplier is dependent on our performance of relative to pre-defined corporate performance measures for a particular period and can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) and 2x (for first quartile ranking). For those performance awards where the issue date is the second or third anniversary of the grant date, the payout multiplier will be the arithmetic average of the payout multiplier for each of the two or three preceding fiscal years, respectively. The number of common shares to be issued on the applicable issue date for a performance award is adjusted to account for the payment of dividends from the grant date to the applicable issue date.

The Corporate Governance & Compensation Committee is responsible for determining the allocation of the share awards between restricted and performance awards. The performance awards, through the payout multiplier, provide a direct link between corporate performance and the level of payout received. The Corporate Governance & Compensation Committee believes that the pay for performance orientation of the performance awards is aligned with shareholder interests. The portion of performance awards received relative to restricted awards increases with greater levels of responsibility. As a result, a significant portion of the share awards granted to the Named Executive Officers are in the form of performance awards.

On October 15, 2013, following the recommendation of our Corporate Governance & Compensation Committee, our board approved following awards to our NEOs under our Share Award Incentive Plan. These grants were the first grants to our NEOs under our Share Award Incentive Plan and represent three years of vesting. No other grants were made to our NEOs in 2013.

Name	**Restricted Awards** [(1)] **(#)**	**Performance Awards** [(1)] **(#)**	**Performance Awards as a % of Total Award (%)**
Brett Herman	115,888	279,511	71
Jason Zabinsky	67,966	156,586	70
Eric Strachan	67,966	156,586	70
Jeremy Wallis	60,649	127,318	68
Mike Wihak	60,649	127,318	68

Note:

(1) The awards vest as to one-third per year for a period of three years commencing on September 30, 2014. The value of these grants is reported in the Summary Compensation Table.

In March, 2014, the Corporate Governance & Compensation Committee reviewed the corporate performance measures listed in the table below (and the weighting of each measure) for purposes of establishing our overall corporate performance ranking which was then used to calculate the 2013 payout multiplier.

Listed below are the results of the assessment.

Corporate Performance Measure	Results	Ranking	Weighting	Weighted Ranking
Relative Total Shareholder Return ("**TSR**") for the period ended December 31, 2013	Our TSR of -7% ranked 22 out of 32 peer group companies for this period.	0.5	20.0%	0.10
Relative Recycle Ratio for a 1-year period ended December 31, 2013 (including future development costs)	We ranked in the top quartile in this measure.	2.0	20.0%	0.40
2013 Production Volumes	Actual fourth production of 10,166 barrels of oil equivalent per day was in excess of our initial guidance range (as adjusted for acquisitions and divestitures).	2.0	20.0%	0.40
Development and Execution of Strategic Plan	The Corporate Governance & Compensation Committee evaluated the executive team's performance and assigned a ranking.	2.0	20.0%	0.40
Health, Safety and Environment	The Corporate Governance & Compensation Committee evaluated the incident reports (if any) and overall performance and assigned a ranking.	2.0	20.0%	0.40
			Overall Corporate Ranking	1.7
			Payout Multiplier	1.5

Based on our overall corporate ranking of 1.7, the 2013 payout multiplier is 1.5. The 2013 payout multiplier will be used to determine the number of common shares to be issued pursuant to performance awards that vest in 2014. For performance awards granted in 2013 that vest in 2015, the payout multiplier will be the arithmetic average of the 2013 payout multiplier and the 2014 payout multiplier and for performance awards that vest in 2016, the payout multiplier will be the arithmetic average of the 2013, 2014 and 2015 payout multipliers.

Other Benefits

The employment benefits provided to employees are generally typical of those provided by participants in the Canadian oil and gas industry and include life and disability insurance and extended health and dental coverage. Officers also receive parking and certain perquisites.

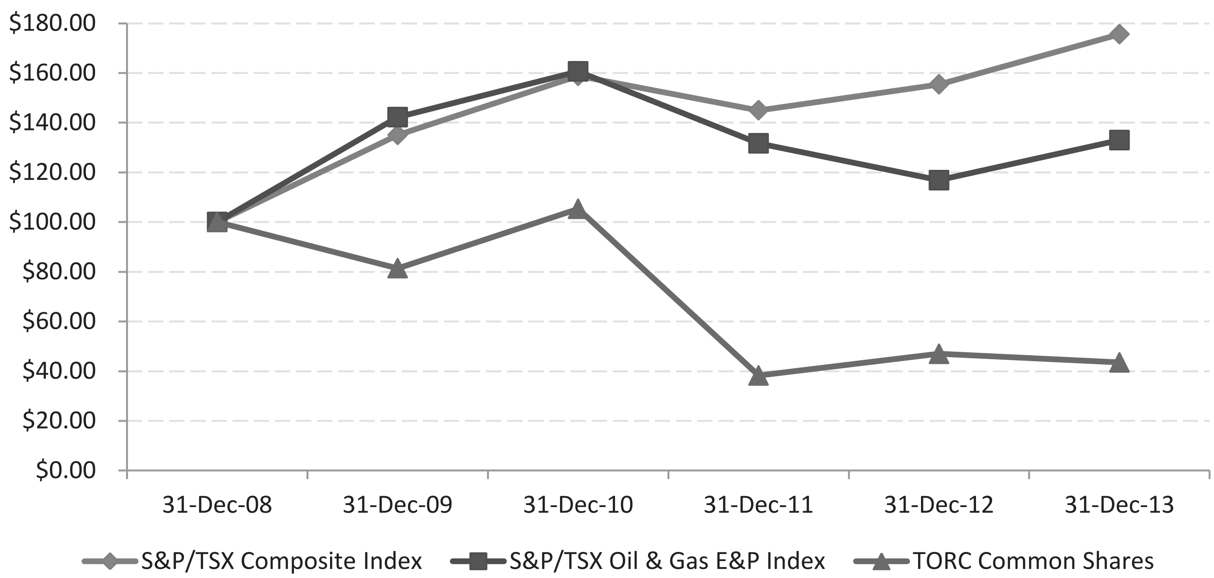
We have established a savings plan to assist our employees in meeting their savings goals. Under this plan, full-time employees contribute a percentage of their gross salary to the plan each pay period. We match each employee's contributions to a maximum of 6% of their gross salary. Our contributions vest immediately in favour of the employee.

Summary

The Corporate Governance & Compensation Committee believes that long term shareholder value is enhanced by compensation based upon corporate performance achievements. Through the plans described above, a significant portion of the compensation for all employees, including officers, is based on corporate performance, as well as industry-competitive pay practices.

Performance Graph

Our common shares trade on the Toronto Stock Exchange under the symbol "TOG". The following graph compares the cumulative total shareholder return of the common shares (including the shares of Vero for periods prior to November 19, 2012), assuming an initial investment of $100 on December 31, 2008 and assuming reinvestment of dividends, with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period commencing December 31, 2009 and ending December 31, 2013. The data for the period December 31, 2008 to November 19, 2012 reflects the period when Vero was managed by a different executive team.



	Dec. 31 '08	Dec. 31 '09	Dec. 31 '10	Dec. 31 '11	Dec. 31 '12	Dec. 31 '13
S&P/TSX Composite Index	$100	$135.05	$158.83	$145.00	$155.42	$175.61
S&P TSX Capped Energy Index	$100	$142.21	$160.62	$131.67	$116.83	$132.97
Common Shares	$100	$81.43	$105.33	$38.24	$46.97	$43.50

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2013, December 31, 2012 and December 31, 2011, information concerning the total compensation paid to our Named Executive Officers.

Name and Principal Occupation	Year	Salary ($)	Share-Based Awards (1)(2) ($)	Option-Based Awards (3)(4) ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation (6) ($)	Total Compensation ($)
					Annual Incentive Plans (5)	Long-Term Incentive Plans			
Brett Herman,	2013	230,000	3,657,441	Nil	230,000	Nil	Nil	7,740	4,125,181
President and Chief	2012	200,000	83,712	203,000	150,000	Nil	Nil	7,440	644,152
Executive Officer	2011	200,000	300,000	595,000	70,000	Nil	Nil	5,580	1,170,580
Jason Zabinsky,	2013	210,000	2,077,106	Nil	168,000	Nil	Nil	6,550	2,461,656
Vice-President,	2012	180,000	55,250	133,980	100,000	Nil	Nil	6,230	475,460
Finance and Chief	2011	180,000	198,000	392,700	63,000	Nil	Nil	2,450	836,150
Financial Officer									
Eric Strachan	2013	210,000	2,077,106	Nil	168,000	Nil	Nil	7,740	2,462,846
Vice-President,	2012	180,000	55,250	133,980	100,000	Nil	Nil	7,440	476,670
Exploration	2011	180,000	198,000	392,700	63,000	Nil	Nil	5,060	838,760
Jeremy Wallis	2013	210,000	1,738,695	Nil	168,000	Nil	Nil	Nil	2,116,695
Vice-President,	2012	180,000	55,250	133,980	100,000	Nil	Nil	6,230	475,460
Land	2011	180,000	198,000	392,700	63,000	Nil	Nil	2,450	836,150
Mike Wihak	2013	195,000	1,738,695	Nil	156,000	Nil	Nil	7,740	2,097,435
Vice-President,	2012	180,000	55,250	133,980	75,000	Nil	Nil	7,440	451,670
Production	2011	180,000	198,000	392,700	63,000	Nil	Nil	5,060	838,760

Notes:

(1) 2013 amounts show the total compensation value that was awarded as restricted awards and performance awards. **These grants were the first grants to our NEOs under our Share Award Incentive Plan and represent three years of vesting.** The awards vest as to one-third per year for a period of three years commencing on September 30, 2014. **The actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.** The grant date fair value has been calculated as the closing market price of our common shares on the date of grant in accordance with IFRS 2. This calculation assumes a payout multiplier of 1x for the performance awards and does not include the value of the dividend equivalents received on the awards.

(2) Amounts in 2011 and 2012 represent the value of Predecessor Incentive Shares granted in April 2011 and September 2012. These vest as to one-third per year for a period of three years from the date of grant. Predecessor Incentive Shares granted in September 2012 will vest one hundred percent on April 27, 2015. Upon vesting, each Predecessor Incentive Share is redeemed for one common share. The fair value of the Predecessor Incentive Shares is deemed equal to the share price on the date of grant, and is determined in accordance with IFRS 2.

(3) No option-based awards were granted to our Named Executive Officers in 2013.

(4) Amounts in 2011 and 2012 represent the value of Predecessor Options granted in April 2011 and September 2012. The Predecessor Options granted in April 2011 vest as to one-third per year for a period of three years from the date of grant. The value has been calculated based on the fair value of the applicable options calculated using the Black-Scholes-Merton method as at the April 2011 grant date with the following assumptions: (i) risk-free interest rate of 1.4%; (ii) expected volatility of 40%; (iii) an expected life of three years; and (iv) a forfeiture rate of Nil. The Predecessor Options granted in September 2012 will vest one hundred percent on April 27, 2015. The value of the September 2012 grant is based on the fair value of the applicable options calculated using the Black-Scholes-Merton method as at the September 2012 grant date with the following assumptions: (i) risk-free interest rate of 1.7%; (ii) expected volatility of 40%; (iii) an expected life of four years; and (iv) a forfeiture rate of Nil.

(5) Represents performance bonuses accrued for in the year which are not paid until approved by our board in the following year.

(6) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total salary for the financial year.

Base Salary

In setting base salaries, our Corporate Governance & Compensation Committee reviews executive compensation of comparable organizations in the oil and gas industry. Salaries of senior executive officers reflect market conditions and levels of responsibility and are determined utilizing salary survey information from comparable companies.

Typically, salary increases are determined for all employees, including executives in the first quarter of each year. The determination of 2013 executive salary increases was made in March 2013 and implemented effective January 1, 2013.

Our Corporate Governance & Compensation Committee met in March, 2013 to establish 2013 base salaries for our officers. Factors considered by the Corporate Governance & Compensation Committee included corporate and individual performance and competitive factors in the local marketplace. Based on its assessment of these factors, the Corporate Governance & Compensation Committee determined that an increase in base salaries was warranted and the base salaries for our Named Executive Officers were increased effective January 1, 2013 by an average of 13% from 2012 levels.

The following table summarizes annual base salaries for our NEOs at December 31, 2013 and December 31, 2012:

Name and Principal Position	2013 Base Salary ($)	2012 Base Salary ($)	Percentage Increase (%)
Brett Herman, President and Chief Executive Officer	230,000	200,000	13.04
Jason Zabinsky, Vice-President, Finance and Chief Financial Officer	210,000	180,000	14.29
Eric Strachan Vice-President, Exploration	210,000	180,000	14.29
Jeremy Wallis Vice-President, Land	210,000	180,000	14.29
Mike Wihak Vice-President, Production	195,000	180,000	7.69

Bonuses

Our Corporate Governance & Compensation Committee recommends to the board an annual bonus amount for all employees and specific bonus amounts for officers (including NEOs).

The Corporate Governance & Compensation Committee met in March, 2014 to establish annual bonuses for the officers for performance during 2013. Based on its assessment of various factors including corporate performance and competitive factors in the local marketplace, the Corporate Governance & Compensation Committees determined that the payment of an annual bonus was warranted. Based on these factors, the board approved an overall 2013 company bonus of 36% of 2013 annual salaries paid or $2.198 million. The annual bonuses paid to our Named Executive Officers for performance during 2013 averaged 84% of their 2013 base salaries.

The following table summarizes bonuses paid to our NEOs for the years ended December 31, 2013 and December 31, 2012:

Name and Principal Position	2013 Bonus ($)	2012 Bonus ($)	2013 Bonus as a % of 2013 Base Salary (%)
Brett Herman, President and Chief Executive Officer	230,000	150,000	100
Jason Zabinsky, Vice-President, Finance and Chief Financial Officer	168,000	100,000	80
Eric Strachan Vice-President, Exploration	168,000	100,000	80
Jeremy Wallis Vice-President, Land	168,000	100,000	80
Mike Wihak Vice-President, Production	156,000	75,000	80

Share Award Incentive Plan

At a special meeting of our shareholders held on September 5, 2013, our shareholders approved the adoption of a full value award plan pursuant to which restricted awards and performance awards may be granted to our directors, officers, employees and consultants and those of our affiliates. Our Share Award Incentive Plan forms the primary basis of our long-term incentive compensation program.

Listed below is the summary of the principal terms of the Share Award Incentive Plan. A copy of the Share Award Incentive Plan is accessible under our profile on the SEDAR website at www.sedar.com. **Capitalized terms used but not defined in the following disclosure shall have the meanings ascribed thereto in the Share Award Incentive Plan.**

Purpose of the Share Award Incentive Plan

The principal purposes of the Share Award Incentive Plan are: (i) to retain and attract qualified directors, officers, employees or consultants of TORC and its affiliates ("**Service Providers**"); (ii) to promote a proprietary interest in TORC by such Service Providers and to encourage such persons to remain in the employ or service of TORC and put forth maximum efforts for the success of the business of TORC; and (iii) to focus management of TORC on operating and financial performance and long-term total shareholder return.

The adoption of the Share Award Incentive Plans resulted in a realignment of TORC's share based compensation structure intended to achieve the following goals:

(a) permit the discontinuance of the use of stock options as a long term incentive in favour of incentives that: (i) are less dilutive; (ii) are less volatile in value; (iii) discourage excessive risk taking by providing downside exposure from a declining share price and removing the leveraged upside exposure of options; and (iv) more closely align the economic interests of the holders with those of our shareholders;

(b) through Performance Awards, provide for an incentive, particularly with respect to our executive officers and senior management, that effectively links value to corporate performance against predefined benchmarks over the vesting term and then reinforces that link through the application of the Payout Multiplier; and

(c) through Restricted Awards, provide for a base incentive, particularly with respect to less senior employees, that promotes retention through staggered annual vesting and clarity as to value.

Grants of Awards

Under the terms of the Share Award Incentive Plan, any Service Provider may be granted Restricted Awards or Performance Awards by the Board or a committee of the Board that has been delegated authority by the Board to administer the Share Award Incentive Plan (such a committee referred to as the Board in the description below for convenience of reference).

In determining the Service Providers to whom Share Awards may be granted ("**Grantees**"), the number of common shares to be covered by each Share Award and the allocation of the Share Award between Restricted Awards and Performance Awards, the Board may take into account such factors as it shall determine in its sole discretion, which factors may include comparisons to peer group comparables, the duties, responsibilities, position, seniority and contribution of the Grantee, the current value of the common shares and the overall compensation structure of TORC.

Grant Practice

Our current grant practice is to make an annual grant and to issue common shares pursuant to restricted and performance awards as to one-third on September 30 of the following year (or the first anniversary of the grant date in the case of new hires and other non-annual grants) and as to one-third annually thereafter (with the last issuance to occur three years following the grant date). Under the Share Award Incentive Plan, our executive officers and senior management receive a relatively higher proportion of Performance Awards compared to Restricted Awards in recognition of their primary responsibility for our performance and to better tie the value of their long term incentives directly to such performance.

Restricted Awards

Each Restricted Award will entitle the holder to be issued the number of common shares designated in the Restricted Award with such common shares to be issued as to one-third on each of the first, second and third anniversary dates of the date of grant (or such earlier or later dates as may be determined by the Board).

Performance Awards

Each Performance Award will entitle the holder to be issued as to one-third on each of the first, second and third anniversary dates of the date of grant (or such earlier or later dates as may be determined by the Board) the number of common shares designated in the Performance Award multiplied by a Payout Multiplier.

The Payout Multiplier is determined by the Board based on an assessment of the achievement of the pre-defined Corporate Performance Measures in respect of the applicable period. Corporate Performance Measures will be performance criteria established by the Board in its sole discretion at the time of the grant of each Performance Award, which criteria may include, but need not be limited to, the total shareholder return of the common shares compared to an index, subindex or identified group of peers and TORC's performance with respect to operational or financial benchmarks compared to an identified group of peers.

The Payout Multiplier for a particular period can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) or 2x (for first quartile ranking). For those Performance Awards where the Issue Date is the second or third anniversary of the grant date, the Payout Multiplier will be the arithmetic average of the Payout Multiplier for each of the two or three preceding fiscal years, respectively.

Dividend Equivalents and Anti-Dilution Provisions

The Share Award Incentive Plan provides for cumulative adjustments to the number of common shares to be issued pursuant to Share Awards on each date that dividends are paid on the common shares by an amount equal to a fraction having as its numerator the amount of the dividend per common shares and having as its denominator the deemed price per Share at which share dividends are issued pursuant to our Share Dividend Program (or any dividend reinvestment program operated by TORC from time to time in lieu of the Share Dividend Program) with respect to such dividend. If TORC has suspended the operation of the Share Dividend Plan or does not have any dividend reinvestment program, then the denominator shall be equal to the Fair Market Value of the common shares on the trading day immediately preceding the Divided Payment Date.

Under the Share Award Incentive Plan, in the case of a non-cash Dividend, including common shares or other securities or property, the Board will, in its sole discretion and subject to the approval of the Toronto Stock Exchange, determine whether or not such non-cash Dividend will be provided to the Share Award holder and, if so provided, the form in which it shall be provided.

The Share Award Incentive Plan also contains standard anti-dilution provisions applicable, with the approval of the Toronto Stock Exchange, at the discretion of the Board.

Limitation on Awards

The Share Award Incentive Plan provides that the maximum number of common shares reserved for issuance from time to time pursuant to Share Awards shall not exceed a number of common shares equal to 6.5% of the aggregate number of issued and outstanding common shares, calculated on a non-diluted basis.

The aggregate number of Share Awards granted to any single Service Provider shall not exceed 5% of the issued and outstanding common shares, calculated on a non-diluted basis. In addition: (i) the number of common shares issuable to insiders (as defined in the TSX Company Manual) at any time, under all security based compensation arrangements of TORC, shall not exceed 10% of the issued and outstanding common shares, calculated on a non-diluted basis; and (ii) the number of common shares issued to insiders, within any one year period, under all security based compensation arrangements of TORC, shall not exceed 10% of the issued and outstanding common shares, calculated on a non-diluted basis.

The number of common shares issuable pursuant to the Share Award Incentive Plan to Non-Management Directors, in aggregate, will be limited to a maximum of 0.50% of the issued and outstanding common shares and the value of all Share Awards granted to any Non-Management Director during a calendar year, as calculated on the date of grant, cannot exceed $100,000.

For purposes of monitoring compliance with all of the above limitations, a Payout Multiplier of 1x will be assumed for any Performance Awards.

Issue Dates

If a Grantee is prohibited from trading in securities of TORC as a result of the imposition by TORC of a trading blackout (a "**Blackout Period**") and the Issue Date of a Share Award held by such Grantee falls within a Blackout Period (or within ten business days following the end of a Blackout Period), then the Issue Date of such Share Award shall be extended to the date that is three business days following the end of such Blackout Period.

Payment of Share Awards

On the Issue Date, TORC shall have the option of settling any amount payable in respect of a Share Award by any of the following methods or by a combination of such methods:

(a) common shares issued from the treasury of TORC; or

(b) with the consent of the Grantee, cash in an amount equal to the aggregate Fair Market Value of such common shares that would otherwise be delivered in consideration for the surrender by the Grantee to TORC of the right to receive such common shares under such Share Award.

The Share Award Incentive Plan does not contain any provisions for financial assistance by TORC in respect of Share Awards granted thereunder.

Change of Control

In the event of a Change of Control of TORC, the Issue Date(s) applicable to the Share Awards will be accelerated such that the common shares to be issued pursuant to such Share Awards will be issued immediately prior to the date upon which the Change of Control is completed and the Payout Multiplier applicable to any Performance Awards shall be determined by the Board.

Early Termination Events

Pursuant to the Share Award Incentive Plan, unless otherwise determined by the Board or unless otherwise provided in a Share Award Agreement pertaining to a particular Share Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:

(a) Death - If a Grantee ceases to be a Service Provider as a result of the Grantee's death, the Issue Date for all common shares awarded to such Grantee under any outstanding Share Award Agreements shall be accelerated to the Cessation Date, provided that the President and Chief Executive Officer of TORC in the case of a Grantee who is not a director or officer and the Board in all other cases, taking into consideration the performance of such Grantee and the performance of TORC since the date of grant of the Share Award(s), may determine in its sole discretion the Payout Multiplier to be applied to any Performance Awards held by the Grantee.

(b) Termination for Cause - If a Grantee ceases to be a Service Provider as a result of termination for cause, effective as of the Cessation Date all outstanding Share Award Agreements under which Share Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, shall be immediately terminated and all rights to receive common shares thereunder shall be forfeited by the Grantee.

(c) Voluntary Resignation - If a Grantee ceases to be a Service Provider as a result of a voluntary resignation, effective as of the day that is fourteen (14) days after the Cessation Date, all outstanding Share Award Agreements under which Share Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, shall be terminated and all rights to receive common shares thereunder shall be forfeited by the Grantee.

(d) Other Termination - If a Grantee ceases to be a Service Provider for any reason other than as provided for in (a), (b) and (c) above, effective as of the date that is sixty (60) days after the Cessation Date and notwithstanding any other severance entitlements or entitlement to notice or compensation in lieu thereof, all outstanding Share Award Agreements under which Share Awards have been made to such Grantee, whether Restricted Awards or Performance Awards, shall be terminated and all rights to receive common shares thereunder shall be forfeited by the Grantee.

(e) Non-Management Directors - If a Grantee who is a Non-Management Director ceases to be a Service Provider as a result of: (A) a voluntary resignation or voluntarily not standing for re-election as a director of TORC, such events shall be treated as a voluntary resignation under (c) above; or (B) failing to be re-elected as a director of TORC by the Shareholders, such event shall be treated as another termination under (d) above.

Assignment

Except in the case of death, the right to receive common shares pursuant to a Share Award granted to a Service Provider may only be exercised by such Service Provider personally. Except as otherwise provided in the Share Award Incentive Plan, no assignment, sale, transfer, pledge or charge of a Share Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Share Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Share Award shall terminate and be of no further force or effect.

Amendment and Termination of Plan

The Share Award Incentive Plan and any Share Awards granted pursuant thereto may, subject to any required approval of the Toronto Stock Exchange, be amended, modified or terminated by the Board without the approval of Shareholders. Notwithstanding the foregoing, the Share Award Incentive Plan or any Share Award may not be amended without Shareholder approval to:

(a) increase the percentage of common shares reserved for issuance pursuant to Share Awards in excess of the 6.5% limit currently prescribed;

(b) extend the Issue Date of any Share Awards issued under the Share Award Incentive Plan beyond the latest Issue Date specified in the Share Award Agreement (other than as permitted by the terms and conditions of the Share Award Incentive Plan);

(c) permit a Grantee to transfer Share Awards to a new beneficial holder other than for estate settlement purposes;

(d) change the limitations on the granting of Share Awards described above under "*Limitations on Share Awards*";

(e) amend the definition of Service Providers to expand the categories of individuals eligible for participation in the Share Award Incentive Plan; or

(f) change the amending provision of the Share Award Incentive Plan.

In addition, no amendment to the Share Award Incentive Plan or any Share Awards granted pursuant thereto may be made without the consent of a Grantee if it adversely alters or impairs the rights of such Grantee in respect of any Share Award previously granted to such Grantee under the Share Award Incentive Plan.

Option Plan

Upon completion of the Arrangement, the stock option plan of Vero continued as our stock option plan in respect of the issuance of Options and the TORC Option Plan and TORC Incentive Share Plan were discontinued. Upon the implementation of the Share Award Incentive Plan, we have discontinued any further grants of Options under the Option Plan but the Option Plan will remain in place until such time as all outstanding Options have been exercised, cancelled or expire.

The Option Plan limits the number of common shares that may be issued on exercise of Options to a number not exceeding 10% of the number of common shares which are outstanding from time to time. The number of common shares issuable pursuant to Options granted under the Option Plan or any other of our security based compensation arrangements: (i) to any one optionee may not exceed 5% of the outstanding common shares; (ii) issuable to insiders at any time shall not exceed 10% of the issued and outstanding common shares; and (iii) issued to insiders within any one-year period may not exceed 10% of the outstanding common shares. Options granted under the Option Plan are not assignable. directors who are not also officers or employees of us are not eligible participants under the Option Plan.

Options granted pursuant to the Option Plan have a term not exceeding five years and vest in such manner as determined by our board. In the absence of any specific determination to the contrary by our board of directors, Options will vest and be exercisable as to 1/3 on each of the first, second and third anniversaries of the date of grant, subject to acceleration of vesting in the discretion of the board.

The exercise price of the Options granted pursuant to the Option Plan is determined by the board at the time of grant, using the volume weighted average trading price of the common shares on the Toronto Stock Exchange (or such stock exchange on which the common shares may be listed) for the five trading days immediately preceding the date of grant.

Outstanding Share-Based Awards and Option-Based Awards Held By Named Executive Officers

The following table outlines, for each Named Executive Officers, all option-based and share-based awards outstanding for the year ended December 31, 2013.

	Option-Based Awards				Share-Based Awards	
Name	**Number of Securities Underlying Unexercised Predecessor Options (1) (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money Predecessor Options (2)**	**Number of Share-Based Awards that have not Vested (#)**	**Market or payout value of Share-Based Awards that have not Vested ($)**
Brett Herman	40,600 121,800	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	279,511 115,888 5,602 5,800	2,951,636 (3) 1,223,777 (3) 59,157 (4) 61,248 (4)
Jason Zabinsky	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	156,586 67,966 3,698 3,828	1,653,548 (3) 717,721 (3) 39,051 (4) 40,424 (4)
Eric Strachan	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	156,586 67,966 3,698 3,828	1,653,548 (3) 717,721 (3) 39,051 (4) 40,424 (4)
Jeremy Wallis	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	127,318 60,649 3,698 3,828	1,344,478 (3) 640,453 (3) 39,051 (4) 40,424 (4)
Mike Wihak	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	127,318 60,649 3,698 3,828	1,344,478 (3) 640,453 (3) 39,051 (4) 40,424 (4)

Notes:

(1) Represents Predecessor Options granted in April 2011 and September 2012.

(2) Calculated based on the difference between the closing price of our common shares on December 31, 2013 of $10.56 and the exercise price of the Predecessor Options.

(3) Represents performance awards and restricted awards granted pursuant to the Share Award Incentive Plan. Values have been calculated based on the closing price of our common shares on December 31, 2013 of $10.56 multiplied by the number of share-based awards. A payout multiplier of 1x has been assumed for the performance awards and does not include the value of the dividend equivalents received on the awards. The awards vest as to one-third per year for a period of three years commencing on September 30, 2014. **The actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.**

(4) Represents Predecessor Incentive Shares granted in April 2011 and September 2012. Values have been calculated based on the closing price on December 31, 2013 of $10.56 multiplied by the number of awards not vested on that date.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO, the value of option-based and share-based awards which vested during the year ended December 31, 2013. We did not have a non-equity incentive compensation plan in 2013 for our NEOs.

Name	Option-Based awards – Value vested during the year [(1)] ($)	Share-Based awards – Value vested during the year [(2)] ($)
Brett Herman	Nil	50,282
Jason Zabinsky	Nil	33,185
Eric Strachan	Nil	33,185
Jeremy Wallis	Nil	33,185
Mike Wihak	Nil	33,185

Notes:

(1) The amounts shown reflect the aggregate dollar value that would have been realized if the Predecessor Options had been exercised on the applicable vesting date. The values are calculated as the difference between the closing price of our common shares on the vesting date and the exercise price of the Predecessor Options multiplied by the number of common shares vesting on that date.

(2) The amounts shown reflect the aggregate dollar value realized upon the vesting of the Predecessor Incentive Shares. Values have been calculated based on the volume weighted average market price for the five trading days preceding the 2013 vesting date multiplied by the number of Predecessor Incentive Shares vested on that date.

Please note that the values in this table for option-based and share-based awards differ from the values shown in the "*Summary Compensation Table*" above. The values reported in this table represent the value of those awards that vested during the year. The values reported in the "*Summary Compensation Table*" represent an estimate of the fair value of awards that were granted during the year.

Change of Control Benefits

As of the date hereof, we do not have any contracts, agreements, plans, or arrangements in place that provide for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, change in control of us or change in a Named Executive Officer's responsibilities.

All unvested share awards, Predecessor Options and Predecessor Incentive Shares would vest upon a change of control of us. See "*Share-Based Awards and Option-Based Awards Held by Named Executive Officers*" above for a description of the value to the Named Executive Officers of the outstanding share awards, Predecessor Options and Predecessor Incentive Shares on December 31, 2013, which value would have been realizable by the Named Executive Officers at that date if the accelerated vesting of the share awards, Predecessor Options and Predecessor Incentive Shares held by them had occurred at that date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table outlines all compensation plans under which our equity securities are authorized for issuance as of December 31, 2013.

Plan Category	Number of Common Shares issuable upon exercise of outstanding Options, Incentive Shares and Share Awards	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under the Option Plan
Share Award Incentive Plan [(1)]	3,067,391	N/A	2,875,132
Option Plan [(2)]	167,916	$10.68	-
Predecessor Incentive Plan [(2)]	129,183	N/A	-
Predecessor Option Plan [(2)]	1,472,279	$17.03	-
Total	4,836,769	N/A	2,875,132

Notes:

(1) The maximum number of common shares issuable under the Share Award Incentive Plan combined with our existing stock option and incentive share plans, cannot exceed ten percent of our outstanding common shares. In addition, the combined number of restricted and performance awards cannot exceed 6.5 percent of our outstanding common shares. The Share Award Plan was approved by our shareholders on September 5, 2013.

(2) Represents long-term compensation plans that have been discontinued.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board Independence

A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's Board of Directors, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

Our board of directors has eight members, seven of whom are considered to be independent. Our board considers David Johnson (Chair), John Brussa, Raymond Chan, M. Bruce Chernoff, R. Scott Lawrence, Dale Shwed and Hank Swartout to be independent directors. Brett Herman is not independent as he is our President and Chief Executive Officer.

Our board has an independent Chair. The role of the Chair is to act as the leader of our board, to manage and coordinate the activities of our board and to oversee the execution of our board mandate.

The mandate of our board does not require that the board hold regularly scheduled meetings of its independent members and no such meetings were held in the year ended December 31, 2013. The board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Business Corporations Act* (Alberta), our code of business conduct and ethics and the mandate of our board. The board may determine that it is appropriate to hold an "in camera" session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration. In addition, at each meeting of our board and its committees, an opportunity is provided for the independent members to meet independently of the non-independent members and members of management. During the year ended December 31, 2013, a total of 13 in camera sessions were held by our board and the board committees.

Pursuant to the mandate of our board, our board, with the assistance of the Corporate Governance & Compensation Committee, retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the board functions independently of management. Our board establishes and maintains such corporate governance policies and procedures as are necessary to ensure that we are fully compliant with applicable securities laws and prevailing governance standards. Our board is responsible for ensuring that such policies and procedures contain clear reporting, oversight and enforcement provisions that reserve the right to the board to take appropriate remedial action in the event of a breach thereof.

The mandate of our board provides that our professional advisors keep us apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting, review the sufficiency of our corporate governance policies and procedures. A copy of the mandate of our board is attached as Schedule "A" to this information circular-proxy statement.

Board and Committee Meetings and Meeting Attendance

Our board of directors maintains three standing committees: the Audit Committee, the Reserves Committee and the Corporate Governance & Compensation Committee. The members of the Audit Committee are Raymond Chan (Chair), M. Bruce Chernoff and R. Scott Lawrence. The members of the Reserves Committee are David Johnson (Chair), Dale Shwed and Hank Swartout. The members of the Corporate Governance & Compensation Committee are John Brussa (Chair), Raymond Chan and David Johnson. The following is a summary of attendance of the directors at meetings of our board and its committees for 2013:

Director	Board	Audit	Reserves	Corporate Governance & Compensation
David Johnson	7/7	-	1/1	2/2
John Brussa	7/7	-	-	2/2
Raymond Chan	7/7	4/4	-	2/2
M. Bruce Chernoff	5/7	4/4	-	-
Brett Herman (1)	7/7	4/4	1/1	2/2
R. Scott Lawrence (2)	1/1	1/1	-	-
Dale Shwed	7/7	4/4	1/1	-
Hank Swartout	4/7	-	1/1	-

Notes:

(1) Mr. Lawrence joined our board of directors on September 10, 2013 and was added to our Audit Committee in November, 2013, replacing Mr. Shwed. Mr. Lawrence attended the Audit Committee meeting in 2013 prior to his formal appointment to the committee.

(2) Mr. Herman attends all of our committee meetings.

Directors that are Directors of Other Reporting Issuers

The following directors are also currently directors of other reporting issuers or their equivalent in a domestic or foreign jurisdiction:

Director	Reporting Issuer
David Johnson	Cardinal Energy Ltd. Pinecrest Energy Inc. Secure Energy Services Inc.
John Brussa	Argent Energy Ltd. (*Administrator of Argent Energy Trust*) Baytex Energy Corp. Calmena Energy Services Inc. Cardinal Energy Ltd. Crew Energy Inc. Enseco Energy Services Corp. Just Energy Group Inc. Long Run Exploration Ltd. Pinecrest Energy Inc. RMP Energy Inc. Storm Resources Ltd. Twin Butte Energy Ltd. Yoho Resources Inc.
Raymond Chan	Baytex Energy Corp. TELUS Corporation
M. Bruce Chernoff	Artek Exploration Ltd. Calmena Energy Services Inc. Maxim Power Corp. PetroShale Inc.
Brett Herman	PetroShale Inc.
R. Scott Lawrence	None
Dale Shwed	Baytex Energy Corp. Crew Energy Inc.
Hank Swartout	Calmena Energy Service Inc.

Position Descriptions

We have adopted written position descriptions for the chairman of each of the Audit Committee, the Reserves Committee and the Corporate Governance & Compensation Committee.

Our board of directors has not developed a written position description for our Chief Executive Officer. The mandate of our board states that management is responsible for the maintenance and creation of an overall corporate strategic planning process. The mandate of our board specifies that our board of directors will review and approve management's strategic and operational plans to ensure that they are consistent with our corporate vision and monitor our performance against short term and long term strategic plans. Our board of directors delineates the role and responsibilities of our Chief Executive Officer through its direct and ongoing oversight and assessment of management's development and execution of corporate strategy. In addition, the mandate of our board provides for an annual review of our Chief Executive Officer by the Corporate Governance & Compensation Committee in accordance with their terms of reference and for the appointment of the chairman of each committee, if applicable. The mandate of our board outlines the specific roles and responsibilities of the Chairman of the Board. A copy of the mandate of our board is attached to this information circular – proxy statement as Schedule "A".

Orientation and Continuing Education

While we do not have a formal orientation and training program, new members of our board of directors are provided with access to management and all relevant corporate information and, as required, access to legal counsel. Members of our board of directors are encouraged to communicate with management, legal counsel and, where applicable auditors and our technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit our operations. Our board of directors have full access to our records.

All members of our board of directors are provided with copies of the (i) charters of each the three committees of the Board; (ii) our code of business conduct and ethics; (iii) our Corporate Disclosure and Confidentiality Policy; (iv) our trading policy; (v) the mandate of our board of directors; and (vi) our Majority Voting Policy.

Ethical Business Conduct

We have adopted a code of business conduct and ethics. The code has been filed on our website and can be viewed at www.torcoil.com. All of our staff and directors are made personally accountable for learning, endorsing and promoting the code and applying it to their own conduct and field of work. All staff and directors are asked to review the code and confirm, through written or electronic declaration, that they understand their individual responsibilities and will conform to the requirements of the code. Any breach of the code may be reported directly to the responsible officer or may be reported to the Chair of our Audit Committee in accordance with our Whistleblower Policy. The application of the Whistleblower Policy is the primary means by which our board of directors monitor compliance with the code.

We have adopted a Whistleblower Policy pursuant to our Audit Committee Charter. The Whistleblower Policy establishes procedures that allow our employees to confidentially and anonymously submit any concerns regarding activity that may be considered ethically, morally or legally questionable to the Chair of our Audit Committee without fear of retaliation.

We have adopted a Corporate Disclosure and Confidentiality Policy. The purpose of the Corporate Disclosure and Confidentiality Policy is to: (i) ensure that our communications with the public are timely, factual and accurate, and broadly disseminated in accordance with all applicable legal and regulatory requirements; and (ii) ensure that all non-publicly disclosed information remains confidential. The policy extends to all of our directors, officers and employees, those authorized to speak on our behalf and all other insiders.

We have adopted a Trading Policy. The purpose of the Trading Policy is to promote investor confidence in our securities by ensuring that persons who have access to material, undisclosed information concerning us or our affiliates will not make use of it by trading our securities or tipping others before the information has been fully disclosed to the public.

Conflicts of Interest

Our directors and officers may participate in activities and investments in the oil and natural gas industry outside the scope of their engagement or employment as our directors or officers. As a result, our directors and officers may become subject to conflicts of interest. In accordance with the *Business Corporations Act* (Alberta), directors who are party to or are a director or an officer of a company that is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (Alberta), the written mandate of our Board of Directors and our corporate governance policies.

As at the date hereof, we are not aware of any existing or potential material conflicts of interest between us and any of our directors or officers.

Nomination of Directors

The identification of new candidates for nomination to our board where a vacancy exists on our board or our board has determined that it is in our best interests for additional members to be added to our board is the responsibility of the Corporate Governance & Compensation Committee. The written mandate of the Corporate Governance & Compensation Committee provides that it will identify and recommend suitable candidates for nomination for election as directors. Our board of directors encourages an objective nomination process by reviewing the criteria employed by the Corporate Governance & Compensation Committee in conducting the nomination process and confirming the absence of any factors that might compromise the integrity of the process.

Compensation

Our board of directors is responsible for determining the compensation of our directors and officers. Our board of directors has delegated certain responsibilities respecting compensation to the Corporate Governance & Compensation Committee. Under its written mandate, the primary compensation function of the Corporate Governance & Compensation Committee is to assist our board in carrying out its responsibilities by reviewing compensation and human resources issues and making recommendations to our board as appropriate. Among other things, the Corporate Governance & Compensation Committee: (i) recommends to our board of directors human resources and compensation policies and guidelines for application to us and oversees the administration of such policies and guidelines as are approved our board of directors; (ii) ensures that we have in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management; (iii) reviews the performance of our Chief Executive Officer relative to our goals and objectives for the purpose of determining the compensation of the Chief Executive Officer to be recommended to our board of directors for approval; (iv) recommends to our board for approval the annual salary, bonus and other benefits, direct and indirect, of our Chief Executive Officer, and approves compensation for all of our other designated officers after considering the recommendations of our Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by our board of directors; (v) periodically reviews with our Chief Executive Officer our policies on compensation for all employees and overall human resources matters; and (vi) periodically reviews the adequacy and form of compensation of directors to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and reports and makes recommendations to our board of directors accordingly.

Each of the members of the Corporate Governance & Compensation Committee is an independent director. Our board of directors encourages objectivity in the compensation process by monitoring the criteria and methodology employed by the Corporate Governance & Compensation Committee in arriving at its recommendations to the board. The Corporate Governance & Compensation Committee is required to meet at least semi-annually or otherwise as circumstances warrant.

Other Committees – Reserves Committee

In addition to the Audit Committee and the Corporate Governance & Compensation Committee, we also have a Reserves Committee.

Each of the members of the Reserves Committee is an independent director. The primary function of the Reserves Committee is to assist the board in the selection, engagement and instruction of our independent reserves evaluator. This involves ensuring that processes are in place to provide all relevant reserves data to the independent reserves evaluator, monitoring the preparation of our independent reserves evaluation and reviewing the annual independent reserves evaluation and any interim independent reserves evaluations prepared for us. The Reserves Committee meets at least once annually or otherwise as circumstances warrant.

Assessment

The mandate of our board of directors provides that the board is responsible for annually assessing its overall performance and that of its committees and individual directors. This is accomplished with the assistance of the Corporate Governance & Compensation Committee.

The objective of this review is to contribute to a process of continuous improvement in the board's execution of its responsibilities. Each review will have regard to our board or committee mandate or charter and identifies any areas where the directors or management believe that our board or committee could make a better collective contribution to overseeing our affairs.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee was indebted to us as at the date of this information circular – proxy statement. At no time since the beginning of the financial year ended December 31, 2013 did any director or officer, or any associate of any such director or officer, owe any indebtedness to us or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this information circular – proxy statement, an "informed person" means (i) a director or officer of us, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of us carrying more than 10% of the voting rights attaching to all of our outstanding voting securities.

The interests of certain of our directors and officers in certain transactions affecting us are described under the heading "*Interest of Management and Others in Material Transaction*" in our annual information form dated March 27, 2014 for the year ended December 31, 2013 (the "**AIF**"). That portion of the AIF is deemed to be incorporated by reference into, and forms a part of, this information circular – proxy statement. A copy of the AIF is available on SEDAR at www.sedar.com or may be obtained free of charge from us by contacting us at Suite 1800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, telephone (403) 930-4120. Other than as set out in the AIF, since the beginning of the financial year ended December 31, 2013, no informed person of us, nominee for director, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would material affect us.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to us is available on SEDAR at www.sedar.com. Financial information concerning us is provided in our financial statements for the year ended December 31, 2013 and the accompanying management's discussion and analysis, which can be accessed under our profile on the SEDAR website at www.sedar.com.

We will mail our annual and interim financial statements and accompanying management's discussion and analysis to any shareholder who requests them by (i) contacting our agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, or (ii) contacting us at Suite 1800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, telephone (403) 930-4120.

OTHER MATTERS

Our management knows of no amendment, variation or other matter to come before the meeting other than the matters referred to in the notice of annual and special meeting. However, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

The contents and the sending of this information circular – proxy statement have been approved by our directors.

Dated: April 11, 2014

SCHEDULE "A"

TORC OIL & GAS LTD.

BOARD OF DIRECTORS MANDATE

These terms of reference define the role of the Board of Directors of the Corporation. The fundamental responsibilities of the Board of Directors of TORC Oil & Gas Ltd. (the "**Corporation**") are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls. The following are the key guidelines governing how the Board will operate to carry out its duties.

1. Duty of Oversight

The Board is responsible for overseeing and supervising management's conduct of the business of the Corporation to ensure that such business is being conducted in the best interests of the Corporation and its shareholders.

2. Formulation of Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board shall ensure there is a formal strategic planning process in place and shall review and, if it sees fit, endorse the corporate strategy presented by management. The Board shall monitor the implementation and execution of the corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are the Audit Committee, the Reserves Committee, the Environmental, Health and Safety Committee and the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

(a) The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

(b) The Board reviews and approves the financial statements, related MD&A and reserves evaluations of the Corporation.

(c) The Board approves annual operating and capital budgets and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

(d) The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Succession Planning and Management Development

The Board considers succession planning and management recruitment and development. The Chief Executive Officer and the Compensation Committee shall periodically review succession planning and management recruitment and development.

7. Disclosure and Communication Policy

The Board will adopt a policy governing disclosure and communication concerning the affairs of the Corporation.

8. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

9. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to terms of reference approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the terms of reference of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

10. Committee Chairs and Committee Members

(a) The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

(b) Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

11. Board Meetings and Agendas

(a) The Board will meet a minimum of 4 times per year.

(b) The Chair, in consultation with the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, management will use its best effort to distribute the agenda and related materials to directors not less than two business days before the meeting. All directors are free to suggest additions to the agenda.

12. Information for Board Meetings

(a) Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

(b) It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

13. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair and in consultation with the Chief Executive Officer, can determine management attendees at Board meetings.

14. Board Relations with Management

(a) Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President and Chief Executive Officer or through Board and committee meetings.

(b) While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

15. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

16. Assessing the Board's Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

17. Board Compensation

The Compensation Committee will review director compensation annually in accordance with the terms of reference of the Compensation Committee and will recommend changes in compensation to the Board when warranted and in light of the responsibilities and risks involved in being a director.

18. Annual Evaluation of the President and Chief Executive Officer

The Compensation Committee will conduct an annual performance review of President and Chief Executive Officer in accordance with the terms of reference of the Compensation Committee. The results of this performance review will be communicated to the President and Chief Executive Officer by the Chair.

19. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

20. Conflict of Interest

(a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

(b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.

(c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that director's duty to the Corporation.

(d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.

(e) The disclosures contemplated in paragraphs (c) & (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.

(f) A director's disclosure to the Board shall disclose the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board.

(g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis a vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.

(h) Without limiting the generality of "conflict of interest" it shall be deemed a conflict of interest if a director, a director's relative, a member of the director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Corporation.

(i) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.

(j) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

21. Corporate Governance

The Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board shall establish and maintain such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards. Such policies and procedures shall contain clear reporting, oversight and enforcement provisions that reserve the right to the Board to take appropriate remedial action in the event of a breach thereof. The Board shall mandate the Corporation's professional advisors to keep it apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting of the Corporation, review the sufficiency of the Corporation's corporate governance policies and procedures.

22. Terms of Reference Review

These Terms of Reference shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Corporation.