INFORMATION CIRCULAR – PROXY STATEMENT

DATED APRIL 1, 2016

TORC

Oil & Gas Ltd

WWW.TORCOIL.COM

WHO WE ARE

TORC's corporate strategy is to provide cost-effective per share growth in reserves, production, and cash flow combined with a sustainable monthly dividend by:

- Focusing on high quality, light oil weighted plays.
- Positioning our company for material growth and exposure in light oil assets utilizing a three-phased strategy of resource capture, delineation, and production growth.
- Maintaining a strong balance sheet.
- Attracting and retaining top quality technical and corporate staff with proven track records.

We are publicly traded on the Toronto Stock Exchange (TSX: TOG). Find out more on our website www.torcoil.com, or contact us at 403.930.4120.

WHAT'S INSIDE

PROXY SUMMARY

The following summary highlights some of the important information you will find in this information circular – proxy statement. We recommend you read the entire information circular – proxy statement before voting.

Voting Matters	Board Vote Recommendation	For More Information See Pages
Receipt of Financial Statements	Not Applicable	9
Fixing Number of Directors	FOR	9
Election of Directors	FOR	9
Appointment of KPMG LLP as Auditors	FOR	13
Approach to Executive Compensation Advisory Vote	FOR	13
Matters Respecting our Share Award Plan	FOR	14

LETTER TO SHAREHOLDERS

April 1, 2016

Dear Fellow Shareholder,

On behalf of the Board of Directors and management of TORC Oil & Gas Ltd., we hope you will join us in the Mayfair Room at the Westin Hotel on Wednesday, May 11, 2016 at 2:30 p.m. (Calgary time) for our annual and special shareholders meeting.

This meeting provides an opportunity for you to vote on the items of business, hear about our performance over the past year and learn more about our plans for the future. The meeting also provides you with the opportunity to meet our board and staff.

The accompanying information circular – proxy statement describes the business that will be conducted at the meeting and provides information on our executive compensation and governance practices.

Your vote is important to us. If you are unable to attend the meeting, we encourage you to ensure your vote is recorded by returning the signed form of proxy or voting via our internet option. If your shares are not registered in your name and are held in the name of a nominee, you may wish to consult the information beginning on page 6 of the accompanying information circular – proxy statement for information on how to vote your shares.

We hope that you will join us at this year's meeting.

Sincerely,

(signed) "*David Johnson*"

David Johnson
Chair of the Board

NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE is hereby given that the annual and special meeting of the shareholders of TORC Oil & Gas Ltd. will be held in the Mayfair Room at the Westin Hotel, 320 – 4th Avenue S.W, Calgary, Alberta on Wednesday, May 11, 2016 at 2:30 p.m. (Calgary time) to:

1. receive and consider our financial statements for the year ended December 31, 2015, together with the report of the auditors;
2. fix the number of directors to be elected at the meeting at seven members;
3. elect seven directors of TORC Oil & Gas Ltd.;
4. appoint the auditors and authorize our directors to fix their remuneration as such;
5. consider a non-binding advisory resolution on our approach to executive compensation;
6. consider and, if thought fit, approve an ordinary resolution to approve certain amendments to our share award incentive plan and to approve common shares issuable pursuant to unallocated awards under our share award incentive plan; and
7. 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.

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the internet, you may also appoint another person to be your proxyholder. Please go to *www.investorvote.com* and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 2:30 p.m. (Calgary time) on May 10, 2016 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting. If you receive more than one proxy form because you own 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 1, 2016, 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 1st day of April, 2016.

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

(signed) "*Brett Herman*"
President and Chief Executive Officer

VOTING MATTERS

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 in the Mayfair Room at the Westin Hotel, 320 – 4th Avenue S.W., Calgary, Alberta on Wednesday, May 11, 2016 at 2:30 p.m. (Calgary time).

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the Internet, you may also appoint another person to be your proxyholder. Please go to *www.investorvote.com* and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 2:30 p.m. (Calgary time) on May 10, 2016 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting.

Only shareholders of record at the close of business on April 1, 2016, will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the 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 common shares can be recognized and acted upon at the meeting. If your common shares are listed in your account statement provided by your broker, then, in almost all cases, those common shares will not be registered in your name on our records. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common 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.

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 a mailing/tabulating agent who 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. Alternatively, you can use their website or call their toll-free telephone number to instruct them how to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of shares to be represented at the meeting. **If you receive a voting instruction form from a mailing/tabulating agent, it cannot be used as a proxy to vote shares directly at the meeting as it must be returned to the mailing/tabulating agent 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.

Notice-And-Access

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* for the meeting to those of you who do not hold your common shares in your own name. The notice-and-access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing us to post our information circular – proxy statement in respect of our meeting and related materials online.

We have also elected to use procedures known as "stratification" in relation to our use of the notice-and-access provisions. Stratification occurs when we, while using the notice-and-access provisions, provide a paper copy of our notice of meeting and information circular – proxy statement and, if applicable, a paper copy of our financial statements and related management's discussion and analysis, to some but not all of our shareholders. In relation to the meeting, our registered shareholders will receive a paper copy of the notice of the meeting, this information circular – proxy statement, a form of proxy and our financial statements and related management's discussion and analysis whereas non-registered holders of our common shares will receive a notice-and-access notification and a voting instruction form. In addition, a paper copy of the notice of the meeting, this information circular – proxy statement, a form of proxy and our financial statements and related management's discussion and analysis will be mailed to those shareholders who do not hold their common shares in their own name but who have previously requested to receive paper copies of these materials.

We will be delivering proxy-related materials to non-objecting beneficial owners of our common shares directly with the assistance of Broadridge Investor Communications Solutions. 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 attends 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 common shares represented by proxy in favour of management nominees will be voted or withheld from voting 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.

Voting Shares and Principal Holders

We are authorized to issue an unlimited number of common shares and an unlimited number of first preferred shares issuable in series. As at April 1, 2016, there were 162,670,871 common shares and no preferred shares issued and outstanding. As a holder of common shares you are entitled to one vote for each common share you own.

To the knowledge of our directors and officers, as at April 1, 2016 no person or company beneficially owned, or controlled or directed, directly or indirectly, more than 10% of our common shares, other than as set forth below:

Name	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of Our Issued and Outstanding Common Shares
Canada Pension Plan Investment Board ("CPPIB") (1)	41,622,061	25.6%

Note:

(1) Based on information provided to us from CPPIB dated March 31, 2016.

As at March 31, 2016, our directors and executive officers, as a group, beneficially owned or controlled or directed, directly or indirectly, 7.3 million common shares or approximately 4.5% of our issued and outstanding shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of Our Financial Statements

At the meeting, shareholders will receive and consider our financial statements for the year ended December 31, 2015, together with the report of the auditors. No formal action is required or proposed to be taken at the meeting with respect to the financial statements.

Fixing the Number of Directors

We currently have eight directors. Mr. Swartout is not standing for re-election. As a result, at the meeting, it is proposed that the number of directors to be elected at the meeting be set at seven, 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 seven.

Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, for an ordinary resolution in favour of the election as directors of the seven nominees set forth below:

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

Each director will hold office until the next annual meeting of our shareholders or his successor is duly elected or appointed, unless his office is earlier vacated.

In the event that a vacancy among such nominees occurs because of death or for any reason prior to the meeting, the proxy will not be voted with respect to such vacancy.

Voting for Election of Directors and Majority Voting Policy

Voting for the election of directors will be conducted on an individual, and not a slate, basis. The individual voting results will be published by news release and on www.sedar.com after the meeting. The individual voting results will be reviewed by our Corporate Governance & Compensation Committee and will be considered as part of the committee's overall review and assessment of the nominees recommended to shareholders at our next annual meeting of shareholders.

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.

Management recommends that shareholders vote FOR the election of each of these nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.

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 our Directors

The following table provides the names and cities and provinces of residence of persons proposed to be nominated 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 March 31, 2016.

Name, City and Province of Residence	Position(6)	Principal Occupation	Number of Common Shares Beneficially Owned, or 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.	221,125
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.	332,886
Raymond Chan (1)(3) Calgary, Alberta	Director	Mr. Chan was appointed Chairman of Baytex Energy Corp. in June 2014 and has been a Director of Baytex since October 1998. Since joining Baytex Mr. Chan has held the following positions: Senior Vice President and Chief Financial Officer (October 1998 to August 2003); President and Chief Executive Officer (September 2003 to November 2007); Chief Executive Officer (December 2007 to December 2008); Interim Chief Executive Officer (May 2012 to September 2012) and Executive Chairman (January 2009 to May 2014).	195,949
M. Bruce Chernoff (1) (2) 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.	822,726
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 2006 to October 2009.	1,127,641
R. Scott Lawrence (1)(4)(5) Toronto, Ontario	Director	Mr. Lawrence has been Managing Director, Head of Relationship Investments at CPPIB since March 2009. Prior to this, Mr. Lawrence was Senior Principal – Private Investments and Infrastructure at CPPIB from 2005 to 2009.	-
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.	149,603

Notes:

(1) Member of our Audit Committee.
(2) Member of our Reserves Committee. Mr. Chernoff will be added to the Reserves Committee following the meeting.

(3) Member of our Corporate Governance & Compensation Committee.

(4) Mr. Lawrence is Managing Director, Head of Relationship Investments of CPPIB, which held 41,622,061 common shares as at March 31, 2016.

(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) We have imposed share ownership guidelines for all of our directors and executive officers. See "*Ownership Guidelines*".

Additional Disclosure Relating to Proposed Directors

Except as otherwise disclosed herein, none of our proposed 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 proposed 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 other than Messrs. Brussa and Chernoff were formerly directors of Calmena Energy Services Inc. (a public oilfield service company) which was placed in receivership on January 20, 2015. Mr. Brussa resigned as a director of Calmena on June 30, 2014 and Mr. Chernoff resigned effective January 15, 2015. Mr. Brussa was also formerly a director of Enseco Energy Services Corp. (a public oilfield equipment supplier) which was placed in receivership on October 14, 2015. Mr. Brussa resigned as a director of Enseco on October 14, 2015. Mr. Brussa is also a director of Argent Energy Ltd. which is the administrator of Argent Energy Trust. On February 17, 2016, Argent Energy Trust and its Canadian and United States holding companies (collectively "Argent") commenced proceeding under the *Companies' Creditors Arrangement Act* (Canada) for a stay of proceedings until March 19, 2016. On the same date, Argent filed voluntary petitions for relief under Chapter 15 of the *United States Bankruptcy Code*. On March 9, 2016, the stay of proceedings under the Companies' Creditors Arrangement Act was extended until May 17, 2016. Additionally on March 10, 2016 the U.S. Bankruptcy Court approved an order recognizing the Canadian proceedings as the foreign main proceedings under Chapter 15 of the *United States Bankruptcy Code*.

In addition, none of our directors (nor any personal holding company) or any such person has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

None of our proposed 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. See "*Audit Committee Information*" in our Annual Information Form for the year ended December 31, 2015, for additional information including a description of fees we paid to KPMG LLP during the past two years.

Advisory Vote on Executive Compensation

The underlying principle for executive compensation throughout our company is "pay-for-performance". We believe that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding the demonstrated behaviors that reinforce our values and help us to deliver on our corporate objectives.

Our board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that guide the executive compensation-related decisions made by our Compensation Committee. Shareholders are encouraged to review the "*Executive Compensation*" section of this information circular – proxy statement, which discusses our compensation philosophy and approach to executive compensation, what our named executive officers are paid, and how their respective levels of compensation are determined.

As part of our ongoing commitment to corporate governance, our board of directors has approved a non-binding advisory vote on executive compensation at the meeting with the intention that this shareholder advisory vote will form an integral part of our ongoing process of engagement between our shareholders and our board of directors relating to executive compensation. We will disclose the results of the shareholder advisory vote as a part of our report on voting results for the meeting.

As this is an advisory vote, the results will not be binding upon our board of directors. Our board, and specifically the Corporate Governance & Compensation Committee, will not be obligated to take any compensation actions, or make any adjustments to executive compensation programs or plans, as a result of the vote. However, the Corporate Governance & Compensation Committee and our board of directors will take into account the results of the vote, together with feedback received from our shareholders, in considering our approach to compensation in the future.

In the event that the advisory resolution is not approved by a majority of the votes cast at the meeting, our board of directors will consult with shareholders (particularly those who are known to have voted against it) to understand their concerns and will review our approach to compensation in the context of those concerns. Results from this review, if necessary, will be discussed in our information circular - proxy statement for the annual meeting of shareholders to be held in 2017. Shareholders may contact our Corporate Secretary by mail at our head office at Suite 1800, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, if they wish to share their view on executive compensation with our board of directors.

At the meeting, shareholders will be asked to vote on the following resolution:

> "**BE IT RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the board of directors of TORC Oil & Gas Ltd. (the "Corporation"), that the shareholders accept the approach to executive compensation disclosed in the information circular - proxy statement of the Corporation dated April 1, 2016."

The board of directors recommends that shareholders vote FOR the non-binding advisory resolution regarding our approach to executive compensation.

Matters Respecting our Share Award Incentive Plan

Background

Our share award incentive plan is a full-value share award plan pursuant to which restricted awards and performance awards may be granted to our directors, officers, employees and consultants. The share award incentive plan was approved by our shareholders at our special meeting held on September 5, 2013. For a complete description of our share award incentive plan, see "*Executive Compensation – Long-Term Incentive Plans – Share Award Incentive Plan*" below.

Prior to adoption of our share award incentive plan, 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"). In 2012, our predecessor completed a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta) with Vero Energy Inc. ("Vero") and 1688763 Alberta Ltd. Upon completion of the arrangement, both the TORC Option Plan and the TORC Incentive Share Plan were discontinued but these plans will remain in place until such time as all outstanding stock options ("Predecessor Options") and incentive shares ("Predecessor Incentive Shares") granted under these plans have been exercised, cancelled or expired. As of the date hereof, 1,531,555 Predecessor Options and 1,820 Predecessor Incentive Shares are outstanding. Upon completion of the Arrangement, the stock option plan of Vero (the "Option Plan") continued as our option plan.

In 2013, as part of the transition of our business model from a growth orientated junior exploration and production company to a dividend paying intermediate light oil producer, we reviewed our compensation plans and adopted our share award incentive plan as our primary form of long-term incentive. The share award incentive plan was approved by our shareholders at a special meeting held on September 5, 2013. While there remain historical options outstanding under the Option Plan, we have not made any grants under the Option Plan since 2013. While the Option Plan is no longer being used by us, it will remain in place until such time as all outstanding stock options ("Options") granted thereunder have been exercised, cancelled or expired. As of the date hereof 1,531,555 Options are outstanding.

Approval of Unallocated Incentive Awards

Currently the maximum number of common shares reserved for issuance from time to time pursuant to outstanding share awards under our share award incentive plan may not exceed 6.5% of the aggregate number of our issued and outstanding common shares, calculated on a non-diluted basis. Our board has approved an amendment to the plan to reduce this amount to 3.75%, subject to receipt of shareholder approval. The amendment does not require shareholder approval.

Pursuant to the rules of the Toronto Stock Exchange, all unallocated rights, options or other entitlements under a "security based compensation arrangement" which does not have a fixed maximum number of securities issuable thereunder must be approved by an issuer's directors and equity securityholders every three years. As our share award incentive plan was last approved in September of 2013, shareholders are being asked at the meeting to consider an ordinary resolution to approve common shares issuable pursuant to unallocated awards under our share award incentive plan for a further three year term. If the ordinary resolution is passed at the meeting, we will be required to seek similar approval from our shareholders on the next renewal date being no later than May 11, 2019.

Our share award incentive plan is an integral component of our long term compensation program. The attraction and retention of qualified directors, officers, employees and other service providers has been identified as one of the key risks to our long term strategic growth plan. In order to attract and retain qualified directors, officers, employees and other service providers in a competitive marketplace, it is imperative that we have a long-term incentive plan, such as our share award incentive plan, which can be used to retain and attract qualified personnel, promote a proprietary interest in us by such persons while at the same time serving as an important performance-based incentive for key officers, employees and other service providers to focus on our operating and financial performance and long term total shareholder return and profitability.

Our share award incentive plan aligns the interests of our directors, officers, employees and other service providers with shareholders as it provides an incentive to maximize total shareholder return. 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 our executive officers are in the form of performance awards, emphasizing our philosophy to pay for performance. Performance based awards, through the payout multiplier, provide a direct link between corporate performance and the level of payout received. The payout multiplier is calculated based on pre-established corporate performance measures 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). Our Corporate Governance & Compensation Committee and board believe that the pay for performance orientation of the performance based awards is intrinsically aligned with our shareholder interests.

If the proposed shareholder approval is not obtained at the meeting, we will no longer be able to issue common shares from treasury to settle any unallocated share awards, being those which have not been granted as of May 11, 2016. Share awards granted prior to this date will continue to be unaffected by the approval or disapproval of the subject resolution. In the absence of approval by our shareholders at the meeting, we will be forced to settle share awards granted in the future under our share award incentive plan either in cash or by purchasing common shares in the market. In either event, if we were required to settle such share awards in this fashion, our cash flow would be negatively impacted and unavailable for value-creating activities such as funding our ongoing capital expenditure program and future acquisitions.

As of March 31, 2016, there were an aggregate of 1.5 million restricted awards and 2.2 million performance awards outstanding, representing 2.25% of our issued and outstanding common shares on that date, leaving approximately 2.4 million common shares (representing 1.50% of our issued and outstanding common shares on that date) reserved and available for issuance pursuant to the settlement of share awards that may be granted in the future (assumes a payout multiplier of 1x for the performance based awards and based on a 3.75% plan maximum).

Our board unanimously recommends that shareholders vote FOR the resolution outlined below.

Amendments to our Share Award Incentive Plan

Recognizing that the role of non-management directors has expanded substantially as a result of regulatory updates and shareholder engagement activity, in accordance with recent Canadian corporate governance policy updates, our board has approved an amendment to our share award incentive plan to increase the limit on the value of all awards granted to any non-management director during a calendar year, as calculated on the date of grant, from $100,000 to $150,000. This amendment requires shareholder approval.

Our board has also approved certain other amendments to our share award incentive plan which do not require shareholder approval. These amendments include various housekeeping and clerical amendments as well as amendments to give us, in our sole and absolute discretion, the option of settling the value of the notional common shares underlying a share award, in cash, in common shares issued from treasury, in common shares acquired by us on the Toronto Stock Exchange, or any combination thereof, and to clarify that a holder of a share award shall not have any right to receive common shares in respect of the award value underlying a share award until payment election has been made.

The amendments to our share award incentive plan have been approved by the Toronto Stock Exchange, subject to shareholder approval, as applicable. A summary of our share award incentive plan is provided below under "*Executive Compensation – Long-Term Incentive Plans – Share Award Incentive Plan*" and a copy of the amended plan will be filed on our profile on the SEDAR website at www.sedar.com with this information circular – proxy statement on or about April 5, 2016 under the category "Other Securityholder Documents".

Our board unanimously recommends that shareholders vote FOR the resolution outlined below.

Form of Resolution and Approval Requirement

At the meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution in the form set forth below in connection with the incentive award plan:

> "BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF TORC OIL & GAS LTD. (THE "CORPORATION") THAT:
>
> 1. All common shares which may be issuable pursuant to unallocated time-based awards and performance based awards under the Corporation's 2013 Share Award Incentive Plan (the "Plan") are hereby approved and authorized until May 11, 2019;
>
> 2. The amendments to the Plan substantially in the form as described in the information circular - proxy statement of the Corporation dated April 1, 2016 with such other conforming changes as the board of directors of the Corporation considers necessary or appropriate, is hereby ratified, confirmed and approved; and
>
> 3. any director or officer of the Corporation is authorized and directed to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to the foregoing resolution."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by shareholders at the meeting. **It is the intention of the persons named in the enclosed form of proxy, if named as proxy and not expressly directed to the contrary in the form of proxy, to vote those proxies FOR the above resolution.**

DIRECTOR 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.

We pay our outside directors annual retainers for their roles on our board and board committees. 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.

The following table sets forth the principal elements of the cash compensation plan for our directors for the year ended December 31, 2015:

Compensation Element	Amount($)
Board Retainer – Annual	30,000
Additional Chair Retainers - Annual	
Chair Retainer – Board	10,000
Chair Retainer – Audit	7,500
Chair Retainer – Corporate Governance & Compensation	5,000
Chair Retainer – Reserves	5,000

Long-Term Incentive Compensation

Our share award incentive plan is 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.

Our share award incentive plan currently contains the following restrictions on director participation: (1) the number of common shares issuable pursuant to non-management directors is limited to a maximum of 0.50% of our issued and outstanding common shares and (2) 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 these limitations, a payout multiplier of 1x will be assumed for any performance awards). For further information about our share award incentive plan, see "*Executive Compensation – Long-Term Incentive Plans – Share Award Incentive Plan*". In accordance with recent Canadian corporate governance policy updates, our board has approved an amendment to our share award incentive plan to increase the limit on the value of all share awards granted to any non-management director during a calendar year from $100,000 to $150,000, subject to receipt of shareholder approval at this meeting. See "*Matters to be Acted Upon at the Meeting – Matters Respecting our Share Award Incentive Plan*".

In 2015, our directors were each granted 24,095 restricted awards and 96,382 performance awards under our share award incentive plan. Mr. Lawrence is Managing Director, Head of Relationship Investments of CPPIB and his director compensation is paid directly to CPPIB.

Directors' Summary Compensation Table

The following table outlines, for the year ended December 31, 2015, 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	40,000	99,996	-	-	139,996
John Brussa [2]	35,000	99,996	-	-	134,996
Raymond Chan	37,500	99,996	-	-	137,496
M. Bruce Chernoff	30,000	99,996	-	-	129,996
R. Scott Lawrence [3]	30,000	99,996	-	-	129,996
Dale Shwed	35,000	99,996	-	-	134,996
Hank Swartout	30,000	99,996	-	-	129,996

Notes:

(1) This column shows the total compensation value that was awarded in 2015 as restricted awards and performance awards. The awards vest as to one-third per year for a period of three years commencing on September 18, 2016. **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 the Vice-Chairman of Burnet, Duckworth & Palmer LLP who provide legal services to us.

(3) Mr. Lawrence is Managing Director, Head of Relationship Investments of CPPIB and his director compensation is paid directly to CPPIB.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table outlines, for each of our outside directors, all option-based and share-based awards outstanding for the year ended December 31, 2015.

Name	Option-Based Awards				Share-Based Awards	
	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 (3) ($)
David Johnson	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194
John Brussa	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194
Raymond Chan	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194
M. Bruce Chernoff	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194
R. Scott Lawrence	Nil	Nil	Nil	Nil	26,057	134,194
Dale Shwed	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194
Hank Swartout	9,239 17,539	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	26,057	134,194

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, 2015 of $5.15 and the exercise price of the Predecessor Options.

(3) Represents performance awards and restricted awards granted pursuant to our share award incentive plan. Values have been calculated based on the closing price of our common shares on December 31, 2015 of $5.15 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 the date of grant. **The actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.**

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, 2015. We did not have a non-equity incentive compensation plan in 2015 for our outside directors.

Name	Option-Based awards Value vested during the year (1) ($)	Share-Based awards Value vested during the year ($)
David Johnson	Nil	37,469 (2) 17,539 (3)
John Brussa	Nil	37,469 (2) 17,539 (3)
Raymond Chan	Nil	37,469 (2) 17,539 (3)
M. Bruce Chernoff	Nil	37,469 (2) 17,539 (3)
R. Scott Lawrence	Nil	37,469 (2)
Dale Shwed	Nil	37,469 (2) 17,539 (3)
Hank Swartout	Nil	37,469 (2) 17,539 (3)

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) Represents performance awards and restricted awards granted pursuant to our share award incentive plan that vested during the year ended December 31, 2015. Values have been calculated based on the volume weighted average market price for the five trading days preceding the 2015 vesting date 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.

(3) 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 2015 vesting date multiplied by the number of Predecessor Incentive Shares vested on that date. No further Predecessor Incentive Shares are held by our directors as of the date hereof.

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

EXECUTIVE COMPENSATION

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

Our Corporate Governance & Compensation Committee assists our board of directors in fulfilling its responsibilities by monitoring our compensation plans and practices and ensuring their congruence with our objectives and goals by assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention. A summary of the mandate of the Corporate Governance & Compensation Committee is set forth under "*Corporate Governance Disclosure*".

Our Corporate Governance & Compensation Committee is comprised of three directors, John Brussa (Chair), Raymond Chan and David Johnson. All of the members of the Corporate Governance & Compensation Committee are 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. (Administrator of Argent Energy Trust), Baytex Energy Corp., Cardinal Energy Ltd., Crew Energy Inc., Just Energy Group Inc., Leucrotta Exploration Inc., Long Run Exploration Ltd., RMP Energy Inc., Storm Resources Ltd., Twin Butte Energy Ltd., Virginia Hills Oil Corp. 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 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., Virginia Hills Oil Corp and Secure Energy Services Inc.

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, 2015, been retained to assist in determining compensation for any of our directors and officers.

Compensation Risk

In establishing our executive compensation program our Corporate Governance & Compensation Committee considers the implication of the risks associated with our compensation program, including:

- the risk of executives taking inappropriate or excessive risks;
- the risk of inappropriate focus on achieving short term goals at the expense of long term return to shareholders;
- the risk of encouraging aggressive accounting practises; and
- the risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety.

While no program can fully mitigate these risks we believe that many of these risks are mitigated by:

- Weighting our long term incentives towards share ownership and vesting our long term incentives over a number of years.

- Awarding a significant portion of long-term incentive compensation in the form of performance based awards which, through the payout multiplier, provide a direct link between corporate performance and the level of payout received. If threshold performance is not met, the payout multiplier will be 0x and no payouts will be made under the performance based awards.

- Avoiding narrowly focused performance goals which may encourage loss of focus on providing long term shareholder return and retaining adequate discretion to insure that the Corporate Governance & Compensation Committee and board retain their business judgment in assessing actual performance.

- Establishing a uniform incentive program for all executive officers and employees.

- 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.

- Establishing a formal recoupment or "clawback" policy pursuant to which some or all incentive awards made to executives are subject to recoupment in the event of an accounting restatement resulting from misconduct.

- Establishing share ownership guidelines and imposing short selling restrictions.

- Establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

Incentive Plan Design

The ability of our Corporate Governance & Compensation Committee to consider factors such as personal contributions to corporate performance and non-financial, non-production or non-reserves based elements of corporate performance allows the Corporate Governance & Compensation Committee to consider whether executive officers have attempted to bolster short-term results at the expense of our long term success in determining executive compensation. In addition, as our compensation program consists of fixed (base salary) and variable (annual bonuses and long term incentive plan grants), the incentive for short-term risk taking is balanced with the incentive to focus on generating long-term sustainable value for shareholders. Share awards which make up a significant portion of an executive officer's total compensation, generally vest over a period of time, which acts to further mitigate against the potential and inappropriate short-term risk taking. There are no compensation policies and practices that are structured significantly different for any named executive officers. Our Corporate Governance & Compensation Committee and board of directors will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that our compensation program is appropriately structured.

Clawback Policy

We have implemented a formal recoupment or "clawback" policy on executive incentive compensation, including, without limitation, bonuses and share awards, that may be awarded to our Chief Executive Officer and any of our Vice-President's when (i) any of these executives engages in willful misconduct or fraud which causes or significantly contributes to a restatement of our financial statements due to our material noncompliance with any applicable financial reporting requirement under securities laws, (ii) the executive receives incentive compensation calculated on the achievement of those financial results, and (iii) the incentive compensation received would have been lower had the financial statements been properly reported. The policy provides that when a clawback is triggered, our board may, in its sole discretion and to the extent that it determines it is in our best interests to do so, require the executive to repay the amount of incentive compensation relating to the year(s) subject to the restatement (or received upon exercise or payment of incentive compensation in or following the year(s) subject to the restatement that is in excess of the incentive compensation the executive would have received if the incentive compensation had been computed in accordance with the results as restated, calculated on an after tax basis.

Short Selling Restrictions

Our directors and officers are not permitted to knowingly sell, directly or indirectly, any of our securities that he or she does not own or has not fully paid for. Directors and officers may not: (i) sell a call option or buy a put option in respect of our common shares or any other of our securities; (ii) enter into any financial instrument or other transaction designed to hedge or offset a decrease in the market value of our common shares; or (iii) enter into any other derivative instruments, agreements, arrangements or understanding (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in our securities, or the director’s or officer’s economic exposure to us.

Notwithstanding these prohibitions, solely in connection with the administration of our compensation plans, our directors and officers are permitted to sell common shares that are not yet owned by such director or officer provided that he or she holds stock options or other compensation related rights to acquire an equivalent number of our common shares and such director or officer has provided a notice of exercise for such stock options or other compensation rights to our compensation agent in order to facilitate the orderly settlement of such options or rights.

Share Ownership Requirements

Our executive officers are required to maintain a significant equity investment in us to align their interests with those of our shareholders and mitigate against the likelihood of undue risk taking. Our share ownership guidelines establish minimum share ownership levels for executives based on a multiple of their salary and executive level. See "*Ownership Guidelines*".

Identification of Named Executive Officers

We are required to disclose the compensation paid to our Chief Executive Officer, Chief Financial Officer, and each of our three other most highly compensated executive officers whose total annual compensation was more than $150,000. For the year ended December 31, 2015 our named executive officers or NEOs were Brett Herman, our President & CEO, Jason Zabinsky, our Vice-President, Finance & CFO, Shane Manchester, our Vice-President, Operations, Jeremy Wallis, our Vice-President, Land and Mike Wihak, our Vice-President, Production.

Compensation Review Process

Our President and Chief Executive Officer presents recommendations to our Corporate Governance & Compensation Committee regarding salary adjustments and bonuses for all of our staff, including our named executive officers. The focus of the discussion is on the individual executive salaries, bonuses and long-term incentive awards with a review of the aggregate level of salary, bonuses and long-term incentive awards for the balance of the staff. The Corporate Governance & Compensation Committee makes specific recommendations to our board on our President and Chief Executive Officer's salary, bonus payments and long-term incentive awards. The Corporate Governance & Compensation Committee also recommends the salaries, bonus and long-term incentive awards payments of all other officers. Our board reviews all recommendations of the Corporate Governance & Compensation Committee before final approval. Any director who is also an officer is excused from the directors' meeting during any discussion of their compensation.

Performance

In establishing overall compensation levels, our Corporate Governance & Compensation Committee uses current levels of compensation as the starting point. Our Corporate Governance & Compensation Committee then considers overall corporate performance, performance across a number of operating measures including but not limited to production, cash flow, reserves growth per share and cash flow netbacks relative to our peer group. In addition, the Corporate Governance & Compensation Committee considers the development and execution of our business strategy and other subjective elements together with total shareholder returns and the competitive 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.

Competitive Factors

For us to attract and retain qualified and experienced officers and employees, our overall compensation levels must be competitive with other participants in the Canadian oil and gas industry. 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.

For 2015 our peer group was:

Bonterra Energy Corp.	Lightstream Resources Ltd.	Long Run Exploration Ltd.
Cardinal Energy Ltd.	Northern Blizzard Resources Inc.	Surge Energy Inc.
Twin Butte Energy Ltd.	Journey Energy Inc.	Whitecap Resources Inc.

The purpose of reviewing the Mercer and peer company data was to:

- understand the competitiveness of current pay and bonus levels for each executive position relative to companies of similar size;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short and long term incentive awards.

Compensation Program Components

Our compensation program is structured into three main components: (i) base salary, (2) 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 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.

A significant percentage of each of our executive's total compensation is comprised of variable pay and long term incentives which are directly linked to corporate and individual performance. The salary component provides a base of secure compensation necessary to attract and retain executive talent. The bonus and long-term incentives are designed to balance short-term performance with our long-term interests and motivate the superior performance of both. The long-term incentive plan also aligns NEOs with shareholders and helps retain executive talent. In line with our overall compensation philosophy that promotes ownership among our executives, a higher proportion of our NEO total compensation is tied to our long-term performance.

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, our 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.

Typically, salary increases are determined for all employees, including executive officers in the first quarter of each year and implemented retroactively effective January 1.

Bonuses

Bonuses are intended to reward performance by our executive officers in the achievement of our strategic goals and objectives and are consistent with our compensation philosophy where a significant component of executive compensation is variable. 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.

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 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 – Long-Term Incentive Plans – Share Award Incentive Plan*".

Each restricted award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents) on dates determined by our Corporate Governance & Compensation Committee.

Each performance award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents) multiplied by a payout multiplier. 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 Corporate Governance & Compensation Committee is responsible for determining the allocation of 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.

In March, 2016, 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 our 2015 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, 2015	Our TSR of –26.1% ranked 3 out of 21 peer group companies for this period.	2.0	20%	0.4
Relative Recycle Ratio for a 1-year period ended December 31, 2015 (including future development costs)	We ranked in the third quartile out of peer group companies for this period.	1.0	20%	0.2
2015 Production Volumes	Average and exit production volumes were in excess of our initial guidance range (as adjusted for acquisitions and divestitures).	2.0	20%	0.4
Development and Execution of Strategic Plan	The Corporate Governance & Compensation Committee evaluated the executive team's performance and assigned a ranking.	2.0	20%	0.4
Health, Safety and Environment	The Corporate Governance & Compensation Committee evaluated our overall performance and assigned a ranking.	1.5	20%	0.3
			Overall Corporate Ranking	**1.7**
			Payout Multiplier	**1.5**

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

Other Benefits

The employment benefits we provide 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.

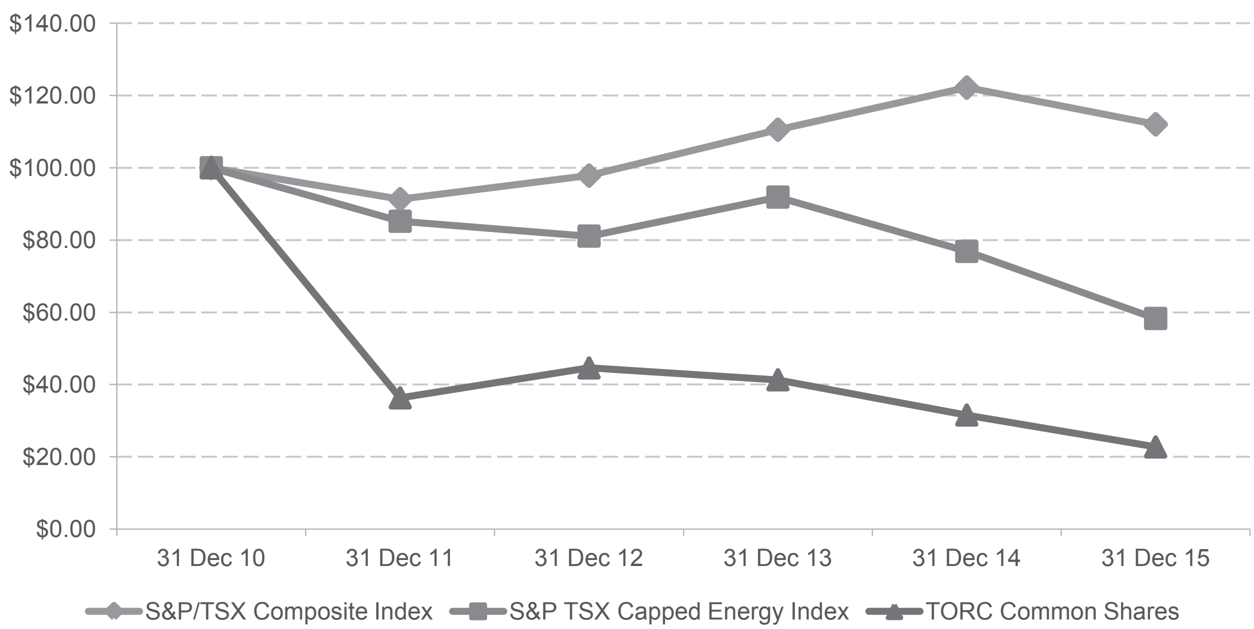
We have established a savings plan to assist our employees in meeting their savings goals. Under this plan, full-time employees contribute a percentage of their annual gross salary to the plan each pay period. We match each employee's contributions to a maximum of 6% of their annual gross salary. Our 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, 2010 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, 2010 and ending December 31, 2015. **The data for the period December 31, 2011 to November 19, 2012 reflects the period when Vero was managed by a different management team.**



Index	2010	2011	2012	2013	2014	2015
S&P/TSX Composite Index	$100	$91	$98	$111	$122	$112
S&P TSX Capped Energy Index	$100	$85	$81	$92	$77	$58
TORC Common Shares	$100	$36	$45	$41	$32	$23

Our cumulative shareholder return performance reflects both operational and financial performance within our control as well as volatile commodity prices and economic and market conditions beyond our control with the impact of the decline in the global economy and more recently with the collapse of North American natural gas prices and world oil prices.

Salaries and bonuses for our executive officers are based in part on the achievement of certain pre-determined performance metrics at the beginning of each fiscal year. The achievement of these objectives is measured against corporate and individual targets, as described earlier, and does not necessarily track the changes in the market value of our common shares. Our long-term incentive plans are designed to align the interests of all of our employees with shareholders by linking a component of compensation to our share performance.

Summary Compensation of NEOs

The following table sets forth for the years ended December 31, 2015, December 31, 2014 and December 31, 2013 information concerning the compensation paid to our NEOs:

Name and Principal Position	Year	Salary ($)	Share-Based Awards (1)(2) ($)	Option-Based Awards (3) ($)	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compen-sation (5) ($)	Total Compen-sation ($)
					Annual Incentive Plans (4) ($)	Long-Term Incentive Plans ($)			
Brett Herman, President and Chief Executive Officer	2015 2014 2013	325,000 325,000 230,000	1,141,804 946,646 3,657,441	Nil Nil Nil	180,000 275,000 230,000	Nil Nil Nil	Nil Nil Nil	7,800 7,800 7,740	1,654,604 1,554,446 4,125,181
Jason Zabinsky, Vice-President, Finance and Chief Financial Officer	2015 2014 2013	270,000 270,000 210,000	610,672 462,806 2,077,106	Nil Nil Nil	126,000 210,000 168,000	Nil Nil Nil	Nil Nil Nil	7,800 6,600 6,550	1,014,472 949,406 2,461,656
Shane Manchester Vice-President, Operations	2015 2014 2013	230,000 230,000 188,433	415,665 378,661 1,472,110	Nil Nil Nil	108,000 179,000 150,750	Nil Nil Nil	Nil Nil Nil	6,600 6,600 6,550	760,265 794,261 1,817,843
Jeremy Wallis Vice-President, Land	2015 2014 2013	230,000 230,000 210,000	518,298 378,661 1,738,695	Nil Nil Nil	108,000 179,000 168,000	Nil Nil Nil	Nil Nil Nil	4,850 4,722 Nil	861,148 792,383 2,116,695
Mike Wihak Vice-President, Production	2015 2014 2013	230,000 230,000 195,000	518,298 378,661 1,738,695	Nil Nil Nil	108,000 179,000 156,000	Nil Nil Nil	Nil Nil Nil	7,800 7,800 7,740	864,098 795,461 2,097,435

Notes:

(1) 2015, 2014 and 2013 amounts show the total compensation value that was awarded as restricted awards and performance awards. The 2015 grants to our NEO's represent an annual grant, such awards vest as to one-third per year for a period of three years commencing on September 18, 2016. The 2014 grants to our NEO's represent an annual grant, such awards vest as to one-third per year for a period of three years commencing on September 18, 2015 and two-thirds of this grant are outstanding. The 2013 grants were the first or initial grant to our NEO's 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 September 30, 2014 and the final one-third of the initial grant are outstanding. **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) Does not include restricted awards granted to our NEOs in 2016 for performance bonuses earned in 2015.

(3) No option-based awards were granted to our named executive officers in 2013, 2014 and 2015.

(4) Represents performance bonuses accrued for in the year which are paid in the following year. 2015 bonuses were not fully paid in cash. Instead, 100% of the bonus paid to our President and CEO was paid through the grant of restricted awards under our share award incentive plan and 75% of the bonuses to our other NEOs were paid through the grant of restricted share awards. All of these restricted awards were granted in 2016. The 2015 amounts presented include the value of these restricted awards.

(5) 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 Salaries

Our Corporate Governance & Compensation Committee met in March, 2015 to establish 2015 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. Notwithstanding corporate and individual performance, to reflect the constraints on our business in a reduced commodity price environment, 2015 base salaries were held flat at 2014 levels.

The following table summarizes annual base salaries for our named executive officers at December 31, 2015 and December 31, 2014.

Name and Principal Position	2015 Base Salary ($)	2014 Base Salary ($)	Percentage Increase (%)
Brett Herman, President and Chief Executive Officer	325,000	325,000	Nil
Jason Zabinsky, Vice-President, Finance and Chief Financial Officer	270,000	270,000	Nil
Shane Manchester Vice-President, Operations	230,000	230,000	Nil
Jeremy Wallis Vice-President, Land	230,000	230,000	Nil
Mike Wihak Vice-President, Production	230,000	230,000	Nil

Bonuses

The Corporate Governance & Compensation Committee met in March, 2016 to establish annual bonuses for our officers (including NEOs) for performance during 2015. Based on its assessment of various factors including corporate performance and competitive factors in the local marketplace, the Corporate Governance & Compensation Committee concluded that an annual bonus was warranted. However, notwithstanding corporate and individual performance, in light of industry conditions and commodity prices, the Corporate Governance & Compensation Committee recommended, and the board approved, an overall 2015 company bonus of 21.42% of 2015 actual annual salaries earned or $1.867 million. In addition, the Corporate Governance & Compensation Committee recommended that these 2015 bonuses be paid partially in cash (25%) and the balance (75%) through the grant of restricted awards under our share award incentive plan vesting as to 50% in September of 2016 and 50% in March of 2017. This recommendation was approved by our board with the exception that our President and Chief Executive Officer agreed to receive his entire 2015 bonus through the grant of restricted awards.

The following table summarizes bonuses paid to our NEOs for the years ended December 31, 2015 and December 31, 2014:

Name and Principal Position	2015 Bonus ($)(1)	2015 Bonus as a % of 2015 Base Salary (%)	2014 Bonus ($)	2014 Bonus as a % of 2015 Base Salary (%)
Brett Herman, President and Chief Executive Officer	180,000	55.38	275,000	84.62
Jason Zabinsky, Vice-President, Finance and Chief Financial Officer	126,000	46.67	210,000	77.78
Shane Manchester Vice-President, Operations	108,000	46.96	179,000	77.83
Jeremy Wallis Vice-President, Land	108,000	46.96	179,000	77.83
Mike Wihak Vice-President, Production	108,000	46.96	179,000	77.83

Note:

(1) As noted above, the 2015 bonuses were not fully paid in cash. Instead, 100% of the bonus paid to our President and CEO was paid through the grant of restricted awards under our share award incentive plan and 75% of the bonuses to our other NEOs were paid through the grant of restricted share awards. The restricted awards were granted in 2016.

Long-Term Incentive Plans

On September 2, 2015, following the recommendation of our Corporate Governance & Compensation Committee, our board approved the following awards to our NEOs under our share award incentive plan. No other grants were made to our NEOs in 2015.

Name	Restricted Awards (1)(2) (#)	Performance Awards (1) (#)	Performance Awards as a % of Total Award (%)
Brett Herman	39,305	157,219	80
Jason Zabinsky	21,021	84,086	80
Shane Manchester	14,309	57,234	80
Jeremy Wallis	17,842	71,366	80
Mike Wihak	17,842	71,366	80

Notes:

(1) The awards vest as to one-third per year for a period of three years commencing on September 18, 2016.
(2) Does not include restricted awards granted to our NEOs in 2016 for bonuses earned in 2015.

The following table shows the number of common shares issuable to our named executive officers pursuant to our share award plan and legacy long-term incentive plans as at December 31, 2015:

Type of Long-Term Incentive Award	Common Shares Issuable as at December 31, 2015	
	Number [1]	Percentage [5]
Restricted Awards [2][3]	251,188	0.16%
Performance Awards [4]	828,130	0.51%
Predecessor Options	564,340	0.35%
Total	1,643,658	1.02%

Notes:

(1) We have, in our sole and absolute discretion, the option of settling the value of the notional common shares underlying the share awards, in cash or common shares. We will not determine the payment method until the payment date, or some reasonable time prior thereto.
(2) Does not include the dividend equivalents that will accumulate on the underlying grants.
(3) Does not include restricted awards granted to our NEOs in 2016 for bonuses earned in 2015.
(4) Does not include the dividend equivalents that will accumulate on the underlying grants and assumes a payout multiplier of 1x for the performance based awards.
(5) Represents the number of common shares issuable as a percentage of our issued and outstanding common shares as at December 31, 2015.

For further information regarding the share awards and other long-term incentive awards held by our named executive officers, see "*Outstanding Option-Based and Share-Based Awards*" and "*Award Incentive Plan – Value Vested or Earned During the Year*" below.

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 a summary of the principal terms of the share award incentive plan, as amended. A copy of the share award plan will be filed on our profile on the SEDAR website at www.sedar.com with this information circular – proxy statement on or about April 5, 2016 under the category "Other Securityholder Documents".

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 us and our affiliates ("Service Providers"); (ii) to promote a proprietary interest in us by such Service Providers and to encourage such persons to remain in our employ or service and put forth maximum efforts for the success of our business; and (iii) to focus our management on operating and financial performance and long-term total shareholder return.

The adoption of the share award incentive plan resulted in a realignment of our 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 our 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 is 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 our overall compensation structure.

Grant Practice

Our current grant practice is to make an annual grant and to pay the award value of restricted and performance awards as to one-third on September 18 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 entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents) to be paid 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 an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents) multiplied by a payout multiplier to be paid 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 payout multiplier is determined by our board based on an assessment of the achievement of certain pre-defined corporate performance measures in respect of the applicable period. Corporate performance measures will be performance criteria established by our 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 our 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 award value of 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 common share at which share dividends are issued pursuant to our share dividend program (or any dividend reinvestment program operated by us from time to time in lieu of the share dividend program) with respect to such dividend. If we have suspended the operation of our share dividend plan or do 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 dividend payment date.

Under the share award incentive plan, in the case of a non-cash dividend, including common shares or other securities or property, our 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 our board.

Limitation on Awards

The share award incentive plan currently 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 our issued and outstanding common shares, calculated on a non-diluted basis. Our board has approved an amendment to the plan to reduce this amount to 3.75%, subject to receipt of shareholder approval. The amendment does not require shareholder approval.

The aggregate number of share awards granted to any single Service Provider shall not exceed 5% of our 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 of our security based compensation arrangements, shall not exceed 10% of our 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 of our security based compensation arrangements, shall not exceed 10% of our 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, is currently 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. In accordance with recent Canadian corporate governance policy updates, our board has approved an amendment to our share award incentive plan to increase the limit on the value of all awards granted to any non-management director during a calendar year, as calculated on the date of grant, from $100,000 to $150,000, subject to receipt of shareholder approval at this meeting. See "*Matters to be Acted Upon at the Meeting – Matters Respecting our Share Award Incentive Plan*".

<u>Issue Dates</u>

Unless otherwise determined by the board (and, for greater certainty, our board may in its sole discretion impose additional or different conditions to the determination of the issue dates pursuant to any share award), the issue date for each share award will be: (i) as to one–third of the award value of such share award, on the first anniversary of the grant date of the share award; (ii) as to one–third of the award value of such share award, on the second anniversary of the grant date of the share award; and (iii) as to the remaining one–third of the award value of such share award, on the third anniversary of the grant date of the share award.

If a Grantee is prohibited from trading in our securities as a result of the imposition by us of a trading blackout (a "**Blackout Period**") and the issue date of a share award held by such Grantee falls within a Blackout Period, then the issue date of such share award will be extended to the date that is three business days following the end of such Blackout Period. The issue date for share awards may also be extended in certain circumstances where a Grantee is on a leave of absence.

Our board may, in its sole discretion, determine that a share award is payable in relation to all or a percentage of the award value covered thereby for all or any share awards at any time and from time to time.

Notwithstanding any provision of the plan, no issue date in respect of any share award may occur after December 15th of the third year following the year in which the share award was granted.

Payment of Share Awards

On the issue date, we have, in our sole and absolute discretion, the option of settling the value of the notional common shares underlying the share award, by any of the following methods or by a combination of such methods: (i) payment in common shares issued from treasury; (ii) payment in cash; or (iii) payment in common shares acquired by us on the Toronto Stock Exchange. We will not determine whether the payment method will take the form of cash or common shares until the issue date, or some reasonable time prior thereto and a holder of a share award will not have any right to demand be paid in, or receive, common shares in connection with a share award, at any time.

The share award incentive plan does not contain any provisions for financial assistance by us in respect of share awards granted thereunder.

Change of Control

In the event of a Change of Control of us, the issue date(s) applicable to the share awards will be accelerated to the date 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 our board.

Early Termination Events

Pursuant to the share award incentive plan, unless otherwise determined by our 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 any outstanding share award agreements shall be accelerated to the cessation date, provided that our President and Chief Executive Officer in the case of a Grantee who is not a director or officer and our board in all other cases, taking into consideration the performance of such Grantee and our performance 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 the award value of such share awards 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 the award vale of such share awards 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 the award value of such share awards 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 us, such events shall be treated as a voluntary resignation under (c) above; or (B) failing to be re-elected as a director of us 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 our board without the approval of our 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.

Legacy Plans

Upon completion of the Arrangement, the stock option plan of Vero continued as our stock option plan in respect of the issuance of stock options and the TORC Option Plan and TORC Incentive Share Plan were discontinued. Upon the implementation of the share award incentive plan, we also 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.

Outstanding Share-Based Awards and Option-Based Awards

The following table outlines for each NEO, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2015:

	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 (3)(4) ($)
Brett Herman	40,600 121,800	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	381,401	1,964,215
Jason Zabinsky	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	205,906	1,060,416
Shane Manchester	80,388	12.00	Jan. 7-2018	Nil	145,823	750,988
Jeremy Wallis	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	173,094	891,434
Mike Wihak	26,796 80,388	15.00 17.25	Sep. 13-2017 Apr. 27-2016	Nil Nil	173,094	891,434

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, 2015 of $5.15 and the exercise price of the Predecessor Options.

(3) Represents performance awards and restricted awards granted pursuant to our share award incentive plan. Values have been calculated based on the closing price of our common shares on December 31, 2015 of $5.15 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 the date of grant. **The**

actual value realized pursuant to such restricted awards and performance awards may be greater or less than the indicated value.

(4) Does not include restricted awards granted to our NEOs in 2016 for bonuses earned in 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our NEOs, the value of option-based and share-based awards, which vested during the year ended December 31, 2015. We did not have a non-equity incentive compensation plan in 2015 for NEOs.

Name	Option-Based awards – Value vested during the year (1) ($)	Share-Based awards – Value vested during the year ($)(4)
Brett Herman	Nil	953,365 (2) 54,283 (3)
Jason Zabinsky	Nil	528,806 (2) 35,834 (3)
Shane Manchester	Nil	383,327 (2) _ (3)
Jeremy Wallis	Nil	441,177 (2) 35,834 (3)
Mike Wihak	Nil	441,177 (2) 35,834 (3)

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) Represents performance awards and restricted awards granted pursuant to our share award incentive plan that vested during the year ended December 31, 2015. Values have been calculated based on the volume weighted average market price for the five trading days preceding the 2015 vesting date 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.

(3) 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 2015 vesting date multiplied by the number of Predecessor Incentive Shares vested on that date. As of the date hereof, none of our NEOs hold any Predecessor Incentive Shares.

(4) Does not include restricted awards granted to our NEOs in 2016 for bonuses earned in 2015.

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 and Predecessor Options would vest upon a change of control of us. See "*Outstanding 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 and Predecessor Options on December 31, 2015, which value would have been realizable by the named executive officers at that date if the accelerated vesting of the share awards and Predecessor Options held by them had occurred at that date.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2015:

Plan Category	Number of Common Shares issuable upon exercise of outstanding Options 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)	3,422,322	N/A	7,058,403
Option Plan (2)	159,407	$10.87	-
Predecessor Option Plan (2)	1,372,148	$17.02	-
Total	4,953,877	N/A	7,058,403

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 currently granted and outstanding under our share award incentive plan currently cannot exceed 6.5 percent of our outstanding common shares. Our board has approved an amendment to the plan to reduce this amount to 3.75%, subject to receipt of shareholder approval of the plan at the meeting.

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

(3) During 2015, we issued 1,706,426 common shares to settle outstanding share awards that vested during 2015. No common shares were issued pursuant to options exercised during 2015.

CORPORATE GOVERNANCE

Independence

Our board of directors currently has seven members. Mr. Swartout will not be seeking re-election at the meeting.

Our Board Chairman is independent and the majority of our board of directors is independent. Our board of directors has determined that David Johnson (Chair), John Brussa, Raymond Chan, M. Bruce Chernoff, R. Scott Lawrence, Dale Shwed and Hank Swartout are independent and that Brett Herman is not independent. Our board has determined that Brett Herman is not independent as he is our President and Chief Executive Officer.

Mr. Brussa is the Vice Chairman of Burnet, Duckworth & Palmer LLP who provide legal services to us. Our board has concluded that Mr. Brussa is independent and capable of exercising independent judgment after considering, among other things:

- That the fees charged by Burnet, Duckworth & Palmer LLP to us is less than 1% of Burnet, Duckworth & Palmers LLP's total income;
- His equity interest in Burnet, Duckworth & Palmer LLP;
- His common share ownership position and personal financial circumstances; and
- The statutory guidance with respect to the meaning of independence contained in National Instrument 58 101 – *Disclosure of Corporate Governance Practices*.

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, 2015. 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, 2015, a total of 12 in-camera sessions were held by our board and the board committees.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Names of Other Issuers
David Johnson	Cardinal Energy Ltd., Virginia Hills Oil Corp. and Secure Energy Services Inc
John Brussa	Argent Energy Ltd. (Administrator of Argent Energy Trust), Baytex Energy Corp., Cardinal Energy Ltd., Crew Energy Inc., Just Energy Group Inc., Leucrotta Exploration Inc., Long Run Exploration Ltd., RMP Energy Inc., Storm Resources Ltd., Twin Butte Energy Ltd., Virginia Hills Oil Corp. and Yoho Resources Inc.
Raymond Chan	Baytex Energy Corp. and TELUS Corporation
M. Bruce Chernoff	Canoe Financial Corp. (General Partner of Canoe Financial LP, the Manager of Canoe EIT Income Fund), Maxim Power Corp. and PetroShale Inc.
Brett Herman	PetroShale Inc.
R. Scott Lawrence	None
Dale Shwed	Baytex Energy Corp. and Crew Energy Inc.
Hank Swartout	None

Meeting Attendance

The following is a summary of attendance of our directors at meetings of our board and its committees for 2015:

Director	Board Meetings Attended	Committee Meetings Attended			Total Board and Committee Meeting Attendance
		Audit	Reserves	Corporate Governance & Compensation	
David Johnson	7/7	-	1/1	2/2	100%
John Brussa	7/7	-	-	2/2	100%
Raymond Chan	7/7	4/4	-	2/2	100%
M. Bruce Chernoff	4/7	3/4	-	-	64%
Brett Herman (1)	7/7	4/4	1/1	2/2	100%
R. Scott Lawrence	7/7	4/4	-	-	100%
Dale Shwed	7/7	-	1/1	-	100%
Hank Swartout	7/7	-	1/1	-	100%

Note:

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

Board of Directors Mandate

Our board of directors, either directly or through its committees, is responsible for the supervision of management of our business and affairs with the objective of enhancing shareholder value. The board is responsible for the stewardship of us. In discharging its responsibility, the board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to our best interests.

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 and is also available on our website at www.torcoil.com.

Board Committees

Our board has three committees: the Audit Committee, the Corporate Governance & Compensation Committee and the Reserves Committee All of the members of these committees are independent directors. Our board has accepted overall responsibility for health, safety and environment and no separate committee has been established to deal with these issues.

Committee Composition

The following table outlines the composition of our board committees as at December 31, 2015:

Name	Independent	Committee Composition		
		Audit	Corporate Governance & Compensation	Reserves
David Johnson	Yes	-	√	√
John Brussa	Yes	-	Chair	-
Raymond Chan	Yes	Chair	√	-
M. Bruce Chernoff	Yes	√	-	-
Brett Herman (1)	No	-	-	-
R. Scott Lawrence	Yes	√	-	-
Dale Shwed	Yes	-	-	Chair
Hank Swartout	Yes	-	-	√

Note:

(1) Mr. Herman is our President and CEO.

Audit Committee

The members of our Audit Committee are Mr. Chan (Chair), Mr. Chernoff and Mr. Lawrence.

The Audit Committee reviews with management and the external auditors, and recommends to the board for approval, our annual and interim financial statements, the reports of auditors thereon and related financial reporting, including management's discussion and analysis and financial news releases. The Audit Committee assists our board, in conjunction with the auditors and management, with its review and oversight of audit plans and procedures and meets with the auditors independent of management at each quarterly meeting. The Audit Committee is also responsible for reviewing and overseeing auditor independence, approving all non-audit services, reviewing and making recommendations to our board on internal control processes. For further information about our Audit Committee and the Audit Committee mandate, please see the Audit Committee section of our Annual Information Form which is available under our profile on the SEDAR website at www.sedar.com.

Corporate Governance & Compensation Committee

The members of our Corporate Governance & Compensation Committee are Mr. Brussa (Chair), Mr. Chan and Mr. Johnson, all of whom are independent.

The Corporate Governance & Compensation Committee assists our board with its review and oversight of corporate governance practices and assessing the functioning, performance and effectiveness of our board, its Chair, committee chairs, committees and individual members. It is also responsible for recommending suitable candidates to the Board to ensure the Board remains balanced in terms of skill and experience.

The Corporate Governance & Compensation Committee also assists 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 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. See "*Executive Compensation – Compensation Discussion and Analysis*".

Reserves Committee

The current members of our Reserves Committee are Mr. Shwed (Chair), Mr. Johnson and Mr. Swartout, all of whom are independent. Mr. Chernoff will replace Mr. Swartout on this committee following the meeting.

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.

Board Nomination

Our board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out our board's duties effectively and to maintain a diversity of views and experience.

Our Corporate Governance & Compensation Committee acts as the nominating committee of our board and reviews the size and composition of our board and nominating functions are then performed by the board as a whole. In accordance with its mandate, the Corporate Governance & Compensation Committee considers what competencies and skills the board, as a whole, should possess, the competencies and skills the board considers each existing director to possess and the competencies and skills each proposed nominee will bring to the board as well as whether the new nominee can devote sufficient time and resources to his or her duties as a member of the board. In seeking nominees, the Corporate Governance & Compensation Committee encourages input from all members of the board and may use the services of professional recruiters if required.

Our board has adopted a policy regarding board diversity and term length. Our board believes that board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the board at the time. We are committed to a meritocracy and believe that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in our best interests and all of our stakeholders. Our board recognizes the benefits of diversity within the board and will encourage the consideration of women who have the necessary skills, knowledge, experience and character for nomination to the board. However, the board will not compromise the principles of a meritocracy by imposing quotas or targets regarding the representation of women on the board and as such no such quotas or targets have been imposed. We currently do not have any women directors.

To ensure the effectiveness of the board diversity policy, our Corporate Governance & Compensation Committee will review the number of women considered or brought forward as potential nominees for board positions when the board is looking to add additional members or replace existing members and the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates.

The Corporate Governance & Compensation Committee is authorized under its mandate to retain experts to assist it in fulfilling its responsibilities. To the extent that the committee retains an expert to assist it in "board searches" for qualified candidates, the committee will provide direction to such experts to endeavour to bring forward women candidates for consideration as nominees to the board.

Board 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.

In 2016, we implemented a formal process of assessing our board and its committees, under the direction of the Corporate Governance & Compensation Committee. This process consists of an annual written director self assessment completed by all directors.

Our Corporate Governance & Compensation Committee has established the following "skills matrix" outlining the skills and experience which they believe are required by the members of our board of directors. This skills matrix is reviewed annually by the committee and updated as necessary. The committee also annually reviews the skills and experience of our current directors. The committee also assesses the knowledge and character of all nominees to our board of directors to ensure general compliance with the skills matrix.

SKILLS MATRIX	
Executive Leadership	Experience as a CEO or equivalent.
Enterprise Risk Assessment	Board or executive experience in evaluating and managing risks in the oil and natural gas business.
Value Creation	Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestitures, mergers or developmental opportunities.
Health, Safety & Environment	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry.
Operations	Management experience with oil and natural gas operations.
Reserves and Resource Evaluation	Board experience with, or management responsibility for, oil and natural gas reserve and resource evaluation and reporting.
Compensation and Human Resources	Management experience in human resources and executive compensation.
Accounting & Finance	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience.
Business Development	Experience identifying and evaluating value creation opportunities.
Legal, Regulatory and Governmental	Broad understanding of corporate, securities, land tenure, and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, and incentive and taxation policies usually through management experience or a legal background.
Corporate Governance	Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.

The following outlines the experience and background of, but not necessarily the technical expertise of, our directors who are seeking re-election at the meeting, based on information provided by such individuals:

Name	Executive Leadership	Enterprise Risk Assessment	Value Creation	Health, Safety & Environment	Operations	Reserves and Resource Evaluation	Compensation and Human Resources	Accounting & Finance	Business Development	Legal, Regulatory and Governmental	Corporate Governance
David Johnson	√	√	√	√	√	√	√	√	√	√	√
John Brussa	√	√	√	-	-	-	√	√	√	√	√
Raymond Chan	√	√	√	√	√	√	√	√	√	√	√
M. Bruce Chernoff	√	√	√	√	√	√	√	√	√	√	√
Brett Herman	√	√	√	√	√	√	√	√	√	√	√
R. Scott Lawrence	√	√	√	√	√	-	√	√	√	√	√
Dale Shwed	√	√	√	√	√	√	√	√	√	√	√
Total	7	7	7	6	6	5	7	7	7	7	7

Director Term Limits

Our board of directors does not believe that fixed term limits are in the best interests of our company. Our Corporate Governance & Compensation Committee considers the term of service of individual directors, the average term of the board and turnover of directors over the prior three years when proposing a slate of nominees. The committee considers the benefits of regular renewal in the context of the needs of the board at the time and the benefits of the institutional knowledge of the board members.

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".

Succession Planning

Our board receives regular updates on the status of the succession plans and the professional development of our executive officers and senior managers within our organization. Consistent with our board diversity policy, our board has determined that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the particular position. We are committed to a meritocracy and believe that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in our best interests and all of our stakeholders and as such no such quotas or targets have been imposed. We currently do not have any women serving in an executive officer position, although our Corporate Secretary is a woman. In addition, we have four women in management positions which represent approximately 33% of the number of our management positions.

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.

OWNERSHIP GUIDELINES

Our board believes it is important that our directors and our senior officers demonstrate their commitment to our stewardship through common share ownership.

In 2016, following a review of our executive compensation governance practices, we established an equity ownership policy that non-management directors must have an equity ownership interest in our common shares within six months of joining our board of at least three times their annual board retainer. Following the phase-in period, directors are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

Our equity ownership policy also extends to our Chief Executive Officer, Chief Financial Officer and all of our other executive officers. The policy requires that our Chief Executive Officer maintain an equity ownership interest in our common shares equal to at least three times his annual base salary within five years. Our other executive officers are required to maintain an equity ownership interest in our common shares equal to at least two times their annual base salary within five years. Following the phase-in period, these executive officers are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

The following table sets out the total ownership level of our Chief Executive Officer, our Chief Financial Officer, each of our other NEOs and each of our non-management directors as at March 18, 2016, relative to our equity ownership policy:

Name	Amount of Annual Salary/Retainer ($)	Ownership Value Guideline ($)	Ownership Value ($) (1)	Guideline Met (Y) or Investment Required to Meet Guideline (2)
Named Executive Officers:				
Brett Herman	325,000	975,000	8,502,413	Y
Jason Zabinsky	270,000	540,000	6,968,996	Y
Shane Manchester	230,000	460,000	1,552,011	Y
Jeremy Wallis	230,000	460,000	6,672,779	Y
Mike Wihak	230,000	460,000	4,558,624	Y
Directors:				
David Johnson	40,000	120,000	1,667,283	Y
John Brussa	35,000	105,000	2,509,960	Y
Raymond Chan	37,500	112,500	1,477,455	Y
M. Bruce Chernoff	30,000	90,000	6,203,354	Y
R. Scott Lawrence	30,000	90,000	- (3)	Y
Dale Shwed	35,000	105,000	1,128,007	Y
Hank Swartout	30,000	90,000	7,621,047	Y

Notes:

(1) Based on the closing price of the common shares on the Toronto Stock Exchange on March 18, 2016 (being $7.54).

(2) For the purposes of compliance with the policy, the value of holdings is based on the cost to acquire the shares or the current market price. As a result, the value presented may be less than the required multiple although the guideline has been met.

(3) Mr. Lawrence is Managing Director, Head of Relationship Investments of CPPIB, which held 41,622,061 common shares as at March 31, 2016, or 25.6% of our issued and outstanding shares. All director compensation for Mr. Lawrence is paid directly to CPPIB.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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, 2015 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.

Since the beginning of the financial year ended December 31, 2015, 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.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Our management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of our last financial year, any proposed nominee for election as a director, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the meeting, save as is disclosed herein.

ADDITIONAL INFORMATION

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, 2015 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, Computershare Trust Company of Canada at Suite 600, 530 – 8th Avenue SW, Calgary, Alberta, T2P 3S8 or by fax at (403) 267-6529 or online at www.computershare.com/mailinglist, or (ii) contacting us at Suite 1800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1 or by fax at (403) 930-4159.

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 has been approved by our directors.

Dated: April 1, 2016

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 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. **Disclosure and Communication Policy**

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

7. **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.

8. **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.

9. **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.

(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.

10. **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 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.

11. **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.

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

TSX: TOG

TORC OIL & GAS LTD.

SUITE 1800 EIGHTH AVENUE PLACE
525 – 8TH AVENUE SW
CALGARY, AB
T2P 1G1

www.torcoil.com