

TORC OIL & GAS LTD.

CODE OF BUSINESS CONDUCT AND ETHICS

TORC Oil & Gas Ltd. (the “**Corporation**”) is committed to conducting the business of the Corporation ethically and legally. This Code and the specific related policies and practices, and any guidelines approved and implemented by the Board of Directors or management of the Corporation, will be used in identifying and managing ethical situations and in making ethical business decisions which adhere to these commitments.

Compliance with Laws and Regulations

All employees, officers, contractors, consultants, employees (collectively referred to as "staff") and directors of the Corporation must comply with all applicable laws, rules and regulations of the areas in which we operate and must comply with the requirements of applicable securities regulatory authorities and stock exchanges.

Business partners and suppliers are expected to conduct their business with the Corporation in accordance with applicable laws, rules and regulations.

Discrimination and Harassment

We value diversity and are committed to providing equal opportunity in all aspects of employment. Threats or acts of violence or physical intimidation are prohibited. All abusive harassing or offensive conduct is unacceptable, whether verbal, physical or visual.

Safety and Health

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplaces free from hazards. All accidents, injuries, unsafe equipment, practices or conditions must be reported immediately to a supervisor, manager or other appropriate personnel should they become aware of any of the foregoing.

In order to protect the safety of all employees, the environment and third parties, employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

Conflicts of Interest

Staff and directors must avoid situations where personal interests could conflict or could appear to conflict with their duties and responsibilities or with the interests of the Corporation. A conflict of interest may occur where involvement in any activity, with or without the involvement of a related party, prevents the proper performance of staff or director duties or creates, or appears to create, a situation where judgment or ability to act in the best interests of the Corporation is affected.

When faced with an actual or potential conflict of interest situation, employees, contractors and consultants must consult their supervisor and officers and directors must follow relevant statutes and company by-laws and must inform the Chair of the Board of Directors of any such conflict. Supervisors will ensure that employees, contractors or consultants are not involved in any decision or operation where a conflict is present. Similarly, the Chair of the Board will ensure that officers or directors are not involved in any decision or operation where a conflict is present.

Corporate Opportunities

Staff and directors are prohibited from taking opportunities discovered through the use of corporate property, information or position, using corporate property, information or position for personal gain, and competing with the Corporation.

Confidentiality and Disclosure

Confidential information includes all non-public information that might be of use to competitors, or harmful to the Corporation, if disclosed. Confidential information must not be disclosed unless specific authorization is given to do so or such disclosure is legally mandated. Knowledge of confidential information about another company or person gained in the course of work duties must be protected in the same manner as confidential information about the Corporation. Staff and directors must not speak on behalf of the Corporation unless authorized to do so.

Taking advantage of, or benefiting from, information obtained at work that is not available to the public is not permitted. Friends, relatives or associates must not benefit from such information. Acquiring or disposing of any business interest, including publicly traded securities, whether directly or through another person, where "insider" information is known and not yet publicly disclosed must be avoided. Staff and directors must abide by the Trading Policy of the Corporation.

These confidentiality obligations remain in effect even beyond termination of employment, service contracts or Board of Directors appointments with the Corporation or its affiliates.

Inducements and Gifts

Unlawful or unethical behavior in workforce of the Corporation is not tolerated, including soliciting, accepting, or paying bribes or other illicit payments for any purpose. Situations where judgment might be influenced or appears to be influenced by improper considerations must be avoided. Payment or acceptance of any "kickbacks" from a contractor or other external party is prohibited.

The Corporation does not allow the acceptance or giving of gifts, favours, personal advantages, services payments, loans, or benefits of any kind, other than those of nominal value that can be made as a generally accepted business practice. If there is any doubt in specific cases, written approval from the Chief Executive Officer or Chief Financial Officer of the Corporation should be requested.

Political Activities

Staff and directors may choose to become involved in political activities as long as they undertake these activities on their own behalf. Staff and directors may, on a personal level, give to any political party or candidate, but reimbursement by the Corporation is prohibited.

Protection and Proper Use of Assets

Information, data, computers, office equipment, tools, vehicles, supplies, facilities and services must be used only for authorized business purposes and used, maintained, accounted for and disposed of properly and with care. Unauthorized removal or destruction of assets is strictly prohibited.

Company Records

Records must be kept and maintained to fulfill relevant legal requirements. Recording and reporting information, including information related to operations, environment, health and safety, training, human resources and financial matters, must be done honestly, accurately and with care.

Accuracy of Books and Records

The books and records of the Corporation must reflect in reasonable detail its transactions in a timely, fair and accurate manner to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles and maintain recorded accountability for assets and liabilities.

All business transactions that staff and directors have participated in must be properly authorized, properly recorded and supported by accurate documentation in reasonable detail.

Accounting, Auditing or Disclosure Concerns

The Corporation is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to all applicable securities regulatory authorities as well as in other public communications. All staff responsible for the preparation of public disclosure, or who provide information as part of the process, must ensure that disclosures are prepared and information is provided honestly, accurately and in compliance with the various disclosure controls and procedures.

All staff and directors have a duty to submit any good faith questions and concerns regarding questionable accounting, auditing or disclosure matters or controls. No information may be concealed from external auditors, internal auditors, the Board of Directors or the Audit Committee of the Board of Directors. Fraudulently influencing, coercing, manipulating or misleading an external auditor who is auditing financial statements is prohibited.

Observance of the Code of Business Conduct & Ethics

All staff and directors are personally accountable for learning, endorsing and promoting this Code and applying it to their own conduct and field of work. All staff and directors will be asked to review this Code and confirm on a regular basis, through written or electronic declaration, that they understand their individual responsibilities and will conform to the requirements of the Code.

Contractors and consultants are expected to develop and enforce policies and/or practices that are consistent with this Code and its associated requirements that will apply to their staff providing services for or on behalf of the Corporation. Business partners and suppliers are expected to act consistently with the principles outlined in the policies, practices and processes of the Corporation, including this Code.

Employees, consultants, contractors, officers and directors with questions about this Code or specific situations are encouraged to refer the matter to the Chief Executive Officer or Chief Financial Officer. If you feel uncomfortable discussing matters with your manager, Vice President or the Chief Executive Officer or Chief Financial Officer please refer to our Whistleblower Policy.

Violation of this Code by a member of staff or a director may subject such person to disciplinary action, including termination for cause or implementation of a probationary period.

Waivers and Amendments

Waivers of this Code for employees, contractors and consultants may be granted only by the Chief Executive Officer or Chief Financial Officer. Any waiver of this Code for officers or directors may only be made by resolution of the Board of Directors. Conduct by a director or executive officer which constitutes a material departure from this Code may be promptly disclosed if required by law or stock exchange regulation.