

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name TORC Oil & Gas Ltd.		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Jason Zabinsky		4 Telephone No. of contact 403-930-4120	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Suite 1800 Eighth Avenue Place, 525 - 8th Avenue SW		5 Email address of contact info@torcoil.com	
8 Date of action November 19, 2012		7 City, town, or post office, state, and Zip code of contact Calgary, Alberta Canada T2P 1G1	
9 Classification and description Common Shares		10 CUSIP number 890895105	
11 Serial number(s) N/A		12 Ticker symbol TOG	
13 Account number(s) N/A			

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On November 19, 2012, Vero Energy Inc. ("Vero") acquired all of the issued and outstanding common shares of TORC Oil & Gas Ltd. ("Old TORC") (the "Acquisition"). Specifically, Old TORC shareholders exchanged each Old TORC share for 0.87 Vero common shares in the Acquisition. The Acquisition was structured as a triangular subsidiary amalgamation with Old TORC and a wholly-owned subsidiary of Vero amalgamating and the resulting company becoming a wholly-owned subsidiary of Vero ("Amalco"). Subsequently, Amalco and Vero amalgamated with the resulting company named "TORC Oil & Gas Ltd." ("New TORC") and as a result, the Vero shares became New TORC shares.**

The Acquisition is described in full in the Joint Information Circular dated October 19, 2012 (the "Circular"), which is available at www.sedar.com.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **New TORC believes that the Acquisition should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). As a result, each Old TORC shareholder should have a tax basis in the New TORC common shares they received in the Acquisition equal to such shareholder's aggregate tax basis in the Old TORC shares surrendered. In addition, the holding period for the New TORC shares acquired in the Acquisition should include such shareholder's holding period for the Old TORC shares surrendered.**

Even if the Acquisition qualifies as a reorganization under Code Section 368(a), certain special rules would apply if Old TORC was a passive foreign investment company, as defined under Code Section 1297, for any tax year during which a shareholder held Old TORC common shares.

Shareholders should review the Circular and consult their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **In the event that the Acquisition is taxable, for purposes of calculating fair market value, the fair market value of New TORC common shares on November 19, 2012 is estimated at CDN \$2.43 per share, which was the closing price for New TORC common shares on the Toronto Stock Exchange on November 19, 2012. The noon exchange rate on November 19, 2012 was 1 Canadian dollar to 1.0036 U.S. dollars, as reported by the Bank of Canada. Therefore, the U.S. dollar fair market value of each New TORC share on November 19, 2012 is estimated at U.S. \$2.44. Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► New TORC believes that its acquisition of Old TORC pursuant to the Acquisition should qualify as a reorganization within the meaning of Section 368(a) of the Code. Consequently, the U.S. federal income tax consequences to Old TORC shareholders should be determined under Code Sections 354, 358 and 1221.

In addition, if Old TORC was classified as a passive foreign investment company as defined under Code Section 1297 (a "PFIC"), then Code Sections 1291-98 would be applicable. Shareholders should consult their own tax advisors regarding the application of the PFIC rules.

18 Can any resulting loss be recognized? ► If the Acquisition qualifies as a reorganization within the meaning of Code Section 368(a), then in general, each Old TORC shareholder who received New TORC common shares in the Acquisition should not recognize any loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain recognized should be reported by shareholders for the taxable year which includes November 19, 2012 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2012 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ► [Handwritten Signature] Date ► December 19, 2012

Print your name ► JASON ZABINSKY Title ► VP Finance + CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
John Hollinrake	<u>[Handwritten Signature]</u>	12/18/2012		PO1568530
Firm's name ► Dorsey & Whitney LLP	Firm's EIN ► 41-0223337		Phone no. (206)903-8812	
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