



TORC OIL & GAS LTD.

**SHARE DIVIDEND PLAN
FREQUENTLY ASKED QUESTIONS AND ANSWERS
SEPTEMBER 5, 2013**

The following series of questions and answers explains some of the key features of the Share Dividend Plan (the "**Plan**") of TORC Oil & Gas Ltd. ("**TORC**"). **The answers are, however, of a summary nature only and are expressly subject to the complete text of the Plan, which is available at www.torcoil.com. Shareholders of TORC should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan. You are not required to participate in the Plan. If you do not participate, then you will continue to receive your cash dividends in the normal course.**

1. What is the Plan?

Eligible holders ("**Shareholders**") of common shares ("**Shares**") of TORC participating in the Plan will be deemed to have elected to receive dividends declared on the Shares as share dividends rather than cash dividends, where such share dividends are declared by the Board of Directors of TORC (the "**Board**"). The number of TORC Shares to be issued to a participant in the Share Dividend Plan will be calculated each month using the cash value of dividends payable divided by the weighted average market price for the 5 trading days before the payment date. All fees associated with the Share Dividend Plan will be paid by TORC. Participation in the Share Dividend Plan is optional and Shareholders will continue to receive dividends declared by the Board of Directors in the form of cash unless they elect to participate in the Share Dividend Plan.

2. What are the advantages of the Plan?

- (a) The Plan provides a convenient and cost-effective way for you to increase your investment in TORC, generally without incurring commissions, service charges or brokerage fees.
- (b) Funds to be invested in new Shares on your behalf can be fully invested because fractions of Shares (to six decimal places) as well as whole Shares may be credited to your account under the Plan.

3. Am I eligible to participate in the Plan and, if so, to what extent?

Except as noted in the Plan, holders of at least one Share, who are Canadian residents, may participate in the Plan. Holders of at least one Share who are not Canadian residents and are not resident in the State of California are generally permitted to participate in the Plan, unless prohibited by the laws of any jurisdiction in which they are resident.

The extent to which you may directly participate in the Plan will depend on the manner in which you hold your Shares, as only registered Shareholders may directly enroll in the Plan. Beneficial owners of Shares may, however, participate in the Plan through their broker, investment dealer, financial institution or other nominee if permitted by them.

Registered Shareholders. You are a registered Shareholder if your Shares are registered in your own name in the TORC register of Shareholders and you have a Share certificate or, if TORC is enrolled in the direct registration system or another similar system providing for electronic registration in respect of the Shares, a direct registration system advice or similar document evidencing the electronic registration of ownership of Shares (in each case, a "**Share Certificate**") issued in your name. If you are a registered Shareholder resident in any jurisdiction other than the State of California, you may directly enroll in the Plan by providing a completed Plan Enrollment and Authorization Form to the Plan Agent as described in Question #5 below.

Beneficial Owners of Shares. You are a beneficial owner of Shares if you hold your Shares through a broker, investment dealer, financial institution or other nominee. If you are a beneficial owner of Shares and are resident in Canada, and wish to participate in the Plan, you must either transfer your Shares into your own name and then enroll in the Plan directly, or arrange for your broker, investment dealer, financial institution or other nominee to enroll in the Plan on your behalf. If your Shares are registered through a nominee in the name of The Canadian Depository for Securities Limited or its nominee ("**CDS**"), and you wish to participate in the Plan, your nominee will be required to elect to participate on your behalf every dividend period.

Nominee Holders of Shares. If you are a nominee for one or more beneficial owners of Shares, you must confirm whether you are enrolling in your capacity as a CDS participant or as a registered nominee Shareholder. Nominees holding Shares registered in the name of CDS must arrange for CDS to enroll in the Plan on behalf of the beneficial owners of such Shares.

4. What are the income tax consequences of participating in the Plan?

Participation in the Plan does not relieve Shareholders of any liability for taxes that may be payable on dividends, but there may be certain tax benefits that result from participation in the Plan, depending on your particular circumstances.

Please refer to the text of the Plan on our website at www.torcoil.com for further information in respect of the tax treatment of cash dividends and dividends received pursuant to the Plan.

You should consult your tax advisor concerning the tax implications of your participation in the Plan having regard to your particular circumstances.

5. How do I become a participant in the Plan?

If you are an eligible registered holder of Shares and wish to participate in the Plan, you must enroll online or deliver a properly completed and signed Plan Enrollment and Authorization Form ("**Authorization Form**") to Computershare Trust Company of Canada (the "**Plan Agent**"), as Plan Agent under the Plan. You may download an Authorization Form at www.investorcentre.com.

If you are an eligible beneficial holder of Shares, you must have your broker, investment dealer, financial institution or other nominee deliver a properly completed and signed Authorization Form to the Plan Agent (or other appropriate instructions through CDS, if applicable) on your behalf. Do not send Share certificates or dividend cheques with your Authorization Form.

If you are an eligible registered Shareholder, once you have enrolled in the Plan, your participation in the Plan continues automatically until terminated by you voluntarily, until the Plan Agent receives written notice of your death, until you cease to be an eligible Shareholder or until the applicable Plan is terminated by TORC. No further action is required by you. If your Shares are held through a broker, investment dealer, financial institution or other nominee and registered in the name of CDS, your nominee and CDS will have to enroll on your behalf in the Plan in respect of each Dividend payment date.

If you are an eligible registered Shareholder, the Plan Agent must receive an Authorization Form from you no later than four business days immediately preceding a dividend record date in order to take effect on the Dividend payment date to which such record date relates. If your Shares are held through your broker, investment dealer, financial institution or other nominee in the name of CDS, then such nominee must deliver appropriate instructions to CDS no later than four business days immediately preceding such dividend record date (or such other deadline as CDS may set from time to time). Authorization Forms or such instructions received after such times will only take effect in respect of subsequent Dividend payment dates.

6. What will be the price of new Shares issued as share dividends under the Plan?

The number of TORC Shares to be issued to a participant in the Share Dividend Plan will be calculated each month using the cash value of dividends payable divided by the weighted average market price for the 5 trading days before the payment date. All fees associated with the Share Dividend Plan will be paid by TORC. Participation in the Share Dividend Plan is optional and Shareholders will continue to receive dividends declared by the Board of Directors in the form of cash unless they elect to participate in the Share Dividend Plan.

7. Will Share Certificates be issued for new Shares received under the Plan?

Share Certificates will not ordinarily be issued for Shares that are held for your account under the Plan. Instead, such Shares will be held by the Plan Agent either in its own name or the name of its nominee or in designated accounts on your behalf, and will be shown on your periodic statement of account. If you are a registered Shareholder, you may, however, specifically request a Share Certificate for any number of whole Shares held by the Plan Agent for your account by duly completing and delivering to the Plan Agent the form entitled "Withdrawal / Termination" located on the Plan Agent's website.

8. Can I sell Shares held for my account under the Plan?

If you wish to sell any of your Shares, you must first request that such Shares be transferred into your name or, if you participate in the Plan through your broker, into your broker's name by requesting a Share Certificate representing such Shares.

9. How can I terminate my participation under the Plan?

If you are an enrolled registered Shareholder, your participation continues automatically until you change your election or your enrollment in the Plan is terminated.

If you are a registered Shareholder you may voluntarily terminate your participation in the Plan by duly completing and delivering to the Plan Agent the form entitled "Withdrawal / Termination" located on the Plan Agent's website. If you are a beneficial owner of Shares you may voluntarily terminate your participation in the applicable Plan by having your broker, investment dealer, financial institution or other nominee deliver a signed notice of termination to the Plan Agent on your behalf. If you are an eligible registered Shareholder, the Plan Agent must receive a termination notice from you prior to at least four business days immediately preceding a dividend record date in order for your account to be closed and for your participation in the Plan to be terminated on the Dividend payment date to which such record date relates. Please note, though, that if your Shares are registered in the name of CDS through your broker, investment dealer, financial institution or other nominee, then termination in such manner is not required and your nominee should simply not enroll your Shares in the Plan in respect of Dividend payment dates on which you do not wish to participate in the Plan.

10. Are there circumstances where I may not be able to acquire new Shares?

Yes. Your ability to acquire new Shares under the Plan on any particular Dividend payment date depends on the amount of new equity, if any, that TORC decides to make available under the Plan for that Dividend payment date, and on the elections that other eligible Shareholders have made under the Plan. In addition, TORC reserves the ability to limit further enrolment in the Plan at any time.

If, in respect of any Dividend payment date, fulfilling all of the elections under the Plan would result in TORC exceeding the limit on new equity set by TORC or TORC is otherwise not able to accept all elections for Shares pursuant to the Plan, then issuances of Shares on the applicable Dividend payment date will be prorated among all participants in the Plan.

If TORC determines not to issue any equity through the Plan on a particular Dividend payment date, then participants will receive from TORC the cash Dividends that they would otherwise be entitled to receive on such date.

11. How will I receive new Shares under the Plan?

New Shares will be issued from treasury by TORC in satisfaction of the share dividends declared by the Board on Shares registered in your name or held for your account under the Plan, and such new Shares will be credited to your account under the Plan.

12. Where can I get further information?

If you have any questions regarding the Plan, please direct them to the Plan Agent as follows:

Computershare Trust Company of Canada
8th Floor, 100 University Avenue
Toronto, Ontario
M5J 2Y1
Attention: Distributions Dept.

Phone: (514) 982-7555
Toll free: 1 (800) 564-6253
Fax: 1 (888) 453-0330

or to TORC as follows:

TORC Oil & Gas Ltd.
Suite 1800, 525 - 8th Avenue S.W.
Calgary, Alberta
T2P 1G1
Attention: Investor Relations

Phone: (403) 930-4120
Fax: (403) 930-4159
Email: Please visit www.torcoil.com/investor-information/investor-inquiries/