

PRESS RELEASE

June 27, 2018

TORC OIL & GAS ANNOUNCES CLOSING OF STRATEGIC ACQUISITION IN SOUTHEAST SASKATCHEWAN; CONFIRMS GUIDANCE; INCREASES BANK LINE

CALGARY, ALBERTA - TORC Oil & Gas Ltd. ("TORC" or the "Company") (TSX: TOG) is pleased to announce the closing of the previously announced complementary asset acquisition in southeast Saskatchewan (the "Acquisition"). The Acquisition includes 15.5 mmboe of proved plus probable reserves and over 3,200 boepd of high quality, low decline, high netback, light oil producing assets.

The Acquisition is consistent with TORC's strategy to capitalize on opportunities to enhance the quality of its asset base throughout the commodity price cycle. The Acquisition enhances TORC's decline profile, operating netback and light oil drilling inventory and is complementary to TORC's existing operations in southeast Saskatchewan providing operational and strategic synergies.

DISCIPLINED BUDGET

With the closing of the Acquisition, the Company confirms the previously announced 2018 budget of \$180 million. The 2018 capital program will remain concentrated on the Company's primary core areas in southeast Saskatchewan, focused on both conventional and unconventional opportunities, and the Cardium play in central Alberta. TORC continues to focus on operational efficiencies with a goal of achieving results that exceed budget expectations.

TORC is pleased to confirm the upward revision to 2018 guidance comprised of average production of 24,700 boepd and 2018 exit production of 27,000 boepd, with and an oil and liquids weighting of approximately 88%.

INCREASE TO BANK LINE

TORC is pleased to announce that in conjunction with the Acquisition, the Company has expanded its available credit facility to \$500 million from \$400 million previously.

OUTLOOK

TORC has built a sustainable growth platform of light oil focused assets and continues to enhance this platform. The stability of the high quality, low decline, light oil assets in southeast Saskatchewan and the low risk Cardium development inventory in central Alberta, combined with exposure to unconventional light oil resource plays in southeast Saskatchewan, positions TORC to provide value creation through a disciplined long term focused growth strategy with a sustainable dividend.

TORC has the following key operational and financial attributes:

High Netback Production ⁽¹⁾	2018E Average: 24,700 boepd 2018E Exit: 27,000 boepd
Total Proved plus Probable Reserves ⁽²⁾	Greater than 129 mmboe (~85% light oil & liquids)
Southeast Saskatchewan Light Oil Development Inventory	Greater than 400 net undrilled conventional locations Greater than 150 net undrilled Torquay/Three Forks locations Greater than 150 net undrilled unconventional Midale locations
Cardium Light Oil Development Inventory	Greater than 290 net undrilled locations
Sustainability Assumptions ⁽³⁾	Corporate decline ~23% Capital Efficiency ~\$26,000 per boepd (IP 365)
2018 Capital Program	\$180 million
Monthly Dividend	\$0.022 per share

Pro Forma Net Debt as at March 31, 2018 ⁽⁴⁾ \$395 million; \$358 million drawn

Shares Outstanding 210 (basic)

Tax Pools Approximately \$1.8 billion

Notes:

- (1) ~88% light oil & NGLs.
- (2) All reserves information in this press release are gross reserves. The reserve information for TORC in the foregoing table is derived from the independent engineering report effective December 31, 2017 prepared by Sproule & Associates Limited ("Sproule") evaluating the oil, NGL and natural gas reserves attributable to all of our properties (the "TORC Reserve Report"). The reserves associated with the acquisition is based on TORC's internal evaluation prepared by a qualified reserves evaluator in accordance NI-51-101 and COGE Handbook, and effective April 1, 2018.
- (3) Refers to full cycle capital efficiency which is the all-in corporate capital budget divided by the IP365 of the associated wells. Corporate decline refers to TORC's estimated oil and gas production decline rate in the normal life cycle of a well.
- (4) See "Non-GAAP Measures".

An updated corporate presentation can be found at www.torcoil.com.

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READER ADVISORIES

Forward Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans, strategy, business model, focus, objectives and other aspects of TORC's anticipated future operations and financial, operating and drilling and development plans and results, including, expected future production, production mix, reserves, drilling inventory, net debt, cash flow, operating netbacks, decline rate and decline profile, product mix, capital expenditure program, capital efficiencies, commodity prices, tax pools and targeted growth. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: the nature of the assets acquired pursuant to the Acquisition and the effect of the Acquisition on TORC, including its decline profile, operating netback and drilling inventory, anticipated cost savings and operational efficiencies; anticipated capital cost reductions; the focus and allocation of TORC's 2018 capital budget; anticipated average and exit production rates, available free cash flow, management's view of the characteristics and quality of the opportunities available to the Company; TORC's dividend policy and plans; the benefits to be obtained from the Acquired Assets, including the impact on TORC's capital program, production, and other results; and other matters ancillary or incidental to the foregoing.

Forward-looking information typically uses words such as "anticipate", "believe", "project", "target", "guidance", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by TORC's management, including expectations concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; completion of the acquisition and the associated timing and purchase price; capital efficiencies; decline rates; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to market oil and natural gas successfully and TORC's ability to access capital.

Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because TORC can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do

so, what benefits that the Company will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on TORC's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect TORC's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date of this press release and TORC disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Dividends

The payment and the amount of dividends declared in any month will be subject to the discretion of the board of directors and will depend on the board of director's assessment of TORC's outlook for growth, capital expenditure requirements, funds from operations, potential acquisition opportunities, debt position and other conditions that the board of directors may consider relevant at such future time. The amount of future cash dividends, if any, may also vary depending on a variety of factors, including fluctuations in commodity prices and differentials, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens and foreign exchange rates.

Non-GAAP Measures

This press release also contains the term "net debt" which does not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. TORC uses net debt to analyze financial, operating performance, and liquidity and leverage. TORC feels this benchmark is a key measure of profitability and overall sustainability for TORC. Net debt is not intended to represent operating profits nor should it be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with GAAP. Net debt is calculated as bank debt plus working capital deficiency or minus working capital surplus (adjusted for fair value of financial instruments and the current portion of decommissioning obligation).

Oil and Gas Disclosures

The reserve information in this press release is derived (i) in respect of our reserves as at December 31, 2017 as prepared by Sproule Associates Limited; and (ii) in respect of the reserves associated with the assets acquired pursuant to the Acquisition as at April 30, 2018 based on our internal evaluation prepared by a qualified reserves evaluator in accordance with NI 51-101 and the COGE Handbook. Since the reserves reflected in this press release were estimated as at different dates, they have been generated based on different assumptions in respect of commodity pricing among other metrics. As a result, the presentation of our reserves on a consolidated pro forma basis for the assets acquired pursuant to the Acquisition would not reflect the actual combined estimated of our reserves and those of the assets acquired pursuant to the Acquisition at December 31, 2017 and should not necessarily be viewed as predictive of our reserves and future production.

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This press release discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the reserves evaluation prepared by Sproule as of December 31, 2017 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on TORC's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves. Of the 990 drilling locations identified herein, 280 are proved locations, 120 are probable locations and 590 are unbooked locations. Of the 75 internally evaluated net locations identified as part of the acquisition, 50 are booked and 25 are unbooked. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that TORC will drill all unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, some of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and, if drilled, there is more uncertainty that such wells will result in additional oil and gas reserves or production.