CALGARY, ALBERTA--(Marketwired - May 26, 2015) - Toro Oil & Gas Ltd. (TSX VENTURE:TOO) ("Toro" or the "Company") announces its financial and operating results for the three months ended March 31, 2015. Selected financial and operational information is set out below and should be read in conjunction with Toro's March 31, 2015 interim financial statements and the related management's discussion and analysis, which are available for review at www.sedar.com or the Company's website at www.torooil.com.

First Quarter Financial and Operational Highlights

- Average production of 561 boe/d of which 47% represents oil and liquids compared to 234 boe/d of production in Q1 2014. Q1 2015 production reflects a full quarter of production from Toro's Hamilton Lake property and taken together with other corporate production, represents over a three-fold increase in production compared to the preceding fourth quarter;
- Closed three property acquisitions contributing 50 boe/d and 29 net sections of Viking light oil acreage bringing total Viking acreage to 122 net sections;
- Closed a $15 million bought deal public equity offering enabling the Company to entirely eliminate its outstanding bank debt. Resulting surplus cash combined with a fully undrawn credit facility with National Bank provides Toro with over $30 million in liquidity;
- Generated $0.4 million in operating cash flow, excluding cash flow from assets held for sale and prior to corporate overhead expenditures. Toro anticipates commencing an active drilling program on its Viking lands resulting in growing production and cash flow, lower costs ($/boe) and positive cash netbacks.

Operational Update

During the quarter, Toro concentrated its activities in consolidating a growing Viking light oil production and land base, developing enhanced internal operational efficiencies and laying the ground work to become drill ready in the field. Commodity prices during the quarter continued to languish and based on previous guidance by the Company, capital programs in the midst of that commodity price weakness were curtailed. The Company integrated the operations of three separate Viking light oil acquisitions which added 50 boe/d of production and 29 net sections for total consideration of $2.4 million making Toro one of the fastest growing Viking acreage position companies in the Western Canadian Sedimentary Basin. Upon review of go-forward commodity prices, availability and rates for services and access to capital, Toro will provide its second half 2015 guidance and capital programs over the course of the next few months. Maintaining financial flexibility with a pristine balance sheet continues to be a priority objective for Toro. With a cash position of nearly $6 million and an undrawn credit facility, the Company's liquidity remains robust for a junior oil and gas company of this size.

Financial Results

($ thousands unless otherwise specified)	Three months ended March 31,		
	2015	2014	% Change
Operational Performance			
Production Volumes			
Oil and NGL's (bbls/d)	266	144	85
Natural gas (mcf/d)	1,772	540	228
Oil equivalent (boe/d)	561	234	140
Financial Performance			
Production revenue [1]	1,724	1,467	18
Comprehensive income (loss)	(4,392)	40	nmf [4]
Per share - basic and diluted	(0.08)	0.01	(900)
Cash flow from (used in) operations [2]	(214)	599	(136)
Per share - basic and diluted	0.00	0.16	(98)
Realized sales prices			
Oil and NGL's ($/bbl)	51.97	95.76	(46)
Natural gas ($/mcf)	3.02	4.68	(35)
Oil equivalent ($/boe)	34.14	69.65	(51)
Netback ($/boe)			
Realized sales price	34.14	70.26	(51)
Royalties	4.70	13.15	(64)
Production expenses	19.27	14.34	34
Transportation expenses	2.55	1.90	34
Operating netback ($/boe) [2]	7.62	40.87	(81)
General and administrative	26.93	23.46	15
Interest & other income	0.82	4.80	(83)
Cash netback ($/boe)	(18.49)	22.21	(183)

Capital expenditures			
Capital expenditures	900	412	118
Net acquisitions (dispositions) (3)	2,459	(350)	803
Total capital expenditures	3,359	62	nmf (4)
Liquidity			
Net debt (surplus) (2)	(4,236)	5,123	183
Bank facility - undrawn portion	25,000	3,150	694
Weighted average shares outstanding			
Basic	54,403,192	3,743,223	nmf (4)
Diluted	54,403,192	3,743,223	nmf (4)

(1) Production revenue is presented gross of royalties.

(2) Cash flow from (used in) operations, operating netback and net debt (surplus) are non-IFRS measures. See "Non-IFRS Measures".

(3) Represents the cash expenditure (proceeds) from the acquisition (sale) of assets, as applicable.

(4) No meaningful figure.

About Toro Oil & Gas Ltd.

Toro is a junior oil and gas energy company listed on the TSX Venture Exchange. Toro's business plan focuses on light oil development and exploitation of known or existing reservoirs through the use of technology advancements. A core area for Toro is the Alberta-Saskatchewan Viking fairway. In addition, the Company continues to review other opportunities in the Western Canadian Sedimentary Basin to expand its asset portfolio.

Forward-Looking Information

The reader is advised that some of the information contained herein may constitute forward-looking information within the meaning of National Instrument 51-102 and other relevant securities legislation. Forward-looking information contained herein includes, but is not limited to, statements with respect to Toro's vision, the characteristics of Toro's assets, the OOIP of Toro's assets, the liquidity and debt position of the Company, the anticipated timing of Toro's drilling program, the development strategy of the Company, the estimated production in respect of Toro's assets, and Toro's balance sheet. Such forward-looking information is based on the Company's current expectations regarding its future business and reflects management's current beliefs and assumptions based on information currently available to them. Actual results may vary from forward-looking information and readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this press release is presented as of the date hereof and the Company does not undertake any obligation to release publicly any revisions to forward-looking information contained herein to reflect events or circumstances that occur after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information including risks associated with the impact of general economic conditions, industry conditions, governmental regulation, volatility of commodity prices, currency fluctuations, imprecision of reserve and resource estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the Company's ability to access sufficient capital from internal and external sources. Additional risks and uncertainties are described in the Company's Annual Information Form dated April 27, 2015 which is filed under the Company's SEDAR profile at www.sedar.com.

Non-IFRS Measures

This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Cash flow from (used in) operations, operating netback and net debt (surplus) are not recognized measures under IFRS. Management believes that in addition to net income (loss), cash flow from operations, operating netback and net debt (surplus) are useful supplemental measures that demonstrate the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of Toro's performance. Toro's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Cash flow from (used in) operations is calculated by adjusting net income (loss) for other income, unrealized gains or losses on financial derivative instruments, transaction costs, accretion, share based compensation, impairment and depletion and depreciation. Operating netback is calculated based on oil and gas revenue less royalties, production expenses and transportation expenses. Net debt (surplus) is the total of cash plus accounts receivable, prepaids and deposits, less accounts payable plus bank debt.

51-101 Advisory

In conformity with 51-101, natural gas volumes have been converted to barrels of oil equivalent ("boe") using a conversion rate of *six thousand cubic feet of natural gas to one barrel of oil. In certain circumstances, natural gas liquid volumes have been converted to a thousand cubic feet equivalent ("mcfe") on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and mcfes may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 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 on a 6:1 basis may be misleading as an indication of value.*

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