

Commences 2015 First Phase Drilling Program

CALGARY, July 16, 2015 /CNW/ - Toro Oil & Gas Ltd. (TSXV: TOO) ("Toro" or the "Company") has closed the previously announced binding production volume royalty ("PVR") to Source Rock Royalties Ltd. ("Source Rock") for gross proceeds of \$8 million. The additional \$4 million PVR with Source Rock is targeted to close on or around July 31, 2015, for total proceeds of \$12 million. The total proceeds will be used to fund the Company's 2015 drilling program and for general corporate purposes.

The Company is also pleased to announce the commencement of its \$10 million first phase 2015 drilling program in the Hamilton Lake and Consort areas. Toro plans to drill a program of low-risk development and flow-through eligible oil wells in this initial phase. As a result of the current commodity price environment, the Company has observed significant reductions in drilling and completion costs and anticipates continued capital efficiencies throughout its entire drilling program. The results from this program are expected to be released before the end of the third quarter 2015.

"We are encouraged with the prospects of Toro's first round of drilling in the Alberta Viking light oil fairway. By implementing horizontal drilling paired with the latest completion technology we look forward to the first phase drilling results on this high-quality asset base that is largely undeveloped to date," commented Barry Olson, President and CEO.

Toro currently holds greater than 125 net sections of land in the Viking light oil fairway.

In conjunction with the closing of the PVR, Toro has reconstituted its total \$25 million credit facility to be comprised solely of a development line. Previously, the \$25 million total credit facility consisted of a \$10 million development line and a \$15 million operating line. The composition of the overall credit facility will be re-examined upon completion of Toro's first phase drilling program. As of this date, no amounts are drawn under the credit facility.

About Toro Oil & Gas Ltd.

Toro is a junior oil and gas energy company listed on the TSX Venture Exchange. Toro is focused on acquiring, developing and exploiting large oil in place pools within the Alberta-Saskatchewan Viking light oil fairway. Toro intends to grow by way of organic development and strategic acquisitions while maintaining strict financial discipline to maximize shareholder return.

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 the timing for completion of the additional \$4 million PVR with Source Rock, satisfaction of the conditions in respect of the additional \$4 million PVR with Source Rock, the use of proceeds from the PVR, the Company's drilling plans, and the capital efficiencies in Toro's drilling program. 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 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. These 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.

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