

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

CALGARY, June 13, 2016 /CNW/ - Toro Oil & Gas Ltd. (TSXV: TOO) ("Toro" or the "Company") announces that it has filed and obtained a receipt for a preliminary short form prospectus in connection with an overnight marketed offering (the "Offering") of units ("Units") of the Company. The price per Unit will be determined in the context of the market. Each Unit will consist of one common share ("Common Share") and one-half of one transferable common share purchase warrant ("Warrant") of the Company. The Warrants will be governed by a warrant indenture to be entered into on or before the closing date of the Offering between Toro and TMX Equity Transfer and Trust Company.

The Company expects to raise \$10 to \$12 million in gross proceeds (before any exercise of the over-allotment option described below), however the exact size of the Offering will be determined in the context of the market.

The Offering is being made by a syndicate of underwriters led by AltaCorp Capital Inc., (collectively, the "Underwriters"), and is being conducted in all Provinces of Canada (other than Quebec) and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended. Until such time as an underwriting agreement is entered into, the Underwriters are under no obligation to underwrite, sell or purchase any securities of the Company or to enter into any such transaction.

The net proceeds from the Offering will be used to expand the Company's capital budget, for debt reduction and for general corporate purposes.

The completion of the Offering is subject to certain conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. Closing of the Offering is expected to occur on or about June 28, 2016. The Company also expects to grant the underwriters an over-allotment option to acquire at the same issue price as the Offering up to an additional 15% of the Units distributed in the Offering until 30 days after the closing date of the Offering.

The Common Shares and Warrants underlying the Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Update on Credit Facility

In its interim financial statements for the first quarter of 2016, Toro disclosed that as at March 31, 2016, Toro's working capital ratio equated to 0.94:1 which is marginally below the threshold in its credit facility, which requires that the Company maintain a working capital ratio of not less than 1.00:1.00 at all times. As part of the Company's discussions with its lender during its ongoing semi-annual review, a waiver in respect of the first quarter's covenant has been granted.

Although no formal decision has been made by Toro's lender on the size of the operating credit facility, as part of its ongoing semi-annual review, Toro was advised verbally that the \$18 million development facility will no longer be available to Toro. With respect to the operating facility, Toro's overall draw on this portion remains below the previously approved \$7 million limit. However, the Company is proactively working with its lender to ensure remaining amounts drawn, if any, would be in compliance with soon to be established reduced levels based on lower commodity pricing. In early June 2016, the Company received draft terms of an amended credit facility from the bank. Significant terms of the proposal specify a maximum amount of \$4 million under the operating facility at the earliest of an equity raise or June 30, 2016, an increase on drawn pricing to the bank's prime rate + 4%, reduction of amounts drawn by the Company to \$2 million or qualification for a \$2 million operating line using the lender's standard practices, in either case by October 1, 2016, and a semi-annual review to be held on December 1, 2016. The proposal is subject to approval by the lender's credit department.

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 completion and timing of the Offering, the terms, size and pricing of the Offering, the use of proceeds from the Offering and proposed amendments to the Company's credit facilities. Such forward-looking statements are based on a number of assumptions, including the timely receipt of all required regulatory

approvals for the Offering, the satisfaction of other closing conditions pertaining to the Offering, and the marketing and pricing of the Offering.

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.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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